



Michael Thomas CPA, P.C.  
Business & Litigation Consulting

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 ten months ended July 31, 2008, and cash flows for the ten months ended July 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.*

August 18, 2008

**NET RMA**  
**Statement of Net Assets**  
**As of July 31, 2008**

<b>Assets</b>		
Current Assets		
Cash	\$ 226,171	
Financial Assistance Receivable	<u>185,255</u>	
Total Current Assets		411,426
Fixed Assets		
Capital Assets		
Property Plant & Equipment, net	9,166	
Construction Work In Process		
Project Director	60,122	
Annual Report	2,825	
Legal Fees	94,394	
Engineering WA #1	288,041	
Engineering WA #2	1,544,982	
Engineering WA #3	1,122,030	
Engineering WA #4	693,673	
Engineering WA #6	<u>234,893</u>	
Total Construction Work in Process	<u>4,040,960</u>	
Total Capital Assets		<u>4,050,126</u>
<b>Total Assets</b>		<b><u><u>\$4,461,552</u></u></b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	<u>\$ 624,118</u>	
Total Current Liabilities		624,118
Long-term Liabilities		
Financial Assistance Payable	<u>4,158,529</u>	
Total Long-term Liabilities		<u>4,158,529</u>
<b>Total Liabilities</b>		<b>4,782,647</b>
<b>Net Assets</b>		
Beginning Balance	(299,131)	
Current Period	<u>(21,964)</u>	
<b>Net Assets</b>		<b><u>(321,095)</u></b>
<b>Total Liabilities and Net Assets</b>		<b><u><u>\$4,461,552</u></u></b>

See Accompanying Accountants' Compilation Report.

**NET RMA**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Two Months and Ten Months Ended July 31, 2008**

	<u>Period</u>	<u>Year to Date</u>	
	<u>6/1/08-7/31/08</u>	<u>10/1/07-7/31/08</u>	
<b>Revenue</b>			
Contributions	\$ 5,000	\$ 22,000	
<b>Total Revenue</b>	5,000	22,000	
<b>Expenses</b>			
Accounting	2,291	2,291	
Advertising-Legal	-	-	
Auditing	-	17,500	
Legal	-	13,772	1,667
Depreciation	1,667	8,334	
Dues & Subscriptions	-	-	
Seminars and Conferences	-	75	
Board-Travel	-	692	
Office Supplies	-	-	
Surety Bonds	-	1,300	
Public Notices	-	-	
Postage Expense	-	-	
Printing and Copying	-	-	
<b>Total Expenses</b>	<u>3,958</u>	<u>43,964</u>	
<b>Change in Net Assets</b>	<u>\$ 1,042</u>	<u>\$ (21,964)</u>	

See Accompanying Accountants' Compilation Report.

**NET RMA**  
**Statement of Cash Flows**  
**For the Ten Months Ended July 31, 2008**

**Cash Flows From Operating Activities**

To Pay Vendors	\$ (24,508)	
From County Contributions	<u>22,000</u>	
Net Cash Flows From Operating Activities		\$ (2,508)

**Cash Flows From Capital and Related Financing Activities**

Construction in Progress	(964,939)	
Receipts from TXDOT Grant	<u>1,184,452</u>	
Net Cash Flows From Capital and Related Financing Activities		219,513

**Cash Flows From Investing Activities**

		<u>-</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		217,005
<b>Cash and Cash Equivalents, Beginning of Year</b>		<u>9,166</u>
<b>Cash and Cash Equivalents, End of Period</b>		<u><u>\$ 226,171</u></u>

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

Change in Net Assets		\$ (21,964)
Adjustments to reconcile change in net assets to net cash provided/ used by operating activities		
Depreciation		8,334
Change in assets and liabilities		
Decrease in Financial Assistance Receivable		191,095
Increase in Capital Assets		(1,232,413)
Increase in Toll Equity Grant Payable		977,489
Increase in Accounts Payable		<u>74,951</u>
Net Cash Flows From Operating Activities		<u><u>\$ (2,508)</u></u>

See Accompanying Accountants' Compilation Report.

## Supplementary Information

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

	<u>Annual Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>
Financial Assistance Agreement	<u>\$ 5,615,117</u>	<u>\$ 4,679,264</u>	<u>\$ 810,624</u>
Postage and Delivery	\$ -	\$ -	\$ -
WA #06 GEC	565,000	470,833	-
Printing and Copying	-	-	-
Annual Report	5,000	4,167	-
Marketing	-	-	-
Project Director	30,000	25,000	35,537
Legal Fees	50,000	41,667	41,290
Website Operation	-	-	-
Engineering WA #1	-	-	-
Engineering WA #2	-	-	249,090
Engineering WA #3	-	-	489,641
Engineering WA #4	-	-	69,370
Engineering WA #6	-	-	234,894
Public Involvement	<u>25,000</u>	<u>20,833</u>	<u>-</u>
Total Expenditures	<u><u>\$ 675,000</u></u>	<u><u>\$ 562,500</u></u>	<u><u>\$ 1,119,822</u></u>

See Accompanying Accountants' Compilation Report.

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

	Annual Budget	YTD Budget	YTD Actual
<b>Revenue</b>			
Contributions	\$ 25,000	\$ 20,833	\$ 22,000
<b>Total Revenue</b>	<u>25,000</u>	<u>20,833</u>	<u>22,000</u>
<b>Expenses</b>			
Accounting	4,000	3,333	2,291
Advertising-Legal	500	417	-
Auditing	5,000	4,167	17,500
Legal	120,000	100,000	13,772
Depreciation	10,000	8,333	8,334
Dues & Subscriptions	1,000	833	-
Seminars and Conferences	2,700	2,250	75
Board-Travel	8,600	7,167	692
Office Supplies	1,000	833	-
Surety Bonds	2,400	2,000	1,300
Public Notices	250	208	-
Postage Expense	250	208	-
Printing and Copying	250	208	-
<b>Total Expenses</b>	<u>155,950</u>	<u>129,958</u>	<u>43,964</u>
<b>Change in Net Assets</b>	<u>\$ (130,950)</u>	<u>\$ (109,125)</u>	<u>\$ (21,964)</u>

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