



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

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) and the related statements of revenues, expenses, and changes in net assets for the two months and three months ended December 31, 2009, and cash flows for the three months ended December 31, 2009, 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I have also compiled the accompanying annual budgets on the supporting schedules of the Authority for the year ended September 30, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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.

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

Michael Thomas CPA, P.C.

January 16, 2010

NET RMA
Statement of Net Assets
As of December 31, 2009

Assets			
Current Assets			
Cash		\$1,141,053	
Financial Assistance Receivable		<u>378,755</u>	
Total Current Assets			1,519,808
Fixed Assets			
Capital Assets			
Property Plant & Equipment, net		-	
Construction Work In Process			
Toll 49 Program Implementation	\$ 325,947		
Toll 49 segment 5 - Engineering	1,937,460		
Toll 49 Segment 3a Design	2,670,294		
Toll 49 Segment 3b Design	1,359,943		
Toll 49 GEC Activities	1,925,191		
Toll 49 Project Director	140,642		
Total Construction Work in Process		<u>8,359,477</u>	
Total Capital Assets			<u>8,359,477</u>
Total Assets			<u><u>\$9,879,285</u></u>
Liabilities			
Current Liabilities			
Accounts Payable-FAA	\$ 312,729		
Accounts Payable-Other	<u>34,267</u>		
Total Current Liabilities			346,996
Long-term Liabilities			
Financial Assistance Payable	<u>10,077,436</u>		
Total Long-term Liabilities			<u>10,077,436</u>
Total Liabilities			10,424,432
Net Assets			
Beginning Balance		(469,823)	
Current Period		<u>(75,324)</u>	
Net Assets			<u>(545,147)</u>
Total Liabilities and Net Assets			<u><u>\$9,879,285</u></u>

See Accompanying Accountant's Compilation Report.

NET RMA
Statement of Revenues, Expenses, and Changes in Net Assets
For the Month Ended December 31, 2009

		Period <u>11/1/09-12/31/09</u>		Year to Date <u>10/1/09-12/31/09</u>
Revenue				
Contributions	\$ 32,000		\$ 32,000	
Rusk County Interlocal	-		-	
Total Revenue		<u>32,000</u>		<u>32,000</u>
Expenses				
Accounting	-		-	
Auditing	2,500		2,500	
Legal-FAA	73,404		85,443	
Legal-NETRMA	14,320		17,298	
Loop 571 Expense-Rusk County	698		698	
Depreciation	-		-	
Dues & Subscriptions	-		-	
Seminars and Conferences	-		-	
Board-Travel	-		174	
Office Supplies	-		-	
Surety Bonds	100		1,200	
Public Notices	-		-	
Postage Expense	11		11	
Printing and Copying	-		-	
Total Expenses		<u>91,033</u>		<u>107,324</u>
Change in Net Assets		<u>\$ (59,033)</u>		<u>\$ (75,324)</u>

See Accompanying Accountant's Compilation Report.

NET RMA
Statement of Cash Flows
For the Month Ended December 31, 2009

Cash Flows From Operating Activities

From County Contributions	\$ 32,000	
To Pay Vendors	(132,093)	
Net Cash Flows From Operating Activities		\$ (100,093)

Cash Flows From Investing Activities

Construction in Progress	(679,855)	
Net Cash Flows From Investing Activities		(679,855)

Cash Flows From Financing Activities

Receipts from TXDOT Grant	1,228,926	
Net Cash Flows From Financing Activities		1,228,926

Net Increase/(Decrease) in Cash and Cash Equivalents		448,978
Cash and Cash Equivalents, Beginning of Year		692,075
Cash and Cash Equivalents, End of Period		\$ 1,141,053

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

Change in Net Assets		\$ (75,324)
Adjustments to reconcile change in net assets to net cash provided/ used by operating activities		
Depreciation		-
Change in working capital		
Change in operating receivables and payables		(24,769)
Net Cash Flows From Operating Activities		\$ (100,093)

See Accompanying Accountant's Compilation Report.

Supplementary Information

NET RMA
Construction Budget to Actual Comparison
October 1, 2009 - Dececeber 31, 2009

	<u>Annual Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>
Financial Assistance Agreement	<u>\$ 3,882,267</u>	<u>\$ 970,567</u>	<u>\$ 1,579,877</u>
Postage and Delivery	\$ -	\$ -	\$ -
Printing and Copying	-	-	-
Annual Report	-	-	-
Marketing	-	-	-
Project Director-Toll 49	113,750	28,438	-
Project Director-Loop 571	45,000	11,250	-
Legal Services-Toll 49	497,727	124,432	85,443
Legal Services-Loop 571	45,000	11,250	698
Website Operation	-	-	-
Engineering-Toll 49	2,895,350	723,838	1,474,081
Engineering-Loop 571	280,440	70,110	-
Public Involvement	<u>5,000</u>	<u>1,250</u>	<u>-</u>
Total Expenditures	<u>\$ 3,882,267</u>	<u>\$ 970,567</u>	<u>\$ 1,560,222</u>

See Accompanying Accountant's Compilation Report.

NET RMA
Change in Net Assets Budget to Actual Comparison
October 1, 2009 - December 31, 2009

	Annual Budget	YTD Budget	YTD Actual
Revenue			
Contributions	\$ 36,000	\$ 9,000	\$ 32,000
Total Revenue	<u>36,000</u>	<u>9,000</u>	<u>32,000</u>
Expenses			
Accounting	4,000	1,000	-
Auditing	19,000	4,750	2,500
Legal-FAA	497,727	124,432	85,443
Legal-NETRMA	500	125	17,298
Depreciation	-	-	-
Dues & Subscriptions	-	-	-
Seminars & Conferences	100	25	-
Travel-Conference hotels	1,000	250	174
Travel-mileage (Board)	-	-	-
Office Supplies	-	-	-
Surety Bonds	2,875	719	1,200
Public Notices	1,500	375	-
Postage Expense	-	-	11
Printing and Copying	-	-	-
Total Expenses	<u>526,702</u>	<u>131,676</u>	<u>106,626</u>
Change in Net Assets	<u>\$ (490,702)</u>	<u>\$ (122,676)</u>	<u>\$ (74,626)</u>

See Accompanying Accountant's Compilation Report.