

Management Letter

February 26, 2010

To the Honorable County Judge and
Members of Commissioners Court,
Grimes County, Texas:

The American Institute of Certified Public Accountants issued a new auditing standard that must be followed when communicating certain internal control related matters as part of an audit of financial statements effective for audit periods ending on or after December 15, 2006. The new standard (Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, "SAS 112") provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body. Although it replaces a similar standard, it includes some new guidance and revises certain terminology, as defined below. With new definitions, auditors will now be reporting more findings. Also, auditors are now required to report on issues identified in previous years that have not been corrected. This may include not only comments from prior letters, but also other issues that came up during previous audits.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 112 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to the County. Accordingly, the County's assessment of the "significance" or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost versus benefit of making the change. Our report on internal control related matters is as follows.

In planning and performing our audit of the financial statements of Grimes County, Texas (the "County"), for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

Our findings and additional comments are as follows:

OTHER MATTERS:

2009-1. ESCHEAT PAYABLE

Finding

The County has identified a problem with outstanding items listed on the inmate fund bank reconciliation with checks dated since 1994 that initially appear to be escheat payable.

Recommendation

The County should investigate the remaining items. Any actual escheat payable should be remitted to the State. Reconciling items on bank statements should be investigated each month.

2009-2. CONTINUING DISCLOSURE

Background

Securities Exchange Act Rule 15c2-12 requires continuing disclosure submissions of certain updated financial information annually for governments with outstanding debt. Prior to July 1, 2009, governments were required to file continuing disclosure submissions when total outstanding debt exceeded \$10,000,000. Beginning July 1, 2009, governments must file continuing disclosure submissions when total outstanding debt exceeds \$1,000,000. This submission should be made to the Electronic Municipal Market Access (EMMA) in accordance with the timeframe specified in the continuing disclosure agreement of the government's debt issuance documents.

Recommendation

The County should ensure that it files continuing disclosure with EMMA within the specified timeframe. For additional guidance related to continuing disclosure, see the following link: <http://www.msrb.org/msrb1/pdfs/FAQsAboutMSRB'sContinuingDisclosureSubmissionProcess.pdf>

MATTERS PREVIOUSLY REPORTED

Material Weaknesses:

2008-1. AUDIT ADJUSTMENTS

Finding

The County performs accounting services with employees on behalf of the County. The County reviews the accounting information provided by the accounting staff on a monthly basis and compares the information to their knowledge of historical events. Year end accounting records are provided directly by the accounting staff to the auditor. From time to time the auditor recommends adjustments to these records, as well as proposes other

adjustments needed for preparing full accrual statements in compliance with GASB 34 which are only needed at year end. The County relies upon its independent auditor to audit the information provided by the staff. The County does not have specific controls in place to separately review the accuracy of information before it is provided to the auditor or certain calculations required by GASB 34. Although it is common within the government sector as a whole, and most private companies to rely on their audit firm for these services, an audit firm cannot be considered part of its client's internal control by professional standards currently in effect (SAS No. 112 effective year ends on or after December 15, 2006). Since some adjustments and calculations made by the auditor may be material to the financial statements, this weakness in internal control would be classified as material.

Recommendation

The County should continue to read its annual financial report and ensure the quality of both the document and the preparer. No changes in operation are recommended.

2008-2. SEGREGATION OF DUTIES

Background

Segregation of duties refers to assigning tasks among personnel so that no one person handles substantially all aspects of a transaction. The extent to which the County can segregate duties is limited based on the number of personnel, their skill set and work load, and the organizational structure of the County.

Finding

As with other County's of the same staff size, there are instances where additional controls could be put in place if more personnel were available and further segregation in duties could be achieved. While the County's segregation of duties appears reasonable given the number of personnel, there are some inherent risks given the County's staff size.

Recommendation

The County should continue to evaluate opportunities for greater segregation of duties.

Other Matters:

2008-3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Finding

As disclosed in the notes to the financial statements, expenditures exceeded appropriations in records management 73rd Legislature, JP technology, fairground, and cops grant funds.

Recommendation

The County should monitor expenditures throughout the year and ensure that budget amendments are properly approved by County Commissioners and recorded in the accounting system.

This communication is intended solely for the information and use of management, County Judge, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the County Commissioners, County Judge, and the County's personnel for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

The logo features the letters 'B', 'H', and 'A' in a large, ornate, cursive script. The 'B' is on the left, 'H' is in the middle, and 'A' is on the right. Below the 'B' is the word 'BELT', below the 'H' is 'HARRIS &', and below the 'A' is 'ASSOCIATES, LLLP'. The text is in a smaller, sans-serif font.

Belt Harris & Associates, LLLP
Certified Public Accountants
Houston, Texas

Required Auditor Disclosure Letter

February 26, 2010

To the Honorable County Judge and
Members of Commissioners Court,
Grimes County, Texas:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grimes County, Texas (the "County") for the year ended September 30, 2009, and have issued our report thereon dated February 26, 2010. Professional standards require that we provide Commissioners Court (the "governing body") with the following information related to our audit.

I. Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 15, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our engagement letter dated January 15, 2008.

III. Significant Audit Findings

1. *Qualitative Aspects of Accounting Practices*

A. Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

- i. The significant accounting policies used by the County, are described in Note I to the financial statements.
- ii. No new accounting policies were adopted and the application of existing policies was not changed during the year.
- iii. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus.
- iv. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about

future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

- C. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt and debt service requirements in the notes to the financial statements.

2. *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures.

A. *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

4. *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 26, 2010.

5. *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

6. *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions

occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Commissioners and management of Grimes County, Texas, and is not intended to be and should not be used by anyone other than these specified parties.



Belt Harris & Associates, LLLP
Certified Public Accountants
Houston, Texas

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
J.02				
AJE PROVIDED BY CLIENT - To correct fund balance and record income statement.				
20-250-008	UNAPPROPRIATED		99,061.30	
28-800-089	Transfers Out		15,040.27	
34-202-047	GREATER TEXAS FEDERAL CREDIT UNION		143.30	
34-202-052	CAFTERIA MEDICAL INS NON TAXABLE		1,890.02	
89-104-001	DA SPECIAL OPERATING		50,757.81	
89-104-002	DA FORFEITURE FUND		15,040.27	
89-104-003	DA HOT CHECK CASH		879.60	
89-202-415	DUE TO OTHERS		760.64	
89-202-415	DUE TO OTHERS		46,342.16	
89-470-002	COPIES		444.92	
89-470-004	CLE (CONTINUING LEGAL EDUCATION)		16.00	
89-470-006	COMPUTER SEARCH SERVICE		1,599.20	
89-470-008	DINING		54.84	
89-470-010	MISCELLANEOUS		496.75	
89-470-012	NOTARY RENEWAL		85.94	
89-470-013	OFFICE SUPPLIES		1,400.19	
89-470-014	POSTAGE		22.20	
89-470-016	REIMBURSEMENTS		456.40	
89-470-018	SALARY SUPPLEMENT		1,316.48	
89-472-002	UNCATEGORIZED		1,825.00	
89-472-004	CI FUNDS		1,600.00	
89-472-006	COMPUTER		852.80	
89-472-010	LABOR		1,450.00	
89-472-012	MATERIAL		111.64	
89-472-014	MISCELLANEOUS		1,092.45	
89-472-016	OFFICE FURNITURE		2,000.00	
89-472-018	OFFICE SUPPLIES		272.68	
89-472-020	REIMBURSEMENT		2,821.89	
89-472-022	TRAINING		758.58	
89-474-002	COPIES		47.04	
89-474-004	REIMBURSEMENTS		4.32	
89-474-006	DINING		78.84	
89-474-008	FINES,FEES & COURT COSTS		221.00	
89-474-010	OFFICE SUPPLIES		63.14	
89-474-012	REIMBURSEMENTS		3,267.57	
89-474-014	VEHICLE LEASE PAYMENT		8,359.72	
20-110-001	ALLOWANCE FOR DOUBTFUL RECEIVABLES			99,061.30
28-103-002	FNBA - FORFEITURE FUND			15,040.27
34-250-008	UNAPPROPRIATED			2,033.32
89-104-002	DA FORFEITURE FUND			8,638.64
89-104-004	DA COLLECTIONS ACCOUNT			760.64
89-250-008	OPERATING ACCOUNT FUND BALANCE			27,380.81
89-250-012	HOT CHECK ACCOUNT FUND BALANCE			18,961.35
89-360-002	REIMBURSEMENTS			107.73
89-360-003	STATE APPORTIONMENT			58,543.00
89-362-002	SALE PROCEEDS			3,146.40
89-362-004	SEIZURE			1,000.00
89-364-002	HOT CHECK FEES			12,921.23
89-365-080	TRANSFER IN - FROM AGENCY FUND			15,040.27
Total			260,634.96	260,634.96

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 2		B.02		
AJE PROVIDED BY CLIENT- To reverse JP interest on investment.				
10-104-002	TEXPOOL ACCT 7891500001		1,771.18	
10-380-001	INTEREST EARNED			1,771.18
Total			1,771.18	1,771.18

Adjusting Journal Entries JE # 3		J.02		
AJE'S PROVIDED BY CLIENT - To reverse entries made to Fund Balance				
28-103-002	FNBA - FORFEITURE FUND		15,040.27	
89-104-002	DA FORFEITURE FUND		8,638.64	
89-104-004	DA COLLECTIONS ACCOUNT		760.64	
89-202-415	DUE TO OTHERS		15,040.27	
89-250-008	OPERATING ACCOUNT FUND BALANCE		104,381.20	
89-250-010	FORFEITURE ACCOUNT FUND BALANCE		8,638.64	
89-360-002	REIMBURSEMENTS		107.73	
89-360-003	STATE APPORTIONMENT		56,543.00	
89-362-002	SALE PROCEEDS		3,146.40	
89-362-004	SEIZURE		1,000.00	
89-364-002	HOT CHECK FEES		12,921.23	
28-250-102	FUND BALANCE-CLOSING			15,040.27
89-104-001	DA SPECIAL OPERATING			50,757.81
89-104-002	DA FORFEITURE FUND			15,040.27
89-104-003	DA HOT CHECK CASH			879.60
89-202-415	DUE TO OTHERS			62,143.07
89-250-008	OPERATING ACCOUNT FUND BALANCE			50,757.81
89-250-012	HOT CHECK ACCOUNT FUND BALANCE			879.60
89-470-002	COPIES			444.92
89-470-004	CLE (CONTINUING LEGAL EDUCATION)			16.00
89-470-006	COMPUTER SEARCH SERVICE			1,599.20
89-470-008	DINING			54.84
89-470-010	MISCELLANEOUS			496.75
89-470-012	NOTARY RENEWAL			85.94
89-470-013	OFFICE SUPPLIES			1,400.19
89-470-014	POSTAGE			22.20
89-470-016	REIMBURSEMENTS			456.40
89-470-018	SALARY SUPPLEMENT			1,316.48
89-472-002	UNCATEGORIZED			1,825.00
89-472-004	CI FUNDS			1,600.00
89-472-006	COMPUTER			852.80
89-472-010	LABOR			1,450.00
89-472-012	MATERIAL			111.64
89-472-014	MISCELLANEOUS			1,092.45
89-472-016	OFFICE FURNITURE			2,000.00
89-472-018	OFFICE SUPPLIES			272.68
89-472-020	REIMBURSEMENT			2,821.89
89-472-022	TRAINING			758.58
89-474-002	COPIES			47.04
89-474-004	REIMBURSEMENTS			4.32
89-474-006	DINING			78.84
89-474-008	FINES,FEES & COURT COSTS			221.00
89-474-010	OFFICE SUPPLIES			63.14

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
89-474-012	REIMBURSEMENTS			3,267.57
89-474-014	VEHICLE LEASE PAYMENT			8,359.72
Total			226,218.02	226,218.02

Adjusting Journal Entries JE # 4 A.29
 AJE PROVIDED BY CLIENT- To adjust CD's to actual at YE.

90-104-005	INDIVIDUAL CD ACCOUNT		943.39	
90-202-415	DUE TO OTHERS			943.39
Total			943.39	943.39

Adjusting Journal Entries JE # 5 C.04
 AJE PROVIDED BY CLIENT- To adjust transfers.

10-700-027	TRANSFER TO APPELLATE JUDICIAL SYS		3,782.00	
27-103-001	FNBA-APPELLATE JUD SYSTEM		3,782.00	
10-103-001	CSB-GENERAL			3,782.00
27-396-010	TRANSFER FROM GENERAL FUN			3,782.00
Total			7,564.00	7,564.00

Adjusting Journal Entries JE # 6
 AJE PROVIDED BY CLIENT- To record jurors donations.

10-202-028	COMP VICTIM OF CRIME		40.00	
10-433-151	DISTRICT COURT JURIES		40.00	
10-433-151	DISTRICT COURT JURIES		40.00	
10-202-028	COMP VICTIM OF CRIME			40.00
10-202-059	CHILD WELFARE			40.00
10-320-008	FEES-DISTRICT CLERK			40.00
Total			120.00	120.00

Adjusting Journal Entries JE # 7
 AJE PROVIDED BY CLIENT- To record collections as a seperate agency fund.

83-104-001	OLD DA COLLECTIONS ACCT-DO NOT USE		3,950.69	
89-202-415	DUE TO OTHERS		3,950.69	
83-202-415	DUE TO OTHERS			3,950.69
89-104-004	DA COLLECTIONS ACCOUNT			3,950.69
Total			7,901.38	7,901.38

Adjusting Journal Entries JE # 8 C.08
 AJE PROVIDED BY CLIENT- To record prepaid expense for service agreement.

85-106-001	Prepaid Expense		90,000.00	
85-839-505	MACHINERY & EQUIPMENT			90,000.00
Total			90,000.00	90,000.00

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 9		E.03		
To record SAP at year end.				
10-431-421	FIRE PROTECTION-RUN COSTS		9,645.80	
10-431-421	FIRE PROTECTION-RUN COSTS		13,231.80	
10-431-421	FIRE PROTECTION-RUN COSTS		14,784.20	
10-202-011	ACCOUNTS PAYABLE			37,661.80
Total			37,661.80	37,661.80
Adjusting Journal Entries JE # 10		I.02		
CLIENT DO NOT RECORD FOR BHA ONLY - To record jail lease payment in correct account.				
10-106-001	PREPAID EXPENSES		6,878.54	
10-454-491	Jail Lease Payments		3,690.39	
10-442-491	Const#1-CAPITAL LEASE			6,878.54
10-454-505	Jail-MACHINERY & EQUIPMEN			3,690.39
Total			10,568.93	10,568.93
Adjusting Journal Entries JE # 11				
AJE PROVIDED BY CLIENT - To record accounts payable. (AG extension september travel was not paid until Oct. 2009.				
10-202-900	POINTS TO LAST YEAR		1,007.00	
10-202-011	ACCOUNTS PAYABLE			1,007.00
Total			1,007.00	1,007.00
Adjusting Journal Entries JE # 12				
AJE PROVIDED BY CLIENT - To adjust allocation of receipts ADV Taxes at 9/30/09.				
10-310-002	TAXES-DELINQUENT		76,504.78	
10-310-003	TAXES-PENALTY & INTEREST		60,975.56	
20-103-001	CSB-CASH ROAD & BRIDGE		60,365.80	
20-103-001	CSB-CASH ROAD & BRIDGE		75,739.73	
50-103-001	FNBA-DEBT SERVICE		609.76	
50-103-001	FNBA-DEBT SERVICE		765.05	
10-103-001	CSB-GENERAL			60,975.56
10-103-001	CSB-GENERAL			76,504.78
20-310-002	TAXES-DELINQUENT			75,739.73
20-310-003	TAXES-PENALTY & INTEREST			60,365.80
50-310-002	TAXES-DELINQUENT			765.05
50-310-003	TAXES-P&I			609.76
Total			274,960.68	274,960.68
Adjusting Journal Entries JE # 13				
AJE PROVIDED BY CLIENT - To zero Aggieland Credit Union Liability.				
10-424-450	MISCELLANEOUS		5.71	
10-202-047	GREATER TEXAS FEDERAL CREDIT UNION			5.71
Total			5.71	5.71
Adjusting Journal Entries JE # 14		C.02		
AJE PROVIDED BY CLIENT - To properly record property taxes at year end.				
10-103-001	CSB-GENERAL		60,975.56	
10-103-001	CSB-GENERAL		76,504.78	
10-103-001	CSB-GENERAL		151,661.45	

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
10-105-004	DELINQUENT TAX RECEIVABLE		28,126.34	
10-105-004	DELINQUENT TAX RECEIVABLE		52,336.05	
10-105-004	DELINQUENT TAX RECEIVABLE		117,049.23	
10-202-014	DEFERRED REVENUE - ADVALOREM TAXES		95,563.44	
10-310-001	TAXES CURRENT		5,016.51	
10-310-001	TAXES CURRENT		21,166.64	
10-310-001	TAXES CURRENT		28,074.06	
10-310-001	TAXES CURRENT		156,864.75	
10-310-002	TAXES-DELINQUENT		12,580.96	
10-310-002	TAXES-DELINQUENT		75,896.16	
10-310-003	TAXES-PENALTY & INTEREST		11,711.03	
10-310-003	TAXES-PENALTY & INTEREST		56,345.88	
20-103-001	CSB-CASH ROAD & BRIDGE		51,183.64	
20-103-001	CSB-CASH ROAD & BRIDGE		69,995.34	
20-103-001	CSB-CASH ROAD & BRIDGE		152,184.71	
20-105-004	DILENQUENT TAX RECEIVABLE		14,047.71	
20-105-004	DILENQUENT TAX RECEIVABLE		51,882.68	
20-202-014	DEFERRED REVENUE		39,532.80	
20-202-014	DEFERRED REVENUE		67,303.51	
20-310-001	TAXES-CURRENT		15,257.37	
20-310-001	TAXES-CURRENT		46,145.54	
20-310-001	TAXES-CURRENT		151,661.45	
20-310-002	TAXES-DELINQUENT		5,586.65	
20-310-002	TAXES-DELINQUENT		75,739.73	
20-310-003	TAXES-PENALTY & INTEREST		5,097.32	
20-310-003	TAXES-PENALTY & INTEREST		60,365.80	
50-103-001	FNBA-DEBT SERVICE		5,039.15	
50-103-001	FNBA-DEBT SERVICE		5,168.88	
50-103-001	FNBA-DEBT SERVICE		5,375.97	
50-105-004	DELINQUENT TAX RECEIVABLE		29.43	
50-105-004	DELINQUENT TAX RECEIVABLE		535.03	
50-105-004	DELINQUENT TAX RECEIVABLE		1,208.69	
50-105-004	DELINQUENT TAX RECEIVABLE		44,115.64	
50-202-014	DEFERRED REVENUE		68.92	
50-310-001	TAXES-CURRENT		171.51	
50-310-001	TAXES-CURRENT		5,016.51	
50-310-002	TAXES-DELINQUENT		540.99	
50-310-002	TAXES-DELINQUENT		765.05	
50-310-003	TAXES-P&I		496.20	
50-310-003	TAXES-P&I		609.76	
10-103-001	CSB-GENERAL			5,016.51
10-103-001	CSB-GENERAL			56,345.88
10-103-001	CSB-GENERAL			75,896.16
10-103-001	CSB-GENERAL			156,864.75
10-105-004	DELINQUENT TAX RECEIVABLE			52,366.05
10-105-004	DELINQUENT TAX RECEIVABLE			85,439.06
10-202-014	DEFERRED REVENUE - ADVALOREM TAXES			138,215.87
10-250-008	UNAPPROPRIATED			21,137.05
10-310-001	TAXES CURRENT			10,124.38
10-310-001	TAXES CURRENT			13,741.14
10-310-001	TAXES CURRENT			31,199.00
10-310-001	TAXES CURRENT			151,661.45
10-310-002	TAXES-DELINQUENT			7,775.10
10-310-002	TAXES-DELINQUENT			76,504.78
10-310-003	TAXES-PENALTY & INTEREST			6,610.10
10-310-003	TAXES-PENALTY & INTEREST			60,975.56
20-103-001	CSB-CASH ROAD & BRIDGE			60,365.80
20-103-001	CSB-CASH ROAD & BRIDGE			75,739.73
20-103-001	CSB-CASH ROAD & BRIDGE			151,661.45

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
20-105-004	DILENQUENT TAX RECEIVABLE			25,941.34
20-105-004	DILENQUENT TAX RECEIVABLE			30,974.60
20-105-004	DILENQUENT TAX RECEIVABLE			113,449.05
20-250-008	UNAPPROPRIATED			5,737.13
20-310-001	TAXES-CURRENT			7,164.07
20-310-001	TAXES-CURRENT			8,558.20
20-310-001	TAXES-CURRENT			46,145.55
20-310-001	TAXES-CURRENT			152,184.71
20-310-002	TAXES-DELINQUENT			3,930.26
20-310-002	TAXES-DELINQUENT			69,995.34
20-310-003	TAXES-PENALTY & INTEREST			2,953.38
20-310-003	TAXES-PENALTY & INTEREST			51,183.64
50-103-001	FNBA-DEBT SERVICE			609.76
50-103-001	FNBA-DEBT SERVICE			765.05
50-103-001	FNBA-DEBT SERVICE			5,016.51
50-105-004	DELINQUENT TAX RECEIVABLE			1,208.70
50-202-014	DEFERRED REVENUE			43,158.87
50-250-008	UNAPPROPRIATED FUND BALANCE			1,208.69
50-310-001	TAXES-CURRENT			72.36
50-310-001	TAXES-CURRENT			98.35
50-310-001	TAXES-CURRENT			956.77
50-310-001	TAXES-CURRENT			5,039.15
50-310-002	TAXES-DELINQUENT			190.85
50-310-002	TAXES-DELINQUENT			5,375.97
50-310-003	TAXES-P&I			271.82
50-310-003	TAXES-P&I			5,168.88
Total			1,824,998.82	1,824,998.82

Adjusting Journal Entries JE # 15 C.09
 AJE PROVIDED BY CLIENT - To reclassify revenue.

86-250-008	UNAPPROPRIATED		45,706.00	
86-490-002	IOLA ISD - MATCHING FUNDS			13,712.00
86-490-003	ANDERSON-SHIRO ISDD - MAT			20,000.00
86-490-004	RICHARDS ISD - MATCHING F			9,141.00
86-490-005	NAVASOTA ISD - MATCHING F			2,853.00
Total			45,706.00	45,706.00

Adjusting Journal Entries JE # 16
 AJE PROVIDED BY CLIENT - To adjust to Other Financing Sources.

10-312-102	Capital Lease Agreements		10,514.00	
10-312-102	Capital Lease Agreements		18,990.15	
10-312-102	Capital Lease Agreements		22,695.12	
10-312-102	Capital Lease Agreements		100,950.00	
10-312-104	Other Financing Uses		5,000.00	
10-312-104	Other Financing Uses		7,514.24	
10-315-001	CAPITALIZED LEASE AGREEMENTS		586,035.12	
20-312-102	Capital Lease Agreements		421,026.00	
20-312-104	Other Financing Uses		215,000.00	
10-312-001	Other Financing Sources			10,514.00
10-312-001	Other Financing Sources			12,514.24
10-312-001	Other Financing Sources			18,990.15
10-312-001	Other Financing Sources			22,695.12
10-312-001	Other Financing Sources			100,950.00
10-424-508	CAPITAL OUTLAY			586,035.12
20-312-001	Other Financing Sources			636,026.00
Total			1,387,724.63	1,387,724.63

Client: **Grimes County, Texas**
 Engagement: **Grimes 9/30/09**
 Period Ending: **9/30/2009**
 Workpaper: **13 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 17				
AJE PROVIDED BY CLIENT - To adjust capital lease payment.				
20-202-011	ACCOUNTS PAYABLE		123,000.00	
20-103-001	CSB-CASH ROAD & BRIDGE			123,000.00
Total			<u><u>123,000.00</u></u>	<u><u>123,000.00</u></u>
Adjusting Journal Entries JE # 18				
AJE PROVIDED BY CLIENT - To record additional accounts payable.				
		E.03		
10-424-450	MISCELLANEOUS		17,284.90	
10-202-011	ACCOUNTS PAYABLE			17,284.90
Total			<u><u>17,284.90</u></u>	<u><u>17,284.90</u></u>

Tickmarks

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i)
- (j)
- (k)
- (l)
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