

NAVARRO COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONERS COURT WAS HELD ON MONDAY AUGUST 11, 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. 10:00 A.M. MOTION TO CONVENE BY BALDWIN SEC BY HERRINGTON
ALL VOTED AYE
2. PRAYER BY COMMISSIONER BALDWIN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- RICKY DAY, EDDIE PEVEHOUSE, LARRY
BAILEY, JIM ACKER, LEON ALLARD, RONNY
WILLIS, MICKEY HILLOCK, ROY TRINK,
LINDSEY KING, FRANK MARTINEZ, VICKY
PRATER.

THESE PUBLIC COMMENTS WERE ALL ASSOCIATED WITH THE TAX ABATEMENT.

CONSENT AGENDA

- ITEMS 5-7 MOTION TO APPROVE BY OLSEN SEC BY BALDWIN
ALL VOTED AYE
5. MOTION TO APPROVE MINUTES FROM THE PREVIOUS MEETING OF
JULY 28TH, 2008
 6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE
AUDITOR
 7. MOTION TO APPROVE TAX REPORT FROM RUSSELL HUDSON
TO WIT:PG 974

REGULAR AGENDA ITEMS

8. MOTION TO APPROVE NO CHANGE IN THE BURN BAN. BURN BAN
STILL IN EFFECT BY JUDGE DAVENPORT SEC BY HOLT
ALL VOTED AYE

9. MOTION TO APPROVE FUNDING FOR AN ADDITIONAL FIRE TRUCK FOR RICHLAND VOLUNTEER FIRE DEPARTMENT. THE FUNDING WILL BE FOR A SPECIAL 1000 GALLON TANKER BY BALDWIN SEC BY HERRINGTON.
ALL VOTED AYE
10. MOTION TO APPROVE CONTINUING EDUCATION HOURS FOR 2008 FOR NAVARRO COUNTY TREASURER, RUBY COKER BY HOLT SEC BY BALDWIN.
TO WIT: PG 979-981
ALL VOTED AYE
11. MOTION TO APPROVE REPLAT OF LOT #7 OF VOCA RANCHO BY ERLENE DENTON. LOT 7 IS TO BE SPLIT IN HALF, IT IS LOCATED AT 744 NW CR 2161 BY HERRINGTON SEC BY HOLT
ALL VOTED AYE
12. MOTION TO APPROVE THE 2008 CERTIFIED APPRAISAL ROLL AND ANTICIPATED COLLECTION RATE BY HOLT SEC BY BALDWIN
ALL VOTED AYE
TO WIT: PG 982-984
13. MOTION TO APPROVE RENEWAL AGREEMENT FOR CHOICE POINT GOVERNMENT SERVICES INC., FOR THE NORTH TEXAS H.I.D.T.A. BY OLSEN SEC BY HERRINGTON
ALL VOTED AYE
TO WIT: PG 985
14. MOTION TO APPROVE INTERLOCAL AGREEMENT WITH THE NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS FOR COOPERATIVE PURCHASING FOR ACTUARIAL SHARED SERVICES BY HERRINGTON SEC BY HOLT
ALL VOTED AYE
TO WIT: PG 986
15. MOTION TO APPROVE MASTER AGREEMENT WITH GABRIEL, ROEDER, SMITH & COMPANY FOR ACTUARIAL SERVICES APPLICABLE TO GASB 45 BY HERRINGTON SEC BY HOLT
ALL VOTED AYE
TO WIT: PG 988
16. MOTION TO APPROVE AUDIT ENGAGEMENT LETTER FOR NAVARRO COUNTY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008 BY BALDWIN SEC BY HERRINGTON

ALL VOTED AYE

TO WIT: PG 995

17. MOTION TO APPROVE AUDIT ENGAGEMENT LETTER FOR NAVARRO COUNTY COMMUNITY SUPERVISION AND CORRECTION DEPARTMENT FOR THE FISCAL YEAR ENDING AUGUST 31, 2008 BY BALDWIN SEC BY HERRINGTON

ALL VOTED AYE

TO WIT: PG 1

18. MOTION TO APPROVE AUDIT ENGAGEMENT LETTER FOR THE NAVARRO COUNTY JUVENILE PROBATION AND CORRECTIONS DEPARTMENT FOR THE FISCAL YEAR ENDING AUGUST 31, 2008 BY BALDWIN SEC BY HERRINGTON

ALL VOTED AYE

TO WIT: PG 5

19. MOTION TO TABLE PETITION FOR THE CREATION OF FRESH WATER SUPPLY DISTRICT FOR SOUTHPORT MARINA, INC. BY HOLT SEC BY OLSEN

ALL VOTED AYE

20. MOTION TO APPROVE A RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN GRANTING TAX ABATEMENT AND ESTABLISH AN EFFECTIVE DATE TO QUALIFIED APPLICANTS BY HERRINGTON SEC BY OLSEN

ALL VOTED AYE

TO WIT: PG 11

21. MOTION TO TABLE A RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED BY THE COUNTY OR OTHER AUTHORIZED TAXING JURISDICTION; AND ESTABLISHING AN EFFECTIVE DATE BY HERRINGTON SEC BY BALDWIN

ALL VOTED AYE

22. MOTION TO ADJOURN BY HOLT SEC BY OLSEN

ALL VOTED AYE

THESE MINUTES ARE HEREBY APPROVED THIS 25 DAY OF AUGUST 2008.

JUDGE HM DAVENPORT *[Signature]*
 COMR. PCT 1 KIT HERRINGTON *Kit Herrington*
 COMR. PCT.2 FAITH HOLT *Faith D. Holt*
 COMR. PCT. 3 WILLIAM BALDWIN absent
 COMR. PCT. 4 JAMES OLSEN *James Olsen*

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR AUGUST 11, 2008.

SIGNED 25 DAY OF AUGUST 2008.

Sherry Dowd
 SHERRY DOWD, COUNTY CLERK



FILED FOR RECORD		
AT _____	O'CLOCK _____	M _____
AUG 07 2008		
SHERRY DOWD		
COUNTY CLERK NAVARRO COUNTY, TEXAS		
BY _____		DEPUTY _____

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

074

NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
JULY 2008

NAVARRO COUNTY								LEVY
CURRENT	36,137.49		13,715.41	49,852.90	997.08	48,855.82	15,493.19	12,873,626.09
DELINQUENT	23,161.58		9,776.02	32,937.60	658.86	32,278.74	6,136.33	%
TOTAL	59,299.07	-	23,491.43	82,790.50	1,655.94	81,134.56	21,629.52	0.28%
NAVARRO COLLEGE								LEVY
CURRENT	7,636.59		2,854.16	10,490.75	751.79	9,738.96	3,240.70	2,682,934.17
DELINQUENT	5,309.06	-	2,250.05	7,559.11	589.07	6,970.04	1,412.39	%
TOTAL	12,945.65	-	5,104.21	18,049.86	1,340.86	16,709.00	4,653.09	0.28%
CITY OF RICE								LEVY
CURRENT	438.33	-	61.33	499.66	17.53	482.13	80.41	71,266.24
DELINQUENT	41.90		15.09	56.99	3.98	53.01	11.40	%
TOTAL	480.23	-	76.42	556.65	21.51	535.14	91.81	0.62%
CITY OF KERENS								LEVY
CURRENT	1,832.11		309.11	2,141.22	86.43	2,054.79	376.74	217,201.52
DELINQUENT	641.36	-	376.88	1,018.24	97.42	920.82	164.22	%
TOTAL	2,473.47	-	685.99	3,159.46	183.85	2,975.61	540.96	0.84%
CITY OF CORSICANA								LEVY
CURRENT	25,854.39	-	3,951.14	29,805.53	1,117.07	28,688.46	4,433.77	6,872,355.08
DELINQUENT	3,855.16	-	1,649.53	5,504.69	431.66	5,073.03	1,029.04	%
TOTAL	29,709.55	-	5,600.67	35,310.22	1,548.73	33,761.49	5,462.81	0.38%

975

5/16

NAVARRO COUNTY , TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
JULY 2008

CITY OF DAWSON								LEVY
CURRENT	80.06		14.16	94.22	3.95	90.27	17.06	61,250.78
DELINQUENT	154.23		51.54	205.77	13.65	192.12	41.15	%
TOTAL	234.29	-	65.70	299.99	17.60	282.39	58.21	0.13%
BLOOMING GROVE ISD								LEVY
CURRENT	11,080.61		1,946.23	13,026.84	541.97	12,484.87	2,278.80	1,234,197.05
DELINQUENT	2,506.07		894.28	3,400.35	236.09	3,164.26	668.04	%
TOTAL	13,586.68	-	2,840.51	16,427.19	778.06	15,649.13	2,946.84	0.90%
DAWSON ISD								LEVY
CURRENT	7,951.64	-	1,256.83	9,208.47	353.94	8,854.53	1,576.10	1,045,738.84
DELINQUENT	3,523.64	-	1,385.60	4,909.24	364.04	4,545.20	968.13	%
TOTAL	11,475.28	-	2,642.43	14,117.71	717.98	13,399.73	2,544.23	0.76%
RICE ISD								LEVY
CURRENT	7,617.32		1,314.14	8,931.46	366.59	8,564.87	1,647.62	859,685.95
DELINQUENT	448.21		233.67	681.88	60.66	621.22	128.65	%
TOTAL	8,065.53	-	1,547.81	9,613.34	427.25	9,186.09	1,776.27	0.89%
CITY-BLOOMING GROVE								LEVY
CURRENT	1,360.71		236.21	1,596.92	65.89	1,531.03	309.65	81,372.57
DELINQUENT	346.83		90.06	436.89	24.26	412.63	75.79	%
TOTAL	1,707.54	-	326.27	2,033.81	90.15	1,943.66	385.44	1.67%

976

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING
JULY 2008

ENTITY	TAXES	DISCOUNT	INTEREST	PROPERTY	FEES	NET TAXES DUE	AD VALOREM ATTY FEES	% CURRENT COLLECTED
CITY OF BARRY								LEVY
CURRENT	64.21		11.56	75.77	3.21	72.56	15.16	13,262.09
DELINQUENT				-		-		%
TOTAL	64.21	-	11.56	75.77	3.21	72.56	15.16	0.48%
CITY OF EMHOUSE								LEVY
CURRENT	19.79	-	3.57	23.36	0.99	22.37	4.67	8,128.22
DELINQUENT	6.51		13.67	20.18	3.45	16.73	3.03	%
TOTAL	26.30	-	17.24	43.54	4.44	39.10	7.70	0.24%
CITY OF RICHLAND								LEVY
CURRENT	249.11	-	17.10	266.21	5.52	260.69	12.10	12,652.06
DELINQUENT	23.86		12.04	35.90	3.14	32.76	7.18	%
TOTAL	272.97	-	29.14	302.11	8.66	293.45	19.28	1.97%
CITY OF GOODLOW								LEVY
CURRENT	49.39	-	8.88	58.27	2.47	55.80	11.65	2,704.56
DELINQUENT	16.32		5.39	21.71	1.43	20.28	1.94	%
TOTAL	65.71	-	14.27	79.98	3.90	76.08	13.59	1.83%
GRAND TOTAL	140,406.48	-	42,453.65	182,860.13	6,802.14	176,057.99	40,144.91	

MEMO:

TOTAL COLLECTED	<u>223,005.04</u>
ROLLBACK TAXES	<u>9,724.98</u>
TAX CERTIFICATES	<u>1,520.00</u>
HOT CK FEES	<u>60.00</u>

YR-TO-DATE % CURRENT COLLECTED:

COUNTY	<u>95.98%</u>	RICHLAND	<u>91.79%</u>
COLLEGE	<u>95.90%</u>	GOODLOW	<u>71.26%</u>
RICE	<u>93.52%</u>	*DAWSON	<u>91.24%</u>
KERENS	<u>92.07%</u>	*BG ISD	<u>94.46%</u>
CORSICANA	<u>97.15%</u>	*DAWSON ISD	<u>93.29%</u>
BARRY	<u>93.64</u>	*RICE ISD	<u>91.44%</u>
EMHOUSE	<u>83.16</u>	** BLOOMING GR	<u>94.99%</u>

*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

677

NAVARRO COUNTY, TEXAS
AD VALOREM TAXES COLLECTED DURING THE MONTH OF
JULY 2008

CURRENT TAXES						
COUNTY	29,512.62	11,234.36	40,746.98	814.91	39,932.07	12,676.38
ROAD & BRIDGE	6,077.44	2,271.46	8,348.90	167.05	8,181.85	2,578.96
FLOOD CONTROL	547.43	209.59	757.02	15.12	741.90	237.85
TOTAL	36,137.49	13,715.41	49,852.90	997.08	48,855.82	15,493.19
DELINQUENT TAXES						
COUNTY	19,481.20	8,226.72	27,707.92	554.27	27,153.65	5,157.78
STATE	-	-	-	-	-	-
ROAD & BRIDGE	3,348.41	1,408.49	4,756.90	95.16	4,661.74	889.61
FLOOD CONTROL	331.97	140.81	472.78	9.43	463.35	88.94
TOTAL	23,161.58	9,776.02	32,937.60	658.86	32,278.74	6,136.33
TOTAL ALLOCATION						
COUNTY	48,993.82	19,461.08	68,454.90	1,369.18	67,085.72	17,834.16
STATE		-		-		-
ROAD & BRIDGE	9,425.85	3,679.95	13,105.80	262.21	12,843.59	3,468.57
FLOOD CONTROL	879.40	350.40	1,229.80	24.55	1,205.25	326.79
TOTAL	59,299.07	23,491.43	82,790.50	1,655.94	81,134.56	21,629.52

COUNTY TAX REPORT
 Prepared by Gail Smith
 Navarro County Tax Office

978
826



V. G. Young Institute of County Government
Certifies that
Ruby Coker

*attended 5 hours of investment training pursuant to the
PUBLIC FUNDS INVESTMENT ACT as part of the*

36th Annual County Treasurers' Continuing Education Seminar

*Sponsored in cooperation with
The County Treasurers' Association of Texas &
The Continuing and Professional Studies Office at Texas A&M University*

College Station, Texas ♦ April 14-17, 2008

Edward A. Smith

Director, Texas AgriLife Extension Service

Ruth O. G.

Director, V.G. Young Institute of County Government



Sherry Enloe

President, County Treasurers Association of Texas

Stacy Morris

Extension Program Specialist, V.G. Young Institute of County Government

979



980

V. G. Young Institute of County Government
Certifies that
Ruby Coker
Participated in the
36th Annual County Treasurers' Continuing Education Seminar

*Sponsored in cooperation with
The County Treasurers' Association of Texas &
The Continuing and Professional Studies Office at Texas A&M University*

College Station, Texas – April 14 - 17, 2008

Edward A. Smith

Director, AgriLife Extension Service

Sherry Enloe

President, County Treasurers' Association of Texas

Rick O. G.

Director, V.G. Young Institute of County Government



Stacy Morris

Extension Program Specialist, V.G. Young Institute of County Government

Continuing Education Certificate

Texas A&M University

Continuing and Professional Studies Office
Division of Research & Graduate Studies

certifies that

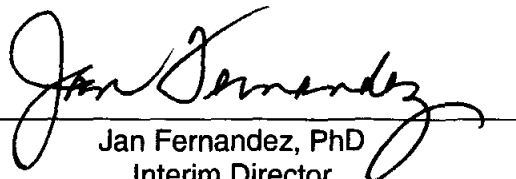
Ruby Coker

has successfully completed 20 hours (2 CEUs) of continuing education

Sponsored by V. G. Young Institute of County Government

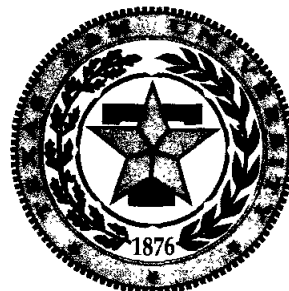
36th Annual County Treasurers' Continuing Education Seminar

April 14, 2008 - April 17, 2008



Jan Fernandez, PhD
Interim Director

Continuing & Professional Studies Office
Division of Research & Graduate Studies





Activity Director

982

953

NAVARRO COUNTY




RUSSELL P. HUDSON
ASSESSOR and COLLECTOR of TAXES

PHONE (903) 654-3080
(903) 654-8721

NAVARRO COUNTY
P. O. BOX 1070
CORSICANA, TEXAS 75151-1070

July 29, 2008

TO: Navarro County, General Fund

FROM: Russell P Hudson 
Navarro County Tax Assessor & Collector

Enclosed please find a copy of the certification of the 2008 Tax Roll from Karen Morris, Chief Appraiser. Please provide your 2008 tax resolutions or ordinances as soon as possible, stating your tax rate, exceptions, and/or discounts.

	<u>2007</u>	<u>2008</u>
Total Appraised Value	\$ 3,343,511,238	3,657,820,740
Total Assessed Value	\$ 2,624,937,438	2,819,672,430
Total Taxable Value	\$ 2,218,375,932	2,426,007,430
Tax Increment Fund Zone	\$ 17,580,295	
Total Value of New Property	\$ 44,857,420	51,060,990
Anticipated Collection Rate	95%	95%
Number of Accounts	49,211	49,779

DEFINITIONS: "Appraised value" means the value determined as provided by Chapter 23 of the Tax Code according to category. "Assessed value" means for the purposes of assessment of property for taxation, the amount determined by multiplying the appraised value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52 of the Texas Constitution, shall mean the market value of the property recorded by the Chief Appraiser. "Taxable value" means the amount determined by deducting from the assessed value the amount of any applicable partial exemption.

983

613

NAVARRO COUNTY




RUSSELL P. HUDSON
ASSESSOR and COLLECTOR of TAXES

PHONE (903) 654-3080
(903) 654-8721

NAVARRO COUNTY
P. O. BOX 1070
CORSICANA, TEXAS 75151-1070

July 29, 2008

TO: Navarro County, Road & Bridge

FROM: Russell P Hudson 
Navarro County Tax Assessor & Collector

Enclosed please find a copy of the certification of the 2008 Tax Roll from Karen Morris, Chief Appraiser. Please provide your 2008 tax resolutions or ordinances as soon as possible, stating your tax rate, exceptions, and/or discounts.

		<u>2007</u>	<u>2008</u>
Total Appraised Value	\$	3,343,607,088	3,657,914,230
Total Assessed Value	\$	2,625,033,288	2,819,765,920
Total Taxable Value	\$	2,218,364,146	2,425,993,290
Total Value of New Property	\$	44,857,420	51,060,990
Anticipated Collection Rate		95%	95%
Number of Accounts		49,211	49,779

DEFINITIONS: "Appraised value" means the value determined as provided by Chapter 23 of the Tax Code according to category. "Assessed value" means for the purposes of assessment of property for taxation, the amount determined by multiplying the appraised value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52 of the Texas Constitution, shall mean the market value of the property recorded by the Chief Appraiser. "Taxable value" means the amount determined by deducting from the assessed value the amount of any applicable partial exemption.

984

NAVARRO COUNTY



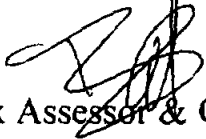
RUSSELL P. HUDSON
ASSESSOR and COLLECTOR of TAXES

PHONE (903) 654-3080
(903) 654-8721

NAVARRO COUNTY
P. O. BOX 1070
CORSICANA, TEXAS 75151-1070

July 29, 2008

TO: Navarro County, Flood Control

FROM: Russell P Hudson 
Navarro County Tax Assessor & Collector

Enclosed please find a copy of the certification of the 2008 Tax Roll from Karen Morris, Chief Appraiser. Please provide your 2008 tax resolutions or ordinances as soon as possible, stating your tax rate, exceptions, and/or discounts.

	<u>2007</u>	<u>2008</u>
Total Appraised Value	\$ 3,343,601,588	3,652,184,990
Total Assessed Value	\$ 2,625,027,788	2,814,036,680
Total Taxable Value	\$ 2,296,167,298	2,474,330,040
Total Value of New Property	\$ 44,756,440	50,992,800
Anticipated Collection Rate	95%	95%
Number of Accounts	49,210	49,599

DEFINITIONS: "Appraised value" means the value determined as provided by Chapter 23 of the Tax Code according to category. "Assessed value" means for the purposes of assessment of property for taxation, the amount determined by multiplying the appraised value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52 of the Texas Constitution, shall mean the market value of the property recorded by the Chief Appraiser. "Taxable value" means the amount determined by deducting from the assessed value the amount of any applicable partial exemption.

985

085



**Renewal Agreement
ChoicePoint Government Services, Inc.**

Price:

ChoicePoint Government Services, Inc. (CPGS) agrees to provide **HIDTA North Texas** with unlimited access to AutoTrack at a rate of **\$660.00** per month inclusive, for the term of **4/1/08 through 3/31/09**.

Capping Procedures:

CPGS will provide **HIDTA North Texas** with unlimited access to housed data sets, and access to gateway credit header data in accordance with the following. If the **HIDTA North Texas's** total monthly search volume exceeds **\$1000.00** in transactional search value, the department's access to gateway credit header services will revert to housed credit header data for the remainder of the month. At the beginning of each month, full gateway credit header services will be restored

Special Conditions:

The unlimited access to AutoTrackXP is not inclusive of copies for "Premium Reports" which consist of (1) National and Florida Criminal Records and Motor Vehicle Accident Reports (MVRs), and (2) Dun & Bradstreet Reports. The Premium Report options will be turned off to restrict access from the menu. If you require Premium Reports, please notify CPBG for additional conditions and payment procedures.

Signed by:

Print Name: H.M. DAVENPORT, JR

Date: 08-11-2008 Title: COUNTY JUDGE

Offered By: Tom Palmer Title: Regional Account Executive

ChoicePoint Government Services, Inc.
1340 Spring Hill Rd, Suite 600
McLean, VA 22102
Phone: 206-855-4186
Fax: 770-753-1278

986 986

**INTERLOCAL AGREEMENT
FOR
COOPERATIVE PURCHASING
FOR
ACTUARIAL SHARED SERVICES**

THIS INTERLOCAL AGREEMENT ("Agreement"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the North Central Texas Council of Governments, hereinafter referred to as "NCTCOG," having its principal place of business at 616 Six Flags Drive, Arlington, Texas 76011, and (name of entity) NAVARRO COUNTY a local government, created and operated to provide one or more governmental functions and services, hereinafter referred to as "Participant," having its principal place of business at:

WITNESETH

WHEREAS, NCTCOG is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, NCTCOG is authorized to contract with eligible entities to perform governmental functions and services, including the development of a standard approach for acquiring actuarial services; and

WHEREAS, in reliance on such authority, NCTCOG has a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, Participant has represented that it is an eligible entity under the Act, that by Administrative Action has authorized this Agreement on (Date)* 08/11/2008 and that it desires to contract with NCTCOG on the terms set forth below;

NOW, THEREFORE, NCTCOG and the PARTICIPANT do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The Participant represents and warrants to NCTCOG that (1) it is eligible to contract with NCTCOG under the Act because its a local government, as defined in the Act, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

NCTCOG and the Participant agree to conduct all activities under this Agreement in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Agreement.

ARTICLE 3: WHOLE AGREEMENT

This Agreement and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: BILLINGS

Billings will be generated for the Actuarial Shared Services through Gabriel Roeder Smith & Company and will include an Administrative Fee of \$100 per valuation cycle (annually or biennially) payable to NCTCOG.

ARTICLE 5: CHANGES AND AMENDMENTS

This Agreement may be amended only by a written amendment executed by both parties, except that any alternations, additions, or deletions to the terms of this Agreement which are required by changes in Federal and State law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

NCTCOG reserves the right to make changes in the scope services offered through the Cooperative Purchasing Program to be performed hereunder.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO ORIGINALS BY THE PARTIES HERETO AS FOLLOWS:

**Denotes required fields*

NOTE: Facsimile copies of this document shall not be acceptable as ORIGINALS.

Interstate v1 rev. 10/05

* NAVARRO COUNTY

Name of Participant (local government, agency, or non-profit corporation)

* 300 W THIRD AVE, SUITE 0

Mailing Address

* CORSICANA TX 75110

City State ZIP Code

*By: [Signature]

Signature of Authorized Official

* H. M. DAVENPORT, JR

Typed Name of Authorized Official

* COUNTY JUDGE 08-11-2008

Typed Title of Authorized Official

Date

North Central Texas Council of Governments
616 Six Flags Drive, Arlington, Texas 76011

*By: _____
Signature of Authorized Official

* _____
Typed Name of Authorized Official

* _____
Typed Title of Authorized Official Date

MASTER AGREEMENT

Pursuant to the award of Joint Actuarial Services by the North Central Texas Council of Governments (NCTCOG), this agreement confirms the terms under which the NAVARRO COUNTY (name of government) hereinafter referred to as "CONTRACTING GOVERNMENT" has engaged Gabriel, Roeder, Smith & Co. hereinafter referred to as "GRS" to perform actuarial consulting services. In as much as this relationship will involve several actuarial reviews and other services that will be governed by the Request for Proposal issued by NCTCOG on May 31, 2006 and our subsequent response to that proposal, we have agreed to establish this "master agreement" defining the general terms and conditions for all work performed.

This agreement will not, by itself, authorize the performance of any services. Rather specific services will be authorized through a separate engagement letter that references this master agreement and details the services to be provided and the timeframe and fees required. In the event of an inconsistency between this master agreement and an individual engagement letter, the master agreement will be followed.

As described in the above referenced Request for Proposal the following terms apply:

- A. **Tax Exempt Entities.** CONTRACTING GOVERNMENT is exempt from manufacturer's federal excise tax and states sales tax. Tax exemption certificates will be issued upon request.
- B. **Role of NCTCOG.** NCTCOG has served as a facilitator to the RFP and award process but the contractual relationship is between GRS and the CONTRACTING GOVERNMENT.
- C. **Aggregate Information.** GRS agrees to supply NCTCOG with the specified results from the valuations and to aggregate that information with that of other governments for the purpose of benchmarking.
- D. **Fees.** GRS agrees to follow the attached pricing schedule ("Attachment A") for pricing of its services.
- I. **Review of Charges.** CONTRACTING GOVERNMENT has the right to review the supporting documentation for any hourly charges or out of pocket expenses assessed to the CONTRACTING GOVERNMENT under the fee schedule.
- J. **Termination.** Both CONTRACTING GOVERNMENT and GRS will have the right to terminate this agreement through written notice. CONTRACTING GOVERNMENT will pay any charges or prorate fees incurred to the date the termination notice is received and actuary will cease any in progress work unless specific stopping points are provided in the letter.

- K. **Work Product.** The final work product will be the property of the CONTRACTING GOVERNMENT to be used as stated in the specific engagement letter. Ancillary use of the product is permitted but GRS is not responsible for the reliability of those projections. It is understood that all reports are subject to the open records laws of the State of Texas and the contracting jurisdiction.
- L. **Independent Contractor.** All the services provided by GRS will be as an independent contractor. None of the terms in the engagement letter will be interpreted to create an agency or employment relationship.
- M. **Biennial Reviews.** CONTRACTING GOVERNMENT agrees to provide census data in off years using the same cut off date and delivery dates as used for the year of review. Actuary agrees to review the off year census data and provide CONTRACTING GOVERNMENT with timely feedback regarding deficiencies in the data.
- N. **Term.** The term of this master agreement will be governed by the afore referenced NCTCOG RFP and will expire on September 30, 2012.
- O. **Complete Agreement.** This letter combined with the specific engagement letter and as clarified by the RFP and Proposal set forth the entire agreement between the CONTRACTING GOVERNMENT and GRS.
- P. **Indemnification.** GRS covenants and agrees to indemnify and hold harmless and defend and does hereby indemnify, hold harmless, and defend NCTCOG and CONTRACTING GOVERNMENTS, its officers and employees, from and against any and all suits or claims for damages or injuries, including death, to persons or property, whether real or asserted, arising out of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors, and the contractor does hereby assume all liability for injuries, claims or suits for damages to persons, property, or whatever kind of character, whether real or asserted, occurring during or arising out of the performance of a contract as a result of any negligent act or omission on the part of the contractor, its officers, agents, servants, employees, or subcontractors to the extent permitted by law. Please review this master agreement letter and the attached schedules and indicate your acceptance by having an official of CONTRACTING GOVERNMENT sign below.
- Q. **Force Majeure.** A force majeure event shall be defined to include governmental decrees or restraints, acts of God (except that rain, wind, flood or other natural phenomena normally expected for the locality, shall not be construed as an act of God), work stoppages due to labor disputes or strikes, fires, explosions, epidemics, riots, war, rebellion, and sabotage. If a delay or failure of performance by either party to this contract results from the occurrence of a force majeure event, the delay

shall be excused and the time fixed for completion of the work extended by a period equivalent to the time lost because of the event.

- R. **Professional Standards.** GRS will provide qualified personnel for each engagement and follow all professional standards ascribed by the American Academy of Actuaries and the Governmental Accounting Standards Board.

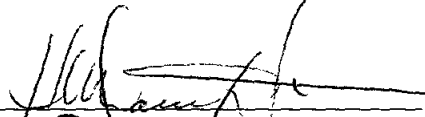
GABRIEL, ROEDER, SMITH & CO.

By: _____

Date: _____

Title: _____

CONTRACTING GOVERNMENT

By 

Date: 08-11-2008

H.M. DAVENPORT, JR
Title: COUNTY JUDGE

Attachment A

Pricing of Services

Employer					
	Governments by Total OPEB Participants	Annual	Biennial	First Year Options Study	Hourly Rate for Additional Services
1	Less than 100-Insured 1 health plan	\$4,000	\$5,000	\$750/Study	See Below
1a	Less than 100-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
2	Between 100 and 249-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
2a	Between 100 and 249-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
3	Between 100 and 249-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
3a	Between 100 and 249-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
4	Between 250 and 499-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
4a	Between 250 and 499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
5	Between 250 and 499-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
5a	Between 250 and 499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
6	Between 500 and 749-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
6a	Between 500 and 749-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
7	Between 500 and 749-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
7a	Between 500 and 749-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
8	Between 750 and 999-Insured 1 health plan	\$4,500	\$5,500	\$750/Study	See Below
8a	Between 750 and 999-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
9	Between 750 and 999-Self Insured 1 health plan	\$6,000	\$7,000	\$750/Study	See Below
9a	Between 750 and 999-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
10	Between 1000 and 1499-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
10a	Between 1000 and 1499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
11	Between 1000 and 1499-Self Insured 1				

	health plan	\$6,500	\$7,500	\$750/Study	See Below
11a	Between 1000 and 1499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
12	Between 1500 and 1999-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
12a	Between 1500 and 1999-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
13	Between 1500 and 1999-Self Insured 1 health plan	\$6,500	\$7,500	\$750/Study	See Below
13a	Between 1500 and 1999-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
14	Between 2000 and 2499-Insured 1 health plan	\$5,000	\$6,000	\$750/Study	See Below
14a	Between 2000 and 2499-per additional health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
15	Between 2000 and 2499-Self Insured 1 health plan	\$6,500	\$7,500	\$750/Study	See Below
15a	Between 2000 and 2499-per additional self insured health or retirement plan	\$1,000	\$1,000	\$750/Study	See Below
16	Between 2500 and 5000-Self Insured 1 health plan	\$7,000	\$8,000	\$750/Study	See Below
16a	Between 2500 and 5000-per additional self insured health or retirement plan	\$1,500	\$1,500	\$750/Study	See Below

Plans (if applicable)					
	Governments by Total OPEB Participants	Annual	Biennial	First Year Options Study	Hourly Rate for Additional Services
1	Less than 100-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
1a	Less than 100-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
2	Between 100 and 249-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
2a	Between 100 and 249-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
3	Between 100 and 249-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
3a	Between 100 and 249-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
4	Between 250 and 499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
4a	Between 250 and 499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
5	Between 250 and 499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
5a	Between 250 and 499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
6	Between 500 and 749-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
6a	Between 500 and 749-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
7	Between 500 and 749-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
7a	Between 500 and 749-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
8	Between 750 and 999-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
8a	Between 750 and 999-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
9	Between 750 and 999-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
9a	Between 750 and 999-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
10	Between 1000 and 1499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
10a	Between 1000 and 1499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
11	Between 1000 and 1499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
11a	Between 1000 and 1499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
12	Between 1500 and 1999-Insured 1 health plan	\$0	\$0	\$750/Study	See Below

4812 a	Between 1500 and 1999-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
13	Between 1500 and 1999-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
13a	Between 1500 and 1999-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
14	Between 2000 and 2499-Insured 1 health plan	\$0	\$0	\$750/Study	See Below
14a	Between 2000 and 2499-per additional health or retirement plan	\$0	\$0	\$750/Study	See Below
15	Between 2000 and 2499-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
15a	Between 2000 and 2499-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below
16	Between 2500 and 5000-Self Insured 1 health plan	\$0	\$0	\$750/Study	See Below
16a	Between 2500 and 5000-per additional self insured health or retirement plan	\$0	\$0	\$750/Study	See Below

- ❖ For the first valuation, the prices above include a mandatory kick-off meeting to begin the project and a meeting to present the findings. If the second meeting can take place either via web cast or through a conference call, we will discount the above valuation fees by \$500.
- ❖ For subsequent valuations, we anticipate the kickoff meeting to be via conference call or web cast. For any participant, if the meeting to present the results can take place either via web cast or through a conference call, we will discount the above valuation fees by \$500.
- ❖ Pricing assumes 20% paid upon acceptance by the government of the engagement, 50% upon receipt of the draft report and 30% upon acceptance of the final report.
- ❖ Fees for additional services and optional services that are not determined as 'basic' will be based on the following rates:

GRS Position Title	Hourly Rates
Senior Consultant	\$350
Consultants	\$275
Senior Analysts	\$175
Actuarial Analysts	\$150
Systems Analysts and Programmers	\$200
Administrative Support Staff	\$110

995

995



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

RECEIVED

July 29, 2008

JUL 31 2008
NAVARRO COUNTY
AUDITORS OFFICE

Navarro County
Attention: Paula Welch
300 W. Third Avenue, Suite 10
Corsicana, Texas 75110-4672

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, 2008. 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, 2008. 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.

Supplementary information other than RSI 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) Schedule of expenditures of federal awards.
- 2) Combining and individual non-major fund financial statements and schedules.

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 auditor's 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 laws, regulations, and the provisions of contracts or grant agreements, 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 solely for the information and use of management, the body or individuals charged with governance, others within the entity 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 generally accepted auditing standards established by the Auditing Standards Board (United States); 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 OMB 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 the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

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 also responsible for making all financial records and related information available to us, including identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and 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 establishing and maintaining 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.

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, funding sources, 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 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 AICPA 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 tests 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 these 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. We will provide copies of our reports to the County; however, 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 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.

1000

1000

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.

Paula Spiegelhauer is the engagement partner and is responsible for supervising the engagement and signing the report. 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 \$26,000. 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
Paula Spiegelhauer, CPA

PS/ar

RESPONSE:

This letter correctly sets forth the understanding of Navarro County.

By: *[Signature]*

Title: County Judge

Date: 08-11-2008

RECEIVED

AUG 05 2008
NAVARRO COUNTY
AUDITORS OFFICE

August 4, 2008

Navarro County, Texas
Department of Community
Supervision and Corrections
Attention: Ms. Paula 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 Community Supervision and Corrections Department for the year ended August 31, 2008. We will audit the financial statements of Navarro County Community Supervision and Corrections Department as of and for the year ended August 31, 2008. We understand that the financial statements will be presented in accordance with the FY 2007 Independent Audit Guidelines issued by the Texas Department of Criminal Justice-Community Assistance Division (TDCJ-CJAD)

Audit Objective

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 TDCJ-CJAD financial reporting requirements. 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 and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is 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 an opinion, we may decline to express an opinion 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; and for the fair presentation in the financial statements of Navarro County Community Supervision and Corrections Department and the respective changes in financial position in conformity with TDCJ-CJAD financial reporting requirements. Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. You are also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for 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, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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 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 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 Control

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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

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 Community Supervision and Corrections Department's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

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 & 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 TDCJ-CJAD, a federal or state 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 by TDCJ-CJAD. If we are aware that TDCJ-CJAD, 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 \$3,500. 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 accompanies this letter.

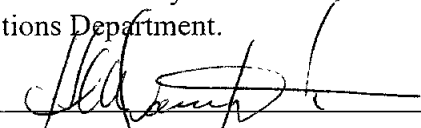
We appreciate the opportunity to be of service to Navarro County Community Supervision and Corrections Department and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described 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 Community Supervision and Corrections Department.

By:  _____

Title: County Judge _____

Date: 08-11-2008 _____



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

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August 4, 2008

Navarro County, Texas
Juvenile Probation Department
Attention: Ms. Paula 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, 2008. We will audit the financial statements of Navarro County Juvenile Probation Department as of and for the year ended August 31, 2008.

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.

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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 \$3,500. 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.

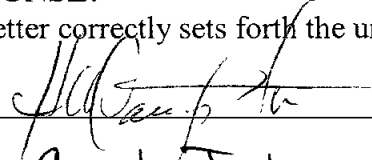
Very truly yours,
PATTILLO, BROWN & HILL, L.L.P.


Paula Spiegelhauer, CPA

PS/ar

RESPONSE:

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

By: 

Title: County Judge

Date: 08-11-2008

**COUNTY OF NAVARRO
RESOLUTION NO. _____**

A RESOLUTION OF THE COMMISSIONERS COURT OF NAVARRO COUNTY ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN GRANTING TAX ABATEMENTS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the future economic viability Navarro County depends on the ability to attract new investment through the location of new industry and the expansion and modernization of existing business; and

WHEREAS, the creation and retention of job opportunities that result from new and retained economic development is a high civic priority; and

WHEREAS, Navarro County must become and remain competitive with other localities across the nation in the expansion of their existing industrial base and the attraction of new commercial and industrial investment; and

WHEREAS, Chapter 312 of the Texas Tax Code requires that a taxing unit adopt a resolution stating that it elects to become eligible to participate in tax abatement; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF NAVARRO COUNTY, TEXAS THAT:

SECTION 1.

Navarro County elects to become eligible to participate in tax abatements and to create reinvestment zones, in accordance with Chapter 312 of the Texas Tax Code, and directs county staff to actively pursue economic development opportunities for Navarro County.

SECTION 2.

This resolution shall become effective upon passage.

PASSED AND APPROVED ON THIS 11th DAY OF AUGUST, 2008.



[Handwritten Signature]

H.M. Davenport, County Judge

[Handwritten Signature]

Sherry Dowd, County Clerk

By: *[Handwritten Signature]*