

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

January 31, 2017



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ACCOUNTANT'S COMPILATION REPORT

March 8, 2017

Board of Directors
North East Texas Regional Mobility Authority

Management is responsible for the accompanying financial statements of the North East Texas Regional Mobility Authority (the Authority), which comprise the statement of net position as of January 31, 2017 and the related statement of revenues, expenses and change in net position for the four months ended January 31, 2017 and 2016 in accordance with accounting principles generally accepted in the United States of America. I have performed the compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, nor provide any assurance on the financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows ordinarily included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Authority's assets, liabilities, net position, revenues, expenses, and change in net position and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying information in Schedule 1 is presented for the purpose of additional analysis and is not a required part of the financial statements. The information is the representation of management and was subject to the compilation engagement, however, I have not audited or reviewed the information and accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

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

North East Texas Regional Mobility Authority
Statement of Net Position
January 31, 2017

Assets

Current Assets:

Cash (Restricted \$239,369)	\$	402,637	
Cash - Toll Revenue & Operating Funds (restricted \$3,713,957)		18,756,729	
Cash - Construction Fund (restricted)		8,080,675	
Construction Fund Investments (at cost) (restricted)		77,081,093	
Toll Revenue and Fees Receivable		5,635,654	
Prepaid Expenses and Other		28,770	
Total		<u>28,770</u>	\$ 109,985,558

Noncurrent Assets:

Cash- Debt Service Reserve Funds (restricted)			22,927,261
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Capital Assets:

Toll 49 - Right of Way		39,798,777	
Toll 49 - Bridges		64,191,695	
Toll 49 - Highway		126,943,753	
Toll 49 -Gantries and other		12,060,181	
Construction in Progress		42,491,285	
Website and Office Equipment		112,769	
Accumulated Depreciation		(19,102,994)	
Total		<u>266,495,466</u>	<u>266,495,466</u>

Total Assets			\$ 399,408,285
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable - Operations	\$	840,581	
Accounts Payable - Construction in Progress		4,648,017	
Accounts Payable - Other		53,871	
Accrued Interest Payable		755,625	
Rusk County Funds - Loop 571		239,369	
Total		<u>6,537,463</u>	6,537,463

Long-term Liabilities:

Senior Lien Bonds Payable		124,735,000	
Subordinated Lien Bonds Payable		56,615,000	
Unamortized Bond Premiums		28,097,054	
Total		<u>209,447,054</u>	209,447,054

Net Position:

Invested in Capital Assets			
Net of Related Debt		85,145,466	
Restricted		83,644,307	
Unrestricted		14,633,995	
Total		<u>183,423,768</u>	<u>183,423,768</u>

Total Liabilities and Net Assets			\$ 399,408,285
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See Accompanying Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Four Months Ended January 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue:		
Toll revenue - electronic	\$ 3,099,083	\$ 2,749,629
Toll revenue - video	1,096,983	896,690
Video violation fees	317,227	408,279
Grants and related revenue	-	56,716
Total Revenue	<u>4,513,293</u>	<u>4,111,314</u>
General Expenses:		
Accounting fees	18,350	16,270
Auditing fees	33,296	31,119
Legal fees	142,902	181,040
Employee salaries and benefits	156,822	55,701
Board and staff travel	4,538	4,783
Office and related expenses	10,305	7,568
Rent	6,193	1,400
Surety bonds, dues and trustee fees	1,314	10,347
IT support	18,227	13,712
Website maintenance	5,320	6,000
Other general expenses	36,880	15,426
Grant related expenses	-	56,716
Total General Expenses	<u>434,147</u>	<u>400,082</u>
Toll 49 Operating Expenses:		
Project director	62,961	78,740
General engineering consultants	153,365	152,235
Toll processing costs	288,666	306,432
Toll maintenance support	122,883	158,124
Toll operating system support	95,969	200,043
Roadway maintenance	203,033	322,239
Insurance expense	10,626	9,305
Depreciation expense	2,162,114	2,184,108
Total Toll 49 Operating Expenses	<u>3,099,617</u>	<u>3,411,226</u>
Operating Income (Loss)	<u>979,529</u>	<u>300,006</u>
Other Income and (Expense):		
Interest income	29,384	596
Income on Investments (net of fees)	85,880	-
Interest expense	(2,563,542)	(638,907)
Net Other Income (Expense)	<u>(2,448,278)</u>	<u>(638,311)</u>
Change in Net Assets	(1,468,749)	(338,305)
Net Assets - Beginning of Period	184,892,517	187,868,224
Net Assets - End of Period	<u>\$ 183,423,768</u>	<u>\$ 187,529,919</u>

See Accompanying Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Revenues and Expenses - Budget to Actual Comparison
For the Four Months Ended January 31, 2017

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 9,330,069	\$ 3,110,023	\$ 3,099,083
Toll revenue - video	4,226,506	1,408,835	1,414,210
County contributions	36,000	12,000	-
Interest Income	-	-	29,384
Income on investments (net of fees)	-	-	85,880
Total	<u>13,592,575</u>	<u>4,530,858</u>	<u>4,628,557</u>
Expenses:			
Accounting	24,200	8,067	18,350
Auditing	38,000	12,667	33,296
Legal fees	530,000	176,667	142,902
Employee salaries and benefits	580,452	193,484	156,822
Board and staff travel	17,000	5,667	4,538
Office and related expenses	22,180	7,393	10,305
Rent	44,400	14,800	6,193
Project development support	500,000	166,667	-
Surety bonds, dues and trustee fees	18,000	6,000	1,314
IT support	36,000	12,000	18,227
Website maintenance	12,000	4,000	5,320
Other general expenses	28,100	9,367	36,880
Project director	117,000	39,000	62,961
General engineering consultants	465,250	155,083	153,365
Toll processing costs	809,000	269,667	238,666
Toll maintenance support	408,000	136,000	122,883
Toll operating system support	280,688	93,563	95,969
Insurance expense	30,000	10,000	10,626
Roadway maintenance	948,400	316,133	203,033
	<u>4,908,670</u>	<u>1,636,225</u>	<u>1,371,650</u>
Interest on bonded debt	7,691,525	2,563,842	2,563,542
Total	<u>12,600,195</u>	<u>4,200,067</u>	<u>3,935,192</u>
Net Operating Cash Flow	<u>992,380</u>	<u>330,791</u>	<u>693,365</u>
Non-Cash Expenses:			
Depreciation expense	7,476,609	2,492,203	2,162,114
Total	<u>7,476,609</u>	<u>2,492,203</u>	<u>2,162,114</u>
Excess of (Expenses) over Revenue	<u>\$ (6,484,229)</u>	<u>\$ (2,161,412)</u>	<u>\$ (1,468,749)</u>