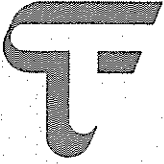


NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

JULY 31, 2010



TOM J. FITZGERALD
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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August 12, 2010

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, 2010 and the related statements of revenues, expenses, and changes in net assets and cash flows for the periods then ended, and the accompanying supplemental 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 supplemental schedules, information that is the representation of Authority's management. I have not audited or reviewed the accompanying financial statements and supplemental information 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 assets and cash flows. 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.

Tom J. Fitzgerald, CPA

**North East Texas Regional Mobility Authority
Statement of Net Assets
July 31, 2010**

Assets

Current Assets:			
Cash		\$ 711,847	
Financial Assistance Receivable		269,686	
Total		<u> </u>	\$ 981,533
Capital Assets:			
Property, plant and equipment - net		<u> </u>	-
Construction Work-In-Progress:			
Toll 49 Program Implementation		325,947	
Toll 49 Segment 5 - Engineering		1,937,460	
Toll 49 Segment 3A - Design		2,716,220	
Toll 49 Segment 3B - Design		2,631,026	
Toll 49 GEC Activities		2,155,015	
Toll 49 Project Director		292,752	
Total		<u> </u>	10,058,420
Total Assets			<u><u>\$ 11,039,953</u></u>

Liabilities and Net Assets

Current Liabilities:			
Accounts Payable - FAA		\$ 648,980	
Accounts Payable - Other		59,802	
Accounts Payable - Loop 571		21,351	
Rusk County Funds - Loop 571		347,920	
Total		<u> </u>	1,078,053
Long Term Liabilities:			
Financial Assistance Payable			10,924,679
Net Assets (Deficit)			
Unrestricted deficit			<u>(962,779)</u>
Total Liabilities and Net Assets			<u><u>\$ 11,039,953</u></u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Statement of Cash Flows
For the Ten Months Ended July 31, 2010**

Source (Use) of Funds

Cash Flows from Operating Activities:

Change in Net Assets	\$ (310,820)
Adjustments to reconcile the change in net assets to net cash used in operating activities:	
Increase in accounts payable	<u>9,040</u>
Net cash used in operating activities	<u>(301,780)</u>

Cash Flows from Investing Activities:

Payments for construction in progress	<u>(3,328,922)</u>
Net cash used in investing activities	<u>(3,328,922)</u>

Cash Flows from Financing Activities:

Proceeds from financial assistance agreement	3,397,550
Net proceeds from interlocal agreement with Rusk Co. for Loop 571	<u>252,924</u>
Net cash used in financing activities	<u>3,650,474</u>

Net Increase in Cash and Cash Equivalents	19,772
Cash and Cash Equivalents - Beginning of Year	<u>692,075</u>
Cash and Cash Equivalents - July 31, 2010	<u><u>\$ 711,847</u></u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Construction Budgets to Actual Comparison
October 1, 2009 to July 31, 2010**

	Annual Budget	Budget YTD	Actual YTD
Toll 49			
Financial Assistance Agreement	<u>\$ 3,882,267</u>	<u>\$ 3,235,223</u>	<u>\$ 2,438,205</u>
Project Director	113,750	94,792	152,109
Legal Services	497,727	414,772	296,437
Engineering Services	2,895,350	2,412,792	2,040,750
Public Involvement	5,000	4,167	-
Total Expenditures	<u>\$ 3,511,827</u>	<u>\$ 2,926,523</u>	<u>\$ 2,489,296</u>
Loop 571			
Proceeds from Rusk County	<u>\$ 388,488</u>	<u>\$ 323,740</u>	<u>\$ 291,366</u>
Project Director	45,000	37,500	-
Legal Services	45,000	37,500	221
Engineering Services	280,440	233,700	54,222
Total Expenditures	<u>\$ 370,440</u>	<u>\$ 308,700</u>	<u>\$ 54,443</u>

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Change in Net Assets - Budget to Actual Comparison
October 1, 2009 to July 31, 2010

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Contributions	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>
Expenses:			
Accounting fees	4,000	3,333	5,944
Auditing fees	19,000	15,833	18,000
Legal fees - Toll 49	497,727	414,773	296,437
Legal fees - other	500	417	23,310
Seminars and conferences	100	83	100
Travel	1,000	833	1,017
Surety bonds	2,875	2,396	2,001
Public notices	1,500	1,250	-
Postage expense	-	-	11
Total	<u>526,702</u>	<u>438,918</u>	<u>346,820</u>
Change in Net Assets	<u>\$ (490,702)</u>	<u>\$ (402,918)</u>	<u>\$ (310,820)</u>

See Accountant's Compilation Report.