FANNIN COUNTY PUBLIC FACILITY CORPORATION

Compiled Financial Statements

December 31, 2021

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA GEORGE H. STRUVE, CPA DEBRA J. WILDER, CPA TEFFANY A. KAVANAUGH, CPA APRIL J. HATFIELD, CPA BRITTANY L. MARTIN, CPA 228 SIXTH STREET S.E. PARIS, TEXAS 75460 903-784-4316 FAX 903-784-4310

304 WEST CHESTNUT DENISON, TEXAS 75020 903-465-6070 FAX 903-465-6093

1400 WEST RUSSELL BONHAM, TEXAS 75418 903-583-5574 FAX 903-583-9453

Board of Directors Fannin County Public Facility Corporation Bonham, Texas

Management is responsible for the accompanying financial statements of Fannin County Public Facility Corporation (a non-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities for the quarter 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 AICPA. 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Fannin County Public Facility Corporation.

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas February 5, 2022

FANNIN COUNTY PUBLIC FACILITY CORPORATION

Statement of Financial Position December 31, 2021

ASSETS

Cash - Bond Fund \$ 691,621.80 Cash - Operator Fee Account 132.90 Cash - Operating Trustee Account 1,246,942.00 Cash - Operating Trustee Account 1,800.20 Accounts Receivable 3,209,671.97 Total Current Assets 3,209,671.97 Restricted Assets Cash - Operating Reserve 281,529.51 Cash - Reserve Fund 2,766,580.81 Cash - Surplus Account 150,641.71 Total Restricted Assets 22,563,868.3 Less Accumulated Depreciation (6,948,436.94) Net Fixed Assets 22,503,868.3 Less Accounts Payable \$ 22,009,665.37 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accounts Payable \$ 3,623,780.00 Accounted Interest \$ 25,209.70 Current Portion of Bond Payable \$ 5,209.71 Current Liabilities \$ 5,000.00 Total Current Liabilities \$ 26,160,000.00 Long-Term Liabilities \$ 26,160,000.00 Lose Current Portion	Current Assets	
Cash - Operator Fee Account 1,246,942.0; Cash - Project Fund 1,246,942.0; Cash - Operating Tustee Account 1,800.2; Accounts Receivable 1,269,174.9; Total Current Assets 3,209,671.9; Restricted Assets 281,529.5; Cash - Operating Reserve 2,766,580.8; Cash - Surplus Account 136,451.70 Total Restricted Assets 3,184,562.0; Fixed Assets 22,563,863.3; Less Accumulated Depreciation (6,948,436.9) Net Fixed Assets 5,22,009,665.3; LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0 Accrued Interest 452,869.3; Overpayment Due to USMS East 5,229.7 Current Protion of Bond Payable 955,000.0 Total Current Liabilities 5,036,879.1* Long-Term Liabilities 26,160,000.0 Less Current Portion of Bond Payable 955,000.0 Current Portion of Bond Payable 26,160,000.0 Less Current Portion of Bond Payable 925,000.0		\$ 691 621 80
Cash - Project Fund 1,246,942.0° Cash - Operating Trustee Account 1,800.2° Accounts Receivable 1,269,174.9° Total Current Assets 3,209,671.9° Restricted Assets 281,529.5° Cash - Operating Reserve 281,529.5° Cash - Reserve Fund 2,766,580.8° Cash - Surplus Account 136,451.7° Total Restricted Assets 3,184,562.0° Fixed Assets 22,563,868.3° Land, Buildings, Equipment and Vehicles 22,563,868.3° Less Accoumulated Depreciation (6,948,436.9° Net Fixed Assets 15,615,431.3° Total Assets \$ 22,009,665.3° LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0° Accounts Payable \$ 3,623,780.0° Accounts Protrion of Bond Payable 955,000.00° Total Current Liabilities 5,036,879.1° Long-Term Liabilities 26,160,000.0° Bond Payable 26,160,000.0° Current Portion of Bond Payable 955,000.0° Current Current		
Cash - Operating Trustee Accounts 1,800.2t Accounts Receivable 1,269,174.9t Total Current Assets 3,209,671.9f Restricted Assets 281,529.5f Cash - Operating Reserve 281,529.5f Cash - Reserve Fund 2,766,580.8f Cash - Surplus Account 136,451.7f Total Restricted Assets 3,184,562.0f Fixed Assets 22,563,868.3 Land, Buildings, Equipment and Vehicles 22,563,868.3 Less Accoumulated Depreciation (6,948,436.9f Net Fixed Assets 15,615,431.3f Total Assets \$ 22,009,665.3f LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0f Accounts Payable \$ 3,623,780.0f Accounts Payable \$ 5,229.7f Accounts Payable \$ 5,229.7f Accounts Payable \$ 5,229.7f Accounts Payable \$ 5,036,879.1f Long-Term Liabilities \$ 5,036,879.1f Long-Term Liabilities \$ 26,160,000.0f Long-Term Liabilities \$ 23,749,9		
Accounts Receivable 1,269,174,96 Total Current Assets 3,209,671,97 Restricted Assets 281,529,55 Cash - Operating Reserve 281,529,55 Cash - Reserve Fund 2,766,580,81 Cash - Surplus Account 136,451,77 Total Restricted Assets 3,184,562,05 Fixed Assets 22,563,868,3 Less Accumulated Depreciation (6,948,436,99 Net Fixed Assets 15,615,431,33 Total Assets \$ 22,009,665,3° LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0 Accounted Interest 452,869.3 Overpayment Due to USMS East 5,229.7° Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.1° Long-Term Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (2,500.00 Capitali		
Total Current Assets 3,209,671.9° Restricted Assets 281,529.5° Cash - Operating Reserve 281,529.5° Cash - Reserve Fund 2,766,580.8° Cash - Surplus Account 136,451.7° Total Restricted Assets 3,184,562.0° Eixed Assets 22,563,868.3° Less Accumulated Depreciation (6,948,436.9° Net Fixed Assets \$ 22,009,665.3° LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0° Accrued Interest 452,869.3° Overpayment Due to USMS East 5,229.7° Current Portion of Bond Payable 955,000.0° Total Current Liabilities 5,036,879.1° Long-Term Liabilities 26,160,000.0° Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.0° Less Current Portion of Bond Payable (955,000.0° Total Ling-Term Liabilities 23,749,994.0° Total Liabilities 23,749,994.0°		
Cash - Operating Reserve 281,529.5 Cash - Reserve Fund 2,766,580.8 Cash - Surplus Account 136,451.70 Total Restricted Assets 3,184,562.00 Fixed Assets Land, Buildings, Equipment and Vehicles 22,563,868.3 Less Accumulated Depreciation (6,948,436.90 Net Fixed Assets 15,615,431.3 Total Assets \$ 22,009,665.3 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.31 Overpayment Due to USMS East 5,229.72 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Total Liabilities 23,749,994.00 Total Liabilities 23,749,994.00	Total Current Assets	3,209,671.97
Cash - Operating Reserve 281,529.5 Cash - Reserve Fund 2,766,580.8 Cash - Surplus Account 136,451.70 Total Restricted Assets 3,184,562.00 Fixed Assets Land, Buildings, Equipment and Vehicles 22,563,868.3 Less Accumulated Depreciation (6,948,436.90 Net Fixed Assets 15,615,431.3 Total Assets \$ 22,009,665.3 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.31 Overpayment Due to USMS East 5,229.72 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Total Liabilities 23,749,994.00 Total Liabilities 23,749,994.00		
Cash - Reserve Fund 2,766,580 8: 136,451.7t Cash - Surplus Account 3,184,562.0t Total Restricted Assets 3,184,562.0t Fixed Assets 22,563,868.3t Less Accumulated Depreciation (6,948,436.9t) Net Fixed Assets 15,615,431.3t Total Assets \$ 22,009,665.3t LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0t Accrued Interest 452,869.3t Overpayment Due to USMS East 5,229.7t Current Portion of Bond Payable 955,000.0t Total Current Liabilities 5,036,879.1t Long-Term Liabilities 26,160,000.0t Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.0t Less Current Portion of Bond Payable (955,000.0t Total Liabilities 23,749,994.0t Total Liabilities 23,749,994.0t		
Cash - Surplus Account 136,451.76 Total Restricted Assets 3,184,562.03 Fixed Assets 22,563,868.3 Less Accumulated Depreciation (6,948,436.94 Net Fixed Assets 15,615,431.3 Total Assets \$ 22,009,665.3° LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.0 Accrued Interest 452,869.3 Overpayment Due to USMS East 5,229.7° Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.1° Long-Term Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 23,749,994.00		
Total Restricted Assets 3,184,562.00 Fixed Assets 22,563,868.3 Less Accumulated Depreciation (6,948,436.90 Net Fixed Assets 15,615,431.37 Total Assets \$ 22,009,665.37 Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.31 Overpayment Due to USMS East 5,229.73 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable 955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Long-Term Liabilities 23,749,994.00		
Fixed Assets 22,563,868.3 Land, Buildings, Equipment and Vehicles 22,563,868.3 Less Accumulated Depreciation (6,948,436.94) Net Fixed Assets 15,615,431.33 Total Assets \$ 22,009,665.37 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.04 Accrued Interest 452,869.34 Overpayment Due to USMS East 5,229.73 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable 955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Long-Term Liabilities 23,749,994.00		
Land, Buildings, Equipment and Vehicles 22,563,868.3 Less Accumulated Depreciation (6,948,436.99) Net Fixed Assets 15,615,431.37 Total Assets \$ 22,009,665.37 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.33 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 23,749,994.00	Total Restricted Assets	3,184,562.08
Less Accumulated Depreciation (6,948,436.99) Net Fixed Assets 15,615,431.37 Total Assets \$ 22,009,665.37 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.33 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable 955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 23,749,994.00	Fixed Assets	
Less Accumulated Depreciation (6,948,436.99) Net Fixed Assets 15,615,431.37 Total Assets \$ 22,009,665.37 LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.33 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable 955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 23,749,994.00	Land, Buildings, Equipment and Vehicles	22,563,868.31
Total Assets		(6,948,436.99)
LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.31 Overpayment Due to USMS East 5,229.72 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17		15,615,431.32
LIABILITIES AND NET ASSETS Current Liabilities Accounts Payable \$ 3,623,780.00 Accrued Interest 452,869.31 Overpayment Due to USMS East 5,229.72 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Total Assats	\$ 22,000,665,37
Current Liabilities \$ 3,623,780.04 Accounts Payable \$ 3,623,780.04 Accrued Interest 452,869.38 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Total Assets	\$ 22,009,003.37
Accounts Payable \$ 3,623,780.04 Accrued Interest 452,869.36 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	<u>LIABILITIES AND NET ASSETS</u>	
Accrued Interest 452,869.38 Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Current Liabilities	
Overpayment Due to USMS East 5,229.75 Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Accounts Payable	
Current Portion of Bond Payable 955,000.00 Total Current Liabilities 5,036,879.12 Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.12		452,869.38
Total Current Liabilities 5,036,879.17 Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17		5,229.75
Long-Term Liabilities 26,160,000.00 Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Long-Term Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	•	955,000.00
Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Total Current Liabilities	5,036,879.17
Bond Payable 26,160,000.00 Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 (1,455,006.00 Less Current Portion of Bond Payable (955,000.00 Total Liabilities 23,749,994.00 Total Liabilities 28,786,873.17	Long-Term Liabilities	
Capitalized Bond Issue Cost, Net of Amortization of \$597,033.35 Less Current Portion of Bond Payable Total Long-Term Liabilities (955,000.00 23,749,994.00 Total Liabilities 28,786,873.1		26,160,000,00
Less Current Portion of Bond Payable Total Long-Term Liabilities Total Liabilities (955,000.00 23,749,994.00 28,786,873.1		(1,455,006.00)
Total Liabilities 23,749,994.00 Total Liabilities 28,786,873.1		(955,000.00)
		23,749,994.00
Net Assets	Total Liabilities	28,786,873.17
1101 / 135015	Net Assets	
		(6,777,207.80)
Total Liabilities and Net Assets \$ 22,009,665.3	Total Liabilities and Net Assets	\$ 22,009,665.37

FANNIN COUNTY PUBLIC FACILITY CORPORATION

Statement of Activities Quarter Ended December 31, 2021

Revenues	Quarter Ended December 31, 2021
Federal Inmate Revenue	
Housing - USMS - East	\$ 3,072,985.38
Housing - USMS - North	15,069.96
Transport - USMS - East	106,705.04
Transport - USMS - North	4,291.68
	3,199,052.06
County Inmate Revenue	
Housing - Fannin County Main Jail	212,264.27
Housing - Fannin County South Annex	371,694.25
Transport - Fannin County	7,582.02
Transport Talana County	591,540.54
	10.04
Dividends	18.04
Interest Revenue	76.79
Total Revenues	3,790,687.43
Program Costs	
Operator Fees	2,673,643.67
Operator Facility Renovation	387,466.44
Depreciation Expense	141,487.00
Repairs and Maintenance	13,740.00
Total Program Costs	3,216,337.11
Ç	
Management and General Costs	
Administrative Fees	84,015.00
Amortization Expense	17,924.00
Audit and Accounting	8,700.00
Bond Interest Expense	452,869.38
Legal Fees	30,888.80
Total Management and General Costs	594,397.18
Total Costs	3,810,734.29
Increase (Decrease) in Net Assets Without Donor Restrictions	(20,046.86)
Net Assets Without Donor Restrictions at Beginning of Period	(6,757,160.94)
Net Assets Without Donor Restrictions at End of Period	\$ (6,777,207.80)