



THOMAS A. SCHWEICH
Missouri State Auditor

To the County Commission
and
Officeholders of Texas County, Missouri

The Office of the State Auditor, in cooperation with Texas County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor

September 2011
Report No. 2011-61

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2010 & 2009

**THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Texas, Missouri

We have audited the accompanying financial statements of the County of Texas ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Texas, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Texas, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Texas has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 2011

FINANCIAL STATEMENTS

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2010

FUND	CASH AND INVESTMENTS JANUARY 1, 2010	RECEIPTS 2010	DISBURSEMENTS 2010	CASH AND INVESTMENTS DECEMBER 31, 2010
General Revenue Fund	\$ 242,502.91	\$ 3,155,913.11	\$ 3,093,174.66	\$ 305,241.36
Special Road & Bridge Fund	84,990.00	914,566.49	908,874.75	90,681.74
Assessment Fund	43,211.86	173,260.12	192,923.97	23,548.01
Election Services Fund	3,555.23	10,662.32	14,067.75	149.80
Law Enforcement Training Fund	3,579.36	8,693.47	6,064.61	6,208.22
Prosecutor's Training Fund	215.86	1,476.42	1,231.81	460.47
Emergency Management Fund	74.37	3.30	-	77.67
Law Enforcement Operation Fund	61,377.64	19,754.49	19,405.27	61,726.86
Wri-Tex 911 Operations Fund	240,183.16	374,495.38	415,940.37	198,738.17
Wri-Tex 911 Depreciation Fund	45,612.53	1,154.59	23,972.06	22,795.06
Recorder User Fee Fund	42,110.52	15,147.13	15,363.70	41,893.95
Prosecutor's Bad Check Fund	10,474.08	16,510.70	20,967.34	6,017.44
L.E.P.C. Fund	14,121.39	3,335.10	2,099.77	15,356.72
Defense Deductible Fund	66.29	3,365.97	-	3,432.26
Concealed Firearms Permit Fund	24,317.09	9,200.93	16,520.02	16,998.00
Jury Script Fund	-	11,713.59	11,713.59	-
Domestic Violence Victim Fund	10,805.01	26,851.42	26,109.05	11,547.38
Texas County Museum Operation Fund	11,093.80	554.64	216.00	11,432.44
Museum Endowment Fund	755.18	30.83	65.97	720.04
Bridge Replacement Fund	17,993.68	91,211.64	44,940.79	64,264.53
Law Enforcement Restitution Fund	22,081.68	29,085.01	21,961.11	29,205.58
Prosecutor's Delinquent Tax Fund	435.95	846.87	-	1,282.82
Law Enforcement Memorial Fund	583.00	19.26	602.26	-
Special Sales Tax Fund	2,303,843.55	1,027,687.15	1,355,483.28	1,976,047.42
Capital Improvement Bond Fund	34,536.45	1,101,790.21	1,044,798.59	91,528.07
Emergency Management Conference Fund	1,108.96	49.14	-	1,158.10
Capital Improvement Project Fund	-	226,985.25	226,985.25	-
Inmate Security Fund	10,240.99	6,374.76	74.00	16,541.75
Deputy Sheriff Salary Fund	-	7,728.93	7,728.93	-
Special Election Fund	-	97,698.72	97,698.72	-
Transfer Funds	94,318.55	565,207.66	531,285.05	128,241.16
Collector's Tax Maintenance Fund	27,199.56	23,502.15	30,931.60	19,770.11
Garner Covert Memorial Fund	3,299.12	623.80	900.00	3,022.92
SB 40 Fund	99,766.27	189,725.59	175,191.24	114,300.62
F.B.O.M. Certificate Payment Fund	2.41	1,044,797.64	1,044,798.59	1.46
F.B.O.M. Reserve Fund	1,499,578.12	33,571.02	33,649.14	1,499,500.00
F.B.O.M. Project Fund	239,305.79	33,431.51	217,072.37	55,664.93
TOTAL	\$ 5,193,340.36	\$ 9,227,026.31	\$ 9,602,811.61	\$ 4,817,555.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENTS JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENTS DECEMBER 31, 2009
General Revenue Fund	\$ 244,276.15	\$ 2,794,308.90	\$ 2,796,082.14	\$ 242,502.91
Special Road & Bridge Fund	78,970.63	877,592.21	871,572.84	84,990.00
Assessment Fund	8,578.79	232,217.69	197,584.62	43,211.86
Election Services Fund	10,285.46	12,857.95	19,588.18	3,555.23
Law Enforcement Training Fund	1,646.29	8,289.37	6,356.30	3,579.36
Prosecutor's Training Fund	0.67	2,827.67	2,612.48	215.86
Emergency Management Fund	21.28	53.09	-	74.37
Law Enforcement Operation Fund	52,673.81	18,574.54	9,870.71	61,377.64
Wri-Tex 911 Operations Fund	279,924.56	356,085.96	395,827.36	240,183.16
Wri-Tex 911 Depreciation Fund	47,198.62	20,232.68	21,818.77	45,612.53
Recorder User Fee Fund	36,281.91	16,904.86	11,076.25	42,110.52
Prosecutor's Bad Check Fund	-	32,313.64	21,839.56	10,474.08
L.E.P.C. Fund	16,959.35	5,287.34	8,125.30	14,121.39
Defense Deductible Fund	26,294.83	74,643.60	100,872.14	66.29
Concealed Firearms Permit Fund	13,073.60	11,301.11	57.62	24,317.09
Jury Script Fund	-	10,242.80	10,242.80	-
Domestic Violence Victim Fund	9,146.53	26,902.57	25,244.09	10,805.01
Texas County Museum Operation Fund	12,874.57	9,183.18	10,963.95	11,093.80
Museum Endowment Fund	723.76	31.42	-	755.18
Bridge Replacement Fund	87,814.82	3,769.26	73,590.40	17,993.68
Law Enforcement Restitution Fund	15,279.97	21,235.81	14,434.10	22,081.68
Prosecutor's Delinquent Tax Fund	391.64	134.11	89.80	435.95
Law Enforcement Memorial Fund	558.74	24.26	-	583.00
Special Sales Tax Fund	2,019,697.87	1,014,144.41	729,998.73	2,303,843.55
Capital Improvement Bond Fund	112,338.20	982,933.19	1,060,734.94	34,536.45
Emergency Management Conference Fund	956.43	293.01	140.48	1,108.96
Capital Improvement Project Fund	-	1,134,211.92	1,134,211.92	-
Inmate Security Fund	7,057.45	6,037.26	2,853.72	10,240.99
Deputy Sheriff Salary Fund	381.17	7,229.63	7,610.80	-
Special Election Fund	693.00	66,682.02	67,375.02	-
Transfer Funds	113,826.59	544,381.69	563,889.73	94,318.55
Collector's Tax Maintenance Fund	23,242.65	21,730.61	17,773.70	27,199.56
Garner Covert Memorial Fund	3,910.23	763.89	1,375.00	3,299.12
SB 40 Fund	61,058.08	208,334.07	169,625.88	99,766.27
F.B.O.M. Certificate Payment Fund	3,238.59	1,011,741.36	1,014,977.54	2.41
F.B.O.M. Reserve Fund	1,499,340.00	19,759.47	19,521.35	1,499,578.12
F.B.O.M. Project Fund	1,352,600.46	20,916.79	1,134,211.46	239,305.79
TOTAL	\$ 6,141,316.70	\$ 9,574,173.34	\$ 10,522,149.68	\$ 5,193,340.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GENERAL REVENUE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 4,000.00	\$ 4,619.80	\$ 5,200.00	\$ 4,672.48
Sales Taxes	893,000.00	931,215.87	935,000.00	919,755.72
Intergovernmental	427,735.00	366,933.66	305,280.00	430,908.07
Charges for Services	427,000.00	441,608.57	413,300.00	439,557.17
Interest	10,000.00	15,960.06	10,000.00	16,655.72
Other	59,000.00	1,302,919.34	65,544.92	836,649.93
Transfers In	1,441,003.00	92,655.81	1,093,676.35	146,109.81
TOTAL RECEIPTS	3,261,738.00	3,155,913.11	2,828,001.27	2,794,308.90
DISBURSEMENTS				
County Commission	87,400.00	87,195.00	87,400.00	86,128.92
County Clerk	144,646.00	138,929.56	144,655.00	136,498.21
Elections	114,000.00	96,961.63	35,000.00	19,966.57
Buildings and Grounds	89,200.00	54,757.72	99,040.00	75,977.26
Employee Fringe Benefits	634,800.00	529,873.11	566,372.00	452,710.42
County Treasurer	117,240.00	107,949.82	117,240.00	112,300.28
Collector	-	-	-	-
Recorder of Deeds	44,860.00	43,848.90	44,860.00	44,201.69
Circuit Clerk	13,425.00	12,843.68	6,725.00	6,293.81
Associate Circuit Court	-	11,713.59	6,700.00	6,140.42
Court Administration	380,000.00	346,464.12	78,216.00	317,198.34
Public Administrator	42,800.00	42,760.67	42,800.00	42,787.66
Sheriff	287,790.00	272,283.47	300,318.00	282,017.78
Jail	769,343.00	692,665.93	955,005.00	639,194.65
Prosecuting Attorney	205,626.00	203,054.75	196,606.00	196,535.67
Juvenile Officer	68,020.00	65,000.04	64,923.05	61,920.00
Coroner	22,200.00	25,377.65	22,200.00	22,471.30
Other	332,750.00	284,750.10	160,700.00	191,323.51
Health and Welfare	-	-	-	-
Transfers Out	15,000.00	26,744.92	52,000.00	82,341.01
Emergency Fund	80,000.00	50,000.00	85,000.00	20,074.64
TOTAL DISBURSEMENTS	3,449,100.00	3,093,174.66	3,065,760.05	2,796,082.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(187,362.00)	62,738.45	(237,758.78)	(1,773.24)
CASH AND INVESTMENT BALANCES, JANUARY 1				
	<u>242,502.91</u>	<u>242,502.91</u>	<u>244,276.15</u>	<u>244,276.15</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31				
	<u>\$ 55,140.91</u>	<u>\$ 305,241.36</u>	<u>\$ 6,517.37</u>	<u>\$ 242,502.91</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	SPECIAL ROAD & BRIDGE FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 888,552.00	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	912,704.95	928,000.00	874,074.91
Charges for Services	200.00	-	200.00	-
Interest	4,000.00	1,861.54	4,000.00	3,517.30
Other	-	-	100.00	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	892,752.00	914,566.49	932,300.00	877,592.21
DISBURSEMENTS				
Salaries	14,500.00	14,554.28	12,935.00	14,554.28
Employee Fringe Benefits	2,050.00	782.10	1,950.00	782.56
Supplies	7,350.00	29.75	7,350.00	80.43
Insurance	2,000.00	2,000.00	2,000.00	1,500.00
Road & Bridge Materials	6,000.00	3,535.01	6,000.00	3,323.54
Equipment Repairs	-	-	-	-
Equipment Purchases	-	-	-	-
R&B Construction	-	-	-	-
Other Expenditures	804,766.13	835,000.07	881,600.00	807,810.65
Debt Service	-	-	50,338.00	-
Transfers Out	51,885.87	52,973.54	-	43,521.38
TOTAL DISBURSEMENTS	888,552.00	908,874.75	962,173.00	871,572.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,200.00	5,691.74	(29,873.00)	6,019.37
CASH AND INVESTMENT BALANCES, JANUARY 1	84,990.00	84,990.00	78,970.63	78,970.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 89,190.00	\$ 90,681.74	\$ 49,097.63	\$ 84,990.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 194,500.00	\$ 163,222.13	\$ 205,476.00	\$ 222,078.97	\$ 25,904.00	\$ 5,545.08	\$ 3,550.00	\$ 8,082.14
Charges for Services	-	-	-	-	4,900.00	4,250.26	2,700.00	4,183.81
Interest	3,300.00	3,311.84	2,000.00	3,243.69	100.00	151.98	500.00	592.00
Other	7,000.00	6,726.15	7,500.00	6,895.03	-	715.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	204,800.00	173,260.12	214,976.00	232,217.69	30,904.00	10,662.32	6,750.00	12,857.95
DISBURSEMENTS								
Assesor	241,140.00	192,923.97	223,510.00	197,584.62	-	-	-	-
HAVA- Compliance	-	-	-	-	4,112.00	2,996.09	-	4,532.14
HAVA- Compliance- Cont.	-	-	-	-	21,792.00	3,501.99	-	-
Election Operations	-	-	-	-	8,500.00	7,569.67	17,000.00	15,056.04
TOTAL DISBURSEMENTS	241,140.00	192,923.97	223,510.00	197,584.62	34,404.00	14,067.75	17,000.00	19,588.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	(36,340.00)	(19,663.85)	(8,534.00)	34,633.07	(3,500.00)	(3,405.43)	(10,250.00)	(6,730.23)
CASH AND INVESTMENT BALANCES, JANUARY 1	43,211.86	43,211.86	8,578.79	8,578.79	3,555.23	3,555.23	10,285.46	10,285.46
BALANCES, DECEMBER 31	<u>\$ 6,871.86</u>	<u>\$ 23,548.01</u>	<u>\$ 44.79</u>	<u>\$ 43,211.86</u>	<u>\$ 55.23</u>	<u>\$ 149.80</u>	<u>\$ 35.46</u>	<u>\$ 3,555.23</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	LAW ENFORCEMENT TRAINING FUND				PROSECUTOR'S TRAINING FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,500.00	\$ 2,649.84	\$ -	\$ 2,459.22	\$ -	\$ 1,460.37	\$ -	\$ -
Charges for Services	6,000.00	5,831.50	6,000.00	5,728.00	1,440.00	-	1,300.00	1,434.01
Interest	100.00	212.13	200.00	102.15	10.00	16.05	50.00	4.96
Other	-	-	-	-	-	-	-	1,388.70
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,600.00	8,693.47	6,200.00	8,289.37	1,450.00	1,476.42	1,350.00	2,827.67
DISBURSEMENTS								
Public Safety	11,600.00	6,064.61	7,600.00	6,356.30	1,665.00	1,231.81	1,350.00	2,612.48
TOTAL DISBURSEMENTS	11,600.00	6,064.61	7,600.00	6,356.30	1,665.00	1,231.81	1,350.00	2,612.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	2,628.86	(1,400.00)	1,933.07	(215.00)	244.61	-	215.19
CASH AND INVESTMENT BALANCES, JANUARY 1	3,579.36	3,579.36	1,646.29	1,646.29	215.86	215.86	0.67	0.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 579.36</u>	<u>\$ 6,208.22</u>	<u>\$ 246.29</u>	<u>\$ 3,579.36</u>	<u>\$ 0.86</u>	<u>\$ 460.47</u>	<u>\$ 0.67</u>	<u>\$ 215.86</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	EMERGENCY MANAGEMENT FUND				LAW ENFORCEMENT OPERATION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	17,000.00	17,034.50	18,000.00	15,874.00
Interest	2.00	3.30	50.00	3.09	2,000.00	2,629.99	2,000.00	2,408.04
Other	100.00	-	8,500.00	50.00	1,000.00	90.00	-	292.50
Transfers In	-	-	-	-	-	-	1,200.00	-
TOTAL RECEIPTS	102.00	3.30	8,550.00	53.09	20,000.00	19,754.49	21,200.00	18,574.54
DISBURSEMENTS								
Emergency Management Expenses	175.00	-	8,570.00	-	-	-	-	-
Federal Forfeitures	-	-	-	-	5,825.91	-	11,512.91	8,095.04
Fundraiser	-	-	-	-	12,300.00	482.38	12,500.00	218.99
Special Civil Sheriff Fee Expense	-	-	-	-	60,100.00	18,922.89	49,500.00	1,556.68
TOTAL DISBURSEMENTS	175.00	-	8,570.00	-	78,225.91	19,405.27	73,512.91	9,870.71
RECEIPTS OVER (UNDER) DISBURSEMENTS	(73.00)	3.30	(20.00)	53.09	(58,225.91)	349.22	(52,312.91)	8,703.83
CASH AND INVESTMENT BALANCES, JANUARY 1	74.37	74.37	21.28	21.28	61,377.64	61,377.64	52,673.81	52,673.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1.37</u>	<u>\$ 77.67</u>	<u>\$ 1.28</u>	<u>\$ 74.37</u>	<u>\$ 3,151.73</u>	<u>\$ 61,726.86</u>	<u>\$ 360.90</u>	<u>\$61,377.64</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TEXAS COUNTY MUSEUM FUND				WRI - TEX 911 OPERATIONS FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,979.13	\$ -	\$ -
Charges for Services	565.97	65.97	134.55	8,646.00	344,000.00	-	343,000.00	344,242.53
Interest	500.00	488.67	650.00	-	8,500.00	10,314.98	14,000.00	11,670.01
Other	565.97	65.97	134.55	9,183.18	500.00	201.27	5,500.00	173.42
TOTAL RECEIPTS	<u>1,065.97</u>	<u>554.64</u>	<u>784.55</u>	<u>9,183.18</u>	<u>353,000.00</u>	<u>374,495.38</u>	<u>362,500.00</u>	<u>356,085.96</u>
DISBURSEMENTS								
Salaries	-	-	-	-	236,842.00	213,009.77	227,812.00	212,501.39
Fringe Benefits	-	-	-	-	95,620.00	84,466.52	83,900.00	76,780.17
Mileage & Training	-	-	-	-	6,000.00	4,322.49	10,000.00	3,322.64
Office Expense	-	-	-	-	14,000.00	16,912.46	16,000.00	10,854.44
Administrative Fee	-	-	-	-	20,000.00	20,393.22	20,000.00	20,247.42
Operations Expense	-	-	-	-	9,000.00	6,229.65	8,000.00	5,187.96
Legal	-	-	-	-	2,000.00	516.00	2,000.00	-
Depreciation	-	-	-	-	10,000.00	70,090.26	10,000.00	-
Phone	-	-	-	-	70,000.00	-	75,000.00	66,933.34
Museum Operations	12,151.05	216.00	13,615.00	10,963.95	-	-	-	-
TOTAL DISBURSEMENTS	<u>12,151.05</u>	<u>216.00</u>	<u>13,615.00</u>	<u>10,963.95</u>	<u>463,462.00</u>	<u>415,940.37</u>	<u>452,712.00</u>	<u>395,827.36</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,085.08)	338.64	(12,830.45)	(1,780.77)	(110,462.00)	(41,444.99)	(90,212.00)	(39,741.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>11,093.80</u>	<u>11,093.80</u>	<u>12,874.57</u>	<u>12,874.57</u>	<u>240,183.16</u>	<u>240,183.16</u>	<u>279,924.56</u>	<u>279,924.56</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 8.72</u>	<u>\$ 11,432.44</u>	<u>\$ 44.12</u>	<u>\$ 11,093.80</u>	<u>\$ 129,721.16</u>	<u>\$ 198,738.17</u>	<u>\$ 189,712.56</u>	<u>\$ 240,183.16</u>

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	WRI - TEX 911 DEPRECIATION FUND				RECORDER USER FEE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	18,500.00	13,249.25	15,000.00	15,158.75
Interest	1,000.00	1,154.59	3,300.00	2,732.68	1,000.00	1,897.88	1,500.00	1,746.11
Other	-	-	18,000.00	17,500.00	-	-	-	-
Transfers In	10,000.00	-	10,000.00	-	-	-	-	-
TOTAL RECEIPTS	11,000.00	1,154.59	31,300.00	20,232.68	19,500.00	15,147.13	16,500.00	16,904.86
DISBURSEMENTS								
Expenses	56,000.00	23,972.06	70,000.00	21,818.77	-	-	-	-
Recorder's Expense	-	-	-	-	52,500.00	15,363.70	52,500.00	11,076.25
TOTAL DISBURSEMENTS	56,000.00	23,972.06	70,000.00	21,818.77	52,500.00	15,363.70	52,500.00	11,076.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,000.00)	(22,817.47)	(38,700.00)	(1,586.09)	(33,000.00)	(216.57)	(36,000.00)	5,828.61
CASH AND INVESTMENT BALANCES, JANUARY 1	45,612.53	45,612.53	47,198.62	47,198.62	42,110.52	42,110.52	36,281.91	36,281.91
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 612.53	\$ 22,795.06	\$ 8,498.62	\$ 45,612.53	\$ 9,110.52	\$ 41,893.95	\$ 281.91	\$ 42,110.52

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HOUSTON, MISSOURI
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	PROSECUTOR'S BAD CHECK FUND				L.E.P.C. FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,700.00	\$ -
Charges for Services	20,000.00	15,798.35	30,000.00	19,787.65	4,700.00	2,718.94	-	4,653.80
Interest	100.00	712.35	200.00	78.35	300.00	616.16	-	633.54
Other	-	-	-	12,447.64	-	-	400.00	-
TOTAL RECEIPTS	20,100.00	16,510.70	30,200.00	32,313.64	5,000.00	3,335.10	4,100.00	5,287.34
DISBURSEMENTS								
Office Operations	-	-	3,500.00	4,883.31	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Witness- Contract Labor	-	-	655.00	10,171.29	-	-	-	-
Other	21,000.00	20,967.34	26,044.92	6,784.96	-	-	-	-
LEPC Expenses	-	-	-	-	18,700.00	2,099.77	20,659.35	8,125.30
TOTAL DISBURSEMENTS	21,000.00	20,967.34	30,199.92	21,839.56	18,700.00	2,099.77	20,659.35	8,125.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(900.00)	(4,456.64)	0.08	10,474.08	(13,700.00)	1,235.33	(16,559.35)	(2,837.96)
CASH AND INVESTMENT BALANCES, JANUARY 1	10,474.08	10,474.08	-	-	14,121.39	14,121.39	16,959.35	16,959.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 9,574.08	\$ 6,017.44	\$ 0.08	\$ 10,474.08	\$ 421.39	\$ 15,356.72	\$ 400.00	\$ 14,121.39

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	DEFENSE DEDUCTIBLE FUND				CONCEALED FIREARMS PERMIT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	50.97	2,000.00	568.96	500.00	810.13	300.00	851.11
Other	-	3,315.00	40,000.00	40,733.63	11,000.00	8,390.80	5,600.00	10,450.00
Transfers In	-	-	-	33,341.01	-	-	-	-
TOTAL RECEIPTS	10.00	3,365.97	42,000.00	74,643.60	11,500.00	9,200.93	5,900.00	11,301.11
DISBURSEMENTS								
Expenses	-	-	68,000.00	100,872.14	-	-	-	-
Miscellaneous Expense	-	-	-	-	30,000.00	16,520.02	18,000.00	57.62
Fringe Benefits	-	-	-	-	-	-	-	-
Equip/Auto Expense	-	-	-	-	-	-	-	-
Other - Sheriff	-	-	-	-	-	-	-	-
Other - Jail	-	-	-	-	-	-	-	-
Debt Service / Equip	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	68,000.00	100,872.14	30,000.00	16,520.02	18,000.00	57.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	10.00	3,365.97	(26,000.00)	(26,228.54)	(18,500.00)	(7,319.09)	(12,100.00)	11,243.49
CASH AND INVESTMENT BALANCES, JANUARY 1	66.29	66.29	26,294.83	26,294.83	24,317.09	24,317.09	13,073.60	13,073.60
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 76.29	\$ 3,432.26	\$ 294.83	\$ 66.29	\$ 5,817.09	\$ 16,998.00	\$ 973.60	\$ 24,317.09

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THE COUNTY OF TEXAS
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	JURY SCRIPT FUND				DOMESTIC VIOLENCE VICTIM FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	12,301.91	18,054.05	12,104.55	18,258.09
Charges for Services	-	-	-	-	8,100.00	8,279.18	7,300.00	8,026.00
Interest	-	-	-	-	500.00	518.19	400.00	618.48
Other	15,000.00	11,713.59	12,000.00	10,242.80	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	15,000.00	11,713.59	12,000.00	10,242.80	20,901.91	26,851.42	19,804.55	26,902.57
DISBURSEMENTS								
Jury Expense	15,000.00	11,713.59	12,000.00	10,242.80	-	-	-	-
Other	-	-	-	-	31,301.91	26,109.05	28,804.55	25,244.09
TOTAL DISBURSEMENTS	15,000.00	11,713.59	12,000.00	10,242.80	31,301.91	26,109.05	28,804.55	25,244.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(10,400.00)	742.37	(9,000.00)	1,658.48
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	10,805.01	10,805.01	9,146.53	9,146.53
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405.01</u>	<u>\$ 11,547.38</u>	<u>\$ 146.53</u>	<u>\$ 10,805.01</u>

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	MUSEUM ENDOWMENT FUND				BRIDGE REPLACEMENT FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,408.90	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	-	50.00	31.42	500.00	2,359.65	4,200.00	3,769.26
Other	-	30.83	250.00	-	-	59,987.22	-	-
Transfers In	-	-	-	-	7,455.87	7,455.87	3,938.00	-
TOTAL RECEIPTS	30.00	30.83	300.00	31.42	7,955.87	91,211.64	8,138.00	3,769.26
DISBURSEMENTS								
Expenses	-	-	-	-	25,949.55	44,940.79	95,000.00	73,590.40
Museum Endowment	65.97	65.97	34.37	-	-	-	-	-
TOTAL DISBURSEMENTS	65.97	65.97	34.37	-	25,949.55	44,940.79	95,000.00	73,590.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(35.97)	(35.14)	265.63	31.42	(17,993.68)	46,270.85	(86,862.00)	(69,821.14)
CASH AND INVESTMENT BALANCES, JANUARY 1	755.18	755.18	723.76	723.76	17,993.68	17,993.68	87,814.82	87,814.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 719.21	\$ 720.04	\$ 989.39	\$ 755.18	\$ -	\$ 64,264.53	\$ 952.82	\$ 17,993.68

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THE COUNTY OF TEXAS
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COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTOR'S DELINQUENT TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	22,000.00	28,066.09	14,000.00	20,608.50	-	811.08	-	120.00
Interest	500.00	1,018.92	700.00	587.08	-	35.79	10.00	14.11
Other	-	-	-	40.23	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	22,500.00	29,085.01	14,700.00	21,235.81	-	846.87	10.00	134.11
DISBURSEMENTS								
Law Enforcement Restitution	22,004.21	21,961.11	15,279.97	14,434.10	-	-	-	-
Prosecuting Attorney Expense	-	-	-	-	435.00	-	400.00	89.80
TOTAL DISBURSEMENTS	22,004.21	21,961.11	15,279.97	14,434.10	435.00	-	400.00	89.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	495.79	7,123.90	(579.97)	6,801.71	(435.00)	846.87	(390.00)	44.31
CASH AND INVESTMENT BALANCES, JANUARY 1	22,081.68	22,081.68	15,279.97	15,279.97	435.95	435.95	391.64	391.64
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 22,577.47</u>	<u>\$ 29,205.58</u>	<u>\$ 14,700.00</u>	<u>\$ 22,081.68</u>	<u>\$ 0.95</u>	<u>\$ 1,282.82</u>	<u>\$ 1.64</u>	<u>\$ 435.95</u>

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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	LAW ENFORCEMENT MEMORIAL FUND				SPECIAL SALES TAX FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ 893,000.00	\$ 930,301.95	\$ 936,000.00	\$ 918,911.72
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	10.00	19.26	20.00	24.26	90,000.00	97,385.20	60,000.00	95,232.69
Other	-	-	5,000.00	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10.00	19.26	5,020.00	24.26	983,000.00	1,027,687.15	996,000.00	1,014,144.41
DISBURSEMENTS								
Memorial Expenses	593.00	602.26	5,500.00	-	-	-	-	-
Special Maintenance Expense	-	-	-	-	1,716,573.00	1,355,483.28	1,247,276.35	729,998.73
TOTAL DISBURSEMENTS	593.00	602.26	5,500.00	-	1,716,573.00	1,355,483.28	1,247,276.35	729,998.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(583.00)	(583.00)	(480.00)	24.26	(733,573.00)	(327,796.13)	(251,276.35)	284,145.68
CASH AND INVESTMENT BALANCES, JANUARY 1	583.00	583.00	558.74	558.74	2,303,843.55	2,303,843.55	2,019,697.87	2,019,697.87
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78.74</u>	<u>\$ 583.00</u>	<u>\$ 1,570,270.55</u>	<u>\$ 1,976,047.42</u>	<u>\$ 1,768,421.52</u>	<u>\$ 2,303,843.55</u>

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THE COUNTY OF TEXAS
HOUSTON, MISSOURI
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	CAPITAL IMPROVEMENT BOND FUND				EMERGENCY MANAGEMENT CONFERENCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 893,000.00	\$ 1,089,661.60	\$ 936,000.00	\$ 918,909.34	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	49,000.00	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	10,000.00	12,128.61	15,000.00	15,023.85	50.00	49.14	50.00	43.01
Other	-	-	-	-	1,200.00	-	1,200.00	250.00
Transfers In	110,000.00	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,013,000.00	1,101,790.21	951,000.00	982,933.19	1,250.00	49.14	1,250.00	293.01
DISBURSEMENTS								
Conference Expenses	-	-	-	-	2,200.00	-	2,200.00	140.48
Bond Repayment	1,044,950.00	1,044,798.59	1,011,950.00	1,011,734.94	-	-	-	-
Capital Improvement Expenses	-	-	-	49,000.00	-	-	-	-
TOTAL DISBURSEMENTS	1,044,950.00	1,044,798.59	1,011,950.00	1,060,734.94	2,200.00	-	2,200.00	140.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,950.00)	56,991.62	(60,950.00)	(77,801.75)	(950.00)	49.14	(950.00)	152.53
CASH AND INVESTMENT BALANCES, JANUARY 1	34,536.45	34,536.45	112,338.20	112,338.20	1,108.96	1,108.96	956.43	956.43
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,586.45	\$ 91,528.07	\$ 51,388.20	\$ 34,536.45	\$ 158.96	\$ 1,158.10	\$ 6.43	\$ 1,108.96

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THE COUNTY OF TEXAS
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	CAPITAL IMPROVEMENT PROJECT FUND				INMATE SECURITY FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 239,305.33	\$ 226,985.25	\$ 1,352,600.46	\$ 1,134,211.92	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	6,100.00	5,788.00	6,000.00	5,646.00
Interest	-	-	-	-	200.00	586.76	200.00	391.26
TOTAL RECEIPTS	<u>239,305.33</u>	<u>226,985.25</u>	<u>1,352,600.46</u>	<u>1,134,211.92</u>	<u>6,300.00</u>	<u>6,374.76</u>	<u>6,200.00</u>	<u>6,037.26</u>
DISBURSEMENTS								
Identification System Expense	-	-	-	-	16,000.00	74.00	13,000.00	2,853.72
Capital Improvement	195,467.08	226,985.25	1,329,682.46	1,134,211.92	-	-	-	-
Intergovernmental	<u>22,918.00</u>	<u>-</u>	<u>22,918.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>218,385.08</u>	<u>226,985.25</u>	<u>1,352,600.46</u>	<u>1,134,211.92</u>	<u>16,000.00</u>	<u>74.00</u>	<u>13,000.00</u>	<u>2,853.72</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,920.25	-	-	-	(9,700.00)	6,300.76	(6,800.00)	3,183.54
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,240.99</u>	<u>10,240.99</u>	<u>7,057.45</u>	<u>7,057.45</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 20,920.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540.99</u>	<u>\$ 16,541.75</u>	<u>\$ 257.45</u>	<u>\$ 10,240.99</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	DEPUTY SHERIFF SALARY FUND				SPECIAL ELECTION FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	97,698.72	-	66,682.02
Charges for Services	8,000.00	7,725.00	5,100.00	7,126.00	-	-	-	-
Interest	100.00	3.93	-	103.63	-	-	-	-
Other	-	-	50.00	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,100.00	7,728.93	5,150.00	7,229.63	-	97,698.72	-	66,682.02
DISBURSEMENTS								
Distribution to State Fund	8,100.00	7,728.93	5,531.17	7,610.80	-	-	-	-
Special Election Cost	-	-	-	-	-	97,698.72	693.00	34,034.01
Equipment	-	-	-	-	-	-	-	-
Programs	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	33,341.01
TOTAL DISBURSEMENTS	8,100.00	7,728.93	5,531.17	7,610.80	-	97,698.72	693.00	67,375.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(381.17)	(381.17)	-	-	(693.00)	(693.00)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	381.17	381.17	-	-	693.00	693.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	TRANSFER FUNDS				COLLECTOR'S TAX MAINTENANCE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	565,207.66	-	544,381.69	-	-	-	-
Charges for Services	-	-	-	-	20,000.00	22,277.49	15,000.00	20,261.69
Interest	-	-	-	-	1,000.00	1,194.66	1,000.00	1,468.92
Other	-	-	-	-	1,000.00	30.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	565,207.66	-	544,381.69	22,000.00	23,502.15	16,000.00	21,730.61
DISBURSEMENTS								
Distributions	94,318.55	531,285.05	113,826.59	563,889.73	-	-	-	-
Collector's Operations	-	-	-	-	41,000.00	30,931.60	39,000.00	17,773.70
Equipment	-	-	-	-	-	-	-	-
Programs	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	94,318.55	531,285.05	113,826.59	563,889.73	41,000.00	30,931.60	39,000.00	17,773.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	(94,318.55)	33,922.61	(113,826.59)	(19,508.04)	(19,000.00)	(7,429.45)	(23,000.00)	3,956.91
CASH AND INVESTMENT BALANCES, JANUARY 1	94,318.55	94,318.55	113,826.59	113,826.59	27,199.56	27,199.56	23,242.65	23,242.65
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 128,241.16	\$ -	\$ 94,318.55	\$ 8,199.56	\$ 19,770.11	\$ 242.65	\$ 27,199.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	GARNER COVERT MEMORIAL FUND				SB40 FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 185,000.00	\$ 187,686.95	\$ 168,800.00	\$ 207,067.38
Sales Taxes	-	-	-	-	1,250.00	-	-	1,266.69
Interest	300.00	223.80	600.00	363.89	-	681.85	1,000.00	-
Other	-	400.00	-	400.00	-	1,356.79	200.00	-
TOTAL RECEIPTS	300.00	623.80	600.00	763.89	186,250.00	189,725.59	170,000.00	208,334.07
DISBURSEMENTS								
Distribution Report	3,500.00	900.00	4,500.00	1,375.00	-	-	-	-
Opportunity Sheltered Ind.	-	-	-	-	172,000.00	172,000.00	167,000.00	167,000.00
General Expense	-	-	-	-	3,800.00	3,191.24	3,000.00	2,625.88
TOTAL DISBURSEMENTS	3,500.00	900.00	4,500.00	1,375.00	175,800.00	175,191.24	170,000.00	169,625.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,200.00)	(276.20)	(3,900.00)	(611.11)	10,450.00	14,534.35	-	38,708.19
CASH AND INVESTMENT BALANCES, JANUARY 1	3,299.12	3,299.12	3,910.23	3,910.23	99,766.27	99,766.27	61,058.08	61,058.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 99.12	\$ 3,022.92	\$ 10.23	\$ 3,299.12	\$ 110,216.27	\$ 114,300.62	\$ 61,058.08	\$ 99,766.27

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	F.B.O.M. CERTIFICATE OF PAYMENT FUND				F.B.O.M. RESERVE FUND			
	2010		2009		2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 1,044,950.00	\$ 1,044,798.59	\$ 1,011,950.00	\$ 1,011,734.94	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Interest Income	-	(0.95)	-	6.42	-	33,571.02	60,000.00	19,759.47
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,044,950.00	1,044,797.64	1,011,950.00	1,011,741.36	-	33,571.02	60,000.00	19,759.47
DISBURSEMENTS								
Bond Repayment	1,044,950.00	1,044,798.59	1,011,950.00	1,014,977.54	-	-	-	-
Distribution Expense	-	-	-	-	-	225.66	60,000.00	19,521.35
Transfers Out	-	-	-	-	-	33,423.48	-	-
TOTAL DISBURSEMENTS	1,044,950.00	1,044,798.59	1,011,950.00	1,014,977.54	-	33,649.14	60,000.00	19,521.35
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(0.95)	-	(3,236.18)	-	(78.12)	-	238.12
CASH AND INVESTMENT BALANCES, JANUARY 1	2.41	2.41	3,238.59	3,238.59	1,499,578.12	1,499,578.12	1,499,340.00	1,499,340.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2.41	\$ 1.46	\$ 3,238.59	\$ 2.41	\$ 1,499,578.12	\$ 1,499,500.00	\$ 1,499,340.00	\$ 1,499,578.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	F.B.O.M. PROJECT FUND			
	2010		2009	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Tax	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-
Interest Income	-	8.03	74,400.00	20,916.79
Transfers In	-	33,423.48	-	-
TOTAL RECEIPTS	-	33,431.51	74,400.00	20,916.79
DISBURSEMENTS				
Arbitrage Taxes	-	-	22,918.00	-
Distribution Expense	239,305.79	217,072.37	1,329,682.46	1,134,211.46
TOTAL DISBURSEMENTS	239,305.79	217,072.37	1,352,600.46	1,134,211.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	(239,305.79)	(183,640.86)	(1,278,200.46)	(1,113,294.67)
CASH AND INVESTMENT BALANCES, JANUARY 1	239,305.79	239,305.79	1,352,600.46	1,352,600.46
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 55,664.93	\$ 74,400.00	\$ 239,305.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2010

	2010					
	Collector Funds	Clerk Funds	Recorder of Deeds Funds	Sheriff Funds	Sheriff Land	Prosecuting Attorney Funds
ASSETS						
Cash and Cash Equivalents	\$ 4,525,440.41	\$ 0.52	\$ 14,379.82	\$ 6,297.98	\$ 10.33	\$ 14,402.56
Investments	-	-	-	-	-	-
Total Assets	4,525,440.41	0.52	14,379.82	6,297.98	10.33	14,402.56
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,525,440.41	0.52	14,379.82	6,297.98	10.33	14,402.56
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,525,440.41	\$ 0.52	\$ 14,379.82	\$ 6,297.98	\$ 10.33	\$ 14,402.56
	Hutcheson Cemetery Funds	Garner Covert Memorial Funds	CERF	Criminal Costs	Unclaimed Fees	Total Fiduciary Funds
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,560,531.62
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,579,850.36
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,579,850.36
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,318.74	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 4,579,850.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2009

2009

	<u>Collector Funds</u>	<u>Clerk Funds</u>	<u>Recorder of Deeds Funds</u>	<u>Sheriff Funds</u>	<u>Sheriff Land</u>	<u>Prosecuting Attorney Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 4,605,335.00	\$ 1,653.86	\$ 14,357.63	\$ 6,922.87	\$ 10.33	\$ 10,700.72
Investments	-	-	-	-	-	-
Total Assets	4,605,335.00	1,653.86	14,357.63	6,922.87	10.33	10,700.72
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	4,605,335.00	1,653.86	14,357.63	6,922.87	10.33	10,700.72
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,605,335.00</u>	<u>\$ 1,653.86</u>	<u>\$ 14,357.63</u>	<u>\$ 6,922.87</u>	<u>\$ 10.33</u>	<u>\$ 10,700.72</u>

	<u>Huthceson Cemetery Funds</u>	<u>Garner Covert Memorial Funds</u>	<u>CERF</u>	<u>Criminal Costs</u>	<u>Unclaimed Fees</u>	<u>Total Fiduciary Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,638,980.41
Investments	7,318.74	12,000.00	-	-	-	19,318.74
Total Assets	7,318.74	12,000.00	-	-	-	4,658,299.15
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES - OVERDRAFT	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,318.74	12,000.00	-	-	-	4,658,299.15
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,318.74</u>	<u>\$ 12,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,658,299.15</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Texas, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eight elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Texas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

	<u>2010</u>	<u>2009</u>
Real Estate	\$ 134,955,740	\$ 132,972,960
Personal Property	46,213,159	45,402,880
Railroad and Utilities	<u>8,927,869</u>	<u>9,091,268</u>
	<u>\$ 190,096,768</u>	<u>\$ 187,467,108</u>

During 2010 and 2009, the County Commission did not approve a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007.

F. Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was \$4,817,555.06 and \$5,193,340.36, and the bank balance was \$9,472,381.26 and \$9,684,946.36, respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U.S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 4,817,555.06
Investments	-
	<hr/>
Total Deposits & Investments as of December 31, 2010	\$ <u>4,817,555.06</u>

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances -	
Deposits	\$ 5,193,340.36
Investments	-
	<hr/>
Total Deposits & Investments as of December 31, 2009	\$ <u>5,193,340.36</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2010 and 2009.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government’s name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County’s investments were not exposed to concentration of investment credit risk for the years ended December 31, 2010 and 2009.

III. LONG-TERM DEBT

The county has \$14,995,000 Texas County, Missouri Certificates of Participation (Texas County Justice Center Project) Series 2006 dated September 1, 2006. Serial certificates of \$9,430,000 mature on December 1, 2021, and term certificates of \$5,565,000 mature on December 1, 2025. Principal and interest payments are due annually on December 1, with a variable annual interest rate from 4.00% to 4.60%. First Bank is the paying agent of this bond.

SERIES 2006 COP AMORTIZATION FOR 2009

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2010	\$ 450,000.00	\$ 593,350.00	\$ 1,043,350.00
2011	475,000.00	574,225.00	1,049,225.00
2012	525,000.00	555,225.00	1,080,225.00
2013	550,000.00	532,912.50	1,082,912.50
2014	605,000.00	509,537.50	1,114,537.50
2015-2019	3,725,000.00	2,122,425.00	5,847,425.00
2020-2024	4,740,000.00	1,237,562.50	5,977,562.50
2025	2,600,000.00	117,000.00	2,717,000.00
	<u>\$ 13,670,000.00</u>	<u>\$ 6,242,237.50</u>	<u>\$ 19,912,237.50</u>

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2008	\$ 14,070,000.00
Additions	-
Payments	<u>(400,000.00)</u>
Balance – December 31, 2009	<u>\$ 13,670,000.00</u>

SERIES 2006 COP AMORTIZATION FOR 2010

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2011	\$ 475,000.00	\$ 574,225.00	\$ 1,049,225.00
2012	525,000.00	555,225.00	1,080,225.00
2013	550,000.00	532,912.50	1,082,912.50
2014	605,000.00	509,537.50	1,114,537.50
2015	650,000.00	483,825.00	1,133,825.00
2016-2020	3,950,000.00	1,964,912.50	5,914,912.50
2021-2025	<u>6,465,000.00</u>	<u>1,028,250.00</u>	<u>7,493,250.00</u>
	<u>\$ 13,220,000.00</u>	<u>\$ 5,648,887.50</u>	<u>\$ 18,868,887.50</u>

Balance – December 31, 2009	\$ 13,670,000.00
Additions	-
Payments	<u>(450,000.00)</u>
Balance – December 31, 2010	<u>\$ 13,220,000.00</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Revenue	\$ 92,655.81	\$ 26,744.92	\$ 146,109.81	\$ 82,341.01
Special Road and Bridge	-	52,973.54	-	43,521.38
Bridge Replacement	7,455.87	-	-	-
Wri-Tex 911 Operations	-	20,393.22	-	20,247.42
Special Election	-	-	-	33,341.01
F.B.O.M. Project	33,423.48	-	-	-
F.B.O.M. Reserve	-	33,423.48	-	-
Defense & Deductible	<u>-</u>	<u>-</u>	<u>33,341.01</u>	<u>-</u>
TOTAL	<u>\$ 133,535.16</u>	<u>\$ 133,535.16</u>	<u>\$ 179,450.82</u>	<u>\$ 179,450.82</u>

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

IV. INTERFUND TRANSFERS (concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2010 and 2009, the County collected and remitted to CERF, employee contributions of approximately for \$83,555.79 and \$81,565.57, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Texas County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Texas County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2010 are 11.2% (general) and 10.1% (police), for 2009 they are 10.2% (general) and 9.7% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO)

For 2010, the political subdivision's annual pension cost of \$162,653 was greater than actual contributions by \$7,970, leaving a net pension obligation of that amount at the end of the year. The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of \$129,238 was equal to the required and actual contributions. The required contribution was determined as part of February 28, 2007 and

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (APC) and Net Pension Obligation (NPO) (concluded)

February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on RP 2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of 2/29/08 was 15 years for the General division and 15 years for the Police division. The amortization period as of 2/28/09 was 30 years for the General division and 8 years for the Police division.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2008	\$ 117,793	100%	\$ 0
6/30/2009	121,914	100%	0
6/30/2010	162,653	95.1%	7,970

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/29/2008	\$1,820,856	\$ 1,732,652	\$ (88,204)	105%	\$ 1,104,121	0%
2/28/2009	1,574,278	1,820,602	246,324	86%	1,080,455	23%
2/28/2010	1,830,809	2,096,828	266,019	87%	1,446,970	18%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$31,008 and \$0, respectively, for the years ended December 31, 2010 and 2009.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee will not be reimbursed for any unused vacation days. Employees earn one-half day of sick leave per month. The County allows employees to carry forward six days a year and cannot be accrued beyond six days total. An employee will not be reimbursed for unused sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

The Senate Bill 40 fund is now included as a fund in the financial statements. In previous years, it was audited separately from the County.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2009, expenditures exceeded those budgeted for the following: election services fund, prosecutor's training fund, defense deductible fund, capital improvement bond fund, deputy sheriff salary fund, special election fund, transfers funds, and F.B.O.M. certificate of payment fund.

- B. For the year ended December 31, 2010, expenditures exceeded those budgeted for the following: special road & bridge fund, bridge replacement fund, law enforcement memorial fund, capital improvement project fund, special election fund, transfer funds, and F.B.O.M. reserve fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Texas, Missouri

We have audited the financial statements of the County of Texas ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 18, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. (FS 09/10-01, FS 09/10-02 and FS 09/10-03) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated August 18, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 18, 2011

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. FINANCIAL STATEMENT FINDINGS

FS 09/10-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement.

FS 09/10-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 09/10-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

FS 09/10-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-01.

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

THE COUNTY OF TEXAS
HOUSTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 07/08-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-02.

FS 07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Status: It appears no corrective action plan has been implemented. Therefore, this finding has been re-issued in the current year as FS 09/10-03.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Texas County, Missouri

In planning and performing our audit of the financial statements of the County of Texas ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Texas County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, 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.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

August 18, 2011

I. FINANCIAL STATEMENT FINDINGS

FS 09/10-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement.

FS 09/10-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

I. FINANCIAL STATEMENT FINDINGS (concluded)

FS 09/10-02 Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

FS 09/10-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control*, *significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.
- b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.
- c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.
- d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 18, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

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

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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 18, 2011.

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 governmental unit's financial statements or a determination of the type of auditor's 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.

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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit, we noted that the Recorder's office account and the Prosecuting Attorney's petty cash account were not reconciled.