

UVALDE COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

**WAYNE R. BEYER**  
CERTIFIED PUBLIC ACCOUNTANT

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UVALDE COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended  
September 30, 2009

ISSUED BY  
COUNTY AUDITOR'S OFFICE

ALICE CHAPMAN  
COUNTY AUDITOR

Uvalde County, Texas  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2009

TABLE OF CONTENTS

INTRODUCTORY SECTION

- i. Letter of Transmittal
- vi. GFOA Certificate of Achievement
- vii. Organizational Chart
- viii. List of Elected and Appointed Officials

FINANCIAL SECTION

- 1. Independent Auditor's Report
- 3. Management's Discussion and Analysis

*Basic Financial Statements:*

Government-wide Financial Statements:

- 12. Statement of Net Assets
- 13. Statement of Activities

Fund Financial Statements:

- 14. Balance Sheet - Governmental Funds
- 15. Reconciliation of the Government Funds
- 16. Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- 17. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- 18. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund
- 20. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Road and Bridge Fund
- 21. Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
- 22. Statement of Net Assets - Proprietary Funds
- 23. Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds
- 24. Statement of Cash Flows - Proprietary Funds
- 26. Statement of Fiduciary Net Assets - Fiduciary Funds

Notes to Financial Statements

- 27. Notes to the Financial Statements

Required Supplementary Information:

49. Schedule of Funding Progress - Public Employees Retirement System

Combining and Individual Fund Statements and Schedules:

50. Combining Balance Sheet - Non-major Governmental Funds
52. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

54. Archival Fee
55. County Attorney Administration
56. County Attorney Hot Check
57. County Records Management
58. County Election
59. Court Reporters
60. Courthouse Security
61. D.A. Administrative
62. D.A. Fee
63. D.A. Forfeiture
64. DARE
65. District Clerk Records Management
66. Economic Development
67. EMPG
68. HAVA Grant
69. Historical Commission
70. J.P. Technology
71. Jury
72. Law Library
73. Records Management
74. Security Fees Fund
75. Sesquicentennial Fund
76. Sheriff Commissary
77. Sheriff Forfeiture
78. Sheriff Seizure
79. Tobacco Settlement
80. Uvalde Estate Grant
81. Vending Machines
82. Victims of Crime - DA
83. Victims of Crime - CA
84. Jail Building Interest and Sinking Fund
85. Interest and Sinking Fund
86. CDBG Grant Fund
87. ORCA Building Grant
88. Disaster Relief Grant
89. Jail Project
90. FEMA Grant

Agency Funds:

- 91. Combining Statement of Fiduciary Net Assets
- 92. Combining Statement of Changes in Assets and Liabilities

STATISTICAL SECTION

- 94. Net Assets by Component
- 95. Changes in Net Assets
- 97. Governmental Activities Tax Revenues by Source
- 98. Fund Balances of Governmental Funds
- 99. Changes in Fund Balances of Governmental Funds
- 101. General Governmental Tax Revenues by Source
- 102. Assessed Value and Estimated Actual Value of Property
- 103. Property Tax Rates - Direct and Overlapping Governments
- 104. Principal Property Taxpayers
- 105. Property Tax Levies and Collections
- 106. Ratios of Outstanding Debt by Type
- 107. Ratios of Net General Bonded Debt Outstanding
- 108. Estimated Direct and Overlapping Governmental Activities Debt
- 109. Computation of Legal Debt Margin Information
- 110. Demographic and Economic Statistics
- 111. Principal Employers
- 112. Full-time Equivalent County Government Employees by Function
- 113. Operating Indicators by Function
- 115. Capital Assets by Function

Single Audit Section:

- 116. Schedule of Expenditures of Federal Awards
- 118. Community Development Block Grants/States Program - Budget-Award No. 727397
- 119. Community Development Block Grants/States Program - Budget-Award No. 727480
- 120. Community Development Block Grants/States Program - Budget-Award No. 728195
- 121. Report on Internal Control over Financial Reporting and on Compliance and Other Matters and Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- 123. Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133
- 125. Notes to Schedule of Expenditures of Federal Awards
- 125. Schedule of Prior Audit Findings
- 126. Schedule of Findings and Questioned Costs



# COUNTY OF UVALDE

100 N. GETTY STREET  
UVALDE, TEXAS 78801

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March 8, 2010

The Honorable District Judge  
Camile G. Dubose, 38th Judicial District

The Honorable Commissioners' Court, Uvalde County, Texas

William R. Mitchell County Judge  
Randy Scheide County Commissioner, Precinct I  
Daniel Sanchez County Commissioner, Precinct II  
Jerry Bates County Commissioner, Precinct III  
Jesse Moreno County Commissioner, Precinct IV

The Citizens of Uvalde County

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the comprehensive annual financial report of Uvalde County for the fiscal year ended September 30, 2009 is hereby issued.

This report consists of management's representations concerning the finances of Uvalde County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Uvalde County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Uvalde County's financial statements in conformity with GAAP. The cost of internal control should not outweigh the benefit; therefore, Uvalde County's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As financial management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Uvalde County's financial statements were audited by Wayne R. Beyer, CPA, a licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of Uvalde County for the fiscal year ended September 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Uvalde County's financial statements for the fiscal year ended September 30, 2009 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Uvalde County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

On February 8, 1850 the County of Uvalde was formed by the legislature from part of Bexar County and named for Spanish governor Juan de Ugalde.. The County is located in the southwest part of the State of Texas with agriculture continuing to be the major industry. Uvalde County covers 1,557 square miles and has an estimated population of 27,695 as of January 1, 2009 per the Texas Department of State Health Services website.

Uvalde County is a political subdivision of the State of Texas with no legislative powers and very restrictive judicial and administrative powers. The governing body of the county is the Commissioners' Court which consists of five members. The County Judge is the chairman of the Court and the Commissioner from each of the four precincts are also members. The Court has only such powers as are conferred upon it by the Constitution, Statutes, or by necessary implication there from. Uvalde County provides many varied services for its citizens including judicial, detention facilities, public safety, county roads, emergency medical service, health and limited social services, public improvements, libraries, and general administrative services.

In counties with a population less than 125,000 the County Judge serves as the budget officer assisted by the County Auditor. The County Judge may also solicit from each department whatever data may be required to prepare an accurate budget. The budget is presented on a line-item basis and adopted on the fund level. The budget must be itemized to make possible a comparison of the proposed expenditures with the prior year expenditures. The budget must show as accurately as possible the purpose of each expenditure and the amount of money appropriated.

Upon completion of the proposed budget, the County Judge files a copy with the County Clerk. The Commissioners' Court holds a public hearing on the proposed budget. Any taxpayer of the County may attend and participate in the hearing.

At the conclusion of the public hearing, the Commissioners' Court takes action on the proposed budget. The Commissioners' Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers. The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the County Judge shall file a copy with the County Clerk and may spend county funds only in strict compliance with the budget, except in an emergency.

The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners' Court, by order, may amend the budget to transfer an amount budgeted for one item to another budgeted item within the same fund without authorizing an emergency expenditure.

State law requires counties to adopt a budget before adopting a tax rate. The Commissioners' Court may levy taxes only in accordance with the budget. Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in setting tax rates. This law has two purposes:

- to make the taxpayers more knowledgeable about tax rate proposals;
- to allow taxpayers to roll back or limit a tax increase in certain cases.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Uvalde County operates.

**Local economy.** The County of Uvalde continues to see growth in subdivisions in unincorporated areas of the county as justified by plats filed in the County Clerk's office. The completion of the Regional Cancer Care Facility as part of the Uvalde Memorial Hospital will generate much needed medical accessibility to area residents as well as produce increased economic development in the area through job creation.

**Long-term financial planning.** The Commissioner's Court fulfilled the financial obligation by paying off the \$700,000 tax anticipation note.

The Commissioner's Court approved and issued a \$25 million dollar certificate of obligation under the supervision of Mark McClimy with Southwest Securites. This issuance will fund the construction of a 212-bed jail, an emergency operation center building, a multipurpose building to include an AgriLife extension office, a rodeo area and livestock barns for local 4-H and FFA educational activities, as well as an amphitheatre/pavilion and athletic playfield. The jobs creation with this endeavor will boost the local economy. The debt rate of .15 per \$100 valuation was assessed by the Court to pay off the debt over a period of 25 years.

**Cash management policies and practices.** In accordance with Section 116.112, Local Government Code, the County Treasurer with the approval of the Commissioner's Court is authorized to invest any County funds deposited in a County depository not immediately required to pay obligations of the County. The Treasurer may invest those funds as allowed by statute. Interest rates on the deposits are governed by the County depository contract which currently has been awarded to First State Bank of Uvalde.

**Risk management.** The County provides for the management of risks through a combination of self-insurance and traditional insurance. Property and casualty coverage has continued to be obtainable at reasonable premium rates on building and improvements. Comprehensive general liability and public officials' liability coverage has continued to be obtainable at reasonable premium rates. Workers Compensation coverage with Texas Association of Counties is partially self-funded.

The County of Uvalde provides group medical benefits to its employees on a partially self-funded basis as allowed by statute. Stop-Loss coverage is provided by American United Life using the Texas True Choice network. The group insurance is managed by a third party administrator, Group & Pension Administrators. The Commissioners' Court appointed an agent-of-record to guide the Court in the complex purchasing decisions required in this area. The insurance committee consists of the County Judge, County Treasurer, and County Auditor.

**Pension and other post-employment benefits.** The County of Uvalde continues to provide retirement, disability, and death benefits for all full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System(TCDRS). The plan provisions are adopted by the Commissioners' Court within the options available in the Texas State Statutes governing TCDRS. Members are vested after eight years of service but must leave accumulated contributions in the plan to receive employer contributions. The employee members' contribution rate as adopted by the Court is 7% of gross compensation. The County's 2009 employer rate is 8.64%. The County provides an option to employees to participate in COBRA benefits as required by law.

**Awards and Acknowledgements.**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Uvalde for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. This was the thirteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

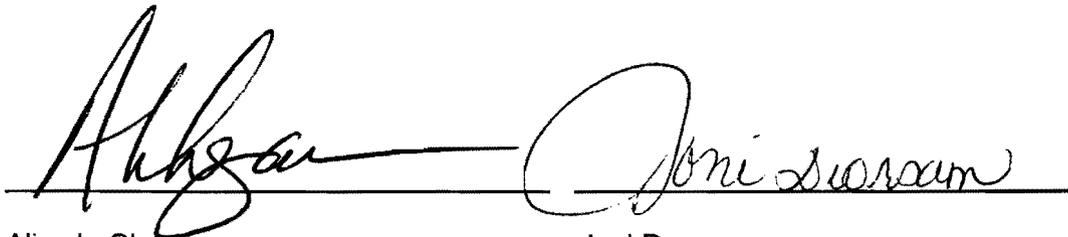
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report is a direct result of the efficient and dedicated services of Wayne Beyer, CPA and his staff, along with the cooperative efforts of each Uvalde County Elected and Appointed Official and their respective support staff.

Special recognition goes to First Assistant Auditor Marjorie L. Collins for her conscientiousness and professionalism in auditing and training in the individual county offices.

Additionally, our sincere appreciation to the Uvalde County Commissioners, the Uvalde County Judge, and the 38th Judicial District Judge for the continued support and progressive manner in maintaining the highest standards when overseeing the operation of this County government.

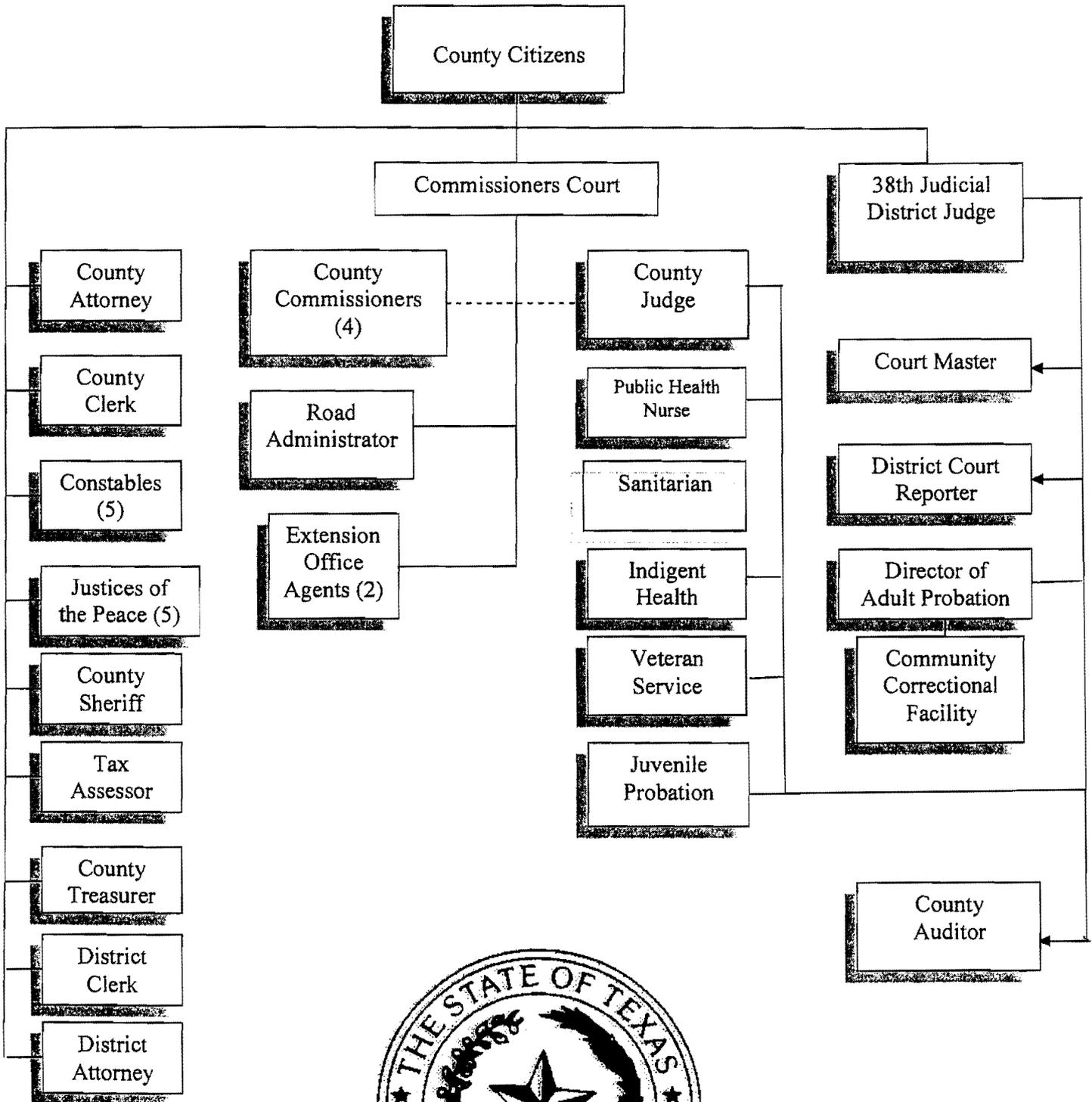
Respectfully submitted,

Handwritten signatures of Alice L. Chapman and Joni Deorsam, each written over a horizontal line.

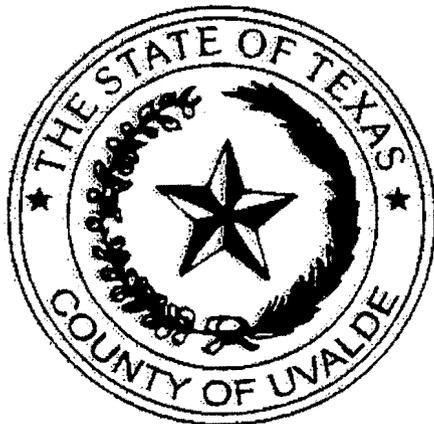
Alice L. Chapman  
County Auditor  
March 8, 2010

Joni Deorsam  
County Treasurer  
March 8, 2010

# County of Uvalde Organization Chart



Appointed ←



**UVALDE COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
SEPTEMBER 30, 2009**

**COMMISSIONERS COURT**

William R. Mitchell  
Randy Scheide  
Daniel Sanchez  
Jerry Bates, Sr.  
Jesse Moreno

County Judge  
Commissioner Precinct No. 1  
Commissioner Precinct No. 2  
Commissioner Precinct No. 3  
Commissioner Precinct No. 4

**DISTRICT COURT**

Camile G. DuBose  
Daniel Kindred  
Kelley Bartell  
Lydia Steele  
Sherry Gentry  
Dale Gear, Jr.

District Judge, 38<sup>th</sup> Judicial District  
District Attorney  
Associate Judge, TITLE IV  
District Clerk  
District Court Reporter  
Chief Probation Officer

**OTHER COUNTY OFFICIALS**

John Dodson  
Joni Deorsam  
Margarita "Maggie" Del Toro  
Lucille Hutcherson  
Charles Mendeke  
Jessie Garcia  
Terry Black, RN  
Rick Coggins  
Pat Razor  
Bryson Dalrymple  
Alice L. Chapman

County Attorney  
County Treasurer  
County Tax Assessor Collector  
County Clerk  
County Sheriff  
County Road Administrator  
County Public Health Nurse  
County Sanitarian  
County Extension Agent  
County Extension Agent  
County Auditor

**JUSTICES OF THE PEACE**

Steve Kennedy  
Bobby McIntosh  
William Schaefer  
Rodrigo Martinez  
Ernesto Luna

Precinct No. 1  
Precinct No. 2  
Precinct No. 3  
Precinct No. 4  
Precinct No. 6

**CONSTABLES**

Eddie Obregon  
Weldon McCutcheon  
William Dean  
Robert Moss  
Martin Morales

Precinct No. 1  
Precinct No. 2  
Precinct No. 3  
Precinct No. 4  
Precinct No. 6

WAYNE R. BEYER  
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT**

To the Commissioner's Court  
Uvalde County, Texas

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Uvalde County, Texas, as of and for the year ended September 30, 2009, which collectively comprise Uvalde County, Texas's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Uvalde County, Texas's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Uvalde County, Texas, as of September 30, 2009 and the respective changes in the financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund, the Road and Bridge Fund, and the Capital Projects Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Uvalde County, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the archival fee special revenue, county attorney administration, county attorney hot check special revenue, county records management special revenue, county election special revenue, court reporters special revenue, courthouse security special revenue, D.A. administrative special revenue, D.A. fee special revenue, D.A. forfeiture special revenue, DARE special revenue, district clerk records management special revenue, economic development special revenue, EMPG special revenue, HAVA grant special revenue, historical commission special revenue, J.P. technology special revenue, jury special revenue, law library special revenue, records management special revenue, security fees special revenue, sesquicentennial special revenue, sheriff commissary special revenue, sheriff forfeiture special revenue, sheriff seizure special revenue, tobacco settlement special revenue, Uvalde estate grant special revenue, vending machines special revenue, victims of crime - DA special revenue, victims of crime - CA special revenue, jail building interest and sinking debt service, interest and sinking debt service, CDBG grant fund, ORCA building grant, disaster relief grant, jail

FINANCIAL SECTION

project fund, and the FEMA grant for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated March 8, 2010, on my consideration of Uvalde County, Texas's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of my audit.

The management's discussion and analysis, the non-major budgetary comparison information, and the required supplementary information on pages 3 through 11, 54 through 90, and 49, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uvalde County, Texas's basic financial statements. The introductory section, the statistical section, and the combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Uvalde County, Texas. The combining and individual non-major fund financial statements and schedules of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and schedules and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Respectfully submitted,



WAYNE R. BEYER  
Certified Public Accountant  
Pleasanton, Texas  
March 8, 2010

## Management's Discussion and Analysis

As management of Uvalde County, Texas, we offer readers of Uvalde County, Texas's financial statements this narrative overview and analysis of the financial activities of Uvalde County, Texas for the fiscal year ended September 30, 2009.

### Financial Highlights

- . The assets of Uvalde County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$8,397,050 (net assets). Of this amount, \$6,166,394 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net assets increased by \$569,008. This increase is attributable to revenues continuing to outpace expenses. While the total expenses increase by \$575,283 the revenues increased by \$382,650. The major increase in revenues occurred in miscellaneous income which increased by \$1,010,488 due mainly to the sale of forfeited and seized property. Ad valorem tax revenues increased by \$613,796 while charges for services decreased by \$1,343,303. The decrease in the charges for services resulted mainly from a decrease in district and county clerk gross receivables while also increasing in amount deemed to be uncollectible.
- . As of the close of the current fiscal year, Uvalde County, Texas's governmental funds reported combined ending fund balances of \$26,746,904, an increase of \$24,745,798 in comparison with the prior year. Approximately 10% of this total amount, \$2,622,778, is available for spending at the government's discretion (unreserved fund balance). The fund balance increased by \$24,745,798 was the result of the issuance of \$25,000,000 in jail facility bonds.
- . At the end of the current fiscal year, the unreserved fund balance for the general fund was \$789,982 or 09 percent of total general fund expenditures, the unreserved fund balance for the road and bridge fund was \$483,654, or 25 percent of total road and bridge fund expenditures, and the reserved fund balance for the capital projects fund was \$23,957,141 of which \$0 was unreserved.
- . Uvalde County, Texas's total short-term and long-term debt increased by \$25,055,881 (8810.92 percent) during the current fiscal year. The key factor in this increase was the issuance of jail facility bonds of \$25,000,000.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Uvalde County, Texas's basic financial statements. Uvalde County, Texas's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements distinguish functions of Uvalde County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other 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 Uvalde County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, culture and recreation, and employee insurance fund.

The government-wide financial statements include only Uvalde County, Texas itself (known as the primary government),

The government-wide financial statements can be found on pages 12-13 of this report.

**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. Uvalde County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds:*

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

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

Uvalde County, Texas maintains forty (40) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, and the capital projects fund all of which are considered to be major funds. Data from the other thirty seven (37) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Uvalde County, Texas adopts an annual appropriated budget for its general fund, the road and bridge fund, and the capital projects fund. There were appropriated budgets for all the non-major special revenue, debt service, and capital project funds.

The basic governmental fund financial statements can be found on pages 14-21 of this report.

*Proprietary funds:*

Uvalde County, Texas maintains one type of proprietary fund. The Internal Service Fund for Uvalde County, Texas, consists solely of the Employee Insurance Fund. This fund was created to help facilitate employee insurance coverage. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the employee insurance fund.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Uvalde County, Texas also has four agency funds which are a fiduciary fund type.

*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 on pages 27-48 of this report.

*Other information:*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Uvalde County, Texas's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 49 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 50-53 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 54-90 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Uvalde County, Texas, assets exceeded liabilities by \$8,397,050 at the close of the most recent fiscal year.

A portion of Uvalde County, Texas's net assets (25 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. Uvalde County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Uvalde County, Texas's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### UVALDE COUNTY, TEXAS NET ASSETS

	Governmental Activities		Total	
	2009	2008	2009	2008
Current and Other Assets	\$6,275,895	\$6,150,825	\$6,275,895	\$6,150,825
Restricted Assets:	24,267,543	327,048	24,267,543	327,048
Capital Assets:	3,927,544	2,407,845	3,927,544	2,407,845
Total Assets	34,470,982	8,885,718	34,470,982	8,885,718
Long-Term Liabilities	25,340,254	284,373	25,340,254	284,373
Other Liabilities	733,678	773,303	733,678	773,303
Total Liabilities	26,073,932	1,057,676	26,073,932	1,057,676
Invested in Capital Assets, Net of Related Debt	2,063,671	2,175,194	2,063,671	2,175,194
Restricted	166,985	327,048	166,985	327,048
Unrestricted	6,166,394	5,325,800	6,166,394	5,325,800
Total Net Assets	<u>\$8,397,050</u>	<u>\$7,828,042</u>	<u>\$8,397,050</u>	<u>\$7,828,042</u>

An additional portion of Uvalde County, Texas's net assets (02 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,166,394) may be used to meet the government on going obligations to citizens and creditors. At the end of the current fiscal year, Uvalde County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Uvalde County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities.

There was a decrease of \$160,063 in restricted net assets reported in connection with Uvalde County, Texas's government-type activities. This decrease reflects the expending of grant monies held from years past in the disaster relief fund and the FEMA grant fund.

The governments net assets increased by \$569,008 during the current fiscal year. The major increase in revenues occurred in miscellaneous income which increased by \$1,010,488 due mainly to the sale of forfeited and seized property. Ad valorem tax revenues increased by \$613,796 while charges for services decreased by \$1,343,303. The decrease in the charges for services resulted mainly from a decrease in district and county clerk gross receivables while also increasing in amount deemed to be uncollectible.

*Governmental activities:* Governmental activities increased Uvalde County, Texas's net assets by \$569,008, thereby accounting for 100 percent of the total increase in the net assets of Uvalde County, Texas.

**UVALDE COUNTY, TEXAS  
CHANGE IN NET ASSETS**

	Governmental Activities		Total	
	2009	2008	2009	2008
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$1,093,867	\$2,437,170	\$1,093,867	\$2,437,170
Operating Grants and Contributions	1,328,804	1,268,268	1,328,804	1,268,268
Capital Grants and Contributions	398,255	619,480	398,255	619,480
<b>General Revenues:</b>				
Maintenance and Operations Taxes	6,608,518	5,994,722	6,608,518	5,994,722
Sales Taxes	2,278,750	2,238,382	2,278,750	2,238,382
Unrestricted Investment Earnings	301,999	80,009	301,999	80,009
Miscellaneous	1,513,970	503,482	1,513,970	503,482
<b>Total Revenue</b>	<b>13,524,163</b>	<b>13,141,513</b>	<b>13,524,163</b>	<b>13,141,513</b>
<b>Expenses:</b>				
General Administration	2,175,201	2,475,662	2,175,201	2,475,662
Judicial	1,499,166	1,312,975	1,499,166	1,312,975
Legal	309,458	275,286	309,458	275,286
Financial Administration	833,634	701,088	833,634	701,088
Public Facilities	343,399	216,665	343,399	216,665
Public Safety	3,745,852	3,261,145	3,745,852	3,261,145
Public Transportation	2,050,350	2,170,918	2,050,350	2,170,918
Environmental Protection	199,914	189,585	199,914	189,585
Culture and Recreation	136,142	112,374	136,142	112,374
Health and Welfare	1,485,953	1,494,318	1,485,953	1,494,318
Conservation - Agriculture	136,524	106,452	136,524	106,452
Interest and Fiscal Charges	39,562	63,404	39,562	63,404
<b>Total Expenses</b>	<b>12,955,155</b>	<b>12,379,872</b>	<b>12,955,155</b>	<b>12,379,872</b>
Increase in net assets before transfers and special items	569,008	761,641	569,008	761,641
Transfers	0	0	0	0
<b>Increase in Net Assets</b>	<b>569,008</b>	<b>761,641</b>	<b>569,008</b>	<b>761,641</b>
Net Assets at 09/30/2008	7,828,042	7,066,401	7,828,042	7,066,401
<b>Net Assets at 09/30/2009</b>	<b>\$8,397,050</b>	<b>\$7,828,042</b>	<b>\$8,397,050</b>	<b>\$7,828,042</b>

Revenues increased by \$382,650. The biggest increase was in miscellaneous income which increased by \$1,010,488. The expenses increased by \$575,283. The biggest increase was in the Public Safety which increased by \$484,707.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Government activities:				
General Administration	\$2,175,201	\$196,949	\$52,153	\$0
Judicial	1,499,166		342,648	
Legal	309,458	58,545	41,667	
Financial Administration	833,634	110,366		
Public Facilities	343,399			168,066
Public Safety	3,745,852	26,579	418,444	
Public Transportation	2,050,350	667,510	21,620	230,189
Environmental Protection	199,914		13,843	
Culture and Recreation	136,142		324,664	
Health and Welfare	1,485,953	33,918	113,765	
Conservation - Agriculture	136,524			
Interest and Fiscal Charges	39,562			
Total government activities	<u>\$12,955,155</u>	<u>\$1,093,867</u>	<u>\$1,328,804</u>	<u>\$398,255</u>

Revenues by source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,093,867	8%
Operating Grants and Contributions	1,328,804	10%
Capital Grants and Contributions	398,255	3%
Maintenance and Operations Taxes	6,608,518	49%
Sales Taxes	2,278,750	17%
Unrestricted Investment Earnings	301,999	2%
Miscellaneous	1,513,970	11%
	<u>\$13,524,163</u>	<u>100%</u>

For the most part expense increases were fairly ratable throughout the different departments.

## Financial Analysis of the Government's Funds

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

### *Governmental funds:*

The focus of Uvalde County, Texas's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Uvalde County, Texas'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.

As of the end of the current fiscal year, Uvalde County, Texas's governmental funds reported combined ending fund balances of \$26,746,904, an increase of \$24,745,798 in comparison with the prior year. Approximately 10 percent of this total amount (\$2,622,778) constitutes unreserved fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Uvalde County, Texas. At the end of the current fiscal year, unreserved fund balance of the general fund was \$789,982, while total fund balance reached \$789,982. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 09 percent of total general fund expenditures, while total fund balance represents 09 percent of that same amount.

The fund balance of Uvalde County, Texas's general fund increased by \$574,734 during the current fiscal year. Key factors in this increase are as follows:

The general fund had an increase in property taxes of \$474,842.

The road and bridge fund had an unreserved fund balance of \$483,654, while total fund balance reached \$483,654. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25 percent of total road and bridge fund expenditures, while total fund balance represents 25 percent of that same amount.

The fund balance of the road and bridge fund increased by \$240,341 during the current year. Key factors in this increase are as follows:

The road and bridge fund had an increase in property taxes of \$255,150.

The capital projects fund had an unreserved fund balance of \$0, while total fund balance reached \$23,957,141. The capital projects fund was established to build the new jail facility. Thus, any comparison between fund balances and expenditures would be illusory.

The fund balance of the capital projects fund increased by \$23,957,141 during the current year. Key factors in this increase are as follows:

The issuance of jail facility bonds of \$25,000,000.

## General Fund and Road and Bridge Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were \$737,932. This increase was mainly from an increase in budgetary expenditures of \$145,428 in non-departmental, \$291,979 in sheriff and sheriff payroll, and \$238,213 in indigent health. The final amended budget for the road and bridge fund was \$189,796 less than the original budget which mainly was the result of a decrease in budgeted road and bridge expenditures.

### Capital Asset and Debt Administration

#### *Capital assets:*

Uvalde County, Texas's investment in capital assets for its governmental activities as of September 30, 2009, amounts to \$3,927,544 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in Uvalde County, Texas's investment in capital assets for the current fiscal year was 63.11 percent.

The county expended \$1,576,649 towards the Convention Center, a New Jail, a 4-H Center, and an Amphitheater which included a land purchase of \$489,920 and \$1,086,729 included in construction in progress.

#### UVALDE COUNTY, TEXAS CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Total	
	2009	2008	2009	2008
Land	\$1,366,145	\$876,225	\$1,366,145	\$876,225
Construction in Progress	1,086,729	0	1,086,729	0
Building and Improvements	1,107,461	1,140,677	1,107,461	1,140,677
Machinery and Equipment	367,209	390,943	367,209	390,943
Infrastructure	0	0	0	0
<b>Total</b>	<b>\$3,927,544</b>	<b>\$2,407,845</b>	<b>\$3,927,544</b>	<b>\$2,407,845</b>

Additional information on Uvalde County, Texas's capital assets can be found in note IV C on page 39 of this report.

*Long-term debt:*

At the end of the current fiscal year, Uvalde County, Texas had total bonded debt outstanding of \$25,000,000. Of this amount, \$25,000,000 comprises debt backed by the full faith and credit of Uvalde County, Texas.

	Beginning Balance	Additions	Reductions	Ending Balance	Current Liabilities
<u>Governmental activities:</u>					
Bonds Payable	\$0	\$25,000,000	\$0	\$25,000,000	\$120,000
Total Bonds payable	0	25,000,000	0	25,000,000	120,000
Grand Total	\$0	\$25,000,000	\$0	\$25,000,000	\$120,000

Uvalde County, Texas's total debt increased by \$25,055,881 (8810.92 percent) during the current fiscal year. The key factor in this increase was the issuance of \$25,000,000 in jail facility bonds.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's elected and appointed officials considered many factors when setting the fiscal-year 2010 budget and tax rates. One of those factors is the economy. The County's population growth during 1998-2009 averaged annual gains of .6 percent. Unemployment during that time held steady at about 6.0 percent. More recently, however, unemployment has declined until it now stands at 5.1 percent. This compares with the State's unemployment rate of 4.4 percent and the national rate of 4.8 percent.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Uvalde County, Texas, Courthouse Plaza #3, Uvalde, Texas 78801.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

UVALDE COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009

	Primary	
	Governmental	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$2,385,383	\$2,385,383
Receivables (net of allowance for uncollectibles)	3,753,106	3,753,106
Unamortized Bond Issuance Cost	137,406	137,406
Restricted Assets:		
Cash and Cash Equivalents	24,267,543	24,267,543
Capital assets not being depreciated:		
Land	1,366,145	1,366,145
Construction in Progress	1,086,729	1,086,729
Total Capital assets being depreciated, net		
Building and Improvements	1,107,461	1,107,461
Machinery and Equipment	367,209	367,209
Infrastructure	0	0
<b>Total Assets</b>	<b>\$34,470,982</b>	<b>\$34,470,982</b>
<b>LIABILITIES:</b>		
Accounts Payable	\$177,569	\$177,569
Accrued Interest Payable	556,109	556,109
Noncurrent Liabilities:		
Due within one year	292,237	292,237
Due in more than one year	25,048,017	25,048,017
<b>Total Liabilities</b>	<b>26,073,932</b>	<b>26,073,932</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	2,063,671	2,063,671
Reserved for Debt Service	166,985	166,985
Unrestricted	6,166,394	6,166,394
<b>Total Net Assets</b>	<b>\$8,397,050</b>	<b>\$8,397,050</b>

The accompanying notes are an integral part of this statement.

UVALDE COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in	
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Total
<b>Primary Government</b>						
<b>Government Activities:</b>						
General Administration	\$2,175,201	\$196,949	\$52,153	\$0	(\$1,926,099)	(\$1,926,099)
Judicial	1,499,166		342,648		(1,156,518)	(1,156,518)
Legal	309,458	58,545	41,667		(209,246)	(209,246)
Financial Administration	833,634	110,366			(723,268)	(723,268)
Public Facilities	343,399			168,066	(175,333)	(175,333)
Public Safety	3,745,852	26,579	418,444		(3,300,829)	(3,300,829)
Public Transportation	2,050,350	667,510	21,620	230,189	(1,131,031)	(1,131,031)
Environmental Protection	199,914		13,843		(186,071)	(186,071)
Culture and Recreation	136,142		324,664		188,522	188,522
Health and Welfare	1,485,953	33,918	113,765		(1,338,270)	(1,338,270)
Conservation - Agriculture	136,524				(136,524)	(136,524)
Interest and Fiscal Charges	39,562				(39,562)	(39,562)
<b>Total Government Activities</b>	<b>12,955,155</b>	<b>1,093,867</b>	<b>1,328,804</b>	<b>398,255</b>	<b>(10,134,229)</b>	<b>(10,134,229)</b>
<b>Total Primary Government</b>	<b>\$12,955,155</b>	<b>\$1,093,867</b>	<b>\$1,328,804</b>	<b>\$398,255</b>	<b>(10,134,229)</b>	<b>(10,134,229)</b>
<b>General Revenues</b>						
Property Taxes, Levies for General Purposes					6,608,518	6,608,518
Sales Taxes					2,278,750	2,278,750
Unrestricted Investment Earnings					301,999	301,999
Miscellaneous					1,513,970	1,513,970
<b>Total General Revenues and Transfers</b>					<b>10,703,237</b>	<b>10,703,237</b>
Change in Net Assets					569,008	569,008
Net Assets - Beginning					7,828,042	7,828,042
Net Assets - Ending					<b>\$8,397,050</b>	<b>\$8,397,050</b>

The accompanying notes are an integral part of this statement.