



MARTINEZ, ROSARIO & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MAVERICK COUNTY, TEXAS

FINANCIAL STATEMENTS

September 30, 2013

MAVERICK COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

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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

Report on the Financial Statements

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 major proprietary fund for the Water Utility Operation, the aggregate remaining proprietary funds information and the agency funds of Maverick County, Texas (the "County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The County does not have adequate accounting records for cash accounts, accounts receivable, accounts payable, all internal due to/due from amounts, capital assets, debt transactions, and self-insurance liabilities as of September 30, 2013, and the related revenues, expenditures, expenses and transfers in and out for the year then ended. The County's financial statements do not report and disclose sufficient information in regards to capital assets and related depreciation expense, its debt transactions, and self-insurance liabilities. Furthermore, we were unable to obtain written representations from management of the County as required by generally accepted auditing standards.

Disclaimer of Opinion

Since the County's accounting records are inadequate, and we were not able to apply other auditing procedures to satisfy ourselves as to its cash accounts, accounts receivable, accounts payable, capital assets, all of its internal due to/due from amounts, its debt transactions, and self-insurance liabilities and related revenues, expenditures, expenses and transfers in and out, and since we were unable to obtain written representations from management of the County the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

Prior Period Restatement

As discussed in Note 14 to the financial statements, the County's management made adjustments to correct errors discovered in the accounts which resulted in the misstatement of accumulated depreciation, accounts payable and other items. Accordingly, adjustments have been made to restate net position as of September 30, 2012. Our disclaimer of opinion is not modified with respect to these matters.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective October 1, 2012. Our disclaimer of opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 – 16, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund on page 88 and Schedule of Funding Progress on page 89 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

We were engaged for the purpose of forming opinions on the basic financial statements as a whole. The Supplemental Information on pages 90 through 122 is presented for the purpose of additional analysis and is not a required part of the basic 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 122.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Martinez, Rosario & Company, LLP

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

March 18, 2015



**INDEPENDENT AUDITORS' REPORT**

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

Report on the Financial Statements

We have audited the accompanying fund financial statements of the Maverick County Public Facility Corporation (the "MCPFC"), a blended component unit in the business-type activities and a major proprietary 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 a major proprietary fund of the County as of and for the year ended September 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express our 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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

Basis for Qualified Opinions

The County does not have adequate accounting records for accounts receivable and accounts payable related to the MCPFC Detention Center as of September 30, 2013, and the related revenues and expenses for the year then ended. Furthermore, we were unable to obtain written representations from management of the County as required by generally accepted auditing standards. Since the County's accounting records are inadequate, and we were not able to apply other auditing procedures to satisfy ourselves as to its accounts receivable, accounts payable, and related revenues and expenses and since we were unable to obtain written representations from management of the County. Consequently, we were unable to determine whether any adjustments to those amounts were necessary. The County, through its operation of the MCPFC Detention Center fund, has an unresolved contingent liability in regards to its prior Detention Center operator. The MCPFC has a contingent liability in regards to its revenue bonds payable and certain bond covenants. These contingent liabilities and uncertainties could be material to the MCPFC Detention Center Fund and MCPFC's financial statements. A resolution of those two contingencies has not been reached.

Qualified Opinions

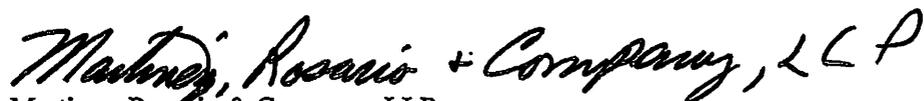
In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinions paragraph, the fund financial statements referred to above present fairly, in all material respects, the financial position of the MCPFC, a blended component unit in the business-type activities, and a major proprietary fund of the County and the business-type activities of the MCPFC Detention Center, and a major proprietary fund of the County, as of September 30, 2013, and the respective changes in fund financial position and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective October 1, 2012. Our qualified opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


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

March 18, 2015



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying fund financial statements of the Maverick County Solid Waste Authority ("the Solid Waste Authority"), a blended component unit in the business-type activities and a major proprietary fund of Maverick County, Texas (the "County"), as of and for the year ended September 30, 2013, which comprise the Solid Waste Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

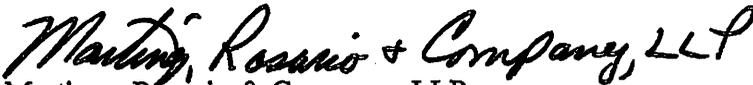
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Solid Waste Authority, a blended component unit in the business-type activities and a major proprietary fund of the County, as of September 30, 2013, and the respective changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Solid Waste Authority's adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective October 1, 2012. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of the Solid Waste Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


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

January 22, 2015

Maverick County, Texas
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Fiscal Year Ended September 30, 2013

General Information

On behalf of 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, 2013. 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 (2012) financial reports.

Financial Highlights

The government-wide assets of the County exceeded its liabilities as of September 30, 2013, by \$40,544,726 (net position). Net position is comprised of Net Investment in Capital of \$70,332,702; Combined Restricted or Committed Net Position of \$14,189,237; and Unrestricted Deficit Net Position of (43,977,213).

The County's government-wide non-current liabilities at September 30, 2013, were \$71,612,925 inclusive of \$1,221,000 in capital leases, compensated absences of \$550,556, and other long-term obligations and bond discounts/premiums of \$1,906,501.

During the year, the County's governmental funds had expenditures that exceeded revenues by \$301,081. The proprietary funds had a combined operating income of \$1,156,840 excess non-operating expenses over revenues of \$2,606,665 and a net effect in transfers of \$3,237,535 for a total increase in net position of \$1,787,710 resulting in net position at September 30, 2013, of \$12,254,393.

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 Position presents information on all of the County's assets and liabilities, with the difference between the two reported net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position 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 18-19) include expenses for General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Bond Interest and Fiscal Fees. Of the \$18,787,870 in expenses for these governmental activities, \$5,416,746 were recovered by charging for services, \$1,209,525 were paid by operating grants and contributions, \$0 were capital grants, \$10,967,425 were paid for by property taxes, \$5,013,974 were paid by sales tax and \$682,621 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, and Landfill/Detention Center. 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 six 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 (1) Maverick County Public Facility Corporation (MCPFC), (2) Maverick County Public Facility Corporation - Detention Center (MCPFC – Detention Center), (3) Water Utility Operation, and (4) Maverick County Solid Waste Authority (MCSWA). All these are major funds. The County also accounts for two non-major proprietary funds the (5) Airport and (6) Commissary Operations (Jail).

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 – 89, respectively and Combining Schedules for non-major governmental funds, this information may be found on pages 90 – 122 of this report.

Governmental-Wide Financial Analysis

The largest portion of the County's net position of \$70,332,702 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 net investment in its capital assets is reported, 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; net investment in capital assets; and restricted and unrestricted amounts of net position.

	<u>Governmental Activities 2013</u>	<u>Business-type Activities 2013</u>	<u>Total 2013</u>	<u>Governmental Activities 2012</u>	<u>Business-type Activities 2012</u>	<u>Total 2012</u>	<u>Total Increase (Decrease)</u>
Current and other assets	\$ 8,386,246	9,948,802	18,335,048	\$ 9,600,631	\$ 13,580,493	\$ 23,181,124	\$ (4,846,076)
Capital assets	<u>56,233,157</u>	<u>45,975,882</u>	<u>102,209,039</u>	<u>56,088,631</u>	<u>39,380,520</u>	<u>95,469,151</u>	<u>6,739,888</u>
Total assets	<u><u>64,619,403</u></u>	<u><u>55,924,684</u></u>	<u><u>120,544,087</u></u>	<u><u>65,689,262</u></u>	<u><u>52,961,013</u></u>	<u><u>118,650,275</u></u>	<u><u>1,893,812</u></u>
Long term liabilities:							
Long term liabilities	30,877,595	40,735,330	71,612,925	32,053,420	37,451,527	69,504,947	2,107,978
Current liabilities	<u>5,451,476</u>	<u>2,934,960</u>	<u>8,386,436</u>	<u>6,622,222</u>	<u>8,917,227</u>	<u>15,539,449</u>	<u>(7,153,013)</u>
Total liabilities	<u><u>36,329,071</u></u>	<u><u>43,670,290</u></u>	<u><u>79,999,361</u></u>	<u><u>38,675,642</u></u>	<u><u>46,368,754</u></u>	<u><u>85,044,396</u></u>	<u><u>(5,045,035)</u></u>
Net position:							
Net investment in capital assets	25,444,550	44,888,152	70,332,702	23,023,590	9,401,865	32,425,455	37,907,247
Restricted for Debt Service	457	-	457	-	4,743,914	4,743,914	(4,743,457)
Restricted for Capital Projects	(607,456)	-	(607,456)	51,088	-	51,088	(658,544)
Restricted for Other Purposes	6,092,110	8,569,404	14,661,514	6,113,649	7,320,865	13,434,514	1,227,000
Restricted for Special Revenues	-	-	-	-	-	-	-
Restricted for Public Grants	134,722	-	134,722	138,482	-	138,482	(3,760)
Unrestricted	<u>(2,774,051)</u>	<u>(41,203,162)</u>	<u>(43,977,213)</u>	<u>(2,313,189)</u>	<u>(14,874,385)</u>	<u>(17,187,574)</u>	<u>(26,789,639)</u>
Total net position	<u><u>28,290,332</u></u>	<u><u>12,254,394</u></u>	<u><u>40,544,726</u></u>	<u><u>27,013,620</u></u>	<u><u>6,592,259</u></u>	<u><u>33,605,879</u></u>	<u><u>6,938,847</u></u>
	<u><u>\$ 64,619,403</u></u>	<u><u>55,924,684</u></u>	<u><u>120,544,087</u></u>	<u><u>\$ 65,689,262</u></u>	<u><u>\$ 52,961,013</u></u>	<u><u>\$ 118,650,275</u></u>	<u><u>\$ 1,893,812</u></u>

The following schedule provides a summary of the County's operations for the years ended September 30, 2013 and 2012.

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenue						
Charges for Services	\$ 5,416,746	14,154,096	19,570,842	\$ 5,180,153	\$ 13,996,087	\$ 19,176,240
Operating/Capital Grants & Contributions	<u>1,209,525</u>	-	<u>1,209,525</u>	<u>1,812,126</u>	-	<u>1,812,126</u>
Total program revenue	<u>6,626,271</u>	<u>14,154,096</u>	<u>20,780,367</u>	<u>6,992,279</u>	<u>13,996,087</u>	<u>20,988,366</u>
General Revenues:						
Property Taxes, General Purpose	6,640,798	-	6,640,798	6,149,103	-	6,149,103
Property Taxes, Debt Service	4,326,627	-	4,326,627	3,123,942	-	3,123,942
Sales Tax & Other Taxes	5,013,974	-	5,013,974	4,785,360	-	4,785,360
Penalty and Interest	311,212	-	311,212	115,906	-	115,906
Investment Earning	9,101	153	9,254	6,472	158,383	164,855
Miscellaneous Revenue	396,020	(24,611)	371,409	547,719	2,061	549,780
Transfers In (Out)	(3,168,682)	3,237,536	68,854	(618,883)	-	(618,883)
Grants and Contributions	-	-	-	-	-	-
Total General Revenue	<u>13,529,050</u>	<u>3,213,078</u>	<u>16,742,128</u>	<u>14,109,619</u>	<u>160,444</u>	<u>14,270,063</u>
Total Program General Revenues	<u>20,155,321</u>	<u>17,367,174</u>	<u>37,522,495</u>	<u>21,101,898</u>	<u>14,156,531</u>	<u>35,258,429</u>
Expenses:						
General Government	6,941,678	-	6,941,678	7,258,765	-	7,258,765
Public Safety	5,290,640	-	5,290,640	5,940,089	-	5,940,089
Culture and Recreation	883,423	-	883,423	962,881	-	962,881
Public Works	2,422,329	-	2,422,329	2,963,853	-	2,963,853
Health, Welfare and Sanitation	580,679	-	580,679	709,193	-	709,193
Conservation and Development	-	-	-	-	-	-
Bond Interest	2,667,371	-	2,667,371	2,377,533	-	2,377,533
Other Debt Interest	-	-	-	-	-	-
Fiscal Agents Fee	1,750	-	1,750	25,248	-	25,248
Issuance Costs	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Business-Type Activities	-	-	-	-	-	-
Mav Co Public Fac Corp	-	3,489,026	3,489,026	-	3,548,505	3,548,505
Mav Co Public Fac Corp Detention Ctr	-	7,332,269	7,332,269	-	9,820,427	9,820,427
Water Utility	-	615,626	615,626	-	454,966	454,966
Airport Fund	-	73,253	73,253	-	79,831	79,831
Mav Co Solid Waste Authority	-	4,008,424	4,008,424	-	-	-
Commissary Operations (Jail)	-	60,864	60,864	-	156,435	156,435
Total Expense	<u>18,787,870</u>	<u>15,579,462</u>	<u>34,367,332</u>	<u>20,237,562</u>	<u>14,060,164</u>	<u>34,297,726</u>
Increase (Decrease) in Net Position	1,367,452	1,787,712	3,155,164	864,337	96,367	960,703
Net Position, Beginning	27,013,620	10,895,603	37,909,223	27,599,206	6,493,252	34,092,458
Prior Period Adjustment	<u>(90,740)</u>	<u>(428,921)</u>	<u>(519,661)</u>	<u>(1,449,923)</u>	<u>2,640</u>	<u>(1,447,283)</u>
Net Position, Ending	<u>\$ 28,290,332</u>	<u>\$ 12,254,394</u>	<u>\$ 40,544,726</u>	<u>\$ 27,013,620</u>	<u>\$ 6,592,259</u>	<u>\$ 33,605,878</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 \$61,208. The General Fund had a deficit of \$(3,836,542) fund balance at the end of September 30, 2013. The Road and Bridge had a deficit of \$(889,241). Debt Service Fund ended September 30, 2013 with a fund balance of \$357,419. Landfill/Detention Center Fund ended September 30, 2013, with a \$3,415,833 fund balance. Other non-major governmental funds had a combined fund balance of \$1,013,739. (Under GASB 34 presentations net position balances are different); please refer to pages 22 and 25 of this report for a more detailed presentation of governmental fund balances that reconciles the difference.

In the General Fund, the County budgeted \$11,495,322 in revenues before other financing sources and the actual amount collected at year end was \$11,309,604. Actual current expenditures were \$12,742,669 against a budget of \$12,572,379 for an excess of expenditures over revenues of \$(1,433,065). The \$(1,433,065) and prior period adjustment of \$(216,586), combined with an \$(6,538,058) of other financing sources decreased the previous fund deficit of \$3,917,995 to \$(3,836,542). The net change is due to Maverick County issuing bonds totaling \$3,090,000 during the current year to fund budget deficit.

The Road and Bridge Fund had an increase in the fund of \$4,021,339 and a prior period adjustment of \$(2,873) for the fiscal year which increased the prior year deficit of \$(4,907,706) to \$(889,240)

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 Position of the MCPFC Fund increased from \$(107,527) to \$16,009 as a result of a transfer into the fund of \$3,612,562 offset by a loss of \$(3,489,026).

Net Position of the MCPFC Detention Center Fund increased from \$(1,697,696) to \$(1,075,361) due to a transfer out of the fund of \$(3,612,562) offset by income of \$4,234,897.

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, 2013, totals to \$56,233,156 in the governmental and \$46,248,564 for the business type (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, construction-in-progress, water rights and permits. 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 September 30, 2013

	<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	42,473,920	56,386,066
Machinery and equipment	11,097,966	2,750,744	13,848,710
Infrastructure	16,039,427	1,935,484	17,974,911
Construction in progress	24,308,168	2,298,997	26,607,165
Cell One	-	2,550,092	2,550,092
Water Rights	-	761,400	761,400
Permitting	-	2,175,360	2,175,360
	<u>69,426,748</u>	<u>55,792,717</u>	<u>125,219,465</u>
Less accumulated depreciation	<u>(13,193,592)</u>	<u>(9,544,153)</u>	<u>(22,737,745)</u>
Total Capital Assets	<u>\$ 56,233,156</u>	<u>\$ 46,248,564</u>	<u>\$ 102,481,720</u>

Capital assets increased by \$144,526 in the governmental activity due to equipment purchased of \$144,526.

Debt Administration: At the end of the current fiscal year, the County had debt comprised of certificates of obligation, revenue bonds, refunding bonds, tax notes, capital lease obligations, and compensated absence obligation of \$71,612,923 inclusive of \$1,221,000 of capital leases, \$550,556 of compensated absences, and other long-term obligations of \$674,354. \$30,013,061 of this amount represents debt backed by the full faith and credit of the County, pledged equipment, property taxes, and revenues. \$36,325,438 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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Certificates of Obligation	\$ 8,535,000	\$ -	\$ 8,535,000
Tax Anticipation Notes	7,445,000	-	7,445,000
Revenue Bonds	13,960,000	38,305,000	52,265,000
Premium (Discount)	73,061	(1,979,562)	(1,906,501)
Capital Leases	342,182	878,818	1,221,000
Compromise and Agreement Note Payable	-	674,354	674,354
Compensated Absences Obligation	522,352	28,204	550,556
Postclosure Care Costs	-	2,828,514	2,828,514
Total Debt	\$ <u>30,877,595</u>	\$ <u>40,735,328</u>	\$ <u>71,612,923</u>

Debt Issuance

On April 15, 2013, the County issued \$3,090,000 in Tax Notes, Series 2013. The proceeds of this issuance will be used to pay outstanding liabilities of the County.

Debt Compliance

The County's management has not determined if it is in material compliance with certain debt covenants related to its Series 2011B and Series 2012 Tax Notes.

Subsequent Events

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

County – On October 2, 2013, GEO provided a formal notice that it would terminate its management contract on November 1, 2013. The County, through its operation of the MCPFC Detention Center fund, has an unresolved contingent liability in regards to its prior Detention Center operations. The amounts could be material to the County's financial statements.

MCSWA – The construction of Landfill Cell 2 was substantially completed on December 23, 2013.

MCPFC – The MCPFC has a contingent liability in regards to its revenue bonds payable and certain bond covenants. This contingent liability and uncertainty could be material to the MCPFC's financial statements.

Past Period Restatements

Certain errors resulting in the misstatement of accounts payable, capital assets, and other miscellaneous items as of September 30, 2012, were discovered in March 2015. Accordingly, adjustments have been made to net position and fund balances as of September 30, 2012, to correct the errors. See Note 14 of the Notes to Financial Statements.

Related Party Contingencies and Other Matters

The following are indictments against former and current County employees and vendors doing business with the County. These matters are part of an ongoing law enforcement investigation and the outcome or impact to the County is not currently determinable.

- A total of eight current and former governing board members and employees of the Solid Waste Authority and the County including the former County Commissioners for Precinct 1, Precinct 2, Precinct 4, and the former Landfill Manager, were indicted and arrested, on varying criminal charges including charges involving Solid Waste Authority and County Business. Of the eight individuals, one had all charges dropped during April 2013, two pled guilty during January 2013 and one pled guilty during May 2013. The former landfill manager pled guilty during June 2013. In late February 2015, he was sentenced to 65 months in federal prison followed by 3 years of supervised release. The former Assistant County Auditor was sentenced to nine years in federal prison followed by 3 years of supervised release. Former Precinct 1 Commissioner was sentenced to 10 years in federal prison followed by 3 years of supervised release. Former Precinct 2 Commissioner was also sentenced to 10 year in federal prison followed by 3 years of supervised release. Former Precinct 4 Commissioner was sentenced to 10 years in federal prison followed by 3 years of supervised release.
- The current County Commissioner for Precinct 3 was arrested in February 2015 and charged with four counts of receiving bribes.

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. Fidencio Ortiz, Maverick County Auditor (effective September 24, 2012) 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 POSITION
AS OF SEPTEMBER 30, 2013

EXHIBIT A-1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	\$ 2,154,916	\$ 1,855,427	\$ 4,010,343
Investments - Current	313,915	51,526	365,441
Receivables (Net of Allowance for Uncollectible)	2,959,053	298,355	3,257,408
Intergovernmental Receivables	1,566,519	-	1,566,519
Due from Other Governments - Restricted	-	1,229,130	1,229,130
Internal Balances	(640,575)	990,722	350,147
Due from Fiduciary Funds	-	-	-
Inventories	92,506	-	92,506
Prepaid Items	36,326	-	36,326
Restricted Assets:			
Cash and Equivalents	1,050,391	5,048,737	6,099,128
Deferred Charges	853,195	474,905	1,328,100
Capital Assets:			
Land and Improvements Not Being Depreciated	4,069,041	846,720	4,915,761
Landfill Cell One, Net of Depreciation	-	2,550,092	2,550,092
Infrastructure and Infrastructure in Progress, Net of Depreciation	-	1,935,484	1,935,484
Buildings, Net of Depreciation	-	33,006,671	33,006,671
Equipment and Furniture, Net of Depreciation	-	2,489,987	2,489,987
Other Capital assets, Net of Depreciation	27,855,948	672,570	28,528,518
Construction in Progress	24,308,168	2,298,997	26,607,165
Landfill Permit, Net of Depreciation	-	2,175,361	2,175,361
Total Capital Assets	<u>56,233,157</u>	<u>45,975,882</u>	<u>102,209,039</u>
Total Assets	<u>\$ 64,619,403</u>	<u>\$ 55,924,684</u>	<u>\$ 120,544,087</u>
LIABILITIES			
Outstanding Checks in Excess of Bank Balance	72,203	-	72,203
Accounts Payable and Accrued Expenses	3,109,817	222,731	3,332,548
Due to Other Governmental Agencies	394,956	2,309,425	2,704,381
Due to Fiduciary Funds	-	-	-
Accrued Interest Payable	155,659	402,804	558,463
Deferred Revenues	585,083	-	585,083
Other Current Liabilities	1,133,758	-	1,133,758
Noncurrent Liabilities:			
Due Within One Year	3,395,846	1,608,946	5,004,792
Due in More Than One Year	27,481,749	39,126,384	66,608,133
Total Liabilities	<u>36,329,071</u>	<u>43,670,290</u>	<u>79,999,361</u>
NET POSITION			
Net Investments of Capital Assets	25,444,550	44,888,152	70,332,702
Restricted or Committed for:			
Public Grants	134,722	-	134,722
Debt Service	457	-	457
Capital Projects	(607,456)	-	(607,456)
Other	6,092,110	8,569,404	14,661,514
Unrestricted	<u>(2,774,051)</u>	<u>(41,203,162)</u>	<u>(43,977,213)</u>
Total Net Position	<u>\$ 28,290,332</u>	<u>\$ 12,254,394</u>	<u>\$ 40,544,726</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, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities				
General Government	\$ 6,941,678	\$ 1,192,262	\$ 46,922	\$ -
Public Safety	5,290,640	3,377,874	772,286	-
Public Works	2,422,329	843,110	-	-
Health, Welfare and Sanitation	580,679	-	390,317	-
Culture and Recreation	883,423	3,500	-	-
Conservation & Development	-	-	-	-
Education	-	-	-	-
Bond Interest	2,667,371	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fees	1,750	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay	-	-	-	-
Total Governmental Activities	18,787,870	5,416,746	1,209,525	-
Business-Type Activities				
Utility Fund 180	615,626	257,362	-	-
MCPFC	3,489,026	-	-	-
PFC-GEO	7,332,269	11,567,167	-	-
MCSWA	4,008,424	2,168,197	-	-
Airport	73,253	70,325	-	-
Commissary Fund	60,864	91,045	-	-
Total Business-type Activities	15,579,462	14,154,096	-	-
Total Primary Government	\$ 34,367,332	\$ 19,570,842	\$ 1,209,525	\$ -

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Penalty & Interest

Grants and Contributions not Restricted to Specific Programs

Miscellaneous

Unrestricted Investment Earnings

Transfers

Total General Revenues, Special Items, and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

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

EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Position
 Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (5,702,493)	\$ -	\$ (5,702,493)
(1,140,479)	-	(1,140,479)
(1,579,219)	-	(1,579,219)
(190,362)	-	(190,362)
(879,923)	-	(879,923)
-	-	-
(2,667,371)	-	(2,667,371)
(1,750)	-	(1,750)
-	-	-
-	-	-
(12,161,598)	-	(12,161,598)
(358,264)	(358,264)	(716,528)
(3,489,026)	(3,489,026)	(6,978,052)
4,234,898	4,234,898	8,469,796
(1,840,227)	(1,840,227)	(3,680,454)
(2,928)	(2,928)	(5,840,912)
30,181	30,181	60,362
-	-	-
(1,425,366)	(1,425,366)	(2,850,732)
(12,161,598)	(1,425,366)	(13,586,964)
6,640,798	-	6,640,798
4,326,627	-	4,326,627
5,013,974	-	5,013,974
311,212	-	311,212
396,020	(24,611)	371,409
9,101	153	9,254
(3,168,682)	3,237,536	68,854
13,529,050	3,213,078	16,742,128
1,367,452	1,787,712	3,155,164
27,013,620	10,895,603	37,909,223
(90,740)	(428,921)	(519,661)
\$ 28,290,332	\$ 12,254,394	\$ 40,544,726

MAVERICK COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2013

	General Fund	Road and Bridge Fund	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ 602,376	\$ 2,696	\$ 437,500
Cash and Cash Equivalents - Restricted	1,050,391	-	-
Investments	313,915	-	-
Taxes Receivable, Net	2,355,944	-	892,203
Allowance for Uncollectible Taxes (Credit)	(353,392)	-	(133,830)
Receivable, Net	279,852	-	(5,826)
Intergovernmental Receivables	722,200	-	-
Due From Other Funds	6,799,906	(84,530)	(74,275)
Other Receivables	-	-	-
Inventories	92,506	-	-
Prepaid Items	36,326	-	-
Total Assets	\$ 11,900,024	\$ (81,834)	\$ 1,115,772
LIABILITIES AND FUND BALANCES			
Liabilities:			
Outstanding Checks in Excess of Bank Balance	-	40,341	-
Accounts Payable	2,576,022	223,161	-
Accrued Liabilities	258,117	53,635	-
Intergovernmental Payable	324,200	-	-
Due to Other Funds	9,426,794	490,097	(20)
Due to Others	15,122	-	-
Accrued Interest Payable	-	-	-
Unearned Revenue	2,002,553	172	758,373
Other Payables	1,133,758	-	-
Total Liabilities	15,736,566	807,406	758,353
Fund Balances:			
Nonspendable:			
Inventories	92,506	-	-
Prepaid Items	36,326	-	-
Restricted for:			
Federal or State Funds Grant Restriction	-	-	-
Retirement of Long Term Debt	-	-	457
Capital Projects	-	-	-
Other Restricted Fund Balance	1,050,391	-	437,500
Committed for:			
Other Purposes	-	-	-
Assigned for:			
Claims Cost Liability	-	-	-
Contractual Obligations	-	-	-
Other Purposes	-	-	-
Unassigned	(5,015,765)	(889,240)	(80,538)
Total Fund Balances	(3,836,542)	(889,240)	357,419
Total Liabilities and Fund Balances	\$ 11,900,024	\$ (81,834)	\$ 1,115,772

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

EXHIBIT C-1

Landfill/Detention Ctr	Other Governmental Funds	Total Governmental Funds
\$ 5,326	\$ 1,108,906	\$ 2,156,804
-	-	1,050,391
-	-	313,915
-	-	3,248,147
-	-	(487,222)
-	(85,500)	188,526
416,859	427,459	1,566,518
3,175,548	1,542,466	11,359,115
-	9,604	9,604
-	-	92,506
-	-	36,326
<u>\$ 3,597,733</u>	<u>\$ 3,002,935</u>	<u>\$ 19,534,630</u>
-	31,861	72,202
(4,979)	557,034	3,351,238
-	32,197	343,949
-	70,756	394,956
186,879	1,897,839	12,001,589
-	(600,491)	(585,369)
-	-	-
-	-	2,761,098
-	-	1,133,758
<u>181,900</u>	<u>1,989,196</u>	<u>19,473,421</u>
-	-	92,506
-	-	36,326
-	134,722	134,722
-	-	457
-	(607,456)	(607,456)
3,415,833	1,188,384	6,092,108
-	-	-
-	-	-
-	(13,720)	(13,720)
-	311,809	(5,673,734)
<u>3,415,833</u>	<u>1,013,739</u>	<u>61,209</u>
<u>\$ 3,597,733</u>	<u>\$ 3,002,935</u>	<u>\$ 19,534,630</u>

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



**MAVERICK COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AS OF SEPTEMBER 30, 2013**

EXHIBIT C-2

Total Fund Balance, Governmental Funds \$ 61,209

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$69,282,223 and the accumulated depreciation was \$13,193,592. 24,035,211

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. Long term liabilities at the beginning of the year had the effect of decreasing net position by \$32,053,420.

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 position.

Certain 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 2012 capital outlays and debt principal payments is to (decrease) net position. 4,032,458

The 2013 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. -

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 position. 161,455

Net Position of Governmental Activities \$ 28,290,333

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, 2013

	General Fund	Road and Bridge Fund	Debt Service Fund
REVENUES			
Taxes:			
Property Taxes	\$ 4,208,915	\$ 2,431,883	\$ 4,326,627
General Sales and Use Taxes	2,517,918	-	-
Penalty and Interest on Taxes	138,834	80,217	92,161
Licenses and Permits	38,682	843,110	-
Intergovernmental Revenue and Grants	30,833	14,114	-
Charges for Services	3,743,797	-	-
Fines	338,531	-	-
Investment Earnings	2,496	910	5,399
Rents and Royalties	99,235	-	-
Miscellaneous	190,363	2,199	-
Total Revenues	11,309,604	3,372,433	4,424,187
EXPENDITURES			
Current:			
General Government	6,992,497	-	-
Public Safety	4,327,859	-	-
Public Works	-	2,422,329	-
Health and Welfare	32,143	-	-
Culture and Recreation	883,276	-	-
Conservation and Development	-	-	-
Debt Service:			
Principal Payments of Debt	242,932	-	3,645,000
Interest and Other Charges	-	-	2,488,551
Fiscal Agent's Fee	-	-	1,750
Issuance Cost	153,299	-	-
Capital Outlay	110,663	8,143	-
Total Expenditures	12,742,669	2,430,472	6,135,301
Excess (Deficiency) of Revenues Over Expenditures	(1,433,065)	941,961	(1,711,114)
OTHER FINANCING SOURCES (USES)			
Issuance of Tax Notes	3,090,000	-	-
Transfers In	6,897,842	8,893,797	2,008,768
Premium or Discount on Issuance of Bonds	(92,700)	-	-
Transfers Out	(16,433,200)	(5,814,419)	-
Total Other Financing Sources and Uses	(6,538,058)	3,079,378	2,008,768
Net Change in Fund Balances	(7,971,123)	4,021,339	297,654
Fund Balances - Beginning	3,917,995	(4,907,706)	59,765
Prior Period Adjustment	216,586	(2,873)	-
Fund Balances - Ending	\$ (3,836,542)	\$ (889,240)	\$ 357,419

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

EXHIBIT C-3

Landfill/Detention Ctr	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 10,967,425
2,496,055	-	5,013,973
-	-	311,212
-	-	881,792
-	1,164,579	1,209,526
-	158,696	3,902,493
-	175,492	514,023
264	32	9,101
-	19,200	118,435
-	203,458	396,020
<u>2,496,319</u>	<u>1,721,457</u>	<u>23,324,000</u>
-	177,291	7,169,788
-	962,783	5,290,642
-	-	2,422,329
20,973	527,564	580,680
-	146	883,422
-	-	-
-	-	3,887,932
-	-	2,488,551
-	-	1,750
-	-	153,299
-	25,720	144,526
<u>20,973</u>	<u>1,693,504</u>	<u>23,022,919</u>
<u>2,475,346</u>	<u>27,953</u>	<u>301,081</u>
-	-	3,090,000
1,251,914	7,500,841	26,553,162
-	-	(92,700)
<u>(2,595,754)</u>	<u>(4,878,471)</u>	<u>(29,721,844)</u>
<u>(1,343,840)</u>	<u>2,622,370</u>	<u>(171,382)</u>
1,131,506	2,650,323	129,699
2,284,327	(1,331,228)	23,153
-	(305,356)	(91,643)
<u>\$ 3,415,833</u>	<u>\$ 1,013,739</u>	<u>\$ 61,209</u>

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



**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, 2013**

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds \$ 129,699

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 financials statements. The net effect of removing the 2013 capital outlays and debt principal payments is to increase net position. 4,032,458

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 position. -

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 position. (2,794,704)

Change in Net Position of Governmental Activities \$ 1,367,453

MAVERICK COUNTY, TEXAS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF SEPTEMBER 30, 2013

	<u>Water Utility Fund</u>	<u>MCPFC</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,800	\$ -
Cash and Equivalents - Restricted	-	5,043,803
Accounts Receivable, Net of Uncollectible Allowance	17,726	-
Due from Other Governments-Restricted	-	-
Due from Other Funds	1,464	-
Investments	-	-
Investments - Restricted	-	-
	<u>20,990</u>	<u>5,043,803</u>
Total Current Assets		
Capital Assets:		
Land Purchase and Improvements	37,800	500,000
Landfill Cell One, Net	-	-
Infrastructure, Net	-	-
Buildings, Net	5,543,770	30,861,886
Equipment and Furniture, Net	-	-
Landfill Permit, Net	-	-
Utility System	-	-
Water Rights, Net	672,570	-
Construction in Progress	-	-
	<u>6,254,140</u>	<u>31,361,886</u>
Capital Assets, Net		
	6,254,140	31,361,886
Deferred Charges, Net	-	338,563
	<u>6,254,140</u>	<u>31,700,449</u>
Total Non-Current Assets		
	6,254,140	31,700,449
Total Assets	<u>\$ 6,275,130</u>	<u>\$ 36,744,252</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT D-1 (Cont'd)

Proprietary Funds			
MCPFC Detention Center	MCSWA	Other Nonmajor Proprietary Funds	Total
\$ -	\$ 1,792,249	\$ 61,379	\$ 1,855,428
4,934	-	-	5,048,737
-	280,627	-	298,353
1,229,130	-	-	1,229,130
-	-	2,207,121	2,208,585
-	51,526	-	51,526
-	-	-	-
<u>1,234,064</u>	<u>2,124,402</u>	<u>2,268,500</u>	<u>10,691,759</u>
-	308,919	1	846,720
-	69,617	-	69,617
-	1,622,588	-	1,622,588
-	452,156	352,857	37,210,669
-	1,539,095	(105,857)	1,433,238
-	1,957,824	-	1,957,824
-	-	-	-
-	-	-	672,570
-	2,298,997	-	2,298,997
-	8,249,196	247,001	46,112,223
-	-	-	338,563
-	8,249,196	247,001	46,450,786
<u>\$ 1,234,064</u>	<u>\$ 10,373,598</u>	<u>\$ 2,515,501</u>	<u>\$ 57,142,545</u>

The notes to the financial statements are an integral part of this statement.

**MAVERICK COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2013**

	<u>Water Utility Fund</u>	<u>MCPFC</u>
LIABILITIES		
Current Liabilities:		
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -
Accounts Payable	14,519	-
Accrued Liabilities	8,892	-
Intergovernmental Payable	(15,869)	-
Due to Other Funds	1,099,246	-
Due to Fiduciary Funds	-	-
Due to Others	-	-
Accrued Interest Payable	-	402,805
Compensated Absences	-	-
Capital Lease Obligation	-	-
Compromise and Settlement Agreement Note Payable	-	-
Bonds, Notes and Loans Payable	-	1,330,000
	<u>1,106,788</u>	<u>1,732,805</u>
Total Current Liabilities		
Non-Current Liabilities:		
Unamortized Premiums (Discounts) on Bonds	-	(1,979,562)
Compensated Absences	-	-
Compromise and Settlement Agreement Note Payable	-	-
Bonds, Notes and Loans Payable	-	36,975,000
Other Accrued Liabilities	-	-
	<u>-</u>	<u>34,995,438</u>
Total Non-Current Liabilities		
Total Liabilities	<u>1,106,788</u>	<u>36,728,243</u>
NET POSITION		
Net Investment in Capital Assets	6,254,140	(5,302,115)
Restricted for Debt Service	-	4,979,561
Restricted for Net Position	-	-
Unrestricted Net Position	(1,085,798)	338,563
	<u>5,168,342</u>	<u>16,009</u>
Total Net Position	<u>\$ 5,168,342</u>	<u>\$ 16,009</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT D-1 (Cont'd)

Proprietary Funds			
MCPFC Detention Center	MCSWA	Other Nonmajor Proprietary Funds	Total
\$ -	\$ -	\$ -	\$ -
-	188,340	1,071	203,930
-	23,417	2,362	34,671
-	-	-	(15,869)
-	121,562	(52)	1,220,756
-	-	(2,893)	(2,893)
2,309,426	-	-	2,309,426
-	-	-	402,805
-	2,820	-	2,820
-	179,789	-	179,789
-	96,336	-	96,336
-	-	-	1,330,000
<u>2,309,426</u>	<u>612,264</u>	<u>488</u>	<u>5,761,771</u>
-	-	-	(1,979,562)
-	25,384	-	25,384
-	578,018	-	578,018
-	699,029	-	37,674,029
-	2,828,514	-	2,828,514
-	4,130,945	-	39,126,383
<u>2,309,426</u>	<u>4,743,209</u>	<u>488</u>	<u>44,888,154</u>
-	7,370,378	247,001	8,569,404
-	-	-	4,979,561
1,234,064	51,526	-	1,285,590
<u>(2,309,426)</u>	<u>(1,791,515)</u>	<u>2,268,012</u>	<u>(2,580,164)</u>
<u>\$ (1,075,362)</u>	<u>\$ 5,630,389</u>	<u>\$ 2,515,013</u>	<u>\$ 12,254,391</u>

The notes to the financial statements are an integral part of this statement.

MAVERICK COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Water Utility Fund</u>	<u>MCPFC</u>
OPERATING REVENUES		
Charges for Services	\$ 303,144	\$ -
Rents	-	-
Tipping Fee	-	-
Commissary Sales	-	-
Other Revenue	1,566	-
	<u>304,710</u>	<u>-</u>
Total Operating Revenues		
OPERATING EXPENSES		
Personal Services - Salaries & Wages	164,196	-
Personal Services - Employee Benefits	55,886	-
Purchased Professional & Technical Services	119,035	17,500
Other Supplies and Expenses	12,115	-
Supplies	51,094	-
Depreciation	213,301	877,589
Amortization of Deferred Charges	-	22,048
Insurance Claims and Expenses	-	-
Closure and Post Closure Care Expense	-	-
	<u>615,627</u>	<u>917,137</u>
Total Operating Expenses		
Operating Income (loss)	<u>(310,917)</u>	<u>(917,137)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment Earnings	-	-
Interest Expense - Non Operating	-	(2,571,889)
	<u>-</u>	<u>(2,571,889)</u>
Total Non-Operating Revenue (Expenses)		
Income (Loss) Before Contributions and Transfers	(310,917)	(3,489,026)
Transfers In	-	3,612,562
Transfers Out	(2,780)	-
Change in Net Position	(313,697)	123,536
Total Net Position - Beginning	5,908,327	(107,527)
Prior Period Adjustment	(426,287)	-
Total Net Position - Ending	<u>\$ 5,168,343</u>	<u>\$ 16,009</u>

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

EXHIBIT D-2 (Cont'd)

Proprietary Funds			
MCPFC Detention Center	MCSWA	Other Nonmajor Proprietary Funds	Total
\$ -	\$ -	\$ 70,325	\$ 373,469
11,567,167	-	-	11,567,167
-	2,117,709	-	2,117,709
-	-	91,045	91,045
-	4,706	-	6,272
<u>11,567,167</u>	<u>2,122,415</u>	<u>161,370</u>	<u>14,155,662</u>
-	493,800	40,477	698,473
-	193,381	20,521	269,788
6,907,270	401,246	-	7,445,051
425,000	377,778	71,093	885,986
-	26,496	-	77,590
-	1,429,794	-	2,520,684
-	-	-	22,048
-	-	2,025	2,025
-	1,077,177	-	1,077,177
<u>7,332,270</u>	<u>3,999,672</u>	<u>134,116</u>	<u>12,998,822</u>
<u>4,234,897</u>	<u>(1,877,257)</u>	<u>27,254</u>	<u>1,156,840</u>
-	154	-	154
-	(34,930)	-	(2,606,819)
-	(34,776)	-	(2,606,665)
4,234,897	(1,912,033)	27,254	(1,449,825)
-	5,321,573	1,238	8,935,373
<u>(3,612,562)</u>	<u>(2,082,496)</u>	<u>-</u>	<u>(5,697,838)</u>
622,335	1,327,044	28,492	1,787,710
(1,697,696)	4,303,345	2,489,155	10,895,604
-	-	(2,634)	(428,921)
<u>\$ (1,075,361)</u>	<u>\$ 5,630,389</u>	<u>\$ 2,515,013</u>	<u>\$ 12,254,393</u>

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

MAVERICK COUNTY, TEXAS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTMEBER 30, 2013

	Major Fund- Water Utility Fund	Major Fund- MCPFC
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received from User Charges	\$ 296,423	\$ -
Cash Payments to Employees for Services	(219,318)	-
Cash Payments for Suppliers	<u>(233,053)</u>	<u>(17,500)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(155,948)	(17,500)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>		
Advances from Other Funds	146,301	-
Operating Transfers In	-	3,612,562
Operating Transfers Out	<u>(2,780)</u>	<u>-</u>
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	143,521	3,612,562
<u>CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:</u>		
Payment of Debt Principal	-	(1,255,000)
Payment of Debt Interest	-	(2,456,050)
Purchase of Capital Assets	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED FOR) CAPITAL & RELATED FINANCING ACTIVITIES	-	(3,711,050)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceed from Maturity of Certificate Deposit	-	-
Interest and Dividends on Investments	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,427)	(115,988)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR:	<u>14,227</u>	<u>5,159,791</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR:	<u>\$ 1,800</u>	<u>\$ 5,043,803</u>

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

EXHIBIT D-3

Proprietary Funds			
Major Fund- MCPFC Detention Ctr.	Major Fund MCSWA	Nonmajor Proprietary Funds	Total
\$ 14,291,803	\$ 1,921,562	\$ 161,370	\$ 16,671,158
-	(683,600)	(59,653)	(962,571)
<u>(13,467,122)</u>	<u>(736,202)</u>	<u>(73,364)</u>	<u>(14,527,241)</u>
824,681	501,760	28,353	1,181,346
-	69,732	29,243	245,276
-	5,321,573	1,238	8,935,373
<u>(3,612,562)</u>	<u>(2,082,496)</u>	<u>-</u>	<u>(5,697,838)</u>
(3,612,562)	3,308,809	30,481	3,482,811
-	(390,644)	-	(1,645,644)
-	(34,930)	-	(2,490,980)
<u>-</u>	<u>(2,058,279)</u>	<u>-</u>	<u>(2,058,279)</u>
-	(2,483,853)	-	(6,194,903)
-	(51,526)	-	(51,526)
<u>-</u>	<u>154</u>	<u>-</u>	<u>154</u>
-	(51,372)	-	(51,372)
(2,787,881)	1,275,344	58,834	(1,582,118)
<u>2,792,815</u>	<u>516,905</u>	<u>2,545</u>	<u>8,486,283</u>
<u>\$ 4,934</u>	<u>\$ 1,792,249</u>	<u>\$ 61,379</u>	<u>\$ 6,904,165</u>

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

**MAVERICK COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTMEBER 30, 2013**

	Major Fund- Water Utility Fund	Major Fund- MCPFC
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss):	\$ (310,916)	\$ (917,137)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Depreciation	213,301	899,637
Closure/Post Closure Care	-	-
Amortization of City of Eagle Pass Liability	-	-
EFFECTS OF INCREASES AND DECREASES IN CURRENT ASSETS AND LIABILITIES:		
Decrease (Increase) in Receivables	(8,287)	-
Decrease (Increase) in Due From Other Funds	-	-
Decrease (Increase) in Due From Other Governments	-	-
Decrease (Increase) in Bond Discount	-	-
Increase (Decrease) in Accounts Payable	(33,500)	-
Increase (Decrease) in Due to Other Funds	-	-
Increase (Decrease) in Due to Others	-	-
Increase (Decrease) in Compensated Absences	-	-
Increase (Decrease) in Accrued Liabilities	763	-
Increase (Decrease) in Intergovernmental Payables	(17,309)	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (155,948)	\$ (17,500)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Assumption of County Liability with the City of Eagle Pass	-	-
Solid Waste Usage Provided at No Cost to County and Road and Bridge	-	-
Acquisition of Equipment through Capital Lease	-	-
	<u>-</u>	<u>-</u>
	\$ -	\$ -
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:		
Cash and Cash Equivalents - Statement of Net Assets	1,800	-
Restricted Cash - Statement of Net Assets	-	5,043,803
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,800	\$ 5,043,803

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

EXHIBIT D-3 (Cont'd)

Proprietary Funds			
Major Fund- MCPFC Detention Ctr.	Major Fund MCSWA	Nonmajor Proprietary Funds	Total
\$ 4,234,898	\$ (1,877,257)	\$ 27,254	\$ 1,156,842
-	1,429,794	-	2,542,732
-	1,077,177	-	1,077,177
-	(96,336)	-	(96,336)
-	(104,517)	-	(112,804)
-	-	-	-
2,724,637	-	-	2,724,637
-	69,318	(246)	35,572
-	-	-	-
(6,134,854)	-	-	(6,134,854)
-	4,703	-	4,703
-	(1,122)	1,345	986
-	-	-	(17,309)
<u>\$ 824,681</u>	<u>\$ 501,760</u>	<u>\$ 28,353</u>	<u>\$ 1,181,346</u>
-	-	-	-
-	216,421	-	216,421
-	357,890	-	357,890
<u>\$ -</u>	<u>\$ 574,311</u>	<u>\$ -</u>	<u>\$ 574,311</u>
-	1,792,249	61,379	1,855,428
4,934	-	-	5,048,737
<u>\$ 4,934</u>	<u>\$ 1,792,249</u>	<u>\$ 61,379</u>	<u>\$ 6,904,165</u>

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

MAVERICK COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AS OF SEPTEMBER 30, 2013

EXHIBIT E-1

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>5,919,061</u>
Total Cash	5,919,061
Receivables:	
Accounts Receivable - Net of Uncollectible Allowance	225,534
Due from Other Governments	144,207
Due from Other Funds	1,827,906
Due from Others	<u>202,101</u>
Total Receivables	<u>2,399,748</u>
Total Assets	<u>\$ 8,318,809</u>
LIABILITIES	
Outstanding checks in Excess of Bank Balance	\$ 59,408
Accounts Payable	153,606
Accrued Liabilities	554,345
Intergovernmental Payable	2,241,357
Due to Other Funds	2,173,261
Due to Others	<u>3,136,832</u>
Total Liabilities	<u>\$ 8,318,809</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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Maverick County (the "County") have been prepared in conformance with U.S. generally accepted accounting principles (GAAP) as applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of the more significant policies of the County.

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.

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). The County does not have any component units that are required to be discretely presented.

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*.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS – Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity – Continued

In 2013, the County implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No.34*. Using the criteria of GASB Statement No. 61 as 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. It was determined that all component units of the County continued to be blended as though they are part of the County.

GASB Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the —substantively the same governing body criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Blended Component Units

Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

These financial statements include two blended component units, the *Maverick County Public Facility Corporation* (MCPFC) and the *Maverick County Solid Waste Authority, Inc.* (MCSWA), and a brief description is presented below:

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.

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 private citizen. 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Blended Component Units – Continued

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.

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 Agreements

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 4 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.

Maverick County Solid Waste Authority

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Interlocal Agreements – Continued

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.

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.

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-wide and Fund Financial Statements – Continued

The Statement of Net Position reflects both short-term and long-term assets and liabilities. In the government-wide statement of net position, 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 position, 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 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 position 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 position 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 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 detailed

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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:

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%) of 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 Landfill/Detention Center 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

4. The Maverick County Solid Waste accounts for the landfill operations of the County and is accounted for using the accrual basis of accounting.

Current Year GASB Statement Implementation

In the fiscal year September 30, 2013, the County implemented the following GASB statements:

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates guidance that previously could only be found in certain FASB and American Institute of Certified Public Accountants (AICPA) pronouncements issued prior to November 30, 1989. There was no impact to the County's financial statements as a result of the implementation of this guidance.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establishes guidance for reporting these elements in the statement of financial position and lays out two presentation formats that may be used. It specifies that the statement of net position should report the residual amount as net position rather than net position. Other than a change in presentation, there was no impact to the County's financial statements from implementation of this guidance.

Fund Accounting

The County's accounts are organized on the basis of funds, 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 used by the County in the accompanying financial statements.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

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 use 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:

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary Funds - Continued

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 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 position. 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary Funds - Continued

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's 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.

The Solid Waste Authority's basic financial statements are presented as a single Enterprise Fund. This Enterprise Fund accounts for the acquisition, operation, and maintenance of the Solid Waste Authority'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 position. 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 Solid Waste Authority distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services. The Solid Waste Authority had operating revenues for the year. Operating expenses for the Solid Waste Authority include operation expenses and administrative expenses. All revenues and expenses not meeting these criteria are reported as non-operating revenues and expenses.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

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 Position or Equity

Cash 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.

Neither the County nor the Solid Waste Authority has adopted a formal investment policy; however, 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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position 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 as 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 15 percent of outstanding property taxes September 30, 2013.

Property taxes are levied on October 1 and attached 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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

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 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, 2013, are recorded as prepaid items.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

Restricted Assets

Restricted assets 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 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, 2013, at \$4,934 and \$1,229,130, respectively, that are restricted by the County's Lease Agreement and the Bond Indenture administered by the County.

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

Capital assets acquired with grant funds are owned by the County while used in the program for which it was acquired or in other future authorized programs. However, the grantor agency retains a reversionary interest in such equipment. Its disposition, as well as the ownership of any proceeds, is subject to funding source regulations. These fixed assets are fully expensed and charged to grant and program operation in the Statement of Activities and are not capitalized in the Statement of Revenues, Expenditures and Changes in Fund Balance, but the County maintains custodial records of these fixed assets.

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.

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

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.

Compensated Absences

County's 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 as long as the employee has worked for at least one year.

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. Employees shall not be paid for unused sick leave at the termination of employment, including retirement and demise during employment.

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 government-wide 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 position. 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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – 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 2012 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, 2013, have been reflected as deferred revenues.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position 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, 2013, was \$3,612,562.

Fund Equity

Governmental Funds

In the prior year, the County implemented GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. In the application of this Statement, the initial distinction made in reporting fund balance information is identifying amounts that are considered non-spendable i.e. fund balance associated with inventories, then identifying other amounts to be classified as restricted, committed, assigned and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

A description of the classification of fund balance, the spending order and the use of restricted and unrestricted resources under GASB 54 adopted by the County follows:

- Non-spendable – is amounts not available for appropriation or legally earmarked for a specific use. Such as inventories, prepaid items, and deferred expenditures.
- Restricted – is amounts that have been legally separated for a specific purpose. Such as grants, capital acquisitions from bond proceeds and liquidation of long-term debt.
- Committed – is amounts that can be used only for the specific purposes determined by formal action a resolution of the Commissioner’s Court (the highest level of decision-making authority). Such as construction improvements not funded by bond proceeds. Formal action of the County would be those actions which are voted on at Commissioner’s Court meetings that are in compliance with Texas law. Similar action of the Commissioner’s Court is required to modify or rescind such commitments.
- Assigned – is amounts that are intended to be used by the County for specific purposes as determined by the County Manager or his designee. The County does not have a formal fund balance policy; however, this authority has been delegated by the Commissioner’s Court. Constraints imposed on the use of assigned amounts do not rise to the level required to be classified as either restricted or committed.
- Unassigned – are residual amounts reported in the general funds which are available to finance operating expenditures? In other funds, the classification is used only to report a deficit balance related to previously restricted or assigned amounts.
- Spending Order – fund balances shall be considered released from restriction, commitment or assignment as expenditures are incurred for the purpose of the restrictions, commitment or assignment. Where expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted, committed, assigned and unassigned fund balance.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Position or Equity – Continued

Net Position Invested in Capital Assets, Net of Related Debt

The unspent proceeds of capital debt are not considered to be capital assets until they are actually spent. Accordingly, only the portion of debt equal to the amount spent is included in the calculation of net position invested in capital assets, net of related debt. Upon completion of the project, all of the remaining debt will be considered to be capital-related and included as part of future calculations of net position invested in capital assets, net of related debt.

Fund Balance Policy

The County does not have a fund balance policy.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Stewardship, Compliance, and Accountability

Debt Service

The ad valorem tax rate is allocated each year between the General Fund, Road and Bridge 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.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of September 30, 2013, the County had the following cash:

<u>Description</u>	<u>Governmental</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 2,154,916	\$ 1,855,427	\$ 5,919,061	\$ 9,929,404
Cash and Cash Equivalents-Restricted	1,050,391	5,048,737	-	6,099,128
Investments	-	-	-	-
Outstanding Checks in Excess of Bank Balance	72,203	-	59,408	131,611
Total	\$ 3,277,510	\$ 6,904,164	\$ 5,978,469	\$ 16,160,143

As of September 30, 2013, the MCPFC had a money market totaling \$3,705,269 with the bank that serves as the Public Facility Corporation's indenture trustee.

The Solid Waste Authority's investments consist of a CD with a one year maturity with an interest rate of .85%. The CD was issued in April of 2013 and was renewed in April of 2014.

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS – Continued

Policies and Legal and Contractual Provisions Governing Deposits and Investments

The County is required by the Public Funds Investment Act, Chapter 2256, and 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.

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 County is in 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, 2013, the MCPFC had cash and cash equivalents totaling \$5,043,803. 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, 2013

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. It could not be determined if 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, 2013

NOTE 3: INTERFUND RECEIVABLE AND PAYABLE BALANCES

The following summary of Interfund receivables and payables for the County of September 30, 2013:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Governmental Funds:</u>		
General Fund	\$ 6,799,906	\$ 9,426,794
Special Revenue Funds		
Road and Bridge Fund	(84,531)	490,097
Landfill/Detention Center	3,175,548	186,879
Non-Major Special Revenue Funds	<u>1,542,467</u>	<u>1,897,839</u>
Total Special Revenue Funds	<u>4,633,484</u>	<u>2,574,815</u>
Debt Service Funds:		
Debt Service Fund	<u>(74,275)</u>	<u>(20)</u>
Total Debt Service Funds	<u>(74,275)</u>	<u>(20)</u>
Capital Projects Funds:		
Non-Major Capital Projects Funds	<u>-</u>	<u>-</u>
Total Capital Project Funds	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>11,359,115</u>	<u>12,001,589</u>
<u>Enterprise Funds:</u>		
Utility Fund	1,464	1,099,246
Solid Waste Authority Fund	-	121,562
Non-Major Enterprise Fund	<u>2,207,121</u>	<u>(52)</u>
Total Enterprise Funds	<u>2,208,585</u>	<u>1,220,756</u>
Fiduciary Funds:		
Agency Funds	<u>1,827,906</u>	<u>2,173,261</u>
Total Fiduciary Funds	<u>1,827,906</u>	<u>2,173,261</u>
Total	<u>\$ 15,395,606</u>	<u>\$ 15,395,606</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 3: INTERFUND RECEIVABLE AND PAYABLE BALANCES – Continued

Inter Fund Receivables/Payable

The Interfund Receivables and Payables are short-term amounts owed between 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 Position in accordance with GASB 34.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013; was as follows:

	Beginning Balance 10/01/12	Additions	Decreases	Ending Balance 9/30/13
Government Activities:				
Capital Assets, not being depreciated:				
Land	\$ 4,069,041	\$ -	\$ -	\$ 4,069,041
Construction in Progress	24,308,168	-	-	24,308,168
Total Assets not being depreciated	28,377,209	-	-	28,377,209
Capital Assets, being depreciated:				
Buildings	13,912,146	-	-	13,912,146
Equipment	10,953,441	144,525	-	11,097,966
Infrastructure	16,039,427	-	-	16,039,427
Total Capital Assets being depreciated	40,905,014	144,525	-	41,049,539
Less Accumulated Depreciation:	13,193,592	-	-	13,193,592
Total Capital Assets being depreciated, net	27,711,422	144,525	-	27,855,947
Governmental activities capital assets, net	\$ 56,088,631	\$ 144,525	\$ -	\$ 56,233,156
Business-type Activities:				
Capital Assets, not being depreciated:				
Land - MCPFC	\$ 500,000	\$ -	\$ -	\$ 500,000
Land - MCSWA	308,919	-	-	308,919
Construction in Progress	166,109	2,132,888	-	2,298,997
Land - Water Plant	37,800	-	-	37,800
Land - Airport	1	-	-	1
Total Assets not being depreciated	1,012,829	2,132,888	-	3,145,717
Capital Assets, being depreciated:				
Water Plant	6,515,100	-	-	6,515,100
Buildings - MCPFC	35,103,568	-	-	35,103,568
Building - MCSWA	502,395	-	-	502,395
Buildings - Airport	352,857	-	-	352,857
Vehicles and Equipment - MCSWA	2,237,955	357,890	-	2,595,845
Infrastructure - MCSWA	1,935,484	-	-	1,935,484
Cell One - MCSWA	2,550,092	-	-	2,550,092
Permitting	2,175,360	-	-	2,175,360
Equipment - Airport	154,899	-	-	154,899
Water Rights	761,400	-	-	761,400
Total Capital Assets being depreciated	52,289,110	357,890	-	52,647,000
Less Accumulated Depreciation:	7,159,807	2,384,346	-	9,544,153
Total Capital Assets being depreciated, net	45,129,303	(2,026,456)	-	43,102,847
Business-type activities capital assets, net	\$ 46,142,132	\$ 106,432	\$ -	\$ 46,248,564

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 4: CAPITAL ASSETS – Continued

The Solid Waste Authority had \$69,353 in capitalized interest cost for the year related to the borrowing of funds for the construction of Cell 2.

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, 2013.

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	\$ -
Public Safety	-
Road and Bridge	-
Education and Recreation	-
Health and Welfare	-
	<u>-</u>
Total Depreciation Expenses-Governmental Activities	\$ <u>-</u>

At September 30, 2013, the County did not have adequate support for capital assets for governmental activities, water utility, or the airport. The additions, deletions and depreciation columns are zero since the County does not have adequate support for these items. The County is conducting an analysis on these balances and adjustments will be made during FY 2013.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: DEBT

During the year ended September 30, 2013, the following changes occurred in the County's debt:

Issue	Original Issue Amount	Final Due	Interest Rate	Balance 9/30/2012	Additions	Reductions	Balance 9/30/2013	Due within One Yr.
Governmental Activities:								
Certificates of Obligations								
Series 2004	\$ 5,000,000	2020	2.0 - 5.0%	\$ 3,780,000	\$ -	\$ 245,000	\$ 3,535,000	\$ 265,000
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 Notes								
Series 2009	1,500,000	2014	6.0%	650,000	-	315,000	335,000	335,000
Series 2011B	5,805,000	2016	6.0%	5,805,000	-	1,785,000	4,020,000	1,880,000
Series 2012	1,300,000	2013	6.0%	1,300,000	-	1,300,000	-	-
Series 2013	3,090,000	2020	8.0%	-	3,090,000	-	3,090,000	-
Series 2009 Bond Premium	-			403,961	-	18,293	385,668	18,293
Series 2011B Bond Discount	-			(412,518)	-	183,341	(229,177)	183,341
Series 2012 Bond Discount	-			(7,370)	-	7,370	-	-
Series 2013 Bond Discount	-			-	92,700	9,270	(83,430)	18,540
Capital Leases	-	2010	Varies	1,051,995	-	709,813	342,182	173,320
Compensated Absences	-			<u>522,352</u>	-	-	<u>522,352</u>	<u>522,352</u>
Total Governmental Activities				<u>\$ 32,053,420</u>	<u>\$ 3,182,700</u>	<u>\$ 4,573,087</u>	<u>\$ 30,877,595</u>	<u>\$ 3,395,846</u>
Business-Type Activities:								
Revenue Bond Series 2007	\$ 42,875,000	2029	6.25 - 9.0%	\$ 39,560,000	\$ -	\$ 1,255,000	\$ 38,305,000	\$ 1,330,000
Series 2007 Bond Discount				(2,108,473)	-	128,911	(1,979,562)	-
Compromise and Agreement Note Payable				770,691	-	96,337	674,354	96,336
Capital Lease Payable				911,573	-	32,755	878,818	179,789
Compensated Absences				23,501	4,703	-	28,204	2,820
Accrued Landfill Closure and Postclosure Care Costs				<u>1,751,337</u>	<u>1,077,177</u>	-	<u>2,828,514</u>	-
Total Business-Type Activities				<u>\$ 40,908,629</u>	<u>\$ 1,081,880</u>	<u>\$ 1,513,003</u>	<u>\$ 40,735,328</u>	<u>\$ 1,608,945</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: DEBT – Continued

The annual requirements to amortize all debt (excluding compensated absences) outstanding at September 30, 2013, are as follows:

Year End 9/30	Certificates of Obligation		Refunding Bonds		Tax Notes		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 265,000	\$ 603,069	\$ -	\$ 1,221,500	\$ 2,215,000	\$ 194,850	\$ 173,320	\$ 17,556
2015	385,000	588,144	270,000	1,209,688	1,200,000	92,400	168,862	7,600
2016	410,000	565,969	295,000	1,184,969	940,000	28,200	-	-
2017	735,000	533,219	320,000	1,158,063	-	-	-	-
2018	1,690,000	1,999,331	350,000	1,128,750	-	-	-	-
2019 to 2023	2,230,000	1,898,782	2,285,000	5,102,344	-	-	-	-
2024 to 2028	1,265,000	1,377,031	3,540,000	3,846,500	-	-	-	-
2029 to 2033	1,965,000	680,532	5,485,000	1,902,470	-	-	-	-
2034	505,000	22,094	1,415,000	61,906	-	-	-	-
Total	\$ 9,450,000	\$ 8,268,171	\$ 13,960,000	\$ 16,816,190	\$ 4,355,000	\$ 315,450	\$ 342,182	\$ 25,156

The County's management believes that it is in material compliance with its Certificates of Obligation, Refunding Bonds and Revenue Bonds; however, the County's management has not determined if it is in material compliance with certain debt covenants related to its Tax Notes.

Issuance of Tax Notes, Series 2013

On April 15, 2013, the County issued \$3,090,000 in Tax Notes, Series 2013. The proceeds of this issuance will be used to pay outstanding liabilities of the County.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: DEBT – Continued

Capital Leases

A summary of the future minimum lease payments under the lease along with the present value of the minimum lease payments as of September 30, 2013, follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2014	\$ 190,875
2015	176,462
2016	<u>-</u>
Total Minimum Lease Payments	367,337
Less Amount Representing Interest	<u>55,019</u>
Present Value of Lease Payments	<u>\$ 312,318</u>

The certain equipment leased by the County was repossessed in June 2012 because the County was in arrears with the requisite monthly payments. The lessor sold the equipment to offset the lease obligation; however, the proceeds were not sufficient to fully liquidate the lease obligation. The County incurred a deficiency or an additional liability of approximately \$85,390. This deficiency amount is an estimated amount and is not recorded on the financials due to lack of capital asset records being maintained.

The Solid Waste Authority entered into three lease purchase agreements for the acquisition of machinery and equipment. The first payment started November 2010 for the first lease, started October 2012 for the second lease, and started December 2012 for the third lease. Lease payments for the fiscal year ended September 30, 2013, totaled \$390,644. The effective interest rate is 3.5% for the first lease and 3.2% for the second and third lease. Total cost of the assets acquired under the capital leases is \$1,719,955 with accumulated depreciation of \$475,127.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: DEBT – Continued

Capital Leases

At September 30, 2013, the Solid Waste Authority had future minimum lease payments under capital leases with a remaining term in excess of one year as follows:

<u>Year End September 30,</u>	<u>Amount</u>
2014	\$ 204,653
2015	183,575
2016	183,575
2017	183,575
2018	183,576
2019	<u>10,940</u>
Future Minimum Lease Payments	949,894
Less: Interest	<u>(71,076)</u>
Present Value of Future Minimum Lease Payments	878,818
Less: Current Portion	<u>-</u>
Capital Lease, Net of Current Portion	<u><u>\$ 878,818</u></u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

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% with maturities ranging from February 2012 to February 2029 as follows:

Year End 9/30	Principal	Interest	Total
2014	\$ 1,330,000	\$ 2,375,269	\$ 3,705,269
2015	1,415,000	2,289,488	3,704,488
2016	1,500,000	2,198,394	3,698,394
2017	1,590,000	2,101,831	3,691,831
2018	1,690,000	1,999,331	3,689,331
2019 to 2023	10,145,000	8,223,063	18,368,063
2024 to 2028	13,690,000	4,498,282	18,188,282
2029 to Beyond	6,945,000	221,372	7,166,372
Total	\$ 38,305,000	\$ 23,907,030	\$ 62,212,030

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: 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 account. 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 the amounts with an independent fiscal agent in accordance with the terms of its MCPFC lease and bond covenants.

For the year ended September 30, 2013, the MCPFC Detention Center generated \$11,567,168 in income; incurred \$6,907,270 in operator fees, paid the County \$425,000 in monitoring and impact fees, and transferred \$3,612,562 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.

In order to construct the landfill operations and cell one, the County issued Prior Lien Bonds. These bonds state that the County hereby covenants and agrees that all Gross Revenue derived from the operation of the Solid Waste Management System shall be kept separate and apart from all other funds, accounts and money of the County and shall be deposited as collected into the "MAVERICK COUNTY SOLID WASTE MANAGEMENT SYSTEM REVENUE FUND" (the "Reserve Fund"). All money deposited in the Revenue Refund shall be pledged and appropriated to the extent required for the purposes and in order of priority as denoted in the covenants.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 5: DEBT – Continued

Compromise and Settlement Agreement – Note Payable

The Solid Waste Authority, County, and the City of Eagle Pass, TX (City) entered into a Compromise and Settlement Agreement on November 16, 2010. With this agreement, the County settled any outstanding debt for landfill and fire related protection and emergency ambulance services by the City through September 8, 2008 amounting to \$963,364 (\$869,663 plus 6% simple interest from January 30, 2009 through October 31, 2010 (\$93,701)). The agreement states that in lieu of cash payments by the County, the City will be able to deposit 2,408.41 tons (\$963,364/10years/\$40) of Type I refuse in the Solid Waste Authority's Landfill for ten (10) years at a credit to the City of \$40 per ton. The agreement also states that the Solid Waste Authority will assume the debt. The Solid Waste Authority is amortizing this note payable based upon tons of Type I refuse received at a rate of \$40 per ton. The amount amortized each year is capped at \$96,366. The Solid Waste Authority anticipates it will amortize this note payable over 10 years. If the Solid Waste Authority is not able to fulfill its obligations, then the County will assume the debt.

Debt Rating

The County's debt rating is currently unrated status.

NOTE 6: 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 602 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 TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 6: RETIREMENT PLAN – Continued

Plan Description – Continued

The plan provisions are adopted by the governing body of the County, 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 20 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.

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 County 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 the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 9.84% of covered payroll for the months of the accounting year in 2012, and 8.68% of covered payroll for the months of the accounting year in 2013.

The deposit rate payable by the employee members for the calendar years 2010, 2011 and 2012 was 6% as adopted by the governing body of the employer. The employee's deposit rate and the employer's contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 6: RETIREMENT PLAN – Continued

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)	
12/31/12	\$ 17,891,310	\$ 20,166,172	88.7%	\$ 2,274,862	\$ 9,363,609	24.3%	

In the fiscal year ended September 30, 2013, the cost of the County's TCDRS pension plan, as well as the county's required and actual contributions, equaled \$797,577. The required contribution was determined as part of the December 31, 2012, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 8.0 percent investment rate of return (net of administrative expense), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of December 31, 2012, was 20 years.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was 88.7 percent funded. The actuarial accrued liability for benefits was \$20,166,172 and the actuarial value of assets was \$17,891,310 resulting in an unfunded actuarial accrued liability (UAAL) of \$2,274,862. The covered payroll (annual payroll of active employees covered by the plan) was \$9,408,177 and the ratio of the UAAL to the covered payroll was 15.39 percent.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of 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, 2013

NOTE 6: RETIREMENT PLAN – Continued

Actuarial Valuation Information

Actuarial Valuation Date	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of Payroll, closed	Level Percentage of Payroll, closed	Level Percentage of Payroll, closed
Amortization Period in Years	20	20	20
Asset Valuation Method	SAF: 10 years Smoothed value ESF: Fund Value	SAF: 10 years Smoothed value ESF: Fund Value	SAF: 10 years Smoothed value ESF: Fund Value
Assumptions:			
Investment Return (1)	8.00%	8.00%	8.00%
Projected Salary Increases (1)	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of Living Adjustments	0.00%	0.00%	0.00%

(1) includes inflation at stated rate

Contribution Information

Trend Information

For the Retirement Plan for the Employees of Maverick County

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percent of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/11	\$ 584,525	100%	\$ -
09/30/12	\$ 613,525	100%	\$ -
09/30/13	\$ 586,039	100%	\$ -

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 7: 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, 2013.

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, 2013.

Pending Litigation

The County is a defendant in various lawsuits and pending litigations; some of which, have a possible likelihood of unfavorable outcome. Accordingly, the County has accrued a contingent liability in the amount of \$550,000 in the County's general fund.

Letter of Credit

At September 30, 2011, the Solid Waste Authority had an unused irrevocable standby letter of credit in the amount of \$570,000 which was renewed at various dates. In June 2012, the letter of credit was cancelled with the permission of the Texas Commission on Environmental Quality. The letter of credit was replaced by an Insurance Performance Bond which went into effect May 1, 2012.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 7: CONTINGENCIES – Continued

Other Matters

The following are indictments against former and current County employees and vendors doing business with the County. These matters are part of an ongoing law enforcement investigation and the outcome or impact to the County is not currently determinable.

- A total of eight current and former governing board members and employees of the Solid Waste Authority and the County including the former County Commissioners for Precinct 1, Precinct 2, Precinct 4, and the former Landfill Manager, were indicted and arrested, on varying criminal charges including charges involving Solid Waste Authority and County Business. Of the eight individuals, one had all charges dropped during April 2013, two pled guilty during January 2013 and one pled guilty during May 2013. The former landfill manager pled guilty during June 2013. In late February 2015, he was sentenced to 65 months in federal prison followed by 3 years of supervised release. The former Assistant County Auditor was sentenced to nine years in federal prison followed by 3 years of supervised release. Former Precinct 1 Commissioner was sentenced to 10 years in federal prison followed by 3 years of supervised release. Former Precinct 2 Commissioner was also sentenced to 10 year in federal prison followed by 3 years of supervised release. Former Precinct 4 Commissioner was sentenced to 10 years in federal prison followed by 3 years of supervised release.
- The current County Commissioner for Precinct 3 was arrested in February 2015 and charged with four counts of receiving bribes.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 8: 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.

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.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 8: RISK FINANCING – Continued

Employee Health Benefits

The County used its general fund to account for the County self-funded plan for benefits for comprehensive major medical and dental care offered to all full-time County employees and their dependents. The County pays the employee premiums which are recorded as expenditures in the general fund. Dependent coverage is paid by the employee. The general fund is used to pay claims, stop loss insurance and administrative costs of the plan.

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, 2013:

Fiscal Year	Beginning of Year Liability	Prior Year Adjustments	Restated Beginning of Year Liability	Current Year Claims	Claims Payments	End of Year Liability
2010-2011	\$ 93,557	\$ 345,582	\$ 439,139	\$ 1,004,882	\$ (1,034,131)	\$ 409,890
2011-2012	\$ 408,980	\$ -	\$ 408,980	\$ 793,701	\$ (793,701)	\$ 408,980
2012-2013	\$ 408,980	\$ -	\$ -	\$ -	\$ -	\$ 408,980

The County could not provide current year claims and/or payments for the fiscal year ended September 30, 2013.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 9: 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 Solid Waste Authority to place a 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 position 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 \$2,828,514 reported as accrued landfill closure and post closure care costs at September 30, 2013, represents the cumulative amount reported to date based on the use of 97.27% of the estimated capacity of the landfill. The current change recognized in this fiscal year is \$1,077,177. The Solid Waste Authority will recognize the remaining estimated cost of closure and post closure care of \$79,418 as the remaining estimated capacity is filled. The Solid Waste Authority estimates the useful life as of September 30, 2013, to approximate three years (3). The estimated total current cost of the accrued 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, 2013. 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. The above estimated charges are based on a study conducted by SCS Engineers and presented in a report dated April 2013.

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The Solid Waste Authority 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. The Solid Waste Authority pledged to the TCEQ a Letter of Credit in the amount of \$570,000.

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 9: LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – Continued

On June 13, 2012, the TCEQ gave authorization to International Bank of Commerce to cancel the Letter of Credit. The Letter of Credit was replaced by an Insurance Performance Bond for \$2,907,932 which went into effect on May 1, 2013. The Performance Bond was renewed on May 1, 2014, in the amount of \$3,638,851.

NOTE 10: INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental Funds:</i>		
General Fund	\$ 6,897,842	\$ 16,433,200
Special Revenue Funds		
Road and Bridge Fund	8,893,797	5,814,419
Landfill/Detention Center	1,251,914	2,595,753
Debt Service Fund	2,008,768	-
Non-Major Special Revenue Funds	7,500,843	4,878,472
	<u>19,655,322</u>	<u>13,288,644</u>
Total Governmental Funds	26,553,164	29,721,844
<i>Enterprise Funds:</i>		
Utility Fund		2,780
MCPFC	3,612,562	-
MCPFC Detention Center	-	3,612,562
MCSWA	5,321,573	2,082,496
Non Major Enterprise Fund	1,238	-
	<u>8,935,373</u>	<u>5,697,838</u>
Total Enterprise Funds	8,935,373	5,697,838
Total Transfers	<u>\$ 35,488,537</u>	<u>\$ 35,419,682</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 10: INTERFUND TRANSFERS -- Continued

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.

NOTE 11: 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 Position

The governmental fund balance sheet includes reconciliations between fund balance -- total governmental funds and net position -- 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 \$4,032,458 difference is as follows.

<u>Description</u>	<u>Amount</u>
Capital Outlays	\$ 144,526
Principal payment of debt	<u>3,887,932</u>
Net Adjustment To Reduce Fund Balance In Government Fund Balance In Government Funds To Arrive At Net Assets In Governmental Activities	\$ <u>4,032,458</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 12: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Departmental expenditures exceeded appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund			
General Government	\$ 6,302,590	\$ 6,992,497	\$ (689,907)
Public Safety	4,565,303	4,327,859	237,444
Debt Service	-	396,231	(396,231)
Capital Outlay	44,311	110,663	(66,352)

NOTE 13: DEFICITS IN NONMAJOR GOVERNMENTAL FUND BALANCE/NET POSITION

CSA Fund

In the CSA fund, the deficit of \$1 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 \$135,242 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.

Self Help Fund

In the Self Help fund, the deficit of \$20,620 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.

Self Help #711003 Fund

In the Self Help #711003 fund, the deficit of \$574 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, 2013

NOTE 13: DEFICITS IN NONMAJOR GOVERNMENTAL FUND BALANCE/NET POSITION – Continued

Self Help #727043 Fund

In the Self Help #727043 fund, the deficit of \$1 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 \$151,880 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.

Precinct 2 Water Works Road Improvement

In the Precinct 2 Water Works Road Improvement fund, the deficit of \$32,185 is attributable to current period 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 Fund

In the TXDOT fund, the deficit of \$223,520 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, 2013

NOTE 14: PRIOR PERIOD RESTATEMENTS

Certain errors resulting in the misstatement of accounts payable, capital assets, and other miscellaneous items as of September 30, 2012 were discovered in March 2015. Accordingly, adjustments have been made to net position and fund balances as of September 30, 2012, to correct the errors. The effect of these adjustments is set forth below:

	Governmental Activities As of 9/30/12	Business-Type Activities As of 9/30/12	Total As of 9/30/12
Net Assets, As Previously Reported at September 30, 2012	\$ 27,013,620	\$ 6,592,259	\$ 33,605,879
Inclusion of MCSWA Funds in Current Year	<u>-</u>	<u>4,303,344</u>	<u>4,303,344</u>
Net Assets, As Previously Reported w/out MCSWA at September 30, 2012	27,013,620	10,895,603	37,909,223
Overstatement (Understatement) of Accounts Payable	-	(2,634)	(2,634)
(Overstatement) Understatement of Accumulated Depreciation	-	(426,602)	(426,602)
Other/Miscellaneous	<u>(90,740)</u>	<u>315</u>	<u>(90,425)</u>
Total Prior Period Restatements	<u>(90,740)</u>	<u>(428,921)</u>	<u>(519,661)</u>
Net Assets, As Restated at September 30, 2012	<u>\$ 26,922,880</u>	<u>\$ 10,466,682</u>	<u>\$ 37,389,562</u>

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 14: PRIOR PERIOD RESTATEMENTS – Continued

	Governmental Funds					
	General Fund As of 9/30/12	Major Fund	Debt Service Fund As of 9/30/12	Landfill/ Detention Center As of 9/30/12	Other Non- Major Governmental Funds As of 9/30/12	Total As of 9/30/12
		Road & Bridge As of 9/30/12				
Fund Balance, As Previously Reported at September 30, 2012	\$ 3,917,995	\$ (4,907,706)	\$ 59,765	\$ 2,284,327	\$ (1,331,227)	\$ 23,154
Other/Miscellaneous	216,586	(2,873)	-	-	(305,356)	(91,643)
Total Prior Period Restatements	216,586	(2,873)	-	-	(305,356)	(91,643)
Fund Balance, As Restated at September 30, 2012	\$ 4,134,581	\$ (4,910,579)	\$ 59,765	\$ 2,284,327	\$ (1,636,583)	\$ (68,489)

	Proprietary Funds					
	Water Utility Fund As of 9/30/12	MCFFC As of 9/30/12	MCFFC Detention Center As of 9/30/12	MCSWA As of 9/30/12	Non-Major Enterprise Funds	Total As of 9/30/12
Net Assets, As Previously Reported at September 30, 2012	\$ 5,908,327	\$ (107,527)	\$ (1,697,696)	\$ -	\$ 2,489,155	\$ 6,592,259
Inclusion of MCSWA Funds in Current Year	-	-	-	4,303,345	-	4,303,345
Net Assets, As Previously Reported w/out MCSWA at September 30, 2012	5,908,327	(107,527)	(1,697,696)	4,303,345	2,489,155	10,895,604
Overstatement (Understatement) of Accounts Payable	-	-	-	-	(2,634)	(2,634)
(Overstatement) Understatement of Accumulated Depreciation	(426,602)	-	-	-	-	(426,602)
Other/Miscellaneous	315	-	-	-	-	315
Total Prior Period Restatements	(426,287)	-	-	-	(2,634)	(428,921)
Net Assets, As Restated at September 30, 2012	\$ 5,482,040	\$ (107,527)	\$ (1,697,696)	\$ 4,303,345	\$ 2,486,521	\$ 10,466,683

MAVERICK COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS - Continued
For the Year Ended September 30, 2013

NOTE 15: SUBSEQUENT EVENTS

Subsequent events were evaluated by management of the County through March 18, 2015, which is the date the financial statements were available to be issued.

County – On October 2, 2013, GEO provided a formal notice that it would terminate its management contract on November 1, 2013. The County, through its operation of the MCPFC Detention Center fund, has an unresolved contingent liability in regards to its prior Detention Center operator. The amounts related to this contingent liability and related uncertainty could be material to the County's financial statements.

MCSWA – The construction of Landfill Cell 2 was substantially completed on December 23, 2013.

MCPFC – The MCPFC has a contingent liability in regards to its revenue bonds payable and certain bond covenants. This contingent liability and uncertainty could be material to the MCPFC's financial statements.

**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, 2013

EXHIBIT G-1

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 3,992,602	\$ 3,992,602	\$ 4,208,915	\$ 216,313
Sales and Miscellaneous Taxes	2,425,000	2,425,000	2,517,918	92,918
Penalty and Interest on Taxes	100,000	100,000	138,834	38,834
Fees and Fines	405,900	405,900	338,531	(67,369)
Licenses and Permits	46,650	46,650	38,682	(7,968)
Intergovernmental	35,340	35,340	30,833	(4,507)
Charges for Services	3,760,320	3,760,320	3,743,797	(16,523)
Rents and Royalties	101,000	101,000	99,235	(1,765)
Investment Earnings	1,400	1,400	2,496	1,096
Miscellaneous	140,000	140,000	190,363	50,363
Other	487,110	487,110	-	(487,110)
Total Revenues	11,495,322	11,495,322	11,309,604	(185,718)
EXPENDITURES				
Current:				
General Government	5,816,406	6,302,590	6,992,497	(689,907)
Public Safety	4,744,185	4,565,303	4,327,859	237,444
Highways and Roads	-	-	-	-
Health and Welfare	673,120	677,340	32,143	645,197
Culture and Recreation	1,029,838	982,835	883,276	99,559
Debt Service:				
Principal	-	-	242,932	(242,932)
Interest and Other Charges	-	-	-	-
Issuance Cost	-	-	153,299	(153,299)
Capital Outlay	16,500	44,311	110,663	(66,352)
Total Expenditures	12,280,049	12,572,379	12,742,669	(170,290)
Excess (Deficiency) of Revenues over Expenditures	(784,727)	(1,077,057)	(1,433,065)	(356,008)
OTHER FINANCING SOURCES (USES)				
Issuance of Tax Note	-	-	3,090,000	(3,090,000)
Transfers In	-	-	6,897,842	(6,897,842)
Premium or Discount on Issuance of Bonds	-	-	(92,700)	92,700
Transfers Out	-	-	(16,433,200)	16,433,200
Total other Financing Sources and Uses	-	-	(6,538,058)	6,538,058
Net Change in Fund Balances	(784,727)	(1,077,057)	(7,971,123)	6,894,066
Fund Balances - Beginning			3,917,995	(3,917,995)
Prior Period Adjustment			216,586	(216,586)
Fund Balances - Ending	\$ (784,727)	\$ (1,077,057)	\$ (3,836,542)	\$ 2,759,485

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

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value 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)
12/31/10	16,438,742	18,838,661	87.3%	2,399,919	11,958,661	20.1%
12/31/11	17,319,528	19,585,636	88.4%	2,266,108	10,974,032	20.6%
12/31/12	17,891,310	20,166,172	88.7%	2,274,862	9,363,609	24.3%



SUPPLEMENTAL INFORMATION



**COMBINING AND INDIVIDUAL
FUND STATEMENTS**

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	<u>JP Fees</u>	<u>ELDNUTR</u>	<u>Law Library</u>	<u>Fema Flood Damage</u>
ASSETS				
Cash and Cash Equivalents	\$ 165,911	\$ 108,040	\$ 4,193	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	(264)	-	-	-
Intergovernmental Receivables	-	88,823	-	-
Due from Other Funds	73,745	11,118	184,080	-
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 239,392</u>	<u>\$ 207,981</u>	<u>\$ 188,273</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	(5)	16,190	-	-
Accrued Liabilities	-	9,715	-	-
Intergovernmental Payable	63,253	-	-	-
Due to Other Funds	22,861	47,354	-	-
Unearned Revenue	-	-	-	-
Other Payables	18,323	-	-	-
Total Liabilities	<u>104,432</u>	<u>73,259</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	134,722	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	-	-	-
Other Restricted Fund Balance	-	-	188,273	20,295
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	134,960	-	-	(20,295)
Total Fund Balances	<u>134,960</u>	<u>134,722</u>	<u>188,273</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 239,392</u>	<u>\$ 207,981</u>	<u>\$ 188,273</u>	<u>\$ -</u>

CSA	TX History Grant	MC Chase Restoration	DOE 07/08	HLTH 00/01	FEMA 95	Shrf Oper Mav
\$ -	\$ -	\$ -	\$ -	\$ 7,149	\$ -	\$ -
.
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(1)
.	.	.	.	6,000	.	.
.
<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,149</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
.	.	.	.	1,226	.	.
.
.	.	.	.	147,165	.	.
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.	.	.	.	148,391	.	.
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.
.	1,048
(1)	(1)
.
.
.	(1,047)	.	.	(135,242)	.	.
(1)	-	-	-	(135,242)	-	-
<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,149</u>	<u>-</u>	<u>-</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	EECBG # CS0595	Self Help	Technology Fund	Records Management
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 32,630	\$ 24,058
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	-	(82,080)
Intergovernmental Receivables	-	-	-	-
Due from Other Funds	-	31,948	62,961	134,530
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ -	\$ 31,948	\$ 95,591	\$ 76,508
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	87	-	11,817
Accrued Liabilities	-	-	-	4,888
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	52,481	50,825	(79,787)
Unearned Revenue	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	-	52,568	50,825	(63,082)
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	-	-	-
Other Restricted Fund Balance	-	-	44,766	139,590
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	-	(20,620)	-	-
Total Fund Balances	-	(20,620)	44,766	139,590
Total Liabilities and Fund Balances	\$ -	\$ 31,948	\$ 95,591	\$ 76,508

EXHIBIT H-1 (Cont'd)

Courthouse Security	Outbound Fund	Detention Center Reconstruct	Self Help G#711003	Self Help #727043
\$ 13,945	\$ -	\$ 1	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
164,454	-	-	25,012	-
-	-	-	86,815	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 178,399</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 111,827</u>	<u>\$ -</u>
\$ -	\$ -	\$ 1	\$ -	\$ -
-	-	-	878	-
-	-	-	1,347	-
20,750	-	-	-	-
-	-	-	110,176	-
-	-	-	-	-
-	-	-	-	-
<u>20,750</u>	<u>-</u>	<u>1</u>	<u>112,401</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
157,649	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(574)	-
<u>157,649</u>	<u>-</u>	<u>-</u>	<u>(574)</u>	<u>-</u>
<u>\$ 178,399</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 111,827</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	Self Help #727023	Linebacker #2010-DD-BX- 0484	Linebacker	Linebacker II
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 96,064	\$ -	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	-	-
Intergovernmental Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 96,064</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Liabilities	-	-	-	-
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	96,064	-	-
Unearned Revenue	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	<u>-</u>	<u>96,064</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	-	(6,064)	-
Other Restricted Fund Balance	-	-	-	-
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	6,064	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 96,064</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-1 (Cont'd)

Borderstar 4/11- 8/11	Sheriff Stone Guard '09	Sheriffs' BSET Grant	Border Star #1983102	MC Law Enforcement Center
\$ 47,567	\$ 131,868	\$ 55	\$ 77,321	\$ -
-	-	-	-	-
-	-	-	-	-
-	(3,405)	-	-	-
-	(44,157)	-	35,800	-
-	416,174	-	86,233	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 47,567</u>	<u>\$ 500,480</u>	<u>\$ 55</u>	<u>\$ 199,354</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	120	-	-	-
-	-	-	5,876	-
-	-	-	7,331	-
47,176	652,240	-	182,075	-
-	-	-	-	-
-	-	-	-	-
<u>47,176</u>	<u>652,360</u>	<u>-</u>	<u>195,282</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
391	(151,880)	55	4,072	-
391	(151,880)	55	4,072	-
<u>\$ 47,567</u>	<u>\$ 500,480</u>	<u>\$ 55</u>	<u>\$ 199,354</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	Stone Garden 2010	Confiscated Funds	D.A. Border Prosecution	Stone Garden 2011
ASSETS				
Cash and Cash Equivalents	\$ 180,916	\$ 45,648	\$ 43,188	\$ (2,836)
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	250	-
Intergovernmental Receivables	-	-	17,936	216,825
Due from Other Funds	206,561	-	72,738	4,559
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 387,477	\$ 45,648	\$ 134,112	\$ 218,548
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	408	-	(738)	198,206
Accrued Liabilities	-	-	4,502	3,977
Intergovernmental Payable	-	-	172	-
Due to Other Funds	343,261	(2,852)	125,452	11,836
Unearned Revenue	-	-	-	-
Other Payables	-	(623,343)	-	4,529
Total Liabilities	343,669	(626,195)	129,388	218,548
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	-	-	-
Other Restricted Fund Balance	-	671,843	4,724	-
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	43,808	-	-	-
Total Fund Balances	43,808	671,843	4,724	-
Total Liabilities and Fund Balances	\$ 387,477	\$ 45,648	\$ 134,112	\$ 218,548

EXHIBIT H-1 (Cont'd)

Fair Grounds	G# 711339	G# 2613301 Disposition Compliance	Sheriff Department Tower Lease	LBSP 2012
\$ -	\$ -	\$ 13,601	\$ 6,084	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	85,245
-	-	1,381	-	(892)
-	-	-	9,600	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,982</u>	<u>\$ 15,684</u>	<u>\$ 84,353</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	30,000
-	-	-	-	1,892
-	-	14,982	-	-
-	-	-	-	52,461
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>14,982</u>	<u>-</u>	<u>84,353</u>
-	-	-	-	-
-	-	-	-	-
(20)	-	-	(6,698)	-
20	-	-	22,382	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,684</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,982</u>	<u>\$ 15,684</u>	<u>\$ 84,353</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	Sheriff Strategic Plan	Juvenile Probation Service	Border Hope VOC	SAVNS
ASSETS				
Cash and Cash Equivalents	\$ 75,000	\$ 1,283	\$ -	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	-	-
Intergovernmental Receivables	-	-	1,975	-
Due from Other Funds	-	61	-	-
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 75,000	\$ 1,344	\$ 1,975	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	75,000	-	-	-
Accrued Liabilities	-	-	-	-
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	1,344	1,975	-
Unearned Revenue	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	75,000	1,344	1,975	-
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	-	-	-
Other Restricted Fund Balance	-	-	-	-
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 75,000	\$ 1,344	\$ 1,975	\$ -

EXHIBIT H-1 (Cont'd)

Child Welfare Fund	Total Nonmajor Special Revenue Funds	Capital Project CO/94	Capital Project CO B96	Capital Project CO 2003
\$ 10,536	\$ 1,082,222	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	(85,500)	-	-	-
-	427,459	-	-	-
-	1,542,466	-	-	-
-	9,600	-	4	-
-	-	-	-	-
<u>\$ 10,536</u>	<u>\$ 2,976,247</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>
\$ -	\$ 1	\$ -	\$ -	\$ -
-	333,189	-	-	-
-	32,197	-	-	-
-	70,756	-	-	-
-	1,897,839	-	-	-
-	-	-	-	-
-	(600,491)	-	-	-
-	<u>1,733,491</u>	-	-	-
-	-	-	-	-
-	-	-	-	-
-	134,722	-	-	-
-	-	-	-	-
-	(11,734)	-	4	-
10,536	1,260,076	-	-	-
-	-	-	-	-
-	6,064	-	-	-
-	(146,372)	-	-	-
<u>10,536</u>	<u>1,242,756</u>	<u>-</u>	<u>4</u>	<u>-</u>
<u>\$ 10,536</u>	<u>\$ 2,976,247</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	Capital Projects CO 2004	Capital Project CO 2009	CDBG #728281	COL.#724125
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	-	-
Intergovernmental Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Liabilities	-	-	-	-
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	-	(596,602)	-	-
Other Restricted Fund Balance	-	-	-	-
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	-	596,602	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2013

	TX CDBG #R729400	TXDOT	TXDOT 04/05	So. Side Colinas Pct 2
ASSETS				
Cash and Cash Equivalents	\$ 25,874	\$ -	\$ -	\$ -
Cash and Cash Equivalents - Restricted	-	-	-	-
Investments	-	-	-	-
Taxes Receivable, Net	-	-	-	-
Allowance for Uncollectible Taxes (Credit)	-	-	-	-
Receivables, Net	-	-	-	-
Intergovernmental Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	\$ 25,874	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Outstanding Checks in Excess of Bank Balance	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Liabilities	-	-	-	-
Intergovernmental Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Payables	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long Term Debt	-	-	-	-
Capital Projects	66	-	-	-
Other Restricted Fund Balance	25,808	-	(117,284)	-
Committed For:				
Other Purposes	-	-	-	-
Assigned For:				
Other Purposes	-	-	-	-
Unassigned	-	-	117,284	-
Total Fund Balances	25,874	-	-	-
Total Liabilities and Fund Balances	\$ 25,874	\$ -	\$ -	\$ -

EXHIBIT H-1 (Cont'd)

<u>N. Side Colonias Pct 3</u>	<u>CEDAP G#711205</u>	<u>TXDOT 3</u>	<u>Total Nonmajor Capital Project Funds</u>	<u>Total NonMajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 26,684	\$ 1,108,906
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(85,500)
-	-	-	-	427,459
-	-	-	-	1,542,466
-	-	-	4	9,604
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,688</u>	<u>\$ 3,002,935</u>
\$ -	\$ -	\$ 19,860	\$ 31,860	\$ 31,861
-	-	203,660	223,845	557,034
-	-	-	-	32,197
-	-	-	-	70,756
-	-	-	-	1,897,839
-	-	-	-	-
-	-	-	-	(600,491)
-	-	223,520	255,705	1,989,196
-	-	-	-	-
-	-	-	-	-
-	-	-	-	134,722
-	-	-	(595,722)	(607,456)
-	-	-	(71,692)	1,188,384
-	-	-	-	-
-	-	-	(19,784)	(13,720)
-	-	(223,520)	458,181	311,809
-	-	(223,520)	(229,017)	1,013,739
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,688</u>	<u>\$ 3,002,935</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	JP Fees	ELDNUTR	Law Library	Fema Flood Damage
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	390,317	-	-
Charges for Services	16,599	-	24,115	-
Fines	-	-	-	-
Investment Earnings	-	-	2	-
Rents and Royalties	-	-	-	-
Miscellaneous	-	122,208	-	-
Total Revenues	16,599	512,525	24,117	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	459,460	-	-
Culture and Recreation	-	-	146	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay				
Total Expenditures	-	459,460	146	-
Excess (Deficiency) of Revenues Over Expenditures	16,599	53,065	23,971	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	-	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	-	-	-	(20,295)
Total Other Financing Sources and Uses	-	-	-	(20,295)
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	16,599	53,065	23,971	(20,295)
Fund Balances - Beginning	80,282	133,276	164,302	20,295
Prior Period Adjustment	38,079	(51,619)	-	-
Fund Balances - Ending	\$ 134,960	\$ 134,722	\$ 188,273	\$ -

EXHIBIT H-2 (Cont'd)

CSA	TX History Grant	MC Chase Restoration	DOE 06/07	LIHEAP 07/08
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	16	-	-
-	-	-	-	-
-	-	(16)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	55,534	144,002	2,613	2,573
-	(54,486)	(234,048)	(2,613)	(5,273)
-	1,048	(90,046)	-	(2,700)
-	-	-	-	-
-	1,048	(90,062)	-	(2,700)
(1)	(1,048)	90,455	-	2,700
-	-	(393)	-	-
\$ (1)	\$ 0	\$ -	\$ -	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	DOE 07/08	HLTH 00/01	FEMA 95	Shrf Oper Mav
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Miscellaneous	-	81,250	-	-
Total Revenues	-	81,250	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	67,310	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay				
Total Expenditures	-	67,310	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	13,940	-	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	1,941	-	6,126	11
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(2,674)	-	-	(11)
Total Other Financing Sources and Uses	(733)	-	6,126	-
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	(733)	13,940	6,126	-
Fund Balances - Beginning	733	(149,182)	(6,126)	-
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	\$ -	\$ (135,242)	\$ -	\$ -

EXHIBIT H-2 (Cont'd)

<u>Self Help</u>	<u>Technology Fund</u>	<u>Records Management</u>	<u>Courthouse Security</u>	<u>Outbound Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	2,403	84,676	30,903	-
-	5,460	-	-	-
-	-	-	-	-
-	-	-	-	-
-	<u>7,863</u>	<u>84,676</u>	<u>30,903</u>	<u>-</u>
-	-	168,896	11,557	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	5,218	-	-	-
-	<u>5,218</u>	<u>168,896</u>	<u>11,557</u>	<u>-</u>
-	2,645	(84,220)	19,346	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	8,771
-	-	-	-	-
-	-	-	-	<u>8,771</u>
-	-	-	-	-
-	2,645	(84,220)	19,346	8,771
(20,620)	41,865	223,810	138,303	(8,771)
-	256	-	-	-
\$ (20,620)	\$ <u>44,766</u>	\$ <u>139,590</u>	\$ <u>157,649</u>	\$ <u>(0)</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Detention Center Reconstruct	Self Help G#711003	Self Help #727043	Self Help #727023
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	4	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay				
Total Expenditures	-	-	4	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	(4)	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	1	1,791	32,923	11,849
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(1)	-	(7,528)	(11,895)
Total Other Financing Sources and Uses	-	1,791	25,395	(46)
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	-	1,791	25,391	(46)
Fund Balances - Beginning	-	-	443	46
Prior Period Adjustment	-	(2,365)	(25,834)	-
Fund Balances - Ending	\$ -	\$ (574)	\$ -	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Sheriffs' BSET Grant	Border Star #1983102	MC Law Enforcement Center
REVENUES			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-
Penalty and Interest on Taxes	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue and Grants	-	187,766	-
Charges for Services	-	-	-
Fines	-	-	-
Investment Earnings	-	-	-
Rents and Royalties	-	-	-
Miscellaneous	-	-	-
Total Revenues	-	187,766	-
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	-	187,766	-
Public Works	-	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Conservation and Development	-	-	-
Highways and Roads	-	-	-
Education	-	-	-
Other Expenditure 1	-	-	-
Other Expenditure 2	-	-	-
Debt Service:			
Principal Payments of Debt	-	-	-
Interest & Other Charges	-	-	-
Other Debt Interest	-	-	-
Fiscal Agent's Fee	-	-	-
Issuance Cost	-	-	-
Capital Outlay			
Total Expenditures	-	187,766	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt, Net	-	-	-
Proceeds from Capital Leases	-	-	-
Other Source	-	-	-
Other Use	-	-	-
Issuance of Tax Notes	-	-	-
Transfers In	94	4,072	16
Premium or Discount on Issuance of Bonds	-	-	-
Transfers Out	(39)	-	(16)
Total Other Financing Sources and Uses	55	4,072	-
SPECIAL ITEM			
Proceeds from Sale of Land	-	-	-
Net Change in Fund Balances	55	4,072	-
Fund Balances - Beginning	91	-	-
Prior Period Adjustment	(91)	-	-
Fund Balances - Ending	\$ 55	\$ 4,072	\$ -

Stone Garden 2010	Confiscated Funds	D.A. Border Prosecution	Stone Garden 2011	Fair Grounds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
45,056	-	98,829	223,011	-
-	170,032	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,056</u>	<u>170,032</u>	<u>98,829</u>	<u>223,011</u>	<u>-</u>
-	-	-	-	-
13,216	220,361	98,829	223,011	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,840	-	-	-	-
<u>45,056</u>	<u>220,361</u>	<u>98,829</u>	<u>223,011</u>	<u>-</u>
-	(50,329)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
43,808	1,429	3,985	-	45
-	-	-	-	(25)
<u>43,808</u>	<u>1,429</u>	<u>3,985</u>	<u>-</u>	<u>20</u>
-	-	-	-	-
<u>43,808</u>	<u>(48,900)</u>	<u>3,985</u>	<u>-</u>	<u>20</u>
-	720,743	739	-	(20)
-	-	-	-	-
<u>\$ 43,808</u>	<u>\$ 671,843</u>	<u>\$ 4,724</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, 2013

	G# 711339	G# 2613301 Disposition Compliance	Sheriff Department Tower Lease	L BSP 2012
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	18,031	-	85,245
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	19,200	-
Miscellaneous	-	-	-	-
Total Revenues	-	18,031	19,200	85,245
EXPENDITURES				
Current:				
General Government	-	-	(3,182)	-
Public Safety	-	18,031	-	85,245
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay				
Total Expenditures	-	18,031	(3,182)	85,245
Excess (Deficiency) of Revenues Over Expenditures	-	-	22,382	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	49,109	-	-	-
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(49,109)	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	-	-	22,382	-
Fund Balances - Beginning	-	-	(6,698)	-
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 15,684	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Project CO/94	Capital Project CO B96	Capital Project CO 2003	Capital Projects CO 2004
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	-	-	-	320,106
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(372)	-	(50,464)	(128,289)
Total Other Financing Sources and Uses	(372)	-	(50,464)	191,817
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	(372)	-	(50,464)	191,817
Fund Balances - Beginning	372	4	50,464	(191,817)
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	\$ -	\$ 4	\$ -	\$ -

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	CDBG #728116	Mav Colonia Const. #729185	Pct#2 WTR Wks Rd Impr	TX CDBG #R729400
REVENUES				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Penalty and Interest on Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	-
Investment Earnings	-	-	-	-
Rents and Royalties	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation and Development	-	-	-	-
Highways and Roads	-	-	-	-
Education	-	-	-	-
Other Expenditure 1	-	-	-	-
Other Expenditure 2	-	-	-	-
Debt Service:				
Principal Payments of Debt	-	-	-	-
Interest & Other Charges	-	-	-	-
Other Debt Interest	-	-	-	-
Fiscal Agent's Fee	-	-	-	-
Issuance Cost	-	-	-	-
Capital Outlay				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Debt, Net	-	-	-	-
Proceeds from Capital Leases	-	-	-	-
Other Source	-	-	-	-
Other Use	-	-	-	-
Issuance of Tax Notes	-	-	-	-
Transfers In	3,590	119,716	513,384	132,817
Premium or Discount on Issuance of Bonds	-	-	-	-
Transfers Out	(23,374)	(118,906)	(364,854)	(107,010)
Total Other Financing Sources and Uses	(19,784)	810	148,530	25,807
SPECIAL ITEM				
Proceeds from Sale of Land	-	-	-	-
Net Change in Fund Balances	(19,784)	810	148,530	25,807
Fund Balances - Beginning	19,784	-	(180,715)	67
Prior Period Adjustment	-	-	-	-
Fund Balances - Ending	\$ -	\$ 810	\$ (32,185)	\$ 25,874



MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT H-2 (Cont'd)

	TXDOT 3	Total Nonmajor Capital Project Funds	Total-Other Governmental Funds
REVENUES			
Taxes:			
Property Taxes	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-
Penalty and Interest on Taxes	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue and Grants	-	-	1,164,579
Charges for Services	-	-	158,696
Fines	-	-	175,492
Investment Earnings	-	-	32
Rents and Royalties	-	-	19,200
Miscellaneous	-	-	203,458
Total Revenues	-	-	1,721,457
EXPENDITURES			
Current:			
General Government	-	-	177,291
Public Safety	-	-	962,783
Public Works	-	-	-
Health and Welfare	-	-	527,564
Culture and Recreation	-	-	146
Conservation and Development	-	-	-
Highways and Roads	-	-	-
Education	-	-	-
Other Expenditure 1	-	-	-
Other Expenditure 2	-	-	-
Debt Service:			
Principal Payments of Debt	-	-	-
Interest & Other Charges	-	-	-
Other Debt Interest	-	-	-
Fiscal Agent's Fee	-	-	-
Issuance Cost	-	-	-
Capital Outlay	(11,338)	(11,338)	25,720
Total Expenditures	(11,338)	(11,338)	1,693,504
Excess (Deficiency) of Revenues Over Expenditures	11,338	11,338	27,953
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt, Net	-	-	-
Proceeds from Capital Leases	-	-	-
Other Source	-	-	-
Other Use	-	-	-
Issuance of Tax Notes	-	-	-
Transfers In	2,972,077	6,720,709	7,500,841
Premium or Discount on Issuance of Bonds	-	-	-
Transfers Out	(1,523,102)	(4,006,127)	(4,878,471)
Total Other Financing Sources and Uses	1,448,975	2,714,582	2,622,370
SPECIAL ITEM			
Proceeds from Sale of Land	-	-	-
Net Change in Fund Balances	1,460,313	2,725,920	2,650,323
Fund Balances - Beginning	(1,683,956)	(2,692,560)	(1,331,228)
Prior Period Adjustment	123	(262,377)	(305,356)
Fund Balances - Ending	\$ (223,520)	\$ (229,017)	\$ 1,013,739

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 AS OF SEPTEMBER 30, 2013

EXHIBIT I-1

	<u>Proprietary Funds</u>		
	<u>Airport Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 30,379	\$ 31,000	\$ 61,379
Accounts Receivable-Net of Uncollectible Allowance	-	-	-
Due from Other Funds	<u>2,207,121</u>	<u>-</u>	<u>2,207,121</u>
Total Current Assets	<u>2,237,500</u>	<u>31,000</u>	<u>2,268,500</u>
Capital Assets:			
Land Purchase and Improvements	1	-	1
Buildings, Net	352,857	-	352,857
Equipment and Furniture, Net	<u>(105,857)</u>	<u>-</u>	<u>(105,857)</u>
Total Non-Current Assets	<u>247,001</u>	<u>-</u>	<u>247,001</u>
Total Assets	<u>\$ 2,484,501</u>	<u>\$ 31,000</u>	<u>\$ 2,515,501</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 1,071	\$ -	\$ 1,071
Accrued Liabilities	2,362	-	2,362
Due to Other Funds	(52)	-	(52)
Due to Fiduciary Funds	<u>(2,893)</u>	<u>-</u>	<u>(2,893)</u>
Total Current Liabilities	<u>488</u>	<u>-</u>	<u>488</u>
Non-Current Liabilities:			
Unamortized Premiums (Discounts) on Bonds	-	-	-
Compensated Absences	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>488</u>	<u>-</u>	<u>488</u>
NET POSITION			
Net Investment in Capital Assets	247,001	-	247,001
Unrestricted Net Position	<u>2,237,012</u>	<u>31,000</u>	<u>2,268,012</u>
Total Net Position	<u>\$ 2,484,013</u>	<u>\$ 31,000</u>	<u>\$ 2,515,013</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT I-2

	<u>Airport Fund</u>	<u>Commissary Fund</u>	<u>Total</u>
REVENUES			
Charges for Services	\$ 70,325	\$ -	\$ 70,325
Commissary Sales	-	91,045	91,045
Total Operating Revenues	<u>70,325</u>	<u>91,045</u>	<u>161,370</u>
OPERATING EXPENSES			
Personal Services - Salaries & Wages	40,477	-	40,477
Personal Services - Employee Benefits	20,521	-	20,521
Other Supplies and Expenses	10,229	60,864	71,093
Insurance Claims and Expenses	2,025	-	2,025
Total Operating Expenses	<u>73,252</u>	<u>60,864</u>	<u>134,116</u>
Operating Income (Loss)	<u>(2,927)</u>	<u>30,181</u>	<u>27,254</u>
Income (Loss) Before Contributions and Transfers	<u>(2,927)</u>	<u>30,181</u>	<u>27,254</u>
Transfers In	<u>1,238</u>	<u>-</u>	<u>1,238</u>
Change in Net Position	(1,689)	30,181	28,492
Total Net Position - Beginning	2,488,336	819	2,489,155
Prior Period Adjustment	<u>(2,634)</u>	<u>-</u>	<u>(2,634)</u>
Total Net Position - Ending	<u>\$ 2,484,013</u>	<u>\$ 31,000</u>	<u>\$ 2,515,013</u>

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTMEBER 30, 2013

EXHIBIT I-3

	Airport Fund	Commissary Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash Received from User Charges	\$ 70,325	\$ 91,045	\$ 161,370
Cash Payments to Employees for Services	(59,653)	-	(59,653)
Cash Payments for Suppliers	(12,500)	(60,864)	(73,364)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(1,828)	30,181	28,353
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>			
Advances from Other Funds	29,243	-	29,243
Operating Transfers In	1,238	-	1,238
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	30,481	-	30,481
<u>CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:</u>			
Payment of Debt Principal	-	-	-
Capital Contributed by Other Funds	-	-	-
Payment of Debt Interest	-	-	-
Purchase of Capital Assets	-	-	-
NET CASH PROVIDED BY (USED FOR) CAPITAL & RELATED FINANCING ACTIVITIES	-	-	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Proceed from Maturity of Certificate Deposit	-	-	-
Interest and Dividends on Investments	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,653	30,181	58,834
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR:	1,726	819	2,545
CASH AND CASH EQUIVALENTS AT END OF THE YEAR:	\$ 30,379	\$ 31,000	\$ 61,379

MAVERICK COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTMEBER 30, 2013

EXHIBIT I-3 (Cont'd)

	Airport Fund	Commissary Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss):	\$ (2,927)	\$ 30,181	\$ 27,254
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Depreciation	-	-	-
Closure/Post Closure Care	-	-	-
Amortization of City of Eagle Pass Liability	-	-	-
EFFECTS OF INCREASES AND DECREASES IN CURRENT ASSETS AND LIABILITIES:			
Decrease (Increase) in Receivables	-	-	-
Decrease (Increase) in Due From Other Funds	-	-	-
Decrease (Increase) in Due From Other Governments	-	-	-
Decrease (Increase) in Bond Discount	-	-	-
Increase (Decrease) in Accounts Payable	(246)	-	(246)
Increase (Decrease) in Due to Other Funds	-	-	-
Increase (Decrease) in Due to Others	-	-	-
Increase (Decrease) in Compensated Absences	-	-	-
Increase (Decrease) in Accrued Liabilities	1,345	-	1,345
Increase (Decrease) in Intergovernmental Payables	-	-	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (1,828)	\$ 30,181	\$ 28,353
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Assumption of County Liability with the City of Eagle Pass	-	-	-
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:			
Cash and Cash Equivalents - Statement of Net Assets	30,379	31,000	61,379
Restricted Cash - Statement of Net Assets	-	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 30,379	\$ 31,000	\$ 61,379

