

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY**

**FINANCIAL STATEMENTS**

**October 31, 2016**





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

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## ACCOUNTANT'S COMPILATION REPORT

December 2, 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 October 31, 2016 and the related statement of revenues, expenses and change in net assets for the one month periods ended October 31, 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 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 Assets**  
**October 31, 2016**

**Assets**

**Current Assets:**

Cash (Restricted \$239,369)	\$ 417,309	
Cash - Toll Revenue & Operating Funds (restricted \$5,589,946)	21,579,041	
Cash - Construction Fund (restricted)	15,023,775	
Construction Fund Investments (at cost) (restricted)	83,330,008	
Toll Revenue and Fees Receivable	3,762,484	
Prepaid Expenses and Other	38,675	
Total		\$ 124,151,292

**Noncurrent Assets:**

Cash- Debt Service Reserve Funds (restricted)		23,769,024
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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	32,641,861	
Website and Office Equipment	60,813	
Accumulated Depreciation	(17,483,516)	
Total		258,213,564

Total Assets		<u>\$ 406,133,880</u>
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**Liabilities and Net Assets**

**Current Liabilities:**

Accounts Payable - Operations	\$ 1,053,789	
Accounts Payable - Construction in Progress	8,987,641	
Accounts Payable - Other	47,095	
Accrued Interest Payable	3,400,313	
Rusk County Funds - Loop 571	239,369	
Total		13,728,207

**Long-term Liabilities:**

Senior Lien Bonds Payable	124,735,000	
Subordinated Lien Bonds Payable	56,615,000	
Unamortized Bond Premiums	28,441,048	
Total		209,791,048

**Net Assets:**

Invested in Capital Assets		
Net of Related Debt	165,496,147	
Restricted for:		
Capital Projects	(3,938,465)	
Other Purposes	21,056,943	
Total		182,614,625

Total Liabilities and Net Assets		<u>\$ 406,133,880</u>
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See Accompanying Accountant's Compilation Report.



**North East Texas Regional Mobility Authority**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Month Ended October 31, 2016 and 2015**

	2016	2015
Revenue:		
Toll revenue - electronic	\$ 767,367	\$ 692,004
Toll revenue - video	248,508	306,471
Video violation fees	75,912	111,563
Total Revenue	<u>1,091,787</u>	<u>1,110,038</u>
General Expenses:		
Accounting fees	3,120	2,970
Auditing fees	3,868	7,900
Legal fees	31,996	33,220
Employee salaries and benefits	33,743	13,756
Board and staff travel	238	76
Office and related expenses	2,545	1,679
Rent	350	350
Surety bonds, dues and trustee fees	163	163
IT support	2,198	2,378
Website maintenance	1,444	1,500
Other general expenses	170	-
Total General Expenses	<u>79,835</u>	<u>63,992</u>
Toll 49 Operating Expenses:		
Project director	14,113	23,457
General engineering consultants	66,012	48,701
Toll processing costs	71,552	83,001
Toll maintenance support	26,500	26,500
Toll operating system support	28,866	67,673
Roadway maintenance	39,162	85,721
Insurance expense	2,569	2,322
Depreciation expense	542,636	546,027
Total Toll 49 Operating Expenses	<u>791,410</u>	<u>883,402</u>
Operating Income (Loss)	<u>220,542</u>	<u>162,644</u>
Other Income and (Expense):		
Interest income	7,653	64
Income & (fees) on Investments (Net)	1,091	-
Interest expense	(640,661)	(159,727)
Net Other Income (Expense)	<u>(631,917)</u>	<u>(159,663)</u>
Change in Net Assets	(411,375)	2,981
Net Assets - Beginning of Period	183,026,000	187,868,224
Net Assets - End of Period	<u>\$ 182,614,625</u>	<u>\$ 187,871,205</u>

See Accompanying Accountant's Compilation Report.



**North East Texas Regional Mobility Authority**  
**Revenues and Expenses - Budget to Actual Comparison**  
**For the Month Ended October 31, 2016**

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 9,330,069	\$ 777,506	\$ 767,367
Toll revenue - video	4,226,506	352,209	324,420
County contributions	36,000	3,000	-
Interest Income	-	-	7,653
Total	<u>13,592,575</u>	<u>1,132,715</u>	<u>1,099,440</u>
Expenses:			
Accounting	24,200	2,017	3,120
Auditing	38,000	3,167	3,868
Legal fees	530,000	44,167	31,996
Employee salaries and benefits	580,452	48,371	33,743
Board and staff travel	17,000	1,417	238
Office and related expenses	22,180	1,848	2,545
Rent	44,400	3,700	350
Project development support	500,000	41,667	-
Surety bonds, dues and trustee fees	18,000	1,500	163
IT support	36,000	3,000	2,198
Website maintenance	12,000	1,000	1,444
Other general expenses	28,100	2,342	170
Project director	117,000	9,750	14,113
General engineering consultants	465,250	38,771	66,012
Toll processing costs	809,000	67,417	71,552
Toll maintenance support	408,000	34,000	26,500
Toll operating system support	280,688	23,391	28,866
Insurance expense	30,000	2,500	2,569
Roadway maintenance	948,400	79,033	39,162
	<u>4,908,670</u>	<u>409,056</u>	<u>328,609</u>
(Income) & fees on investments (net)	-	-	(1,091)
Interest on bonded debt	7,691,525	640,960	640,661
Total	<u>12,600,195</u>	<u>1,050,016</u>	<u>968,179</u>
Net Operating Cash Flow	<u>992,380</u>	<u>82,699</u>	<u>131,261</u>
Non-Cash Expenses:			
Depreciation expense	7,476,609	623,051	542,636
Total	<u>7,476,609</u>	<u>623,051</u>	<u>542,636</u>
Excess of (Expenses) over Revenue	<u>\$ (6,484,229)</u>	<u>\$ (540,352)</u>	<u>\$ (411,375)</u>