

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

January 31, 2016



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ACCOUNTANT'S COMPILATION REPORT

March 4, 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 January 31, 2016 and the related statement of revenues, expenses and change in net assets for the four months ended January 31, 2016 and January 31, 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
January 31, 2016

Assets

Current Assets:

Cash (Restricted \$239,369)	\$ 386,163	
Cash - Toll Revenue & Operating Funds (restricted)	8,723,105	
Toll Revenue and Fees Receivable	3,707,193	
Grants Receivable and Other	44,510	
Prepaid Insurance	18,581	
Total	<u>12,879,552</u>	12,879,552

Capital Assets:

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	12,239,725	
Construction in progress	4,612,492	
Website and office equipment	62,746	
Accumulated Depreciation	(12,857,317)	
Total	<u>235,001,161</u>	235,001,161

Total Assets	<u>\$ 247,880,713</u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable - Operations	\$ 722,524	
Accounts Payable- Construction in progress	248,873	
Accounts Payable - Other	77,064	
Rusk County Funds - Loop 571	239,369	
Total	<u>1,287,830</u>	1,287,830

Long Term Liabilities:

Financial Assistance Payable	12,250,000	
Note Payable - SIB loan	45,854,604	
Accrued Interest Payable	958,361	
Total	<u>59,062,965</u>	59,062,965

Net Assets:

Invested in Capital Assets, Net of Related Debt	171,325,704	
Restricted for:		
Capital Projects	4,363,619	
Other Purposes	11,840,595	
Total	<u>187,529,918</u>	187,529,918

Total Liabilities and Net Assets	<u>\$ 247,880,713</u>
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North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the Four Months Ended January 31, 2016 and 2015

	2016	2015
Revenue:		
Toll revenue - electronic	\$ 2,749,629	\$ 2,039,815
Toll revenue - video	896,690	719,014
Video violation fees	408,279	210,520
County contributions	-	34,000
Grants and related revenue	56,716	21,879
Total Revenue	<u>4,111,314</u>	<u>3,025,228</u>
General Expenses:		
Accounting fees	16,270	15,935
Auditing fees	31,119	22,227
Legal fees	181,040	141,169
Employee salaries and benefits	55,701	50,748
Board and staff travel	4,783	1,454
Office and related expenses	8,968	5,149
Surety bonds, dues and trustee fees	10,347	1,264
IT support	13,712	11,380
Website Maintenance	6,000	1,685
Other general expenses	15,426	4,791
Grant related expenses	56,716	21,879
Total General Expenses	<u>400,082</u>	<u>277,681</u>
Toll 49 Operating Expenses:		
Project director	78,740	68,448
General engineering consultants	152,235	98,946
Toll processing costs	306,432	293,574
Toll maintenance support	158,124	69,195
Toll operating system support	200,043	33,737
Roadway maintenance	322,239	385,681
Insurance expense	9,305	9,075
Depreciation expense	2,184,108	2,014,658
Total Toll 49 Operating Expenses	<u>3,411,226</u>	<u>2,973,314</u>
Operating Income (Loss)	<u>300,006</u>	<u>(225,767)</u>
Other Income and (Expense):		
Interest income	596	215
Interest expense	(638,907)	(619,291)
East Texas Hour Glass Study	-	(27,137)
Net Other Income (Expense)	<u>(638,311)</u>	<u>(646,213)</u>
Change in Net Assets	(338,305)	(871,980)
Net Assets - Beginning of Period	187,868,224	188,783,303
Net Assets - End of Period	<u>\$ 187,529,919</u>	<u>\$ 187,911,323</u>

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Revenues and Expenses - Budget to Actual Comparison
For the Four Months Ended January 31, 2016

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 6,510,000	\$ 2,170,000	\$ 2,749,629
Toll revenue - video	3,990,000	1,330,000	1,304,969
County contributions	36,000	12,000	-
Interest income	-	-	596
Total	<u>10,536,000</u>	<u>3,512,000</u>	<u>4,055,194</u>
Expenses:			
Accounting	42,000	14,000	16,270
Auditing	30,000	10,000	31,119
Legal Fees	385,000	128,333	181,040
Employee salaries and benefits	168,991	56,330	55,701
Board and staff travel	9,000	3,000	4,783
Office and related expenses	19,748	6,583	8,968
Public involvement	7,000	2,333	-
Project development support	400,000	133,333	-
Surety bonds, dues and trustee fees	14,000	4,667	10,347
IT support	21,300	7,100	13,712
Website maintenance	18,000	6,000	6,000
Other general expenses	4,000	1,333	15,426
Project director	225,000	75,000	78,740
General engineering	404,000	134,667	152,235
Toll processing costs	691,381	230,460	306,432
Toll maintenance support	318,000	106,000	158,124
Toll operations support	344,500	114,833	200,043
Insurance expense	29,000	9,667	9,305
Roadway maintenance	1,760,000	586,667	322,239
	<u>4,890,920</u>	<u>1,630,307</u>	<u>1,570,484</u>
Interest expense on interim loan	250,000	83,333	-
Interest expense on SIB loan (1)	1,304,521	-	-
Total	<u>6,445,441</u>	<u>1,713,640</u>	<u>1,570,484</u>
Net Operating Cash Flow	<u>4,090,559</u>	<u>1,798,360</u>	<u>2,484,710</u>
Non-Cash Expenses:			
Interest expense on SIB Loan (2)	638,907	638,907	638,907
Depreciation expense	6,651,665	2,217,222	2,184,108
Total	<u>7,290,572</u>	<u>2,856,129</u>	<u>2,823,015</u>
Excess of (Expenses) over Revenue	<u>\$ (3,200,013)</u>	<u>\$ (1,057,769)</u>	<u>\$ (338,305)</u>

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

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

See Accountant's Compilation Report.