

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY**

**FINANCIAL STATEMENTS**

**May 31, 2014**



**TOM J. FITZGERALD**  
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July 3, 2014

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 May 31, 2014 and the related statement of revenues, expenses, and changes in net assets for the eight months 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 and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement 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**  
**May 31, 2014**

**Assets**

**Current Assets:**

Cash (Restricted \$239,369)	\$	383,929	
Cash - SIB & Toll Equity Funds (restricted)		758,639	
Cash - Toll Revenue & Operating Funds (restricted)		3,405,783	
Toll Revenue and Fees Receivable		1,032,861	
Prepaid Insurance		8,927	
Total			\$ 5,590,139

**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		8,313,879	
East Texas Hour Glass Study		1,313,951	
Website		30,000	
Accumulated depreciation		(2,573,153)	
Total			238,028,192

			\$ 243,618,331
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**Liabilities and Net Assets**

**Current Liabilities:**

Accounts Payable - Construction	\$	23,597	
Accounts Payable - Operations		514,743	
Accounts Payable - Other		59,299	
Rusk County Funds - Loop 571		239,369	
Total			837,008

**Long Term Liabilities:**

Financial Assistance Payable		12,250,000	
Note Payable - SIB loan		43,095,640	
Note Payable - Toll Equity Loan		55,004,769	
Accrued interest payable		1,366,866	
Total			111,717,275

**Net Assets:**

Invested in capital assets, net of related debt			126,310,917
Restricted for:			
Capital projects		735,042	
Other purposes		4,018,089	
Total			131,064,048

			\$ 243,618,331
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See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Statement of Revenues, Expenses and Change in Net Assets**  
**For the Eight Months Ended May 31, 2014**

Revenue:

Toll revenue - electronic	\$ 3,031,133
Toll revenue - video	1,271,326
Video billing fees	265,215
Video violation fees	1,476,190
Contributions from counties	36,000
Grant - MMF Regional Call Center	31,517
Rusk County - Loop 571	2,534
Total Revenue	6,113,915

General Expenses:

Accounting fees	25,005
Auditing fees	30,508
Legal fees - Toll 49	255,785
Legal fees - other	54,464
Dues and subscriptions	3,547
Board travel	417
Trustee fees	3,250
Surety bonds	1,615
MMF Regional Call Center	31,500
Rusk County - Loop 571	2,534
Total General Expenses	408,625

Toll 49 Operating Expenses:

Project director	156,155
General engineering consultants	438,110
Project support	148,660
Electronic processing costs	197,696
Video processing costs	662,032
Video violation fees	992,906
Toll equipment maintenance	348,002
Toll operating system support	118,513
Transmission line charges	41,571
Utilities	12,814
Roadway maintenance	236,205
Insurance expense	17,854
Depreciation expense	2,089,859
Total Toll 49 Operating Expenses	5,460,377

Other Income and (Expense):

Contribution from the State of Texas	136,389,584
Interest income	226
Interest expense	(2,705,749)
Net Other Income	133,684,061

Change in Net Assets	\$ 133,928,974
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See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority**  
**Change in Net Assets - Budget to Actual Comparison**  
**For the Eight Months Ended May 31, 2014**

	Annual Budget	Budget YTD	Actual YTD
<b>Revenues:</b>			
Toll revenue - electronic	\$ 3,552,000	\$ 2,368,000	\$ 3,031,133
Toll revenue - video	1,667,000	1,111,333	1,271,326
Video billing fees	361,000	240,667	265,216
Video violation fees	2,246,000	1,497,333	1,476,190
Contributions from counties	34,000	22,667	36,000
Interest income	500	333	226
Total Revenue	<u>7,860,500</u>	<u>5,240,333</u>	<u>6,080,091</u>
<b>General Expenses:</b>			
Accounting fees	25,000	16,667	25,005
Auditing fees	25,000	16,667	30,508
Legal fees	235,000	156,667	310,249
Dues and subscriptions	4,000	2,667	3,547
Board travel	3,000	2,000	417
Trustee fees	3,000	2,000	3,250
Surety bonds	3,000	2,000	1,615
Seminars and conferences	1,000	666	-
Other administrative expense	1,000	666	-
Total General Expenses	<u>300,000</u>	<u>200,000</u>	<u>374,591</u>
<b>Toll 49 Operating Expenses:</b>			
Project director	204,000	136,000	156,155
General engineering consultants	632,000	421,333	438,110
Project support	240,000	160,000	148,660
Electronic processing costs	284,000	189,333	197,696
Video processing	673,000	448,667	662,032
Video violation fees	1,792,000	1,194,667	992,906
Court liason	100,000	66,667	-
Toll equipment maintenance	497,000	331,333	348,002
Toll operating system support	95,000	63,333	118,513
Transmission line charges	61,000	40,667	41,571
Utilities	-	-	12,814
Roadway maintenance	761,000	507,333	236,205
Insurance expense	28,000	18,667	17,854
Marketing	20,000	13,333	-
Total Toll 49 Operating Expenses	<u>5,387,000</u>	<u>3,591,333</u>	<u>3,370,518</u>
<b>Net From Operations</b>	<u>2,173,500</u>	<u>1,449,000</u>	<u>2,334,982</u>
<b>Other Non-Cash or Non-Budgeted Income or (Expense):</b>			
Contribution from the State of Texas	-	-	136,389,584
Depreciation	-	-	(2,089,859)
Interest expense	(4,072,614)	(2,715,076)	(2,705,749)
Amortization of capitalized loan costs	(27,140)	(18,093)	-
Total Other	<u>(4,099,754)</u>	<u>(2,733,169)</u>	<u>131,593,976</u>
<b>Change in Net Assets</b>	<u>\$ (1,926,254)</u>	<u>\$ (1,284,169)</u>	<u>\$ 133,928,958</u>

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority  
Grant and Construction Budgets to Actual Comparison  
For the Eight Months Ended May 31, 2014**

	<u>Annual Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>
<b>Rusk County Loop 571</b>			
Sources of Funds:			
Funds carried forward from prior year	\$ 243,200	\$ 243,200	\$ 241,903
Funds carried forward to future year	(83,200)	(136,533)	(239,369)
Total	<u>\$ 160,000</u>	<u>\$ 106,667</u>	<u>\$ 2,534</u>
Project Expenditures:			
Project development	<u>\$ 160,000</u>	<u>\$ 106,667</u>	<u>\$ 2,534</u>
 <b>Multi Modal Facility Regional Call Center</b>			
Source of Funds:			
Grant	<u>\$ 31,500</u>	<u>\$ 21,000</u>	<u>\$ 31,517</u>
Project Expenditures:			
Supplemental feasibility study	<u>\$ 31,500</u>	<u>\$ 21,000</u>	<u>\$ 31,500</u>