

FANNIN COUNTY, TX

**2025
ANNUAL
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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ANNUAL FINANCIAL REPORT

Fannin County, Texas

Fiscal Year Ended
September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Judge and
Members of the Commissioners' Court
Fannin County, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas (the "County") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We are required to be independent of Fannin County, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 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, we:

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

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

Emphasis of Matter

As discussed in Note IV.E to the financial statements, the County restated beginning fund balance/net position for governmental activities, nonmajor governmental funds, the debt service fund, and the American Recovery Program grant fund to implement GASB 101, *Compensated Absences*, correct a prior

year accounting error, and present a change in financial reporting. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios and the schedule of employer contributions to pension plan, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2026, on our consideration of the County'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 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 the County's internal control over financial reporting and compliance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
June 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Fannin County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

As management of Fannin County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The general fund reported an increase in fund balance of \$1,542,580 compared to a budgeted reduction of \$92,134, which results in a total positive budget variance of \$1,634,714.
- The County's net position increased by \$6,836,045.
- The County's total net position was \$57,970,503 at September 30, 2025.
- The County's net pension asset was \$1,893,471, at September 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the County's assets and liabilities 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 County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements present functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, judicial, legal, financial administration, public facilities, public safety, public transportation, and health and welfare.

Fannin County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2025

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

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

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

The County maintains sixty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the American Recovery Program Grant fund, and 2020 CO Bonds Justice Center construction fund, which are considered to be major funds. Data from the other fifty-eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general, American Recovery Program Grant, 2020 CO Bonds Justice Center construction, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund, the American Recovery Program Grant fund, and the 2020 CO Bond Justice Center Construction fund to demonstrate compliance with these budgets.

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds. The fund financial statements provide more information about the County's most significant funds, not the County as a whole.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

statements because the resources of those funds *are not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains one type of fiduciary fund. The *Custodial funds* report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

Notes to Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$57,970,503 at the close of the most recent fiscal year.

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2025	2024
Current and other assets	\$ 33,904,374	\$ 37,487,889
Capital assets, net	60,994,318	52,639,349
Total Assets	94,898,692	90,127,238
Deferred Outflows	720,851	678,579
Current liabilities	8,595,731	7,362,314
Long-term liabilities	28,701,987	29,661,160
Total Liabilities	37,297,718	37,023,474
Deferred Inflows	351,322	2,553,349
Net position:		
Net investment		
in capital assets	33,173,339	31,165,186
Restricted	9,666,190	17,433,143
Unrestricted	15,130,974	2,630,665
Total Net Position	\$ 57,970,503	\$ 51,228,994

The County's net position increased to \$57,970,503 from \$51,134,458. The County's unrestricted net position was \$15,130,974. The County's current and other assets decreased by \$3,583,515, or 10%, primarily due to less cash on hand resulting from purchases of new capital improvements during the year. Capital assets increased by \$8,354,969, or 16%, primarily due to cash outflows for capital improvements during the year. Current liabilities increased by \$1,233,417, or 17%, due to nonrecurring outstanding payables for capital improvements and timing of repayments subsequent to yearend. Deferred inflows decreased by \$2,202,027, or 86%, due to prior year unearned grant revenues recognized in the current year and actuarial changes in the County's pension inputs over the course of the year.

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Activities

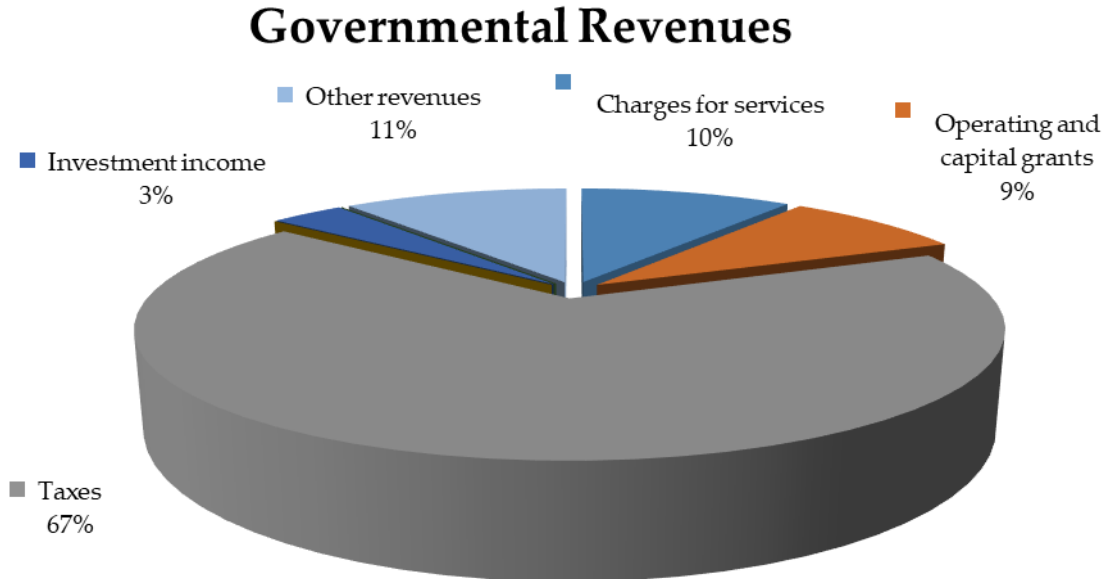
The following table provides a summary of the County's changes in net position for the years ended:

	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Charges for services	\$ 3,241,420	\$ 3,348,559
Operating and capital grants	2,746,367	3,490,007
General revenues:		
Taxes	21,329,810	19,603,560
Investment income	1,100,250	938,916
Other revenues	3,433,927	1,360,931
Total Revenues	31,851,774	28,741,973
Expenses		
General government	3,360,899	2,954,924
Judicial	2,372,136	2,330,610
Legal	865,552	932,478
Financial administration	957,172	889,240
Public facilities	1,410,930	1,439,258
Public safety	8,511,308	7,092,267
Public transportation	6,057,102	6,446,019
Health and welfare	597,016	577,344
Interest and fiscal charges	883,614	1,067,508
Total Expenses	25,015,729	23,729,648
Change in Net Position	6,836,045	5,012,325
Beginning net position	* 51,134,458	46,216,669
Ending Net Position	\$ 57,970,503	\$ 51,228,994

*Includes restatement for new accounting standard – GASB 101, *Compensated Absences*.

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

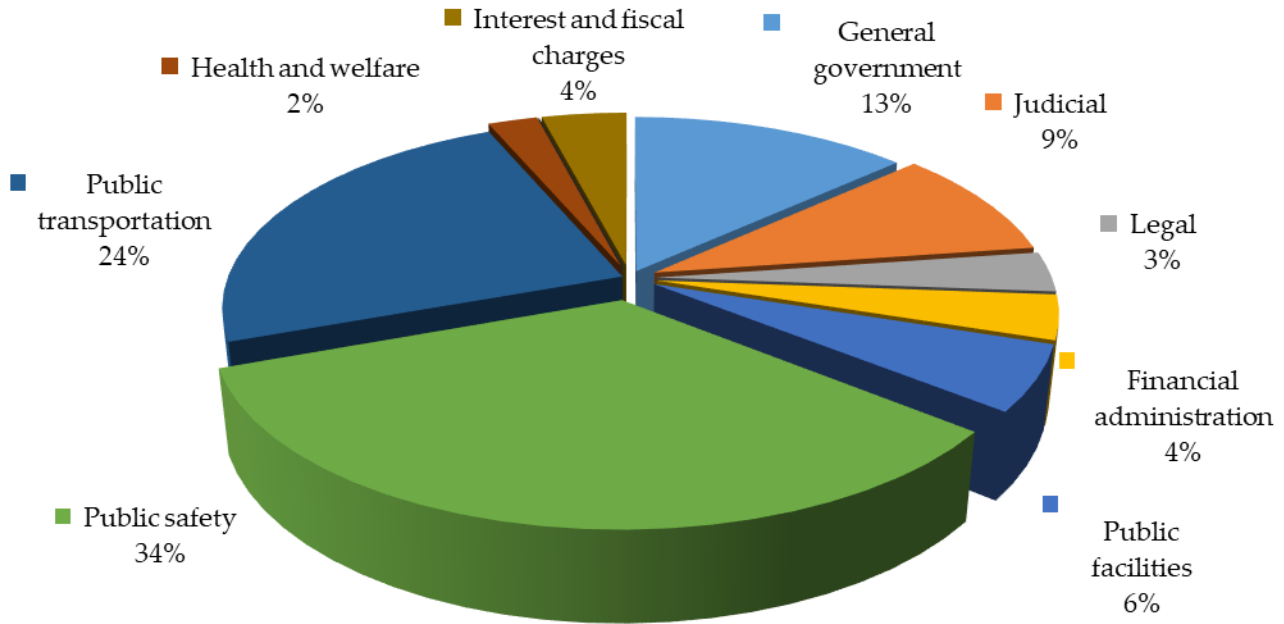
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.



Total governmental revenues increased by \$3,109,801, or 11%, from the prior year which is primarily due to greater taxes and other revenues. Operating and capital grants decreased by \$743,640, or 21%, primarily due to nonrecurring American Recovery and Reinvestment Act grant receipts and intergovernmental revenues from the Sheriff Custodial fund in the prior year. Taxes increased by \$1,726,250, or 9%, primarily due to greater property and sales taxes, resulting from greater appraised property values and local economic growth in the current year. Investment income increased by \$161,334, or 17%, primarily due to greater interest-bearing accounts in the current year. Other revenues increased by \$2,072,996 or over 100% primarily due to nonrecurring proceeds received for sale of assets in the current year. All other revenues remained relatively consistent compared to the prior year.

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Governmental Expenses



Total governmental expenses increased by \$1,286,081, or 5%, from the prior year. General government expenses increased \$405,975, or 14%, primarily due to greater nonrecurring SB22 Rural Salary Assistance grant expenditures in the current year. Public safety expenses increased by \$1,419,041, or 20%, primarily due to greater prisoner housing expenses, personnel costs, and patrol supply expenses, and nonrecurring building repairs and maintenance in the current year. Public transportation expenses decreased by \$388,917, or 6%, primarily due to a decline in road & bridge personnel costs and nonrecurring repairs and maintenance expenses in the prior year. Interest and fiscal charges decreased by \$183,894 or 17% primarily due to outstanding bonds approaching maturity. All other expenses remained relatively consistent compared to the prior year.

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County’s governing body.

Fannin County, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

The County's governmental funds reflect a combined fund balance of \$21,652,294. Of this, \$7,384,014 is unassigned and available for day-to-day operations of the County, \$3,769,331 is committed for road and bridge improvements, \$5,340,777 is restricted for capital projects and related activities, \$1,510,845 is restricted for debt service, and \$3,647,327 is restricted for special revenue funds.

There was a decrease in the combined fund balance of \$3,998,467 over the prior year. Included in this change is a decrease of \$619,346 in the American Recovery Program Grant fund, a decrease in the 2020 CO Bonds Justice Center construction fund of \$6,253,658, an increase in nonmajor governmental funds of \$819,797, an increase of \$1,542,580 in the general fund, and an increase of \$512,160 in the debt service fund.

The general fund increased by \$1,542,580 primarily as a result of greater tax revenues and less than expected expenditures incurred in the current year.

The American Recovery Program Grant fund decreased by \$619,346 due to current year capital outlays exceeding grant revenues.

The 2020 CO Bonds Justice Center fund decreased by \$6,253,658 compared to the prior year. The decrease was primarily a result of capital outlays exceeding current year revenues.

The debt service fund increased by \$512,160 primarily due to property tax revenues exceeding debt payments in the current year.

General Fund Budgetary Highlights

Actual general fund revenues were over final budgeted revenues by \$267,387 during the year. This increase is primarily attributable to sales and other taxes, investment income, and other revenues exceeding the budget projections. Actual general fund expenditures were under the final budgeted expenditures by \$1,592,327. Actual expenditures did not exceed appropriations at the legal level of control, which is described as the fund level.

Capital Assets

At the end of the year, the County's governmental activities funds had invested \$60,994,318 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

The significant capital asset transactions occurring during the current year were as follows:

- Continued Justice Center renovations for \$10,389,522.
- Purchased Bomag RS460 recycler/stabilizer for \$356,902.
- Purchased a John Deere motor grader for \$72,000.
- Purchased a 2021 T880 Kenworth for \$81,000.

Fannin County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

- Purchased two belly dump trains totaling \$48,000.
- Purchased a 2004 Trail King trailer for \$39,000.
- Purchased seven Chevrolet trucks totaling \$442,960.
- Purchased two Dodge Durangos for \$63,561.
- Purchased one Dodge Ram for \$44,826.
- Purchased 2007 Mack dump truck for \$49,500.
- Purchased a 2017 Kenworth for \$49,999.

More detailed information about the County's capital assets is presented in the notes to the financial statements.

Long-Term Debt

At the end of the year, the County reported outstanding bond issuances of \$28,570,000. Principal payments on bonds of \$965,000 were made during the year on these outstanding bonds. The County reported outstanding notes payables and subscription-based technology agreement liabilities ("SBITA") totaling \$266,252. Principal payments on notes and other liabilities of \$199,114 were made during the year.

More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

Economic Factors

The County continues to grow as seen in the increase in assessed property valuations for both residential and commercial entities. The County has continued to solidify the infrastructure of the County by investing in roads and bridges within the County.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's office at Fannin County, Texas, 101 E Sam Rayburn Dr. Bonham, Texas, 75418.

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BASIC FINANCIAL STATEMENTS

Fannin County, Texas
STATEMENT OF NET POSITION
September 30, 2025

		<u>Primary Governmental Activities</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$	21,883,531
Investments		1,978,195
Receivables, net		7,968,663
Due from custodial funds		108,223
Due from other governments		72,291
	Total Current Assets	<u>32,010,903</u>
Non-Current Assets:		
Net pension asset		1,893,471
Nondepreciable capital assets		12,919,375
Capital assets (net of accumulated depreciation)		48,074,943
	Total Non-Current Assets	<u>62,887,789</u>
	Total Assets	<u>94,898,692</u>
<u>Deferred Outflows of Resources</u>		
Pension outflows		720,851
	Total Deferred Outflows of Resources	<u>720,851</u>

Fannin County, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2025

	Primary Governmental Activities
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 2,906,154
Accrued interest payable	135,252
Due to other governments	4,079,420
Compensated absences, current	334,697
Long-term debt due within one year	1,140,208
Total Current Liabilities	8,595,731
Non-Current Liabilities:	
Compensated absences, noncurrent	37,188
Long-term debt due in more than one year	28,664,799
Total Non-Current Liabilities	28,701,987
Total Liabilities	37,297,718
<u>Deferred Inflows of Resources</u>	
Pension inflows	351,322
Total Deferred Inflows of Resources	351,322
<u>Net Position</u>	
Net investment in capital assets	33,173,339
Restricted for:	
Debt service	1,510,845
Capital projects	2,614,547
Judicial	35,019
Records management	1,125,623
Public safety	2,001,837
Grant programs	484,848
Pension	1,893,471
Unrestricted	15,130,974
Total Net Position	\$ 57,970,503

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 3,360,899	\$ 2,391,324	\$ 4,961	\$ -
Judicial	2,372,136	51,318	39,224	-
Legal	865,552	-	175,000	-
Financial administration	957,172	-	-	-
Public facilities	1,410,930	-	-	1,982,508
Public safety	8,511,308	282,480	408,404	-
Public transportation	6,057,102	304,763	136,270	-
Health and welfare	597,016	211,535	-	-
Interest and fiscal agent fees on long-term debt	883,614	-	-	-
Total Governmental Activities	<u>25,015,729</u>	<u>3,241,420</u>	<u>763,859</u>	<u>1,982,508</u>
Total Primary Government	<u>\$ 25,015,729</u>	<u>\$ 3,241,420</u>	<u>\$ 763,859</u>	<u>\$ 1,982,508</u>

General Revenues:

Property taxes
Sales taxes
Other taxes
Investment income
Other revenues
Gain on sale of assets

Total General Revenues

Change in Net Position

Beginning net position, as previously presented

New Acct. Standard - GASB 101

Error correction

Beginning net position, as restated

Ending Net Position

See Notes to Financial Statements.

**Net (Expense)
Revenue and
Changes in Net
Position**

**Governmental
Activities**

\$	(964,614)
	(2,281,594)
	(690,552)
	(957,172)
	571,578
	(7,820,424)
	(5,616,069)
	(385,481)
	(883,614)
	<u>(19,027,942)</u>
	<u>(19,027,942)</u>
	17,979,142
	2,798,439
	552,229
	1,100,250
	1,226,887
	2,207,040
	<u>25,863,987</u>
	6,836,045
	51,024,216
	(94,536)
	204,778
	<u>51,134,458</u>
\$	<u><u>57,970,503</u></u>

Fannin County, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>American Recovery Program Grant</u>	<u>2020 CO Bonds Justice Center Const.</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 8,959,585	\$ 1,549,584	\$ -	\$ 3,279,084
Investments	-	-	-	1,978,195
Receivables, net	6,776,245	115,172	-	-
Due from other funds	58,487	-	-	-
Due from custodial funds	64,956	-	-	-
Due from other governments	-	1,693	-	-
Total Assets	\$ 15,859,273	\$ 1,666,449	\$ -	\$ 5,257,279
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 822,323	-	\$ 577,334	\$ 1,057,367
Due to other governments	4,079,420	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	4,901,743	-	577,334	1,057,367
<u>Deferred Inflows of Resources</u>				
Unavail. revenue - property taxes	893,185	155,604	-	-
Unavail. revenue - fines and forfeitures	1,462,558	-	-	-
Unavail. revenue - grants	-	-	-	-
Total Deferred Inflows of Resources	2,355,743	155,604	-	-
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	1,510,845	-	-
Capital projects	-	-	-	4,199,912
Judicial	-	-	-	-
Records management	-	-	-	-
Public safety	-	-	-	-
Grant programs	-	-	-	-
Committed:				
Road and bridge	-	-	-	-
Unassigned	8,601,787	-	(577,334)	-
Total Fund Balances	8,601,787	1,510,845	(577,334)	4,199,912
Total Liab., Deferred Inflows, and Fund Balances	\$ 15,859,273	\$ 1,666,449	\$ -	\$ 5,257,279

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,085,600	\$ 21,873,853
-	1,978,195
1,077,246	7,968,663
568,157	626,644
43,267	108,223
70,598	72,291
<u>\$ 9,844,868</u>	<u>\$ 32,627,869</u>
\$ 449,130	\$ 2,906,154
-	4,079,420
626,644	626,644
<u>1,075,774</u>	<u>7,612,218</u>
250,700	1,299,489
-	1,462,558
601,310	601,310
<u>852,010</u>	<u>3,363,357</u>
-	1,510,845
1,140,865	5,340,777
35,019	35,019
1,125,623	1,125,623
2,001,837	2,001,837
484,848	484,848
3,769,331	3,769,331
(640,439)	7,384,014
<u>7,917,084</u>	<u>21,652,294</u>
<u>\$ 9,844,868</u>	<u>\$ 32,627,869</u>

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Fannin County, Texas
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	21,652,294
Long-term assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds.		
Nondepreciable capital assets		12,919,375
Depreciable capital assets		85,998,610
Accumulated depreciation		(37,923,667)
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as:		
Net pension asset		1,893,471
Unavailable revenue - property taxes		1,299,489
Unavailable revenue - fines and forfeitures		1,462,558
Unavailable revenue - grants		601,310
Deferred outflows of resources represent a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditures) until then		
Pension outflows		720,851
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not recognized as an outflow of resources (revenues) until then		
Pension inflows		(351,322)
Internal service funds are used by management to charge the cost of internal services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
Net position - governmental activities		9,678
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable		(135,252)
Bond premium		(968,755)
Bonds, leases, & other liabilities		(28,836,252)
Compensated absences		(371,885)
Net Position of Governmental Activities	\$	57,970,503

See Notes to Financial Statements.

Fannin County, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>American Recovery Program Grant</u>	<u>2020 CO Bonds Justice Center Const.</u>
<u>Revenues</u>				
Property taxes	\$ 12,046,479	2,465,201	\$ -	\$ -
Sales taxes	2,182,930	-	-	-
Other taxes	452,229	-	-	-
Fees of office	1,079,995	-	-	-
Fines and forfeitures	4,805	-	-	-
Charges for services	654,858	-	-	-
Intergovernmental revenue	61,903	-	1,381,198	-
Investment income	425,766	76,535	9,773	186,890
Licenses and permits	211,535	-	-	-
Other revenue	478,362	1,312	-	-
Total Revenues	17,598,862	2,543,048	1,390,971	186,890
<u>Expenditures</u>				
Current:				
General government	1,297,514	3,850	-	-
Judicial	2,449,492	-	-	-
Legal	942,462	-	-	-
Financial administration	1,058,879	-	-	-
Public facilities	595,634	-	-	-
Public safety	7,653,028	-	-	-
Public transportation	-	-	8,447	-
Health and welfare	598,817	-	-	-
Nondepartmental	1,280,992	-	-	-
Capital outlay	-	-	2,001,870	8,387,653
Debt Service:				
Principal	37,481	965,000	-	-
Interest and fiscal charges	2,924	1,062,038	-	-
Total Expenditures	15,917,223	2,030,888	2,010,317	8,387,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,681,639	512,160	(619,346)	(8,200,763)

Nonmajor Governmental Funds		Total Governmental Funds	
\$	3,397,719	\$	17,909,399
	615,509		2,798,439
	100,000		552,229
	961,234		2,041,229
	179,023		183,828
	-		654,858
	701,956		2,145,057
	401,218		1,100,182
	-		211,535
	991,275		1,470,949
	<u>7,347,934</u>		<u>29,067,705</u>

	778,599		2,079,963
	22,785		2,472,277
	-		942,462
	-		1,058,879
	-		595,634
	1,359,997		9,013,025
	5,006,458		5,014,905
	-		598,817
	5,546		1,286,538
	11,315		10,400,838
	161,633		1,164,114
	8,325		1,073,287
	<u>7,354,658</u>		<u>35,700,739</u>

	(6,724)		(6,633,034)
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Fannin County, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	General	Debt Service	American Recovery Program Grant	2020 CO Bonds Justice Center Const.
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(146,088)	-	-	-
Note issuance	-	-	-	-
Sale of assets	7,029	-	-	1,947,105
Total Other Financing Sources (Uses)	(139,059)	-	-	1,947,105
Net Change in Fund Balances	1,542,580	512,160	(619,346)	(6,253,658)
Beg. Fund balances, as prev. reported	7,059,207	-	(162,766)	10,453,570
Error corrections	-	-	204,778	-
Change in financial reporting (nonmajor to major)	-	998,685	-	-
Beg. Fund balances, as adjusted	7,059,207	998,685	42,012	10,453,570
Ending Fund Balances	\$ 8,601,787	\$ 1,510,845	\$ (577,334)	\$ 4,199,912

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 146,088	\$ 146,088
-	(146,088)
240,908	240,908
439,525	2,393,659
<u>826,521</u>	<u>2,634,567</u>
819,797	(3,998,467)
8,095,972	25,445,983
-	204,778
(998,685)	-
7,097,287	25,650,761
<u>\$ 7,917,084</u>	<u>\$ 21,652,294</u>

Fannin County, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total government funds	\$ (3,998,467)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	11,827,607
Depreciation expense	(3,286,019)
Net effect of capital asset disposals	(186,619)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable revenue - property taxes	69,743
Unavailable revenue - fines and forfeitures	(132,510)
Unavailable revenue - grants	601,310

Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Principal payment	1,164,114
Note issuance	(240,908)
Amortization of bond premium	48,225

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.

Pension expense	937,610
Compensated absences	(107,713)
Accrued interest	141,448

Internal service funds are used by management to charge the cost of internal services to individual funds. The County reports the net gain (loss) of internal service funds within governmental activities

	(1,776)
Change in Net Position of Governmental Activities	\$ 6,836,045

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

		<u>Governmental Activities</u>
		<u>Internal Service</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and cash equivalents		\$ 9,678
	Total Current Assets	<u>9,678</u>
<u>Net Position</u>		
Unrestricted		9,678
	Total Net Position	<u><u>\$ 9,678</u></u>

See Notes to Financial Statements.

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Fannin County, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2025

		<u>Governmental Activities Internal Service</u>
<u>Operating Revenues</u>		
Other revenues	\$	38,418
Total Operating Revenues		<u>38,418</u>
<u>Operating Expenses</u>		
Salaries and benefits		40,262
Total Operating Expenses		<u>40,262</u>
		<u>Operating Income (Loss)</u>
		(1,844)
<u>Nonoperating Revenues (Expenses)</u>		
Interest income		68
Total Nonoperating Revenues (Expenses)		<u>68</u>
		<u>Change in Net Position</u>
		(1,776)
		<u>Beginning Net Position</u>
		11,454
		<u>Ending Net Position</u>
	\$	<u><u>9,678</u></u>

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 1 of 2)
For the Year Ended September 30, 2025

	Governmental Activities
	Internal Service
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 38,418
Payments to employees	(40,262)
Net Cash Provided (Used) by Operating Activities	(1,844)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	68
Net Cash Provided (Used) by Investing Activities	68
Net Increase (Decrease) in Cash and Cash Equivalents	(1,776)
Beginning cash and cash equivalents	11,454
Ending Cash and Cash Equivalents	\$ 9,678

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Page 2 of 2)
For the Year Ended September 30, 2025

	Governmental Activities
	Internal Service
<u>Reconciliation of Operating Income</u>	
<u>to Net Cash Provided by Operating Activities</u>	
Operating Income (Loss)	\$ (1,844)
Net Cash Provided (Used) by Operating Activities	\$ (1,844)

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2025

		<u>Custodial Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$	3,227,971
Due from other entities		1,769
Total Assets	\$	<u>3,229,740</u>
 <u>Liabilities</u>		
Due to other entities	\$	455,788
Due to County		108,223
Total Liabilities		<u>564,011</u>
 <u>Net Position</u>		
Restricted		2,665,729
Total Net Position	\$	<u><u>2,665,729</u></u>

See Notes to Financial Statements.

Fannin County, Texas
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended September 30, 2025

		<u>Custodial Funds</u>
<u>Additions</u>		
Additions		\$ 14,491,366
	Total Additions	<u>14,491,366</u>
<u>Deductions</u>		
Deductions		15,431,905
	Total Deductions	<u>\$ 15,431,905</u>
	Net Change in Net Position	(940,539)
Beginning net position, as previously reported		3,606,268
	Ending Net Position	<u>\$ 2,665,729</u>

See Notes to Financial Statements.

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Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

Fannin County, Texas, (the “County”) is an independent government entity created in 1837 by an act of the Texas Legislature. The County is governed by an elected judge and four county Commissioners which comprise the Commissioners’ Court.

The County’s financial statements include the accounts of all County operations. The County operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County’s financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *debt service fund* accounts for the accumulation of resources to be used for the payment of principal and interest.

The *American Recovery Program fund* is used to account for grant revenues and capital outlay expenditures related to COVID-19 relief efforts.

The *2020 Bonds justice center construction fund* is used to account for the renovation of the County's Courthouse.

Additionally, the government reports the following fund types:

The *custodial funds* report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The *special revenue funds* account for resources restricted to, or designated for, specific purposes in a special revenue fund.

Fannin County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2025

The *capital projects funds* account for the use of the proceeds of debt issued for major capital projects.

The *internal service funds* account for revenues and expenses related to services provided to organizations inside the County on a cost reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

The fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The custodial fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund, American Recovery Program Grant, and 2020 CO Bonds Justice Center construction fund.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations within and between departments require the approval of the Commissioner's Court. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year. While all appropriations lapse at year end, surpluses may be re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The County'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.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

2. Investments

Investments for the government are reported at fair value (generally based on quoted market prices.) Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Local Government Code of Texas authorizes the County to invest in:

- (1) obligations of the United States or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas or its agencies and instrumentalities;
- (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- (4) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- (5) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas which are:
 - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
 - (b) secured by obligations of paragraphs (1) to (5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;
- (6) fully collateralized direct repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools all of which are required to meet certain restrictive criteria.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives.

Asset Description	Estimated Useful Lives
Infrastructure	30
Buildings & improvements	20-50
Machinery & equipment	5-10
Right-to-use vehicles	5
Right-to-use SBITA	2-5

4. Subscription-Based Information Technology Agreements

The County has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). The County has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The County recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the

Fannin County, Texas

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2025

subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

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

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated 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 County is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The County monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only reports pension related deferred outflows. In the future, the government may also report a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable*

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines and forfeitures and grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. *Net position flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. *Fund balance flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The commissioner’s court is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body has by resolution authorized the county auditor to assign fund balance. The court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

9. Pensions

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

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1st. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

3. *Compensated absences*

The County accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*.

Under GASB Statement No. 101, the County recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the County has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year.

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the County does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held, and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. Thus, the legal level of budgetary control is at the fund level.

A. Expenditures Over Appropriations

During the year ended September 30, 2025, total expenditures in the American Recovery Program Grant exceed appropriations at the legal level of control by \$10,317.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

B. Deficit Fund Balance

As of September 30, 2025, the County recorded a deficit fund balance in the funds listed below:

American Recovery Program Grant Fund	\$ 577,334
Hazard Mitigation Plan	\$ 37,500
Courthouse Restoration	\$ 602,939

These deficits will be eliminated in the future with a reduction of expenditures, increased revenue, or through reimbursements from other funds.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pool (TexPool)	\$ 14,899,831	0.12
Certificate of deposit	1,978,195	0.26
	<u>\$ 16,878,026</u>	
Portfolio weighted average maturity		0.14

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2025, the County's investments in TexPool were rated AAAM by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2025, market values of pledged securities and FDIC insurance exceeded bank balances.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances at year end:

	General	Debt Service	Nonmajor Govt.	Total
Property tax	\$ 824,057	\$ 115,172	\$ 250,701	\$ 1,189,930
Sales tax	280,675	-	80,900	361,575
Fines	7,725,696	-	-	7,725,696
Grants	-	-	601,310	601,310
Accounts	131,329	-	144,335	275,664
Less: allowance	(2,185,512)	-	-	(2,185,512)
	<u>\$ 6,776,245</u>	<u>\$ 115,172</u>	<u>\$ 1,077,246</u>	<u>\$ 7,968,663</u>

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

C. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2025, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases/ Transfers)</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 341,561	\$ -	\$ (45,100)	\$ 296,461
Construction in progress	2,233,391	10,389,523	-	12,622,914
Total capital assets not being depreciated	<u>2,574,952</u>	<u>10,389,523</u>	<u>(45,100)</u>	<u>12,919,375</u>
Other capital assets:				
Buildings	32,580,869	-	-	32,580,869
Machinery & equipment	11,489,236	1,438,084	(316,714)	12,610,606
Infrastructure	40,714,453	-	-	40,714,453
SBITA assets	363,280	-	(270,598)	92,682
Total other capital assets	<u>85,147,838</u>	<u>1,438,084</u>	<u>(587,312)</u>	<u>85,998,610</u>
Less accumulated depreciation for:				
Buildings	(5,413,291)	(814,260)	-	(6,227,551)
Machinery & equipment	(7,495,619)	(1,080,806)	161,607	(8,414,818)
Infrastructure	(21,896,228)	(1,326,674)	-	(23,222,902)
SBITA assets	(278,303)	(64,279)	284,186	(58,396)
Total accumulated depreciation	<u>(35,083,441)</u>	<u>(3,286,019)</u>	<u>445,793</u>	<u>(37,923,667)</u>
Other capital assets, net	<u>50,064,397</u>	<u>(1,847,935)</u>	<u>(141,519)</u>	<u>48,074,943</u>
Total	<u>\$ 52,639,349</u>	<u>\$ 8,541,588</u>	<u>\$ (186,619)</u>	<u>\$ 60,994,318</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 139,047
Public Facilities	823,411
Public Safety	352,700
Public Transportation	1,962,351
Health and Welfare	8,510
Total Governmental Activities Depreciation Expense	<u>\$ 3,286,019</u>

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

D. Joint Venture

The County participates (20%) with Cooke and Grayson counties in the Cooke, Fannin and Grayson County Juvenile Detention Center. Under the interlocal agreement governing the joint venture, the County shares in the cost of operations, construction and maintenance of the joint venture. The agreement requires maintenance of a minimum fund balance and returns excess assets to the venturers. The Detention Center is managed by a board of directors, which is composed of seven members, three appointed by the Commissioners of Grayson County, and two members each appointed by the Commissioners of Cooke and Fannin Counties, respectively. No single County has unilateral control. The participants do retain an ongoing financial responsibility as they fund the operating costs of the Center. All costs associated with the Detention Center after applicable charges and grants are shared by the Participants and are allocated as follows: Cooke, 20%; Fannin, 20%; and Grayson, 60%. Separate financial statements of the joint venture are available from the Grayson County Auditor, Sherman, Texas. An equity interest in the joint venture has not been recorded because the terms of the interlocal agreement governing the joint venture provide that, under certain circumstances, withdrawing venturers forfeit all rights, title and interest in property of the joint venture. Following is unaudited summary information of the operations of the joint venture for the year ended September 30, 2025 under the full accrual basis of accounting:

Statement of Net Position	
Assets	
Current assets	\$ 118,242
Capital, net	443,785
Total Assets	562,027
Deferred Outflows	127,198
Liabilities	
Current liabilities	\$ 457,291
Total Liabilities	457,291
Deferred Inflows	166,893
Net Position	65,041
Total Liabilities, Deferred Inflows and Net Position	\$ 689,225

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
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Statement of Activities

<u>Operating Income</u>	
Charges for services	\$ 1,243,952
Total Operating Income	<u>1,243,952</u>
 <u>Operating Expenses</u>	
Public safety	1,190,883
Total Operating Expenses	<u>1,190,883</u>
 <u>Net Income (Loss)</u>	 <u>\$ 53,069</u>

E. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended September 30, 2025. In general, the County uses the road and bridge and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation refunding bonds	\$ 10,500,000	\$ -	\$ (390,000)	\$ 10,110,000	\$ 410,000
Certificates of obligation bonds	19,035,000	-	(575,000)	18,460,000	595,000
Less deferred amounts:					
Premium	1,016,980	-	(48,225)	968,755	-
Notes payable	155,810	240,908	(155,810)	240,908	120,436
Other:					
SBITA liabilities	68,648	-	(43,304)	25,344	14,772
Total Governmental Activities	<u>\$ 30,776,438</u>	<u>\$ 240,908</u>	<u>\$ (1,212,339)</u>	<u>\$ 29,805,007</u>	<u>\$ 1,140,208</u>

Long-term liabilities due in more than one year \$ 28,664,799

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Maturity Date	Original Balance	Current Balance
Governmental Activities:				
General Obligation Refunding Bonds:				
Series 2017	3.00% - 4.00%	9/1/2042	\$ 6,150,000	\$ 4,805,000
Series 2018	3.00% - 4.00%	6/1/2044	6,210,000	5,305,000
Certificates of Obligation:				
Series 2020	2.00% - 3.00%	3/1/2045	9,860,000	8,625,000
Series 2022	5.00%	3/1/2047	10,410,000	9,835,000
Note Payables:				
Election Equipment	5.62%	1/15/2027	240,908	240,908
SBITA Liabilities	4.00% - 5.00%	2/1/2026 - 12/1/2026	282,735	25,344
Total Governmental Activities			\$ 33,153,643	\$ 28,836,252

Long-term debt obligations of the County as of September 30, 2025, are as follows:

Fiscal Year	GO Refunding Bonds		Total
	Principal	Interest	
2026	\$ 410,000	\$ 360,675	\$ 770,675
2027	425,000	344,075	769,075
2028	440,000	328,125	768,125
2029	460,000	312,675	772,675
2030	475,000	296,600	771,600
2031-2035	2,620,000	1,221,938	3,841,938
2036-2040	3,115,000	730,025	3,845,025
2041-2044	2,165,000	162,563	2,327,563
Total	\$ 10,110,000	\$ 3,756,676	\$ 13,866,676

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

CO Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2026	\$ 595,000	\$ 662,713	\$ 1,257,713
2027	625,000	639,463	1,264,463
2028	645,000	614,913	1,259,913
2029	670,000	589,438	1,259,438
2030	695,000	564,838	1,259,838
2031-2035	3,850,000	2,448,878	6,298,878
2036-2040	4,570,000	1,727,970	6,297,970
2041-2045	5,425,000	859,513	6,284,513
2046-2047	1,385,000	70,125	1,455,125
Total	\$ 18,460,000	\$ 8,177,851	\$ 26,637,851

Notes Payable			
Fiscal Year	Principal	Interest	Total
2026	\$ 120,436	\$ 6,802	\$ 127,238
2027	120,472	6,766	127,238
Total	\$ 240,908	\$ 13,568	\$ 254,476

SBITA Liabilities			
Fiscal Year	Principal	Interest	Total
2026	\$ 14,772	\$ 1,228	\$ 16,000
2027	10,572	529	11,101
Total	\$ 25,344	\$ 1,757	\$ 27,101

The County entered into multiple software and license subscriptions. The property is classified as SBITA assets with a total carrying value of \$34,286 as of yearend for governmental activities.

F. Other Long-term Liabilities

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the County uses the general fund to liquidate compensated absences.

	Beginning Balance	Changes	Ending Balance	Amount Due Within One Year
Governmental Activities:				
Compensated Absences	\$ 264,172	\$ 107,713	\$ 371,885	\$ 334,697
Total Governmental Activities	\$ 264,172	\$ 107,713	\$ 371,885	\$ 334,697
Long-term Liabilities Due in More than One Year			\$ 37,188	

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

G. Interfund Transactions

Operating transfers between the primary governmental funds during the 2025 year were as follows:

Transfers In:	Transfers (Out):	
	General	Total
Nonmajor govt.	\$ 146,088	\$ 146,088
Total	\$ 146,088	\$ 146,088

The composition of interfund balances as of September 30, 2025, is as follows:

Receivable Funds (Due from):	Payable Funds (Due to):		
	Nonmajor Govt.	Fiduciary	Total
General fund	\$ 58,487	\$ 64,956	\$ 123,443
Nonmajor govt.	568,157	43,267	611,424
Total	\$ 626,644	\$ 108,223	\$ 734,867

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

The County is owed \$108,223 from custodial funds as of the end of the current year.

H. Restricted Net Position

The County records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for governmental activities was \$9,666,190, of which, \$3,647,327 is restricted by enabling legislation.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 338 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Texas Association of Counties created this pool in 1974 to insure the County for worker compensation related claims. The County also provides its employees benefits, including

Fannin County, Texas
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medical and life insurance, which the County obtains through the Texas Association of Counties Insurance Trust Fund. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three years.

The County reports liabilities when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2025.

B. Contingent Liabilities

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it will periodically engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations, if warranted.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

D. Defined Benefit Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of nearly 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive annual financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at: P. O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

The plan provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using a rate of 9.65% for the months of the accounting year in 2025 and 10.63% for the months of the accounting year in 2024.

Fannin County, Texas
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The Commissioners' Court adopted the rate of 7% as the contribution rate payable by the employee members for calendar year 2025. The Commissioners' Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

Contributions (Fiscal Year)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Annual Req. Contribution (ARC)	\$ 800,616	\$ 734,107	\$ 667,279
Contributions Made	(800,616)	(734,107)	(667,279)
Excess / (Deficiency)	\$ -	\$ -	\$ -

Annual Pension Costs

The County's schedule of funding information can be found in the Required Supplemental Information section of this report.

The required contribution rates for fiscal year 2025 were determined as part of the December 31, 2024 actuarial valuation.

Additional information as of the three latest actuarial valuations also follows:

	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>
Valuation Date	Entry Age	Entry Age	Entry Age
Actuarial Cost Method	Level Percent of	Level Percent of	Level Percent of
Amortization Method	payroll, closed	payroll, closed	payroll, closed
Amortization Period	12.8 years	17.0 years	15.8 years
in years			
Asset Valuation Method	5-year Smoothed	5-year Smoothed	5-year Smoothed
	Fund	Fund	Fund
Actuarial Assumptions:			
Investment Rate of	7.5%	7.5%	7.5%
Return *			
Projected Salary	4.70%	4.70%	4.70%
Increases *			
* Includes Inflation at	2.50%	2.50%	2.50%
stated-rate			
Cost-of Living			
Adjustments	0.0%	0.0%	0.0%

Fannin County, Texas
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At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	142
Inactive employees entitled to but not yet receiving benefits	166
Active employees	124
Total	432

Net Pension Liability

The County's Net Pension Liability (Asset) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year (long-term assumption)
Overall payroll growth	4.7% average, including inflation
	Varies by age and service.
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table.

Actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study updated every four years, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 7.50% gross of administrative expenses. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate 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. These ranges are combined to produce the long-term expected rate of

Fannin County, Texas
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return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

(2) Geometric real rates of return in addition to assumed inflation of 2.35%, per Cliffwater’s 2025 capital market assumptions.

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

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

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

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that employee and employer

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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.

Changes in the Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 12/31/23	\$ 31,674,774	\$ 32,687,649	\$ (1,012,875)
Changes for the year:			
Service cost	895,546	-	895,546
Interest on total pension liability ⁽¹⁾	2,412,521	-	2,412,521
Effect on economic/demographic gains or losses	-	-	-
	344,924	-	344,924
Effect of assumptions changes or inputs	-	-	-
Refund on contributions	(81,157)	(81,157)	-
Benefit payments	(1,602,849)	(1,602,849)	-
Employer contributions	-	750,549	(750,549)
Member contributions	-	494,247	(494,247)
Net investment income	-	3,322,633	(3,322,633)
Administrative expense	-	(19,345)	19,345
Other ⁽³⁾	-	(14,497)	14,497
Balance at 12/31/24	<u>\$ 33,643,759</u>	<u>\$ 35,537,230</u>	<u>\$ (1,893,471)</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(3) Relates to allocation of system-wide items.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

1% Decrease 6.60%	Current Single Rate Assumption 7.60%	1% Increase 8.60%
\$ 2,173,055	\$ (1,893,471)	\$ (5,324,597)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.com.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2025, the County recognized pension income of \$199,992.

At September 30, 2025, the County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between projected and investment earnings	\$ -	\$ (351,322)
Differences between expected and actual economic experience	163,523	-
Contributions subsequent to the measurement date	557,328	-
Total	\$ 720,851	\$ (351,322)

The County reported \$557,328 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability(asset) for the year ending September 30, 2026.

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
December 31:	
2025	\$ (235,591)
2026	597,324
2027	(378,328)
2028	(171,204)
2029	-
	<u>\$ (187,799)</u>

E. Restatement

The County restated beginning fund balance/net position for governmental activities, nonmajor governmental funds, the debt service fund, and the American Recovery Program grant fund to implement GASB 101, *Compensated Absences*, correct a prior year accounting error, and present a change in financial reporting. The County's restatements to beginning fund balance/net position were as follows:

	Governmental Activities	American Recovery Program Grant	Debt Service	Nonmajor Governmental
Prior year end. fund balance/net position, as reported	\$ 51,024,216	\$ (162,766)	\$ -	\$ 8,095,972
Correct deferred grant receivables	204,778	204,778	-	-
Change in financial reporting (nonmajor to major	-	-	998,685	(998,685)
Implementation of GASB 101	(94,536)	-	-	-
Restated beg. net position/fund balance	<u>\$ 51,134,458</u>	<u>\$ 42,012</u>	<u>\$ 998,685</u>	<u>\$ 7,097,287</u>

F. New Accounting Pronouncements

The County adopted GASB 101, *Compensated Absences*, during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements. The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

Fannin County, Texas
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2025

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$94,536 as of September 30, 2024.

G. Subsequent Events

There were no material subsequent events through June 23, 2026, the date the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

Fannin County, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 12,277,978	\$ 12,277,978	\$ 12,046,479	\$ (231,499)
Sales taxes	1,738,000	1,738,000	2,182,930	444,930
Other taxes	346,380	346,380	452,229	105,849
Fees of office	454,200	1,221,509	1,079,995	(141,514)
Fines and forfeitures	7,000	7,000	4,805	(2,195)
Charges for services	698,500	735,000	654,858	(80,142)
Intergovernmental revenue	49,477	49,477	61,903	12,426
Investment income	278,000	278,000	425,766	147,766
Licenses and permits	205,000	205,000	211,535	6,535
Other revenue	1,051,392	473,131	478,362	5,231
Total Revenues	17,105,927	17,331,475	17,598,862	267,387
Expenditures				
General government	1,308,787	1,313,592	1,297,514	16,078
Judicial	2,863,754	2,876,615	2,449,492	427,123
Legal	1,056,134	1,056,134	942,462	113,672
Financial administration	1,096,929	1,096,929	1,058,879	38,050
Public facilities	935,709	690,243	595,634	94,609
Public safety	8,188,599	8,412,958	7,653,028	759,930
Health and welfare	752,856	761,661	598,817	162,844
Nondepartmental	1,078,998	1,301,418	1,280,992	20,426
Debt Service:				
Principal	-	-	37,481	(37,481)
Interest and fiscal charges	-	-	2,924	(2,924)
Total Expenditures	17,281,766	17,509,550	15,917,223	1,592,327
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,839)	(178,075)	1,681,639	1,859,714

Fannin County, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (continued)

For the Year Ended September 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources</u>				
<u>(Uses)</u>				
Transfers (out)	\$ (146,088)	\$ (146,088)	\$ (146,088)	\$ -
Sale of assets	225,000	232,029	7,029	(225,000)
Total Other Financing Sources (Uses)	78,912	85,941	(139,059)	(225,000)
Net Change in Fund Balance	\$ (96,927)	\$ (92,134)	1,542,580	\$ 1,634,714
Beg. fund balance, as restated			7,059,207	
Ending Fund Balance			\$ 8,601,787	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

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Fannin County, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RECOVERY PROGRAM GRANT
For the Year Ended September 30, 2025

	Budget		Variance with
	Original &	Actual	Final Budget
	Final	Amounts	Positive
			(Negative)
<u>Revenues</u>			
Intergovernmental revenue	\$ -	\$ 1,381,198	\$ 1,381,198
Investment income	-	9,773	9,773
Total Revenues	-	1,390,971	1,390,971
<u>Expenditures</u>			
Current:			
Public transportation	-	8,447	(8,447)
Capital outlay	2,000,000	2,001,870	(1,870)
Total Expenditures	2,000,000	2,010,317	(10,317) *
Net Change in Fund Balance	\$ (2,000,000)	(619,346)	\$ 1,380,654
Beginning fund balance, as restated		42,012	
Ending Fund Balance		\$ (577,334)	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
2. * Expenditures were in excess of appropriations at the legal level of control.

Fannin County, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

For the Year Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 895,546	\$ 778,471	\$ 876,486	\$ 898,325
Interest	2,412,521	2,293,478	2,430,314	2,314,797
Effect of plan changes	-	265,901	-	-
Differences between expected and actual experience	344,924	(199,280)	(759,212)	(54,747)
Changes of assumptions	-	-	-	(70,168)
Benefit payments, including refunds of participant contributions	(1,684,006)	(1,694,326)	(1,657,674)	(1,439,139)
Net change in total pension liability	<u>1,968,985</u>	<u>1,444,244</u>	<u>889,914</u>	<u>1,649,068</u>
Total pension liability - beginning	<u>\$ 31,674,774</u>	<u>\$ 30,230,530</u>	<u>\$ 31,914,992</u>	<u>\$ 30,265,924</u>
Total pension liability - ending (a)	<u>\$ 33,643,759</u>	<u>\$ 31,674,774</u>	<u>\$ 32,804,906</u>	<u>\$ 31,914,992</u>
Plan fiduciary net position				
Contributions - employer	\$ 750,549	\$ 666,797	\$ 730,979	\$ 715,980
Contributions - members	494,247	439,923	435,108	433,552
Net investment income	3,322,633	3,294,021	(2,018,785)	6,359,065
Benefit payments, including refunds of participant contributions	(1,684,006)	(1,694,326)	(1,657,674)	(1,439,139)
Administrative expenses	(19,345)	(17,068)	(19,095)	(19,018)
Other	(14,497)	(28,136)	(22,456)	123
Net change in plan fiduciary net position	<u>2,849,581</u>	<u>2,661,211</u>	<u>(2,551,923)</u>	<u>6,050,563</u>
Plan fiduciary net position - beginning	<u>32,687,649</u>	<u>30,026,438</u>	<u>35,152,737</u>	<u>29,102,174</u>
Plan fiduciary net position - ending (b)	<u>\$ 35,537,230</u>	<u>\$ 32,687,649</u>	<u>\$ 32,600,814</u>	<u>\$ 35,152,737</u>
Fund's net pension liability (asset) - ending (a) - (b)	<u>\$ (1,893,471)</u>	<u>\$ (1,012,875)</u>	<u>\$ 204,092</u>	<u>\$ (3,237,745)</u>
 Plan fiduciary net position as a percentage of the total pension liability (asset)	 105.63%	 103.20%	 99.38%	 110.14%
Covered payroll	\$ 7,661,946	\$ 6,819,803	\$ 6,215,825	\$ 6,193,605
Fund's net position as a percentage of covered payroll	-24.71%	-14.85%	3.28%	-52.28%

2020	2019	2018	2017	2016	2015
\$ 807,058	\$ 779,774	\$ 787,489	\$ 763,211	\$ 784,499	\$ 732,697
2,256,720	2,121,488	2,008,440	1,874,693	1,729,122	1,637,274
-	-	-	-	-	(100,521)
(770,313)	101,449	(182,302)	(51,235)	(48,286)	(336,357)
1,655,030	-	-	142,705	-	240,608
(1,444,396)	(1,279,732)	(1,143,424)	(1,063,054)	(1,031,097)	(963,214)
2,504,099	1,722,979	1,470,203	1,666,320	1,434,238	1,210,487
\$ 27,761,825	\$ 26,038,846	\$ 24,568,643	\$ 22,902,323	\$ 21,468,085	\$ 20,257,598
\$ 30,265,924	\$ 27,761,825	\$ 26,038,846	\$ 24,568,643	\$ 22,902,323	\$ 21,468,085
\$ 695,269	\$ 668,787	\$ 647,284	\$ 605,083	\$ 548,235	\$ 533,377
422,839	420,243	403,113	393,276	364,103	351,897
2,757,553	3,796,426	(442,021)	3,024,485	1,435,773	(130,755)
(1,444,396)	(1,279,732)	(1,143,424)	(1,063,054)	(1,031,097)	(963,214)
(21,295)	(20,346)	(18,567)	(15,742)	(15,603)	(14,025)
(7,122)	(2,810)	(394)	(1,015)	21,826	43,703
2,402,848	3,582,568	(554,009)	2,943,033	1,323,237	(179,017)
26,699,326	23,116,758	23,670,767	20,727,734	19,404,497	19,583,514
\$ 29,102,174	\$ 26,699,326	\$ 23,116,758	\$ 23,670,767	\$ 20,727,734	\$ 19,404,497
\$ 1,163,750	\$ 1,062,499	\$ 2,922,088	\$ 897,876	\$ 2,174,589	\$ 2,063,588
96.15%	96.17%	88.78%	96.35%	90.50%	90.39%
\$ 6,040,556	\$ 6,003,473	\$ 5,758,761	\$ 5,618,232	\$ 5,201,471	\$ 5,027,100
19.27%	17.70%	50.74%	15.98%	41.81%	41.05%

Fannin County, Texas
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined employer contributions	\$ 800,616	\$ 734,107	\$ 667,279	\$ 715,980
Contributions in relation to the actuarially determined contribution	<u>\$ 800,616</u>	<u>\$ 734,107</u>	<u>\$ 667,279</u>	<u>\$ 715,980</u>
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,108,570	\$ 6,908,901	\$ 6,137,573	\$ 6,193,605
Employer contributions as a percentage of covered payroll	9.87%	10.63%	10.87%	11.56%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period 15.8 years (based on contribution rate calculated in 12/31/2024 valuation)

Asset Valuation Method 5 Year smoothed market
Inflation 2.50%
Salary Increases Varies by age and service. 4.7% average, including inflation
Investment Rate of Return 7.50%
Retirement Age Members who are eligible for service retirement age are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

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

Other Information:

Notes Employer contributions reflect that a 2% flat COLA was adopted.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 695,269	\$ 668,787	\$ 647,284	\$ 605,083	\$ 548,235	\$ 533,377
<u>\$ 695,269</u>	<u>\$ 668,787</u>	<u>\$ 647,284</u>	<u>\$ 605,083</u>	<u>\$ 548,235</u>	<u>\$ 533,377</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,040,556	\$ 6,003,473	\$ 5,758,761	\$ 5,618,232	\$ 5,201,471	\$ 5,027,100
11.51%	11.14%	11.24%	10.77%	10.54%	10.61%

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***COMBINING STATEMENTS
AND SCHEDULES AND
OTHER SUPPLEMENTARY INFORMATION***

Fannin County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 6)
September 30, 2025

	Special Revenue Funds				
	Justice Court Building	Courthouse Security	County Clerk	Chapter 19	Election Equipment
<u>Assets</u>					
Cash and cash equivalents	\$ 15,727	\$ 115,013	\$ 50,820	\$ 105	\$ 104,918
Receivables, net	-	-	-	-	-
Due from custodial fund	-	1,480	2,166	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 15,727	\$ 116,493	\$ 52,986	\$ 105	\$ 104,918
<u>Liabilities</u>					
Accounts payable and accrued expenses	\$ -	\$ 4,125	\$ 153	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total Liabilities	-	4,125	153	-	-
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
<u>Fund Balances</u>					
Restricted for:					
Capital projects	-	-	-	-	104,918
Judicial	15,727	-	-	-	-
Records management	-	-	52,833	105	-
Public safety	-	112,368	-	-	-
Grant programs	-	-	-	-	-
Committed for road and bridge	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	15,727	112,368	52,833	105	104,918
Total Liab., Deferred Inflows of Resources, and Fund Balances	\$ 15,727	\$ 116,493	\$ 52,986	\$ 105	\$ 104,918

See Notes to Financial Statements.

Special Revenue Funds

County Clerk Co. & Dist. Clerk Tech	County Clerk Court Rec. Preservation	County Clerk Court Rec. Archive	County Clerk Records Management	County Judge Excess Supplement
\$ 10,059	\$ 26,315	\$ 666,527	\$ 200,036	\$ 2,444
-	-	-	-	-
25	235	7,410	7,559	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,084</u>	<u>\$ 26,550</u>	<u>\$ 673,937</u>	<u>\$ 207,595</u>	<u>\$ 2,444</u>
\$ 49	\$ -	\$ -	\$ 1,194	\$ -
-	-	-	-	-
<u>49</u>	<u>-</u>	<u>-</u>	<u>1,194</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,035	26,550	673,937	206,401	2,444
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,035</u>	<u>26,550</u>	<u>673,937</u>	<u>206,401</u>	<u>2,444</u>
\$ 10,084	\$ 26,550	\$ 673,937	\$ 207,595	\$ 2,444

Fannin County, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (page 2 of 6)

September 30, 2025

	Special Revenue Funds				
	Probate Judges Education	District Clerk Rec. Management	District Court Records Archive	District Clerk Co & Dist. Tech	District Clerk Court Rec. Preservation
Assets					
Cash and cash equivalents	\$ 7,059	\$ 1,536	\$ 29,060	\$ 2,640	\$ 89,239
Receivables, net	-	-	-	-	-
Due from custodial fund	-	8	-	8	1,507
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 7,059	\$ 1,544	\$ 29,060	\$ 2,648	\$ 90,746
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 81
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	-	81
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted for:					
Capital projects	-	-	-	-	-
Judicial	7,059	-	-	-	-
Records management	-	1,544	29,060	2,648	90,665
Public safety	-	-	-	-	-
Grant programs	-	-	-	-	-
Committed for road and bridge	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	7,059	1,544	29,060	2,648	90,665
Total Liab., Deferred Inflows of Resources, and Fund Balances	\$ 7,059	\$ 1,544	\$ 29,060	\$ 2,648	\$ 90,746

See Notes to Financial Statements.

Special Revenue Funds

County Offices Records Management	Road & Bridges #1	Road & Bridges #2	Raw Water Pipeline R&B #1	Road & Bridges #3	Lake Rd. Impact/Raw Water Pipelin Pct. 3	Road & Bridges #4
\$ 43,083	\$ 665,616	\$ 531,564	\$ 12,066	\$ 1,002,787	\$ 98,751	\$ 1,018,983
-	66,616	83,923	-	122,788	-	65,913
60	4,544	4,633	-	5,496	-	4,718
-	7,232	-	-	11,629	-	8,037
-	-	10,276	-	557,881	-	-
<u>\$ 43,143</u>	<u>\$ 744,008</u>	<u>\$ 630,396</u>	<u>\$ 12,066</u>	<u>\$ 1,700,581</u>	<u>\$ 98,751</u>	<u>\$ 1,097,651</u>
\$ 11,298	\$ 12,380	\$ 20,259	\$ -	\$ 42,262	\$ -	\$ 21,007
-	4,335	-	-	14,903	-	49,525
<u>11,298</u>	<u>16,715</u>	<u>20,259</u>	<u>-</u>	<u>57,165</u>	<u>-</u>	<u>70,532</u>
-	48,454	57,297	-	94,721	-	50,228
-	48,454	57,297	-	94,721	-	50,228
-	-	-	-	-	98,751	-
-	-	-	-	-	-	-
31,845	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	678,839	552,840	12,066	1,548,695	-	976,891
-	-	-	-	-	-	-
<u>31,845</u>	<u>678,839</u>	<u>552,840</u>	<u>12,066</u>	<u>1,548,695</u>	<u>98,751</u>	<u>976,891</u>
<u>\$ 43,143</u>	<u>\$ 744,008</u>	<u>\$ 630,396</u>	<u>\$ 12,066</u>	<u>\$ 1,700,581</u>	<u>\$ 98,751</u>	<u>\$ 1,097,651</u>

Fannin County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 6)
September 30, 2025

	Special Revenue Funds			
	JP 1 Court Tech	JP 2 Court Tech	JP 3 Court Tech	FC Detention Center Annual Pmt.
Assets				
Cash and cash equivalents	\$ 34,495	\$ 6,071	\$ 10,836	\$ 24,551
Receivables, net	-	-	-	-
Due from custodial fund	131	22	33	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 34,626	\$ 6,093	\$ 10,869	\$ 24,551
Liabilities				
Accounts payable and accrued expenses	\$ 108	\$ 86	\$ -	\$ 3,006
Due to other funds	-	-	-	-
Total Liabilities	108	86	-	3,006
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Capital projects	-	-	-	-
Judicial	-	-	-	-
Records management	-	-	-	-
Public safety	34,518	6,007	10,869	21,545
Grant programs	-	-	-	-
Committed for road and bridge	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	34,518	6,007	10,869	21,545
Total Liab., Deferred Inflows of Resources, and Fund Balances	\$ 34,626	\$ 6,093	\$ 10,869	\$ 24,551

See Notes to Financial Statements.

Special Revenue Funds

Bail Bondsman Application Fee	Law Library	DA Fee	Contraband Seizure	Investigator/ LEOSE	IHC Co-Op Gin	IHC Bonnie Ruth Cooper
\$ 10,428	\$ 304,714	\$ 16,859	\$ 196,406	\$ 2,019	\$ 22,861	\$ 15,359
-	-	-	-	-	-	-
-	1,945	15	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 10,428</u>	<u>\$ 306,659</u>	<u>\$ 16,874</u>	<u>\$ 196,406</u>	<u>\$ 2,019</u>	<u>\$ 22,861</u>	<u>\$ 15,359</u>
\$ -	\$ -	\$ -	\$ 193,747	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	193,747	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,428	306,659	16,874	2,659	2,019	-	-
-	-	-	-	-	22,861	15,359
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>10,428</u>	<u>306,659</u>	<u>16,874</u>	<u>2,659</u>	<u>2,019</u>	<u>22,861</u>	<u>15,359</u>
<u>\$ 10,428</u>	<u>\$ 306,659</u>	<u>\$ 16,874</u>	<u>\$ 196,406</u>	<u>\$ 2,019</u>	<u>\$ 22,861</u>	<u>\$ 15,359</u>

Fannin County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 6)
September 30, 2025

	Special Revenue Funds				
	CERT	Hazard Mitigation Plan	Raw Water Pipeline Rock Pct. 2, 3, & 4	CARES Act - COVID	Search & Rescue
<u>Assets</u>					
Cash and cash equivalents	\$ 425	\$ -	\$ 39	\$ 9,485	\$ 3,973
Receivables, net	-	-	-	-	-
Due from custodial fund	-	-	-	-	-
Due from other governments	-	18,750	-	18,750	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 425	\$ 18,750	\$ 39	\$ 28,235	\$ 3,973
<u>Liabilities</u>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 74	\$ -
Due to other funds	-	56,250	-	-	-
Total Liabilities	-	56,250	-	74	-
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Restricted for:					
Capital projects	-	-	39	-	-
Judicial	-	-	-	-	-
Records management	-	-	-	-	-
Public safety	425	-	-	-	3,973
Grant programs	-	-	-	28,161	-
Committed for road and bridge	-	-	-	-	-
Unassigned	-	(37,500)	-	-	-
Total Fund Balances	425	(37,500)	39	28,161	3,973
Total Liab., Deferred Inflows of Resources, and Fund Balances	\$ 425	\$ 18,750	\$ 39	\$ 28,235	\$ 3,973

See Notes to Financial Statements.

Special Revenue Funds

SB22 Rural Salary Assistance Grant	Sheriff Forefeiture	Law Enforcement Sheriff Forefeiture	Bois D'Arc Lake Reservoir	Jail Commissary	Special Court/Drug Court	Law Enforcement Education Const. Pct. 1
\$ 103,643	\$ 44,085	\$ 574	\$ 140,309	\$ 1,075,395	\$ 125,403	\$ 4,996
-	-	-	-	136,696	-	-
-	-	-	-	-	161	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 103,643</u>	<u>\$ 44,085</u>	<u>\$ 574</u>	<u>\$ 140,309</u>	<u>\$ 1,212,091</u>	<u>\$ 125,564</u>	<u>\$ 4,996</u>
\$ 15,552	\$ 840	\$ -	\$ 6,949	\$ 13,063	\$ -	\$ -
-	-	-	-	-	-	-
<u>15,552</u>	<u>840</u>	<u>-</u>	<u>6,949</u>	<u>13,063</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	133,360	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
88,091	43,245	574	-	1,199,028	125,564	4,996
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>88,091</u>	<u>43,245</u>	<u>574</u>	<u>133,360</u>	<u>1,199,028</u>	<u>125,564</u>	<u>4,996</u>
<u>\$ 103,643</u>	<u>\$ 44,085</u>	<u>\$ 574</u>	<u>\$ 140,309</u>	<u>\$ 1,212,091</u>	<u>\$ 125,564</u>	<u>\$ 4,996</u>

Fannin County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 6)
September 30, 2025

	Special Revenue Funds				
	Law Enforcement Education Const. Pct. 2	Law Enforcement Education Const. Pct. 3	Courthouse Restoration	Justice Center Maintenance	Right of Way
<u>Assets</u>					
Cash and cash equivalents	\$ 1,793	\$ 7,851	\$ -	\$ 45,894	\$ 117,381
Receivables, net	-	-	601,310	-	-
Due from custodial fund	-	-	-	1,111	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 1,793	\$ 7,851	\$ 601,310	\$ 47,005	\$ 117,381
<u>Liabilities</u>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 101,308	\$ 1,519	\$ -
Due to other funds	-	-	501,631	-	-
Total Liabilities	-	-	602,939	1,519	-
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	-	-	601,310	-	-
Total Deferred Inflows of Resources	-	-	601,310	-	-
Fund Balances:					
Restricted for:					
Capital projects	-	-	-	45,486	117,381
Judicial	-	-	-	-	-
Records management	-	-	-	-	-
Public safety	1,793	7,851	-	-	-
Grant programs	-	-	-	-	-
Committed for road and bridge	-	-	-	-	-
Unassigned	-	-	(602,939)	-	-
Total Fund Balances	1,793	7,851	(602,939)	45,486	117,381
Total Liab., Deferred Inflows f Resources, and Fund Balances	\$ 1,793	\$ 7,851	\$ 601,310	\$ 47,005	\$ 117,381

See Notes to Financial Statements.

Special Revenue Funds

Veterans Court Program	County Lake Road Impact Fund	Hotel Occupancy Tax	Lake Fannin	Statzer	Texas Community Development Program	Safe Room
\$ 9,789	\$ 640,930	\$ 7,423	\$ 8,667	\$ 395,752	\$ 100	\$ 395
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	6,200	-
-	-	-	-	-	-	-
<u>\$ 9,789</u>	<u>\$ 640,930</u>	<u>\$ 7,423</u>	<u>\$ 8,667</u>	<u>\$ 395,752</u>	<u>\$ 6,300</u>	<u>\$ 395</u>
\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	70	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	640,930	-	-	-	-	-
9,789	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	7,423	8,597	395,752	6,300	395
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,789</u>	<u>640,930</u>	<u>7,423</u>	<u>8,597</u>	<u>395,752</u>	<u>6,300</u>	<u>395</u>
<u>\$ 9,789</u>	<u>\$ 640,930</u>	<u>\$ 7,423</u>	<u>\$ 8,667</u>	<u>\$ 395,752</u>	<u>\$ 6,300</u>	<u>\$ 395</u>

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Fannin County, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 6)
September 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental
	<u>Victim's Recovery</u>	<u>Sheriff's Office Technology</u>	
<u>Assets</u>			
Cash and cash equivalents	\$ -	\$ 2,351	\$ 8,085,600
Receivables, net	-	-	1,077,246
Due from custodial fund	-	-	43,267
Due from other governments	-	-	70,598
Due from other funds	-	-	568,157
Total Assets	\$ -	\$ 2,351	\$ 9,844,868
<u>Liabilities</u>			
Accounts payable and accrued expenses	\$ -	\$ -	\$ 449,130
Due to other funds	-	-	626,644
Total Liabilities	-	-	1,075,774
<u>Deferred Inflows of Resources</u>			
Unavailable revenue	-	-	852,010
Total Deferred Inflows of Resources	-	-	852,010
<u>Fund Balances:</u>			
Restricted for:			
Capital projects	-	-	1,140,865
Judicial	-	-	35,019
Records management	-	-	1,125,623
Public safety	-	2,351	2,001,837
Grant programs	-	-	484,848
Committed for road and bridge	-	-	3,769,331
Unassigned	-	-	(640,439)
Total Fund Balances	-	2,351	7,917,084
Total Liab., Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 2,351	\$ 9,844,868

See Notes to Financial Statements.

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 12)
For the Year Ended September 30, 2025

	<u>Special Revenue Funds</u>				
	<u>Debt Service</u>	<u>Justice Court Building</u>	<u>Courthouse Security</u>	<u>County Clerk</u>	<u>Chapter 19</u>
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Fees of office	-	-	20,619	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	685	3,513	1,423	-
Other revenue	-	19	-	22,798	6,198
Total Revenues	<u>-</u>	<u>704</u>	<u>24,132</u>	<u>24,221</u>	<u>6,198</u>
Expenditures					
Current:					
General administration	-	-	-	652	6,408
Judicial	-	-	-	-	-
Public safety	-	-	55,792	-	-
Public transportation	-	-	-	-	-
Nondepartmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>55,792</u>	<u>652</u>	<u>6,408</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>704</u>	<u>(31,660)</u>	<u>23,569</u>	<u>(210)</u>

Special Revenue Funds

<u>Election Equipment</u>	<u>County Clerk Co. & Dist. Clerk Tech</u>	<u>County Clerk Court Rec. Preservation</u>	<u>County Clerk Court Rec. Archive</u>	<u>County Clerk Records Management</u>	<u>County Judge Excess Supplement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,764	-	-	-	-	-
-	-	-	-	-	-
3,473	422	1,149	25,794	7,763	-
-	447	955	86,130	69,609	-
<u>41,237</u>	<u>869</u>	<u>2,104</u>	<u>111,924</u>	<u>77,372</u>	<u>-</u>
5,000	48	1,292	-	80,612	-
-	-	-	4,076	-	3,257
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93,298	-	-	-	-	-
2,559	-	-	-	-	-
<u>100,857</u>	<u>48</u>	<u>1,292</u>	<u>4,076</u>	<u>80,612</u>	<u>3,257</u>
<u>(59,620)</u>	<u>821</u>	<u>812</u>	<u>107,848</u>	<u>(3,240)</u>	<u>(3,257)</u>

Fannin County, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS (page 2 of 12)

For the Year Ended September 30, 2025

	Special Revenue Funds				
	Probate Judges Education	District Clerk Rec. Management	District Court Records Archive	District Clerk Co & Dist. Tech	District Clerk Court Rec. Preservation
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Fees of office	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	62	1,229	113	3,435
Other revenue	-	177	1,252	80	14,765
Total Revenues	-	239	2,481	193	18,200
Expenditures					
Current:					
General government	-	-	-	770	-
Judicial	-	-	-	-	81
Public safety	-	-	-	-	-
Public transportation	-	-	-	-	-
Nondepartmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	-	770	81
Excess (Deficiency) of Revenues Over Expenditures	-	239	2,481	(577)	18,119

Special Revenue Funds

County Offices Records Management	Road & Bridges #1	Road & Bridges #2	Raw Water Pipeline R&B #1	Road & Bridges #3	Lake Rd. Impact/Raw Water Pipelin Pct. 3	Road & Bridges #4
\$ -	\$ 711,482	\$ 751,576	\$ -	\$ 1,144,012	\$ -	\$ 790,649
-	138,176	144,456	-	213,544	-	119,333
-	-	-	-	-	-	-
-	37,487	39,600	-	60,277	-	41,659
-	150,686	154,077	-	187,285	-	157,384
-	-	39,212	-	97,058	-	-
2,054	37,460	30,350	-	68,485	-	46,198
8,709	46,233	156,579	-	73,175	-	86,183
<u>10,763</u>	<u>1,121,524</u>	<u>1,315,850</u>	<u>-</u>	<u>1,843,836</u>	<u>-</u>	<u>1,241,406</u>
33,502	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,155,747	1,250,355	-	1,624,376	5,800	970,180
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,456	63,967	-	1,456	-	1,456
-	73	2,573	-	3,047	-	73
<u>33,502</u>	<u>1,157,276</u>	<u>1,316,895</u>	<u>-</u>	<u>1,628,879</u>	<u>5,800</u>	<u>971,709</u>
<u>(22,739)</u>	<u>(35,752)</u>	<u>(1,045)</u>	<u>-</u>	<u>214,957</u>	<u>(5,800)</u>	<u>269,697</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds			
	JP 1 Court Tech	JP 2 Court Tech	JP 3 Court Tech	FC Detention Center Annual Pmt.
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Fees of office	-	-	-	10,000
Intergovernmental	-	-	-	-
Investment income	1,568	255	436	1,421
Other revenue	3,083	1,649	1,212	-
Total Revenues	4,651	1,904	1,648	11,421
Expenditures				
Current:				
General government	-	-	-	-
Judicial	11,738	1,465	-	-
Public safety	-	-	-	25,787
Public transportation	-	-	-	-
Nondepartmental	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	11,738	1,465	-	25,787
Excess (Deficiency) of Revenues Over Expenditures	(7,087)	439	1,648	(14,366)

Special Revenue Funds

Bail Bondsman Application Fee	Law Library	DA Fee	Contraband Seizure	Investigator/ LEOSE	IHC Co-Op Gin	IHC Bonnie Ruth Cooper
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	20,187	-	-	-	-	-
-	-	-	-	1,462	-	-
-	12,607	5	97	-	976	-
500	-	39,209	-	-	-	9,443
<u>500</u>	<u>32,794</u>	<u>39,214</u>	<u>97</u>	<u>1,462</u>	<u>976</u>	<u>9,443</u>
-	-	-	-	880	-	-
-	2,168	-	-	-	-	-
-	-	24,362	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>2,168</u>	<u>24,362</u>	<u>-</u>	<u>880</u>	<u>-</u>	<u>-</u>
500	30,626	14,852	97	582	976	9,443

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds				
		Hazard	Raw Water		
	CERT	Mitigation Plan	Pipeline Rock Pct. 2, 3, & 4	CARES Act - COVID	Search & Rescue
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Fees of office	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	225	-	-	-	-
Total Revenues	225	-	-	-	-
Expenditures					
Current:					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	932
Public transportation	-	-	-	-	-
Nondepartmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	-	-	932
Excess (Deficiency) of Revenues Over Expenditures	225	-	-	-	(932)

Special Revenue Funds

SB22 Rural Salary Assistance Grant	Sheriff Forefeiture	Law Enforcement Sheriff Forefeiture	Bois D'Arc Lake Reservoir	Jail Commissary	Special Court/Drug Court	Law Enforcement Education Const. Pct. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	223,232	-	-	-
525,000	-	-	-	-	39,224	-
21,764	24	-	12,885	67,695	4,447	-
-	21,078	4,297	6,168	282,490	2,637	1,462
<u>546,764</u>	<u>21,102</u>	<u>4,297</u>	<u>242,285</u>	<u>350,185</u>	<u>46,308</u>	<u>1,462</u>
629,484	-	-	-	-	-	-
-	-	-	-	-	-	-
-	27,905	4,307	297,858	917,301	350	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,000	-	-	9,315	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>631,484</u>	<u>27,905</u>	<u>4,307</u>	<u>307,173</u>	<u>917,301</u>	<u>350</u>	<u>-</u>
<u>(84,720)</u>	<u>(6,803)</u>	<u>(10)</u>	<u>(64,888)</u>	<u>(567,116)</u>	<u>45,958</u>	<u>1,462</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds				
	Law Enforcement Education Const. Pct. 2	Law Enforcement Education Const. Pct. 3	Courthouse Restoration	Justice Center Maintenance	Right of Way
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Fees of office	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	-	-	1,736	5,033
Other revenue	-	1,462	-	11,515	1,171
Total Revenues	-	1,462	-	13,251	6,204
Expenditures					
Current:					
General government	1,010	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	5,403	-
Public transportation	-	-	-	-	-
Nondepartmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	1,010	-	-	5,403	-
Excess (Deficiency) of Revenues Over Expenditures	(1,010)	1,462	-	7,848	6,204

Special Revenue Funds

Veterans Court Program	County Lake Road Impact Fund	Hotel Occupancy Tax	Lake Fannin	Statzer	Texas Community Development Program	Safe Room
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	100,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
397	27,369	-	338	8,557	-	-
1,965	-	5,644	4,290	-	-	-
<u>2,362</u>	<u>127,369</u>	<u>5,644</u>	<u>4,628</u>	<u>8,557</u>	<u>-</u>	<u>-</u>
-	-	475	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	5,546	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	475	5,546	-	-	-
<u>2,362</u>	<u>127,369</u>	<u>5,169</u>	<u>(918)</u>	<u>8,557</u>	<u>-</u>	<u>-</u>

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Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 12)
For the Year Ended September 30, 2025

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental</u>
	<u>Victim's Recovery</u>	<u>Sheriff's Office Technology</u>	
<u>Revenues</u>			
Property taxes	\$ -	\$ -	\$ 3,397,719
Sales taxes	-	-	615,509
Other taxes	-	-	100,000
Fines and forfeitures	-	-	179,023
Fees of office	-	-	961,234
Intergovernmental	-	-	701,956
Investment income	-	-	401,218
Other revenue	18,466	-	991,275
Total Revenues	<u>18,466</u>	<u>-</u>	<u>7,347,934</u>
<u>Expenditures</u>			
Current:			
General government	18,466	-	778,599
Judicial	-	-	22,785
Public safety	-	-	1,359,997
Public transportation	-	-	5,006,458
Nondepartmental	-	-	5,546
Capital outlay	-	-	11,315
Debt service:			
Principal	-	-	161,633
Interest and fiscal charges	-	-	8,325
Total Expenditures	<u>18,466</u>	<u>-</u>	<u>7,354,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(6,724)</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 7 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds				
	Debt Service	Justice Court Building	Courthouse Security	County Clerk	Chapter 19
<u>Other Financing Sources (Uses)</u>					
Sale of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	50,000	-	-
Note issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	50,000	-	-
Net Change in Fund Balances	-	704	18,340	23,569	(210)
Beg. fund balances, as previously reported	998,685	15,023	94,028	29,264	315
Change in financial reporting (nonmajor to major)	(998,685)	-	-	-	-
Beg. fund balance, as adjusted	-	15,023	94,028	29,264	315
Ending Fund Balances	\$ -	\$ 15,727	\$ 112,368	\$ 52,833	\$ 105

See Notes to Financial Statements.

Special Revenue Funds

<u>Election Equipment</u>	<u>County Clerk Co. & Dist. Clerk Tech</u>	<u>County Clerk Court Rec. Preservation</u>	<u>County Clerk Court Rec. Archive</u>	<u>County Clerk Records Management</u>	<u>County Judge Excess Supplement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96,088	-	-	-	-	-
-	-	-	-	-	-
<u>96,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
36,468	821	812	107,848	(3,240)	(3,257)
68,450	9,214	25,738	566,089	209,641	5,701
-	-	-	-	-	-
<u>68,450</u>	<u>9,214</u>	<u>25,738</u>	<u>566,089</u>	<u>209,641</u>	<u>5,701</u>
<u>\$ 104,918</u>	<u>\$ 10,035</u>	<u>\$ 26,550</u>	<u>\$ 673,937</u>	<u>\$ 206,401</u>	<u>\$ 2,444</u>

Fannin County, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS (page 8 of 12)

For the Year Ended September 30, 2025

	Special Revenue Funds				
	Probate Judges Education	District Clerk Rec. Management	District Court Records Archive	District Clerk Co & Dist. Tech	District Clerk Court Rec. Preservation
<u>Other Financing Sources (Uses)</u>					
Sale of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-	-
Note issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	239	2,481	(577)	18,119
Beg. fund balances, as previously reported	7,059	1,305	26,579	3,225	72,546
Change in financial reporting (nonmajor to major)	-	-	-	-	-
Beg. fund balance, as adjusted	7,059	1,305	26,579	3,225	72,546
Ending Fund Balances	\$ 7,059	\$ 1,544	\$ 29,060	\$ 2,648	\$ 90,665

See Notes to Financial Statements.

Special Revenue Funds

County Offices Records Management	Road & Bridges #1	Road & Bridges #2	Raw Water Pipeline R&B #1	Road & Bridges #3	Lake Rd. Impact/Raw Water Pipelin Pct. 3	Road & Bridges #4
\$ -	\$ 48,075	\$ -	\$ -	\$ 58,000	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	240,908	-	-
-	48,075	-	-	298,908	-	-
(22,739)	12,323	(1,045)	-	513,865	(5,800)	269,697
54,584	666,516	553,885	12,066	1,034,830	104,551	707,194
-	-	-	-	-	-	-
54,584	666,516	553,885	12,066	1,034,830	104,551	707,194
<u>\$ 31,845</u>	<u>\$ 678,839</u>	<u>\$ 552,840</u>	<u>\$ 12,066</u>	<u>\$ 1,548,695</u>	<u>\$ 98,751</u>	<u>\$ 976,891</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 9 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds			
	JP 1 Court Tech	JP 2 Court Tech	JP 3 Court Tech	FC Detention Center Annual Pmt.
<u>Other Financing Sources (Uses)</u>				
Sale of assets	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-
Note issuance	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(7,087)	439	1,648	(14,366)
Beg. fund balances, as previously reported	41,605	5,568	9,221	35,911
Change in financial reporting (nonmajor to major)	-	-	-	-
Beg. fund balance, as adjusted	41,605	5,568	9,221	35,911
Ending Fund Balances	\$ 34,518	\$ 6,007	\$ 10,869	\$ 21,545

See Notes to Financial Statements.

Special Revenue Funds

Bail Bondsman Application Fee	Law Library	DA Fee	Contraband Seizure	Investigator/ LEOSE	IHC Co-Op Gin	IHC Bonnie Ruth Cooper
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
500	30,626	14,852	97	582	976	9,443
9,928	276,033	2,022	2,562	1,437	21,885	5,916
-	-	-	-	-	-	-
9,928	276,033	2,022	2,562	1,437	21,885	5,916
<u>\$ 10,428</u>	<u>\$ 306,659</u>	<u>\$ 16,874</u>	<u>\$ 2,659</u>	<u>\$ 2,019</u>	<u>\$ 22,861</u>	<u>\$ 15,359</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 10 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds				
	CERT	Hazard Mitigation Plan	Raw Water Pipeline Rock Pct. 2, 3, & 4	CARES Act - COVID	Search & Rescue
<u>Other Financing Sources (Uses)</u>					
Sale of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-	-
Note issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	225	-	-	-	(932)
Beg. fund balances, as previously reported	200	(37,500)	39	28,161	4,905
Change in financial reporting (nonmajor to major)	-	-	-	-	-
Beg. fund balance, as adjusted	200	(37,500)	39	28,161	4,905
Ending Fund Balances	\$ 425	\$ (37,500)	\$ 39	\$ 28,161	\$ 3,973

See Notes to Financial Statements.

Special Revenue Funds

SB22 Rural Salary Assistance Grant	Sheriff Forefeiture	Law Enforcement Sheriff Forefeiture	Bois D'Arc Lake Reservoir	Jail Commissary	Special Court/Drug Court	Law Enforcement Education Const. Pct. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(84,720)	(6,803)	(10)	(64,888)	(567,116)	45,958	1,462
172,811	50,048	584	198,248	1,766,144	79,606	3,534
-	-	-	-	-	-	-
172,811	50,048	584	198,248	1,766,144	79,606	3,534
<u>\$ 88,091</u>	<u>\$ 43,245</u>	<u>\$ 574</u>	<u>\$ 133,360</u>	<u>\$ 1,199,028</u>	<u>\$ 125,564</u>	<u>\$ 4,996</u>

Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 11 of 12)
For the Year Ended September 30, 2025

	Special Revenue Funds				
	Law Enforcement Education Const. Pct. 2	Law Enforcement Education Const. Pct. 3	Courthouse Restoration	Justice Center Maintenance	Right of Way
<u>Other Financing Sources (Uses)</u>					
Sale of assets	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-	-
Note issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,010)	1,462	-	7,848	6,204
Beg. fund balances, as previously reported	2,803	6,389	(602,939)	37,638	111,177
Change in financial reporting (nonmajor to major)	-	-	-	-	-
Beg. fund balance, as adjusted	<u>2,803</u>	<u>6,389</u>	<u>(602,939)</u>	<u>37,638</u>	<u>111,177</u>
Ending Fund Balances	<u>\$ 1,793</u>	<u>\$ 7,851</u>	<u>\$ (602,939)</u>	<u>\$ 45,486</u>	<u>\$ 117,381</u>

See Notes to Financial Statements.

Special Revenue Funds

Veterans Court Program	County Lake Road Impact Fund	Hotel Occupancy Tax	Lake Fannin	Statzer	Texas Community Development Program	Texas Community Development Program
\$ -	\$ -	\$ -	\$ -	\$ 333,450	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	333,450	-	-
2,362	127,369	5,169	(918)	342,007	-	-
7,427	513,561	2,254	9,515	53,745	6,300	395
-	-	-	-	-	-	-
7,427	513,561	2,254	9,515	53,745	6,300	395
<u>\$ 9,789</u>	<u>\$ 640,930</u>	<u>\$ 7,423</u>	<u>\$ 8,597</u>	<u>\$ 395,752</u>	<u>\$ 6,300</u>	<u>\$ 395</u>

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Fannin County, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS (page 12 of 12)
For the Year Ended September 30, 2025

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental</u>
	<u>Victim's Recovery</u>	<u>Sheriff's Office Technology</u>	
<u>Other Financing Sources (Uses)</u>			
Sale of assets	\$ -	\$ -	439,525
Transfers in	-	-	146,088
Note issuance	-	-	240,908
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>826,521</u>
Net Change in Fund Balances	-	-	819,797
Beg. fund balances, as previously reported	-	2,351	8,095,972
Change in financial reporting (nonmajor to major)	-	-	(998,685)
Beg. fund balance, as adjusted	<u>-</u>	<u>2,351</u>	<u>7,097,287</u>
Ending Fund Balances	<u>\$ -</u>	<u>\$ 2,351</u>	<u>\$ 7,917,084</u>

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***COMBINING STATEMENTS
FIDUCIARY FUNDS***

Fannin County, Texas
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2025

	<u>County Clerk Custodial</u>	<u>District Clerk Custodial</u>	<u>District Attorney Custodial</u>	<u>Sheriff Custodial</u>	<u>JP 1 Custodial</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 1,991,689	\$ 870,275	\$ 5,353	\$ 126,214	\$ 18,469
Due from others	-	-	-	-	-
Total Assets	<u>\$ 1,991,689</u>	<u>\$ 870,275</u>	<u>\$ 5,353</u>	<u>\$ 126,214</u>	<u>\$ 18,469</u>
<u>Liabilities</u>					
Due to others	\$ 267,317	\$ 825	\$ 5,353	\$ 8,478	\$ 12,558
Due to county	48,519	31,869	-	-	10,008
Total Liabilities	<u>315,836</u>	<u>32,694</u>	<u>5,353</u>	<u>8,478</u>	<u>22,566</u>
<u>Net Position</u>					
Restricted	1,675,853	837,581	-	117,736	(4,097)
Total Net Position	<u>\$ 1,675,853</u>	<u>\$ 837,581</u>	<u>\$ -</u>	<u>\$ 117,736</u>	<u>\$ (4,097)</u>

<u>JP 3 Custodial</u>	<u>Juvenile Probation Restitution Custodial</u>	<u>Bail Bond Trust</u>	<u>Tax Assessor Collector Fiduciary</u>	<u>Total</u>
\$ -	\$ 62	\$ 36,825	\$ 179,084	\$ 3,227,971
1,769	-	-	-	1,769
<u>\$ 1,769</u>	<u>\$ 62</u>	<u>\$ 36,825</u>	<u>\$ 179,084</u>	<u>\$ 3,229,740</u>
\$ -	\$ -	\$ -	\$ 161,257	\$ 455,788
-	-	-	17,827	108,223
-	-	-	179,084	564,011
1,769	62	36,825	-	2,665,729
<u>\$ 1,769</u>	<u>\$ 62</u>	<u>\$ 36,825</u>	<u>\$ -</u>	<u>\$ 2,665,729</u>

Fannin County, Texas

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS

For the Year Ended September 30, 2025

	County Clerk Custodial	District Clerk Custodial	District Attorney Custodial	Sheriff Custodial	JP 1 Custodial
<u>Additions</u>					
Fees of office	\$ 1,572,457	\$ 572,738	\$ 25,307	\$ 2,216,258	\$ 175,760
Total Additions	1,572,457	572,738	25,307	2,216,258	175,760
<u>Deductions</u>					
Benefit payments	2,475,191	614,145	25,307	2,216,258	179,857
Total Deductions	2,475,191	614,145	25,307	2,216,258	179,857
Net Change in Net Position	(902,734)	(41,407)	-	-	(4,097)
Beginning Net Position	2,578,587	878,988	-	117,736	-
Ending Net Position	\$ 1,675,853	\$ 837,581	\$ -	\$ 117,736	\$ (4,097)

<u>JP 3 Custodial</u>	<u>Juvenile Probation Restitution Custodial</u>	<u>Bail Bond Trust</u>	<u>Tax Assessor Collector Fiduciary</u>	<u>Total</u>
\$ 195,993	\$ 999	\$ 6,585	\$ 9,725,269	\$ 14,491,366
<u>195,993</u>	<u>999</u>	<u>6,585</u>	<u>9,725,269</u>	<u>14,491,366</u>
194,224	1,654	-	9,725,269	15,431,905
<u>194,224</u>	<u>1,654</u>	<u>-</u>	<u>9,725,269</u>	<u>15,431,905</u>
1,769	(655)	6,585	-	(940,539)
-	717	30,240	-	3,606,268
<u>\$ 1,769</u>	<u>\$ 62</u>	<u>\$ 36,825</u>	<u>\$ -</u>	<u>\$ 2,665,729</u>

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