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Board of Directors
North East Texas Regional Mobility Authority

We have compiled the accompanying statement of net assets of the North East Texas Regional Mobility Authority (the Authority) and the related statements of revenues, expenses, and changes in net assets for the two months and eight months ended May 31, 2008, and cash flows for the eight months ended May 31, 2008, and the accompanying supplementary information contained in Schedules I and II, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements and supplementary schedules, information that is the representation of the Authority's management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. 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, changes in net assets and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the North East Texas Regional Mobility Authority.

Michael Thomas CPA, P.C.

June 12, 2008

NET RMA
Statement of Net Assets
As of May 31, 2008

Assets		
Current Assets		
Cash	\$ 18,354	
Financial Assistance Receivable	<u>356,811</u>	
Total Current Assets		375,165
Fixed Assets		
Capital Assets		
Property Plant & Equipment, net	10,833	
Construction Work In Process		
Project Director	24,584	
Annual Report	2,825	
Legal Fees	84,822	
Engineering WA #1	288,041	
Engineering WA #2	1,544,982	
Engineering WA #3	922,451	
Engineering WA #4	693,673	
Engineering WA #6	<u>139,401</u>	
	<u>3,700,779</u>	
Total Capital Assets		<u>3,711,612</u>
Total Assets		<u>\$4,086,777</u>
Liabilities		
Current Liabilities		
Accounts Payable	<u>\$ 426,250</u>	
Total Current Liabilities		426,250
Long-term Liabilities		
Financial Assistance Payable	<u>3,982,664</u>	
Total Long-term Liabilities		<u>3,982,664</u>
Total Liabilities		4,408,914
Net Assets		
Beginning Balance	(299,131)	
Current Period	<u>(23,006)</u>	
Net Assets		<u>(322,137)</u>
Total Liabilities and Net Assets		<u>\$4,086,777</u>

See Accompanying Accountants' Compilation Report.

NET RMA
Statement of Revenues, Expenses, and Changes in Net Assets
For the Two Months and Eight Months Ended May 31, 2008

	Period	Year to Date
	<u>4/1/08-5/31/08</u>	<u>10/1/07-5/31/08</u>
Revenue		
Contributions	\$ -	\$ 17,000
Total Revenue	-	17,000
Expenses		
Accounting	-	-
Advertising-Legal	-	-
Auditing	8,500	17,500
Legal	8,832	13,772
Depreciation	1,667	6,667
Dues & Subscriptions	-	-
Seminars and Conferences	-	75
Board-Travel	261	692
Office Supplies	-	-
Surety Bonds	-	1,300
Public Notices	-	-
Postage Expense	-	-
Printing and Copying	-	-
Total Expenses	<u>19,260</u>	<u>40,006</u>
Change in Net Assets	<u>\$ (19,260)</u>	<u>\$ (23,006)</u>

See Accompanying Accountants' Compilation Report.

NET RMA
Statement of Cash Flows
For the Eight Months Ended May 31, 2008

Cash Flows From Operating Activities

To Pay Vendors	\$ (16,008)	
From County Contributions	<u>17,000</u>	
Net Cash Flows From Operating Activities		\$ 992

Cash Flows From Capital and Related Financing Activities

Construction in Progress	(828,835)	
Receipts from TXDOT Grant	<u>837,031</u>	
Net Cash Flows From Capital and Related Financing Activities		8,196

Cash Flows From Investing Activities -

Net Increase/(Decrease) in Cash and Cash Equivalents 9,188

Cash and Cash Equivalents, Beginning of Year 9,166

Cash and Cash Equivalents, End of Period \$ 18,354

**Reconciliation of Operating Income to Net
Cash Provided by Operating Activities**

Change in Net Assets		\$ (23,006)
Adjustments to reconcile change in net assets to net cash provided/ used by operating activities		
Depreciation		6,667
Change in assets and liabilities		
Decrease in Financial Assistance Receivable		19,539
Increase in Capital Assets		(892,232)
Increase in Toll Equity Grant Payable		801,624
Increase in Accounts Payable		<u>88,400</u>
Net Cash Flows From Operating Activities		<u><u>\$ 992</u></u>

See Accompanying Accountants' Compilation Report.

Supplementary Information

NET RMA
Construction Budget to Actual Comparison
As of May 31, 2008

	<u>Annual Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>
Financial Assistance Agreement	<u>\$ 5,615,117</u>	<u>\$ 3,743,411</u>	<u>\$ 810,624</u>
Postage and Delivery	\$ -	\$ -	\$ -
WA #06 GEC	565,000	376,667	-
Printing and Copying	-	-	-
Annual Report	5,000	3,333	-
Marketing	-	-	-
Project Director	30,000	20,000	-
Legal Fees	50,000	33,333	31,718
Website Operation	-	-	-
Engineering WA #1	-	-	-
Engineering WA #2	-	-	249,090
Engineering WA #3	-	-	290,063
Engineering WA #4	-	-	69,370
Engineering WA #6	-	-	139,402
Public Involvement	<u>25,000</u>	<u>16,667</u>	<u>-</u>
Total Expenditures	<u><u>\$ 675,000</u></u>	<u><u>\$ 450,000</u></u>	<u><u>\$ 779,643</u></u>

See Accompanying Accountants' Compilation Report.

NET RMA
Change in Net Assets Budget to Actual Comparison
October 1, 2007 - May 31, 2008

	Annual Budget	YTD Budget	YTD Actual
Revenue			
Contributions	\$ 25,000	\$ 16,667	\$ 17,000
Total Revenue	<u>25,000</u>	<u>16,667</u>	<u>17,000</u>
Expenses			
Accounting	4,000	2,667	-
Advertising-Legal	500	333	-
Auditing	5,000	3,333	17,500
Legal	120,000	80,000	13,772
Depreciation	10,000	6,667	6,667
Dues & Subscriptions	1,000	667	-
Seminars and Conferences	2,700	1,800	75
Board-Travel	8,600	5,733	692
Office Supplies	1,000	667	-
Surety Bonds	2,400	1,600	1,300
Public Notices	250	167	-
Postage Expense	250	167	-
Printing and Copying	250	167	-
Total Expenses	<u>155,950</u>	<u>103,967</u>	<u>40,006</u>
Change in Net Assets	<u>\$ (130,950)</u>	<u>\$ (87,300)</u>	<u>\$ (23,006)</u>

See Accompanying Accountants' Compilation Report.