

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

FINANCIAL STATEMENTS

May 31, 2015



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ACCOUNTANT'S COMPILATION REPORT

June 24, 2015

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, 2015 and the related statements of revenues, expenses, and change in net assets for the eight month periods ended May 31, 2015 and 2014, and the accompanying supplemental information contained in Schedule 1, which is 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 schedule is 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 change in net assets and cash flows. Accordingly, these financial statements 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, 2015

Assets		
Current Assets:		
Cash (Restricted \$239,369)	\$ 390,296	
Cash - SIB & Toll Equity Funds (restricted)	456,690	
Cash - Toll Revenue & Operating Funds (restricted)	6,847,713	
Toll Revenue and Fees Receivable	2,762,456	
Grant Receivable and other	16,719	
Prepaid Insurance	9,077	
Total	10,482,951	10,482,951
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	8,529,519	
Construction in progress	5,226,238	
Website and office equipment	57,356	
Accumulated Depreciation	(8,615,853)	
Total	236,140,775	236,140,775
Total Assets		\$ 246,623,726

Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable - Operations	\$ 754,419	
Accounts Payable- Construction in progress	425,509	
Accounts Payable - Other	43,212	
Rusk County Funds - Loop 571	239,369	
Total	1,462,509	1,462,509
Long Term Liabilities:		
Financial Assistance Payable	12,250,000	
Note Payable - SIB loan	44,915,862	
Accrued Interest Payable	625,828	
Total	57,791,690	57,791,690
Net Assets:		
Invested in Capital Assets, Net of Related Debt	173,122,847	
Restricted for:		
Capital Projects	5,873,847	
Other Purposes	8,372,833	
Total	187,369,527	187,369,527
Total Liabilities and Net Assets		\$ 246,623,726

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Statement of Revenues, Expenses and Change in Net Assets
For the Eight Month Periods Ended May 31, 2015 and 2014

	2015	2014
Revenue:		
Toll revenue - electronic	\$ 4,475,875	\$ 3,031,133
Toll revenue - video	1,736,626	1,134,150
Video violation fees	521,791	483,284
County contributions	36,000	36,000
Grants and related revenue	47,748	34,051
Total Revenue	6,818,040	4,718,618
General Expenses:		
Accounting fees	30,390	25,005
Auditing fees	26,127	30,508
Legal fees - other	124,233	63,419
Travel expenses	2,141	417
Surety bonds, dues and trustee fees	5,290	8,412
Office and other expenses	57,104	336
Salaries and payroll taxes	101,417	-
Grant related expenses	47,748	34,034
Total General Expenses	394,450	162,131
Toll 49 Operating Expenses:		
Project director	150,480	156,155
General engineering consultants	210,464	438,111
Project support	2,784	148,660
Legal fees - Toll 49	119,289	270,804
Electronic processing costs	296,647	197,696
Video processing costs	316,339	259,641
Toll equipment maintenance	138,390	348,002
Toll operating system support	13,256	118,512
Transmission line charges	45,505	41,571
Utilities	10,031	12,479
Roadway maintenance	939,001	236,205
Insurance expense	18,608	17,854
Depreciation expense	4,029,345	2,089,859
Total Toll 49 Operating Expenses	6,290,139	4,335,549
Operating Income (Loss)	133,451	220,938
Other Income and (Expense):		
Contribution from the State of Texas	-	136,389,584
Interest income	418	226
Interest expense	(1,245,118)	(2,705,749)
East Texas Hour Glass Study	(27,837)	-
Traffic and revenue study	(274,690)	-
Net Other Income (Expense)	(1,547,227)	133,684,061
Change in Net Assets	(1,413,776)	133,904,999
Net Assets (Deficit) - Beginning of Period	188,783,303	(2,864,926)
Net Assets (Deficit) - End of Period	\$ 187,369,527	\$ 131,040,073

See Accountant's Compilation Report.

North East Texas Regional Mobility Authority
Revenues and Expenses - Budget to Actual Comparison
For the Eight Months Ended May 31, 2015

	Annual Budget	Budget YTD	Actual YTD
Revenue:			
Toll revenue - electronic	\$ 4,017,080	2,678,053	4,475,875
Toll revenue - video	2,908,920	1,939,280	2,258,417
County contributions	36,000	24,000	36,000
Interest income	-	-	418
Total	<u>6,962,000</u>	<u>4,641,333</u>	<u>6,770,710</u>
Expenses:			
Accounting	30,000	20,000	30,390
Auditing	28,000	18,667	26,127
Contractual employee	180,000	120,000	150,480
Employees salaries and benefits	183,872	122,581	101,417
Equipment	25,000	16,667	-
Insurance expense	28,120	18,747	18,608
Legal expense - general	215,000	143,333	124,233
Legal expense - Toll 49	145,000	96,667	119,289
Marketing	20,000	13,333	-
Website maintenance	10,000	6,667	10,985
Board travel	10,000	6,667	2,141
Other administrative expenses	17,922	11,948	5,290
Office supplies and expense	-	-	46,119
General engineering consultants	377,200	251,467	210,464
Public involvement	32,000	21,333	-
Project support	310,000	206,667	2,784
Roadway maintenance	975,796	650,531	939,001
Toll tag processing	281,196	187,464	296,647
Video processing	316,926	211,284	316,164
Court liason	100,000	66,667	175
Toll equipment maintenance	318,000	212,000	138,390
Toll operating system support	75,000	50,000	13,256
Transmission line charges	95,820	63,880	45,505
Utilities	17,469	11,646	10,031
East Texas Hour Glass Study	-	-	27,837
Traffic and revenue study	-	-	274,690
	<u>3,792,321</u>	<u>2,528,214</u>	<u>2,910,023</u>
Financing cost on interim loan	450,000	300,000	-
Total	<u>4,242,321</u>	<u>2,828,214</u>	<u>2,910,023</u>
Net Operating Cash Flow	<u>2,719,679</u>	<u>1,813,119</u>	<u>3,860,687</u>
Non-Cash Expenses:			
Interest expense	1,871,211	1,247,474	1,245,118
Depreciation expense	6,039,885	4,026,590	4,029,345
Total	<u>7,911,096</u>	<u>5,274,064</u>	<u>5,274,463</u>
Excess of (Expenses) over Revenue	<u>\$ (5,191,417)</u>	<u>(3,460,945)</u>	<u>(1,413,776)</u>

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