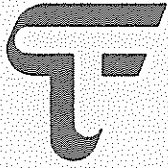


NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

September 30, 2013



TOM J. FITZGERALD
CERTIFIED PUBLIC ACCOUNTANT

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

November 6, 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 September 30, 2013 and the related statement of revenues, expenses, and changes in net assets for the year 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
September 30, 2013

Assets		
Current Assets:		
Cash (Restricted \$250,754)	\$ 348,396	
Cash - SIB & Toll Equity Funds	4,391,355	
Cash - Toll Revenue & Operating Funds	964,744	
Toll Revenue Receivable	648,062	
Account Receivable - Other	1,952	
Total	\$ 6,354,509	
Capital Assets:		
Toll 49 - Segments 1, 2, 3A & 5 funded by Financial Assistance Agreement	11,074,548	
Toll 49 - Segment 3B costs funded by SIB/TEL funds	85,734,865	
Construction period interest of Seg. 3B	6,203,747	
Website Expenses	30,000	
Accumulated depreciation	(30,000)	
Total	103,013,160	
Other:		
Deferred expense - loan issuance costs	678,454	
Total Assets	\$ 110,046,123	

Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable - Construction	\$ 3,149,920	
Accounts Payable - Operations	489,107	
Accounts Payable - Other	58,279	
Rusk County Funds - Loop 571	241,903	
Total	3,939,209	
Long Term Liabilities:		
Financial Assistance Payable	12,250,000	
Note Payable - SIB loan	42,213,380	
Note Payable - Toll Equity Loan	53,878,704	
Accrued interest payable	669,442	
Total	109,011,526	
Net Assets (Deficit)		
Unrestricted deficit	(2,904,612)	
Total Liabilities and Net Assets	\$ 110,046,123	

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the Year Ended September 30, 2013

Revenue:	
Toll revenue - electronic	\$ 1,791,267
Toll revenue - video	372,045
Processing & violation fees	497,069
Contributions from counties	34,000
Interest income	750
Grand opening donations	32,000
Total Revenue	2,727,131
General Expenses:	
Accounting fees	27,520
Auditing fees	24,463
Legal fees - Toll 49	309,678
Legal fees - other	158,171
Dues & Subscriptions	2,640
Seminars and conferences	-
Board travel	918
Surety bonds	989
Insurance expense	7,332
Trustee fees	3,250
Adm. and public information expense	79,664
Advertising/Grand opening expense	78,831
Website expense	2,100
Document closeout expenses	52,663
Dispute resolution expense	10,292
Smith County Multi Modal Study - unrecovered expenses	455
Total General Expenses	758,966
Toll 49 Operating Expenses:	
Project director	39,670
General engineering consultants	221,849
Electronic and video processing costs	479,937
Video violation fees	180,703
Toll equipment maintenance	260,959
Transmission line charges	14,252
Roadway maintenance	120,679
Total Toll 49 Operating Expenses	1,318,049
Financing Expenses:	
Interest expense	1,325,178
Amortization of capitalized loan costs	27,138
Total Financing Expenses	1,352,316
Total Expenses	3,429,331
Change in Net Assets (Decrease)	\$ (702,200)

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Change in Net Assets - Budget to Actual Comparison
For the Year Ended September 30, 2013

	<u>Revised Budget</u>	<u>Actual</u>
Revenues:		
Toll revenue - electronic	\$ 1,656,000	\$ 1,791,267
Toll revenue - video	634,800	497,069
Processing and violation fees	-	372,045
Contributions from counties	34,000	34,000
Interest income	-	750
Grand opening donations	32,000	32,000
Total Revenue	<u>2,356,800</u>	<u>2,727,131</u>
General Expenses:		
Accounting fees	24,000	27,520
Auditing fees	23,000	24,463
Legal fees - Toll 49	365,000	309,678
Legal fees - other	104,600	158,171
Dues and subscriptions	650	2,640
Seminars and conferences	100	-
Board travel	2,600	918
Surety bonds	3,200	989
Insurance expense	1,600	7,332
Trustee fees	1,250	3,250
Adm. and public information expense	57,700	79,664
Advertising/Grand opening expense	80,000	78,831
Website expenses	2,500	2,100
Legal notices	2,000	-
Other expenses	500	-
Document closeout expenses	55,900	52,663
Dispute resolution expense	30,000	10,292
Smith County Multi-Modal Study - unrecovered expenses	-	455
Total General Expenses	<u>754,600</u>	<u>758,966</u>
Toll 49 Operating Expenses:		
Project director	90,000	39,670
General engineering consultants	189,300	221,849
Electronic and video processing costs	211,000	479,937
Video violation fees	-	180,703
Toll system maintenance and support	294,900	260,959
Court coordinator	25,900	-
Transmission line charges	22,300	14,252
Toll system marketing	26,100	-
Roadway maintenance	345,800	120,679
Total Toll 49 Operating Expenses	<u>1,205,300</u>	<u>1,318,049</u>
Financing Expenses:		
Interest expense	1,980,920	1,325,178
Amortization of capitalized loan costs	27,140	27,138
Total Financing Expenses	<u>2,008,060</u>	<u>1,352,316</u>
Total Expenses	<u>3,967,960</u>	<u>3,429,331</u>
Excess of Revenues (Expenses)	<u>\$ (1,611,160)</u>	<u>\$ (702,200)</u>

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Construction Budget to Actual Comparison
For the Year Ended September 30, 2013

	<u>Revised Budget</u>	<u>Actual</u>
Toll 49		
Sources of Funds:		
State Infrastructure Bank Loan	\$ 4,016,896	\$ 4,016,896
Toll Equity Loan	5,125,932	5,126,932
Funds carried forward from prior year	7,105,974	6,394,768
	<u>16,248,802</u>	<u>15,538,596</u>
Project Expenditures:		
Design build developer costs	11,509,475	11,030,445
Environmental studies (ETHG)	1,422,800	573,029
Right - of - way purchases	-	317
Design oversight and quality assurance	78,400	21,279
Construction oversight and quality assurance	1,057,200	811,554
Toll system integration contract	974,600	787,803
Material testing lab	166,400	83,334
Environmental permitting and archeological permits	53,600	50,554
Environmental monitoring	-	-
TxDOT offsite plant inspection	7,200	20,342
Other project expenses *	229,200	213,252
Administrative costs *	717,000	707,941
	<u>16,215,875</u>	<u>14,299,850</u>
Funds Reserved for Project Completion:		
Environmental studies (ETHG)	-	778,140
Toll system integration contract	-	216,598
Total Expenditures at Project Completion	<u>16,215,875</u>	<u>15,294,588</u>
Anticipated Excess Funds	<u>\$ 32,927</u>	<u>\$ 244,008</u>

* Some of these costs are recognized as expense in the operating budget but were paid for with construction funds.

See Accountant's Compilation Report.

**North East Texas Regional Mobility Authority
Construction Budget to Actual Comparison
For the Year Ended September 30, 2013**

	<u>Revised Budget</u>	<u>Actual</u>
Loop 571 Rusk County		
Sources of Funds:		
Funds carried forward from prior year	\$ 268,650	\$ 268,650
Funds carried forward to future year	(92,577)	(241,903)
Total	<u>\$ 176,073</u>	<u>\$ 26,747</u>
Project Expenditures:		
ROW acquisition services	\$ -	\$ -
Environmental permitting and archeological permits	101,573	26,747
Project management and coordinator	19,500	-
Project director	20,000	-
Legal services	25,000	-
Other expenses	10,000	-
Total	<u>\$ 176,073</u>	<u>\$ 26,747</u>
Smith County Multi Modal Facility Study		
Sources of Funds:		
Grants	<u>\$ 30,000</u>	<u>\$ 14,604</u>
Project Expenditures:		
Feasibility planning	<u>\$ 30,000</u>	<u>\$ 15,059</u>