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To the Board of Directors
ETGS (East Texas Geological Society)
102 N. College, Suite 612
Tyler, Texas 75702


**Re: Financial statement for quarter and calendar year-to-date periods
ended December 31, 2006**

I have compiled the accompanying statement of revenues, expenses and unrestricted net assets-cash basis of ETGS (a corporation) for the periods referenced above and the accompanying supplemental information contained in Schedule 1, which is presented for analysis purposes only, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. This financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying statement of revenues, expenses and unrestricted net assets-cash basis and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Society's revenues, expenses and unrestricted net assets. Accordingly, this financial statement is not designed for those who are not informed about such matters.

I am not independent with respect to ETGS.


Michael J. Kimball, CPA
January 22, 2007

ETGS (East Texas Geological Society)
Statement of Revenues, Expenses and Unrestricted Net Assets-Cash Basis
For Quarter and Calendar Year-to-Date Periods Ended December 31, 2006

| | <u>Quarter</u> | <u>Calendar Year-to-Date</u> |
|---|----------------|----------------------------------|
| Program Activities | | |
| Dues & Donations | | |
| Membership Dues | \$ 575 | \$ 5,850 |
| Donations | - | 100 |
| Interest Income | <u>215</u> | <u>215</u> |
| Total Dues & Donations | 790 | 6,165 |
| Meetings and Seminars | | |
| Revenues-Lunch Meetings | 300 | 2,490 |
| Seminar Revenues | - | <u>4,500</u> |
| Total Revenues | 300 | 6,990 |
| Expenses | | |
| Food Service | 401 | 3,061 |
| Speaker Expenses | - | 485 |
| Other Lunch Meeting Expenses | - | 6 |
| Seminar Expenses | - | <u>3,535</u> |
| Total Expenses | <u>401</u> | <u>7,087</u> |
| Net Revenues (Expense)-Meetings & Seminars | (101) | (97) |
| April TECH Exhibition | | |
| Revenues | | |
| Booth Rental & Attendance | - | 29,570 |
| Sponsorship | - | 500 |
| Other income | - | - |
| Total Revenues | - | <u>30,070</u> |
| Expenses | | |
| Harvey Hall Rental | - | 3,292 |
| Equipment Rental | - | 6,452 |
| Advertising | - | 1,043 |
| Meeting Security | - | 300 |
| Food Service | - | 6,637 |
| Tech Speaker Expenses | - | 185 |
| Insurance | - | 1,312 |
| Door Prize | - | - |
| Total Expenses | <u>-</u> | <u>19,221</u> |
| Net Revenues (Expenses)-April TECH Exhibition | - | 10,849 |

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For Quarter and Calendar Year-to-Date Periods Ended December 31, 2006

| | <u>Quarter</u> | <u>Calendar Year-to-Date</u> |
|---|-----------------|----------------------------------|
| November Mesozoic Sandstone Exhibition | | |
| Revenues | | |
| Booth Rental & Attendance | 35,658 | 39,258 |
| Sponsorship | 6,715 | 18,940 |
| Other income | - | - |
| Total Revenues | <u>42,373</u> | <u>58,198</u> |
| Expenses | | |
| Harvey Hall Rental | 276 | 2,196 |
| Equipment Rental | 2,668 | 2,668 |
| Advertising | 220 | 1,209 |
| Meeting Security | 325 | 325 |
| Food Service | 6,078 | 6,078 |
| Tech Speaker Expenses | - | - |
| Insurance | - | - |
| Door Prize | - | - |
| Total Expenses | <u>9,567</u> | <u>12,476</u> |
| Net Revenues (Expenses)-November Exhibition | 32,806 | 45,722 |
| Book and CD-ROM Sales | | |
| Revenues | | |
| Book sales and Royalty Income | 2,683 | 2,703 |
| ETGS CD Sales | 423 | 3,334 |
| ETOF CD Sales | - | - |
| SGS CD Sales | - | - |
| BEG CD Sales | - | - |
| Total Revenues | <u>3,106</u> | <u>6,037</u> |
| Expenses | | |
| Publication development | 17,156 | 17,156 |
| Sales tax | - | 220 |
| Other Expenses | - | 85 |
| Total Expenses | <u>17,156</u> | <u>17,461</u> |
| Net Revenues (Expenses)-Book and CD Sales | (14,050) | (11,424) |
| Golf Tournament | | |
| Entry Fees | 2,900 | 10,580 |
| Tournament Sponsorships | 5,835 | 14,735 |
| Other Income | - | - |
| Total Revenues | <u>8,735</u> | <u>25,315</u> |
| Expenses | | |
| Golf Course Rental | 14,814 | 14,814 |
| Golf Tournament Equipment | - | - |
| Golf Tournament Prizes | 3,819 | 6,263 |
| Other Expenses | 838 | 838 |
| Total Expenses | <u>19,471</u> | <u>21,915</u> |
| Net Revenues (Expenses)-Golf Tournament | (10,736) | 3,400 |
| Combined Net Revenues (Expenses) From Program Activities | \$ 8,709 | \$ 54,615 |

ETGS (East Texas Geological Society)
Statement of Revenues, Expenses and Unrestricted Net Assets-Cash Basis
For Quarter and Calendar Year-to-Date Periods Ended December 31, 2006

| | Quarter | Calendar Year-to-Date |
|---|--------------------|--------------------------|
| Combined Net Revenues (Expenses) From Program Activities | \$ 8,709 | \$ 54,615 |
| Indirect Expenses | | |
| Contributions | | |
| Gorman Middle School | - | - |
| Discovery Science Place | - | - |
| Region 5 Schools | - | - |
| East Texas Communities Fndn. | 35,000 | 45,000 |
| Other Contributions | 577 | 577 |
| Total Contributions | 35,577 | 45,577 |
| General and Administrative Expenses | | |
| Bank charges | 70 | 122 |
| Convention Fees | - | 425 |
| Office Rental | - | - |
| Office Supplies | 194 | 514 |
| Organization Dues | - | 100 |
| Drafting | - | - |
| Office Equipment Rental | - | - |
| Shreveport Geological Society expenses | - | - |
| Internet Service/Web Design | 860 | 860 |
| Office Equipment Purchase | - | - |
| Consultant Fees | - | 1,350 |
| Total General and Administrative Expenses | 1,124 | 3,371 |
| Total Indirect Expenses | 36,701 | 48,948 |
| Net Revenue (Expenses) | \$ (27,992) | \$ 5,667 |
| Add: Beginning unrestricted net assets | 70,115 | 36,456 |
| Ending unrestricted net assets | \$ 42,123 | \$ 42,123 |

Schedule 1: Unrestricted Net Assets At End of Period

| | |
|---|------------------|
| Regular checking account | \$ 21,094 |
| Golf checking account | 5,814 |
| Certificate of Deposit | 15,215 |
| Total unrestricted net assets at end of period | \$ 42,123 |