

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

November 30, 2016



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ACCOUNTANT'S COMPILATION REPORT

December 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 November 30, 2016 and the related statement of revenues, expenses and change in net assets for the two month periods ended November 30, 2016 and 2015 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 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
November 30, 2016

Assets		
Current Assets:		
Cash (Restricted \$239,369)	\$	415,309
Cash - Toll Revenue & Operating Funds (restricted \$6,543,504)		22,155,310
Cash - Construction Fund (restricted)		12,161,729
Construction Fund Investments (at cost) (restricted)		81,853,223
Toll Revenue and Fees Receivable		3,755,509
Prepaid Expenses and Other		37,106
Total		\$ 120,378,186
Noncurrent Assets:		
Cash- Debt Service Reserve Funds (restricted)		23,488,493
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	37,282,317	
Website and Office Equipment	69,737	
Accumulated Depreciation	(18,026,153)	
Total		262,320,307
Total Assets		\$ 406,186,986
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable - Operations	\$	960,301
Accounts Payable - Construction in Progress		8,881,791
Accounts Payable - Other		48,931
Accrued Interest Payable		4,155,937
Rusk County Funds - Loop 571		239,369
Total		14,286,329
Long-term Liabilities:		
Senior Lien Bonds Payable	124,735,000	
Subordinated Lien Bonds Payable	56,615,000	
Unamortized Bond Premiums	28,326,383	
Total		209,676,383
Net Assets:		
Invested in Capital Assets		
Net of Related Debt	164,962,434	
Restricted for:		
Capital Projects	(3,696,856)	
Other Purposes	20,958,696	
Total		182,224,274
Total Liabilities and Net Assets		\$ 406,186,986

See Accompanying Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Changes in Net Assets
For the Two Months Ended November 30, 2016 and 2015

	2016	2015
Revenue:		
Toll revenue - electronic	\$ 1,556,123	\$ 1,352,264
Toll revenue - video	487,450	545,063
Video violation fees	144,051	201,000
Grants and related revenue	-	12,406
Total Revenue	2,187,624	2,110,733
General Expenses:		
Accounting fees	7,460	8,070
Auditing fees	6,960	16,700
Legal fees	63,345	60,495
Employee salaries and benefits	71,494	27,371
Board and staff travel	859	740
Office and related expenses	4,908	4,299
Rent	350	700
Surety bonds, dues and trustee fees	363	163
IT support	5,393	7,528
Website maintenance	2,799	3,000
Other general expenses	170	-
Grant related expenses	-	12,406
Total General Expenses	164,101	141,472
Toll 49 Operating Expenses:		
Project director	28,081	40,027
General engineering consultants	117,365	75,649
Toll processing costs	143,717	156,528
Toll maintenance support	53,000	53,000
Toll operating system support	43,991	108,371
Roadway maintenance	91,205	127,017
Insurance expense	5,138	4,645
Depreciation expense	1,085,272	1,092,054
Total Toll 49 Operating Expenses	1,567,769	1,657,291
Operating Income (Loss)	455,754	311,970
Other Income and (Expense):		
Interest income	14,837	128
Income & (fees) on Investments (Net)	9,305	-
Interest expense	(1,281,622)	(319,454)
Net Other Income (Expense)	(1,257,480)	(319,326)
Change in Net Assets	(801,726)	(7,356)
Net Assets - Beginning of Period	183,026,000	187,868,224
Net Assets - End of Period	\$ 182,224,274	\$ 187,860,868

See Accompanying Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Revenues and Expenses - Budget to Actual Comparison
For the Two Months Ended November 30, 2016**

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 9,330,069	\$ 1,555,012	\$ 1,556,123
Toll revenue - video	4,226,506	704,418	631,501
County contributions	36,000	6,000	-
Interest Income	-	-	14,837
Income (fees) on investments (net)	-	-	9,305
Total	<u>13,592,575</u>	<u>2,265,430</u>	<u>2,211,766</u>
Expenses:			
Accounting	24,200	4,033	7,460
Auditing	38,000	6,333	6,960
Legal fees	530,000	88,333	63,345
Employee salaries and benefits	580,452	96,742	71,494
Board and staff travel	17,000	2,833	859
Office and related expenses	22,180	3,697	4,908
Rent	44,400	7,400	350
Project development support	500,000	83,333	-
Surety bonds, dues and trustee fees	18,000	3,000	363
IT support	36,000	6,000	5,393
Website maintenance	12,000	2,000	2,799
Other general expenses	28,100	4,683	170
Project director	117,000	19,500	28,081
General engineering consultants	465,250	77,542	117,365
Toll processing costs	809,000	134,833	143,717
Toll maintenance support	408,000	68,000	53,000
Toll operating system support	280,688	46,781	43,991
Insurance expense	30,000	5,000	5,138
Roadway maintenance	948,400	158,067	91,205
	4,908,670	818,110	646,598
Interest on bonded debt	7,691,525	1,281,921	1,281,622
Total	<u>12,600,195</u>	<u>2,100,031</u>	<u>1,928,220</u>
Net Operating Cash Flow	<u>992,380</u>	<u>165,399</u>	<u>283,546</u>
Non-Cash Expenses:			
Depreciation expense	7,476,609	1,246,102	1,085,272
Total	<u>7,476,609</u>	<u>1,246,102</u>	<u>1,085,272</u>
Excess of (Expenses) over Revenue	<u>\$ (6,484,229)</u>	<u>\$ (1,080,703)</u>	<u>\$ (801,726)</u>