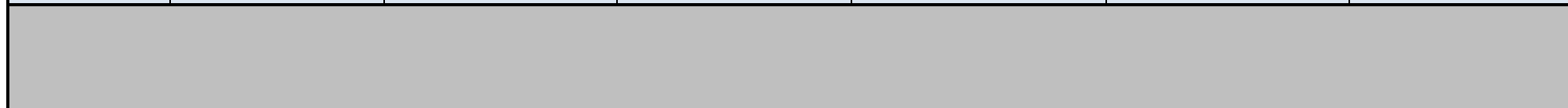


Area Emissions Reduction Credit Organization(AERCO) Quarterly Financial Report			
QUARTER			AMOUNT
Previous Obligations			\$ 5,984,967.11
Current Obligations:			\$ 6,006,672.74
Account Transaction for			
<i>3rd Quarter: July 1, 2010-September 30, 2010</i>			
Account Income			
Date of Deposit	Obligated?	Company	Amount
July 31, 2010	Yes	JULY INTEREST	\$ 1,194.41
August 31,2010	Yes	AUGUST INTEREST	\$ 1,274.33
August 23, 2010	Yes		\$ 84.00
August 30,2010	Yes		\$ 4,000.00
August 30,2010	Yes		\$ 1,250.00
September 30, 2010	Yes	SEPTEMBER INTEREST	\$ 1,198.97
September 16, 2010	Yes		\$ 32,757.00
Expenses			
Date of Withdrawl	Prev. Obligated?	Project/Description	Amount
	Yes		
	Yes		

AERCO Program Account Funding Summary

As of October 15, 2010

County	Funding Approved by TCEQ	Total Amount Received to Date	Funding for Potential Recipient(in application process)	Funding Committed to Applicant(in contract phase)	Funding Reimbursed to Recipients	Available Funds
Brazoria	\$0.00	\$1,672,832.61	\$79,370.61	\$1,167,593.50	\$425,518.50	\$350.00
Chambers	\$0.00	\$69,101.53	\$0.00	\$0.00	\$0.00	\$69,101.53
Fort Bend	\$0.00	\$5,790.75	\$0.00	\$0.00	\$0.00	\$5,790.75
Galveston	\$0.00	\$354,583.97	\$0.00	\$47,556.50	\$255,518.00	\$51,509.47
Harris	\$301,570.00	\$5,411,981.49	\$2,497,339.00	\$1,514,070.00	\$1,097,988.83	\$302,583.66
Liberty	\$0.00	\$4,612.00	\$4,612.00	\$0.00	\$0.00	\$0.00
Montgomery	\$0.00	\$5,744.60	\$0.00	\$0.00	\$5,638.22	\$106.38
Waller	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Regional	\$38,932.00	\$66,837.67	\$60,388.00	\$0.00	\$0.00	\$6,449.67
Total	\$340,502.00	\$7,591,484.61	\$2,641,709.61	\$2,729,220.00	\$1,784,663.55	\$435,891.45



**AERCO Active Projects Report
As of October 15, 2010**

Recipient	CFI #	Project Description	Status	Board Date	AERCO Funds Granted	Projected NOx Reductions (tons/year)	Funding Reference Code(s)
Sheldon ISD	2007-001-SHEL	1 Bus Replacement	Compliance Phase	17-Apr-07	\$ 60,569.00	0.12	2006-HA-SB-General; 2007-HA-DN-General
Humble ISD	2007-004-HUMB	4 Repowers	Compliance Phase	19-Jun-07	\$ 54,000.00	0.64	2006-HA-SB-General
Tomball ISD	2007-009-TOMB	1 Bus Replacement	Compliance Phase	17-Jul-07	\$ 48,426.00	0.15	2006-HA-SB-General
Klein ISD	2008-005-KLEI	4 Bus Replacements	Compliance Phase	19-Feb-08	\$ 254,297.46	0.66	2006-HA-SB-General; 2007-HA-DN-Klein; 2007-HA-SB-General
Cy-Fair ISD	2008-007-CYFA	4 Engine Replacements	Compliance Phase	18-Mar-08	\$ 115,198.04	0.51	2007-BR-DN-General; 2007-BR-SB-General; 2008-BR-SB-General
Danbury ISD	2008-009-DANB	1 Bus Replacement, 2 Engine Repowers	Compliance Phase	20-May-08	\$ 160,000.00	1.31	2007-BR-SB-Danbury; 2007-BR-SB-General; 2008-BR-SB-General
Pasadena ISD	2007-028-PASA	1 Bus Replacement	Compliance Phase	20-May-08	\$ 80,000.00	0.11	2007-HA-DN-General; 2008-HA-SB-General
Galveston ISD	2008-015-GALV	2 Bus Replacements	Compliance Phase	20-May-08	\$ 105,948.13	0.15	2006-GA-SB-General; 2007-GA-SB-General; 2008-GA-SB-General
Magnolia ISD	2008-008-MAGN	7 CCV Retrofits	Compliance Phase	N/A	\$ 5,638.22	0	2005-MO-SB-General; 2007-MO-SB-

**AERCO Active Projects Report
As of October 15, 2010**

Recipient	CFI #	Project Description	Status	Board Date	AERCO Funds Granted	Projected NOx Reductions (tons/year)	Funding Reference Code(s)
							General; 2008-MO-SB- General
Waller ISD	2008-047-WALL	35 Retrofits, 3 Replacements	Implementation Phase	20-May-08	\$ 125,000.00	0	2008-HA-SB-General
Danbury ISD	2008-034-DANB	1 Bus Replacement	Compliance Phase	16-Dec-08	\$ 61,714.00	0.168	2008-BR-SB-General
Cy-Fair ISD	2008-027-CYFA	3 Bus Replacements	Compliance Phase	17-Mar-09	\$ 254,913.00	0.32	2007-HA-SB-General 2008-HA-SB-General
Damon ISD	2008-039-DAMO	1 Bus Replacement	Implementation Phase	21-Apr-09	\$ 96,962.00	0.07	2008-BR-SB-General
Our Lady Queen of Peace	2008-038-OURL	1 Bus Replacement	Compliance Phase	21-Apr-09	\$ 92,495.00	0.03	2006-BR-SB-Queen 2007-BR-SB-Queen 2008-BR-SB-General
Columbia-Brazoria ISD	2009-000-COLU	10 Engine Retrofits	Implementation Phase	21-Apr-09	\$ 29,810.00	0.0027	2008-BR-SB-General
Spring ISD	2008-043-SPRI	1 Bus Replacement	Implementation Phase	21-Apr-09	\$ 61,097.00	0.226	2007-HA-DN-Spring 2008-HA-SB-General
Klein ISD	2009-008-KLEI	5 Engine Replacements	Compliance Phase	16-Jun-09	\$ 200,000.00	0.244	2008-HA-SB-General
High Island ISD	2009-031-HIGH	1 Bus Replacement	Implementation Phase	20-Oct-09	\$ 76,993.00	0.134	2008-GA-SB-General; 2009-GA-SB-General
North Forest ISD	2009-015-NORT	2 Bus Replacements	Implementation Phase	17-Nov-09	\$ 191,837.00	0.372	2006-HA-SB-General; 2008-HA-SB-General
Brazosport ISD	2009-017-BRAZ	15 Bus Replacements	Implementation Phase	18-Feb-10	\$ 1,188,763.00	1.975	2008-BR-SB-General 2009-BR-SB-General
Texas City ISD	2009-023-TCIS	1 Bus Replacement	Compliance Phase	17-Nov-09	\$ 83,326.00	0.02	2006-GA-SB-Texas; 2008-GA-SB-General

