

**PANOLA COLLEGE**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEARS ENDED**  
**AUGUST 31, 2024 AND 2023**



***PREPARED BY:***  
***FISCAL SERVICES DEPARTMENT***  
***PANOLA COLLEGE***

**PANOLA COLLEGE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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**PANOLA COLLEGE**  
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**INTRODUCTORY SECTION**



903.693.2000 • panola.edu  
1109 West Panola • Carthage, Texas 75633

December 2, 2024

To the taxpayers of Panola County and the citizens of the Panola College (the College) service area:

We are pleased to present the following annual comprehensive financial report (ACFR) for the Panola County Junior College District for the fiscal year ended August 31, 2024. The ACFR has been prepared by the Fiscal Services Department in conformance with the financial reporting standards applicable to government entities set forth by the Governmental Accounting Standards Board (GASB) in its authoritative pronouncements, as well as the financial reporting requirements of the Government Finance Officers Association (GFOA). The report complies with the requirements of Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

The College is required to undergo an annual single audit if expenditures of federal or state awards exceed \$750,000. This is in conformity with the provisions of the Single Audit Act as amended in 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Texas Grant Management Standards. Information items related to this single audit, including the schedules of expenditures of federal and state awards and the auditor's reports on compliance and on the internal control over compliance with applicable laws, regulations and grant agreements, are included in this report.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation of this report, including all disclosures, rests with the management of the College. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The administration of the College is responsible for establishing and maintaining internal control over financial reporting designed to provide reasonable, but not absolute, assurance that the assets of the College are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by administration.

The independent accounting firm of Alexander, Lankford & Hiers, Inc. conducted the audit of the financial statements and related notes in conformance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and state statutes. Their report on the Management's Discussion and Analysis (MD&A), the basic financial statements, and supplementary schedules is included within the financial section of this report.

GASB Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of the MD&A. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

*Panola College is an equal opportunity institution that provides educational and employment opportunities on the basis of merit and without discrimination because of race, color, religion, sex, age, national origin, veteran status, disability or genetic information.*

## COLLEGE PROFILE

The College was established as a public junior college in an election held in Panola County, Texas, in 1947. The District operates as a junior college district under the laws of the State of Texas. An elected, seven-member Board of Trustees governs the District.

The College is considered to be a special purpose, primary government entity according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

The main campus is located in the city of Carthage, Panola County, Texas. Classes are offered at alternate sites in Shelby County, Marion County and Harrison County. The College is committed to offering quality educational programs and services for the people in the College's service area at a reasonable cost. The College offers a wide variety of study areas, including four types of associate degrees, 15 Associate of Applied Science degrees, 31 certificate programs, and 19 occupational skills awards.

The Panola College Foundation was created for the purpose of supporting the mission and vision of the College and to support its students. The Panola College Foundation is controlled by a separate board of directors that are ratified by the Panola College Board of Trustees and is included in the financial statements of the College as an affiliated organization.

## BOND ELECTION / REFUNDING

The last bond election for the College was done in Fiscal Year 2013. The College conducted a tax-exempt refunding of the Series 2013 bonds for uniform interest cost savings that will result in a \$360,764 debt service savings over the last 15 years of the bonds' payment period. The refunding date of these Bonds was June 1, 2023, and will result in a present value savings as a % of the Refunded Bonds equal to 5.2%.

There are no immediate plans for another bond election at this time.

## ECONOMIC CONDITION AND OUTLOOK

The College's four-county service area borders Louisiana in Northeast Texas. The four counties include Panola, Shelby, Marion, and Harrison. The largest cities in the service area are Carthage, Center, Jefferson and Marshall. These cities are also the county seats of their respective counties.

Panola County ranks as one of the leading natural gas producers in Texas. The Carthage gas fields are among the largest natural gas reservoirs in the state. Timber, poultry, and cattle production also continue to contribute to the local economy. All of these activities have a positive impact on employment and the district tax base.

The College continues to have strong enrollment. Enrollment growth in prior years had created a need for additional facilities to handle the increased student loads. In addition to the aforementioned bond election, the College constructed a new 64 bed residence hall in fiscal year 2013. The College can now house up to 249 resident students.

On September 29, 2020, the College entered into a contract to construct a new Music Building on the main Carthage campus. The new building includes a band hall, ensemble rooms, practice rooms, office space, and additional space for lifelong learning. The building is complete and classes have been conducted in the building beginning with the Spring Semester in January 2022.

On January 17, 2023, the College entered into a contract to construct a new Energy Building on the main Carthage campus. The new building includes a welding lab, an engine and compression lab, an instrumentation lab, an electrical and motor control lab, a commercial wiring lab, an HVAC lab, a hydraulics



lab, and a spare lab for new technology training as well as drone training. This new building was available for classes beginning with the Fall 2024 semester. A new rodeo pole barn was also started during FY 23-24 and was available for use beginning with the Fall semester. On September 25, 2023, the College entered into a contract with the Construction Manager to replace the baseball bleachers at the baseball field. The baseball bleachers were completed in November 2024.

The College's financial condition remains strong. The largest areas of funding for the College are property taxes, tuition and fees, and state appropriated funds. The overall outlook for the future remains strong due to projected student enrollment, strategic leadership and active fiscal management. As part of the College's long-term financial plan, sufficient cash reserves are maintained to operate the College for 6 months or more.

### FUTURE PROJECTS

The College continually updates their Master Plan for future projects. Currently, no new building projects are planned for the next year.

### BUDGETING PROCESS

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The annual budget process allocates resources based on the College's strategic, institutional, and long-term financial plans. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. Activities of the unrestricted current fund, auxiliary enterprises fund, and retirement of indebtedness fund are included in the annual appropriated budget. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year-end. However, encumbrances are appropriated as part of the next year's budget.

As demonstrated by the statements, exhibits, and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

### AWARDS


The Government Finance Officers Association of the United States and Canada (GFOA) awarded the College a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended August 31, 2023 for its annual comprehensive financial report. This was the twenty-ninth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a college must publish an easily readable and efficiently organized ACFR. This report must satisfy generally accepted accounting principles, GFOA standards, and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

The preparation of this annual comprehensive financial report on a timely basis was made possible by the hard work and diligence of many of the College's employees. Each employee who contributed to this report has our sincere appreciation. We would also like to thank the accounting firm of Alexander, Lankford & Hiers, Inc. for their assistance and timely completion of the audit.

Sincerely,

  
Alan Howard, CPA, MBA  
Vice President of Fiscal Services





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Panola College  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2023

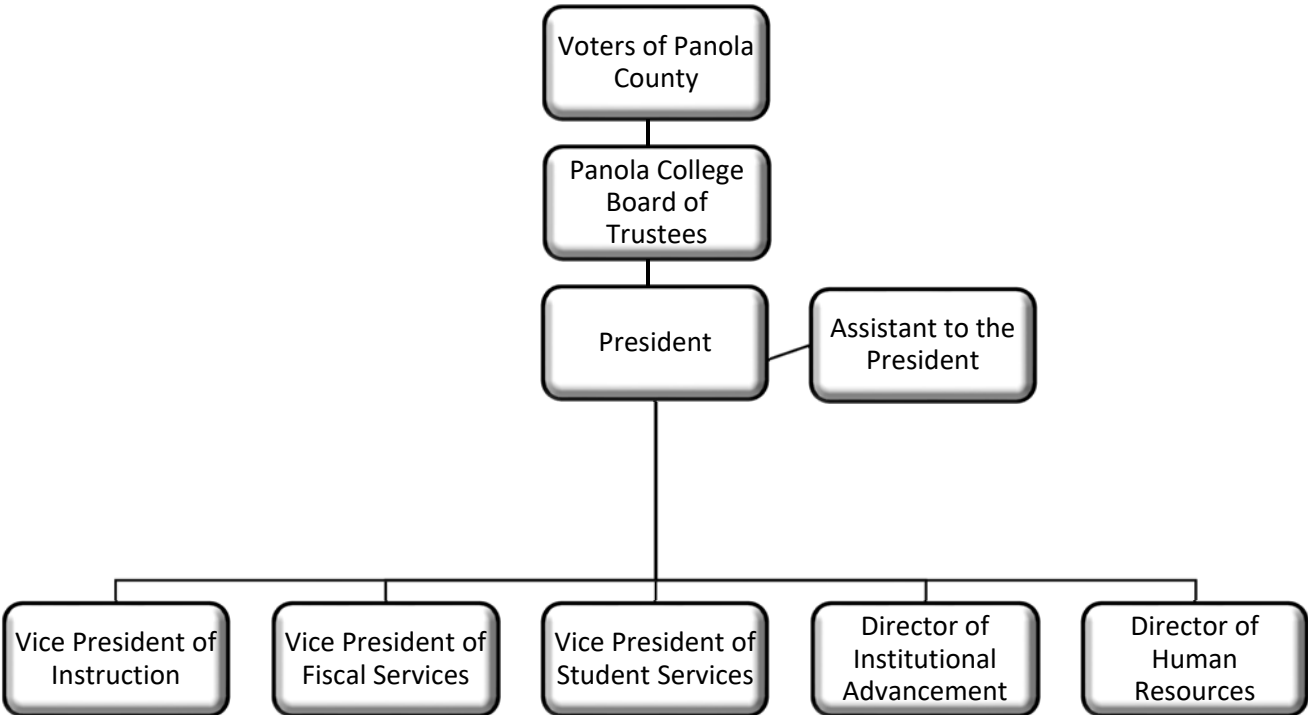
*Christopher P. Morill*

Executive Director/CEO

**ORGANIZATIONAL CHART**

**PANOLA COLLEGE**

**Carthage, Texas**



**PANOLA COLLEGE  
PRINCIPAL OFFICIALS  
AUGUST 31, 2024**

**BOARD OF TRUSTEES**

**OFFICERS**

**Mr. William Goolsby  
Mr. Bobby Phillips  
Mr. Richard Thomas**

**Chair  
Vice-Chair  
Secretary**

**MEMBERS**

**Mrs. Faitha Burchett  
Mr. Mark Roberson  
Mr. William Goolsby  
Mr. Bobby Phillips  
Mr. Kevin Smith  
Mrs. Brooke Lipsey  
Mr. Richard Thomas**

**Term Expires**

**2026  
2026  
2028  
2028  
2028  
2030  
2030**

**ADMINISTRATION**

**Dr. Jessica Pace**

**President**

**Dr. Billy W. Adams**

**Vice President of Instruction**

**Mr. Alan Howard, MBA, CPA**

**Vice President of Fiscal  
Services**

**Mr. Don Clinton**

**Vice President of Student  
Services**

**Ms. Joanna Huckabee**

**Director of Institutional  
Advancement**

**Mr. Jeremy Dorman**

**Director of Human Resources**

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**PANOLA COLLEGE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**FINANCIAL SECTION**

Richard A. Rudel, CPA  
Yvette Sidnell, CPA  
Jennifer L. Webster, CPA  
Susan L. Murrell, CPA  
Brenda A. Johnson



4000 S. Medford Drive  
Lufkin, Texas 75901

---

Wilbur E. Alexander, CPA  
(1940-2009)  
Ted A. Lankford, CPA  
(1947-2024)  
Glenda J. Hiers, CPA  
(Retired)

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Panola College  
Carthage, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Panola College (College) as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Panola College as of August 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audits 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 (*Government Auditing Standards*). 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 the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### *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 College's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College'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 College's ability to continue as a going concern for a reasonable period of time.



## INDEPENDENT AUDITOR'S REPORT - CONTINUED

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, and the pension and OPEB information on pages 13 through 18 and 59 through 63 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 GAAS, 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 audits 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Panola College's basic financial statements. The supplementary schedules, which include the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 GAAS. In our opinion, the supplementary schedules, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical supplements 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.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

In connection with our audits 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 December 2, 2024 on our consideration of Panola College's 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 the effectiveness of Panola College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panola College's internal control over financial reporting and compliance.

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.  
Certified Public Accountants

Lufkin, Texas  
December 2, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Panola County Junior College District (the College) offers readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the year ended August 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found at the front of this report, and the College's financial statements and notes to the financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources at August 31, 2024 by \$68,709,671 (net position). Of this amount, \$17.7M of unrestricted funds may be used to meet the College's ongoing obligations. The increase in unrestricted net position is primarily due to the increase in scholarship allowances and increased revenues from taxes and state appropriations. The calculation on page 17 reflects adjustments to the unrestricted net position to arrive at \$34.2M of operational resources.

The Net Position for the College increased by \$10,583,631 for the current fiscal year end.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis document is intended to serve as an introduction to the College's basic financial statements. Governmental Accounting Standards Board (GASB) Statement No. 34 first required the implementation of financial statement reporting standards for the College with the fiscal year ended August 31, 2002. The standards required the College's financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting. The basic financial statements include: 1) the *Statement of Net Position*, 2) the *Statement of Revenues, Expenses, and Changes in Net Position*, and 3) the *Statement of Cash Flows*. The notes to the financial statements are an integral part of the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Statement of Net Position.** The Statement of Net Position presents all of the College's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

**Statement of Revenues, Expenses, and Changes in Net Position.** The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities. This approach is intended to summarize and simplify the user's analysis of costs of various services to students and the public. The statement presents information for all of the current year's revenues and expenses on an accrual basis. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of these statements distinguish the functions of the College as being a "special purpose government engaged only in business-type activities" (BTA), as permitted in GASB 35, Par. 43. Business-type activity reporting is a category of "Proprietary" funds referred to as "Enterprise" funds (GASB 34, Par. 66 and 138) and is presented in a single column entity-wide format. Although the College is funded from sources in addition to user charges, the College meets the principal criteria for BTA reporting (GASB 34, Par. 67 & GASB 35 Par. 44).

**Statement of Cash Flows.** The Statement of Cash Flows is used to account for essentially the same functions reported in the other basic financial statements. However, unlike the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year.

### Notes to the Financial Statements.

The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the basic financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

## ANALYSIS OF BASIC FINANCIAL STATEMENTS

### Condensed Statements of Net Position as of August 31, 2024, 2023 and 2022

	2024	% of Total	from 2023 to 2024		2023	from 2022 to 2023		2022
			Increase (Decrease)	% Change		Increase (Decrease)	% Change	
<b>Assets:</b>								
Current assets	\$ 42,759,345	36.4%	\$ (1,279,127)	(2.9%)	\$ 44,038,472	\$ 3,693,461	9.2%	\$ 40,345,011
Noncurrent assets:								
Capital assets, net	61,965,922	52.8%	8,370,854	15.6%	53,595,068	4,271,425	8.7%	49,323,643
Other	12,603,881	10.8%	1,387,026	12.4%	11,216,855	1,177,279	11.7%	10,039,576
<b>Total assets</b>	<b>117,329,148</b>	<b>100.0%</b>	<b>8,478,753</b>	<b>7.8%</b>	<b>108,850,395</b>	<b>9,142,165</b>	<b>9.2%</b>	<b>99,708,230</b>
Deferred outflows	2,952,487	100.0%	(667,465)	(18.4%)	3,619,952	(476,966)	(11.6%)	4,096,918
<b>Liabilities:</b>								
Current liabilities	9,224,738	19.7%	(1,007,368)	(9.8%)	10,232,106	1,996,882	24.2%	8,235,224
Non-current liabilities	37,627,465	80.3%	(1,177,342)	(3.0%)	38,804,807	(1,574,693)	(3.9%)	40,379,500
<b>Total liabilities</b>	<b>46,852,203</b>	<b>100.0%</b>	<b>(2,184,710)</b>	<b>(4.5%)</b>	<b>49,036,913</b>	<b>422,189</b>	<b>0.9%</b>	<b>48,614,724</b>
Deferred inflows	4,719,761	100.0%	(587,633)	(11.1%)	5,307,394	42,558	0.8%	5,264,836
<b>Net position:</b>								
Net investment in								
capital assets	39,318,761	57.2%	9,352,421	31.2%	29,966,340	5,370,634	21.8%	24,595,706
Restricted	11,674,644	17.0%	716,048	6.5%	10,958,596	934,456	9.3%	10,024,140
Unrestricted	17,716,266	25.8%	515,162	3.0%	17,201,104	1,895,362	12.4%	15,305,742
<b>Total net position</b>	<b>\$ 68,709,671</b>	<b>100.0%</b>	<b>\$ 10,583,631</b>	<b>18.2%</b>	<b>\$ 58,126,040</b>	<b>\$ 8,200,452</b>	<b>16.4%</b>	<b>\$ 49,925,588</b>

Current assets decreased year over year by \$1.3M. This decrease was mainly in cash and cash equivalents and is primarily due to the increased spending on capital improvement projects. The 2023-24 year's activity increased the College's overall net position by \$10.6M, an increase of 18.2%. The 2022-23 year's activity increased the overall net position of the College by 16.4% over the previous year's position. The College's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68,709,671 at August 31, 2024. Assets amounted to \$117,329,148 with investment in capital assets comprising \$62.0M of that total. Capital assets include land, library books, buildings and improvements, vehicles, furniture, and equipment. The College uses these capital assets to provide services to students and, consequently, these assets are not available for future spending. The College's net investment in capital assets is 57.2% of total net position. It should be noted that the capital assets may not be used to liquidate liabilities. Additionally, \$11.7M (17%) of total net position is externally restricted. The remaining balance of \$17.7M represents unrestricted net position that may be used to meet the College's ongoing obligations; the calculation on page 17 reflects adjustments to the unrestricted net position to arrive at \$34.2M of operational resources available to the College. Total liabilities amounted to \$46.9M, down 4.5% from the previous year.

Note that GASB Statement 68 requires the College to allocate its proportionate share of the Texas Teacher Retirement System's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense; decisions regarding these recorded allocations are made by the administrators of the pension plan, not by the College. Additionally, with the implementation of GASB Statement 75, the College has allocated its proportionate share of the Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense; decisions regarding these recorded allocations are made by the administrators at the Employees Retirement System of Texas (ERS), not by the College.

Condensed Statements of Revenues,  
Expenses, and Changes in Net Position  
as of August 31, 2024, 2023 and 2022

	2024	% of Total	from 2023 to 2024		2023	from 2022 to 2023		2022
			Increase (Decrease)	% Change		Increase (Decrease)	% Change	
<b>Operating revenues</b>								
Tuition & fees, net	\$ 3,235,604	8.2%	\$ (1,130,115)	(25.9%)	\$ 4,365,719	\$ 542,064	14.2%	\$ 3,823,655
Grants and contracts	1,491,907	3.8%	88,789	6.3%	1,403,118	343,884	32.5%	1,059,234
Auxiliary enterprises	1,230,026	3.1%	104,279	9.3%	1,125,747	(90,113)	(7.4%)	1,215,860
Other operating revenues	398,848	1.1%	(17,642)	(4.2%)	416,490	11,955	3.0%	404,535
<b>Total operating revenues</b>	<b>6,356,385</b>	<b>16.2%</b>	<b>(954,689)</b>	<b>(13.1%)</b>	<b>7,311,074</b>	<b>807,790</b>	<b>12.4%</b>	<b>6,503,284</b>
<b>Non-operating revenues</b>								
State appropriations	8,211,783	20.9%	1,856,859	29.2%	6,354,924	106,510	1.7%	6,248,414
Ad-valorem taxes	14,336,021	36.4%	1,102,706	8.3%	13,233,315	1,450,502	12.3%	11,782,813
Federal revenue	5,496,384	14.0%	282,835	5.4%	5,213,549	(4,972,097)	(48.8%)	10,185,646
Gifts/ Endowments	1,118,323	2.8%	(206,796)	(15.6%)	1,325,119	704,485	113.5%	620,634
Gain (loss) on assets	(7,969)	0.0%	(21,970)	(156.9%)	14,001	(284,337)	(95.3%)	298,338
Other non-operating	192,748	0.5%	192,748	-	-	-	-	-
Investment income	3,596,663	9.2%	417,616	13.1%	3,179,047	2,917,863	1117.2%	261,184
<b>Total non-operating revenues</b>	<b>32,943,953</b>	<b>83.8%</b>	<b>3,623,998</b>	<b>12.4%</b>	<b>29,319,955</b>	<b>(77,074)</b>	<b>(0.3%)</b>	<b>29,397,029</b>
<b>Total revenues</b>	<b>39,300,338</b>	<b>100.0%</b>	<b>2,669,309</b>	<b>7.3%</b>	<b>36,631,029</b>	<b>730,716</b>	<b>2.0%</b>	<b>35,900,313</b>
<b>Operating expenses</b>								
Instruction	9,171,607	31.9%	(189,846)	(2.0%)	9,361,453	820,651	9.6%	8,540,802
Public service	-	0.0%	(220,348)	(100.0%)	220,348	5,700	2.7%	214,648
Academic support	3,233,086	11.3%	(58,941)	(1.8%)	3,292,027	417,659	14.5%	2,874,368
Student services	1,960,943	6.8%	100,795	5.4%	1,860,148	(22,162)	(1.2%)	1,882,310
Institutional support	3,602,518	12.5%	372,421	11.5%	3,230,097	(1,880,578)	(36.8%)	5,110,675
O & M of plant	2,586,092	9.0%	308,175	13.5%	2,277,917	181,268	8.6%	2,096,649
Scholarships & fellowships	2,119,070	7.4%	149,763	7.6%	1,969,307	(1,941,823)	(49.6%)	3,911,130
Auxiliary enterprises	2,541,650	8.9%	11,023	0.4%	2,530,627	164,233	6.9%	2,366,394
Depreciation & Amortization	2,703,724	9.4%	55,163	2.1%	2,648,561	130,553	5.2%	2,518,008
<b>Total operating expenses</b>	<b>27,918,690</b>	<b>97.2%</b>	<b>528,205</b>	<b>1.9%</b>	<b>27,390,485</b>	<b>(2,124,499)</b>	<b>(7.2%)</b>	<b>29,514,984</b>
<b>Non-operating expenses</b>	<b>798,017</b>	<b>2.8%</b>	<b>(242,075)</b>	<b>(23.3%)</b>	<b>1,040,092</b>	<b>168,198</b>	<b>19.3%</b>	<b>871,894</b>
<b>Total expenses</b>	<b>28,716,707</b>	<b>100.0%</b>	<b>286,130</b>	<b>1.0%</b>	<b>28,430,577</b>	<b>(1,956,301)</b>	<b>(6.4%)</b>	<b>30,386,878</b>
<b>Changes in net position</b>	<b>10,583,631</b>	<b>15.4%</b>	<b>2,383,179</b>	<b>29.1%</b>	<b>8,200,452</b>	<b>2,687,017</b>	<b>48.7%</b>	<b>5,513,435</b>
<b>Beginning net position</b>	<b>58,126,040</b>	<b>84.6%</b>	<b>8,200,452</b>	<b>16.4%</b>	<b>49,925,588</b>	<b>5,513,435</b>	<b>12.4%</b>	<b>44,412,153</b>
<b>Ending net position</b>	<b>\$ 68,709,671</b>	<b>100.0%</b>	<b>\$10,583,631</b>	<b>18.2%</b>	<b>\$58,126,040</b>	<b>\$ 8,200,452</b>	<b>16.4%</b>	<b>\$ 49,925,588</b>

For the 2023-24 fiscal year, the operating revenues amounted to \$6.4M and non-operating revenues \$32.9M for a total of \$39.3M. Major operating revenues include (net of discounts) \$3.2M in tuition and fees, \$1.5M in grants and contracts, and \$1.2M in auxiliary enterprises. Major non-operating revenues include \$8.2M in state appropriations, \$14.3M in ad-valorem taxes, and \$5.5M in federal revenues. The end of federal Covid-19 grants in FY 2021-22 resulted in a decrease of \$4.97M in Federal Revenue in FY 2022-23. The Investment Income increase of \$0.4M was due to the performance of the Texas Presbyterian Funds investment and higher interest rates on cash investment accounts. Operating expenses totaled \$27.9M and non-operating expenses were \$0.8M for total expenses of \$28.7M. The FY 2023-24 change in net position was an increase of \$10.6M from the prior year. The increase in net position is primarily due to the increase in the net capital assets and increased revenues from taxes and state appropriations. The change in net position for fiscal year 2022-23 was an increase of \$8.2M from fiscal year 2021-22, mainly due to an increase in capital assets, tax revenues and state appropriations.

Instruction operating expense includes expenditures for all activities that are part of the College's instruction program. These activities include credit and noncredit courses for academic, vocational, developmental, and tutorial instruction. Public Service includes funds expended for activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the College. Academic support expenses are used to provide support services for the College's primary missions of instruction, research, and public service. This includes library expenses, academic administration, computer services, and distance learning support. Student services include expenses for offices of records and admissions and student activities. Institutional support includes expenses related to the College's executive management, fiscal operations, personnel management, college development, administrative computing, and general institutional expenses. Operation and maintenance of plant are expenditures for the operation and maintenance of the physical plant. Scholarships and fellowships categorization includes scholarships and fellowships, as well as tuition remissions and exemptions. Auxiliary enterprises include expenditures for the college store, food services, residence halls, and athletic programs.

Condensed Statements of Cash Flows  
as of August 31, 2024, 2023 and 2022

	2024	Increase (Decrease)	2023	Increase (Decrease)	2022
Cash provided by/(used) for:					
Operating activities	\$ (18,373,797)	\$ (3,839,164)	\$ (14,534,633)	\$ 5,205,401	\$ (19,740,034)
Noncapital financing activities	27,599,238	2,350,438	25,248,800	(2,743,025)	27,991,825
Capital and related financing activities	(12,910,676)	(3,909,043)	(9,001,633)	(4,807,480)	(4,194,153)
Investing activities	2,202,112	259,921	1,942,191	845,216	1,096,975
Net increase (decrease) in cash and cash equivalents	(1,483,123)	(5,137,848)	3,654,725	(1,499,888)	5,154,613
Cash and cash equivalents – beginning of year	39,275,676	3,654,725	35,620,951	5,154,613	30,466,338
Cash and cash equivalents – end of year	\$ 37,792,553	\$ (1,483,123)	\$ 39,275,676	\$ 3,654,725	\$ 35,620,951

Cash and cash equivalents at August 31, 2024 were \$37.8M, which is a decrease of \$1.5M or 3.8% over the prior year.

**OVERALL FINANCIAL POSITION AND RESULTS OF OPERATION**

Given the positive net position and the positive trend of continued productivity, the College's financial position has remained strong, with unrestricted net position representing six months or more of operating reserves, which is above the 3.6 months' minimum previously recommended by the State Auditor's Office.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The College's investment in capital assets as of August 31, 2024 amounts to \$61,965,922 (net of accumulated depreciation) and represents an increase of 15.6% from the previous year. This investment includes land, library books, buildings and improvements, construction-in-progress, furniture and equipment, and right-to-use assets.

Capital Assets  
(net of depreciation)  
as of August 31, 2024, 2023 and 2022

	2024	Increase (Decrease)	% Change	2023	Increase (Decrease)	% Change	2022
Land	\$ 2,281,873	\$ -	0.0%	\$ 2,281,873	\$ 55,460	2.5%	\$ 2,226,413
Library Books	46,974	(11,087)	(19.1%)	58,061	(9,786)	(14.4%)	67,847
Buildings and Improvements	42,395,153	(2,063,044)	(4.6%)	44,458,197	34,942	0.1%	44,423,255
Construction in Progress	14,832,079	9,875,964	199.3%	4,956,115	4,384,102	766.4%	572,013
Furniture and Equipment	1,923,984	358,728	22.9%	1,565,256	(124,402)	(7.4%)	1,689,658
Right-to-Use Asset - Bldgs/Sub	485,859	210,293	76.3%	275,566	(68,891)	(20.0%)	344,457
Total	\$ 61,965,922	\$ 8,370,854	15.6%	\$53,595,068	\$ 4,271,425	8.7%	\$ 49,323,643

Please refer to footnote “8—Capital Assets” for additional information.

### Long-term Liabilities

In September 2013, the College issued 25-year general obligation bonds of \$9,325,000. The principal balance at August 31, 2022 was \$5,630,000. The College conducted a tax-exempt refunding of the Series 2013 Bonds for uniform interest cost savings that will result in a \$360,764 debt service savings over the next 15 years. The refunding date of these bonds was June 1, 2023, and will result in a present value savings as a percent of the Refunded Bonds equal to 5.2%. The August 31, 2024 principal balance of the bonds issued in 2023 was \$5,000,000. In September 2014, the College issued 25-year general obligation bonds of \$25,155,000. The principal balance at August 31, 2024 was \$16,860,000 as shown in footnote 9.

Long-term Liabilities as of August 31, 2024, 2023 and 2022							
	2024	Increase (Decrease)	% Change	2023	Increase (Decrease)	% Change	2022
General obligation bonds	\$ 21,860,000	\$ (1,135,000)	(4.9%)	\$ 22,995,000	\$ (1,335,000)	(5.5%)	\$ 24,330,000
General obligation bonds premium	324,280	(23,163)	(6.7%)	347,443	300,588	641.5%	46,855
Revenue bonds payable	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 22,184,280</b>	<b>\$ (1,158,163)</b>	<b>(5.0%)</b>	<b>\$ 23,342,443</b>	<b>\$ (1,034,412)</b>	<b>(4.2%)</b>	<b>\$ 24,376,855</b>

On May 11, 2013, the College passed a \$35 million bond program to fund the construction of a new science/health building, a new student life center and to renovate several existing buildings. In September 2013, in order to provide funds for architectural design, site work and other construction activities the College issued initial \$9,325,000 par value General Obligation Bonds, Series 2013. In September 2014, the College issued the final tranche of the authorized bonds in the amount of \$25,155,000.

Additional information on the College’s long-term liabilities can be found in footnote 9 of this report.

### Calculation of Unrestricted Net Position, Exclusive of Plant and Plant-Related Debt (UNPEP) – Operational Resources

Unrestricted Net Position, Exclusive of Plant and Plant-Related Debt as of August 31, 2024, 2023 and 2022							
	2024	Increase (Decrease)	% Change	2023	Increase (Decrease)	% Change	2022
Unrestricted Net Position - Audited	\$ 17,716,266	\$ 515,162	3.0%	\$ 17,201,104	\$ 1,895,362	12.4%	\$ 15,305,742
Compensable Absences (current)	142,817	(10,334)	(6.7%)	153,151	7,056	4.8%	146,095
Compensable Absences (non-current)	248,432	(32,000)	(11.4%)	280,432	40,186	16.7%	240,246
Net OPEB Liability (GASB 75)	10,993,292	(664,158)	(5.7%)	11,657,450	(3,028,013)	(20.6%)	14,685,463
Net Pension Liability (GASB 68)	5,119,471	678,846	15.3%	4,440,625	2,500,127	128.8%	1,940,498
<b>Total UNPEP</b>	<b>\$ 34,220,278</b>	<b>\$ 487,516</b>	<b>1.4%</b>	<b>\$ 33,732,762</b>	<b>\$ 1,414,718</b>	<b>4.4%</b>	<b>\$ 32,318,044</b>

### ECONOMIC FACTORS

Panola College is committed to excellence in instructional programs, student services, service to the community, and leadership in economic development and cultural enrichment of the area. The Board of Trustees and the citizens of the College district are committed to meeting the needs of our students today and in the future. The College will continue to strive to meet its mission while providing an affordable education for its students. The outlook for Panola College remains positive due to its strong leadership, fiscal management and a resilient local economy.



## **CONSTRUCTION PROJECTS**

On June 7, 2022, the College entered into a contract with an architect to design a new Energy Building on the north-east section of the campus consisting of approximately 30,000 Gross Square Feet in one story of construction. On January 17, 2023, the College entered into a contract with a Construction Manager to construct this new Energy Building on the main Carthage campus. On September 25, 2023, the College entered into a contract with the Construction Manager to replace the baseball bleachers at the baseball field and to build a new rodeo barn. The energy building, the new rodeo barn, and the new baseball bleachers will be completed in FY 24-25.

## **HIGHER EDUCATION EMERGENCY RELIEF FUNDS (HEERF I, II, and III)**

Higher Education Emergency Relief Funds (HEERF I, II, and III) were provided to the College in response to COVID-19. These funds were used to purchase personal protective equipment and various other technology items that allowed the College to provide instructions to students through online training, classroom instruction, or simulation activities. The College was therefore able to conduct operations both remotely and in-person. All of the HEERF funds were fully expended as of June 30, 2022 and no additional funds have been received. The end of federal Covid-19 grants in FY 2021-22 resulted in decreases in expenditures back to pre-pandemic levels in FY 2022-23. As of the date that these August 31, 2024 financial statements were available to be issued, COVID-19 and other respiratory illnesses are still somewhat of a concern, but vaccines are readily available and treatment options have improved over time. As in prior years, we will continue to monitor this situation very closely and will adapt policies and procedures as necessary to keep our campus community safe and healthy.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, students, stakeholders and creditors with a general overview of the College's finances as well as demonstrate accountability for the funds the College receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Vice President of Fiscal Services, Panola College, 1109 West Panola, Carthage, Texas 75633.

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# BASIC FINANCIAL STATEMENTS



**PANOLA COLLEGE**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
	<u>Primary</u>	<u>Primary</u>
	<u>Institution</u>	<u>Institution</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 37,792,553	\$ 39,275,676
Accounts receivable (net)	3,356,017	2,991,563
Inventories	285,705	352,717
Other assets	1,325,070	1,418,516
<b>Total Current Assets</b>	<u>42,759,345</u>	<u>44,038,472</u>
<b>Noncurrent Assets</b>		
Endowment and other investments	12,603,881	11,216,855
Capital assets, net (See note)	61,965,922	53,595,068
<b>Total Noncurrent Assets</b>	<u>74,569,803</u>	<u>64,811,923</u>
<b>Total Assets</b>	<u>117,329,148</u>	<u>108,850,395</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	1,839,261	1,740,106
Deferred outflows related to OPEB	1,113,226	1,879,846
<b>Total Deferred Outflows of Resources</b>	<u>2,952,487</u>	<u>3,619,952</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	1,684,863	2,094,192
Accrued liabilities	281,996	376,471
Accrued compensable absences - current portion	142,817	153,151
Funds held for others	715,972	770,542
Unearned revenues	5,018,200	5,635,322
Lease Payable - current portion	70,168	67,428
SBITA Payable - current portion	80,722	-
Bonds payable - current portion	1,230,000	1,135,000
<b>Total Current Liabilities</b>	<u>9,224,738</u>	<u>10,232,106</u>
<b>Noncurrent Liabilities</b>		
Deposits	-	-
Accrued compensable absences	248,432	280,432
Leases payable	148,689	218,857
SBITA payable	163,301	-
Bonds payable	20,954,280	22,207,443
Net pension liability	5,119,471	4,440,625
Net OPEB liability	10,993,292	11,657,450
<b>Total Noncurrent Liabilities</b>	<u>37,627,465</u>	<u>38,804,807</u>
<b>Total Liabilities</b>	<u>46,852,203</u>	<u>49,036,913</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	376,836	559,602
Deferred inflows related to leases	548,119	569,755
Deferred inflows related to OPEB	3,794,806	4,178,037
<b>Total Deferred Inflows of Resources</b>	<u>4,719,761</u>	<u>5,307,394</u>
<b>NET POSITION</b>		
Net investment in capital assets	39,318,761	29,966,340
<b>Restricted for</b>		
<b>Nonexpendable</b>		
Student Aid	7,751,640	6,388,213
<b>Expendable</b>		
Construction	2,481,323	2,481,323
Debt Service	925,649	853,008
Student Aid	516,032	1,236,052
Unrestricted	17,716,266	17,201,104
<b>Total Net Position</b>	<u>\$ 68,709,671</u>	<u>\$ 58,126,040</u>

The accompanying notes are an integral part of this financial statement.

**PANOLA COLLEGE  
EXHIBIT 1-A  
AFFILIATED ORGANIZATION  
STATEMENTS OF FINANCIAL POSITION  
August 31, 2024 and 2023**

	<b>2024 Panola College Foundation</b>	<b>2023 Panola College Foundation</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 250,660	\$ 201,800
Certificates of deposit	119,273	118,221
Mutual fund investments	4,419,145	3,784,642
Exchange traded fund investments	15,393	-
Annuity contracts	152,394	126,745
Total Assets	4,956,865	4,231,408
<b>Liabilities</b>		
Accounts payable	40,952	54,228
Total Liabilities	40,952	54,228
<b>Net Assets</b>		
Without donor restrictions	1,972,776	1,819,833
With donor restrictions	2,943,137	2,357,347
Total Net Assets	\$ 4,915,913	\$ 4,177,180

The accompanying notes are an integral part of this financial statement.

**PANOLA COLLEGE**  
**EXHIBIT 2**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Years Ended August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
	<u>Primary</u>	<u>Primary</u>
	<u>Institution</u>	<u>Institution</u>
<b>Operating Revenues</b>		
Tuition and fees (net of discounts of \$5,758,141 for 2024 and \$4,633,415 for 2023)	\$ 3,235,604	\$ 4,365,719
Federal grants and contracts	633,046	598,092
State grants and contracts	698,809	684,172
Non-governmental grants and contracts	137,873	120,854
Sales and services of educational activities	22,179	18,509
Auxiliary enterprises (net of discounts of \$1,284,664 for 2024 and \$1,182,846 for 2023)	1,230,026	1,125,747
Other operating revenues (net of discounts of \$-0-)	398,848	397,981
<b>Total Operating Revenues (Schedule A)</b>	<u>6,356,385</u>	<u>7,311,074</u>
<b>Operating Expenses</b>		
Instruction	9,171,607	9,361,453
Public service	-	220,348
Academic support	3,233,086	3,292,027
Student services	1,960,943	1,860,148
Institutional support	3,602,518	3,230,097
Operation and maintenance of plant	2,586,092	2,277,917
Scholarships and fellowships	2,119,070	1,969,307
Auxiliary enterprises	2,541,650	2,530,627
Depreciation and amortization	2,703,724	2,648,561
<b>Total Operating Expenses (Schedule B)</b>	<u>27,918,690</u>	<u>27,390,485</u>
<b>Operating Loss</b>	<u>(21,562,305)</u>	<u>(20,079,411)</u>
<b>Non-Operating Revenues (Expenses)</b>		
State appropriations	8,211,783	6,354,924
Ad-valorem taxes - maintenance & operations	12,320,927	11,236,225
Ad-valorem taxes - debt service	2,015,094	1,997,090
Federal revenue, non-operating	5,496,384	5,213,549
Other, non-operating	192,748	-
Gifts	1,021,807	917,926
Investment income (net of investment expenses)	3,351,485	2,382,879
Gain (loss) on disposal of capital assets	(7,969)	14,001
Royalty income	245,178	796,168
Interest on capital related debt	(798,017)	(876,900)
Bond issuance costs	-	(163,192)
<b>Net Non-Operating Revenues (Schedule C)</b>	<u>32,049,420</u>	<u>27,872,670</u>
<b>Income Before Other Revenues</b>	10,487,115	7,793,259
<b>Other Revenues</b>		
Additions to Permanent Endowments	96,516	407,193
<b>Total Other Revenues</b>	<u>96,516</u>	<u>407,193</u>
<b>Increase in Net Position</b>	10,583,631	8,200,452
<b>Net Position</b>		
Net position - beginning of year	<u>58,126,040</u>	<u>49,925,588</u>
<b>Net position - end of year</b>	<u>\$ 68,709,671</u>	<u>\$ 58,126,040</u>

The accompanying notes are an integral part of this financial statement.

**PANOLA COLLEGE**  
**EXHIBIT 2-A**  
**AFFILIATED ORGANIZATION**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended August 31, 2024 and 2023

	2024 Panola College Foundation Without Donor Restrictions	2024 Panola College Foundation With Donor Restrictions	2024 Panola College Foundation Total
<b>Revenue</b>			
Investment income	\$ 190	\$ 150,868	\$ 151,058
Unrealized investment loss	-	523,803	523,803
Realized investment loss	-	18,172	18,172
Gifts	244,524	-	244,524
Other	1,605	-	1,605
Net Assets released from restrictions	107,053	(107,053)	-
<b>Total Revenue</b>	<b>353,372</b>	<b>585,790</b>	<b>939,162</b>
<b>Expenses</b>			
Scholarships and support	200,429	-	200,429
<b>Total Expenses</b>	<b>200,429</b>	<b>-</b>	<b>200,429</b>
<b>Increase (decrease) in Net Assets</b>	<b>152,943</b>	<b>585,790</b>	<b>738,733</b>
Net assets - beginning of year	1,819,833	2,357,347	4,177,180
Net assets - end of year	<u>\$ 1,972,776</u>	<u>\$ 2,943,137</u>	<u>\$ 4,915,913</u>

	2023 Panola College Foundation Without Donor Restrictions	2023 Panola College Foundation With Donor Restrictions	2023 Panola College Foundation Total
<b>Revenue</b>			
Investment income	\$ 186	\$ 138,045	\$ 138,231
Unrealized investment income	-	242,014	242,014
Realized investment income	-	12,340	12,340
Gifts	190,859	-	190,859
Other	764	-	764
Net Assets released from restrictions	120,883	(120,883)	-
<b>Total Revenue</b>	<b>312,692</b>	<b>271,516</b>	<b>584,208</b>
<b>Expenses</b>			
Scholarships and support	189,097	-	189,097
<b>Total Expenses</b>	<b>189,097</b>	<b>-</b>	<b>189,097</b>
<b>Increase (decrease) in Net Assets</b>	<b>123,595</b>	<b>271,516</b>	<b>395,111</b>
Net assets - beginning of year	1,696,238	2,085,831	3,782,069
Net assets - end of year	<u>\$ 1,819,833</u>	<u>\$ 2,357,347</u>	<u>\$ 4,177,180</u>

The accompanying notes are an integral part of this financial statement.



**PANOLA COLLEGE**  
**EXHIBIT 3**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended August 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
	<b>Primary Institution</b>	<b>Primary Institution</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 3,867,705	\$ 5,963,220
Receipts from grants and contracts	1,452,080	1,417,218
Payments to or on behalf of employees	(13,434,351)	(13,046,416)
Payments to suppliers for goods or services	(8,140,161)	(6,899,348)
Payments of scholarships	(2,119,070)	(1,969,307)
Net cash used for operating activities	<u>(18,373,797)</u>	<u>(14,534,633)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	6,729,578	5,315,529
Ad valorem tax revenues	14,288,179	13,401,242
Receipts from non-operating federal revenue	5,324,980	5,341,359
Receipts from other non-operating revenue	192,748	-
Gifts and grants (other than capital)	1,118,323	1,325,119
Student organization and other agency transactions	(54,570)	(134,449)
Net cash provided by noncapital financing activities	<u>27,599,238</u>	<u>25,248,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	2,075	14,501
Proceeds from issuance of bonds	-	5,542,443
Purchases of capital assets	(10,755,042)	(6,920,485)
Interest expense paid	(869,723)	(880,104)
Payments on capital debt	(1,135,000)	(6,530,000)
Payments on lease obligations	(67,428)	(64,796)
Payments on SBITAs	(85,558)	-
Bond issuance costs paid	-	(163,192)
Net cash used for capital and related financing activities	<u>(12,910,676)</u>	<u>(9,001,633)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturity of investments	7,507,027	6,912,825
Investment earnings	2,650,265	2,656,247
Purchases of investments	(7,955,180)	(7,626,881)
Net cash provided by investing activities	<u>2,202,112</u>	<u>1,942,191</u>
Increase in cash and cash equivalents	(1,483,123)	3,654,725
Cash and cash equivalents - beginning of year	<u>39,275,676</u>	<u>35,620,951</u>
Cash and cash equivalents - end of year	<u>\$ 37,792,553</u>	<u>\$ 39,275,676</u>
<b>Noncash investing, capital, and financing activities:</b>		
Increase (decrease) in fair value of investments	<u>\$ 938,872</u>	<u>\$ 463,223</u>
SBITA Payable Proceeds	<u>\$ 329,581</u>	<u>\$ -</u>
Amortization of bond premium	<u>\$ 23,163</u>	<u>\$ 46,855</u>
Right-to-use Asset - Subscriptions	<u>\$ 329,581</u>	<u>\$ -</u>
Donated Capital Assets	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

**PANOLA COLLEGE**  
**EXHIBIT 3 (Continued)**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended August 31, 2024 and 2023

	<u>2024</u> <u>Primary</u> <u>Institution</u>	<u>2023</u> <u>Primary</u> <u>Institution</u>
<b>Reconciliation of operating loss to net cash used for operating activities</b>		
Operating loss	\$ <u>(21,562,305)</u>	\$ <u>(20,079,411)</u>
<b>Adjustments to reconcile operating loss to net cash used for operating activities</b>		
Depreciation and Amortization expense	2,703,724	2,648,561
On-behalf state benefits (excluding pension and OPEB expense)	1,151,451	1,073,909
Pension expense	1,420,634	776,635
College's contributions to TRS made subsequent to the measurement date	(418,614)	(383,022)
OPEB expense	(164,698)	(50,644)
College's contributions to ERS made subsequent to the measurement date	(390,412)	(364,208)
<b>Changes in assets and liabilities</b>		
(Increase) decrease in Receivables, net	(137,682)	(77,901)
(Increase) decrease in Inventories	67,012	80,507
(Increase) in Other assets	93,446	(277,502)
Increase in Unearned revenue	(617,122)	429,062
Increase (decrease) in Accounts payable	(409,329)	1,646,130
Increase in Accrued liabilities-payroll related	(45,932)	17,646
Increase in Compensated absences	(42,334)	47,242
(Decrease) in Deferred Inflows Related to Leases	(21,636)	(21,637)
<b>Total Adjustments</b>	<u>3,188,508</u>	<u>5,544,778</u>
<b>Net cash used for operating activities</b>	<u>\$ (18,373,797)</u>	<u>\$ (14,534,633)</u>

The accompanying notes are an integral part of this financial statement.

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PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

1. **REPORTING ENTITY**

Panola College was established in 1947 in accordance with the laws of the State of Texas to serve the educational needs of the Panola College service area. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state and federal sources, and must comply with the spending, reporting and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Guidelines**

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities in accordance with GASB Statements 34 and 35.

**Tuition Discounting**

*Texas Public Education Grants*

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. The amount set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code 56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount.

*Title IV, Higher Education Act (HEA) Program Funds*

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount.

*Other Tuition Discounts*

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount.

**Basis of Accounting**

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the College's policy is to apply restricted resources first.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that are provided for in the subsequent year's budget are reported as unrestricted net position since they do not constitute expenditures or liabilities.

PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

**Budgetary Data**

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning.

**Cash and Cash Equivalents**

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Deferred Inflows and Outflows of Resources**

In addition to assets, the statements of net 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 one or more future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statements of net 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

For the year ended August 31, 2024 and 2023, the College has items that qualify for reporting as deferred outflows of resources and deferred inflows of resources. The College reports the deferred outflows and inflows related to the leases, TRS net pension liability and ERS net OPEB liability on the Statement of Net Position. Those items are detailed in Note 10, TRS Note 16 and ERS Note 20.

**Investments**

Investments are reported at fair value on a recurring basis. Fair values are based on quoted market prices (level 1 of the fair value hierarchy). Investments in common trust funds are valued using the net asset value per share in accordance with GASB Statement No. 72. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Investments in Lone Star Investment Pool are reported at amortized cost (which approximates fair value). (The governing board has designated public funds investment pools comprised of \$32,261,999 and \$33,424,525 at August 31, 2024 and 2023, respectively, to be short-term investments). Investments in Treasury bills are valued at amortized cost. The College is invested in 26-week Treasury bills. Long-term investments have an original maturity of greater than one year at the time of purchase.

**Inventories**

Inventories consist of bookstore stock. Inventories for resale are valued at lower of cost under the "first-in, first-out" method, or market and are charged to expense as consumed.

**Capital Assets**

Capital assets are stated at cost. Donated capital assets are valued at their acquisition value on the date received. Panola College's capitalization policy includes real or personal property with a value equal to or greater than \$5,000 and has an estimated life of greater than 1 year. The College reports depreciation under a single-line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Buildings and Other Improvements	10-30 years
Furniture, Fixtures, Machinery & Equipment and Other Equipment	5-20 years
Library Books	10-15 years
Right-to-Use Assets-Buildings	6 years
Right-to-Use Assets-Subscriptions	5 years

**Collections**

The College does not maintain any capitalized collections for public exhibition, education, or research.

**Unearned Revenues**

Tuition, fees, and other revenues received and related to the periods after August 31, 2024 and 2023 have been reported as unearned revenues.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Operating Revenues and Expenses and Non-Operating Revenues and Expenses**

The statement of revenues, expenses and changes in net position distinguishes between operating revenues and expenses and non-operating revenues and expenses. For this purpose, operating revenues, such as tuition and fees, result from exchange transactions associated with the principal ongoing operations of the College. Exchange transactions are those in which each party to the transactions receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the College's principal activities (such as investment income and state allocations) and from all non-exchange transactions (such as property taxes and Title IV grants). Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Non-operating expenses are comprised of interest on long-term debt and bond issuance costs.

**Net Position**

The College reports its net position in three components. Net investment in capital assets is equal to amounts reported for capital assets net of accumulated depreciation and net of related debt. Restricted net position is reported when assets (net of related debt) can only be used for a specified purpose that is established by grantors, contributors, or laws or regulations governing the College. Unrestricted net position is comprised of all other College assets net of related depreciation and debt that do not meet the definitions of invested in capital assets or restricted.

**Lease Accounting**

The College has implemented GASB 87. GASB 87 has adopted a single model that all leases represent financings and therefore provides for three accounting treatments: (1) short-term leases of 12 months or less, (2) contracts that transfer ownership, and (3) contracts that do not transfer ownership.

All leases that do not fall into the first two categories listed above are treated as "contracts that do not transfer ownership".

Lessee: For leases where the College is a lessee, a lease payable and a right-to-use asset are recognized. The lease liability is initially measured at the present value of fixed minimum lease payments that are expected to

PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

be made during the lease term. The lease payable is subsequently reduced by the principal payments made. The College must recognize interest expense over time based on the current balance of the lease and the implicit interest rate. The right-to-use asset is classified as an intangible and is initially measured as the lease payable with adjustments for payments made at or before the lease commencement date and certain initial direct costs. The College is required to amortize the value of the right-to-use asset in a systematic manner over the shorter period of the lease term or the useful life of the asset. Right-to-use assets are reported with capital assets while lease payables are reported with long-term liabilities in the statement of net position. The College recognizes lease payables and the related right-to-use asset with an initial individual value of \$100,000 or more.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise.

**Lessor:** For leases where the College is the lessor, a lease receivable and deferred inflows of resources are recognized in the statement of net position. The lease receivable is initially measured at the present value of the lease payments that are expected to be received during the lease term. Principal payments received subsequent to the initial measure reduce the lease receivable. The initial amount of the deferred inflow of resources is equal to the lease receivable with adjustments made for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue in a systematic manner over the term of the lease.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a re-measurement of its leases, and will re-measure the components if certain changes occur that are expected to significantly affect the amount of the lease receivable or lease payable.

**Subscription-Based Information Technology Arrangements (SBITA)**

The College recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with capital assets, in the statement of net position. The College recognizes subscription liabilities and the related right-to-use assets with an initial individual value of \$100,000 or more.

At the commencement of a SBITA, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. The subscription liability is subsequently reduced by the principal portion of SBITA payments. Interest expense is recognized over time based on the current balance of the SBITA and the implicit interest rate. The subscription asset is initially measured as the subscription liability adjusted for SBITA payments made at or before the commencement date and certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Key estimates and judgements related to SBITAs include how the College determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The College uses its incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the College is reasonably certain to exercise such option, subscription contract incentives receivable from the vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The College monitors changes in circumstances that would require a re-measurement of its SBITAs, and will re-measure the components if certain changes occur that are expected to significantly affect the amount of the subscription asset or subscription liability.

#### Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

#### Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

#### Implementation of New Standards

In the current fiscal year, the College did not implement any new standard.

In fiscal year 2023, the College implemented the following new standard. Implementation is reflected in the financial statements and the notes to the financial statements.

**GASB Statement No. 96 – Subscription-Based Information Technology Arrangements –** This statement provides guidance on the account and financial reporting for SBITAs for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to use subscription intangible asset and a corresponding liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases, as amended. The requirements of this statement were effective for reporting periods beginning after June 15, 2022.



PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

3. **COMPONENT UNIT (AFFILIATED ORGANIZATION)**

Governmental Accounting Standards Board (GASB) Statement 39 amends GASB Statement 14 regarding the inclusion of annual financial statements of certain non-profit organizations in the primary government's annual report. As a result, the College discretely presents the financial statements of the Panola College Foundation (the Foundation) in the College's annual financial report as an affiliated organization. The Foundation is a non-profit corporation (reported under FASB standards) organized under the Texas Non Profit Corporation Act. The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The sole purpose of the Foundation is to strengthen the educational resources of Panola College by encouraging a program of benefactions to the College. Appointments to the board of trustees are ratified by the Panola College board of trustees, and two members of the College's board serve on the Foundation's board. Separate financial statements of the Foundation are normally not issued.

Financial transactions in the form of support from the Foundation to the College for the years ended August 31, 2024 and 2023 amounted to approximately \$200,429 and \$189,097 respectively.

Deposits were fully covered by FDIC insurance at August 31, 2024 and 2023, and consisted of deposits in bank, certificates of deposit and money market funds. Investments in mutual funds, exchange traded funds (ETFs) and annuities are valued at fair value based on quoted market values (level 1 of the fair value hierarchy) obtained from the various investment brokers. The Foundation's investments in mutual funds and ETFs are all rated "\*\*\*" or better by Morningstar Rating Services except for Destra International & Event-Driven Credit Fund and Cliffwater Corporate Lending I which are not rated. The investment in TPF Balanced Fund, a common trust fund, is unrated and valued using net asset value per share.

4. **AUTHORIZED INVESTMENTS**

Panola College is authorized to invest in obligations and instruments as defined in the Public Funds Investment 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 College are in compliance with these investment policies.

5. **DEPOSITS AND INVESTMENTS**

During the 2024 and 2023 fiscal years, deposits and investments were comprised of cash on hand, bank demand deposits, bank time deposits, investments with the Lone Star Investment Pool, mutual funds administered by Lincoln Financial Advisors and a common trust fund, TPF Balanced Fund, administered by Texas Presbyterian Foundation.

Deposits on account with financial institutions were insured by federal depository insurance and collateralized by pledged securities. The pledged securities are held by the depository bank's agent bank in the name of the College. Such securities cannot be released without the express written permission of the Board of Trustees of the College.

The College's temporary investments consist of balances held by Lone Star Investment Pool (Government Overnight Fund), Lincoln Financial Advisors and Texas Presbyterian Foundation. The Lone Star Investment Pool is a public fund investment pool created to provide a safe environment for the placement of local government funds in short-term investments. The Government Overnight Fund is regulated by the Securities and Exchange Act and seeks to maintain a net asset value of one dollar and a dollar weighted average maturity of 60 days or fewer. Lone Star Investment Pool is administered by First Public. The fair value of the investment in Lone Star Investment Pool was the same as its carrying value of \$32,261,999 and \$33,424,525 for the years ended August 31, 2024 and 2023, respectively.

**PANOLA COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023**

Lincoln Financial Advisors is the broker for the College's investment in eight mutual funds within the American Funds Family. Each of the eight funds were rated "\*\*\*" or better by Morningstar Rating Services. The fair value of the mutual fund investments was the same as its carrying value of \$660,524 and \$539,013 for the years ended August 31, 2024 and 2023, respectively.

Texas Presbyterian Foundation is the custodian of the College's investment in TPF Balanced Fund, a common trust fund (CTF). The CTF is valued using the net asset value per share. The fair value of the CTF was the same as its carrying value, \$7,810,109 and \$6,713,800 for the years ended August 31, 2024 and 2023, respectively. The investment strategy of the CTF is to produce a total rate of return to provide a stable, predictable and growing source of income. There are no restrictions on redemption or sale of the CTF. The College can redeem shares at any time.

Details of the composition and classification of the deposit balances are summarized below:

**Composition of Cash, Deposits and Investments**

	August 31, 2024	August 31, 2023
<b>Cash and Deposits</b>		
<b>Cash in Banks:</b>		
Demand Deposits	\$ 5,528,044	\$ 5,848,761
Time Deposits	750,000	750,000
Petty Cash on Hand	2,510	2,390
<b>Total Cash and Deposits</b>	<b>6,280,554</b>	<b>6,601,151</b>
<b>Investments</b>		
<b>Short-Term Investments:</b>		
Lone Star Investment Pool Government Overnight Fund	32,261,999	33,424,525
Treasury Bills	3,383,248	3,214,042
Mutual Fund Investments	660,524	539,013
Common Trust Fund	7,810,109	6,713,800
<b>Total Investments</b>	<b>44,115,880</b>	<b>43,891,380</b>
<b>Total Deposits and Investments</b>	<b>\$ 50,396,434</b>	<b>\$ 50,492,531</b>

**Classification in Statement of Net Position, Exhibit 1**

	August 31, 2024	August 31, 2023
<b>Cash and Cash Equivalents</b>		
<b>Cash in Banks:</b>		
Demand Deposits	\$ 5,528,044	\$ 5,848,761
<b>Short-Term Investments</b>		
Lone Star Investment Pool Government Overnight Fund	32,261,999	33,424,525
Petty Cash on Hand	2,510	2,390
<b>Total Cash and Cash Equivalents</b>	<b>37,792,553</b>	<b>39,275,676</b>
<b>Endowment and Other Investments</b>		
<b>Cash in Banks – Time Deposits</b>	750,000	750,000
<b>Treasury Bills</b>	3,383,248	3,214,042
<b>Mutual Fund Investments</b>	660,524	539,013
<b>Common Trust Fund</b>	7,810,109	6,713,800
<b>Total Investments</b>	<b>12,603,881</b>	<b>11,216,855</b>
<b>Total Cash, Deposits and Investments</b>	<b>\$ 50,396,434</b>	<b>\$ 50,492,531</b>

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**Policies Governing Deposits and Investments**

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

- a. **Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's investment policy does not limit investments based on credit ratings. Investment in obligations of or guaranteed by the U.S. government are exempted from this disclosure. Lone Star Investment Pool was rated AAAM by Standard & Poor's as of August 31, 2024 and August 31, 2023. The investment in the CTF is unrated.
- b. **Custodial Credit Risk – Deposits:** This is the risk that, in the event of a bank failure, the College's deposits may not be returned to it. The College's policy with respect to custodial credit risk complies with State law. At August 31, 2024 and 2023, the bank balances of the College's deposits were \$6,402,730 and \$6,826,384, respectively. Of these balances, the amounts covered by FDIC insurance were \$831,971 and \$870,639 at August 31, 2024 and 2023, respectively. The remaining balance at August 31, 2024 and 2023 of \$5,570,759 and \$5,955,745, respectively, were entirely covered by pledged collateral held by the pledging financial institution's agent bank in the College's name. Therefore, the College was not exposed to custodial credit risk at August 31, 2024 and 2023.
- c. **Concentration of credit risk:** This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's investment policy does not limit the amount it may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, and other pooled investments are excluded from this disclosure. All of the College's investments are exempt from this disclosure.
- d. **Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy limits maturities of investments to one year or less unless the Board of Trustees has specifically authorized a longer maturity. At August 31, 2024 and August 31, 2023, the weighted average maturity of the Lone Star Investment Pool was 23 days and 18 days, respectively.

6. **DERIVATIVES**

Derivatives are investment products which may be a security or contract which derives its value from another security, currency, commodity or index, regardless of the source of funds used. Panola College did not invest in any derivative products during the year.

7. **ENDOWMENTS**

The investment policy of the Board of Trustees is reviewed and adopted annually. Within that investment policy, the investment objective for the endowment fund is to preserve the real purchasing power of the principal and to provide a stable source of perpetual financial support to scholarships in accordance with the endowment spending policy. The current policy allows for a 4% annual spending rate. The brokerage firm or other endowment manager is also adopted annually by the Board of Trustees and is required to certify familiarity with and compliance with the Public Funds Investment Act of the State of Texas and the Investment Policy of the College. Endowment funds are subject to the provisions of the "Uniform Prudent Management of Institutional Funds Act" in Chapter 163 of the Texas Property Code.

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Distributions from endowment investments are required to be spent for the purposes for which the endowment was established. Scholarship distributions are made pursuant to the investment policy. For the years ended August 31, 2024 and 2023, endowment interest, dividend earnings, and capital gains totaled \$284,033 and \$255,987 respectively. Gifts to endowments totaled \$96,516 and \$407,193 for the fiscal years ended August 31, 2024 and 2023, respectively. Realized and unrealized gains and losses for the years ended August 31, 2024 and 2023 totaled \$982,879 gain and \$466,639 loss, respectively. Endowment net position is classified as restricted nonexpendable student aid in the Statement of Net Position.

**8. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2024 was as follows:

<u>Description</u>	<u>Balance September 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2024</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,281,873	\$ -	\$ -	\$ 2,281,873
Construction in Progress	4,956,115	9,875,964	-	14,832,079
<b>Total capital assets not being depreciated</b>	<b>7,237,988</b>	<b>9,875,964</b>	<b>-</b>	<b>17,113,952</b>
<b>Capital assets being depreciated or amortized:</b>				
Buildings and Improvements	67,442,040	69,745	-	67,511,785
Furniture, Fixtures, Machinery & Equipment and Other Equipment	8,205,452	803,305	97,325	8,911,432
Library Books	274,638	6,028	28,679	251,987
Right-to-Use Asset - Buildings	413,348	-	-	413,348
Right-to-Use Asset - Subscriptions	-	329,581	-	329,581
<b>Total capital assets being depreciated or amortized</b>	<b>76,335,478</b>	<b>1,208,659</b>	<b>126,004</b>	<b>77,418,133</b>
<b>Less accumulated depreciation and amortization:</b>				
Building and Improvements	(22,983,843)	(2,132,789)	-	(25,116,632)
Furniture, Fixtures, Machinery & Equipment and Other Equipment	(6,640,196)	(434,532)	(87,280)	(6,987,448)
Library Books	(216,577)	(17,115)	(28,679)	(205,013)
Right-to-Use Asset - Buildings	(137,782)	(68,891)	-	(206,673)
Right-to-Use Asset - Subscriptions	-	(50,397)	-	(50,397)
<b>Total accumulated depreciation and amortization</b>	<b>(29,978,398)</b>	<b>(2,703,724)</b>	<b>(115,959)</b>	<b>(32,566,163)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>46,357,080</b>	<b>(1,495,065)</b>	<b>10,045</b>	<b>44,851,970</b>
<b>Net Capital Assets</b>	<b>\$ 53,595,068</b>	<b>\$ 8,380,899</b>	<b>\$ 10,045</b>	<b>\$ 61,965,922</b>

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Capital assets activity for the year ended August 31, 2023 was as follows:

Description	Balance September 1, 2022	Increases	Decreases	Balance August 31, 2023
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,226,413	\$ 55,460	\$ -	\$ 2,281,873
Construction in Progress	572,013	6,426,829	2,042,727	4,956,115
<b>Total capital assets not being depreciated</b>	<b>2,798,426</b>	<b>6,482,289</b>	<b>2,042,727</b>	<b>7,237,988</b>
<b>Capital assets being depreciated or amortized:</b>				
Buildings and Improvements	65,346,313	2,095,727	-	67,442,040
Furniture, Fixtures, Machinery & Equipment and Other Equipment	8,161,134	374,834	330,516	8,205,452
Library Books	298,735	10,362	34,459	274,638
Right-to-Use Asset – Buildings	413,348	-	-	413,348
<b>Total capital assets being depreciated or amortized</b>	<b>74,219,530</b>	<b>2,480,923</b>	<b>364,975</b>	<b>76,335,478</b>
<b>Less accumulated depreciation and amortization:</b>				
Building and Improvements	(20,923,058)	(2,060,785)	-	(22,983,843)
Furniture, Fixtures, Machinery & Equipment and Other Equipment	(6,471,476)	(498,737)	(330,017)	(6,640,196)
Library Books	(230,888)	(20,148)	(34,459)	(216,577)
Right-to-Use Asset – Buildings	(68,891)	(68,891)	-	(137,782)
<b>Total accumulated depreciation and amortization</b>	<b>(27,694,313)</b>	<b>(2,648,561)</b>	<b>(362,476)</b>	<b>(29,978,398)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>46,525,217</b>	<b>(167,638)</b>	<b>499</b>	<b>46,357,080</b>
<b>Net Capital Assets</b>	<b>\$ 49,323,643</b>	<b>\$ 6,314,651</b>	<b>\$ 2,043,226</b>	<b>\$ 53,595,068</b>

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9. LONG-TERM LIABILITIES

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

	Balance September 1, 2023	Additions	Reductions	Balance August 31, 2024	Current Portion
<b><u>Notes and Bonds</u></b>					
Revenue Bonds Payable	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation Bonds Payable	22,995,000	-	1,135,000	21,860,000	1,230,000
General Obligation Bond Premium	347,443	-	23,163	324,280	-
<b><u>Other Long-Term Liabilities</u></b>					
<b>Accrued Compensable</b>					
Absences	433,583	87,176	129,510	391,249	142,817
Leases Payable	286,285	-	67,428	218,857	70,168
SBITAs Payable	-	329,581	85,558	244,023	80,722
Net Pension Liability	4,440,625	1,061,946	383,100	5,119,471	-
Net OPEB Liability	11,657,450	961,358	1,625,516	10,993,292	-
<b>Total Long-Term Liabilities</b>	<b>\$ 40,160,386</b>	<b>\$ 2,440,061</b>	<b>\$ 3,449,275</b>	<b>\$ 39,151,172</b>	<b>\$ 1,523,707</b>

Long-term liability activity for the year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
<b><u>Notes and Bonds</u></b>					
Revenue Bonds Payable	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation Bonds Payable	24,330,000	5,195,000	6,530,000	22,995,000	1,135,000
General Obligation Bond Premium	46,885	347,443	46,855	347,443	-
<b><u>Other Long-Term Liabilities</u></b>					
<b>Accrued Compensable</b>					
Absences	386,341	196,005	148,763	433,583	153,151
Leases Payable	351,081	-	64,796	286,285	67,428
Net Pension Liability	1,940,498	2,849,161	349,034	4,440,625	-
Net OPEB Liability	14,685,463	904,475	3,932,488	11,657,450	-
<b>Total Long-Term Liabilities</b>	<b>\$ 41,740,238</b>	<b>\$ 9,492,084</b>	<b>\$ 11,071,936</b>	<b>\$ 40,160,386</b>	<b>\$ 1,355,579</b>

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**General Obligation Bonds Payable**

General Obligation bonds are authorized by the Board of Trustees and approved by the voters of the College's taxing district and secured by an ad valorem tax rate Interest & Sinking portion to cover the debt service of the bonds.

On September 26, 2013, the College issued \$9,325,000 in general obligation bonds approved by the voters in the May 2013 \$35 million bond election to finance construction and equipping of buildings and the renovation of current buildings. On September 25, 2014, the College issued the remaining \$25,155,000 in general obligation bonds approved by the voters in the May 2013 \$35 million bond election. The bonds were sold in \$5,000 increments with interest rates varying from 2% to 5% and maturity dates from February 15, 2014 to February 15, 2038. A call option can be exercised on the Series 2014 bonds after February 15, 2024. The bonds are issued pursuant to the provisions of the Constitution and the laws of the State of Texas.

On June 22, 2023, the College issued General Obligation Refunding Bonds, Series 2023 in the amount of \$5,195,000. The bonds were issued at a premium of \$347,443, which is being amortized over the life of the bonds. Interest rates range from 4% to 5%. These bonds were issued as a tax-exempt refunding of the Series 2013 Bonds for uniform interest cost savings that will result in a \$360,764 debt service savings over the next 15 years. The refunding date of these bonds was June 1, 2023, and will result in a present value savings as a % of the refunded bonds equal to 5.2%.

The remaining principal and interest to be paid is \$27,905,274 and \$29,898,990 at August 31, 2024 and 2023, respectively. Principal and interest paid during the years ended August 31, 2024 and 2023 was \$1,993,716 and \$7,397,288, respectively.

Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2014	Construction, renovation	2.00-5.00%	\$16,860,000
Series 2023	Construction, renovation	4.00-5.00%	<u>5,000,000</u>

Total outstanding general obligation bonds \$21,860,000

Interest expense on the bonds amounted to \$787,009 and \$867,288 for the year ended August 31, 2024 and 2023, respectively. Accrued interest on the bonds at August 31, 2024 and 2023 amounted to approximately \$35,374 and \$83,917 respectively, and is included in the financial statements.

The original premiums associated with the bonds were \$347,443 and \$944,171 for the Series 2023 and Series 2014, respectively. Amortization amounted to \$23,163 and \$46,855 for the years ended August 31, 2024 and 2023.

Annual debt service requirements associated with the general obligation bonds are summarized below.

Year Ending August 31,	2024			2023		
	Interest	Principal	Total Requirement	Interest	Principal	Total Requirement
2024	\$ -	\$ -	\$ -	\$ 858,716	\$ 1,135,000	\$ 1,993,716
2025	765,087	1,230,000	1,995,087	765,087	1,230,000	1,995,087
2026	722,337	1,270,000	1,992,337	722,337	1,270,000	1,992,337
2027	677,938	1,320,000	1,997,938	677,938	1,320,000	1,997,938
2028	631,937	1,360,000	1,991,937	631,937	1,360,000	1,991,937
2029	584,288	1,410,000	1,994,288	584,288	1,410,000	1,994,288
2030-2034	2,104,234	7,860,000	9,964,234	2,104,234	7,860,000	9,964,234
2035-2038	559,453	7,410,000	7,969,453	559,453	7,410,000	7,969,453
<b>Total</b>	<u>\$ 6,045,274</u>	<u>\$ 21,860,000</u>	<u>\$ 27,905,274</u>	<u>\$ 6,903,990</u>	<u>\$ 22,995,000</u>	<u>\$ 29,898,990</u>

PANOLA COLLEGE  
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10. LEASES

*Lease Receivable and Deferred Inflows Related to Leases*

In prior years, the College entered into a lease with American Tower, L.P. for use of land. The lease term is thirty years and the total amount of the lease was received up front; therefore, there is no lease receivable. The revenue from the lease is recognized over the term of the lease. During the years ended August 31, 2024 and 2023, the College recognized \$21,637 in lease revenue for each year. The balance in the deferred inflows of resources at August 31, 2024 and August 31, 2023 was \$548,119 and \$569,755, respectively.

The College is also the lessor of approximately 1,590 square feet of the WSB Building to Hope Community Medicine for four years at \$207 per month. This lease renewed during fiscal year 2024 for five years. The rent was increased to \$305 per month effective September 1, 2023. The renewal of the lease was evaluated and determined to be of minimal value and is not considered material to the financial statements. This lease has not been recorded in the financial statements.

*Lease Payable*

The College is the lessee of approximately 9,613 square feet in the Marshall Mall. The College has recognized a right-to-use asset and the related lease liability for that lease. As of August 31, 2024 and August 31, 2023, the balance of the lease payable is \$218,857 and \$286,285, respectively. Monthly lease payments of \$6,468 are required. The interest rate used for the lease was 4% which is the incremental borrowing rate of the College. The lease term was six years. The College has also recognized a right-to-use asset that is amortized over six years. The information regarding the right-to-use asset can be found in Note 8.

The College is also the lessee for a Mail Machine lease. That lease has been evaluated and the cost has been determined to be of minimal value and is not considered material to the financial statements; therefore, that lease has not been recorded in the financial statements.

The future principal and interest lease payments as of August 31, 2024, were as follows:

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 70,168	\$ 7,444	\$ 77,612
2026	73,023	4,589	77,612
2027	75,666	1,945	77,611
<b>TOTAL</b>	<b>\$ 218,857</b>	<b>\$ 13,978</b>	<b>\$ 232,835</b>

The future principal and interest lease payments as of August 31, 2023, were as follows:

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 67,728	\$ 10,184	\$ 77,612
2025	70,168	7,444	77,612
2026	73,023	4,589	77,612
2027	75,666	1,945	77,611
<b>TOTAL</b>	<b>\$ 286,285</b>	<b>\$ 24,162</b>	<b>\$ 310,447</b>



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**11. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The College has entered into subscription arrangements during fiscal year 2024 that allow the right to use information technology software over the terms of the subscriptions. The College is required to make annual payments for these arrangements. The right-to-use subscription assets associated with these subscription liabilities are amortized over the terms of the arrangements. Amortization is included with depreciation and details of the subscription assets are detailed in Note 8.

The subscription rate, terms and ending liability balance are as follows:

<u>Vendor</u>	<u>Software</u>	<u>Interest Rate</u>	<u>Subscription Term</u>	<u>August 31, 2024 Balance</u>
Upswing International	Upswing Platform	4.00%	5 years	\$ 147,221
Jenzabar, Inc.	Campus Marketplace	4.00%	3 years	96,802
				<u>\$ 244,023</u>

The future principal and interest SBITA payments as of August 31, 2024, were as follows:

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 80,722	\$ 8,436	\$ 89,158
2026	86,805	6,253	93,058
2027	37,498	3,060	40,558
2028	38,998	1,560	40,558
<b>TOTAL</b>	<u>\$ 244,023</u>	<u>\$ 19,309</u>	<u>\$ 263,332</u>

**12. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

**Receivables**

Receivables at August 31, 2024 and 2023 were as follows:

	<u>2024</u>			<u>2023</u>		
	<u>Total Receivable</u>	<u>Less Allowance For Uncollectibles</u>	<u>Net Receivable</u>	<u>Total Receivable</u>	<u>Less Allowance For Uncollectibles</u>	<u>Net Receivable</u>
Student Receivables	\$ 1,919,615	\$ 864,529	\$ 1,055,086	\$ 1,649,355	\$ 714,529	\$ 934,826
Taxes Receivable	735,250	407,237	328,013	644,944	364,773	280,171
Federal Receivables	1,867,008	-	1,867,008	1,695,604	-	1,695,604
State Receivables	27,408	-	27,408	9,760	-	9,760
Interest Receivable	69,924	-	69,924	62,398	-	62,398
Other Receivables	8,578	-	8,578	8,804	-	8,804
<b>TOTAL</b>	<u>\$ 4,627,783</u>	<u>\$ 1,271,766</u>	<u>\$ 3,356,017</u>	<u>\$ 4,070,865</u>	<u>\$ 1,079,302</u>	<u>\$ 2,991,563</u>

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**Payables**

Payables at August 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Vendors Payable	\$ 1,684,863	\$ 2,094,192
Salaries and Benefits Payable	637,871	726,137
Students Payable	253,958	275,614
Accrued Interest	35,374	83,917
Other Payables	462,014	494,928
<b>TOTAL</b>	<b>\$ 3,074,080</b>	<b>\$ 3,674,788</b>

**13. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA audit and accounting guide “State and Local Governments”. Contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements.

**14. PROPERTY TAXES**

Property taxes are levied each October 1 in conformity with Subtitle E, Texas Property Tax Code. The levy is based on the assessed value as of the prior January 1 for all real and personal property located in the College’s district. The taxes become due January 1 of the following year. A discount of up to 3% is allowed for taxes paid between October 1 and December 31. Taxes become past due February 1 and become delinquent on June 30. A tax lien attaches to property on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed. Taxes receivable as reflected on the balance sheet are net of an allowance for uncollectibles. The allowance is based upon historical experience in collecting property taxes.

Taxes levied for current year operations are summarized below:

	<u>2024</u>	<u>2023</u>
Original tax levy	\$ 14,434,084	\$ 12,810,173
Supplemental levy and adjustments	302,867	728,753
Adjusted levy	14,736,951	13,538,926
Penalty and interest assessments	(95,422)	(40,046)
<b>Total Levy</b>	<b>\$ 14,641,529</b>	<b>\$ 13,498,880</b>

Tax collections for the years ended August 31, 2024 and 2023, including delinquent collections, exceeded 96% of the levy for both years.

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A summary of tax data is presented as follows:

	2024	2023
Assessed valuation of the District	\$ 8,865,291,807	\$ 7,151,341,801
Less: Exemptions	(294,745,020)	(282,977,137)
Less: Special Valuations	(1,186,685,980)	(1,004,780,190)
Net Assessed Valuation of the District	\$ 7,383,860,807	\$ 5,863,584,474
Tax Rate Per \$100 authorized:		
Current Operations	\$ 0.35000	\$ 0.35000
Debt Service	0.50000	0.50000
Total	\$ 0.85000	\$ 0.85000
Tax Rate Per \$100 assessed		
Current Operations	\$ 0.16799	\$ 0.18545
Debt Service	0.02755	0.03302
Total	\$ 0.19554	\$ 0.21847
Gross Taxes Collected (Current Operations)	\$ 14,442,106	\$ 13,315,357
Discounts Allowed	(247,312)	(249,865)
Delinquent Taxes Collected	102,398	192,604
Refunds	-	(34,854)
Penalties and Interest Collected	148,641	110,582
Other Collections	9,499	6,600
Provisions for Bad Debts	28,255	(4,716)
Collection Fees	(147,566)	(102,393)
Total Collections	\$ 14,336,021	\$ 13,233,315

15. **UNEARNED REVENUES**

Revenues, primarily consisting of tuition, fees and housing charges, related to academic terms in the next fiscal year are recorded in the statement of net position as unearned revenues in the current fiscal year.

A summary of unearned revenues follows:

	2024	2023
Tuition and Fees	\$ 3,538,608	\$ 3,771,766
Housing and Residential Life	620,221	723,216
Other	859,371	1,140,340
Total	\$ 5,018,200	\$ 5,635,322

16. **EMPLOYEE RETIREMENT PLANS**

The State of Texas has joint contributory retirement plans for almost all its employees.

**Teacher Retirement System of Texas (TRS)**

*Plan Description.* Panola College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The TRS pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

*Pension Plan Fiduciary Net Position.* Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/pages/about\\_publications.aspx](https://www.trs.texas.gov/pages/about_publications.aspx) or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

*Benefits Provided.* TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System’s actuary.

*Contributions.* Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution, which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2020 through 2025.

	<u>Contribution Rates</u>		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Member	8.00%	8.00%	8.25%
Non-Employer Contributing Entity (NECE-State)	7.75%	8.00%	8.25%
Employers	7.75%	8.00%	8.25%
College’s Employer Contributions (fiscal year)	\$347,958	\$347,958	\$418,614
College’s Member Contributions (fiscal year)	\$644,516	\$644,516	\$751,388
NECE On-behalf Contributions (measurement year)	\$268,499	\$268,499	\$299,888

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

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Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

*Actuarial Assumptions.* The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2022 rolled forward to August 31, 2023
• Actuarial Cost Method	Individual Entry Age Normal
• Asset Valuation Method	Fair Value
• Single Discount Rate	7.00%
• Long-term expected Investment Rate of Return	7.00%
• Inflation	2.30%
• Salary Increases including Inflation	2.95% to 8.95%
• Ad Hoc Post-Employment Benefit Changes	None
• Last year ending August 31 in Projection Period	2122

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

*Discount Rate.* A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in the fiscal year 2024 gradually increasing to 9.56% percent in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023, are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
**As of August 31, 2023**

	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	4.00%	1.00%
Non-U.S. Developed	13.00%	4.50%	0.90%
Emerging Markets	9.00%	4.80%	0.70%
Private Equity*	14.00%	7.00%	1.50%
<b>Stable Value</b>			
Government Bonds	16.00%	2.50%	0.50%
Absolute Return*	-	3.60%	-
Stable Value Hedge Funds	5.00%	4.10%	0.20%
<b>Real Return</b>			
Real Estate	15.00%	4.90%	1.10%
Energy & Natural Resources & Infrastructure	6.00%	4.80%	0.40%
Commodities	-	4.40%	-
<b>Risk Parity</b>			
Risk Parity	8.00%	4.50%	0.40%
<b>Leverage</b>			
Cash	2.00%	3.70%	-
Asset Allocation Leverage	(6.00)%	4.40%	(0.01)%
<b>Inflation Expectation</b>			2.30%
<b>Volatility Drag ****</b>			(0.90)%
<b>Expected Return</b>	<u>100.00%</u>		<u>8.00%</u>

\* Absolute Return includes Credit Sensitive Investments.

\*\* Target allocations are based on the FY2023 policy model.

\*\*\* Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023)

\*\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

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*Discount Rate Sensitivity Analysis.* The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.00) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Panola College's proportionate share of the net pension liability	\$7,653,891	\$5,119,471	\$3,012,097

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At August 31, 2023, Panola College reported a liability of \$5,119,471 for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for State pension support provided to Panola College. The amount recognized by Panola College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Panola College were as follows:

Panola College's proportionate share of the collective net pension liability	\$5,119,471
State's proportionate share that is associated with Panola College	<u>4,007,484</u>
Total	<u>\$9,126,955</u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the measurement date as of August 31, 2023, the employer's proportion of the collective net pension liability was 0.0074530%, which was an increase (decrease) of (0.000026930)% from its proportion measured as of August 31, 2022.

*Changes Since the Prior Actuarial Valuation.* The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. The Texas Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended August 31, 2024, Panola College recognized pension expense of \$605,095 and revenue of \$605,095 for support provided by the State. The College also recognized their proportionate share of pension expense of \$815,539.

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At August 31, 2024, Panola College reported its proportionate share of the TRS 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	\$	182,408	\$	61,991
Change in actuarial assumptions		484,202		118,495
Difference between projected and actual investment earnings		745,008		-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		9,029		196,350
Contributions paid to TRS subsequent to the measurement date (calculated by employer)		418,614		-
<b>Total</b>	<b>\$</b>	<b>1,839,261</b>	<b>\$</b>	<b>376,836</b>

At August 31, 2023, Panola College reported its proportionate share of the TRS 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	\$	64,389	\$	96,814
Change in actuarial assumptions		827,433		206,219
Difference between projected and actual investment earnings		438,720		-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		26,542		256,569
Contributions paid to TRS subsequent to the measurement date (calculated by employer)		383,022		-
<b>Total</b>	<b>\$</b>	<b>1,740,106</b>	<b>\$</b>	<b>559,602</b>

The College reported \$418,614 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending August 31, 2025. The net amounts of the College's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended August 31,		Pension Expense Amount
2024	\$	193,962
2025		92,111
2026		574,183
2027		166,066
2028		17,489
Thereafter		-

At August 31, 2024, the College's payable to the pension plan for legally required contributions for the month of August was \$105,766. This was paid in the subsequent month.



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**Optional Retirement Program**

*Plan Description.* Participation in the Optional Retirement Program, a defined contribution plan, is in lieu of participation in the Teacher Retirement System of Texas. The optional retirement program provides for the purchase of annuity contracts or mutual funds and operates under the provisions of the Texas Constitution, Article XVI, Sec 67, and the Texas Government Code, Title 8, Subtitle C.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries contributed by the state and each participant are 3.30 and 6.65, respectively. The College contributed 5.20 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual contracts, the state has no additional or unfunded liability for the program. Senate Bill (SB) 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state’s contribution to 50 percent of eligible employees in the reporting district.

The on behalf amounts have been reflected in the financial statements as revenue and expense. Actual contributions to ORP, which were equal to the required contributions each year, are shown below:

Year Ended	On Behalf State	Panola College	Participant	Total	Covered
<u>August 31,</u>	<u>Contribution</u>	<u>Contribution</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Payroll</u>
2024	\$38,248	\$51,643	\$77,076	\$166,967	\$1,159,041
2023	34,179	45,632	68,876	148,687	1,035,733
2022	38,473	49,277	77,529	165,278	1,165,843

**17. DEFERRED COMPENSATION PROGRAM**

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2024 and 2023, the College had seventeen and nineteen employees participating in the tax sheltered annuity program, respectively. A total of \$40,856 and \$59,942 in payroll deductions was invested in approved plans during the years ending August 31, 2024 and 2023, respectively.

**18. COMPENSATED ABSENCES**

Upon retirement, termination, or death of full time employees, the College pays employees for unused vacation leave. The College recognized the accrued liability for the unpaid annual leave in the financial statements. Sick leave is not paid to an employee upon death, termination, or retirement; therefore, there is no liability shown in the financial statements.

Vacation is earned at the rate of one day per month up to a maximum of ten days per year for 12 month employees only. Employees accrue vacation during the first six months of employment but are not eligible to take vacation until after six months of continuous employment. Sick leave is also earned at the rate of one day per month up to ten days per year. In addition, two personal days are earned each year.

Total accrued compensated absences representing unused vacation leave amounted to \$391,249 at August 31, 2024 and \$433,583 at August 31, 2023. The liability is shown in the statement of net position split between current and noncurrent in the amounts of \$142,817 and \$248,432 respectively for August 31, 2024 and \$153,151 and \$280,432 respectively for August 31, 2023.

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19. HEALTH CARE AND LIFE INSURANCE COVERAGE

Employees of Panola College were covered by a health and life insurance plan (the Plan). The Plan is funded by the State. Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. SB 1812, effective September 1, 2013, limits the amount of the state’s contribution to 50 percent of eligible employees in the reporting district. The State paid premiums of \$625 and \$625 per month per employee to the Plan for the years ending August 31, 2024 and 2023, respectively. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51.2, Texas Insurance Code.

The College supplements the cost of the plan from local sources for active employees and board members due to the state not fully funding this benefit plan. Cost and employees covered under the plan are summarized below.

Fiscal Year Ended August 31,	Average Number Employees Covered	Board Members Covered	On Behalf State Contributions	College Contributions
2024	150	3	\$ 708,302	\$ 736,214
2023	150	3	643,323	969,554
2022	150	3	642,226	1,043,142

Panola College as allowed, but not required by state statutes, presently reimburses retired employees for the cost of continuation of dental insurance. This is the same amount provided to active employees employed prior to May 26, 1998 who participate in the dental plan.

20. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

***Plan Description.*** The College participates in a cost-sharing, multiple-employer, other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they meet certain age and service conditions. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

***OPEB Plan Fiduciary Net Position.*** Detailed information about the GBP’s fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at [https://ers.texas.gov/About\\_ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management](https://ers.texas.gov/About_ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management); or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

***Benefits Provided.*** Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

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**Contributions.** Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium for the measurement period. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium**

Retiree only	\$ 625
Retiree & Spouse	1,341
Retiree & Children	1,104
Retiree & Family	1,820

Contributions to the GBP plan by source is summarized in the following table.

	Measurement (Fiscal) Year	
	<u>2023(2024)</u>	<u>2022(2023)</u>
Employer Contribution	\$ 390,412	\$ 364,208
Nonemployer Contributing Entity (State of Texas)	\$ 404,901	\$ 396,407

**Actuarial Assumptions.** The total OPEB liability was determined by an actuarial valuation as of August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2023
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Asset valuation method	N/A
Projected annual salary increase (includes inflation)	2.30% to 8.95%
Discount rate	3.81%
Annual healthcare trend rate (HealthSelect)	5.60% for FY25, 5.30% for FY26, 5.00% for FY27, 4.75% for FY28, 4.60% for FY29, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY32 and later years
Medical (HealthSelect Medicare Advantage)	16.40% for FY25, 8.40% for FY26, 5.00% for FY27, 4.75% for FY28, 4.60% for FY29, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY32 and later years

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Pharmacy	10.00% for FY25, 10.00% for FY26, decreasing 100 basis points per year to 5.00% for FY31 and 4.30% for FY32 and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Disability retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from Year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct Pub-2010 Amount-Weighted- Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

**Investment Policy.** The GPB Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System’s Board of Trustees adopted the amendment to the investment policy in August 2022 to require that all funds in the plan be invested in cash and equivalent securities.

**Discount Rate.** Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.59%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.81%, which amounted to an increase of 0.22%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp’s AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used in measuring the net OPEB Liability.

	1% Decrease in Discount Rate 2.81%	Discount Rate 3.81%	1% Increase in Discount Rate 4.81%
Panola College's proportionate share of the net OPEB liability:	\$12,756,136	\$10,993,292	\$9,575,391

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*Healthcare Trend Rate Sensitivity Analysis.* The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

	1% Decrease (HealthSelect: 4.60% decreasing to 3.30%; HealthSelect Medicare Advantage:15.40% to 3.30%; Pharmacy: 9.00% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect:5.60% decreasing to 4.30%; HealthSelect Medicare Advantage: 16.40% to 4.30%; Pharmacy: 10.00% decreasing to 4.30%)	1% Increase (HealthSelect: 6.60% decreasing to 5.30%; HealthSelect Medicare Advantage 67.67% to 5.30%; Pharmacy 11.00% decreasing to 5.30%)
Panola College's proportionate share of the net OPEB liability	\$9,455,758	\$10,993,292	\$12,945,965

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At August 31, 2023, the College reported a liability of \$10,993,292 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

Panola College’s Proportionate share of the collective net OPEB liability	\$ 10,993,292
State’s proportionate share that is associated with the College	<u>9,244,269</u>
Total	<u>\$20,237,561</u>

The net OPEB liability was measured as of August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023. At the measurement date of August 31, 2023, the employer’s proportion of the collective net OPEB liability was 0.04114636%, which is an increase of 0.00022431% from the proportion measured as of August 31, 2022. For the year ended August 31, 2024, the College recognized OPEB (benefit) expense of \$(274,341) and revenue of \$(274,341) for support provided by the State. The College also recognized their proportionate share of OPEB expense of \$109,643.

The following assumptions have been changed since the previous valuation:

**Demographic Assumptions**

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.

Proportion of future retirees assumed to cover dependent children.

Percentage of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.

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**Economic Assumptions**

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.

**Other Inputs**

The discount rate was changed from 3.59% to 3.81% as a result of requirements by GASB 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The change in the discount rate was made to comport with the requirements of GASB No. 74.

Please see our valuation report dated November 22, 2022 for a complete list of our previous assumptions and other inputs.

Since the last valuation was prepared, there were minor benefit changes that became effective September 1, 2023 since these changes were announced to plan members in advance of August 31, 2023. These minor benefit changes, which are not expected to have a significant impact on plan costs for FY 2024, are provided for in the FY 2024 Assumed Per Capita Benefit Costs.

At August 31, 2024, the College reported its proportionate share of the ERS plan's collective 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	\$ -	\$ 290,778
Changes in actuarial assumptions	366,724	3,433,352
Difference between projected and actual investment earnings	888	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	355,202	70,676
Contributions paid to ERS subsequent to the measurement date	390,412	-
<b>Total</b>	<b>\$ 1,113,226</b>	<b>\$ 3,794,806</b>

**PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023**

At August 31, 2023, the College reported its proportionate share of the ERS plan's collective 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	\$ -	\$ 367,807
Changes in actuarial assumptions	684,922	3,603,428
Difference between projected and actual investment earnings	2,011	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	828,705	206,802
Contributions paid to ERS subsequent to the measurement date	364,208	-
<b>Total</b>	<b>\$ 1,879,846</b>	<b>\$ 4,178,037</b>

The College reported \$390,412 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability for the year ending August 31, 2025. The net amounts of the College's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended August 31,		OPEB Expense Amount
2024	\$	(811,087)
2025		(802,719)
2026		(806,371)
2027		(560,700)
2028		(91,115)
Thereafter		-

At August 31, 2024, the College's payable to the OPEB plan for legally required contributions for the month of August was \$59,755. This was paid in the subsequent month.

**21. RELATED PARTIES**

Panola College Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The Foundation accepts donations and acts as coordinator of gifts made by other parties. Other details regarding activities of the Foundation are presented in Note 3. There are no other related party transactions.

**22. FUNDS HELD IN TRUST BY OTHERS**

The balances and transactions of funds held in trust by others on behalf of Panola College are not reflected in the financial statements. At August 31, 2023 and 2024, there was only one fund held for the benefit of the College, the Lawrence R. and Debbie H. Sharp Endowment Scholarship Trust by First State Bank and Trust Company of Carthage, Texas. Funds held in trust amounted to \$104,860 at August 31, 2023 and \$106,438 at August 31, 2024.

PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

23. RISK MANAGEMENT

The College 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 College 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 College. At no time during the last three fiscal years have claims exceeded commercial coverage.

24. NON-MONETARY TRANSACTIONS

The College receives the benefit from the use of certain facilities at its off campus sites at no cost or costs below prevailing market rates that the College would have to pay in an exchange transaction. Included in operating revenues is approximately \$260,160 and \$260,160 in non-monetary transactions representing the value of the use of the facilities for the years ended August 31, 2024 and 2023, respectively. A corresponding amount is also included in operating expenses.

25. PENDING CLAIMS

The administration of the College and its legal counsel are not aware of any pending lawsuits against the College.

26. OTHER DISCLOSURES

On January 17, 2023 the College entered into a contract to construct a new Energy Building on the main Carthage campus. The new building includes a welding lab, an engine and compression lab, an instrumentation lab, an electrical and motor control lab, a commercial wiring lab, an HVAC lab, a hydraulics lab, and a spare lab for new technology training and drone training.

On September 25, 2023, the College entered into a contract with the Construction Manager to replace the baseball bleachers at the baseball field and to build a new rodeo barn. The new baseball bleachers are projected to be completed by December 31, 2024.

As of August 31, 2024, the College has remaining commitments to Jacobe Brothers Construction for the energy building, rodeo barn, and baseball bleachers of \$19,933, \$20,713 and \$399,880, respectively. Also, \$195,520 of contingency funds for these projects was not used at August 31, 2024.

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2024 or 2023.

27. RISKS AND UNCERTAINTIES

Risk and uncertainties are a reality that organizations must consider on a regular basis. They often reflect unpredictable changes in the business environment as well as the decisions made by employees and policy makers in state and federal governments. Obvious risks and business uncertainties that could impact College operations include the economy, safety and security concerns, construction-cost inflation, costs associated with supply chain delays, additional state and federal regulations, technological advancements, and new virus outbreaks. The College will continue to focus on the risk factors they can control and update their crisis management plan for unforeseen events that may or may not happen, including setting aside a cash reserve to weather unexpected events. We will continue to monitor potential risks very closely with the goal of remaining fiscally conservative and providing a safe environment in which to protect our campus population.



**PANOLA COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
AT AND FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023**

**28. ADOPTION OF NEW STANDARD**

The College has adopted GASB Statement No. 96 which is described in Note 2 effective September 1, 2022. Prior to the implementation of this statement, the College's costs associated with SBITAs were expensed. After the implementation of this statement, subscription assets and liabilities are recorded for SBITAs with terms that exceed twelve months and exceed the materiality threshold adopted by the College. As a result, the College evaluated their SBITAs and determined that all agreements as of the date of implementation did not exceed the materiality threshold; therefore, there was no adjustment to the financial statements as a result of implementation.

# **PANOLA COLLEGE**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



### **REQUIRED SUPPLEMENTARY INFORMATION**

**PANOLA COLLEGE**  
**Schedule of College's Proportionate Share of Net Pension Liability**  
**Teacher Retirement System of Texas**  
**Last Ten Fiscal Years**

Fiscal year ending August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportion of the net pension liability (asset)	0.0074530%	0.0074799%	0.0076198%	0.0079406%	0.0083377%	0.0082265%	0.0083847%	0.0081012%	0.0083059%	0.0088069%
College's proportionate share of the net pension liability (asset)	\$5,119,471	\$4,440,625	\$1,940,497	\$4,252,820	\$4,334,220	\$4,528,049	\$2,680,991	\$3,061,315	\$2,936,025	\$2,352,444
State's proportionate share of the net pension liability (asset) associated with the College	\$4,007,484	\$3,437,625	\$1,602,287	\$3,489,271	\$3,466,382	\$3,604,606	\$2,025,285	\$2,412,436	\$2,264,490	\$1,923,725
<b>Total</b>	<b>\$9,126,955</b>	<b>\$7,878,250</b>	<b>\$3,542,784</b>	<b>\$7,742,091</b>	<b>\$7,800,602</b>	<b>\$8,132,655</b>	<b>\$4,706,276</b>	<b>\$5,473,751</b>	<b>\$5,200,515</b>	<b>\$4,276,169</b>
College's covered payroll	\$8,648,851	\$8,055,810	\$7,915,067	\$7,965,357	\$7,821,633	\$7,361,886	\$7,089,656	\$6,760,871	\$6,390,034	\$5,935,288
College's proportionate share of the net pension liability (asset) as a percentage of its payroll	59.19%	55.12%	24.52%	53.39%	55.41%	61.51%	37.82%	45.28%	45.95%	39.63%
Plan fiduciary net position as a percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

The amounts presented for each fiscal year were determined as of the measurement date which is August 31 of the prior fiscal year.

See independent auditor's report on required supplementary information.

**PANOLA COLLEGE**  
**Schedule of College's Contributions**  
**Teacher Retirement System of Texas**  
**Last Ten Fiscal Years**

Fiscal year ending August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Contractually required contribution</b>	\$418,614	\$383,022	\$347,958	\$324,721	\$327,417	\$291,895	\$282,747	\$274,803	\$257,395	\$245,917
<b>Contributions in relation to the contractually required contribution</b>	<u>\$ (418,614)</u>	<u>\$ (383,022)</u>	<u>\$ (347,958)</u>	<u>\$ (324,721)</u>	<u>\$ (327,417)</u>	<u>\$ (291,895)</u>	<u>\$ (282,747)</u>	<u>\$ (274,803)</u>	<u>\$ (257,395)</u>	<u>\$ (245,917)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>College's covered payroll</b>	\$9,107,730	\$8,648,851	\$8,055,810	\$7,915,067	\$7,965,357	\$7,821,633	\$7,361,886	\$7,089,656	\$6,760,871	\$6,390,034
<b>Contributions as a percentage of covered payroll</b>	4.60%	4.43%	4.32%	4.10%	4.11%	3.73%	3.84%	3.88%	3.81%	3.85%

**Note:** GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the College's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2022 - August 31, 2023.

See independent auditor's report on required supplementary information.

**PANOLA COLLEGE**  
**Schedule of College's Proportionate Share of Net OPEB Liability**  
**Employees Retirement System of Texas**  
**Last Ten Fiscal Years**

Fiscal year ending August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
College's proportion of the collective net OPEB liability (asset)	0.0411464%	0.0409221%	0.0409345%	0.0406525%	0.0384888%	0.0402991%	0.0032235%
College's proportionate share of the net OPEB liability (asset)	\$10,993,292	\$11,657,450	\$14,685,463	\$13,433,454	\$13,302,744	\$11,943,726	\$10,983,393
State's proportionate share of the net OPEB liability (asset) associated with the College	\$9,244,269	\$9,968,797	\$11,788,274	\$10,855,657	\$12,198,622	\$9,962,553	\$10,714,106
<b>Total</b>	<b>\$20,237,561</b>	<b>\$21,626,247</b>	<b>\$26,473,737</b>	<b>\$24,289,111</b>	<b>\$25,501,366</b>	<b>\$21,906,282</b>	<b>\$21,697,499</b>
College's covered employee payroll	\$9,007,748	\$8,695,033	\$8,777,359	\$8,845,636	\$9,010,488	\$8,591,208	\$8,387,054
College's proportionate share of the net (asset) as a percentage of its covered employee payroll	122.04%	134.07%	167.31%	151.87%	147.64%	139.02%	130.96%
Plan fiduciary net position as a percentage of the total net OPEB liability	0.63%	0.57%	0.38%	0.32%	1.70%	1.27%	2.04%

The amounts presented for each fiscal year were determined as of the measurement date which is August 31 of the prior fiscal year.

Note: Only seven years of data are presented in accordance with GASB #75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

See independent auditor's report on required supplementary information.

**PANOLA COLLEGE**  
**Schedule of College's Contributions**  
**Employees Retirement System of Texas**  
**Last Ten Fiscal Years**

Fiscal year ending August 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$390,412	\$364,208	\$395,380	\$273,951	\$348,374	\$330,907	\$327,217
Contributions in relation to the contractually required contribution	(\$390,412)	(\$364,208)	(\$395,380)	(\$273,951)	(\$348,374)	(\$330,907)	(\$327,217)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered employee payroll	\$9,489,569	\$9,007,748	\$8,695,033	\$8,777,359	\$8,845,636	\$9,010,488	\$8,591,208
Contributions as a percentage of covered payroll	4.11%	4.04%	4.55%	3.12%	3.94%	3.67%	3.81%

**Note: GASB 75, Paragraph 97 requires that the data in this schedule be presented as of the College's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2022 - August 31, 2023.**

**Note: Only seven years of data are presented in accordance with GASB #75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."**

See independent auditor's report on required supplementary information.

PANOLA COLLEGE

Notes to Required Supplementary Information  
For the Year Ended August 31, 2024

**Defined Benefit Pension Plan**

*Changes of benefit terms*

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

*Changes in Assumptions*

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

**Defined Benefit OPEB Plan**

*Changes in Assumptions*

**Demographic Assumptions**

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.

Proportion of future retirees assumed to cover dependent children.

Percentage of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.

**Economic Assumptions**

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.

**Other Inputs**

The discount rate changed from 3.59% to 3.81% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

*Changes of benefit terms*

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2024, are provided for in the FY2024 Assumed Per Capita Health Benefit Costs.

See independent auditor's report on required supplementary information.

## SUPPLEMENTARY SCHEDULES





**PANOLA COLLEGE**  
**SCHEDULE A**  
**SCHEDULE OF OPERATING REVENUES**  
For the Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	Unrestricted		Restricted		Total		2024 Total	2023 Total
					Educational Activities	Auxiliary Enterprises		
<b>Tuition</b>								
State funded courses								
In-district resident tuition	\$ 360,015	\$ -	\$ 360,015	\$ -	\$ 360,015	\$ -	\$ 360,015	\$ 341,839
Out-of-district resident tuition	1,085,960	-	1,085,960	-	1,085,960	-	1,085,960	1,040,310
TPEG (set aside)*	115,327	-	115,327	-	115,327	-	115,327	132,242
Non-resident tuition	191,143	-	191,143	-	191,143	-	191,143	179,533
State funded continuing education	315,124	-	315,124	-	315,124	-	315,124	845,384
Non-state funded continuing education	44,350	-	44,350	-	44,350	-	44,350	25,151
<b>Total tuition</b>	<b>2,111,919</b>	<b>-</b>	<b>2,111,919</b>	<b>-</b>	<b>2,111,919</b>	<b>-</b>	<b>2,111,919</b>	<b>2,564,459</b>
<b>Fees</b>								
General fee	3,231,988	-	3,231,988	-	3,231,988	-	3,231,988	2,942,344
Out-of-district fees	2,483,940	-	2,483,940	-	2,483,940	-	2,483,940	2,344,307
Laboratory fee	339,345	-	339,345	-	339,345	-	339,345	410,723
Other fees	826,553	-	826,553	-	826,553	-	826,553	737,301
<b>Total fees</b>	<b>6,881,826</b>	<b>-</b>	<b>6,881,826</b>	<b>-</b>	<b>6,881,826</b>	<b>-</b>	<b>6,881,826</b>	<b>6,434,675</b>
<b>Scholarship allowances and discounts</b>								
Institutional scholarships	(925,241)	-	(925,241)	-	(925,241)	-	(925,241)	(889,898)
Remissions and exemptions-state	(109,957)	-	(109,957)	-	(109,957)	-	(109,957)	(76,926)
Remissions and exemptions-local	(1,334,096)	-	(1,334,096)	-	(1,334,096)	-	(1,334,096)	(1,109,588)
Title IV federal grants	(2,612,489)	-	(2,612,489)	-	(2,612,489)	-	(2,612,489)	(2,134,213)
TPEG allowances	(187,490)	-	(187,490)	-	(187,490)	-	(187,490)	(179,026)
Other allowances	(192,748)	-	(192,748)	-	(192,748)	-	(192,748)	-
State grants to students	(396,120)	-	(396,120)	-	(396,120)	-	(396,120)	(243,764)
<b>Total scholarship allowances</b>	<b>(5,758,141)</b>	<b>-</b>	<b>(5,758,141)</b>	<b>-</b>	<b>(5,758,141)</b>	<b>-</b>	<b>(5,758,141)</b>	<b>(4,633,415)</b>
<b>Total net tuition and fees</b>	<b>3,235,604</b>	<b>-</b>	<b>3,235,604</b>	<b>-</b>	<b>3,235,604</b>	<b>-</b>	<b>3,235,604</b>	<b>4,365,719</b>
<b>Additional operating revenues</b>								
Federal grants and contracts	-	633,046	633,046	-	633,046	-	633,046	598,092
State grants and contracts	-	698,809	698,809	-	698,809	-	698,809	684,172
Nongovernmental grants and contracts	-	137,873	137,873	-	137,873	-	137,873	120,854
Sales and services of educational activities	22,179	-	22,179	-	22,179	-	22,179	18,509
General operating revenues	398,848	-	398,848	-	398,848	-	398,848	397,981
<b>Total other operating revenues</b>	<b>421,027</b>	<b>1,469,728</b>	<b>1,890,755</b>	<b>-</b>	<b>1,890,755</b>	<b>-</b>	<b>1,890,755</b>	<b>1,819,608</b>
<b>Auxiliary enterprises</b>								
Bookstore	-	-	-	1,165,651	1,165,651	-	1,165,651	1,074,577
Less allowances and discounts	-	-	-	(436,353)	(436,353)	-	(436,353)	(362,840)
Residential life	-	-	-	1,349,039	1,349,039	-	1,349,039	1,234,016
Less allowances and discounts	-	-	-	(848,311)	(848,311)	-	(848,311)	(820,006)
<b>Total net auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,230,026</b>	<b>1,230,026</b>	<b>-</b>	<b>1,230,026</b>	<b>1,125,747</b>
<b>Total Operating Revenues</b>	<b>\$ 3,656,631</b>	<b>\$ 1,469,728</b>	<b>\$ 5,126,359</b>	<b>\$ 1,230,026</b>	<b>\$ 6,356,385</b>	<b>\$ -</b>	<b>\$ 6,356,385</b>	<b>\$ 7,311,074</b>
					(Exhibit 2)		(Exhibit 2)	

\*In accordance with Education Code 56.033, \$115,327 and \$132,242 of tuition was set aside for Texas Public Education Grants (TPEG).

See Accompanying Independent Auditor's Report on Supplementary Information.

**PANOLA COLLEGE**  
**SCHEDULE B**  
**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
For the Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	Salaries And Wages	Benefits		Other Expenses	2024 Total	2023 Total
		State Benefits	Local Benefits			
<b>Unrestricted Educational Activities</b>						
Instruction	\$ 5,592,386	\$ -	\$ 1,080,885	\$ 892,251	\$ 7,565,522	\$ 7,737,568
Academic Support	1,847,097	-	411,710	680,042	2,938,849	3,076,033
Student Services	1,221,037	-	300,560	271,031	1,792,628	1,742,502
Institutional Support	1,387,826	-	426,112	1,531,415	3,345,353	3,087,355
Operation and Maintenance of Plant	244,895	-	78,103	2,263,094	2,586,092	2,277,917
Scholarship and Fellowships	-	-	-	-	-	-
<b>Total Unrestricted Educational Activities</b>	<b>10,293,241</b>	<b>-</b>	<b>2,297,370</b>	<b>5,637,833</b>	<b>18,228,444</b>	<b>17,921,375</b>
<b>Restricted Educational Activities</b>						
Instruction	320,990	762,488	63,594	459,013	1,606,085	1,623,885
Public Service	-	-	-	-	-	220,348
Academic Support	-	294,237	-	-	294,237	215,994
Student Services	-	168,315	-	-	168,315	117,646
Institutional Support	-	257,165	-	-	257,165	142,742
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarship and Fellowships	-	-	-	2,119,070	2,119,070	1,969,307
<b>Total Restricted Educational Activities</b>	<b>320,990</b>	<b>1,482,205</b>	<b>63,594</b>	<b>2,578,083</b>	<b>4,444,872</b>	<b>4,289,922</b>
<b>Auxiliary Enterprises</b>	<b>370,459</b>	<b>-</b>	<b>116,587</b>	<b>2,054,604</b>	<b>2,541,650</b>	<b>2,530,627</b>
<b>Depreciation Expense-Buildings &amp; other improvements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,132,789</b>	<b>2,132,789</b>	<b>2,060,785</b>
<b>Amortization Expense-Leases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,891</b>	<b>68,891</b>	<b>68,891</b>
<b>Amortization Expense-SBITA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,397</b>	<b>50,397</b>	<b>-</b>
<b>Depreciation Expense-Equipment &amp; fixtures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>434,532</b>	<b>434,532</b>	<b>498,737</b>
<b>Depreciation Expense-Library books</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,115</b>	<b>17,115</b>	<b>20,148</b>
<b>Total</b>	<b>\$ 10,984,690</b>	<b>\$ 1,482,205</b>	<b>\$ 2,477,551</b>	<b>\$ 12,974,244</b>	<b>\$ 27,918,690</b>	<b>\$ 27,390,485</b>
					(Exhibit 2)	(Exhibit 2)

See Accompanying Independent Auditor's Report on Supplementary Information.

**PANOLA COLLEGE**  
**SCHEDULE C**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
For the Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	Unrestricted	Restricted	Auxiliary Enterprises	2024 Total	2023 Total
<b>NON-OPERATING REVENUES</b>					
<b>State Appropriations</b>					
Education and General State Support	\$ 6,729,578	\$ -	\$ -	\$ 6,729,578	\$ 5,315,529
State Group Insurance	-	838,862	-	838,862	676,618
State Retirement Matching	-	643,343	-	643,343	362,777
<b>Total State Appropriations</b>	<b>6,729,578</b>	<b>1,482,205</b>	<b>-</b>	<b>8,211,783</b>	<b>6,354,924</b>
<b>Ad-Valorem Taxes - Maintenance &amp; Operations</b>	<b>12,320,927</b>	<b>-</b>	<b>-</b>	<b>12,320,927</b>	<b>11,236,225</b>
<b>Ad-Valorem Taxes - Debt Service</b>	<b>2,015,094</b>	<b>-</b>	<b>-</b>	<b>2,015,094</b>	<b>1,997,090</b>
<b>Federal Revenue, Non Operating</b>	<b>-</b>	<b>5,496,384</b>	<b>-</b>	<b>5,496,384</b>	<b>5,213,549</b>
<b>Other, Non Operating</b>	<b>192,748</b>	<b>-</b>	<b>-</b>	<b>192,748</b>	<b>-</b>
<b>Gifts</b>	<b>1,015,407</b>	<b>-</b>	<b>6,400</b>	<b>1,021,807</b>	<b>917,926</b>
<b>Investment Income</b>	<b>2,080,903</b>	<b>1,269,990</b>	<b>592</b>	<b>3,351,485</b>	<b>2,382,879</b>
<b>Gain (Loss) on Disposal of Asset</b>	<b>(7,969)</b>	<b>-</b>	<b>-</b>	<b>(7,969)</b>	<b>14,001</b>
<b>Royalty Income</b>	<b>-</b>	<b>245,178</b>	<b>-</b>	<b>245,178</b>	<b>796,168</b>
<b>Total Non-Operating Revenues</b>	<b>17,617,110</b>	<b>7,011,552</b>	<b>6,992</b>	<b>24,635,654</b>	<b>22,557,838</b>
<b>NON-OPERATING EXPENSES</b>					
<b>Interest on Long Term Liabilities</b>	<b>798,017</b>	<b>-</b>	<b>-</b>	<b>798,017</b>	<b>876,900</b>
<b>Bond Issuance Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,192</b>
<b>Total Non-Operating Expenses</b>	<b>798,017</b>	<b>-</b>	<b>-</b>	<b>798,017</b>	<b>1,040,092</b>
 <b>Net Non-Operating Revenues</b>	 <b>\$ 23,548,671</b>	 <b>\$ 8,493,757</b>	 <b>\$ 6,992</b>	 <b>\$ 32,049,420</b>	 <b>\$ 27,872,670</b>
				Exhibit 2	Exhibit 2

See Accompanying Independent Auditor's Report on Supplementary Information.

PANOLA COLLEGE  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
For the Year Ended August 31, 2024  
With Memorandum Totals for the Year Ended August 31, 2023

	Detail By Source					Available for Current Operations		
	Restricted					Total	Yes	No
	Unrestricted	Expendable	Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total			
<b>Current</b>								
Unrestricted	\$ 24,987,274	\$ -	\$ -	\$ -	\$ 24,987,274	\$ 24,987,274	\$ -	
Restricted	-	516,032	-	-	516,032	-	516,032	
Auxiliary enterprises	(788,898)	-	-	-	(788,898)	(788,898)	-	
<b>Endowment</b>								
<b>Quasi:</b>								
Unrestricted	-	-	-	-	-	-	-	
Restricted	-	-	7,751,640	-	7,751,640	-	7,751,640	
<b>Plant</b>								
Unexpended	(6,482,110)	2,481,323	-	-	(4,000,787)	-	(4,000,787)	
Debt Service	-	925,649	-	-	925,649	-	925,649	
Investment in Plant	-	-	-	39,318,761	39,318,761	-	39,318,761	
<b>Total Net Position, August 31, 2024</b>	<u>17,716,266</u>	<u>3,923,004</u>	<u>7,751,640</u>	<u>39,318,761</u>	<u>68,709,671</u>	<u>24,198,376</u>	<u>44,511,295</u>	
					(Exhibit 1)			
<b>Total Net Position, August 31, 2023</b>	<u>17,201,104</u>	<u>4,570,383</u>	<u>6,388,213</u>	<u>29,966,340</u>	<u>58,126,040</u>	<u>20,331,713</u>	<u>37,794,327</u>	
					(Exhibit 1)			
<b>Net Increase (Decrease) in Net Position</b>	<u>\$ 515,162</u>	<u>\$ (647,379)</u>	<u>\$ 1,363,427</u>	<u>\$ 9,352,421</u>	<u>\$ 10,583,631</u>	<u>\$ 3,866,663</u>	<u>\$ 6,716,968</u>	
					(Exhibit 2)			

See Accompanying Independent Auditor's Report on Supplementary Information.

**PANOLA COLLEGE**  
**SCHEDULE E**  
**AFFILIATED ORGANIZATION**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended August 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
	<b>Panola College Foundation</b>	<b>Panola College Foundation</b>
	<u>Foundation</u>	<u>Foundation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from donors	\$ 244,524	\$ 190,859
Payments for scholarships and support	(213,705)	(179,935)
Other income	1,605	764
Investment receipts	<u>151,058</u>	<u>138,231</u>
Net cash provided by (used in) operating activities	<u>183,482</u>	<u>149,919</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Maturities and liquidation of investments	549,258	109,191
Purchase of investments and annuities	<u>(683,880)</u>	<u>(192,447)</u>
Net cash (used in) investing activities	<u>(134,622)</u>	<u>(83,256)</u>
Increase (decrease) in cash and cash equivalents	48,860	66,663
Cash and cash equivalents-beginning	<u>201,800</u>	<u>135,137</u>
Cash and cash equivalents-ending	<u>\$ 250,660</u>	<u>\$ 201,800</u>
<b>Reconciliation of change in net position to net cash provided by operating activities</b>		
Change in net position	<u>\$ 738,733</u>	<u>\$ 395,111</u>
Adjustments to reconcile change in net position to net cash provided by for operating activities		
(Increase) decrease in fair value of investments	(523,803)	(242,014)
Realized (gain)/loss on investments	(18,172)	(12,340)
Changes in assets and liabilities		
Increase (decrease) in accounts payable	<u>(13,276)</u>	<u>9,162</u>
Total Adjustments	<u>(555,251)</u>	<u>(245,192)</u>
Net cash provided by (used in) operating activities	<u>\$ 183,482</u>	<u>\$ 149,919</u>

See Accompanying Independent Auditor's Report on Supplementary Information.

**PANOLA COLLEGE**  
**SCHEDULE F**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2024

Federal Grantor/Pass Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Amounts Passed-Through to Subrecipients	Expenditures and Pass-Through Disbursements
<b>U.S. Department of the Treasury:</b>				
Passed Through From:				
Texas Higher Education Coordinating Board				
TRUE Reskilling and Upskilling	21.027	27284		\$ 3,000
<b>Total U.S. Department of the Treasury</b>				<u>3,000</u>
<b>U. S. Department of Education</b>				
Direct:				
Student Financial Aid Cluster:				
Federal Supplemental Educational Opportunity Grant	84.007			32,126
Federal Workstudy Program	84.033			35,984
Federal Pell Grant Program	84.063			4,314,655
Federal Direct Student Loans	84.268			1,113,619
<b>Total Student Financial Aid Cluster</b>				<u>5,496,384</u>
Passed Through From:				
Literacy Council of Tyler				
Adult Education - Basic Grants to States	84.002	0818ALAF00		147,154
Adult Education - Basic Grants to States	84.002	2924ALA020		26,624
Angelina College				
Adult Education - Basic Grants to States	84.002	1718ALAF00		105,421
Adult Education - Basic Grants to States	84.002	2924ALA050		15,030
Subtotal Adult Education - Basic Grants to States				<u>294,229</u>
Texas Higher Education Coordinating Board				
Career and Technical Education - Basic Grants to States	84.048	29724		318,236
<b>Total U. S. Department of Education</b>				<u>6,108,849</u>
<b>U.S. Department of Health and Human Services</b>				
Temporary Assistance for Needy Families				
Passed Through From:				
Literacy Council of Tyler				
Adult Education - Temporary Assistance for Needy Families	93.558	0818ALAF00		17,581
<b>Total U.S. Department of Health and Human Services</b>				<u>17,581</u>
<b>Total Federal Awards</b>			<u>\$ -</u>	<u>\$ 6,129,430</u>

See accompanying independent auditor's report on supplementary information and notes to schedule of expenditures of federal awards.

PANOLA COLLEGE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2024

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the College. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not represent the financial position, changes in net position, or cash flows of the College. Therefore, some amounts may differ from the amounts presented in, or used in the preparation of the financial statements.

**Significant Accounting Policies Used in Preparing the Schedule**

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. The expenditures reported on Schedule F represent funds which have been expended by the College for the purposes of the award. The expenditures reported in the schedule may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**Relationship to Federal Financial Reports**

Amounts reflected in the financial reports filed with grantor agencies for the programs and in the schedule of expenditures of federal awards may be different because of program year ends and accruals that will be reflected in the next report filed with the agencies.

**Indirect Cost Rate**

If the College had need, Panola College elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance; the use of this rate was not necessary during the reported fiscal year.

**Federal Awards Reconciliation:**

Federal Grants and Contracts – Schedule A	\$ 633,046
Add: Federal Revenue, Non-Operating – Schedule C	<u>5,496,384</u>
Total Federal Awards – Schedule F	<u>\$ 6,129,430</u>

**PANOLA COLLEGE  
SCHEDULE G  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
For the Year Ended August 31, 2024**

<b>Grantor Agency/ Program Title</b>	<b>Grant Contract Number</b>	<b>Expenditures</b>
<b>Texas Workforce Commission</b>		
Skills Development Fund		\$ 61,341
Passed Through From:		
Literacy Council of Tyler		
Adult Education - Basic Grants to States	0818ALAF00	28,823
Agelina College		
Adult Education - Basic Grants to States	1718ALAF00	2,000
Subtotal Texas Workforce Commission		<u>92,164</u>
<b>Texas Higher Education Coordinating Board</b>		
Texas Educational Opportunity Grant		325,957
60x30 Texas College Readiness		323
College Readiness and Success Models		21,119
Nursing Shortage Reduction Program		31,343
Texas Reskilling and Upskilling (TRUE)		217,368
Subtotal Texas Higher Education Coordinating Board		<u>596,110</u>
<b>Texas Veterans Commission</b>		
Hazelwood Legacy Program		10,535
Subtotal Texas Veterans Commission		<u>10,535</u>
<b>Total State Awards</b>		<u>\$ 698,809</u>
<b>State Grants and Revenues -Per Schedule A</b>		<u>\$ 698,809</u>

See accompanying independent auditor's report on supplementary information and notes to schedule of expenditures of state awards.



**PANOLA COLLEGE  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED AUGUST 31, 2024**

**Basis of Presentation**

The accompanying schedule of expenditures of state awards includes the state grant activity of the College. The information in this schedule is presented in accordance with the requirements of the Texas Grant Management Standards (TxGMS). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not represent the financial position, changes in net position, or cash flows of the College. Therefore, some amounts may differ from the amounts presented in, or used in the preparation of the financial statements.

**Significant Accounting Policies Used in Preparing the Schedule**

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the TxGMS. The expenditures reported on Schedule G represent funds which have been expended by the College for the purposes of the award. The expenditures reported in the schedule may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**Relationship to State Financial Reports**

Amounts reflected in the financial reports filed with grantor agencies for the programs and in the schedule of expenditures of state awards may be different because of program year ends and accruals that will be reflected in the next report filed with the agencies.

**PANOLA COLLEGE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**SINGLE AUDIT SECTION**

Richard A. Rudel, CPA  
Yvette Sidnell, CPA  
Jennifer L. Webster, CPA  
Susan L. Murrell, CPA  
Brenda A. Johnson



4000 S. Medford Drive  
Lufkin, Texas 75901

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Wilbur E. Alexander, CPA  
(1940-2009)  
Ted A. Lankford, CPA  
(1947-2024)  
Glenda J. Hiers, CPA  
(Retired)

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

Board of Trustees  
Panola College  
Carthage, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit of Panola College (the College) as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Panola College's basic financial statements and have issued our report thereon dated December 2, 2024.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* - CONTINUED**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Panola College’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 financial statements. 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*.

*Public Funds Investment Act*

We have performed tests designed to verify the College’s compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2024, no instances of noncompliance were found.

**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 College’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 College’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.

Certified Public Accountants

Lufkin, Texas

December 2, 2024

Richard A. Rudel, CPA  
Yvette Sidnell, CPA  
Jennifer L. Webster, CPA  
Susan L. Murrell, CPA  
Brenda A. Johnson



4000 S. Medford Drive  
Lufkin, Texas 75901

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(Retired)

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

Board of Trustees  
Panola College  
Carthage, Texas

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

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

We have audited Panola College's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Panola College's major federal programs for the year ended August 31, 2024. Panola College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Panola College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

***Responsibilities of Management for Compliance***

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

***Auditor’s Responsibilities for the Audit of Compliance***

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

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

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

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



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

**Report on Internal Control Over Compliance**

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

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

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

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

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.

Certified Public Accountants

Lufkin, Texas

December 2, 2024

**PANOLA COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2024**

**A. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: **UNMODIFIED**

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant deficiencies identified?	_____	Yes	_____	<u>X</u>	None Reported

Noncompliance material to financial statements noted?

	_____	Yes	_____	<u>X</u>	No
--	-------	-----	-------	----------	----

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant deficiencies identified?	_____	Yes	_____	<u>X</u>	None Reported

Type of auditor's report issued on compliance for major programs: **UNMODIFIED**

Version of Compliance Supplement used May 2024

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?

	_____	Yes	_____	<u>X</u>	No
--	-------	-----	-------	----------	----

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program
	Student Financial Aid Cluster

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

Auditee qualified as low-risk auditee for federal awards X Yes \_\_\_\_\_ No

**B. Financial Statements Findings**

Findings related to the financial statements required to be reported under GAS:

None

**C. Federal Awards Findings and Questioned Costs**

Required to be reported in accordance with 2 CFR section 200.516(a):

None



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**PANOLA COLLEGE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**STATISTICAL SUPPLEMENTS**  
**(UNAUDITED)**

**PANOLA COLLEGE**  
**STATISTICAL SECTION OBJECTIVES**  
**(UNAUDITED)**

This part of Panola College's (the College's) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing how the College's financial position has changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports or from employment, enrollment, and capital asset information of the College for the relevant year.

**Panola College**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2015 to 2024**  
(unaudited)  
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Investment in capital assets	\$ 39,319	\$ 29,967	\$ 24,596	\$ 23,495	\$ 21,149	\$ 21,180	\$ 21,560	\$ 21,198	\$ 20,680	\$ 13,643
Restricted - expendable	3,923	4,570	4,766	4,328	3,408	3,249	1,827	1,376	577	2,201
Restricted - nonexpendable	7,752	6,388	5,258	6,282	4,930	4,062	3,791	3,271	3,153	3,131
Unrestricted	17,716	17,201	15,306	10,307	9,129	6,838	5,790	15,652	13,831	15,247
<b>Total</b>	<b>68,710</b>	<b>58,126</b>	<b>49,926</b>	<b>44,412</b>	<b>38,616</b>	<b>35,329</b>	<b>32,968</b>	<b>41,497</b>	<b>38,241</b>	<b>34,222</b>
<b>Net position, beginning of year*</b>	58,126	49,926	44,412	38,616	35,329	32,968	41,497	38,241	34,222	31,388
Cumulative effect of change in accounting principle (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A	(12,821)	N/A	N/A	(2,665)
Net position, beginning of year, as restated (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A	28,676	N/A	N/A	28,723
(Increase) decrease in net position	\$ (10,584)	\$ (8,200)	\$ (5,514)	\$ (5,796)	\$ (3,287)	\$ (2,361)	\$ (4,292)	\$ (3,256)	\$ (4,019)	\$ (2,834)

\*In fiscal year 2015, net position as of the beginning of the year was restated (reduced) by \$2,665,332 for the cumulative effect of applying GASB Statement, No. 68.

\*In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by \$12,820,836 for the cumulative effect of applying GASB Statement, No. 75.

**Panola College**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal years 2015 to 2024**  
(unaudited)

For the Year Ended August 31,  
(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Tuition and Fees (Net of Discounts)	\$3,236	\$4,366	\$3,824	\$3,903	\$3,758	\$3,794	\$3,828	\$3,264	\$3,180	\$2,974
Governmental Grants and Contracts										
Federal Grants and Contracts	633	598	578	675	770	715	580	566	523	486
State Grants and Contracts	699	684	358	545	395	504	658	937	188	737
Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	138	121	123	94	2	3	2	6	4	16
Sales and services of educational activities	22	18	28	18	2	56	73	93	84	99
Auxiliary enterprises	1,230	1,126	1,216	1,157	1,003	1,257	1,095	1,080	1,085	1,189
Other Operating Revenues	399	398	376	324	305	317	366	257	292	260
<b>Total Operating Revenues</b>	<b>6,357</b>	<b>7,311</b>	<b>6,503</b>	<b>6,716</b>	<b>6,235</b>	<b>6,646</b>	<b>6,602</b>	<b>6,203</b>	<b>5,356</b>	<b>5,761</b>
State Appropriations	8,212	6,355	6,249	6,186	6,108	6,096	6,512	5,916	5,968	5,355
Ad Valorem Taxes	14,336	13,233	11,783	11,088	10,049	8,972	8,602	8,451	8,939	9,623
Federal Revenue, Non Operating	5,496	5,213	10,186	10,275	7,162	6,989	8,933	9,414	8,893	8,876
Gifts	1,022	918	399	150	501	280	1,187	345	609	545
Insurance Recoveries	-	-	-	138	-	-	-	-	-	-
Transfer to Panola College Foundation	-	-	-	-	-	-	-	-	(57)	-
Investment income	3,351	2,383	(1,071)	1,305	935	684	533	201	188	153
Gain(Loss) on Disposal of Capital Assets	(8)	14	298	(67)	(91)	-	(309)	-	(177)	11
Other non-operating revenues	438	796	1,332	318	145	196	292	44	92	85
<b>Total Non-Operating Revenues</b>	<b>32,847</b>	<b>28,912</b>	<b>29,176</b>	<b>29,393</b>	<b>24,809</b>	<b>23,217</b>	<b>25,750</b>	<b>24,371</b>	<b>24,455</b>	<b>24,648</b>
Additions to Permanent Endowments	97	407	221	101	241	158	330	79	55	-
<b>Total Revenues</b>	<b>\$ 39,301</b>	<b>\$ 36,630</b>	<b>\$ 35,900</b>	<b>\$ 36,210</b>	<b>\$ 31,285</b>	<b>\$ 30,021</b>	<b>\$ 32,682</b>	<b>\$ 30,653</b>	<b>\$ 29,866</b>	<b>\$ 30,409</b>

For the Year Ended August 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Tuition and fees (net of discounts)	8.23%	11.92%	10.65%	10.78%	12.01%	12.64%	11.71%	10.65%	10.65%	9.78%
Governmental grants and contracts										
Federal grants and contracts	1.61%	1.63%	1.61%	1.86%	2.46%	2.38%	1.77%	1.85%	1.75%	1.60%
State grants and contracts	1.78%	1.87%	1.00%	1.51%	1.26%	1.68%	2.01%	3.06%	0.63%	2.42%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.35%	0.33%	0.34%	0.26%	0.01%	0.01%	0.01%	0.02%	0.01%	0.05%
Sales and services of educational activities	0.06%	0.05%	0.08%	0.05%	0.01%	0.19%	0.22%	0.30%	0.28%	0.33%
Auxiliary enterprises	3.13%	3.07%	3.39%	3.20%	3.21%	4.19%	3.35%	3.52%	3.63%	3.91%
Other operating revenues	1.01%	1.08%	1.04%	0.90%	0.98%	1.06%	1.12%	0.84%	0.98%	0.86%
<b>Total Operating Revenues</b>	<b>16.17%</b>	<b>19.95%</b>	<b>18.10%</b>	<b>18.55%</b>	<b>19.93%</b>	<b>22.14%</b>	<b>20.20%</b>	<b>20.24%</b>	<b>17.93%</b>	<b>18.95%</b>
State appropriations	20.91%	17.36%	17.42%	17.08%	19.52%	20.31%	19.93%	19.30%	19.98%	17.61%
Ad valorem taxes	36.48%	36.13%	32.82%	30.62%	32.12%	29.89%	26.32%	27.57%	29.93%	31.65%
Non-Governmental Grants and Contracts	13.98%	14.23%	28.37%	28.38%	22.89%	23.28%	27.33%	30.71%	29.78%	29.19%
Gifts	2.60%	2.51%	1.11%	0.41%	1.60%	0.93%	3.63%	1.13%	2.04%	1.79%
Insurance Recoveries	0.00%	0.00%	0.00%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Transfer to Panola College Foundation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.19%	0.00%
Investment income	8.53%	6.51%	-2.98%	3.60%	2.99%	2.28%	1.63%	0.66%	0.63%	0.50%
Gain on Disposal of Capital Assets	-0.02%	0.04%	0.83%	-0.19%	-0.29%	0.00%	-0.95%	0.00%	-0.59%	0.04%
Other non-operating revenues	1.11%	2.17%	3.71%	0.88%	0.46%	0.65%	0.89%	0.14%	0.31%	0.28%
<b>Total Non-Operating Revenues</b>	<b>83.58%</b>	<b>78.93%</b>	<b>81.27%</b>	<b>81.18%</b>	<b>79.30%</b>	<b>77.34%</b>	<b>78.79%</b>	<b>79.51%</b>	<b>81.88%</b>	<b>81.05%</b>
Additions to Permanent Endowments	0.25%	1.11%	0.62%	0.28%	0.77%	0.53%	1.01%	0.26%	0.18%	0.00%
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>99.23%</b>	<b>99.47%</b>	<b>98.99%</b>	<b>99.74%</b>	<b>99.82%</b>	<b>100.00%</b>

**Panola College**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2015 to 2024**  
(unaudited)

For the Year Ended August 31,  
(amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	\$9,172	\$9,361	\$8,541	\$9,124	\$9,290	\$8,907	\$8,883	\$8,383	\$8,365	\$8,137
Research	-	-	-	-	-	-	-	-	-	-
Public service	-	220	215	32	376	419	365	401	206	305
Academic support	3,233	3,292	2,874	2,943	3,047	3,035	2,880	2,608	2,604	2,317
Student services	1,961	1,860	1,882	1,664	1,630	1,651	1,597	1,371	1,561	1,441
Institutional support	3,602	3,230	5,111	4,953	3,435	2,948	2,760	2,522	2,532	2,362
Operation and maintenance of plant	2,586	2,278	2,097	1,972	1,529	1,693	1,794	1,771	1,711	1,507
Scholarships and fellowships	2,119	1,969	3,911	4,300	3,389	3,242	4,292	4,470	3,771	4,049
Auxiliary enterprises	2,542	2,531	2,366	2,275	2,080	2,487	2,579	2,671	2,903	2,806
Depreciation	2,704	2,649	2,518	2,266	2,321	2,347	2,277	2,202	2,025	926
<b>Total Operating Expenses</b>	<b>27,919</b>	<b>27,390</b>	<b>29,515</b>	<b>29,529</b>	<b>27,097</b>	<b>26,729</b>	<b>27,427</b>	<b>26,399</b>	<b>25,678</b>	<b>23,850</b>
Interest on capital related debt	798	1,040	872	885	901	931	963	998	170	461
Bond issuance costs	-	-	-	-	-	-	-	-	-	599
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Expenses</b>	<b>798</b>	<b>1,040</b>	<b>872</b>	<b>885</b>	<b>901</b>	<b>931</b>	<b>963</b>	<b>998</b>	<b>170</b>	<b>1,060</b>
<b>Total Expenses</b>	<b>\$ 28,717</b>	<b>\$ 28,430</b>	<b>\$ 30,387</b>	<b>\$ 30,414</b>	<b>\$ 27,998</b>	<b>\$ 27,660</b>	<b>\$ 28,390</b>	<b>\$ 27,397</b>	<b>\$ 25,848</b>	<b>\$ 24,910</b>

For the Year Ended August 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	31.94%	32.93%	28.11%	30.00%	33.18%	32.20%	31.29%	30.60%	32.36%	32.67%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	0.00%	0.77%	0.71%	0.11%	1.34%	1.51%	1.29%	1.46%	0.80%	1.22%
Academic support	11.26%	11.58%	9.46%	9.68%	10.88%	10.97%	10.14%	9.52%	10.07%	9.30%
Student services	6.83%	6.54%	6.19%	5.47%	5.82%	5.97%	5.63%	5.00%	6.04%	5.78%
Institutional support	12.54%	11.36%	16.82%	16.29%	12.27%	10.66%	9.72%	9.21%	9.80%	9.48%
Operation and maintenance of plant	9.01%	8.01%	6.90%	6.48%	5.46%	6.12%	6.32%	6.46%	6.62%	6.05%
Scholarships and fellowships	7.38%	6.93%	12.87%	14.14%	12.10%	11.72%	15.12%	16.32%	14.59%	16.25%
Auxiliary enterprises	8.85%	8.90%	7.79%	7.48%	7.43%	8.99%	9.08%	9.75%	11.23%	11.26%
Depreciation	9.42%	9.32%	8.29%	7.45%	8.29%	8.49%	8.02%	8.04%	7.83%	3.72%
<b>Total Operating Expenses</b>	<b>97.22%</b>	<b>96.34%</b>	<b>97.13%</b>	<b>97.09%</b>	<b>96.78%</b>	<b>96.63%</b>	<b>96.61%</b>	<b>96.36%</b>	<b>99.34%</b>	<b>95.74%</b>
Interest on capital related debt	2.78%	3.66%	2.87%	2.91%	3.22%	3.37%	3.39%	3.64%	0.66%	1.85%
Bond issuance costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.40%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<b>2.78%</b>	<b>3.66%</b>	<b>2.87%</b>	<b>2.91%</b>	<b>3.22%</b>	<b>3.37%</b>	<b>3.39%</b>	<b>3.64%</b>	<b>0.66%</b>	<b>4.26%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Change in Net Position</b>	<b>\$ 10,584</b>	<b>\$ 8,200</b>	<b>\$ 5,513</b>	<b>\$ 5,796</b>	<b>\$ 3,287</b>	<b>\$ 2,361</b>	<b>\$ 4,292</b>	<b>\$ 3,256</b>	<b>\$ 4,018</b>	<b>\$ 5,499</b>

Panola College  
 Statistical Supplement 4  
 Tuition and Fees  
 Last Ten Academic Years  
 (unaudited)

**Resident  
 Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Registration Fee (per student)	In-District Tuition	Out-of-District Tuition	Technology Fees	General Fees	Out-of-District Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2023	\$ 0	\$ 33	\$ 33	\$ 0	\$ 62	\$ 70	\$ 1,140	\$ 1,980	3.26%	3.13%
2022	0	33	33	0	59	68	1,104	1,920	4.55%	4.58%
2021	0	33	33	0	55	65	1,056	1,836	2.33%	2.68%
2020	0	33	33	0	53	63	1,032	1,788	2.38%	4.20%
2019	0	33	33	0	51	59	1,008	1,716	5.00%	5.15%
2018	0	29	29	0	51	56	960	1,632	2.56%	4.62%
2017	0	27	27	0	51	52	936	1,560	2.63%	3.17%
2016	0	25	25	0	51	50	912	1,512	4.11%	4.13%
2015	0	25	25	0	48	48	876	1,452	4.29%	2.54%
2014	0	25	25	0	45	48	840	1,416	4.48%	5.61%

**Non-Resident  
 Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	General Fees	Out-of-State/International Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2023	\$ 0	\$ 33	\$ 33	\$ 0	\$ 62	\$ 116	\$ 2,532	\$ 2,532	3.43%	3.43%
2022	0	33	33	0	59	112	2,448	2,448	4.62%	4.62%
2021	0	33	33	0	55	107	2,340	2,340	2.63%	2.63%
2020	0	33	33	0	53	104	2,280	2,280	4.40%	4.40%
2019	0	33	33	0	51	98	2,184	2,184	5.20%	5.20%
2018	0	29	29	0	51	93	2,076	2,076	4.85%	4.85%
2017	0	27	27	0	51	87	1,980	1,980	3.77%	3.77%
2016	0	25	25	0	51	83	1,908	1,908	4.61%	4.61%
2015	0	25	25	0	48	79	1,824	1,824	2.01%	2.01%
2014	0	25	25	0	45	79	1,788	1,788	5.93%	5.93%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

**Panola College**  
**Statistical Supplement 5**  
**Assessed Value and Taxable Assessed Value of Property**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	(amounts expressed in thousands)						Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Residential Property	Commercial Property	Personal Property	Mineral	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2023-24	\$ 1,972,955	\$ 594,658	\$ 108,615	\$ 6,186,413	\$ 1,480,988	\$ 7,381,653	83.29%	0.167990	0.027550	0.195540
2022-23	1,758,819	564,545	89,652	4,738,326	1,287,757	5,863,585	81.99%	0.185450	0.033020	0.218470
2021-22	1,675,714	546,115	90,806	3,044,259	1,226,518	4,130,376	77.10%	0.233080	0.044670	0.277750
2020-21	1,615,037	519,825	91,391	2,635,295	1,198,178	3,663,370	75.35%	0.232840	0.057950	0.290790
2019-20	1,568,805	516,962	91,250	2,987,039	1,188,113	3,975,943	76.99%	0.198760	0.052360	0.251120
2018-19	1,498,995	497,673	96,402	2,463,566	1,214,265	3,342,371	73.35%	0.205640	0.064750	0.270390
2017-18	1,673,397	325,928	75,199	2,456,134	1,156,295	3,374,363	74.48%	0.193870	0.063130	0.257000
2016-17	1,646,277	316,633	83,286	2,626,783	1,138,531	3,534,448	75.64%	0.183950	0.059390	0.243340
2015-16	1,638,659	310,743	84,940	3,550,968	1,145,162	4,440,148	79.50%	0.161050	0.046820	0.207870
2014-15	1,628,304	304,379	77,740	3,603,137	1,136,346	4,477,214	79.76%	0.154830	0.060000	0.214830

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation



**Panola College**  
**Statistical Supplement 6**  
**State Appropriation per FTSE and Contact Hour**  
**Last Ten Fiscal Years**  
(unaudited)

**Statistical Supplement 6a**  
**General Appropriations Act Before Contact Hour Adjustment (1)**

	For the Fiscal Year Ended August 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State Appropriation Contact Hour Funding (CH)	\$ -	\$ 3,504,036	\$ 3,504,037	\$ 3,734,086	\$ 3,734,384	\$ 4,053,504	\$ 4,053,505	\$ 3,868,996	\$ 3,861,990	\$ 3,508,821
State Appropriation Student Success Points (SSP)	-	631,087	631,087	448,467	448,467	341,250	341,250	313,989	313,989	306,905
State Appropriation Core Operations (CO)	-	680,406	680,406	680,406	680,406	680,406	341,251	500,000	500,000	500,000
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	-	500,000	500,000	-	-	-	-	-	-	-
State Appropriation Formula Funding	6,729,578	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,729,578</b>	<b>5,315,529</b>	<b>5,315,530</b>	<b>4,862,959</b>	<b>4,863,257</b>	<b>5,075,160</b>	<b>4,736,006</b>	<b>4,682,985</b>	<b>4,675,979</b>	<b>4,315,726</b>

(1) General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds.

\* FY Formula Funding Changed Methodology

Source: THE CB - Ten Pay Schedule

**Statistical Supplement 6b**

State Appropriation per FTSE			
Fiscal Year	Appropriation	(1)	Appropriation
2023-24	\$6,729,578	1,653	\$4,071
2022-23	\$5,315,529	1,622	\$3,277
2021-22	\$5,315,530	1,675	\$3,173
2020-21	\$4,862,959	1,698	\$2,864
2019-20	\$4,863,257	1,703	\$2,856
2018-19	\$5,075,160	1,855	\$2,736
2017-18	\$5,075,262	1,986	\$2,556
2016-17	\$4,682,985	1,944	\$2,409
2015-16	\$4,675,980	1,954	\$2,393
2014-15	\$4,315,726	1,911	\$2,258

(1) Fiscal Year (FY) FTSE is equal to The sum of State Funded

(Fall SCH + Spring SCH + Summer SCH for the Current

FY/30SCH) plus State Funded Continuing Education

(Fall CH + Spring CH + Summer CH for the Current FY/900 CH).

\* FY Year Formula Funding Changed Methodology

Source: CBM004 and CMB00C.

**Statistical Supplement 6c**

State Appropriation per Funded Contact Hour Contact Hour (CH) portion only of State Appropriation						
Fiscal Year	CH-State Appropriation (Unrestricted) (1)	Academic Contact Hours	Voc/Tech Contact Hours	Continuing Education Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2023-24	\$6,729,578	670,336	412,320	28,572	1,111,228	\$6.06
2022-23	\$5,315,529	647,760	409,824	50,000	1,107,584	\$4.80
2021-22	\$5,315,530	679,728	426,368	43,753	1,149,849	\$4.62
2020-21	\$4,862,959	689,872	411,840	44,347	1,146,059	\$4.24
2019-20	\$4,863,257	698,640	413,888	47,333	1,159,861	\$4.19
2018-19	\$4,053,504	753,296	454,624	49,219	1,257,139	\$3.22
2017-18	\$4,053,505	848,884	471,504	61,406	1,381,794	\$2.93
2016-17	\$3,868,996	838,592	500,464	34,553	1,373,609	\$2.82
2015-16	\$3,861,990	766,160	530,128	44,764	1,341,052	\$2.88
2014-15	\$3,508,821	711,584	569,536	48,575	1,329,695	\$2.64

CH = State funded Academic, Technical and Continuing Education Contact hours for Fall, Spring and Summer of the Current FY - Source: CBM004 and CMB00C.

(1) State Funded Contact Hour Appropriations as it appears in schedule 6a.

\* FY Formula Funding Changed Methodology

**Panola College**  
**Statistical Supplement 6**  
**State Appropriation per FTSE and Contact Hour**  
**Last Ten Fiscal Years**  
(unaudited)

**Statistical Supplement 6d**

**State Appropriation per Student Success Point - Annualized**

Fiscal Year	SSP -State Appropriation (Unrestricted) (1)	Average Student Success Points (2)	State Appropriation per FTSE
2023-24	\$0	N/A**	N/A**
2022-23	\$631,087	N/A**	N/A**
2021-22	\$631,087	N/A**	N/A**
2020-21	\$448,467	4,277	\$105
2019-20	\$448,467	4,383	\$102
2018-19	\$341,250	4,561	\$75
2017-18	\$341,250	4,311	\$79
2016-17	\$313,989	4,432	\$71
2015-16	\$313,989	4,251	\$74

(1) State Funded Success Point Appropriations as it appears in schedule 6a.

(2) As Source from the Coordinating Board Biennium 10-Pay Schedule.

\* FY Year Formula Funding Changed Methodology

\*\* Information not currently available

**Statistical Supplement 6e**

Student Success Points (SSP)							
Success Point Elements (1)	2024	2023	2022	2021	2020	2019	2018
Math Readiness	N/A**	N/A**	N/A**	143	160	196	207
Read Readiness	N/A**	N/A**	N/A**	95	91	106	138
Write Readiness	N/A**	N/A**	N/A**	45	46	55	85
Students Who Pass FCL Math Course	N/A**	N/A**	N/A**	491	412	421	345
Students Who Pass FCL Read Course	N/A**	N/A**	N/A**	729	771	816	715
Students Who Pass FCL Write Course	N/A**	N/A**	N/A**	513	556	595	544
Students Who Complete 15 SCH	N/A**	N/A**	N/A**	871	913	865	878
Students Who Complete 30 SCH	N/A**	N/A**	N/A**	607	552	598	610
Student Transfers to a 4-Yr Inst	N/A**	N/A**	N/A**	220	279	282	244
Degrees, CCCs, or Certs (Undup)	N/A**	N/A**	N/A**	371	368	393	315
Degrees or Certs in Critical Fields	N/A**	N/A**	N/A**	192	235	234	230
Annual Success Points - Total	N/A**	N/A**	N/A**	4277	4383	4561	4311

(1) These are annual SSP, not 3 year rolling average.

\* FY Year Formula Funding Changed Methodology

Source: THE CB - Ten Pay Schedule

\*\* Information not currently available

**Panola College**  
**Statistical Supplement 7**  
**Principal Taxpayers**  
**Last Ten Tax Years**  
(unaudited)

Table Assessed Value (TAV) by Tax Year (\$000 omitted)

Taxpayer	Type of Business	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Rockcliff Energy OP	Petroleum	\$ 452,817	\$ 1,206,904	\$ 904,487	\$ 485,927	\$ 248,974	\$ -	\$ -	\$ -	\$ -	\$ -
Sabine Oil & Gas	Petroleum	212,834	495,983	335,005	160,387	129,703	-	-	-	-	-
BTA ETG Gathering LLC	Petroleum	182,009	147,393	126,755	109,069	-	-	-	-	-	-
Gemini Carthage Pipeline LLC	Petroleum	175,628	165,892	117,857	85,084	-	-	-	-	-	-
Teco Gas Processing	Petroleum	123,735	119,643	109,761	96,196	100,071	-	-	-	-	-
DCP East Tx Gathering LP-Plant	Petroleum	122,849	-	-	-	71,201	134,375	168,711	172,494	206,667	-
R. Lacy Operations Ltd.	Petroleum	108,129	302,722	317,035	92,344	-	-	-	-	-	-
Cornstock	Petroleum	105,410	304,480	83,650	-	-	-	-	-	-	-
MarkWest Carthage Plant & East	Petroleum	97,436	-	-	73,101	81,334	112,001	113,339	123,431	121,464	81,656
Sheridan Production Company	Petroleum	94,148	191,331	142,004	80,686	85,189	126,923	78,370	-	-	-
TGNR East Texas LLC	Petroleum	-	233,490	193,387	104,633	-	-	-	-	-	-
Silver Hill Energy Operating	Petroleum	-	121,154	-	-	-	-	-	-	-	-
MarkWest Eastern TX Gas Co LP	Petroleum	-	-	101,848	107,896	131,016	141,237	152,344	174,735	171,043	158,252
CCI East Tx Upstream	Petroleum	-	-	-	-	192,962	342,040	351,247	-	-	-
Midcoast P/L ETX G&P-Beckville	Petroleum	-	-	-	-	60,898	-	-	-	-	-
ETC Tiger Pipeline	Petroleum	-	-	-	-	59,832	53,161	51,878	55,280	-	-
Anadarko E&P Company LP (MIN)	Petroleum	-	-	-	-	-	-	-	302,668	459,711	504,403
Anadarko E&P Company LP (MI)	Petroleum	-	-	-	-	-	-	-	156,681	182,003	-
Devon Energy (Pennzenergy)	Petroleum	-	-	-	-	-	-	-	101,146	238,005	315,366
Samson Lone Star LP	Petroleum	-	-	-	-	-	-	-	60,030	107,198	97,163
XTO Energy (Min)	Petroleum	-	-	-	-	-	-	-	50,448	98,537	101,024
Luminant	Coal Mining	-	-	-	-	-	-	-	-	75,064	76,199
Memorial Production	Petroleum	-	-	-	-	-	-	-	-	65,480	77,401
Chevron USA Inc.	Petroleum	-	-	-	-	-	-	-	-	-	-
Exxon Mobile Corp.	Petroleum	-	-	-	-	-	-	-	-	-	-
XTO Energy (Hunt Pet)	Petroleum	-	-	-	-	-	-	-	-	-	78,896
DCP Midstream LP	Petroleum	-	-	-	-	-	-	-	-	-	194,905
Enbridge	Petroleum	-	-	-	-	-	61,472	65,498	70,128	-	-
Enable Gas Transmission	Petroleum	-	-	-	-	-	45,098	45,255	-	-	-
Amplify Energy Operating	Petroleum	-	-	-	-	-	41,270	43,375	-	-	-
Louisiana Pacific	Timber	-	-	-	-	-	32,490	-	-	-	-
Red River Nacogdoches I GP	Petroleum	-	-	-	-	-	-	74,236	-	-	-
<b>Totals</b>		<b>\$ 1,674,995</b>	<b>\$ 3,288,992</b>	<b>\$ 2,431,789</b>	<b>\$ 1,395,323</b>	<b>\$ 1,161,180</b>	<b>\$ 1,090,067</b>	<b>\$ 1,070,017</b>	<b>\$ 1,267,041</b>	<b>\$ 1,725,172</b>	<b>\$ 1,685,265</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 14,434,084</b>	<b>\$ 12,810,173</b>	<b>\$ 11,472,121</b>	<b>\$ 10,652,716</b>	<b>\$ 9,984,389</b>	<b>\$ 9,037,439</b>	<b>\$ 8,686,796</b>	<b>\$ 8,600,726</b>	<b>\$ 9,229,735</b>	<b>\$ 9,618,399</b>

% of Taxable Assessed Value (TAV) by Tax Year

Taxpayer	Type of Business	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Rockcliff Energy OP	Petroleum	3.14%	9.42%	7.88%	4.56%	2.49%	0.00%	0.00%	0.00%	0.00%	0.00%
Sabine Oil & Gas	Petroleum	1.47%	3.87%	2.92%	1.51%	1.30%	0.00%	0.00%	0.00%	0.00%	0.00%
BTA ETG Gathering LLC	Petroleum	1.26%	1.15%	1.10%	1.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gemini Carthage Pipeline LLC	Petroleum	1.22%	1.30%	1.03%	0.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Teco Gas Processing	Petroleum	0.86%	0.93%	0.96%	0.90%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DCP East Tx Gathering LP-Plant	Petroleum	0.85%	0.00%	0.00%	0.00%	0.71%	1.49%	1.94%	2.01%	2.24%	0.00%
R. Lacy Operations Ltd.	Petroleum	0.75%	2.36%	2.76%	0.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cornstock	Petroleum	0.73%	2.38%	0.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MarkWest Carthage Plant & East	Petroleum	0.68%	0.00%	0.00%	0.69%	0.81%	1.24%	1.30%	1.44%	1.32%	0.85%
Sheridan Production Company	Petroleum	0.65%	1.49%	1.24%	0.76%	0.85%	1.40%	0.90%	0.00%	0.00%	0.00%
TGNR East Texas LLC	Petroleum	0.00%	1.82%	1.69%	0.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Silver Hill Energy Operating	Petroleum	0.00%	0.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MarkWest Eastern TX Gas Co LP	Petroleum	0.00%	0.00%	0.89%	1.01%	1.31%	1.56%	1.75%	2.03%	1.85%	1.65%
CCI East Tx Upstream	Petroleum	0.00%	0.00%	0.00%	0.00%	1.93%	3.78%	4.04%	0.00%	0.00%	0.00%
Midcoast P/L ETX G&P-Beckville	Petroleum	0.00%	0.00%	0.00%	0.00%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%
ETC Tiger Pipeline	Petroleum	0.00%	0.00%	0.00%	0.00%	0.60%	0.59%	0.60%	0.64%	0.00%	0.00%
Anadarko E&P Company LP (MIN)	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.52%	4.98%	5.24%
Anadarko E&P Company LP (MI)	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.82%	1.97%	0.00%
Devon Energy (Pennzenergy)	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.18%	2.58%	3.28%
Samson Lone Star LP	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	1.16%	1.01%
XTO Energy (Min)	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	1.07%	1.05%
Luminant	Coal Mining	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.79%
Memorial Production	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.71%	0.80%
Chevron USA Inc.	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Exxon Mobile Corp.	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
XTO Energy (Hunt Pet)	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.82%
DCP Midstream LP	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.03%
Enbridge	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%	0.75%	0.82%	0.00%	0.00%
Enable Gas Transmission	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.52%	0.00%	0.00%	0.00%
Amplify Energy Operating	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	0.50%	0.00%	0.00%	0.00%
Louisiana Pacific	Timber	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.00%	0.00%	0.00%	0.00%
Red River Nacogdoches I GP	Petroleum	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.85%	0.00%	0.00%	0.00%
<b>Totals</b>		<b>11.60%</b>	<b>25.67%</b>	<b>21.20%</b>	<b>13.10%</b>	<b>11.63%</b>	<b>12.06%</b>	<b>12.32%</b>	<b>14.73%</b>	<b>18.69%</b>	<b>17.52%</b>

Source: Local County Appraisal District

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**Panola College**  
**Statistical Supplement 8**  
**Property Tax Levies and Collections**  
**Last Ten Tax Years**  
(unaudited)  
(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior	Current	Total	Cumulative
						Collections of Prior Levies (d)	Collections of Prior Levies (e)	Collections (C+D+E)	Collections of Adjusted Levy
2024	\$ 14,434	\$ 303	\$ 14,737	\$ 14,195	96.32%	\$ 55	\$ 86	14,336	97.69%
2023	12,810	729	13,539	13,065	96.50%	166	2	13,233	97.69%
2022	11,472	590	12,062	11,700	97.00%	29	54	11,783	97.69%
2021	10,653	823	11,476	10,792	94.04%	158	138	11,088	96.62%
2020	9,984	724	10,708	9,897	92.43%	143	56	10,096	94.28%
2019	9,037	489	9,526	9,168	96.24%	129	-	9,297	97.60%
2018	8,687	117	8,804	8,507	96.63%	179	-	8,686	98.66%
2017	8,601	118	8,719	8,493	97.41%	-	-	8,493	97.41%
2016	9,230	20	9,250	9,078	98.14%	-	72	9,150	98.92%
2015	9,618	290	9,908	9,753	98.44%	71	21	9,845	99.36%

Source: Local Tax Assessor/Collector and District records.

- (a) As reported in notes to the financial statements for the year of the levy.
- (b) As of August 31st of the current reporting year.
- (c) Property tax only - does not include penalties and interest.
- (d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (e) Represents current year collections of prior years levies.

**Panola College**  
**Statistical Supplement 9**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(unaudited)

For the Year Ended August 31 (amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Bonded Debt</b>										
General obligation bonds	\$ 21,860	\$ 22,995	\$ 24,330	\$ 25,425	\$ 26,470	\$ 27,470	\$ 28,430	\$ 29,350	\$ 30,235	\$ 31,090
General obligation bonds premium	324	347	47	110	201	382	461	625	814	1,027
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 22,184	\$ 23,342	\$ 24,377	\$ 25,535	\$ 26,671	\$ 27,852	\$ 28,891	\$ 29,975	\$ 31,049	\$ 32,117
<b>Other Debt</b>										
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213	\$ 420	\$ 1,220	\$ 2,012	\$ 2,979
Notes	-	-	-	-	-	-	-	-	-	-
Lease obligations	219	-	-	-	-	-	-	-	-	-
SBITA obligations	244	286	351	-	-	-	-	-	-	-
Net other debt	\$ 463	\$ 286	\$ 351	\$ -	\$ -	\$ 213	\$ 420	\$ 1,220	\$ 2,012	\$ 2,979
Total Outstanding Debt	\$ 22,647	\$ 23,628	\$ 24,728	\$ 25,535	\$ 26,671	\$ 28,065	\$ 29,311	\$ 31,195	\$ 33,061	\$ 35,096
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 0.98	\$ 1.03	\$ 1.08	\$ 1.07	\$ 1.12	\$ 1.17	\$ 1.24	\$ 1.28	\$ 1.31	\$ 1.35
Per FTSE	\$ 13.42	\$ 14.39	\$ 14.55	\$ 15.04	\$ 15.66	\$ 15.01	\$ 14.55	\$ 15.42	\$ 15.89	\$ 17
As a percentage of Taxable Assessed Value	0.38%	0.40%	0.59%	0.70%	0.67%	0.83%	0.86%	0.85%	0.70%	0.72%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 0.02	\$ 0.01	\$ 0.02	\$ -	\$ -	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.08	\$ 0.13
Per FTSE	\$ 0.28	\$ 0.17	\$ 0.21	\$ -	\$ -	\$ 0.11	\$ 0.21	\$ 0.63	\$ 1.03	\$ 2
As a percentage of Taxable Assessed Value	0.01%	0.00%	0.01%	0.00%	0.00%	0.01%	0.01%	0.03%	0.05%	0.07%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

**Panola College**  
**Statistical Supplement 10**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(unaudited)

For the Year Ended August 31

	2024	2023	2022
Taxable Assessed Value (amount expressed in thousands)	\$ 7,383,861	\$ 5,863,585	\$ 4,130,376
<b>General Obligation Bonds</b>			
Statutory Tax Levy Limit for Debt Service	3,691,931	2,931,793	2,065,188
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-
Total Net General Obligation Debt	3,691,931	2,931,793	2,065,188
Current Year Debt Service Requirements	1,135,000	1,150,000	1,095,000
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 2,556,931	\$ 1,781,793	\$ 970,188
Net Current Requirements as a % of Statutory Limit	30.74%	39.23%	53.02%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

2021	2020	2019	2018	2017	2016	2015
\$ 3,663,371	\$ 3,975,943	\$ 3,342,372	\$ 3,374,363	\$ 3,534,448	\$ 4,440,148	\$ 4,477,214
1,831,686	1,987,972	1,671,186	1,687,182	1,767,224	2,220,074	2,238,607
-	-	-	-	-	-	-
1,831,686	1,987,972	1,671,186	1,687,182	1,767,224	2,220,074	2,238,607
1,045,000	1,000,000	960,000	920,000	885,000	855,000	1,425,000
\$ 786,686	\$ 987,972	\$ 711,186	\$ 767,182	\$ 882,224	\$ 1,365,074	\$ 813,607
57.05%	50.30%	57.44%	54.53%	50.08%	38.51%	63.66%



**Panola College**  
**Statistical Supplement 11**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(unaudited)

**Revenue Bonds**

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)						Total
	Tuition	Fee	General			Investment Income	
			Operating Revenues	Auxilliary Revenues			
2024	\$ 2,112	\$ 6,882	\$ 399	\$ 2,306	\$ 3,351	\$ 15,050	
2023	2,564	6,435	398	2,306	2,383	14,086	
2022	2,270	6,287	377	2,335	(1,071)	10,198	
2021	2,411	6,243	324	2,255	1,305	12,538	
2020	2,294	6,041	305	2,155	935	11,730	
2019	2,240	6,467	317	2,612	683	12,319	
2018	2,317	6,757	366	2,890	533	12,863	
2017	1,885	6,614	257	2,970	201	11,927	
2016	1,864	6,274	292	3,126	188	11,744	
2015	1,808	5,793	260	3,113	126	11,100	

The Series 2005 and Series 2008 Revenue Bonds require virtually all tuition, fees and general revenues of the College be pledged toward payment of principal and interest on the bonds. These bonds matured during the year ended August 31, 2020.

Debt Service Requirements (\$000  
omitted)

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Principal	Interest	Total	Coverage Ratio
\$ -	\$ -	\$ -	-
-	-	-	-
-	-	-	-
-	-	-	-
213	8	221	53.07
207	16	223	55.24
800	42	842	15.28
792	66	858	13.90
785	91	876	13.41
778	115	910	12.20

**Panola College**  
**Statistical Supplement 12**  
**Demographic and Economic Statistics - Taxing District**  
**Last Ten Fiscal Years**  
(unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2023	22,675	\$ 1,292,263	\$ 56,986	4.3%
2022	22,675	1,208,405	53,292	4.1%
2021	22,675	1,094,229	47,191	5.7%
2020	23,796	1,054,569	45,467	8.4%
2019	23,796	1,007,115	43,508	3.9%
2018	23,796	939,265	40,411	3.6%
2017	23,243	891,054	37,930	4.4%
2016	23,492	952,436	40,543	7.1%
2015	23,766	1,049,942	44,173	5.2%
2014	23,769	1,091,774	45,738	4.9%

**Sources:**

Panola County ACFR

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission

**Panola College**  
**Statistical Supplement 13**  
**Principal Employers by Industry**  
**Current Fiscal Year**  
(unaudited)

Employer	Number of Employees	Percentage of Total Employment
Natural Resource and Mining	898	11.52%
Construction	1,182	15.17%
Manufacturing	852	10.93%
Trade, Transportation, Utilities	1,466	18.81%
Information	55	0.71%
Financial Activities	220	2.82%
Professional Business Services	683	8.76%
Education Health Services	632	8.11%
Leisure Hospitality	413	5.30%
Other Services	211	2.71%
Federal	61	0.78%
State	30	0.38%
Local	1,091	14.00%
<b>Total</b>	<b>7,794</b>	<b>100.00%</b>

**Source:**

Texas Workforce Commission

**Note:**

Percentages are calculated using the midpoints of the ranges.

This institution previously did not present this schedule and chose to implement prospectively.

**Panola College**  
**Statistical Supplement 14**  
**Faculty, Staff, and Administrators Statistics**  
**Last Ten Fiscal Years**  
(unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Faculty</b>										
Full-Time	68	70	70	71	72	75	75	70	69	69
Part-Time	88	88	78	71	71	77	66	82	78	78
Total	156	158	148	142	143	152	141	152	147	147
<b>Percent</b>										
Full-Time	43.6%	44.3%	47.3%	50.0%	50.3%	49.3%	53.2%	46.1%	46.9%	46.9%
Part-Time	56.4%	55.7%	52.7%	50.0%	49.7%	50.7%	46.8%	53.9%	53.1%	53.1%
<b>Staff and Administrators</b>										
Full-Time	85	82	82	80	80	81	81	81	83	80
Part-Time	74	74	70	64	65	68	64	56	63	63
Total	159	156	152	144	145	149	145	137	146	143
<b>Percent</b>										
Full-Time	53.5%	52.6%	53.9%	55.6%	55.2%	54.4%	55.9%	59.1%	56.8%	55.9%
Part-Time	46.5%	47.4%	46.1%	44.4%	44.8%	45.6%	44.1%	40.9%	43.2%	44.1%
FTSE per Full-time Faculty	24.3	23.2	23.9	23.9	23.7	24.7	26.5	27.8	28.3	27.7
FTSE per Full-Time Staff Member	19.4	19.8	20.4	21.2	21.3	22.9	24.5	24.0	23.5	23.9
Average Annual Faculty Salary	\$58,208	\$57,151	\$55,750	\$54,415	\$52,255	\$53,272	\$54,367	\$53,272	\$51,541	\$51,965



**Panola College**  
**Statistical Supplement 16**  
**Student Profile**  
**Last Ten Fiscal Years**  
(unaudited)

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	1,583	66.37%	1,583	66.32%	1,636	66.10%	1,660	65.59%	1,679	64.26%
Male	802	33.63%	804	33.68%	839	33.90%	871	34.41%	934	35.74%
Total	2,385	100.00%	2,387	100.00%	2,475	100.00%	2,531	100.00%	2,613	100.00%

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	1,364	57.19%	1,372	57.48%	1,596	64.48%	1,637	64.68%	1,724	65.98%
Hispanic	493	20.67%	477	19.98%	254	10.26%	232	9.17%	223	8.53%
African American	373	15.64%	416	17.43%	457	18.46%	507	20.03%	501	19.17%
Asian	27	1.13%	21	0.88%	32	1.29%	27	1.07%	25	0.96%
Foreign	35	1.47%	27	1.13%	23	0.93%	13	0.51%	37	1.42%
Native American	14	0.59%	9	0.38%	48	1.94%	50	1.98%	38	1.45%
Multi-Racial	78	3.27%	65	2.72%	64	2.59%	63	2.49%	62	2.37%
Other	1	0.04%	-	0.00%	1	0.04%	2	0.08%	3	0.11%
Total	2,385	100.00%	2,387	100.00%	2,475	100.00%	2,531	100.00%	2,613	100.00%

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	950	39.83%	901	37.75%	918	37.09%	1,015	40.10%	945	36.17%
18 -21	838	35.14%	821	34.39%	860	34.75%	843	33.31%	883	33.79%
22 - 24	157	6.58%	172	7.21%	165	6.67%	163	6.44%	178	6.81%
25 - 35	294	12.33%	310	12.99%	336	13.58%	321	12.68%	398	15.23%
36 - 50	121	5.07%	152	6.37%	167	6.75%	165	6.52%	176	6.74%
51 & over	25	1.05%	31	1.30%	29	1.17%	24	0.95%	33	1.26%
Total	2,385	100.00%	2,387	100.00%	2,475	100.00%	2,531	100.00%	2,613	100.00%

Average Age	21.0	21.0	22.0	21.0	22.2
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	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	1,898	68.45%	1,819	68.49%	1,844	69.14%	1,812	67.84%	1,705	66.11%
Male	875	31.55%	837	31.51%	823	30.86%	859	32.16%	874	33.89%
Total	2,773	100.00%	2,656	100.00%	2,667	100.00%	2,671	100.00%	2,579	100.00%

	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	1,789	64.51%	1,723	64.87%	1,765	66.18%	1,774	66.42%	1,717	66.58%
Hispanic	221	7.97%	183	6.89%	158	5.92%	202	7.56%	171	6.63%
African American	586	21.13%	583	21.95%	586	21.97%	573	21.45%	565	21.91%
Asian	20	0.72%	26	0.98%	22	0.82%	14	0.52%	12	0.47%
Foreign	46	1.66%	55	2.07%	58	2.17%	38	1.42%	27	1.05%
Native American	39	1.41%	32	1.20%	31	1.16%	26	0.97%	30	1.16%
Multi-Racial	68	2.45%	50	1.88%	43	1.61%	39	1.46%	41	1.59%
Other	4	0.14%	4	0.15%	4	0.15%	5	0.19%	16	0.62%
Total	2,773	100.00%	2,656	100.00%	2,667	100.00%	2,671	100.00%	2,579	100.00%

	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	885	31.91%	590	22.21%	554	20.77%	569	21.30%	494	19.15%
18 -21	962	34.69%	1,046	39.38%	1,016	38.10%	1,032	38.64%	1,039	40.29%
22 - 24	234	8.44%	272	10.24%	285	10.69%	257	9.62%	241	9.34%
25 - 35	468	16.88%	478	18.00%	516	19.35%	539	20.18%	522	20.24%
36 - 50	187	6.74%	224	8.43%	238	8.92%	228	8.54%	234	9.07%
51 & over	37	1.33%	46	1.73%	58	2.17%	46	1.72%	49	1.90%
Total	2,773	100.00%	2,656	100.00%	2,667	100.00%	2,671	100.00%	2,579	100.00%

Average Age	22.2	23.7	23.5	23.8	24.0
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**Panola College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2022 Fall Students as of Fall 2023**  
**(Includes only public senior colleges in Texas)**  
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University				-	-
2 Lamar University	2			2	0.01
3 Midwestern State University				-	-
4 Prairie View A & M University			1	1	0.00
5 Sam Houston State University	4	1		5	0.02
6 Southwest Texas State University				-	-
7 Stephen F Austin State University	111	10	5	126	0.43
8 Sul Ross State University				-	-
9 Tarleton State University	2	1		3	0.01
10 Texas A & M International University	1			1	0.00
11 Texas A & M University	29	2	2	33	0.11
12 Texas A & M University at Commerce	4			4	0.01
13 Texas A & M University at Corpus Christi				-	-
14 Texas A & M University at Galveston				-	-
15 Texas A & M University at San Antonio	1			1	0.00
16 Texas A & M University at Texarkana		1		1	0.00
16 Texas A & M University HSC				-	-
17 Texas Southern University	2			2	0.01
18 Texas State University	5	1		6	0.02
19 Texas Tech University	10		1	11	0.04
20 Texas Tech University Health Sciences Center	1			1	0.00
21 Texas Women's University	2	2		4	0.01
22 The University of Texas at Arlington	5			5	0.02
23 The University of Texas at Austin	5			5	0.02
24 The University of Texas at Rio Grande Valley				-	-
25 The University of Texas at Dallas	4			4	0.01
26 The University of Texas Medical Branch at Galveston				-	-
27 The University of Texas HSC Houston		1		1	0.00
27 The University of Texas San Antonio				-	-
28 The University of Texas at Tyler	51	13	3	67	0.23
29 The University of Texas at Permian Basin				-	-
30 The University of Texas at Brownsville				-	-
31 University of Houston	1		1	2	0.01
32 University of Houston - Clear Lake				-	-
33 University of North Texas	7			7	0.02
34 University of North Texas - HSC	1			1	0.00
35 University of North Texas - Dallas	2			2	0.01
36 West Texas A & M University	1			1	0.00
<b>Totals</b>	<b>251</b>	<b>33</b>	<b>12</b>	<b>296</b>	<b>1.00</b>

Source: THECB Automated Student and Adult Learner Follow-Up System. Most current information available is listed.



**Panola College**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Years 2013 to 2022**  
(unaudited)

	<b>Fiscal Year</b>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Academic buildings	10	9	9	7	7	7	7	7	7	9
Square footage (in thousands)	250	223	223	172	169	161	161	161	161	146
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	32	32	32	32	32	32	32	32	32	32
Number of Volumes (in thousands)	120	120	120	120	120	120	120	120	120	120
Administrative and support buildings	2	2	2	2	2	2	2	2	2	3
Square footage (in thousands)	55	55	55	30	30	30	30	30	30	25
Dormitories	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Number of Beds	94	94	94	94	94	94	94	94	94	94
Apartments	4	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	29	29	29	29	29	29	29	29	29	29
Number of beds	160	160	160	160	160	160	160	160	160	160
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	25	25	25	25	25	25	25	25	25	25
Average daily customers	270	270	270	270	270	270	270	270	270	105
Athletic Facilities	3	1	1	1	1	1	1	1	1	2
Square footage (in thousands)	29	28	28	28	28	28	28	28	28	37
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	17	17	17	17	17	17	17	17	17	17
Transportation	2	2	2	2	2	2	2	2	2	2
Cars	1	-	-	-	-	-	-	-	-	-
Light Trucks/Vans	8	9	9	11	9	9	9	9	9	9
Buses	2	2	2	2	2	2	2	2	2	2