

LAMB COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2009

LAMB COUNTY, TEXAS
COUNTY OFFICIALS
SEPTEMBER 30, 2009

Name of Official -----	Office -----
William A. Thompson, Jr.	County Judge
Rodney Smith	Commissioner, Precinct #1
Kent Lewis	Commissioner, Precinct #2
Danny Short	Commissioner, Precinct #3
Jimmy Young	Commissioner, Precinct #4
Mark Yarbrough	County Attorney
Gina Jones	County Auditor
Gary Maddox	County Sheriff
Janice Wells	County Treasurer
Brenda Goheen	Tax Assessor-Collector
Jamee Long	County Clerk
Stephanie Chester	District Clerk
Becky DeBerry	Justice of Peace #1
Christy Clark	Justice of Peace #2
Al Mann	Justice of Peace #3
Carolyn Harmon	Justice of Peace #4

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FINANCIAL SECTION

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Stephen H. Webb, CPA
Richard B. Wright, CPA

August 4, 2010

Independent Auditor's Report on Financial Statements

Honorable County Judge and Commissioners' Court
Lamb County
100 6th Street
Littlefield, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lamb County as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Proprietary Fund - Lamb Healthcare Center. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the proprietary fund, is based solely on the report of the other auditors.

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

Lamb County - August 4, 2010

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lamb County as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 4, 2010 on our consideration of Lamb County's internal control over financial reporting and 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 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 should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents 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. We 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, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise Lamb County's basic financial statements. The accompanying combining statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

WEBB, WEBB AND WRIGHT, CPA'S

Webb, Webb + Wright

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lamb County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the County's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the County as a whole and present a long-term view of the County's property and obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the County were sold to departments within the County or to external customers and how well the sales revenues covered the expenses of the goods or services. The fiduciary statement provides financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the County's overall financial condition and operations is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the County's assets and liabilities while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the same basis of accounting used by most private sector companies – accrual.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by business functions that are intended to recover a portion of their costs through user fees and charges and general revenues provided by the taxpayers. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net assets and changes in them. The County's net assets (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider nonfinancial factors as well, such as changes in the County's property tax base and the condition of the County's facilities.

In the Statement of Net Assets and the Statement of Activities, the County operates under two kinds of activities:

Governmental activities – Most of the County's basic services are reported here, including general government, public safety, highways and streets and judicial. Property taxes and fees finance most of these activities.

Business-type activities – The County charges a fee to customers to help it cover all or most of the cost of services it provides in health services.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the County as a whole. The County's administration establishes many funds to help it control and manage money for particular purposes.

Governmental Funds – The County reports most of its basic services in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and they report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides.

We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the governmental fund financial statements.

Proprietary Funds – The County reports the activities for which it charges users (whether outside customers or other units of the County) in proprietary funds using the same accounting methods employed in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise fund (one category of proprietary funds) is the business-type activity reported in the government-wide statements but containing more detail and some additional information, such as cash flows.

Fiduciary Funds - The County is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental activities.

Net assets of the County's governmental activities increased from \$8,505,500 to \$9,028,056. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$3,588,339 at September 30, 2009.

This increase in governmental net assets was the net result of the County's revenues exceeding the expenditures as shown in Exhibit B-1 and a \$67,561 prior period adjustment as disclosed in Note 13.

The net assets of our business-type activities decreased by \$19,083. This decrease is not significant to the overall operations of the County; however, it provides significant services to the community. Factors contributing to this decrease are shown in Exhibit B-1.

Table 1
Lamb County

Net Assets
in thousands

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008-2009
Current and other assets	4,124	3,515	3,395	4,037	7,519	7,552	-4%
Capital assets	5,698	5,315	2,076	1,337	7,774	6,652	16.9%
Total assets	9,822	8,830	5,471	5,374	15,293	14,204	7.7%
Long-term liabilities	209	48	12		221	48	360.4%
Other liabilities	585	276	1,192	1,088	1,777	1,364	30.3%
Total liabilities	794	324	1,204	1,088	1,998	1,412	41.5%
Net assets:							
Invested in capital assets, net of related debt	5,440	5,252	1,998	1,307	7,438	6,559	13.4%
Restricted					-0-	-0-	0.0%
Unrestricted	3,588	3,253	2,269	2,979	5,857	6,232	-6.0%
Total net assets	9,028	8,505	4,267	4,286	13,295	12,792	3.9%

Table 2
Lamb County
Changes in Net Assets
in thousands

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008-2009
Revenues:							
Net program revenues:							
Charges for services	533	620	8,919	8,589	9,452	9,209	2.6%
Operating grants and contributions	183	143	1	2	184	145	26.9%
Capital Grants and contributions				50	-0-	50	-100.0%
General revenues:							
Property taxes	6,864	6,369			6,864	6,369	7.8%
Other taxes	608	599			608	599	1.5%
Grants and contributions not restricted					-0-	-0-	0.0%
Unrestricted investments earnings	35	179	9	61	44	240	-81.7%
Other revenues	304	204	157	264	461	468	-1.5%
Total revenues	8,527	8,114	9,086	8,966	17,613	17,080	3.1%
Expenses:							
General government	1,763	2,180			1,763	2,180	-19.1%
Judicial	339	457			339	457	-25.8%
Public safety	2,780	2,099			2,780	2,099	32.4%
Highway and street	1,792	1,711			1,792	1,711	4.7%
Education	193	174			193	174	10.9%
Public welfare	52	51			52	51	2.0%
Health			10,363	10,136	10,363	10,136	2.2%
Interest on long-term debt	10	2			10	2	400.0%
Total expenses	6,929	6,674	10,363	10,136	17,292	16,810	2.9%
Increase(decrease) in net assets before special items & transfers							
Gain on Sale of Capital Assets	15	1	100		115	1	11,400.0%
Transfers	(1,158)	(957)	1,158	957	-0-	-0-	0.0%
Change in net assets	455	484	(19)	(213)	436	271	61.5%
Net assets-beginning	8,505	8,029	4,286	4,500	12,791	12,529	2.1%
Increase (Decrease) in Net Assets	68	(8)			68	(8)	7,600.0%
Net assets-ending	9,028	8,505	4,267	4,286	13,295	12,792	3.9%

The County's governmental revenues increased by \$413,006 this year. The total cost of governmental programs and services increased by \$254,790 this year. The County's business revenues increased by \$120,142 this year. The total cost of business programs and services increased by \$226,876 this year.

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Current year property tax revenues increased by \$507,588 (8.16%) during the year. This increase is the result of increases to the tax base that totaled over 18.5 million. The increase in property tax revenue was used to fund salary and benefit increases, Courthouse roofing project, and the Juvenile Counseling Center roofing project.
- Investment earnings decreased by \$179,353 in the General Fund as a result of the lower interest rates established by the Federal Reserve during the year.
- Total expenses increased by 226,876 during the year. A portion of this increase reflects a 3% increase in salary expense, an increase in retirement expense and an increase in employee medical benefits.

The cost of all governmental and business-type activities this year was \$17,291,959. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$7,471,850 because \$9,451,989 of the costs were paid by those who directly benefited from the programs and \$184,446 by other governments and organizations that subsidized certain programs with grants and contributions.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$3,471,091, which is significantly above last year's total of \$3,146,525. Included in this year's total change in fund balance is a net increase of \$346,869 in the County's General Fund.

Total tax revenue including delinquent taxes increased \$469,346 over prior year amounts. Taxes increased due to high collection rates and an increase in tax base. The increase in tax base also allowed the County to retain the same tax rate as the previous year. Expenditures in the governmental fund increased over prior year totals. The primary areas of increased expenditures were in personnel related costs due to wage increases and increases in employee benefits.

General Fund Budgetary Highlights

The County's General Fund balance of \$3,371,988 differs from the General Fund's budgetary fund balance of \$2,272,300. This difference is shown on the budgetary comparison schedule (Exhibit F-1).

The County budget is prepared by the County Judge and approved by the Commissioners Court. The approved budget is used as a management control device during the year, and appropriations are set at the expenditure line item level. Budgetary adjustments must be approved by the Commissioners Court. There were not significant differences between the original budget and the final budget. The final budget reflected an excess of revenues over expenditures of \$278,010 and the actual excess was \$1,108,151. Major variances included:

- Total revenues exceeded budgeted revenue by 1.61%.
- Most Fee revenue was under budgeted amounts due to fewer document filings by the public.
- Due to interest rates that were lowered throughout the year by the Federal Reserve Bank, investment income was under budget by 78.16%.
- Total general fund expenditures were 14% less than the ending budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the County had \$15,018,108 invested in a broad range of capital assets, including administrative facilities and equipment, public safety facilities and equipment, and maintenance buildings and equipment.

This year's major additions included:

Building & Improvements	\$ 152,527
Machinery & Equipment	640,698
Vehicles	159,245
Office Equipment	106,196

Total	\$ 1,058,666
	=====

The County re-roofed the Courthouse with \$123,427 spent in 2009 and \$22,586 spent in 2010. The roof on the Juvenile Counseling Center was also re-roofed this year with a cost of \$29,100. The Sheriff's Office purchased several new vehicles and a new phone system. There were several Motor graders and a front end loader purchased this fiscal year.

The County has plans to purchase a new software system along with no plans to incur any new debt to finance said capital expenditure.

Debt

At year-end, the County had \$257,844 in outstanding governmental debt versus \$62,335 last year.

More detailed information about the County's long-term liabilities is presented in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected officials considered many factors when setting the fiscal year 2010 budget and tax rates such as the following:

- The County is considering the purchase of a new software system and is budgeting \$400,000 for the first portion of the project.
- Additional money was also budgeted in contract/professional services for possible litigation expense.
- Salary expense and related payroll accounts were increased for the 3% salary increase approved by Commissioners Court for fiscal year 2010.

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 Judge's Office.

BASIC FINANCIAL STATEMENTS

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

PRIMARY GOVERNMENT

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 4,696,135	\$ 64,836	\$ 4,760,971
Investments	292,738		292,738
Receivables (net of allowance for uncollectibles)	333,533	1,783,113	2,116,646
Internal balances	(1,204,320)	1,204,320	-0-
Due from other government units	5,000		5,000
Inventories	1,356	264,087	265,443
Prepays		78,507	78,507
Capital assets (net of accumulated depreciation):			
Land	32,970	61,822	94,792
Buildings and improvements	3,071,062	997,818	4,068,880
Machinery and equipment	933,518	1,016,359	1,949,877
Vehicles	749,242		749,242
Office equipment	416,417		416,417
Capital Leases	370,925		370,925
Construction in progress	123,427		123,427
Total Capital Assets	\$ 5,697,561	\$ 2,075,999	\$ 7,773,560
TOTAL ASSETS	\$ 9,822,003	\$ 5,470,862	\$ 15,292,865
LIABILITIES			
Accounts payable and other current liabilities	\$ 274,797	\$ 764,365	\$ 1,039,162
Accrued liabilities	101,250	371,285	472,535
Deferred revenue	160,056		160,056
Noncurrent liabilities:			
Due within one year	48,822	55,980	104,802
Due in more than one year	209,022	11,988	221,010
TOTAL LIABILITIES	\$ 793,947	\$ 1,203,618	\$ 1,997,565
NET ASSETS			
Invested in capital assets, net of related debt	\$ 5,439,717	\$ 1,998,284	\$ 7,438,001
Unrestricted	3,588,339	2,268,960	5,857,299
TOTAL NET ASSETS	\$ 9,028,056	\$ 4,267,244	\$ 13,295,300

The accompanying notes are an integral part of this statement.
(11)

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

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 1,762,782	\$ 347,541	\$ 183,420	\$	\$ (1,231,821)	\$	\$ (1,231,821)
Judicial	339,535	163,231			(176,304)		(176,304)
Public safety	2,779,612				(2,779,612)		(2,779,612)
Highways and streets	1,792,113	21,794			(1,770,319)		(1,770,319)
Education	192,652				(192,652)		(192,652)
Public welfare	51,704				(51,704)		(51,704)
Interest on long-term debt	10,432				(10,432)		(10,432)
Total Governmental Activities	\$ 6,928,830	\$ 532,566	\$ 183,420	\$ -0-	\$ (6,212,844)	\$ -0-	\$ (6,212,844)
Business – Type Activities:							
Health	\$ 10,363,129	\$ 8,919,423	\$ 1,026	\$ -0-	\$	\$ (1,442,680)	\$ (1,442,680)
Total Business-Type Activities	\$ 10,363,129	\$ 8,919,423	\$ 1,026	\$ -0-	\$ -0-	\$ (1,442,680)	\$ (1,442,680)
TOTAL PRIMARY GOVERNMENT	\$ 17,291,959	\$ 9,451,989	\$ 184,446	\$ -0-	\$ (6,212,844)	\$ (1,442,680)	\$ (7,655,524)
General Revenue:							
Property taxes					\$ 6,863,630	\$	\$ 6,863,630
Vehicle registrations and fees					608,220		608,220
Grants and contributions not restricted to specific programs							-0-
Investment earnings					34,572	8,706	43,278
Miscellaneous					304,085	156,780	460,865
Gain on sale of capital assets					15,443	100,000	115,443
Transfers					(1,158,111)	1,158,111	-0-
Total general revenues and transfers					\$ 6,667,839	\$ 1,423,597	\$ 8,091,436
Change in net assets					\$ 454,995	\$ (19,083)	\$ 435,912
Net assets – beginning					8,505,500	4,286,327	12,791,827
Increase (Decrease) in Net Assets					67,561		67,561
Net assets – ending					\$ 9,028,056	\$ 4,267,244	\$ 13,295,300

The accompanying notes are an integral part of this statement.
(12)

LAMB COUNTY, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash	\$ 4,618,660	\$ 77,475	\$ 4,696,135
Investments	271,110	21,628	292,738
Accounts Receivable	56,229		56,229
Delinquent Taxes Receivable	308,116		308,116
Allowance for Uncollectible Taxes	(30,812)		(30,812)
Due From Other Funds	5,000		5,000
Inventory	1,356		1,356
Total Assets	\$ 5,229,659	\$ 99,103	\$ 5,328,762
LIABILITIES			
Accounts Payable	\$ 274,797	\$	\$ 274,797
Other Current Liabilities	101,250		101,250
Due to Other Funds	1,204,320		1,204,320
Deferred Revenue	277,304		277,304
Total Liabilities	\$ 1,857,671	\$ -0-	\$ 1,857,671
FUND BALANCE			
Reserved Fund Balance:			
Other Reserves	\$ 5,327	\$	\$ 5,327
Unreserved Fund Balance	3,366,661	99,103	3,465,764
Total Fund Balances	\$ 3,371,988	\$ 99,103	\$ 3,471,091
Total Liabilities and Fund Balance	\$ 5,229,659	\$ 99,103	\$ 5,328,762

The accompanying notes are an integral part of this statement.
(13)

LAMB COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental fund balance sheet	\$ 3,471,091
Capital assets used in governmental activities not financial resources and, therefore, are not reported in the funds.	5,697,561
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	117,248
Long-term liability used in governmental activities are not due and payable in the current period and therefore not reported in the funds.	(257,844)

Total net assets of governmental activities - statement of net assets	\$ 9,028,056 =====

The accompanying notes are an integral part of this statement.
(14)

LAMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	GENERAL FUND -----	OTHER GOVERNMENTAL FUNDS -----	TOTAL GOVERNMENTAL FUNDS -----
REVENUES			
Taxes	\$ 6,851,148	\$ 1,946	\$ 6,853,094
Charges for Services	347,541		347,541
Fines and Fees	163,231		163,231
Vehicle Registration and Fees	608,220		608,220
Lateral Road	21,794		21,794
Grants	183,420		183,420
Interest on Investments	33,725	847	34,572
Miscellaneous	304,085		304,085
	-----	-----	-----
Total Revenues	\$ 8,513,164	\$ 2,793	\$ 8,515,957
	-----	-----	-----
EXPENDITURES			
Current Operating:			
District Judge	\$ 92,783	\$	\$ 92,783
District Clerk	134,530		134,530
County Judge	127,647		127,647
County Clerk	225,821		225,821
Tax Assessor	173,656		173,656
County Treasurer	73,613		73,613
County Attorney	151,536		151,536
Justice of Peace - Precinct #1-4	246,752		246,752
County Veterans and Welfare	51,704		51,704
Adult Probation	211		211
Juvenile Probation	328,135		328,135
County Extension Office	93,775		93,775
County Sheriff	1,253,573		1,253,573
Jail	711,172		711,172
County Library	192,652		192,652
County Auditor	115,728		115,728
Non-Departmental	422,434		422,434
Maintenance	144,610		144,610
Ag & Community Centers	29,117		29,117
Public Safety	196,895		196,895
Road and Bridge - Precinct #1-4	1,529,040		1,529,040
Jury	6,399		6,399
JP Technology Fund	1,683		1,683
Courthouse Security Fund	2,528		2,528
JP Court Security Fund			-0-
Grants Fund			-0-
VCLG Grant Fund	25,766		25,766
Commissioners Court RPF	1,844		1,844
County Clerk RPF	12,776		12,776
District Clerk RPF			-0-
Pre-Trial Diversion Fund	2,029		2,029
DWI Video Fund			-0-
Capital Projects Fund			-0-

The accompanying notes are an integral part of this statement.
(15)

LAMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	-----	-----	-----
Capital Outlays	981,382		981,382
Debt Service:			
Principal	64,790		64,790
Interest	10,432		10,432
Total Expenditures	\$ 7,405,013	\$ -0-	\$ 7,405,013
	-----	-----	-----
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,108,151	\$ 2,793	\$ 1,110,944
	-----	-----	-----
OTHER FINANCING SOURCES (USES)			
Proceeds From Sale of Capital Assets	\$ 43,873	\$	\$ 43,873
Proceeds From Capital Lease	260,299		260,299
Operating Transfers In	9,715,968		9,715,968
Operating Transfers Out	(10,848,983)	(25,096)	(10,874,079)
	-----	-----	-----
Total Other Financing Sources (Uses)	\$ (828,843)	\$ (25,096)	\$ (853,939)
	-----	-----	-----
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 279,308	\$ (22,303)	\$ 257,005
	-----	-----	-----
Fund Balances - Beginning	3,025,119	121,406	3,146,525
Increase (Decrease) in Fund Balance	67,561		67,561
	-----	-----	-----
Fund Balances - Ending	\$ 3,371,988	\$ 99,103	\$ 3,471,091
	=====	=====	=====

The accompanying notes are an integral part of this statement.
(16)

LAMB COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Amounts reported for governmental activities in the statement of activities ("SOA") are different because:

Net change in fund balances - total governmental funds.	\$ 257,005
Capital outlays are not reported as expenses in the SOA.	981,382
The net effect of sales of capital assets is to decrease net assets.	(28,430)
Capital asset depreciation used in governmental activities is not reported in the funds.	(569,989)
Revenues in the SOA that do not provide current financial resources are not reported as revenues in the funds.	10,536
Proceeds from capital lease are not reported as revenue in the SOA	(260,299)
Some expenditures (e.g. principal debt payment) on fund statements are not expenditures on the SOA.	64,790

Change in net assets of governmental activities.	\$ 454,995
	=====

The accompanying notes are an integral part of this statement.
(17)

LAMB COUNTY, TEXAS
BALANCE SHEET - PROPRIETARY FUND
SEPTEMBER 30, 2009

ASSETS:

CURRENT ASSETS

Cash and Cash Equivalents	\$ 64,836
Patients Accounts Receivable, Net of Allowances	1,528,418
Estimated Third-Party Payer Settlements	254,695
Other Receivable - Lamb County	1,204,320
Inventory of Supplies	264,087
Prepaid Expenses and Other Current Assets	78,507

Total Current Assets	\$ 3,394,863

CAPITAL ASSETS

Net of Accumulated Depreciation	2,075,999

Total Assets	\$ 5,470,862

LIABILITIES AND NET ASSETS:

CURRENT LIABILITIES

Accounts Payable	\$ 408,972
Accrued Payroll, Benefits and Payroll Liabilities	371,285
Estimated Third-Party Payer Settlements	-0-
Other Current Liabilities	355,393
Long-Term Debt - Current	55,980

Total Current Liabilities	\$ 1,191,630

NONCURRENT LONG-TERM DEBT

	11,988

Total Liabilities	\$ 1,203,618

NET ASSETS

Invested in Capital Assets Net of Related Debt	1,998,284
Unrestricted	2,268,960

Total Net Assets	\$ 4,267,244
	=====

The accompanying notes are an integral part of this statement.
(18)

LAMB COUNTY, TEXAS
STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2009

OPERATING REVENUES	
Net Patient Service Revenue (Net of Provision for Bad Debts of \$3,636,348)	\$ 8,919,423
Other Operating Revenue	155,705

Total Operating Revenues	\$ 9,075,128

OPERATING EXPENSES	
Salaries and Wages	\$ 4,070,943
Employee Benefits	686,393
Professional Fees and Purchased Services	2,668,621
Supplies and Other	2,545,611
Depreciation	334,504

Total Operating Expenses	\$ 10,306,072

Operating Income (Loss)	\$ (1,230,944)
NON-OPERATING REVENUES (EXPENSES)	
Tobacco Settlement Revenue	1,075
Non-Capital Grants and Contributions	1,026
Gain on Sale of Assets	100,000
Interest Income	8,706
Interest Expense	(2,405)

Total Non-operating Revenues (Expenses)	\$ 108,402

Income (Loss) Before Capital Grants, Contributions and County Subsidies	\$ (1,122,542)
Capital Grants and Contributions County Subsidies	-0-
	1,103,459

Increase (Decrease) in Net Assets	\$ (19,083)

Net Assets - Beginning	4,286,327

Net Assets - Ending	\$ 4,267,244
	=====

The accompanying notes are an integral part of this statement.
(19)

LAMB COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
SEPTEMBER 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From and on Behalf of Patients	\$ 9,277,672
Payments to Suppliers and Contractors	(5,259,022)
Payments to Employees	(4,747,988)
Other Receipts and Payments, Net	155,705

Net Cash Provided(Used) by Operating Activities	\$ (573,633)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash Invested in Funds Held by Lamb County	\$ 450,890
Proceeds From County Subsidies	1,103,459
Non-Capital Grants and Contributions	1,026
Proceeds From Tobacco Settlement	1,075

Net Cash Provided(Used) by Non-Capital Financing Activities	\$ 1,556,450

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (832,336)
Payments on Accounts Payable Capital Assets	(31,874)
Principal Paid on Capital Lease Obligations	(161,457)
Interest Paid	(2,405)
Proceeds From Sale of Capital Assets	100,000

Net Cash Provided(Used) by Capital and Related Financing Activities	\$ (928,072)

CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income Received	\$ 8,706

Net Cash Provided(Used) by Investing Activities	\$ 8,706

Net Increase(Decrease) in Cash and Cash Equivalents	\$ 63,451
Cash and Cash Equivalents at the Beginning of Year	1,385

Cash and Cash Equivalents at the End of Year	\$ 64,836
	=====

The accompanying notes are an integral part of this statement.
(20)

LAMB COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
SEPTEMBER 30, 2009

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH	
USED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (1,230,944)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Used by Operating Activities:	
Depreciation and Amortization	334,504
Provision for Bad Debt	3,636,348
(Increase) Decrease in:	
Accounts Receivable	(3,341,190)
Estimated Third-Party Payer Settlement	(44,202)
Inventory of Supplies	20,782
Prepaid Expenses	(17,236)
Increase (Decrease) in:	
Accounts Payable	(48,336)
Accrued Payroll, Benefits and Payroll Liabilities	9,348
Estimated Third-Party Payer Settlements	-0-
Other Liabilities	107,293

Net Cash Provided (Used) by Operating Activities	\$ (573,633)

Supplemental Disclosure of Noncash Financing,	
Capital and Investing Activities:	
Capital Assets Acquired by Capital Lease Obligation	\$ 229,425
Capital Assets Acquired by Accounts Payable	\$ 11,695

The accompanying notes are an integral part of this statement.
(21)

LAMB COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
SEPTEMBER 30, 2009

	Agency Funds

ASSETS:	
Cash and Cash Equivalents	\$ 162,868

Total Assets	\$ 162,868

LIABILITIES:	
Due to Other Groups	\$ 19,737
Due to Trust Beneficiaries	143,131

Total Liabilities	\$ 162,868

NET ASSETS	
Total Net Assets	\$ -0-
	=====

The accompanying notes are an integral part of this statement.
(22)

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies follow.

A. REPORTING ENTITY

This report includes all of the services provided by the County to residents and businesses within its boundaries. In evaluating the County's reporting entity in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, management has included all organizations that make up the County's legal entity and all component units. Consistent with applicable guidance, the criteria used by the County to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The County includes organizations as component units under the following financial accountability criteria:

1. Organizations for which the Commissioner's Court appoints a voting majority of the organizations' governing body and for which (a) the County is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.
2. Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the County.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

B. BASIS OF PRESENTATION

The basic financial statements are prepared in conformity with GASB Statement No. 34 which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the County's governmental activities and activities of its discretely presented component units on the statement of net assets and statement of activities. Significantly, the County's statement of net assets includes both noncurrent assets and noncurrent liabilities of the County. In addition, the government-wide statement of activities reflects depreciation expenses on the County's fixed assets, including infrastructure.

In addition to the government-wide financial statements, the County has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Accordingly, the accounting and financial reporting of the County's General Fund is similar to that previously presented in the County's financial statements, although the format of financial statements has been modified by Statement No. 34.

Statement No. 34 also requires supplementary information Management's Discussion and Analysis which includes an analytical overview of the County's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted and modified General Fund budget with actual results.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING (continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the County's governmental programs. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Proprietary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen to apply future FASB standards.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

The Major Governmental Fund is:

General Fund (GF) The County accounts for financial resources used for general operations in this fund. It is a budgeted fund, and any fund balances are considered resources available for current operations. The general fund accounts for all financial resources except those required to be accounted for in another fund.

The Major Proprietary Fund is:

Lamb Healthcare Center This is an enterprise fund of Lamb County. It was established for the purpose of maintaining a system to provide hospital and medical care to the residents of Lamb County.

In addition, the County reports the following fund type:

Agency Funds These funds are used to report resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds have no measurement focus.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING (continued)

The County's agency funds consist of amounts collected by the individual County offices for pre-trial attorney fees, bail bond payments, cafeteria plan funds and trust beneficiaries.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

D. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, all highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

E. RECEIVABLE AND PAYABLE BALANCES

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

F. INTERFUND ACTIVITY

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

G. INVENTORY

The County maintains very little inventory and as a result, the cost is recorded as an expenditure at the time individual inventory items are purchased. Any inventory on the balance sheet is stated at cost.

H. CAPITAL ASSETS

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class -----	Estimated Useful Lives (Years) -----
Buildings	50
Building Improvements	7-30
Machinery & Equipment	10-15
Vehicles	8
Office Equipment	5-20
Computer Equipment	5

I. ENCUMBRANCES

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. The County had no outstanding end-of-year encumbrances.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

J. PERSONAL LEAVE

County employees earn personal leave in varying amounts and do not earn sick leave. Unused personal leave may be accumulated up to 216 hours and is paid upon termination of employment. Also, in accordance with the Fair Labor Standards Act as it applies to local governments, non-exempt county employees are granted compensatory time for hours worked beyond their regular working hours. Accumulated compensatory time is also paid upon termination of employment.

The County has identified a liability for accumulated personal leave where the employees' rights to receive benefits are attributable to services already rendered, and it is probable that the County will compensate the employees through either paid time off or cash payments at termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The contingent liability for accumulated personal leave at 9-30-09 was \$160,137.

K. FUND EQUITY

Unreserved undesignated fund equity for governmental funds indicates available amounts for the budgeting of future operations. Reserved fund balance is that portion of fund equity which is not available for appropriation or which has been legally separated for specific purposes.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the County Judge reviews the operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted when applicable by law.
3. Prior to October 1, the budget is legally enacted by acceptance of the Commissioners' Court.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 2: BUDGETS AND BUDGETARY ACCOUNTING (continued)

4. Transfer of budgeted amounts between line items is authorized within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Commissioners' Court.
5. Budgets for the General Fund and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget was properly amended by the Commissioners' Court as needed throughout the year. There were no significant budget amendments passed during the 08-09 fiscal year.

NOTE 3. LEGAL COMPLIANCE

Governmental Accounting Standards Board code section 1200 requires that the financial statements present fairly with full disclosure the financial position and results of operations and demonstrate compliance with finance-related legal and contractual provisions. Lamb County adheres to all legal requirements of Federal, State, local intergovernmental units and outside party contracts.

NOTE 4: DEPOSITS AND INVESTMENTS

The County's funds are required to be deposited and invested under the terms of depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2009, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in cash) was \$4,760,971 and the bank balance was \$5,180,504. The County's cash deposits with financial institutions at September 30, 2009 and during the year ended September 30, 2009, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 4: DEPOSITS AND INVESTMENTS (continued)

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Name of bank Security State Bank - Littlefield, Texas
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$9,300,701.
- c. Largest cash, savings and time deposits combined account balance amounted to \$8,996,411 and occurred during the month of February 2009.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$500,000.

During the FYE 9-30-95, investments were transferred from TexPool to Investors Cash Trust-Treasury Portfolio Fund then to ICT-Government Securities Portfolio Fund and then to Cash Account Trust - Government Cash Institutional Shares Portfolio Fund. This fund is designed primarily for State and Local Governments and related agencies. An investment in this fund is neither insured nor guaranteed by the U.S. Government, the Federal Deposit Insurance Corporation or the Federal Reserve Board.

Current investments of \$292,738 are invested in TexPool (a non SEC-registered investment pool) and the Cash Account Trust-Government Cash Institutional Shares Portfolio Fund (an SEC-registered investment company). TexPool and the Cash Account Trust-Government Cash Institutional Shares Portfolio Fund are each rated AAAM by Standard & Poor's. TexPool is the largest and oldest government investment pool in the State of Texas. The State Comptroller of Public Accounts oversees TexPool. The carrying amount of \$292,738 and the fair value are the same.

The cash deposits and investments held at financial institutions and with investment service entities can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Deposits which are insured or collateralized with securities held by the entity or by its agent in the County's name.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 4: DEPOSITS AND INVESTMENTS (continued)

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 - Deposits which are not collateralized or insured.

Cash and investments consisted of the following:

	Category			
	1	2	3	Total
Cash in Bank	\$4,760,971	\$	\$	\$4,760,971
TexPool Accounts			110,348	110,348
Cash Account Trust- Government Cash				
Institutional Shares			182,390	182,390
Total	\$4,760,971	\$ -0-	\$ 292,738	\$5,053,709
	=====	=====	=====	=====

Investments:

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 4: DEPOSITS AND INVESTMENTS (continued)

Investment Accounting Policy:

In accordance with GASB Statement No. 31, the County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 4: DEPOSITS AND INVESTMENTS (continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

NOTE 5: PROPERTY TAX

Property taxes attach as an enforceable lien on property as of February 1. Taxes are levied on October 1, and payable at that time. The Lamb County Appraisal District furnishes the County with the authorized tax roll and the County collects its own taxes and records the transactions. Property tax revenues are considered available when they become due or past due and receivable within the current period.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 6: DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between the General Fund and Debt Service Fund, when applicable, based on rates adopted for the year of the levy. There was no allocation for the Debt Service Fund in the current year. Allowances for uncollectibles are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written-off, but the County is prohibited from writing-off real property taxes without specific statutory authority from the Texas Legislature.

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
	-----	-----	-----	-----
<u>Governmental Activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 32,970			\$ 32,970
Construction in progress		123,427		123,427
	-----	-----	-----	-----
Total capital assets not being depreciated	\$ 32,970	\$ 123,427	\$ -0-	\$ 156,397
	-----	-----	-----	-----
<i>Capital assets being depreciated:</i>				
Buildings and improvements	\$ 9,280,551	\$ 29,100		\$ 9,309,651
Machinery and equipment	2,397,299	331,642	(423,285)	2,305,656
Vehicles	1,736,474	159,245	(102,434)	1,793,285
Office equipment	960,500	93,747		1,054,247
Capital leases	77,367	321,505		398,872
	-----	-----	-----	-----
Total capital assets being depreciated	\$ 14,452,191	\$ 935,239	\$ (525,719)	\$ 14,861,711
	-----	-----	-----	-----
Less accumulated depreciation for:				
Buildings and improvements	\$ (6,123,376)	\$ (115,213)		\$ (6,238,589)
Machinery and Equipment	(1,510,417)	(212,245)	350,524	(1,372,138)
Vehicles	(962,477)	(151,048)	69,482	(1,044,043)
Office equipment	(570,425)	(67,404)		(637,830)
Capital leases	(3,868)	(24,079)		(27,947)
	-----	-----	-----	-----
Total accumulated depreciation	\$ (9,170,563)	\$ (569,989)	\$ 420,005	\$ (9,320,547)
	-----	-----	-----	-----
Total capital assets being depreciated, net	\$ 5,281,628	\$ 365,250	\$ (105,714)	\$ 5,541,164
	-----	-----	-----	-----
Governmental activities capital assets, net	\$ 5,314,598	\$ 488,677	\$ (105,714)	\$ 5,697,561
	=====	=====	=====	=====

Depreciation, including capital lease amortization expense, was charged to functions as follows:

General government	\$ 168,826
Public safety	138,090
Highways and streets	263,073

	\$ 569,989
	=====

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 8: DEFERRED REVENUE

Deferred revenue at year end consisted of the following:

-----	Revenue Description Fund	Deferred Amount
Net Tax Revenue	General	\$ 277,304

Total Deferred Revenue		\$ 277,304
		=====

NOTE 9: OPERATING/CAPITAL LEASES

The County previously entered into an operating lease agreement on a Challenger tractor for Precinct 4. Commitments under the operating (noncapitalized) lease agreement provide for future minimum rental payments as of September 30, 2009, as follows:

Year Ending	

2010	\$ 13,501
2011	13,501

Total Minimum Rental Payments	\$ 27,002
	=====
Rental Expenditures in FYE 2009	\$ 13,501
	=====

During the current year, the County entered into operating lease agreements for Xerox, Ricoh and Sharp copiers and printers. Commitments under the operating (noncapitalized) lease agreements provide for future minimum rental payments as of September 30, 2009 as follows:

Year Ending	

2010	\$ 18,029
2011	18,029
2012	13,750
2013	4,670

Total Minimum Rental Payments	\$ 54,478
	=====
Rental Expenditures in FYE 2009	\$ 21,156
	=====

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 9: OPERATING/CAPITAL LEASES (continued)

In FYE 2008 the County entered into a lease agreement on a Caterpillar Model 140H Motor Grader for Precinct #4. This lease agreement qualified as a capital lease for accounting purposes and, therefore, was recorded at the present value of the future minimum lease payments as of the inception date with an annual interest rate of 5.37%. The balance of this obligation was paid off in August of 2009. The amount of interest paid in the current year was \$2,974.

During the current year, the County entered into a lease agreement on a Sharp MX2700 copier. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date with an annual interest rate of 9.43%. The amount of interest paid in the current year was \$981. Commitments under this capitalized lease agreement provide for future minimum lease payments as of September 30, 2009 as follows:

Year Ending -----	
2010	\$ 4,061
2011	3,748
2012	3,748

Total Minimum Lease Payments	\$ 11,557
Less Amount Representing Interest	(1,563)

Present Value - Minimum Lease Payments	\$ 9,994
	=====

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 9: OPERATING/CAPITAL LEASES (continued)

During the current year, the County also entered into an equipment lease-purchase agreement on a Caterpillar 938G Wheel Loader for Precinct #4. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date with an annual interest rate of 3.84%. The amount of interest paid in the current year was \$-0-. Commitments under this capitalized lease agreement provide for future minimum lease payments as of September 30, 2009 as follows:

Year Ending -----	
2010	\$ 22,308
2011	22,308
2012	22,308
2013	22,308
2014	22,308

Total Minimum Lease Payments	\$ 111,540
Less Amount Representing Interest	(11,840)

Present Value - Minimum Lease Payments	\$ 99,700
	=====

During the current year, the County also entered into an equipment lease-purchase agreement on a Caterpillar Model 140H Motor Grader for Precinct #2. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date with an annual interest rate of 3.85%. The amount of interest paid in the current year was \$-0-. Commitments under this capitalized lease agreement provide for future minimum lease payments as of September 30, 2009 as follows:

Year Ending -----	
2010	\$ 33,149
2011	33,149
2012	33,149
2013	33,149
2014	33,148

Total Minimum Lease Payments	\$ 165,744
Less Amount Representing Interest	(17,594)

Present Value - Minimum Lease Payments	\$ 148,150
	=====

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 10: LONG-TERM DEBT

Changes in Long-Term Liabilities:

	Balance 10-01-08	Increase	Decrease	Balance 09-30-09	Amounts Due Within One Year
	-----	-----	-----	-----	-----
Capital Leases	\$ 62,335	\$ 260,299	\$ 64,790	\$ 257,844	\$ 48,822
	-----	-----	-----	-----	-----
Total Long-Term Liabilities	\$ 62,335	\$ 260,299	\$ 64,790	\$ 257,844	\$ 48,822
	=====	=====	=====	=====	=====

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of Lamb County.

NOTE 11: INTERFUND BALANCES AND ACTIVITIES

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2009 consisted of the following:

Due To Fund	Due From Fund	Amount
-----	-----	-----
Proprietary Fund-Hospital	General Fund	\$ 1,204,320
General Fund	Agency Fund	5,000

		\$ 1,209,320
		=====

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2009 consisted of the following:

Transfers From	Transfers To	Amount
-----	-----	-----
Proprietary Fund-Hospital	General Fund	\$ 9,632,169
Other Governmental Fund	General Fund	58,703
Capital Projects Fund	General Fund	860
Debt Service Fund	General Fund	24,236
General Fund	Proprietary Fund-Hospital	10,790,280

		\$ 20,506,248
		=====

Purpose of interfund balances and transfers was for fund loans and operations.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 12: RESERVED FUND BALANCE

Reserved Fund Balance in the General Fund of \$5,327 is the amount set aside and reserved for Bail Bond fees.

NOTE 13: INCREASE IN FUND BALANCE/NET ASSETS

The net increase in fund balance/net assets is due to prior period reporting adjustments with regards to the following:

Interactive Computer Designs, Inc.	\$ 70,000
Bail Bond Fees	315
Unclaimed Property	(2,751)
VCLG Grant	(3)

	\$ 67,561
	=====

NOTE 14: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year end 2009, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 15: SELF-INSURED INSURANCE

The County is a member of the Texas Association of Counties Risk Management Pool, a public entity risk pool currently operating as a common risk management and insurance program for Workers' Compensation, General Liability, Law Enforcement Liability, Public Officials Liability and Property/Casualty coverage. The County pays an annual premium to the pool for its general insurance coverage. The agreement for formation of the Texas Association of Counties Risk Management Pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of insured amounts. The pooling agreement requires the pool to be self-sustaining.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 16: SUBSEQUENT EVENTS

There has been no significant subsequent event which would have a material effect on the financial statements as of the Independent Auditor's Report date.

NOTE 17: COMMITMENTS AND CONTINGENCIES

Lamb County has an agreement with the State of Texas to pay any unemployment wages which are directly related to unemployed employees of the County. The amounts by which this contingency would affect the financial statements are not determinable. However, management is confident that this contingency would be a seldom occurrence.

The County participates in state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 18: LITIGATION

Lamb County is involved in various lawsuits and claims. Some are for alleged losses suffered and are being handled by the County's insurance carriers. Others are for alleged violations of civil rights or discrimination. Although the outcome of these lawsuits and claims are not presently determinable, in the opinion of management the resolution of these matters will not have a material adverse effect on the County's financial position as of September 30, 2009.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 19: PENSION BENEFIT PLAN

Plan Description. Lamb County provides retirement, death, disability, and withdrawal 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 586 cash balance-account type defined benefit pension plans.

The plan provisions are adopted by the governing body of each county or district, within the options available in the TCDRS Act. Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Most members have a vested right to a future pension benefit after 8 years of service, but must leave their contributions in TCDRS until retirement age is attained. If a member withdraws his personal contributions in a lump-sum, he forfeits the right to any employer contributions.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using the actuarial equivalent as 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 employer contributed using the actuarially determined rate of 9.40% for the months of the accounting year in 2008, and 9.40% for the months of the accounting year in 2009. The contribution rate payable by the employee members for fiscal year 2009 is the rate of 7.0% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2009

NOTE 19: PENSION BENEFIT PLAN (continued)

Schedule of Funding Information:

Actuarial Valuation Date	12-31-06	12-31-07	12-31-08
	-----	-----	-----
Actuarial Value of Assets	\$6,726,871	\$6,912,216	\$5,916,659
Actuarial Accrued Liability (AAL)	\$7,576,650	\$7,644,715	\$7,311,831
Unfunded or (Over-funded) Actuarial Accrued Liability (UAAL or (OAAL))	\$ 849,779	\$ 732,499	\$1,395,172
Funded Ratio	88.78%	90.42%	80.92%
Annual Covered Payroll (Actuarial)	\$2,639,404	\$2,751,412	\$2,973,025
UAAL or (OAAL) as a Percentage of Covered Payroll	32.20%	26.62%	46.93%
Net Pension Obligation (NPO) at The Beginning of Period	\$ -0-	\$ -0-	\$ -0-
Annual Pension Cost:			
Annual required contribution (ARC)	\$ 245,729	\$ 276,789	\$ 279,465
Contributions Made	\$ 245,729	\$ 276,789	279,465
Net Pension Obligation (NPO) at The End of Period	\$ -0-	\$ -0-	\$ -0-

The County is one of 586 member counties and districts having the benefit plan administered by TCDRS. Each of the member counties and districts has an annual, individual actuarial valuation performed. All assumptions for the 12-31-08 valuations are contained in the 2008 TCDRS Comprehensive Annual Financial Report, a copy of which may be obtained from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

NOTE 20: HEALTH CARE COVERAGE

During the year ended September 30, 2009, all full time employees were covered by a healthcare insurance plan. The County pays the total cost of premiums for the employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. This healthcare plan with TAC HEBP is funded through Blue Cross Blue Shield Preferred Provider Organization (PPO), and the terms of coverage and contribution costs are included in the contractual provisions.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

LAMB HEALTHCARE CENTER

As of June 28, 1991, by order of the Commissioners' Court, the County Judge was authorized to execute a contract for the purchase of the hospital real property, improvements, personal property, and all other assets of the Lamb County Hospital Authority. The Lamb County Hospital d/b/a Lamb Healthcare Center was purchased as of this date and became an enterprise fund of Lamb County. See the following disclosures which pertain specifically to the Lamb Healthcare Center Fund.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - On August 1, 1991, the County purchased all of the assets and assumed all the liabilities of the Lamb County Hospital Authority. The new entity is Lamb County Hospital d/b/a Lamb Healthcare Center. Lamb Healthcare Center is an enterprise fund of Lamb County, State of Texas. It was established for the purpose of maintaining a system to provide hospital and medical care to the residents of Lamb County. The Hospital is supported, in part, by ad valorem taxes on real and personal property, and transfers from the County as subsidies. The Hospital is responsible for the indigent healthcare of the County.

Enterprise Fund Accounting - Lamb Healthcare Center uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Hospital considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Patient Accounts Receivable - The allowance for estimated uncollectible patient accounts receivable is maintained at a level which, in management's judgement, is adequate to absorb patient account balance write-offs inherent in the billing process. The amount of the allowance is based on management's evaluation of the collectibility of patient accounts receivable, including the nature of the accounts, credit concentrations, trends in historical write-off experience, specific impaired accounts, and economic conditions. Allowances for uncollectibles and contractals are generally determined by applying historical percentages to financial classes within accounts receivable. The allowances are increased by a provision for bad debt expenses and contractual adjustments, and reduced by write-offs, net of recoveries.

Inventory of Supplies - Inventories are stated at the lower of cost or market on the First-In/First-Out (FIFO) method.

Capital Assets - Capital assets are carried at cost. Contributed capital assets are reported at their estimated fair value on the date of donation. The Hospital provides for depreciation of capital assets by the straight line method and at rates promulgated by the American Hospital Association which are designed to amortize the cost of such equipment over its useful life. Equipment under capital lease obligations is amortized on the straight line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Except for capital assets acquired through gifts, contributions, or capital grants, interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The Hospital's capitalization policy states that capital assets with a value greater than \$500 and a useful life described in the table below will be capitalized.

The following are a range of useful lives used by asset class:

Land Improvements	15 to 20 years
Building (Components)	5 to 50 years
Fixed Equipment	7 to 25 years
Major Moveable Equipment	3 to 20 years

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets - Net assets of the Hospital are classified in four components. Net assets invested in capital assets net of related debt consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net assets are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital. Restricted nonexpendable net assets equal the principal portion of permanent endowments. Unrestricted net assets are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

Operating Revenues and Expenses - For purposes of display, the Hospital's statement of revenues, expenses and changes in net assets distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services - the Hospital's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating financing costs.

Federal Income Taxes - The Hospital is a tax exempt organization; therefore, no expense has been provided for income taxes in the accompanying financial statements.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, charity care is excluded from net patient revenue.

County Subsidy - County subsidies are interfund transactions that are reported after nonoperating revenues and expenses.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Contributions - From time to time, the Hospital receives grants from the state as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Risk Management - The Hospital is exposed to various risks of loss from torts: theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disaster; and employee health, dental, and accidental benefits. Commercial insurance coverage is purchased for claims arising from such matters.

NOTE 2: NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Hospital is a Sole Community Hospital, which entitles it to a higher payment per inpatient Medicare discharge. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement method.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 2: NET PATIENT SERVICE REVENUE (continued)

The Hospital is reimbursed for allowable costs at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicaid - Inpatient services are paid under prospectively determined rates per discharge, which include reimbursement for capital costs, based on a patient classification system that is based on clinical, diagnostic and other factors. The prospectively determined rates are not subject to retroactive adjustment. Outpatient services are paid based on the lower of reasonable costs or customary charges, a fee schedule or blended rates.

Other - The Hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Net Patient Revenue is comprised as follows:

Routine Patient Services	\$ 1,077,265
Ancillary Patient Services	
Inpatient	4,180,816
Outpatient	9,883,720

Gross Patient Service Revenue	\$ 15,141,801
Charity	(106,636)
Third-Party Contractual Adjustments	(2,881,165)
Provision for Bad Debts	(3,636,348)
Medicaid Disproportionate Share	401,771

Net Patient Service Revenue	\$ 8,919,423
	=====

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 2: NET PATIENT SERVICE REVENUE (continued)

Estimated Third-Party Payer Settlements - Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Anticipated final settlement amounts from current and prior years' cost reports are recorded in the financial statements as they are determined by the Hospital. Net patient service revenue increased \$52,656 due to prior-year retroactive adjustments in excess of amounts previously estimated. Estimated third-party payer settlements recorded in current assets (liabilities) at September 30, 2009 are \$254,695.

NOTE 3: DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2009, the carrying amount of the Hospital's deposits with financial institutions was \$64,209 and the bank balance was \$240,563. The bank balance is protected by Federal Deposit Insurance Corporation coverage and by the County's specific securities pledged to secure the deposits. All cash is deposited through the County Commissioners Office. The County Commissioners meet twice a month, the second and last Monday of the month to approve all cash disbursements.

NOTE 4: MEDICAID DISPROPORTIONATE SHARE FUNDS

The Indigent Health Care and Treatment Act, passed by the 69th Texas Legislature in 1985, first apportioned funds to the Texas Department of Human Services (DHS) to provide assistance to hospitals providing a disproportionate share of inpatient indigent health care. The State of Texas created a mechanism whereby intergovernmental transfers were made between selected hospital and county hospitals to generate additional federal matching funds. Hospitals participating in the Medicaid program that meet the conditions of participation and that serve a disproportionate share of low-income patients as defined by state law are eligible for additional reimbursement from the disproportionate share hospital fund. There are direct and implied expectations regarding the purpose of this funding.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 4: MEDICAID DISPROPORTIONATE SHARE FUNDS (continued)

The focus of the funds is to benefit the health care needs of the medically indigent, including recipients of Medicaid benefits, those eligible for Medicaid benefits, the uninsured poor, and others for whom the cost of medical and hospital care has exceeded their ability to pay. However, state and federal laws offer considerable flexibility to recipient hospitals regarding specific use of the funds. During 2009 the Hospital received \$401,771 in Medicaid disproportionate share funds.

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at September 30:

Patient Accounts Receivable	\$ 3,987,931
Less: Allowance for Bad Debts	(1,956,401)
Allowance for Contractuals	(503,112)

Patient Accounts Receivable, Net of Allowance	\$ 1,528,418
	=====

Concentration of Credit Risk - The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at September 30 is as follows:

Medicare	30%
Medicaid	14%
Other Third-Party Payers	19%
Patients	37%

Total	100%
	=====

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 6: CAPITAL ASSETS

The following is a summary of capital assets at cost less accumulated depreciation:

	Balance 9/30/08	Additions	Retirements	Balance 9/30/09
Land	\$ 61,822	\$	\$	\$ 61,822
Land Improvements	2,929	877,414	136,050	1,016,393
Fixed Equipment	955,983	6,000		961,983
Major Moveable Equipment	2,608,898	190,042	(188,092)	2,610,848
Construction in Progress	194,800		(194,800)	-0-
	-----	-----	-----	-----
Totals at historical cost	\$ 3,824,432	\$ 1,073,456	\$ (246,842)	\$ 4,651,046
	-----	-----	-----	-----
Less Accumulated Depreciation for:				
Land Improvements	(1,391)	(17,184)		(18,575)
Fixed Equipment	(629,758)	(66,173)		(695,931)
Major Moveable Equipment	(1,856,236)	(251,147)	246,842	(1,860,541)
	-----	-----	-----	-----
Total Accumulated Depreciation	\$ (2,487,385)	\$ (334,504)	\$ 246,842	\$ (2,575,047)
	-----	-----	-----	-----
Capital Assets, Net	\$ 1,337,047	\$ 738,952	\$ -0-	\$ 2,075,999
	=====	=====	=====	=====

Depreciation expense, including lease amortization, for the year ended September 30, 2009 is \$334,504.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 7: LONG-TERM DEBT

The terms and due dates of the Hospital's long-term debt, including lease obligations, at September 30, 2009 follows:

Capital leases payable to Triple X Ray, Inc. in monthly installments of \$4,896, through November 1, 2010, collateralized by leased equipment.

A summary of changes in the Hospital's long-term debt for the year ended September 30, 2009, is as follows:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
-----	-----	-----	-----	-----	-----
Capital Lease Obligations	\$ -0-	\$ 229,425	\$ 161,457	\$ 67,968	\$ 55,980
	=====	=====	=====	=====	=====

Debt Service Requirements are as follows:

	Principal	Interest
	-----	-----
Year ending September 30,		
2010	\$ 55,980	\$ 2,770
2011	11,988	104
	-----	-----
	\$ 67,968	\$ 2,874
	=====	=====

NOTE 8: RELATED PARTIES

County-The Hospital receives funds from the County for indigent patient care, capital improvements, repairs, and other operating costs. These funds are partially provided through the County's general tax revenues. During 2009 the Hospital reported \$1,103,459 from the County for operations.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 8: RELATED PARTIES (continued)

Management Contract-In accordance with the terms of an agreement dated January 23, 1993, the Hospital is managed by Covenant Hospital Systems ("Covenant"). The agreement's provision includes Covenant providing certain employees such as an administrator. Furthermore, Covenant provides consultation to the Board of Managers with respect to health care related matters and operations to the Hospital. In return for these services, the Hospital pays an annual management fee to Covenant and reimburses Covenant for salaries and related salary expenses for the administrator. During 2009 the Hospital recorded management fees to Covenant in the amount of \$102,780.

NOTE 9: SUBSEQUENT EVENTS

Subsequent events of the hospital have been evaluated through February 8, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

LAMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For Year Ended September 30, 2009

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 6,719,710	\$ 6,719,710	\$ 6,851,148	\$ 131,438
Charges For Services	363,680	363,680	347,541	(16,139)
Fines and Fees	186,500	186,500	163,231	(23,269)
Vehicle Registration & Fees	585,000	585,000	608,220	23,220
Lateral Road	36,000	36,000	21,794	(14,206)
Grants	151,682	151,682	183,420	31,738
Interest on Investments	133,000	133,000	33,725	(99,275)
Miscellaneous	201,125	231,125	304,085	72,960
Total Revenues	\$ 8,376,697	\$ 8,406,697	\$ 8,513,164	\$ 106,467
Expenditures				
District Judge	\$ 142,600	\$ 142,600	\$ 92,783	\$ 49,817
District Clerk	140,506	140,506	134,530	5,976
County Judge	144,628	144,628	127,647	16,981
County Clerk	239,138	239,138	225,821	13,317
Tax Assessor	203,001	203,001	173,656	29,345
County Treasurer	88,634	88,634	73,613	15,021
County Attorney	160,153	160,153	151,536	8,617
Justice of Peace				
Precinct #1-4	276,931	278,641	246,752	31,889
County Veterans & Welfare	79,610	79,610	51,704	27,906
Adult Probation	950	950	211	739
Juvenile Probation	345,314	345,314	328,135	17,179
County Extension Office	98,564	98,564	93,775	4,789
County Sheriff	1,395,901	1,380,901	1,253,573	127,328
Jail	833,300	828,300	711,172	117,128
County Library	192,029	192,029	192,652	(623)
County Auditor	142,065	142,065	115,728	26,337
Non-Departmental	708,392	706,682	422,434	284,248
Maintenance	208,475	208,475	144,610	63,865
Ag & Community Centers	26,496	26,496	29,117	(2,621)
Public Safety	199,652	199,652	196,895	2,757
Road & Bridge Precinct #1-4	1,844,637	1,737,864	1,529,040	208,824
Jury	30,000	30,000	6,399	23,601
JP Technology Fund	3,625	3,625	1,683	1,942
Courthouse Security Fund	5,509	5,509	2,528	2,981
JP Court Security Fund	1,500	1,500	-	1,500
Grants Fund	-	-	-	-
VCLG Grant Fund	24,877	24,877	25,766	(889)
Commissioners Court RPF	3,500	3,500	1,844	1,656
County Clerk RPF	31,000	31,000	12,776	18,224

The accompanying notes are an integral part of this statement.
(55)

LAMB COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For Year Ended September 30, 2009

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
District Clerk RPF	500	500	-0-	500
Pre-Trial Diversion Fund	6,500	6,500	2,029	4,471
DWI Video Fund	700	700	-0-	700
Capital Outlays	520,000	676,773	981,382	(304,609)
Principal	-0-	-0-	64,790	(64,790)
Interest	-0-	-0-	10,432	(10,432)
Total Expenditures	\$ 8,098,687	\$ 8,128,687	\$ 7,405,013	\$ 723,674
Excess (Deficiency) of Revenues Over Expenditures	\$ 278,010	\$ 278,010	\$ 1,108,151	\$ 830,141
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	\$ -0-	\$ -0-	\$ 43,873	\$ 43,873
Proceeds From Capital Lease	-0-	-0-	260,299	260,299
Operating Transfers In	9,717,171	9,717,171	9,715,968	(1,203)
Operating Transfers Out	(10,748,000)	(10,748,000)	(10,848,983)	(100,983)
Total Other Financing Sources (Uses)	\$ (1,030,829)	\$ (1,030,829)	\$ (828,843)	\$ 201,986
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses	\$ (752,819)	\$ (752,819)	\$ 279,308	\$ 1,032,127
Fund Balance at Beginning of Year	3,025,119	3,025,119	3,025,119	-0-
Increase (Decrease) in Fund Balance	-0-	-0-	67,561	67,561
Fund Balance at End of Year	\$ 2,272,300	\$ 2,272,300	\$ 3,371,988	\$ 1,099,688

The accompanying notes are an integral part of this statement.
(56)

COMBINING STATEMENTS

LAMB COUNTY, TEXAS
COMBINING BALANCE SHEET - ALL GENERAL FUND TYPES
September 30, 2009

	General	Road and Bridge	Total
	-----	-----	-----
Assets			

Cash in Bank	\$ 4,235,329	\$ 383,331	\$ 4,618,660
Investments	64,071	207,039	271,110
Accounts Receivable	54,373	1,856	56,229
Delinquent Tax Receivable	308,116		308,116
Allowance for Uncollectible Tax	(30,812)		(30,812)
Due From Other Funds	5,000		5,000
Inventory	1,356		1,356
	-----	-----	-----
Total Assets	\$ 4,637,433	\$ 592,226	\$ 5,229,659
	=====	=====	=====
 Liabilities and Fund Balance			

Accounts Payable	\$ 171,947	\$ 102,850	\$ 274,797
Other Current Liabilities	101,250		101,250
Due to Other Funds	1,204,320		1,204,320
Deferred Revenue	277,304		277,304
	-----	-----	-----
Total Liabilities	\$ 1,754,821	\$ 102,850	\$ 1,857,671
	-----	-----	-----
Fund Balance - Reserved	\$ 5,327	\$	\$ 5,327
Fund Balance - Unreserved	2,877,285	489,376	3,366,661
	-----	-----	-----
Total Fund Balance	\$ 2,882,612	\$ 489,376	\$ 3,371,988
	-----	-----	-----
Total Liabilities & Fund Balance	\$ 4,637,433	\$ 592,226	\$ 5,229,659
	=====	=====	=====

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUND TYPES
For Year Ended September 30, 2009

	General -----	Road and Bridge -----	Total -----
Revenues -----			
Taxes	\$ 5,782,542	\$ 1,068,606	\$ 6,851,148
Charges for Services	347,541		347,541
Fines & Fees	163,231		163,231
Vehicle Registration & Fees	74,710	533,510	608,220
Lateral Road		21,794	21,794
Grants	183,420		183,420
Interest on Investment	27,210	6,515	33,725
Miscellaneous	255,266	48,819	304,085
	-----	-----	-----
Total Revenues	\$ 6,833,920	\$ 1,679,244	\$ 8,513,164
	-----	-----	-----
Expenditures -----			
District Judge	\$ 92,783	\$	\$ 92,783
District Clerk	134,530		134,530
County Judge	127,647		127,647
County Clerk	225,821		225,821
Tax Assessor	173,656		173,656
County Treasurer	73,613		73,613
County Attorney	151,536		151,536
Justice of Peace			
Precinct No. 1-4	246,752		246,752
County Veterans & Welfare	51,704		51,704
Adult Probation	211		211
Juvenile Probation	328,135		328,135
County Extension Office	93,775		93,775
County Sheriff	1,253,573		1,253,573
Jail	711,172		711,172
County Library	192,652		192,652
County Auditor	115,728		115,728
Non-Departmental	422,434		422,434
Maintenance	144,610		144,610
Ag & Community Centers	29,117		29,117
Public Safety	196,895		196,895
Road and Bridge			
Precinct No. 1-4		1,529,040	1,529,040
Jury	6,399		6,399
JP Technology Fund	1,683		1,683

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUND TYPES
For Year Ended September 30, 2009

	General	Road and Bridge	Total
	-----	-----	-----
Courthouse Security Fund	2,528		2,528
JP Court Security Fund			-0-
Grants Fund			-0-
VCLG Grant Fund	25,766		25,766
Commissioners Court RPF	1,844		1,844
County Clerk RPF	12,776		12,776
District Clerk RPF			-0-
Pre-Trial Diversion Fund	2,029		2,029
DWI Video Fund			-0-
Capital Outlays	352,749	628,633	981,382
Principal	2,455	62,335	64,790
Interest	981	9,451	10,432
	-----	-----	-----
Total Expenditures	\$ 5,175,554	\$ 2,229,459	\$ 7,405,013
	-----	-----	-----
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,658,366	\$ (550,215)	\$ 1,108,151
	-----	-----	-----
Other Financing Sources (Uses)			
Proceeds From Sale of Capital Assets	\$ 12,449	\$ 43,873	\$ 43,873
Proceeds From Capital Lease		247,850	260,299
Operating Transfers In	9,715,968		9,715,968
Operating Transfers Out	(10,848,983)		(10,848,983)
	-----	-----	-----
Total Other Financing Sources (Uses)	\$ (1,120,566)	\$ 291,723	\$ (828,843)
	-----	-----	-----
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures And Other Uses	\$ 537,800	\$ (258,492)	\$ 279,308
	-----	-----	-----
Fund Balance at Beginning of Year	2,277,251	747,868	3,025,119
Increase (Decrease) in Fund Balance	67,561		67,561
	-----	-----	-----
Fund Balance at End of Year	\$ 2,882,612	\$ 489,376	\$ 3,371,988
	=====	=====	=====

LAMB COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
September 30, 2009

	Precinct One -----	Precinct Two -----	Precinct Three -----	Precinct Four -----	Total -----
ASSETS					

Cash	\$104,265	\$120,183	\$ 65,853	\$ 93,030	\$383,331
Investment - CD's (Note 1)	105,050	839	25,482	75,668	207,039
Accounts Receivable	614	414	414	414	1,856
Due From Other					-0-
	-----	-----	-----	-----	-----
TOTAL ASSETS	\$209,929	\$121,436	\$ 91,749	\$169,112	\$592,226
	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE					

Accounts Payable	\$ 67,669	\$ 8,741	\$ 15,079	\$ 11,361	\$102,850
Due to Other					-0-
	-----	-----	-----	-----	-----
TOTAL LIABILITIES	\$ 67,669	\$ 8,741	\$ 15,079	\$ 11,361	\$102,850
Fund Balance (Deficit)	142,260	112,695	76,670	157,751	489,376
	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$209,929	\$121,436	\$ 91,749	\$169,112	\$592,226
	=====	=====	=====	=====	=====

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE-BUDGETED AND ACTUAL
ROAD AND BRIDGE FUNDS
For Year Ended September 30, 2009

	PRECINCT ONE	PRECINCT TWO	PRECINCT THREE	PRECINCT FOUR	TOTAL	BUDGETED REVENUE	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE:							
Tax Collector:							
Ad Valorem Taxes	\$ 267,152	\$ 267,152	\$ 267,151	\$ 267,151	\$ 1,068,606	\$ 1,044,996	\$ 23,610
Car Tags	133,377	133,377	133,378	133,378	533,510	540,000	(6,490)
TOTAL TAX COLLECTOR	\$ 400,529	\$ 400,529	\$ 400,529	\$ 400,529	\$ 1,602,116	\$ 1,584,996	\$ 17,120
OTHER REVENUE:							
Machine Hire	\$	\$	\$	\$	\$ -0-	\$ -0-	\$ -0-
Lateral Road	5,449	5,448	5,449	5,448	21,794	36,000	(14,206)
Interest	2,169	1,247	1,485	1,614	6,515	26,000	(19,485)
Miscellaneous	13,103	27,845	10,474	41,270	92,692	8,500	84,192
TOTAL OTHER REVENUE	\$ 20,721	\$ 34,540	\$ 17,408	\$ 48,332	\$ 121,001	\$ 70,500	\$ 50,501
TOTAL REVENUE	\$ 421,250	\$ 435,069	\$ 417,937	\$ 448,861	\$ 1,723,117	\$ 1,655,496	\$ 67,621

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF EXPENDITURES-BUDGETED AND ACTUAL
ROAD AND BRIDGE FUNDS
For Year Ended September 30, 2009

	PRECINCT ONE	PRECINCT TWO	PRECINCT THREE	PRECINCT FOUR	TOTAL	BUDGETED EXPENDITURES	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES:							
Salaries:							
Commissioners	\$ 42,365	\$ 42,365	\$ 42,365	\$ 42,365	\$ 169,460	\$ 169,460	\$ -0-
Employees	137,657	118,418	141,168	106,045	503,288	550,985	47,697
Part-Time		10,237		17,145	27,382	15,000	(12,382)
Telephone	454	503	2,512	1,083	4,552	5,700	1,148
Postage					-0-	-0-	-0-
Supplies/Other Operations Exp.	219	2,055	17		2,291	10,000	7,709
Furniture & Equipment	275				275	-0-	(275)
Travel & Training	816	894	2,503	668	4,881	5,700	819
Education					-0-	300	300
Automobile Allowance			6,000		6,000	6,000	-0-
Group Hospital Insurance	30,302	24,289	21,427	24,242	100,260	115,340	15,080
Retirement	16,922	15,114	16,298	13,951	62,285	69,131	6,846
Social Security	13,477	12,987	14,299	12,537	53,300	56,262	2,962
Insurance & Bonds	178	92	178		448	-0-	(448)
Machine Hire					-0-	-0-	-0-
Parts & Repairs	42,480	55,265	74,827	60,750	233,322	171,750	(61,572)
Fuel & Oil	40,135	42,391	55,318	56,859	194,703	336,000	141,297
Material & Supplies	8,794	2,666	89,855	4,560	105,875	104,400	(1,475)
Utilities	5,221	1,391	2,729	1,373	10,714	10,900	186
Soil Conservation	750	750	750	750	3,000	2,250	(750)
Car Tags	(25)	(25)	(25)	(25)	(100)	1,000	1,100
Capital Outlays	154,305	90,620	112,335	108,810	466,070	270,000	(196,070)
Unemployment	199	186	203	178	766	850	84
Workmen's Comp.	5,552	5,697	5,567	5,947	22,763	57,376	34,613
Auto & Liability Insurance	2,467	2,004	2,452	2,251	9,174	5,219	(3,955)
Highway Maintenance					-0-	150,220	150,220
Contract/Professional Services	900				900	1,000	100
TOTAL EXPENDITURES	\$ 503,443	\$ 427,899	\$ 590,778	\$ 459,489	\$ 1,981,609	\$ 2,114,843	\$ 133,234

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF CHANGE IN FUND BALANCES
ROAD AND BRIDGE FUNDS
September 30, 2009

	Precinct One -----	Precinct Two -----	Precinct Three -----	Precinct Four -----	Total -----
FUND BALANCE, September 30, 2008	\$224,453	\$105,525	\$249,511	\$168,379	\$ 747,868
ADD: Revenue	421,250	435,069	417,937	448,861	1,723,117
DEDUCT: Expenditures	(503,443)	(427,899)	(590,778)	(459,489)	(1,981,609)
FUND BALANCE (DEFICIT) September 30, 2009	\$142,260 =====	\$112,695 =====	\$ 76,670 =====	\$157,751 =====	\$ 489,376 =====

SUPPLEMENTAL INFORMATION

LAMB COUNTY, TEXAS
 SCHEDULE OF INVESTMENTS-ALL FUNDS
 SEPTEMBER 30, 2009

	Group		Book Value
Certificate of Deposit			

Texpool:			

General Fund	14002	\$	39,772
Precinct One	14002		61,623
Lamb County Hospital	14002		8,953
Cash Account Trust - Government Cash			
Institutional Shares Portfolio Fund:			

General Fund			1,503
Precinct One			43,427
Precinct Two			839
Precinct Three			25,482
Precinct Four			75,668
Lamb County Hospital			452
Jury Fund			13,391
Debt Service Fund			21,628

Total		\$	292,738
			=====

ROAD AND BRIDGE FIXED ASSETS

LAMB COUNTY, TEXAS
SCHEDULE OF FIXED ASSETS
September 30, 2009

	Balance 9-30-08	Additions	Deletions	Balance 9-30-09
Precinct #1				
JD 4040 Tractor	\$ 24,360	\$	\$	\$ 24,360
JD 410B Backhoe SN723439 (9-86)	43,800			43,800
1989 Mack Dump Truck	47,000			47,000
1991 Chevy Pickup SN130341 (5-91)	13,805			13,805
Used Grid Roller (4-93)	12,500			12,500
Mack Truck (4-93)	7,500			7,500
Bottom Dump Trailer (4-93)	21,500			21,500
Ripper (9-93)	7,750			7,750
1968 Mack Truck (10-94)	5,650			5,650
1977 Dodge Tank Truck T81HZ3T (1-96)	7,000			7,000
Radio Equipment (3-96)	10,107			10,107
938 G Caterpillar (9-98)	85,000			85,000
1999 Dump Truck - # 0383 (853)	23,500			23,500
1999 Dump Truck - # 0382 (854)	23,500			23,500
2000 Chev P/U Model K2500	22,093			22,093
2001 JD 770CH Motor Grader - #579203 (945)	87,500		87,500	-
1996 Mack Truck - #57132	13,000			13,000
1996 Mack Truck - #57136	13,000			13,000
1997 Mack Truck - #65596	15,000			15,000
Caterpillar Escavator - #9RL00289 (960)	64,942			64,942
Jeep Truck Wrecker	5,100			5,100
2003 JD 770CH Grader	92,329			92,329
2003 Big Tex Trailer	11,000			11,000
140 H Mtr Grader #17638	112,186			112,186
2003 Chevy Crew Cab P/U #70359	12,600			12,600
2003 Chevy K1500 P/U #70584	11,500			11,500
JD 7800 MFWD Tractor #08183	27,234			27,234
Bush Hog Shredder #00635	11,900			11,900
Cat 140H Mtr Grader #03689	83,821			83,821
2009 CAT 140M Mtr Grader # B9D01781		167,430		167,430
Total Equipment	\$ 916,177	\$ 167,430	\$ 87,500	\$ 996,107
Lots	900			900
Precinct Barn	7,016			7,016
Pct #1 Community Bldg	31,510			31,510
Total Pct # 1	\$ 955,603	\$ 167,430	\$ 87,500	\$1,035,533

LAMB COUNTY, TEXAS
SCHEDULE OF FIXED ASSETS
September 30, 2009

	Balance 9-30-08	Additions	Deletions	Balance 9-30-09
	-----	-----	-----	-----
Precinct #2				
1978 Mack W/Dump 72266	\$ 28,610	\$	\$	\$ 28,610
1987 3/4 Ton Pickup	9,350			9,350
1982 Clements Dump Trailer SN 1B3BM1 (4-91)	14,000			14,000
1 - Roller Grid	13,800			13,800
1995 Chevy 3/4 Ton Pickup (4-94)	15,709			15,709
Clements Belly Dump Truck SN 388807 (3-97)	12,500			12,500
Grid Roller (11-97)	14,000			14,000
1989 Mack - #7057 (855)	24,000			24,000
938 G Cat Wheel Loader #47501647	75,000			75,000
140 H Version Mtr Grader #2ZK05067	109,000			109,000
2001 Motor Grader - # K06524 (958)	109,000		109,000	-
Hyster Grid Roller - #BEE - 2002 (1004)	13,250			13,250
Hyster Grid Roller	12,000			12,000
Caterpillar 140H Grader	115,083			115,083
1996 Mack Truck	20,000			20,000
2000 Chevy Ext Cab P/U #1224783	7,600			7,600
140 H Mtr Grader #17464	110,377			110,377
Crust Buster Shredder #00669	10,900			10,900
2001 MTR Grader Repairs K06524	17,435		17,435	-
JD 4250 MFD Tractor #05535	24,850		24,850	-
2002 Chevy P/U #16678	10,500			10,500
Bush Hog 2715 Shredder #00488	9,500		9,500	-
JD 4240 Tractor #26064	24,750			24,750
CAT 140H MTR Grader #CCA04113		74,143		74,143
2006 Chevy P/U #166231		10,000		10,000
CAT 140M MTR Grader #B9D01929		179,357		179,357
	-----	-----	-----	-----
Total Equipment	\$ 801,214	\$ 263,500	\$ 160,785	\$ 903,929
Land	1,450			1,450
Barn	19,618			19,618
	-----	-----	-----	-----
Total Pct # 2	\$ 822,282	\$ 263,500	\$ 160,785	\$ 924,997
	-----	-----	-----	-----

LAMB COUNTY, TEXAS
SCHEDULE OF FIXED ASSETS
September 30, 2009

	Balance 9-30-08	Additions	Deletions	Balance 9-30-09
<u>Precinct #3</u>				
Case Tractor 864180	\$ 10,750	\$	\$	\$ 10,750
1987 Chevy Truck (11-86) SNHV103305	26,957		26,957	-0-
Shredder #930458 (12-87)	5,000			5,000
1980 Timpte Belly Dump Trailer (5-88)	15,500			15,500
1981 Used Timpte Beal Belly Dump Trailer	10,500			10,500
Dunham Belly Dump (2-95)	10,500		10,500	-0-
Campac Packers (4-95)	5,000			5,000
140H Caterpillar (9-98)	85,000		85,000	-0-
544H JD Loader - #1267 (850)	97,500			97,500
1986 Cherokee Truck - #9514 (859)	6,000			6,000
JD 4440 Tractor (868)	6,700			6,700
1985 Int Truck Tractor #A12718	7,500		7,500	-0-
Bush Hog Flex-Wing Shredder #12-09661	8,500			8,500
1988 Mack Truck	10,000			10,000
140H CAT - #7096 (974)	117,000			117,000
Caterpillar 140H Grader	96,642			96,642
Road Groom Machine	13,264			13,264
2000 Chevy Z71 P/U #22590	5,000			5,000
Volvo G930 MTR Grader #70090	49,144			49,144
2002 Ford F-150 #96290	5,157			5,157
2004 Chevy #85450	5,700			5,700
AMCO LOF-2424 Harrow Disc	6,000			6,000
JD 4440 Tractor Repairs (868)	12,375			12,375
Volvo G930 MTR Grader #42844		72,635		72,635
2001 CPS Belly Dump Trlr #003481		9,750		9,750
1997 Mack Truck #078253		29,950		29,950
Total Equipment	\$ 615,689	\$ 112,335	\$ 129,957	\$ 598,067
Iron Clad Barn	10,000			10,000
Total Pct # 3	\$ 625,689	\$ 112,335	\$ 129,957	\$ 608,067

LAMB COUNTY, TEXAS
SCHEDULE OF FIXED ASSETS
September 30, 2009

	Balance 9-30-08	Additions	Deletions	Balance 9-30-09
Precinct #4				
1974 Mack Truck SN 22339 (9-84)	\$ 13,750	\$	\$	\$ 13,750
Hyster Grid Roller SN301600L (3-86)	16,500			16,500
1988 GMC Pickup SN575697 (4-88)	11,388			11,388
Rhino Rotary Cutter Shredder - SN 10117	6,500			6,500
1984 Mack Truck SN 087417 (3-91)	22,690			22,690
936E Wheel Loader 04SB02649	90,000		90,000	-
1988 Cat Backhoe SN5PC06404	19,000			19,000
Ripper W/Pushblock (864)	8,739			8,739
140H Version Mrt Grader #22K05095	109,000			109,000
2000 Midland MG40 Dump Trk #000734	22,500			22,500
2000 Midland MG40 Dump Trk #000733	22,500			22,500
Bush-Hog Model 12615 (961)	8,900			8,900
Caterpillar Model 140H - #K05655 (942)	117,500			117,500
Caterpillar 140H Grader	107,441			107,441
1994 Mack Truck	12,500			12,500
Hyster Grid Roller	14,685			14,685
2000 Chevy ¾ Ton P/U #139972	7,600			7,600
140H Cat - CAT #2658	106,002			106,002
2000 Kenworth T800 #47177	29,547			29,547
2006 GMC K1500 P/U #15186	21,555			21,555
2008 Chevy K1500 #48457	21,973			21,973
Cat 140H Mtr Grader #03686	77,367			77,367
Cat Wheel Loader #CRD01861		129,700		129,700
Total Equipment	\$ 867,637	\$ 129,700	\$ 90,000	\$ 907,337
Land	2,000			2,000
Barn	10,000			10,000
Total Pct #4	\$ 879,637	\$ 129,700	\$ 90,000	\$ 919,337

OFFICE OF THE TAX ASSESSOR-COLLECTOR

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
CONSOLIDATED SUMMARY OF TAX REPORTS
For Year Ended September 30, 2009

	Total	Motor Vehicle Tax	Vehicle Registration	Title Applications
	-----	-----	-----	-----
Receipts:				
Taxes and Fees Collected	\$ 2,276,688	\$ 1,275,561	\$ 961,356	\$ 39,771
	=====	=====	=====	=====
Disbursements:				
County Treasurer-Taxes & Tags	\$ 533,510	\$	\$ 533,510	\$
County Treasurer-Fees	46,894		29,535	17,359
State Treasurer	1,244,502	1,244,502		
VIT Escrow Account	31,059	31,059		
Texas Highway Department	415,533		393,121	22,412
Texas Agricultural Finance Authority	5,190		5,190	
	-----	-----	-----	-----
Total Disbursements	\$ 2,276,688	\$ 1,275,561	\$ 961,356	\$ 39,771
	=====	=====	=====	=====

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF MONTHLY REPORTS-MOTOR VEHICLE SALES, USE, AND INVENTORY TAX
For Year Ended September 30, 2009

Receipts:		
Taxes Collected		\$1,275,561 =====
Disbursements:		
State Treasurer-Taxes		\$1,244,502
VIT Escrow Account		31,059 -----
		\$1,275,561 =====
	<u>Reconciliation of Escrow Account</u>	
Escrow Balance FYE 9-30-08		\$ 52,563
Reports 10-1-08 to 12-31-08		15,620
Reports 1-1-09 to 9-30-09		15,439 -----
		\$ 83,622
Disbursement to Tax Entities		83,622 -----
Escrow Balance FYE 9-30-09		\$ -0- =====

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF WEEKLY REPORTS-VEHICLE REGISTRATION
For Year Ended September 30, 2009

Receipts:			
Vehicle Registration		\$828,456	
County Road & Bridge Fund		127,710	
Young Farmer Endowment Program		5,190	

Total Receipts			\$961,356 =====
Disbursements:			
County Treasurer Tags	*	\$533,510	
County Treasurer Fees	*	29,535	
Texas Highway Department		393,121	
Texas Agricultural Finance Authority		5,190	

Total Disbursements			\$961,356 =====
<u>Reconciliation With Treasurer</u>			
Receipts Per Treasurer FYE 9-30-09			\$563,676
Less: FYE 9-30-08 Receipts Received in FYE 9-30-09			(631)
Add: FYE 9-30-09 Receipts Received in FYE 9-30-10			-0-

Total County Tags and Fees FYE 9-30-09			\$563,045* =====

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF DAILY REPORTS-TITLE APPLICATIONS/TAX CERTIFICATES
For Year Ended September 30, 2009

Receipts:		
Title Applications		\$ 36,088
Tax Certificates		3,683

		\$ 39,771
		=====
Disbursements:		
County Treasurer Fees		\$ 17,359
Texas Highway Department Fees		22,412

		\$ 39,771
		=====
	<u>Reconciliation With Treasurer</u>	
Receipts Per Treasurer FYE 9-30-09		\$ 17,689
Less: FYE 9-30-08 Receipts Received in FYE 9-30-09		(330)
Add: FYE 9-30-09 Receipts Received in FYE 9-30-10		-0-

Total County Fees FYE 9-30-09		\$ 17,359
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
2008 ROLL
For The Year Ended September 30, 2009

Roll	

Taxable Value	\$868,857,728 =====
Tax Levy	\$ 6,901,337
Collections	

October 1, 2008 thru June 30, 2009	6,771,062 -----
Balance June 30, 2009	\$ 130,275 =====

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SCHEDULE OF PRORATION OF FUNDS FROM AD VALOREM TAXES
September 30, 2009

	Dollars	Percent
	-----	-----
Constitutional Levies		

Total Tax Per \$100 Valuation	\$.7943	100.00
	=====	=====
Distribution as Follows:		
Jury Fund	\$.0000	00.00
General Fund	.5373	67.65
General Road & Bridge	.1240	15.61
Hospital	.1330	16.74
	-----	-----
County Tax Rate	\$.7943	100.00
	=====	=====

LAMB COUNTY, TEXAS
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2009

LAST TEN YEARS ENDED SEPTEMBER 30,	TAX RATES	ASSESSED OR APPRAISED VALUATION	BEGINNING BALANCE 10-1-08	CURRENT YEAR'S LEVY	TOTAL COLLECTIONS	ENTIRE YEAR'S ADJUSTMENTS	ENDING BALANCE 9-30-09
2000 & Prior Years	Various	Various	\$ 15,817	\$	\$ 567	\$ (1,202)	\$ 14,048
2001	.5979	875,601,886	6,148		568	(7)	5,573
2002	.6141	854,763,998	7,810		584	(6)	7,220
2003	.6250	858,256,562	9,796		755	(7)	9,034
2004	.6687	866,796,982	12,294		2,226	(8)	10,060
2005	.7642	795,374,475	17,918		3,788	(9)	14,121
2006	.7642	808,383,279	30,335		8,949	(9)	21,377
2007	.7967	796,528,948	57,738		21,712	(9)	36,017
2008	.7943	803,447,816	118,569		58,100	(78)	60,391
2009 (Year Under Audit)	.7943	868,857,728		6,901,337	6,771,062		130,275
TOTALS			<u>\$ 276,425</u>	<u>\$ 6,901,337</u>	<u>\$ 6,868,311</u>	<u>\$ (1,335)</u>	<u>\$ 308,116</u>

OFFICE OF THE COUNTY CLERK

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-COUNTY CLERK FUND
For Year Ended September 30, 2009

Receipts:		
County Clerk Miscellaneous	\$	8,231
Criminal Cases		5
County Clerk Records Management		11,600
Recording Fees		44,645
Xerox		3,182
Birth Certificates		15,498
Mandatory Records Management		967
Marriage License		3,652
Abstracts, Tax Liens, Etc.		1,251
Civil and Probate		776
Mandatory Courthouse Security		198
Financing Statements		969
Family Trust		348
Interest		30

Total Receipts	\$	91,352

Disbursements:		
County Treasurer	\$	93,236
Refunds and Other		81

Total Disbursements	\$	93,317

Excess Receipts Over Disbursements	\$	(1,965)
Fund Balance 9-30-08		7,984

Fund Balance 9-30-09	\$	6,019
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-COUNTY COURT FUND
For Year Ended September 30, 2009

Receipts:		
Court Cost Deposits	\$ 17,378	
Mandatory Records Management	585	
Mandatory Courthouse Security	585	
Interest	78	

Total Receipts		\$ 18,626
Disbursements:		
County Treasurer	\$ 25,137	
Refund of Deposits	1,200	
Other Fees	739	

Total Disbursements		\$ 27,076

Excess Receipts Over Disbursements		\$ (8,450)
Fund Balance 9-30-08		15,565

Fund Balance 9-30-09		\$ 7,115
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-CRIMINAL PARTIAL PAYMENT FUND
For Year Ended September 30, 2009

Receipts:		
Payments Received	\$107,937	
Mandatory Records Management	2,010	
Mandatory Courthouse Security	249	
Interest	154	

Total Receipts		\$110,350
Disbursements:		
County Treasurer	\$100,724	
Restitution	15,196	
Other	-0-	

Total Disbursements		\$115,920

Excess Receipts Over Disbursements		\$ (5,570)
Fund Balance 9-30-08		35,434

Fund Balance 9-30-09		\$ 29,864
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-CASH BOND FUND
For Year Ended September 30, 2009

	CRIMINAL	CIVIL
	-----	-----
Receipts:		
Payments Received	\$ 9,000	\$ -0-
Redeposits	-0-	-0-
	-----	-----
Total Receipts	\$ 9,000	\$ -0-
Disbursements:		
County Treasurer	\$ -0-	\$ -0-
Refunded	2,906	-0-
Other	4,078	-0-
Returned Checks	-0-	-0-
	-----	-----
Total Disbursements	\$ 6,984	\$ -0-
Excess Receipts Over Disbursements	\$ 2,016	\$ -0-
Fund Balance 9-30-08	8,498	16,505
	-----	-----
Fund Balance 9-30-09	\$ 10,514	\$ 16,505
	=====	=====

OFFICE OF THE DISTRICT CLERK

LAMB COUNTY, TEXAS
OFFICE OF THE DISTRICT CLERK
SUMMARY OF MONTHLY REPORTS TO COUNTY TREASURER
For Year Ended September 30, 2009

	Civil -----	Criminal -----
Receipts:		
Alternate Dispute Resolution	\$ 1,440	\$
Clerk Filing Fees	14,896	861
Consolidated Court Costs		3,959
Court Appointed Attorney		7,762
Crime Victims Fund		400
District Clerk Records Management	550	49
EMS Trauma Fund		1,615
Family Protection Fees	690	
Fines		41,202
Indigent Fund	200	4
Interest	26	112
Jury Fees	1,210	99
Law Library	100	
Mandatory Courthouse Security	550	105
Mandatory Records Management	550	480
Miscellaneous	549	588
Passport Fees	7,945	
Probation Fees		71,716
Sheriff Fees	8,871	2,343
State Fees	5,250	
Steno Fees	1,485	
Time Payment Fees		758
Judicial Fund	5,119	98
	-----	-----
Total Receipts	\$ 49,431	\$ 132,151
	=====	=====
Disbursements:		
Lamb County Treasurer	\$ 47,145	\$ 59,833
154th Judicial Adult Probation Dept.		71,652
Less: FYE 9-30-08 Fees Paid in FYE 9-30-09:		
County Treasurer	(1,937)	(6,259)
Probation Dept.		(4,840)
Plus: FYE 9-30-09 Fees Paid in FYE 9-30-10:		
County Treasurer	4,222	6,861
Probation Dept.		4,904
	-----	-----
Total Disbursements	\$ 49,431	\$ 132,151
	=====	=====

OFFICE OF THE COUNTY SHERIFF

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
SHERIFF FEES
For Year Ended September 30, 2009

Receipts:

Sheriff Fees	\$ 12,353	
Other	8,399	

		\$ 20,752

Disbursements:

County Treasurer	\$ 20,752	
Other	-0-	

		\$ 20,752

Excess (Deficiency) Receipts Over Disbursements		\$ -0-
Fund Balance 9-30-08		-0-

Fund Balance 9-30-09		\$ -0-
		=====

Reconciliation with County Treasurer

Receipts Per Treasurer		\$ 20,635
Less: Receivable FYE 9-30-08		(7,495)
Add: Receivable FYE 9-30-09		7,612

Disbursements to Treasurer		\$ 20,752
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PRISONER ACCOUNT
For Year Ended September 30, 2009

Receipts:

Inmate Deposits	\$ 39,368	
Transfers	-0-	
Other	-0-	

		\$ 39,368

Disbursements:

Commissary Use	\$ 20,638	
Refunds	14,554	
Transfers	668	
Other	2,601	

		\$ 38,461

Excess (Deficiency) Receipts Over Disbursements		\$ 907
Cash Balance 9-30-08		1,496

Cash Balance 9-30-09		\$ 2,403
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
UNCLAIMED PRISONER ACCOUNT
For Year Ended September 30, 2009

Receipts:

Transfers	\$ 668	
Other	2,277	
	-----	\$ 2,945

Disbursements:

Refunds	\$ 154	
Transfers	-0-	
Other	2,277	
	-----	\$ 2,431

Excess (Deficiency) Receipts Over Disbursements	\$ 514
Cash Balance, 9-30-08	3,530

Cash Balance, 9-30-09	\$ 4,044
	=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
COMMISSARY ACCOUNT
For Year Ended September 30, 2009

Receipts:

Sales - Commissary	\$ 20,638	
Other	180	

Total Receipts		\$ 20,818

Disbursements:

Purchases	\$ 11,099	
Sales Tax	2,051	
Supplies	1,835	
Non-Capital Outlays	1,378	
Other	118	

Total Disbursements		\$ 16,481

Excess(Deficiency) Receipts Over Disbursements	\$ 4,337	
Cash Balance, 9-30-08	11,264	

Cash Balance, 9-30-09	\$ 15,601	=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
EDUCATION ACCOUNT
For Year Ended September 30, 2009

Receipts:

State Revenue \$ 2,688

Disbursements:

Continuing Education Use 1,292

Excess (Deficiency) Receipts Over Disbursements \$ 1,396

Cash Balance, 9-30-08 363

Cash Balance, 9-30-09 \$ 1,759
=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PETTY CASH ACCOUNT
For Year Ended September 30, 2009

Receipts:

Reimbursements	\$	344	
Other		-0-	

Total Receipts	\$		344

Disbursements:

Travel	\$	25	
Supplies		312	
Meals		-0-	
Miscellaneous		-0-	
Other		-0-	

Total Disbursements	\$		337

Excess (Deficiency) Receipts Over Disbursements	\$	7	
Cash Balance, 9-30-08		60	

Cash Balance, 9-30-09	\$	67	
		=====	

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FORFEITURE ACCOUNT
For Year Ended September 30, 2009

Receipts:	\$ -0-
Disbursements:	480 -----
Excess(Deficiency) Receipts Over Disbursements	\$ (480)
Cash Balance, 9-30-08	3,212 -----
Cash Balance, 9-30-09	\$ 2,732 =====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
DRUG PROGRAM ACCOUNT
For Year Ended September 30, 2009

Receipts:

Telephone Commission	\$ 11,858	
Restitution	652	
Other	-0-	

Total Receipts		\$ 12,510

Disbursements:

Drug Investigation	\$ 1,300	
DARE Program	-0-	
Capital Outlays	-0-	
Miscellaneous	-0-	
Transfers	36,032	

Total Disbursements		\$ 37,332

Excess (Deficiency) Receipts Over Disbursements		\$ (24,822)
Cash Balance, 9-30-08		25,636

Cash Balance, 9-30-09		\$ 814
		=====

Summary:

Cash on Hand		\$ 814
Cash in Bank - SSB		-0-

Total		\$ 814
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
BOND FEES
For Year Ended September 30, 2009

Receipts:

Bond Fees	\$ 3,150	
Other	-0-	
	-----	\$ 3,150

Disbursements:

County Treasurer	\$ 3,450	
Other	-0-	
	-----	\$ 3,450

Excess (Deficiency) Receipts Over Disbursements		\$ (300)
Fund Balance 9-30-08		1,075

Fund Balance 9-30-09		\$ 775
		=====

Reconciliation with County Treasurer

Receipts Per Treasurer		\$ 3,450
Less: Receivable FYE 9-30-08		-0-
Add: Receivable FYE 9-30-09		-0-

Disbursements to Treasurer		\$ 3,450
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
TRUST ACCOUNT
For Year Ended September 30, 2009

Receipts:	\$	-0-
Disbursements:		-0-

Excess(Deficiency) Receipts Over Disbursements	\$	-0-
Cash Balance, 9-30-08		48

Cash Balance, 9-30-09	\$	48
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
TOY FOR KIDS ACCOUNT
For Year Ended September 30, 2009

Receipts:	\$ 1,088
Disbursements:	711 -----
Excess(Deficiency) Receipts Over Disbursements	\$ 377
Cash Balance, 9-30-08	1,799 -----
Cash Balance, 9-30-09	\$ 2,176 =====

OFFICE OF THE JUSTICES OF PEACE

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 1
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2009

Receipts:		
Fines and Fees	\$ 40,505	
Other	-0-	
	-----	\$ 40,505
Disbursements:		
County Treasurer	\$ 38,950	
Fees Collected for Other Agencies	1,791	
Other	-0-	
	-----	\$ 40,741
Excess (Deficiency) Receipts Over Disbursements		\$ (236)
Fund Balance 9-30-08		3,972

Fund Balance 9-30-09		\$ 3,736
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 2
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2009

Receipts:		
Fines and Fees	\$ 5,429	
Other	-0-	
	-----	\$ 5,429
Disbursements:		
County Treasurer	\$ 5,445	
Fees Collected for Other Agencies	250	
Other	48	
	-----	\$ 5,743
Excess(Deficiency) Receipts Over Disbursements		\$ (314)
Fund Balance 9-30-08		316

Fund Balance 9-30-09		\$ 2
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 3
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2009

Receipts:		
Fines and Fees	\$213,398	
Other	-0-	
	-----	\$213,398
Disbursements:		
County Treasurer	\$193,210	
Fees Collected For Other Agencies	3,979	
Fees Paid to Collection Agency	15,934	
Other	275	
	-----	\$213,398

Excess (Deficiency) Receipts Over Disbursements		\$ -0-
Fund Balance 9-30-08		220

Fund Balance 9-30-09		\$ 220
		=====

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 4
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2009

Receipts:		
Fines and Fees	\$ 34,218	
Other	-0-	
	-----	\$ 34,218
Disbursements:		
County Treasurer	\$ 34,117	
Fees Collected For Other Agencies	81	
Other	-0-	
	-----	\$ 34,198

Excess(Deficiency) Receipts Over Disbursements		\$ 20
Fund Balance 9-30-08		223

Fund Balance 9-30-09		\$ 243
		=====

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

823 LFD Drive
Littlefield, Texas 79339
(806) 385-5181
FAX: (806) 385-5183

Stephen H. Webb, CPA
Richard B. Wright, CPA

August 4, 2010

Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with Government Auditing Standards

Honorable County Judge and Commissioners' Court
Lamb County
100 6th Street
Littlefield, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lamb County as of and for the year ended September 30, 2009, which collectively comprise Lamb County's basic financial statements and have issued our report thereon dated August 4, 2010. Our opinion on the basic financial statements, insofar as it relates to the amounts included for the proprietary fund, is based solely on the report of other auditors. Accordingly, the proprietary fund is not covered by this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lamb County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Lamb County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lamb County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Lamb County's ability to initiate, authorize, record, process or report financial data reliably in accordance with

Report on Internal Control over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed
In Accordance with Government Auditing Standards
Lamb County - August 4, 2010

generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Lamb County's financial statements that is more than inconsequential will not be prevented by the Lamb County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Lamb County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lamb County's financial statements are free of material misstatement, we performed tests of Lamb County's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Lamb County's management, others within the organization and the appropriate state and federal agencies. This report is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WEBB, WEBB, & WRIGHT, CPA's

Webb, Webb & Wright

LAMB COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

LAMB COUNTY, TEXAS

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None		

LAMB COUNTY, TEXAS

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2009

None