

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

February 29, 2016



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ACCOUNTANT'S COMPILATION REPORT

March 30, 2016

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 assets as of February 29, 2016 and the related statement of revenues, expenses and change in net assets for the five months ended February 29, 2016 and February 28, 2015 in accordance with accounting principles generally accepted in the United States of America. I have performed the compilation engagement in accordance with 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 these 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 assets, revenues, expenses and change in net assets 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 and 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 Assets
February 29, 2016

Assets

Current Assets:

Cash (Restricted \$239,369)	\$	463,377	
Cash - Toll Revenue & Operating Funds (restricted)		9,246,587	
Toll Revenue and Fees Receivable		3,682,353	
Prepaid Insurance and Other		16,458	
Total			13,408,775

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		12,005,472	
Construction in progress		4,791,315	
Website and office equipment		62,746	
Accumulated Depreciation		(13,269,951)	
Total			234,523,807

Total Assets			\$ 247,932,582
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable - Operations	\$	570,458	
Accounts Payable- Construction in progress		147,765	
Accounts Payable - Other		79,021	
Rusk County Funds - Loop 571		239,369	
Total			1,036,613

Long Term Liabilities:

Financial Assistance Payable		12,250,000	
Note Payable - SIB loan		46,812,965	
Accrued Interest Payable		163,065	
Total			59,226,030

Net Assets:

Invested in Capital Assets, Net of Related Debt		170,506,462	
Restricted for:			
Capital Projects		4,643,550	
Other Purposes		12,519,927	
Total			187,669,939

Total Liabilities and Net Assets			\$ 247,932,582
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See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the Five Months Ended February 29, 2016 and February 28, 2015

	2016	2015
Revenue:		
Toll revenue - electronic	\$ 3,411,604	\$ 2,546,555
Toll revenue - video	1,197,151	940,476
Video violation fees	494,036	294,310
County contributions	24,000	36,000
Design settlement	275,000	-
Grants and related revenue	56,716	31,229
Total Revenue	5,458,507	3,848,570
General Expenses:		
Accounting fees	19,430	21,545
Auditing fees	31,119	26,127
Legal fees	240,540	132,411
Employee salaries and benefits	69,943	62,659
Board and staff travel	4,872	1,518
Office and related expenses	10,386	5,716
Surety bonds, dues and trustee fees	10,898	1,527
IT support	17,647	13,665
Website maintenance	10,300	1,685
Other general expenses	16,523	6,585
Grant related expenses	56,716	31,229
Total General Expenses	488,374	304,667
Toll 49 Operating Expenses:		
Project director	99,243	86,700
General engineering consultants	207,774	109,232
Toll processing costs	371,543	359,508
Toll maintenance support	175,600	69,195
Toll operating system support	250,041	41,655
Roadway maintenance	421,170	577,286
Insurance expense	11,627	11,802
Depreciation expense	2,730,135	2,518,330
Total Toll 49 Operating Expenses	4,267,133	3,773,708
Operating Income (Loss)	703,000	(229,805)
Other Income and (Expense):		
Interest income	1,548	263
Interest expense	(801,973)	(775,747)
East Texas Hour Glass Study	-	(27,652)
Loss on camera replacement	(100,860)	-
Net Other Income (Expense)	(901,285)	(803,136)
Change in Net Assets	(198,285)	(1,032,941)
Net Assets - Beginning of Period	187,868,224	188,783,303
Net Assets - End of Period	\$ 187,669,939	\$ 187,750,362

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Revenues and Expenses - Budget to Actual Comparison
For the Five Months Ended February 29, 2016

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 6,510,000	\$ 2,712,500	\$ 3,411,604
Toll revenue - video	3,990,000	1,662,500	1,691,187
County contributions	36,000	15,000	24,000
Design settlement	-	-	275,000
Interest income	-	-	1,548
Total	<u>10,536,000</u>	<u>4,390,000</u>	<u>5,403,339</u>
Expenses:			
Accounting	42,000	17,500	19,430
Auditing	30,000	12,500	31,119
Legal Fees	385,000	160,417	240,540
Employee salaries and benefits	168,991	70,413	69,943
Board and staff travel	9,000	3,750	4,872
Office and related expenses	19,748	8,228	10,386
Public involvement	7,000	2,917	-
Project development support	400,000	166,667	-
Surety bonds, dues and trustee fees	14,000	5,833	10,898
IT support	21,300	8,875	17,647
Website maintenance	18,000	7,500	10,300
Other general expenses	4,000	1,667	16,523
Project director	225,000	93,750	99,243
General engineering	404,000	168,333	207,774
Toll processing costs	691,381	288,075	371,543
Toll maintenance support	318,000	132,500	175,600
Toll operations support	344,500	143,542	250,041
Insurance expense	29,000	12,083	11,627
Roadway maintenance	1,760,000	733,333	421,170
	<u>4,890,920</u>	<u>2,037,883</u>	<u>1,968,656</u>
Interest expense on interim loan	250,000	104,167	-
Interest expense on SIB loan (1)	1,304,521	163,065	163,066
Total	<u>6,445,441</u>	<u>2,305,115</u>	<u>2,131,722</u>
Net Operating Cash Flow	<u>4,090,559</u>	<u>2,084,885</u>	<u>3,271,617</u>
Non-Cash Expenses:			
Interest expense on SIB Loan (2)	638,907	638,907	638,907
Depreciation expense	6,651,665	2,771,527	2,730,135
Loss on camera replacement	-	-	100,860
Total	<u>7,290,572</u>	<u>3,410,434</u>	<u>3,469,902</u>
Excess of (Expenses) over Revenue	<u>\$ (3,200,013)</u>	<u>\$ (1,325,549)</u>	<u>\$ (198,285)</u>

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

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

See Accountant's Compilation Report.