TO:            Board of Trustees
FROM:         D. R. Potter
DATE:         September 8, 2005
SUBJECT:      Investment Transactions Report

Report Date:  August 31, 2005

Investment Position:

As of August 31, 2005, Alvin Community College had $24,116,999 invested in four certificates of deposit purchased through First National Bank-Alvin. The Investment Schedule is attached.

Summary:

<table>
<thead>
<tr>
<th>Beginning market value</th>
<th>6/1/2005</th>
<th>$3,654,100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions/changes to the market value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. sales</td>
<td></td>
<td>3,665,040</td>
</tr>
<tr>
<td>b. purchases</td>
<td></td>
<td>24,335,879</td>
</tr>
<tr>
<td>Ending market value</td>
<td>8/31/2005</td>
<td>$24,148,066</td>
</tr>
<tr>
<td>Fully accrued interest</td>
<td></td>
<td>$61,607</td>
</tr>
</tbody>
</table>

Pooled Funds:

The $24,116,999 currently invested was taken from the following major fund groups:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Fund Group</th>
<th>Fund Group Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,500,000</td>
<td>General Fund</td>
<td>11</td>
</tr>
<tr>
<td>$19,616,999</td>
<td>Bond Debt Retirement</td>
<td>63</td>
</tr>
</tbody>
</table>

We certify that the investments made during this reporting period are in compliance with Alvin Community College’s Investment Policy and the Texas Government Code.

D. R. Potter
Rachel Massey
Below is a list of Alvin Community College's investments for the period June 1, 2005 through August 31, 2005. All securities have been purchased according to the investment policy approved by the Board of Trustees at the August 25, 2005 board meeting.

<table>
<thead>
<tr>
<th>CD No.</th>
<th>Purchase Date</th>
<th>Due Date</th>
<th>Interest Rate</th>
<th>Term Held</th>
<th>Principal</th>
<th>Accrued Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING INVESTMENTS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*200001147</td>
<td>12/10/04</td>
<td>08/12/05</td>
<td>2.470%</td>
<td>245</td>
<td>34,500</td>
<td>572</td>
<td>35,072</td>
</tr>
<tr>
<td>200001162</td>
<td>01/26/05</td>
<td>07/26/05</td>
<td>2.580%</td>
<td>181</td>
<td>1,100,000</td>
<td>14,073</td>
<td>1,114,073</td>
</tr>
<tr>
<td>200001187</td>
<td>04/22/05</td>
<td>06/20/05</td>
<td>3.065%</td>
<td>59</td>
<td>1,000,000</td>
<td>4,954</td>
<td>1,004,954</td>
</tr>
<tr>
<td>200001209</td>
<td>05/20/05</td>
<td>08/15/05</td>
<td>3.060%</td>
<td>87</td>
<td>1,500,000</td>
<td>10,941</td>
<td>1,510,941</td>
</tr>
<tr>
<td><strong>Total for Beginning of Period</strong></td>
<td><strong>$3,634,500</strong></td>
<td><strong>$19,600</strong></td>
<td><strong>$3,654,100</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SALES:

<table>
<thead>
<tr>
<th>CD No.</th>
<th>Purchase Date</th>
<th>Due Date</th>
<th>Interest Rate</th>
<th>Term Held</th>
<th>Principal</th>
<th>Accrued Interest</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>200001147</td>
<td>12/10/04</td>
<td>08/12/05</td>
<td>2.470%</td>
<td>245</td>
<td>34,500</td>
<td>572</td>
<td>35,072</td>
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<td>07/26/05</td>
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<td>3.060%</td>
<td>87</td>
<td>1,500,000</td>
<td>10,941</td>
<td>1,510,941</td>
</tr>
<tr>
<td><strong>Total Sales</strong></td>
<td><strong>$3,634,500</strong></td>
<td><strong>$19,600</strong></td>
<td><strong>$3,665,040</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PURCHASES:

<table>
<thead>
<tr>
<th>CD No.</th>
<th>Purchase Date</th>
<th>Due Date</th>
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<th>Term Held</th>
<th>Principal</th>
<th>Accrued Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>200001218</td>
<td>06/21/05</td>
<td>09/20/05</td>
<td>3.235%</td>
<td>91</td>
<td>1,500,000</td>
<td>12,098</td>
<td>1,512,098</td>
</tr>
<tr>
<td>200001229</td>
<td>07/26/05</td>
<td>10/20/05</td>
<td>3.605%</td>
<td>86</td>
<td>1,500,000</td>
<td>12,741</td>
<td>1,512,741</td>
</tr>
<tr>
<td>200001237</td>
<td>08/16/05</td>
<td>11/16/05</td>
<td>3.730%</td>
<td>92</td>
<td>1,500,000</td>
<td>14,102</td>
<td>1,514,102</td>
</tr>
<tr>
<td>#200001239</td>
<td>08/24/05</td>
<td>11/22/05</td>
<td>3.720%</td>
<td>90</td>
<td>19,616,999</td>
<td>179,939</td>
<td>19,796,938</td>
</tr>
<tr>
<td><strong>Total Purchases</strong></td>
<td><strong>$24,116,999</strong></td>
<td><strong>$218,880</strong></td>
<td><strong>$24,335,879</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ENDING INVESTMENTS:

<table>
<thead>
<tr>
<th>CD No.</th>
<th>Purchase Date</th>
<th>Due Date</th>
<th>Interest Rate</th>
<th>Term Held</th>
<th>Principal</th>
<th>Accrued Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>200001218</td>
<td>06/21/05</td>
<td>10/20/05</td>
<td>3.235%</td>
<td>71</td>
<td>1,500,000</td>
<td>9,439</td>
<td>1,509,439</td>
</tr>
<tr>
<td>200001229</td>
<td>07/26/05</td>
<td>11/16/05</td>
<td>3.605%</td>
<td>36</td>
<td>1,500,000</td>
<td>5,333</td>
<td>1,505,333</td>
</tr>
<tr>
<td>200001237</td>
<td>08/16/05</td>
<td>12/22/05</td>
<td>3.730%</td>
<td>15</td>
<td>1,500,000</td>
<td>2,299</td>
<td>1,502,299</td>
</tr>
<tr>
<td>#200001239</td>
<td>08/24/05</td>
<td>11/22/05</td>
<td>3.720%</td>
<td>7</td>
<td>19,616,999</td>
<td>13,995</td>
<td>19,630,994</td>
</tr>
<tr>
<td><strong>Total for End of Period</strong></td>
<td><strong>$24,116,999</strong></td>
<td><strong>$113,995</strong></td>
<td><strong>$24,116,994</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fully Accrued Interest**

61,607

* Bonds 97 Reserve Fund
# Proceeds from 2005 Bond