



MARTINEZ, ROSARIO & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MAVERICK COUNTY, TEXAS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

MAVERICK COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

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September 30, 2010

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MAVERICK COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable County Judge and
Members of Commissioners Court
Maverick County, Texas

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, each major governmental fund, the aggregate remaining governmental funds information, the two major proprietary funds for the Water Utility Operations and the Maverick County Solid Waste Authority, respectively, and the one non-major proprietary fund for the Airport Operations of Maverick County, Texas (the "County") as of and for the year ended September 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the County's management.

The County does not currently have adequate accounting records in regards to the cost of the land used for its Airport Operations. Also, the County does not have adequate accounting records for certain general fund accounts receivable amounts and all internal due to/due from amounts as of September 30, 2009. In addition, the County does not have adequate accounting records for its accounts payable balance as of September 30, 2009 and September 30, 2010. Furthermore, we were unable to perform certain audit procedures necessary for related party transactions and other matters. The County's records do not permit the application of other auditing procedures to the land used for its Airport Operations, certain general fund accounts receivable amounts, all of its internal due to/due from amounts, its accounts payable balances, its related party transactions and other matters.

The County's financial statements do not disclose sufficient information in regards to its risk financing. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

Since the County's accounting records are inadequate, and we were not able to apply other auditing procedures to satisfy ourselves as to the cost of the land for its Airport Operations, certain general fund accounts receivable amounts, all of its internal due to/due from amounts, its accounts payable, its related party transactions and other matters, the scope of our work was not sufficient to enable us to express, and we do not express, any opinions on these financial statements.

As discussed in Note 16 to the financial statements, certain errors resulting in the misstatement of interfund receivables and payables, certain accounts receivable, accounts payable, intergovernmental payables, the misclassification of capital assets, the understatement of accumulated depreciation, and long-term borrowing as of September 30, 2009, and the over statement of certain revenues, the understatement of miscellaneous revenues and depreciation expense for the year then ended were discovered in September, 2011. Accordingly, adjustments have been made to net assets and fund balances as of September 30, 2009 to correct the errors.

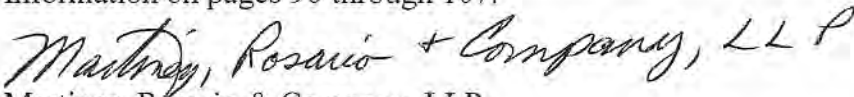
The accompanying financial statements have been prepared assuming that the County will continue as a going concern. As discussed in Note 18, the County has experienced recurring operating losses, working capital deficiencies, and negative cash flow from operations, adverse key financial ratios,

and material noncompliance with debt covenants, denial of usual trade credit from suppliers, restructured and refinanced debt, excessive interfund borrowing, and fund balance deficits. Also, as discussed in Note 18, the County is seeking additional debt financing to resolve payment of its accounts payable, capital leases and interfund borrowings, and in the current year, the County's debt rating was withdrawn from BB to no rating. In addition, as discussed in Note 18, the County lacks adequate fiscal management and financial reporting and needs to significantly revise its fiscal operations. Furthermore, as discussed in Note 18, the County has an instance of material noncompliance with State of Texas laws and regulations. These conditions raise substantial doubts about the County's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 18. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 16, Budgetary Comparison Information for the General Fund on page 88 and Schedule of Funding Progress on page 89 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

We were engaged for the purpose of forming opinions on the basic financial statements as a whole. The Supplemental Information on pages 90 through 107 is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matters discussed above, it is inappropriate to and we do not express an opinion on the Supplemental Information on pages 90 through 107.


Martinez, Rosario & Company, LLP
Certified Public Accountants
San Antonio, Texas

November 7, 2011



INDEPENDENT AUDITORS' REPORT

Honorable County Judge and
Members of Commissioners Court
Maverick County, Texas

We have audited the accompanying financial statements of the Maverick County Public Facility Corporation (the "MCPFC"), a blended component unit and an enterprise fund of Maverick County, Texas (the "County") and the business-type activity of the Maverick County Public Facility Corporation Detention Center (the "MCPFC Detention Center"), and an enterprise fund of the County as of and for the year ended September 30, 2010, as listed in the table of contents. Both of these funds are major proprietary funds of the County as of and for the year ended September 30, 2010. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the MCPFC Detention Center are intended to present the financial position and the changes in financial position and, where applicable, cash flows of only that portion of the business-type activity of the County that is attributable to the transactions of the MCPFC Detention Center. They do not purport to and do not present fairly the financial position of the County, as of September 30, 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the MCPFC and of the business-type activity MCPFC Detention Center, enterprise funds of the County, as of September 30, 2010, and the respective change in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Martinez, Rosario & Company, LLP

Martinez, Rosario & Company, LLP
Certified Public Accountants
San Antonio, Texas

November 7, 2011



INDEPENDENT AUDITORS' REPORT

Honorable County Judge and
Members of Commissioners Court
Maverick County, Texas

We have audited the Statement of Fiduciary Net Assets for the Agency Funds of Maverick County, Texas (the "County") as of September 30, 2010 as listed in the table of contents. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective financial position of the County's Agency Funds as of September 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Statement of Fiduciary Net Assets for the County's Agency Funds. The Supplemental Information on pages 108 through 113 is presented for purposes of additional analysis and is not a required part of the financial statement. The Supplemental Information on pages 108 through 113 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information on pages 108 through 113 is fairly stated in all material respects in relation to the above financial statement as a whole.

Martinez, Rosario & Company, LLP

Martinez, Rosario & Company, LLP
Certified Public Accountants
San Antonio, Texas

November 7, 2011

Maverick County, Texas
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Fiscal Year Ended September 30, 2010

General Information

On behalf of the Maverick County, Texas (the "County"), we are pleased to provide an overview of the financial activities of the County for the fiscal year ended September 30, 2010. The intended purpose of this MD&A is to provide an introduction to the basic financial statements and notes to the financial statements in an easy to read format, analyzing our financial activities and which will help to determine if the County's financial position has improved or deteriorated over the past year. We encourage readers to consider the information presented here. When referring to prior year data in this analysis, we included information from last year's audited financial reports.

Financial Highlights

The government-wide assets of the County exceeded its liabilities as of September 30, 2010, by \$34,253,000 (net assets). Net assets are comprised of Investments in Capital Assets, net of related debt of \$28,166,365, Combined Restricted Net Assets of \$7,460,372 and Unrestricted Net Assets of \$(1,373,736).

The County's government-wide non-current liabilities at year end were \$67,593,140 inclusive of \$1,665,008 in capital leases, compensated absences of \$665,517 and other long-term obligations of \$963,364.

During the year, the County's governmental funds had revenues that exceeded expenses by \$7,740,582. The proprietary funds had a combined operating income of \$1,193,156, excess non-operating expenses over revenues of \$2,461,739 for a total decrease in net assets of \$1,164,264 resulting in net assets at September 30, 2010 of \$14,021,413.

Maverick County's Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: (1) government-wide financial statements provide information about the activities of the County as a whole and present a longer-term view of the County's finances (2) fund financial statements for governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds (3) notes to the financial statements amplify and clarify items in the government-wide and fund financial statements and (4) other statements provide financial information about activities for which the County acts solely as

trustee or agent for the benefit of those outside of the government. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements, which begin on page 17 of this report, 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 Assets presents information on all of the County's assets and liabilities, with the difference between the two reported net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County as the Primary Government (page 18) include expenses for General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, and Conservation and Development, Interest, Fees, and issuance costs on long-term debt. Of the \$21,483,958 in expenses for these governmental activities, \$5,737,010 were recovered by charging for services, \$2,926,307 were paid by operating grants and contributions, \$7,386,617 were paid for by property taxes, \$1,959,166 were paid by sales tax \$1,929,268 were paid by County Landfill Sales Tax and \$349,276 were from penalty and interest on investments and other miscellaneous revenues.

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 funds of the County can be divided into three categories-governmental funds, proprietary funds, and fiduciary funds.

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

Because of 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 funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 20 of this report, information is presented separately in the Governmental Fund Balance Sheet for the major funds – General Fund, Road and Bridge, Debt Service Fund, and TXDOT 3 Fund. Data from other non-major governmental funds are combined into a single, aggregated presentation. These individual fund data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 90.

Proprietary funds: At this time, the County maintains five proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County has enterprise funds to account for the Public Facility Corporation (MCPFC), the Detention Center (MCPFC – Detention Center), Utility Water Operation, and the Solid Waste Authority (MCSWA). All these are major funds. The County also has one non-major fund proprietary which includes Airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements, which begin on page 26 of this report, provide separate information for each enterprise fund.

Fiduciary/Agency Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has Agency funds. Agency funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operation. See page 36.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also contains certain required information concerning Budgetary Comparison Schedules for General Fund, Pension Schedule of Funding Progress on pages 88 and 89, respectively and Combining Schedules for non-major governmental funds, this information may be found on page 86.

Governmental-Wide Financial Analysis

The largest portion of the County's net assets of \$28,166,365 reflect the County's investments in capital assets (e.g., land, building, equipment, improvements, infrastructure, construction in progress deferred charges and water rights), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a summary of the County's current and capital assets; current and long-term liabilities; investment in capital assets, (net of related debt); and restricted and unrestricted amounts of net assets.

	Governmental Activities 2010	Business-type Activities 2010	Total 2010	Governmental Activities 2009	Business-type Activities 2009	Total 2009	Total Increase (Decrease)
Current and other assets	\$ 7,243,578	\$ 10,603,024	\$ 17,846,602	\$ 12,259,934	\$ 6,774,640	\$ 19,034,574	\$ (1,187,972)
Capital assets	46,934,325	48,825,180	95,759,505	44,205,984	34,872,244	79,078,228	16,681,277
Total assets	<u>54,177,903</u>	<u>59,428,204</u>	<u>113,606,107</u>	<u>56,465,918</u>	<u>41,646,884</u>	<u>98,112,802</u>	<u>15,493,305</u>
Long term liabilities:							
Long term liabilities	26,571,530	38,378,704	64,950,234	17,414,349	39,364,775	56,779,124	8,171,110
Current liabilities	7,374,785	7,028,087	14,402,872	8,440,139	4,434,891	12,875,030	1,527,842
Total liabilities	<u>33,946,315</u>	<u>45,406,791</u>	<u>79,353,106</u>	<u>25,854,488</u>	<u>43,799,666</u>	<u>69,654,154</u>	<u>9,698,952</u>
Net assets:							
Invested in capital assets, net of related debt	18,834,889	9,331,476	28,166,365	24,191,896	(503,638)	23,688,258	4,478,107
Restricted for Debt Service	1,140,077	4,603,887	5,743,964	1,474,819	-	1,474,819	4,269,145
Restricted for Capital Projects	(243,324)	-	(243,324)	130,451	-	130,451	(373,775)
Restricted for Other Purposes	-	2,630,552	2,630,552	-	-	-	2,630,552
Restricted for Special Revenues	(670,820)	-	(670,820)	5,886,665	-	5,886,665	(6,557,485)
Unrestricted	1,170,766	(2,544,502)	(1,373,736)	(1,072,401)	(1,649,144)	(2,721,545)	1,347,809
Total net assets	<u>20,231,588</u>	<u>14,021,413</u>	<u>34,253,001</u>	<u>30,611,430</u>	<u>(2,152,782)</u>	<u>28,458,648</u>	<u>5,794,353</u>
	<u>\$ 54,177,903</u>	<u>\$ 59,428,204</u>	<u>\$ 113,606,107</u>	<u>\$ 56,465,918</u>	<u>\$ 41,646,884</u>	<u>\$ 98,112,802</u>	<u>\$ 15,493,305</u>

The following schedule provides a summary of the County's operations for the years ended September 30, 2009 and 2010.

Maverick County's Change in Net Assets

	2010			2009		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenue						
Charges for Services	\$ 5,737,010	\$ 214,138	\$ 5,951,148	\$ 5,776,054	\$ 5,248,665	\$ 11,024,719
Operating/Capital Grants & Contributions	2,926,307	807,770	3,734,077	6,608,253	-	6,608,253
Total program revenue	<u>8,663,317</u>	<u>1,021,908</u>	<u>9,685,225</u>	<u>12,384,307</u>	<u>5,248,665</u>	<u>17,632,972</u>
General Revenues:						
Property Taxes, General Purpose	5,674,444	-	5,674,444	4,775,174	\$ -	4,775,174
Property Taxes, Debt Service	1,712,173	-	1,712,173	2,217,356	-	2,217,356
Sales Tax & Other Taxes	1,959,166	-	1,959,166	1,991,064	-	1,991,064
Maverick County Landfill Sales Tax	1,929,268	-	1,929,268	1,991,065	-	1,991,065
Penalty and Interest	349,276	-	349,276	332,738	-	332,738
Investment Earning	13,214	217,524	230,738	40,393	167,639	208,032
Miscellaneous Revenue	499,191	9,594,074	10,093,265	449,036	80	449,116
Transfers In (Out)	(104,319)	104,319	-	-	-	-
Grants and Contributions	8,231,246	-	8,231,246	286,208	-	286,208
Total General Revenue	<u>20,263,659</u>	<u>9,915,917</u>	<u>30,179,576</u>	<u>12,083,034</u>	<u>167,719</u>	<u>12,250,753</u>
Total Program General Revenues	<u>28,926,976</u>	<u>10,937,825</u>	<u>39,864,801</u>	<u>24,467,341</u>	<u>5,416,384</u>	<u>29,883,725</u>
Expenses:						
General Government	3,550,190	-	3,550,190	5,475,330	-	5,475,330
Public Safety	1,124,034	-	1,124,034	6,193,959	-	6,193,959
Culture and Recreation	61,056	-	61,056	921,709	-	921,709
Public Works	561,873	-	561,873	2,777,598	-	2,777,598
Health and Welfare	269,869	-	269,869	1,789,826	-	1,789,826
Conservation and Development	751	-	751	40,355	-	40,355
Bond Interest	1,740,699	-	1,740,699	967,389	-	967,389
Other Debt Interest	37,156	-	-	-	-	-
Fiscal Agents Fee	400	-	400	13,621	-	13,621
Issuance Costs	36,804	-	36,804	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	14,101,126	-	14,101,126	-	-	-
Business-Type Activities						
MCPFC	-	3,707,832	3,707,832	-	3,137,845	3,137,845
MCPFC Detention Ctr.	-	6,818,829	6,818,829	-	3,555,587	3,555,587
Water Utility	-	1,343,514	1,343,514	-	271,503	271,503
Airport Fund	-	60,022	60,022	-	-	-
MCSWA	-	171,892	171,892	-	-	-
Total Expense	<u>21,483,958</u>	<u>12,102,089</u>	<u>33,548,891</u>	<u>18,179,787</u>	<u>6,964,935</u>	<u>25,144,722</u>
Increase (Decrease) in Net Assets	7,443,018	(1,164,264)	6,315,910	6,287,554	(1,548,551)	4,739,003
Net Assets, Beginning	24,990,595	3,468,053	28,458,648	24,364,979	(604,231)	23,760,748
Prior Period Adjustment	(12,202,025)	11,717,624	(484,401)	(41,103)	-	(41,103)
Net Assets, Ending	<u>20,231,588</u>	<u>14,021,413</u>	<u>34,290,157</u>	<u>30,611,430</u>	<u>(2,152,782)</u>	<u>28,458,648</u>

Financial Analysis of the Government's Funds

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balance of \$(1,013,179). The General Fund had a \$(1,239,112) deficit fund balance at the end of September 30, 2010. The Road and Bridge had a deficit of \$(2,848,227). Debt Service has a positive restricted fund balance of \$1,140,077 and the TXDOT3 Fund ended September 30, 2010 with a fund balance of \$(610,366). Other non-major governmental funds had a combined fund balance of \$2,544,449. (Under GASB 34 presentations net asset balances are different); please refer to page 22 of this report for a more detailed presentation of governmental fund balances that reconciles the difference.

In the General Fund, the County budgeted \$11,081,099 in revenues before other financing sources and the actual amount collected at year end was \$11,100,349. Actual current expenditures were \$11,933,500 against a budget of \$11,081,099 for an excess of expenditures over revenues of \$828,328. The \$(828,328) and prior period adjustment of \$394,910 combined with a receipt of \$1.5 million related to the issuance of tax notes and a (\$77,129) transfer out decreased the previous fund deficit of \$(2,257,394) to \$(1,239,112). Amounts owed to the City of Eagle Pass (the "City") for which landfill waste will be offset will not be able to be used until the County landfill is operational. The County expects the City to honor the existing contract.

The Road and Bridge Fund had a increase in the fund deficit of \$(388,952) and a prior period adjustment of \$(3,116) for the fiscal year which increased the prior year deficit of \$(2,456,159) to \$(2,848,227).

Proprietary Funds: The County's proprietary fund statements beginning on page 26 of this report provide the same type of information found in the government-wide financial statements, but more detail in nature.

Net Assets of the MCPFC Fund increased from \$(503,638) to \$(490,457) as a result of a non-operating transfer into the fund of \$3,531,410 offset by a loss of \$(3,518,229). Net assets of the MCPFC Detention Center Fund decreased from \$(1,033,428) to \$(1,790,022) due to a non-operating transfer out of the fund of \$(3,531,410) offset by income of \$2,774,816.

Capital Assets and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental and business-type activities as of September 30, 2010, totals to \$46,934,325 in the governmental and \$48,825,180 for the business type (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, construction-in-progress and water rights. This is the result of continued construction of street improvements, public facilities, improvements at the landfill and construction of the detention facility. The following schedule shows the County's capital assets for both the governmental and business-type activities at year end.

Maverick County's Capital Assets at Year End

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Land	\$ 4,069,041	\$ 846,720	\$ 4,915,761
Buildings	13,912,146	41,971,525	55,883,671
Machinery and equipment	11,273,637	2,848,262	14,121,899
Infrastructure	16,039,427	4,282,494	20,321,921
Construction in progress	14,319,969	-	14,319,969
Deferred Charges	739,394	426,756	1,166,150
Water Rights	-	761,400	761,400
	<u>60,353,614</u>	<u>51,137,157</u>	<u>111,490,771</u>
Less accumulated depreciation	<u>(13,419,289)</u>	<u>(2,311,977)</u>	<u>(15,731,266)</u>
Total capital assets	<u>\$ 46,934,325</u>	<u>\$ 48,825,180</u>	<u>\$ 95,759,505</u>

Capital assets increased by \$2,728,341 in the governmental activity and \$13,952,936 in the business-type activity for a total of \$16,681,277 over fiscal year ending 2010. The majority of the increase in the business-type was due to the construction of the detention facility.

Debt Administration: At the end of the current fiscal year, the County had debt comprised of certificates of obligation, revenue bonds, refunding notes, tax anticipation notes, capital lease obligations and compensated absence obligation of \$67,593,140 inclusive of \$1,665,008 of capital leases, \$665,517 of compensated absence and other long-term obligations of \$963,346. \$28,099,436 of this amount represents debt backed by the full faith and credit of the County, pledged equipment, property taxes, and revenues. \$39,493,704 in debt is backed by revenues from the Detention Facility of the MCPFC, the County's fully blended component unit. The following table schedule summarizes the outstanding debt of the County.

Outstanding Debt at Year End

	Governmental Activities	Business- Type Activities	Total
Certificates of Obligation	\$ 9,180,000	\$ -	\$ 9,180,000
Refunding Notes	13,960,000	-	13,960,000
Tax Anticipation Notes	1,225,000	-	1,225,000
Revenue Bonds	-	41,860,000	41,860,000
Less: Discount	-	(2,366,296)	(2,366,296)
Plus: Premium	440,547	-	440,547
Capital Leases	1,665,008	-	1,665,008
Compensated Absences Obligation	665,517	-	665,517
Other Long-Term Obligations	963,364	-	963,364
Total Debt	\$ 28,099,436	\$ 39,493,704	\$ 67,593,140

Subsequent Events

The following subsequent events have occurred that are financially and organizationally important to note:

Debt Issuance

On December 1, 2010, the County issued the following obligation:

Tax Notes, Series 2010	\$2,050,000
------------------------	-------------

These notes were due on September 29, 2011. The County has requested and received a 60 day extension of the due date.

Settlement Agreement – 2010

Effective November 16, 2010, the County, MCSWA and the City of Eagle Pass, Texas (“City”) entered into a Compromise and Settlement Agreement (“Agreement”). See Note 5.

Interlocal Governmental Agreement

On July 19, 2011, the County Commissioners, on behalf of the County, entered into an Interlocal Governmental Agreement with the Maverick County Solid Waste Authority (the “Landfill Authority”) whereby the landfill Authority has agreed to pledge monetary funds from tipping fees and the County has agreed to accept the monetary funds pledged by the Landfill Authority.

Per the terms of the agreement, the Landfill Authority has agreed to pledge and transfer monetary funds from its tipping fees collection for a period of three fiscal years commencing in the fiscal year 2011-2012. The amounts pledge by the Landfill Authority are as follows: the first fiscal year 2011-2012 will be in the amount of \$1,000,000; the second fiscal year 2012-2013 will be in the amount of \$1,200,000; and, the third fiscal year 2013-2014 will be in the amount of \$1,400,000. No amounts shall be pledged and/or transferred following the expiration of the 2013-2014 fiscal year.

The monies pledged are contingent upon the Landfill Authority receiving sufficient tipping revenues for the respective fiscal years indicated and the Landfill Authority maintains the right to annually review its ability to satisfy any pledge at the end of each fiscal year in order to make a determination that a pledge can in fact be satisfied without financial detriment to the operation and maintenance of the Landfill Authority for each fiscal year.

Uncertainties

A number of relevant conditions that exist and events that have occurred that are organizationally and financially important that raise substantial doubts about the County's ability to continue as a going concern. These conditions and events include recurring operating losses experienced by the County, working capital deficiencies and negative cash flow from operations, adverse key financial ratios, material noncompliance with debt covenants, denial of usual trade credit from suppliers, restructured and refinanced debt, excessive interfund borrowing, and fund deficits. Also, the County is seeking additional debt financing to resolve payment of its accounts payable, capital leases and interfund borrowings, and in the current year and at the request of the County, Standard & Poor's Rating Service, a national rating service, withdrew its Standard & Poor's underlying rating (SPUR) on Maverick County's general obligation debt. As a result, the County's general obligation debt rating went from a rating of "BB" to "unrated". In addition, the County lacks adequate fiscal management and financial reporting and needs to significantly revise its operations. Furthermore, the County has an instance of material noncompliance with State of Texas Laws and regulations. The County plans to continue to seek additional financing and to institute cost cutting and cost control measures to address and improve its deteriorating financial results and position, however, there can be no assurance that the County's efforts to improve its financial results and position will be successful. See Note 18 to the Financial Statements for further discussion of this issue.

Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the County's finances. If you have any questions about this report or need any additional information, contact Mr. Carlos A. Pereda, Maverick County Auditor at:

Mailing Address: County Auditor's Office
Maverick County, Texas
370 Monroe, Suite 1
Eagle Pass, Texas 78852

Telephone: (830) 773-3708

Fax: (830) 773-4749

BASIC FINANCIAL STATEMENTS

MAVERICK COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

EXHIBIT A-1

Data Control Codes	Primary Government			
	Governmental Activities	Business Type Activities	Total	
ASSETS				
1010	Cash and Cash Equivalents	\$ 668,068	\$ 208,637	\$ 876,705
1020	Cash and Cash Equivalents - Restricted	-	2,990,527	2,990,527
1030	Investments - Current	276,136	-	276,136
1150	Receivables (net of allowance for uncollectibles)	7,501,206	586,003	8,087,209
1260	Intergovernmental Receivables	-	28,585	28,585
1261	Due to Other Governments - Restricted	-	1,471,553	1,471,553
1300	Internal Balances	(1,326,700)	1,531,961	205,261
1300	Due from Fiduciary Funds	51,097	-	51,097
1410	Inventories	21,755	-	21,755
1430	Prepaid Items	52,016	-	52,016
1440	Deferred Charges	739,394	-	739,394
1510	Investments - Noncurrent	-	3,785,758	3,785,758
	Capital Assets:			
1710	Land	4,069,041	846,720	4,915,761
1720	Infrastructure, net	-	6,893,630	6,893,630
1730	Buildings, net	-	39,846,172	39,846,172
1750	Machinery and Equipment, net	-	82,227	82,227
1760	Capital Assets, net	27,805,921	729,675	28,535,596
1780	Construction in Progress	14,319,969	-	14,319,969
1785	Deferred Charges	-	426,756	426,756
1000	Total Assets	<u>54,177,903</u>	<u>59,428,204</u>	<u>113,606,107</u>
LIABILITIES				
2000	Bank Overdrafts	316,313	44	316,357
2020	Accounts Payable	4,999,271	5,399,027	10,398,298
2070	Intergovernmental Payable	253,661	71,148	324,809
2081	Due to Fiduciary Funds	-	(531)	(531)
2140	Accrued Interest Payable	25,472	443,399	468,871
2270	Other Current Liabilities	252,162	-	252,162
	Noncurrent Liabilities			
2501	Due Within One Year	1,527,905	1,115,000	2,642,905
2502	Due in More Than One Year	26,571,531	38,378,704	64,950,235
2000	Total Liabilities	<u>33,946,315</u>	<u>45,406,791</u>	<u>79,353,106</u>
NET ASSETS				
3200	Invested in Capital Assets, Net of Related Debt	18,834,889	9,331,476	28,166,365
	Restricted for:			
3810	Restricted for Debt Service	1,140,077	4,603,887	5,743,964
3820	Restricted for Captial Projects	(243,324)	-	(243,324)
3830	Restricted for Special Revenues	(670,820)	-	(670,820)
3890	Restricted for Other Purposes	-	2,630,552	2,630,552
3900	Unrestricted Net Assets	1,170,766	(2,544,502)	(1,373,736)
3000	Total Net Assets	<u>\$ 20,231,588</u>	<u>\$ 14,021,413</u>	<u>\$ 34,253,001</u>

The notes to the Financial Statements are an integral part of this statement.

MAVERICK COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
10 General Government	\$ 3,550,190	\$ 1,434,252	\$ 58,526
20 Public Safety	1,124,034	3,442,203	1,375,364
30 Public Works	561,873	745,811	1,287,575
40 Health and Welfare	269,869	65,417	204,842
50 Culture and Recreation	61,056	49,327	-
60 Conservation and Development	751	-	-
73 Bond Interest	1,740,699	-	-
74 Other Debt Interest	37,156	-	-
75 Fiscal Agent's Fees	400	-	-
76 Issuance Costs	36,804	-	-
80 Capital Outlay	14,101,126	-	-
Total Governmental Activities:	<u>21,483,958</u>	<u>5,737,010</u>	<u>2,926,307</u>
BUSINESS-TYPE ACTIVITIES:			
701 Major Fund Utility Fund	1,343,514	214,138	807,770
702 Major Fund Maverick Cnty Public FAC	3,707,832	-	-
703 Major Fund PFC - GEO	6,818,829	-	-
704 Major Fund Solid Waste Authority	171,892	-	-
705 Airport Fund	60,022	-	-
Total Business-Type Activities:	<u>12,102,089</u>	<u>214,138</u>	<u>807,770</u>
TOTAL PRIMARY GOVERNMENT:	<u>\$ 33,586,047</u>	<u>\$ 5,951,148</u>	<u>\$ 3,734,077</u>

Data Control Codes	General Revenues:
	Taxes:
5010	Property Taxes, Levied for General Purposes
5011	Property Taxes, Levied for Debt Service
5120	Sales Taxes
5190	Penalty and Interest
5600	Grants and Contributions Not Restricted
5700	Miscellaneous Revenue
5800	Investment Earnings
5800	Transfers In (Out)
	Total General Revenues and Transfers
	Change in Net Assets
	Net Assets--Beginning
	Prior Period Adjustment
	Net Assets--Ending

The notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,057,412)	\$ -	\$ (2,057,412)
3,693,533	-	3,693,533
1,471,513	-	1,471,513
390	-	390
(11,729)	-	(11,729)
(751)	-	(751)
(1,740,699)	-	(1,740,699)
(37,156)	-	(37,156)
(400)	-	(400)
(36,804)	-	(36,804)
(14,101,126)	-	(14,101,126)
(12,820,641)	-	(12,820,641)
-	(321,606)	(321,606)
-	(3,707,832)	(3,707,832)
-	(6,818,829)	(6,818,829)
-	(171,892)	(171,892)
-	(60,022)	(60,022)
-	(11,080,181)	(11,080,181)
(12,820,641)	(11,080,181)	(23,900,822)
5,674,444	-	5,674,444
1,712,173	-	1,712,173
3,888,434	-	3,888,434
349,276	-	349,276
8,231,246	-	8,231,246
499,191	9,594,074	10,093,265
13,214	217,524	230,738
(104,319)	104,319	-
20,263,659	9,915,917	30,179,576
7,443,018	(1,164,264)	6,278,754
24,990,595	3,468,053	28,458,648
(12,202,025)	11,717,624	(484,401)
\$ 20,231,588	\$ 14,021,413	\$ 34,253,001

MAVERICK COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

Data Control Codes	General Fund	Major Fund Road & Bridge Fund	Major Fund Debt Service
ASSETS			
1010 Cash and Cash Equivalents	\$ -	\$ -	\$ 48,241
1030 Investments - Current	276,136	-	-
1050 Taxes Receivable	2,248,669	36,035	586,482
1051 Allowance for Uncollectible Taxes (credit)	(337,300)	-	(87,972)
1150 Receivables (Net)	222,537	(36,207)	(5,826)
1260 Intergovernmental Receivables	805,446	-	-
1300 Due from Other Funds	7,839,019	2,201,035	1,097,662
1410 Inventories	21,755	-	-
1430 Prepaid Items	52,016	-	-
1000 Total Assets	<u>\$ 11,128,278</u>	<u>\$ 2,200,863</u>	<u>\$ 1,638,587</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2000 Bank Overdrafts	\$ 162,484	\$ 20,839	\$ -
2010 Accounts Payable	1,898,737	170,241	-
2020 Wages and Salaries Payable	206,956	51,762	-
2070 Intergovernmental Payable	19,587	-	-
2080 Due to Other Funds	7,894,587	4,806,248	-
2090 Due to Others	(3,963)	-	-
2140 Accrued Interest Payable	25,472	-	-
2220 Deferred Revenues	1,911,368	-	498,510
2270 Other Current Liabilities	252,162	-	-
2000 Total Liabilities	<u>12,367,390</u>	<u>5,049,090</u>	<u>498,510</u>
Fund Balances:			
Reserved For:			
3410 Debt Service	-	-	1,140,077
3430 Capital Projects	-	-	-
3450 Inventories	21,755	-	-
3460 Prepaid Items	52,016	-	-
Unreserved Designated For:			
3520 Special Revenue Funds	-	(2,848,227)	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	(1,312,883)	-	-
3000 Total Fund Balances	<u>(1,239,112)</u>	<u>(2,848,227)</u>	<u>1,140,077</u>
4000 Total Liabilities and Fund Balances	<u>\$ 11,128,278</u>	<u>\$ 2,200,863</u>	<u>\$ 1,638,587</u>

The notes to the Financial Statements are an integral part of this statement.

Major Fund TXDOT 3	Other Funds	Total Governmental Funds
\$ -	\$ 619,827	\$ 668,068
-	-	276,136
-	-	2,871,186
-	-	(425,272)
-	193,489	373,993
2,019,125	1,856,728	4,681,299
521,633	5,353,428	17,012,777
-	-	21,755
-	-	52,016
<u>\$ 2,540,758</u>	<u>\$ 8,023,472</u>	<u>\$ 25,531,958</u>
\$ 73,300	\$ 59,690	\$ 316,313
621,654	1,878,623	4,569,255
110,597	64,664	433,979
-	234,074	253,661
2,345,573	3,241,972	18,288,380
-	-	(3,963)
-	-	25,472
-	-	2,409,878
-	-	252,162
<u>3,151,124</u>	<u>5,479,023</u>	<u>26,545,137</u>
-	-	1,140,077
(610,366)	367,042	(243,324)
-	-	21,755
-	-	52,016
-	2,177,407	(670,820)
-	-	(1,312,883)
<u>(610,366)</u>	<u>2,544,449</u>	<u>(1,013,179)</u>
<u>\$ 2,540,758</u>	<u>\$ 8,023,472</u>	<u>\$ 25,531,958</u>

MAVERICK COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2010

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	(1,013,179)
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$56,420,043 and the accumulated depreciation was \$12,214,059. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net assets.		10,809,299
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2010 capital outlays and debt principal payments is to (decrease) net assets.		9,579,985
The 2010 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(1,554,395)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		2,409,878
Net Assets of Governmental Activities	\$	20,231,588

The notes to the Financial Statements are an integral part of this statement.

MAVERICK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	General Fund	Major Fund Road & Bridge Fund	Major Fund Debt Service
REVENUES:			
Taxes:			
5110 Property Taxes	\$ 4,384,452	\$ 1,026,228	\$ 1,892,739
5120 General Sales and Use Taxes	1,959,166	-	-
5190 Penalty and Interest on Taxes	253,406	-	95,870
5200 Licenses and Permits	46,659	770,616	-
5300 Intergovernmental Revenue and Grants	99,212	-	-
5400 Charges for Services	3,803,066	37,542	-
5510 Fines	472,652	-	-
5610 Investment Earnings	2,971	1,979	2,784
5620 Rents and Royalties	91,641	-	-
5700 Other Revenue	(8,053)	354,633	-
5020 Total Revenues	<u>11,105,172</u>	<u>2,190,998</u>	<u>1,991,393</u>
EXPENDITURES:			
Current:			
0010 General Government	5,814,044	-	-
0020 Public Safety	4,984,420	-	-
0030 Public Works	-	3,169,955	-
0040 Health and Welfare	12,389	-	-
0050 Culture and Recreation	887,703	-	-
0060 Conservation and Development	-	-	-
Debt Service:			
0071 Bond Principal	-	-	490,000
0072 Other Debt Principal	-	-	-
0073 Bond Interest	-	-	1,664,535
0074 Other Debt Interest	29,042	-	-
0075 Fiscal Agent's Fees	-	-	400
0076 Issuance Costs	56,884	-	529,702
Capital Outlay:			
0080 Capital Outlay	149,018	9,995	62
6030 Total Expenditures	<u>11,933,500</u>	<u>3,179,950</u>	<u>2,684,699</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(828,328)</u>	<u>(988,952)</u>	<u>(693,306)</u>
OTHER FINANCING SOURCES (USES):			
7901 Issuance of Refunding Bond	-	-	13,960,000
7911 Issuance of Tax Note	1,500,000	-	-
7912 Issuance of C.O. 2009	-	-	-
7914 Payment of refunded bond escrow agent	-	-	(13,767,013)
7915 Transfers In	-	600,000	375,000
7916 Premium or Discount on Issuance of Bonds	-	-	336,715
7949 Other Resources	28,829	-	-
8911 Transfers Out (Use)	(77,129)	-	-
7080 Total Other Financing Sources (Uses)	<u>1,451,700</u>	<u>600,000</u>	<u>904,702</u>
1200 Net Change in Fund Balances	623,372	(388,952)	211,396
0100 Fund Balance - October 1 (Beginning)	(2,257,394)	(2,456,159)	928,224
1300 Prior Period Adjustment	394,910	(3,116)	457
3000 Fund Balance - September 30 (Ending)	<u>\$ (1,239,112)</u>	<u>\$ (2,848,227)</u>	<u>\$ 1,140,077</u>

The notes to the Financial Statements are an integral part of this statement.

Major Fund TXDOT 3	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,303,419
-	1,929,268	3,888,434
-	-	349,276
-	-	817,275
7,137,349	3,920,992	11,157,553
-	588,290	4,428,898
-	7,886	480,538
-	5,480	13,214
-	-	91,641
-	71,269	417,849
<u>7,137,349</u>	<u>6,523,185</u>	<u>28,948,097</u>
-	514,908	6,328,952
-	2,117,662	7,102,082
-	-	3,169,955
-	1,909,303	1,921,692
-	(1,445)	886,258
-	751	751
-	-	490,000
-	209,574	209,574
-	-	1,664,535
-	8,114	37,156
-	-	400
-	189,612	776,198
<u>7,747,715</u>	<u>6,194,336</u>	<u>14,101,126</u>
<u>7,747,715</u>	<u>11,142,815</u>	<u>36,688,679</u>
<u>(610,366)</u>	<u>(4,619,630)</u>	<u>(7,740,582)</u>
-	-	13,960,000
-	-	1,500,000
-	5,000,000	5,000,000
-	-	(13,767,013)
-	77,129	1,052,129
-	120,600	457,315
-	-	28,829
-	(975,000)	(1,052,129)
-	4,222,729	7,179,131
<u>(610,366)</u>	<u>(396,901)</u>	<u>(561,451)</u>
-	2,852,440	(932,889)
-	88,910	481,161
<u>\$ (610,366)</u>	<u>\$ 2,544,449</u>	<u>\$ (1,013,179)</u>

MAVERICK COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Total Net Change in Fund Balances - Governmental Funds	\$	(561,451)
Current Year Capital Contributions		(104,319)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2010 capital outlays and debt principal payments is to increase net assets.		9,579,985
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(1,554,395)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		83,198
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>7,443,018</u>

The notes to the Financial Statements are an integral part of this statement.

MAVERICK COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Business-Type Activities -	
	Major Fund Water Utility Fund	Major Fund MCPFC
	ASSETS	
Current Assets:		
Cash and Cash Equivalents	\$ 11,268	\$ -
Cash and Cash Equivalents - Restricted	-	1,261,528
Interest Receivable - Investments	-	-
Accounts Receivable-Net of Uncollectible Allowance	24,427	-
Due from Other Governments	28,585	-
Due to Other Governments - Restricted	-	-
Due from Other Funds	2,780	-
Total Current Assets	67,060	1,261,528
Noncurrent Assets:		
Investments - Restricted	-	3,785,758
Capital Assets:		
Land Purchase and Improvements	37,800	500,000
Infrastructure	-	-
Buildings	6,515,100	35,103,568
Accumulated Depreciation - Buildings	(388,532)	-
Deferred Charges	-	426,756
Accum Deprec - Building and Deferred Charges	-	(1,630,964)
Machinery and Equipment	-	-
Accumulated Depreciation - Machinery & Equipment	-	-
Water Rights	761,400	-
Accumulated Depreciation - Capital Assets	(31,725)	-
Total Noncurrent Assets	6,894,043	38,185,118
Total Assets	6,961,103	39,446,646

The notes to the Financial Statements are an integral part of this statement.

Major Fund MCPFC Detention Ctr	Major Fund MCSWA	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ -	\$ 197,369	\$ -	\$ 208,637
1,158,999	570,000	-	2,990,527
-	-	25,472	25,472
233,242	-	302,862	560,531
-	-	-	28,585
1,471,553	-	-	1,471,553
-	95,062	2,414,867	2,512,709
2,863,794	862,431	2,743,201	7,798,014
-	-	-	3,785,758
-	308,919	1	846,720
-	6,893,630	-	6,893,630
-	-	352,857	41,971,525
-	-	(105,857)	(494,389)
-	-	-	426,756
-	-	-	(1,630,964)
-	82,227	154,899	237,126
-	-	(154,899)	(154,899)
-	-	-	761,400
-	-	-	(31,725)
-	7,284,776	247,001	52,610,938
2,863,794	8,147,207	2,990,202	60,408,952

MAVERICK COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Business-Type Activities -	
	Major Fund Water Utility Fund	Major Fund MCPFC
	LIABILITIES	
Current Liabilities:		
Bank Overdrafts	-	-
Accounts Payable	11,348	-
Wages and Salaries Payable	5,962	-
Intergovernmental Payable	315	-
Due to Other Funds	813,621	-
Due to Fiduciary Funds	-	-
Due to Others	-	-
Accrued Interest Payable	-	443,399
Bonds Payable - Current:		
Bonds Payable - Current	-	1,115,000
Total Current Liabilities	831,246	1,558,399
NonCurrent Liabilities:		
Bonds Payable - Noncurrent	-	40,745,000
Unamortized Premiums (Discounts) on Bonds	-	(2,366,296)
Total Noncurrent Liabilities	-	38,378,704
Total Liabilities	831,246	39,937,103
NET ASSETS		
Investments in Capital Assets, Net of Debt	6,894,043	(5,094,344)
Restricted for Debt Service	-	4,603,887
Restricted Net Assets	-	-
Unrestricted Net Assets	(764,186)	-
Total Net Assets	\$ 6,129,857	\$ (490,457)

The notes to the Financial Statements are an integral part of this statement.

Major Fund MCPFC Detention Ctr	Major Fund MCSWA	Nonmajor Enterprise Funds	Total Enterprise Funds
-	-	44	44
-	785,278	514	797,140
-	11,042	1,900	18,904
70,833	-	-	71,148
-	145,560	21,567	980,748
-	-	(531)	(531)
4,582,983	-	-	4,582,983
-	-	-	443,399
-	-	-	1,115,000
4,653,816	941,880	23,494	8,008,835
-	-	-	40,745,000
-	-	-	(2,366,296)
-	-	-	38,378,704
4,653,816	941,880	23,494	46,387,539
-	7,284,776	247,001	9,331,476
-	-	-	4,603,887
2,630,552	-	-	2,630,552
(4,420,574)	(79,449)	2,719,707	(2,544,502)
\$ (1,790,022)	\$ 7,205,327	\$ 2,966,708	\$ 14,021,413

MAVERICK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities -	
	Major Fund Water Utility Fund	Major Fund MCPFC
OPERATING REVENUES:		
Grant Revenue	\$ 807,770	\$ -
Charges for Water Services	214,138	-
Rents	-	-
Other Revenue	507	-
Total Operating Revenues	<u>1,022,415</u>	<u>-</u>
OPERATING EXPENSES:		
Personnel Services - Salaries and Wages	109,077	-
Personnel Services - Employee Benefits	37,604	-
Purchased Professional & Technical Services	913,634	-
Other Operating Expenses	33,545	-
Supplies	36,353	-
Depreciation	213,301	899,640
Interest Expense	-	-
Amortization of Premiums or Discounts - Bonds	-	128,929
Total Operating Expenses	<u>1,343,514</u>	<u>1,028,569</u>
Operating Income (Loss)	<u>(321,099)</u>	<u>(1,028,569)</u>
NON-OPERATING REVENUES (EXPENSES):		
Investment Earnings	-	189,603
Interest Expense - Non-Operating	-	(2,679,263)
Total Non-operating Revenue (Expenses)	<u>-</u>	<u>(2,489,660)</u>
Income (Loss) Before Contributions & Transfers	<u>(321,099)</u>	<u>(3,518,229)</u>
Capital Contributions	104,319	-
Non-Operating Transfer In	-	3,531,410
Transfers Out	-	-
Change in Net Assets	<u>(216,780)</u>	<u>13,181</u>
Total Net Assets - October 1 (Beginning)	<u>(605,979)</u>	<u>(503,638)</u>
Prior Period Adjustment	6,952,616	-
Total Net Assets - September 30 (Ending)	<u>\$ 6,129,857</u>	<u>\$ (490,457)</u>

The notes to the Financial Statements are an integral part of this statement.

Major Fund MCPFC Detention Ctr	Major Fund MCSWA	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ -	\$ -	\$ -	807,770
-	-	-	214,138
9,593,587	-	-	9,593,587
-	-	(20)	487
<u>9,593,587</u>	<u>-</u>	<u>(20)</u>	<u>10,615,982</u>
-	99,278	36,320	244,675
-	31,594	16,139	85,337
6,393,829	17,100	-	7,324,563
425,000	13,658	6,866	479,069
-	10,262	-	46,615
-	-	8,821	1,121,762
-	-	(8,124)	(8,124)
-	-	-	128,929
<u>6,818,829</u>	<u>171,892</u>	<u>60,022</u>	<u>9,422,826</u>
<u>2,774,758</u>	<u>(171,892)</u>	<u>(60,042)</u>	<u>1,193,156</u>
58	8,711	19,152	217,524
-	-	-	(2,679,263)
<u>58</u>	<u>8,711</u>	<u>19,152</u>	<u>(2,461,739)</u>
<u>2,774,816</u>	<u>(163,181)</u>	<u>(40,890)</u>	<u>(1,268,583)</u>
-	-	-	104,319
-	-	-	3,531,410
<u>(3,531,410)</u>	<u>-</u>	<u>-</u>	<u>(3,531,410)</u>
<u>(756,594)</u>	<u>(163,181)</u>	<u>(40,890)</u>	<u>(1,164,264)</u>
<u>(1,033,428)</u>	<u>2,859,322</u>	<u>2,751,776</u>	<u>3,468,053</u>
-	4,509,186	255,822	11,717,624
<u>\$ (1,790,022)</u>	<u>\$ 7,205,327</u>	<u>\$ 2,966,708</u>	<u>\$ 14,021,413</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities	
	Major Fund	Major Fund
	Water Utility Fund	MCPFC
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 1,021,254	\$ -
Cash Received from Other Funds	47,703	-
Cash Payments to Employees for Services	(143,322)	-
Cash Payments for Suppliers	(1,000,746)	-
Cash Payments for Other Operating Expenses	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(75,111)</u>	<u>-</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Increase(decrease) in Transfer In	-	3,531,410
Operating Transfer Out	-	-
Due from other Funds	89,448	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>89,448</u>	<u>3,531,410</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Payment of Debt	-	(1,015,000)
Capital Contributed by Other Funds	104,319	-
Payment of Debt Interest	-	(2,679,262)
Purchase of Capital Assets	(154,728)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(50,409)</u>	<u>(3,694,262)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	189,603
Net Increase(Decrease) in Cash and Cash Equivalents	(36,072)	26,751
Cash and Cash Equivalents at Beginning of the Year:	47,340	1,234,777
Cash and Cash Equivalents at the End of the Year:	<u>\$ 11,268</u>	<u>\$ 1,261,528</u>

The notes to the Financial Statements are an integral part of this statement.

Major Fund MCPFC Detention Ctr	Major Fund MCSWA	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 9,386,943	\$ (95,062)	\$ (11,933)	\$ 10,301,202
-	-	31,677	79,380
-	(119,830)	(52,386)	(315,538)
(5,163,541)	563,085	(7,689)	(5,608,891)
-	-	8,124	8,124
<u>4,223,402</u>	<u>348,193</u>	<u>(32,207)</u>	<u>4,464,277</u>
-	-	-	3,531,410
(3,531,410)	-	-	(3,531,410)
-	147,360	20,329	257,137
<u>(3,531,410)</u>	<u>147,360</u>	<u>20,329</u>	<u>257,137</u>
-	-	-	(1,015,000)
-	-	-	104,319
-	-	(9,576)	(2,688,838)
-	(2,775,590)	-	(2,930,318)
-	(2,775,590)	(9,576)	(6,529,837)
58	8,711	19,152	217,524
692,050	(2,271,326)	(2,302)	(1,590,899)
466,949	3,038,695	2,258	4,790,019
<u>\$ 1,158,999</u>	<u>\$ 767,369</u>	<u>\$ (44)</u>	<u>\$ 3,199,120</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities	
	Major Fund	Major Fund
	Water Utility Fund	MCPFC
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (321,099)	\$ (1,028,569)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	213,301	899,640
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(1,161)	-
Decrease (increase) in Due from Other Governments	-	-
Decrease (increase) in Bond Discount	-	128,929
Increase (decrease) in Accounts Payable	(17,214)	-
Decrease (increase) in Due from Others	(2,780)	-
Increase (decrease) in Wages & Salaries Payable	3,359	-
Increase (decrease) in Intergovernmental Payables	50,483	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (75,111)</u>	<u>\$ -</u>

The notes to the Financial Statements are an integral part of this statement.

Major Fund MCPFC Detention Ctr	Major Fund MCSWA	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 2,774,758	\$ (171,892)	\$ (60,042)	\$ 1,193,156
-	-	8,821	1,121,762
(29,375)	-	(11,913)	(42,449)
(177,269)	-	-	(177,269)
-	-	-	128,929
-	604,105	(823)	586,068
1,655,288	(95,062)	31,677	1,589,123
-	11,042	73	14,474
-	-	-	50,483
<u>\$ 4,223,402</u>	<u>\$ 348,193</u>	<u>\$ (32,207)</u>	<u>\$ 4,464,277</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

EXHIBIT E-1

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 7,334,996
Investments - Current	1,748,871
Accounts Receivable-Net of Uncollectible Allowance	120,169
Due from Other Governments	293,560
Due from Other Funds	(89,180)
Due from Fiduciary Funds	16,260
Due from Others	291,621
Total Assets	<u>\$ 9,716,297</u>
LIABILITIES	
Accounts Payable	\$ 169,781
Wages and Salaries Payable	659,645
Intergovernmental Payable	976,987
Due to Other Funds	302,155
Due to Fiduciary Funds	(118,186)
Due to Others	7,725,915
Total Liabilities	<u>\$ 9,716,297</u>

The accompanying notes are an integral part of this statement.

MAVERICK COUNTY, TEXAS

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MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Maverick County, Texas (the "County") reflected in the accompanying financial statements conform to accounting principles generally acceptable (GAAP) in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB). The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

Reporting Entity

The County is a public corporation and a political subdivision of the State of Texas. The general governing body of the County is Commissioners' Court, which has none of the functions of a court but has powers and duties defined by the Texas constitution and statutes. The court is comprised of five elected officials consisting of the County Judge elected county-wide and four Commissioners elected by precinct. The County Judge is the administrative officer of the County. The general functions of Commissioners' Court as established by state statutes are to establish a courthouse and jail, appoint numerous minor officials, fill vacancies in certain County offices, get contracts in the name of the County, build roads and bridges, administer the County's public welfare services, perform numerous duties in regard to elections, set the County tax rate, issue bonds or other forms of debt, adopt the County budget and any other lawful functions authorized by law.

In the evaluation of how to define the County for financial reporting purposes, management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*. The underlying concept of the financial reporting entity is that elected officials are "accountable" to their constituents for their actions. One of the objectives of this concept is to provide users of governmental financials statements with a basis for assessing the accountability of those elected officials.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS – Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The financial reporting entity consists of: (a) the primary government (in these financial statements the primary government is the County), (b) component units, which are legally separate organizations for which the County is financially accountable or the services rendered by the component unit are provided entirely or almost entirely to the County (blended), and (c) component units, the nature and significance of their relationship with the County is such that exclusion from the reporting entity's financial statements would be misleading or incomplete (discretely presented).

Using the criteria of GASB Statements No. 14 and No. 39 outlined below, potential component units were evaluated for inclusion in, or exclusion from, the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. Based on their individual relationships with the County, some component unit financial statements were blended as though they are part of the County. The County has no component units that are discretely presented.

The following criteria (as set forth in GASB Statements No. 14 and No. 39) were used in the evaluation of potential component units of the County:

1. Legally separate
2. Financial accountability
 - a. Appointment of a voting majority
 - b. Imposition of will
 - c. Financial benefit to or burden on the County
 - d. Fiscal dependency
3. The relationship with the County is such that exclusion would cause these financial statements to be misleading or incomplete
4. Service rendered by the potential component unit is provided entirely or almost entirely to the County
5. The County or its component units, are entitled to, or have the ability to access the majority of the resources received or held by the separate organization

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The criteria outlined above were excerpted from GASB Statements No. 14 and No. 39. For more detailed explanation of the criteria established by the Statements, the reader is referred to the *Codification of Governmental Accounting and Financial Reporting Standards*, as of June 30, 2010, published by GASB, Section-2600. GASB Statement No. 39 further clarifies that a “not for profit” may not be financially accountable to the County, but may be considered a component unit based on the nature and significance of its relationship with the County.

Blended Component Units

The relationships among the following component units and the County meet the criteria, as set forth in GASB Statements No. 14 and No. 39, for inclusion in the reporting entity and are such that the financial statements are blended with those of the County.

As set forth in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the County excludes fiduciary funds and component units that are fiduciary in nature from the government-wide financial statements. The County does not have component units that are fiduciary in nature.

These financial statements include two blended component units, the *Maverick County Public Facility Corporation* (MCPFC) and the *Maverick County Solid Waste Authority, Inc.* (MCSWA).

MCPFC

The MCPFC is a public, non-profit corporation created on June 15, 2007, in accordance with the Texas Development Corporation Act of 1979. MCPFC’s purpose is to issue bonds on behalf of the County, to finance projects as defined in the Act in order to promote and develop industrial and manufacturing enterprises, thus encouraging employment and improving public welfare.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Blended Component Units – Continued

Tax-exempt bonds issued by the MCPFC do not constitute debt or a pledge of faith of credit of the MCPFC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under section 103 of the Internal Revenue Code. The MCPFC is governed by a seven-member Board of Directors which is comprised of the Maverick County Commissioners' Court, the Sheriff of the County, and a vacant position. All appointments are made by the County Commissioners' Court. The MCPFC is a major enterprise fund.

MCSWA

On August 10, 2009 the Maverick County Commissioners' Court approved creation of MCSWA (a Texas non-profit corporation) for the purpose of operating the County's type I landfill. This corporation was formed pursuant to the Texas Transportation Code which authorizes the corporation to assist and act on behalf of Maverick County to accomplish any governmental purpose of Maverick County. The bylaws of the corporation call for Maverick County Commissioners' Court appointment and approval of the corporation's five member Board of Directors. The MCSWA was formed on August 25, 2009 and commenced its operations on October 7, 2009. MCSWA will assume the operation of the County's landfill, which began operations on October 1, 2010. The MCSWA is a major enterprise fund.

Child Welfare Board

The governing board is appointed by the County. Funding for the board is provided by the State of Texas through the County; the County is fiscally and legally accountable to the state for the activities of the board. The Child Welfare Board is reported in the nonmajor special revenue funds.

Related Organizations

The following entities are related organizations as defined by GASB Statement No. 14. However, they are not included in the reporting entity or the County's Financial Statements because the County does not have the power to impose its will on them and has no financial benefit or burden relationship with them as stated below.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Non-Profit Corporations

Certain organizations established in accordance with state laws promote business development and issue industrial development bonds. These organizations include: *Maverick County Development Corporation and Maverick County Industrial Development Corporation*. Bonds issued by these organizations do not constitute indebtedness to the County and are secured solely by the organizations or individuals on whose behalf the bonds are issued. These organizations are not included in the County's reporting entity.

Interlocal Agreement with the City of Eagle Pass, Texas

The County has an interlocal agreement whereby the City of Eagle Pass, Texas ("City") provides landfill services to the County for Type IV refuse. In return, the County shares in certain operating expenses related to the City's Type IV landfill operations. The County has agreed to continue to deposit its Type IV refuse in the City's landfill for the next 5 fiscal years starting in fiscal year 2010-2011, or until the County has fully discharged its indebtedness to the City pursuant to the agreement discussed in Note 5, whichever occurs first.

Government-wide and Fund Financial Statements

The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. The government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Statement of Net Assets reflects both short-term and long-term assets and liabilities. In the Government-wide statement of net assets governmental activities are reported separately from business-type activities. Governmental activities are supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services. Long-term assets, such as capital assets, infrastructure assets, and long-term obligations are reported with the assets and liabilities of the governmental activity. The components of net assets, previously shown as fund balances, are presented in three separate components: (1) Invested Capital Assets, net of related debt, (2) restricted, and (3) Unrestricted. Interfund receivables and payables between

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS – Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-wide and Fund Financial Statements - Continued

governmental and business-type activities are eliminated in the government-wide Statement of Assets, which minimizes the duplicating of assets and liabilities within governmental and business-type activities.

Statement of Activities reflects both gross and net cost format. The net cost (by function or business-type activity) is usually covered by general revenues (property taxes, sales tax, intergovernmental revenues, etc.) Direct (gross) expenses of a given function or segment are offset by program revenues, such as licenses and permits, fines, fees and fire and ambulance services to others, and operating and capital grants. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue*, must be directly associated with the function of business-type activity. This presentation allows users to determine which functions are self-supporting, and which rely on the tax base in order to complete County requirements.

A reconciliation detailing the change in net assets between the government-wide financial statements and fund financial statements is presented separately for governmental funds.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements present information about the County as a whole. Government-wide financial statements exclude both fiduciary funds and fiduciary component units. The statement of net assets and statement of activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Agency funds have no measurement focus. 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 revenue in the year for which

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS – Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if 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. Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund equity and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The County has three (3) types of funds: (1) Governmental Funds, (2) Proprietary Funds, and (3) Fiduciary Funds. The Fund Financial Statements provide more detail information about the County's most significant funds, but not on the County as a whole. Major individual governmental funds and major enterprise funds are reported separately in the Fund Financial Statements. Non-major funds are independently presented in the combining statements.

The criteria used to determine if a governmental or enterprise fund should be reported as a major fund is as follows:

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten (10%) of the corresponding total for all funds of the category or type (that is, total governmental or total enterprise funds), and total assets and liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least five (5%) the corresponding total for all governmental and enterprise funds combined. The following is a brief description of the major governmental funds that are each presented in a separate column in the fund financial statements:

The *General Fund* is always presented as major fund and the other governmental major funds this year are the Road and Bridge, the Debt Service Fund and the TXDOT3 Fund.

The following is a brief description of the major enterprise funds that are presented in a separate column in the fund financial statements:

1. The Water Utility Fund accounts for the operation of the County's water utility.
2. The MCPFC Fund accounts for the acquisition, operation, and maintenance of the MCPFC's facilities and services and is accounted for on a flow of economic resources and measurement focus.
3. The MCPFC Detention Center Fund accounts for the operation of the County's Detention Center that it rents from the MCPFC and is operated by the GEO Group, Inc.
4. The MCSWA Fund accounts for the landfill operations of the County which are operated by the MCSWA.

Fund Accounting

The County's accounts are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenue and expenditures. The following is a description of the fund types and account groups used by the County in the accompanying financial statements.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Governmental Funds

General Fund - The General Fund accounts for the resources used to finance the fundamental operations of the County. It is the general operating fund of the County and covers all activities for which a special fund has not been established.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - The Capital Project Funds are used to account for certain capital assets, acquisitions, use or purchase of certain items of personal property and lease purchase agreements. Additionally, it accounts for certain projects funded by grants.

Proprietary Funds

The Proprietary Fund is accounted for on the flow of economic resources, measurements focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The Proprietary fund consists of the following funds:

Enterprise Funds - Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales, services and fees for use of water and sewer service and refuse collection. Operating expenses for

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary Funds - Continued

Enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets, operating revenue and expenses. The County's proprietary funds apply all applicable GASB Statements as well as FASB Statements and Interpretations, APB Opinions and ARBs issued on or before November 30, 1989, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The County has elected not to apply any FASB Statements and Interpretations issued after November 30, 1989.

The MCPFC's basic financial statements are presented as a single Enterprise Fund. This Enterprise fund accounts for the acquisition, operation, and maintenance of the MCPFC's facilities and services and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The enterprise fund is accounted for using the accrual basis of accounting. Its revenue is recognized when it is earned and its expenses are recognized when they are incurred.

The MCPFC distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services. The MCPFC had no operating revenues for the year. Operating expenses for the MCPFC include MCPFC operation expenses and administrative expenses. All revenues and expenses not meeting this criterion are reported as non-operating revenues and expenses. The MCPFC had no operating revenues because the rental payments received from the MCPFC Detention Center are considered non-reciprocal interfund activity and because the MCPFC is a blended component unit of the County. All mandatory rental payments received in accordance with the MCPFC lease and debt agreements are classified and reported as non-operating transfers in from the MCPFC Detention Center.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fiduciary Funds

Agency Funds - These funds are established to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, government securities and time deposits. Cash and cash equivalents include amounts in demand deposits as well as highly liquid and short-term investments with an original maturity date of approximately three months or less from the date acquired by the County.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

All cash and temporary investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Investments are stated at cost or amortized costs, which approximates market value.

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet, and the reported revenues and expenses for the period. Actual results could differ significantly from those estimates.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible. The property tax receivable allowance is equal to 5 percent of outstanding property taxes at September 30, 2010.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Budgets

An annual budget is legally approved and adopted for the general fund. Budgets for grants, which are part of special revenue funds, are employed as a management control device in order to comply with grantor provisions. All appropriations expire at the end of the fiscal year except for grant and capital project funds, if any, many of which are funded for periods longer than one year. The adopted General Fund budget is adopted by Commissioners’ Court and filed with the County Clerk. Amendments are made during the year based on approval by Commissioners’ Court. The final amended budget is used in this report. Under state law the budget should not be exceeded in any expenditure category. The Commissioners’ Court is authorized to transfer budget amounts between

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Budgets – Continued

departments or accounts; however, public hearings must be conducted before any revisions that alter the total expenditures are effective.

The County does not employ encumbrance accounting whereby purchase orders, contracts and other commitments for expenditures of monies are recorded in order to reserve a portion of the applicable budgeted appropriation. Under the County's budgetary process, budgetary data are compared with actual expenditures incurred during the current year. Although General fund appropriations lapse at year-end, it is the County's intention to honor such commitments with the subsequent year's appropriations, except jail lease payments.

Inventory

Inventory of materials and supplies consist principally of expendable items held for consumption. The County uses the consumption method to account for its inventory. Under this method, inventory items are considered expenditures when used. Inventory is valued at the lower cost or market.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2010, are recorded as prepaid items.

Restricted Assets

Restricted funds primarily consist of funds related to the MCPFC bond covenant accounts in possession of the appointed trustee. Additionally, restricted assets consist of funds collected pursuant to legal proceedings which require bonds be

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

paid pending the resolution of said proceedings. Certain proceeds from state fees collected are classified as restricted assets on the balance sheet because their use is limited by state law. Monthly state motor vehicle fees collected by the tax collector are by state statute allowed to be deposited with the County Treasurer in interest bearing accounts for a specified time period. Interest earned during this period is retained by the County. At the end of the statutory time period the fees less interest are returned to the tax collector for remittance to the state.

The MCPFC Detention Center Fund had cash and cash equivalents and due from other governments at September 30, 2010 of \$1,158,999 and \$1,471,553, respectively, that are restricted by the County's Lease Agreement and the Bond Indenture administered by the County.

The MCSWA had a \$570,000 Certificate of Deposit ("CD") that was a cash equivalent at September 30, 2010. This CD served as collateral for a letter of credit.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are presented as Construction-In-Progress and are capitalized when substantially completed.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Capital Assets – Continued

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements other than buildings	5-50
Equipment	5-20
Infrastructure	40
Water Rights	40
Deferred Charges	5-25

Deferred charges consist of unamortized bond issue costs. Bond issue costs are amortized over the term of the bond.

Unamortized Premiums (Discounts) on Bonds

Bond premiums and discounts are deferred and amortized over the life of the bond.

Federal and State Grants

Revenues from Federal and State grants are recognized on the basis of actual expenditures incurred, limited to the amount of the total grant award. However, certain grants permit the use of funds not expended in the current year; therefore a fund balance is reflected in the Special Revenue Funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Compensated Absences

County policy is to allow earned vacation days on a pre-determined schedule based on the length of service, with the minimum of ten (10) days and maximum of twenty (20) days. The policy does not allow employees to accumulate vacation hours beyond their annual anniversary date. Upon termination any earned and unused days are paid.

Sick leave policy allows employees to earn days at the rate of one (1) day per month with a maximum accumulation of sixty (60) days. Upon retirement or death, one-half (1/2) of accumulated unused sick days are paid.

The County allows employees to take compensatory time in lieu of overtime pay. Compensatory hours cannot be accumulated past the pay period earned; however, the County historically has not enforced this policy.

The County has implemented the provisions of GASB 16 Compensated Absences. The County has reported the accrued liability for accumulated vacation and compensatory time in the general long-term debt account group. No expenditure is reported in these financial statements.

Long-term Obligations

In the *government-wide financial statements* and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Long-term Obligations – Continued

In the *fund financial statements*, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Property Taxes

On January 1st of each year, a tax lien attaches to the property to secure the payment of all ad valorem taxes, penalties and interest ultimately imposed on the property for the year. In September of each year or as soon as practicable thereafter, Commissioner's Court sets the tax rate and levies taxes. The Tax Assessor bills the taxes and they are payable from October 1st in the year in which they are levied to January 31st of the following year without penalty or interest. Taxes become delinquent on February 1st and are subject to penalty or interest. On that date, the County may file suit for collection of unpaid taxes. On July 1st, unpaid taxes are subject to additional penalties for collection expenses.

As previously stated in Note 1 – Basis of Accounting, property tax revenues are recognized when they become available, which means when due, or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. The amount of delinquent taxes collected in October and November 2010 was not material to these financial statements and therefore, has not been accrued. Uncollected property taxes (delinquent) and related penalty and interest at September 30, 2010 have been reflected as deferred revenues.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity – Continued

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operation transfers.

Short-term amounts owed between funds are classified as “Due To/From Other Funds”.

Non-Operating Transfers in from Detention Center

These transfers are mandatory transfers required by the County lease and the MCPFC’s bond indenture. The total received for the year ended September 30, 2010 was \$3,531,410.

Net Assets and Fund Equity

Reserves of fund balance represent portions of the fund balance that are not appropriated for expenditure either because of their nature or because of legal restrictions on their use or because they are legally segregated for a specific future use.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB Implementations

During 2010, the County reviewed all applicable GASB Statements effective during the fiscal year. The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, deferred charges, and computer software.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

Stewardship, Compliance, and Accountability

Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. Amounts estimated to be required for debt service on debt are provided by allocated property taxes, interest earned within the Debt Service Fund and transfers from other funds.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentations.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of September 30, 2010, the County had the following cash:

Description	Governmental	Enterprise	Agency	Total
Cash and Cash Equivalents	\$ 668,068	\$ 208,637	\$ 7,334,996	\$ 8,211,701
Cash and Cash Equivalents-Restricted	-	2,990,527	-	2,990,527
Investments - Restricted	276,136	3,785,758	1,748,871	5,810,765
Bank Overdrafts	(316,313)	(44)	-	(316,357)
Total	\$ 627,891	\$ 6,984,878	\$ 9,083,867	\$ 16,696,636

As of September 30, 2010, the MCSWA had a \$570,000 CD that was a cash equivalent and collateralized a letter of credit.

Investments

As of September 30, 2010, the MCPFC had a CD totaling \$3,785,758 with the bank that serves as the Public Facility Corporation's indenture trustee. This five year CD matures on August 1, 2012 and has an interest rate of 5.05%. It pays interest on February 1 and August 1 of each year.

Credit Risk for Deposits

Except for investments held in trust by the District Clerk, the County has only demand accounts. The investments held in trust by the District Clerk consist of savings accounts and certificates of deposit.

Policies and Legal and Contractual Provisions Governing Deposits and Investments

The County is required by the Public Funds Investment Act, Chapter 2256, State of Texas Government Code to adopt and implement an investment policy. The County has adopted such a policy. That policy addresses the following areas: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities and bid solicitation preferences for certificates of deposit.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS – Continued

State statutes and Board policy authorize the County to invest in the following types of investments meeting criteria and eligibility requirements established by Texas Government Code 2256: obligations of, or guaranteed by, governmental entities, certificates of deposit and share certificates, fully collateralized repurchase agreements, a securities lending program, bankers acceptance, commercial paper, no-load money mutual funds and no-load mutual funds, guaranteed investment contracts as an investment vehicle for bond proceeds and public funds investment pools.

The Public Funds Investment Act also requires the County to have independent accountants perform procedures related to investments practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and County policy.

The MCPFC has a fiduciary relationship with the bank, which also serves as its fiscal agent. The CD of the MCPFC has been insured or collateralized with securities held by the MCPFC fiscal agent in the name of the MCPFC. The MCPFC is authorized to make investments as permitted by the Public Facility Corporation bond indenture which are comparable to investments listed in Chapter 2256 of the Texas Government Code following the “prudent person rule”. There were no significant violations of legal provisions during the period. At September 30, 2010, the MCPFC had cash, cash equivalents, and investments totaling \$1,261,528. Currently the cash and cash equivalents consist of Treasury Obligations with daily liquidity rights. These Treasury Obligations are held by the trustee in name of the MCPFC.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS – Continued

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the County nor its component units have a formal policy on credit risk, custodial risk, and concentration of credit risk; however, the MCPFC's investment policy and Government Code Chapter 2257, *Collateral for Public Funds*, contains legal or policy requirements that would limit the exposure to custodial risk for deposits or investments.

To limit the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of deposits and investments or collateral securities that are in the possession of an outside party the County and its component units, except for the MCPFC, require counterparties to register the securities in the name of the County and its component units, except for the MCPFC, and hand them over to the County and its component units, except for the MCPFC, or their designated agent. All securities are held in the name of the County, by the County and its component units, except for the MCPFC, or their agent.

The County and its component units, except for the MCPFC, while not having a formal policy regarding types of deposits allowed and collateral requirements, does require all deposits in excess of insurance be secured by pledged collateral. The County and its component units, except for the MCPFC, were not exposed to custodial risk for its deposits as all were covered by depository insurance and collateral coverage.

The MCPFC requires counterparties to register the securities in the name of the MCPFC and hand them over to the MCPFC or its designated agent. All securities are held in the name of the MCPFC, by the MCPFC, or its agent.

The MCPFC is not exposed to custodial risk for its deposits as all are covered by depository insurance and collateral coverage.

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 3: INTERFUND RECEIVABLE AND PAYABLE BALANCES

The following summary of Interfund receivables and payables for the County as of September 30, 2010:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Governmental Funds:</u>		
General Fund	\$ 7,839,019	\$ 7,894,587
Special Revenue Funds		
Road and Bridge Fund	2,201,035	4,806,248
Non-Major Special Revenue Funds	<u>3,364,754</u>	<u>1,617,684</u>
Total Special Revenue Funds	<u>5,565,789</u>	<u>6,423,932</u>
Capital Projects Funds:		
TXDOT3	521,633	2,345,573
Non-Major Capital Projects Funds	<u>1,988,674</u>	<u>1,624,288</u>
Total Capital Project Funds	<u>2,510,307</u>	<u>3,969,861</u>
Debt Service Fund:		
Debt Service	<u>1,097,662</u>	<u>-</u>
Total Governmental Funds	<u>17,012,777</u>	<u>18,288,380</u>
<u>Enterprise Funds:</u>		
Utility Fund	2,780	813,621
Solid Waste Authority Fund	95,062	145,560
Non-Major Enterprise Fund	<u>2,414,867</u>	<u>21,036</u>
Total Enterprise Funds	<u>2,512,709</u>	<u>980,217</u>
<u>Fiduciary Funds:</u>		
Agency Funds	<u>(72,920)</u>	<u>183,969</u>
Total Fiduciary Funds	<u>(72,920)</u>	<u>183,969</u>
Total	\$ <u>19,452,566</u>	\$ <u>19,452,566</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 3: INTERFUND RECEIVABLE AND PAYABLE BALANCES – Continued

Inter Fund Receivables/Payable

The Interfund Receivables and Payables are short-term amounts owed between funds are classified as “Due To/From Other Funds”. The above balances, classified as “Due To/From Other Funds”, for the most part are not “short-term” in nature, but rather the result of transactions over a period of time. These amounts are eliminated in the Statement of Net Assets in accordance with GASB 34.

The County’s Commissioners’ Court has approved a plan to liquidate these Interfund balances in the fiscal year ending September 30, 2012.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balance 9/30/09	Prior Year Adjustments	Restated Balance at 09/30/09	Additions	Capital Contributions	Decreases	Ending Balance 9/30/10
Government Activities:							
Capital Assets, not being depreciated:							
Land	\$ 4,415,760	\$ (346,719)	\$ 4,069,041	\$ -	\$ -	\$ -	\$ 4,069,041
Construction in Progress	27,566,131	(11,372,448)	16,193,683	13,700,103	(104,319)	15,469,498	14,319,969
Total Assets not being depreciated	31,981,891	(11,719,167)	20,262,724	13,700,103	(104,319)	15,469,498	18,389,010
Capital Assets, being depreciated:							
Buildings	10,502,376	(223,750)	10,278,626	3,633,520	-	-	13,912,146
Equipment	10,010,183	(154,899)	9,855,284	1,418,353	-	-	11,273,637
Infrastructure	3,925,593	-	3,925,593	12,113,834	-	-	16,039,427
Deferred Charges	-	-	-	739,394	-	-	739,394
Total Capital Assets being depreciated	24,438,152	(378,649)	24,059,503	17,905,101	-	-	41,964,604
Less Accumulated Depreciation:	12,214,059	(349,165)	11,864,894	1,554,395	-	-	13,419,289
Total Capital Assets being depreciated, net	12,224,093	(29,484)	12,194,609	16,350,706	-	-	28,545,315
Governmental activities capital assets, net	\$ 44,205,984	\$ (11,748,651)	\$ 32,457,333	\$ 30,050,809	\$ (104,319)	\$ 15,469,498	\$ 46,934,325
Business-type Activities:							
Capital Assets, not being depreciated:							
Land - MCPFC	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Land - MCSWA	-	308,919	308,919	-	-	-	308,919
Land - Water Plant	-	37,800	37,800	-	-	-	37,800
Land - Airport	-	1	1	-	-	-	1
Total Assets not being depreciated	500,000	346,720	846,720	-	-	-	846,720
Capital Assets, being depreciated:							
Water Plant	-	6,410,781	6,410,781	-	104,319	-	6,515,100
Landfill - MCSWA	-	4,200,267	4,200,267	2,693,363	-	-	6,893,630
Buildings - MCPFC	35,103,568	-	35,103,568	-	-	-	35,103,568
Buildings - Airport	-	352,857	352,857	-	-	-	352,857
Equipment - Airport	-	154,899	154,899	-	-	-	154,899
Equipment - MCSWA	-	-	-	82,227	-	-	82,227
Deferred Charges	426,756	-	426,756	-	-	-	426,756
Water Rights	-	761,400	761,400	-	-	-	761,400
Total Capital Assets being depreciated	35,530,324	11,880,204	47,410,528	2,775,590	104,319	-	50,290,437
Less Accumulated Depreciation:	731,324	458,891	1,190,215	1,121,762	-	-	2,311,977
Total Capital Assets being depreciated, net	34,799,000	11,421,313	46,220,313	1,653,828	104,319	-	47,978,460
Business-type activities capital assets, net	\$ 35,299,000	\$ 11,768,033	\$ 47,067,033	\$ 1,653,828	\$ 104,319	\$ -	\$ 48,825,180

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 4: CAPITAL ASSETS – Continued

The County currently does not have adequate accounting records to support any cost basis for the land used in the Airport Operations. It is reported at \$1 as of September 30, 2010.

Depreciation expense was charged to functions/programs of the primary government as follows, with depreciation charged from 5 to 33 years:

	<u>Amount</u>
Governmental Activities	
General Government	\$ 264,247
Public Safety	512,950
Road and Bridge	715,022
Education and Recreation	46,632
Health and Welfare	<u>15,544</u>
Total Depreciation Expenses-Governmental Activities	\$ <u>1,554,395</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 5: DEBT

During the year ended September 30, 2010, the following changes occurred in the County's debt:

<u>Issue</u>	<u>Original Issue Amount</u>	<u>Final Due</u>	<u>Interest Rate</u>	<u>Balance 9/30/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2010</u>	<u>Due within One Yr.</u>
Revenue Bond Series 2007	\$ 42,875,000	2029	6.25 - 9.0%	\$ 42,875,000	\$ -	\$ 1,015,000	\$ 41,860,000	\$ 1,115,000
Certificates of Obligations								
Series 1996-B	685,000	2011	6.5%	135,000	-	135,000	-	-
Series 1997	4,270,000	2010	4.25 - 6.2%	445,000	-	445,000	-	-
Series 1998	2,545,000	2013	3.85 - 4.5%	1,450,000	-	1,450,000	-	-
Series 2000	6,755,000	2016	4.95 - 5.5%	3,945,000	-	3,945,000	-	-
Series 2004	5,000,000	2020	2.0 - 5.0%	4,395,000	-	215,000	4,180,000	185,000
Series 2009	5,000,000	2020	8.75%	-	5,000,000	-	5,000,000	-
Refunding Bonds Series 2009	13,960,000	2020	8.75%	-	13,960,000	-	13,960,000	-
Tax Anticipation Note Series 2008	8,500,000	2013	5.5%	7,285,714	-	7,285,714	-	-
Tax Notes								
Series 2003-A	1,510,000	2010	2.0 - 3.5%	255,000	-	255,000	-	-
Series 2009	1,500,000	2014	6.0%	-	1,500,000	275,000	1,225,000	280,000
Capital Leases	-	2010	Varies	2,103,374	-	438,366	1,665,008	397,388
Compensated Absences	-			595,092	808,966	738,541	665,517	665,517
Other Long-Term Obligations				934,535	28,829	-	963,364	-
				<u>\$ 64,418,715</u>	<u>\$ 21,297,795</u>	<u>\$ 16,197,621</u>	<u>\$ 69,518,889</u>	<u>\$ 2,642,905</u>
Less								
Series 2007 Bonds Discounts							(2,366,296)	
Plus								
Series 2009 Bonds Premium							440,547	
Total							<u>\$ 67,593,140</u>	

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 5: DEBT – Continued

The annual requirements to amortize all debt (excluding compensated absences) outstanding at September 30, 2010, are as follows:

Year End 9/30	Certificates of Obligation		Refunding Bonds		Tax Notes		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 185,000	\$ 627,120	\$ -	\$ 1,221,500	\$ 280,000	\$ 65,100	\$ 397,388	\$ 102,960
2012	215,000	620,486	-	1,221,500	295,000	47,850	373,481	76,118
2013	245,000	612,448	-	1,221,500	315,000	29,550	340,864	54,204
2014	265,000	603,069	-	1,221,500	335,000	10,050	306,096	30,455
2015	385,000	588,144	270,000	1,209,688	-	-	247,179	8,358
2016 to 2020	3,610,000	2,435,000	1,760,000	5,630,625	-	-	-	-
2021 to 2025	980,000	1,669,938	2,725,000	4,664,844	-	-	-	-
2026 to 2030	1,510,000	1,134,438	4,215,000	3,169,031	-	-	-	-
2031 to 2034	1,785,000	329,219	4,990,000	920,500	-	-	-	-
Total	\$ 9,180,000	\$ 8,619,862	\$ 13,960,000	\$ 20,480,688	\$ 1,225,000	\$ 152,550	\$ 1,665,008	\$ 272,095

As of September 30, 2010, the County was not in material compliance with certain debt covenants related to its Certificates of Obligation, Refunding Bonds and its Tax Notes.

Debt Defeasance

In the current year, the County defeased certain certificates of obligation, contractual obligations and tax anticipation notes by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The payment of the certificates of obligation plus interest thereon to the due date thereof is provided by irrevocably depositing with a paying agent trust money sufficient to make such payment and all expenses for the Bonds. The County has additionally reserved the right, subject to satisfying the requirements above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance. The trust account assets and liability for the defeased bonds are not included in the County's financial statements.

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 5: DEBT – Continued

Debt Defeasance – Continued

The County issued \$13,960,000 in Limited Tax and Revenue Refunding Bonds, Series 2009 with an interest rate of 8.75%. The proceeds were used to pay for the cost of issuing bonds, to advance refund \$135,000 of Series 1996-B Certificates of Obligation, \$445,000 of Series 1997 Certificates of Obligation, \$1,450,000 of Series 1998-B Certificates of Obligation, \$3,945,000 of Series 2000 Certificates of Obligation, \$7,285,714 of Series 2008 Tax Anticipation Notes and \$255,000 of Series 2003-A Tax Notes. The advance refunding increased the County's total debt service payments of the next 35 years by \$19,669,108 as shown below:

	<u>Amount</u>
Gross cash flow requirements to service new debt	\$ 35,472,176
Gross cash flow requirements to service old debt	<u>(15,803,068)</u>
Net Increase In Gross Cash Flow Requirements	\$ <u>19,669,108</u>

The outstanding amount of these defeased bonds at September 30, 2010 was \$10,991,429.

The refunding described above resulted in an economic loss (calculated as the difference between the present value of the debt service payments on the old and new debt, discounted using the 8.75% interest rate the new debt) of \$1,442,144 as follows:

	<u>Amount</u>
Discounted cash flow requirements to service new debt	\$ 14,112,831
Discounted cash flow requirements to service old debt	<u>(12,670,687)</u>
Net Decrease In Cash Flow From Refunding	\$ <u>1,442,144</u>

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 5: DEBT – Continued

Business-Type Activity Debt

On July 26, 2007, the MCPFC issued \$42,255,000 in Project Revenue Bonds, Series 2007A-1, and \$620,000 Project Revenue Bonds, Series 2007A-2 (Taxable) to finance the acquisition, construction, furnishing, and equipping of a medium security correctional facility in Maverick County, Texas. The MCPFC Detention Center consists of a 654 bed correctional facility leased by the County. The County entered into agreements to house prisoners under the jurisdiction of subdivisions and agencies of the State and other governmental entities. Revenues from the operations commenced in December 2008 and are pledged to secure rental payments due under MCPFC lease.

Bond principal and interest are payable only from the Project Facility Revenues and from no other source. The bonds and principal do not constitute a general obligation of the MCPFC or the County, the State of Texas, or any political subdivision thereof. Neither the full faith nor credit of the MCPFC, the County or the State of Texas or any of its political subdivisions is pledged for the payment of the bonds principal and interest.

Interest on the Series 2007A-1 ranges from 6.250% to 6.375% and on the Series 2007A-2 bonds is at 9.00%, with maturities ranging from February 2010 to February 2029 as follows:

Year End				
9/30	Principal	Interest	Total	
2011	\$ 1,115,000	\$ 2,592,813	\$ 3,707,813	
2012	1,185,000	2,520,225	3,705,225	
2013	1,255,000	2,443,261	3,698,261	
2014	1,330,000	2,361,516	3,691,516	
2015	1,415,000	2,275,068	3,690,068	
2016 to 2020	8,480,000	9,598,705	18,078,705	
2021 to 2025	11,440,000	6,017,020	17,457,020	
2026 to 2036	<u>15,640,000</u>	<u>3,260,471</u>	<u>18,900,471</u>	
Total	\$ <u>41,860,000</u>	\$ <u>31,069,079</u>	\$ <u>72,929,079</u>	

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 5: DEBT – Continued

Business-Type Activity Debt - Continued

The lease between the County and the MCPFC covers a lease term starting on July 1, 2007 until the lease is terminated. The lease is terminated when the Bond Principal and interest are paid or the County elects to purchase the facility under the terms of the lease. The amount of the lease payable by the County is the amount necessary to pay all bond principal and interest, plus additional payments to fund the facility's operation and reserve accounts. The County's lease payments are payable only from the facility's Project Revenues and from no other source. The County has not appropriated nor does it intend to appropriate any tax revenues or any other funds for the lease payments.

Operation of the MCPFC Detention Center has been contracted to an independent corporation that runs similar facilities throughout the United States. This corporation collects facility fees on behalf of the County and deposits such amounts with an independent fiscal agent in accordance with the terms of its MCPFC lease and bond covenants.

For the year ended September 30, 2010, the MCPFC Detention Center generated \$9,593,587 in income; incurred \$6,381,879 in operator fees, paid the County \$425,000 in monitoring and impact fees, and transferred \$3,531,410 to the MCPFC. The MCPFC's independent fiscal agent collected the above amounts and paid all scheduled interest. The MCPFC Detention Center operations are accounted for within the County.

Compromise and Settlement Agreement – 2010

Effective November 16, 2010, the County, MCSWA and the City of Eagle Pass, Texas ("City") entered into a Compromise and Settlement Agreement ("Agreement").

The Agreement commits the County to provide limited uncompensated use of its Maverick County landfill site (Permit 2316) for deposit of Type I refuse (County Landfill") in discharge of the County's indebtedness to the City for landfill and fire related protection and emergency ambulance services by the City in certain prior years and that had been agreed to by the County and the City in a prior Compromise and Settlement Agreement ("Settlement") dated September 9, 2008.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 5: DEBT – Continued

Compromise and Settlement Agreement – 2010 – Continued

The agreement is made between the City as one party, the County and the MCSWA as the other parties. It is the intention of the parties to bind the MCSWA to the obligations of the County hereunder, and although efforts have been made to designate the MCSWA where necessary and appropriate herein, it is the recited intention of the parties that to the extent an obligation assigned solely to the County hereunder would require the cooperation of the MCSWA to perform such obligation, then references to the County herein shall be deemed to refer to and also obligate the MCSWA.

The Agreement is intended to supersede the Settlement as it regards obligations of the parties from and after the effective date of November 16, 2010. The parties hereby mutually release one another, their governing bodies, agents and employees from any liability for claims released by the Settlement or for breach of the Settlement and substitute therefor their mutual obligations hereunder.

The County agrees to pay \$963,364 (“Indebtedness”), representing \$869,663, plus 6.0% simple annual interest from January 30, 2009 through October 31, 2010, in ten equal annual payments of \$96,336, with the first payment due the 31st of October 2011 and each anniversary year thereafter, until payment per the terms in this Agreement (to include Refuse Deposit Option) in full has been made. The County represents and covenants that all moneys required to be paid to the City under this Agreement shall constitute an operating expense of the MCSWA as authorized by the Constitution and laws of the State of Texas and that if the MCSWA cannot budget or appropriate funds or provide the facilities as herein stated, the County is nonetheless responsible and obligated to pay this debt in full. MCSWA agrees to fix and maintain tax rates and collect charges for the facilities and services provided by the MCSWA as will be adequate to permit the MCSWA to make prompt payment of all expenses of its operations, including payments under this Agreement from its revenues. The obligations of the MCSWA under this Agreement shall constitute a current expense of the MCSWA in each fiscal year, and shall not constitute an indebtedness of the MCSWA or the County. Nothing herein shall constitute a pledge by the MCSWA or the County of any taxes or other money, other than available funds for the current fiscal year to the payment of any amount due hereunder. The County currently has available funds which have been appropriated to pay all amounts due during the current fiscal year and the County presently expects sufficient available funds or other lawfully available appropriated funds to satisfy its obligations under this Agreement;

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 5: DEBT – Continued

Compromise and Settlement Agreement – 2010 – Continued

provided, however, that the County has no obligation to appropriate, regardless of the amount of available funds in any fiscal year. The County covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay any amount hereunder during each succeeding fiscal year. The County and the MCSWA retain the right to pay Indebtedness in full at any given time prior to the termination of this Agreement, without penalty to the County or the MCSWA.

In lieu of payment in cash of the amounts stated in the paragraph above, the County and the MCSWA agree that the City shall have the continuing right to make written demand each fiscal year, no later than September 1st of each year until the Indebtedness is fully discharged pursuant to the Agreement, for the deposit of 2,408.41 tons of Type I refuse at the County Landfill in said year in lieu of requiring a cash payment that year by County (“Refuse Deposit Option”). The amount of refuse eligible for uncharged deposit by the City into the County Landfill in any one year pursuant to the Refuse Deposit Option has been calculated as the \$963,364 Indebtedness, divided by ten years, further divided by \$40.00/ton. The City and anyone with whom the City contracts to perform trash collection services shall be entitled to use said Refuse Deposit Option with the approval of the MCSWA. The MCSWA agrees not to unreasonably withhold said approval.

Bond Rating

In the current year and at the request of the County, Standard & Poor’s Rating Service, a national rating service, withdrew its Standard & Poor’s underlying rating (SPUR) on Maverick County’s general obligation debt. As a result, the County’s general obligation debt rating went from a rating of “BB” to “unrated”. This matter may have an effect on the County’s future cost of financing and ability to acquire new financing or refinancing.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 6: LETTER OF CREDIT

At September 30, 2010, the County had an unused irrevocable standby letter of credit in the amount of \$570,000. The letter of credit was effective on August 31, 2010, with an expiration date of August 31, 2011 that automatically extends for a period of at least one year at August 31, 2011 and on each successive expiration date, unless, at least 120 days before the expiration date the financial institution notifies the County that it has decided not to extend the letter of credit. The letter of credit was collateralized by a certificate of deposit totaling \$570,000.

On April 28, 2011, the financial institution sent the County a non-renewal notice. On August 12, 2011 the financial institution rescinded the non-renewal notice and renewed the letter of credit for another one year period as of the expiration date of August 31, 2011.

The letter of credit is for the County's Solid Waste Facility landfill and is pledged to the Texas Commission on Environmental Quality.

NOTE 7: RETIREMENT 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 568 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 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 equal 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 7: RETIREMENT PLAN – Continued

Plan Description – Continued

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

Funding Policy

The employer has elected to annually determine contribution rate (ADCR) plan under the 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 in compliance with GASB 27. The calculated GASB 27 employer compliant contribution rates for 2009 and 2010 were 6.50% and 7.41%, respectively. These rates were adopted by the employer.

The contribution rate payable by the employee members for the calendar years 2007, 2008 and 2009 was 5% as adopted by the governing body of the employer.

Annual Pension Cost

Schedule of Actuarial Liabilities and Funding Progress						
	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/07	\$ 12,991,085	\$ 13,462,155	96.5%	\$ 471,070	\$ 7,849,806	6.0%
12/31/08	12,992,975	14,625,248	88.8%	1,632,273	8,736,543	18.7%
12/31/09	14,850,226	16,315,799	91.0%	1,465,573	10,060,905	14.6%

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 7: RETIREMENT PLAN – Continued

The County’s annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the fiscal year ended September 30, 2010 and the two preceding fiscal years are as follows:

Annual Pension Cost

Fiscal Year Ended	Annual Required Contribution (ARC)	Percent of ARC Contributed	Net Pension Obligation
12/31/07	\$ 577,711	100%	\$ -
12/31/08	565,992	100%	-
12/31/09	653,959	100%	-

System-Wide Actuarial Assumptions

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, closed
Remaining Amortization Period	20 Years
Asset Valuation Method	SAF: 10-Yr Smoothed Valued ESF Fund Value
Investment Rate of Return	8.0%
Projected Salary Increases	5.40%
Includes Inflation At	3.50%
Cost of Living Adjustments	0%

In addition to the system-wide assumptions above, the following actuarial assumptions were used for the County: Payroll growth assumption = 3%; Withdrawal rates for male/female = Mid-Low/Mid-Low.

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 8: CONTINGENCIES

Grants

The County receives significant financial assistance from federal and state agencies in the form of grants and contracts. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant and/or contract agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of the County Administrators, liabilities resulting from disallowed claims, if any, will not have a material adverse effect on the County's financial position at September 30, 2010.

Monthly Financial Reporting

For the 2009-2010 fiscal year, the County Auditor was not presenting monthly financial reports to the Commissioners' Court in accordance with Texas Local Government Code sections 114.024 and 114.025. For this contingency, no provision has been recorded in the financial statements of the County because a final amount due and payable to the State, if any, cannot be estimated. As of September 30, 2010, this matter has not been resolved.

Arbitrage

The County has issued certain tax-exempt bonds, which are subject to arbitrage regulation. The Internal Revenue Service has imposed restrictions on the use of proceeds from these bonds, and requires that interest income earned on proceeds in excess of the related interest expense on the tax-exempt bonds be remitted to the federal government. Such bonds are subject to review and audit by the IRS, which could result in liabilities for additional arbitrage rebate due to the federal government, interest, fines, penalties, and lawsuits. No audits have occurred, and the possibility of future audits and an estimate of the possible future impact of such audits cannot be currently determined. Management has estimated that no arbitrage earnings rebate is currently payable as of September 30, 2010.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 8: CONTINGENCIES – Continued

Pending Litigation

The County is a defendant in various lawsuits and pending litigation. The outcome of these lawsuits is not presently determinable, and county commissioners cannot determine if these matters will have a material adverse effect, if any, on the financial condition of the County.

NOTE 9: RISK FINANCING

Property and Casualty Liability

The County is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The County has contracted with insurance companies for certain coverage relating to the risk of law enforcement and airport liability. Through an interlocal agreement, the County is a member of the Texas Political Subdivisions Property/Casualty Joint Self-Insurance Fund. Through participation in this fund, the County maintains self-insurance coverage for the following risk exposures:

- General liability
- Automobile liability, including physical liability
- Property and equipment damage

The above mentioned self-insurance pool is not intended to operate as an insurance company, but rather is intended to be the contracting mechanism by which each member of the pool provides liability coverage for itself and its employees in their official capacity and coverage for its property. The pool will defend and pay on behalf of the member any valid claim less appropriate deductibles and co-insurance, up to the stop-loss limit. The County, as member, agrees to make prompt notices of claims, premium payments, and to cooperate in implementing loss control measures or managed care controls as may be recommended by the pool.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 9: RISK FINANCING – Continued

Property and Casualty Liability – Continued

The operator of the MCPFC Detention Center Correctional Facility carries insurance coverage as stipulated in its operator agreement to provide liability insurance coverage for commercial general liability, civil rights liability, property and casualty liability, auto liability, workers' compensation, and employer's liability and umbrella liability. In addition, the operator carries a business interruption policy to fund operating and debt service costs for up to one year from the occurrence of the MCPFC Detention Center business interruption.

Workers' Compensation Benefits

Employee Health Benefits

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 9: RISK FINANCING – Continued

Claims Liability

Liabilities for the Employee Health Insurance Program are reported 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 (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, damage awards (including frequency and amount of payouts), and economic and social trends. Accordingly, claims are re-evaluated periodically to consider the effects of such factors. The estimate of the claims and other amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The following is a summary of claims for the County's employee health benefits for the year ended September 30, 2010:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2009-2010	\$ -	\$ 689,153	\$ 37,043	\$ (632,639)	\$ 93,557

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 10: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

Estimated Cost of Closure and Post Closure Costs.

The County commenced operations on one active landfill site on October 1, 2010. State and federal laws and regulations require the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years (30) after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the landfill capacity used as of each statement of net assets date. These future closure and post closure care costs will be paid only near or after the date the landfill no longer accepts waste. The \$0 reported as landfill closure and post-closure care liability at September 30, 2010, represents the cumulative amount reported to date based on the use of 0% of the estimated capacity of the landfill. The current change recognized in this fiscal year is \$0. The County will recognize the remaining estimated cost of closure and post-closure care of \$8,998,274 as the remaining estimated capacity is filled. The County estimates the useful life as of September 30, 2010 to approximate thirty years (30). The estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2010. However, the actual cost of closure and post closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The County is required under the provision of the Texas Administrative Code to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ), formerly known as the Texas Natural Resource Conservation Commission, related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. As such, financial assurance is required to ensure that funds are available, when needed, to meet costs associated with the closure of the County's landfill. Currently the County has pledged to the TCEQ a letter of credit. See Note 6.

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 11: INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental Funds:</i>		
General Fund	\$ -	\$ 77,129
Special Revenue Funds		
Road and Bridge Fund	600,000	-
CDBG	77,129	-
Non-Major Special Revenue Fund	-	975,000
	<u>677,129</u>	<u>975,000</u>
Debt Service Funds		
Debt Service	<u>375,000</u>	<u>-</u>
	375,000	-
Total Governmental Funds	<u>1,052,129</u>	<u>1,052,129</u>
<i>Enterprise Funds:</i>		
MCPFC	3,531,410	-
MCPFC Detention Center	-	3,531,410
MCSWA	-	-
Total Enterprise Funds	<u>3,531,410</u>	<u>3,531,410</u>
Total Transfers	<u>\$ 4,583,539</u>	<u>\$ 4,583,539</u>

Transfers from the Enterprise Funds were made to subsidize Governmental operations as is permitted by ordinance. Transfers from Governmental Funds principally the General Fund and the Landfill Waste/Criminal Detention Center Fund, a nonmajor Special Revenue Fund were made to fund Governmental operations principally the Road and Bridge Fund. Receipts collected by other funds that were budgeted for debt services were transferred from the collecting fund to the fund that made the debt payments. The transfer from the MCPFC Detention Center to MCPFC is a non-operating transfer in accordance with MCPFC bond indentures.

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 12: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliations between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of assets. One element of that reconciliation explains, “Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements.” The detail of \$0 difference is as follows.

<u>Description</u>	<u>Amount</u>
Capital Outlays	\$ (11,299,590)
Bond Proceeds	20,460,000
Principal payment of debt	490,000
Compensated absences	<u>(70,425)</u>
Net Adjustment To Reduce Fund Balance In Government Fund Balance In Government Funds To Arrive At Net Assets In Governmental Activities	\$ <u>9,579,985</u>

NOTE 13: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Departmental expenditures exceeded appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund			
General Government	\$ 5,537,849	\$ 5,814,044	\$ (276,195)
Public Safety	4,592,339	4,984,420	(392,081)
Health and Welfare	11,430	12,389	(959)
Debt Service	-	85,926	(85,926)
Capital Outlay	-	149,018	(149,018)

NOTE 14: DEFICITS IN GOVERNMENTAL FUND BALANCE/NET ASSETS

General Fund

The deficit fund balance of \$1,239,112 in the General Fund is attributable primarily to a shortfall in revenues and excess expenditures of prior periods. The County continues to address this issue and has implemented a plan to curtail expenditures in future periods so as to reduce the deficit.

Road and Bridge Fund

In the Road and Bridge fund, the deficit of \$2,848,227 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

TXDOT3 Fund

In the TXDOT3 fund, the deficit of \$610,367 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

Health 00/01 Fund

In the Health 00/01 fund, the deficit of \$152,193 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

Sheriff Stone Guard '09 Fund

In the Sheriff Stone Guard '09 fund, the deficit of \$99,619 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 14: DEFICITS IN GOVERNMENTAL FUND BALANCE/NET ASSETS – Continued

Capital Projects 2004 Fund

In the Capital Projects 2004 fund, the deficit of \$191,680 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

TXDOT 04/05 Fund

In the TXDOT 04/05 fund, the deficit of \$117,284 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

North Side Colonias Precinct 3 Fund

In the North Side Colonias Precinct 3 fund, the deficit of \$37,905 is attributable to current and prior period's activity. The County continues to monitor this deficit and has implemented a plan to curtail expenditures in future periods so as to reduce this deficit.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 15: SEGMENT INFORMATION

Segment financial information of the Maverick County Public Facility Corporation at September 30, 2010, and for the year then ended is as follows:

As of September 30, 2010	Amount
Condensed Statement of Net Assets	
Current Assets	\$ 1,261,528
Non-Current Assets	38,185,118
Total Assets	<u>39,446,646</u>
Current Liabilities	1,558,399
Non-Current Liabilities	38,378,704
Total Liabilities	<u>39,937,103</u>
Invested in Capital Assets, Net of Debt	(5,094,344)
Restricted Net Assets	4,603,887
Unrestricted Net Assets	-
Total Net Assets	<u>\$ (490,457)</u>

For the year ended September 30, 2010	Amount
Condensed Statement of Revenues, Expenses, and Changes in Net Assets	
Operating Revenues	\$ -
Depreciation and Amortization	1,028,569
Operating Loss	<u>(1,028,569)</u>
Non-Operating Investment Earnings	189,603
Non-Operating Interest Expense	(2,679,263)
Loss Before Transfers	<u>(3,518,229)</u>
Non-Operating Transfers In	3,531,410
Change in Net Assets	<u>13,181</u>
Total Net Assets - October 1 (Beginning)	<u>(503,638)</u>
Total Net Assets - September 30 (Ending)	<u>(490,457)</u>

For the year ended September 30, 2010	Amount
Condensed Statement of Cash Flows	
Net Cash Provided (Used) by:	
Operating Activities	\$ -
Non-Capital Financing Activities	3,531,410
Capital and Related Financing Activities	(3,694,262)
Investing Activities	189,603
Increase in Cash and Cash Equivalents	<u>26,751</u>
Cash and Cash Equivalents at Beginning of the Year:	<u>1,234,777</u>
Cash and Cash Equivalents at the End of the Year:	<u>1,261,528</u>

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 16: PRIOR PERIOD RESTATEMENTS

Certain errors resulting in the misstatement of interfund receivables and payables, certain accounts receivable, accounts payable, intergovernmental payables, the misclassification of capital assets, the understatement of accumulated depreciation, and long-term borrowing as of September 30, 2009, and the over statement of certain revenues, the understatement of miscellaneous revenues and depreciation expense for the year then ended were discovered in September, 2011. Accordingly, adjustments have been made to net assets and fund balances as of September 30, 2009 to correct the errors. The effect of these adjustments is set forth below:

	Governmental Activities As of 9/30/09	Business-Type Activities As of 9/30/09
Net Assets, As Previously Reported	\$ 30,611,430	\$ (2,152,782)
Reclass From Governmental to Enterprise	<u>(5,620,835)</u>	<u>5,620,835</u>
Net Assets Beginning Per Financial Statements	24,990,595	3,468,053
Prior Year Period Adjustments	<u>(12,202,025)</u>	<u>11,717,624</u>
Net Assets, As Restated	<u>\$ 12,788,570</u>	<u>\$ 15,185,677</u>

	Governmental Funds			Other Non- Major Governmental Funds
	General Fund	Major Fund Road & Bridge	Major Fund Debt Service	
	<u>As of 9/30/09</u>	<u>As of 9/30/09</u>	<u>As of 9/30/09</u>	
Fund Balance, As Previously Reported	\$ (2,257,394)	\$ (2,456,159)	928,224	\$ 2,852,440
Adjustments	<u>394,910</u>	<u>(3,116)</u>	<u>457</u>	<u>88,910</u>
Fund Balance, As Restated	<u>\$ (1,862,484)</u>	<u>\$ (2,459,275)</u>	<u>928,681</u>	<u>\$ 2,941,350</u>

MAVERICK COUNTY, TEXAS
 NOTES TO FINANCIAL STATEMENTS - Continued
 For the year ended September 30, 2010

NOTE 16: PRIOR PERIOD RESTATEMENTS – Continued

	Proprietary Funds		
	Water		Non-Major
	Utility Fund	MCSWA	Enterprise
	As of 9/30/09	As of 9/30/09	Funds
Net Assets, As Previously Reported	\$ (605,979)	\$ 2,859,322	\$ 2,751,776
Adjustments	6,952,616	4,509,186	255,822
Net Assets, As Restated	\$ 6,346,637	\$ 7,368,508	\$ 3,007,598

Fund Modifications

In addition to the adjustments noted above, the fund financial statement presentation has been modified in the current year as follows:

- Fund #202 – Landfill Construction Loan, which was presented as a Special Revenue Major Governmental Fund in the prior year, has been combined with Fund #715 – MCSWA in the current year. As such, the assets, liabilities, fund balances, revenues and expenditures of Fund #202 are now included within the assets, liabilities, fund balance, revenues and expenditures of Fund #715, which is classified as a Major Proprietary fund in the current year financial statements.
- Fund #214 – Airport Fund which was presented as a Special Revenue Non-Major Governmental Fund in the prior year, has been reclassified as a Non-Major Enterprise Fund in the current year financial statements.
- Fund #618 – Quemado Valley Water, which was presented as a Capital Projects Non-Major Governmental fund in the prior year, has been combined with Fund #711 – Utility Fund in the current year. As such, the assets, liabilities, net assets, revenues and expenditures of Fund #618 are now included within the assets, liabilities, net assets, revenues and expenditures of Fund #711, which is classified as a Major Proprietary fund in the current year financial statements.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 17: SUBSEQUENT EVENTS

Subsequent Events Review

Subsequent events were evaluated by management of the County through November 7, 2011, which is the date the financial statements were available to be issued. As of November 7, 2011, the following subsequent events that are discussed below needed to be disclosed.

Settlement Agreement – 2010

Effective November 16, 2010, the County, MCSWA and the City of Eagle Pass, Texas (“City”) entered into a Compromise and Settlement Agreement (“Agreement”). See Note 5.

Debt Issuance

On December 1, 2010, the County issued the following obligation:

Tax Notes, Series 2010	\$2,050,000
------------------------	-------------

These notes were due on September 29, 2011. The County has requested and received a 60 day extension of the due date.

Interlocal Governmental Agreement

On July 19, 2011, the County Commissioners, on behalf of the County, entered into an Interlocutory Governmental Agreement with the Maverick County Solid Waste Authority (the “Landfill Authority”) whereby the landfill Authority has agreed to pledge monetary funds from tipping fees and the County has agreed to accept the monetary funds pledged by the Landfill Authority.

Per the terms of the agreement, the Landfill Authority has agreed to pledge and transfer monetary funds from its tipping fees collection for a period of three fiscal years commencing in the fiscal year 2011-2012. The amounts pledged by the Landfill Authority are as follows: the first fiscal year 2011-2012 will be in the amount of \$1,000,000; the second fiscal year 2012-2013 will be in the amount of \$1,200,000; and, the third fiscal year 2013-2014 will be in the amount of \$1,400,000. No amounts shall be pledged and/or transferred following the expiration of the 2013-2014 fiscal year.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 17: SUBSEQUENT EVENTS – Continued

The monies pledged are contingent upon the Landfill Authority receiving sufficient tipping revenues for the respective fiscal years indicated and the Landfill Authority maintains the right to annually review its ability to satisfy any pledge at the end of each fiscal year in order to make a determination that a pledge can in fact be satisfied without financial detriment to the operation and maintenance of the Landfill Authority for each fiscal year.

NOTE 18: UNCERTAINTIES

Conditions and Events

A number of relevant conditions that exist and events that have occurred are organizationally and financially important that raise substantial doubts about the County's ability to continue as a going concern. These conditions and events include recurring operating losses experienced by the County:

- An Excess Deficiency of Revenues Over Expenditures of \$7.7 million in its Governmental Funds and

Working capital deficiencies and negative cash flow from operations resulting in:

- a \$1 million fund deficit balance in the Governmental Funds in the current year,
- A \$3.9 million increase in Government-Wide Accounts Payable in the current year, and
- A \$852,401 budget shortfall in the current year;

adverse key financial ratios, material noncompliance with debt covenants, denial of usual trade credit from suppliers, restructured and refinanced debt, excessive interfund borrowing, and fund deficits including:

- A negative fund balance of (\$1.2) million in the General Fund,
- A negative fund balance of (\$2.8) million in the Road and Bridge Fund,
- Negative total net assets of (\$490,457) in the MCPFC Fund, and
- Negative total net assets of (\$1.8) million in the MCPFC – Detention Center Fund.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the year ended September 30, 2010

NOTE 18: UNCERTAINTIES – Continued

Also, the County is seeking additional debt financing to resolve payment of its accounts payable, capital leases and interfund borrowings, and as discussed in Note 5, the County's debt rating was withdrawn changing it from a "BB" to "unrated". In addition, the County lacks adequate fiscal management and financial reporting and needs to significantly revise its fiscal operations.

Contingencies

Furthermore, the County Auditor has an instance of material noncompliance with State of Texas Laws and regulations which is failure to present monthly financial reports to the Commissioners Court in accordance with Texas Local Government Code sections 114.024 and 114.025. See Note 8.

As discussed in Note 5, the County is not in material compliance with certain of its debt covenants.

Management's Plans

The County plans to continue to seek additional financing as well as restructuring its debt, to increase its governmental and business activities revenues and to institute cost cutting and cost control measures throughout all County operations to address and improve its deteriorating financial results and position. The ability of the County to continue as a going concern is dependent upon its ability to improve financial results and/or reduce operating expenses and expenditures to ensure continued operations.

Also, the County intends to revise all of its fiscal management, financial reporting and fiscal operations. The County believes that these revisions will allow it to correct the material noncompliance issues noted above in the contingencies section.

However, there can be no assurance that the County's efforts to improve its financial results, position and operations will be successful. The financial statements do not include any adjustments that might be necessary if the County is unable to continue as a going concern or from the outcome of these uncertainties.

**REQUIRED SUPPLEMENTAL INFORMATION -
OTHER THAN MD&A (UNAUDITED)**

MAVERICK COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
Taxes:					
5110	Property Taxes	\$ 3,826,810	\$ 3,826,810	\$ 4,384,452	\$ 557,642
5120	General Sales and Use Taxes	1,930,021	1,930,021	1,959,166	29,145
5190	Penalty and Interest on Taxes	188,930	188,930	253,406	64,476
5200	Licenses and Permits	44,505	44,505	46,659	2,154
5300	Intergovernmental Revenue and Grants	75,547	75,547	99,212	23,665
5400	Charges for Services	4,122,706	4,122,706	3,803,066	(319,640)
5510	Fines	820,888	820,888	472,652	(348,236)
5610	Investment Earnings	2,023	2,023	2,971	948
5620	Rents and Royalties	69,669	69,669	91,641	21,972
5700	Other Revenue	-	-	(8,053)	(8,053)
5020	Total Revenues	11,081,099	11,081,099	11,105,172	24,073
EXPENDITURES:					
Current:					
0010	General Government	5,537,849	5,537,849	5,814,044	(276,195)
0020	Public Safety	4,592,339	4,592,339	4,984,420	(392,081)
0040	Health and Welfare	11,430	11,430	12,389	(959)
0050	Culture and Recreation	939,481	939,481	887,703	51,778
Debt Service:					
0074	Other Debt Interest	-	-	29,042	(29,042)
0076	Issuance Costs	-	-	56,884	(56,884)
Capital Outlay:					
0080	Capital Outlay	-	-	149,018	(149,018)
6030	Total Expenditures	11,081,099	11,081,099	11,933,500	(852,401)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(828,328)	(828,328)
OTHER FINANCING SOURCES (USES):					
7911	Issuance of Tax Note	-	-	1,500,000	1,500,000
7949	Other Resources	-	-	28,829	28,829
8911	Transfers Out (Use)	-	-	(77,129)	(77,129)
7080	Total Other Financing Sources (Uses)	-	-	1,451,700	1,451,700
1200	Net Change in Fund Balances	-	-	623,372	623,372
0100	Fund Balance - October 1 (Beginning)	(2,257,394)	(2,257,394)	(2,257,394)	-
1300	Prior Period Adjustment	-	-	394,910	394,910
3000	Fund Balance - September 30 (Ending)	\$ (2,257,394)	\$ (2,257,394)	\$ (1,239,112)	\$ 1,018,282

MAVERICK COUNTY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)
 PENSION SCHEDULE
 SCHEDULE OF FUNDING PROGRESS
 LAST THREE FISCAL YEARS

Exhibit G-2

Schedule of Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (U.A.L.) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/07	\$ 12,991,085	\$ 13,462,155	96.5%	\$ 471,070	\$ 7,849,806	6.0%
12/31/08	12,992,975	14,625,248	88.8%	1,632,273	8,736,543	18.7%
12/31/09	14,850,226	16,315,799	91.0%	1,465,573	10,060,905	14.6%

SUPPLEMENTAL INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

Data Control Codes	201	203	204	205
	Landfill/Crim Detention Ctr	JP Fees	HAVA	ELDNUTR
ASSETS				
1010 Cash and Cash Equivalents	\$ 2,452	\$ 24,082	\$ -	\$ 132,138
1150 Receivables (Net)	-	-	-	25,819
1260 Intergovernmental Receivables	329,740	-	-	74,564
1300 Due from Other Funds	1,840,623	365,668	-	11,119
1000 Total Assets	<u>\$ 2,172,815</u>	<u>\$ 389,750</u>	<u>\$ -</u>	<u>\$ 243,640</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2000 Bank Overdrafts	\$ -	\$ -	\$ -	\$ -
2010 Accounts Payable	411,783	39,586	-	45,252
2020 Wages and Salaries Payable	19,329	-	-	7,831
2070 Intergovernmental Payable	-	210,980	-	-
2080 Due to Other Funds	275,932	148,317	-	(1,049)
2000 Total Liabilities	<u>707,044</u>	<u>398,883</u>	<u>-</u>	<u>52,034</u>
Fund Balances:				
Reserved For:				
3430 Capital Projects	-	-	-	-
Unreserved Designated For:				
3520 Special Revenue Funds	1,465,771	(9,133)	-	191,606
3000 Total Fund Balances	<u>1,465,771</u>	<u>(9,133)</u>	<u>-</u>	<u>191,606</u>
4000 Total Liabilities and Fund Balances	<u>\$ 2,172,815</u>	<u>\$ 389,750</u>	<u>\$ -</u>	<u>\$ 243,640</u>

206	207	210	211	215	216	217	218
Law Library	CSA	TX History Grant	MC Chase Restoration	DOE 06/07	LIHEAP 07/08	DOE 07/08	HLTH 00/01
\$ 7,613	\$ -	\$ -	\$ 285,726	\$ -	\$ -	\$ -	\$ -
-	-	-	37,732	-	-	-	-
-	-	-	-	-	-	-	-
112,880	-	54,486	(37,054)	(1,871)	800	2,573	-
<u>\$ 120,493</u>	<u>\$ -</u>	<u>\$ 54,486</u>	<u>\$ 286,404</u>	<u>\$ (1,871)</u>	<u>\$ 800</u>	<u>\$ 2,573</u>	<u>\$ -</u>
\$ -	\$ -	\$ 56,326	\$ -	\$ -	\$ -	\$ -	\$ 1,780
-	-	-	386,514	-	-	-	10,497
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	-	(129,843)	(1,871)	(1,900)	1,840	139,916
-	1	56,326	256,671	(1,871)	(1,900)	1,840	152,193
-	-	-	-	-	-	-	-
120,493	(1)	(1,840)	29,733	-	2,700	733	(152,193)
<u>120,493</u>	<u>(1)</u>	<u>(1,840)</u>	<u>29,733</u>	<u>-</u>	<u>2,700</u>	<u>733</u>	<u>(152,193)</u>
<u>\$ 120,493</u>	<u>\$ -</u>	<u>\$ 54,486</u>	<u>\$ 286,404</u>	<u>\$ (1,871)</u>	<u>\$ 800</u>	<u>\$ 2,573</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

Data Control Codes	219 FEMA 95	220 MC Drug Task Force	221 Technology Fund	222 Rec. Management
ASSETS				
1010 Cash and Cash Equivalents	\$ -	\$ -	\$ 21,534	\$ -
1150 Receivables (Net)	-	-	-	130,054
1260 Intergovernmental Receivables	-	-	-	-
1300 Due from Other Funds	-	-	22,699	377,692
1000 Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,233</u>	<u>\$ 507,746</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2000 Bank Overdrafts	\$ -	\$ -	\$ -	\$ -
2010 Accounts Payable	-	-	682	-
2020 Wages and Salaries Payable	-	-	-	4,943
2070 Intergovernmental Payable	-	-	-	-
2080 Due to Other Funds	6,126	-	(14,110)	(811)
2000 Total Liabilities	<u>6,126</u>	<u>-</u>	<u>(13,428)</u>	<u>4,132</u>
Fund Balances:				
Reserved For:				
3430 Capital Projects	-	-	-	-
Unreserved Designated For:				
3520 Special Revenue Funds	(6,126)	-	57,661	503,614
3000 Total Fund Balances	<u>(6,126)</u>	<u>-</u>	<u>57,661</u>	<u>503,614</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,233</u>	<u>\$ 507,746</u>

223	224	225	226	230	231	232	233
Court House Security	Det Center Reconst	Linebacker	Linebacker II	Sheriff Stone Guard '09	Self-help #727043	Self Help #727023	Out Bound Projects
\$ -	\$ -	\$ 6,288	\$ 6,649	\$ 69,860	\$ 1,200	\$ -	\$ -
-	-	-	(899)	783	-	-	-
-	-	-	36,505	953,866	45,431	75,405	-
123,433	1	26,703	-	448,751	7,025	-	-
<u>\$ 123,433</u>	<u>\$ 1</u>	<u>\$ 32,991</u>	<u>\$ 42,255</u>	<u>\$ 1,473,260</u>	<u>\$ 53,656</u>	<u>\$ 75,405</u>	<u>\$ -</u>
\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 246	\$ -
-	-	-	1,267	589,974	4,075	1,255	-
-	-	-	1,603	21,317	-	2,707	-
-	-	-	48,928	-	(25,834)	-	-
33,305	-	39,055	(13,584)	961,588	76,187	71,197	8,771
<u>33,305</u>	<u>1</u>	<u>39,055</u>	<u>38,214</u>	<u>1,572,879</u>	<u>54,428</u>	<u>75,405</u>	<u>8,771</u>
-	-	-	-	-	-	-	-
90,128	-	(6,064)	4,041	(99,619)	(772)	-	(8,771)
<u>90,128</u>	<u>-</u>	<u>(6,064)</u>	<u>4,041</u>	<u>(99,619)</u>	<u>(772)</u>	<u>-</u>	<u>(8,771)</u>
<u>\$ 123,433</u>	<u>\$ 1</u>	<u>\$ 32,991</u>	<u>\$ 42,255</u>	<u>\$ 1,473,260</u>	<u>\$ 53,656</u>	<u>\$ 75,405</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

Data Control Codes	239	240	241	243
	Sheriffs' BSET Grant	Border Star #1983102	MC Law Enforcement Center	FEMA Fund
ASSETS				
1010 Cash and Cash Equivalents	\$ 315	\$ -	\$ 1,652	\$ -
1150 Receivables (Net)	-	-	-	-
1260 Intergovernmental Receivables	-	7,939	-	-
1300 Due from Other Funds	38	9,188	-	-
1000 Total Assets	<u>\$ 353</u>	<u>\$ 17,127</u>	<u>\$ 1,652</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2000 Bank Overdrafts	\$ -	\$ -	\$ -	\$ -
2010 Accounts Payable	354	-	1,652	-
2020 Wages and Salaries Payable	-	3,063	-	-
2070 Intergovernmental Payable	-	-	-	-
2080 Due to Other Funds	-	18,617	-	-
2000 Total Liabilities	<u>354</u>	<u>21,680</u>	<u>1,652</u>	<u>-</u>
Fund Balances:				
Reserved For:				
3430 Capital Projects	-	-	-	-
Unreserved Designated For:				
3520 Special Revenue Funds	(1)	(4,553)	-	-
3000 Total Fund Balances	<u>(1)</u>	<u>(4,553)</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 353</u>	<u>\$ 17,127</u>	<u>\$ 1,652</u>	<u>\$ -</u>

245	Total	600	602	603	605	606	607
FEMA Flood	Nonmajor	Capital Proj	Capital Proj	Capital Proj	Capital Proj	Capital Proj	03/04
Damages	Special	CO B96	CO 2003	2004	CO/94	C/O 1994-A	Col. Const.
	Revenue Funds						
\$ -	\$ 559,509	\$ 4	\$ 457	\$ 3,691	\$ 372	\$ -	\$ -
-	193,489	-	-	-	-	-	-
-	1,523,450	-	-	-	-	-	-
-	3,364,754	-	50,007	85,897	-	-	-
<u>\$ -</u>	<u>\$ 5,641,202</u>	<u>\$ 4</u>	<u>\$ 50,464</u>	<u>\$ 89,588</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 58,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,492,891	-	-	-	-	-	-
-	60,793	-	-	-	-	-	-
-	234,074	-	-	-	-	-	-
-	1,617,684	-	-	281,268	-	-	-
-	3,463,795	-	-	281,268	-	-	-
-	-	4	50,464	(191,680)	372	-	-
-	2,177,407	-	-	-	-	-	-
-	2,177,407	4	50,464	(191,680)	372	-	-
<u>\$ -</u>	<u>\$ 5,641,202</u>	<u>\$ 4</u>	<u>\$ 50,464</u>	<u>\$ 89,588</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

Data Control Codes	608	609	610	613
	Col. #724125	CDBG P#725589	CEDAP Proj #728055	TXDOT
ASSETS				
1010 Cash and Cash Equivalents	\$ 193	\$ 12,082	\$ 1,589	\$ 12,021
1150 Receivables (Net)	-	-	-	-
1260 Intergovernmental Receivables	-	-	-	-
1300 Due from Other Funds	-	-	1,425	-
1000 Total Assets	<u>\$ 193</u>	<u>\$ 12,082</u>	<u>\$ 3,014</u>	<u>\$ 12,021</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2000 Bank Overdrafts	\$ -	\$ -	\$ -	\$ -
2010 Accounts Payable	(100)	2,779	3,562	-
2020 Wages and Salaries Payable	-	-	-	-
2070 Intergovernmental Payable	-	-	-	-
2080 Due to Other Funds	100	9,304	(548)	7,680
2000 Total Liabilities	<u>-</u>	<u>12,083</u>	<u>3,014</u>	<u>7,680</u>
Fund Balances:				
Reserved For:				
3430 Capital Projects	193	(1)	-	4,341
Unreserved Designated For:				
3520 Special Revenue Funds	-	-	-	-
3000 Total Fund Balances	<u>193</u>	<u>(1)</u>	<u>-</u>	<u>4,341</u>
4000 Total Liabilities and Fund Balances	<u>\$ 193</u>	<u>\$ 12,082</u>	<u>\$ 3,014</u>	<u>\$ 12,021</u>

614	616	617	619	620	621	622	623
TXDOT 04/05	So. Side Colonias Pct2	N. Side Colonias Pct3	Pct. 2 WTR Wks RD Imprv	CDBG #728281	CDBG #728116	Mav Colonia Const. #729185	TX CDBG #R729400
\$ 118	\$ -	\$ 143	\$ -	\$ 7,409	\$ 19,401	\$ -	\$ -
-	-	-	-	-	-	-	-
262,500	-	-	-	-	14,964	45,275	7,660
6,348	-	-	337,735	190,314	-	-	36,393
<u>\$ 268,966</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 337,735</u>	<u>\$ 197,723</u>	<u>\$ 34,365</u>	<u>\$ 45,275</u>	<u>\$ 44,053</u>
\$ -	\$ 5	\$ -	\$ 1,312	\$ -	\$ -	\$ -	\$ 20
-	-	222	(9,948)	93,760	28,613	20,000	308
-	-	-	-	807	-	-	3,064
-	-	-	-	-	-	-	-
386,250	(27)	37,826	282,540	103,156	5,752	25,275	40,661
<u>386,250</u>	<u>(22)</u>	<u>38,048</u>	<u>273,904</u>	<u>197,723</u>	<u>34,365</u>	<u>45,275</u>	<u>44,053</u>
(117,284)	22	(37,905)	63,831	-	-	-	-
-	-	-	-	-	-	-	-
<u>(117,284)</u>	<u>22</u>	<u>(37,905)</u>	<u>63,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 268,966</u>	<u>\$ -</u>	<u>\$ 143</u>	<u>\$ 337,735</u>	<u>\$ 197,723</u>	<u>\$ 34,365</u>	<u>\$ 45,275</u>	<u>\$ 44,053</u>

MAVERICK COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

Data Control Codes	624 C.O. 2009	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
1010 Cash and Cash Equivalents	\$ 2,838	\$ 60,318	\$ 619,827
1150 Receivables (Net)	-	-	193,489
1260 Intergovernmental Receivables	2,879	333,278	1,856,728
1300 Due from Other Funds	1,280,555	1,988,674	5,353,428
1000 Total Assets	<u>\$ 1,286,272</u>	<u>\$ 2,382,270</u>	<u>\$ 8,023,472</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2000 Bank Overdrafts	\$ -	\$ 1,337	\$ 59,690
2010 Accounts Payable	246,536	385,732	1,878,623
2020 Wages and Salaries Payable	-	3,871	64,664
2070 Intergovernmental Payable	-	-	234,074
2080 Due to Other Funds	445,051	1,624,288	3,241,972
2000 Total Liabilities	<u>691,587</u>	<u>2,015,228</u>	<u>5,479,023</u>
Fund Balances:			
Reserved For:			
3430 Capital Projects	594,685	367,042	367,042
Unreserved Designated For:			
3520 Special Revenue Funds	-	-	2,177,407
3000 Total Fund Balances	<u>594,685</u>	<u>367,042</u>	<u>2,544,449</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,286,272</u>	<u>\$ 2,382,270</u>	<u>\$ 8,023,472</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data	201	203	204	205
Control Codes	Landfill/Crim Detention Ctr	JP Fees	HAVA	ELDNUTR
REVENUES:				
Taxes:				
5120 General Sales and Use Taxes	\$ 1,929,268	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	-	-	464,981
5400 Charges for Services	-	-	-	-
5510 Fines	-	(9,133)	-	-
5610 Investment Earnings	675	-	-	-
5700 Other Revenue	-	-	-	11,498
5020 Total Revenues	<u>1,929,943</u>	<u>(9,133)</u>	<u>-</u>	<u>476,479</u>
EXPENDITURES:				
Current:				
0010 General Government	-	-	-	-
0020 Public Safety	-	-	-	-
0040 Health and Welfare	1,338,194	-	-	421,163
0050 Culture and Recreation	-	-	-	-
0060 Conservation and Development	-	-	-	-
Debt Service:				
0072 Other Debt Principal	208,793	-	-	-
0074 Other Debt Interest	4,064	-	-	4,050
0076 Issuance Costs	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>1,551,051</u>	<u>-</u>	<u>-</u>	<u>425,213</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>378,892</u>	<u>(9,133)</u>	<u>-</u>	<u>51,266</u>
OTHER FINANCING SOURCES (USES):				
7912 Issuance of C.O. 2009	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	(975,000)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(975,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(596,108)	(9,133)	-	51,266
0100 Fund Balance - October 1 (Beginning)	1,624,443	-	-	108,067
13(Prior Period Adjustment	437,436	-	-	32,273
3000 Fund Balance - September 30 (Ending)	<u>\$ 1,465,771</u>	<u>\$ (9,133)</u>	<u>\$ -</u>	<u>\$ 191,606</u>

206	207	210	211	215	216	217	218
Law Library	CSA	TX History Grant	MC Chase Restoration	DOE 06/07	LIHEAP 07/08	DOE 07/08	HLTH 00/01
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-
26,600	-	-	-	-	-	-	33,171
<u>26,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,171</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,445)	-	-	-	-	299	390	80,133
-	-	-	751	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(1,445)</u>	<u>-</u>	<u>-</u>	<u>751</u>	<u>-</u>	<u>299</u>	<u>390</u>	<u>80,133</u>
<u>28,060</u>	<u>-</u>	<u>-</u>	<u>(751)</u>	<u>-</u>	<u>(299)</u>	<u>(390)</u>	<u>(46,962)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,060	-	-	(751)	-	(299)	(390)	(46,962)
95,583	-	(1,840)	30,484	-	2,999	1,123	(105,231)
(3,150)	(1)	-	-	-	-	-	-
<u>\$ 120,493</u>	<u>\$ (1)</u>	<u>\$ (1,840)</u>	<u>\$ 29,733</u>	<u>\$ -</u>	<u>\$ 2,700</u>	<u>\$ 733</u>	<u>\$ (152,193)</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data	219	220	221	222
Control		MC Drug	Technology	Rec.
Codes	FEMA 95	Task Force	Fund	Management
REVENUES:				
Taxes:				
5120 General Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	-	-	-
5400 Charges for Services	-	-	-	198,064
5510 Fines	-	-	17,019	-
5610 Investment Earnings	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>-</u>	<u>17,019</u>	<u>198,064</u>
EXPENDITURES:				
Current:				
0010 General Government	-	-	-	154,368
0020 Public Safety	-	-	-	-
0040 Health and Welfare	40	-	-	-
0050 Culture and Recreation	-	-	-	-
0060 Conservation and Development	-	-	-	-
Debt Service:				
0072 Other Debt Principal	-	-	-	-
0074 Other Debt Interest	-	-	-	-
0076 Issuance Costs	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	1,683	-
6030 Total Expenditures	<u>40</u>	<u>-</u>	<u>1,683</u>	<u>154,368</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40)</u>	<u>-</u>	<u>15,336</u>	<u>43,696</u>
OTHER FINANCING SOURCES (USES):				
7912 Issuance of C.O. 2009	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(40)	-	15,336	43,696
0100 Fund Balance - October 1 (Beginning)	(6,086)	18	44,856	543,168
13(Prior Period Adjustment	-	(18)	(2,531)	(83,250)
3000 Fund Balance - September 30 (Ending)	<u>\$ (6,126)</u>	<u>\$ -</u>	<u>\$ 57,661</u>	<u>\$ 503,614</u>

223	224	225	226	230	231	232	233
Court House Security	Det Center Reconst	Linebacker	Linebacker II	Sheriff Stone Guard '09	Self-help #727043	Self Help #727023	Out Bound Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	91,851	1,723,723	52,105	17,198	-
37,699	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	34	-	-	(31)	-
-	-	-	-	-	-	-	-
<u>37,699</u>	<u>-</u>	<u>-</u>	<u>91,885</u>	<u>1,723,723</u>	<u>52,105</u>	<u>17,167</u>	<u>-</u>
-	-	-	-	-	960	-	-
-	-	-	92,564	1,723,687	-	-	-
-	-	-	-	-	51,917	17,167	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	92,564	1,723,687	52,877	17,167	-
37,699	-	-	(679)	36	(772)	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
37,699	-	-	(679)	36	(772)	-	-
(33,305)	708	(6,064)	25,418	115,162	-	-	(8,771)
85,734	(708)	-	(20,698)	(214,817)	-	-	-
<u>\$ 90,128</u>	<u>\$ -</u>	<u>\$ (6,064)</u>	<u>\$ 4,041</u>	<u>\$ (99,619)</u>	<u>\$ (772)</u>	<u>\$ -</u>	<u>\$ (8,771)</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data	239	240	241	243
Control	Sheriffs'	Border Star	MC Law	
Codes	BSET Grant	#1983102	Enforcement Center	FEMA Fund
REVENUES:				
Taxes:				
5120 General Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	(353)	12,491	-	-
5400 Charges for Services	-	-	352,527	-
5510 Fines	-	-	-	-
5610 Investment Earnings	-	-	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>(353)</u>	<u>12,491</u>	<u>352,527</u>	<u>-</u>
EXPENDITURES:				
Current:				
0010 General Government	-	-	352,527	-
0020 Public Safety	279,618	21,533	-	-
0040 Health and Welfare	-	-	-	-
0050 Culture and Recreation	-	-	-	-
0060 Conservation and Development	-	-	-	-
Debt Service:				
0072 Other Debt Principal	-	-	-	-
0074 Other Debt Interest	-	-	-	-
0076 Issuance Costs	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	-	-	-	-
6030 Total Expenditures	<u>279,618</u>	<u>21,533</u>	<u>352,527</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(279,971)</u>	<u>(9,042)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Issuance of C.O. 2009	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(279,971)	(9,042)	-	-
0100 Fund Balance - October 1 (Beginning)	300,357	637	-	-
13(Prior Period Adjustment	(20,387)	3,852	-	-
3000 Fund Balance - September 30 (Ending)	<u>\$ (1)</u>	<u>\$ (4,553)</u>	<u>\$ -</u>	<u>\$ -</u>

245	Total Nonmajor Special Revenue Funds	600 Capital Proj CO B96	602 Captial Proj CO 2003	603 Captial Proj 2004	605 Captial Proj CO/94	606 Captial Proj C/O 1994-A	607 03/04 Col. Const.
\$ -	\$ 1,929,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,361,996	-	-	-	-	-	-
-	588,290	-	-	-	-	-	-
-	7,886	-	-	-	-	-	-
-	693	-	-	-	-	-	-
-	71,269	-	-	-	-	-	-
-	4,959,402	-	-	-	-	-	-
-	507,855	-	-	-	-	-	-
-	2,117,402	-	-	-	-	-	-
-	1,909,303	-	-	-	-	-	-
-	(1,445)	-	-	-	-	-	-
-	751	-	-	-	-	-	-
-	208,793	-	-	-	-	-	-
-	8,114	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,683	-	-	(2,508)	-	-	-
-	4,752,456	-	-	(2,508)	-	-	-
-	206,946	-	-	2,508	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(975,000)	-	-	-	-	-	-
-	(975,000)	-	-	-	-	-	-
-	(768,054)	-	-	2,508	-	-	-
-	2,731,726	4	49,197	(194,188)	372	20	8,788
-	213,735	-	1,267	-	-	(20)	(8,788)
\$ -	\$ 2,177,407	\$ 4	\$ 50,464	\$ (191,680)	\$ 372	\$ -	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data	608	609	610	613
Control Codes	Col. #724125	CDBG P#725589	CEDAP Proj #728055	TXDOT
REVENUES:				
Taxes:				
5120 General Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -
5300 Intergovernmental Revenue and Grants	-	-	131,682	-
5400 Charges for Services	-	-	-	-
5510 Fines	-	-	-	-
5610 Investment Earnings	-	23	-	-
5700 Other Revenue	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>23</u>	<u>131,682</u>	<u>-</u>
EXPENDITURES:				
Current:				
0010 General Government	-	-	175	-
0020 Public Safety	-	-	-	-
0040 Health and Welfare	-	-	-	-
0050 Culture and Recreation	-	-	-	-
0060 Conservation and Development	-	-	-	-
Debt Service:				
0072 Other Debt Principal	-	-	-	-
0074 Other Debt Interest	-	-	-	-
0076 Issuance Costs	-	-	-	-
Capital Outlay:				
0080 Capital Outlay	(49)	20	131,507	-
6030 Total Expenditures	<u>(49)</u>	<u>20</u>	<u>131,682</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49</u>	<u>3</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Issuance of C.O. 2009	-	-	-	-
7915 Transfers In	-	77,129	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>77,129</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	49	77,132	-	-
0100 Fund Balance - October 1 (Beginning)	144	(77,133)	-	4,341
13(Prior Period Adjustment)	-	-	-	-
3000 Fund Balance - September 30 (Ending)	<u>\$ 193</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 4,341</u>

614	616	617	619	620	621	622	623
TXDOT 04/05	So. Side Colonias Pct2	N. Side Colonias Pct3	Pct. 2 WTR Wks RD Imprv	CDBG #728281	CDBG #728116	Mav Colonia Const. #729185	TX CDBG #R729400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2,969)	-	-	964,750	237,761	111,130	45,275	71,367
-	-	-	-	-	-	-	-
-	32	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(2,969)</u>	<u>32</u>	<u>-</u>	<u>964,750</u>	<u>237,761</u>	<u>111,130</u>	<u>45,275</u>	<u>71,367</u>
-	-	-	-	-	-	-	-
-	-	-	260	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
187,317	10	(209)	1,077,656	237,761	111,130	45,275	71,367
<u>187,317</u>	<u>10</u>	<u>(209)</u>	<u>1,077,916</u>	<u>237,761</u>	<u>111,130</u>	<u>45,275</u>	<u>71,367</u>
(190,286)	22	209	(113,166)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(190,286)	22	209	(113,166)	-	-	-	-
190,286	-	(38,114)	176,997	-	-	-	-
<u>(117,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (117,284)</u>	<u>\$ 22</u>	<u>\$ (37,905)</u>	<u>\$ 63,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	624 C.O. 2009	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:			
Taxes:			
5120 General Sales and Use Taxes	\$ -	\$ -	\$ 1,929,268
5300 Intergovernmental Revenue and Grants	-	1,558,996	3,920,992
5400 Charges for Services	-	-	588,290
5510 Fines	-	-	7,886
5610 Investment Earnings	4,732	4,787	5,480
5700 Other Revenue	-	-	71,269
5020 Total Revenues	<u>4,732</u>	<u>1,563,783</u>	<u>6,523,185</u>
EXPENDITURES:			
Current:			
0010 General Government	6,878	7,053	514,908
0020 Public Safety	-	260	2,117,662
0040 Health and Welfare	-	-	1,909,303
0050 Culture and Recreation	-	-	(1,445)
0060 Conservation and Development	-	-	751
Debt Service:			
0072 Other Debt Principal	781	781	209,574
0074 Other Debt Interest	-	-	8,114
0076 Issuance Costs	189,612	189,612	189,612
Capital Outlay:			
0080 Capital Outlay	4,333,376	6,192,653	6,194,336
6030 Total Expenditures	<u>4,530,647</u>	<u>6,390,359</u>	<u>11,142,815</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,525,915)</u>	<u>(4,826,576)</u>	<u>(4,619,630)</u>
OTHER FINANCING SOURCES (USES):			
7912 Issuance of C.O. 2009	5,000,000	5,000,000	5,000,000
7915 Transfers In	-	77,129	77,129
7916 Premium or Discount on Issuance of Bonds	120,600	120,600	120,600
8911 Transfers Out (Use)	-	-	(975,000)
7080 Total Other Financing Sources (Uses)	<u>5,120,600</u>	<u>5,197,729</u>	<u>4,222,729</u>
1200 Net Change in Fund Balance	594,685	371,153	(396,901)
0100 Fund Balance - October 1 (Beginning)	-	120,714	2,852,440
13(Prior Period Adjustment)	-	(124,825)	88,910
3000 Fund Balance - September 30 (Ending)	<u>\$ 594,685</u>	<u>\$ 367,042</u>	<u>\$ 2,544,449</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITES
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
County Clerk				
Assets				
Cash	\$ <u>177,557</u>	\$ <u>168,993</u>	\$ <u>120,044</u>	\$ <u>226,506</u>
Liabilities				
Due to Others	\$ <u>177,557</u>	\$ <u>168,993</u>	\$ <u>120,044</u>	\$ <u>226,506</u>
Motor Vehicle Tax Assessor/Collector				
Assets				
Cash/A.E. Luna	101,072	-	7,263	93,809
Cash/Isamri	355,621	19,807,444	19,725,537	437,528
Due From Other Government Units	<u>197,482</u>	<u>-</u>	<u>-</u>	<u>197,482</u>
Total Assets	\$ <u>654,175</u>	\$ <u>19,807,444</u>	\$ <u>19,732,800</u>	\$ <u>728,819</u>
Liabilities				
Due To Other Government Units	\$ <u>654,175</u>	\$ <u>19,807,444</u>	\$ <u>19,732,800</u>	\$ <u>728,819</u>
District Clerk				
Assets				
Cash	\$ 452,464	\$ 4,273,782	\$ -	\$ 4,726,246
Investments	<u>1,589,720</u>	<u>159,151</u>	<u>-</u>	<u>1,748,871</u>
Total Assets	\$ <u>2,042,184</u>	\$ <u>4,432,933</u>	\$ <u>-</u>	\$ <u>6,475,117</u>
Liabilities				
Due to Other Government Units	22,472	-	-	22,472
Due to Others	<u>2,019,712</u>	<u>4,432,933</u>	<u>-</u>	<u>6,452,645</u>
Total Liabilities	\$ <u>2,042,184</u>	\$ <u>4,432,933</u>	\$ <u>-</u>	\$ <u>6,475,117</u>
Sheriff Inmate Account				
Assets				
Cash	\$ <u>7,421</u>	\$ <u>-</u>	\$ <u>45</u>	\$ <u>7,376</u>
Liabilities				
Due to Others	\$ <u>7,421</u>	\$ <u>-</u>	\$ <u>45</u>	\$ <u>7,376</u>
Sheriff Maverick County Jail Account				
Assets				
Cash	\$ <u>83,281</u>	\$ <u>326,665</u>	\$ <u>314,671</u>	\$ <u>95,275</u>
Liabilities				
Due to Others	\$ <u>83,281</u>	\$ <u>326,665</u>	\$ <u>314,671</u>	\$ <u>95,275</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITES
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Sheriff Commissary Account				
Assets				
Cash	\$ <u>26,014</u>	\$ <u>22,059</u>	\$ <u>45,813</u>	\$ <u>2,260</u>
Liabilities				
Due to Others	\$ <u>26,014</u>	\$ <u>22,059</u>	\$ <u>45,813</u>	\$ <u>2,260</u>
Sheriff Confiscated Funds				
Assets				
Cash	\$ 200,691	\$ 735,617	\$ 514,645	\$ 421,663
Due from Others	<u>90,000</u>	<u>192,627</u>	<u>90,000</u>	<u>192,627</u>
Total Assets	\$ <u>290,691</u>	\$ <u>928,244</u>	\$ <u>604,645</u>	\$ <u>614,290</u>
Liabilities				
Due to Others	\$ <u>290,691</u>	\$ <u>928,244</u>	\$ <u>604,645</u>	\$ <u>614,290</u>
Sheriff Social Security Administration				
Assets				
Cash	\$ <u>2,725</u>	\$ <u>30</u>	\$ <u>-</u>	\$ <u>2,755</u>
Liabilities				
Due To Other Government Units	\$ <u>2,725</u>	\$ <u>30</u>	\$ <u>-</u>	\$ <u>2,755</u>
Juvenile Community Corrections fd#201				
Assets				
Cash	60,506	349,667	328,867	81,306
Accounts Receivable	150	-	-	150
Due from Other Funds	<u>83,754</u>	<u>-</u>	<u>94,902</u>	<u>(11,148)</u>
Total Assets	\$ <u>144,410</u>	\$ <u>349,667</u>	\$ <u>423,769</u>	\$ <u>70,308</u>
Liabilities				
Accounts Payable	12,773	337,931	322,335	28,369
Due to Other Funds	85,374	246,253	340,327	(8,700)
Due to Others	<u>46,263</u>	<u>4,481</u>	<u>105</u>	<u>50,639</u>
Total Liabilities	\$ <u>144,410</u>	\$ <u>588,665</u>	\$ <u>662,767</u>	\$ <u>70,308</u>

MAVERICK COUNTY, TEXAS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITES
 FIDUCIARY FUNDS
 For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Community Corrections Fees fd#197				
Assets				
Cash	142,678	508,918	514,227	137,369
Accounts Receivable	(2,550)	-	-	(2,550)
Due from Others	(148)	-	-	(148)
Total Assets	\$ 139,980	\$ 508,918	\$ 514,227	\$ 134,671
Liabilities				
Accounts Payable	55,351	(528,307)	(514,467)	41,511
Due to Other Government Units	84,629	497,560	489,029	93,160
Total Liabilities	\$ 139,980	\$ (30,747)	\$ (25,438)	\$ 134,671
Juvenile Probation Fees fd#198				
Assets				
Cash	\$ 738	\$ 11,266	\$ 9,893	\$ 2,111
Accounts Receivable	22	1	-	23
Due from Other Governments	5	-	45	(40)
Total Assets	\$ 765	\$ 11,267	\$ 9,938	\$ 2,094
Liabilities				
Accounts Payables	1,106	11,931	9,412	3,625
Due to Other Government Units	(341)	11,578	11,287	(50)
Due to Other Funds	-	-	44	(44)
Due to Others	-	-	1,437	(1,437)
Total Liabilities	\$ 765	\$ 23,509	\$ 22,180	\$ 2,094
County Attorney				
Assets				
Cash	\$ 51,317	\$ 50,374	\$ 56,559	\$ 45,132
Liabilities				
Due To Others	\$ 51,317	\$ 50,374	\$ 56,559	\$ 45,132

MAVERICK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Juvenile Probation Operation 229				
Assets				
Cash	184,321	737,489	802,553	119,257
Clearing Acct.	(11,828)	11,828	-	-
Accounts Receivable	38,410	16,099	22,912	31,597
Due from Others	9,813	115,186	29,579	95,420
Due from Other Funds	42,510	61,541	75,809	28,242
Due from Fiduciary Funds	-	16,260	-	16,260
Total Assets	\$ 263,226	\$ 958,403	\$ 930,853	\$ 290,776
Liabilities				
Accounts Payable	(18,547)	933,975	833,060	82,368
Accrued Liabilities	(9,737)	9,737	-	-
Accrued Payroll	-	26,183	-	26,183
Due to Other Funds	20,298	729,169	573,215	176,252
Due to Fiduciary Funds	-	-	118,186	(118,186)
Due to Other Government Units	271,212	1,031,975	1,179,027	124,160
Total Liabilities	\$ 263,226	\$ 2,731,038	\$ 2,703,488	\$ 290,776
Adult Probation Community Correction fd#226				
Assets				
Cash	34,851	106,757	116,156	25,452
Due from Other Government Units	(15,212)	15,212	-	-
Due from Other Funds	3	3,668	-	3,671
Total Assets	\$ 19,642	\$ 125,637	\$ 116,156	\$ 29,123
Liabilities				
Accounts Payable	655	115,502	116,157	-
Accrued Payroll	-	3,583	-	3,583
Due to Other Funds	20,518	111,960	114,879	17,599
Due to Other Government Units	(1,531)	158,674	149,202	7,941
Total Liabilities	\$ 19,642	\$ 389,719	\$ 380,238	\$ 29,123

MAVERICK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITES
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
Adult Probation Supervision 227				
Assets				
Cash	\$ 2,442	\$ 528,358	\$ 506,950	\$ 23,850
Accounts Receivable	44,494	533,288	532,951	44,831
Due from Other Funds	53,897	82,591	128,888	7,600
Total Assets	<u>\$ 100,833</u>	<u>\$ 1,144,237</u>	<u>\$ 1,168,789</u>	<u>\$ 76,281</u>
Liabilities				
Accounts Payables	2,949	447,250	448,656	1,543
Accounts Liabilities	(352)	15,793	15,873	(432)
Accrued Payroll	-	12,745	-	12,745
Due to Other Funds	11,335	411,719	416,772	6,282
Due to Other Funds	-	10,138	15,913	(5,775)
Due to Other Government Units	86,901	775,948	800,931	61,918
Total Liabilities	<u>\$ 100,833</u>	<u>\$ 1,673,593</u>	<u>\$ 1,698,145</u>	<u>\$ 76,281</u>
District Attorney				
Assets				
DA Trustee Account #30074	46,568	26,266	28,596	44,238
DA General Fund Acct #30120	4,664	656,203	629,421	31,446
DA Task Force Seized Fund Acct #523445	9,977	31	12	9,996
DA Forfeiture Acct #8002959	7,368	15,927	22,145	1,150
Petty Cash	500	-	-	500
Imprest Fund	795	-	-	795
Accounts Receivable	122,521	11,483	134,262	(258)
Due from others	9,961	-	6,239	3,722
Due from other gov't units	11,030	72,947	30,380	53,597
Due from other participants	-	173,390	130,869	42,521
Total Assets	<u>\$ 213,384</u>	<u>\$ 956,247</u>	<u>\$ 981,924</u>	<u>\$ 187,707</u>
Liabilities				
Accounts Payable	33,290	633,785	657,060	10,015
Accrued Liabilities	14,535	34,988	15,966	33,557
Due to Other Funds	42,393	631,550	521,935	152,008
Due to Others	47,328	23,087	(20,407)	90,822
Due to Other Government Units	75,838	817,466	991,999	(98,695)
Total Liabilities	<u>\$ 213,384</u>	<u>\$ 2,140,876</u>	<u>\$ 2,166,553</u>	<u>\$ 187,707</u>

MAVERICK COUNTY, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For the Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
District Attorney Confiscated Funds				
Assets				
Cash	\$ 10,760	\$ 34,569	\$ 10,822	\$ 34,507
Liabilities				
Due to Other Government Units	\$ 10,760	\$ 34,569	\$ 10,822	\$ 34,507
Payroll Fund				
Assets				
Cash	437,321	21,856,630	21,677,349	616,602
Interest Earned	-	3,091	6,574	(3,483)
Accounts Receivable	159,369	166,281	279,274	46,376
MMK 9934650	157,411	224,482	230,543	151,350
Clearing Account	-	4,352,892	4,352,892	-
Due from Other Funds	512,031	16,588,352	17,217,928	(117,545)
Total Assets	\$ 1,266,132	\$ 43,191,728	\$ 43,764,560	\$ 693,300
Liabilities				
Accounts Payable	64,223	10,095,431	10,157,304	2,350
Wages Payable	24,845	9,170,684	8,611,519	584,010
Due to Others	572,385	459,794	889,772	142,407
Due to Other Funds	604,679	6,671,351	7,311,497	(35,467)
Total Liabilities	\$ 1,266,132	\$ 26,397,260	\$ 26,970,092	\$ 693,300
Total				
Assets				
Cash and Cash Equivalents	2,547,235	50,456,446	45,668,685	7,334,996
Investments- Current	1,589,720	159,151	-	1,748,871
AR	362,416	727,152	969,399	120,169
Due from Other Governments Units	193,305	261,549	161,294	293,560
Due from Other Funds	692,195	16,736,152	17,517,527	(89,180)
Due from Fiduciary Funds	-	16,260	-	16,260
Due from Others	109,626	307,813	125,818	291,621
Total Assets	\$ 5,494,497	\$ 68,664,523	\$ 64,442,723	\$ 9,716,297
Liabilities				
Accounts Payable	151,800	12,047,498	12,029,517	169,781
Wages and Salaries Payable	29,291	9,273,712	8,643,358	659,645
Intergovernmental Payable	1,206,840	23,135,244	23,365,097	976,987
Due to Other Funds	784,597	8,812,140	9,294,582	302,155
Due to Fiduciary Funds	-	-	118,186	(118,186)
Due to Other	3,321,969	6,416,630	2,012,684	7,725,915
Total Liabilities	\$ 5,494,497	\$ 59,685,224	\$ 55,463,424	\$ 9,716,297