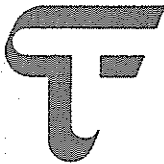


NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

July 31, 2011



TOM J. FITZGERALD
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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August 11, 2011

Board of Directors
North East Texas Regional Mobility Authority

I have compiled the accompanying statement of net assets of the North East Texas Regional Mobility Authority (the Authority) as of July 31, 2011 and the related statements of revenues, expenses, and changes in net assets for the periods then ended, and the accompanying supplemental information contained in Schedule 1, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplemental schedule are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's net assets, revenues, expenses, and changes in assets. Accordingly, these financial statements and supplemental information are not designed for those who are not informed about such matters.

I am not independent with respect to the North East Texas Regional Mobility Authority.

North East Texas Regional Mobility Authority
Statement of Net Assets
July 31, 2011

Assets			
Current Assets:			
Cash (Restricted \$288,424)	\$	370,891	
Cash - SIB & Toll Equity Funds		20,905,724	
Total		20,905,724	\$ 21,276,615
Capital Assets:			
Property, plant and equipment - net		-	-
Construction Work-In-Progress:			
Toll 49 Program Implementation		325,947	
Toll 49 Segment 5 - Engineering		1,937,460	
Toll 49 Segment 3A - Design		2,787,830	
Toll 49 Segment 3B - Design		3,331,350	
Toll 49 GEC Activities		2,282,417	
Toll 49 Project Director		409,543	
Toll 49 SIB/TEL costs		16,823,531	
Total		16,823,531	27,898,078
Total Assets			\$ 49,174,693

Liabilities and Net Assets			
Current Liabilities:			
Accounts Payable - FAA	\$	3,953	
Accounts Payable - Other		60,022	
Rusk County Funds - Loop 571		288,424	
Total		288,424	352,399
Long Term Liabilities:			
Financial Assistance Payable	\$	12,250,749	
Notes Payable - SIB loan		16,899,544	
Notes Payable - Toll Equity loan		21,569,594	
Accrued interest payable		412,613	
Total		412,613	51,132,500
Net Assets (Deficit)			
Unrestricted deficit			(2,310,206)
Total Liabilities and Net Assets			\$ 49,174,693

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the One Month and Ten Months Ended July 31, 2011**

	One Month Ended July 31, 2011	Ten Months Ended July 31, 2011
Revenue:		
Contributions from counties	\$ -	\$ 28,000
Interest income	99	442
Total	99	28,442
Expenses:		
Accounting fees	2,600	10,035
Auditing fees	-	18,500
Advertising/ Website	1,525	4,150
Legal fees - Toll 49	6,402	235,542
Legal fees - other	20,184	86,436
Dues & subscriptions	-	-
Seminars and conferences	-	100
Board travel	-	1,266
Surety bonds	-	1,139
Other expenses	40	406
Bidding stipends	-	150,000
Finance related costs	-	759,869
Ground breaking expenses	-	3,411
Public information expense	-	17,792
Total	30,751	1,288,646
Change in Net Assets	\$ (30,652)	\$ (1,260,204)

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Change in Net Assets - Budget to Actual Comparison
October 1, 2010 to July 31, 2011

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Contributions	\$ 38,000	\$ 31,666	\$ 28,000
Interest income	-	-	442
Total	<u>38,000</u>	<u>31,666</u>	<u>28,442</u>
Expenses:			
Accounting fees *	10,000	8,333	10,035
Advertising/ Website *	500	417	4,150
Auditing fees *	20,000	16,667	18,500
Legal fees - Toll 49 *	150,000	125,000	235,542
Legal fees - other *	3,000	2,500	86,436
Seminars and conferences	100	83	100
Travel	3,000	2,500	1,266
Surety bonds	2,000	1,667	1,139
Dues and subscriptions	150	125	-
Other expenses	-	-	406
Bidding stipends *	-	-	150,000
Finance related costs *	-	-	759,869
Ground breaking expenses *	-	-	3,411
Public information expense *	-	-	17,792
Total	<u>188,750</u>	<u>157,292</u>	<u>1,288,646</u>
 Change in Net Assets	 <u>\$ (150,750)</u>	 <u>\$ (125,626)</u>	 <u>\$ (1,260,204)</u>

* Expenses funded, wholly or in part, by the Financial Assistance Agreement and/or State Infrastructure Bank and Toll Equity loans.

See Accountant's Compilation Report.