

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

ALAMO REGIONAL MOBILITY AUTHORITY San Antonio, Texas

BASIC FINANCIAL STATEMENTS AND AUDITORS' REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

For The Years Ended September 30, 2008 and 2007

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

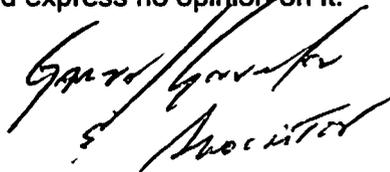
Board of Directors
Alamo Regional Mobility Authority
San Antonio, Texas

We have audited the accompanying basic financial statements of the Alamo Regional Mobility Authority (the Authority), as of and for the years ended September 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2008 and 2007, and the changes in net assets and cash flows for the years ended September 30, 2008 and 2007 in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 10, was not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.



January 21, 2009

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Management's Discussion and Analysis

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

Management's Discussion and Analysis
Years Ended September 30, 2008 and
September 30, 2007
(Unaudited)

The discussion and analysis of the Alamo Regional Mobility Authority (the Authority) financial statements provides an overview of its financial position and activities for the years ended September 30, 2008 and September 30, 2007. The discussion and analysis provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

USING THIS ANNUAL REPORT

Three basic financial statements are presented: the Statements of Net Assets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows. These statements are prepared in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments*.

The statements are prepared under the accrual basis of accounting in which revenues and assets are recognized when earned or acquired, and expenses and liabilities are recognized when incurred regardless of when cash is received or paid.

Financial Highlights

The Authority's Total Assets, which are primarily Cash and Cash Equivalents, increased in 2008 due to a grant received from Texas Department of Transportation. Cash and Cash Equivalents were \$6,256,620 and \$130,659 as of September 30, 2008 and 2007, respectively. Operating Revenue was also realized in 2008 as a result of the grant. Operating Revenue was \$713,438 for the year ended September 30, 2008 as compared to \$0 for the year ending September 30, 2007. Operating Expenses for the years ended September 30, 2008 and 2007 were \$3,633,695 and \$3,805,505, respectively, and consisted primarily of Professional Services and Personnel Costs (94% and 96% for the years ended). As a result of start-up and planning costs in current and prior periods, the Authority ended with a deficit Net Asset balance (difference between assets and liabilities) of \$9,604,549 and \$6,671,621 as of September 30, 2008 and 2007, respectively.

Statement of Net Assets

The Statement of Net Assets presents the Authority's assets, liabilities, and net assets as of the end of a fiscal period. The information presented is useful in determining the assets available for the Authority's operations as well as the amounts the Authority owes to vendors, debt holders, and other entities at the end of the period. The Authority's Net Assets - the difference between assets and liabilities - can be a factor in assessing its financial position. Over time, increases or decreases in the Authority's Net Assets are one indicator of whether its' financial health is improving or deteriorating when considered with other factors such as overall population growth, economic development, income levels and vehicle miles traveled in Bexar County and surrounding communities.

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Assets and liabilities are classified based on liquidity and longevity. Current liabilities are generally those liabilities which are due within one year and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets are those assets not expected to be utilized within one year.

Noncurrent liabilities include loans payable not expected to be settled within one year.

Net assets are normally presented in three major categories; Invested in Capital Assets Net of Related Debt, Restricted and Unrestricted. All three categories of net assets are described as follows; however, the Authority's Net Assets were all considered unrestricted. Amounts presented as "Invested in Capital Assets Net of Related Debt" represent the investment in property, plant and equipment net of accumulated depreciation on the assets and net of related outstanding debt used to construct, purchase, or renovate them. Restricted net assets are available for expenditure but must be spent in accordance with the restrictions of donors and other external entities. Unrestricted net assets are available for any lawful purpose. Unrestricted net assets are accumulated only as necessary to ensure sufficient reserve funds for future operations and capital improvements. Further detail concerning Assets, Liabilities, and Net Assets is presented in the Statement of Net Assets and Notes to the financial statements.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in Total Net Assets, as presented in the Statement of Net Assets, are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. Operating revenues are expected to be generated from toll revenues in future years. Operating expenses were incurred in planning and operating the Authority. All other activity is classified as non-operating revenues and expenses. Total revenues, total expenses, operating income (loss), and increase (decrease) in net assets are all important factors when assessing the change in the Authority's financial position. Further detail is presented in the Statement of Revenues, Expenses, and Changes in Net Assets and notes to the financial statements.

Statement of Cash Flows

The Statement of Cash Flows provides information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess (1) the entity's ability to meet its obligations as they come due and (2) the need for external financing.

This statement presents information related to cash inflows/outflows summarized by operating, non-capital financing, and investing activities. For additional detail concerning these classifications see the Statement of Cash Flows.

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Years Ended September 30, 2008 and
September 30, 2007
(Unaudited)

CONDENSED FINANCIAL INFORMATION

Statement of Net Assets

The following table is condensed financial information for the Statement of Net Assets:

Statement of Net Assets

	<u>9/30/2008</u>	<u>9/30/2007</u>
Current Assets	\$ 6,264,039	\$ 137,144
Total Assets	6,264,039	137,144
Current Liabilities	313,105	736,624
Non-Current Liabilities	15,555,484	6,072,141
Total Liabilities	15,868,588	6,808,765
Unrestricted Net Asset	(9,604,549)	(6,671,621)
Total Net Assets	<u>\$(9,604,549)</u>	<u>\$(6,671,621)</u>

Total Assets were \$6,264,039 and \$137,144 at September 30, 2008 and 2007, respectively and consisted mainly of Cash and Cash Equivalents. Cash and Cash Equivalents, which were \$6,256,620 and \$130,659 for the years ended, increased due to a grant received from Texas Department of Transportation.

Total Liabilities were \$15,868,588 and \$6,808,765 at September 30, 2008 and 2007, respectively and consisted of Deferred Revenue (\$5,886,562 and \$0), Long-term Liabilities and Accrued Interest to other governmental entities (\$9,668,922 and \$6,072,141), Accounts Payable (\$269,784 and \$715,533), Accrued Paid Leave (\$34,413 and 12,849), and Accrued Wages (\$8,908 and \$8,242).

The Authority's Net Assets (assets less liabilities), was a deficit of \$9,604,549 and \$6,671,621 at September 30, 2008 and 2007, respectively. This is due to the start-up and planning costs of the Authority.

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(Unaudited)

Statement of Revenues, Expenses and Changes in Net Assets

The following table is condensed financial information for the Statement of Revenues, Expenses and Changes in Net Assets:

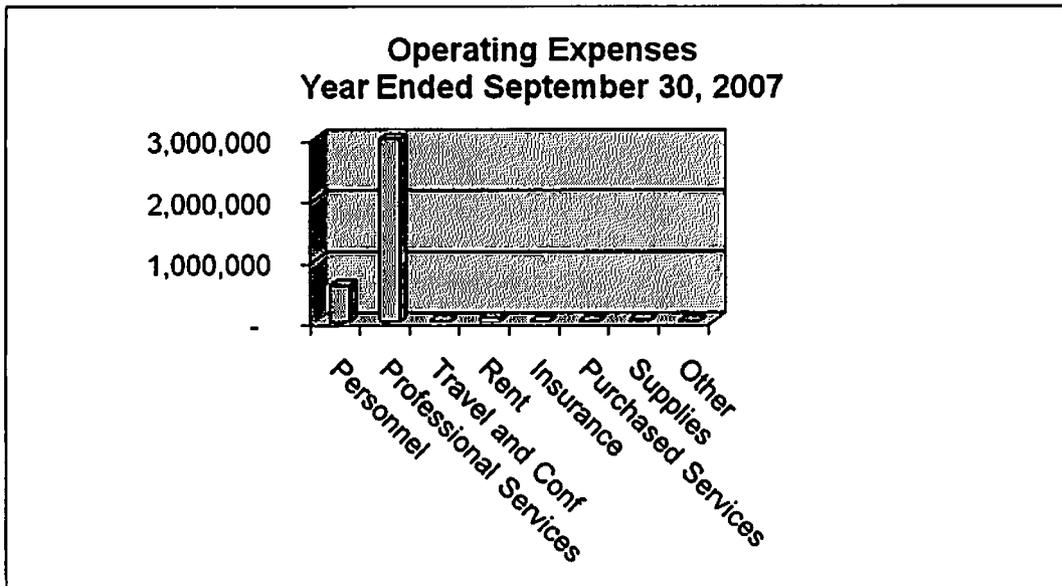
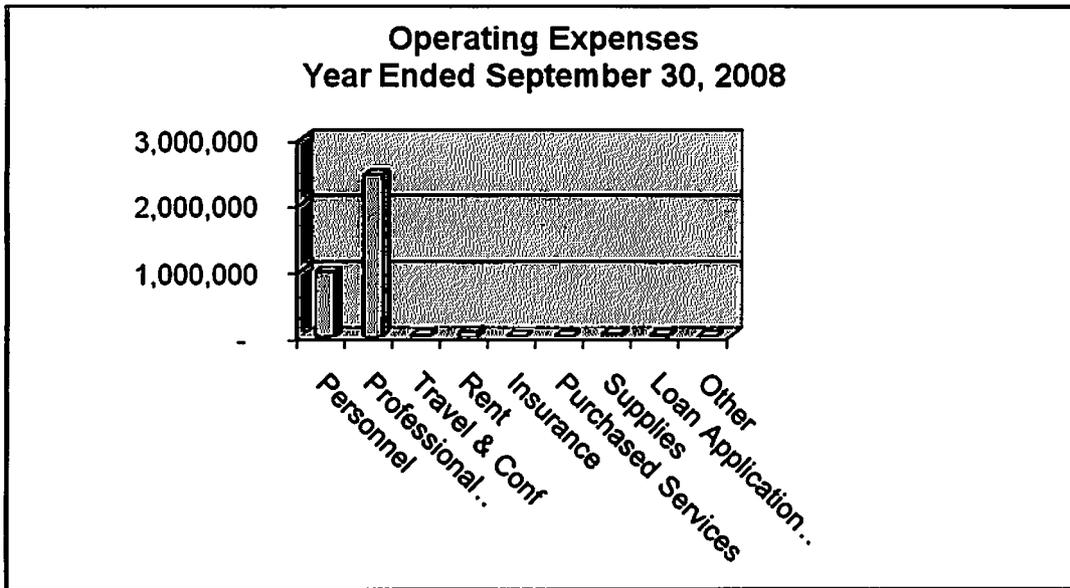
**Statement of Revenues, Expenses
and Changes in Net Assets**

	Year Ended 9/30/2008	Year Ended 9/30/2007
Revenue		
Grant Revenue	\$ 713,438	\$ -
Total Operating Revenue	713,438	-
Operating Expenses		
Personnel	983,965	598,471
Professional Services	2,447,132	3,056,867
Travel & Conferences	25,236	20,019
Rent	73,912	69,462
Insurance	10,315	8,198
Other Purchased Services	11,955	11,412
Supplies	44,255	32,922
Loan Application Fee	30,000	-
Other	6,926	8,154
Total Operating Expenses	3,633,695	3,805,505
Operating Loss	(2,920,257)	(3,805,505)
Non-Operating Revenues (Expenses)		
Interest Income	25,379	8,928
Interest Expense	(38,050)	(38,050)
Total Non-Operating Revenues (Expenses)	(12,671)	(29,122)
Decrease in Net Assets	(2,932,928)	(3,834,627)
Beginning Net Assets	(6,671,621)	(2,836,994)
Ending Net Assets	\$ (9,604,549)	\$(6,671,621)

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The following graphs summarize operating expenses for the years ended September 30, 2008 and September 30, 2007.



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The Authority generated Grant Revenue totaling \$713,438 for the year ended September 30, 2008 and did not generate any operating revenue for the year ended September 30, 2007. The Authority is expected to generate operating revenues from grant and toll revenues in future years.

Operating Expenses for the years ended September 30, 2008 and 2007 were \$3,633,695 and \$3,805,505, respectively. Approximately 94% of operating expenses for the year ended September 30, 2008 represents personnel and professional services, as compared to 96% for the year ended September 30, 2007. These expenses relate to the start-up and planning phase associated with the Authority's initial operations.

Non-Operating Revenues and Expenses for the years ended September 30, 2008 and September 30, 2007 consisted solely of Interest Income received on Cash and Cash Equivalents totaling \$25,379 and \$8,928 respectively and Loans Interest Expense totaling \$38,050 and \$38,050 respectively.

Statement of Cash Flows

The following table is condensed financial information for the Statement of Cash Flows:

	Year Ended 9/30/2008	Year Ended 9/30/2007
Cash provided / (used) by:		
Operating activities	\$ 2,541,851	\$(4,226,025)
Non-capital financing activities	3,558,731	4,093,128
Investing activities	25,379	8,928
Net Increase / (decrease) in cash	<u>6,125,961</u>	<u>(123,969)</u>
Cash beginning of period	130,659	254,628
Cash end of period	<u>\$ 6,256,620</u>	<u>\$ 130,659</u>

Cash provided by operating activities for the year ended September 30, 2008 includes a grant from Texas Department of Transportation for \$6,600,000 to finance start-up costs for the Authority and payments to employees of \$961,735 and to suppliers of \$3,096,416. For the year ended September 30, 2007, cash used by operating activities included payments to employees of \$585,931 and to suppliers of \$3,640,094.

Cash provided by non-capital Financing activities are loans from Texas Department of Transportation to finance start-up costs for the Authority. Cash from Investing activities represents interest income for Cash and Cash Equivalents.

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Debt

The Authority obtained loans from Texas Department of Transportation totaling \$3,558,731 and \$4,093,128 in the years ended September 30, 2008 and September 30, 2007. The Authority obtained three loans for a total amount of \$1,250,000 from Bexar County and the City of San Antonio in the fifteen months ended September 30, 2005. All loans are used to finance start-up costs of the Authority and are to be repaid in accordance with terms specified in the funding agreements with City of San Antonio, Bexar County, and Texas Department of Transportation.

More detailed information about the Authority's loans payable is presented in Note 6 to the basic financial statements.

ECONOMIC FACTORS AFFECTING THE FUTURE

Every year Texans are spending more and more time sitting in traffic due to increased congestion. In the next 25 years, Bexar County will experience significant growth in population, jobs, and economic development. The number of people living in Texas has increased by 8 million residents from 1980 to 2003. During this same period, the number of vehicles driven on Texas roadways has increased from 11.7 to 18.9 million. Yet, the number of roadway miles has increased by less than 8%. As a result, commuting time for most residents in our region will increase dramatically in future years as driving distances increase and roadway options dwindle.

Transportation networks are the backbone of our economy. It is critical that goods and services are delivered on time, every time. When delivery is delayed, consumers are affected through increased product costs. Increased traffic congestion will cost time and money.

Currently, road construction and maintenance costs are funded by the Federal/State Gasoline tax, which is 38.4 cents per gallon. Texas' Gasoline Tax makes up 20 cents of this amount. Less than half of the revenue generated from the state's 20-cent per gallon fuel tax is used towards state transportation projects. Although this tax revenue was sufficient for prior transportation needs, it cannot fund the growth and increased transportation demands we face today. Maintenance costs alone exceed the revenue generated by the state fuel tax.

Due to federal rescissions of motor fuel tax funds in 2008, more than \$400 million in transportation projects for our region were halted and will not occur for at least another 10 years, if at all. These projects were planned to relieve congestion for Bexar County residents. The ability to engage in long range planning based on traditional funding sources is becoming increasingly limited due to the funding shortfall from the state gasoline tax and rescissions in federal funding for transportation projects. Furthermore, revenue generated from one source is insufficient to meet needed capacity requirements. A number of resources are needed for planning and design, acquiring rights of way, constructing projects, and carrying out the ongoing maintenance for those projects.

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If the problem is not solved, our residents will spend more time sitting in traffic, resulting in more time away from home, and they will face higher product costs. Meanwhile, maintenance and construction costs will continue to increase for those much needed projects in our region. We will be subject to increased frustrations and costs unless Texans pull together to implement a safe, reliable and efficient transportation system with innovative funding solutions.

Regional Mobility Authorities (RMA) were authorized by the Texas Legislature as a way to help address the regional transportation needs of the state through local direction and involvement. RMAs are equipped with innovative tools to solve the transportation funding gap which includes formation of local partnerships, provisions for financing, acceleration of projects, and creation of new revenue streams, for critical transportation systems. RMAs allow residents to prioritize transportation projects in their community and to utilize alternative funding sources to speed up project completion. Alternative funding includes toll projects and bond sales that pledge future toll revenue to retire bond debt. RMAs can also construct, operate and maintain tolled lanes and other transportation projects in their communities.

During Texas 80th Legislative Session, the Texas Legislature expanded the authority of RMAs and other local toll project entities to include primacy for local toll projects, in the form of rights of first refusal for the development of toll projects within the region of operation for the RMA or local toll project entity.

Texas 81st Legislative Session will focus heavily on transportation issues and the ability of local entities to complete critical congestion relief projects in order to keep Texas' economy moving.

The Alamo RMA was created to solve the funding gap for Bexar County and to complete critical congestion relief projects by using a variety of tools provided by the legislature. The Alamo RMA gives the region the authority to:

- Provide **local leadership and control** over transportation projects to keep our economy moving
- **Accelerate** the construction of needed multi-modal transportation projects to address quality of life issues
- **Leverage** federal, state, regional and local funds through the use of all available funding tools
- Ensure that motorists **will always have a choice** between tolled and non-tolled lanes, and work to develop other multi-modal projects to help keep our region moving
- Increase **travel safety** for our community by decreasing congestion

The Alamo RMA is committed to serving the residents of Bexar County.

Basic Financial Statements

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

STATEMENT OF NET ASSETS

September 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and Cash Equivalents	\$ 6,256,620	\$ 130,659
Prepaid Expenses	<u>7,419</u>	<u>6,485</u>
Total Assets	<u><u>\$ 6,264,039</u></u>	<u><u>\$ 137,144</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 269,784	\$ 715,533
Accrued Wages	8,908	8,242
Current Portion of Long-Term Liabilities	<u>34,413</u>	<u>12,849</u>
Total Current Liabilities	313,105	736,624
 Non-Current Liabilities		
Deferred Revenue	5,886,562	-
Accrued Interest Payable	138,488	100,438
Long-Term Liabilities	<u>9,530,434</u>	<u>5,971,703</u>
Total Non-Current Liabilities	<u>15,555,484</u>	<u>6,072,141</u>
Total Liabilities	<u>15,868,588</u>	<u>6,808,765</u>
 Net Assets		
Unrestricted	<u>(9,604,549)</u>	<u>(6,671,621)</u>
Total Net Assets	<u>(9,604,549)</u>	<u>(6,671,621)</u>
 Total Liabilities and Net Assets	 <u><u>\$ 6,264,039</u></u>	 <u><u>\$ 137,144</u></u>

The accompanying notes form an integral part of this statement.

ALAMO REGIONAL MOBILITY AUTHORITY
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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years Ended September 30, 2008 and 2007

	2008	2007
Operating Revenue		
Grant Revenue	\$ 713,438	\$ -
Total Operating Revenue	713,438	-
Operating Expenses		
Personnel	983,965	598,471
Professional Services	2,447,132	3,056,867
Travel and Conferences	25,236	20,019
Rent	73,912	69,462
Insurance	10,315	8,198
Other Purchased Services	11,955	11,412
Supplies	44,255	32,922
Loan Application Fees	30,000	-
Other	6,926	8,154
Total Operating Expenses	3,633,695	3,805,505
Operating Loss	(2,920,257)	(3,805,505)
Nonoperating Revenues (Expenses)		
Interest Income	25,379	8,928
Interest Expense	(38,050)	(38,050)
Total Nonoperating Revenues (Expenses)	(12,671)	(29,122)
Decrease in Net Assets	(2,932,928)	(3,834,627)
Beginning Net Assets, October 1, 2007	(6,671,621)	(2,836,994)
Ending Net Assets, September 30, 2008	\$ (9,604,549)	\$ (6,671,621)

The accompanying notes form an integral part of this statement.

ALAMO REGIONAL MOBILITY AUTHORITY
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STATEMENT OF CASH FLOWS

Years Ended September 30, 2008 and 2007

	2008	2007
CASH FLOWS FOR OPERATING ACTIVITIES		
Cash received from State	\$ 6,600,000	\$ -
Payments to Employees	(961,733)	(585,931)
Payments to Suppliers	(3,096,416)	(3,640,094)
Net Cash Provided by (Used for) Operating Activities	2,541,851	(4,226,025)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Noncapital Loans	3,558,731	4,093,128
Net Cash Provided by Noncapital Financing Activities	3,558,731	4,093,128
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	25,379	8,928
Net Cash Provided by Investing Activities	25,379	8,928
 Net (Decrease) Increase in Cash and Cash Equivalents	 6,125,961	 (123,969)
 Cash and Cash Equivalents, Beginning	 130,659	 254,628
Cash and Cash Equivalents, Ending	\$ 6,256,620	\$ 130,659
 Reconciliation of Operating Loss to Net Cash Used For Operating Activities		
Operating Loss	\$ (2,920,257)	\$ (3,805,505)
Adjustments to Reconcile Operating Loss to Net Cash		
(Increase) Decrease in Prepaid Expenses	(934)	(119)
Increase (Decrease) in Accounts Payable	(445,751)	612,217
Increase (Decrease) in Accrued Wages	666	8,242
Increase (Decrease) in Deferred Revenue	5,886,562	-
Increase (Decrease) in Accrued Expenses	-	(1,045,158)
Increase (Decrease) in Compensated Absences	21,564	4,298
Net Cash Used for Operating Activities	\$ 2,541,851	\$ (4,226,025)

The accompanying notes form an integral part of this statement.

ALAMO REGIONAL MOBILITY AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Alamo Regional Mobility Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) for governmental entities. The Governmental Accounting Standards Board (GASB) is the governing body for establishing governmental accounting and financial reporting standards. For financial reporting purposes, the Authority is considered a special purpose government engaged only in business-type activities. The following is a summary of significant accounting policies of the Authority.

A. Reporting Entity

Bexar County Regional Mobility Authority was approved by the Texas Department of Transportation on December 18, 2003 as a political subdivision of the State of Texas under the Texas Transportation Code, Chapter 370. Bexar County formally approved the conditions of the Texas Department of Transportation on January 14, 2004. The Bexar County Regional Mobility Authority held its first meeting on April 13, 2004. On October 14, 2004, the Bexar County Regional Mobility Authority formally changed its name to Alamo Regional Mobility Authority (the Authority). The Authority was created to provide the Bexar County area with a local entity to make mobility decisions for the community and to accelerate needed transportation projects.

The Authority's powers and duties are enumerated under Texas Transportation Code Chapter 370 and include authority to borrow monies and issue bonds to finance transportation projects. The Authority is governed by a seven member Board of Directors, six are appointed by Bexar County Commissioners Court and the Chairman of the Board is appointed by the Governor of the State of Texas. The Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, *"The Reporting Entity"*. There are no component units included within the reporting entity.

B. Basis of Accounting

The Authority's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) Opinions of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Authority has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by GASB.

All of the Authority's activities are accounted for within a single proprietary (enterprise) fund. The accounting and financial reporting treatment applied is determined by measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into amounts invested in capital assets, net of related debt; amounts restricted for capital activity and debt service; and amounts which are unrestricted.

ALAMO REGIONAL MOBILITY AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition.

D. Investments

In accordance with GASB Statement No 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments are reported at fair value. Fair values are based on published market rates.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

F. Capital Assets

Capital assets are stated at historical cost. Donated capital assets are valued at their estimated fair market value on the date received. For equipment, the Authority's capitalization policy includes all items with a unit cost of \$20,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following estimated useful lives are used:

Furniture, Machinery and Other Equipment 3 - 7 years

G. Classification of Revenues

The Authority has classified its revenues as either operating or nonoperating according to the following criteria:

Operating Revenues: Operating revenues are generated by activities that have the characteristics of exchange transactions. Exchange transactions are those in which a service or product is exchanged for revenue.

Nonoperating Revenues: Nonoperating revenues include activities that do not have the characteristics of exchange transactions.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources available for use.

ALAMO REGIONAL MOBILITY AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

September 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

The Authority employees are entitled up to four weeks of paid vacation leave per calendar year which is accrued by pay period. No more than 240 hours of unused vacation leave is carried forward to the next year and unused leave is paid to employees upon termination, resignation or retirement up to 240 hours. The liability recorded for compensated absences was \$34,413 at September 30, 2008 and \$12,849 at September 30, 2007.

I. Comparative Data

Comparative data for the prior fiscal year has been presented to provide an understanding of the changes in the financial position and operations.

2. INTERLOCAL AGREEMENTS

The Authority entered into interlocal agreements with Bexar County and the City of San Antonio to fund a portion of the start-up costs of the Authority. The interlocal agreements require repayment of the loans when the Authority issues bonds or from the proceeds of the first available revenues received.

3. DEPOSITS AND INVESTMENTS

The Authority's cash and cash equivalents at September 30, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Cash in Bank	\$ 1,066	\$ 297
Cash Equivalents		
Money Market Fund -		
Invesco Government and		
Agency Portfolio - Resource		
Class	<u>6,255,554</u>	<u>130,362</u>
Total Cash and Cash Equivalents	<u>\$ 6,256,620</u>	<u>\$ 130,659</u>

The Authority does not have any of its funds invested in derivatives.

ALAMO REGIONAL MOBILITY AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

September 30, 2008

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits

At September 30, 2008, the carrying amount of the Authority's deposits was \$1,066 and the bank balance was \$1,066. The Authority's cash deposits at September 30, 2008 were covered by FDIC insurance. Excess cash is swept into the investment account each night.

Investments

State statutes govern the Authority's investment policies. State authorized investments include obligations of the U.S. Treasury and U.S. Government agencies, certificates of deposit, commercial paper, securities lending, bankers' acceptances, guaranteed investment contracts, mutual funds, investment pools, and repurchase agreements.

Credit Risk. The Authority's investment policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The Authority's funds shall be primarily invested in U.S. Treasury securities and federal agency securities. Investments in other debt securities must be rated "A" or better by at least two nationally recognized credit rating agencies. The Authority's money market fund is rated AAAM (S&P). Investments in the money market fund are not guaranteed by the Federal Depository Insurance Corporation (FDIC) or any other government agency. The fund invests in direct obligations of the U.S. Government and other securities issued or guaranteed as to principal by the U.S. Government or its agencies and instrumentalities, as well as repurchase agreements secured by those obligations.

4. OPERATING LEASE

The Authority leases office facilities under an operating lease. The term of the lease is 37 months, which commenced on December 1, 2005 and terminates on January 1, 2009. The lease carries a base cost of \$5,514 and is adjusted annually according to the lease agreement's basic cost formula. The lease has two one year options to renew for an additional year. Payments totaling \$73,912 were made in the current year.

5. DEFERRED REVENUE

The Authority received \$6,600,000 in grant funds from TxDOT during the current year. Of this amount, \$713,438 was expended and recognized as revenue, while the remaining amount of \$5,886,562 has been recognized as deferred revenue.

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

6. LONG-TERM LIABILITIES

On July 12, 2004, the Authority entered into an initial interlocal agreement with Bexar County. The agreement provided initial operating funds (Bexar County Loan # 1) in the amount of \$250,000 at an annual interest rate of 3.34%. The loan is to be reimbursed in total from the proceeds of the first available revenues received. At the time bonds are issued, the proceeds shall be used to retire the loan and any accrued interest in full. At September 30, 2008, the total amount remains outstanding.

On January 18, 2005, the Authority entered into a second interlocal agreement with Bexar County. The agreement provided additional operating funds (Bexar County Loan # 2) in the amount of \$500,000 at an annual interest rate of 2.97%. The loan is to be reimbursed in total from the proceeds of the first available revenues received. At the time bonds are issued, the proceeds shall be used to retire the loan and any accrued interest in full. At September 30, 2008, the entire amount remains outstanding.

On June 29, 2005, the Authority entered into an interlocal agreement with the City of San Antonio. The agreement provided additional initial operating funds (City of San Antonio Loan # 1) in the amount of \$500,000 at an annual interest rate of 2.97%. The loan is to be reimbursed in total from the proceeds of the first available revenues received. At the time bonds are issued, the proceeds shall be used to retire the loan and any accrued interest in full. At September 30, 2008, the entire amount remains outstanding.

Interest on the above notes is accrued from the date the loan is funded; however, no interest payments are due until the loan is retired. The accrued interest payable amounts to \$138,488 and \$100,438 at September 30, 2008 and 2007, respectively.

On December 16, 2005, the Authority entered into a financial assistance agreement (FAA 1) with the Texas Department of Transportation (TxDOT) to provide funding for the Authority's participation in the procurement process for a proposed comprehensive development agreement. This agreement is not to exceed \$1,000,000 and is noninterest bearing. Funds are drawn down as authorized expenses are incurred.

On January 23, 2006, the Authority entered into a financial assistance agreement (FAA 2) with the TxDOT to provide funding for the development costs of certain toll projects. This agreement is not to exceed \$7,500,000 and is noninterest bearing. Funds are drawn down as authorized expenses are incurred.

On September 11, 2007, the Authority entered into a financial assistance agreement (FAA 3) with the TxDOT to provide funding for the development costs of certain toll projects. This FAA is being funded with remaining unused funds on the previous FAA's. Funds are drawn down as authorized expenses are incurred. This agreement is not to exceed \$3,043,925 (the amount of unused funds from the previous FAA's) and is noninterest bearing.

Funds will be repaid for FAA 1, FAA 2, and FAA 3 from bond proceeds and/or toll revenues subject to the provisions and limitations set forth in the financial assistance agreements.

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

6. LONG-TERM LIABILITIES (Continued)

Any revenues used to repay the financial assistance agreements shall not exceed 10% of the revenues received in any single calendar year.

The Authority recognizes the long-term liability from TxDOT for the financial assistance agreements once the draw-down request is approved by TxDOT and the cash is received by the Authority.

Long-term debt activity for the year ended September 30, 2008 was as follows:

	Balance 10/1/07	Additions	Deductions	Balance 9/30/08	Current Portion
Bexar County Loan # 1	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -
Bexar County Loan # 2	500,000	-	-	500,000	-
City of San Antonio Loan # 1	500,000	-	-	500,000	-
TxDOT - FAA 1	713,231	200,659	-	913,890	-
TxDOT - FAA 2	4,008,472	533,713	-	4,542,185	-
TxDOT - FAA 3	-	2,824,359	-	2,824,359	-
Total Loans Payable	5,971,703	3,558,731	-	9,530,434	-
Compensated Absences	12,849	35,500	(13,936)	34,413	34,413
Total Long-Term Liabilities	<u>\$ 5,984,552</u>	<u>\$ 3,594,231</u>	<u>\$ (13,936)</u>	<u>\$ 9,564,847</u>	<u>\$ 34,413</u>

Long-term debt activity for the year ended September 30, 2007 was as follows:

	Balance 10/1/06	Additions	Deductions	Balance 9/30/07	Current Portion
Bexar County Loan # 1	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -
Bexar County Loan # 2	500,000	-	-	500,000	-
City of San Antonio Loan # 1	500,000	-	-	500,000	-
TxDOT - FAA 1	207,402	505,829	-	713,231	-
TxDOT - FAA 2	421,173	3,587,299	-	4,008,472	-
Total	1,878,575	4,093,128	-	5,971,703	-
Compensated Absences	8,551	17,842	(13,544)	12,849	12,849
Total Long-Term Liabilities	<u>\$ 1,887,126</u>	<u>\$ 4,110,970</u>	<u>\$ (13,544)</u>	<u>\$ 5,984,552</u>	<u>\$ 12,849</u>

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

7. RETIREMENT PLAN

Plan Description

The Authority provides retirement, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system which consists of 573 nontraditional defined benefit pension plans. The Comprehensive Annual Financial Report is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted and may be amended by the governing body of the Authority within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdrew their personal deposits in a lump sum and who are not eligible to retire are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employees' deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchased rates prescribed by the TCDRS Act.

Funding Policy

The Authority has elected the Annually Determined Contribution Rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The Authority contributed the actuarially determined rate of 12.29% from October 1, 2007 to December 31, 2007 and 10.80% from January 1, 2008 to September 30, 2008.

The deposit rate payable by all employee members for the calendar year 2008 is the rate of 7% as adopted by the governing body of the Authority. The employee deposit rate and the employer contribution rate may be changed by the governing body or the employer within the options available in the TCDRS Act.

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

7. RETIREMENT PLAN (Continued)

Annual Pension Cost

The annual employees pension cost and the actual contributions for the TCDRS plan was \$88,146 and \$58,580, respectively for the year ended September 30, 2008 and September 30, 2007.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of the plan's inception.

Actuarial Valuation Information*

	2006 As of December 31, 2005	2007 As of December 31, 2006	2008 As of December 31, 2007
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization method	20	15	15
Amortization Period in years	Long-term appreciation with adjustment	**SAF: 10-year smoothed value ***ESF: Fund value	**SAF: 10-year smoothed value ***ESF: Fund value
Asset valuation method			
Actuarial assumptions:			
Investment return*	8.0%	8.0%	8.0%
Projected salary increases*	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

* Includes inflation at the stated rate.
** Subdivision Accumulation Fund
*** Employer's Saving Fund

Trend Information of the Retirement Plan
for Employees of the Authority

Year/Period	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Year Ended 9/30/2008	\$ 88,146	100%	\$ -
Year Ended 9/30/2007	\$ 58,580	100%	\$ -
Year Ended 9/30/2006	\$ 32,456	100%	\$ -

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2008

8. COMMITMENTS AND CONTINGENCIES

Pending Lawsuits and Claims

The Authority has been named as a defendant in a case related to a proposed project. While the result of any litigation contains an element of uncertainty, the Authority believes that the amount of any liability and costs which might result would not have a material adverse effect on the financial statements. Therefore, no provision for contingency losses has been recorded on the accompanying financial statements.

Funding

The Authority receives significant financial assistance from the Texas Department of Transportation (TxDOT) in the form of grants and loans. A significant reduction in the level of this funding, if this were to occur, may have a significant effect on the Authority. The disbursement of funds received generally requires compliance with terms and conditions specified in the agreements, and is subject to review by TxDOT. Management believes there are no significant contingent liabilities relating to compliance with TxDOT rules and regulations.

9. INSURANCE

As of September 30, 2008 and 2007, the Authority has insurance coverage for workers compensation and general liability. This policy provides coverage for errors and omissions and commercial crime. The Authority utilizes third party administrators for the handling of administration, investigation, and adjustment of liability claims.

10. DEFICIT NET ASSETS

At September 30, 2008 and 2007, the Authority had a deficit net asset balance, associated with development cost of the Authority, of \$9,604,549 and \$6,671,621, respectively. Management intends to eliminate the deficit through future toll operations.

Required Supplementary Information

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

Required Supplementary Information

Pension and Retirement Plan
Schedule of Funding Progress – Last Three Fiscal Years

(Unaudited)

Historical trend information about the Texas County and District Retirement System (TCDRS), a nontraditional defined benefit pension plan, is presented as supplementary information. It is intended to help users assess the plan's funding status on an on-going basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other comparable retirement systems.

Alamo Regional Mobility Authority			
TCDRS			
Schedule of Actuarial Liabilities and Funding Progress			
Actuarial Valuation Date	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>12/31/2005</u>
Actuarial Value of Assets	\$195,181	\$ 78,114	\$ 19,901
Actuarial Accrued Liability (AAL)	214,137	91,820	33,411
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (OAAL)	18,956	13,706	13,510
Funded Ratio	91.15%	85.07%	59.56%
Annual Covered Payroll	583,314	323,447	234,038
UAAL or (OAAL) as a Percentage of Covered Payroll	3.25%	4.24%	5.77%
Balance for December 31, 2008 Not Available			

State Awards Section

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Alamo Regional Mobility Authority
San Antonio, Texas

We have audited the financial statements of the Alamo Regional Mobility Authority (the Authority) as of and for the year ended September 30, 2008, and have issued our report thereon dated January 21, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Gerald G. ...
...

January 21, 2009

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

Board of Directors
Alamo Regional Mobility Authority
San Antonio, Texas

Compliance

We have audited the compliance of the Alamo Regional Mobility Authority (the Authority) with the types of compliance requirements described in *The State of Texas Single Audit Circular* that is applicable to its major state program for the year ended September 30, 2008. The Authority's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *The State of Texas Single Audit Circular*. Those standards and the State Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major state program for the year ended September 30, 2008.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Authority's internal control

A material weakness is a significant deficiency, or combination of significant deficiencies, which results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program, will not be prevented or detected by the Authority's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Awards

We have audited the financial statements of the Authority as of and for the year ended September 30, 2008, and have issued our report thereon dated January 21, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State of Texas Single Audit Circular and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

January 21, 2009

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2008

<u>Grantor/Program Title</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Texas Department of Transportation</u>		
Financial Assistance Agreement - No. 1	86-6XXF7001	\$ 200,659
Financial Assistance Agreement - No. 2	86-6XXF7002	533,713
Financial Assistance Agreement - No. 3	86-8XXF7001	2,824,359
Total Financial Assistance Agreements - Loans		<u>3,558,731</u>
Financial Assistance Agreement	ARMAGRNT2	713,438
Total Financial Assistance Agreements - Grants		<u>713,438</u>
Total Expenditures of State Awards		<u><u>\$ 4,272,169</u></u>

See notes to the Schedule of Expenditures of State Awards.

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended September 30, 2008

Note 1. Basis of Presentation

Expenditures for financial assistance agreements 1, 2, and 3 represent additions to the loan obligation of the Alamo Regional Mobility Authority (the Authority) for the year ended September 30, 2008. The Authority recognized the obligations for the Financial Assistance Agreements once the draw-down requests under each were approved by TxDOT and the Authority was obligated to repay TxDOT subject to the provisions and limitations set forth in the agreements. Expenditures for the financial assistance agreement grant represent expenditures recognized on an accrual basis. The information in this schedule is presented in accordance with the requirements of The State of Texas Single Audit Circular. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2008

SECTION I -- SUMMARY OF AUDITORS' RESULTS

Financial Statements			
	Type of auditors' report issued: Unqualified		
	Internal Control over financial reporting: Material weakness(es) identified?	___ Yes	_X_ No
	Significant deficiency(ies) identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
	Noncompliance material to financial statements noted?	___ Yes	_X_ No

State Awards			
	Internal control over major programs: Material weakness(es) identified?	___ Yes	_X_ No
	Significant deficiency(ies) identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
	Type of auditors' report issued on compliance for major Programs	Unqualified	
	Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Circular	___ Yes	_X_ No

Identification of Major Programs			
	Contract Number(s)	Name of State Program	
	86-6XXF7001	Financial Assistance Agreement – No. 1	
	86-6XXF7002	Financial Assistance Agreement – No. 2	
	86-8XXF7001	Financial Assistance Agreement – No. 3	
	ARMAGRNT2	Financial Assistance Agreement	
Dollar Threshold used to distinguish between Type A and Type B programs:			\$300,000
	Auditee qualified as low-risk auditee?	_X_ Yes	___ No

ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2008

SECTION II --- FINANCIAL STATEMENT FINDINGS

There are no financial statement findings required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2008.

SECTION III --- STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no state award findings and questioned costs required to be reported by the State Single Audit Circular for the year ended September 30, 2008.

**ALAMO REGIONAL MOBILITY AUTHORITY
San Antonio, Texas**

Summary Schedule of Prior Audit Findings

Year Ended September 30, 2008

There were no findings in the prior year.