

FILED FOR RECORD  
IN MY OFFICE

AT 11:10 O'CLOCK A M

APR 8 2004

MICKEY DORMAN  
COUNTY CLERK, PANOLA COUNTY, TEXAS

**MEETING OF COMMISSIONERS' COURT  
OF PANOLA COUNTY**

BY Clara Jones DEPUTY

TO WHOM IT MAY CONCERN:

PURSUANT TO THE TEXAS OPEN MEETINGS ACT, NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE COMMISSIONERS' COURT OF PANOLA COUNTY, TEXAS WILL BE HELD ON THE 12<sup>TH</sup> DAY OF APRIL, 2004, IN THE COMMISSIONERS' COURTROOM IN THE PANOLA COUNTY COURTHOUSE IN CARTHAGE, TEXAS AT 9:00 O'CLOCK A.M. AT WHICH MEETING THE FOLLOWING SUBJECTS WILL BE DISCUSSED AND THE FOLLOWING MATTERS ACTED UPON:

**OPEN MEETING:**

1. **CITIZEN COMMENTS:** This is for citizens to comment on any subject not on the current agenda concerning county business. Members of the Court may answer direct questions, but any action from this item must be scheduled on a future agenda.
2. **COMMISSIONERS' REPORT:** These are for informational purposes only. Any action that needs to be taken on the basis of these reports will be placed on a future agenda for action.
3. **COUNTY JUDGE'S REPORT:** This is for informational purposes only. Any action that needs to be taken on the basis of this report will be placed on a future agenda for action.
4. **CONSENT ITEMS:**

**PERSONNEL**

- a. None.

**ROAD & BRIDGE**

- a. To approve and record a request by Gary Natural Gas System to cross under Panola County Road #106 with a 1-1/4" line.
- b. To approve and record a request by B.P. America Production Co. to cross under Panola County Road #216 with a 4" line.

- c. To approve and record a request by Murvaul Water Supply Corporation to cross under Panola County Road #183 with a 3" water line.
- d. To approve and record a request by Courtney Construction to cross under Panola County Road #248 with a 4 inch line.
- e. To approve and record a request by Courtney Construction to cross under Panola County Road #241 with a 4 inch line.
- f. To approve and record a request by Courtney Construction to cross under Panola County Road #246 with a 4 inch line.

**MISCELLANEOUS**

- a. To approve minutes of Commissioners' Court meetings held during the month of March, 2004.
- b. To record Panola County's 2004 Claim for Tobacco Settlement Funds for Fiscal Year 2003.
- c. To record Panola County Rural Fire District No. 1 Annual Financial Report for the Year Ended December 31, 2003 as prepared by Robinson & Williams, P.L.L.C.

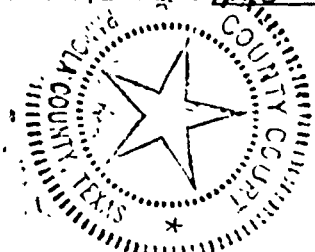
**REQUESTS FOR CONFERENCE ATTENDANCE**

- a. To approve and record a Request for Attendance at a Conference form(s) for the following Panola County elected official(s)/employee(s): Panola County Sheriff's Department Lieutenant Joe Mims; Panola County Sheriff's Department Sergeant David Gray; Panola County Sheriff's Department Secretary Catherine Smith; Panola County Sheriff's Department Secretary Heather Chandler; and Panola County Auditor Sidney Burns.
- 5. To approve Road & Bridge requisitions and to approve payment of current Panola County bills as presented on vouchers prepared and submitted by the County Auditor.
  - 6. To discuss and act upon a Petition requesting the existing Private Road #804 be taken into the County Road System.
  - 7. To discuss and act upon appointing Phyllis Odom, Jan Blackburn, Elizabeth Holmes, and Micheal Bierig to the Panola County Children's Service Board.
  - 8. To discuss and act upon adopting Order #2004-02 implementing H.B. 136 - Proposition 13 on the Panola County 2004 property tax roll to benefit the elderly and disabled homeowners in Panola County.
  - 9. To discuss and act upon authorizing Northeast Texas Air Care (NETAC) to place an ozone research monitor in the southeastern part of Panola County.

10. To discuss and act upon allowing The Crisis Center of Carthage to use office space on third floor of Courthouse vacated by Texas Department of Public Safety.
11. To discuss and act upon finding Conley-Lott-Nichols in default of their bid contract awarded January 1, 2004 for bit holders; and, if found in default, to terminate their rights as a bidder; and to authorize the County Auditor to re-advertise for sealed bids for the purchase of bit holders for use by the Panola County Road and Bridge Department. Bids specifications available at the Panola County Warehouse, 1120 E. Sabine, Carthage, Texas. Bids will be opened at a Regular Session of the Commissioners' Court scheduled for May 10, 2004 at 9:00 o'clock a.m.
12. To discuss and act upon adopting Resolution #2004-04 opposing the Governor's proposed local government tax limitations.

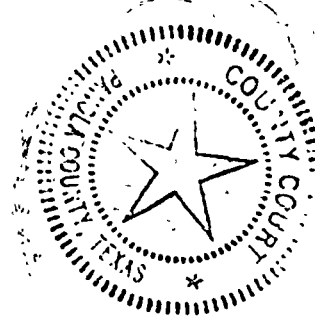
ADJOURNMENT

WITNESS THE HAND OF THE UNDERSIGNED CLERK ON THIS THE 8<sup>TH</sup> DAY OF APRIL, 2004 AT 11:10 O'CLOCK A.M.



Mickey Dorman  
 MICKEY DORMAN, COUNTY CLERK  
 PANOLA COUNTY, TEXAS  
 By: Clara Jones, Deputy

I, MICKEY DORMAN, CLERK OF THE COMMISSIONERS' COURT OF PANOLA COUNTY, TEXAS DO HEREBY CERTIFY THAT THE ABOVE NOTICE WAS POSTED ON THE OFFICIAL BULLETIN BOARD IN THE PANOLA COUNTY COURTHOUSE IN THE CITY OF CARTHAGE, TEXAS AND IN A PUBLIC PLACE VISIBLE AT ALL TIMES ON THE 8<sup>TH</sup> DAY OF APRIL, 2004 AT 11:10 O'CLOCK A.M.



Mickey Dorman  
 MICKEY DORMAN, COUNTY CLERK  
 PANOLA COUNTY, TEXAS  
 By: Clara Jones, Deputy

MAY 10 2004

The State of Texas  
County of PanolaMICKEY DORMAN  
COUNTY CLERK, PANOLA COUNTY, TEXAS  
BY *Mickey Dorman* DEPUTY

On this the 12th day of April A.D. 2004, the Commissioners' Court of Panola County, Texas met in a Regular Meeting of the Court at 9:00 o'clock a.m. in the Commissioners' Courtroom of said County with the following members of the Court present:

David L. Anderson	County Judge
Ronnie LaGrone	Commissioner, Precinct No. 1
Douglas M. Cotton	Commissioner, Precinct No. 2
Hermion E. Reed, Jr.	Commissioner, Precinct No. 3
Dale LaGrone	Commissioner, Precinct No. 4

with none absent, constituting a quorum of the Court. Also attending were Mickey Dorman, County Clerk and Lee Ann Jones, Administrative Assistant to the County Judge. Attached to and made a part of these Minutes is a list of other attendees and the office or organization that each represents. The following proceedings were held at this meeting:

## OPEN MEETING:

## 1. CITIZEN COMMENTS:

There were no comments from the citizens present.

## 2. COMMISSIONERS' REPORTS:

There were no reports from the Commissioners.

## 3. COUNTY JUDGE'S REPORT:

Judge Anderson mentioned that the remodel project was progressing well and expected to be completed by the end of April.

He also reminded the Commissioners of their invitation to attend the TxDOT luncheon on April 20<sup>th</sup>.

## 4. CONSENT ITEMS:

## PERSONNEL

- a. None.

## ROAD &amp; BRIDGE

- ✓ a. To approve and record a request by Gary Natural Gas System to cross under Panola County Road #106 with a 1-1/4" line.
- ✓ b. To approve and record a request by B.P. America Production Co. to cross under Panola County Road #216 with a 4" line.
- ✓ c. To approve and record a request by Murvaul Water Supply corporation to cross under Panola County Road #183 with a 3" water line.
- ✓ d. To approve and record a request by Courtney Construction to cross under Panola County Road #248 with a 4 inch line.
- ✓ e. To approve and record a request by Courtney Construction to cross under Panola County Road #241 with a 4 inch line.
- ✓ f. To approve and record a request by Courtney Construction to cross under Panola County Road #246 with a 4 inch line.

## MISCELLANEOUS

- a. To approve minutes of Commissioners' Court meetings held during the month of March, 2004.
- ✓ b. To record Panola County's Claim for Tobacco Settlement Funds for Fiscal Year 2003.
- ✓ c. To record Panola County Rural Fire District No. 1 Annual Financial Report for the year Ended December 31, 2003 as prepared by Robinson & Williams, P.L.L.C.

## REQUESTS FOR CONFERENCE ATTENDANCE

- ✓ a. To approve and record a Request for Attendance at a Conference form(s) for the following Panola County elected official(s)/employee(s): Panola County Sheriff's Department Lieutenant Joe Mims; Panola County Sheriff's Department Sergeant David Gray; Panola County Sheriff's Department Secretary Catherine Smith; Panola County Sheriff's Department Secretary Heather Chandler; and Panola County Auditor Sidney Burns.

Commissioner Ronnie LaGrone moved and Commissioner Dale LaGrone seconded the motion to approve all the Consent Items. The motion passed unanimously.

A COPY OF EACH AMENDMENT REQUEST AND/OR BOND IS ATTACHED TO AND MADE A PART OF THE MINUTES.

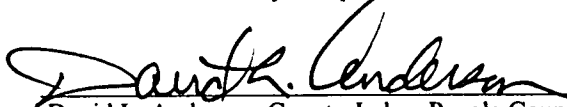
- ✓ 5. Commissioner Cotton moved and Commissioner Reed seconded the motion to approve the Road & Bridge requisitions and to approve the payment of the current Panola County bills as presented on vouchers prepared and submitted by the County Auditor. The motion passed unanimously. SEE LIST OF BILLS ATTACHED.
- ✓ 6. After some discussion Commissioner Dale LaGrone moved and Commissioner Reed seconded the motion to approve the acceptance of existing Private Road #804 into the County Road System. The motion failed by a vote of 2-3 with Commissioners Ronnie LaGrone and Cotton and Judge Anderson voting against the measure. SEE COPY OF PROPOSAL ATTACHED.
- ✓ 7. After some discussion Commissioner Ronnie LaGrone moved and Commissioner Cotton seconded the motion to appoint Phyllis Odom, Jan Blackburn, Elizabeth Holmes and Michael Bierig to the Panola County Children's Service Board. The motion passed unanimously. Judge Anderson then administered the oath of office to the new board members. SEE COPY OF APPOINTMENTS ATTACHED.
- 8. After some discussion Commissioner Ronnie LaGrone moved and Commissioner Dale LaGrone seconded the motion to adopt Order #2004-02 implementing H.B. 136-Proposition 13 on the Panola County 2004 property tax roll to benefit the elderly and disabled homeowners in Panola County. The motion passed unanimously. SEE COPY OF ORDER ATTACHED.
- 9. After some discussion Commissioner Reed moved and Commissioner Cotton seconded the motion to authorize Northeast Texas Air Care (NETAC) to place an ozone monitor in the northeastern part of Panola County. The motion passed unanimously. SEE COPY OF REQUEST ATTACHED.
- 10. After some discussion and a presentation by Ms. Nancy Lofton, Executive

Director of the Kilgore Center, Judge Anderson moved and Commissioner Ronnie LaGrone seconded the motion to table action to allow The Crisis Center of Carthage to use office space on the third floor of the Courthouse which was recently vacated by Texas Department of Public Safety until the April 26 meeting. The motion passed unanimously.

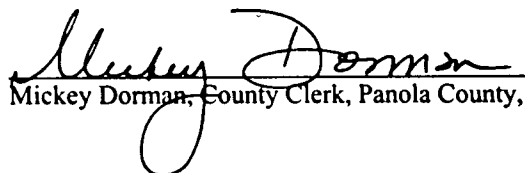
- 11. After some discussion Commissioner Cotton moved and Commissioner Ronnie LaGrone seconded the motion to find Conley-Lott Nichols in default of their bid contract awarded January 1, 2004 for bit holders as recommended by Road Superintendent John DePresca; and, if found in default, to terminate their rights as a bidder; and to authorize the County Auditor to re-advertise for sealed bids for the purchase of bit holders for use by the Panola County Road and Bridge Department. Bid specifications will be available at the Panola County Warehouse, 1120 E. Sabine, Carthage, Texas. The bids will be opened at a Regular Session of the Commissioners' Court scheduled for May 10, 2004 at 9:00 o'clock a.m. The motion passed unanimously. SEE COPY OF NOTICE ATTACHED.
- 12. After some discussion Commissioner Dale LaGrone moved and Commissioner Reed seconded the motion to adopt Resolution #2004-04 opposing the Governor's proposed local government tax limitations. The motion passed unanimously. SEE COPY OF RESOLUTION ATTACHED.

The meeting was then adjourned.

Dated this the 12<sup>th</sup> day of April, 2004.

  
David L. Anderson, County Judge, Panola County, Texas

ATTEST:

  
Mickey Dorman, County Clerk, Panola County, Texas



12 April 2004

9:00 am

Reif Janet Blackburn

John D. Harrison

Tom Burkholder

Chronicia Idemmede

Ruth Skell

Anita Brady

Michael Beerig (Michelle)

Phyllis Odum

Elizabeth Holmes

Garry Layton

Dula Green

Melanie Winley

Doris Chiles Chiles

John

Bryce M. Miller

Bill Davis

Doreen Nitz

Denny Campbell

# CONSENT ITEMS

## NOTICE OF PROPOSED INSTALLATION PIPELINE AND /OR UTILITY LINES

TO: THE PANOLA COUNTY COMMISSIONERS COURT

c/o

PANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

GARY NATURAL GAS SYSTEM Proposes to place a  
(COMPANY NAME)  
1 1/4" Line within the Right-of-Way  
(PIPE SIZE)  
of County Road: 106 as follows:  
(NUMBER OF ROAD)

The proposed pipeline will cross under the indicated roads on the attached sheet.  
Installation shall be made by boring total length of line in Panola County is 2 bores & 30' east

The location and description of the proposed line and appurtenances is more fully shown by the copies of the drawings attached to this notice. The line will be constructed and maintained on the County Right-of-Way as directed by the County Commissioners in accordance with current Panola County Specifications.

Construction of this line will begin on or after the 23rd day of  
March 2004.

FIRM: City of Gary Natural Gas System  
BY: Douglas W Baker  
TITLE: Asst. Gas Manager  
ADDRESS: P.O. Box 160  
Gary, Texas 75643  
PHONE: (903 ) 685-2225





## APPROVAL

April 12, 2004

TO: Gary Natural Gas System  
P. O. Box 160  
Gary, Texas 75643

RE: CR #106

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 1-1/4" line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.

5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

Approved: 

COUNTY JUDGE

COMMISSIONERS:

Precinct #1 Ronnie LaGrone  
Precinct #2 Doug Cotton  
Precinct #3 Hermon E. Reed, Jr.  
Precinct #4 Dale LaGrone

VOL. 45 PAGE 478

NOTICE OF PROPOSED INSTALLATION  
PIPE AND /OR UTILITY LINESTO: THE PANOLA COUNTY COMMISSIONERS COURT

c/o

PANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

BP America Production Co. Proposes to place a  
(COMPANY NAME)4" Line within the Right-of-Way  
(PIPE SIZE)of County Road: 216 as follows:  
(NUMBER OF ROAD)The proposed pipeline will cross under the indicated roads on the attached sheet.  
Installation shall be made by boring total length of line in Panola County is 60' Bore.The location and description of the proposed line and appurtenances is more fully shown by  
the copies of the drawings attached to this notice. The line will be constructed and maintained on  
the County Right-of-Way as directed by the County Commissioners in accordance with current  
Panola County Specifications.Construction of this line will begin on or after the 15<sup>th</sup> day of  
April 2000: 2004FIRM: BP America Production Co.  
BY: Jane Taylor  
TITLE: Landowner Relations  
ADDRESS: PO BOX 9460  
Longview, TX 75608  
PHONE: 903 297-4021

**SPECIAL SPECIFICATIONS  
FOR PIPE LINES CROSSING IN BORED HOLES  
AND PLACED PARALLEL TO COUNTY ROADS**

**GENERAL NOTE:** The construction of this project shall follow "The Panola County Road and Bridge Department Standard Specifications" with respect To barricades, flagmen, flares, warning signs, and all responsibility for complaints or damage suits by traveling public and adjacent property owners.

1. Excavation material shall not be placed on road shoulders or traffic lanes or in ditches where drainage would be impaired. When excavation is permitted near the roadway where, in the opinion of the County, the support of the oil road structure is endangered, sheeting, cribbing, other measures shall be taken to prevent damage to the roadway or the creation of traffic hazard.
2. All excavations shall be backfilled in a neat and workmanlike manner and all disturbed areas shall be restored to a condition comparable to the original condition. Backfill material shall be consolidated to a density comparable to that of the adjacent undisturbed material, replacing all of the excavated material except that displaced by pipe. The degree of compaction shall be such as to prevent future settlement. Excess material displaced by the pipe shall be remove from the right-of-way or otherwise disposed of to the satisfaction of the county's representative. Pipe laying operation shall not be carried on when soil conditions are such that construction equipment will cause rutting. Backfill operations shall be kept within one mile of trenching and/or pipe laying operations.
3. Sod and/or other erosion control measures removed or disturbed by the installation shall be replaced. This shall include keeping separate and replacing existing topsoil, importing sod or seeding or a combination of these methods together with fertilizer and water as necessary to re-establish vegetative cover in a healthy and growing condition.
4. The pipe or, if encased, the encasement pipe shall completely fit the bored hole.
5. All private and commercial access driveways disturbed by pipe laying shall be restored to a condition comparable to that which existed prior to these operation. Special care shall be taken to compact backfill and base material to prevent future settlement. All work shall be completed to the owners satisfaction. All public access driveways with paved surfaces shall be crossed by the bored hole method. Crossings of dirt or gravel public access driveways may be made as specified for private and commercial access driveways except that provisions shall be made for uninterrupted flow of traffic.

P. 3

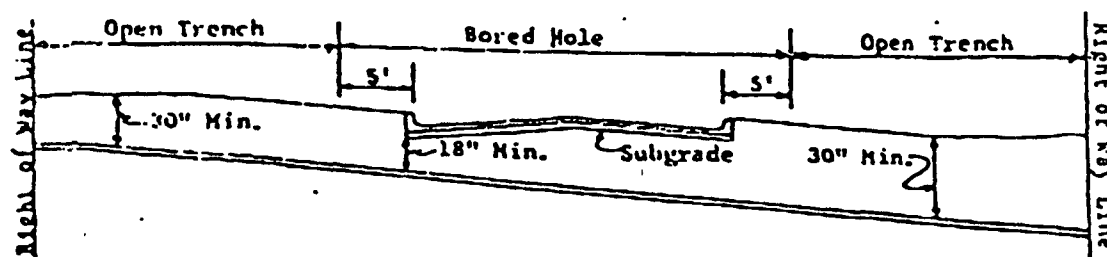
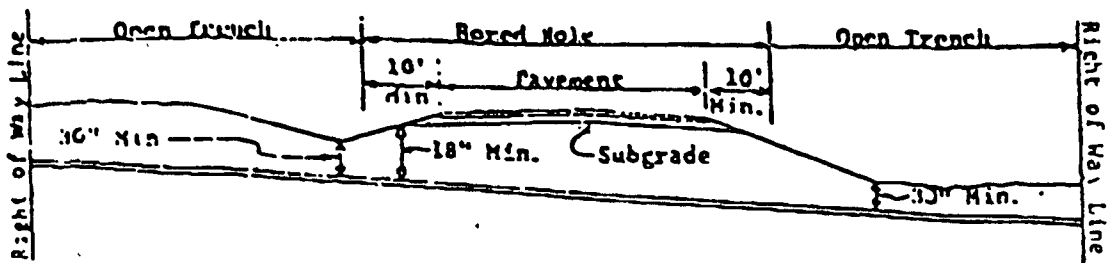
B-20-2001 B. 49AM FROM CO. COMMISSIONERS 903 693 0342

6. No trees or shrubbery shall be cut or trimmed with the approval of the Panola County Road and Bridge Department.
7. Regulations and ordinances of incorporated cities shall be complied with if with the city limits.

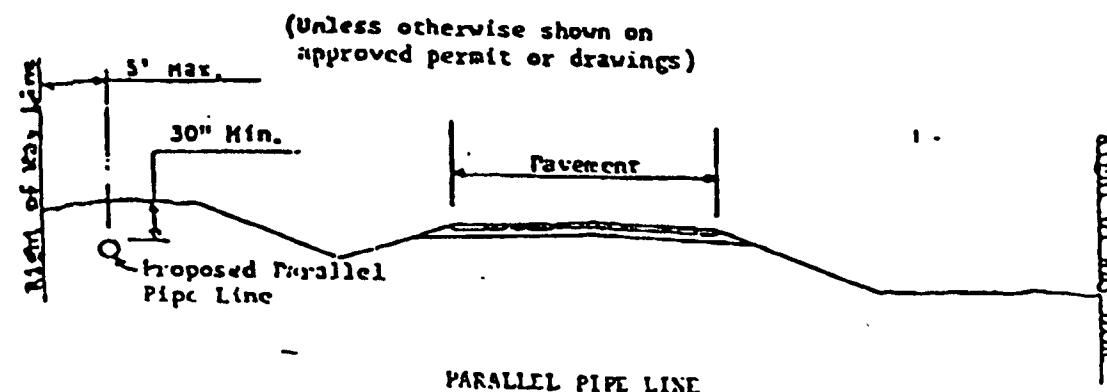
P. 4

B-20-2001 B. 49AM FROM CO. COMMISSIONERS 903 693 0342

VOL. 45 PAGE 480



PIPE LINE CROSSING



PARALLEL PIPE LINE

## APPROVAL

April 12, 2004

TO: B.P. America Production Co.  
P. O. Box 9460  
Longview, Texas 75608

RE: CR #216

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 4" line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.

5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

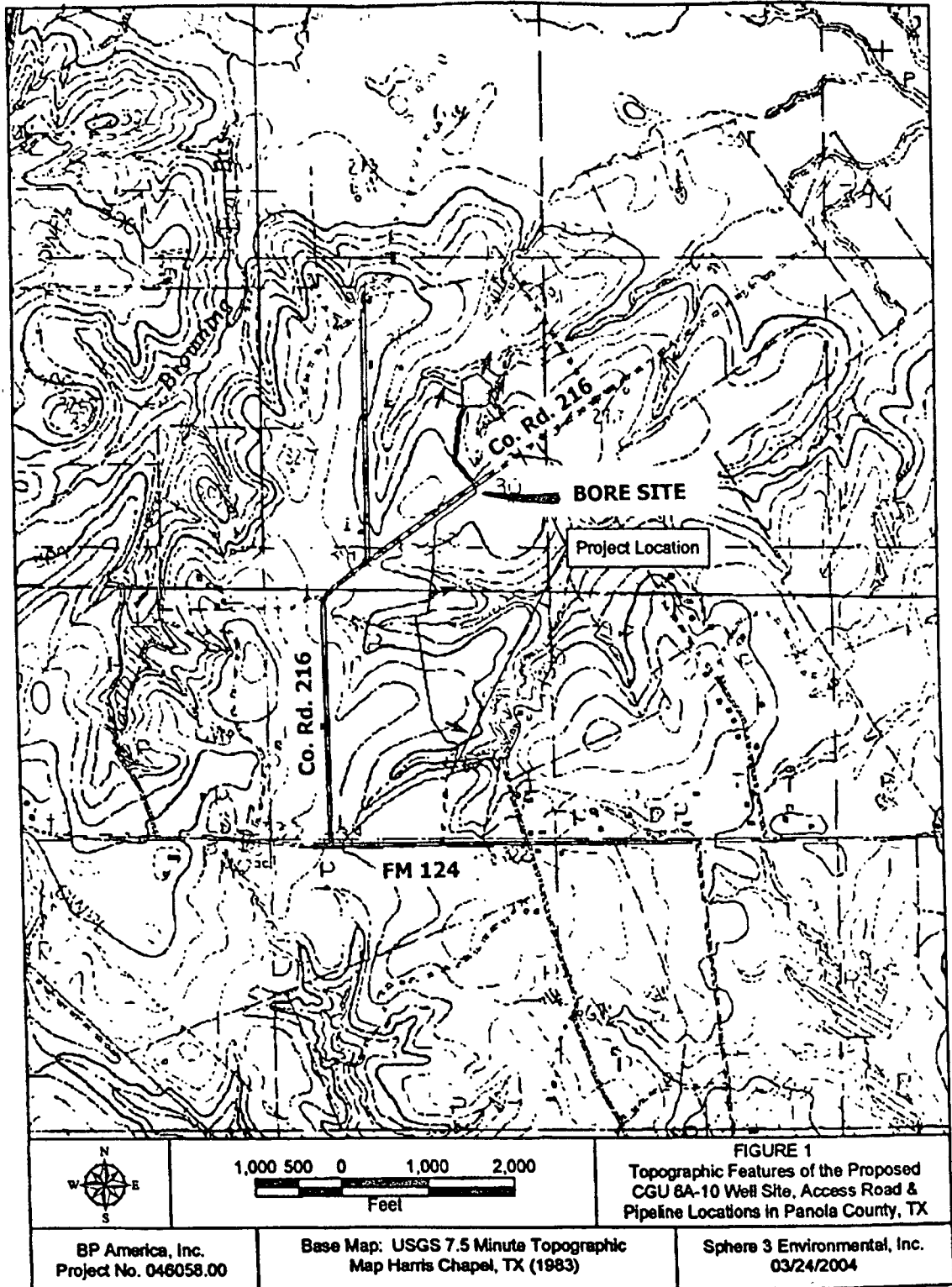
Approved: \_\_\_\_\_

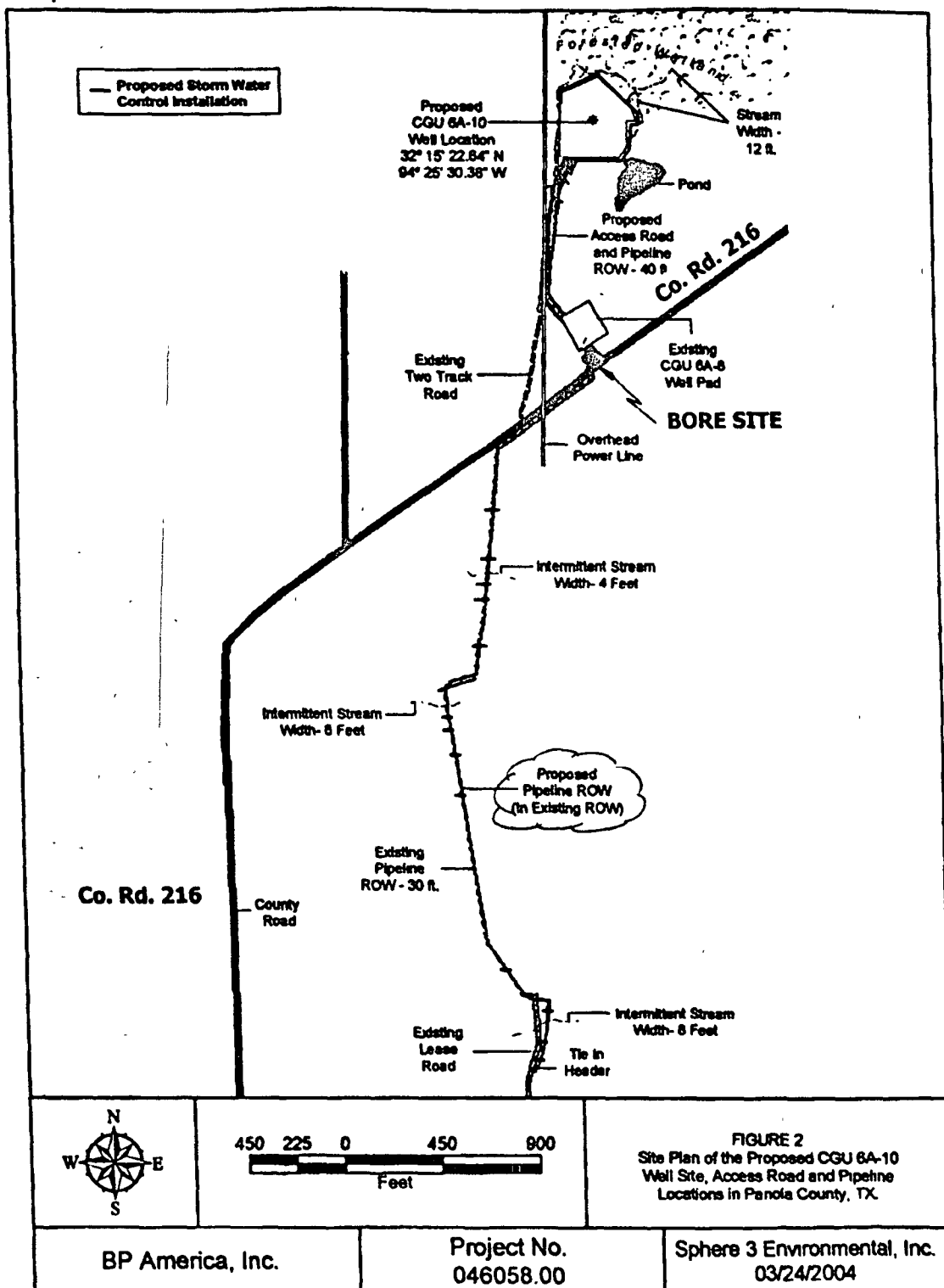
COUNTY JUDGE

COMMISSIONERS:

Precinct #1 Ronnie LaGrone  
Precinct #2 Doug Cotton  
Precinct #3 Hermon E. Reed, Jr.  
Precinct #4 Dale LaGrone







NOTICE OF PROPOSED INSTALLATION  
PIPELINE AND/OR UTILITY LINESTO: THE PANOLA COUNTY COMMISSIONERS COURT

c/o

PANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

Murvaan W.S.C. per Gibbs Construction Proposes to place a  
(COMPANY NAME)3" Drinking Water Main Line within the Right-of-Way  
(PIPE SIZE)of County Road: 183 as follows.  
(NUMBER OF ROAD)The proposed pipeline will cross under the indicated roads on the attached sheet.  
Installation shall be made by boring total length of line in Panola County is 30'The location and description of the proposed line and appurtenances is more fully shown by  
the copies of the drawings attached to this notice. The line will be constructed and maintained on  
the County Right-of-Way as directed by the County Commissioners in accordance with current  
Panola County Specifications.Construction of this line will begin on or after the 03 day of  
April 2004.FIRM: Murvaan W.S.C.  
BY: Howard Stephen Tice Jr.  
TITLE: Operator  
ADDRESS: 1307 W. 175  
6th, Carthage, TX 75643  
PHONE: (903) 685-2600Have 903-685-2852 HomeFax

## APPROVAL

April 12, 2004

TO: Murvaul Water Supply Corporation  
c/o Gibbs Construction  
1307 CR 178  
Gary, Texas 75643

RE: CR #183

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 3" line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.

5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

Approved: 

COUNTY JUDGE

COMMISSIONERS:

Precinct #1 Ronnie LaGrone  
Precinct #2 Doug Cotton  
Precinct #3 Hermon E. Reed, Jr.  
Precinct #4 Dale LaGrone



NOTICE OF PROPOSED INSTALLATION  
PIPELINE AND /OR UTILITY LINESTO: THE PANOLA COUNTY COMMISSIONERS COURTc/o KathyPANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

Courtney Construction

(COMPANY NAME)

Proposes to place a

4-inch

(PIPE SIZE)

Line within the Right-of-Way

of County Road:

248

as follows:

(NUMBER OF ROAD)

The proposed pipeline will cross under the indicated roads on the attached sheet.  
Installation shall be made by boring total length of line in Panola County is 670.The location and description of the proposed line and appurtenances is more fully shown by the copies of the drawings attached to this notice. The line will be constructed and maintained on the County Right-of-Way as directed by the County Commissioners in accordance with current Panola County Specifications.Construction of this line will begin on or after the 5th day of April 2004.FIRM: COURTNEY CONSTRUCTION, INC.  
BY: SHARIE COURTNEY  
TITLE: SUPERVISOR / OWNER  
ADDRESS: 2617 US HWY 79N  
CARTHAGE, TX 75633  
PHONE: (903) 694-2911

## APPROVAL

April 12, 2004

TO: Courtney Construction, Inc.  
2617 U.S. Hwy. 79N  
Carthage, Texas 75633

RE: CR #248

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 4 inch line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.



5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

Approved:   
COUNTY JUDGE

COMMISSIONERS:

Precinct #1 Ronnie LaGrone  
Precinct #2 Doug Cotton  
Precinct #3 Hermon E. Reed, Jr.  
Precinct #4 Dale LaGrone

N

CR 248

E

W  
This Property  
Proposed 4" Bore

→ 2 1/2 mile

← Proposed 4" Bore

CR 241

→ 200 feet

S

ms. 01.049

04.05.10

CR 242

Fence

Fence

11' 8"

11' 8"

NOTICE OF PROPOSED INSTALLATION  
PIPELINE AND /OR UTILITY LINES

TO: THE PANOLA COUNTY COMMISSIONERS COURT

c/o Kathy

PANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

Courtney Construction  
(COMPANY NAME)

Proposes to place a

4-inch

(PIPE SIZE)

Line within the Right-of-Way

of County Road: 241  
(NUMBER OF ROAD)

as follows:

The proposed pipeline will cross under the indicated roads on the attached sheet.  
Installation shall be made by boring total length of line in Panola County is 100.

The location and description of the proposed line and appurtenances is more fully shown by the copies of the drawings attached to this notice. The line will be constructed and maintained on the County Right-of-Way as directed by the County Commissioners in accordance with current Panola County Specifications.

Construction of this line will begin on or after the 5th day of April 2004.

FIRM: COURTNEY CONSTRUCTION INC.  
BY: SHANE COURTNEY  
TITLE: SUPERVISOR / OWNER  
ADDRESS: 2617 US HWY 79N  
CARTHAGE, TX 75633  
PHONE: (903) 694-2911

## APPROVAL

April 12, 2004

TO: Courtney Construction, Inc.  
2617 U.S. Hwy. 79N  
Carthage, Texas 75633

RE: CR #241

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 4 inch line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.

5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

Approved: \_\_\_\_\_

*Dwight Anderson*  
COUNTY JUDGE

COMMISSIONERS:

Precinct #1 Ronnie LaGrone  
Precinct #2 Doug Cotton  
Precinct #3 Hermon E. Reed, Jr.  
Precinct #4 Dale LaGrone

N

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CR 248

W

The Proposed:

Proposed 4" Bore

E

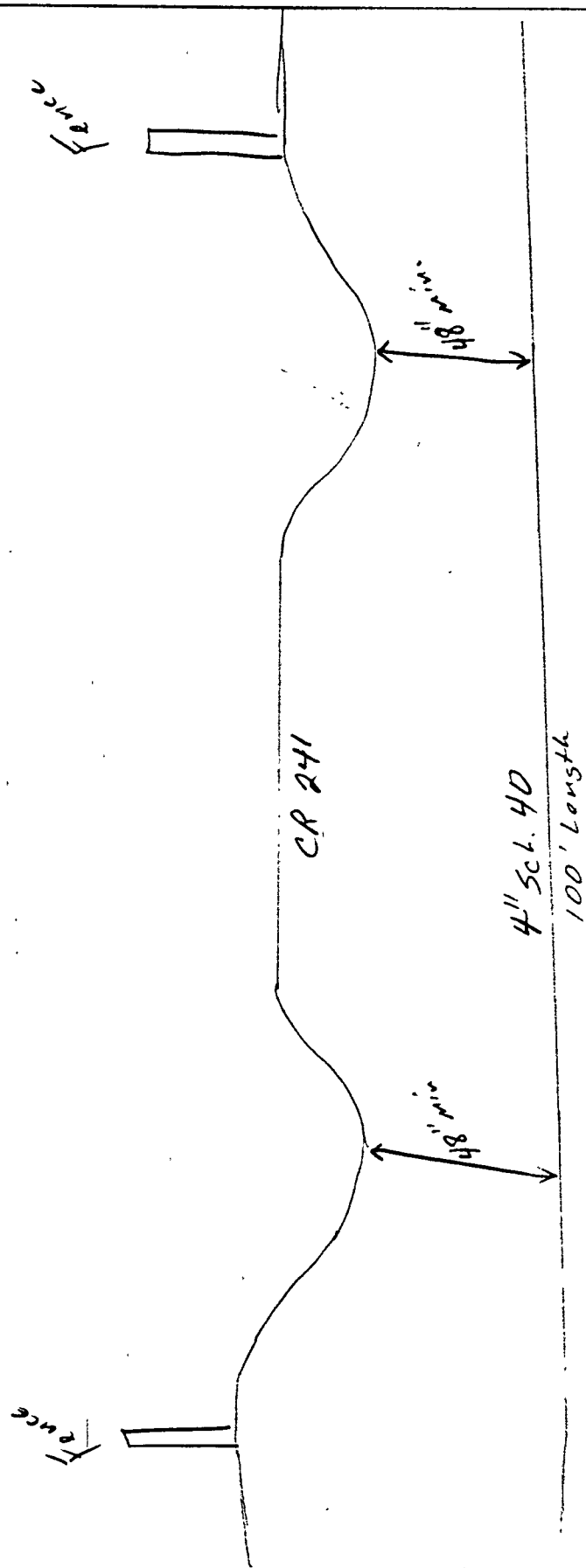
→ 2 1/2 mile

← Proposed 4" Bore

CR 241

→ 200 feet

S





NOTICE OF PROPOSED INSTALLATION  
PIPELINE AND /OR UTILITY LINES

TO: THE PANOLA COUNTY COMMISSIONERS COURT

c/o Kathy

PANOLA COUNTY ROAD & BRIDGE DEPARTMENT CARTHAGE, TEXAS

Formal notice is hereby give that:

Courtney Construction  
(COMPANY NAME)

Proposes to place a

4-inch  
(PIPE SIZE)

Line within the Right-of-Way

of County Road: 246 as follows:  
(NUMBER OF ROAD)

The proposed pipeline will cross under the indicated roads on the attached sheet. Installation shall be made by boring total length of line in Panola County is 120.

The location and description of the proposed line and appurtenances is more fully shown by the copies of the drawings attached to this notice. The line will be constructed and maintained on the County Right-of-Way as directed by the County Commissioners in accordance with current Panola County Specifications.

Construction of this line will begin on or after the 5th day of April 2004.

FIRM: COURTNEY CONSTRUCTION, INC.  
BY: SHANE COURTNEY  
TITLE: SUPERVISOR / OWNER  
ADDRESS: 2617 US HWY 79 N  
CARTHAGE, TX 75633  
PHONE: (903) 694-2911

## APPROVAL

April 12, 2004

TO: Courtney Construction, Inc.  
2617 U.S. Hwy. 79N  
Carthage, Texas 75633

RE: CR #246

The Panola County Commissioners' Court offers no objection to the location on the right-of-way of your proposed 4 inch line as shown by accompanying drawings and notice except as noted below:

It is expressly understood that the County Commissioners' Court does not purpose hereby, to grant any right, claim, title or easement in or upon this county road. It is further understood that in the future should for any reason the county need to work, improve, relocate, widen, increase, add to, or in any manner change the structure of this right-of-way, any required relocation of said lines shall be at the sole expense of owner.

All work on the county right-of-way shall be performed in accordance with the county instructions. The installations shall not damage any part of the road and adequate provisions must be made to cause minimum inconvenience to traffic and adjacent owners. Special specifications for placing this line are as follows:

1. All lines are to be installed a minimum of 36 inches below the flow line of the adjacent drainage or barrow ditch.
2. All excavation within the right-of-way and not under surfacing shall be backfilled by tamping in 6 inch horizontal layers. All surplus material shall be removed from the right-of-way and the excavation finished flush with surrounding natural ground.
3. Lines crossing under surfaced roads and under surfacing cross roads within the right-of-way shall be placed by boring. Boring shall extend from crown line to crown line. Gravity from sewer lines under roadways shall be cast iron pipe.
4. All lines, where practicable, shall be located to cross roadbed at approximately right angles thereto. No lines are to be installed under or within 50 feet of either end of any bridge. No lines shall be placed in any culvert or within 10 feet of the closest point of same.

5. Parallel line will be installed as near the right-of-way lines as is possible and no parallel line will be installed in the roadbed or between the drainage ditch and the roadbed without special permission of the Panola County Commissioners' Court.
6. Operations along roadbeds shall be performed in such manner that all excavated material be kept off the pavement at all times, as well as all operating equipment and materials. No equipment or installation procedures will be used which will damage any road surface or structures. The cost of any repairs to road surface, roadbed, structures or other right-of-way features as a direct result of this installation will be borne by the owner of this line.
7. Barricades, warning signs, lights, and flag man(men) when necessary shall be provided by the contractor or owner. One-half (1/2) of the traveled portion of the road must be open at all times.

Approved: \_\_\_\_\_

COUNTY JUDGE

COMMISSIONERS:

Precinct #1	Ronnie LaGrone
Precinct #2	Doug Cotton
Precinct #3	Hemon E. Reed, Jr.
Precinct #4	Dale LaGrone



CR 248

Proposed 4" Bone

CR 246

N

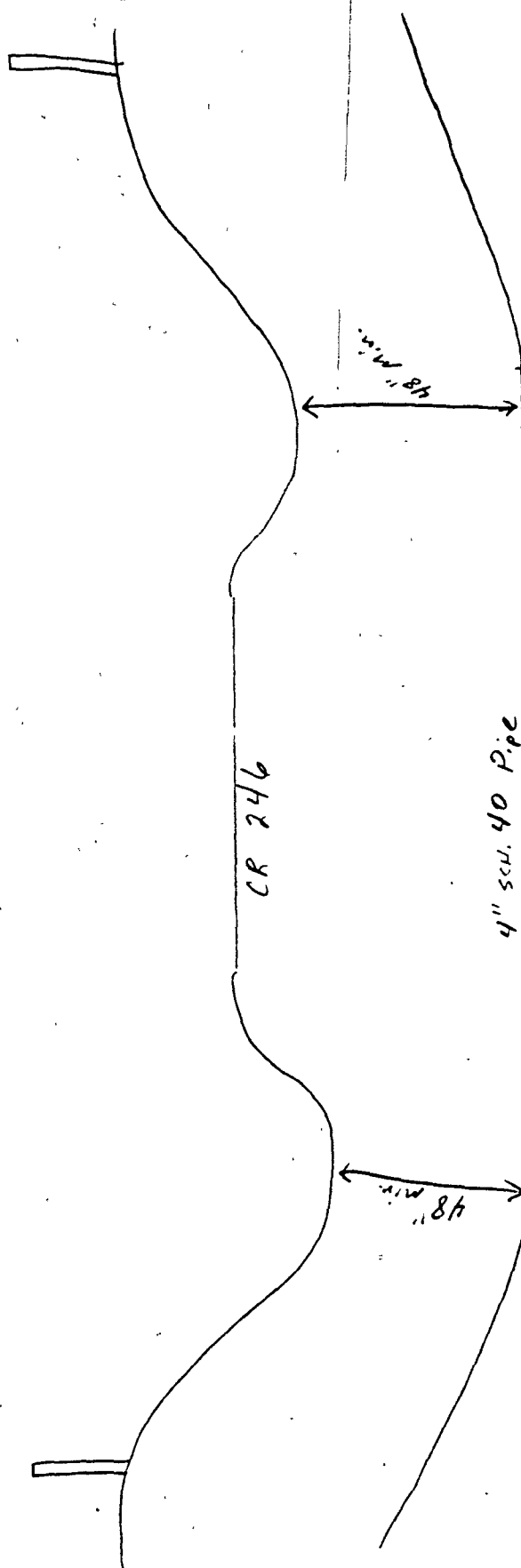
4/10 mi. →

E

7/5/97, 1021

4" sec. 40 Pipe

CR 246



**PRO RATA TOBACCO SETTLEMENT DISTRIBUTION  
COUNTY EXPENDITURE STATEMENT – 2004**  
[www.tdh.state.tx.us/dpa/tobacco.htm](http://www.tdh.state.tx.us/dpa/tobacco.htm)

Name of County: Panola County

Provide the calendar year 2003 unreimbursed health care expenditures for your county within the categories designated below. The Agreement Regarding Disposition of Settlement Proceeds states that these expenditures shall be calculated as follows:

"The total annual unreimbursed health care expenditures for a county not wholly located within a hospital district are defined as all unreimbursed amounts, including unreimbursed jail health care, expended by such county for health care services to the general public during that year plus 15% of the total."

Allowable Expenditure Categories

A. County indigent health care services: \$ 133,384.44

B. <sup>1</sup>Unreimbursed jail health care: \$ 217,024.60

C. <sup>2</sup>Additional unreimbursed personal health care services provided to the general public: \$ 6,000.00  
(The total in this category must match the total identified on page 4 of this statement titled *Attachment – County Expenditure Statement – 2004*.)

D. <sup>3</sup>Other allowable expenditures: \$ 1,001,541.41  
(This category should **ONLY** be completed if the *Non-Hospital District Public Hospital Expenditure Statement* regarding the sale or lease of a public health care facility applies to you. If applicable, insert the total from page 2 of the foregoing form in this category.)

Total allowable expenditures: \$ 1,357,950.45  
(Expenditure categories A + B + C + D)

X 1.15 = \$ 1,561,643.02  
(Amount claimed by county for pro rata distribution in 2004)

9/22/03

**Pro Rata Tobacco Settlement Distribution  
County Expenditure Statement – 2004**

<sup>1</sup>Unreimbursed jail health care expenditures may be calculated using either of the following two methods. The total may include unreimbursed health care expenditures for juveniles held under court commitment at county expense. Indirect costs must be excluded from the calculation.

(1) determine the total expenditures based on itemized health care expenses for prisoners over the entire year, subtracting any reimbursement received from entities outside your political subdivision to cover health care expenses for individual prisoners; or

(2) determine the total expenditures based on itemized health care expenses for the entire year and apply the following formula:

$$\text{Total Prisoner Health Care} \times \frac{\text{Unreimbursed Jail Population}}{\text{Total Jail Population}} = \text{Unreimbursed Health Care Expenses}$$

Attach a worksheet indicating which of the above methods you used to calculate unreimbursed jail health care expenditures, as well as the base numbers for your calculation.

---

<sup>2</sup>Expenditures in category C must be for services such as a hospital district may provide. These are typically diagnostic and treatment services for individuals. Health care education, outreach, screening, laboratory services, counseling, and case management may be counted. Environmental services, such as mosquito control, water testing, and septic tank inspection may not be counted. Expenditures for population-based services not involving direct contact with an individual health care recipient, such as restaurant inspection, must also be excluded.

**For category C ONLY also complete ATTACHMENT - COUNTY EXPENDITURE STATEMENT – 2004, indicating the base numbers for your calculation of category C expenditures.**

---

<sup>3</sup>Note the following additional provision in the tobacco settlement agreement, Section 5.B(4):

"To the extent not already included, a political subdivision shall be eligible to include expenditures from the political subdivision reserve funds and other expenditures, to the extent they are verifiable, which are attributable to proceeds from the sale or lease of public health care facilities. To the extent that proceeds from the sale or lease of public health care facilities are represented by contractually obligated health care services for indigent residents of the political subdivision performed by the purchaser or lessee, such services shall be valued as if they had been reimbursed at Medicaid rates."

**If the above provision is applicable to your political subdivision, complete and attach the included form Non-Hospital District Public Hospital Expenditure Statement indicating the base numbers for your calculation of category D expenditures.**

9/22/03

**Pro Rata Tobacco Settlement Distribution  
County Expenditure Statement – 2004**

The deadline for submission of this form to the Texas Department of Health is March 31, 2004. The target date for payment by the Comptroller of Public Accounts to the political subdivisions, based on this information, is April 30, 2004.

The information submitted on this form is subject to audit by the State of Texas. If ineligible expenditures are identified through an audit following payment to a subdivision, the ineligible amount may be deducted from the subsequent year's payment to that subdivision, in addition to a penalty assessment.

**This is to certify that the above expenditures are eligible for pro rata payment in accordance with the Agreement Regarding Disposition of Settlement Proceeds between the State of Texas and American Tobacco Company, et al.**

Name of County: Panola

Name of Certifying Officer: Judge David Anderson

Certifying Officer's Title: County Judge

Certifying Officer's Signature: David Anderson

Signature Date: 3-23-04

Telephone Number: (903) 693-0391

If you chose to have your completed signed expenditure statement (1) hand delivered or (2) faxed or (3) e-mailed to TDH, it must be received no later than 5:00 p.m., March 31, 2004. If you elect to mail (via the U.S. Postal Service) or ship (via a commercial mail service) your completed signed expenditure statement, the postmark must reflect a date no later than midnight, March 31, 2004. STATEMENTS THAT DO NOT INCLUDE A SIGNATURE WILL NOT BE ACCEPTED. Statements are to be addressed to:

Texas Department of Health  
Attn: Peggy Belcher  
1100 W. 49<sup>th</sup> Street, Room G- 115  
Austin, Texas 78756-3199

You may direct any questions to Ms. Belcher at the above address or by telephone, fax, or e-mail as follows:

**Tel.: (512) 458-7111, Ext. 2237 Fax: (512) 458-7537 E-mail: [peggy.belcher@tdh.state.tx.us](mailto:peggy.belcher@tdh.state.tx.us)**

**TDH WILL ACKNOWLEDGE IN WRITING THE RECEIPT OF ALL COMPLETED SIGNED EXPENDITURE STATEMENTS.**

9/22/03



**ATTACHMENT – COUNTY EXPENDITURE STATEMENT – 2004**  
**(Base numbers for expenditure category C ONLY from page 1)**

On the appropriate line below, enter the base numbers for your county's unreimbursed category C expenditures during calendar year 2003. **The total amount that you enter on this attachment should equal the amount that you entered for category C on page one (1) of the expenditure statement.** Any unreimbursed expenditures that you made from a trust fund or reserve account for the provision of health care services may also be included below.

(1) Health care clinic, laboratory, and case management services.	\$
(2) Dental care services	\$
(3) Outreach and prevention efforts related to tobacco use, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature.	\$
(4) Other health care outreach and prevention efforts, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature. Typical target areas for these efforts include health hazards affecting the general public.	\$ 6,000.00
(5) Medical transportation	\$
(6) Behavioral or psychiatric health care services	\$
(7) Capital expenditures for health care services	\$
(8) Overhead costs for a health care facility	\$
(9) Emergency medical services	\$
(10) Medical supplies or equipment used for the provision of health care services to the general public.	\$
(11) Other services provided by the county which are also within the scope of services that hospital districts are authorized by law to provide. These will typically be diagnostic and treatment services. (Describe below)	\$

**TOTAL FOR CATEGORY C**

**\$ 6,000.00**

9/22/03

### PANOLA COUNTY INDIGENT HEALTH CARE SERVICES WORKSHEET

Panola County owns a hospital, formerly known as Panola General Hospital. This facility has been leased to East Texas Medical Center, and it is now known as ETMC-Carthage. A part of the financial arrangement was that ETMC would provide Indigent Care each year to Panola County residents equal to 4% of the Carthage facility's Net Patient Revenue. Total Charges for 2003 were \$3,463,049.05

#### 2003 MEDICAID REIMBURSEMENT RATES: \$1,001,541.41

Panola County also reimburses physicians for their Inpatient and Outpatient Care for indigents at Medicaid rates.

#### 2003 TOTAL PHYSICIAN REIMBURSEMENT: \$ 121,232.86

#### RECAP

#### COUNTY INDIGENT HEALTH CARE SERVICES

Physician reimbursements	\$ 121,232.86
Travel - Medical Treatment	- 0 -
Indigent Software Monthly Service Fee & Training	<u>12,151.58</u>
<b>TOTAL (Category "A")</b>	<b>\$133,384.44</b>

#### UNREIMBURSED JAIL HEALTH CARE WORKSHEET

Panola County's calculations are based on method (1): total expenditures less any reimbursement from entities outside our political subdivision.

Expenditures on Inmates	\$ 217,024.60
Reimbursements	<u>- 0 -</u>
<b>TOTAL (Category "B")</b>	<b>\$ 217,024.60</b>

#### ADDITIONAL UNREIMBURSED PERSONAL HEALTH CARE

Panola County has a County Health Officer that is paid on a monthly basis.

Expenditures for County Health Officer	<u>\$ 6,000.00</u>
<b>TOTAL (Category "C")</b>	<b>\$ 6,000.00</b>

#### OTHER ALLOWABLE EXPENDITURES

Contractually Obligated health services provided for indigent residents of Panola County by lessee of hospital as described above.

2003 Allowable amount based on Medicaid reimbursement rates	<u>\$1,001,541.41</u>
<b>TOTAL (Category "D")</b>	<b>\$1,001,541.41</b>

Worksheet for "D"

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INDIGENT PANOLA COUNTY RESIDENTS SEEN AS PATIENTS FOR  
THE PERIOD OF JANUARY 2003 THROUGH DECEMBER 2003

	TOTAL CHARGES	MEDICAID REIMBSMT INPT	MEDICAID REIMBSMT OPT	TOTAL INPT REIMBSMT <30,000 CAP	TOTAL REIMBSMT
E.T.M.C. CARTHAGE INPT CLAIMS 44%	649,644.05	285,843.65		285,843.65	285,843.65
E.T.M.C. TYLER INPT CLAIMS 28%	2,103,246.56	588,909.04		383,731.58	383,731.58
E.T.M.C. CARTHAGE OPT CLAIMS 53%	463,394.12		245,598.88		245,598.88
E.T.M.C. TYLER OPT CLAIMS 35%	246,763.72		86,367.30		86,367.30
TOTALS	3,463,049.05	874,752.69	331,966.18	669,575.23	1,001,541.41

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2003

ROBINSON & WILLIAMS, P.L.L.C.  
*Certified Public Accountants*

**ROBINSON & WILLIAMS, P.L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
410 WEST PANOLA  
CARTHAGE, TEXAS 75633

MEMBERS OF  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(903) 693-8522

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Panola County Rural Fire District No. 1  
Carthage, Texas

We have audited the accompanying financial statements of the governmental activities of the Panola County Rural Fire District No. 1 (the District), component unit of Panola County, Texas, as of and for the year ended December 31, 2003, which comprise the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of December 31, 2003 and the respective changes in financial position thereof, and the budgetary comparison for the major special revenue fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2003.

The Management Discussion and Analysis and Budgetary Comparison information on pages 3 through 6 and 12 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2004, on our consideration of the internal control structure of the District and its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

*Robinson & Williams*  
Robinson & Williams, P.L.L.C.  
Certified Public Accountants

March 2, 2004

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Panola County Rural Fire District No. 1, discuss and analyze the District's financial performance for the year ended December 31, 2003. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements that begin on page 7.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent period by \$1,078,073 (net assets).
- At the close of the current year, fund balance for the District's special revenue fund was \$162,818.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to the financial reports of a business enterprise. The Statement of Net Assets (on page 7) presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities (on page 9) presents information showing how the government's net assets changed during the most recent period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The fund financial statements start on page 10. The District reports only one fund type: governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. These statements also reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget.

The District maintains only one individual governmental fund, a special revenue fund, which it uses to account for all of its operations.

The District adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement has been provided for the special revenue fund to demonstrate compliance with this budget.

The notes to the financial statements (starting on page 13) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District implemented GASB Statement #34 this year. We did not present net asset measurements in prior years since they were not required by generally accepted accounting principles. Therefore, our analysis of comparative balances and changes therein is limited to the current year's operations. In future years, we will present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the District's governmental activities.

Net assets of the District increased from \$999,495 to \$1,078,073. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by legislation, legal requirements, or designations made by the Board – was \$168,818 at December 31, 2003. This increase in governmental net assets was the result of the District's revenues exceeding its expenditures by \$78,578, as shown in Table II on page 5.

By far the largest portion of the District's net assets, 85%, reflects its investment in capital assets (e.g., buildings and equipment). The District uses these capital assets to provide its fire protection services; consequently, these assets are not available for future spending.

**Table I**  
**Panola County Rural Fire District No. 1**

**NET ASSETS**

	Governmental Activities 2003
Current and other assets	\$ 539,040
Capital assets	<u>909,255</u>
Total assets	<u>1,448,295</u>
Other liabilities	<u>370,222</u>
Total liabilities	<u>370,222</u>
Net Assets:	
Invested in capital assets, net of related debt	909,255
Unrestricted	<u>168,818</u>
Total net assets	<u>\$ 1,078,073</u>

Table II  
Panola County Rural Fire District No. 1

CHANGE IN NET ASSETS

	Governmental Activities 2003
Revenues:	
General Revenues:	
Property taxes	\$ 401,430
Investment earnings	6,002
Total Revenue	<u>407,432</u>
Expenses:	
Equipment & training	23,049
Fire department operating expense	132,589
Tax assessment	4,183
Professional & legal	7,855
Insurance	10,631
Office expense	408
Depreciation	<u>150,139</u>
Total Expenses	<u>328,854</u>
Increase in net assets	78,578
Net assets at 12/31/02	<u>999,495</u>
Net assets at 12/31/03	<u>\$ 1,078,073</u>

THE DISTRICT'S FUNDS.

As the District completed the year, its governmental fund reported a fund balance of \$162,818, a decrease of \$54,492 in comparison with the prior year. This is due to a decrease in tax revenues, resulting in a need to draw upon existing fund balance to fund a portion of the current year's expenditures.

Over the course of the year, the Board made amendments to the District's budget as necessary. These amendments involved increasing property tax revenues and moving funds from expenditures that did not need all the resources originally appropriated to them to expenditures with resource needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2003, the District had \$1,378,557 invested in a broad range of capital assets, including buildings and improvements and equipment used in providing fire protection services.



This year's additions included:

Equipment	\$ 245,244
Construction of DeBerry Fire Station	<u>37,965</u>
Totalling	<u>\$ 283,209</u>

At year end, the District had no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the 2004 budget and tax rates. These factors included, but were not limited to, property values and anticipated needs of the individual fire departments and for general board expenditures.

The Board adopted a 2004 budget of \$442,150 and a tax rate of \$0.0200.

The District has appropriated about \$40,000 of available fund balance for spending in the 2004 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Drew Nixon, CPA, 1509 West Panola, Carthage, Texas 75633.

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
EXHIBIT 1  
STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2003

ASSETS

Cash and Investments	\$	492,156
Taxes receivable		6,000
Other receivables		40,884
Capital assets, net of accumulated depreciation		
Building and improvements		94,750
Equipment		776,540
Construction in Progress		37,965
Total assets		<u>1,448,295</u>

LIABILITIES

Accounts payable		11,826
Deferred revenues		358,396
Total liabilities		<u>370,222</u>

NET ASSETS

Invested in capital assets, net of related debt		909,255
Unrestricted		168,818
Total net assets	\$	<u>1,078,073</u>

The accompanying notes are an integral part  
of these financial statements.

Page 7

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PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
EXHIBIT 2  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

EXPENSES

Equipment & training	\$ 23,049
Fire department operating expense	132,589
Tax assessment	4,183
Professional & legal	7,855
Insurance	10,631
Office expense	408
Depreciation	150,139
Total expenses	<u>328,854</u>

GENERAL REVENUES:

Property taxes	401,430
Investment earnings	6,002
Total general revenues	<u>407,432</u>

Increase in net assets	78,578
Net assets - beginning of the year	<u>999,495</u>
Net assets - end of the year	<u>\$ 1,078,073</u>

The accompanying notes are an integral part  
of these financial statements.  
Page 9

PANOLA COUNTY RURAL FIRE DISTRICT NO.1  
EXHIBIT 3  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash - demand deposits	\$ 392,156	\$ 392,156
Cash - time deposits	100,000	100,000
Receivables (net of allowances)		
Interest	1,327	1,327
Volunteer fire departments	30,353	30,353
Delinquent taxes	6,000	6,000
Due from Panola County	9,204	9,204
Total Assets	\$ 539,040	\$ 539,040
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 11,826	\$ 11,826
Deferred revenues	364,396	364,396
Total Liabilities	376,222	376,222
<b>Fund Balance</b>		
Undesignated Fund Balance	162,818	162,818
Total Fund Balance	162,818	162,818
Total Liabilities and Fund Balance	\$ 539,040	\$ 539,040

The accompanying notes are an integral part  
of these financial statements.  
Page 10

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
EXHIBIT 4  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Special Revenue Fund	Total Governmental Funds
<u>REVENUES</u>		
General Revenues:		
Property taxes	\$ 401,430	\$ 401,430
Interest	6,002	6,002
Total Revenues	407,432	407,432
<u>EXPENDITURES</u>		
Equipment & training	23,049	23,049
Fire department operating expense	132,589	132,589
Tax assessment	4,183	4,183
Professional & legal	7,855	7,855
Insurance	10,631	10,631
Office expense	408	408
Capital expenditures	283,209	283,209
Total Expenditures	461,924	461,924
Net Change in Fund Balance	(54,492)	(54,492)
Fund Balance, Beginning of Year	217,310	217,310
Fund Balance, End of Year	\$ 162,818	\$ 162,818

The accompanying notes are an integral part  
of these financial statements.

**PANOLA COUNTY RURAL FIRE DISTRICT NO. 1**  
**EXHIBIT 5**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budgeted Amounts			Variance With Final Budget Positive Negative
	Original	Final	Actual Amounts	
<b><u>REVENUES</u></b>				
Property taxes	\$ 382,594	\$ 413,046	\$ 401,430	\$ (11,616)
Interest	6,000	6,000	6,002	2
Total Revenues	388,594	419,046	407,432	(11,614)
<b><u>EXPENDITURES</u></b>				
Equipment & training	29,000	25,939	23,049	2,216
Fire department operating expense	175,300	135,889	132,589	3,300
Tax assessment	7,800	7,800	4,183	3,617
Professional & legal	10,500	10,500	7,855	2,645
Insurance	8,000	3,000	10,631	(7,631)
Office expense	650	650	408	242
Capital expenditures	240,000	290,472	283,209	7,937
Total Expenditures	471,250	474,250	461,924	12,326
Net Change in Fund Balance	(82,656)	(55,204)	(54,492)	712
Fund Balance, Beginning of Year	217,310	217,310	217,310	0
Fund Balance, End of Year	\$ 131,654	\$ 162,106	\$ 162,818	\$ 712

The accompanying notes are an integral part  
of these financial statements.

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 1 - CREATION OF THE DISTRICT

The Panola County Rural Fire District No. 1 was created after a public election held in 1996, under the provision of Section 48-d of Article III of the Constitution of Texas. The District was established to provide fire protection services to residents of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the District's primary government and component units over which the District exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District. The District is a component unit of Panola County. These financial statements will be incorporated into the financial statements of Panola County.

Basis of Presentation, Measurement Focus, and Basis of Accounting

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. These statements included the financial activities of the overall government. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting applicable to governmental funds in accordance with the standards established by the Governmental Accounting Standards Board. Under this method, all expenditures and all revenues currently measurable and available are accrued.

The District reports the following major governmental fund:

Special Revenue Fund – The District accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The District does not utilize a formal encumbrance accounting system.

Capital Assets

Capital assets, which include buildings and improvements and equipment, are reported in the governmental column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The District's capitalization policy includes real or personal property with a value equal to or greater than \$1,000 and has an estimated life of greater than 1 year.

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & improvements	22
Equipment	8-10

Budgets and Budgetary Accounting

The board of commissioners is responsible for preparing and adopting the District's annual budget. This budget is prepared on the modified accrual basis of accounting applicable to governmental funds. The budget is primarily a management tool. The board is responsible for monitoring expenditures within guidelines established by the budget.

Prior Year Restatement

In June 1999, GASB approved Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - for State and local Governments. The District implemented this change for the year ended August 31, 2003, resulting in an entirely new financial statement format. Significant changes included reporting capital assets, including accumulated depreciation of \$776,185, and including full accrual of property taxes assessed but uncollected.

The cumulative effect of these changes was to increase beginning net assets by \$782,185.

A summary of the cumulative effect of the changes is as follows:

Net Assets - Beginning of year as originally reported	\$ 217,310
Cumulative effects of changes in accounted principles related to capital assets and other	<u>782,185</u>
Net Assets - Beginning of year as restated	<u>\$ 999,495</u>

NOTE 3 - FIRE PROTECTION SERVICES

Each year, the District enters into agreements with the Flatwoods, Inter Community, Woods, Clayton, Beckville, Community Four, and Gary Volunteer Fire Departments to provide fire protection and prevention services to the residents of the District. This continuous agreement may be terminated upon adequate written notice by either party.



**PANOLA COUNTY RURAL FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**NOTE 4 - EXPENDITURES**

During 2003, the District disbursed a base amount of \$15,000 to each volunteer fire department for expenses incurred in fire protection and prevention services. The District also distributed funds to the departments for training, supplies, and equipment expenses incurred. These expenditures are classified as operating expenditures. The remaining expenditures reflect the cost of goods and services shared by the District and the departments.

**NOTE 5 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND FINANCIAL STATEMENTS AND THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The fund balance and the change in fund balance for total governmental funds reported on the governmental fund financial statements differ from the net assets and change in net assets for governmental activities as reported in the government-wide financial statements.

When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Assets includes those capital assets among the assets of the District as a whole. The net effect of including the beginning balances for capital assets, net of depreciation, is an increase to net assets.

The details of capital assets at the beginning of the year are as follows:

<u>Capital Assets</u> <u>At the Beginning of the Year</u>	<u>Historic</u> <u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Value at the</u> <u>Beginning of the</u> <u>Year</u>	<u>Change in</u> <u>Net Assets</u>
Buildings & improvements	\$ 105,095	\$ 5,568	\$ 99,527	
Equipment	<u>990,253</u>	<u>313,595</u>	<u>676,658</u>	
				<u>\$ 776,185</u>

Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. Moreover, current year depreciation expense is not reported in the fund financial statements, but is reflected as a decrease in net assets in the government-wide financial statements.

Summary reconciliations of the governmental fund Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities are presented on the following page.

PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

<b>Total Fund Balance – Governmental Funds</b>	<b>\$ 168,818</b>
Capital assets, beginning of the year, net of accumulated depreciation	776,185
Current year capital outlays	283,209
Current year depreciation expense	<u>(150,139)</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 1,078,073</u></b>

<b>Total Change in Fund Balance – Governmental Funds</b>	<b>\$ (54,492)</b>
Current year capital outlays	283,209
Current year depreciation expense	<u>(150,139)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 78,578</u></b>

NOTE 6 - CASH AND INVESTMENTS

The District invested its funds during the year into demand deposit checking accounts and certificates of deposit. The investments are on deposit with First State Bank and Trust Company, Carthage, Texas.

A summary of the composition of the deposit balances as of December 31, 2003 is shown below:

Demand Deposit Accounts:	\$ 392,156
Certificates of Deposit:	<u>100,000</u>
Total:	<u>\$ 492,156</u>
Classified as to risk:	
Insured by FDIC	\$ 100,000
Securities pledged by FSB	<u>392,156</u>
	<u>\$ 492,156</u>

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. All of the District's investments are demand deposits and certificates of deposit and are included in category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the district's name. At December 31, 2003 the carrying amount of these pledged securities is \$702,864 and the market value is \$759,038. All securities are held at First State Bank, Carthage, Texas in the District's name.

**PANOLA COUNTY RURAL FIRE DISTRICT NO. 1  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**NOTE 7 - AD VALOREM TAXES**

The District's ad valorem taxes are levied on October 1, but do not become due until January 1 of the following year. Taxes become past due February 1 and become delinquent June 30. Because the taxes are not due and payable until January 1, no current taxes receivable are reported as of December 31.

Since delinquent taxes were due on January 1 of the fiscal and budget year, any unpaid taxes are recorded as a receivable, net of allowance for uncollectibles. This receivable has been reported in the assets section of the balance sheet and offset as deferred revenues in the liabilities section.

The following is a summary of the gross delinquent taxes and the allowance for uncollectible taxes:

Delinquent Taxes	\$17,548
Allowance for Uncollectible Taxes:	<u>11,548</u>
Net Taxes:	<u>\$ 6,000</u>

By policy, any taxes, regardless of character (delinquent, advance) collected between October 1 and December 31 are not available for use until January 1, the beginning of the next fiscal year. Therefore, all of these receivable and advance collections are recorded as deferred revenues.

A summary of taxes collected and recognized as current or deferred revenue is summarized below:

	Recognized in <u>Current Year</u>	Deferred <u>Revenue</u>
Tax collections in 2002	\$ 361,137	
Collections from January 1, 2003 to September 30, 2003	40,293	
Advance collections of 2003 taxes		\$ 349,193
Due from Panola County Tax Assessor at December 31, 2003		9,203
Delinquent taxes receivable (net of allowance)		<u>6,000</u>
Total	<u>\$ 401,430</u>	<u>\$ 364,396</u>

The 2003 tax rate per \$100 valuation is .0175.

**PANOLA COUNTY RURAL FIRE DISTRICT NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**NOTE 8 – CAPITAL ASSET ACTIVITY**

Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Primary Government</u>		<u>Ending Balance</u>
		<u>Additions</u>	<u>Retirements</u>	
Governmental Activities				
Buildings and improvements	\$ 105,095	\$ 0	\$ 0	\$ 105,095
Equipment	990,253	245,244	0	1,235,497
Construction in Progress	0	37,965	0	37,965
Totals at Historic Cost	<u>1,095,348</u>	<u>283,209</u>	<u>0</u>	<u>1,378,557</u>
Less Accumulated Depreciation:				
Buildings and improvements	5,568	4,777	0	10,345
Equipment	<u>313,595</u>	<u>145,362</u>	<u>0</u>	<u>458,957</u>
Total Accumulated Depreciation	<u>319,163</u>	<u>150,139</u>	<u>0</u>	<u>469,302</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 776,185</u>	<u>\$ 133,070</u>	<u>\$ 0</u>	<u>\$ 909,255</u>

**NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. At no time during the last three fiscal years have claims exceeded commercial coverage.

**NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES**

As of December 31, 2003, there were no known contingent liabilities.

**ROBINSON & WILLIAMS, P.L.L.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
410 WEST PANOLA  
CARTHAGE, TEXAS 75633

MEMBERS OF  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE  
(903) 693-8522

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

Independent Auditor's Report

Board of Commissioners  
Panola County Rural Fire District No. 1  
Carthage, Texas

We have audited the financial statements of the Panola County Rural Fire District No. 1, component unit of Panola County, Texas, as of and for the year ended December 31, 2003 and have issued our report thereon dated March 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Panola County Rural Fire District No. 1 are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

This report is intended for the information of the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

*Robinson & Williams*

Robinson & Williams, P.L.L.C.  
March 2, 2004

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APPROVED  
04-12-04

PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE

*David L. Anderson*  
David L. Anderson,  
County Judge

NAME: Joe Mims

POSITION: LT

DEPARTMENT: Sheriff's

DATE: 4/2/04

CONFERENCE: Fingerprints / Latent Photography

LOCATION: Longview, Tx

DATES: 4/26/04 to 4/25/04

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 4

Does the conference meet your educational requirements for the year? NO

If not, how much of your requirements will be met by this conference? 32 hrs

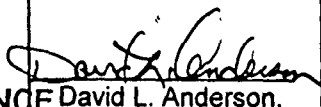
How much of your requirements have been met already, not counting this conference?  
40 hrs

How many days have you been away from your job this year for conferences, not counting this conference? 5

Do you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Crim. Scene Training

PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE  
David L. Anderson,  
County JudgeNAME: David GrayPOSITION: Sgt.DEPARTMENT: Sheriff'sDATE: 4/2/04CONFERENCE: Fingerprints / Latent PhotographyLOCATION: Longview, TXDATES: 4/26/04 to 4/29/04

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: \_\_\_\_\_

Does the conference meet your educational requirements for the year? NOIf not, how much of your requirements will be met by this conference? 32 hrs

How much of your requirements have been met already, not counting this conference?

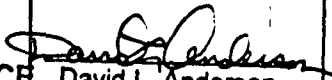
24 hrsHow many days have you been away from your job this year for conferences, not counting this conference? 4Do you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Crime Scene Training

APPROVED

04-12-04

PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE  
David L. Anderson,  
County JudgeNAME: Catherine SmithPOSITION: SecretaryDEPARTMENT: Sheriff'sDATE: 4/7/04CONFERENCE: Records ManagementLOCATION: Tyler, TxDATES: 4/28 to 4/28/04NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 2Does the conference meet your educational requirements for the year? NOIf not, how much of your requirements will be met by this conference? 16 hrs


How much of your requirements have been met already, not counting this conference?

NoneHow many days have you been away from your job this year for conferences, not counting this conference? NoneDo you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Training in Records Management



APPROVED  
04-12-04PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE  
David L. Anderson,  
County JudgeNAME: Heather ChandlerPOSITION: SecretaryDEPARTMENT: Sheriff'sDATE: 4/7/04CONFERENCE: Records ManagementLOCATION: Tyler, TxDATES: 4/28 to 4/29/04NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 2Does the conference meet your educational requirements for the year? NOIf not, how much of your requirements will be met by this conference? ~~16~~ 16 hrs

How much of your requirements have been met already, not counting this conference?

NoneHow many days have you been away from your job this year for conferences, not counting this conference? NoneDo you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Training in Records Management

PANOLA COUNTY OFFICIAL/EMPLOYEE  
REQUEST FOR ATTENDANCE AT A CONFERENCE

APPROVED  
04-12-04

*David L. Anderson*  
David L. Anderson,  
County Judge

NAME: Sidney Burns  
POSITION: County Auditor  
DEPARTMENT: County Auditor  
DATE: 4-7-04

CONFERENCE: The 46th County Auditors' Institute  
LOCATION: Austin, Texas  
DATES: 5-18-04 to 5-21-04

NUMBER OF DAYS OUT OF OFFICE FOR THIS CONFERENCE: 4

Does the conference meet your educational requirements for the year? no

If not, how much of your requirements will be met by this conference? 20.4 Hrs

How much of your requirements have been met already, not counting this conference?

0 -

How many days have you been away from your job this year for conferences, not counting this conference? 0 -

Do you have sufficient funds in your budget for this conference? Yes

Write a short statement explaining the public purpose that will be met by your attendance at this conference: (continue on the back if necessary.)

Provides training and updates on issues affecting  
the requirements of my job.

**ACTION**

**ITEMS**

Panola County  
08 Apr 2004  
THE SOFTWARE GROUP, INC.

## ACCOUNTS PAYABLE SYSTEM

Open Invoices thru 04/12/04

03:53:22pm

PAGE 1

Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 3438-A T & T WIRELESS CDA	\$47.44		\$0.00		\$ 47.44
* Due 3588-A T & T WIRELESS DPS	\$107.34		\$0.00		\$ 107.34
* Due 3873-A T & T WIRELESS R & B	\$346.56		\$0.00		\$ 346.56
* Due 3488-A T & T WIRELESS SD	\$571.42		\$0.00		\$ 571.42
* Due 605-ABC AUTO PARTS	\$31.32		\$0.00		\$ 31.32
* Due 3591-ABC AUTO PARTS - R&B	\$223.57		\$0.00		\$ 223.57
* Due 1475-ACE HARDWARE OF EAST TEX	\$278.63		\$0.00		\$ 278.63
* Due 1381-ADAMS OIL COMPANY	\$9442.92		\$0.00		\$ 9442.92
* Due 135-ALLTEL	\$33.82		\$0.00		\$ 33.82
* Due 3464-AMERICAN ELECTRIC POWER A	\$53.19		\$0.00		\$ 53.19
* Due 3471-AMERICAN FIBER TECHNOLO	\$1028.30		\$0.00		\$ 1028.30
* Due 1444-AMERICAN FIDELITY ASSURA	\$182.87		\$0.00		\$ 182.87
* Due 229-ANDERSON TRACTOR SALES	\$200.08		\$0.00		\$ 200.08

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

PAGE 2

	Gross Amount.	Req.	Req.	Discount Req.	Req.	Net Amt.....
* Due 1762-ANDY FAVORS	\$19.12			\$0.00		\$ 19.12
* Due 1361-ANTI PEST CO INC	\$550.00			\$0.00		\$ 550.00
* Due 3135-ARF ENGINEERING INC	\$1479.00			\$0.00		\$ 1479.00
* Due 2833-AUTO EXPRESS LUBE	\$267.85			\$0.00		\$ 267.85
* Due 2161-AUTO GLASS EXPRESS	\$525.00			\$0.00		\$ 525.00
* Due 2498-AVFUEL CORP	\$12977.04			\$0.00		\$ 12977.04
* Due 423-B & B LOCKSMITH	\$147.00			\$0.00		\$ 147.00
* Due 3611-B & J EQUIPMENT, LTD	\$116.68			\$0.00		\$ 116.68
* Due 1635-BASKIN'S MARSHALL	\$24.95			\$0.00		\$ 24.95
* Due 562-BAXTER SALES CO INC.	\$1484.41			\$0.00		\$ 1484.41
* Due 524-BOBBY J. PHILLIPS	\$650.00			\$0.00		\$ 650.00
* Due 6-CAIN HARDWARE AND LUMBER CO	\$587.32			\$0.00		\$ 587.32
* Due 3005-CANON FINANCIAL SERVICES	\$184.00			\$0.00		\$ 184.00

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

PAGE 3

	Gross Amount.	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 209-CAR-TEX TRAILER COMPAN, \$1351.10				\$0.00			\$ 1351.10
* Due 2560-CARTHAGE DISCOUNT TIRE \$493.35				\$0.00			\$ 493.35
* Due 337-CARTHAGE INDEPENDENT SCHOOL \$42.00 C				\$0.00			\$ 42.00
* Due 8-CARTHAGE MACHINE AND WELDING \$205.00				\$0.00			\$ 205.00
* Due 95-CARTHAGE OFFICE SUPPLY, \$2774.13				\$0.00			\$ 2774.13
* Due 158-CASSITY JONES HARDWARE \$268.14				\$0.00			\$ 268.14
* Due 1518-CATHERINE SMITH \$150.00				\$0.00			\$ 150.00
* Due 63-CENTERPOINT ENERGY \$261.47				\$0.00			\$ 261.47
* Due 232-CENTRAL UNITED LIFE INSURANCE \$602.95				\$0.00			\$ 602.95
* Due 3118-CERTIFIED SERVICE CENTER \$85.00				\$0.00			\$ 85.00
* Due 3506-CHAD GREGORY \$35.53				\$0.00			\$ 35.53
* Due 442-CHARLES BAILEY \$25.00				\$0.00			\$ 25.00
* Due 545-CHARLES C. DICKERSON \$2700.00				\$0.00			\$ 2700.00
* Due 42-CHEROKEE COUNTY \$325.00				\$0.00			\$ 325.00

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
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Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 128-CHEVRON USA, INC.	\$99.07			\$0.00		\$ 99.07
* Due 37-CITY OF CARTHAGE	\$24032.50			\$0.00		\$ 24032.50
* Due 2377-CITY OF HENDERSON	\$5000.00			\$0.00		\$ 5000.00
* Due 2569-COMMERCIAL FRAME & ALIGN	\$149.50			\$0.00		\$ 149.50
* Due 256-CONLEY LOTT NICHOLS	\$94.00			\$0.00		\$ 94.00
* Due 3021-CONSECO HEALTH INSURANC	\$1351.85			\$0.00		\$ 1351.85
* Due 196-CONSECO SENIOR HEALTH INSU	\$43.15			\$0.00		\$ 43.15
* Due 7-CONTECH CONSTRUCTION PROD	\$14848.40			\$0.00		\$ 14848.40
* Due 3661-COOK TIRE & SERVICE CENT	\$825.77			\$0.00		\$ 825.77
* Due 195-COREY BANKHEAD	\$950.00			\$0.00		\$ 950.00
* Due 2769-COX COMMUNICATIONS INC	\$99.75			\$0.00		\$ 99.75
* Due 28-CRAIG MILAM ELECTRIC	\$305.60			\$0.00		\$ 305.60
* Due 2606-CUSTOM PRODUCTS CORPORAT	\$376.96			\$0.00		\$ 376.96

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

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Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 43-D & C CLEANING CONTRACTOR	\$3960.00		\$0.00		\$ 3960.00
* Due 528-DAVID GRAY	\$54.50		\$0.00		\$ 54.50
* Due 3536-DC TEXAS	\$38.85		\$0.00		\$ 38.85
* Due 3240-DEBBIE'S BEST WATER STORE	\$86.00		\$0.00		\$ 86.00
* Due 1906-DECISIONONE CORPORATION	\$18.72		\$0.00		\$ 18.72
* Due 2910-DENISE GRAY	\$24.14		\$0.00		\$ 24.14
* Due 3660-DISH NETWORK	\$67.41		\$0.00		\$ 67.41
* Due 2791-EARTHGRAINS BAKING COS	\$441.26		\$0.00		\$ 441.26
* Due 100-ECKERD CORP.	\$10.13		\$0.00		\$ 10.13
* Due 3603-ETMC FIRST PHYSICIANS	\$415.00		\$0.00		\$ 415.00
* Due 3026-ETOX	\$892.58		\$0.00		\$ 892.58
* Due 93-EXCEL FORD LINCOLN MERCURY	\$674.33		\$0.00		\$ 674.33
* Due 127-EXXONMOBIL	\$129.48		\$0.00		\$ 129.48



Panola County  
THE SOFTWARE GROUP, INC.

ACCOUNTS PAYABLE SYSTEM  
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08 Apr 2004

PAGE 6

	Gross Amount.	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 14-FIRMIN'S OFFICE CITY	\$1662.16			\$0.00			\$ 1662.16
* Due 2911-FISH & STILL EQUIPMENT CO	\$169.85			\$0.00			\$ 169.85
* Due 1161-FLORENCE SIMS	\$25.00			\$0.00			\$ 25.00
* Due 816-FOLEY RENTALS INC.	\$50.00			\$0.00			\$ 50.00
* Due 53-FUTURE EQUIPMENT CO INC	\$1201.18			\$0.00			\$ 1201.18
* Due 320-GALL'S INC	\$61.98			\$0.00			\$ 61.98
* Due 3675-GLOCK, INC.	\$340.00			\$0.00			\$ 340.00
* Due 87-GOVERNMENT RECORDS SERVICE	\$300.00			\$0.00			\$ 300.00
* Due 3024-GRAYSON COUNTY DEPT OF	\$2480.00	E	E	\$0.00			\$ 2480.00
* Due 688-GT DISTRIBUTORS INC.	\$70.95			\$0.00			\$ 70.95
* Due 2850-HARRISON COUNTY JUVENILE	\$300.00			\$0.00			\$ 300.00
* Due 1994-HART'S AUTO SUPPLY	\$441.56			\$0.00			\$ 441.56
* Due 370-HIGH POINT COMMUNICATIONS	\$65.91			\$0.00			\$ 65.91
* Due 3255-HOLT COMPANY OF TEXAS	\$1503.93			\$0.00			\$ 1503.93

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

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Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 3670-ICOP DIGITAL, INC	\$101.00		\$0.00		\$ 101.00
* Due 3210-INDIGENT HEALTHCARE SOLU	\$945.00		\$0.00		\$ 945.00
* Due 1605-INDUSTRIAL OILS UNLIMITE	\$260.16		\$0.00		\$ 260.16
* Due 3183-INTERSTATE ALL BATTERY CE	\$50.20		\$0.00		\$ 50.20
* Due 2866-IOS CAPITAL	\$364.42		\$0.00		\$ 364.42
* Due 3349-J. E. KINGHAM CONSTRUC	\$77630.49		\$0.00		\$ 77630.49
* Due 2806-JAMES KEITH KNIGHT	\$25.00		\$0.00		\$ 25.00
* Due 2083-JAN MAXEY	\$461.39		\$0.00		\$ 461.39
* Due 3144-JEFF IVY	\$3.85		\$0.00		\$ 3.85
* Due 1055-JEFF SCARBOROUGH	\$39.17		\$0.00		\$ 39.17
* Due 3600-JOE FOSTER	\$45.00		\$0.00		\$ 45.00
* Due 3554-KEN HILL	\$41.62		\$0.00		\$ 41.62
* Due 818-KENNETH EDGMON	\$450.00		\$0.00		\$ 450.00

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

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	Gross Amount.	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 943-KEVIN LAKE	\$1070.00			\$0.00			\$ 1070.00
* Due 217-KILGORE COLLEGE	\$125.00			\$0.00			\$ 125.00
* Due 84-KIRBY RESTAURANT SUPPLY	\$241.30			\$0.00			\$ 241.30
* Due 3074-L.C. & J. CLAYTON LAGRON	\$105.00			\$0.00			\$ 105.00
* Due 3677-L.E.A.D.S.ONLINE	\$1120.00			\$0.00			\$ 1120.00
* Due 405-LARRY FIELDS	\$2200.00			\$0.00			\$ 2200.00
* Due 443-LIMMER PERKINS	\$25.00			\$0.00			\$ 25.00
* Due 1313-LONGVIEW ASPHALT INC	\$1892.54			\$0.00			\$ 1892.54
* Due 754-MASSEY'S	\$39.99			\$0.00			\$ 39.99
* Due 1404-MERVIN SCOTT	\$25.00			\$0.00			\$ 25.00
* Due 748-MOORE'S TRUCK TIRE CENTER	\$607.32			\$0.00			\$ 607.32
* Due 425-MORRIS SAMFORD JR.	\$1150.00			\$0.00			\$ 1150.00
* Due 2148-MORRISON SUPPLY COMPANY	\$534.05			\$0.00			\$ 534.05

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

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	Gross Amount.	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 1089-NISSEN UNLIMITED & ASSOC	\$150.00			\$0.00			\$ 150.00
* Due 3238-NORTRAX	\$3000.00			\$0.00			\$ 3000.00
* Due 3030-O'REILLY AUTO PARTS	\$777.94			\$0.00			\$ 777.94
* Due 3327-OFFICE DEPOT CARD PLAN	\$206.51			\$0.00			\$ 206.51
* Due 3202-OLMSTED-KIRK PAPER COMP	\$1051.30			\$0.00			\$ 1051.30
* Due 3648-OLMSTED-KIRK R & B	\$234.05			\$0.00			\$ 234.05
* Due 512-PANOLA COUNTY GENERAL FUN	\$185.09			\$0.00			\$ 185.09
* Due 2145-PANOLA COUNTY HEALTH FUND	\$28.78			\$0.00			\$ 28.78
* Due 367-PANOLA POSTWATCHMAN	\$616.20			\$0.00			\$ 616.20
* Due 3269-PATRICE SAVAGE	\$350.00			\$0.00			\$ 350.00
* Due 3678-PEARON-RADLI & ASSOC	\$89.90			\$0.00			\$ 89.90
* Due 103-PEGUES-HURST MOTOR CO.	\$119019.42			\$0.00			\$ 119019.42
* Due 1405-PITNEY BOWES CREDIT COR	\$1575.00			\$0.00			\$ 1575.00
* Due 233-PRITCHARD & ABBOTT, INC	\$22267.00			\$0.00			\$ 22267.00

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

00 Apr 2004

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Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 373-PROSIGNS	\$55.00			\$0.00		\$ 55.00
* Due 412-QUILL CORPORATION	\$1249.50			\$0.00		1249.50
* Due 3475-R. COLLIN UNDERWOOD	\$1800.00			\$0.00		1800.00
* Due 310-RADIO SHACK	\$4.99			\$0.00		4.99
* Due 1002-RAY ALLEN MANUFACTURING	\$117.80			\$0.00		117.80
* Due 41-RAYMOND C. SCHIEFFER CPA	\$475.00			\$0.00		475.00
* Due 185-ROBERT UNDERWOOD	\$871.00			\$0.00		871.00
* Due 3575-RUSK CO. FEED	\$54.00			\$0.00		54.00
* Due 102-S & W TIRE	\$130.40			\$0.00		130.40
* Due 3296-S. D. TWOMEY	\$25.00			\$0.00		25.00
* Due 353-SAFETY SUPPLY INC.	\$18840.00			\$0.00		18840.00
* Due 189-SBC	\$159.99			\$0.00		159.99
* Due 2823-SBC SOUTHWESTERN BELL T43089.92				\$0.00		3089.92

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

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	Gross Amount.	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 3346-SCOTT RECTENWALD	\$600.00			\$0.00			\$ 600.00
* Due 31-SCOTT-MERRIMAN, INC.	\$90.86			\$0.00			\$ 90.86
* Due 89-SHELBY COUNTY	\$45.00			\$0.00			\$ 45.00
* Due 136-SHELBY LP GAS COMPANY	\$21.98			\$0.00			\$ 21.98
* Due 198-SHENANDOAH INSURANCE CO#1184.60	\$1184.60			\$0.00			\$ 1184.60
* Due 3679-SHERATON HOUSTON	\$280.00			\$0.00			\$ 280.00
* Due 2803-SHERRY L. MAHAFFEY	\$250.00			\$0.00			\$ 250.00
* Due 1830-SOLID ROCK WHOLESALERS	\$40.00			\$0.00			\$ 40.00
* Due 29-TED'S SAW SHOP	\$21.65			\$0.00			\$ 21.65
* Due 106-TEECO SAFETY, INC.	\$1335.14			\$0.00			\$ 1335.14
* Due 529-TERRY D. BAILEY	\$196.62			\$0.00			\$ 196.62
* Due 2960-TERRY W. BLAKE PA-C	\$340.00			\$0.00			\$ 340.00
* Due 130-TEXACO/SHELL	\$10.58			\$0.00			\$ 10.58

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

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	Gross Amount	Req.	Req.	Discount	Req.	Req.	Net Amt.....
* Due 487-TEXAS ASSOCIATION OF COUN	100.00			10.00			100.00
* Due 169-TEXAS BUILDING & PROCUREMENT	100.00			10.00			100.00
* Due 3009-TEXAS PARKS & WILDLIFE	354.45			10.00			354.45
* Due 3082-TEXAS PARKS & WILDLIFE	94.35			10.00			94.35
* Due 3399-TEXAS TRAUMA & EMERGENCY	514.00			10.00			514.00
* Due 3666-THE ST PAUL	1629.00			10.00			1629.00
* Due 1-TOLEDO AUTOMOTIVE	2493.57			10.00			2493.57
* Due 668-TOM M. JONES, DDS	424.00			10.00			424.00
* Due 3680-TRAINING COORDINATOR, SL	130.00			10.00			130.00
* Due 1990-TRI-STATE FASTENERS & SUP	63.89			10.00			63.89
* Due 308-TRUELOCK FARM EQUIPMENT	148.66			10.00			148.66
* Due 1896-UNIFIRST	1228.68			10.00			1228.68
* Due 3688-UPS	12.20			10.00			12.20
* Due 3031-UPSHUR COUNTY	7680.00			10.00			7680.00

Panola County  
THE SOFTWARE GROUP, INC.ACCOUNTS PAYABLE SYSTEM  
Open Invoices thru 04/12/04

08 Apr 2004

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Gross Amount. Req. Req. Discount Req. Req. Net Amt.....

* Due 2849-VIANNA CHESHIRE	\$585.43		\$0.00		\$ 585.43
* Due 91-VIKING OFFICE PRODUCTS	\$70.51		\$0.00		\$ 70.51
* Due 2971-WALMART COMMUNITY SO	\$188.78		\$0.00		\$ 188.78
* Due 2533-WEST GROUP	\$1823.35		\$0.00		\$ 1823.35
* Due 3609-WESTERN FOODS, INC	\$3623.77		\$0.00		\$ 3623.77
* Due 3642-WRAY'S AUTO SERVICE & EXP	\$49.95	E	\$0.00		\$ 49.95
* Due 64-XEROX CORPORATION	\$719.07		\$0.00		\$ 719.07
Totals	\$396879.23		\$0.00		\$ 396879.23

428 records listed.



FILED FOR RECORD  
IN MY OFFICE

AT 12:25 O'CLOCK P M

FEB 25 2004

MICKEY DORMAN  
COUNTY CLERK, PANOLA COUNTY, TEXAS  
BY *Paul Shell* DEPUTY

January 24, 2004

VOL. 45  
PAGE 547

Drew Nixon landowner of Hunter's Creek Estates, Inc. of Panola County would like to request  
to be put on the agenda for the Commissioner's Court Meeting on March 22<sup>nd</sup>, 2004 at 9:00 AM.

**Items to discuss:**

- (a) Present a petition with property owners requesting the existing Private Road #804 to become a County Road.



Julie Perez

Secretary  
Hunter's Creek Estates, Inc.  
903-693-4608

HUNTER'S CREEK ESTATES, INC.

February 23, 2004

Panola County Commissioner's Court  
110 S. Sycamore St.  
Carthage, Texas 75633

Dear Sirs:

The property owners of Hunter's Creek Estates, Inc. would like to request the existing Private Road #804 to become a County Road. Please accept this application at this time with all the current property owners' signatures.

1. Shirley Johnson
2. Clayton
3. William Turner
4. Jim Kenderdine
5. Glenn Ceece
6. Maria D. Vink
7. John D. Vink
8. Linda Capps
9. Wendy Lewis
10. Don D.

Sincerely,

Property Owners of  
Hunter's Creek Estates, Inc.

**PANOLA COUNTY  
CHILDREN'S SERVICE BOARD**

**APPOINTMENT**

We, the Commissioners' Court of Panola County, Texas meeting in Regular Session  
this 12<sup>th</sup> day of April, 2004 do hereby approve the appointment of the following persons to  
the **PANOLA COUNTY CHILDREN'S SERVICE BOARD:**

**Phyllis Odom  
Jan Blackburn  
Elizabeth Holmes  
Micheal Bierig.**

Said appointments are effective immediately.

**PASSED UNANIMOUSLY** this 12<sup>th</sup> day of April, 2004 in Open Court.

  
David L. Anderson, County Judge

## ORDER #2004-02

### IMPLEMENTATION OF H.B. 136 - PROPOSITION 13

**WHEREAS**, on September 13, 2003, Texas voters approved Proposition 13, implementing H.B. 136 that adds Section 11.261 Texas Property Code allowing counties, cities, and junior college districts to place a tax limitation on the homesteads of senior citizens and disabled homeowners by the taxing unit's governing body; and


**WHEREAS**, the citizens of Panola County approved this proposition by a majority vote of 75% (1172 For and 400 Against); and the Commissioners' Court of Panola County, in implementing Proposition 13, will allow this exemption to benefit the elderly and disabled homeowners in Panola County; and

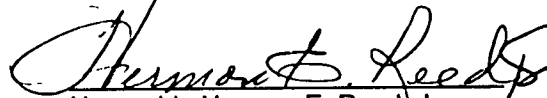
**WHEREAS**, the Commissioners' Court of Panola County fully understands that upon adoption of this exemption, it cannot be rescinded;

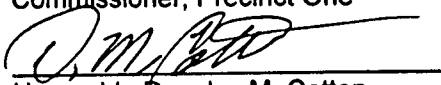
**NOW, THEREFORE, IT IS ORDERED** by the Commissioners' Court of Panola County, Texas, meeting in Open Session at a properly scheduled meeting of the said Court, pursuant to Section 11.261, Texas Property Code, that H.B. 136 - Proposition 13 be implemented in Panola County on the Panola County 2004 property tax roll.

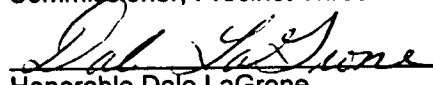
**PASSED, APPROVED, and ADOPTED** this 12<sup>th</sup> day of April, 2004.

  
County Judge David L. Anderson

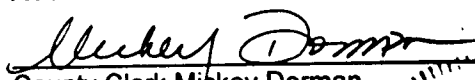
  
Honorable Ronnie LaGrone  
Commissioner, Precinct One

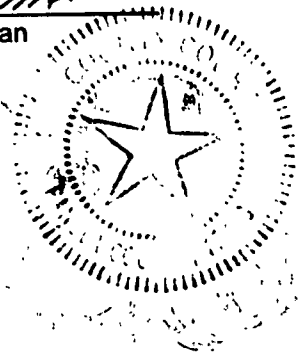
  
Honorable Hermon E. Reed, Jr.  
Commissioner, Precinct Three

  
Honorable Douglas M. Cotton  
Commissioner, Precinct Two

  
Honorable Dale LaGrone  
Commissioner, Precinct Four

**ATTEST:**

  
County Clerk Mickey Dorman



MATHEWS & FREELAND, L.L.P.

ATTORNEYS AT LAW

JIM MATHEWS  
JOE FREELAND

P.O. Box 1568  
AUSTIN, TEXAS 78768-1568

(512) 404-7800  
FAX: (512) 703-2785

March 24, 2004

Honorable David L. Anderson  
County Judge Panola County  
110 South Sycamore  
Cartridge, Texas 75633

Dear Judge Anderson:

Thank you for calling today to follow up on Judge Bill Stoudt's letter concerning the efforts of Northeast Texas Air Care (NETAC) to locate a site this year for its ozone research monitor. As I indicated in our telephone conversation the monitor was located near Waskom for the past two years and prior to that was located at two different sites in Gregg County. NETAC's ozone monitor has been used solely for scientific research purposes and data from the monitor has never been used for the purpose of ozone attainment status designations.

The NETAC Technical Committee has requested that the monitor be sited this year in a more southerly location such as the eastern part of Panola County. A site approximately one to two miles south of Highway 79 would be desirable. The site should be in a rural area with no nearby emission sources (roads, gas compressors, other engines). The site should be an open area at least the size of a football field. There should be power available (utility pole, out building with power) and space to park a small trailer. If necessary funds are available to pay a rental for the location.

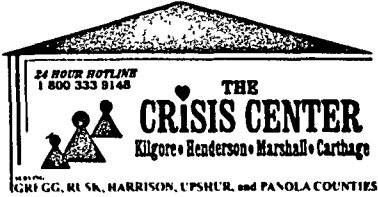
Thank you for your interest in this matter. Please let me know if you have any additional questions.

Sincerely,



Jim Mathews

Cc: Judge Bill Stoudt  
Dr. Greg Yarwood



March 31, 2004

To Whom It May Concern:

The Crisis Center of Carthage serves victims of Domestic Violence, Sexual Assault, and Violent Crimes. We have provided services to Panola county residents for over 15 years. In 2001 we were awarded a 3-year grant that allowed us to open a full time office in Carthage. Previously we were working on an as needed basis. The grant becomes competitive September 1, 2004; therefore, we do not know at this point if we will be awarded funding again. Our organization relies on the funding received from grants, private donations, and foundations to keep our services available to Panola County residents.

We feel our agency has been an invaluable asset to this county, its citizens, law enforcement, and judicial officials. We respectfully request office space on the County Court House's third floor. Without the counties financial support The Center is in jeopardy of losing its office here.

We have spoken to Chief Deputy David Jeter as well as Judge Anderson and are all in agreement that this would be a benefit to all agencies involved as well as to the community as a whole. The Center will be closer to law enforcement; making our response to victims almost immediate as well as giving our clients ready access to the judicial process.

Respectfully submitted,

*Nancy Lofton*  
*Melanie McKinley*

Nancy Lofton, Executive Director  
Melanie McKinley, LSW  
The Crisis Center of Carthage

**Panola County Road & Bridge Department**

1120 East Sabine Street

Carthage, Texas 75633

903-693-3763

Fax: 903-693-5368

March 27, 2004

Honorable David Anderson,  
County Judge  
Panola County Commissioners' Court

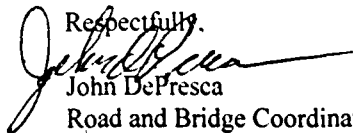
Dear Judge Anderson,

The successful bidder for holders used in our reclaimers was Conley-Lott-Nichols of Longview, Tx. This award was for the period beginning January 1, 2004 to December 31, 2004. It has come to my attention that the company is no longer able to supply Panola County with the product.

Attached is a copy of the appropriate legal specifications agreed to by Panola County and the successful bidder. Also attached is a copy of the required written notice of default which was hand delivered to the Conley-Lott-Nichols representative assigned to supply Panola County with the holders. This notice advised the company that if, "...said default is not remedied to the satisfaction and approval of the County within two (2) working days of receipt of such notice by the successful bidder, default will be declared and the successful bidder's rights shall terminate."

The required two (2) working days have expired with no response by Conley-Lott-Nichols. If this matter is put on the April 12, 2004 Panola County Commissioners' Court agenda, and it is decided by the Court that Conley-Lott-Nichols is in default and their bidder's rights are terminated, the Court may then authorize the County Auditor to re-advertise for bids for the holders from another supplier.

Respectfully,

  
John DePresca  
Road and Bridge Coordinator

cc: Sidney Burns, County Auditor

In the event the successful bidder shall fail to perform, keep or observe any of the terms and conditions to be performed, kept or observed, Panola County shall give the successful bidder written notice of such default; and in the event said default is not remedied to the satisfaction and approval of the county within two (2) working days of receipt of such notice by the successful bidder, default will be declared and all the successful bidder's rights shall terminate.

Bidder, in submitting this bid, agrees that Panola County shall not be liable to prosecution for damages in the event that the county declares the bidder in default.

NOTICE: Any notice provided by this bid (or required by Law) to be given to the successful bidder by Panola County shall be conclusively deemed to have been given and received on the next day after such written notice has been deposited in the mail in Carthage, Texas, by Registered or Certified Mail with sufficient postage affixed thereto, addressed to the successful bidder at the address so provided; provided this shall not prevent the giving of actual notice in any other manner.

PATENTS / COPYRIGHTS: The successful bidder agrees to protect Panola County from claims involving infringement of patents and/or copyrights.

CONTRACT ADMINISTRATOR: Under this contract, Panola County may appoint a contract administrator with designated responsibility to ensure compliance with contract requirements. The contract administrator will serve as liaison between Panola County and the successful bidder.

PURCHASE ORDER: A purchase order(s) shall be generated by Panola County to the successful bidder. The purchase order number must appear on all itemized invoices and packing slips. Panola County will not be held responsible for any orders placed/delivered without a valid current purchase order number.

INVOICES shall show (a) name and address of successful bidder, (b) Panola County Purchase Order number, and (c) descriptive information as to the item(s) delivered.

PAYMENT will be made upon receipt and acceptance by the county of item(s) ordered and receipt of a valid invoice, in accordance with the State of Texas Prompt Payment Act, Article 601f V.T.C.S. Successful bidder is required to pay subcontractors within ten (10) days.

ITEMS supplied under this contract shall be subject to Panola County's approval. Items found defective or not meeting specifications shall be picked up and replaced by the successful bidder at no expense to the County. If item is not picked up within one (1) week after notification, the item will become a donation to the County for disposition.

SAMPLES: When requested, samples shall be furnished free of expense to Panola County.

\_\_\_\_\_  
SIGNATURE OF BIDDER



**Panola County Road & Bridge Department**

**1120 East Sabine Street  
Carthage, Texas 75633**

**903-693-3763**

**Fax: 903-693-5368**

March 23, 2004

David Kale  
Conley-Lott-Nichols  
1511 W. Marshall  
Longview, TX 75606

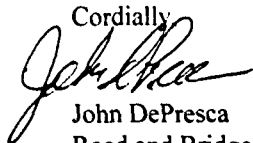
Dear David,

Please allow this letter to serve as notice of the possibility of your company's contract for supplying bit holders to Panola County may be held in default. It has come to the attention of Panola County that you may be not able to supply the County with the holders as per our contract.

According to the legal specifications of the contract, "In the event the successful bidder shall fail to perform, keep or observe any of the conditions to be performed, kept or observed, Panola County shall give the successful bidder written notice of such default, and in the event said default is not remedied to the satisfaction and approval of the County within two (2) working days of receipt of such notice, default will be declared and all successful bidder's rights shall terminate."

It is my understanding that you are still able to supply the bits, but the bit holders will not be available from your company. If we do not receive the holders in the aforementioned two (2) day period, the Panola County Commissioners' Court will meet in regular session on April 12, 2004 at 9 AM to discuss and act upon the possibility of terminating your rights as the successful bidder at that time. You are invited to attend the meeting.

Cordially



John DePresca  
Road and Bridge Coordinator

HAND DELIVERED THIS 23 DAY OF MARCH 2004 BY



**COUNTY OF PANOLA**  
**CARTHAGE, TEXAS**

**NOTICE TO BIDDERS**

In accordance with Vernons Texas Codes Annotated, Local Government Code, Chapter 262, Subchapter C, the Commissioners Court of Panola County, Texas will receive sealed bids for bit holders, for use by Panola County. Bids will be received at the office of County Judge David Anderson, Room 216-A, Panola County Courthouse, Carthage, Texas 75633 until May 10, 2004 at 9:00 a.m. at which time bids will be opened in the Commissioners' Courtroom, Panola County Courthouse, Carthage, Texas during the Commissioners Court meeting. Bids are to be on the unit price basis and no bond is required. The estimated annual quantity will be 1,000 units. Specifications may be obtained in the County Judge's Office, Panola County Courthouse, 110 S. Sycamore, Room 216-A, and at the Panola County Warehouse, 1120 E. Sabine, Carthage, Texas 75633. Contracts will be awarded to the successful bidders in accordance with the above mentioned Local Government Code. Payment will be made by check after receiving the above mentioned materials and upon approval of bill or invoice by the Commissioners Court.

The Court reserves the right to accept or reject any and/or all bids.

*Sidney Burns*

Sidney Burns, County Auditor  
Panola County, Texas

WHEREAS, local property taxpayers are struggling with the effect of continuous imposition of state unfunded mandates on local counties, cities and schools; and

WHEREAS, school districts' share of the property tax load has risen to 60 percent of the average Texan's total property tax bill (while the county portion only accounts for 14 percent of the tax burden); and

WHEREAS, The Governor of the State of Texas has expressed the concern that if school finance reform results in lower local school taxes, then, "it will be very tempting for other entities to fill the void;" and

WHEREAS, county governments have an excellent track record as good stewards of local tax dollars, despite the ongoing pressure of unfunded state mandates; and

WHEREAS, the Governor has proposed that the Constitution of our State be amended to require that future revenues of local governments be severely limited, with all increases beyond very minimal growth placed before the voters for approval; and

WHEREAS, ongoing unfunded mandates, as well as unforeseen local circumstances, would cause constant financial instability for local governments, whose duly elected leaders have been entrusted by the voters with making fiscally conservative budgetary decisions; and

WHEREAS, the Governor has further proposed that the potential increase in the valuation of residential homesteads be limited to three percent annually; and

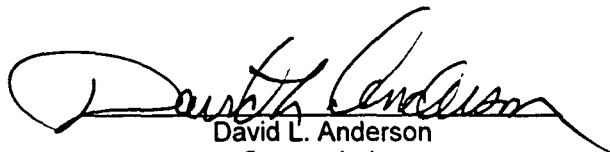
WHEREAS, such an artificial "cap" would grossly distort the current system of 100 percent valuations, shifting the property tax burden to business properties and further harming the state's economic development; and


WHEREAS, the Governor's only proposed shelter against continued delegation of unfunded state mandates on local governments has been a vaguely worded "assurance" against future mandates, with no offer of a permanent, fail-proof section of the State Constitution that protects the local taxpayer; and

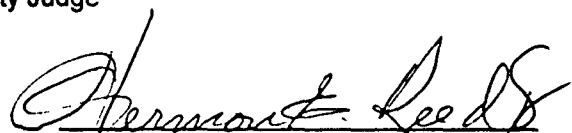
WHEREAS, the Governor's proposal would result in radical cutbacks in services that local taxpayers have requested and expressed a willingness to pay for;

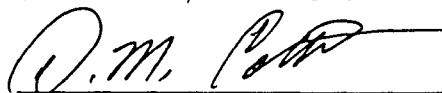
NOW, THEREFORE, BE IT RESOLVED, that Panola County does hereby express its firm and absolute opposition to the Governor's proposal.

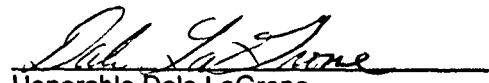
ADOPTED AND PASSED this 12<sup>th</sup> day of April, 2004 in Open Court.

  
David L. Anderson  
County Judge

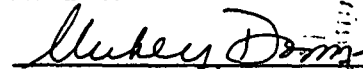
  
Honorable Ronnie LaGrone  
Commissioner, Precinct One

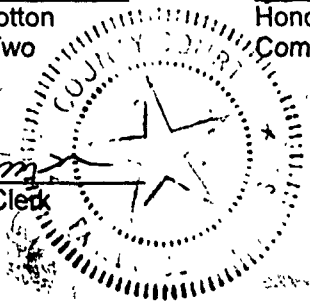
  
Honorable Hermon E. Reed, Jr.  
Commissioner, Precinct Three

  
Honorable Douglas M. Cotton  
Commissioner, Precinct Two

  
Honorable Dale LaGrone  
Commissioner, Precinct Four

ATTEST:

  
Mickey Dorman, County Clerk



RECORDED \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2004

MICKEY DORMAN, COUNTY CLERK, P.C.T.

