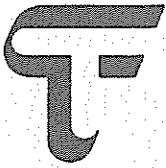


NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

March 31, 2013



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

May 2, 2013

Board of Directors
North East Texas Regional Mobility Authority

I have compiled the accompanying statement of net assets of the North East Texas Regional Mobility Authority (the Authority) as of March 31, 2013 and the related statement of revenues, expenses, and changes in net assets for the six month period then ended, and the accompanying supplemental information contained in Schedules 1 and 2, which are presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplemental schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's net assets, revenues, expenses, and changes in assets. Accordingly, these financial statements and supplemental information are not designed for those who are not informed about such matters.

I am not independent with respect to the North East Texas Regional Mobility Authority.

North East Texas Regional Mobility Authority
Statement of Net Assets
March 31, 2013

Assets		
Current Assets:		
Cash (Restricted \$268,344)	\$ 397,259	
Cash- SIB & Toll Equity Funds	6,398,102	
Total		\$ 6,795,361
Capital Assets:		
Property, plant and equipment - net	-	-
Construction Work-In-Progress:		
Toll 49- Prior year segments funded by Financial Assistance Agreement	11,074,548	
Toll 49- Segment 3B costs funded by SIB/TEL funds	82,281,087	
Construction period interest	5,548,011	
Total		98,903,646
Other:		
Deferred expense - loan issuance costs		692,023
Total Assets		<u>\$ 106,391,030</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable - SIB/TEL	\$ 646,885	
Retainage Payable - SIB/TEL	971,586	
Accounts Payable - Other	64,891	
Rusk County Funds - Loop 571	268,344	
Total		1,951,706
Long Term Liabilities:		
Financial Assistance Payable	12,250,749	
Note Payable- SIB loan	41,349,183	
Note Payable- Toll Equity loan	52,775,692	
Accrued interest payable	655,737	
Total		107,031,361
Net Assets (Deficit)		
Unrestricted deficit		<u>(2,592,037)</u>
Total Liabilities and Net Assets		<u>\$ 106,391,030</u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the Six Months Ended March 31, 2013**

Revenue:	
Contributions from counties	\$ 34,000
Interest income	464
Grand opening donations	32,000
Total	<u>66,464</u>
Expenses:	
Accounting fees	10,595
Auditing fees	20,962
Legal fees - Toll 49	169,461
Legal fees - other	66,047
Dues & subscriptions	500
Seminars and conferences	-
Board travel	299
Surety bonds	626
Insurance expense	778
Other expenses	-
Adm. and public information expense	53,281
Advertising/Grand opening expense	78,831
Website expenses	2,100
Amortization of loan issuance costs	13,569
Document closeout expenses	37,836
Smith County Multi Modal Study - unrecovered expenses	455
Total	<u>455,340</u>
Change in Net Assets (Decrease)	<u>\$ (388,876)</u>

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Change in Net Assets - Budget to Actual Comparison
For the Six Months Ended March 31, 2012

	Revised Budget YTD	Actual YTD
Revenue:		
County contributions	\$ 34,000	\$ 34,000
Grand opening contributions	32,000	32,000
Interest income	-	464
Total	66,000	66,464
Expenses:		
Accounting fees *	12,000	10,595
Auditing fees *	23,000	20,962
Legal fees - Toll 49 *	195,000	169,461
Legal fees - other *	54,600	66,047
Board travel	600	299
Surety bonds	1,750	626
Insurance expense	800	778
Dues and subscriptions	500	500
Other expenses	500	-
Administrative/Public information expense *	57,700	53,281
Trustee fees *	1,250	-
Advertising/Grand opening expenses *	80,000	78,831
Website expenses *	1,900	2,100
Amortization of loan issuance costs	13,570	13,569
Dispute resolution expenses *	30,000	-
Document closeout expenses *	55,900	37,836
Smith County Multi Modal Study	-	455
Total	529,070	455,340
 Change in Net Assests (Decrease)	 \$ (463,070)	 \$ (388,876)

* Funded in whole or in part by SIB and Toll Equity loans.

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Construction Budgets to Actual Comparison
For the Six Months Ended March 31, 2013**

Schedule 2
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	Revised Annual Budget	Budget YTD	Actual YTD
Toll 49			
Sources of Funds:			
State Infrastructure Bank Loan	\$ 4,016,896	\$ 4,016,896	\$ 4,016,896
Toll Equity Loan	5,125,932	5,125,932	5,125,932
Funds carried forward from prior year	7,105,974	7,105,974	7,105,974
Funds carried forward to future period	-	(8,124,401)	(5,456,550)
	<u>\$ 16,248,802</u>	<u>\$ 8,124,401</u>	<u>\$ 10,792,252</u>
Project Expenditures:			
Design build developer costs	\$ 11,509,475	\$ 5,754,738	\$ 9,001,494
Environmental studies (ETHG)	1,422,800	711,400	306,799
Right-of-way purchases	-	-	65
Design oversight and quality assurance	78,400	39,200	21,279
Construction oversight and quality assurance	1,057,200	528,600	583,708
Toll system integration contract	974,600	487,300	68,656
Material testing lab	166,400	83,200	57,079
Environmental permitting and archeological permits	53,600	26,800	34,434
Environmental monitoring	-	-	6,830
TxDOT offsite plant inspection	7,200	3,600	449
Other project expenses *	229,200	114,600	76,578
Administrative costs *	717,000	358,500	601,954
	<u>\$ 16,215,875</u>	<u>\$ 8,107,938</u>	<u>\$ 10,759,325</u>
	<u>\$ 32,927</u>	<u>\$ 16,463</u>	<u>\$ 32,927</u>

* Some of these costs are recognized as expenses in the operating budget.

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Construction Budgets to Actual Comparison
For the Six Months Ended March 31, 2013**

	Annual Budget	Budget YTD	Actual YTD
Loop 571 Rusk County			
Sources of Funds:			
Funds carried forward from prior year	\$ 268,650	\$ 268,650	\$ 268,650
Funds carried forward to future year	(92,577)	(180,613)	(268,344)
	<u>\$ 176,073</u>	<u>\$ 88,037</u>	<u>\$ 306</u>
Project Expenditures:			
ROW acquisition services	\$ -	\$ -	\$ -
Environmental permitting and archeological permits	101,573	50,787	306
Project management and coordination	19,500	9,750	-
Project director	20,000	10,000	-
Legal services	25,000	12,500	-
Other expenses	10,000	5,000	-
	<u>\$ 176,073</u>	<u>\$ 88,037</u>	<u>\$ 306</u>
Smith County Multi Modal Facility Study			
Sources of Funds:			
Grants	<u>\$ 30,000</u>	<u>\$ 15,000</u>	<u>\$ 14,604</u>
Project Expenditures:			
Feasibility planning	<u>\$ 30,000</u>	<u>\$ 15,000</u>	<u>\$ 15,059</u>

See Accountant's Compilation Report.