



2014 ANNUAL REPORT

NET RMA ★
North East Texas
Regional Mobility Authority

CHAIR REMARKS



Linda Thomas
Chair
Gregg County

WHERE DO YOU WANT TO GO?

2014 has been a remarkable year! As East Texas grows, so do we. The NET RMA experienced some firsts this year. TxDOT converted a \$50 million loan into a \$50 million grant and at the same time we were able to book a full year of revenue from Toll 49. Additionally, we hired two NET RMA full-time employees, a Chief of Staff/Communications Director and Administrative/Customer Care Officer. It is very exciting and helpful to have these two team members to lean on as we move forward toward our goals of reliable mobility for East Texans.

The tolling equipment on Toll 49 has been updated this year in an effort to alleviate some issues with vehicle identification. Steps have been taken to streamline billing to the Disabled Veterans who drive Toll 49. We trust we are on our way to a much smoother operating status for the year ahead.

The NET RMA wishes to strategically partner with our East Texas transportation stakeholders as the agency to assist in the advancement of projects across the member counties. While Toll 49 Segment 4 from I20 to Highway 69 at Lindale, as well as the East Texas Hour Glass are still progressing, we are looking for projects with which to assist, and we encourage our transportation stakeholders to contact us so we can partner with you.

We strive to work hard every day for you, our partners. We don't want to lose sight of "what's in it for our partners" as we also focus on what's strategic, economical, and practical.

As our region continues to grow, we couldn't do what we do without key local community and government leaders who all contribute to our long-term vision and commitment to improved mobility across East Texas.

Sincerely,

Linda R. Thomas

Linda Ryan Thomas
Chair, NET RMA 2014

BOARD MEMBERS



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Vice Chair
Smith County



John Cloutier
Treasurer
Rusk County



David Spurrier
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Van Zandt County



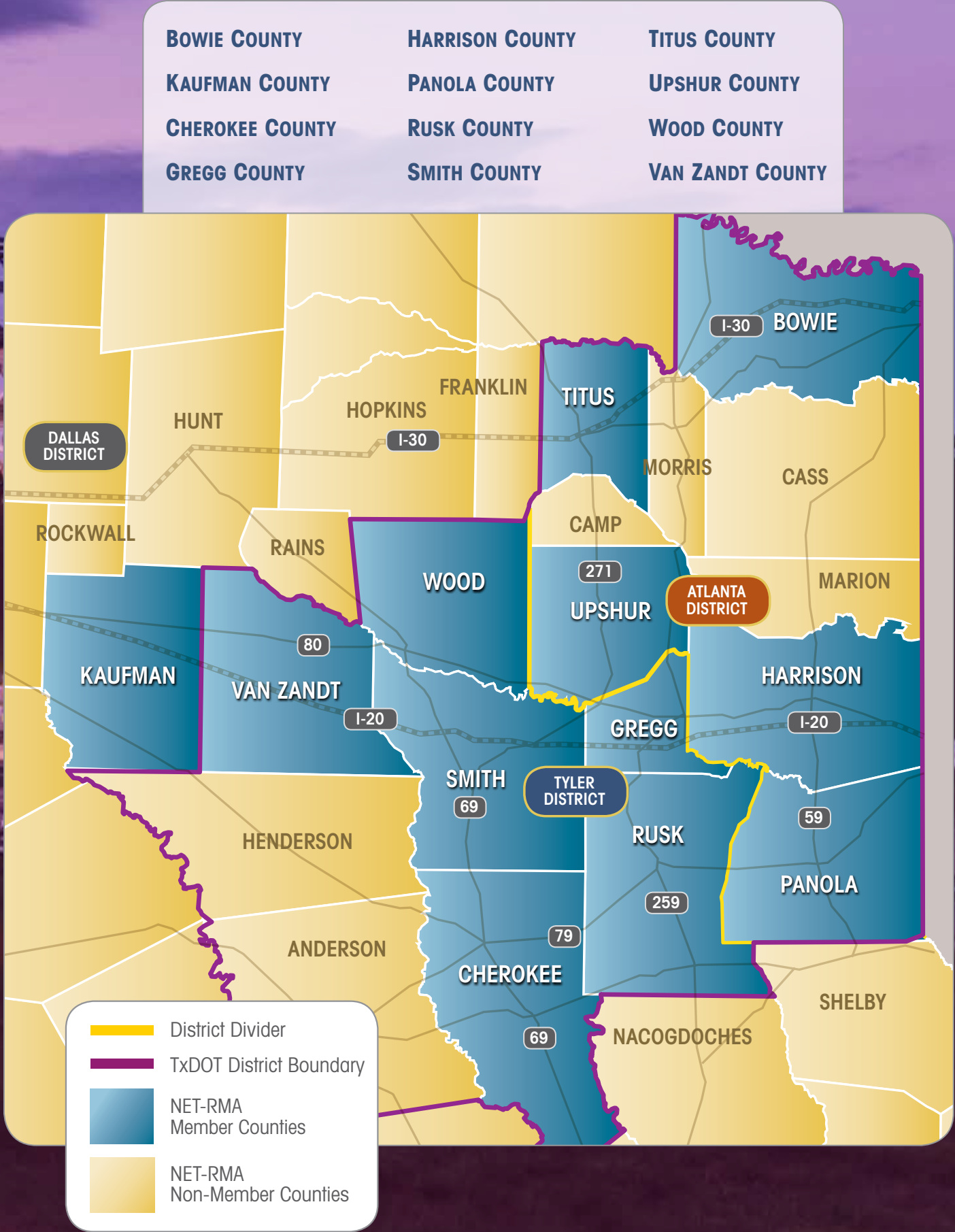
Celia Boswell
Wood County

MISSION

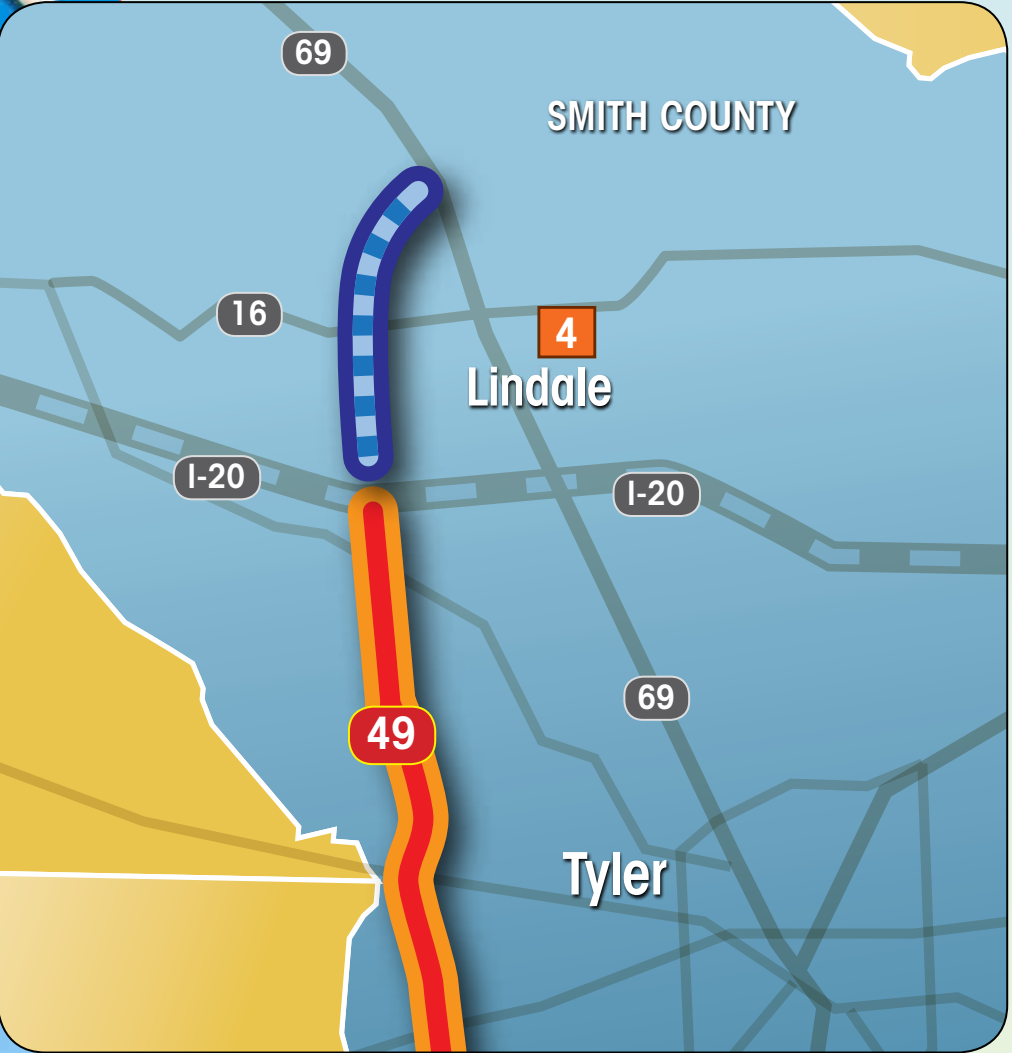
The NET RMA, in cooperation with its regional partners, will provide solutions to expedite transportation and mobility projects that will improve the quality of life, enhance the regional economy and assure efficient mobility in the North East Texas Region.

EAST TEXAS CHOOSES MOBILITY

MEMBER COUNTIES



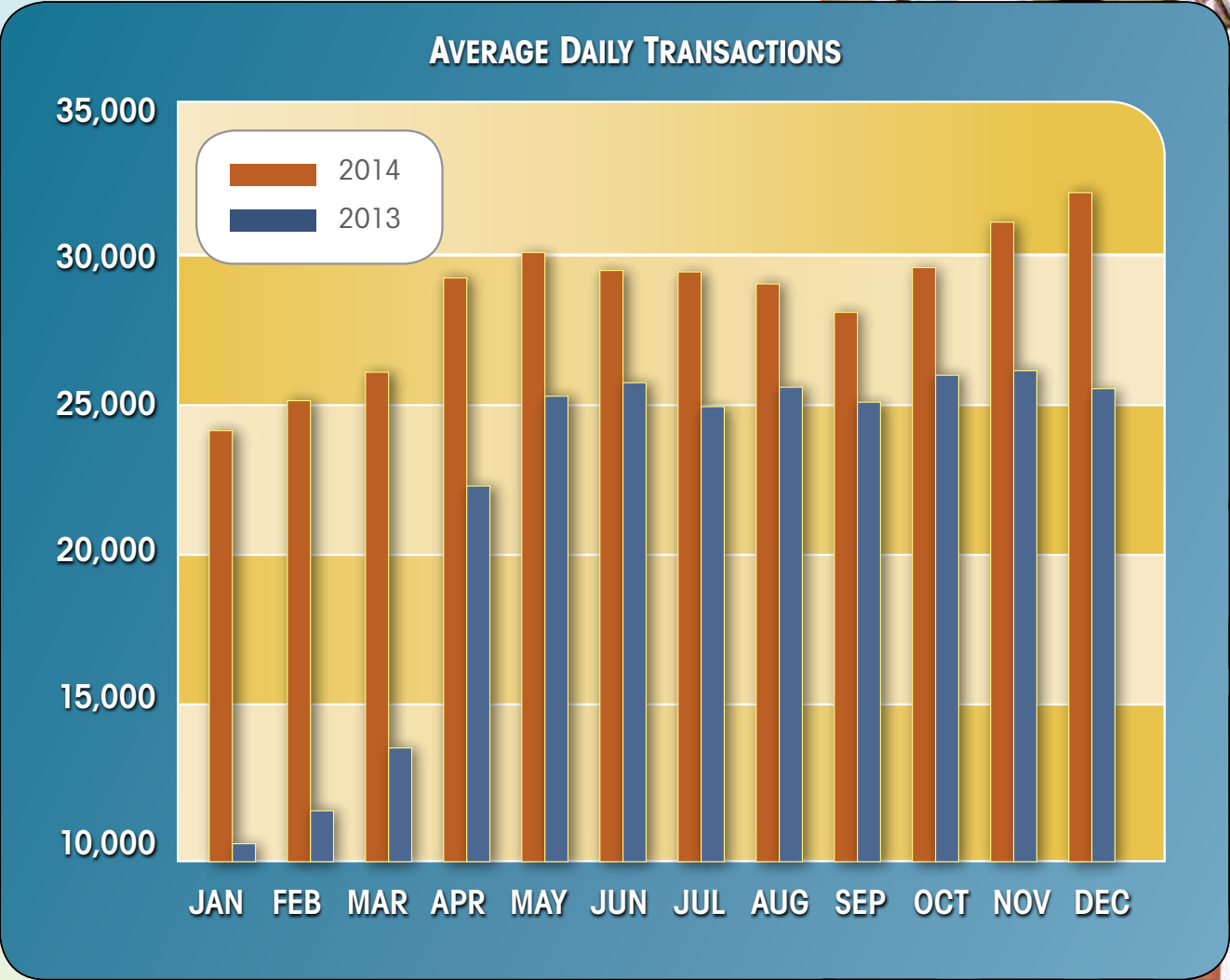
TOLL 49 GROWING



SECTION 4

Proposed delivery: Design-bid-build
Length: 6.7 miles
From: I-20
To: US 69 North of Lindale
Type: 2-lane undivided toll

TOLL 49 USAGE



Planning for a major new transportation facility in Tyler and Smith County was initiated in late FY 2011 through a Texas Department of Transportation – Public Transportation Division (TxDOT) grant. The proposed “Smith County Multi-Modal Facility” would have a large customer waiting lounge area as well as counter sales and support facilities for Greyhound Bus, Greyhound Freight Services, Tyler Transit, rental car agencies, taxi and paratransit services, pedestrian and bicycle facilities, a large one-call / one-click Call Center and service dispatching facility, and future commuter rail facilities along with an adjacent 4-story parking garage. Shuttles would be available for transportation to Tyler Pounds Airport as well as airports in Longview, Dallas and Shreveport. Shuttles also would be available for transportation to local hospitals and universities. The new cen-

ter would give persons needing transportation one single place to go in order to obtain transportation to their desired destination, and/or continue their trip by transferring to any other mode of transportation. A site feasibility study was completed in January,

2013 which recommended construction of the new facility on an existing parking lot located just east of the Smith County Annex, directly adjacent to an active rail line.

A second Call Center Feasibility Study, funded through a second TxDOT grant, was completed in February 2014. This study recommended use of the Longview Transit Center, adjacent to the newly-refurbished Amtrak Rail Station in Longview, as a second regional multi-modal center. In addition, the call center report provided information on developing technology that could be used to enable current providers at Tyler Transit, Longview Transit, the ETCOG Go-Bus System and NDMJ Transportation (taxi and paratransit services) to communicate with each other and “see” where each of their bus, taxi or paratransit vehicles were located in the region. This technology would enable the

various transit agencies to coordinate their services for all transportation customers in the region.

A third TxDOT grant for developing the necessary transit dispatch bridge software and hardware for the Call Center was received in September, 2014. An RFP was developed for hiring a software technology firm to prepare and implement the desired software and hardware that will enable all regional transit providers to communicate and coordinate their services. This RFP is planned to be issued in early 2015, with the anticipated software and

hardware in place by December, 2015. The successful implementation of this bridge software will form a “Virtual Call Center” that will be able to operate until a new call center is completed at the Smith County Multi-Modal Facility.



The NETRMA's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on an accrual basis. Some items below have notes associated with them. To view the full, audited Financial Statements and Management Discussion and Analysis, please visit NETRMA.org.

MANAGEMENT'S DISCUSSION OF FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

The following are management's comments regarding various financial matters of the North East Texas Regional Mobility Authority (NETRMA). A more complete summary can be found in the year end audited financial statements.

ASSETS

CURRENT ASSETS

Cash – The NETRMA ended the year with cash balances totaling \$8,474,036 of which a total of \$4,270,445 was earmarked for capital projects. The balance was available for the operation of Toll 49 and other general purposes.

Toll Revenue and Fees Receivable – A total of \$1,305,168 was receivable from entities which have collected Toll 49 revenue for the NETRMA through September 30, 2014.

CAPITAL ASSETS

Toll 49 Right of Way, Bridges, Highways, Gantries and other related assets totaled \$239,473,034 as of September 30, 2014. Other capital assets were construction projects in progress \$2,771,753, website and office equipment of \$40,674. Accumulated depreciation of \$4,586,508 has been taken on the above assets through September 30, 2014.

LIABILITIES

Current Liabilities – Amounts payable to contractors and vendors for operating expenses and construction work performed were \$3,378,521, at September 30, 2014. In addition, advances by Rusk County for future work on Loop 571 totaled \$239,369.

Long-Term Liabilities – Amounts due under the Financial Assistance Agreement with TxDOT remain unchanged from the prior years and totaled \$12,250,000.

The remaining loan outstanding for the construction of Toll 49 Segment 3B totaled \$43,996,339 at September 30, 2014. During the year, accrued interest of \$1,782,959 was added to the note balance. The accrued interest of \$300,233 at September 30, 2014 will be added to the balance of the loan on February 1, 2015.

OPERATIONS

Operations for the year ended September 30, 2014 represent the first full year of operating results for Toll 49. In addition to its normal operations, the NETRMA received a contribution from the State of Texas for the right-of-way and construction costs of Segments 1, 2, 3A and 5 of Toll 49 totaling \$136,389,584. Grants were received from the Texas Dept. of Transportation which extinguished all principal and accrued interest on the Toll Equity Loan which was used to fund the construction of Segment 3B, and for the replacement of gantry equipment on certain sections of Toll 49 in the amounts of \$56,537,568 and \$3,545,000, respectively.

REVENUES

Toll revenues collected through September 30, 2014 were \$6,650,310. In addition, violation fees aggregated \$719,552. The member counties contributed \$36,000 for the NETRMA's annual operations and other grants totaled \$45,564.

GENERAL EXPENSES

General expenses can be categorized as follows and include expenses incurred for the year ended September 30, 2014 which were not directly related to the actual operations of Toll 49:

General accounting and auditing fees	\$ 71,756
Legal fees – general	117,195
Salary and payroll taxes	11,145
Other expenses	18,317
Grant related expenses	45,547
TOTAL	\$ 263,960

TOLL 49 OPERATING EXPENSES

Toll 49 operating expenses are those expenses incurred which relate directly to its operations as a toll road. These costs are categorized as follows:

Project director fees	\$ 239,202
Project support	368,404
Legal fees – Toll 49	405,733
General engineering consultants	654,550
Electronic & video processing costs	712,166
Toll operation support	153,707
Toll equipment maintenance	513,684
Roadway maintenance	790,638
Transmission line charges	64,834
Utilities	17,925
Insurance and other	45,869
Depreciation expense	4,103,214
TOTAL	\$ 8,069,926

OTHER INCOME

Contribution from the State of Texas – Roadway	\$ 136,389,584
Grant from TxDOT for note payable and accrued interest	56,537,568
Grant from TxDOT for tolling equipment	3,545,000
Interest Income	375

FINANCING AND OTHER EXPENSES

Interest expense	\$ 4,072,614
East Texas Hour Glass Study	1,333,475

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY ACTUAL AND BUDGETED REVENUES AND EXPENSES FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2014 AND 2015.

	FY 2014 ACTUAL	FY 2014 ADOPTED BUDGET *	FY 2015 ADOPTED BUDGET
REVENUE:			
Toll tag revenue	\$ 4,808,640	\$ 3,552,000	\$ 4,017,080
Video toll revenue	1,841,670	1,500,300	2,908,920
Video collection fees	719,552	503,000	-00
County contributions	36,000	34,000	36,000
Interest income	375	500	-00
Total	\$ 7,406,237	\$ 5,589,800	\$ 6,962,000
EXPENSES:			
Administration	\$ 863,348	\$ 552,000	\$ 892,914
General engineering	654,550	510,000	377,200
Public involvement	-00	122,000	32,000
Project support	368,404	240,000	310,000
Roadway maintenance	790,638	761,000	975,796
Toll collections	712,166	578,300	698,122
Toll maintenance support	513,684	497,000	318,000
Toll operations support	153,707.00	156,000	188,289
Other expenses	128,628	-00	-00
Total	\$ 4,185,125	\$ 3,416,300	\$ 3,792,321
FINANCING COSTS:			
Interest on interim loan	0	0	\$ 450,000
NET CASH FLOW	\$ 3,221,112	\$ 2,173,500	\$ 2,719,679
OTHER INCOME AND (EXPENSE):			
Contribution from the State of Texas - Roadway	\$ 136,389,584	-00	-00
TxDOT grant for tolling equipment	3,545,000	-00	-00
TxDOT grant for debt extinguishment	56,537,568	-00	-00
Interest expense accruing, not funded	(4,072,614)	(4,072,614)	(1,871,211)
Depreciation expense	(4,103,214)	-00	(6,039,885)
East Texas Hour Glass Study	(1,333,475)	-00	-00
Amortization of capitalized loan costs	-00	(27,614)	-00
Total	\$ 186,962,849	\$ (4,100,228)	\$ (7,911,096)
CHANGE IN NET ASSETS	\$ 190,183,961	\$ (1,926,728)	\$ (5,191,417)

*2014 actual and budget numbers revised to conform with 2015 budget and reporting format.

