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APR 27 2026

Ricardo Alvarado
COUNTY & DISTRICT CLERK, KINNEY CO.

Kinney County Public Facility Corporation A Component Unit of Kinney County, Texas

Accountant's Compilation Report and Financial Statements

September 30, 2025

✓ 4/23/26

Kinney County Public Facility Corporation
A Component Unit of Kinney County, Texas
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September 30, 2025

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Accountant's Compilation Report

Board of Directors
Kinney County Public Facility Corporation
Brackettville, Texas

Management is responsible for the accompanying financial statements of Kinney County Public Facility Corporation (KCPFC), a component unit of Kinney County, Texas, which comprise the statement of net position as of September 30, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about KCPFC's assets, liabilities, deferred inflows of resources, net position, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Forvis Mazars, LLP

**Dallas, Texas
March 20, 2026**

Kinney County Public Facility Corporation
A Component Unit of Kinney County, Texas
Statement of Net Position
September 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 778,994
Detention center receivable	2,231,611
Interest receivable	28,847
Lease receivable -- current	928,899

Total Current Assets 3,968,351

Noncurrent Cash and Cash Equivalents

Repair and replacement fund	146,998
Debt service reserve fund	945,865
	<u>1,092,863</u>

Capital Assets, Net 4,186,499

Lease Receivable 1,142,182

Total Assets \$ 10,389,895

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND
NET POSITION**

Current Liabilities

Current debt	\$ 1,757,000
Accounts payable	7,436
Accrued interest	44,439
Accrued operator fee expense	2,267,161

Total Current Liabilities 4,076,036

Total Liabilities 4,076,036

Deferred Inflows of Resources, Leases 1,689,515

Net Position

Net investment in capital assets	3,375,364
Unrestricted	1,248,980

Total Net Position 4,624,344

**Total Liabilities, Deferred Inflows of Resources, and
Net Position** \$ 10,389,895

Kinney County Public Facility Corporation
A Component Unit of Kinney County, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2025

Operating Revenue	
Detention center revenue	\$ 14,134,512
Lease revenue	866,301
Total Operating Revenues	<u>15,000,813</u>
Operating Expenses	
Depreciation	252,075
County administration fee expense	775,324
Repairs and maintenance and other expenses	48,923
Operator fee expense	13,395,411
Total Operating Expenses	<u>14,471,733</u>
Operating Income	<u>529,080</u>
Nonoperating Revenues (Expenses)	
Investment income	66,369
Interest expense	(104,074)
Interest income	36,914
Total Nonoperating Revenues (Expenses)	<u>(791)</u>
Increase in Net Position	528,289
Net Position, Beginning of Year	<u>4,096,055</u>
Net Position, End of Year	<u>\$ 4,624,344</u>

Kinney County Public Facility Corporation
A Component Unit of Kinney County, Texas
Statement of Cash Flows
Year Ended September 30, 2025

Cash Flows From Operating Activities	
Receipts from detention center	\$ 13,106,640
Payments to suppliers and contractors	(13,031,634)
Receipts from lease income	637,996
Net Cash Provided by Operating Activities	713,002
Cash Flows From Capital and Related Financing Activities	
Principal paid on long-term debt	(825,000)
Interest paid on long-term debt	(119,488)
Interest received from leases	19,915
Net Cash Used in Capital and Related Financing Activities	(924,573)
Cash Flows From Investing Activity	
Investment income	66,369
Net Cash Provided by Investing Activity	66,369
Decrease in Cash and Cash Equivalents	(145,202)
Cash and Cash Equivalents, Beginning of Year	2,017,059
Cash and Cash Equivalents, End of Year	\$ 1,871,857
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and cash equivalents in current assets	\$ 778,994
Cash and cash equivalents in noncurrent cash and cash equivalents	1,092,863
Total Cash and Cash Equivalents	\$ 1,871,857
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating income	\$ 529,080
Item not requiring cash	
Depreciation	252,075
Changes in operating assets and liabilities	
Detention center receivable	(1,027,872)
Lease receivable	(907,135)
Deferred inflows of resources – leases	678,830
Other accrued liabilities	7,436
Accrued operator fee expense	1,180,588
Net Cash Provided by Operating Activities	\$ 713,002