

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY, 14TH DAY OF JANUARY, 2008 AT 10:00 A.M., IN THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE H.M. DAVENPORT, COMMISSIONER'S PRESENT KIT HERRINGTON, FAITH HOLT, WILLIAM BALDWIN, AND JAMES OLSEN.

1. MOTION TO CONVENE BY BALDWIN SEC BY OLSEN
ALL VOTED AYE
2. PRAYER BY COMMISSIONER BALDWIN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- LINDSAY HALE-WE NEED TO GET EQUIPMENT THAT WILL MIX ROAD MATERIAL TO FIX ROADS, WE NEED ROAD COUNTERS TO MONITOR ACTIVITY ON ROADS TO BE REPAIRED

CONSENT AGENDA

- ITEMS 5-17 MOTION TO APPROVE CONSENT AGENDA BY BALDWIN
SEC BY HERRINGTON
ALL VOTED AYE
5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS MEETING OF DECEMBER 20, 2007 & JANUARY 7, 2008
6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE COUNTY AUDITOR
7. MOTION TO APPROVE TAX REPORT FROM RUSSELL P. HUDSON
TO WIT PG 534-538
8. MOTION TO APPROVE TREASURER'S REPORT FROM RUBY COKER
TO WIT PG 539
9. MOTION TO APPROVE THE MINUTES OF THE DECEMBER 6, 2007 PLANNING AND ZONING MEETING
TO WIT PG 540-541
10. MOTION TO APPROVE SPECIAL USE PERMIT # 12-07-363 FOR PAUL AND JANET KAPFERER. THIS REQUEST IS FOR A STORAGE BUILDING WITH A VARIANCE. THE PROPERTY IS LOCATED AT 215 SE 3124A.

P & Z BOARD FOUND THEM IN VIOLATION FINED THEM, THEY WERE ALLOWED TO CONTINUE LIVING IN STORAGE BUILDING UNTIL HOUSE IS COMPLETED

11. MOTION TO APPROVE SPECIAL USE PERMIT #12-07-364 FOR SOUTHPORT MARINA, INC. BY RICK MAY. THIS REQUEST IS FOR A DUPLEX CABIN. THE PROPERTY IS LOCATED AT 10000 SPUR 294
P & Z BOARD RECOMMENDS THEY REMOVE CABIN WHEN PROJECT IS FINISHED
12. MOTION TO APPROVE SPECIAL USE PERMIT # 12-07-365 FOR JOHN AND DONNA KING. THIS REQUEST IS FOR A STORAGE BUILDING WITH A VARIANCE FOR SIZE. THE PROPERTY IS LOCATED AT LOT 20 OF PEARL VALLEY ESTATES
P & Z BOARD RECOMMENDS FOR THEM TO REMOVE STORAGE BUILDING
13. MOTION TO APPROVE ZONING CHANGE #12-07-366 FOR BOB SINGLETON. THIS REQUEST IS FROM AGRICULTURE TO COMMERCIAL. THE PROPERTY CONSISTS OF 1.480 ACRES IN THE ROBERT CARADINE SURVEY AND LOCATED ON S. HWY 287 AND SE 3185
14. MOTION TO APPROVE REPLAT OF LOTS 12 AND 13 OF SANDY COVE RANCH ON RICHLAND CHAMBERS BY COVE PARTNERS, LLC. THIS PROPERTY IS LOCATED ON SE 2360
15. MOTION TO APPROVE FINAL PLAT FOR LAKE ESTATES FOR ERIC HAUPERS. THIS PROPERTY IS LOCATED ON FM 667
16. MOTION TO APPROVE AN AMENDMENT TO THE NAVARRO COUNTY SUBDIVISION REGULATIONS REGARDING ROAD CONSTRUCTION
17. MOTION TO APPROVE COURT ORDER #01-08-01 REGARDING THE REQUIREMENT OF ROAD BONDS

REGULAR AGENDA

18. MOTION TO APPROVE AMENDMENTS TO NAVARRO COUNTY SUBDIVISION REGULATIONS BY HOLT SEC BY HERRINGTON
ALL VOTED **TO WIT PG 542-543**
19. MOTION TO APPROVE A COURT ORDER REGARDING CHANGES IN ROAD BOND REQUIREMENTS BY OLSEN SEC BY BALDWIN

ALL VOTED AYE **TO WIT PG 544-545**

20. MOTION TO TABLE UNTIL AUDITOR REVIEWS CONTRACT FOR ORCA FUNDS AND CONDITIONS, REGULATIONS, AND SPECIFICATIONS FOR PROCUREMENT AND ADMINISTRATION OF THOSE FUNDS BY HOLT SEC BY BALDWIN
ALL VOTED AYE

21. MOTION TO APPROVE BUDGET AMENDMENT FOR CONSTABLE, PRECINCT #2 BY HOLT SEC BY BALWIN
ALL VOTED AYE **TO WIT PG 546**

22. MOTION TO APPROVE BUDGET AMENDMENT FOR THE OPERATING EXPENDITURES FOR CONSTABLE, PRECINCT #2
TAKEN CARE OF ON #21

23. MOTION TO APPROVE BUDGET AMENDMENT FOR THE APPOINTMENT OF A TEMPORARY JUSTICE OF THE PEACE BY OLSEN SEC BY HOLT
ALL VOTED AYE **TO WIT PG 547**

24. MOTION TO APPROVE ENGAGEMENT LETTER WITH PATILLO, BROWN, & HILL, L.L.P. FOR AUDIT SERVICES FOR NAVARRO COUNTY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007 BY HOLT SEC BY JUDGE DAVENPORT
ALL VOTED AYE **TO WIT PG 548-555**

25. MOTION TO APPROVE ENGAGEMENT LETTER WITH PATILLO, BROWN & HILL, L.L.P. FOR AUDIT SERVICES FOR THE NAVARRO COUNTY JUVENILE PROBATION DEPARTMENT FOR THE FISCAL YEAR ENDED AUGUST 30, 2007 BY JUDGE DAVENPORT SEC BY OLSEN
ALL VOTED AYE **TO WIT PG 556-562**

26. MOTION TO APPROVE AUTHORIZATION FOR AUDITOR TO ADVERTISE FOR BIDS FOR VIDEO SECURITY SYSTEM FOR COURTHOUSE BY HOLT SEC BY BALDWIN
ALL VOTED AYE

27. MOTION FOR TAX ABATEMENT POLICY WITH THE CONTIGENCY TO ADD THE WORDING "INDUSTRIAL" IN 4 PLACES ON POLICY BY OLSEN SEC BY BALDWIN **TO WIT PG 563-568**
ALL VOTED AYE

28. MOTION TO APPROVE GOING INTO EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE SECTION 551.074 TO DISCUSS PERSONNEL BY HOLT SEC BY HERRINGTON
ALL VOTED AYE

MOTION TO APPROVE GOING BACK INTO REGULAR SESSION BY JUDGE DAVENPORT SEC BY OLSEN
ALL VOTED AYE

NO ACTION TAKEN

29. MOTION TO ADJOURN BY HOLT SEC BY HERRINGTON
ALL VOTED AYE

THESE MINUTES ARE HEREBY APPROVED THIS 28 DAY OF JANUARY 2008.

JUDGE HM DAVENPORT [Signature]

COMR.PCT.1 KIT HERRINGTON [Signature]

COMR.PCT.2 FAITH HOLT [Signature]

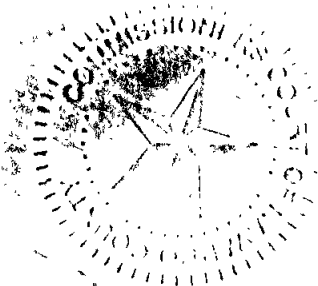
COMR.PCT.3 WILLIAM BALDWIN [Signature]

COMR.PCT.4 JAMES OLSEN [Signature]

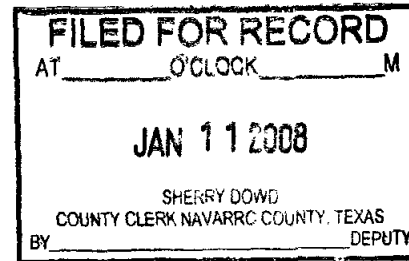
I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR JANUARY 14, 2008

SIGNED 28 DAY OF JANUARY 2008

[Signature]
SHERRY DOWD, COUNTY CLERK



534



I, RUSSELL P HUDSON, NAVARRO COUNTY TAX ASSESSOR/COLLECTOR, DO HEREBY SWEAR UNDER OATH,
THAT THE ATTACHED REPORT IS A TRUE AND CORRECT REPORT.

TOTAL PAGES INCLUDING COVER SHEET 5

NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
DECEMBER 2007

535

								LEVY
NAVARRO COUNTY								
CURRENT	2,152,193.56			2,152,193.56	43,043.70	2,109,149.86		12,873,626.09
DELINQUENT	37,995.18		14,600.50	52,595.68	1,051.77	51,543.91	9,867.18	%
TOTAL	2,190,188.74	-	14,600.50	2,204,789.24	44,095.47	2,160,693.77	9,867.18	16.59%
NAVARRO COLLEGE								LEVY
CURRENT	451,026.89			451,026.89	2,254.99	448,771.90		2,682,934.17
DELINQUENT	8,775.47	-	3,468.55	12,244.02	911.09	11,332.93	2,285.06	%
TOTAL	459,802.36	-	3,468.55	463,270.91	3,166.08	460,104.83	2,285.06	16.81%
CITY OF RICE								LEVY
CURRENT	10,629.48	-		10,629.48	53.16	10,576.32		71,266.24
DELINQUENT	44.53		12.18	56.71	3.27	53.44	11.35	%
TOTAL	10,674.01	-	12.18	10,686.19	56.43	10,629.76	11.35	14.92%
CITY OF KERENS								LEVY
CURRENT	31,166.72	320.36		30,846.36	75.68	30,770.68		217,201.52
DELINQUENT	955.73	-	295.17	1,250.90	78.55	1,172.35	245.52	%
TOTAL	32,122.45	320.36	295.17	32,097.26	154.23	31,943.03	245.52	14.35%
CITY OF CORSICANA								LEVY
CURRENT	1,018,449.76	-		1,018,449.76	5,092.15	1,013,357.61		6,872,355.08
DELINQUENT	12,262.18	-	4,236.38	16,498.56	1,120.32	15,378.24	2,985.00	%
TOTAL	1,030,711.94	-	4,236.38	1,034,948.32	6,212.47	1,028,735.85	2,985.00	14.82%

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
DECEMBER 2007

536

CITY OF DAWSON								LEVY
CURRENT	13,770.25			13,770.25	68.85	13,701.40		61,250.78
DELINQUENT	55.17		43.29	98.46	11.10	87.36	17.06	%
TOTAL	13,825.42	-	43.29	13,868.71	79.95	13,788.76	17.06	22.48%
BLOOMING GROVE ISD								LEVY
CURRENT	245,988.50			245,988.50	1,229.52	244,758.98		1,234,197.05
DELINQUENT	(454.24)		559.27	105.03	137.55	(32.52)	372.58	%
TOTAL	245,534.26	-	559.27	246,093.53	1,367.07	244,726.46	372.58	19.93%
DAWSON ISD								LEVY
CURRENT	175,667.84	-		175,667.84	878.51	174,789.33		1,045,738.84
DELINQUENT	3,705.62	-	958.31	4,663.93	258.09	4,405.84	932.77	%
TOTAL	179,373.46	-	958.31	180,331.77	1,136.60	179,195.17	932.77	16.80%
RICE ISD								LEVY
CURRENT	161,239.59			161,239.59	806.11	160,433.48		859,685.95
DELINQUENT	3,299.98		1,128.80	4,428.78	298.71	4,130.07	884.89	%
TOTAL	164,539.57	-	1,128.80	165,668.37	1,104.82	164,563.55	884.89	18.76%
CITY-BLOOMING GROVE								LEVY
CURRENT	17,401.86			17,401.86	86.95	17,314.91		81,372.57
DELINQUENT	239.54		94.20	333.74	24.76	308.98	66.74	%
TOTAL	17,641.40	-	94.20	17,735.60	111.71	17,623.89	66.74	21.39%

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
DECEMBER 2007

587

								LEVY
CITY OF BARRY								
CURRENT	2,545.88			2,545.88	12.72	2,533.16		13,262.09
DELINQUENT	13.46		3.10	16.56	0.84	15.72	3.31	%
TOTAL	2,559.34	-	3.10	2,562.44	13.56	2,548.88	3.31	19.20%
CITY OF EMHOUSE								LEVY
CURRENT	750.96	-		750.96	3.72	747.24		8,128.22
DELINQUENT				-		-		%
TOTAL	750.96	-	-	750.96	3.72	747.24	-	9.24%
CITY OF RICHLAND								LEVY
CURRENT	1,988.91	-		1,988.91	9.94	1,978.97		12,652.06
DELINQUENT	70.01		16.12	86.13	4.38	81.75	17.24	%
TOTAL	2,058.92	-	16.12	2,075.04	14.32	2,060.72	17.24	15.72%
CITY OF GOODLOW								LEVY
CURRENT	184.93	-		184.93	0.95	183.98		2,704.56
DELINQUENT	45.21		19.49	64.70	5.10	59.60	12.29	%
TOTAL	230.14	-	19.49	249.63	6.05	243.58	12.29	6.84%
GRAND TOTAL	4,350,012.97	320.36	25,435.36	4,751,279.7	57,522.48	4,317,605.49	17,700.99	

MEMO:

TOTAL COLLECTED	<u>4,392,828.96</u>
ROLLBACK TAXES	<u>526.97</u>
TAX CERTIFICATES	<u>760.00</u>
HOT CK FEES	<u>313.71</u>

YR-TO-DATE % CURRENT COLLECTED:

COUNTY	34.90%	RICHLAND	30.07%
COLLEGE	35.09%	GOODLOW	30.64%
RICE	37.34%	*DAWSON	42.81%
KERENS	52.39%	*BG ISD	38.26%
CORSICANA	33.53%	*DAWSON ISD	29.48%
BARRY	33.37%	*RICE ISD	35.47%
EMHOUSE	25.64%	** BLOOMING GF	48.00%

*BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THESE ENTITIES SEPT 1, 2005

**BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THIS ENTITY JULY 1, 2007

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
DECEMBER 2007

CURRENT TAXES						
COUNTY	1,760,124.87		1,760,124.87	35,202.85	1,724,922.02	
ROAD & BRIDGE	358,537.69		358,537.69	7,171.19	351,366.50	
FLOOD CONTROL	33,531.00		33,531.00	669.66	32,861.37	
TOTAL	2,152,193.56		2,152,193.56	43,043.70	2,109,149.86	
DELINQUENT TAXES						
COUNTY	31,965.61	12,203.69	44,169.30	883.34	43,285.96	8,291.99
STATE						
ROAD & BRIDGE	5,470.21	2,181.97	7,652.18	152.98	7,499.20	1,429.44
FLOOD CONTROL	559.36	214.84	774.20	15.45	758.75	145.75
TOTAL	37,995.18	14,600.50	52,595.68	1,051.77	51,543.91	9,867.18
TOTAL ALLOCATION						
COUNTY	1,792,090.48	12,203.69	1,804,294.17	36,086.19	1,768,207.98	8,291.99
STATE						
ROAD & BRIDGE	364,007.90	2,181.97	366,189.87	7,324.17	358,865.70	1,429.44
FLOOD CONTROL	34,090.36	214.84	34,305.20	685.11	33,620.09	145.75
TOTAL	2,190,188.74	14,600.50	2,204,789.24	44,095.47	2,160,693.77	9,867.18

538

AFFIDAVIT SUBMITTED BY
RUBY COKER
NAVARRO COUNTY TREASURER

STATE OF TEXAS

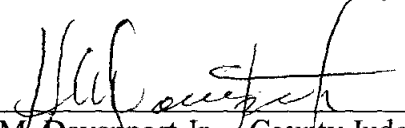
COUNTY OF NAVARRO

Before me, the undersigned authority, on this day personally appeared the following named persons, and after being duly sworn, deposes and says: Honorable H. M. Davenport, Jr., County Judge, Honorable Kit Herrington, Commissioner Pct. #1, Honorable Faith Holt, Commissioner Pct. #2, Honorable William Baldwin, Commissioner Pct. #3, and Honorable James Olsen, Commissioner Pct. 4.

I, Ruby Coker, the Navarro County Treasurer, on this 14th day of January, 2008 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on November 30, 2007 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,036,913.86. Also, other assets totaling \$4,303,676.12 are being held by the Treasurer's office. The total interest for all accounts for the month of November, 2007 was \$21,298.89. The total disbursements for the month of November, 2007 were \$2,884,155.56. This report is in compliance with section 114.026 of the Local Government Code, so therefore we hereby execute this affidavit for publication.

With this signed affidavit, We the Commissioners Court, state that the requirements of Subsection (C) have been met with the examination of this report.

Signed and executed this 14th day of January, 2008.



H. M. Davenport Jr. - County Judge



Kit Herrington - Commissioner Pct 1



Faith Holt - Commissioner Pct 2

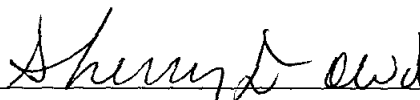


William Baldwin - Commissioner Pct 3



James Olsen - Commissioner Pct 4

SWORN AND SUBSCRIBED TO BEFORE ME, this 14th day of January, 2008 by H. M. Davenport, Jr., Kit Herrington, Faith Holt, William Baldwin, and James Olsen, in their official capacities as the members of the Navarro County Commissioners Court.



Sherry Dowd - Navarro County Clerk





NAVARRO COUNTY PLANNING AND DEVELOPMENT

300 W. 3rd Ave.
Suite 16
Corsicana, Texas 75110

Vicki Stoecklein, Administrator
Becky Garrett, 911 Addressing
Stanley Young, Environmental
Robert Gray, Environmental
903-875-3312 PH.

vstoecklein@navarrocounty.org
903-875-3314 FAX

PLANNING AND ZONING COMMISSION MINUTES

December 6, 2007

5:30 P.M.

The meeting was called to order with eight members present. The roll was called and the attendance was as follows:

Chairman Jacobson – present
Scott Watkins – present
Carroll Sigman – present
Benny Horn – absent
Dennis Bancroft – absent
Charles Irvine – absent
Eben Dale Stover – absent

Vice Chairman Moe – Absent
Conrad Newton – present
Wayne McGuire - present
Tom White – present
Dolores Baldwin – present
George Walker – absent
Jeff Smith - present

The first item on the agenda was the approval of the minutes of the November 6, 2007, Planning and Zoning meeting. Motion to approve by Commissioner Newton, second by Commissioner Baldwin, all voted aye.

Item # 3 on the agenda was consideration of special use permit #10-07-362 for Tim Semler. This request is for the use of a travel trailer while his home is under construction on lot 2 of the Weldon Collins Addition. Motion to approve by Commissioner Watkins, second by Commissioner Sigman, all voted aye.

Item # 4 on the agenda was consideration of a replat of lots 31 and 32 of Arrowhead Subdivision for Michael and Judy Shore. The Shores own both lots and want to combine them into one lot. Motion to approve by Commissioner Watkins, subject to a minor change on the plat, second by Commissioner White, all voted aye.

Planning and Zoning minutes
December 6, 2007
Page 2

Item # 5 on the agenda was consideration of a final plat for Starcrest Addition. This property consists of 3 acres in the W.T. Malone Survey and located on FM 2859. Motion to approve by Commissioner White, second by Commissioner Sigman, all voted aye.

Item # 6 on the agenda was consideration of a replat of lots 6 and 7 of Whiterock Subdivision for Gerald D. Whitehead. Mr. Whitehead owns both lots and wants to combine them into one lot. Motion to approve by Commissioner Newton, second by Commissioner Smith, all voted aye.

Item #7 on the agenda was consideration of an amendment to the Navarro County Subdivision regulations regarding the requirements for the posting of surety. This amendment gives Commissioners Court discretion on the posting of surety for future development. Motion to approve by Commissioner Sigman, second by Commissioner McGuire, all voted aye.

Adjourn.

H. WATER AND SEPTIC SYSTEM REQUIREMENTS

The owner(s) must submit a plan for providing utility service within the proposed subdivision. The proposed water supply should be clearly indicated, i.e., municipal water, rural water supply corporation, privately owned water system, individual well, etc., including location of fire hydrants, if any. All water supplies must be approved by the TCEQ. In cases where groundwater is indicated as the proposed water source, the developer must submit a Groundwater Availability Certification form. A Texas licensed professional engineer shall certify that adequate groundwater is available for the subdivision.

The plan for sewage disposal should be clearly indicated, i.e., municipal sewer service, privately owned/organized sewage disposal system, private sewage facilities, etc. If it is the Owner's intent that each lot purchaser shall provide private sewage facilities, those facilities must meet the requirements of the Navarro County Health Department.

I. SUBDIVISION REQUIREMENTS

1. Roads or Streets

A registered professional engineer licensed to practice in the State of Texas shall seal all construction plans and certify to Navarro County Commissioners Court that all roads have been built to these specifications. Engineer services shall be provided at owner/developers expense. Residential streets shall have a minimum width of right-of-way of sixty feet (60') unless more is needed for drainage purposes. Minimum road width shall be twenty-four feet (24'). Streets or roads must be paved with Hot Mix asphalt **two** inches in depth, or two course Chip & Seal with prime coat. The paving material on paved streets or roads must have a thickness of: Not less than **two** inches of Hot Mix asphalt concrete twenty feet wide or; not less than a Two Course Chip and Seal with prime coat Surface Treatment twenty-one feet wide. The base course of the roadway section shall be a minimum width of twenty-four feet (24') crushed limestone at a compacted depth of six inches (6").

Prior to the start of construction on sub grade (to be determined by soil analysis), a soil analysis shall be made by a certified soil laboratory to determine if a soil stabilizer is required. In lieu of soil stabilization, consideration may be given to increasing the amount of crushed limestone base upon

recommendation of engineer. Engineer shall determine frequency of soil sampling. A Plasticity Index range of not less than 10 or greater than 20 is acceptable. Sub grade shall be 30 feet wide. The sub grade shall be compacted to a density of not less than 95% Standard Procter density. Prior to the placement of any base material, tests from a certified soils laboratory shall be supplied by the owner/developer to the Engineer (Engineer to be provided at owner/developer expense). The base material shall be compacted to not less than 95% Standard Procter density for its full depth. A set of "as built" drawings shall be submitted and sealed by an engineer at completion of construction. (The county may at its discretion authorize the spot checking of any and or all segments of the construction completed using the county's choice of geotechnical labs and technician, nuclear density testing equipment shall be used in spot checks.)

All roads or streets more than one hundred feet (100') in length shall either be connected at both ends to a dedicated street, or be provided with a turnaround having a minimum paved radius of forty feet (40') and a minimum right of way of sixty feet (60').

All roads or streets shall have a minimum grade of four-tenths percent (0.4%). Grades of more than ten percent (10%) shall only be allowed upon approval of the County.

A proposed subdivision that adjoins or encompasses an existing public street, that does not conform to minimum right-of-way requirements of these regulations, shall provide for the dedication of additional right-of-way along either or both sides of said street so that the minimum right-of-way required by these regulations can be established. If the proposed subdivision abuts only one side of said street, then a minimum of half of the required right-of-way shall be dedicated by such subdivision.

Where any portion of a road or street has been dedicated in an adjoining subdivision, adjacent to and along the common property line of the two subdivisions, enough width of right-of-way must be dedicated in the new subdivision to provide the minimum width specified herein.

Roads or streets, which are a continuation of any existing road or street, shall take the name of the existing road or street.

COURT ORDER NO. 01-08-01

WHEREAS, pursuant to Chapter 251 of the Transportation Code, The Navarro County Commissioners Court may exercise general control over all roads, highways, and bridges in the county by restricting vehicle operations or requiring performance bonds whenever any county road may be seriously damaged or destroyed by the operation of such vehicles; and

WHEREAS, oil and gas drilling and production activities and heavy truck traffic on routes maintained in whole or in part by Navarro County will exceed the normal and anticipated use of the public roadways within Navarro County; and

WHEREAS, Navarro County roadways are not designed to support heavy vehicle loads and are highly susceptible to increased deterioration rates due to heavy vehicular traffic; and

WHEREAS, the condition of a road segment decreases in quality with heavy vehicular traffic, and heavy equipment loads produce greater amounts of road damage, which in turn, increases overall maintenance, repair, and replacement costs;

WHEREAS, Navarro County, for the mutual consideration hereinafter stated, desire to enter into agreements to require the posting of a road bond to temporarily and or permanently repair roadways, as necessary, for the duration of the term of said agreements in consideration of the use of said roadways for the purpose of the activities stated;

NOW THEREFORE BE IT ORDERED that the Navarro County Commissioners Court deems it advisable to place the following requirements on the use of county roads in order to protect the roads from extensive damage:

1. Establish a permitting procedure in the event it has been determined by the Commissioner's Court that heavy vehicular traffic will exceed the normal and anticipated use of public roadways within Navarro County.
2. Adopt permit requirements to reasonably govern the use of roadways in Navarro County by oil/gas drilling, exploration, or production, and trucks transporting commodities necessary to the health and welfare of county residents.
3. Require that when it has been determined by the Commissioner's Court that the use of a road by heavy vehicular traffic may destroy the road or result in serious damage to the road, a road bond in the amount of \$50,000.00 per mile, made payable to Navarro County Commissioner's Court, shall be posted for the sole purpose of repairing damage to the road.

ORDERED THIS THE 14th DAY OF January, 2008.

Court order # 01-08-01

[Signature]
H.M. Davenport Jr., Judge

[Signature]
Kit Herrington, Commissioner Precinct 1

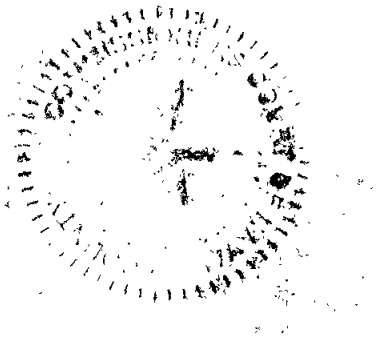
[Signature]
Faith Holt, Commissioner Precinct 2

[Signature]
William Baldwin, Commissioner Precinct 3

[Signature]
James Olsen, Commissioner Precinct 4

ATTEST:

[Signature]
Sherry Dowd, County Clerk



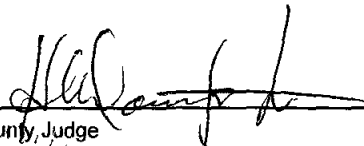
NAVARRO COUNTY, TEXAS
BUDGET AMENDMENT
SUBMITTED FOR APPROVAL JANUARY 14, 2008

In accordance with Section 111.010 (c) of the *Texas Local Government Code* the following amendment to the 2008 Operating Budget are submitted for your consideration and approval:

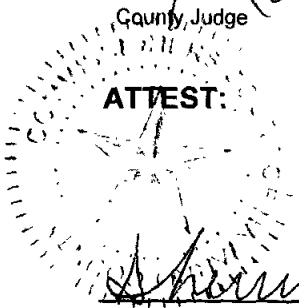
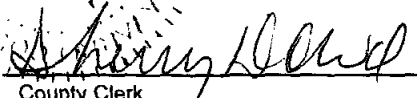
546

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>REMARKS</u>
<u>General Fund</u>			
101-552-312	Operating Supplies	\$ 250	To provide operating expenses for Constable - Pct 2
101-552-370	Gas & Oil	2,000	
101-552-428	Travel & Training	1,000	
101-552-445	Repairs & Maintenance	4,250	
Net Budget Adjustment		<u>\$ 7,500</u>	

APPROVED this 14th day of January, 2008



 County Judge

ATTEST:



 County Clerk

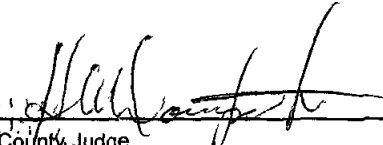
NAVARRO COUNTY, TEXAS
 BUDGET AMENDMENT
 SUBMITTED FOR APPROVAL JANUARY 14, 2008

In accordance with Section 111.010 (c) of the *Texas Local Government Code* the following amendment to the 2008 Operating Budget are submitted for your consideration and approval:

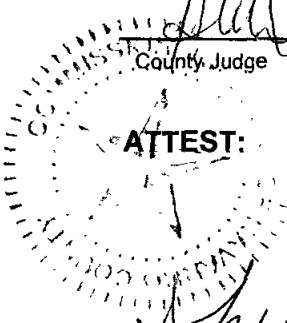
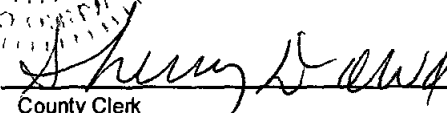
547

<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>REMARKS</u>
<u>General Fund</u>			
101-458-102	Overtime	\$ 35,694	Amendment for appointment of temporary Justice of the Peace
101-458-122	Travel Allowance	2,925	
101-458-201	FICA	2,394	
101-458-202	Medicare	560	
101-458-203	Retirement	3,097	
101-458-204	Health Insurance	3,926	
101-458-205	Workers' Compensation	116	
101-458-206	Unemployment	39	
	Net Budget Adjustment	<u>\$ 48,751</u>	

APPROVED this 14th day of January, 2008



 County Judge

ATTEST:



 County Clerk

PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

January 2, 2008

Navarro County, Texas
Attention: Auditor's Office
300 West Third Avenue, Suite 10
Corsicana, Texas 75110

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide Navarro County for the year ended September 30, 2007. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of Navarro County as of and for the year ended September 30, 2007. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Navarro County's basic financial statements. As part of our engagement, we will apply certain limited procedures to Navarro County's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Information.

Supplementary information other than RSI, such as combining and individual fund financial statements, also accompanies Navarro County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Combining statements.
2. Budgetary comparison schedules.
3. Schedule of expenditures of federal awards.

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditors' report will disclaim an opinion.

1. Introductory Section.
2. Statistical Section.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Navarro County and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for federal award program compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. You will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us, including identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Navarro County's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of test of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Navarro County's major programs. The purpose of those procedures will be to express an opinion on Navarro County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$22,250. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2007 peer review letter of comment accompanies this letter.

We appreciate the opportunity to be of service to Navarro County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

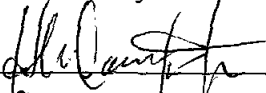
Very truly yours,
PATTILLO, BROWN & HILL, L.L.P.


Paula Spiegelhauer, CPA

PS/ar

RESPONSE:

This letter correctly sets forth the understanding of Navarro County.

By: 

Title: COUNTY JUDGE

Date: 01/14/2008



EUBANK & BETTS

A Professional Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

3820 I-55 North, Suite 100 (39211) P.O. Box 16090

Jackson, Mississippi 39236-6090

Telephone 601-987-4300 Fax 601-987-4314

E-mail: firm@eubankbetts.com

Website: www.eubankbetts.com

November 15, 2007

*To the Partners of
Pattillo, Brown & Hill, LLP
and the Center for Public Company Audit Firms Peer Review Committee*

We have reviewed the system of quality control for the accounting and auditing practice of **Pattillo, Brown & Hill, LLP** (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2007. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of **Pattillo, Brown & Hill, LLP**, in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

EUBANK & BETTS, PLLC

556



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

November 6, 2007

Navarro County, Texas
Juvenile Probation Department
Attention: Ms. Paula J. Welch
300 W. Third Avenue, Suite 10
Corsicana, Texas 75110

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide Navarro County Juvenile Probation Department for the year ended August 31, 2007. We will audit the financial statements of Navarro County Juvenile Probation Department as of and for the year ended August 31, 2007.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with the guidelines issued by the Texas Juvenile Probation Commission. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Navarro County Juvenile Probation Department and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

If during our audit we become aware that Navarro County Juvenile Probation Department is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the Navarro County Juvenile Probation Department and the respective changes in financial position, where applicable, in conformity with the guidelines issued by the Texas Juvenile Probation Commission. Management is responsible for the financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Navarro County Juvenile Probation Department’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Pattillo, Brown and Hill, L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Texas Juvenile Probation Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Texas Juvenile Probation Commission. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$2,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2004 peer review letter of comment accompanies this letter.

We appreciate the opportunity to be of service to Navarro County Juvenile Probation Department and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,
PATTILLO, BROWN & HILL, L.L.P.

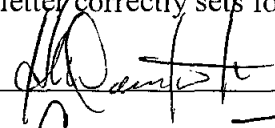


Paula Spiegelhauer, CPA

PS/ar

RESPONSE:

This letter correctly sets forth the understanding of Navarro County Juvenile Probation Department.

By: 

Title: COUNTY JUDGE

Date: 01/14/2008

562



EUBANK & BETTS

A Professional Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

3820 Interstate 55 North / Post Office Box 16090 / Jackson, Mississippi 39236-6090 / Phone (601) 987-4300 / Fax (601) 987-4314

October 27, 2004

To the Partners
Pattillo, Brown & Hill, L.L.P.
and the Center for Public Company Audit Firms
Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo, Brown & Hill, L.L.P. (the firm), applicable to non-SEC issuers in effect for the year ended May 31, 2004. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issue by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Pattillo, Brown & Hill, L.L.P. in effect for the year ended May 31, 2004, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

EUBANK & BETTS, PLLC

**COUNTY OF NAVARRO, TEXAS
INDUSTRIAL TAX ABATEMENT
PROCEDURE**

STEP NUMBER	DESCRIPTION
1	Tax Abatement Incentive is Presented to Prospect During Site Visit
2	Tax Abatement Application Requested by Industrial Prospect
3	Completed Tax Abatement Application Received by County
4	Survey Plat with Metes & Bounds Property Description is Submitted to County
5	Public Hearing Notice is Published in Newspaper
6	Commissioner's Court Reading & Public Hearing (Representative for Industrial Prospect [Company] Attends this Meeting)
7	Tax Abatement Agreement is Signed by County and Company Representatives
8	Approved Tax Abatement is Submitted to Navarro College for Approval
9	Approved Tax Abatement is Submitted to Navarro County Appraisal District

Industrial ✓

564

✓ // *INDUSTRIAL*

**TAX ABATEMENT POLICY
COUNTY OF NAVARRO, TEXAS**

I. PURPOSE AND OBJECTIVE

The County of Navarro, Texas ("County") is committed to the promotion of quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the County of Navarro will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in Navarro County. It is the policy of the County of Navarro that said consideration will be provided in accordance with the procedures and criteria outlined in this document. Nothing herein shall imply or suggest that the County of Navarro is under any obligation to provide any incentive to any applicant. All applicants shall be considered on a case-by-case basis.

II. CRITERIA FOR TAX ABATEMENT

The following threshold criteria shall be used to determine whether any tax abatement incentives shall be considered:

1. The proposed development and/or redevelopment must create at least twenty (20) or more jobs.
2. An investment of at least \$1,000,000 in property improvements or in personal property must be made.
3. The project must obtain all required permits and meet all relevant planning and zoning requirements as applicable.

In addition to the minimum requirements stated above, the following subjective criteria shall be considered prior to granting any economic development incentive:

4. Is the project consistent with the Comprehensive Land Use Plan for the County of Navarro, and consistent with the preferred development and/or redevelopment of the County of Navarro?
5. What types and cost of public improvements and services (roads, bridges, etc.) will be required of the County? What types and values of public improvements, if any, will be made by the applicant?
6. What impact will the project have on the local consumer and business communities?

III. TYPES OF INCENTIVES

It is the policy of the County of Navarro to customize the offering of economic development incentives

on a case-by-case basis. This individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the County to better respond to the changing needs of the community.

The criteria outlined in Section II above will be used to determine whether it is in the best interest of the County of Navarro to provide any economic development incentives to a particular applicant. The degree to which the specified project furthers goals and objectives of the County of Navarro and the relative impact of the specified project will be used to determine the total value of the incentives provided. As a general rule, no tax abatement will be provided to any applicant in an amount exceeding the value of the following:

- a. No incentive shall be provided which abates taxes on proposed property improvements and personal property by more than 500% over 10 years of the specific project (i.e. 50% level of abatement for a term of 10 years).
- b. A project located in the boundaries of County of Navarro is eligible for the maximum tax abatement.

Incl 5729

IV. APPLICATION PROCEDURES

Any ~~person, organization or corporation~~ desiring that the County of Navarro consider providing economic development incentives to encourage location or expanded operations within the County shall be required to comply with the following application procedures. However, nothing within these guidelines shall imply or suggest that the County is under any obligation to provide any incentive to any applicant.

Applicant shall file a letter of application to the County Judge which shall include at least the following information:

- 1. A plat showing the precise location of the property, all roadways within 200 feet of the site, and all existing zoning (as applicable) and land uses within 200 feet of the site.
- 2. Legal description of the property to be designated as a reinvestment zone.
- 3. Information regarding the type, number, location and costs of planned improvements.
- 4. A statement granting access to and inspection of the property and proposed improvements by Navarro County inspectors and officials to ensure that the improvements or repairs are made according to specifications and conditions of the agreements.
- 5. A statement limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that

- property tax exemptions are in effect; and
- 6. A statement providing for the recapturing of property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs or create the required number of jobs as provided by the agreement.
- 7. Annual certification of compliance with the tax abatement agreement term.
- 8. Method for County to cancel or modify the agreement if the property owner fails to comply with the agreement.

V. AMENDMENTS TO THESE GUIDELINES AND CRITERIA

The guidelines and criteria adopted herein shall not be amended or repealed except by three-fourths (3/4^{ths}) vote of the Navarro County Commissioner's Court.

VI. EFFECTIVE DATE

These guidelines and criteria adopted herein shall be effective from the date of passage and remain effective for two (2) years from such date of adoption, unless otherwise repealed by a three-fourths (3/4^{ths}) vote of the Navarro County Commissioner's Court.

2008 APPLICATION FOR INDUSTRIAL TAX ABATEMENT

Instructions: Please print or type. Submit the completed and signed original copy of the 2008 Application for Industrial Tax Abatement with attachments to: The County of Navarro Economic Development Department, 200 North 12th Street, Corsicana, Texas 75110

1. Date

2. Name of Firm, Partnership or Corporation and mailing address

Please print or type

2a. Have you received a previous tax abatement from Navarro County? (YES/ NO)

2b. If yes, when?

3. Number of new full time employees to be added -----
 (*A minimum of 20 new, full-time [e.g. 40 hours/week] jobs are required.)

4. Number of acres of property to be developed -----

4a. Plat of Property and Development or Site Plan attached? ----- (YES/ NO)
 (Official Property Survey with metes and bounds required)

5. Estimated value of existing real property to be developed ----- \$

6. Estimated value of real property improvements ----- \$
 (A minimum \$1,000,000.00 investment required)

7. Estimated value of existing inventory ----- \$

8. Estimated value of inventory to be added ----- \$

9. Estimated value of existing personal property ----- \$

10. Estimated value of taxable personal property improvements ----- \$

11. Total estimated value of taxable investment to be made (Total of Items # 5, 6, 8 & 10) \$

12. Description of real property improvements to be made:

12. Description of Public Services available for project development and new facilities and / or services required.

Water:	<input type="text"/>
Wastewater:	<input type="text"/>
Railways:	<input type="text"/>
Natural Gas:	<input type="text"/>
Electricity:	<input type="text"/>

13. One Year Development Schedule for all improvements.

1st Quarter:	<input type="text"/>
2nd Quarter:	<input type="text"/>
3rd Quarter:	<input type="text"/>
4th Quarter:	<input type="text"/>

* Qualification for pro-rating new employees is determined on a case-by-case basis

2008 APPLICATION FOR INDUSTRIAL TAX ABATEMENT (Page 2)

14. Expected impact on the _____ Independent School District.

--

15. Expected benefit to the local economy.

--

16. Estimated annual payroll of new employees.

--

17. Description of product to be manufactured or distributed.

--

18. Expected life of all real property improvements.

--

19. Identification of all Pollutants and Emissions:

TYPE	QUANTITY
AIR:	
NOISE:	
SOLID WASTE:	
WASTEWATER:	

20. Certification of no unacceptable environmental impact as a result of the improvement and subsequent operations received.

--

21. Project in compliance with relevant zoning requirements.

--

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief

sign here >

Phone.	Date
--------	------

Submitted By (Please Print)	
Name:	
Title:	
Date:	

Received by the County of Navarro	
Name:	
Title:	
Date:	

For assistance in completing this form call the County of Navarro, Texas - 903 654 4806 An Equal Opportunity Employer

The County of Navarro Economic Development Department
 200 North 12th Street, Corsicana, Texas 75110