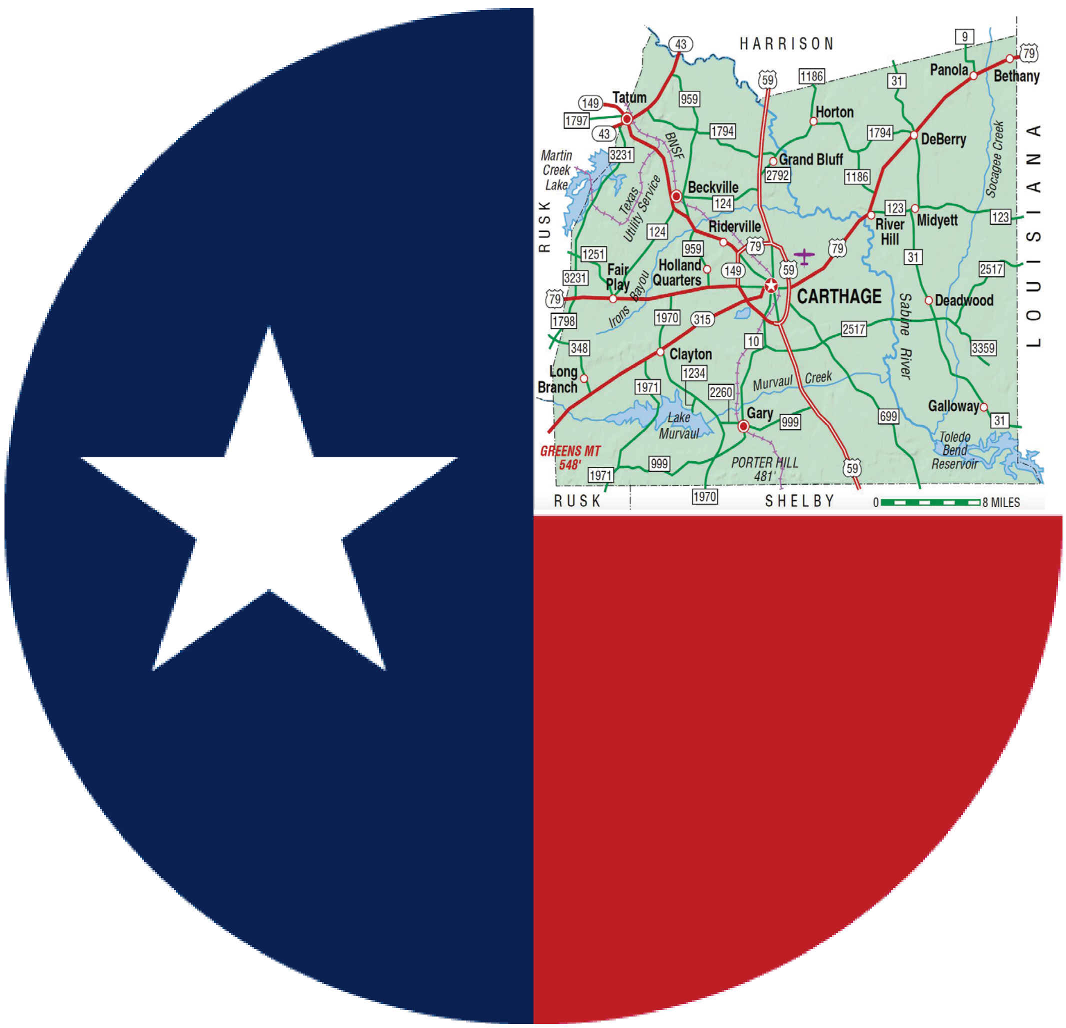
PANOLA COUNTY, TEXAS
AUDITOR'S 2025
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



FISCAL YEAR ENDED

DECEMBER 31, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PANOLA COUNTY, TEXAS

FOR THE YEAR ENDED DECEMBER 31, 2025

Prepared by:

Office of the County Auditor
Panola County, Texas

PANOLA COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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STATISTICAL DATA (UNAUDITED)

PANOLA COUNTY, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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INTRODUCTORY SECTION

JENNIFER STACY
AUDITOR

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

June 16, 2026

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

The Annual Comprehensive Financial Report of Panola County, Texas, for the fiscal year ended December 31, 2025, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code and has been prepared by the Auditor's Office.

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 Generally Accepted Accounting Principles("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 GMP Assurance PLLC, 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, 2025 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, 2025, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PANOLA COUNTY PROFILE

Located in East Texas, Panola County, Texas, was organized in 1846. Panola County currently occupies a land area of 801 square miles and serves a population of 23,022. Panola County ranks 105th in population of the 254 counties in the State of Texas.

The County operates as specified under the Constitution of the State of Texas and the Local Government Code, which provide for a Commissioners' Court type of government, consisting of one County Judge, elected at large, and four Commissioners, one for each of four geographical precincts. 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 four-year staggered terms. 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.

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. The County Auditor prepares an estimate of available resources for the upcoming fiscal year. 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. The legal level of budgetary control (the level at which management may not overspend without approval of Commissioners Court) is established at the line-item level within each fund.

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 2025 Panola County had to raise taxes in order to compensate for the decrease in appraised values. 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. Grants are being sought out to help offset demand for services and supplies

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 2025 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 2025. The County continues to participate in the health insurance program provided through the Texas Association of Counties. This insurance pool allows the County to limit increases in premiums at an amount less than the national average.

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

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Panola County, Texas, for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024.

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 the preparation.

Respectfully submitted,

Jennifer Stacy

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, 2024

Christopher P. Morrill

Executive Director/CEO

PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2025

DISTRICT COURT: 123rd Judicial District

The Honorable LeAnn Rafferty, District Judge
The Honorable Larry Fields, Criminal District Attorney
Carol Mixon, Court Reporter
Lindsey Smith, District Clerk
Chris Thomas, Interim Director of CSCD
Tracy Anderson, Chief Juvenile Probation Officer

COMMISSIONERS COURT:

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

COUNTY COURT AT LAW:

The Honorable Rick McPherson, Judge
Rebecca Kise, Court Reporter

COUNTY AUDITOR:

Jennifer Stacy

ASSISTANT COUNTY AUDITORS:

Robyn Klysen
Janet Barnett

COUNTY CLERK:

Bobbie Davis

COUNTY SHERIFF:

Cutter Clinton

COUNTY SURVEYOR:

Don Austin

COUNTY TAX ASSESSOR-COLLECTOR:

Holly Gibbs

COUNTY TREASURER:

Abby Booker

PANOLA COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2025

COUNTY VETERAN SERVICE OFFICER:

William Morris

JUSTICES OF THE PEACE:

Maria Hernandez, Precincts #2 and #3
Denise Gray, Precincts #1 and #4

CONSTABLES:

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

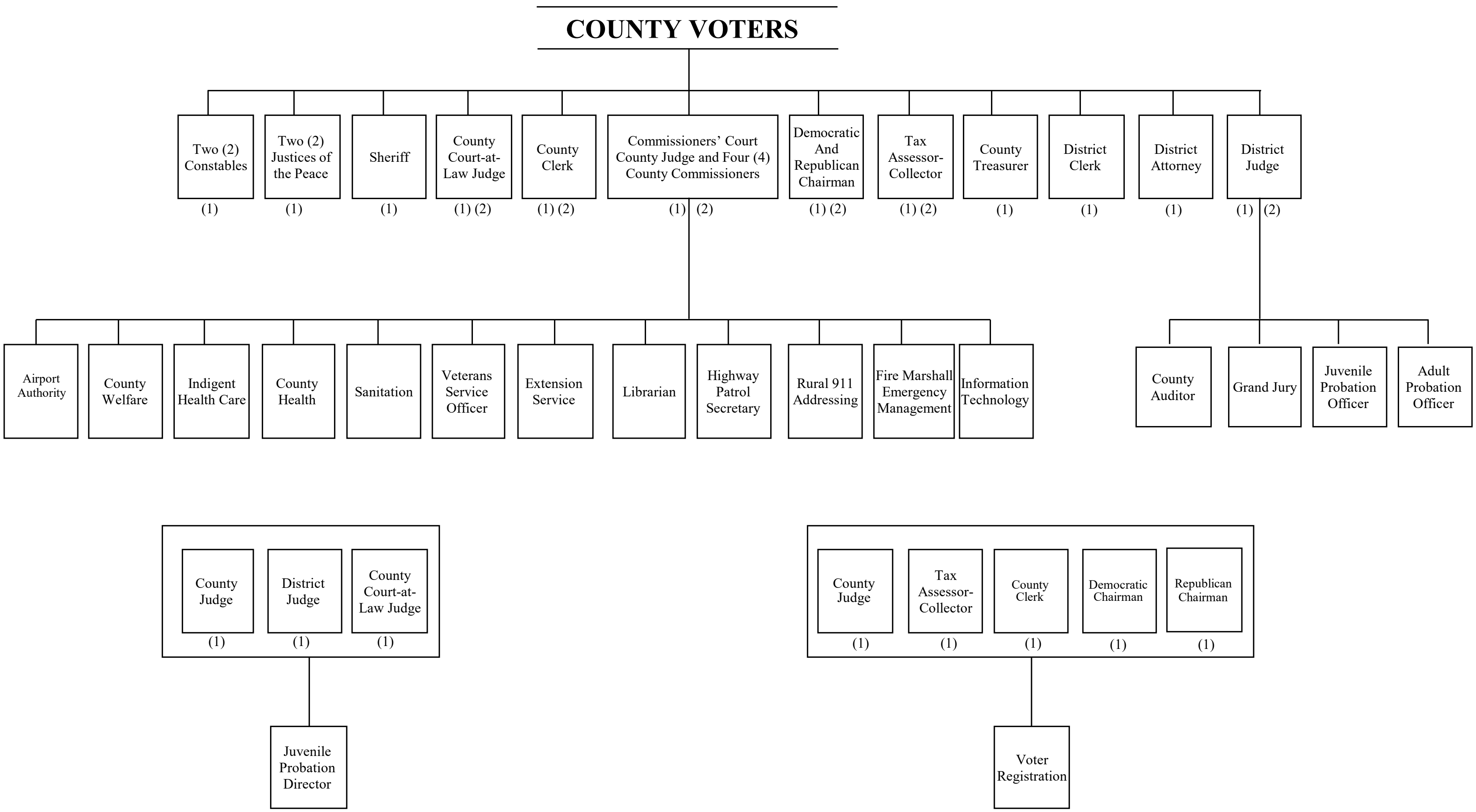
ELECTIONS ADMINISTRATOR:

Loretta Mason

FIRE MARSHALL/EMERGENCY MANAGEMENT COORDINATOR:

Chadd Gray

PANOLA COUNTY, TEXAS
ORGANIZATIONAL CHART



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

(2) Denotes joint and overlapping responsibilities.

FINANCIAL SECTION

THE STATE OF TEXAS

PANOLA COUNTY

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, 2025, 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, 2025, 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.

GMP Assurance PLLC
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Tel 903-534-0088 Fax 903-581-3915 www.gmp-advisors.com

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 5-14; the budgetary comparison information contained in Schedules 1, and 2 on pages 55–59; 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 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Panola County, Texas' basic financial statements. The introductory section, additional supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.

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Members American Institute of Certified Public Accountants and Private Companies Practice Section

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 3, 2026, 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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
June 3, 2026

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PANOLA COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

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, 2025. 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, 2025 by $85,382,014 (net position). Of this amount, $25,529,608 (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 $7,850,570.
- At December 31, 2025, the County's governmental funds reported combined ending fund balances of $53,501,742, an increase of $4,064,177 over the prior year. Of this amount, $58,126 is nonspendable, $22,256,145 is restricted, $612,479 is committed, and $30,574,992 is unassigned. Unassigned fund balance is available for spending at the County's discretion.
- At December 31, 2025, unassigned fund balance for the general fund was $30,574,992, or 141% of total general fund expenditures.
- The County issued no new debt during the year ended December 31, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

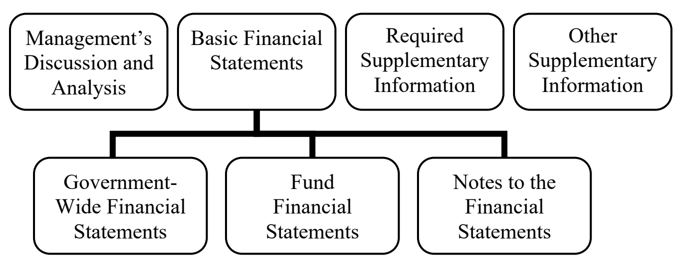
1) Management's Discussion and Analysis

2) Basic Financial Statements

3) Required Supplementary Information

4) Other Supplementary Information

Components of the Financial Section



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

Government-Wide Financial Statements

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

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 41 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Road and Bridge special revenue fund, which are considered to be major funds. Data from the other 39 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 21 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.

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 7~~3~~-108 of this report.

Single Audit

The County did not expend in excess of $1,000,000 in state or federal financial assistance during the year ended December 31, 2025.

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, 2025 and December 31, 2024 are summarized and analyzed on the following page.

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $85,382,014 as of December 31, 2025, and by $77,531,444 as of December 31, 2024, an overall increase in net position of $7,850,570. The increase in net position was primarily the result of the decrease in Net Pension Liability. As of December 31, 2025, the County's total assets were $122,065,997. 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 40.2% of total net position.

An amount of $25,529,608 of the County's net position is unrestricted net position. This amount may be used to meet the County's ongoing obligations.

During 2025, it was determined that certain property taxes that were recognized as revenue should have been deferred in the prior year. As a result, the beginning government wide net position was decreased by $7,645,774. There was no effect on the fund level financial statements.

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

	2025	Restated 2024
Assets		
Current and Other Assets	$ 87,741,586	$ 85,348,509
Capital Assets	34,324,411	32,273,617
Total Assets	122,065,997	117,622,126
Total Deferred Outflows of Resources	10,212,153	13,452,261
Liabilities		
Long-Term Liabilities Outstanding	1,467,800	3,649,327
Other Liabilities	956,521	2,590,263
Total Liabilities	2,424,321	6,239,590
Total Deferred Inflows of Resources	44,471,815	47,296,268
Net Position:		
Net Position, Investment in Capital Assets	33,728,420	31,438,853
Restricted	26,123,986	24,092,220
Unrestricted	25,529,608	22,007,456
Total Net Position	$ 85,382,014	$ 77,531,444

The change in net position for the County's activities for the year was an increase of $7,850,570. Total revenues for Panola County were $36,979,888 and $38,205,817 in 2025 and 2024, respectively. Total expenses were $29,129,318 and $29,002,243 in 2025 and 2024, 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 had a decrease of 19.6% or $1,043,494. Charges for services decreased by $12,991. Operating grants and contributions increased by $504,080. Capital grants and contributions decreased by $1,534,583.

- 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 $402,571, primarily due to collections remaining steady and an increase in the tax rate. Other revenues decreased by $585,006 principally due to a decrease in interest income.

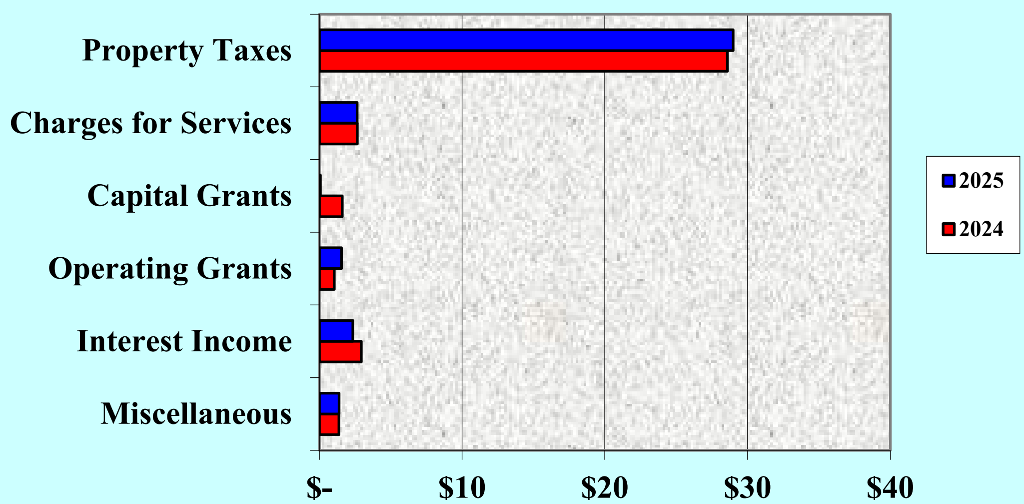
- Public safety, public transportation, and general administration are the three largest programs, in terms of expenses. These three activities accounted for 79.06% of total expenses.

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

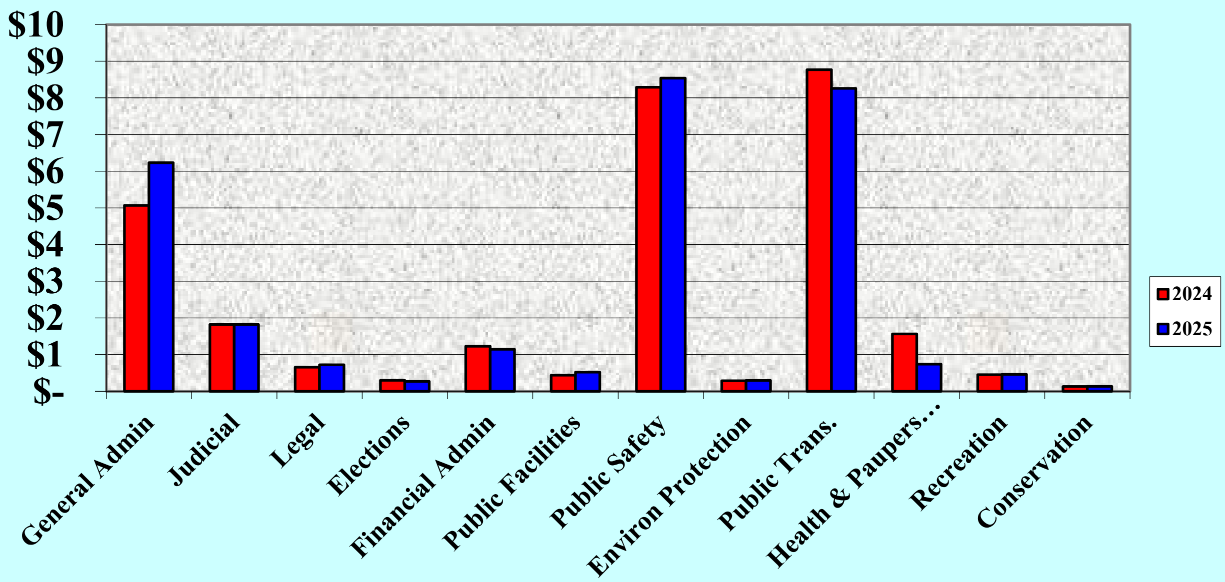
	2025	Restated 2024
Revenues:		
Program Revenues:		
Charges for Services	$ 2,646,067	$ 2,659,058
Operating Grants and Contributions	1,550,635	1,046,555
Capital Grants and Contributions	67,578	1,602,161
General Revenues:		
Property Taxes	28,992,268	28,589,697
Other	3,723,340	4,308,346
Total Revenues	36,979,888	38,205,817
Expenses:		
General administration	$ 6,231,969	$ 5,069,900
Judicial	1,819,385	1,821,414
Legal	719,384	657,470
Elections	267,999	299,875
Financial administration	1,143,203	1,228,739
Public facilities	519,857	439,225
Public safety	8,539,021	8,291,497
Environmental protection	294,382	285,007
Public transportation	8,259,719	8,768,431
Health & paupers care	740,452	1,562,476
Recreation	459,549	449,246
Conservation	134,398	128,963
	29,129,318	29,002,243
Increase in Net Position	7,850,570	9,203,574
Net Position - Beginning	77,531,444	68,327,870
Net Position - Ending	$ 85,382,014	$ 77,531,444

Note: Property tax revenues for 2024 have been restated for comparison purposes. Property tax revenues were decreased by $7,645,744 from the amount shown on the 2024 ACFR.

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)



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.

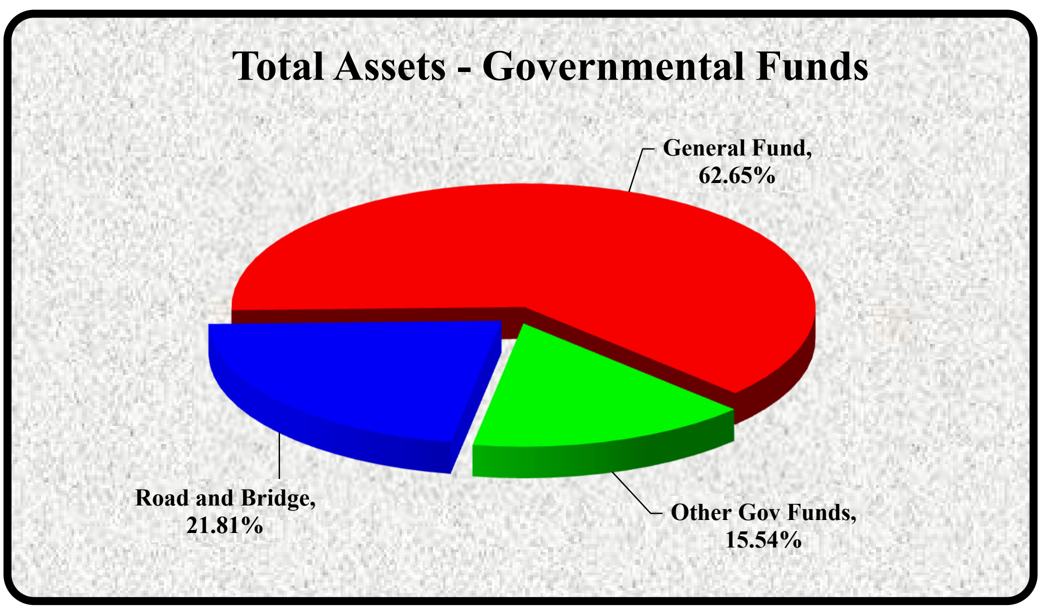
As of December 31, 2025, the County's governmental funds reported combined ending fund balances of $53,501,742, an increase of $4,064,177 over the prior year, due primarily to property tax revenues receipted being higher than anticipated. Approximately 57.15% of this amount, $30,574,992 constitutes unassigned 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, 2025, 99% of the General Fund's total fund balance, or $30,574,992 is unassigned. Total fund balance for the General Fund increased by $2,741,026, or 9.8% from the prior year. Panola County property taxes receipted is the major contributing factor to fund balance increase. Thus, leaving a final budget variance for General Fund revenues and expenditures of $3,242,165. 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 99 % of total fund balance, represents 140.5% of total General Fund expenditures.

General Fund revenues exceeded budgeted amounts by approximately $1,145,729, and actual expenditures were $2,889,751 below budgeted expenditures.

Fund balance in the Road and Bridge Fund increased by $569,721, due mainly to property tax collections in excess of the amounts anticipated and less expenditures by the Road and Bridge department.

As shown below, as of December 31, 2025 total assets in the General Fund amounted to $52,549,105, accounting for 62.65% of total governmental fund assets. The Road and Bridge special revenue fund, the County's other major fund, total asset amount is $18,292,530. Together, these major funds account for 84.46% of total governmental fund assets.



GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of $1,138,062. Significant among the amendments were:

- Judicial – Increased appropriations $195,000 for Justice of the Peace SAS conversion.

- Capital Outlay– Increased appropriations for additional capital outlay of $779,985 for 31 split system HVAC system.

General Fund revenues exceeded the final budget by $1,145,729. The majority of this increase was attributable to property taxes exceeding the final budget by $1,030,468.

General Fund final budgeted expenditures were $23,853,476 actual expenditures were $21,756,515. The remaining budget was $2,889,751. Only 12.1% of the General Fund budget was unused. Below are the categories that had remaining budgets greater than $100,000.

- Expenditures for General Administration were $585,606, less than final budgeted amounts due to a construction project being less than expected.
- Expenditures for Public Safety activities were $786,355 less than final budgeted amounts partially due to anticipated cost for personnel that did not materialize.
- Expenditures for Legal expenditures were $228,047 less than final budgeted amounts due to lower than expected expenditures for professional services, witness expense, and a vacant position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2025, amounts to $34,324,411 (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 $2,574,796, for the current year was $2,050,794.

This year's additions totaled $3,451,008. Included in the additions were various purchases of buildings, construction, infrastructure, machinery and equipment.

Capital assets as of December 31, 2025 and 2024 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.

Capital Assets
As of December 31

	2025	2024
Land	$ 2,989,727	$ 2,657,323
Construction in Progress	24,537	1,376,382
Buildings	24,525,393	23,862,203
Improvements other than buildings	3,992,888	1,146,138
Machinery and equipment	16,955,892	15,771,805
Infrastructure	18,002,478	17,335,645
Right-of-use asset - leases	410,958	337,695
Right-of-use asset - SBITAs	1,181,495	1,132,985
Total Capital Assets	68,083,368	63,620,176
Less: Accumulated Depreciation	(33,758,957)	(31,346,559)
Total Capital Assets	$ 34,324,411	$ 32,273,617

Long-Term Debt

As of December 31, 2025, the County has no outstanding bonded debt. The only debt outstanding is in the form of accrued compensated absences, net pension and OPEB liability, and leases and SBITAs.

Additional information on the County's long-term debt can be found in Note III, on page 50 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following factors were considered in preparing the County's budget for 2025

- FY2025 total property assessed value decreased 32.9% from the prior year. FY2024 had an increase in assessed value of 25.94%.
- Property tax receipts for FY2025 increased to $28.9 million compared to $28.5 million for FY2024, as restated.
- The County has consistently maintained an ad valorem tax collection rate over 96% for the last several years. In the current year the collection rate was 97.32%.
- The percentage increase in medical insurance premiums for employees was 5.5% for FY 2025 (FY 2024 was a 2.4% increase).
- Fluctuating energy costs have affected the price of fuel and road surfacing materials.

- Property and liability insurance costs increased 11.7% for FY 2025 compared to an increase of 25% for FY 2024. Panola County is insured by Texas Association of Counties Risk Management Pool.

Original budgeted revenues for FY 2025 are $34.2 million, an increase of 7.8% over original budgeted revenues of $31.5 million for FY 2024. Property taxes account for the bulk of the revenues, as approximately 85% of the total budgeted revenues for the General Fund are related to property taxes.

The tax rate for the 2026 fiscal year was set at $0.57492/$100. Panola County property values and mineral values increased for the 2025 tax year/2026 budget year.

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

- The taxable value for the 2026 tax year/2027 budget year is reportedly expected to hold steady with a slight increase in values due to natural gas needs across the United States.

- Continued pressure from rising health insurance costs, demand for services, increased fuel costs and road maintenance costs will cause the County to adjust the tax rate in years to come.

- In spite of the demand for County services, the County enjoys a healthy tax base relying primarily on the natural gas field for a substantial amount of tax revenues. The County conservatively manages its resources and is in a sound financial position to meet the needs of citizens for years to come.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

EXHIBIT 1

PANOLA COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 5,636,519
Investments	68,818,052
Receivables (net of allowance for doubtful accounts)	
Property taxes	6,944,182
Miscellaneous	2,404,016
Inventory	58,126
Net Pension Asset	1,071,763
Net OPEB asset	2,796,078
Other Assets	12,850
Capital assets not being depreciated	3,014,264
Capital assets net of accumulated depreciation	31,310,147
Total Assets	122,065,997
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on TCDRS pension	8,086,267
Deferred charge on OPEB Health Plan	2,046,237
Deferred charge on OPEB Supplemental Death Benefit	79,649
Total Deferred Outflows of Resources	10,212,153
LIABILITIES	
Accounts Payable	672,341
Unearned revenue - grants	284,180
Long-term debt:	
Portion due or payable within one year:	
Compensated absences	17,216
Lease liabilities	80,094
SBITA liabilities	295,382
Portion due or payable after one year:	
Compensated absences	269,715
Other post employment benefit liability	584,878
Lease liabilities	168,230
SBITA liabilities	52,285
Total Liabilities	2,424,321
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Advance Tax Collections	28,032,785
Deferred charge on TCDRS pension	4,472,756
Deferred charge on OPEB Health Plan	11,825,256
Deferred charge on OPEB Supplemental Death Benefit	141,018
Total Deferred Inflows of Resources	44,471,815
NET POSITION	
Net investment in capital assets	33,728,420
Restricted for:	
Road & Bridge maintenance	14,008,763
Law Library	109,898
Juvenile Delinquency Prevention	184
Courthouse Security	310,451
Records Management & Preservation	1,535,490
Court Technology	177,099
VIT Interest	8,020
Elections	51,329
Juvenile Probation	737,518
Law Enforcement	193,770
District Attorney	268,747
Child Protective Services	184,600
Health	4,473,755
Airport	196,521
Net OPEB Asset	2,796,078
Net Pension Asset	1,071,763
Unrestricted	25,529,608
Total Net Position	$ 85,382,014

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, 2025

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
					PRIMARY GOVERNMENT
Functions/Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Primary Government:					
Governmental activities:					
General administration	$ 6,231,969	$ 399,234	$ -	$ -	$ (5,832,735)
Judicial	1,819,385	647,661	142,075	-	(1,029,649)
Legal	719,384	16,732	193,598	30,504	(478,550)
Elections	267,999	11,793	2,793	-	(253,413)
Financial administration	1,143,203	1,018,327	-	-	(124,876)
Public facilities	519,857	-	-	-	(519,857)
Public safety	8,539,021	172,521	1,017,856	37,074	(7,311,570)
Environmental protection	294,382	-	-	-	(294,382)
Public transportation	8,259,719	192,821	158,494	-	(7,908,404)
Health & paupers care	740,452	-	35,819	-	(704,633)
Recreation	459,549	186,978	-	-	(272,571)
Conservation	134,398	-	-	-	(134,398)
Total primary government	$ 29,129,318	$ 2,646,067	$ 1,550,635	$ 67,578	$ (24,865,038)
	General revenues:				
	Property taxes				$ 28,992,268
	Miscellaneous				1,382,076
	Interest earned				2,341,264
	Total general revenues				32,715,608
	Change in net position				7,850,570
	Net position - beginning of year as previously reported				85,177,218
	Prior period adjustment				(7,645,774)
	Net position - beginning of year as restated				77,531,444
	Net position - end of year				$ 85,382,014

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

EXHIBIT 3

PANOLA COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 1,708,901	$ 186,112	3,741,506	$ 5,636,519
Investments	44,033,284	15,831,648	8,953,120	68,818,052
Receivables :				
Current taxes	4,654,443	1,551,517	161,765	6,367,725
Delinquent taxes	1,092,653	364,226	39,458	1,496,337
Allowance for uncollectible taxes	(689,723)	(206,167)	(23,990)	(919,880)
Due from other governments	-	-	-	-
Miscellaneous	1,715,846	561,973	126,197	2,404,016
Inventory	20,851	3,221	34,054	58,126
Other assets	12,850	-	-	12,850
Total Assets	$ 52,549,105	$ 18,292,530	$ 13,032,110	$ 83,873,745
LIABILITIES				
Accounts payable and accrued liabilites	576,785	1,060	94,497	672,342
Unearned revenue - grants	24,807	-	259,373	284,180
Total Liabilities	$ 601,592	$ 1,060	$ 353,870	$ 956,522
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - advanced tax collections	15,657,865	5,420,626	547,270	21,625,761
Unavailable revenue - property taxes	5,693,805	1,896,971	198,944	7,789,720
Total Deferred Inflows of Resources	21,351,670	7,317,597	746,214	29,415,481
FUND BALANCES				
Nonspendable	20,851	3,221	34,054	58,126
Restricted	-	10,970,652	11,285,493	22,256,145
Committed	-	-	612,479	612,479
Unassigned	30,574,992		-	30,574,992
Total Fund Balances	30,595,843	10,973,873	11,932,026	53,501,742
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 52,549,105	$ 18,292,530	$ 13,032,110	$ 83,873,745

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

EXHIBIT 4

PANOLA COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (EXHIBIT 1)
DECEMBER 31, 2025

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

Total fund balances governmental funds (Exhibit 3)	$	53,501,742
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		34,324,411
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.		(6,982,941)
Net OPEB Liability - Supplemental death benefits and related deferred out flows and inflows of resources are not reported in the funds.		(646,247)
Net Property Taxes Receivable is a "long-term asset" and not available to pay for current period expenditures and therefore is deferred in the funds.		1,382,696
The Net Pension Asset and related deferred outflows and deferred inflows of resources are not reported in the funds.		4,685,274
Long-term liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds.		(286,930)
Long-term liabilities (Lease liabilities) are not due and payable in the current period and and therefore are not reported in the funds		(248,324)
Long-term liabilities (SBITA liabilities) are not due and payable in the current period and and therefore are not reported in the funds		(347,667)
Net position of governmental activities		85,382,014

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, 2025

	GENERAL	ROAD AND BRIDGE FUND - SPECIAL REVENUE	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	$ 21,081,102	$ 7,026,166	$ 710,673	$ 28,817,941
Licenses	-	325,833	-	325,833
Intergovernmental Receipts	1,063,594	83,966	849,164	1,996,724
Fees of Office	1,002,819	-	324,587	1,327,406
Fines	-	412,494	2,837	415,331
Miscellaneous	1,806,557	789,829	672,981	3,269,367
Total revenues	24,954,072	8,638,288	2,560,242	36,152,602
EXPENDITURES				
Current:				
General Administration	5,058,345	-	128,391	5,186,736
Judicial	1,957,331	-	-	1,957,331
Legal	671,023	-	48,361	719,384
Elections	243,025	-	-	243,025
Financial Administration	1,247,767	-	-	1,247,767
Public Facilities	508,765	-	-	508,765
Public Safety	7,856,976	-	749,645	8,606,621
Environmental Protection	287,259	-	-	287,259
Public Transportation	-	6,576,664	580,078	7,156,742
Health and Paupers Care	600,070	-	72,746	672,816
Recreation	438,383	-	-	438,383
Conservation	138,129	-	-	138,129
Capital Outlay	2,353,047	1,491,903	814,995	4,659,945
Debt Service:				
Principal retirement	353,181	-	-	353,181
Interest and fiscal charges	43,214	-	-	43,214
Total expenditures	21,756,515	8,068,567	2,394,216	32,219,298
Excess (deficiency) of revenues over (under) expenditures	3,197,557	569,721	166,026	3,933,304
OTHER FINANCING SOURCES (USES)				
Issuance of leases	82,363	-	-	82,363
Issuance of SBITAs	48,510	-	-	48,510
Transfers in	-	-	587,404	587,404
Transfers (out)	(587,404)	-	-	(587,404)
Total other financing sources (uses)	(456,531)	-	587,404	130,873
Net change in fund balances	2,741,026	569,721	753,430	4,064,177
Fund balances - beginning of year	27,854,817	10,404,152	11,178,596	49,437,565
Fund balances - end of year	$ 30,595,843	$ 10,973,873	$ 11,932,026	$ 53,501,742

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

EXHIBIT 6

PANOLA COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (EXHIBIT 2)
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Net change in fund balances - total governmental funds	$	4,064,177
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note 2)		2,050,794
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		3,346
Property taxes receivable, which do not provide current financial resources, are not reported as revenue in the funds.		174,328
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		(3,084)
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		241,854
OPEB expense relating to GASB 75 is recorded in the statement of activities but not in the funds.		(394,014)
Pension expense relating to GASB 68 is recorded in the statement of activities but not in the funds.		1,713,169
Change in net position of governmental activities		7,850,570

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

EXHIBIT 7

PANOLA COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

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	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	2,034,066	$ 10,465,908
Certificates of deposit	41,535,000	359,410
Interest receivable	11,185	-
Total Assets	$ 43,580,251	$ 10,825,318
LIABILITIES		
Accounts payable	7,336	$ -
Due to other governments	-	7,781,239
Due to others	529	2,894,522
Total Liabilities	7,865	10,675,761
NET POSITION		
Restricted for:		
Post employment benefits other than pensions	43,572,386	-
Individuals and organizations	-	149,557
Total net position	$ 43,572,386	$ 149,557

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

EXHIBIT 8

PANOLA COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Pension (and Other Employee Benefit) Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Reimbursements- Medicare Part D	$ 121,331	$ -
Employer contributions	2,047,405	-
Tax collected for other governments	-	93,999,955
Held for others	-	1,059,737
	2,168,736	95,059,692
Investment earnings:		
Interest	1,368,716	93,108
Total investment earnings	1,368,716	93,108
Total additions	3,537,452	95,152,800
DEDUCTIONS		
Retiree mdical insurance premiums	1,901,354	-
Payments to other governments	-	94,089,764
Payments to others	-	1,095,017
Administrative expenses	-	1,323
Total deductions	1,901,354	95,186,104
Net increase (decrease)in fiduciary net position	1,636,098	(33,304)
Net position - beginning of the year	41,936,288	182,861
Total net position	$ 43,572,386	$ 149,557

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

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.

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.

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)

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, 2025, there were no funds in which expenditures exceeded appropriations.

3. Receivables and Payables

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

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

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

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

4. Inventories

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

The inventory in the amount of $58,126 in the General Fund, Road and Bridge Fund and the Airport Special Revenue Fund consists of diesel and jet fuel held for consumption stated at cost on a first-in, first-out basis. Reported inventories are offset by non-spendable fund balance, which indicates that they are "not in spendable form" even though they are a component of net current assets. The costs of fuel inventories are reported as expenditures/expenses when consumed rather than when purchased.

(Continued)

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)

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, 2025, long-term debt outstanding consists of compensatory time payable, lease liability, SBITA 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)

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.

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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.

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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 102, Certain Risk Disclosures. This statement was issued December 2023 and requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier implementation is encouraged. There was no significant impact on the Conty's financial statements.

G. Future Implementation of New Standards

GASB Statement 103 Financial Reporting Model Improvements. This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units. The statement is effective for fiscal years beginning after June 15, 2025. Earlier adoption is encouraged.

GASB Statement No. 104 requires governments to disclose information about certain types of capital assets separately, by major class of underlying asset, in the capital assets note disclosures required by Statement No. 34. These include lease assets recognized in accordance with Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94. In addition, information about subscription assets recognized in accordance with Statement No. 96 should be disclosed separately, and intangible assets other than those three types should be disclosed separately by major class. This statement also requires additional disclosures for capital assets held for sale. The statement is effective for fiscal years beginning after June 15, 2025. Earlier adoption is encouraged.

GASB Statement 105 Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The statement is effective for fiscal years beginning after June 15, 2026. Earlier adoption is encouraged.

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.

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II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $2,050,794 difference are as follows:

Capital outlay	$ 4,640,322
Disposal of capital assets	(23,832)
Depreciation expense	(2,565,696)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,050,794

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 2025 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, 2025, 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.

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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, 2025 for the County's individual major funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible, are as follows:

	General Fund	Road Fund	Governmental Funds	Total
Current Property Taxes	$ 4,654,443	$ 1,551,517	$ 161,765	$ 6,367,725
Delinquent Property Taxes	1,092,653	364,226	39,458	1,496,337
Miscellaneous	1,715,846	561,973	126,197	2,404,016
Total Gross Receivables	$ 7,462,942	$ 2,477,716	$ 327,420	$ 10,268,078
Less: Allowance for Uncollectible Taxes	(689,723)	(206,167)	(23,990)	(919,880)
Net Total Receivables	$ 6,773,219	$ 2,271,549	$ 303,430	$ 9,348,198

(Continued)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

D. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Capital Assets Not Being Depreciated:				
Land	$ 2,657,323	$ 332,404	$ -	$ 2,989,727
Construction in Progress	1,376,382	24,537	1,376,382	24,537
Total Capital Assets Not Being Depreciated	$ 4,033,705	$ 356,941	$ 1,376,382	$ 3,014,264
Capital Assets Being Depreciated:				
Buildings	$ 23,862,203	$ 663,190	$ -	$ 24,525,393
Improvements other than buildings	1,146,138	2,846,750	-	3,992,888
Machinery & Equipment	15,771,805	1,361,217	177,130	16,955,892
Infrastructure	17,335,645	666,833	-	18,002,478
Right-of-use asset - leases	337,695	82,363	9,100	410,958
Right-of-use asset - SBITAs	1,132,985	48,510	-	1,181,495
Total Capital Assets Being Depreciated and Amortized	$ 59,586,471	$ 5,668,863	$ 186,230	$ 65,069,104
Less Accumulated Depreciation and Amortization for:				
Buildings	$ 9,158,752	$ 473,673	$ -	$ 9,632,425
Improvements other than Buildings	157,206	144,403	-	301,609
Machinery & Equipment	10,176,920	1,242,297	153,298	11,265,919
Infrastructure	11,260,513	360,687	-	11,621,200
Right-of-use asset - leases	82,370	83,305	9,100	156,575
Right-of-use asset - SBITAs	510,798	270,431	-	781,229
Total Accumulated Depreciation and Amortization	$ 31,346,559	$ 2,574,796	$ 162,398	$ 33,758,957
Total Capital Assets Being Depreciated and Amortized, Net	$ 28,239,912	$ 3,094,067	$ 23,832	$ 31,310,147
Governmental Activities Capital Assets, Net	$ 32,273,617	$ 3,451,008	$ 1,400,214	$ 34,324,411

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)

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	$ 337,695	$ 82,363	$ (9,100)	$ 410,958
Total Lease Assets	337,695	82,363	(9,100)	410,958
Less accumulated amortization for:				
Copy machines	(82,370)	(83,305)	9,100	(156,575)
Total accumulated amortization	(82,370)	(83,305)	9,100	(156,575)
Net Total Lease Assets	$ 255,325	$ (942)	$ -	$ 254,383

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

General Administration	$ 547,612
Judicial	78,076
Public Facilities	9,913
Public Safety	651,934
Environmental Protection	7,123
Public Transportation	1,122,917
Health & Paupers Care	67,636
Elections	37,755
Recreation	51,830
Total Depreciation Expense	$ 2,574,796

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	$ 15,657,865	$ 5,420,626	$ 547,270	$ 21,625,761
Advanced Tax Collections	5,693,805	1,896,971	198,944	7,789,720
Total Deferred Revenue	$ 21,351,670	$ 7,317,597	$ 746,214	$ 29,415,481

(Continued)

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), and qualifies as a trust under GASB 68. 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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2024
Inactive employees or beneficiaries currently receiving benefits	189
Inactive employees entitled to but not yet receiving benefits	105
Active employees	184
	478

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 2024 and 2025. 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)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

ACTUARIAL ASSUMPTIONS

The Total Pension Liability in the December 31, 2024 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, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2022, except where required to be different by GASB 68.

LONG TERM EXPECTED RATE OF RETURN

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon.

(Continued)

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 2025. The geometric real rate of return is net of inflation, assumed at 2.35%.

Asset Class	Benchmark	Target Allocation [(1)]	Geometric Real Rate of Return (Expected minus Inflation) [(2)]
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	6.80%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	8.15%
Hedge Funds	HFR, Inc. Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U. S. Treasury	2.00%	1.10%
		100.00%	

(1) Target asset allocation adopted at the March 2025 TCDRS Board meeting

(2) Geometric real rates of return equal the expected return minus the assume inflation rate of 2.2% per Cliffwater's 2025 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 2025 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)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET PENSION LIABILITY/ASSET

At December 31, 2024, the County reported a net pension asset of $1,071,763. The changes in net pension asset were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/23	92,658,638	90,773,388	1,885,250
Changes for the year:			
Service cost	1,791,204		1,791,204
Interest	6,988,043		6,988,043
Change in benefit terms	-		-
Diff between expected/actual experience	997,208		997,208
Changes of assumptions	-		-
Contributions - employer	(268,210)	(268,210)	-
Contributions - employee	(4,828,941)	(4,828,941)	-
Net investment income		(53,570)	53,570
Benefit payments, including refunds of		670,160	(670,160)
employee contributions		9,221,483	(9,221,483)
Administrative expenses		2,949,820	(2,949,820)
Other charges	-	(54,424)	54,425
Net changes	4,679,304	7,636,318	(2,957,013)
Balance at 12/31/24	$ 97,337,942	$ 98,409,706	$ (1,071,763)

The net pension liability was measured as of December 31, 2024 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)	$ 11,940,632	$ (1,071,763)	$ (11,863,387)

(Continued)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

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

For the fiscal year ended December 31, 2025 the County recognized pension expense of $305,821.

At December 31, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,461,731	$ -
Changes in actuarial assumptions	3,576,031	3,504,019
Difference between projected and actual investment earnings	-	968,737
Contributions made subsequent to measurement date	3,048,505	-
Total	$ 8,086,267	$ 4,472,756

County contributions subsequent to the measurement date of $3,048,505 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, 2026. 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	
2026	74,730
2027	1,692,561
2028	(797,931)
2029	(476,366)
2030	-
Thereafter	-
	$ 492,994

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"). Both plans qualify as trusts under GASB 75. As of and for the year ended December 31, 2025, the two plans had the following balances reported in the government-wide financial statements:

	Net OPEB Liability (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense
Retiree Health Plan	$ (2,796,078)	$ 2,046,237	$ 11,825,256	$ 2,043,187
Supplemental Death Benefit	584,878	79,649	141,018	9,911
	$ (2,796,078)	$ 2,125,886	$ 11,966,274	$ 2,053,098

Detailed disclosures for each plan follow.

(Continued)

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 62 (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, 2025 the following employees were covered by the benefit terms:

	12/31/2025
Inactive employees currently receiving benefits	126
Active employees	175
	301

(Continued)

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, 2025 actuarial valuation:

Valuation Date	December 31, 2025
Measurement Date	December 31, 2025
Actuarial Cost Method	Entry Age Normal
Inflation	2.30%
Salary Increases Including Inflation	3.00%
Discount rate	4.43%
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 PRI-2012 Combined Mortality Table set forward 2 years for males and back 4 years for females, projected to 2014 Scale AA with 110% of Scale MP-2021 thereafter.

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)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balance at 12/31/24	$ 38,752,582	$ 41,936,289	$ (3,183,707)
Changes for the year:			
Service cost	1,891,245	-	1,891,245
Interest	1,625,753	1,368,715	257,038
Change in benefit terms	-	-	-
Diff between expected/actual experience	-	-	-
Changes of assumptions	(1,493,272)	-	(1,493,272)
Contributions - employer	-	2,047,405	(2,047,405)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of	-	-	-
employee contributions	-	(1,780,023)	1,780,023
Administrative expenses	-	-	-
Other charges	-	-	-
Net changes	2,023,726	1,636,097	387,629
Balance at 12/31/25	$ 40,776,308	$ 43,572,386	$ (2,796,078)

The fiduciary net position of the Plan as a percent of total OPEB liability for the year ended December 31, 2025 is 95.6%.

SENSITIVITY ANALYSIS

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.43%, 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 (3.43%) or one percentage point higher (5.43%) than the current rate.

	1% Decrease in Discount Rate (3.43%)	Discount Rate (4.43%)	1% Increase in Discount Rate (5.43%)
Net OPEB Liability (Asset)	$ 3,584,020	$ (2,796,078)	$ (7,933,957)

HEALTHCARE COST TREND RATES SENSITIVITY ANALYSIS

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability (Asset)	$ (8,536,611)	$ (2,796,078)	$ 4,576,221

(Continued)

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, 2025, the County recognized OPEB expense of $2,043,187.

The County's Net OPEB Liability reported for the year ended December 31, 2025 was measured as of December 31, 2025, 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, 2025 were as follows:

Total OPEB Liability (Asset)	$	40,776,308
Plan Fiduciary Net Position		43,572,386
Net OPEB Liability (Asset)	$	(2,796,078)

At December 31, 2025, 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	2,046,237	11,825,256
Difference between projected and actual investment earnings	-	-
Total	$ 2,046,237	$ 11,825,256

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	
2026	(1,473,814)
2027	(1,333,740)
2028	(1,382,033)
2029	(1,614,923)
2030	(1,679,715)
Thereafter	(2,294,794)
	$ (9,779,020)

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)

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.

Contribution Rates		
	2024	2025
Employee	0.00%	0.00%
Employer	.50%	.50%
Fiscal year 2024 employer contributions		$ 35,973
Fiscal year 2024 employee contributions		$0

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

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

The total OPEB liability in the December 31, 2024 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	4.08%
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 4.08%. The current discount rate is an increase from the previous year's discount rate of 3.26%.

CHANGES IN THE TOTAL OPEB LIABILITY

At December 31, 2024, the County reported a total OPEB liability of $584,878, the changes in the total OPEB liability were as follows:

	Increase/(Decrease) Total OPEB Liability
Balance at 12/31/2023	$ 639,039
Changes for the year:	
Service cost	13,573
Interest	20,904
Change of benefit terms	-
Difference between expected and actual experience	9,956
Changes of assumptions or other inputs	(75,617)
Benefit payments	(22,977)
Net changes	(54,161)
Balance at 12/31/2024	$ 584,878

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

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 4.08%, 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 (3.08%) or one percentage point higher (5.08%) than the current rate.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Total OPEB Liability	$ 679,141	$ 584,787	$ 509,829

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

For the year ended December 31, 2025, the County recognized OPEB expense of $9,911.

At December 31, 2025, 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	$ 15,870	$ 8,042
Changes in actuarial assumptions	40,796	132,976
Contributions made subsequent to the measurement date	22,983	-
Total	$ 79,649	$ 141,018

The County had $22,983 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, 2026. 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	
2025	$ (24,562)
2026	(39,715)
2027	(6,942)
2028	(13,133)
2029	-
Thereafter	-
	$ (84,352)

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)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

I. Leases

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

Lessee Leases payable

The County has entered into multiple leases for office equipment. Lease payables at the beginning of the year were $253,294. New leases with total liabilities of $81,899 were entered into during the year ended December 31, 2025. Payments reduced lease liabilities by $86,867 during the year. Annual payments range from $56 to $49,638. Interest rates ranged from 1.13% to 8.50%. Future annual lease payables as of December 31, 2025 are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2026	80,094	5,384	85,478
2027	78,740	3,514	82,254
2028	72,955	1,854	74,809
2029	15,963	577	16,540
2030	572	3	575
Total future payments	$ 248,324	$ 11,332	$ 259,656

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 $581,470 and no new arrangements of $32,512 were entered into. Payments reduced SBITA liabilities by $266,314 during the year. Annual payments range from $17,776 to $38,238. Interest rates were 7.50% to 8.00%. The value of the SBITA assets were $1,181,495 at the end of the year and had accumulated amortization of $781,229. Future annual SBITA payables as of December 31, 2025, are as follows:

Year Ending December 31	Principal	Interest	Total Payments
2026	295,382	18,124	313,506
2027	52,285	3,591	55,876
2028	-	-	-
Total future payments	$ 347,667	$ 21,715	$ 369,382

(Continued)

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, 2025 was as follows:

	January 1, 2025	Additions	Reductions	December 31, 2025	Due Within One Year
Compensated Absences	$ 290,277	$ 51,140	$ 54,486	$ 286,931	$ 17,216
Lease Liability	253,292	81,899	86,867	248,324	80,094
SBITA Liability	581,469	32,512	266,314	347,667	295,382
Net OPEB Liability - Death	639,039	-	54,161	584,878	-
Net Pension Liability	1,885,250	-	1,885,250	-	-
Net OPEB Liability - Health	-	-	-	-	-
Total Governmental Activity Long-Term Liabilities	$ 3,649,327	$ 165,551	$ 2,347,078	$ 1,467,800	$ 392,692

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, 2025 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)

N. Governmental Fund Balances

Components of non-spendable fund balance and specific purposes for restricted and committed fund balances as of December 31, 2025 are as follows:

	General Fund	Major Special Revenue Fund ARPA Fund	Major Special Revenue Fund Road & Bridge Fund	Other Funds	Total
Nonspendable:					
Inventory	$ 20,851	$ -	$ 3,221	$ 34,054	$ 58,126
Deposit	-	-	-	-	-
Restricted:					
Road & Bridge maintenance	-	-	10,970,652	3,038,111	14,008,763
Law Library	-	-	-	109,898	109,898
Juvenile Delinquency Prevention	-	-	-	184	184
Courthouse Security	-	-	-	310,451	310,451
Records Management & Preservation	-	-	-	1,535,490	1,535,490
Court Technology	-	-	-	177,099	177,099
VIT Interest	-	-	-	8,020	8,020
Elections	-	-	-	51,329	51,329
Juvenile Probation	-	-	-	737,518	737,518
Law Enforcement	-	-	-	193,770	193,770
District Attorney	-	-	-	268,747	268,747
Child Protective Services	-	-	-	184,600	184,600
Health	-	-	-	4,473,755	4,473,755
Airport	-	-	-	196,521	196,521
Committed:					
Right-of-Way Purchases	-	-	-	342,310	342,310
Airport Improvements	-	-	-	269,644	269,644
Jail Improvement				525	525
Unassigned	30,574,991	-	-	-	30,574,991
Total Fund Balances	$ 30,595,842	$ -	$ 10,973,873	$ 11,932,026	$ 53,501,741

(Continued)

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS – continued

O. Interfund Balances and Transfers

There were no interfund balances as of December 31, 2025. Interfund transfers for the year ended December 31, 2025 were as follows:

	Transfers In Nonmajor Governmental Funds				
Transfers Out	Juvenile Services Fund	Child Protective Services Fund	Airport Fund	General Fund	Totals
General Fund	$ 225,000	$ 30,000	332,404	$ -	$ 587,404
Total	$ 225,000	$ 30,000	$ 332,404	$ -	$ 587,404

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. Prior Period Adjustment

During 2025, it was determined that it was determined that certain property taxes that were recognized as revenue should have been deferred in the prior year. As a result, the beginning government wide net position was decreased by $7,645,744. There was no effect on the fund level financial statements.

R. Subsequent Events

The County has evaluated subsequent events through June 3, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2025, 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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
PROPERTY TAXES				
Current	19,806,884	19,806,884	20,490,986	$ 684,102
Delinquent	243,750	243,750	590,116	346,366
Total Property Taxes	20,050,634	20,050,634	21,081,102	1,030,468
INTERGOVERNMENTAL RECEIPTS				
State Judicial	109,200	109,200	142,075	32,875
State Voter Registration	-	4,060	2,793	(1,267)
City - Public Library	176,685	176,685	186,478	9,793
Law Enforcement Officer Standard	5,337	5,337	12,132	6,795
Fire marshall	25,000	25,000	25,000	-
Housing Prisoners	-	225,436	473,981	248,545
SAVNS Program	4,989	4,989	5,294	305
Indigent Defense Services Grant	29,000	29,000	30,504	1,504
School Tax Collection Contracts	120,206	120,206	122,706	2,500
Collection Contract	12,475	12,475	13,225	750
State 911 Rural Addressing	30,000	30,000	30,000	-
ETCOG grant	-	10,500	9,975	
Office of the Governor grant	-	-	9,431	9,431
Elections	-	-	-	-
Total Intergovernmental Receipts	512,892	752,888	1,063,594	311,231
FEES OF OFFICE				
County Judge	200	200	128	(72)
Sheriff	24,000	24,000	34,377	10,377
District Attorney	1,000	1,000	1,575	575
County Clerk	250,000	250,000	235,320	(14,680)
Tax Assessor-Collector	460,000	460,000	538,121	78,121
District Clerk	100,000	100,000	67,296	(32,704)
County Treasurer	15,000	15,000	18,442	3,442
Justices of the Peace	100,000	100,000	107,560	7,560
Total Fees of Office	950,200	950,200	1,002,819	52,619
MISCELLANEOUS				
Interest Earned	1,759,230	1,759,230	1,471,754	(287,476)
Time Payment EFTIC	500	500	737	237
Vital Archive - County Clerk	2,000	2,000	953	(1,047)
Judiciary Support Fee	100	100	50	(50)
Jury donations to Veteran's Service Office	-	-	1,780	1,780
Miscellaneous	125,000	226,958	278,424	51,466
Exposition Building	-	-	500	500
Child Safety Fee	34,000	34,000	13,749	(20,251)
Child Abuse Prevention	100	100	38	(62)
CLC Justice of the Peace Fees	7,000	7,000	10,318	3,318
Court Facility Fee	9,058	9,058	8,378	(680)
Language Access Fund	2,200	2,200	2,643	443
County Jury Fund	3,000	3,000	2,744	(256)
Court Initiated Gaurdianship	3,000	3,000	2,580	(420)
Justice Court Support Fee	8,000	8,000	11,562	3,562
Miscellaneous Unclaimed Funds	-	-	338	338
Panola County Auction Interest Earnings	-	-	9	9
Total Miscellaneous	1,953,188	2,055,146	1,806,557	(248,589)
Total Revenues	$ 23,466,914	$ 23,808,868	$ 24,954,072	$ 1,145,729

(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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
GENERAL ADMINISTRATION				
County Judge	$ 309,129	$ 317,682	$ 295,855	$ 21,827
Commissioners	452,294	451,565	442,106	9,459
County Clerk	506,053	482,163	413,729	68,434
Veteran's Service Officer	162,821	158,142	130,106	28,036
Airport	135,379	135,273	119,515	15,758
IT Department	102,513	102,051	98,583	3,468
Miscellaneous and Non-Departmental	4,412,319	4,264,526	3,532,897	731,629
Total General Administration	6,080,508	5,911,402	5,032,791	878,611
JUDICIAL				
District Court	187,879	189,336	170,122	19,214
County Court at Law	497,434	508,733	490,397	18,336
District Clerk	465,403	464,761	445,722	19,039
Justices of the Peace Pct. 1 and 4	299,528	299,122	286,815	12,307
Justices of the Peace Pct. 2 and 3	302,128	301,530	277,225	24,305
Bailiffs, Jurors and Law Books	372,212	372,033	281,159	90,874
Total Judicial	2,124,584	2,135,515	1,951,440	184,075
LEGAL				
District Attorney	868,894	867,067	650,020	217,047
Lawsuits	11,000	11,000	-	11,000
Total Legal	879,894	878,067	650,020	228,047
ELECTIONS				
Total Election Judges, Clerks, and Supplies	99,491	99,477	76,619	22,858
Total Voter Registration	167,993	172,834	166,159	6,675
Total Elections	267,484	272,311	242,778	29,533
FINANCIAL ADMINISTRATION				
Auditor	398,895	398,273	351,970	46,303
Treasurer	273,578	273,158	236,072	37,086
Tax Assessor-Collector	699,972	698,898	651,792	47,106
Total Financial Administration	1,372,445	1,370,329	1,239,834	130,495
PUBLIC FACILITIES				
BUILDING MAINTENANCE				
Building Maintenance	392,263	403,006	253,416	149,590
Total Public Facilities	392,263	403,006	253,416	149,590

(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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES (cont'd.)				
PUBLIC SAFETY				
Sheriff	4,690,287	4,745,207	4,387,138	358,069
Constable Pct. 1 & 4	289,085	288,937	219,286	69,651
Constable Pct. 2 & 3	237,493	237,436	229,042	8,394
Corrections	2,748,172	2,867,076	2,535,320	331,756
Rural Addressing	211,059	210,568	195,285	15,283
Highway Patrol	76,266	76,177	72,975	3,202
Fire Safety	18,000	18,000	18,000	-
Total Public Safety	8,270,362	8,443,401	7,657,046	786,355
ENVIRONMENTAL PROTECTION				
Trash Disposal	300,000	310,500	287,259	23,241
Trash Disposal	300,000	310,500	287,259	23,241
Total Environmental Protection	300,000	310,500	287,259	23,241
HEALTH AND PAUPERS CARE				
Total Health and Paupers Care	591,000	682,500	600,070	82,430
RECREATION				
LIBRARY				
Library	451,028	453,239	423,150	30,089
Youth Programs	17,000	18,752	15,233	3,519
Total Recreation	468,028	471,991	438,383	33,608
CONSERVATION				
Extension Service	144,690	144,580	137,544	7,036
Total Conservation	144,690	144,580	137,544	7,036
CAPITAL OUTLAY				
Total Capital Outlay	1,824,156	2,829,874	2,869,539	(39,665)
DEBT SERVICE				
Principal retirement	-	-	353,181	353,181
Interest and fiscal charges	-	-	43,214	43,214
Total Debt Service	-	-	396,395	396,395
Total Expenditures	22,715,414	23,853,476	21,756,515	2,889,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	751,500	(44,608)	3,197,557	3,242,165
OTHER FINANCING SOURCES (USES):				
Issuance of leases	-	-	82,363	82,363
Issuance of SBITAs	-	-	48,510	48,510
Transfers In	-	-	-	-
Transfers Out	(751,500)	(751,500)	(587,404)	164,096
Total Other Financing Sources (Uses)	(751,500)	(751,500)	(456,531)	294,969
Net Change in Fund Balance	-	(796,108)	2,741,026	3,537,134
FUND BALANCE, BEGINNING	27,854,817	27,854,817	27,854,817	-
FUND BALANCE, ENDING	$ 27,854,817	$ 27,058,709	$ 30,595,843	$ 3,537,134

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	6,602,447	6,602,447	6,829,643	$ 227,196
Taxes - delinquent	81,250	81,250	196,523	115,273
Total Property Taxes	6,683,697	6,683,697	7,026,166	342,469
Licenses				
Motor Vehicle Registration	350,000	350,000	325,833	(24,167)
Total Licenses	350,000	350,000	325,833	(24,167)
Intergovernmental Receipts				
State Lateral Road Fund	29,000	29,000	26,046	(2,954)
Weight and Axle Fees	45,000	45,000	57,920	12,920
Total Intergovernmental Receipts	74,000	74,000	83,966	9,966
Fines:				
County and District Court Fees	354,000	354,000	412,494	58,494
Total Fines	354,000	354,000	412,494	58,494
Other Revenues and Fees:				
Interest	515,395	515,395	491,261	(24,134)
Miscellaneous	-	149,223	157,514	8,291
Tax Abatement	141,054	141,054	141,054	-
Total Other Revenues and Fees	656,449	805,672	789,829	(15,843)
Total Revenues	8,118,146	8,267,369	8,638,288	370,919

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES				
PUBLIC TRANSPORTATION				
MAINTENANCE-ROADS AND BRIDGES				
Total Precinct 1	1,477,798	1,340,798	1,106,476	234,322
Total Precinct 2	1,276,480	1,145,080	1,030,192	114,888
Total Precinct 3	1,355,908	1,263,283	1,145,931	117,352
Rentals and Leases	50	45,112	44,136	976
Total Precinct 4	1,693,165	1,606,827	1,325,176	281,651
Total Maintenance-Roads and Bridges	5,803,351	5,355,988	4,607,775	748,213
CAPITAL OUTLAY-ROAD AND BRIDGES				
Total Precinct 1	950,050	1,087,050	986,806	100,244
Total Precinct 2	305,743	437,143	411,299	25,844
Total Precinct 3	877,450	1,119,298	1,071,282	48,016
Total Precinct 4	915,015	1,001,353	991,405	9,948
Total Capital Outlay	3,048,258	3,644,844	3,460,792	184,052
Total Expenditures	8,851,609	9,000,832	8,068,567	932,265
Net Change in Fund Balance	(733,463)	(733,463)	569,721	1,303,184
FUND BALANCE, BEGINNING	10,404,152	10,404,152	10,404,152	-
FUND BALANCE, ENDING	$ 9,670,689	$ 9,670,689	$ 10,973,873	$ 1,303,184

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, 2025

	Measurement Year 2024	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015
Total Pension Liability										
Service cost	$ 1,791,204	$ 1,616,169	$ 1,618,323	$ 1,665,959	$ 1,379,474	$ 1,337,016	$ 1,412,722	$ 1,528,882	$ 1,627,854	$ 1,457,414
Interest on total pension liability	6,988,043	6,681,013	6,261,030	5,907,827	5,646,758	5,423,679	5,157,434	5,073,643	4,744,127	4,457,975
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	997,208	449,252	1,956,796	1,941,104	(288,048)	(684,650)	(142,573)	(1,674,570)	(562,543)	(661,728)
Benefit payments/refunds of contributions	(5,097,151)	(4,673,817)	(3,955,142)	(3,872,294)	(3,479,991)	(3,253,334)	(2,883,657)	(2,676,104)	(2,275,968)	(2,173,650)
Net change in total pension liability	4,679,304	4,072,617	5,881,007	4,735,717	7,929,599	2,822,711	3,543,926	1,252,379	3,533,470	3,902,646
Total pension liability, beginning	92,658,638	88,586,021	82,705,014	77,969,297	70,039,698	67,216,987	63,673,061	62,420,682	58,887,212	54,984,566
Total pension liability, ending (a)	$ 97,337,942	$ 92,658,638	$ 88,586,021	$ 82,705,014	$ 77,969,297	$ 70,039,698	$ 67,216,987	$ 63,673,061	$ 62,420,682	$ 58,887,212
Fiduciary Net Position										
Employer contributions	$ 2,949,820	$ 2,763,794	$ 2,634,758	$ 2,548,949	$ 2,544,980	$ 2,406,602	$ 2,371,955	$ 2,438,959	$ 2,531,576	$ 2,489,599
Member contributions	670,160	599,851	574,772	549,208	548,027	506,809	496,481	516,439	544,034	531,525
Investment income net of investment expenses	9,221,483	9,114,212	(5,155,450)	16,108,961	6,945,922	9,540,886	(1,104,109)	7,520,633	3,493,015	(1,037,364)
Benefit payments/refunds of contributions	(5,097,151)	(4,673,817)	(3,955,142)	(3,872,293)	(3,479,991)	(3,253,334)	(2,883,656)	(2,676,104)	(2,275,968)	(2,173,649)
Administrative expenses	(53,570)	(47,399)	(48,668)	(48,166)	(53,960)	(51,242)	(46,663)	(39,408)	(38,018)	(34,088)
Other	(54,425)	(32,278)	(30,576)	(1,088)	(4,787)	(2,272)	5,496	3,372	52,769	26,592
Net change in fiduciary net position	7,636,317	7,724,363	(5,980,306)	15,285,571	6,500,191	9,147,449	(1,160,496)	7,763,891	4,307,408	(197,385)
Fiduciary net position, beginning	90,773,388	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
Fiduciary net position, ending (b)	$ 98,409,705	$ 90,773,388	$ 83,049,025	$ 89,029,331	$ 73,743,760	$ 67,243,569	$ 58,096,120	$ 59,256,616	$ 51,492,725	$ 47,185,317
Net pension liability/(asset), ending = (a) - (b)	$ (1,071,763)	$ 1,885,250	$ 5,536,996	$ (6,324,317)	$ 4,225,537	$ 2,796,129	$ 9,120,867	$ 4,416,445	$ 10,927,957	$ 11,701,895
Fiduciary net position as a % of total pension liability	97.97%	97.97%	93.75%	96.01%	96.01%	96.01%	85.32%	92.00%	86.34%	86.79%
Pensionable covered payroll	$ 9,573,717	$ 8,569,306	$ 8,211,031	$ 7,845,829	$ 7,828,957	$ 7,240,126	$ 7,092,592	$ 7,377,699	$ 7,771,911	$ 7,593,216
Net pension liability as a % of covered payroll	-11.19%	22.00%	67.43%	-80.61%	53.97%	38.62%	128.60%	59.86%	140.61%	154.11%

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2024	204,806	2,763,794	(2,558,988)	8,569,306	32.25%
2025	259,448	2,949,820	(2,690,372)	9,573,717	30.81%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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 (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2024 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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 1,891,245	$ 1,836,885	$ 1,583,802	$ 2,695,336	$ 2,425,022	$ 1,980,177	$ 1,384,904	$ 1,666,934
Interest	1,625,753	1,582,448	1,530,534	961,913	907,101	1,055,276	1,278,599	1,081,229
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-
Changes in assumptions	(1,493,272)	(2,391,057)	682,538	(13,729,274)	304,553	793,780	4,069,609	(2,711,856)
Benefit payments	-	-	-	-	-	-	-	-
Net change in total OPEB liability	2,023,726	1,028,276	3,796,874	(10,072,025)	3,636,676	3,829,233	6,733,112	36,307
Total OPEB liability, beginning	38,752,582	37,724,306	33,927,432	43,999,457	40,362,781	36,533,548	29,800,436	29,764,129
Total OPEB liability, ending (a)	$ 40,776,308	$ 38,752,582	$ 37,724,306	$ 33,927,432	$ 43,999,457	$ 40,362,781	$ 36,533,548	$ 29,800,436
Fiduciary Net Position								
Employer contributions	$ 1,368,715	$ 1,937,882	$ 2,389,737	$ 2,437,165	$ 2,387,048	$ 1,835,796	$ 1,955,842	$ 1,746,235
Net investment income	2,047,405	1,809,639	1,733,311	676,768	342,715	618,018	759,587	571,536
Benefit payments	(1,780,023)	(1,609,643)	(1,643,997)	(1,478,389)	(1,451,099)	(1,441,446)	(1,380,211)	(1,267,612)
Administrative expenses	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net change in fiduciary net position	1,636,097	2,137,878	2,479,051	1,635,544	1,278,664	1,012,368	1,335,218	1,050,159
Fiduciary net position, beginning	41,936,289	39,798,411	37,319,360	35,683,816	34,405,152	33,392,784	32,057,566	31,007,407
Fiduciary net position, ending (b)	$ 43,572,386	$ 41,936,289	$ 39,798,411	$ 37,319,360	$ 35,683,816	$ 34,405,152	$ 33,392,784	$ 32,057,566
Net OPEB liability/(asset), ending = (a) - (b)	$ (2,796,078)	$ (3,183,707)	$ (2,074,105)	$ (3,391,928)	$ 8,315,641	$ 5,957,629	$ 3,140,764	$ (2,257,130)
Fiduciary net position as a % of total OPEB liability	106.86%	108.22%	105.50%	110.00%	81.10%	85.24%	91.40%	107.57%
Covered payroll	$ 9,521,818	$ 9,418,798	$ 8,731,697	$ 7,942,357	$ 7,612,324	$ 7,647,125	$ 7,333,874	$ 7,139,612
Net OPEB liability as a % of covered payroll	-29.36%	-33.80%	-23.75%	-42.71%	109.24%	77.91%	42.83%	-31.61%

Notes to the Schedule:

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

PANOLA COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2025

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	$ 1,746,235	$ 1,746,235	$ -	$ 7,139,612	24.5%
2019	1,955,842	1,955,842	-	7,333,874	26.7%
2020	1,835,796	1,835,796	-	7,647,125	24.0%
2021	2,061,207	2,061,207	-	7,612,324	27.1%
2022	2,437,165	2,437,165	-	7,942,357	30.7%
2023	2,389,737	2,389,737	-	8,731,697	27.4%
2024	1,937,882	1,937,882	-	9,418,798	20.6%
2025	2,047,405	2,047,405	-	9,521,818	21.5%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	December 31, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.43%
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.

SCHEDULE 7

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, 2025

Total OPEB liability	Measurement Year 2024	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Service Cost	$ 13,573	$ 11,603	$ 22,410	$ 18,960	$ 16,376	$ 11,174	$ 15,401	$ 13,821
Interest	20,904	22,151	15,497	15,202	17,386	20,183	18,588	19,431
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	9,956	(12,439)	17,334	4,864	(3,479)	4,690	(8,199)	(14,610)
Change of assumptions and other inputs	(75,617)	43,393	(181,208)	14,402	71,264	120,637	(52,453)	22,356
Benefit payments	(22,977)	(18,852)	(21,349)	(21,968)	(21,138)	(18,100)	(16,313)	(16,231)
Net Change in Total OPEB Liability	(54,161)	45,856	(147,316)	31,460	80,409	138,584	(42,976)	24,767
Total OPEB Liability - Beginning	639,039	593,183	740,499	709,039	628,630	490,046	533,022	508,255
Total OPEB Liability - Ending (a)	$ 584,878	$ 639,039	$ 593,183	$ 740,499	$ 709,039	$ 628,630	$ 490,046	$ 533,022
Covered Employee Payroll	$ 9,573,717	$ 8,569,306	$ 8,211,031	$ 7,845,829	$ 7,828,957	$ 7,240,126	$ 7,092,592	$ 7,377,699
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.11%	7.46%	7.22%	9.44%	9.06%	8.68%	6.91%	7.22%

NOTES TO SCHEDULE

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

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method: Entry age level ercent of salary

Amortization Method: Straight-Line amortization over Expected Working Life

Investment Rate of Return (Discount Rate): 4.08%
20 Year Bond GO Index published by bondbuyer.com as of December 26, 2024.

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 tal 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.

COUNTY DISTRICT ATTORNEY SB-22 GRANT FUND – This fund is used to account for grant money awarded to the District Attorney under SB-22. These funds are to be used for hiring, purchase of equipment and alleviate budget shortages in counties with less than 300,000 residents.

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.

SHERIFF SB-22 GRANT FUND – This fund is used to account for grants to the sheriff’s department under SB-22. These funds are to be used for hiring, purchase of equipment and alleviate budget shortages in counties with less than 300,000 residents.

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.

SHERIFF FEDERAL GRANT FUND - This fund is used to account for certain grant funds awarded to the sheriff by the federal government.

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

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.

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

ROCK HILL WATER SUPPLY CORP. FUND – This fund is used to Rock Hill Water Supply Corp. to assist in capital projects by the company.

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.

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."

CRIMINAL DISTRICT SIEZURE – The seizure fund is used to hold funds confiscated in arrests and held until adjudicated as forfeited to the county, or returned to the original owners.

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.

CASH BONDS – This fund is used to hold bonds posted by individuals arrested in order to make bail. The funds are then settled when the legal process has been completed.

NONMAJOR GOVERNMENTAL FUNDS

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT-HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY
ASSETS:							
Cash and Cash Equivalents	$ 57,187	$ 184	$ 123,047	$ 26,815	$ 9,638	$ 17,561	$ 27,087
Investments	54,000	-	187,000	6,000	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous receivables	178	-	404	15	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	111,365	184	310,451	32,830	9,638	17,561	27,087
LIABILITIES:							
Accounts Payable-Trade	1,467	-	-	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	-	-
Total Liabilities	1,467	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - advanced tax collections	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	109,898	184	310,451	32,830	9,638	17,561	27,087
Committed	-	-	-	-	-	-	-
Total Fund Balances	109,898	184	310,451	32,830	9,638	17,561	27,087
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 111,365	$ 184	$ 310,451	$ 32,830	$ 9,638	$ 17,561	$ 27,087

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL
ASSETS:							
Cash and Cash Equivalents	$ 51,509	$ 307,688	$ 668,181	$ 76,235	$ 6,084	$ 51,329	$ 47,637
Investments	-	403,000	53,000	64,000	-	-	3,502,120
Current Taxes	-	-	-	-	-	-	161,765
Delinquent Taxes	-	-	-	-	-	-	39,458
Allowance for Uncollectible Taxes	-	-	-	-	-	-	(23,990)
Miscellaneous receivables	20	1,323	378	139	1,936	-	61,106
Inventory	-	-	-	-	-	-	-
Total Assets	51,529	712,011	721,559	140,374	8,020	51,329	3,788,096
LIABILITIES:							
Accounts Payable-Trade	-	-	-	-	-	-	3,771
Unearned Revenue - Grants	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	3,771
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - advanced tax collections	-	-	-	-	-	-	547,270
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	198,944
Total Deferred Inflows of Resources	-	-	-	-	-	-	746,214
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	51,529	712,011	721,559	140,374	8,020	51,329	3,038,111
Committed	-	-	-	-	-	-	-
Total Fund Balances	51,529	712,011	721,559	140,374	8,020	51,329	3,038,111
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 51,529	$ 712,011	$ 721,559	$ 140,374	$ 8,020	$ 51,329	$ 3,788,096

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT	JUVENILE PROBATION	HOT CHECK FEE	PRE-TRIAL INTERVENTION PROGRAM	CDA SB-22 GRANT FUND	SHERIFF'S STATE FORFEITURE
ASSETS:							
Cash and Cash Equivalents	$ -	$ 31,285	$ 392,997	$ 12,549	$ 72,021	$ 48,102	$ 34,201
Investments	-	-	350,000	21,000	-	-	12,000
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	55	-	500	-	8,904
Inventory	-	-	-	-	-	-	-
Total Assets	-	31,285	743,052	33,549	72,521	48,102	55,105
LIABILITIES:							
Accounts Payable-Trade	-	31,285	5,534	-	-	-	-
Unearned Revenue - Grants	-	-	-	-	-	44,709	-
Total Liabilities	-	31,285	5,534	-	-	44,709	-
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - advanced tax collections	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	737,518	33,549	72,521	3,393	55,105
Committed	-	-	-	-	-	-	-
Total Fund Balances	-	-	737,518	33,549	72,521	3,393	55,105
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ -	$ 31,285	$ 743,052	$ 33,549	$ 72,521	$ 48,102	$ 55,105

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	SHERIFF SB-22 GRANT FUND	STATE APPORTION-MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES
ASSETS:							
Cash and Cash Equivalents	$ 123,559	$ 336	$ 67,965	$ 9,417	$ 2,745	$ 220	$ 1,178
Investments	-	-	4,000	-	-	-	-
Current Taxes	-	-	-	-	-	-	-
Delinquent Taxes	-	-	-	-	-	-	-
Allowance for Uncollectible Taxes	-	-	-	-	-	-	-
Miscellaneous receivables	1,501	-	17,757	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	125,060	336	89,722	9,417	2,745	220	1,178
LIABILITIES:							
Accounts Payable-Trade	-	-	-	-	343	-	-
Unearned Revenue - Grants	-	-	-	6,477	-	-	-
Total Liabilities	-	-	-	6,477	343	-	-
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - advanced tax collections	-	-	-	-	-	-	-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	125,060	336	89,722	2,940	2,402	220	1,178
Committed	-	-	-	-	-	-	-
Total Fund Balances	125,060	336	89,722	2,940	2,402	220	1,178
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 125,060	$ 336	$ 89,722	$ 9,417	$ 2,745	$ 220	$ 1,178

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS							
	SHERIFF FEDERAL FORFEITURE	SHERIFF FEDERAL GRANT	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	ROCK HILL WSC	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT	HEALTH FUND
ASSETS:								
Cash and Cash Equivalents	$ 8,907	$ 145,020	$ 66,824	$ 360	$ 466	$ 78,262	$ 57,278	$ 890,675
Investments	-	-	-	-	-	106,000		3,573,000
Current Taxes	-	-	-	-	-	-		-
Delinquent Taxes	-	-	-	-	-	-		-
Allowance for Uncollectible Taxes	-	-	-	-	-	-		-
Miscellaneous receivables	-	-	-	-	22,800	338		7,002
Inventory	-	-	-	-	-	-		-
Total Assets	8,907	145,020	66,824	360	23,266	184,600	57,278	4,470,677
LIABILITIES:								
Accounts Payable-Trade	-	-	-	-	22,800	-	-	362
Unearned Revenue - Grants	-	145,020	-	-	-	-	54,304	-
Total Liabilities	-	145,020	-	-	22,800	-	54,304	362
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - advanced tax collections	-	-	-	-	-	-		-
Deferred Revenue - Advance Tax Collections	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	8,907	-	66,824	360	466	184,600	2,974	4,470,315
Committed	-	-	-	-	-	-	-	-
Total Fund Balances	8,907	-	66,824	360	466	184,600	2,974	4,470,315
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,907	$ 145,020	$ 66,824	$ 360	$ 23,266	$ 184,600	$ 57,278	$ 4,470,677

(Continued)

PANOLA COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS				
	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAI FUNDS
ASSETS:							
Cash and Cash Equivalents	$ 105,298	$ 3,619,847	$ 83,873	$ 37,261	$ 525	$ 121,659	$ 3,741,506
Investments	128,000	8,463,120	258,000	232,000	-	490,000	8,953,120
Current Taxes	-	161,765	-	-	-	-	161,765
Delinquent Taxes	-	39,458	-	-	-	-	39,458
Allowance for Uncollectible Taxes	-	(23,990)	-	-	-	-	(23,990)
Miscellaneous receivables	1,021	125,377	437	383	-	820	126,197
Inventory	34,054	34,054	-	-	-	-	34,054
Total Assets	268,373	12,419,631	342,310	269,644	525	612,479	13,032,110
LIABILITIES:							
Accounts Payable-Trade	28,935	94,497	-	-	-	-	94,497
Unearned Revenue - Grants	8,863	259,373	-	-	-	-	259,373
Total Liabilities	37,798	353,870	-	-	-	-	353,870
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - advanced tax collections	-	547,270	-	-	-	-	547,270
Deferred Revenue - Advance Tax Collections	-	198,944	-	-	-	-	198,944
Total Deferred Inflows of Resources	-	746,214	-	-	-	-	746,214
FUND BALANCES:							
Nonspendable	34,054	34,054					34,054
Restricted	196,521	11,285,493	-	-	-	-	11,285,493
Committed	-	-	342,310	269,644	525	612,479	612,479
Total Fund Balances	230,575	11,319,547	342,310	269,644	525	612,479	11,932,026
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 268,373	$ 12,419,631	$ 342,310	$ 269,644	$ 525	$ 612,479	$ 13,032,110

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	JUVENILE DELINQUENCY PREVENTION	COURT-HOUSE SECURITY	RECORDS MANAGEMENT	COUNTY & DISTRICT COURT TECH	COURT RECORD PRESERVATION	DISTRICT COURT RECORDS TECHNOLOGY
REVENUES							
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Receipts	-	-	-	-	-	-	-
Fees of Office	14,711	-	19,980	182	335	88	304
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	3,171	5	8,896	832	225	416	640
TOTAL REVENUES	17,882	5	28,876	1,014	560	504	944
EXPENDITURES							
General Administration	-	-	312	-	-	-	-
Legal	16,235	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	16,235	-	312	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,647	5	28,564	1,014	560	504	944
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	1,647	5	28,564	1,014	560	504	944
FUND BALANCE-BEGINNING OF YEAR	108,251	179	281,887	31,816	9,078	17,057	26,143
FUND BALANCE-END OF YEAR	$ 109,898	$ 184	$ 310,451	$ 32,830	$ 9,638	$ 17,561	$ 27,087

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	DISTRICT CLERK RECORDS MANAGEMENT & PRESERVATION	COUNTY CLERK RECORDS PRESERVATION	RECORDS ARCHIVE FEES	JUSTICE COURT TECHNOLOGY	VIT INTEREST	ELECTION SERVICES CONTRACT	FM & LATERAL ROAD
REVENUES							
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 710,673
Intergovernmental Receipts	-	-	-	-	-	-	-
Fees of Office	11,539	70,297	64,930	8,426	-	11,792	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	1,130	22,032	16,891	3,851	2,094	1,095	107,321
TOTAL REVENUES	12,669	92,329	81,821	12,277	2,094	12,887	817,994
EXPENDITURES							
General Administration	2,986	122,101	-	2,000	992	-	-
Legal	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	497,639
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,986	122,101	-	2,000	992	-	497,639
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,683	(29,772)	81,821	10,277	1,102	12,887	320,355
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	9,683	(29,772)	81,821	10,277	1,102	12,887	320,355
FUND BALANCE-BEGINNING OF YEAR	41,846	741,783	639,738	130,097	6,918	38,442	2,717,756
FUND BALANCE-END OF YEAR	$ 51,529	$ 712,011	$ 721,559	$ 140,374	$ 8,020	$ 51,329	$ 3,038,111

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	COMMUNITY SUPERVISION AND CORRECTIONS	DRUG COURT	JUVENILE PROBATION	HOT CHECK FEE	PRETRIAL INTERVENTION PROGRAM	CDA SB-22 GRANT FUND	SHERIFF'S STATE FORFEITURE
REVENUES							
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Receipts	18,581	-	125,195	-	32,500	130,291	-
Fees of Office	121,558	-	-	445	-	-	-
Fines and Forfeits	-	2,837	-	-	-	-	-
Miscellaneous	4,386	671	22,991	-	1,215	3,045	35,168
TOTAL REVENUES	144,525	3,508	148,186	445	33,715	133,336	35,168
EXPENDITURES							
General Administration	-	-	-	-	-	-	-
Legal	-	-	-	955	712	-	-
Elections	-	-	-	-	-	-	-
Public Safety	214,897	32,630	305,251	-	-	130,292	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	214,897	32,630	305,251	955	712	130,292	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,372)	(29,122)	(157,065)	(510)	33,003	3,044	35,168
OTHER FINANCING SOURCES (USES)							
Transfers in	1,765	-	225,000	-	-	-	-
Transfers out	(1,765)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	225,000	-	-	-	-
NET CHANGE IN FUND BALANCES	(70,372)	(29,122)	67,935	(510)	33,003	3,044	35,168
FUND BALANCE-BEGINNING OF YEAR	70,372	29,122	669,583	34,059	39,518	349	19,937
FUND BALANCE-END OF YEAR	$ -	$ -	$ 737,518	$ 33,549	$ 72,521	$ 3,393	$ 55,105

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS						
	JAIL COMMISSARY	DIST ATTY LONGEVITY PAY SUPPLEMENT	D.A. FORFEITURE	SHERIFF SB-22 GRANT FUND	STATE APPORTION-MENT - DA	CONSTABLE PCT. 1&4 STATE FORFEITURES	CONSTABLE PCT. 2 & 3 STATE FORFEITURES
REVENUES							
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Receipts	-	3,309	-	343,523	27,498	-	-
Fees of Office	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Miscellaneous	56,042	3	44,585	2,242	119	5	25
TOTAL REVENUES	56,042	3,312	44,585	345,765	27,617	5	25
EXPENDITURES							
General Administration	-	-	-	-	-	-	-
Legal	-	2,976	-	-	27,483	-	-
Elections	-	-	-	-	-	-	-
Public Safety	6,085	-	-	60,490	-	-	-
Public Transportation	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	-	-	-
Capital Outlay	-	-	-	283,032	-	-	-
TOTAL EXPENDITURES	6,085	2,976	-	343,522	27,483	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,957	336	44,585	2,243	134	5	25
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	49,957	336	44,585	2,243	134	5	25
FUND BALANCE-BEGINNING OF YEAR	75,103	-	45,137	697	2,268	215	1,153
FUND BALANCE-END OF YEAR	$ 125,060	$ 336	$ 89,722	$ 2,940	$ 2,402	$ 220	$ 1,178

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS							
	SHERIFF FEDERAL FORFEITURE	SHERIFF FEDERAL GRANT	CDA FEDERAL FORFEITURE	CONSTABLE PCT. 2 & 3 FEDERAL FORFEITURES	ROCK HILL WSC	CHILD PROTECTIVE SERVICES	OPIOID SETTLEMENT	HEALTH FUND
REVENUES								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Receipts	-	-	-	-	34,100	2,273	0	33,546
Fees of Office	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-
Miscellaneous	190	-	1,589	8	4,775	7,687	1,206	139,449
TOTAL REVENUES	190	-	1,589	8	38,875	9,960	1,206	172,995
EXPENDITURES								
General Administration	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-		-
Public Safety	-	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-
Health & Paupers Care	-	-	-	-	38,475	15,805	-	18,466
Capital Outlay	-	-	-	-	-	-		-
TOTAL EXPENDITURES	-	-	-	-	38,475	15,805	-	18,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	190	-	1,589	8	400	(5,845)	1,206	154,529
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	30,000	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	30,000	-	-
NET CHANGE IN FUND BALANCES	190	-	1,589	8	400	24,155	1,206	154,529
FUND BALANCE-BEGINNING OF YEAR	8,717	-	65,235	352	66	160,445	1,768	4,315,786
FUND BALANCE-END OF YEAR	$ 8,907	$ -	$ 66,824	$ 360	$ 466	$ 184,600	$ 2,974	$ 4,470,315

(Continued)

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS				
	AIRPORT	NON-MAJOR SPECIAL REVENUE FUNDS TOTAL	ROAD BOND 1971	PERMANENT IMPROVEMENT	JAIL IMPROVEMENT	NON-MAJOR CAPITAL PROJECTS FUNDS TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Property Taxes	$ -	$ 710,673	$ -	$ -	$ -	$ -	$ 710,673
Intergovernmental Receipts	98,348	849,164	-	-	-	-	849,164
Fees of Office	-	324,587	-	-	-	-	324,587
Fines and Forfeits	-	2,837	-	-	-	-	2,837
Miscellaneous	159,874	653,874	10,531	8,563	13	19,107	672,981
TOTAL REVENUES	258,222	2,541,135	10,531	8,563	13	19,107	2,560,242
EXPENDITURES							
General Administration	-	128,391	-	-	-	-	128,391
Legal	-	48,361	-	-	-	-	48,361
Elections	-	-	-	-	-	-	-
Public Safety	-	749,645	-	-	-	-	749,645
Public Transportation	82,439	580,078	-	-	-	-	580,078
Health & Paupers Care	-	72,746	-	-	-	-	72,746
Capital Outlay	531,963	814,995	-	-	-	-	814,995
TOTAL EXPENDITURES	614,402	2,394,216	-	-	-	-	2,394,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(356,180)	146,919	10,531	8,563	13	19,107	166,026
OTHER FINANCING SOURCES (USES)							
Transfers in	332,404	589,169	-	-	-	-	589,169
Transfers out	-	(1,765)	-	-	-	-	(1,765)
TOTAL OTHER FINANCING SOURCES (USES)	332,404	587,404	-	-	-	-	587,404
NET CHANGE IN FUND BALANCES	(23,776)	734,323	10,531	8,563	13	19,107	753,430
FUND BALANCE-BEGINNING OF YEAR	254,351	10,585,224	331,779	261,081	512	593,372	11,178,596
FUND BALANCE-END OF YEAR	$ 230,575	$ 11,319,547	$ 342,310	$ 269,644	$ 525	$ 612,479	$ 11,932,026

DETAILED SCHEDULES OF REVENUES

EXPENDITURES AND CHANGES IN

FUND BALANCES – BUDGET TO ACTUAL

SCHEDULE 10

PANOLA COUNTY, TEXAS
SPECIAL REVENUE FUND - LAW LIBRARY FUND
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Fees of Office:				
Law library fees	$ 12,000	$ 13,660	$ 14,711	$ 1,051
Total Fees of Office	12,000	13,660	14,711	1,051
Other Revenues and Fees:				
Interest	575	2,575	3,171	596
Total Other Revenues and Fees	575	2,575	3,171	596
Total Revenues	12,575	16,235	17,882	1,647
EXPENDITURES				
Legal:				
Miscellaneous - Law books	12,575	16,235	16,235	-
Total Legal	12,575	16,235	16,235	-
Total Expenditures	12,575	16,235	16,235	-
Excess of Revenues Over (Under) Expenditures	$ -	$ -	1,647	$ 1,647
FUND BALANCE DECEMBER 30, 2024			108,251	
FUND BALANCE DECEMBER 31, 2025			$ 109,898	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Miscellaneous:				
Interest Earnings	$ 1	$ 1	$ 5	$ 4
Total Fees of Office	1	1	5	4
Total Revenues	1	1	5	4
EXPENDITURES				
Legal				
Contract Agreements	1	1	-	1
Total Legal	1	1	-	1
Total Expenditures	1	1	-	1
Excess of Revenues Over (Under) Expenditures	$ -	$ -	5	$ 5
FUND BALANCE DECEMBER 30, 2024			179	
FUND BALANCE DECEMBER 31, 2025			$ 184	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	$ 5,112	$ 5,112	$ 6,050	$ 938
County Clerk Fees	9,081	9,081	3,683	(5,398)
JP Offices	10,591	10,591	10,247	(344)
Total Fees of Office	24,784	24,784	19,980	(4,804)
Other Revenues and Fees:				
Interest Earnings	1,942	1,942	8,896	6,954
Total Other Revenues and Fees	1,942	1,942	8,896	6,954
Total Revenues	26,726	26,726	28,876	2,150
EXPENDITURES				
General Administration:				
Bailiff and Security	20,046	20,046	-	20,046
Social Security Taxes	1,534	1,454	-	1,454
Retirement and Death Benefits	4,785	4,785	-	4,785
Workers Compensation	320	400	312	88
Unemployment Insurance	41	41	-	41
Total General Government	26,726	26,726	312	26,414
Total Expenditures	26,726	26,726	312	26,414
Excess of Revenues Over (Under) Expenditures	$ -	$ -	28,564	$ 28,564
FUND BALANCE DECEMBER 30, 2024			281,887	
FUND BALANCE DECEMBER 31, 2025			$ 310,451	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	$ 300	$ 300	$ 166	$ (134)
County Clerk Fees	50	50	16	(34)
Total Fees of Office	350	350	182	(168)
Miscellaneous				
Interest	1,000	1,000	832	(168)
Total Miscellaneous	1,000	1,000	832	(168)
Total Revenues	1,350	1,350	1,014	(336)
EXPENDITURES				
General Administration:				
Seasonal help	-	-	-	-
Social security taxes	-	-	-	-
Workers compensation	-	-	-	-
Unemployment insurance	-	-	-	-
Preservation and Restoration	1,350	1,350	-	1,350
Total Expenditures	1,350	1,350	-	1,350
Excess of Revenues Over (Under) Expenditures	$ -	$ -	1,014	$ 1,014
FUND BALANCE DECEMBER 30, 2024			31,816	
FUND BALANCE DECEMBER 31, 2025			$ 32,830	

SCHEDULE 14

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk	$ 50	$ 50	$ 20	$ (30)
County Clerk	100	100	315	215
Total Fees of Office	150	150	335	185
Other Revenues and Fees:				
Interest	1	1	225	224
Total Other Revenues and Fees	1	1	225	224
Total Revenues	151	151	560	409
EXPENDITURES				
Capital Outlay:				
Equipment and software	151	151	-	151
Total Capital Outlay	151	151	-	151
Total Expenditures	151	151	-	151
Excess of Revenues Over (Under) Expenditures	$ -	$ -	560	$ 560
FUND BALANCE DECEMBER 30, 2024			9,078	
FUND BALANCE DECEMBER 31, 2025			$ 9,638	

SCHEDULE 15

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, 2025

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Fees of Office:				
District Clerk Fees	$ 50	$ 50	$ 88	$ 38
Total Fees of Office	50	50	88	38
Other Revenues and Fees:				
Interest	200	200	416	216
Total Other Revenues and Fees	200	200	416	216
Total Revenues	250	250	504	254
EXPENDITURES				
Justice System:				
Digitizing	250	250	-	250
Total Justice System	250	250	-	250
Total Expenditures	250	250	-	250
Excess of Revenues Over (Under) Expenditures	$ -	$ -	504	$ 504
FUND BALANCE DECEMBER 30, 2024			17,057	
FUND BALANCE DECEMBER 31, 2025			$ 17,561	

SCHEDULE 16

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	$ 300	$ 300	$ 304	$ 4
Total Fees of Office	300	300	304	4
Other Revenues and Fees				
Interest Earnings	600	600	640	40
Total Other Revenues and Fees	600	600	640	40
Total Revenues	900	900	944	44
EXPENDITURES				
Capital Outlay:				
Furniture and equipment	900	900	-	900
Total Capital Outlay	900	900	-	900
Total Expenditures	900	900	-	900
Excess of Revenues Over (Under) Expenditures	$ -	$ -	944	$ 944
FUND BALANCE DECEMBER 30, 2024			26,143	
FUND BALANCE DECEMBER 31, 2025			$ 27,087	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office				
District Clerk Fees	$ 10,000	$ 10,000	$ 11,539	$ 1,539
Total Fees of Office	10,000	10,000	11,539	1,539
Other Revenues and Fees				
Interest Earnings	1,000	1,000	1,130	130
Total Other Revenues and Fees	1,000	1,000	1,130	130
Total Revenues	11,000	11,000	12,669	1,669
EXPENDITURES				
General Government				
Seasonal help	5,000	5,000	2,765	2,235
Social security taxes	383	383	212	171
Workers compensation	40	40	9	31
Unempolyment insurance	40	40	-	40
Preservation and restoration	5,537	5,537	-	5,537
Total General Government	11,000	11,000	2,986	8,014
Total Expenditures	11,000	11,000	2,986	8,014
Excess of Revenues Over (Under) Expenditures	$ -	$ -	9,683	$ 9,683
FUND BALANCE DECEMBER 30, 2024			41,846	
FUND BALANCE DECEMBER 31, 2025			$ 51,529	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
County clerks fees	$ 70,000	$ 70,000	$ 70,297	$ 297
Total Fees of Office	70,000	70,000	70,297	297
Other Revenues and Fees:				
Interest earnings	25,000	25,000	22,032	(2,968)
Total Other Revenues and Fees	25,000	25,000	22,032	(2,968)
Total Revenues	95,000	95,000	92,329	(2,671)
EXPENDITURES				
General Administration:				
Seasonal help	5,000	5,000	-	5,000
Social security taxes	383	383	-	383
Workers compensation	77	77	10	67
Unempolyment insurance	40	40	-	40
Digitizing real property instruments	9,900	9,900	-	9,900
Rentals microfilming and indexing	23,000	-	-	-
Records management and preservation	56,600	122,091	122,091	-
Total General Government	95,000	137,491	122,101	15,390
Total Expenditures	95,000	137,491	122,101	15,390
Excess of Revenues Over (Under) Expenditures	$ -	$ (42,491)	(29,772)	$ 12,719
FUND BALANCE DECEMBER 30, 2024			741,783	
FUND BALANCE DECEMBER 31, 2025			$ 712,011	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Fees of Office:				
County Clerks Fees	$ 70,000	$ 70,000	$ 64,930	$ (5,070)
Total Fees of Office	70,000	70,000	64,930	(5,070)
Other Revenues and Fees:				
Interest Earnings	10,000	10,000	16,891	6,891
Total Other Revenues and Fees	10,000	10,000	16,891	6,891
Total Revenues	80,000	80,000	81,821	1,821
EXPENDITURES				
General Administration:				
Preservation and Restoration	40,000	40,000	-	40,000
Digitizing	40,000	40,000	-	40,000
Total General Government	80,000	80,000	-	80,000
Total Expenditures	80,000	80,000	-	80,000
Excess of Revenues Over (Under) Expenditures	$ -	$ -	81,821	$ 81,821
FUND BALANCE DECEMBER 30, 2024			639,738	
FUND BALANCE DECEMBER 31, 2025			$ 721,559	

SCHEDULE 20

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, 2025

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Fees of Office:				
JP Offices	$ 4,600	$ 4,600	$ 8,426	$ 3,826
Total Fees of Office	4,600	4,600	8,426	3,826
Other Revenues and Fees:				
Interest Earnings	2,000	2,000	3,851	1,851
Total Other Revenues and Fees	2,000	2,000	3,851	1,851
Total Revenues	6,600	6,600	12,277	5,677
EXPENDITURES				
Capital Outlay:				
Furniture and Equipment	6,600	6,600	2,000	4,600
Total Capital Outlay	6,600	6,600	2,000	4,600
Total Expenditures	6,600	6,600	2,000	4,600
Excess of Revenues Over (Under) Expenditures	$ -	$ -	10,277	$ 10,277
FUND BALANCE DECEMBER 30, 2024			130,097	
FUND BALANCE DECEMBER 31, 2025			$ 140,374	

SCHEDULE 21

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes:				
Taxes - current	$ 686,924	$ 686,924	698,975	$ 12,051
Taxes - delinquent	10,000	10,000	11,698	1,698
Total Property Taxes	696,924	696,924	710,673	13,749
Other Revenues and Fees:				
Interest	79,589	79,589	107,080	27,491
Miscellaneous	-	-	241	241
Total Other Revenues and Fees	79,589	79,589	107,321	27,732
Total Revenues	776,513	776,513	817,994	41,481
EXPENDITURES				
Public Transportation:				
Salaries - Road and Bridge Department	94,719	94,719	94,719	-
Benefits Termination	1,600	1,600	-	1,600
Social Security Taxes	7,246	7,246	7,197	49
Group Insurance	32,410	32,410	31,544	866
Retirement and Death Benefits	22,600	22,600	22,568	32
Other Post Employment	9,472	9,536	9,535	1
Retiree Medical Insurance Trust	17,000	17,000	17,000	-
Workers Compensation	2,842	2,778	130	2,648
Optional Retirement	10,000	10,000	10,000	-
Unemployment Insurance	474	474	124	350
Signs and Posts	30,000	30,000	25,504	4,496
Repair and Maintenance	31,000	86,000	63,851	22,149
Parts and Repairs	20,000	20,000	9,620	10,380
Contingency	220,000	146,990	-	146,990
Utilities	30,000	32,000	29,967	2,033
Contractor Service	6,000	6,000	5,765	235
Physicals and Drug	3,500	3,500	3,158	342
Rentals and Leases	5,000	10,000	6,697	3,303
Beaver Control	38,400	38,400	38,400	-
Liability and Other Insurance	110,000	116,010	116,010	-
Miscellaneous	1,250	1,250	896	354
Total Public Transportation	693,513	688,513	492,685	195,828
Capital Outlay:				
Furniture and Equipment	1,000	6,000	4,954	1,046
Road Oil	2,000	2,000	-	2,000
Bridge Construction	80,000	80,000	-	80,000
Total Capital Outlay	83,000	88,000	4,954	83,046
Total Expenditures	776,513	776,513	497,639	278,874
Excess of Revenues Over (Under) Expenditures	$ -	$ -	320,355	$ 320,355
FUND BALANCE DECEMBER 30, 2024			2,717,756	
FUND BALANCE DECEMBER 31, 2025			$ 3,038,111	

SCHEDULE 22

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	$ -	$ -	$ 2,273	$ 2,273
Total Intergovernmental Receipts	-	-	2,273	2,273
Other Revenues and Fees:				
Donations	-	-	2,843	2,843
Interest	-	-	4,844	4,844
Total Other Revenues and Fees	-	-	7,687	7,687
Total Revenues	-	-	9,960	9,960
EXPENDITURES				
Health and Paupers Care				
Miscellaneous	58,000	58,000	15,805	42,195
Total General Government	58,000	58,000	15,805	42,195
Total Expenditures	58,000	58,000	15,805	42,195
Excess of Revenues Over (Under) Expenditures	(58,000)	(58,000)	(5,845)	52,155
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	30,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (28,000)	$ (28,000)	24,155	$ 52,155
FUND BALANCE DECEMBER 30, 2024			160,445	
FUND BALANCE DECEMBER 31, 2025			$ 184,600	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Tobacco Settlement	$ 25,000	$ 25,000	$ 33,546	$ 8,546
Total Intergovernmental Receipts	25,000	25,000	33,546	8,546
Miscellaneous				
Interest	25,000	25,000	139,449	114,449
Total Miscellaneous	25,000	25,000	139,449	114,449
Total Revenues	50,000	50,000	172,995	122,995
EXPENDITURES				
Health & Paupers Care				
Indigent Health Care	50,000	50,000	18,466	31,534
Total Expenditures	50,000	50,000	18,466	31,534
Excess of Revenues Over (Under) Expenditures	$ -	$ -	154,529	$ 154,529
FUND BALANCE DECEMBER 30, 2024			4,315,786	
FUND BALANCE DECEMBER 31, 2025			$ 4,470,315	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental Receipts				
Federal Receipts	$ -	$ 86,965	$ 81,885	$ (5,080)
Grant funds	-	7,600	16,463	8,863
Total Intergovernmental Receipts	-	94,565	98,348	3,783
Miscellaneous				
Miscellaneous Revenue	100,000	123,800	134,902	11,102
Hangar Rental & Ground Lease Agreements	14,310	16,910	18,665	1,755
Interest	9,740	9,740	6,307	(3,433)
Total Miscellaneous	124,050	150,450	159,874	9,424
Total Revenues	124,050	245,015	258,222	13,207
EXPENDITURES				
Public Transportation				
Insurance - liability and property	5,000	7,600	7,566	34
Professional services	10,000	9,224	2,074	7,150
Repairs and renovations	20,000	6,113	5,975	138
Furniture and Equipment	50	8,426	8,424	2
Fuel and repairs	80,000	94,000	51,400	42,600
Runway repairs and improvements	9,000	9,000	7,000	2,000
Total Public Transportation	124,050	134,363	82,439	51,924
Capital Outlay:				
Construction	496,500	669,987	531,963	138,024
Total Capital Outlay	496,500	669,987	531,963	138,024
Total Expenditures	620,550	804,350	614,402	189,948
Excess of Revenues Over (Under) Expenditures	(496,500)	(559,335)	(356,180)	203,155
OTHER FINANCING SOURCES (USES)				
Transfers in	496,500	496,500	332,404	164,096
Total Other Financing Sources (Uses)	496,500	496,500	332,404	164,096
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ (62,835)	(23,776)	$ 39,059
FUND BALANCE DECEMBER 30, 2024			254,351	
FUND BALANCE DECEMBER 31, 2025			$ 230,575	

SCHEDULE 25

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, 2025

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	$ 1,250	$ 1,250	$ 10,531	$ 9,281
Total Other Revenues and Fees	1,250	1,250	10,531	9,281
Total Revenues	1,250	1,250	10,531	9,281
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	$ -	$ -	10,531	$ 10,531
FUND BALANCE DECEMBER 30, 2024			331,779	
FUND BALANCE DECEMBER 31, 2025			$ 342,310	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	$ 1,000	$ 1,000	$ 8,563	$ 7,563
Total Other Revenues and Fees	1,000	1,000	8,563	7,563
Total Revenues	1,000	1,000	8,563	7,563
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	$ -	$ -	8,563	$ 8,563
FUND BALANCE DECEMBER 30, 2024			261,081	
FUND BALANCE DECEMBER 31, 2025			$ 269,644	

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, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Other Revenues and Fees:				
Interest	$ -	$ -	$ 13	13
Total Other Revenues and Fees	-	-	13	13
Total Revenues	-	-	13	13
EXPENDITURES				
Capital Outlay				
Jail Equipment	512	512	-	512
Total Capital Outlay	512	512	-	512
Total Expenditures	512	512	-	512
Excess of Revenues Over (Under) Expenditures	$ (512)	$ (512)	13	$ 525
FUND BALANCE DECEMBER 30, 2024			512	
FUND BALANCE DECEMBER 31, 2025			$ 525	

FIDUCIARY FUNDS

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

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

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Criminal District Attorney Restitution Fund	Criminal District Attorney Seizure Fund	Sheriff Collections Fund	Jail Inmate Fund	Cash Bonds	Total Custodial Funds
Assets						
Cash	$ 100	$ 103,691	$ 1,454	$ 33,562	$ 10,750	$ 10,465,908
Investments	-	-	-	-		359,410
Accounts receivable	-	-	-	-		-
Total assets	$ 100	$ 103,691	$ 1,454	$ 33,562	$ 10,750	$ 10,825,318
Liabilities						
Vouchers payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments	-	-	-	-	-	7,781,239
Due to others	-	-	-	-		2,894,522
Total liabilities	-	-	-	-	-	10,675,761
Net Position						
Individuals, organizations, and other governments	100	103,691	1,454	33,562	10,750	149,557
Total net position	$ 100	$ 103,691	$ 1,454	$ 33,562	$ 10,750	$ 149,557

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Automobile Registration Fund	Tax Assessor - Collector Ad Valorem Tax Fund	County Clerk Registry Fund	District Clerk Registry Fund	Community Supervision and Corrections Department Fund
Additions					
Tax collections for other governments	$ 6,701,638	$ 87,298,317	$ -	$ -	$ -
Held for others	-	-	5,100	561,670	205,454
Interest on investments	5,585	84,224	15	-	612
	6,707,223	87,382,541	5,115	561,670	206,066
Deductions					
Payments to other governments	6,707,223	87,382,541	-	-	-
Payments to others	-	-	5,065	560,397	208,316
Administrative expenses	-	-	50	1,273	-
	6,707,223	87,382,541	5,115	561,670	208,316
Net increase (decrease) in fiduciary position	-	-	-	-	(2,250)
Net position - beginning	-	-	-	-	2,250
Net position - ending	$ -	$ -	$ -	$ -	$ -

PANOLA COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Criminal District Attorney Restitution Fund	Criminal District Attorney Seizure Fund	Sheriff Collection Fund	Jail Inmate Fund	Cash Bonds	Total Custodial Funds
Additions						
Tax collections for other governments	$ -	$ -	$ -	$ -	$ -	$ 93,999,955
Held for others	29,893	-	2,383	229,487	25,750	1,059,737
Interest on investments		2,672	-	-	-	93,108
	29,893	2,672	2,383	229,487	25,750	95,152,800
Deductions						
Payments to other governments	-	-	-	-	-	94,089,764
Payments to others	29,893	58,289	1,664	216,393	15,000	1,095,017
Administrative expenses	-	-	-	-	-	1,323
	29,893	58,289	1,664	216,393	15,000	95,186,104
Net increase (decrease) in fiduciary position	-	(55,617)	719	13,094	10,750	(33,304)
Net position - beginning	100	159,308	735	20,468	-	182,861
Net position - ending	$ 100	$ 103,691	$ 1,454	$ 33,562	$ 10,750	$ 149,557

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

TABLE 1

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

Governmental activities:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Investment in Capital Assets	$ 33,728,420	$ 31,438,853	$ 27,345,754	$ 25,094,155	$ 19,407,639	$ 20,026,533	$ 20,411,373	$ 20,983,396	$ 21,809,860	$ 22,458,568
Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-	-
Restricted for Other Purposes	26,123,986	24,133,972	19,804,727	18,079,336	16,688,338	15,988,312	-	-	-	-
Unrestricted	25,529,608	21,958,619	21,177,389	15,305,198	10,747,035	9,378,770	24,880,434	23,196,286	45,184,264	43,671,917
Total governmental activities net position	$ 85,382,014	$ 77,531,444	$ 68,327,870	$ 58,478,689	$ 46,843,012	$ 45,393,615	$ 45,291,807	$ 44,179,682	$ 66,994,124	$ 66,130,485

TABLE 2

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
General administration	$ 6,231,969	$ 5,069,900	$ 4,853,353	$ 4,624,122	$ 4,012,436	$ 4,091,292	$ 5,813,060	$ 5,342,138	$ 4,998,429	$ 3,628,899
Judicial	1,819,385	1,821,414	1,284,368	1,221,702	1,756,897	1,824,413	1,501,830	1,463,707	1,504,247	1,440,455
Legal	719,384	657,470	622,350	628,235	796,328	919,988	844,493	621,159	614,417	646,121
Elections	267,999	299,875	226,175	203,709	240,177	234,316	190,348	192,420	189,184	216,421
Financial administration	1,143,203	1,228,739	1,008,021	943,309	1,178,392	1,255,840	1,076,875	1,084,669	1,071,598	1,003,659
Public facilities	519,857	439,225	436,392	313,614	321,607	330,773	559,976	881,056	469,972	420,136
Public safety	8,539,021	8,291,497	6,983,898	6,216,686	8,431,577	8,743,780	7,118,774	7,035,569	7,040,400	6,866,996
Environmental protection	294,382	285,007	309,957	291,329	342,370	424,727	424,322	449,386	405,004	405,004
Public transportation	8,259,719	8,768,431	8,373,894	7,149,014	9,962,334	7,120,378	6,464,256	6,444,767	6,800,101	6,523,876
Health and Paupers care	740,452	1,562,476	963,865	924,692	789,163	1,465,366	794,101	710,734	1,729,386	1,995,250
Recreation	459,549	449,246	345,421	358,270	445,773	481,366	435,797	423,521	464,777	445,229
Conservation	134,398	128,963	118,591	100,870	88,374	103,044	99,340	118,746	119,229	112,210
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	$ 29,129,318	$ 29,002,243	$ 25,526,285	$ 22,975,552	$ 28,365,428	$ 26,995,283	$ 25,323,171	$ 24,767,871	$ 25,406,745	$ 23,704,257
Program Revenues:										
Governmental Activities:										
Charges for Services										
General administration	$ 399,234	$ 359,851	$ 446,766	$ 495,129	$ 450,259	$ 430,163	$ 404,371	$ 393,927	$ 332,744	$ 325,813
Judicial	647,661	599,930	572,276	566,158	510,986	472,783	623,356	637,963	607,479	487,141
Legal	16,732	20,436	17,150	19,243	16,739	18,658	19,764	19,174	19,039	19,934
Elections	11,793	37,559	5,903	3,664	3,157	9,100	5,714	3,006	-	5,435
Financial administration	1,018,327	1,011,470	981,024	950,425	890,708	908,753	904,371	908,990	823,788	832,349
Public facilities	-	-	-	-	-	-	-	-	-	-
Public safety	172,521	261,770	249,870	274,479	275,147	228,049	287,566	292,881	253,340	298,428
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	192,821	181,709	202,497	132,491	110,227	91,880	147,046	60,912	226,139	141,950
Health and Paupers care	-	-	120	210	140	80	478	-	815	-
Recreation	186,978	186,333	176,956	176,686	171,571	171,625	174,381	170,099	186,593	182,318
Conservation	-	-	-	-	-	-	2,757	-	750	-
Total Charges for Services	$ 2,646,067	$ 2,659,058	$ 2,652,562	$ 2,618,485	$ 2,428,934	$ 2,331,091	$ 2,569,805	$ 2,486,953	$ 2,450,686	$ 2,293,368

TABLE 2 (cont.)

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Grants and Contributions										
General administration	$ -	$ -	$ -	$ -	$ -	$ 776,086	$ -	$ -	$ -	$ -
Judicial	142,075	105,800	109,200	63,000	84,000	84,000	87,204	88,806	88,806	88,806
Legal	193,598	39,157	34,964	34,698	32,898	27,498	29,365	29,418	29,954	30,871
Elections	2,793	4,444	4,662	69,949	16,350	41,339	3,758	8,298	-	2,390
Financial administration	-	-	-	-	-	-	-	-	-	-
Public facilities	-	-	-	-	-	-	-	-	-	3,000
Public safety	1,017,856	534,345	490,815	367,755	349,223	364,381	380,306	436,612	474,948	546,400
Environmental protection	-	-	-	-	-	-	-	-	-	-
Public transportation	158,494	329,305	73,302	647,337	3,540,360	32,451	32,522	29,538	29,575	29,575
Health and Paupers care	35,819	33,504	42,678	47,587	57,168	57,094	53,000	53,387	1,005,804	1,251,495
Recreation	-	-	-	-	-	-	-	-	-	-
Total Operating Grants and Contributions	$ 1,550,635	$ 1,046,555	$ 755,621	$ 1,230,326	$ 4,079,999	$ 1,382,849	$ 586,155	$ 646,059	$ 1,629,087	$ 1,952,537
Program Revenues, Continued:										
Capital Grants and Contributions										
Judicial	$ -	$ -	$ -	$ -	$ -	$ 32,485	$ -	$ -	$ -	$ -
Legal	30,504	28,785	29,782	28,983	32,782	-	23,009	24,888	37,957	27,232
General Administration	-	-	-	-	-	-	-	-	404,353	-
Public Facilities	-	-	-	-	-	-	42,299	388,715	161,269	18,580
Public Safety	37,074	36,931	36,066	37,561	43,019	30,000	-	30,000	30,000	30,000
Public Transportation	-	1,536,445	1,649,294	1,319,426	-	-	-	117,854	-	-
Recreation	-	-	-	-	-	-	-	29,255	-	-
Total Capital Grants and Contributions	$ 67,578	$ 1,602,161	$ 1,715,142	$ 1,385,970	$ 75,801	$ 62,485	$ 65,308	$ 590,712	$ 633,579	$ 75,812
Total Governmental Activities Program Revenues	$ 4,264,280	$ 5,307,774	$ 5,123,325	$ 5,234,781	$ 6,584,734	$ 3,776,425	$ 3,221,268	$ 3,723,724	$ 4,713,352	$ 4,321,717
Net (Expense) Revenue Governmental Activities:	$ (24,865,038)	$ (23,694,469)	$ (20,402,960)	$ (17,740,771)	$ (21,780,694)	$ (23,218,858)	$ (22,101,903)	$ (21,044,147)	$ (20,693,393)	$ (19,382,540)

TABLE 2 (cont.)

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 28,992,268	$ 36,235,471	$ 26,699,981	$ 23,692,769	$ 22,384,183	$ 22,389,891	$ 21,641,100	$ 20,061,420	$ 20,874,829	$ 20,760,794
Interest Income	2,341,264	2,937,178	2,998,488	941,061	338,131	457,500	893,082	650,507	275,252	196,890
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,382,076	1,371,168	553,672	1,108,652	507,775	1,159,280	679,308	556,548	406,690	362,167
Total Governmental Activities	$ 32,715,608	$ 40,543,817	$ 30,252,141	$ 25,742,482	$ 23,230,089	$ 24,006,671	$ 23,213,490	$ 21,268,475	$ 21,556,771	$ 21,319,851
Increase in Net Position Before Transfers	7,850,570	16,849,348	9,849,181	8,001,711	1,449,395	787,813	1,111,587	224,328	863,379	1,937,311
Transfers	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	(7,645,774)	-	3,633,966	-	(686,005)	-	-	-	-
Change in Net Position										
Governmental Activities	$ 7,850,570	$ 9,203,574	$ 9,849,181	$ 11,635,677	$ 1,449,395	$ 101,808	$ 1,111,587	$ 224,328	$ 863,379	$ 1,937,311
Total Primary Government	$ 7,850,570	$ 9,203,574	$ 9,849,181	$ 11,635,677	$ 1,449,395	$ 101,808	$ 1,111,587	$ 224,328	$ 863,379	$ 1,937,311
% Change from Prior Year	(14.70%)	(6.55%)	(15.35%)	702.80%	1323.66%	(90.84%)	395.52%	(74.02%)	(55.43%)	(48.63%)

TABLE 3

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable	$ 20,851	$ 23,927	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	30,574,992	27,830,890	25,031,849	21,795,097	19,873,867	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684
Total General Fund	30,595,843	27,854,817	25,031,849	21,795,097	19,873,867	17,530,662	15,304,714	12,516,976	10,605,091	11,431,684
All Other Governmental Funds:										
Nonspendable, Reported in:										
Special Revenue Funds	37,275	39,111	12,694	171,048	33,963	21,054	6,121	24,305	25,968	68,066
Restricted, Reported in:										
Special Revenue Funds	22,256,145	20,950,265	19,792,034	18,079,339	16,688,338	15,988,313	15,998,539	15,385,545	14,801,460	14,260,464
Debt Service Fund			-	-	-	-	-	-	-	-
Capital Projects Funds			-	-	-	-	-	-	-	-
Committed, Reported in:										
Capital Projects Funds	612,479	593,372	569,355	544,460	536,112	532,677	527,667	736,616	724,419	718,821
Total All Other Governmental Funds	22,905,899	21,582,748	20,374,083	18,794,847	17,258,413	16,542,044	16,532,327	16,146,466	15,551,847	15,047,351
Total Governmental Funds	$ 53,501,742	$ 49,437,565	$ 45,405,932	$ 40,589,944	$ 37,132,280	$ 34,072,706	$ 31,837,041	$ 28,663,442	$ 26,156,938	$ 26,479,035
% Change from Prior Year	8.22%	8.88%	11.86%	9.31%	8.98%	7.02%	11.07%	9.58%	(1.22%)	(1.47%)

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Property Taxes	$ 28,817,941	$ 28,593,621	$ 26,669,859	$ 23,652,618	$ 22,807,919	$ 21,628,160	$ 20,788,517	$ 19,970,452	$ 20,649,393	$ 20,757,166
Licenses	325,833	359,003	360,025	361,270	361,345	270,300	334,557	360,000	347,114	352,249
Intergovernmental	1,996,726	3,028,630	2,835,499	2,976,822	2,175,499	1,822,839	1,027,356	1,620,910	1,216,040	1,116,535
Fees of Office	1,327,404	1,343,967	1,396,631	1,353,696	1,276,162	1,260,405	1,334,172	1,268,928	1,146,745	1,196,135
Fines	415,331	371,345	312,432	389,271	327,735	321,947	401,396	446,306	417,917	348,600
Miscellaneous	3,269,367	4,036,076	4,113,434	2,245,029	3,481,649	1,871,973	2,703,676	1,205,378	1,863,127	1,867,254
Total Revenues	36,152,602	37,732,642	35,687,880	30,978,706	30,430,309	27,175,624	26,589,674	24,871,974	25,640,336	25,637,939
EXPENDITURES										
General Administration	5,143,522	4,203,708	4,917,428	4,828,157	3,934,459	3,890,949	4,311,657	3,841,882	7,053,322	6,582,858
Judicial	1,957,331	1,915,996	1,629,454	1,563,894	1,628,886	1,472,938	1,442,898	1,380,305	1,384,658	1,395,577
Legal	719,384	657,470	622,350	628,235	796,328	915,549	849,805	615,790	591,967	654,074
Elections	243,025	273,118	216,425	217,158	231,584	206,658	185,516	184,792	168,418	186,710
Financial Administration	1,247,767	1,315,640	1,227,045	1,148,884	1,134,329	1,103,635	1,078,830	1,067,110	1,027,105	1,017,607
Public Facilities	508,765	436,273	443,433	323,337	314,590	436,738	558,641	878,379	464,822	419,018
Public Safety	8,710,011	8,386,555	8,165,343	7,233,567	7,691,562	7,168,596	6,653,067	6,454,908	6,215,052	6,466,865
Environmental Protection	287,259	277,284	301,634	283,785	335,742	417,254	417,449	443,112	398,730	398,730
Conservation	138,129	133,093	129,908	109,562	87,137	96,014	99,565	117,060	114,292	113,739
Public Transportation	7,156,742	7,738,813	7,422,189	6,250,106	9,320,511	4,422,485	4,595,182	4,452,625	4,368,238	4,311,552
Health & Paupers Care	672,816	1,494,840	896,229	857,057	729,176	1,397,730	726,578	643,007	1,661,289	1,927,757
Culture & Recreation	438,383	426,899	403,445	378,802	397,270	396,690	399,028	381,984	411,315	412,922
Debt Service - Principal	353,181	283,964	-	-	-	-	-	-	-	-
Debt Service - Interest	43,214	61,715	-	-	-	-	-	-	-	-
Capital Outlay	4,599,769	6,360,832	4,755,283	3,763,827	859,161	3,015,132	2,097,859	1,904,516	2,051,967	2,146,382
Total Expenditures	32,219,298	33,966,200	31,130,166	27,586,371	27,460,735	24,940,368	23,416,075	22,365,470	25,911,175	26,033,791
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,933,304	3,766,442	4,557,714	3,392,335	2,969,574	2,235,256	3,173,599	2,506,504	(270,839)	(395,852)
OTHER FINANCING SOURCES (USES)										
Relocation of Fund Equity to Shelby County	-	-	-	-	-	-	-	-	(51,515)	-
Issuance of leases	82,363	265,191	34,288	65,329	-	-	-	-	-	-
Issuance of SBITAs	48,510	-	223,989	-	-	-	-	-	-	-
Transfers In	587,404	488,634	255,000	254,823	326,650	355,051	251,097	236,108	241,108	241,108
Transfers Out	(587,404)	(488,634)	(255,000)	(254,823)	(326,650)	(355,051)	(251,097)	(236,108)	(241,108)	(241,108)
Total Other Financing Sources (Uses)	130,873	265,191	258,277	65,329	-	-	-	-	(51,515)	-
NET CHANGE IN FUND BALANCES	$ 4,064,177	$ 4,031,633	$ 4,815,991	$ 3,457,664	$ 2,969,574	$ 2,235,256	$ 3,173,599	$ 2,506,504	$ (322,354)	$ (395,852)
Debt Service as a percentage of Noncapital Expenditures	1.44%	1.26%	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)

	Estimated Market Value				
Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2025	3,528,167,207	1,458,200,781	246,755,280	4,739,612,708	0.5749
2024	3,311,247,576	1,660,881,850	211,261,970	4,760,867,456	0.5929
2023	7,472,469,437	1,648,054,257	206,507,690	8,914,016,044	0.3934
2022	4,419,004,471	1,386,242,870	202,580,490	5,602,666,851	0.4593
2021	2,430,287,826	1,316,887,340	195,922,610	3,551,252,556	0.5725
2020	2,371,714,686	1,222,070,000	194,283,423	3,399,501,263	0.6135
2019	2,748,391,017	1,277,769,740	192,442,832	3,833,717,925	0.5514
2018	2,160,005,630	1,209,557,190	189,712,070	3,179,850,750	0.6080
2017	2,135,791,140	1,277,158,670	188,898,640	3,224,051,170	0.5983
2016	2,296,344,230	1,314,906,237	187,611,420	3,423,639,047	0.5983

Source: Panola County Appraisal District

TABLE 6

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Panola County Direct Rates										
GENERAL	0.56029	0.57783	0.38337	0.44791	0.55752	0.59750	0.53620	0.59130	0.58220	0.58220
SPECIAL REVENUE	0.01463	0.01506	0.00998	0.01135	0.01497	0.01600	0.01520	0.01670	0.01610	0.01610
DEBT SERVICE	-	-	-	-	-	-	-	-	-	-
TOTAL DIRECT RATE	0.57492	0.59289	0.39335	0.45926	0.57249	0.61350	0.55140	0.60800	0.59830	0.59830
Overlapping Rates										
City and Town Rates:										
CARTHAGE	0.58000	0.58000	0.58000	0.58000	0.60140	0.58940	0.58940	0.57440	0.57440	0.57440
BECKVILLE	0.32107	0.35787	0.41127	0.43730	0.48597	0.52065	0.52586	0.58011	0.54693	0.53320
School Districts Rates:										
CARTHAGE ISD	0.89920	0.89920	0.89920	1.08460	1.19610	1.19640	1.21000	1.28000	1.28000	1.14000
GARY ISD	1.14920	1.14920	1.14920	1.33460	1.44340	1.44640	1.43000	1.50000	1.50000	1.37000
BECKVILLE ISD	0.84905	0.96612	0.88453	1.13738	0.88300	0.96640	0.97000	1.04000	1.35339	1.34000
ELYSIAN FIELDS ISD	0.98960	0.95960	0.70290	0.89390	0.93700	0.97470	1.16000	1.35000	1.35000	1.35000
TATUM ISD	0.93050	0.93050	0.94053	1.20700	1.20700	1.20700	1.20700	1.20700	1.20700	1.20000
TENAHA ISD	0.83281	0.90093	0.85040	1.09221	1.10940	1.09330	1.08210	1.16153	1.15852	1.16300
JOAQUIN ISD	1.03860	1.05500	1.04880	1.31610	1.51850	1.52940	1.54170	1.62140	1.59730	1.59730
Other Special District Rates:										
PANOLA JR. COLLEGE	0.29354	0.28624	0.19554	0.21847	0.27775	0.29079	0.25112	0.27039	0.25700	0.24334
PANOLA COUNTY ESD	0.03000	0.03000	0.01896	0.02098	0.02791	0.02842	0.02359	0.02372	0.02130	0.02130
PANOLA GWCD	0.00951	0.00945	0.00717	0.00816	0.01010	0.01010	0.01011	0.01100	0.01100	0.01100

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

TABLE 7

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

	Fiscal Year 2025		Fiscal Year 2016	
Name of Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
TGNR EAST TEXAS II LLC	$ 427,652	9.02 %	$ -	-
SABINE OIL & GAS CORP (WI)	212,708	4.49 %	-	-
GEMINI CARTHAGE PIPELINE LLC	181,958	3.84 %	-	-
BTA ETG GATHERING LLC	172,941	3.65 %	-	-
R LACY SERVICES LTD	157,059	3.31 %	-	-
SHERIDAN PRODUCTION CO LLC	101,393	2.14 %	-	-
TGNR EAST TEXAS LLC (MIN-WI)	97,670	2.06 %	-	-
MARKWEST-CARTHAGE PLANT & EAST	98,663	2.08 %	-	-
MARKWEST ENERGY E TX GAS CO LP	87,272	1.84 %		
ATMOS ENERGY/MID-TEX PIPELINE	82,854	1.75 %	-	-
ANADARKO E&P ONSHORE LLC (MIN)		-	272,407	7.96 %
ANADARKO E&P ONSHORE LLC (MI)		-	188,713	5.51 %
MARKWEST ENERGY E TX GAS CO LP		-	169,366	4.95 %
DCP EAST TX GATHERING LP- PLANT			171,245	5.00 %
MARKWEST-CARTHAGE PLANT & EAST		-	121,405	3.55 %
DEVON ENERGY PROD CO LP (MIN #)			141,146	4.12 %
ENBRIDGE P/L ETX G&P - BECKVILLE		-	70,128	2.05 %
SAMSON LONESTAR LLC (WI)		-	60,030	1.75 %
ETC TIGER PIPELINE		-	57,067	1.67 %
XTO ENERGY INC (MIN)			50,500	1.48 %
Total	$ 1,620,170		$ 1,302,007	
Total Assessed Value and Percentage of Total	$ 4,739,613	34.18 %	$ 3,423,639	38.03 %

Source: Panola County Appraisal District

TABLE 8

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

Fiscal Year	Tax Levy	Current Tax Collection	Percent Of Levy Collected	Collections in Subsequent Periods (2)	Total Collections	Percent Of Total Collections To Tax Levy (3)	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2025	28,861,834	28,087,567	97.32%	542,988	28,630,555	99.20%	547,487	1.19%
2024	28,430,558	28,185,221	99.14%	314,397	28,499,618	100.24%	224,337	0.78%
2023	27,684,284	26,924,140	97.25%	490,897	27,415,037	99.02%	349,496	1.26%
2022	23,732,413	23,000,861	96.92%	558,852	23,559,713	99.27%	396,052	1.67%
2021	22,941,750	22,186,827	97.00%	562,803	22,749,630	99.16%	457,480	1.99%
2020	22,827,138	21,666,273	94.91%	360,179	22,026,452	96.49%	880,686	3.86%
2019	21,083,217	20,493,930	97.20%	335,903	20,829,833	98.80%	385,263	1.83%
2018	20,076,037	19,078,999	95.03%	576,244	19,655,243	97.90%	247,895	1.23%
2017	21,149,892	20,456,482	96.72%	412,865	20,869,347	98.67%	280,545	1.33%
2016	21,338,275	20,783,808	97.40%	300,574	21,084,382	98.81%	253,894	1.19%

Source: Tax Rolls

Notes:
(1) Delinquent taxes are reported by levy year.

(2) Property taxes become due January 31 and become delinquent on July 1. The column "Current Tax Collection", represents taxes collected beginning October 1st of 2023 through September 30th, 2024. The column "Collections in Subsequent Periods", represents the amount of delinquent taxes that have been collected.

(3) The Collections in subsequent periods are cummulative delinquent taxes that were collected during 2025. The percentage of Total collections to Tax Levy can be over 100% due to this number containing multiple years of delinquent taxes.

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Lease Liability	SBITA Liability	Less: Amounts Available in Debt Service Fund	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)
2025	-	248,324	347,667	-	595,991	0.013%
2024	-	253,294	581,470	-	834,764	0.018%
2023	-	57,645	834,732	-	892,377	0.010%
2022	-	46,304	-	-	46,304	0.001%
2021	-	-	-	-	-	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-

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, 2025
(UNAUDITED)

Jurisdiction	Net Debt Outstanding Amount (1)	Applicable to Panola County Percent	Amount Applicable to Panola County
Cities:			
Carthage	$ 16,594,747	100.00%	$ 16,594,747
Total Cities	16,594,747		16,594,747
School Districts:			
Carthage ISD	50,177,000	100.00%	50,177,000
Gary ISD	4,910,000	100.00%	4,910,000
Beckville ISD	1,224,250	100.00%	1,224,250
Elysian Fields ISD	53,015,000	52.55%	27,859,383
Tatum ISD	6,627,331	2.27%	150,440
Tenaha ISD	2,190,000	4.75%	104,025
Joaquin ISD	7,815,000	5.05%	394,658
Total School Districts	125,958,581		84,819,755
Panola Junior College	20,630,000	100.00%	20,630,000
Subtotal, Overlapping Debt	163,183,328		122,044,502
Panola County (Direct Debt*)	595,991		595,991
Total Direct and Overlapping Debt	$ 163,779,319		$ 122,640,493

Notes:

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

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

Sources:

(1) Respective entities and auditors of respective entities.

TABLE 11

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	1,246,591,997	1,243,032,357	2,280,130,924	1,451,311,835	936,793,792	898,446,172	1,006,540,189	842,390,705	853,237,453	902,812,617
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,246,591,997	1,243,032,357	2,280,130,924	1,451,311,835	936,793,792	898,446,172	1,006,540,189	842,390,705	853,237,453	1,129,611,684
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value	$ 4,739,612,708
Add back: exempt real property	246,755,280
Total assessed value	$ 4,986,367,988
Debt limit 25% of assessed value of real property (Article 3, Section 52, Constitution of the State of Texas)	$ 1,246,591,997
Amount of Debt applicable to debt limit	-
Legal Debt Margin	$ 1,246,591,997

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)

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	College & School Enrollment
2025	23,022	$ 1,424,680	$ 61,883	4.90%	6,545
2024	22,838	$ 1,380,199	$ 60,434	4.10%	6,749
2023	22,675	$ 1,292,263	$ 56,986	4.30%	6,403
2022	22,675	$ 1,208,405	$ 53,292	4.10%	6,465
2021	22,675	$ 1,094,229	$ 47,191	5.70%	6,337
2020	23,796	$ 1,054,569	$ 45,467	8.40%	6,310
2019	23,796	$ 1,007,115	$ 43,508	3.90%	6,735
2018	23,796	$ 939,265	$ 40,411	3.60%	6,918
2017	23,243	$ 891,054	$ 37,930	4.40%	6,805
2016	23,492	$ 952,436	$ 40,543	7.10%	6,533

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)

	2025		2016	
TYPE OF EMPLOYER	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	935	12.13 %	950	11.61 %
Construction	1,248	16.19 %	1,460	17.84 %
Manufacturing	940	12.19 %	905	11.06 %
Trade, Transportation, Utilities	1,278	16.58 %	1,342	16.40 %
Information	55	0.71 %	43	0.53 %
Financial Activities	213	2.76 %	236	2.88 %
Professional Business Services	552	7.16 %	536	6.55 %
Education Health Services	644	8.35 %	890	10.87 %
Leisure Hospitality	418	5.42 %	385	4.70 %
Other Services	220	2.85 %	129	1.58 %
Federal Government	59	0.77 %	73	0.89 %
State Government	31	0.40 %	31	0.38 %
Local Government	1,117	14.49 %	1,205	14.72 %
Total	7,710	100.00 %	8,185	100.00 %

Source: Texas Workforce Commission 2025
Source: Texas Workforce Commission 2016

TABLE 14

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

	Fiscal Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Administration	16	16	16	16	16	15	14	14	15	16
Judicial	21	20	17	16	16	17	16	16	17	17
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	16	15	15	15	14	15	15	14	14	14
Legal	10	7	7	7	7	7	7	7	7	7
Public Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety	72	72	72	72	70	69	73	74	74	75
Public Transportation	43	43	43	42	38	39	41	41	45	46
Culture and Recreation	5	5	5	5	4	5	5	6	6	6
Conservation-Agriculture	3	3	3	3	3	2	3	3	3	3
Totals	189	184	181	179	171	172	177	178	184	187

Source: Panola County Payroll History Report

PANOLA COUNTY, TEXAS
CAPITAL ASSETS BY FUNCTION/PROGRAM
December 31, 2025
(UNAUDITED)

	Fiscal Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Administration										
Furniture & Equipment	21	13	13	11	8	8	8	8	8	8
Facilities	4	4	4	4	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	4	4	3	3	3	3
Facilities	1	1	1	1	1	1	1	1	1	1
Elections										
Equipment	63	63	63	63	7	3	2	2	2	2
Public Facilities										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Safety										
Vehicles	55	49	52	56	51	55	47	45	45	45
Equipment	15	13	19	16	14	14	14	14	14	14
Facilities	5	5	5	5	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	15
Facilities	6	6	6	6	6	6	6	5	5	5
Equipment & Vehicles	186	177	155	174	169	143	138	137	137	137
Tracts of Land	6	6	6	6	6	6	6	6	6	6
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	1	1	0	0	0

Source: Panola County Capital Asset Inventory Listing and Insurance Schedule

TABLE 16

PANOLA COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
December 31, 2025
(UNAUDITED)

Function/Program	Fiscal Year 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Administration										
Official Public Records Filed	6,413	6,069	8,108	8,763	8,574	8,524	7,939	7,955	6,277	5,701
Vital Statistics Filed	451	259	251	278	298	268	103	105	81	71
Judicial										
Number of Civil Cases	177	492	562	634	612	599	677	632	413	501
Number of Criminal Cases	373	599	546	637	701	522	595	709	646	754
Legal										
Number of Convictions - Misdemeanors	153	85	102	120	173	73	243	246	212	248
Number of Convictions - Felony	157	161	203	156	94	38	151	240	109	171
Elections										
Number of Registered Voters	17,719	17,385	17,355	17,178	16,749	16,838	17,807	15,523	16,248	10,475
Number of Elections	2	3	1	5	2	4	1	3	1	3
Financial Administration										
Number of mineral tax items	398,503	405,214	430,037	400,041	333,892	338,783	370,170	364,688	353,538	365,436
Number of real estate tax items	38,524	38,317	38,377	38,172	38,151	38,151	38,078	26,366	26,396	26,419
Number of registered vehicles	28,474	26,179	26,816	26,644	26,965	25,953	27,106	31,871	27,882	28,593
Public Facilities										
Number of repair jobs	61	65	105	51	58	59	70	66	64	85
Public Safety										
Number of emergency responses	8,016	8,188	7,724	7,091	7,339	6,729	6,213	4,373	4,580	4,223
Number of book-ins	1,077	1,080	1,113	894	806	503	982	1,048	1,128	1,106
Environmental Protection										
Number of solid waste transfers(tons)	7,458	7,174	6,422	6,431	6,485	6,312	6,223	41,652	11,914	12,465
Number of Diversions (tons)	1,296	4,706	3,946	3,246	3,323	4,179	4,219	528	554	428
Public Transportation										
Miles of road resurfaced	505	45	47	55	42	13	20	11	15	19
Number of repairs	150	120	100	90	80	75	111	70	129	340
Health and Paupers Care										
Number of autopsies performed	41	40	33	49	41	22	36	32	32	34
Number of indigent admissions	383	482	482	520	487	435	426	560	549	575
Recreation										
Number of patrons to Library	39,081	41,742	40,873	37,307	39,245	35,324	9,890	13,163	12,835	11,979
Number of books in library	33,761	36,042	35,559	36,857	36,868	40,229	40,254	41,457	43,983	48,819
Number of programs	72	84	63	60	92	75	102	99	78	116
Conservation										
Number of programs	198	132	115	98	45	148	134	115	253	78
Number of radio programs	114	118	116	97	115	84	34	8	12	31
County Extension mailouts & emails	12,500	8,500	6,800	6,500	8,300	4,822	15,350	14,500	45,550	10,850

Source: Individual County Departments

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2025
(Unaudited)

Insurer or Name of Company	Number	Policy Period From	Policy Period To	Building and/or Department & Description	Amount of Coverage	Premiums & Funding
Texas Association of Counties	CAS-1830-20250101-1	1/1/2025	1/1/2026	Auto Liability - 1000 Deduct; Property Damage - Limit, Bodily Injury - Limit, Personal Injury Protect - Limit, Unins Motor.		$ 42,111
Texas Association of Counties	CAS-1830-20250101-1	1/1/2025	1/1/2026	Auto Physical Damage - 2500 Deduct.		54,053
Texas Association of Counties	CAS-1830-20250101-1	1/1/2025	1/1/2026	General Liability - Various Limits, Various Deduct.		10,047
Texas Association of Counties	CAS-1830-20250101-1	1/1/2025	1/1/2026	Law Enforcement Professional Liability - Per Claim 2,000,000; Aggregate 2,000,000	2,000,000	77,664
Texas Association of Counties	CAS-1830-20250101-1	1/1/2025	1/1/2026	Public Officials and Employees Legal Liability 2,000,000 Limit Each; 2,000,000 Aggregate; 25,000 Deduct.	2,000,000	38,155
Texas Association of Counties	PR-1830-20250101-1	1/1/2025	1/1/2026	Property - Total Covered Value 65,961,033; 10,000 Deduct.		273,522
				Convective Storm - Within Property TOTAL COVERED VALUE	50,000	
				Flood Special Hazard Zones - 500000 Deduct Per Building	2,500,000	
				Flood Except Special Hazard Zones - 25000 Deduct	10,000,000	
				Earthquake - 25000 Deduct	10,000,000	
				Equipment Breakdown - 10000 Deduct	50,000,000	
				Law Enforcement Animals - 1000 Deduct	30,000	
				Crime - 1000 Deduct	250,000	
				Mobile Equipment - As Scheduled - 1000 Deduct		46,211
EBCO	UA00134783-24	1/1/2025	1/1/2026	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	1/1/2025	1/1/2026	Workers Compensation Self-Funded Insurance through Texas Association of Counties	(2)	151,699
Texas Association of Counties	#1830	1/1/2025	1/1/2026	Unemployment Insurance Self-Funded through Texas	(3)	18,808
Texas Association of Counties - BCBS	62946	1/1/2025	1/1/2026	Employee Group Ins - TAC Health and Employee Benefit Pool 500 deductible - 2,000 co-ins; Emp Life Ins	(4)	5,070,100
The CIMA Companies, Inc.	TXCART6	1/1/2025	1/1/2026	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, 2025
(Unaudited)

Insurer or Name of Company	Number	Policy Period From	Policy Period To	Building and/or Department & Description	Amount of Coverage	Premiums & Funding
Safeco Ins.	999220342	12/31/2025	12/31/2026	County Judge - Rodger McLane	1,000	100
Zip Bonds	GM221863	1/31/2025	1/31/2026	County Judge - Rodger McLane	100,000	600
Safeco Ins.	999080132	12/31/2024	12/31/2028	Commissioner Precinct 1	3,000	325
	999080134	12/31/2024	12/31/2028		3,000	325
Safeco Ins.	32S596363	1/1/2025	12/31/2026	Commissioner Precinct 2	3,000	175
	32S596364	1/1/2025	12/31/2026		3,000	175
Safeco Ins.	32S522467	1/1/2025	1/1/2028	Commissioner Precinct 3	3,000	325
	32S522470	1/1/2025	1/1/2025		3,000	250
Safeco Ins.	32S159904	1/1/2023	1/1/2027	Commissioner Precinct 4	3,000	355
	32S161129	12/31/2025	12/31/2028		3,000	270
Safeco Ins.	32S519863	1/1/2025	1/1/2027	County Clerk	150,000	919
Safeco Ins.	32S171102	12/31/2022	12/31/2026	Deputy County Clerks	160,000	1,988
AMWins	MKLCPEO000042	1/14/2025	1/14/2026	County Clerk Errors & Omissions	500,000	2,592
Safeco Ins.	999227946	1/1/2023	1/1/2027	County Court at Law Judge	100,000	1,054
Safeco Ins	32S598000	1/1/2023	1/1/2027	District Clerk - Bond	100,000	1,139
AMWins	MKLCPEO000043	1/14/2025	1/14/2026	District Clerk Errors & Omissions	500,000	1,906
Travelers	6608010A867TCT	8/27/2025	8/27/2026	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	1/1/2025	12/31/2026	Justice of the Peace Pct. 2&3	5,000	175
Safeco Ins.	999067433	9/11/2025	9/11/2026	Elections Administrator	1,000	100
Safeco Ins.	32S577699	8/31/2025	8/31/2026	Auditor	5,000	175
	999151146	8/31/2024	8/31/2026	Assistant Auditor	5,000	200
Safeco Ins.	32S454765	1/1/2025	12/31/2026	County Treasurer	1,000	175
Safeco Ins.	32S429390	11/17/2025	11/17/2026	Assistant Treasurer/Chief Deputy	25,000	125
	32S434402	5/5/2025	5/5/2026	Deputy Treasurer	25,000	125

PANOLA COUNTY, TEXAS
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2025
(Unaudited)

Insurer or Name of Company	Number	Policy Period From	To	Building and/or Department & Description	Amount of Coverage	Premiums & Funding
Safeco Ins.	32S600119	1/1/2025	1/1/2027	Tax Assessor/Collector (Ad Valorem Tax Office)	$ 100,000	$ 657
Safeco Ins.	32S600081	1/1/2025	1/1/2027	Tax Assessor for PC Auto Tax	100,000	657
Safeco Ins.	LSF028274	1/1/2025	1/1/2026	Tax Assessor/Collector (Deputies) Crime Bond	35,000	176
Safeco Ins.	999427270	8/23/2025	8/23/2027	Fire Marshall	5,000	175
Safeco Ins.	999220346	11/22/2024	12/31/2028	Sheriff	30,000	411
Safeco Ins.		12/30/2025	12/30/2026	Reserve Deputies - Seventeen @ 2,000	34,000	1,700
Safeco Ins.	999176661	5/1/2025	12/31/2028	Constable Precinct 1 & 4	1,500	367
Safeco Ins.	999220259	11/23/2025	11/23/2026	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	32S608840	4/1/2025	4/1/2026	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	32S388262	1/1/2025	1/1/2026	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	999306035	1/30/2025	1/30/2026	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	999424916	7/31/2025	7/31/2026	Reserve Constable Deputy Pct. 1 & 4	2,000	100
	999376287	12/31/2025	12/31/2026	Reserve Constable Deputy Pct. 1 & 4		
Safeco Ins.	999234590	12/31/2024	12/31/2028	Constable Precinct 2 & 3	1,000	325
	999302029	12/21/2025	12/21/2026	Reserve Constable Deputy Pct. 2 & 3	2,000	100
	32S160071	12/31/2025	12/31/2026	Reserve Constable Deputy Pct. 2 & 3	2,000	100
	999276036	7/24/2025	7/24/2026	Reserve Constable Deputy Pct. 2 & 3	2,000	100
The Travelers	I660226X9543TIL25	12/30/2025	12/30/2026	123rd Judicial District Juvenile Probation	10,000	250
Safeco Ins.	32S171012	1/1/2023	1/1/2027	County Surveyor	1,000	355
Safeco Ins.	999374338	1/1/2025	12/31/2026	Criminal District Attorney	5,000	175
Safeco Ins.	999411910	6/2/2025	6/2/2026	Asst. District Attorney	5,000	100
	999381209	2/4/2025	2/4/2026	Asst. Criminal District Attorney	5,000	100
	32S560867	4/1/2025	4/1/2026	Special Prosecutor	2,500	100
	999033575	12/23/2025	12/23/2026	Special Prosecutor	2,500	100
Safeco Ins.	32S171051	12/31/2022	12/31/2026	Public Official Schedule	100,000	1,244
Western Surety		3/9/2020	6/3/2028	Notary Bonds- Nineteen		1,349

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, 2025, 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 3, 2026.

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.*

GMP Assurance PLLC
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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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
June 3, 2026

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