

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY**

**FINANCIAL STATEMENTS**

**October 31, 2015**



**TOM J. FITZGERALD**  
**CERTIFIED PUBLIC ACCOUNTANT**

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## ACCOUNTANT'S COMPILATION REPORT

November 30, 2015

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 October 31, 2015 and the related statements of revenues, expenses, and change in net assets for the one month periods ended October 31, 2015 and 2014, and the accompanying supplemental information contained in Schedule 1, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplemental schedule is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Authority's net assets, revenues, expenses, and change 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.

*Tom J. Fitzgerald, CPA*

**North East Texas Regional Mobility Authority**  
**Statement of Net Assets**  
**October 31, 2015**

<b>Assets</b>		
<b>Current Assets:</b>		
Cash (Restricted \$239,369)	\$ 389,091	
Cash - Toll Revenue & Operating Funds (restricted)	7,707,866	
Toll Revenue and Fees Receivable	2,701,677	
Grant Receivable and other	9,075	
Prepaid Insurance	25,549	
Total	10,833,258	10,833,258
<b>Capital Assets:</b>		
Toll 49 - Right of way	39,808,067	
Toll 49 - Bridges	64,191,695	
Toll 49 - Highway	126,943,753	
Toll 49 - Gantries and other	12,074,529	
Construction in progress	3,976,059	
Website and office equipment	61,986	
Accumulated Depreciation	(11,219,236)	
Total	235,836,853	235,836,853
Total Assets		\$ 246,670,111

<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable - Operations	\$ 577,993	
Accounts Payable- Construction in progress	349,443	
Accounts Payable - Other	37,607	
Rusk County Funds - Loop 571	239,369	
Total	1,204,412	1,204,412
<b>Long Term Liabilities:</b>		
Financial Assistance Payable	12,250,000	
Note Payable - SIB loan	45,854,604	
Accrued Interest Payable	479,181	
Total	58,583,785	58,583,785
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	173,277,009	
Restricted for:		
Capital Projects	3,626,616	
Other Purposes	9,978,289	
Total	186,881,914	186,881,914
Total Liabilities and Net Assets		\$ 246,670,111

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Statement of Revenues, Expenses and Change in Net Assets**  
**For the Month Ended October 31, 2015 and 2014**

	2015	2014
Revenue:		
Toll revenue - electronic	\$ 692,004	\$ 533,614
Toll revenue - video	306,471	163,469
Video violation fees	111,563	54,254
County contributions	-	-
Grants and related revenue	-	4,748
Total Revenue	1,110,038	756,085
General Expenses:		
Accounting fees	2,970	3,895
Auditing fees	7,900	5,702
Legal fees	33,220	46,360
Employee salaries and benefits	13,756	12,837
Board and staff travel	76	-
Office and related expenses	2,029	1,088
Surety bonds, dues and trustee fees	163	163
IT support	2,378	5,759
Website Maintenance	1,500	-
Other general expenses	-	350
Grant related expenses	-	4,748
Total General Expenses	63,992	80,902
Toll 49 Operating Expenses:		
Project director	23,457	17,596
General engineering consultants	48,701	33,886
Toll processing costs	83,001	79,955
Toll maintenance support	26,500	17,299
Toll operating system support	67,673	8,240
Roadway maintenance	85,721	163,592
Insurance expense	2,323	2,269
Depreciation expense	546,027	503,665
Total Toll 49 Operating Expenses	883,403	826,502
Operating Income (Loss)	162,643	(151,319)
Other Income and (Expense):		
Interest income	64	69
Interest expense	(159,727)	(150,116)
East Texas Hour Glass Study	-	(17,859)
Net Other Income (Expense)	(159,663)	(167,906)
Change in Net Assets	2,980	(319,225)
Net Assets - Beginning of Period	186,878,934	188,783,303
Net Assets - End of Period	\$ 186,881,914	\$ 188,464,078

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Revenues and Expenses - Budget to Actual Comparison**  
**For the Month Ended October 31, 2015**

	Annual Budget	Budget YTD	Actual YTD
<b>Revenue:</b>			
Toll revenue - electronic	\$ 6,510,000	\$ 542,500	\$ 692,004
Toll revenue - video	3,990,000	332,500	418,034
County contributions	36,000	3,000	-
Interest income	-	-	64
Total	<u>10,536,000</u>	<u>878,000</u>	<u>1,110,102</u>
<b>Expenses:</b>			
Accounting	42,000	3,500	2,970
Auditing	30,000	2,500	7,900
Legal Fees	385,000	32,083	33,220
Employee salaries and benefits	168,991	14,083	13,756
Board and staff travel	9,000	750	76
Office and related expenses	19,748	1,646	2,029
Public involvement	7,000	583	-
Project development support	400,000	33,333	-
Surety bonds, dues and trustee fees	14,000	1,167	163
IT support	21,300	1,775	2,378
Website maintenance	18,000	1,500	1,500
Other general expenses	4,000	333	-
Project director	225,000	18,750	23,457
General engineering	404,000	33,667	48,701
Toll processing costs	691,381	57,615	83,001
Toll maintenance support	318,000	26,500	26,500
Toll operations support	344,500	28,708	67,673
Insurance expense	29,000	2,417	2,323
Roadway maintenance	1,760,000	146,667	85,721
	4,890,920	407,577	401,368
Interest expense on interim loan	250,000	20,833	-
Interest expense on SIB loan (1)	1,304,521	-	-
Total	<u>6,445,441</u>	<u>428,410</u>	<u>401,368</u>
Net Operating Cash Flow	<u>4,090,559</u>	<u>449,590</u>	<u>708,734</u>
<b>Non-Cash Expenses:</b>			
Interest expense on SIB Loan (2)	638,907	159,727	159,727
Depreciation expense	6,651,665	554,305	546,027
Total	<u>7,290,572</u>	<u>714,032</u>	<u>705,754</u>
Excess of (Expenses) over Revenue	<u>\$ (3,200,013)</u>	<u>\$ (264,442)</u>	<u>\$ 2,980</u>

(1) Interest 2/1/16 through 9/30/16

(2) Interest 10/1/15 through 1/31/16

See Accountant's Compilation Report.