

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY**

**FINANCIAL STATEMENTS**

**November 30, 2015**



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

3650 OLD BULLARD ROAD • STE. 330  
TYLER, TEXAS 75701  
(903) 561-1148

MEMBER OF:  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## ACCOUNTANT'S COMPILATION REPORT

December 29, 2015

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, 2015 and the related statement of revenues, expenses and change in net assets for the two months ended November 30, 2015 and November 30, 2014 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 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**  
**November 30, 2015**

<b>Assets</b>		
<b>Current Assets:</b>		
Cash (Restricted \$239,369)	\$ 419,187	
Cash - Toll Revenue & Operating Funds (restricted)	8,201,571	
Toll Revenue and Fees Receivable	3,644,453	
Deposits	200	
Prepaid Insurance	23,226	
Total		12,288,637
<b>Capital Assets:</b>		
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	12,074,529	
Construction in progress	4,353,619	
Website and office equipment	61,986	
Accumulated Depreciation	(11,765,263)	
Total		235,668,386
Total Assets		<u>\$ 247,957,023</u>

<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable - Operations	\$ 598,397	
Accounts Payable- Construction in progress	462,956	
Accounts Payable - Other	51,922	
Rusk County Funds - Loop 571	239,369	
Total		1,352,644
<b>Long Term Liabilities:</b>		
Financial Assistance Payable	12,250,000	
Note Payable - SIB loan	45,854,604	
Accrued Interest Payable	638,907	
Total		58,743,511
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	172,571,256	
Restricted for:		
Capital Projects	3,890,663	
Other Purposes	11,398,949	
Total		187,860,868
Total Liabilities and Net Assets		<u>\$ 247,957,023</u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Statement of Revenues, Expenses and Change in Net Assets**  
**For the Two Months Ended November 30, 2015 and 2014**

	2015	2014
Revenue:		
Toll revenue - electronic	\$ 1,352,264	\$ 934,722
Toll revenue - video	545,063	328,384
Video violation fees	201,000	92,335
County contributions	-	-
Grants and related revenue	12,406	6,554
Total Revenue	<u>2,110,733</u>	<u>1,361,995</u>
General Expenses:		
Accounting fees	8,070	7,450
Auditing fees	16,700	20,227
Legal fees	60,495	85,597
Employee salaries and benefits	27,371	25,131
Board and staff travel	740	1,389
Office and related expenses	4,999	1,519
Surety bonds, dues and trustee fees	163	163
IT support	7,528	7,477
Website Maintenance	3,000	-
Other general expenses	-	350
Grant related expenses	12,406	6,554
Total General Expenses	<u>141,472</u>	<u>155,857</u>
Toll 49 Operating Expenses:		
Project director	40,027	34,078
General engineering consultants	75,649	68,839
Toll processing costs	156,528	142,805
Toll maintenance support	53,000	34,598
Toll operating system support	108,371	16,649
Roadway maintenance	127,017	256,376
Insurance expense	4,645	4,538
Depreciation expense	1,092,054	1,007,329
Total Toll 49 Operating Expenses	<u>1,657,291</u>	<u>1,565,212</u>
Operating Income (Loss)	<u>311,970</u>	<u>(359,074)</u>
Other Income and (Expense):		
Interest income	128	122
Interest expense	(319,454)	(300,233)
East Texas Hour Glass Study	-	(19,750)
Net Other Income (Expense)	<u>(319,326)</u>	<u>(319,861)</u>
Change in Net Assets	(7,356)	(678,935)
Net Assets - Beginning of Period	187,868,224	188,783,303
Net Assets - End of Period	<u><u>\$ 187,860,868</u></u>	<u><u>\$ 188,104,368</u></u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Revenues and Expenses - Budget to Actual Comparison**  
**For the Two Months Ended November 30, 2015**

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 6,510,000	\$ 1,085,000	\$ 1,352,264
Toll revenue - video	3,990,000	665,000	746,063
County contributions	36,000	6,000	-
Interest income	-	-	128
Total	<u>10,536,000</u>	<u>1,756,000</u>	<u>2,098,455</u>
Expenses:			
Accounting	42,000	7,000	8,070
Auditing	30,000	5,000	16,700
Legal Fees	385,000	64,167	60,495
Employee salaries and benefits	168,991	28,165	27,371
Board and staff travel	9,000	1,500	740
Office and related expenses	19,748	3,291	4,999
Public involvement	7,000	1,167	-
Project development support	400,000	66,667	-
Surety bonds, dues and trustee fees	14,000	2,333	163
IT support	21,300	3,550	7,528
Website maintenance	18,000	3,000	3,000
Other general expenses	4,000	667	-
Project director	225,000	37,500	40,027
General engineering	404,000	67,333	75,649
Toll processing costs	691,381	115,230	156,528
Toll maintenance support	318,000	53,000	53,000
Toll operations support	344,500	57,417	108,371
Insurance expense	29,000	4,833	4,645
Roadway maintenance	1,760,000	293,333	127,017
	<u>4,890,920</u>	<u>815,153</u>	<u>694,303</u>
Interest expense on interim loan	250,000	41,667	-
Interest expense on SIB loan (1)	1,304,521	-	-
Total	<u>6,445,441</u>	<u>856,820</u>	<u>694,303</u>
Net Operating Cash Flow	<u>4,090,559</u>	<u>899,180</u>	<u>1,404,152</u>
Non-Cash Expenses:			
Interest expense on SIB Loan (2)	638,907	319,454	319,454
Depreciation expense	6,651,665	1,108,611	1,092,054
Total	<u>7,290,572</u>	<u>1,428,065</u>	<u>1,411,508</u>
Excess of (Expenses) over Revenue	<u>\$ (3,200,013)</u>	<u>\$ (528,885)</u>	<u>\$ (7,356)</u>

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

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

See Accountant's Compilation Report.