

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

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# 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.

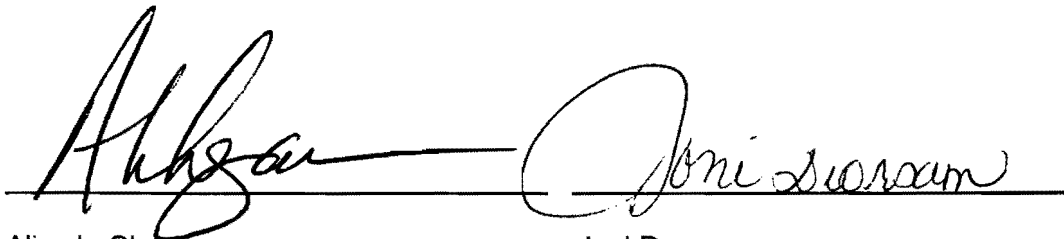
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.

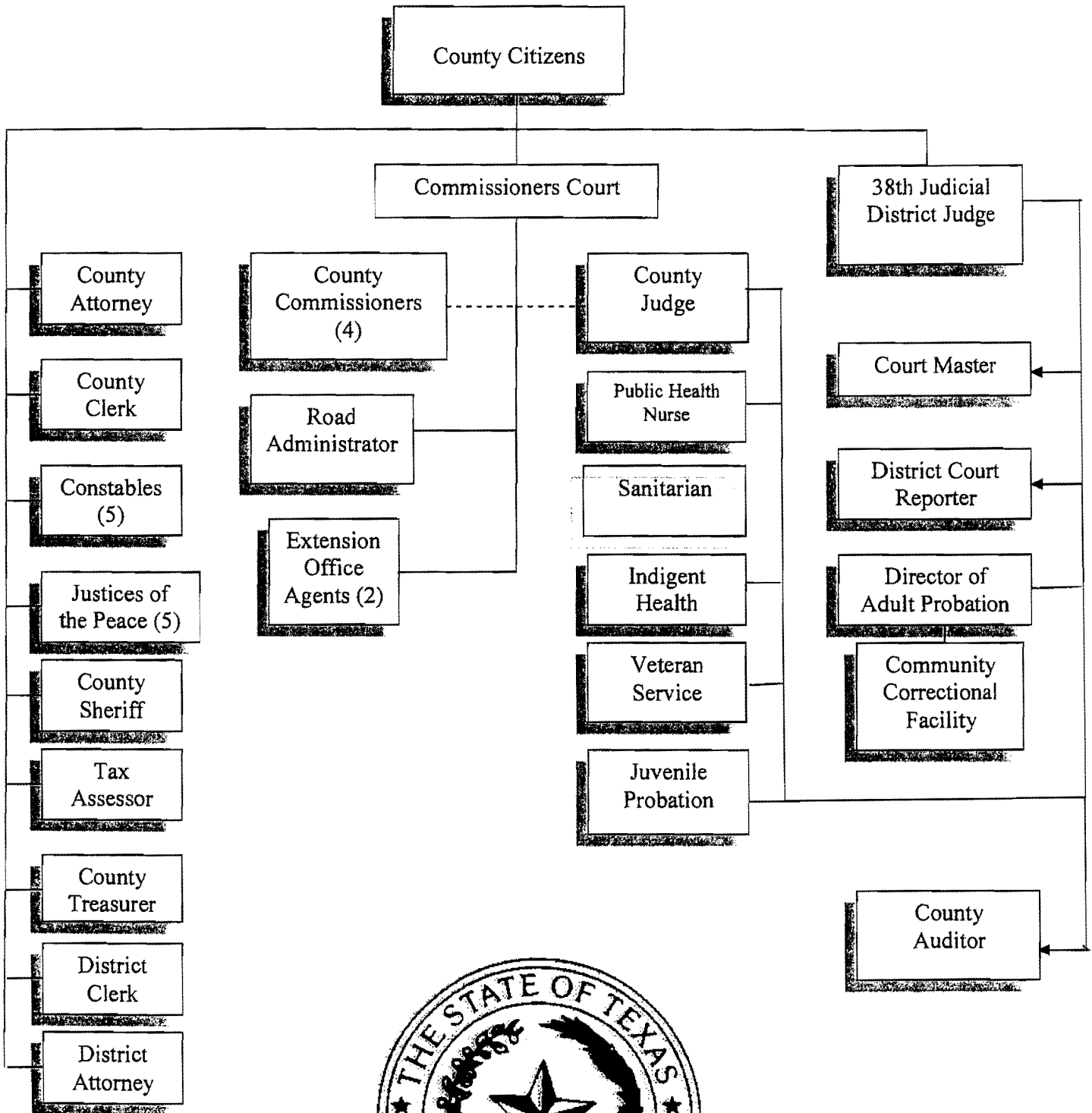
Respectfully submitted,

The image shows two handwritten signatures in black ink. The signature on the left is for Alice L. Chapman, and the signature on the right is for Joni Deorsam. Both signatures are written over a horizontal line.

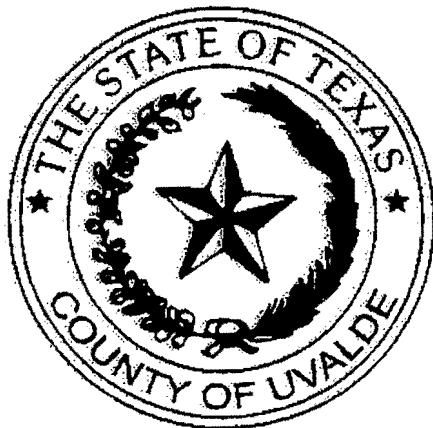
Alice L. Chapman  
County Auditor  
March 8, 2010

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