

LAMB COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2002

LAMB COUNTY, TEXAS
COUNTY OFFICIALS
September 30, 2002

| Name of Official ----- | Office ----- |
|---------------------------|---------------------------|
| Danny Byers | County Judge |
| Willie Gene Green | Commissioner, Precinct #1 |
| Thurman Lewis | Commissioner, Precinct #2 |
| Emil Macha | Commissioner, Precinct #3 |
| Jimmy Young | Commissioner, Precinct #4 |
| Mark Yarbrough | County Attorney |
| Gary Maddox | County Sheriff |
| Linda Charlton | Tax Assessor-Collector |
| Bill Johnson | County Clerk |
| Celia Kuykendall | District Clerk |
| Janice Wells | County Treasurer |
| Becky DeBerry | Justice of Peace #1 |
| R. J. Brock | 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

November 19, 2002

Independent Auditor's Report

Unqualified Opinion on General Purpose Financial Statements Submitted Together with Combining, Individual Fund and Account Group Financial Statements and Supporting Schedules as Supplementary Data

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

We have audited the general purpose financial statements of Lamb County, as of and for the year ended September 30, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose 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 on the general purpose financial statements, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

Unqualified Opinion on General Purpose Financial Statements Submitted Together with Combining, Individual Fund and Account Group Financial Statements and Supporting Schedules as Supplementary Data

Lamb County - November 19, 2002

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Lamb County at September 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2002 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 grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Lamb County taken as a whole. 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 general purpose financial statements. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statement taken as a whole.

Respectfully submitted,

WEBB, WEBB AND WRIGHT, CPA's

Webb, Webb & Wright

GENERAL PURPOSE FINANCIAL STATEMENTS

LAMB COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

| | GOVERNMENTAL FUND TYPES | | | PROPRIETARY FUND |
|---------------------------------|-------------------------|-----------------|---------------------|------------------------------|
| | GENERAL | DEBT SERVICE | CAPITAL PROJECTS | LAMB HEALTHCARE CENTER |
| ASSETS | | | | |
| Cash | \$ 146,726 | \$ 17,220 | \$ 305,860 | \$ 44,377 |
| Investments | 1,320,873 | 55,747 | | |
| Note Receivable | 22,543 | | | |
| Due From Tax Office | 2,194 | | | |
| Due From District Clerk | | | | |
| Due From Other Funds | | | | 93,494 |
| Delinquent Tax Receivable | 205,600 | 6,721 | | |
| Allowance for Uncollectible Tax | (20,560) | (672) | | |
| Accounts Receivable | | | | 1,123,676 |
| Inventory of Supplies | | | | 195,487 |
| Due From Other | | | | |
| Other Assets | | | | 38,829 |
| Fixed Assets | | | | 1,956,857 |
| Accumulated Depreciation | | | | (1,077,357) |
| Amounts Available | | | | |
| Amounts to be Provided | | | | |
| Total Assets | \$ 1,677,376 | \$ 79,016 | \$ 305,860 | \$ 2,375,363 |

See accompanying notes to financial statements.
(3)

LAMB COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

| | Account Groups | | Totals (Memorandum Only) | |
|---------------------------------|----------------------------|------------------------------|-----------------------------|---------------|
| | General Fixed Assets | General Long-Term Debt | 9-30-02 | 9-30-01 |
| ASSETS | | | | |
| Cash | \$ | \$ | \$ 514,183 | \$ 674,278 |
| Investments | | | 1,376,620 | 1,838,693 |
| Note Receivable | | | 22,543 | 30,585 |
| Due From Tax Office | | | 2,194 | 3,983 |
| Due From District Clerk | | | -0- | -0- |
| Due From Other Funds | | | 93,494 | 50,846 |
| Delinquent Tax Receivable | | | 212,321 | 199,536 |
| Allowance for Uncollectible Tax | | | (21,232) | (19,953) |
| Accounts Receivable | | | 1,123,676 | 1,393,078 |
| Inventory of Supplies | | | 195,487 | 186,757 |
| Due From Other | | | -0- | 3,553 |
| Other Assets | | | 38,829 | 44,390 |
| Fixed Assets | 14,393,059 | | 16,349,916 | 15,849,503 |
| Accumulated Depreciation | | | (1,077,357) | (913,191) |
| Amounts Available | | 72,967 | 72,967 | 59,437 |
| Amounts to be Provided | | 1,227,033 | 1,227,033 | 1,540,563 |
| Total Assets | \$ 14,393,059 | \$ 1,300,000 | \$ 20,130,674 | \$ 20,942,058 |

See accompanying notes to financial statements.
(4)

LAMB COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

| | GOVERNMENTAL FUND TYPES | | | PROPRIETARY FUND |
|--------------------------------------|-------------------------|-----------------|---------------------|------------------------------|
| | GENERAL | DEBT SERVICE | CAPITAL PROJECTS | LAMB HEALTHCARE CENTER |
| <u>LIABILITIES & FUND EQUITY</u> | | | | |
| Checks Issued in Excess of Available | | | | |
| Bank Balances | \$ | \$ | \$ | \$ |
| Accounts Payable | 372,775 | | | 194,594 |
| Salaries Payable | | | | 202,092 |
| Other Current Liabilities | 364 | | | 288,758 |
| Deferred Revenue | 185,040 | 6,049 | | |
| Due to Other Funds | 93,494 | | | |
| Long-Term Debt - Current | | | | 60,596 |
| Long-Term Debt | | | | 85,627 |
| Total Liabilities | \$ 651,673 | \$ 6,049 | \$ -0- | \$ 831,667 |
| <u>FUND EQUITY</u> | | | | |
| Investments - GFA | \$ | \$ | \$ | \$ |
| Reserved Fund Balances: | | | | |
| Retirement of Long-Term Debt | | 72,967 | | |
| Other Reserves | 75,528 | | 152,834 | |
| Unreserved Fund Balance | 950,175 | | 153,026 | |
| Retained Earnings | | | | 1,543,696 |
| Total Fund Equity | \$ 1,025,703 | \$ 72,967 | \$ 305,860 | \$ 1,543,696 |
| Total Liabilities and Fund Equity | \$ 1,677,376 | \$ 79,016 | \$ 305,860 | \$ 2,375,363 |

See accompanying notes to financial statements.
(5)

LAMB COUNTY, TEXAS
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 2002

| | Account Groups | | Totals (Memorandum Only) | |
|--------------------------------------|----------------------------|------------------------------|-----------------------------|---------------|
| | General Fixed Assets | General Long-Term Debt | 9-30-02 | 9-30-01 |
| <u>LIABILITIES & FUND EQUITY</u> | | | | |
| Checks Issued in Excess of Available | | | | |
| Bank Balances | \$ | \$ | \$ | \$ -0- |
| Accounts Payable | | | 567,369 | 573,383 |
| Salaries Payable | | | 202,092 | 176,538 |
| Other Current Liabilities | | | 289,122 | 97,114 |
| Deferred Revenue | | | 191,089 | 179,583 |
| Due to Other Funds | | | 93,494 | 50,846 |
| Long-Term Debt - Current | | 300,000 | 360,596 | 324,045 |
| Long-Term Debt | | 1,000,000 | 1,085,627 | 1,314,221 |
| Total Liabilities | \$ -0- | \$ 1,300,000 | \$ 2,789,389 | \$ 2,715,730 |
| <u>FUND EQUITY</u> | | | | |
| Investments - GFA | \$ 14,393,059 | \$ | \$ 14,393,059 | \$ 14,248,613 |
| Reserved Fund Balances: | | | | |
| Retirement of Long-Term Debt | | | 72,967 | 59,437 |
| Other Reserves | | | 228,362 | 476,582 |
| Unreserved Fund Balance | | | 1,103,201 | 1,756,893 |
| Retained Earnings | | | 1,543,696 | 1,684,803 |
| Total Fund Equity | \$ 14,393,059 | \$ -0- | \$ 17,341,285 | \$ 18,226,328 |
| Total Liabilities and Fund Equity | \$ 14,393,059 | \$ 1,300,000 | \$ 20,130,674 | \$ 20,942,058 |

See accompanying notes to financial statements.
(6)

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For Year Ended September 30, 2002

| | Governmental Fund Types | | | Totals (Memorandum Only) | |
|--|-------------------------|-------------------|---------------------|-----------------------------|---------------------|
| | General | Debt Service | Capital Projects | 2002 | 2001 |
| Revenues | | | | | |
| Taxes | \$ 4,764,370 | \$ 397,442 | \$ | \$ 5,161,812 | \$ 5,158,827 |
| Charges For Services | 309,171 | | | 309,171 | 332,698 |
| Fines and Fees | 330,077 | | | 330,077 | 221,959 |
| Vehicle Registration & Fees | 591,516 | | | 591,516 | 559,483 |
| Lateral Road | 37,659 | | | 37,659 | 37,772 |
| Interest on Investments | 69,588 | 6,058 | 7,789 | 83,435 | 203,518 |
| Miscellaneous | 337,066 | | | 337,066 | 335,840 |
| Total Revenues | \$ 6,439,447 | \$ 403,500 | \$ 7,789 | \$ 6,850,736 | \$ 6,850,097 |
| Expenditures | | | | | |
| District Judge | \$ 121,111 | \$ | \$ | \$ 121,111 | \$ 143,701 |
| District Clerk | 149,591 | | | 149,591 | 105,920 |
| County Judge | 1,077,545 | | | 1,077,545 | 746,958 |
| County Clerk | 207,082 | | | 207,082 | 216,595 |
| Tax Office | 211,176 | | | 211,176 | 207,141 |
| County Treasurer | 166,408 | | | 166,408 | 148,888 |
| County Attorney | 105,137 | | | 105,137 | 120,774 |
| Justice of Peace | | | | | |
| Precinct No. 1-4 | 162,663 | | | 162,663 | 153,138 |
| County Veterans & Welfare | 40,913 | | | 40,913 | 41,129 |
| Adult Probation | 871 | | | 871 | 831 |
| Juvenile Probation | 322,801 | | | 322,801 | 439,363 |
| County Extension Office | 132,517 | | | 132,517 | 75,770 |
| County Sheriff | 1,602,716 | | | 1,602,716 | 1,267,676 |
| County Library | 129,491 | | | 129,491 | 124,533 |
| Road and Bridge | | | | | |
| Precinct No. 1-4 | 1,447,904 | | | 1,447,904 | 1,487,125 |
| Jury | 9,908 | | | 9,908 | 11,482 |
| Debt Service | | 389,970 | | 389,970 | 405,445 |
| Capital Outlay | | | | -0- | -0- |
| Total Expenditures | \$ 5,887,834 | \$ 389,970 | \$ -0- | \$ 6,277,804 | \$ 5,696,469 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 551,613 | \$ 13,530 | \$ 7,789 | \$ 572,932 | \$ 1,153,628 |

See accompanying notes to financial statements.
(7)

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For Year Ended September 30, 2002

| | Governmental Fund Types | | | Totals (Memorandum Only) | |
|--|-------------------------|-----------------|---------------------|-----------------------------|----------------|
| | General | Debt Service | Capital Projects | 2002 | 2001 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | \$ 6,270,290 | \$ | \$ | \$ 6,270,290 | \$ 6,028,551 |
| Operating Transfers Out | (7,562,464) | | (169,140) | (7,731,604) | (7,140,004) |
| Total Other Financing Sources (Uses) | \$ (1,292,174) | \$ -0- | \$ (169,140) | \$ (1,461,314) | \$ (1,111,453) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | \$ (740,561) | \$ 13,530 | \$ (161,351) | \$ (888,382) | \$ 42,175 |
| Fund Balance at Beginning of Year | 1,766,264 | 59,437 | 467,211 | 2,292,912 | 1,928,763 |
| Increase (Decrease) In Fund Balance | | | | -0- | 321,974 |
| Fund Balance at End of Year | \$ 1,025,703 | \$ 72,967 | \$ 305,860 | \$ 1,404,530 | \$ 2,292,912 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
For Year Ended September 30, 2002

| | | | General Fund |
|--|--------------|--------------|--|
| | | | Variance - Favorable (Unfavorable) |
| Revenues | Budget | Actual | |
| Taxes | \$ 4,661,529 | \$ 4,764,370 | \$ 102,841 |
| Charges For Services | 303,991 | 309,171 | 5,180 |
| Fines and Fees | 179,000 | 330,077 | 151,077 |
| Vehicle Registration & Fee | 560,500 | 591,516 | 31,016 |
| Lateral Road | 37,800 | 37,659 | (141) |
| Interest on Investments | 159,100 | 69,588 | (89,512) |
| Miscellaneous | 260,765 | 337,066 | 76,301 |
| Total Revenues | \$ 6,162,685 | \$ 6,439,447 | \$ 276,762 |
| Expenditures | | | |
| District Judge | \$ 211,420 | \$ 121,111 | \$ 90,309 |
| District Clerk | 144,868 | 149,591 | (4,723) |
| County Judge | 1,036,937 | 1,077,545 | (40,608) |
| County Clerk | 251,973 | 207,082 | 44,891 |
| Tax Office | 217,671 | 211,176 | 6,495 |
| County Treasurer | 175,388 | 166,408 | 8,980 |
| County Attorney | 148,226 | 105,137 | 43,089 |
| Justice of Peace | | | |
| Precinct No. 1-4 | 196,453 | 162,663 | 33,790 |
| County Veterans & Welfare | 58,166 | 40,913 | 17,253 |
| Adult Probation | 3,395 | 871 | 2,524 |
| Juvenile Probation | 429,657 | 322,801 | 106,856 |
| County Extension Office | 139,319 | 132,517 | 6,802 |
| County Sheriff | 1,616,904 | 1,602,716 | 14,188 |
| County Library | 129,405 | 129,491 | (86) |
| Road and Bridge | | | |
| Precinct No. 1-4 | 1,975,828 | 1,447,904 | 527,924 |
| Jury | 23,500 | 9,908 | 13,592 |
| Total Expenditures | \$ 6,759,110 | \$ 5,887,834 | \$ 871,276 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (596,425) | \$ 551,613 | \$ 1,148,038 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
For Year Ended September 30, 2002

| | General Fund | | |
|--|----------------|----------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In | \$ 5,553,032 | \$ 6,270,290 | \$ 717,258 |
| Operating Transfers Out | (6,298,032) | (7,562,464) | (1,264,432) |
| Total Other Financing Sources (Uses) | \$ (745,000) | \$ (1,292,174) | \$ (547,174) |
| Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses | \$ (1,341,425) | \$ (740,561) | \$ 600,864 |
| Fund Balance at Beginning of Year | 1,766,264 | 1,766,264 | -0- |
| Fund Balance at End of Year | \$ 424,839 | \$ 1,025,703 | \$ 600,864 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
For Year Ended September 30, 2002

| Debt Service Fund | | | |
|--|------------|------------|----------------------------|
| | | | Variance - |
| Revenues | Budget | Actual | Favorable (Unfavorable) |
| Taxes | \$ 389,642 | \$ 397,442 | \$ 7,800 |
| Interest on Investments | 10,000 | 6,058 | (3,942) |
| Total Revenues | \$ 399,642 | \$ 403,500 | \$ 3,858 |
| Expenditures | | | |
| Debt Service: | | | |
| Principal | \$ 300,000 | \$ 300,000 | \$ -0- |
| Interest | 89,970 | 89,970 | -0- |
| Total Expenditures | \$ 389,970 | \$ 389,970 | \$ -0- |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 9,672 | \$ 13,530 | \$ 3,858 |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In | \$ | \$ | \$ |
| Operating Transfers Out | | | |
| Total Other Financing Sources (Uses) | \$ -0- | \$ -0- | \$ -0- |
| Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Uses | \$ 9,672 | \$ 13,530 | \$ 3,858 |
| Fund Balance at Beginning of Year | 59,437 | 59,437 | -0- |
| Fund Balance at End of Year | \$ 69,109 | \$ 72,967 | \$ 3,858 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 2002

| | LAMB HEALTHCARE CENTER | TOTALS (MEMORANDUM ONLY) | |
|---|------------------------------|-----------------------------|--------------|
| | | 9-30-02 | 9-30-01 |
| REVENUE | | | |
| Net Patient Service Revenue | \$ 5,940,995 | \$ 5,940,995 | \$ 5,538,944 |
| County Subsidy Revenue, Net of Expense | 1,224,490 | 1,224,490 | 1,153,047 |
| Medicaid Disproportionate Share Funds | 435,299 | 435,299 | 487,378 |
| Tobacco Settlement Revenue | -0- | -0- | 79,345 |
| Other Operating Revenue | 304,018 | 304,018 | 264,724 |
| Total Revenue | \$ 7,904,802 | \$ 7,904,802 | \$ 7,523,438 |
| EXPENSES | | | |
| Salaries and Wages | \$ 2,964,030 | \$ 2,964,030 | \$ 2,825,287 |
| Employee Benefits | 529,668 | 529,668 | 537,610 |
| Professional and Purchased Services | 1,391,133 | 1,391,133 | 1,309,903 |
| Supplies and Other | 1,895,212 | 1,895,212 | 1,794,238 |
| Interest | 3,582 | 3,582 | 4,428 |
| Depreciation | 164,166 | 164,166 | 137,626 |
| Provision for Bad Debts | 1,133,697 | 1,133,697 | 880,685 |
| Total Operating Expenses | \$ 8,081,488 | \$ 8,081,488 | \$ 7,489,777 |
| Operating Income (Loss) | \$ (176,686) | \$ (176,686) | \$ 33,661 |
| NON-OPERATING GAINS (LOSSES) | | | |
| Interest Income | \$ 11,425 | \$ 11,425 | \$ 18,290 |
| Total Non-Operating Gains (Losses) | \$ 11,425 | \$ 11,425 | \$ 18,290 |
| Revenues and Gains (Expenses and Losses) in Excess of Expenses and Losses (Revenue and Gains) | \$ (165,261) | \$ (165,261) | \$ 51,951 |
| Retained Earnings at Beginning of Year | 1,708,957 | 1,708,957 | 1,657,006 |
| Retained Earnings at End of Year | \$ 1,543,696 | \$ 1,543,696 | \$ 1,708,957 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

| | LAMB HEALTHCARE CENTER | TOTALS (MEMORANDUM ONLY) | |
|---|------------------------------|-----------------------------|--------------|
| | | 9-30-02 | 9-30-01 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ (176,686) | \$ (176,686) | \$ 33,661 |
| Adjustments to Reconcile Excess of Revenue and Gains (Expenses and Losses) in Excess of Expenses and Losses (Revenues and Gains) to Net Cash Provided by Operating Activities: | | | |
| Interest Expense Considered Capital Financing Activity | 3,582 | 3,582 | 4,428 |
| Depreciation | 164,166 | 164,166 | 137,626 |
| Provision for Bad Debts | 1,133,697 | 1,133,697 | 880,685 |
| County Subsidy Revenue, Net of Expense | (1,224,490) | (1,224,490) | (1,153,047) |
| (Increase) Decrease in Assets | | | |
| Inventories | (8,728) | (8,728) | 7,817 |
| Accounts Receivable | (864,298) | (864,298) | (647,628) |
| Other Receivable - Lamb County | (42,067) | (42,067) | (23,375) |
| Prepaid Expenses and Other Current Assets | (23,711) | (23,711) | 753 |
| Other Assets | | | 878 |
| Increase (Decrease) Liabilities | | | |
| Accounts Payable | (214,835) | (214,835) | 53,185 |
| Accrued Salaries and Benefits | 25,555 | 25,555 | 26,674 |
| Other Current Liabilities | 244,490 | 244,490 | (8,938) |
| Net Cash Provided (Used) By Operating Activities | \$ (983,325) | \$ (983,325) | \$ (687,281) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| County Subsidy Revenue, Net of Expense | \$ 1,224,490 | \$ 1,224,490 | \$ 1,153,047 |
| Cash Flows Provided (Used) by Non-Capital Financing Activities | \$ 1,224,490 | \$ 1,224,490 | \$ 1,153,047 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment Income | \$ 11,425 | \$ 11,425 | \$ 18,290 |
| Cash Flows Provided (Used) by Investing Activities | \$ 11,425 | \$ 11,425 | \$ 18,290 |

See accompanying notes to financial statements.

LAMB COUNTY, TEXAS
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

| | LAMB HEALTHCARE CENTER ----- | TOTALS (MEMORANDUM ONLY) ----- | ----- |
|--|---------------------------------------|--------------------------------------|------------------|
| | | 9-30-02 ----- | 9-30-01 ----- |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of Property, Plant, and Equipment | \$ (355,966) | \$ (355,966) | \$ (234,563) |
| Interest Expense Considered Capital Financing Activity | (3,582) | (3,582) | (4,428) |
| Proceeds from Long Term Debt | 146,841 | 146,841 | 34,130 |
| Principal Payments on Long Term Debt | (38,884) | (38,884) | (243,592) |
| | ----- | ----- | ----- |
| Net Cash Provided (Used) by Capital and Related Financing Activities | \$ (251,591) | \$ (251,591) | \$ (448,453) |
| | ----- | ----- | ----- |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 999 | \$ 999 | \$ 35,603 |
| Cash and Cash Equivalents at the Beginning of Year | 43,378 | 43,378 | 7,775 |
| | ----- | ----- | ----- |
| Cash and Cash Equivalents at the End of Year | \$ 44,377 | \$ 44,377 | \$ 43,378 |
| | ===== | ===== | ===== |

Supplemental Disclosure of Cash Flow Information

| | | | |
|---------------|----------|----------|----------|
| Interest Paid | \$ 3,582 | \$ 3,582 | \$ 4,428 |
| | ===== | ===== | ===== |

See accompanying notes to financial statements.
(14)

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of 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.

B. FUND TYPES AND ACCOUNT GROUPS

The County uses several funds and account groups to account for its financial position and results of operations. A fund or account group is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific activity. The County maintains the following fund types and account groups.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

B. FUND TYPES AND ACCOUNT GROUPS (continued)

Governmental fund types, that include the following:

The 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.

Debt Service Fund (DSF). This is used to account for tax revenues and for the payment of principal, interest and related costs on long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

Capital Projects Fund (CPF). This is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Proprietary fund types, that are used to account for activities conducted on a fee for service basis in a manner similar to commercial enterprises, provides services to the County (internal service funds) and the public (enterprise funds).

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.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

B. FUND TYPES AND ACCOUNT GROUPS (continued)

Fiduciary fund types, (trust and agency funds), that are used to account for assets held by the County as an agent for private individuals or organizations or in trust. These funds have no revenues, expenditures or equity. These are not budgeted funds.

General fixed assets account group, is used to account for property and equipment of governmental funds.

General Long-Term Debt Account Group, is used to account for long-term liabilities expected to be financed from governmental funds.

The combined financial statements include total columns that aggregate the financial statements of the various fund types and account groups. The columns are designated "memorandum only" because the totals are not comparable to a consolidation in that interfund transactions are not eliminated. Comparative information presented for 2001 contains certain reclassifications to conform to the 2002 presentation.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for Governmental Fund Types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

C. BASIS OF ACCOUNTING (continued)

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The Proprietary Fund Type is 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. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components.

D. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets. Interest costs incurred during construction of fixed assets are capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

D. FIXED ASSETS AND LONG-TERM LIABILITIES (continued)

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They instead are reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds and Nonexpendable Trust Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method.

Fixed asset estimated lives are as follows:

| | |
|--------------------------|-------------|
| Land Improvements | 15-20 Years |
| Building (Components) | 5-50 Years |
| Fixed Equipment | 7-25 Years |
| Major Moveable Equipment | 3-20 Years |

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

E. 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.
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 01-02 fiscal year.

F. 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.

G. ACCUMULATED UNPAID VACATION AND SICK PAY

Vacation time for full time employees, accrues at the rate of 1 day for each month of service to a maximum of 10 days per year. Any accrued vacation time must be taken within six months after the year it is earned. When an employee resigns, any accrued vacation time must be accounted for or taken on or before the resignation date. Lamb County will not compensate any employee for unused vacation days after the effective date of resignation.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

G. ACCUMULATED UNPAID VACATION AND SICK PAY (continued)

When an employee's job is terminated by any department official, the employee's unused vacation time will be compensated at the same rate as their salary at the time of termination. Sick pay for full time employees will accrue at the rate of one day for each month of service to a maximum of 10 days per year. Lamb County will not pay the employee for unused sick leave time accumulated. If total of sick leave time is used, that employee will go on "time off without pay" status.

H. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the County's financial position and operations. However, comparative data have not been presented in all of the statements because their inclusion would make the statements unduly complex and difficult to read.

I. CASH EQUIVALENTS

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

J. TOTAL (MEMORANDUM ONLY) COLUMNS

Memorandum Only - the total columns presented in the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidation entries or other eliminations were made and these totals do not purport to present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

K. 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 2002, 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.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

L. 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.

M. 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.

NOTE 2. 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 3: DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between the General Fund and Debt Service Fund based on rates adopted for the year of the levy. 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 4: HEALTH CARE COVERAGE

During the year ended September 30, 2002, all full time employees were covered by a healthcare insurance plan. The County pays the total cost of premiums for the employee and dependents. However, if the dependents are employed and eligible for group health insurance at their place of employment, they will not be eligible under the County's Plan. This healthcare plan is funded through Firstcare, a Health Maintenance Organization (HMO), and the terms of coverage and contribution costs are included in the contractual provisions.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 5: 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, 2002, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts) included in cash and investments was \$514,183 and the bank balance was \$760,799. The County's cash deposits with financial institutions at September 30, 2002 and during the year ended September 30, 2002, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

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 \$5,417,878.
- c. Largest cash, savings and time deposits combined account balance amounted to \$4,975,302 and occurred during the month of November 2001.
- d. Total amount of FDIC coverage at the time of largest combined balance was \$200,000.

During the FYE 9-30-95, investments were transferred from "TEXPOOL" to Investors Cash Trust-Treasury Portfolio Fund and then to ICT-Government Securities 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.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 5: DEPOSITS AND INVESTMENTS (continued)

Current investments of \$1,376,620 are invested in Texpool and the ICT-Government Securities Portfolio Fund. The carrying amount of \$1,376,620 and the fair value are the same.

The cash deposits held at financial institutions 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.

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 | \$ 514,183 | \$ | \$ | \$ 514,183 |
| Texpool Accounts | 986,385 | | | 986,385 |
| I.C.T. - Government Securities Portfolio | | | 390,235 | 390,235 |
| Total | \$1,500,568 | \$ -0- | \$ 390,235 | \$1,890,803 |
| | ===== | ===== | ===== | ===== |

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, 2002

NOTE 5: 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.

NOTE 6: OPERATING/CAPITAL LEASES

The County has entered into several operating lease agreements for office copiers.

Commitments under operating (noncapitalized) lease agreements provide for minimum future rental payments as of September 30, 2002, as follows:

| <u>Year Ending September 30</u> | |
|---|----------|
| 2003 | \$ 3,865 |
| 2004 | 3,269 |
| 2005 | 297 |
| | ----- |
| Total Minimum Rentals | \$ 7,431 |
| | ===== |
| Rental Expenditures in Fiscal Year 2002 | \$ 6,183 |
| | ===== |

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 6: OPERATING/CAPITAL LEASES (continued)

During the fiscal year 2002, the County entered into a lease agreement with Fleetwood Financial Corp to acquire a dictaphone. Interest expense on this capital lease for the current year was \$95. Commitments under the capitalized lease agreement for the above equipment provide for minimum future lease payments as of September 30, 2002, as follows:

| <u>Year Ending September 30</u> | |
|--|-----------|
| 2003 | \$ 6,344 |
| 2004 | 6,344 |
| | ----- |
| Total Minimum Rentals | \$ 12,688 |
| Less Interest | (1,318) |
| | ----- |
| Present Value - Minimum Lease Payments | \$ 11,370 |
| | ===== |

The effective interest rate on this capital lease is 10.75%.

NOTE 7: CHANGE IN GENERAL FIXED ASSETS

| | Balance 10-1-01 | Additions | Deletions | Balance 9-30-02 |
|----------------|--------------------|------------|------------|--------------------|
| | ----- | ----- | ----- | ----- |
| Land | \$ 23,250 | \$ | \$ | \$ 23,250 |
| Buildings | 8,109,536 | | | 8,109,536 |
| Equipment | 5,141,117 | 618,580 | 513,637 | 5,246,060 |
| Improvements | 974,710 | 21,072 | | 995,782 |
| Capital Leases | | 18,431 | | 18,431 |
| | ----- | ----- | ----- | ----- |
| Total | \$14,248,613 | \$ 658,083 | \$ 513,637 | \$14,393,059 |
| | ===== | ===== | ===== | ===== |

NOTE 8: 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, 2002

NOTE 9. 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 10: 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 11: PENSION BENEFIT PLAN DESCRIPTION

Plan Description. Lamb County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 500 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 11: PENSION BENEFIT PLAN DESCRIPTION (continued)

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 annuity purchase rates prescribed by the TCDRS Act.

Funding Policy. The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.29% for the months of the accounting year in 2001, and 9.36% for the months of the accounting year in 2002. The contribution rate payable by the employee members for fiscal year 2002 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, 2002

NOTE 11: PENSION BENEFIT PLAN DESCRIPTION (continued)

Schedule of Actuarial Liabilities and Funding Progress:

| Actuarial Valuation Date | 12-31-99 ----- | 12-31-00 ----- | 12-31-01 ----- |
|--|-------------------|-------------------|-------------------|
| Actuarial Value of Assets | \$3,689,048 | \$3,987,721 | \$4,370,552 |
| Actuarial Accrued Liability | \$4,584,951 | \$4,915,645 | \$5,316,338 |
| Percentage Funded | 80.46% | 81.12% | 82.21% |
| Unfunded (Over-funded) Actuarial Accrued Liability (UAAL) | \$ 895,903 | \$ 927,924 | \$ 945,786 |
| Annual Covered Payroll | \$1,783,568 | \$1,899,473 | \$1,927,670 |
| UAAL as a Percentage of Covered Payroll | 50.23% | 48.85% | 49.06% |
| Net Pension Obligation (NPO) at The Beginning of Period | \$ -0- | \$ -0- | \$ -0- |
| Annual Pension Cost: | | | |
| Annual required contribution (ARC) | \$ 184,421 | \$ 177,601 | \$ 179,081 |
| Contributions Made | \$ 184,421 | \$ 177,601 | \$ 179,081 |
| Net Pension Obligation (NPO) at The End of Period | \$ -0- | \$ -0- | \$ -0- |

NOTE 12: NOTES RECEIVABLE

Note Receivable balance of \$22,543 in the General Fund was from the sale of the Olton Pharmacy in May 1995. This note was set up for 120 monthly installments at an interest rate based on the T-Bill rate.

NOTE 13: BONDS PAYABLE

On September 15, 1997 the County issued Certificates of Obligation, Series 1997. This bond obligation is accounted for in the general long-term debt account group. The original amount of the bond obligation was \$2,800,000, and the effective interest rates range from 4.50% to 6.10%. Interest expense for FYE 02 was \$89,970.

LAMB COUNTY, TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 13: BONDS PAYABLE (continued)

Debt service requirements are as follows:

| Year Ended September 30 ----- | Principal ----- | Interest ----- | Total Requirements ----- |
|-------------------------------------|----------------------|---------------------|--------------------------------|
| 2003 | \$ 300,000 | \$ 74,550 | \$ 374,550 |
| 2004 | 300,000 | 58,250 | 358,250 |
| 2005 | 300,000 | 46,900 | 346,900 |
| 2006 | 200,000 | 23,450 | 223,450 |
| 2007 | 200,000 | 11,800 | 211,800 |
| Totals | \$1,300,000 ===== | \$ 214,950 ===== | \$ 1,514,950 ===== |

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 14: CHANGES IN GENERAL LONG-TERM DEBT

| | Balance 10-1-01 ----- | Additions ----- | Reductions ----- | Balance 9-30-02 ----- |
|---------------|-----------------------------|--------------------|---------------------|-----------------------------|
| Bonds Payable | \$1,600,000 ===== | \$ -0- ===== | \$ 300,000 ===== | \$1,300,000 ===== |

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

| Fund ----- | Receivable ----- | Payable ----- |
|---------------------------|---------------------|--------------------|
| General Fund | \$ -0- | \$ 93,494 |
| Proprietary Fund-Hospital | 93,494 | -0- |
| Total | \$ 93,494 ===== | \$ 93,494 ===== |

LAMB COUNTY TEXAS

Notes to Financial Statements
September 30, 2002

NOTE 16: 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 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.

NOTE 17: DEFERRED REVENUE

Deferred revenue at year end consisted of the following:

| Revenue Description | Fund | Deferred Amount |
|------------------------|--------------|-----------------|
| ----- | ----- | ----- |
| Net Tax Revenue | General | \$ 185,040 |
| Net Tax Revenue | Debt Service | 6,049 |
| | | ----- |
| Total Deferred Revenue | | \$ 191,089 |
| | | ===== |

NOTE 18: RESERVED FUND BALANCE

Reserved Fund Balance in the General Fund of \$75,528 is the amount set aside and reserved for Record Management. An analysis of these accounts is shown in Exhibit C-3.

Reserve Fund Balance in the Capital Projects Fund of \$152,834 is set aside and reserved for any capital improvements to be made for the Lamb Healthcare Center.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

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, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization-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. The Hospital is responsible for the indigent healthcare of the County. On August 1, 1991, the County purchased all of the assets and assumed of all the liabilities of the Lamb County Hospital Authority. This transaction includes the bonds described in Note 9. The new entity is Lamb County Hospital d/b/a Lamb Healthcare Center. The assets were valued based on the purchase price, which was equal to the net liabilities assumed. This valuation recorded assets based on liquidity, thus the entire property, plant, and equipment were recorded at residual land value. The actual assets are the same as what existed under the prior owners, but a lesser value was given for the assets based on their lack of liquidity. The Authority recorded a net loss on the transaction of \$1,106,275.

Generally Accepted Accounting Principles-Lamb Healthcare Center prepares its financial statements in accordance with generally accepted accounting principles, in conformity with authoritative pronouncements of the Governmental Accounting Standards Board (GASB). Additionally, as a proprietary fund, the Hospital also uses pronouncements of the Financial Accounting Standards Board (FASB), except those which conflict or contradict GASB pronouncements. The Hospital prepares financial statements for this Fund on an accrual basis, recognizing revenue when earned and expenses when incurred.

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, 2002

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.

Property, Plant, and Equipment-Property, plant, and equipment are carried at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing plant and equipment. Maintenance repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss is credited or charged to income. 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. Donated assets are recorded at fair market value on the date of donation.

The Hospital provides for depreciation of property, plant, and equipment 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 as follows:

| | |
|--------------------------|----------------|
| 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 |

Temporarily and Permanently Restricted Fund Balance-Temporarily restricted fund balance are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted fund balance have been restricted by donors to be maintained by the Hospital in perpetuity.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Revenue and Expenses and Changes in Fund Balance-For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and expenses. Revenue is reported as gross revenue, less contractals and charity care.

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. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

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 fund transactions and that are recognized as operating revenue when received.

Donor-Restricted Gifts-Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted fund balance is reclassified as restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Federal Income Taxes-The Hospital is a governmental entity and, therefore, exempt from federal and state income taxes under the Internal Revenue Code. No expense has been provided for income taxes in the accompanying financial statements.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Reclassifications-Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

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 District 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. 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.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 2: NET PATIENT SERVICE REVENUE (continued)

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:

| | 2002 | 2001 |
|---------------------------------------|---------------|--------------|
| | ----- | ----- |
| Routine Patient Services | \$ 1,019,950 | \$ 1,091,085 |
| Ancillary Patient Services | | |
| Inpatient | 3,776,123 | 3,958,520 |
| Outpatient | 5,588,273 | 5,163,977 |
| | ----- | ----- |
| Gross Patient Service Revenue | \$ 10,384,346 | \$10,213,582 |
| Charity | (101,250) | (114,238) |
| Contractual Adjustments and Discounts | (4,342,101) | (4,560,400) |
| | ----- | ----- |
| Net Patient Service Revenue | \$ 5,940,995 | \$ 5,538,944 |
| | ===== | ===== |

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. The 2002 net patient service revenue decreased approximately \$9,564 due to prior-year retroactive adjustments in excess of amounts previously estimated. Estimated third-party payer settlements recorded in current liabilities at September 30, 2002 are \$167,925 and in current assets at September 30, 2001 are \$52,846.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 3: DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2002 and 2001, the carrying amount of the Hospital's deposits with financial institutions was \$44,052 and \$43,053, respectively, and the bank balance was \$248,677 and \$187,966, respectively. 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 Mondays 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 district 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.

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 law offer considerable flexibility to recipient hospitals regarding specific use of the funds. During 2002 and 2001, the Hospital received \$435,299 and \$487,378 respectively, in Medicaid disproportionate share funds.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at September 30:

| | 2002 | 2001 |
|--|--------------|--------------|
| | ----- | ----- |
| Patient Accounts Receivable | \$ 4,120,540 | \$ 4,778,811 |
| Less: Allowance for Bad Debts | (2,192,070) | (1,804,243) |
| Allowance for Contractuals | (804,794) | (1,581,490) |
| | ----- | ----- |
| Patient Accounts Receivable, Net of Allowance | \$ 1,123,676 | \$ 1,393,078 |
| | ===== | ===== |

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:

| | 2002 | 2001 |
|--------------------------|-------|-------|
| | ----- | ----- |
| Medicare | 34% | 43% |
| Medicaid | 20 | 18 |
| Other Third-Party Payers | 34 | 30 |
| Patients | 12 | 9 |
| | ----- | ----- |
| Total | 100% | 100% |
| | ===== | ===== |

NOTE 6: PROPERTY, PLANT & EQUIPMENT

The following is a summary of property, plant and equipment at cost less accumulated depreciation:

| | 2002 | 2001 |
|-------------------------------------|-------------|-------------|
| | ----- | ----- |
| Land and Land Improvements | \$ 61,822 | \$ 61,822 |
| Fixed and Major Moveable Equipment | 1,895,035 | 1,539,068 |
| | ----- | ----- |
| Total Property, Plant and Equipment | \$1,956,857 | \$1,600,890 |
| Less: Accumulated Depreciation | (1,077,357) | (913,191) |
| | ----- | ----- |
| Property, Plant and Equipment, Net | \$ 879,500 | \$ 687,699 |
| | ===== | ===== |

Depreciation expense for the years ended September 30, 2002 and 2001, was \$164,166 and \$137,626 respectively. Equipment with a cost of \$246,841 is pledged as collateral for notes payable.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 7: LONG-TERM DEBT

Long-Term debt is comprised of the following:

| | 2002 | 2001 |
|---|------------|-----------|
| | ----- | ----- |
| Notes Payable: | | |
| Note payable to the Center for Rural Health Initiatives. This is a 37% pay back of a grant received to install the computer system. Payable in 24 monthly installments of \$1,422 each. | 14,221 | 31,286 |
| Note payable to Triple X-Ray, interest rate 7.00%, payable in 36 monthly installments of \$4,534. Secured by CT System. | 132,002 | -0- |
| Leases Payable: | | |
| AT&T Corporation for Lab Equipment in the original amount of \$42,469 dated May 24, 1997 with an annual rate of 10.205%, payable in 60 monthly installments. | \$ -0- | \$ 6,980 |
| | ----- | ----- |
| Total Long-Term Debt | \$ 146,223 | \$ 38,266 |
| Less: Current Portion | (60,596) | (24,045) |
| | ----- | ----- |
| Long-Term Portion | \$ 85,627 | \$ 14,221 |
| | ===== | ===== |

The following is a schedule of the payments on long-term debt for each of the next five years:

| | Note Payable |
|---------------------------|-----------------|
| | ----- |
| Year Ending September 30, | |
| 2003 | \$ 60,596 |
| 2004 | 49,728 |
| 2005 | 35,899 |
| 2006 | |
| 2007 & Thereafter | |
| | ----- |
| Total Payments | \$ 146,223 |
| | ===== |

Interests costs incurred were \$3,582 in 2002 and \$4,428 in 2001, all of which was charged to operations.

LAMB COUNTY, TEXAS

LAMB COUNTY HOSPITAL d/b/a
LAMB HEALTHCARE CENTER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

NOTE 8: COMMITMENTS AND CONTINGENCIES

Litigation - The Hospital is from time-to-time subject to claims and suits for damages, including damages for personal injuries to patients and others, most of which are covered as to risk and amount. In the opinion of management, the ultimate resolution of pending legal proceedings will not have a material effect on the Hospital's financial position or results of operations.

NOTE 9: 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 2002 and 2001, the Hospital received \$1,224,490 and \$1,153,047, respectively, from the County for operations.

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 2002 and 2001, the Hospital made payments to Covenant in the amounts of \$108,600 and \$96,870 for each respective year.

COMBINING STATEMENTS

LAMB COUNTY, TEXAS
COMBINING BALANCE SHEET - ALL GENERAL FUND TYPES
September 30, 2002

General Fund Types

| | General | Road and Bridge | Jury | Total |
|---|--------------------|--------------------|------------------|--------------------|
| Assets | | | | |
| Cash in Bank | \$ 56,851 | \$ 74,583 | \$ 15,292 | \$ 146,726 |
| Investments | 937,075 | 372,602 | 11,196 | 1,320,873 |
| Note Receivable | 22,543 | | | 22,543 |
| Due From Tax Office | 2,194 | | | 2,194 |
| Due From District Clerk | | | | -0- |
| Due From Other Funds | | | | -0- |
| Delinquent Tax Receivable | 205,600 | | | 205,600 |
| Allowance for Uncollectible Tax | (20,560) | | | (20,560) |
| Due From Other | | | | -0- |
| Total Assets | \$1,203,703 | \$ 447,185 | \$ 26,488 | \$1,677,376 |
| Liabilities and Fund Balance | | | | |
| Accounts Payable | \$ 349,830 | \$ 22,945 | \$ | \$ 372,775 |
| Other Current Liabilities | 364 | | | 364 |
| Deferred Revenue | 185,040 | | | 185,040 |
| Due to Other Funds | 93,494 | | | 93,494 |
| Total Liabilities | \$ 628,728 | \$ 22,945 | \$ -0- | \$ 651,673 |
| Fund Balance - Reserved | \$ 75,528 | \$ | \$ | \$ 75,528 |
| Fund Balance - Unreserved | 499,447 | 424,240 | 26,488 | 950,175 |
| Total Fund Balance | \$ 574,975 | \$ 424,240 | \$ 26,488 | \$1,025,703 |
| Total Liabilities and Fund Balance | \$1,203,703 | \$ 447,185 | \$ 26,488 | \$1,677,376 |

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUND TYPES
For Year Ended September 30, 2002

General Fund Types

| | General | Road and Bridge | Jury | Total |
|--------------------------------------|-------------|--------------------|-----------|-------------|
| Revenues | | | | |
| Taxes | \$3,991,893 | \$ 755,494 | \$ 16,983 | \$4,764,370 |
| Charges for Services | 309,171 | | | 309,171 |
| Fines and Fees | 330,077 | | | 330,077 |
| Vehicle Registration And Fees | 47,887 | 543,629 | | 591,516 |
| Lateral Road | | 37,659 | | 37,659 |
| Interest on Investment | 55,576 | 13,462 | 550 | 69,588 |
| Miscellaneous | 230,374 | 106,692 | | 337,066 |
| Total Revenues | \$4,964,978 | \$1,456,936 | \$ 17,533 | \$6,439,447 |
| Expenditures | | | | |
| District Judge | \$ 121,111 | \$ | \$ | \$ 121,111 |
| District Clerk | 149,591 | | | 149,591 |
| County Judge | 1,077,545 | | | 1,077,545 |
| County Clerk | 207,082 | | | 207,082 |
| Tax Office | 211,176 | | | 211,176 |
| County Treasurer | 166,408 | | | 166,408 |
| County Attorney | 105,137 | | | 105,137 |
| Justice of Peace Precinct No. 1-4 | 162,663 | | | 162,663 |
| County Veterans & Welfare | 40,913 | | | 40,913 |
| Adult Probation | 871 | | | 871 |
| Juvenile Probation | 322,801 | | | 322,801 |
| County Extension Office | 132,517 | | | 132,517 |
| County Sheriff | 1,602,716 | | | 1,602,716 |
| County Library | 129,491 | | | 129,491 |
| Road and Bridge Precinct No. 1-4 | | 1,447,904 | | 1,447,904 |
| Jury | | | 9,908 | 9,908 |
| Total Expenditures | \$4,430,022 | \$1,447,904 | \$ 9,908 | \$5,887,834 |

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUND TYPES
For Year Ended September 30, 2002

| | General Fund Types | | | |
|---|--------------------|--------------------|-----------|----------------|
| | General | Road and Bridge | Jury | Total |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 534,956 | \$ 9,032 | \$ 7,625 | \$ 551,613 |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers In | \$ 6,270,290 | \$ | \$ | \$ 6,270,290 |
| Operating Transfers Out | (7,562,464) | | | (7,562,464) |
| Total Other Financing Sources (Uses) | \$ (1,292,174) | \$ -0- | \$ -0- | \$ (1,292,174) |
| Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures And Other Uses | \$ (757,218) | \$ 9,032 | \$ 7,625 | \$ (740,561) |
| Fund Balance at Beginning of Year | 1,332,193 | 415,208 | 18,863 | 1,766,264 |
| Fund Balance at End of Year | \$ 574,975 | \$ 424,240 | \$ 26,488 | \$ 1,025,703 |

LAMB COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
September 30, 2002

| | Precinct One ----- | Precinct Two ----- | Precinct Three ----- | Precinct Four ----- | Total ----- |
|---------------------------------------|--------------------------|--------------------------|----------------------------|---------------------------|--------------------|
| ASSETS | | | | | |
| Cash | \$ 17,475 | \$ 41,732 | \$ 8,695 | \$ 6,681 | \$ 74,583 |
| Investment - CD's (Note 1) | 134,985 | 138,208 | 36,147 | 63,262 | 372,602 |
| Due From Other | | | | | -0- |
| TOTAL ASSETS | \$152,460 ===== | \$179,940 ===== | \$ 44,842 ===== | \$ 69,943 ===== | \$447,185 ===== |
| LIABILITIES AND FUND BALANCE | | | | | |
| Accounts Payable | \$ 2,092 | \$ 7,197 | \$ 7,276 | \$ 6,380 | \$ 22,945 |
| TOTAL LIABILITIES | \$ 2,092 | \$ 7,197 | \$ 7,276 | \$ 6,380 | \$ 22,945 |
| Fund Balance (Deficit) | 150,368 | 172,743 | 37,566 | 63,563 | 424,240 |
| TOTAL LIABILITIES AND FUND BALANCE | \$152,460 ===== | \$179,940 ===== | \$ 44,842 ===== | \$ 69,943 ===== | \$447,185 ===== |

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF CHANGE IN FUND BALANCES
ROAD AND BRIDGE FUNDS
September 30, 2002

| | Precinct One ----- | Precinct Two ----- | Precinct Three ----- | Precinct Four ----- | Total ----- |
|--|--------------------------|--------------------------|----------------------------|---------------------------|---------------------|
| FUND BALANCE, September 30, 2001 | \$ 86,362 | \$154,636 | \$ 93,304 | \$ 80,906 | \$ 415,208 |
| ADD: Revenue | 407,471 | 351,684 | 347,855 | 349,926 | 1,456,936 |
| DEDUCT: Expenditures | (343,465) | (333,577) | (403,593) | (367,269) | (1,447,904) |
| | ----- | ----- | ----- | ----- | ----- |
| FUND BALANCE (DEFICIT) September 30, 2002 | \$150,368 ===== | \$172,743 ===== | \$ 37,566 ===== | \$ 63,563 ===== | \$ 424,240 ===== |

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF REVENUE-BUDGETED AND ACTUAL
ROAD AND BRIDGE FUNDS
For Year Ended September 30, 2002

| | PRECINCT ONE | PRECINCT TWO | PRECINCT THREE | PRECINCT FOUR | TOTAL | BUDGETED REVENUE | VARIANCE FAVORABLE (UNFAVORABLE) |
|----------------------|-----------------|-----------------|-------------------|------------------|--------------|---------------------|--|
| REVENUE: | | | | | | | |
| Tax Collector: | | | | | | | |
| Car Tags | \$ 135,907 | \$ 135,907 | \$ 135,907 | \$ 135,908 | \$ 543,629 | \$ 520,000 | \$ 23,629 |
| Ad Valorem Taxes | 188,874 | 188,874 | 188,873 | 188,873 | 755,494 | 739,828 | 15,666 |
| TOTAL TAX COLLECTOR | \$ 324,781 | \$ 324,781 | \$ 324,780 | \$ 324,781 | \$ 1,299,123 | \$ 1,259,828 | \$ 39,295 |
| OTHER REVENUE: | | | | | | | |
| Machine Hire | \$ | \$ | \$ | \$ | \$ | \$ | \$ -0- |
| Interest | 3,476 | 4,472 | 2,795 | 2,719 | 13,462 | 46,200 | (32,738) |
| Miscellaneous | 69,799 | 13,016 | 10,865 | 13,012 | 106,692 | 32,000 | 74,692 |
| State - Lateral Road | 9,415 | 9,415 | 9,415 | 9,414 | 37,659 | 37,800 | (141) |
| TOTAL OTHER REVENUE | \$ 82,690 | \$ 26,903 | \$ 23,075 | \$ 25,145 | \$ 157,813 | \$ 116,000 | \$ 41,813 |
| TOTAL REVENUE | \$ 407,471 | \$ 351,684 | \$ 347,855 | \$ 349,926 | \$ 1,456,936 | \$ 1,375,828 | \$ 81,108 |

LAMB COUNTY, TEXAS
COMBINING STATEMENT OF EXPENDITURES-BUDGETED AND ACTUAL
ROAD AND BRIDGE FUNDS
For Year Ended September 30, 2002

| | PRECINCT ONE | PRECINCT TWO | PRECINCT THREE | PRECINCT FOUR | TOTAL | BUDGETED EXPENDITURES | VARIANCE FAVORABLE (UNFAVORABLE) |
|----------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------------|--|
| <u>EXPENDITURES:</u> | | | | | | | |
| Salaries: | | | | | | | |
| Commissioners | \$ 30,992 | \$ 30,992 | \$ 30,992 | \$ 30,992 | \$ 123,968 | \$ 124,000 | \$ 32 |
| Employees | 73,242 | 97,708 | 100,046 | 97,656 | 368,652 | 390,752 | 22,100 |
| Part-Time | 24,531 | | | | 24,531 | 28,000 | 3,469 |
| Telephone | 670 | 1,899 | 2,975 | 2,036 | 7,580 | 6,800 | (780) |
| Postage | | | | | -0- | 30 | 30 |
| Stationary & Supplies | | | 23 | | 23 | 750 | 727 |
| Furniture & Equipment | | | | | -0- | 2,000 | 2,000 |
| Travel | 2,219 | 1,793 | | 1,175 | 5,187 | 8,000 | 2,813 |
| Education | 450 | 450 | 50 | 430 | 1,380 | 1,200 | (180) |
| Automobile Allowance | | | 5,400 | | 5,400 | 6,000 | 600 |
| Group Insurance | 41,403 | 41,403 | 47,096 | 47,122 | 177,024 | 184,080 | 7,056 |
| Retirement | 12,017 | 12,022 | 12,241 | 12,017 | 48,297 | 48,180 | (117) |
| Social Security | 9,842 | 9,845 | 9,753 | 9,806 | 39,246 | 39,380 | 134 |
| Bonds | | | | | -0- | -0- | -0- |
| Machine Hire | 47 | 1,100 | 3,360 | 7,300 | 11,807 | 21,300 | 9,493 |
| Parts & Repairs | 41,648 | 36,000 | 71,719 | 24,722 | 174,089 | 120,000 | (54,089) |
| Fuel & Oil | 21,340 | 31,694 | 19,026 | 33,415 | 105,475 | 166,400 | 60,925 |
| Material & Supply | 12,426 | 11,327 | 92,468 | 37,487 | 153,708 | 103,000 | (50,708) |
| Utilities | 3,144 | 928 | 1,686 | 1,590 | 7,348 | 10,500 | 3,152 |
| Soil Conservation | 750 | 750 | 750 | 750 | 3,000 | 3,000 | -0- |
| Car Tags | 134 | 134 | 134 | 134 | 536 | 800 | 264 |
| Capital Outlay | 43,804 | 13,250 | | 21,500 | 78,554 | 586,856 | 508,302 |
| Unemployment Insurance | | | | | -0- | 4,000 | 4,000 |
| Workmen's Comp. | 4,654 | 4,654 | 4,655 | 4,655 | 18,618 | 16,800 | (1,818) |
| Auto & Liability Insurance | 1,625 | 1,625 | 1,219 | 1,625 | 6,094 | 30,000 | 23,906 |
| Highway Maintenance | 17,328 | 35,978 | | 32,857 | 86,163 | 70,000 | (16,163) |
| Contract Services | 1,199 | 25 | | | 1,224 | 4,000 | 2,776 |
| TOTAL EXPENDITURES | \$ 343,465 | \$ 333,577 | \$ 403,593 | \$ 367,269 | \$ 1,447,904 | \$ 1,975,828 | \$ 527,924 |

SUPPLEMENTAL INFORMATION

LAMB COUNTY, TEXAS
 SCHEDULE OF INVESTMENTS-ALL FUNDS
 SEPTEMBER 30, 2002

| | Group | Book Value |
|---|-------|---------------|
| | ----- | ----- |
| Certificate of Deposit | | |
| ----- | | |
| Texpool: | | |
| General Fund | 14002 | \$ 935,442 |
| Precinct One | 14002 | 50,943 |
| I.C.T.-Government Securities Portfolio Fund | | |
| General Fund | | 1,634 |
| Precinct One | | 84,042 |
| Precinct Two | | 138,208 |
| Precinct Three | | 36,147 |
| Precinct Four | | 63,262 |
| Jury Fund | | 11,195 |
| Debt Service Fund | | 55,747 |
| | | ----- |
| Total | | \$1,376,620 |
| | | ===== |

LAMB COUNTY, TEXAS
SCHEDULE OF BONDS
SEPTEMBER 30, 2002

| <u>DATE OF ISSUE</u> | <u>DESCRIPTION</u> | <u>INTEREST RATE</u> | <u>(TERMS) MATURITY SCHEDULE</u> | <u>FUND PAYABLE FROM</u> | <u>AMOUNTS OUTSTANDING 10-1-01</u> | <u>ISSUED CURRENT YEAR</u> | <u>RETIRED CURRENT YEAR</u> |
|--------------------------|--|--------------------------|--|----------------------------------|--|------------------------------------|-------------------------------------|
| 09-15-97 | CERTIFICATE OF OBLIGATION, SERIES 1997 | 4.50% TO 6.10% | 10 YEARS | DEBT SERVICE FUND | \$ 1,600,000 ===== | \$ -0- ===== | \$ 300,000 ===== |

REQUIREMENTS

| <u>AMOUNTS OUTSTANDING 9-30-02</u> | <u>INTEREST CURRENT YEAR</u> | <u>YEAR ENDING 9-30-03</u> | | <u>YEAR ENDING 9-30-04</u> | | <u>10-1-04 TO MATURITY INTEREST</u> |
|--|--------------------------------------|----------------------------|--------------------|----------------------------|--------------------|---|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | |
| \$ 1,300,000 ===== | \$ 89,970 ===== | \$ 300,000 ===== | \$ 74,550 ===== | \$ 300,000 ===== | \$ 58,250 ===== | \$ 82,150 ===== |

LAMB COUNTY, TEXAS
 SCHEDULE OF RECORD MANAGEMENT ACCOUNTS
 SEPTEMBER 30, 2002

| | MANDATORY | | RECORDS |
|---------------------------------|-----------|-----------|------------|
| | RECORDS | COURT | MANAGEMENT |
| | ACCOUNT | SECURITY | ACCOUNT |
| | ----- | ----- | ----- |
| BALANCE 10-1-01 | \$ 40,307 | \$ 31,729 | \$ 82,572 |
| | ----- | ----- | ----- |
| REVENUE | | | |
| County Clerk | \$ 2,595 | \$ 1,545 | \$ 15,559 |
| District Clerk | 1,255 | 1,043 | |
| Justice of the Peace | | 6,719 | |
| | ----- | ----- | ----- |
| Total Revenue | \$ 3,850 | \$ 9,307 | \$ 15,559 |
| | ----- | ----- | ----- |
| EXPENDITURES | | | |
| Mandatory Records Expense | \$ 34,876 | \$ | \$ |
| Mandatory Court Records Expense | | 25,986 | |
| Record Management Expense | | | 46,934 |
| | ----- | ----- | ----- |
| Total Expenditures | \$ 34,876 | \$ 25,986 | \$ 46,934 |
| | ----- | ----- | ----- |
| BALANCE 9-30-02 | \$ 9,281 | \$ 15,050 | \$ 51,197 |
| | ===== | ===== | ===== |

GENERAL FIXED ASSETS

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|---|--------------------|------------|-----------|--------------------|
| <u>Precinct #1</u> | | | | |
| Shredder | \$ 400 | \$ | \$ | \$ 400 |
| Pneumatic Roller #7816 | 1,970 | | | 1,970 |
| Snow Plow | 150 | | | 150 |
| Bed and Hoist | 2,977 | | | 2,977 |
| JD 4040 Tractor | 24,360 | | | 24,360 |
| Belshe T-2 3 Axle Pintle Hitch Trailer #4KOGOO (2-84) | 3,898 | | | 3,898 |
| SM60 Bush Hog 60 Mower (10-65) | 4,245 | | | 4,245 |
| 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 |
| Crane 20 Ton (4-94) | 7,000 | | | 7,000 |
| Roller C-350 A89C1949 (3-94) | 12,000 | | 12,000 | -0- |
| 1968 Mack Truck (10-94) | 5,650 | | | 5,650 |
| 1980 Mack Truck (2-95) | 15,500 | | | 15,500 |
| 1992 F250 Ford Pickup 2FTHF26 (1-96) | 6,500 | | | 6,500 |
| 1977 Dodge Tank Truck T81HZ3T (1-96) | 7,000 | | | 7,000 |
| Roller (2-96) | 2,000 | | | 2,000 |
| Radio Equipment (3-96) | 10,107 | | | 10,107 |
| 1985 Mack Truck (9-96) | 7,800 | | | 7,800 |
| Tandem Axle Unit (9-96) | 900 | | | 900 |
| Allis-Chalmers Tractor SN138 (5-97) | 20,000 | | | 20,000 |
| 12' Utility Trailer (10-97) | 900 | | | 900 |
| 938 G Caterpillar (9-98) | 85,000 | | | 85,000 |
| JD 770 Motor Grader (2-98) | 98,500 | | | 98,500 |
| Forklift W/Bucket Loader (9-98) | 4,000 | | | 4,000 |
| Trailer Low Bed (1-98) | 1,346 | | | 1,346 |
| Welder (12-97) | 1,265 | | | 1,265 |
| JD 4840 Tractor - # 008118 (839) | 14,850 | | | 14,850 |
| 1999 Dump Truck - # 0383 (853) | 23,500 | | | 23,500 |
| 1999 Dump Truck - # 0382 (854) | 23,500 | | | 23,500 |
| Packer (857) | 500 | | | 500 |
| Mower | 475 | | | 475 |
| 140 H Version Mtr Grader #22K04627 | 111,000 | | | 111,000 |
| 140 H Mtr Grader #22K05091 | 117,500 | | | 117,500 |
| 2000 Chev P/U Model K2500 | 22,093 | | | 22,093 |
| 2001 JD 770CH Motor Grader - #579203 (945) | 87,500 | | | 87,500 |
| 2001 Mack CH613 Truck - #14248 (959) | 56,500 | | 56,500 | -0- |
| Tandem Disc (968) | | 900 | | 900 |
| (4) Two-Way Radios (1001) | | 1,904 | | 1,904 |
| Grid Roller Hitch | | 2,093 | | 2,093 |
| 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 |
| Total Equipment | \$934,741 | \$ 110,839 | \$ 68,500 | \$ 977,080 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|--------------------------------|--------------------|------------|-----------|--------------------|
| <u>Precinct #1 (continued)</u> | | | | |
| Lots | 900 | | | 900 |
| Precinct Barn | 7,016 | | | 7,016 |
| Pct #1 Community Bldg | 31,510 | | | 31,510 |
| Fence Olton Barn (8-87) | 2,600 | | | 2,600 |
| | | | | |
| Total Pct # 1 | \$976,767 | \$ 110,839 | \$ 68,500 | \$1,019,106 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|---|--------------------|-----------|-----------|--------------------|
| <u>Precinct #2</u> | | | | |
| 2 - Culvert Trailers | \$ 1,000 | \$ | \$ | \$ 1,000 |
| 1 - Shop Made Trailer | 500 | | | 500 |
| Nail Picker | 4,650 | | 4,650 | -0- |
| Miller Tilt Top Trailer 18038 | 4,744 | | | 4,744 |
| 1978 Mack W/Dump 72266 | 28,610 | | | 28,610 |
| 1987 3/4 Ton Pickup | 9,350 | | | 9,350 |
| 1988 GMC Pickup SN578015 (6-88) | 12,285 | | | 12,285 |
| 1-Shop Made Trailer | 500 | | | 500 |
| 1 Spray Rig Complete | 2,648 | | | 2,648 |
| 1982 Clements Dump Trailer SN 1B3BM1 (4-91) | 14,000 | | | 14,000 |
| 1 - Roller Grid | 13,800 | | | 13,800 |
| Trailer (9-93) | 3,600 | | | 3,600 |
| 1995 Chevy ¾ Ton Pickup (4-94) | 15,709 | | | 15,709 |
| 1979 Mack Truck (2-95) | 9,500 | | | 9,500 |
| Clements Belly Dump Truck SN 388807 (3-97) | 12,500 | | | 12,500 |
| Grid Roller (11-97) | 14,000 | | | 14,000 |
| 140H Cat - #3634 (848) | 117,500 | | | 117,500 |
| 1989 Mack - #7057 (855) | 24,000 | | | 24,000 |
| Fuel Truck - #0799 (865) | 2,740 | | | 2,740 |
| 140H Cat - #4275 (866) | 111,000 | | | 111,000 |
| 938 G Cat Wheel Loader #47501647 | 75,000 | | | 75,000 |
| 140 H Version Mtr Grader #22K05067 | 109,000 | | | 109,000 |
| 2000 Ford F150 P/U #YKA850 | 21,290 | | | 21,290 |
| 2001 Motor Grader - # K06524 (958) | 109,000 | | | 109,000 |
| Hyster Grid Roller - #BEE - 2002 (1004) | | 13,250 | | 13,250 |
| Total Equipment | \$ 716,926 | \$ 13,250 | \$ 4,650 | \$ 725,526 |
| Land | 1,450 | | | 1,450 |
| Barn | 19,618 | | | 19,618 |
| Total Pct # 2 | \$ 737,994 | \$ 13,250 | \$ 4,650 | \$ 746,594 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|--|--------------------|-----------|-----------|--------------------|
| <u>Precinct #3</u> | | | | |
| Welding Machine | \$ 306 | \$ | \$ | \$ 306 |
| Propane Tank | 160 | | | 160 |
| Magnetic Nail Picker | 339 | | | 339 |
| Wisconsin Trailer | 1,800 | | | 1,800 |
| Asphalt Pot on Trailer | 4,000 | | | 4,000 |
| Case Tractor 864180 | 10,750 | | | 10,750 |
| Heston-Mower 3500-1108 | 803 | | 803 | -0- |
| Eversman Float | 400 | | | 400 |
| Pneumatic Packer | 500 | | | 500 |
| 1983 GMC Pickup SN501265 | 10,152 | | | 10,152 |
| 1987 Chevy Truck (11-86) SNHV103305 | 26,957 | | | 26,957 |
| 5 HP Air Compressor (7-87) | 300 | | | 300 |
| 1-1955 Trailmobile Tank (5-88) | 1,750 | | | 1,750 |
| Shredder #930458 (12-87) | 5,000 | | | 5,000 |
| 1968 Chevy Truck SN144162 (5-88) | 2,900 | | | 2,900 |
| 1980 Timpbe Belly Dump Trailer (5-88) | 15,500 | | | 15,500 |
| 1973 Mack Truck (5-88) SN3LST13865 | 8,000 | | 8,000 | -0- |
| 1981 Used Timpbe Beal Belly Dump Trailer | 10,500 | | | 10,500 |
| Trailer Tandem Axle | 400 | | | 400 |
| 14' Offset Tandem (3-94) | 1,700 | | | 1,700 |
| 16' Miller Plow (3-94) | 2,500 | | | 2,500 |
| Dunham Belly Dump (2-95) | 10,500 | | | 10,500 |
| Miller Offset Plow (2-95) | 2,500 | | | 2,500 |
| Campac Packers (4-95) | 5,000 | | | 5,000 |
| 1976 GMC Truck (10-94) | 2,000 | | | 2,000 |
| 1957 Trim Tank Trailer (4-96) | 1,700 | | | 1,700 |
| 1981 Chevy Pickup (9-96) 334003 | 1,250 | | | 1,250 |
| 12' Flail Shredder (9-96) | 850 | | | 850 |
| 1996 Cat Model 140H SN22K01225 (11-96) | 108,000 | | 108,000 | -0- |
| Compressor - 7.5 HP/80 Gal | 1,600 | | | 1,600 |
| 1997 Cat Model 140H SN22K02662 (9-97) | 109,000 | | | 109,000 |
| 1994 Ford Pickup F150 (9-98) | 4,500 | | | 4,500 |
| 140H Caterpillar (9-98) | 85,000 | | | 85,000 |
| 544H JD Loader - #1267 (850) | 97,500 | | | 97,500 |
| 140 H Cat - #4286 (858) | 111,000 | | | 111,000 |
| 1986 Cherokee Truck - #9514 (859) | 6,000 | | | 6,000 |
| JD 4440 Tractor (868) | 6,700 | | | 6,700 |
| Welder | 300 | | | 300 |
| 1990 GMC P/U | 3,150 | | | 3,150 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|---|--------------------|------------|------------|--------------------|
| <u>Precinct #3 (continued)</u> | | | | |
| 1966 Cook BTM Dump Truck #A5658 | 1,000 | | | 1,000 |
| 1979 Mack Truck #T42579 | 4,000 | | | 4,000 |
| 1985 Int Truck Tractor #A12718 | 7,500 | | | 7,500 |
| Hyster Tow Type Vibratory Roller #B79C59K | 2,500 | | | 2,500 |
| Bush Hog Flex-Wing Shredder #12-09661 | 8,500 | | | 8,500 |
| 1988 Chev 4X4 P/U - #147173 (941) | 2,700 | | | 2,700 |
| 1991 Chev P/U - #205860 (957) | 3,300 | | | 3,300 |
| 1988 Mack Truck | 10,000 | | | 10,000 |
| 140H CAT - #7096 (974) | | 117,000 | | 117,000 |
| Total Equipment | \$ 700,767 | \$ 117,000 | \$ 116,803 | \$ 700,964 |
| Iron Clad Barn | 10,000 | | | 10,000 |
| Total Pct # 3 | \$ 710,767 | \$ 117,000 | \$ 116,803 | \$ 710,964 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|---|--------------------|------------------|------------------|--------------------|
| Precinct #4 | | | | |
| 1965 Wisconsin SN2297 | \$ 1,544 | \$ | \$ | \$ 1,544 |
| Welder | 149 | | | 149 |
| Floor Jack | 350 | | | 350 |
| Magnetic Nail Picker | 1,507 | | | 1,507 |
| Snow Plow | 1,250 | | | 1,250 |
| Dump Bed | 1,545 | | | 1,545 |
| 1961 Chevy Pickup 130017 | 3,600 | | | 3,600 |
| Sprayer | 548 | | 548 | -0- |
| 1974 Mack Truck SN 22339 (9-84) | 13,750 | | | 13,750 |
| Hyster Grid Roller SN301600L (3-86) | 16,500 | | | 16,500 |
| 1978 International Truck (7-86) SN HCA10890 | 4,800 | | | 4,800 |
| 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 |
| Fuel Tank (3-94) | 2,000 | | 2,000 | -0- |
| 1980 Mack Truck (2-95) | 14,500 | | | 14,500 |
| 1988 Cat Backhoe SN5PC06404 | 19,000 | | | 19,000 |
| 140H Caterpillar (4-98) | 108,000 | | | 108,000 |
| 140K CAT - #4396 (863) | 111,000 | | | 111,000 |
| Ripper W/Pushblock (864) | 8,739 | | | 8,739 |
| 1989 Chev P/U - #0082 (577) | 12,850 | | | 12,850 |
| 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 |
| Caterpillar Escavator - #9RL00289 (960) | 64,942 | | 64,942 | -0- |
| Bush-Hog Model 12615 (961) | 8,900 | | | 8,900 |
| 2000 Chev K1500 - #325712 (938) | 27,851 | | | 27,851 |
| Caterpillar Model 140H - #K05655 (942) | 117,500 | | | 117,500 |
| 1996 Mack Truck - #64930 (992) | | 21,500 | | 21,500 |
| Total Equipment | \$ 825,403 | \$ 21,500 | \$ 67,490 | \$ 779,413 |
| Land | 2,000 | | | 2,000 |
| Barn | 10,000 | | | 10,000 |
| Total Pct #4 | \$ 837,403 | \$ 21,500 | \$ 67,490 | \$ 791,413 |

LAMB COUNTY, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
September 30, 2002

| | Balance 9-30-01 | Additions | Deletions | Balance 9-30-02 |
|----------------------------|--------------------|------------|------------|--------------------|
| Other General Fixed Assets | \$ 10,985,682 | \$ 395,494 | \$ 256,194 | \$ 11,124,982 |
| Total General Fixed Assets | \$ 14,248,613 | \$ 658,083 | \$ 513,637 | \$ 14,393,059 |

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, 2002

| | <u>Total</u> | <u>County Taxes</u> | <u>Motor Vehicle Tax</u> | <u>Vehicle Registration</u> | <u>Title Applications</u> |
|--------------------------------------|--------------|-------------------------|----------------------------------|---------------------------------|-------------------------------|
| Receipts: | | | | | |
| Taxes and Fees Collected | \$8,747,343 | \$6,706,935 | \$1,174,716 | \$ 816,859 | \$ 48,833 |
| | ===== | ===== | ===== | ===== | ===== |
| Disbursements: | | | | | |
| State Treasurer | \$1,115,393 | \$ | \$1,113,638 | \$ | \$ 1,755 |
| County Treasurer-Fees | 51,005 | 2,686 | | 26,080 | 22,239 |
| County Treasurer-Taxes & Tags | 5,695,097 | 5,153,060 | | 542,037 | |
| Texas Highway Department | 268,092 | | | 244,437 | 23,655 |
| Water District | 62,450 | 62,450 | | | |
| City of Littlefield | 595,143 | 595,143 | | | |
| Discounts | 126,512 | 126,512 | | | |
| Texas Park & Wildlife | 1,184 | | | | 1,184 |
| Attorney Fees | 44,062 | 44,062 | | | |
| Texas Agricultural Finance Authority | 4,305 | | | 4,305 | |
| VIT Escrow Account | 61,078 | | 61,078 | | |
| City of Springlake | 32,548 | 32,548 | | | |
| Spade ISD | 201,745 | 201,745 | | | |
| Amherst ISD | 488,729 | 488,729 | | | |
| | ===== | ===== | ===== | ===== | ===== |
| Total Disbursements | \$8,747,343 | \$6,706,935 | \$1,174,716 | \$ 816,859 | \$ 48,833 |

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF MONTHLY REPORTS-AD VALOREM TAXES
For Year Ended September 30, 2002

Receipts

| | |
|------------------------------|-------------|
| 2001 Roll: | |
| County/Hospital/Debt Service | \$5,118,673 |
| Penalty and Interest | 17,308 |
| | |
| Delinquent: | |
| County/Hospital/Debt Service | 108,790 |
| Penalty and Interest | 33,217 |
| | |
| Other: | |
| Water District | 66,720 |
| City of Littlefield | 595,143 |
| City of Springlake | 32,548 |
| Spade ISD | 201,745 |
| Amherst ISD | 488,729 |
| Attorney Fees | 44,062 |
| ----- | |
| Total Receipts | \$6,706,935 |
| | ===== |

Disbursements:

| | |
|------------------------|-------------|
| County Treasurer-Taxes | \$5,153,060 |
| County Treasurer-Fees | 2,686 |
| Water District | 62,450 |
| Discounts | 126,512 |
| City of Littlefield | 595,143 |
| City of Springlake | 32,548 |
| Spade ISD | 201,745 |
| Amherst ISD | 488,729 |
| Attorney Fees | 44,062 |
| ----- | |
| Total Disbursements | \$6,706,935 |
| | ===== |

Reconciliation With County Treasurer

| | |
|--|-------------|
| FYE 9-30-02 Receipts Per County Treasurer | \$5,158,174 |
| Less: FYE 9-30-01 Receipts Received in FYE 9-30-02 | (3,431) |
| Add: FYE 9-30-02 Receipts Received in FYE 9-30-03 | 1,003 |
| Add: Disbursements Made By Tax Assessor-Collector | |
| For Lamb County: | |
| City of Littlefield | \$595,143 |
| City of Springlake | 32,548 |
| Spade ISD | 201,745 |
| Amherst ISD | 488,729 |
| Water District | 62,450 |
| Discounts | 126,512 |
| Attorney Fees | 44,062 |
| | ----- |
| | 1,551,189 |
| | ----- |
| Total Ad Valorem Taxes Collected Per Monthly Reports | \$6,706,935 |
| | ===== |

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, 2002

| | |
|-----------------|----------------------|
| Receipts: | |
| Taxes Collected | \$1,174,716 ===== |

| | |
|-----------------------|----------------------|
| Disbursements: | |
| State Treasurer-Taxes | \$1,113,638 |
| VIT Escrow Account | 61,078 ----- |
| | \$1,174,716 ===== |

| | |
|---|--------------------|
| <u>Reconciliation of Escrow Account</u> | |
| Escrow Balance FYE 9-30-01 | \$ 32,629 |
| Reports 10-1-01 to 12-31-01 | 28,275 ----- |
| | \$ 60,904 |
| Disbursement to Tax Entities | 60,904 ----- |
| Balance | \$ -0- |
| Reports 1-1-02 to 9-30-02 | 32,803 ----- |
| Escrow Balance FYE 9-30-02 | \$ 32,803 ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF WEEKLY REPORTS-VEHICLE REGISTRATION
For Year Ended September 30, 2002

Receipts:

| | | |
|--------------------------------|-----------|-----------|
| Vehicle Registration | \$694,061 | |
| County Road & Bridge Fund | 118,493 | |
| Young Farmer Endowment Program | 4,305 | |
| | ----- | |
| Total Receipts | | \$816,859 |
| | | ===== |

Disbursements:

| | | |
|--------------------------------------|-------------|-----------|
| County Treasurer Fees | * \$ 26,080 | |
| County Treasurer Tags | * 542,037 | |
| Texas Highway Department | 244,437 | |
| Texas Agricultural Finance Authority | 4,305 | |
| | ----- | |
| Total Disbursements | | \$816,859 |
| | | ===== |

Reconciliation With Treasurer

| | |
|--|------------|
| Receipts Per Treasurer FYE 9-30-02 | \$569,637 |
| Less: FYE 9-30-01 Receipts Received in FYE 9-30-02 | (9,388) |
| Add: FYE 9-30-02 Receipts Received in FYE 9-30-03 | 7,868 |
| | ----- |
| Total County Fees and Tags FYE 9-30-02 | \$568,117* |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SUMMARY OF DAILY REPORTS-TITLE APPLICATIONS/TAX CERTIFICATES
For Year Ended September 30, 2002

Receipts:

| | |
|--------------------|-----------|
| Title Applications | \$ 39,756 |
| Tax Certificates | 7,230 |
| Boat Motor Tax | 1,847 |
| | ----- |
| | \$ 48,833 |
| | ===== |

Disbursements:

| | |
|-------------------------------------|-----------|
| State Treasurer - Taxes | \$ 1,755 |
| County Treasurer Fees | 22,239 |
| Texas Highway Department Fees | 23,655 |
| Texas Parks and Wildlife Department | 1,184 |
| | ----- |
| | \$ 48,833 |
| | ===== |

Reconciliation With Treasurer

| | |
|--|-----------|
| Receipts Per Treasurer FYE 9-30-02 | \$ 21,879 |
| Less: FYE 9-30-01 Receipts Received in FYE 9-30-02 | (335) |
| Add: FYE 9-30-02 Receipts Received in FYE 9-30-03 | 695 |
| | ----- |
| Total County Fees FYE 9-30-02 | \$ 22,239 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
2001 ROLL
For The Year Ended September 30, 2002

Roll

| | |
|---------------|---------------|
| Taxable Value | \$854,763,998 |
| | ===== |

| | |
|----------|--------------|
| Tax Levy | \$ 5,249,106 |
|----------|--------------|

Collections

| | |
|---------------------------------------|-----------|
| October 1, 2001 thru June 30, 2002 | 5,118,673 |
| | ----- |

| | |
|-----------------------|------------|
| Balance June 30, 2002 | \$ 130,433 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE TAX ASSESSOR-COLLECTOR
SCHEDULE OF PRORATION OF FUNDS FROM AD VALOREM TAXES
September 30, 2002

| | Dollars | Percent |
|-------------------------------|----------|---------|
| | ----- | ----- |
| Constitutional Levies | | |
| ----- | | |
| Total Tax Per \$100 Valuation | \$.6141 | 100.00 |
| | ===== | ===== |
| Distribution as Follows: | | |
| Jury Fund | \$.0020 | 00.33 |
| General Fund | .3406 | 55.46 |
| General Road & Bridge | .0900 | 14.65 |
| Hospital | .1341 | 21.84 |
| Debt Service Fund | .0474 | 07.72 |
| | ----- | ----- |
| County Tax Rate | \$.6141 | 100.00 |
| | ===== | ===== |

LAMB COUNTY, TEXAS
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2002

| LAST TEN YEARS ENDED SEPTEMBER 30, | TAX RATES | ASSESSED OR APPRAISED VALUATION | BEGINNING BALANCE 10-1-01 | CURRENT YEAR'S LEVY | TOTAL COLLECTIONS | ENTIRE YEAR'S ADJUSTMENTS | ENDING BALANCE 9-30-02 |
|--|--------------|---------------------------------------|---------------------------------|---------------------------|----------------------|---------------------------------|------------------------------|
| 1993 & Prior Years | | | \$ 19,896 | \$ | \$ 1,048 | \$ (3,931) | \$ 14,917 |
| 1994 | .3195 | 929,845,015 | 4,305 | | 594 | (434) | 3,277 |
| 1995 | .3353 | 914,495,336 | 5,302 | | 801 | (549) | 3,952 |
| 1996 | .3659 | 903,674,387 | 6,025 | | 1,049 | (464) | 4,512 |
| 1997 | .3787 | 906,264,352 | 6,479 | | 1,590 | (498) | 4,391 |
| 1998 | .5837 | 892,281,680 | 16,460 | | 4,942 | (844) | 10,674 |
| 1999 | .5990 | 861,510,669 | 24,835 | | 7,459 | (816) | 16,560 |
| 2000 | .5879 | 885,400,600 | 38,934 | | 11,297 | (724) | 26,913 |
| 2001 | .5979 | 875,601,886 | 77,300 | | 36,670 | (565) | 40,065 |
| 2002 (Year Under Audit) | .6141 | 854,763,998 | | 5,249,106 | 5,162,013 | (33) | 87,060 |
| TOTALS | | | \$ 199,536 | \$ 5,249,106 | \$ 5,227,463 | \$ (8,858) | \$ 212,321 |

ALLOCATION OF DELINQUENT TAX BALANCE

| | |
|-------------------|------------|
| GENERAL FUND | \$ 205,600 |
| DEBT SERVICE FUND | 6,721 |
| TOTAL | \$ 212,321 |

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, 2002

Receipts:

| | |
|---------------------------------|-----------|
| Recording Fees | \$ 23,022 |
| Marriage License | 2,436 |
| Certified Copies | 5,153 |
| Xerox | 5,294 |
| Birth Certificates | 4,449 |
| Financing Statements | 1,921 |
| Probate and Civil | 607 |
| Criminal Cases | 23,215 |
| Interest | 98 |
| Tax Liens | 1,702 |
| Mandatory Court Security | 572 |
| Mandatory Records Management | 2,562 |
| County Clerk Records Management | 15,106 |
| Work Release | 2,369 |
| Family Trust Fund | 486 |
| | ----- |
| Total Receipts | \$ 88,992 |
| | ----- |

Disbursements:

| | |
|---------------------|-----------|
| County Treasurer | \$ 82,466 |
| Refunds and Other | 118 |
| | ----- |
| Total Disbursements | \$ 82,584 |
| | ----- |

| | |
|------------------------------------|----------|
| Excess Receipts Over Disbursements | \$ 6,408 |
|------------------------------------|----------|

| | |
|----------------------|-----------|
| Fund Balance 9-30-01 | 5,269 |
| | ----- |
| Fund Balance 9-30-02 | \$ 11,677 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-COUNTY COURT FUND
For Year Ended September 30, 2002

| | | |
|------------------------------------|-----------|------------|
| Receipts: | | |
| Court Cost Deposits | \$ 20,676 | |
| Mandatory Court Security | 525 | |
| Mandatory Records Management | 525 | |
| Interest | 226 | |
| | ----- | |
| Total Receipts | | \$ 21,952 |
| Disbursements: | | |
| Refund of Deposits | \$ 928 | |
| Other Fees | 140 | |
| County Treasurer | 22,639 | |
| | ----- | |
| Total Disbursements | | 23,707 |
| | | ----- |
| Excess Receipts Over Disbursements | | \$ (1,755) |
| Fund Balance 9-30-01 | | 14,399 |
| | | ----- |
| Fund Balance 9-30-02 | | \$ 12,644 |
| | | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-CRIMINAL PARTIAL PAYMENT FUND
For Year Ended September 30, 2002

| | | |
|------------------------------------|-----------|-----------|
| Receipts: | | |
| Payments Received | \$ 91,822 | |
| Mandatory Court Security | 283 | |
| Mandatory Records Management | 1,595 | |
| | ----- | |
| Total Receipts | | \$ 93,700 |
| Disbursements: | | |
| County Treasurer | \$ 74,859 | |
| Miscellaneous | 13,697 | |
| | ----- | |
| Total Disbursements | | 88,556 |
| | | ----- |
| Excess Receipts Over Disbursements | | \$ 5,144 |
| Fund Balance 9-30-01 | | 24,065 |
| | | ----- |
| Fund Balance 9-30-02 | | \$ 29,209 |
| | | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY CLERK
SCHEDULE OF RECEIPTS AND DISBURSEMENTS-CASH BOND FUND
For Year Ended September 30, 2002

| | CRIMINAL | CIVIL |
|------------------------------------|-----------|----------|
| | ----- | ----- |
| Receipts: | | |
| Payments Received | \$ 10,850 | \$ 300 |
| | ----- | ----- |
| Total Receipts | \$ 10,850 | \$ 300 |
| Disbursements: | | |
| Applied to Court Costs | \$ 5,972 | \$ -0- |
| Refunded | 1,228 | -0- |
| County Treasurer | -0- | -0- |
| Other | -0- | -0- |
| | ----- | ----- |
| Total Disbursements | 7,200 | -0- |
| | ----- | ----- |
| Excess Receipts Over Disbursements | \$ 3,650 | \$ 300 |
| Fund Balance 9-30-01 | 14,115 | 8,685 |
| | ----- | ----- |
| Fund Balance 9-30-02 | \$ 17,765 | \$ 8,985 |
| | ===== | ===== |

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, 2002

| | Civil ----- | Criminal ----- |
|--------------------------------------|--------------------|--------------------|
| Receipts: | | |
| Felony Court Costs | \$ | \$ 216 |
| Fine | | 12,174 |
| Clerk Filing Fees | 23,044 | 1,402 |
| Criminal Justice Plan | | 114 |
| Crime Victims Fund | | 1,407 |
| Sheriff Fees | 8,679 | 2,204 |
| Court Appointed Attorney | 415 | 2,329 |
| Probation Fees | | 25,924 |
| Mandatory Court Security | 890 | 145 |
| Mandatory Records Management | 905 | 335 |
| Consolidated State Court | | 1,514 |
| Law Library | 2,650 | |
| Passport Fees | 285 | |
| Certified Copies | 126 | |
| Steno Fees | 1,983 | |
| Indigent Fund | 1,850 | |
| State Fees | 7,210 | |
| Miscellaneous | 1,410 | 1,138 |
| Interest Income | 415 | 446 |
| | ----- | ----- |
| Total Receipts | \$ 49,862 ===== | \$ 49,348 ===== |
| Disbursements: | | |
| Lamb County Treasurer | \$ 43,177 | \$ 23,697 |
| 154th Judicial Adult Probation Dept. | | 26,054 |
| State Treasurer | 7,210 | |
| Less: FYE 9-30-01 Fees Paid in | | |
| FYE 9-30-02: County Treasurer | (3,570) | (1,772) |
| Probation Dept. | | (1,561) |
| Add: FYE 9-30-02 Fees Paid in | | |
| FYE 9-30-03: County Treasurer | 3,045 | 1,499 |
| Probation Dept. | | 1,431 |
| | ----- | ----- |
| Total Disbursements | \$ 49,862 ===== | \$ 49,348 ===== |

OFFICE OF THE COUNTY SHERIFF

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOREIGN FEE LEDGER
For Year Ended September 30, 2002

Receipts:

| | | |
|--------------|----------|-----------|
| Foreign Fees | \$ 4,680 | |
| Other | 40,055 | |
| | ----- | \$ 44,735 |

Disbursements:

| | | |
|------------------|-----------|--------|
| County Treasurer | \$ 44,735 | |
| Other | -0- | |
| | ----- | 44,735 |

| | |
|------------------------------------|--------|
| Excess Receipts Over Disbursements | \$ -0- |
| Fund Balance 9-30-01 | -0- |
| | ----- |
| Fund Balance 9-30-02 | \$ -0- |
| | ===== |

Reconciliation with County Treasurer

| | |
|------------------------------|-----------|
| Receipts Per Treasurer | \$ 44,725 |
| Add: Receivable FYE 9-30-02 | 220 |
| Less: Receivable FYE 9-30-01 | (210) |
| | ----- |
| Disbursements to Treasurer | \$ 44,735 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
DRUG PROGRAM ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | | |
|----------------------|-----------|----------|
| Telephone Commission | \$ 16,777 | |
| Other | 1,870 | |
| | ----- | |
| Total Receipts | | \$18,647 |

Disbursements:

| | | |
|--------------------------------|--------|--------|
| Drug Investigation | \$ 562 | |
| Public Relations & Information | -0- | |
| Investigation Equipment | 16,444 | |
| Miscellaneous | 462 | |
| Other | 8,497 | |
| | ----- | |
| Total Disbursements | | 25,965 |

| | |
|------------------------------------|------------|
| Excess Receipts Over Disbursements | \$ (7,318) |
|------------------------------------|------------|

| | |
|-----------------------|--------|
| Cash Balance, 9-30-01 | 22,771 |
| | ----- |

| | |
|-----------------------|----------|
| Cash Balance, 9-30-02 | \$15,453 |
| | ===== |

Summary:

| | |
|--------------------|----------|
| Cash on Hand | \$ 2,192 |
| Cash in Bank - SSB | 13,261 |
| | ----- |
| Total | \$15,453 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
UNCLAIMED COMMISSARY ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | | | |
|-----------------|----|-------|--------|
| Inmate Deposits | \$ | -0- | |
| Other | | -0- | |
| | | ----- | |
| Total Receipts | | | \$ -0- |

Disbursements:

| | | | |
|------------------------|----|-------|-----|
| Purchases | \$ | -0- | |
| Inmate Accounts Closed | | -0- | |
| Commissary | | -0- | |
| | | ----- | |
| Total Disbursements | | | -0- |

| | | |
|------------------------------------|----|-----|
| Excess Receipts Over Disbursements | \$ | -0- |
|------------------------------------|----|-----|

| | |
|-----------------------|-----|
| Cash Balance, 9-30-01 | 874 |
|-----------------------|-----|

| | |
|-----------------------|--------|
| Cash Balance, 9-30-02 | \$ 874 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
COMMISSARY ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | | |
|--------------------------|----------|----------|
| Sales - Commissary Items | \$20,625 | |
| Other | 522 | |
| | ----- | |
| Total Receipts | | \$21,147 |

Disbursements:

| | | |
|---------------------|----------|--------|
| Purchases | \$11,293 | |
| Sales Tax | 818 | |
| Utilities | -0- | |
| Supplies | 3,323 | |
| Other | 159 | |
| | ----- | |
| Total Disbursements | | 15,593 |

| | |
|------------------------------------|----------|
| Excess Receipts Over Disbursements | \$ 5,554 |
| Cash Balance, 9-30-01 | 7,266 |
| | ----- |
| Cash Balance, 9-30-02 | \$12,820 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PETTY CASH ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | | |
|----------------|----------|---------|
| Reimbursements | \$ 9,479 | |
| Other | -0- | |
| | ----- | |
| Total Receipts | | \$9,479 |

Disbursements:

| | | |
|---------------------|----------|---------|
| Travel | \$ 4,558 | |
| Supplies | 881 | |
| School | -0- | |
| Meals | 795 | |
| Miscellaneous | 1,493 | |
| Other | 797 | |
| | ----- | |
| Total Disbursements | | \$8,524 |
| | | ----- |

| | |
|------------------------------------|---------|
| Excess Receipts Over Disbursements | \$ 955 |
| Cash Balance, 9-30-01 | 654 |
| | ----- |
| Cash Balance, 9-30-02 | \$1,609 |
| | ===== |

Summary:

| | |
|--------------------|---------|
| Cash on Hand | \$ 300 |
| Cash in Bank - SSB | 1,309 |
| | ----- |
| Total | \$1,609 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PRISONER ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | |
|-----------------|-----------|
| Inmate Deposits | \$ 32,555 |
|-----------------|-----------|

Disbursements:

| | |
|--------------------------|--------|
| Commissary Use & Refunds | 30,452 |
| | ----- |

| | |
|------------------------------------|----------|
| Excess Receipts Over Disbursements | \$ 2,103 |
|------------------------------------|----------|

| | |
|-----------------------|-------|
| Cash Balance, 9-30-01 | 1,722 |
| | ----- |

| | |
|-----------------------|----------|
| Cash Balance, 9-30-02 | \$ 3,825 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
UNCLAIMED PRISONER ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | |
|------------------------------|----------|
| Transfers - Prisoner Account | \$ 1,522 |
|------------------------------|----------|

Disbursements:

| | |
|---------|-------|
| Refunds | 427 |
| | ----- |

| | |
|------------------------------------|----------|
| Excess Receipts Over Disbursements | \$ 1,095 |
|------------------------------------|----------|

| | |
|-----------------------|-------|
| Cash Balance, 9-30-01 | 1,468 |
| | ----- |

| | |
|-----------------------|----------|
| Cash Balance, 9-30-02 | \$ 2,563 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
EDUCATION ACCOUNT
For Year Ended September 30, 2002

Receipts:

| | |
|---------------|----------|
| State Revenue | \$ 2,426 |
| Other | -0- |

Disbursements:

| | |
|--------------------------|-------|
| Continuing Education Use | 1,130 |
| | ----- |

| | |
|------------------------------------|----------|
| Excess Receipts Over Disbursements | \$ 1,296 |
|------------------------------------|----------|

| | |
|-----------------------|-------|
| Cash Balance, 9-30-01 | 1,637 |
| | ----- |

| | |
|-----------------------|----------|
| Cash Balance, 9-30-02 | \$ 2,933 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FORFEITURE ACCOUNT
For Year Ended September 30, 2002

| | |
|------------------------------------|-------------------|
| Receipts: | \$ 14,642 |
| Disbursements: | 10,728 ----- |
| Excess Receipts Over Disbursements | \$ 3,914 |
| Cash Balance, 9-30-01 | 1,841 ----- |
| Cash Balance, 9-30-02 | \$ 5,755 ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE COUNTY SHERIFF
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
TOY FOR KIDS ACCOUNT
For Year Ended September 30, 2002

| | | |
|------------------------------------|----|-------|
| Receipts: | \$ | 952 |
| Disbursements: | | 756 |
| | | ----- |
| Excess Receipts Over Disbursements | \$ | 196 |
| Cash Balance, 9-30-01 | | -0- |
| | | ----- |
| Cash Balance, 9-30-02 | \$ | 196 |
| | | ===== |

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, 2002

| | | |
|------------------------------------|----------|----------|
| Receipts: | | |
| Fines | \$34,385 | |
| Other | -0- | \$34,385 |
| | ----- | |
| Disbursements: | | |
| County Treasurer | \$34,061 | |
| Fines Collected for Other Agency | 96 | |
| Other | -0- | 34,157 |
| | ----- | ----- |
| Excess Receipts Over Disbursements | | \$ 228 |
| Fund Balance 9-30-01 | | (96) |
| | | ----- |
| Fund Balance 9-30-02 | | \$ 132 |
| | | ===== |

Reconciliation With Treasurer

| | |
|---|----------|
| Receipts Per Treasurer | \$33,127 |
| Less: FYE 9-30-01 Fees Received in FYE 9-30-02 | (1,964) |
| Add: FYE 9-30-02 Fees Received in FYE 9-30-03 | 2,154 |
| Add: Court House Security Fund | 744 |
| | ----- |
| Total Fines Collected for County Per Monthly Reports JP #1 | \$34,061 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 2
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2002

| | | |
|------------------------------------|----------|----------|
| Receipts: | | |
| Fines | \$16,050 | |
| Redeposits | -0- | |
| Other | 412 | \$16,462 |
| | ----- | |
| Disbursements: | | |
| County Treasurer | \$14,822 | |
| Returned Checks | -0- | |
| Other | 412 | 15,234 |
| | ----- | ----- |
| Excess Receipts Over Disbursements | | \$ 1,228 |
| Fund Balance 9-30-01 | | (332) |
| | | ----- |
| Fund Balance 9-30-02 | | \$ 896 |
| | | ===== |

Reconciliation With Treasurer

| | |
|---|----------|
| Receipts Per Treasurer | \$15,620 |
| Less: FYE 9-30-01 Fees Received in FYE 9-30-02 | (1,203) |
| Add: FYE 9-30-02 Fees Received in FYE 9-30-03 | -0- |
| Add: Court House Security Fund | 405 |
| | ----- |
| Total Fines Collected for County Per Monthly Reports JP #2 | \$14,822 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 3
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2002

| | | |
|--------------------------------------|-----------|-----------|
| Receipts: | | |
| Fines and Restitution | \$232,730 | |
| Redeposits and Fees | 426 | \$233,156 |
| | ----- | |
| Disbursements: | | |
| County Treasurer | \$227,222 | |
| Fines Collected For Other Agency and | | |
| Restitution | 5,508 | |
| Returned Checks | 426 | 233,156 |
| | ----- | ----- |
| Excess Receipts Over Disbursements | | \$ -0- |
| Fund Balance 9-30-01 | | 200 |
| | | ----- |
| Fund Balance 9-30-02 | | \$ 200 |
| | | ===== |

Reconciliation With Treasurer

| | |
|--|-----------|
| Receipts Per Treasurer | \$228,122 |
| Less: FYE 9-30-01 Fees Received in FYE 9-30-02 | (3,370) |
| Add: FYE 9-30-02 Fees Received in FYE 9-30-03 | -0- |
| Add: Court House Security Fund | 2,470 |
| | ----- |
| Total Fines Collected for County Per | |
| Monthly Reports JP #3 | \$227,222 |
| | ===== |

LAMB COUNTY, TEXAS
OFFICE OF THE JUSTICE OF PEACE-PRECINCT NO. 4
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For Year Ended September 30, 2002

| | | |
|------------|-----------|-----------|
| Receipts: | | |
| Fines | \$ 54,164 | |
| Redeposits | 410 | |
| Other | -0- | \$ 54,574 |
| | ----- | |

| | | |
|----------------------------------|-----------|--------|
| Disbursements: | | |
| County Treasurer | \$ 54,161 | |
| Fines Collected For Other Agency | 410 | |
| Other | -0- | 54,571 |
| | ----- | ----- |

| | | |
|------------------------------------|----|-------|
| Excess Receipts Over Disbursements | \$ | 3 |
| Fund Balance 9-30-01 | | 148 |
| | | ----- |
| Fund Balance 9-30-02 | \$ | 151 |
| | | ===== |

Reconciliation With Treasurer

| | |
|--|-----------|
| Receipts Per Treasurer | \$ 53,208 |
| Less: FYE 9-30-01 Fees Received in FYE 9-30-02 | (562) |
| Add: FYE 9-30-02 Fees Received in FYE 9-30-03 | 435 |
| Add: Court House Security Fund | 1,080 |
| | ----- |
| Total Fines Collected For County Per Monthly Reports JP #4 | \$ 54,161 |
| | ===== |

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

Webb, Webb, and Wright
Certified Public Accountants

Member
Texas Society of CPA's
American Institute of CPA's

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

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

November 19, 2002

Independent Auditor's Report

Report on Compliance and on Internal Control over Financial Reporting 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 general purpose financial statements of Lamb County as of and for the year ended September 30, 2002, and have issued our report thereon dated November 19, 2002. Our opinion on the general purpose 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.

Compliance

As part of obtaining reasonable assurance about whether Lamb County's general purpose financial statements are free of material misstatement, we performed tests of Lamb County's compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of
Financial Statements Performed In Accordance with Government Auditing Standards
Lamb County - November 19, 2002

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lamb County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

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 PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

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

LAMB COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified
that are not considered to be
material weaknesses? Yes X None Reported

Noncompliance material to financial
statements noted? Yes X No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

LAMB COUNTY, TEXAS

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2002

None