

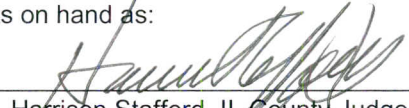
**MINUTES OF COUNTY FINANCES
TREASURER'S REPORT**

IN THE MATTER OF COUNTY
FINANCES IN THE HANDS OF
MARY HORTON, TREASURER OF
JACKSON COUNTY, TEXAS

COMMISSIONERS' COURT JACKSON
COUNTY, TEXAS IN REGULAR SESSION
OCTOBER TERM 2008

IN ACCORDANCE with Section 114.026, Local Government Code, we, the undersigned, constituting the entire Commissioners' Court of said County, certify that on the 13th day of October 2008, at the Regular term of Court, we compared and examined the quarterly report of Mary Horton, Treasurer of Jackson County, Texas, for July through September 2008, and finding the same correct, entered an order in the Minutes approving said report, which states total cash and other assets on hand as:

\$8,026,666.68


Harrison Stafford, II, County Judge

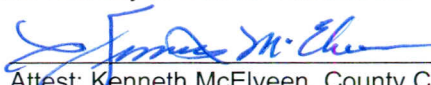

Wayne Hunt, Commissioner Pct. 1


Wayne Bubela, Commissioner Pct. 2

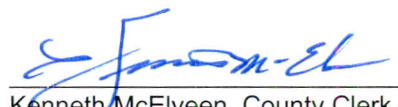
Johnny E. Belicek, Commissioner Pct. 3


Larry Deyton, Commissioner Pct. 4

SWORN TO AND SUBSCRIBED BEFORE ME, by Harrison Stafford, II, County Judge, and County Commissioners of said Jackson County, each respectively, on this the 13th day of October A.D., 2008.


Attest: Kenneth McElveen, County Clerk

FILED FOR RECORD THIS 13th day of October, A.D. 2008, and recorded on the 13th day of October, A.D. 2008.


Kenneth McElveen, County Clerk and
Ex-Officio Clerk of the Commissioners'
Court in and for Jackson County, Texas.

By: _____
Deputy

**JACKSON COUNTY TREASURER'S
QUARTERLY INVESTMENT REPORT
FOR QUARTER ENDING SEPTEMBER 30, 2008**

THE PUBLIC FUNDS INVESTMENT ACT, CHAPTER 2256.023 OF THE GOVERNMENT CODE REQUIRES THE INVESTMENT OFFICER OF EACH LOCAL GOVERNMENT TO SUBMIT TO ITS GOVERNING BODY A QUARTERLY REPORT OF INVESTMENT TRANSACTIONS.

CASH AVAILABILITY

The cash in the depository checking account is monitored on a regular basis, and all excess funds, when available, are invested in the highest interest bearing investment possible, and still maintain liquidity of funds as needed to meet County obligations.

Reconciled depository bank account balances are as follows:

July 31, 2008	\$237,140.85
August 31, 2008	\$102,668.84
September 30, 2008	\$389,274.02

CURRENT YIELDS

September 30, 2008

Prosperity Bank	2.06%
TexPool	2.2828%

MARKET REVIEW

September was a month of unprecedented fear and volatility in global credit markets that ended with spreads at an all-time high and money markets frozen. With the Fed funds target rate at 2%, Treasury bill yields dropped to near zero. In effect, the credit markets stopped functioning as confidence evaporated and banks, businesses and investors await the next move from Washington. The Fed is digging deep into its monetary tool kit to do whatever it can to deal with the most difficult financial crisis since the Great Depression. A cut in the Fed funds target rate is a strong possibility. The U.S. economy appears to be getting weaker and consumers are only beginning to feel the pinch of tighter credit.

INVESTMENT STRATEGY - NEXT QUARTER

The County will continue to invest a large part of its money in TexPool and will consider certificates of deposit for diversity. The depository contract allows for a 2.05% floor on all deposits.

OPERATING PORTFOLIO

The cash requirements of Jackson County for the fourth quarter 2008 shall be met with the funds in the depository bank and TexPool. Jackson County should have the funds needed to operate for the following quarter.

PERFORMANCE MEASUREMENT

The portfolio performance remained about the same as for the second quarter 2008. The average interest earned was about 2.314% on TexPool accounts and about 2.06% on the depository account.

COLLATERAL ADEQUACY

Collateralizing by the depository bank is sufficient to cover all funds deposited into the bank. Attached is a summary of investment transactions for the quarter ending September 30, 2008.



Mary Horton, CIO, CCT
Jackson County Treasurer

FUND	6/30/2008 BALANCE	RECEIPTS	DISBURSEMENTS	9/30/2008 BALANCE
General (Petty Cash)	116.00	0.00	0.00	116.00
General	6,713.95	1,153,889.55	1,148,071.36	2,308,674.86
General (TexPool)	6,234,264.74	76,858.97	1,100,000.00	7,411,123.71
General (Certificate of Deposit)	16,665.58	104.73	0.00	16,770.31
General - TOTAL	6,257,760.27	1,230,853.25	2,248,071.36	9,736,684.88
Sales Tax	54.11	0.00	0.00	54.11
Sales Tax (TexPool)	818,479.93	181,381.70	0.00	999,861.63
Sales Tax - TOTAL	818,534.04	181,381.70	0.00	999,915.74
Permanent Improvement	382.64	12,070.31	12,237.18	24,690.13
Permanent Improvement (TexPool)	157,384.96	749.60	65,500.00	223,634.56
Permanent Improvement - TOTAL	157,767.60	12,819.91	77,737.18	248,324.69
Commissary Telephone	4,154.41	16,101.01	17,147.42	37,402.84
Commissary Telephone (TexPool)	50,601.01	7,316.44	3,809.08	61,726.53
Commissary Telephone - TOTAL	54,755.42	23,417.45	20,956.50	99,129.37
Court Reporter Services	748.08	585.00	0.00	1,333.08
District Attorney Hot Check	32,682.33	14,371.65	14,053.97	33,000.01
Elections Administration	1,415.31	0.00	342.04	1,073.27
Forfeiture - District Attorney	1,306.75	30,905.47	31,095.20	63,307.42
Forfeiture - District Attorney (TexPool)	33,194.25	28,260.88	0.00	61,455.13
Forfeiture - District Attorney - TOTAL	34,501.00	59,166.35	31,095.20	124,762.55
Capital Murder	44,322.79	44,322.79	0.00	0.00
Forfeiture - Sheriff	115.56	11,256.00	10,311.00	21,682.56
Forfeiture - Sheriff (TexPool)	6,539.67	34.18	1,000.00	7,573.85
Forfeiture - Sheriff - TOTAL	6,655.23	11,290.18	11,311.00	29,256.41
Health (Petty Cash)	50.00	0.00	0.00	50.00
Health	2,331.39	55,166.38	52,725.38	110,223.15
Health (TexPool)	55,281.27	4,896.71	47,479.18	107,657.16
Health - TOTAL	57,662.66	60,063.09	100,204.56	217,930.31
Justice Court Technology	29,411.86	2,204.91	1,342.07	30,274.70
Juvenile Probation Discretionary	310.55	290.00	0.00	20.55
Juvenile Probation Grants	336.33	32,519.18	31,412.62	64,268.13
Juvenile Probation Grants (TexPool)	79,042.57	8,476.73	37,500.00	125,019.30
Juvenile Probation Grants - TOTAL	79,378.90	40,995.91	68,912.62	189,287.43
Law Library	1,529.33	5,609.24	3,956.66	3,181.91
Law Enforcement Officers Education	6,806.05	0.00	0.00	6,806.05
Library - Memorial	573.05	2,364.95	2,752.13	5,690.13
Library - Memorial (TexPool)	59,351.07	342.03	2,000.00	61,693.10
Library - Memorial - TOTAL	59,924.12	2,706.98	4,752.13	67,383.23
Records Management - County Clerk	1.38	7,435.00	5,391.69	12,828.07
Records Management - County Clerk (TexPool)	139,361.54	804.83	2,294.13	142,460.50
Records Management - County Clerk - TOTAL	139,362.92	8,239.83	7,685.82	155,288.57
Records Management - County	19,692.84	2,003.00	0.00	21,695.84
Records Management - District Clerk	4,798.46	393.28	0.00	5,191.74
Security Fund	1,375.69	8,139.64	7,667.24	17,182.57
Security Fund (TexPool)	152,082.44	878.71	4,866.34	157,827.49
Security Fund - TOTAL	153,458.13	9,018.35	12,533.58	175,010.06
Appellate Judicial System	940.00	290.00	0.00	1,230.00
Child Abuse Prevention	2,265.00	285.00	0.00	2,550.00
Child Welfare	88.15	0.00	0.00	88.15
Child Welfare (TexPool)	16,442.65	96.03	0.00	16,538.68
Child Welfare - TOTAL	16,530.80	96.03	0.00	16,626.83
Historical Commission	9,340.87	12,910.95	13,227.00	35,478.82
Historical Commission (TexPool)	23,037.73	121.92	11,400.00	34,559.65
Historical Commission - TOTAL	32,378.60	13,032.87	24,627.00	70,038.47
Mediation Fund	1,450.00	0.00	0.00	1,450.00
Highway	11,404.66	87,461.28	0.00	98,865.94
Road & Bridge Precinct #1	1,054.75	88,590.05	88,458.86	178,103.66
Road & Bridge Precinct #1 (TexPool)	153,680.49	14,908.23	116,000.00	284,588.72
Road & Bridge Precinct #1 - TOTAL	154,735.24	103,498.28	204,458.86	462,692.38
Road & Bridge Precinct #2	3,285.92	88,144.19	83,530.81	168,389.08
Road & Bridge Precinct #2 (TexPool)	221,591.88	8,499.28	109,300.00	339,391.16
Road & Bridge Precinct #2 - TOTAL	218,305.96	96,643.47	192,830.81	507,780.24

FUND	6/30/2008 BALANCE	RECEIPTS	DISBURSEMENTS	9/30/2008 BALANCE
Road & Bridge Precinct #3	992.08	94,228.28	92,230.51	187,450.87
Road & Bridge Precinct #3 (TexPool)	144,213.54	783.21	122,800.00	267,796.75
Road & Bridge Precinct #3 - TOTAL	145,205.62	95,011.49	215,030.51	455,247.62
Road & Bridge Precinct #4	993.65	103,831.29	102,848.07	207,673.01
Road & Bridge Precinct #4 (TexPool)	370,491.94	17,824.92	132,900.00	521,216.86
Road & Bridge Precinct #4 - TOTAL	371,485.59	121,656.21	235,748.07	728,889.87
Road & Bridge Lateral Road	15,170.82	0.00	15,170.48	0.34
Pct #1 Bridge Replacement	4.23	4,147.50	4,151.73	8,303.46
Pct #1 Bridge Replacement (TexPool)	10,275.99	4,024.05	14,300.04	28,600.08
Pct #1 Bridge Replacement - TOTAL	10,280.22	8,171.55	18,451.77	36,903.54
Pct #2 Bridge Replacement	4,190.37	4,200.00	9.63	19.26
Pct #2 Bridge Replacement (TexPool)	11,678.39	14.80	11,693.19	23,386.38
Pct #2 Bridge Replacement - TOTAL	7,488.02	4,214.80	11,702.82	23,405.64
Pct #3 Bridge Replacement	34.27	0.00	34.27	68.54
Pct #3 Bridge Replacement (TexPool)	303.33	0.61	303.94	607.88
Pct #3 Bridge Replacement - TOTAL	337.60	0.61	338.21	676.42
Pct #4 Bridge Replacement	68.57	0.00	68.57	137.14
Pct #4 Bridge Replacement (TexPool)	15,985.82	30.49	16,016.31	32,032.62
Pct #4 Bridge Replacement - TOTAL	16,054.39	30.49	16,084.88	32,169.76
Pct #1 Equipment Purchase	0.13	0.00	0.00	0.13
Pct #1 Equipment Purchase (TexPool)	0.41	0.00	0.00	0.41
Pct #1 Equipment Purchase - TOTAL	0.54	0.00	0.00	0.54
Pct #2 Equipment Purchase	51.67	0.00	51.67	103.34
Pct #2 Equipment Purchase (TexPool)	78,663.24	459.44	79,122.68	157,786.00
Pct #2 Equipment Purchase - TOTAL	78,714.91	459.44	79,174.35	157,939.34
Pct #3 Equipment Purchase	61.76	0.00	61.76	123.52
Pct #3 Equipment Purchase (TexPool)	38,763.42	226.39	38,989.81	77,513.31
Pct #3 Equipment Purchase - TOTAL	38,825.18	226.39	39,051.57	77,636.83
Pct #4 Equipment Purchase	7.81	0.00	7.81	15.62
Pct #4 Equipment Purchase (TexPool)	14,822.29	86.56	14,908.85	29,730.66
Pct #4 Equipment Purchase - TOTAL	14,830.10	86.56	14,916.66	29,746.28
Community Development Grant	50.00	64,800.00	64,850.00	0.00
Mauritz Camp	86.55	0.00	40.00	126.55
Mauritz Camp (TexPool)	22,320.91	130.04	200.00	22,650.95
Mauritz Camp - TOTAL	22,407.46	130.04	240.00	22,777.50
Abandoned Motor Vehicle	1,900.07	27,942.59	29,027.82	58,870.48
Abandoned Motor Vehicle (Bank)	1,000.00	0.00	0.00	1,000.00
Abandoned Motor Vehicle (TexPool)	85,501.10	29,600.01	210.08	115,311.19
Abandoned Motor Vehicle - TOTAL	88,401.17	57,542.60	29,237.90	175,181.67
Coastal Impact Assistance	262,345.00	0.00	0.00	262,345.00
Airport	4,002.52	35,357.55	34,689.99	74,050.06
Airport (Clearing)	2,174.89	10,697.83	12,872.72	25,745.44
Airport (TexPool)	71,396.65	11,428.29	57,500.00	140,324.94
Airport - TOTAL	77,574.06	57,483.67	105,062.71	240,120.44
Jail Commissary	1,183.14	3,258.27	4,261.24	8,702.65
Jail Commissary (TexPool)	11,129.74	65.00	0.00	11,194.74
Jail Commissary - TOTAL	12,312.88	3,323.27	4,261.24	19,897.39
State Fees	80,514.09	77,132.77	94,109.81	63,537.05
Trust Investment	0.00	108,620.25	108,620.25	217,240.50
Trust Investment (Wilbreeze)	0.00	0.00	0.00	0.00
Trust Investment (TexPool)	220,122.76	10,679.44	98,897.25	329,699.45
Trust Investment - TOTAL	220,122.76	119,299.69	207,517.50	546,939.95
District Clerk Reserve Account	81,811.06	4,502.00	21,950.80	108,263.86
District Clerk Reserve Account (TexPool)	128,112.78	748.21	0.00	128,860.99
District Clerk Reserve Account - TOTAL	209,923.84	5,250.21	21,950.80	237,124.85
County Wide Drainage District	0.01	15,965.08	15,965.07	0.00
Cafeteria	9,314.06	0.00	1,454.63	7,859.43
TOTAL ALL FUNDS	9,466,889.77	2,641,824.67	4,082,047.76	8,026,666.68

INVESTMENTS

09/30/2008

06/30/2008

NAME	ACCT #	BALANCE	INTEREST	DEPOSIT	WITHDRAW	BALANCE
Road & Bridge Precinct #1	120101100	153,680.49	608.19	14,300.04	116,000.00	52,588.72
Road & Bridge Precinct #2	120101200	221,591.88	1,006.09	7,493.19	109,300.00	120,791.16
Road & Bridge Precinct #3	120101300	144,213.54	479.27	303.94	122,800.00	22,196.75
Road & Bridge Precinct #4	120101400	370,491.94	1,808.61	16,016.31	132,900.00	255,416.86
General	120101500	6,234,264.74	34,185.72	37,475.91	1,100,000.00	5,205,926.37
Historical Commission	120101700	23,037.73	121.92	0.00	11,400.00	11,759.65
Child Welfare	120101800	16,442.65	96.03	0.00	0.00	16,538.68
Sales Tax	120102500	818,479.93	5,357.43	176,024.27	0.00	999,861.63
Brackenkridge School	120104200	59,351.07	342.03	0.00	2,000.00	57,693.10
Cypress E & P Corporation	120104300	128,112.78	748.21	0.00	0.00	128,860.99
Sheriff Forfeiture	120104600	6,539.67	34.18	0.00	1,000.00	5,573.85
District Attorney Forfeiture	120104700	33,194.25	260.88	28,000.00	0.00	61,455.13
Security Fund	120105100	152,082.44	878.71	0.00	4,866.34	148,094.81
Juvenile Probation Grants	120105300	79,042.57	376.73	8,100.00	37,500.00	50,019.30
Permanant Improvement	120105500	157,384.96	749.60	0.00	65,500.00	92,634.56
Abandoned Motor Vehicle	120105700	85,501.10	600.01	29,000.00	210.08	114,891.03
Records Management (Clerk only)	120105800	139,361.54	804.83	0.00	2,294.13	137,872.24
Airport	120106000	71,396.65	428.29	11,000.00	57,500.00	25,324.94
Health	120106200	55,281.27	208.55	4,688.16	47,479.18	12,698.80
Jail Commissary	120106300	11,129.74	65.00	0.00	0.00	11,194.74
Commissary Telephone	120106400	50,601.01	316.44	7,000.00	3,809.08	54,108.37
Boys Scouts/Camp Mauritz	120107100	22,320.91	130.04	0.00	200.00	22,250.95
West Seizure	120107103	4,123.82	14.33	0.00	4,138.15	0.00
DeLeon Seizure	120107203	1,829.32	10.68	0.00	0.00	1,840.00
McMahan Seizure	120107205	3,172.18	18.53	0.00	0.00	3,190.71
Rojas Seizure	120107210	10,697.35	62.46	0.00	0.00	10,759.81
Ewing Seizure	120107213	10,507.85	61.38	0.00	0.00	10,569.23
Valdivinos-Rosas Seizure	120107215	926.84	5.50	0.00	0.00	932.34
Alanis Seizure	120107216	8,588.22	50.15	0.00	0.00	8,638.37
V. Alanis Seizure	120107217	45,211.89	57.97	0.00	45,269.86	0.00
Landa Seizure	120107218	49,317.67	171.37	0.00	49,489.24	0.00
Roman Seizure	120107301	5,162.10	30.14	0.00	0.00	5,192.24
Barron Seizure	120107308	4,674.50	28.49	0.00	0.00	4,902.99
Guerrero Seizure	120107309	15,011.02	87.67	0.00	0.00	15,098.69
Newton Seizure	120107310	4,853.21	28.33	0.00	0.00	4,881.54
Gaytan Seizure	120107311	0.00	3.44	9,723.00	0.00	9,726.44
Turner, Et Al, Trust	120107401	18,345.53	107.16	0.00	0.00	18,452.69
Grona Juvenile Trust	120107402	20,431.84	119.32	0.00	0.00	20,551.16
Blinning Heirs Trust Cause #4563	120107406	2,181.76	12.77	0.00	0.00	2,194.53
A. F. Corbin Trust	120107501	1,880.29	11.00	0.00	0.00	1,891.29
Cordele Church & Cemetery	120107502	11,499.98	67.12	0.00	0.00	11,567.10
L. N. Bannett Trust	120107503	343.12	1.96	0.00	0.00	345.08
Dean L. Hewitt Receivership	120107506	1,164.07	6.67	0.00	0.00	1,170.74
Pct #1 Bridge Replacement	120108100	10,275.99	24.05	4,000.00	14,300.04	0.00
Pct #2 Bridge Replacement	120108200	11,678.39	14.80	0.00	11,693.19	0.00
Pct #3 Bridge Replacement	120108300	303.33	0.61	0.00	303.94	0.00
Pct #4 Bridge Replacement	120108400	15,985.82	30.49	0.00	16,016.31	0.00
Pct #1 Equipment Purchase	120108500	0.41	0.00	0.00	0.00	0.41
Pct #2 Equipment Purchase	120108600	78,663.24	459.44	0.00	0.00	79,122.68
Pct #3 Equipment Purchase	120108700	38,763.42	226.39	0.00	0.00	38,989.81
Pct #4 Equipment Purchase	120108800	14,822.29	86.56	0.00	0.00	14,908.85

TEXPOOL TOTAL 9,370,532.80 51,092.59 353,124.82 1,955,969.54 7,818,780.67

Transfer Station Certificate of Deposit PROSPERITY 16,479.09 104.73 0.00 0.00 16,583.82

TexPool/TexPool Prime Update
October 8, 2008

With the recent media attention surrounding the credit crisis, Federated wants to assure both TexPool and TexPool Prime participants that we remain confident in our ability to maintain high quality and liquidity in both pools. We also would like to stress the importance of our thorough credit standards and the process that Federated employs in the management of your cash. We are continuing to manage both TexPool and TexPool Prime with an unrelenting focus on credit analysis and maintenance of minimal credit risk. Please note the following points of review regarding TexPool and TexPool Prime:

- TexPool is a government pool investing primarily in a portfolio of short-term U.S. Treasury and government agency securities, including repurchase agreements collateralized by U.S. Treasury and government agency securities. TexPool does not invest in any corporate securities or commercial paper.
- TexPool *Prime* invests in high quality commercial paper and certificates of deposit in addition to U.S. Government securities and repurchase agreements collateralized by U.S. Government securities. (A separate article posted to the website reviews a representative sample of the holdings we find suitable for the portfolio.)
- TexPool and TexPool *Prime* are each rated AAAm by Standard & Poor's, the highest rating a local government investment pool can achieve.
- The weighted average maturities of the pools cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool and TexPool *Prime*, like its participants, are governed by the Texas Public Funds Investment Act, and are in full compliance with the Act.
- TexPool and TexPool *Prime* are managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments.