



Denton County Transportation Authority

Note New Address

**1955 Lakeway Dr., # 260
Lewisville, Texas 75057**

*(972) 221-4600
RideDCTA.net*

**Board of Directors
Work Session
January 22, 2015
1:30 p.m.**

1. Routine Briefing Items
 - a. Financial Reports
 - i. Financial Statements – November/December 2014
 - ii. Capital Projects Report
 - iii. Sales Tax Report
 - iv. Investment Report 1Quarter FY2015
 - v. Procurement Report
 - vi. Grants Quarterly Report
 - b. Communications and Marketing
 - i. Marketing and Communications Initiatives
 - ii. Media Coverage
 - iii. Customer Service
 - c. Capital Projects Update
 - i. GTW Integration
 - ii. Where's My Ride
 - iii. Lewisville Bike Trail
 - iv. Positive Train Control (PTC)
 - v. Station Improvements
 - vi. Rail Facility Drainage
 - d. Transit Operations
 - i. Rail Operations
 - ii. Bus Operations
 - e. Strategic Planning / Development
 - i. Priority Projects Update
 - ii. Outreach Efforts

2. Items for Discussion
 - a. Legislative Agenda
 - b. Agency Performance Metrics
3. Board Committee Report
 - a. Finance Committee Chair Report
4. Discussion of Regular Board Meeting Agenda Items (January 2015)
5. Convene Executive Session
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
 - b. Executive Session Pursuant to Texas Government Code Section 551.074 Personnel: Discussion of the duties and responsibilities of the Officers of the DCTA Board of Directors and the DCTA Chief Executive Officer
6. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
7. Discussion of Future Agenda Items
 - a. Board Member Requests

**Board of Directors
Regular Meeting**

January 22, 2015

3:00 p.m.*

**or immediately following Board Work Session*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

1. CONSENT AGENDA
 - a. Approval of Minutes Board Meeting December 18, 2014
 - b. Acceptance of Financial Reports – November & December 2014
 - c. Authorize the President or designee to execute Cooperative Agreements between NCTCOG as the grantee and DCTA as the subgrantee for implementation of FTA 5310, 5316 & 5317 funded projects
 - d. Authorize President to execute an agreement for Temporary Staffing Services
 - e. Acceptance of Quarterly Investment Report

2. REGULAR AGENDA
 - a. Election of Board Officers
 - i. Chair
 - ii. Vice-Chair
 - iii. Secretary
 - iv. Treasurer
3. CHAIR REPORT
 - a. 2015 Board Committee Assignments
 - b. Discussion of Regional Transportation Issues
 - c. Discussion Legislative Issues
 - i. Regional
 - ii. State
 - iii. Federal
4. PRESIDENT'S REPORT
 - a. Employee Recognition
 - b. Budget Transfers
 - c. Board Retreat
 - d. Regional Transportation Issues
5. REPORT ON ITEMS OF COMMUNITY INTEREST
 - a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.
6. CONVENE EXECUTIVE SESSION
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
 - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
 - c. Executive Session Pursuant to Texas Government Code Section 551.074 Personnel: Discussion of the duties and responsibilities of the Officers of the DCTA Board of Directors and the DCTA Chief Executive Officer
7. RECONVENE OPEN SESSION
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

8. ADJOURN REGULAR MEETING

**Chair – Charles Emery
Vice Chair – Paul Pomeroy**

**Secretary – Richard Huckaby
Treasurer – Dave Kovatch**

**Members – Skip Kalb, Doug Peach, Jim Robertson, Daniel Peugh,
Don Hartman, George A. Campbell, Allen Harris, Carter Wilson
President – Jim Cline**

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the main entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing lbachus@dcta.net or calling Leslee Bachus at 972-221-4600.

This notice was posted on 1/16/2015 at 3:35 PM.

Leslee Bachus, Executive Assistant



Board of Directors Memo

January 22, 2015

Subject: Work Session 1a) Monthly Financial Reports

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending **November 30, 2014** include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances which are annotated on the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund:

Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD unfavorable by (\$15k). YTD actual ridership of 706k is slightly higher than budgeted ridership of 689k, however revenue per rail rider is \$1.45 compared to \$1.49 budgeted.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$47k) because actual fuel usage and price are lower than budgeted. Billed usage was 35,724 gallons compared to budgeted 40,369 gallons, down 12%.
- **Note C:** Sales Tax Revenue – November sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in November will be received in January. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY15 sales tax receipts collected through December.
- **Note D:** Federal/State Grants – YTD unfavorable by (\$918k) is due to delays in the timing of capital projects as anticipated in the budget. Expenses and corresponding reimbursements for Fleet Replacement (\$439k), Bus Radios (\$67k), Where's My Ride (\$98k), Access software (\$44k), and Lewisville Hike & Bike Trail (\$156k) were less than anticipated. As additional expenses for these projects are incurred, reimbursement will be requested.
- **Note E:** Services – YTD favorable by \$427k due to a delay in expenses for advertising (\$48k), finance consulting (\$40k), transit planning support (\$25k), marketing professional services and printing (\$165k), IT training and consulting (\$28k), and bandwidth upgrade (\$37k). These expenses will be incurred in the coming months.
- **Note F:** Materials and Supplies – YTD favorable by \$374k mainly due to a delay in expenses for Stadler tool purchases (\$71k); bandwidth, phone system, and content management supplies (\$83k); bus maintenance parts (\$27k); and tablet replacements (\$22k). Bus operations fuel is \$96k under budget primarily because YTD fuel prices averaged \$2.79/gallon compared to \$4.00/gallon budgeted.
- **Note G:** Leases & Rentals – YTD unfavorable by (\$15k) because December rent was prepaid in November.

Capital Projects Fund

- The Capital Projects Fund schedule provides budget to actual comparisons for DCTA bus and rail capital projects. It provides information on a life-to-date basis for approved projects.

Identified Need

Provides the Board a review of DCTA's financial position and performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA
Accounting Manager

Final Review: 
Department Head

Denton County Transportation Authority
Change in Net Assets
Month and Year to Date November 30, 2014
(Unaudited)

WS1ai

Description	Month Ended November 30, 2014			Year to Date November 30, 2014			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	108,300	124,301	(16,001)	272,167	287,253	(15,086)	1,515,377	Note A
Contract Service Revenue	315,163	338,133	(22,970)	717,167	764,605	(47,438)	3,259,635	Note B
Sales Tax Revenue	1,736,683	1,504,176	232,507	3,449,876	3,217,369	232,507	21,347,080	Note C
Federal/State Grants and Reimbursements	691,335	1,171,859	(480,524)	977,433	1,895,853	(918,420)	18,975,801	Note D
Total Revenue and Other Income	2,851,480	3,138,469	(286,989)	5,416,642	6,165,080	(748,438)	45,097,893	
Operating Expenses								
Salary, Wages and Benefits	659,878	730,032	70,154	1,385,489	1,560,237	174,748	9,173,856	
Services	108,915	171,735	62,820	182,187	608,785	426,598	2,189,250	Note E
Materials and Supplies	225,607	323,344	97,737	504,686	878,359	373,673	4,160,775	Note F
Utilities	31,581	39,612	8,031	37,816	79,225	41,409	452,149	
Insurance, Casualties and Losses	64,212	64,121	(91)	128,423	128,242	(181)	778,013	
Purchased Transportation Services	658,271	814,423	156,152	1,472,694	1,628,846	156,152	9,853,077	
Miscellaneous	21,318	13,918	(7,400)	23,788	47,468	23,680	245,476	
Leases and Rentals	14,050	8,934	(5,116)	33,005	17,868	(15,137)	207,205	Note G
Depreciation	750,596	794,050	43,454	1,501,502	1,588,410	86,907	9,503,440	
Total Operating Expenses	2,534,428	2,960,169	425,741	5,269,589	6,537,440	1,267,851	36,563,241	
Income Before Non-operating Revenue and Expense	317,052	178,300	138,752	147,053	(372,360)	519,413	8,534,652	
Non-Operating Revenues / (Expense)								
Investment Income	1,583	2,750	(1,167)	5,103	5,500	(397)	33,000	
Gain (Loss) Disposal of Assets	825	-	825	900	-	900	-	
Fare Evasion Fee	75	525	(450)	525	1,050	(525)	6,300	
Other Income - Miscellaneous	24,149	-	24,149	33,926	-	33,926	-	
Long Term Debt Interest/Expense	(100,992)	(226,825)	125,833	(201,983)	(453,650)	251,667	(2,721,899)	
Total Non-Operating Revenue / (Expense)	(74,359)	(223,550)	149,191	(161,529)	(447,100)	285,571	(2,682,599)	
Change in Net Assets	242,693	(45,250)	287,943	(14,476)	(819,460)	804,984	5,852,053	

Denton County Transportation Authority
Statement of Net Assets
As of November 30, 2014
(Unaudited)

	<u>November 30, 2014</u>	<u>October 31, 2014</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	9,607,882	10,195,724	(587,842)
Investments	4,370,255	4,931,650	(561,396)
Accounts & Notes Receivable	5,598,572	5,396,694	201,879
Prepaid Expenses	201,700	265,912	(64,212)
Inventory	28,849	16,876	11,974
Restricted Asset-Cash and Equivalents	4,117,069	4,139,187	(22,118)
Total Current Assets	<u>23,924,327</u>	<u>24,946,042</u>	<u>(1,021,714)</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	5,386,734	5,386,734	-
Machinery & Equipment	1,695,752	1,695,752	-
Leasehold Improvements	55,506	55,506	-
Vehicles	89,262,558	89,262,558	-
Computers & Software	262,676	262,676	-
Accumulated Depreciation	(31,237,145)	(30,486,549)	(750,596)
Total Property, Plant and Equipment	<u>81,654,418</u>	<u>82,405,014</u>	<u>(750,596)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	228,659,209	228,659,209	-
Construction in Progress	11,330,047	10,847,192	482,855
Total Capital Assets	<u>256,986,411</u>	<u>256,503,556</u>	<u>482,855</u>
Total Assets	<u><u>362,565,157</u></u>	<u><u>363,854,611</u></u>	<u><u>(1,289,455)</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	-	1,246,268	(1,246,268)
Salary, Wages, and Benefits Payable	401,085	383,106	17,980
Accrued Expenses Payable	3,131,873	3,077,205	54,667
Deferred Revenues	132,542	169,970	(37,428)
Interest Payable	201,983	100,992	100,992
Total Current Liabilities	<u>3,867,483</u>	<u>4,977,540</u>	<u>(1,110,058)</u>
Non-Current Liabilities			
Rail Easement Payable	1,511,632	1,500,000	11,632
Retainage Payable	1,535,570	1,969,292	(433,722)
Bonds Payable	33,475,000	33,475,000	-
Total Non-Current Liabilities	<u>36,522,202</u>	<u>36,944,292</u>	<u>(422,090)</u>
Total Liabilities	<u><u>40,389,685</u></u>	<u><u>41,921,833</u></u>	<u><u>(1,532,147)</u></u>
Net Assets			
Invested in Capital Assets	304,221,470	304,221,470	-
Unrestricted Retained Earnings	17,968,477	17,968,477	-
Change in Net Assets	(14,476)	(257,169)	242,693
Total Equity	<u>322,175,471</u>	<u>321,932,778</u>	<u>242,693</u>
Total Liabilities and Equity	<u><u>362,565,157</u></u>	<u><u>363,854,611</u></u>	<u><u>(1,289,455)</u></u>

Capital Projects Fund - DCTA
Budget vs. Actual
As of November 30, 2014
(Cash Basis)

Work Session 1aii

ASSETS

Fixed Assets

1660 · Construction Work In Progress

1 · G&A Capital Projects

	Original Budget	Revised Budget	November 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of November 2014 Close)
10401 · Cloud Hybrid Backup Solution.						
1040121 · Systems	35,000	35,000		-	35,000	0%
Total 10401 · Cloud Hybrid Backup Solution	35,000	35,000	-	-	35,000	0%
10601 · COGNOS Report Application						
1060121 · Systems	200,000	200,000		-	200,000	0%
Total 10601 · COGNOS Report Application	200,000	200,000	-	-	200,000	0%
10602 · Comprehensive Service Analysis						
1060229 · Project Management	567,414	567,414		-	567,414	0%
Total 10602 · Comprehensive Service Analysis	567,414	567,414	-	-	567,414	0%
10603 · Legal Support						
1060329 · Project Management	226,753	226,753		-	226,753	0%
Total 10603 · Legal Support	226,753	226,753	-	-	226,753	0%
Total 1 · G&A Capital Projects	1,029,167	1,029,167	-	-	1,029,167	0%

5 · Bus Capital Projects

50202 · Passenger Amenities (Phase 2)						
5020214 · Acquisition	174,011	229,326		139,063	90,263	61%
5020215 · Survey, Testing & Inspection				2,900	(2,900)	
5020216 · Construction				86,787	(86,787)	
5020226 · Furniture Fixtures & Equipment				142	(142)	
5020229 · Project Management				10,283	(10,283)	
Total 50202 · Passenger Amenities (Phase 2)	174,011	229,326	-	239,175	(9,849)	104%
50301 · Bus O&M Facility						
5030113 · Design	590,000	1,294,280		1,161,886	132,395	90%
5030115 · Survey, Testing, Inspection		104,735		112,957	(8,222)	108%
5030114 · Land Acquisition	1,164,310	1,173,451		1,184,450	(10,999)	101%
5030116 · Building Construction	4,745,690	5,648,243		5,236,508	411,735	93%
5030118 · Canopy Construction				-	-	0%
5030120 · Landscaping		542,513		594,369	(51,856)	110%
5030121 · Systems		333,294		377,034	(43,740)	113%
5030125 · Utilities		1,362,500		1,638,126	(275,626)	120%
5030126 · Furniture,Fixtures & Equipment	1,642,667	517,865		698,441	(180,576)	135%
5030128 · Contingency		275,895		-	275,895	0%
5030129 · Project Management	-	205,000	62	52,560	152,440	26%
5030131 · Insurance/Bonds		105,521		105,521	-	100%
5030132 · Mobilization		157,060		165,385	(8,325)	105%
5030133 · Legal Fees		360		1,460	(1,100)	406%
Total 50301 · Bus O&M Facility	8,142,667	11,720,717	62	11,328,696	392,021	97%
50303 · DDTC						
5030311 · Engineering	-	-		1,850	(1,850)	
5030329 · Project Management	-	-	433	433	(433)	
5030314 · Acquisition	373,282	373,282		11,197	362,085	3%
Total 50303 · DDTC	373,282	373,282	433	13,480	359,802	4%
50406 · Where's My Ride						
5040614 · Acquisition	940,485	940,485		558,158	382,327	59%
5040632 · Mobilization	-	-	1,124	2,159	(2,159)	
5040626 · FF&E	-	-	2,172	2,203	(2,203)	
5040629 · Project Management	-	-		12,387	(12,387)	
Total 50406 · Where's My Ride	940,485	940,485	3,295	574,907	365,578	61%

Capital Projects Fund - DCTA
Budget vs. Actual
As of November 30, 2014
(Cash Basis)

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	Original Budget	Revised Budget	November 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of November 2014 Close)
50502 · Fleet Replacement (2011-2013)						
5050214 · Acquisition	1,968,500	3,411,592		2,982,327	429,265	87%
Total 50502 · Fleet Replacement	1,968,500	3,411,592	-	2,982,327	429,265	87%
50504 · Fleet Replacement (2014)						
5050414 · Acquisition	877,998	877,998	194,820	762,385	115,613	87%
Total 50504 · Fleet Replacement (2014)	877,998	877,998	194,820	762,385	115,613	87%
50505 · Fleet Replacement (2015)						
5050514 · Acquisition	395,000	395,000			395,000	0%
Total 50505 · Fleet Replacement (2015)	395,000	395,000	-	-	395,000	0%
50506 · Bus Engines/Transmissions						
5050614 · Acquisition	150,000	150,000		(1,000)	151,000	-1%
Total 50506 · Bus Engines/Transmissions	150,000	150,000	-	(1,000)	151,000	-1%
50408 · Bus Radios						
5040826 · FF&E	-	-	45,529	45,529	(45,529)	
5040814 · Acquisition	137,457	137,457		2,332	135,125	2%
Total 50408 · Bus Radios	137,457	137,457	45,529	47,861	89,596	35%
50601 · Scheduling Software (Bus)						
5060114 · Acquisition	250,000	250,000		-	250,000	0%
Total 50601 · Scheduling Software (Bus)	250,000	250,000	-	-	250,000	0%
Total 5 · Bus Capital Projects	13,409,400	18,485,857	244,138	15,947,831	2,538,026	86%

Budget vs. Actual

As of November 30, 2014

(Cash Basis)

	Original Budget	Revised Budget	November 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of November 2014 Close)
6 - Rail Construction						
61401 - Fare Collection Systems						
6140111 - Engineering	-	68,962		68,963	(1)	100%
6140114 - Acquisition	489,000	582,371		477,281	105,090	82%
6140115 - Installation	80,000	81,771		103,699	(21,928)	127%
Total 61401 - Fare Collection Systems	569,000	733,104	-	649,943	83,161	89%
61406 - Positive Train Control						
6140617 - Construction		19,397,536			19,397,536	0%
6140628 - Contingency	13,492,026	728,554			728,554	0%
6140629 - Project Management	2,097,992	2,097,992	55,794	867,700	1,230,292	41%
6140633 - Legal Fees	80,939	80,939			80,939	0%
6140636 - Vehicle Provisions	597,930	597,930		358,758	239,172	60%
6140621 - Systems	-	-		-	-	0%
Total 61406 - Positive Train Control	16,997,441	22,902,951	55,794	1,226,458	21,676,493	5%
61707 - Community Enhancements						
6170711 - Engineering	22,000	22,000		-	22,000	0%
6170712 - Preliminary Design	12,500	12,500		55,737	(43,237)	446%
6170713 - Final Design	15,000	15,000		66,741	(51,741)	445%
6170715 - Survey, Inspection & Testing	6,000	6,000		325	5,675	5%
6170716 - Building Construction	545,000	545,000	14,833	230,744	314,256	42%
6170720 - Landscaping	25,000	25,000	86,451	88,951	(63,951)	356%
6170726 - FF&E	10,000	10,000	74,748	186,928	(176,928)	1,869%
6170727 - Environmental Mitigation	4,000	4,000		-	4,000	0%
6170728 - Contingency	15,029	15,029	815	815	14,214	5%
6170729 - Project Management	85,088	85,088	2,178	17,231	67,857	20%
6170733 - Administration Fees	13,091	13,091		19,637	(6,546)	150%
Total 61707 - Community Enhancements	752,708	752,708	179,025	667,109	85,599	89%
61708 - Lewisville Bike Trail						
6170811 - Engineering	75,000	75,000		517,466	(442,466)	690%
6170812 - Preliminary Design	75,000	75,000		67,835	7,165	90%
6170813 - Final Design	41,000	41,000		-	41,000	0%
6170816 - Building Construction	2,020,562	2,020,562		-	2,020,562	0%
6170820 - Landscaping	21,000	21,000		-	21,000	0%
6170822 - Bridges	55,355	55,355		-	55,355	0%
6170823 - Crossings/Traffic Signals	200,000	200,000		-	200,000	0%
6170825 - Utilities	75,000	75,000		-	75,000	0%
6170826 - FF&E	3,000	3,000		-	3,000	0%
6170827 - Environmental Mitigation	28,800	28,800		-	28,800	0%
6170828 - Contingency	50,000	50,000		-	50,000	0%
6170829 - Project Management	394,454	394,454	525	3,878	390,576	1%
6170833 - Administration Fees	60,685	60,685		60,685	-	100%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	525	649,864	2,449,992	21%
61710 - HV Parking Expansion						
6171011 - Engineering	-	-		33,986	(33,986)	
6171016 - Building Construction	-	-		193,018	(193,018)	
6171029 - Project Management	-	-		6,210	(6,210)	
6171017 - Civil Construction	250,000	314,110		55,091	259,019	18%
Total 61710 - HV Parking Expansion	250,000	314,110	-	288,305	25,805	92%

Capital Projects Fund - DCTA
Budget vs. Actual
As of November 30, 2014
(Cash Basis)

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	<u>Original Budget</u>	<u>Revised Budget</u>	<u>November 2014 Expenses Booked</u>	<u>Life To Date</u>	<u>\$ Under/(Over) Budget</u>	<u>% of Budget (As of November 2014 Close)</u>
60701 · Passenger Information						
6070129 · Project Management	-	-	525	1,140	(1,140)	
6070114 · Acquisition	56,214	96,821	2,600	60,271	36,550	62%
Total 60701 · Passenger Information	56,214	96,821	3,125	61,411	35,410	63%
61711 · Rail Maintenance of Way (MOW)						
6171136 · Vehicle Provisions	-	-		23,712	(23,712)	
6171129 · Project Management	-	-	247	382	(382)	
6171117 · Track & Civil Construction	150,000	150,000		35,358	114,642	24%
Total 61711 · Rail MOW	150,000	150,000	247	59,452	90,548	40%
61712 · Rail Maintenance of Equipment (MOE)						
6171215 · Survey, Testing, Inspection	-	-		129,586	(129,586)	
6171236 · Vehicle Provisions	-	717,627			717,627	0%
6171217 · Track & Civil Construction	585,000	585,000		8,262	576,738	1%
Total 61712 · Rail MOE	585,000	1,302,627	-	137,848	1,164,779	11%
61503 · Rail Single Car Operations						
6150315 · Survey, Testing, Inspection	101,800	101,800		22,169	79,631	22%
Total 61503 · Rail Single Car Operations	101,800	101,800	-	22,169	79,631	22%
61504 · Re-Railing Equipment						
6150415 · Acquisition	121,000	121,000		-	121,000	0%
Total 61504 · Re-Railing Equipment	121,000	121,000	-	-	121,000	0%
61505 · GTW Wheel Work						
6150514 · Acquisition	915,041	915,041		-	915,041	0%
Total 61505 · GTW Wheel Work	915,041	915,041	-	-	915,041	0%
61209 · Trinity Mills Crew Facility						
6120916 · Building-Construction	250,000	250,000		-	250,000	0%
Total 61209 · Trinity Mills Crew Facility	250,000	250,000	-	-	250,000	0%
61210 · Station Landscaping						
6121020 · Landscaping	75,000	75,000		-	75,000	0%
Total 61210 · Station Landscaping	75,000	75,000	-	-	75,000	0%
61407 · Shunt Enhancement						
6140715 · Survey, Testing, Inspection	141,000	141,000		-	141,000	0%
Total 61407 · Shunt Enhancement	141,000	141,000	-	-	141,000	0%
61104 · Rail Drainage Improvement						
6110411 · Engineering	250,000	250,000		-	250,000	0%
Total 61104 · Rail Drainage Improvement	250,000	250,000	-	-	250,000	0%
Total Rail Construction Projects	24,314,060	31,206,018	238,717	3,762,560	27,443,458	12%
Total 1660 · Construction Work in Progress	38,752,627	50,721,042	482,855	19,710,391	31,010,651	39%



Board of Directors Memo

January 22, 2015

Subject: Work Session 1ai) Monthly Financial Reports

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending **December 31, 2014** include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances which are annotated on the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund:

Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD favorable by \$3k. YTD actual ridership of 874k is 7% higher than budgeted ridership of 813k, however revenue per rail rider is \$1.45 compared to \$1.49 budgeted.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$70k) because actual fuel usage and price are lower than budgeted. Billed usage was 44,674 gallons compared to budgeted 51,318 gallons, down 13%.
- **Note C:** Sales Tax Revenue – December sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in December will be received in February. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY15 sales tax receipts collected through January.
- **Note D:** Federal/State Grants – YTD unfavorable by (\$1.34 million) is due to delays in the timing of capital projects as anticipated in the budget. Expenses and corresponding reimbursements for Fleet Replacement (\$402k), Comprehensive Service Analysis Study (\$127k), Bus Radios (\$67k), Access software (\$44k), Lewisville Hike & Bike Trail (\$402k), and rail preventive maintenance (\$214k) were less than anticipated. As additional expenses for these projects are incurred, reimbursement will be requested.
- **Note E:** Services – YTD favorable by \$476k due to a delay in expenses for legal fees (\$35k), advertising (\$55k), finance and HR consulting (\$48k), transit planning support (\$25k), marketing professional services and printing (\$165k), IT training and consulting (\$28k), and bandwidth upgrade (\$37k). These expenses will be incurred in the coming months.
- **Note F:** Materials and Supplies – YTD favorable by \$430k mainly due to a delay in expenses for marketing promotional items (\$29k); bandwidth, phone system, and content management supplies (\$78k); bus maintenance parts and tires (\$69k); and tablet replacements (\$22k). Bus operations fuel is \$144k under budget primarily because YTD fuel prices averaged \$2.71/gallon compared to \$4.00/gallon budgeted. Rail operations fuel is \$91k under budget.
- **Note G:** Leases & Rentals – YTD unfavorable by (\$16k) because January rent was prepaid in December.

Capital Projects Fund

- The Capital Projects Fund schedule provides budget to actual comparisons for DCTA bus and rail capital projects. It provides information on a life-to-date basis for approved projects.

Identified Need

Provides the Board a review of DCTA's financial position and performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA
Accounting Manager

Final Review: 
Department Head

Denton County Transportation Authority
Change in Net Assets
Month and Year to Date December 31, 2014
(Unaudited)

WS1ai

Description	Month Ended December 31, 2014			Year to Date December 31, 2014			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	104,784	86,561	18,223	376,950	373,814	3,136	1,515,377	Note A
Contract Service Revenue	175,467	197,992	(22,525)	892,634	962,597	(69,963)	3,259,635	Note B
Sales Tax Revenue	2,487,797	2,226,453	261,344	5,937,673	5,443,822	493,851	21,347,080	Note C
Federal/State Grants and Reimbursements	405,301	826,899	(421,598)	1,382,734	2,722,752	(1,340,018)	18,975,801	Note D
Total Revenue and Other Income	3,173,350	3,337,905	(164,555)	8,589,992	9,502,985	(912,993)	45,097,893	
Operating Expenses								
Salary, Wages and Benefits	665,018	711,932	46,914	2,050,507	2,272,169	221,662	9,173,856	
Services	97,929	147,021	49,093	280,115	755,806	475,691	2,189,250	Note E
Materials and Supplies	251,908	308,014	56,106	756,594	1,186,373	429,779	4,160,775	Note F
Utilities	50,059	38,912	(11,146)	87,874	118,137	30,263	452,149	
Insurance, Casualties and Losses	64,712	64,121	(591)	193,135	192,363	(772)	778,013	
Purchased Transportation Services	919,420	814,423	(104,997)	2,392,114	2,443,269	51,155	9,853,077	
Miscellaneous	9,202	18,178	8,976	32,990	65,646	32,656	245,476	
Leases and Rentals	9,965	8,934	(1,031)	42,970	26,801	(16,169)	207,205	Note G
Depreciation	750,596	794,050	43,454	2,252,098	2,382,460	130,361	9,503,440	
Total Operating Expenses	2,818,808	2,905,585	86,777	8,088,397	9,443,025	1,354,628	36,563,241	
Income Before Non-operating Revenue and Expense	354,542	432,320	(77,778)	501,595	59,960	441,635	8,534,652	
Non-Operating Revenues / (Expense)								
Investment Income	1,664	2,750	(1,086)	6,766	8,250	(1,484)	33,000	
Gain (Loss) Disposal of Assets	-	-	-	900	-	900	-	
Fare Evasion Fee	-	525	(525)	525	1,575	(1,050)	6,300	
Other Income - Miscellaneous	2,043	-	2,043	35,970	-	35,970	-	
Long Term Debt Interest/Expense	(100,992)	(226,825)	125,833	(302,975)	(680,475)	377,500	(2,721,899)	
Total Non-Operating Revenue / (Expense)	(97,284)	(223,550)	126,265	(258,813)	(670,650)	411,836	(2,682,599)	
Change in Net Assets	257,258	208,770	48,488	242,782	(610,690)	853,471	5,852,053	

Denton County Transportation Authority
Statement of Net Assets
As of December 31, 2014
(Unaudited)

	<u>December 31, 2014</u>	<u>November 30, 2014</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	9,712,577	9,607,882	104,695
Investments	4,436,215	4,370,255	65,960
Accounts & Notes Receivable	6,311,472	5,598,572	712,899
Prepaid Expenses	137,488	201,700	(64,212)
Inventory	40,107	28,849	11,258
Restricted Asset-Cash and Equivalents	4,075,276	4,117,069	(41,793)
Total Current Assets	<u>24,713,135</u>	<u>23,924,327</u>	<u>788,808</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	5,386,734	5,386,734	-
Machinery & Equipment	1,695,752	1,695,752	-
Leasehold Improvements	55,506	55,506	-
Vehicles	89,262,558	89,262,558	-
Computers & Software	262,676	262,676	-
Accumulated Depreciation	(31,987,741)	(31,237,145)	(750,596)
Total Property, Plant and Equipment	<u>80,903,822</u>	<u>81,654,418</u>	<u>(750,596)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	228,659,209	228,659,209	-
Construction in Progress	11,630,730	11,330,047	300,683
Total Capital Assets	<u>257,287,094</u>	<u>256,986,411</u>	<u>300,683</u>
Total Assets	<u><u>362,904,051</u></u>	<u><u>362,565,157</u></u>	<u><u>338,894</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	28,271	-	28,271
Salary, Wages, and Benefits Payable	422,440	401,085	21,354
Accrued Expenses Payable	3,065,128	3,131,873	(66,745)
Deferred Revenues	141,385	132,542	8,843
Interest Payable	302,975	201,983	100,992
Total Current Liabilities	<u>3,960,198</u>	<u>3,867,483</u>	<u>92,715</u>
Non-Current Liabilities			
Rail Easement Payable	1,500,000	1,500,000	-
Retainage Payable	1,536,124	1,547,202	(11,079)
Bonds Payable	33,475,000	33,475,000	-
Total Non-Current Liabilities	<u>36,511,124</u>	<u>36,522,202</u>	<u>(11,079)</u>
Total Liabilities	<u><u>40,471,322</u></u>	<u><u>40,389,685</u></u>	<u><u>81,637</u></u>
Net Assets			
Invested in Capital Assets	304,221,470	304,221,470	-
Unrestricted Retained Earnings	17,968,477	17,968,477	-
Change in Net Assets	242,782	(14,476)	257,258
Total Equity	<u>322,432,729</u>	<u>322,175,471</u>	<u>257,258</u>
Total Liabilities and Equity	<u><u>362,904,051</u></u>	<u><u>362,565,157</u></u>	<u><u>338,894</u></u>

Capital Projects Fund - DCTA
Budget vs. Actual
As of December 31, 2014
(Cash Basis)

Work Session 1aii

ASSETS

Fixed Assets

1660 · Construction Work in Progress

1 · G&A Capital Projects

10401 · Cloud Hybrid Backup Solution.

1040121 · Systems

Original Budget	Revised Budget	December 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of December 2014 Close)
35,000	35,000		-	35,000	0%

Total 10401 · Cloud Hybrid Backup Solution

35,000	35,000	-	-	35,000	0%
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10601 · COGNOS Report Application

1060121 · Systems

200,000	200,000		-	200,000	0%
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Total 10601 · COGNOS Report Application

200,000	200,000	-	-	200,000	0%
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10602 · Comprehensive Service Analysis

1060229 · Project Management

567,414	567,414		-	567,414	0%
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Total 10602 · Comprehensive Service Analysis

567,414	567,414	-	-	567,414	0%
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10603 · Legal Support

1060329 · Project Management

226,753	226,753		-	226,753	0%
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Total 10603 · Legal Support

226,753	226,753	-	-	226,753	0%
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Total 1 · G&A Capital Projects

1,029,167	1,029,167	-	-	1,029,167	0%
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5 · Bus Capital Projects

50202 · Passenger Amenities (Phase 2)

5020214 · Acquisition

174,011	229,326		139,063	90,263	61%
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5020215 · Survey, Testing & Inspection

			2,900	(2,900)	
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5020216 · Construction

			86,787	(86,787)	
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5020226 · Furniture Fixtures & Equipment

			142	(142)	
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5020229 · Project Management

			10,283	(10,283)	
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Total 50202 · Passenger Amenities (Phase 2)

174,011	229,326	-	239,175	(9,849)	104%
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50301 · Bus O&M Facility

5030113 · Design

590,000	1,294,280		1,161,886	132,395	90%
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5030115 · Survey, Testing, Inspection

	104,735		112,957	(8,222)	108%
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5030114 · Land Acquisition

1,164,310	1,173,451		1,184,450	(10,999)	101%
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5030116 · Building Construction

4,745,690	5,648,243		5,236,508	411,735	93%
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5030118 · Canopy Construction

	-		-	-	0%
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5030120 · Landscaping

	542,513		594,369	(51,856)	110%
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5030121 · Systems

	333,294		377,034	(43,740)	113%
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5030125 · Utilities

	1,362,500		1,638,126	(275,626)	120%
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5030126 · Furniture, Fixtures & Equipment

1,642,667	517,865		698,441	(180,576)	135%
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5030128 · Contingency

	275,895		-	275,895	0%
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5030129 · Project Management

	205,000	93	52,653	152,347	26%
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5030131 · Insurance/Bonds

	105,521		105,521	-	100%
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5030132 · Mobilization

	157,060		165,385	(8,325)	105%
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5030133 · Legal Fees

	360		1,460	(1,100)	406%
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Total 50301 · Bus O&M Facility

8,142,667	11,720,717	93	11,328,789	391,928	97%
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50303 · DDTC

5030311 · Engineering

	-		1,850	(1,850)	
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5030329 · Project Management

	-	62	495	(495)	
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5030314 · Acquisition

373,282	373,282		11,197	362,085	3%
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Total 50303 · DDTC

373,282	373,282	62	13,542	359,740	4%
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50406 · Where's My Ride

5040614 · Acquisition

940,485	940,485	160,328	718,486	221,999	76%
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5040632 · Mobilization

	-		2,159	(2,159)	
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5040626 · FF&E

	-		2,204	(2,204)	
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5040629 · Project Management

	-		12,387	(12,387)	
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Total 50406 · Where's My Ride

940,485	940,485	160,328	735,236	205,249	78%
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Capital Projects Fund - DCTA
Budget vs. Actual
As of December 31, 2014
(Cash Basis)

Work Session 1aii

	Original Budget	Revised Budget	December 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of December 2014 Close)
50502 · Fleet Replacement (2011-2013)						
5050214 · Acquisition	1,968,500	3,411,592		2,982,327	429,265	87%
Total 50502 · Fleet Replacement	1,968,500	3,411,592	-	2,982,327	429,265	87%
50504 · Fleet Replacement (2014)						
5050414 · Acquisition	877,998	877,998		762,385	115,613	87%
Total 50504 · Fleet Replacement (2014)	877,998	877,998	-	762,385	115,613	87%
50505 · Fleet Replacement (2015)						
5050514 · Acquisition	395,000	395,000	62,000	62,000	333,000	16%
Total 50505 · Fleet Replacement (2015)	395,000	395,000	62,000	62,000	333,000	16%
50506 · Bus Engines/Transmissions						
5050614 · Acquisition	150,000	150,000		(1,000)	151,000	-1%
Total 50506 · Bus Engines/Transmissions	150,000	150,000	-	(1,000)	151,000	-1%
50408 · Bus Radios						
5040826 · FF&E	-	-		45,529	(45,529)	
5040814 · Acquisition	137,457	137,457		2,332	135,125	2%
Total 50408 · Bus Radios	137,457	137,457	-	47,861	89,596	35%
50601 · Scheduling Software (Bus)						
5060114 · Acquisition	250,000	250,000		-	250,000	0%
Total 50601 · Scheduling Software (Bus)	250,000	250,000	-	-	250,000	0%
Total 5 · Bus Capital Projects	13,409,400	18,485,857	222,482	16,170,315	2,315,542	87%

Budget vs. Actual

As of December 31, 2014

(Cash Basis)

	Original Budget	Revised Budget	December 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of December 2014 Close)
6 - Rail Construction						
61401 - Fare Collection Systems						
6140111 - Engineering	-	68,962		68,963	(1)	100%
6140114 - Acquisition	489,000	582,371		477,281	105,090	82%
6140115 - Installation	80,000	81,771		103,699	(21,928)	127%
Total 61401 - Fare Collection Systems	569,000	733,104	-	649,943	83,161	89%
61406 - Positive Train Control						
6140617 - Construction		19,397,536			19,397,536	0%
6140628 - Contingency	13,492,026	728,554			728,554	0%
6140629 - Project Management	2,097,992	2,097,992	15,037	882,737	1,215,255	42%
6140633 - Legal Fees	80,939	80,939			80,939	0%
6140636 - Vehicle Provisions	597,930	597,930		358,758	239,172	60%
6140621 - Systems	-	-		-	-	0%
Total 61406 - Positive Train Control	16,997,441	22,902,951	15,037	1,241,495	21,661,456	5%
61707 - Community Enhancements						
6170711 - Engineering	22,000	22,000		-	22,000	0%
6170712 - Preliminary Design	12,500	12,500		55,737	(43,237)	446%
6170713 - Final Design	15,000	15,000		66,741	(51,741)	445%
6170715 - Survey, Inspection & Testing	6,000	6,000		325	5,675	5%
6170716 - Building Construction	545,000	545,000		230,744	314,256	42%
6170720 - Landscaping	25,000	25,000		88,951	(63,951)	356%
6170726 - FF&E	10,000	10,000		186,928	(176,928)	1,869%
6170727 - Environmental Mitigation	4,000	4,000		-	4,000	0%
6170728 - Contingency	15,029	15,029		815	14,214	5%
6170729 - Project Management	85,088	85,088	2,148	19,379	65,709	23%
6170733 - Administration Fees	13,091	13,091		19,637	(6,546)	150%
Total 61707 - Community Enhancements	752,708	752,708	2,148	669,256	83,452	89%
61708 - Lewisville Bike Trail						
6170811 - Engineering	75,000	75,000		517,466	(442,466)	690%
6170812 - Preliminary Design	75,000	75,000		67,835	7,165	90%
6170813 - Final Design	41,000	41,000		-	41,000	0%
6170816 - Building Construction	2,020,562	2,020,562		-	2,020,562	0%
6170820 - Landscaping	21,000	21,000		-	21,000	0%
6170822 - Bridges	55,355	55,355		-	55,355	0%
6170823 - Crossings/Traffic Signals	200,000	200,000		-	200,000	0%
6170825 - Utilities	75,000	75,000		-	75,000	0%
6170826 - FF&E	3,000	3,000		-	3,000	0%
6170827 - Environmental Mitigation	28,800	28,800		-	28,800	0%
6170828 - Contingency	50,000	50,000		-	50,000	0%
6170829 - Project Management	394,454	394,454	1,978	5,856	388,598	1%
6170833 - Administration Fees	60,685	60,685		60,685	-	100%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	1,978	651,842	2,448,014	21%
61710 - HV Parking Expansion						
6171011 - Engineering	-	-		33,986	(33,986)	
6171016 - Building Construction	-	-	18,922	211,940	(211,940)	
6171029 - Project Management	-	-		6,210	(6,210)	
6171017 - Civil Construction	250,000	314,110		55,091	259,019	18%
Total 61710 - HV Parking Expansion	250,000	314,110	18,922	307,227	6,883	98%

Budget vs. Actual

As of December 31, 2014

(Cash Basis)

	Original Budget	Revised Budget	December 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of December 2014 Close)
60701 · Passenger Information						
6070129 · Project Management	-	-		1,140	(1,140)	
6070114 · Acquisition	56,214	96,821		60,271	36,550	62%
Total 60701 · Passenger Information	56,214	96,821	-	61,411	35,410	63%
61711 · Rail Maintenance of Way (MOW)						
6171136 · Vehicle Provisions	-	-		23,712	(23,712)	
6171129 · Project Management	-	-	14,214	14,596	(14,596)	
6171117 · Track & Civil Construction	150,000	150,000		35,358	114,642	24%
Total 61711 · Rail MOW	150,000	150,000	14,214	73,666	76,334	49%
61712 · Rail Maintenance of Equipment (MOE)						
6171215 · Survey, Testing, Inspection	-	-		129,586	(129,586)	
6171236 · Vehicle Provisions	-	717,627			717,627	0%
6171217 · Track & Civil Construction	585,000	585,000		8,262	576,738	1%
Total 61712 · Rail MOE	585,000	1,302,627	-	137,848	1,164,779	11%
61503 · Rail Single Car Operations						
6150315 · Survey, Testing, Inspection	101,800	101,800		22,169	79,631	22%
Total 61503 · Rail Single Car Operations	101,800	101,800	-	22,169	79,631	22%
61504 · Re-Railing Equipment						
6150415 · Acquisition	121,000	121,000		-	121,000	0%
Total 61504 · Re-Railing Equipment	121,000	121,000	-	-	121,000	0%
61505 · GTW Wheel Work						
6150514 · Acquisition	915,041	915,041		-	915,041	0%
Total 61505 · GTW Wheel Work	915,041	915,041	-	-	915,041	0%
61209 · Trinity Mills Crew Facility						
6120916 · Building-Construction	250,000	250,000		-	250,000	0%
Total 61209 · Trinity Mills Crew Facility	250,000	250,000	-	-	250,000	0%
61210 · Station Landscaping						
6121020 · Landscaping	75,000	75,000		-	75,000	0%
Total 61210 · Station Landscaping	75,000	75,000	-	-	75,000	0%
61407 · Shunt Enhancement						
6140715 · Survey, Testing, Inspection	141,000	141,000		-	141,000	0%
Total 61407 · Shunt Enhancement	141,000	141,000	-	-	141,000	0%
61104 · Rail Drainage Improvement						
6110429 · Project Management	-	-	340	340	(340)	
6110411 · Engineering	250,000	250,000	25,562	25,562	224,438	10%
Total 61104 · Rail Drainage Improvement	250,000	250,000	25,902	25,902	224,098	10%
Total Rail Construction Projects	24,314,060	31,206,018	78,201	3,840,760	27,365,258	12%
Total 1660 · Construction Work in Progress	38,752,627	50,721,042	300,683	20,011,074	30,709,968	39%



Board of Directors Memo

January 22, 2015

Item: WS 1(a)iii Sales Tax Report

Background

Sales tax represents the single largest source of revenue for DCTA at 42.1% for FY15 budget. The annual Sales Tax budget for FY 2015 is \$21,347,080. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. This month, receipts were favorable compared to budget. The January allocation is for sales generated in the month of November and represents revenue for the second month of FY 2015.

- Sales tax for sales generated at retail in the month of November and received in January was \$1,765,520.47.
- This represents an increase of 17.37% or \$261,344 compared to budget for the month.
- Receipts are favorable 15.35% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$183,498 or 11.60% more than budgeted.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 5.31%
 - City of Denton up 21.92%
 - Highland Village up 4.24%

Need

Provides the Board of Directors a monthly status on Sales Tax collections.

Recommendation

For information only. No action required.

Final Review:


 Anna Mosqueda,
 CFO

**Denton County Transportation Authority (DCTA)
Sales Tax Report
Budget to Actual and Previous Year Comparison**

Sales Generated in Month of:	Received in Month of:	2014-2015 Year Budget	2014-2015 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2013-2014 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 1,713,193	\$ 1,945,700	\$ 232,507	13.57%	\$ 1,646,959	\$ 298,741	18.14%
November	January	\$ 1,504,176	\$ 1,765,520	\$ 261,344	17.37%	\$ 1,582,022	\$ 183,498	11.60%
December	February	\$ 2,226,453				\$ 2,173,929		
January	March	\$ 1,592,189				\$ 1,570,510		
February	April	\$ 1,584,735				\$ 1,278,211		
March	May	\$ 1,891,517				\$ 1,957,442		
April	June	\$ 1,683,191				\$ 1,777,141		
May	July	\$ 1,740,055				\$ 1,756,564		
June	August	\$ 1,932,685				\$ 2,008,175		
July	September	\$ 1,688,016				\$ 1,719,163		
August	October	\$ 1,793,480				\$ 1,838,588		
September	November	\$ 1,997,389				\$ 2,058,382		
YTD Total		\$ 21,347,079	\$ 3,711,220	\$ 493,851	15.35%	\$ 21,367,086	\$ 482,240	14.93%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 January 9, 2015

**Denton County Transportation Authority (DCTA)
Member Cities Sales Tax Report
Month Allocation is Received from Comptroller
Previous Year Comparison**

City of Lewisville					
Sales Generated in Month of:	Received in Month of:	2013-2014 Year Actual	2014-2015 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,412,800	\$ 2,532,839	\$ 120,038	4.98%
November	January	\$ 2,283,269	\$ 2,404,460	\$ 121,191	5.31%
December	February	\$ 3,094,980			
January	March	\$ 2,250,821			
February	April	\$ 1,476,738			
March	May	\$ 2,828,191			
April	June	\$ 2,569,274			
May	July	\$ 2,570,909			
June	August	\$ 2,797,425			
July	September	\$ 2,472,024			
August	October	\$ 2,546,174			
September	November	\$ 2,872,745			
YTD Total		\$ 30,175,351	\$ 4,937,299	\$ 241,229	5.14%

City of Highland Village					
Sales Generated in Month of:	Received in Month of:	2013-2014 Year Actual	2014-2015 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 242,975	\$ 268,275	\$ 25,299	10.41%
November	January	\$ 271,909	\$ 283,432	\$ 11,523	4.24%
December	February	\$ 415,312			
January	March	\$ 240,189			
February	April	\$ 231,225			
March	May	\$ 323,839			
April	June	\$ 269,705			
May	July	\$ 288,253			
June	August	\$ 356,088			
July	September	\$ 271,361			
August	October	\$ 261,084			
September	November	\$ 342,547			
YTD Total		\$ 3,514,486	\$ 551,707	\$ 36,822	7.15%

City of Denton					
Sales Generated in Month of:	Received in Month of:	2013-2014 Year Actual	2014-2015 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 1,858,283	\$ 2,345,573	\$ 487,290	26.22%
November	January	\$ 1,802,476	\$ 2,197,657	\$ 395,181	21.92%
December	February	\$ 2,657,999			
January	March	\$ 1,877,525			
February	April	\$ 1,940,004			
March	May	\$ 2,488,428			
April	June	\$ 2,077,345			
May	July	\$ 2,003,488			
June	August	\$ 2,482,262			
July	September	\$ 1,922,509			
August	October	\$ 2,317,928			
September	November	\$ 2,634,728			
YTD Total		\$ 26,062,974	\$ 4,543,230	\$ 882,471	24.11%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
January 9, 2015

**All Transit Agencies
Monthly Sales and Use Tax Comparison Summary**

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2015 Payments To Date	2014 Payments To Date	% Change
Houston MTA	1.00%	\$ 56,759,016.99	\$ 51,681,640.69	9.82%	\$ 56,759,016.99	\$ 51,681,640.69	9.82%
Dallas MTA	1.00%	\$ 38,113,053.94	\$ 36,308,509.22	4.97%	\$ 38,113,053.94	\$ 36,308,509.22	4.97%
Austin MTA	1.00%	\$ 15,903,038.20	\$ 15,456,743.29	2.89%	\$ 15,903,038.20	\$ 15,456,743.29	2.89%
San Antonio MTA	0.50%	\$ 10,223,444.73	\$ 9,819,958.64	4.11%	\$ 10,223,444.73	\$ 9,819,958.64	4.11%
San Antonio ATD	0.25%	\$ 4,543,779.15	\$ 4,494,116.31	1.11%	\$ 4,543,779.15	\$ 4,494,116.31	1.11%
Fort Worth MTA	0.50%	\$ 5,057,012.97	\$ 4,621,989.96	9.41%	\$ 5,057,012.97	\$ 4,621,989.96	9.41%
El Paso CTD	0.50%	\$ 3,233,736.95	\$ 3,151,773.75	2.60%	\$ 3,233,736.95	\$ 3,151,773.75	2.60%
Corpus Christi MTA	0.50%	\$ 2,590,036.31	\$ 2,575,435.31	0.57%	\$ 2,590,036.31	\$ 2,575,435.31	0.57%
Denton CTA	0.50%	\$ 1,765,520.47	\$ 1,582,022.03	11.60%	\$ 1,765,520.47	\$ 1,582,022.03	11.60%
Laredo CTD	0.25%	\$ 674,857.65	\$ 653,591.31	3.25%	\$ 674,857.65	\$ 653,591.31	3.25%
TOTALS		\$ 138,863,497.36	\$ 130,345,780.51	6.53%	\$ 138,863,497.36	\$ 130,345,780.51	6.53%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 January 9, 2015



Investment Portfolio Summary

Denton County Transportation Authority



For the Quarter Ended

December 31, 2014

Prepared by
FirstSouthwest Asset Management



Table of Contents / Market Recap

Report Name

- Certification Page
- Executive Summary
- Benchmark Comparison
- Detail of Security Holdings
- Change in Value
- Earned Income
- Investment Transactions
- Amortization and Accretion
- Projected Fixed Income Cash Flows

MARKET RECAP:

The collapse in oil prices continued to grab headlines during December as prices fell below \$55 per barrel and sub-\$2 per gallon gasoline became a reality in many parts of the Country. In the short run, falling gas prices will have a stimulative effect on the economy similar to a large tax cut. The flip side is that it will likely have a very negative impact on one of the few industries that has been creating high paying jobs over the past several years. Jobs are being created, however, as evidenced by the November employment report's 321k new jobs and +44k in upward revisions to prior months. Through November, the economy is adding an average of 241k jobs per month, well ahead of 2013's 194k monthly average. The unemployment rate held steady at a six-year low of 5.8%. The ISM manufacturing index held in solidly positive territory at 58.7 while the ISM non-manufacturing index climbed further to 59.3. Auto sales climbed back above the 17 million unit annualized pace for only the second time in the last nine years. Retail sales are already getting a boost from falling gas prices, rising 0.7% to log the biggest gain in eight months. Housing data has yet to impress, but remains stable and reasonably healthy. Inflation indicators are well under control and, with gas prices falling, should remain so for the foreseeable future. The consumer price index fell -0.3% in November and is up just 1.3% year-over-year. Topping off the economic data was a sharp upward revision to third-quarter gross domestic product (GDP) which was revised from +3.9% to +5.0%, the strongest rate of growth in eleven years. Importantly, real final sales also gained 5%, meaning the strength in GDP was not the result of building up inventories but of actual sales of goods and services.

The net result of the overwhelmingly positive economic data has been a surging stock market. The Dow climbed above 18,000 for the first time and both it and the S&P 500 set record highs during December. Bond markets and the Fed have both taken note of the improving data and the odds of a rate hike in 2015 have been on the rise. While falling inflation gives the Fed plenty of latitude to remain patient, improving economic conditions also give them sufficient reason to raise rates from what was originally intended to be a short-term emergency level. The short and intermediate sectors of the market have borne the brunt of the rise in yields. The two-year Treasury note yield has risen from just under 0.50% at the end of November to 0.67% while the three-year T-note has gone from 0.85% to 1.07%. The longer end of the curve hasn't been impacted nearly as much with the yield on the 10-year T-note unchanged at 2.17%. The reason for this has to do with falling inflation expectations, concerns about slowing global economies, and record low bond yields in other parts of the world. Germany's 10-year note set a new record low yield of 0.54% in late-December while Japan's 10-year note yield stands at just 0.32%.




For the Quarter Ended
December 31, 2014

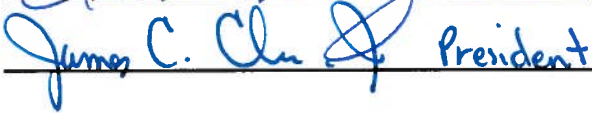
This report is prepared for the **Denton County Transportation Authority** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:



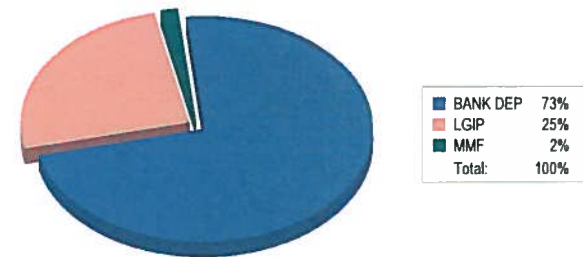
GFO



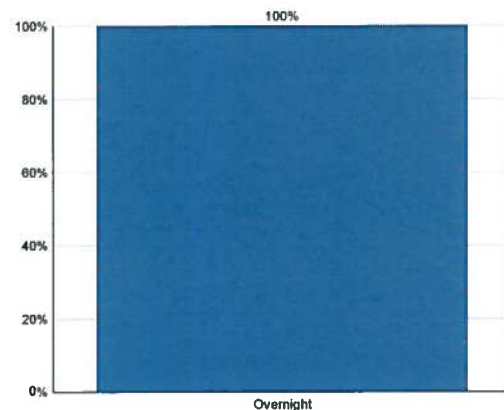
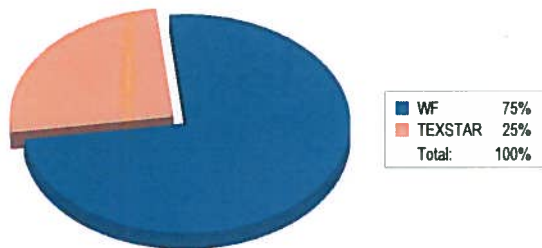
President

Account Summary **Allocation by Security Type**

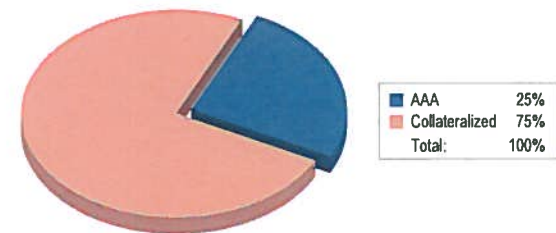
	Beginning Values as of 09/30/14	Ending Values as of 12/31/14
Par Value	19,003,065.64	18,269,398.10
Market Value	19,003,065.64	18,269,398.10
Book Value	19,003,065.64	18,269,398.10
Unrealized Gain / Loss	0.00	0.00
Market Value %	100.00%	100.00%
Weighted Avg. YTW	0.103%	0.107%
Weighted Avg. YTM	0.103%	0.107%

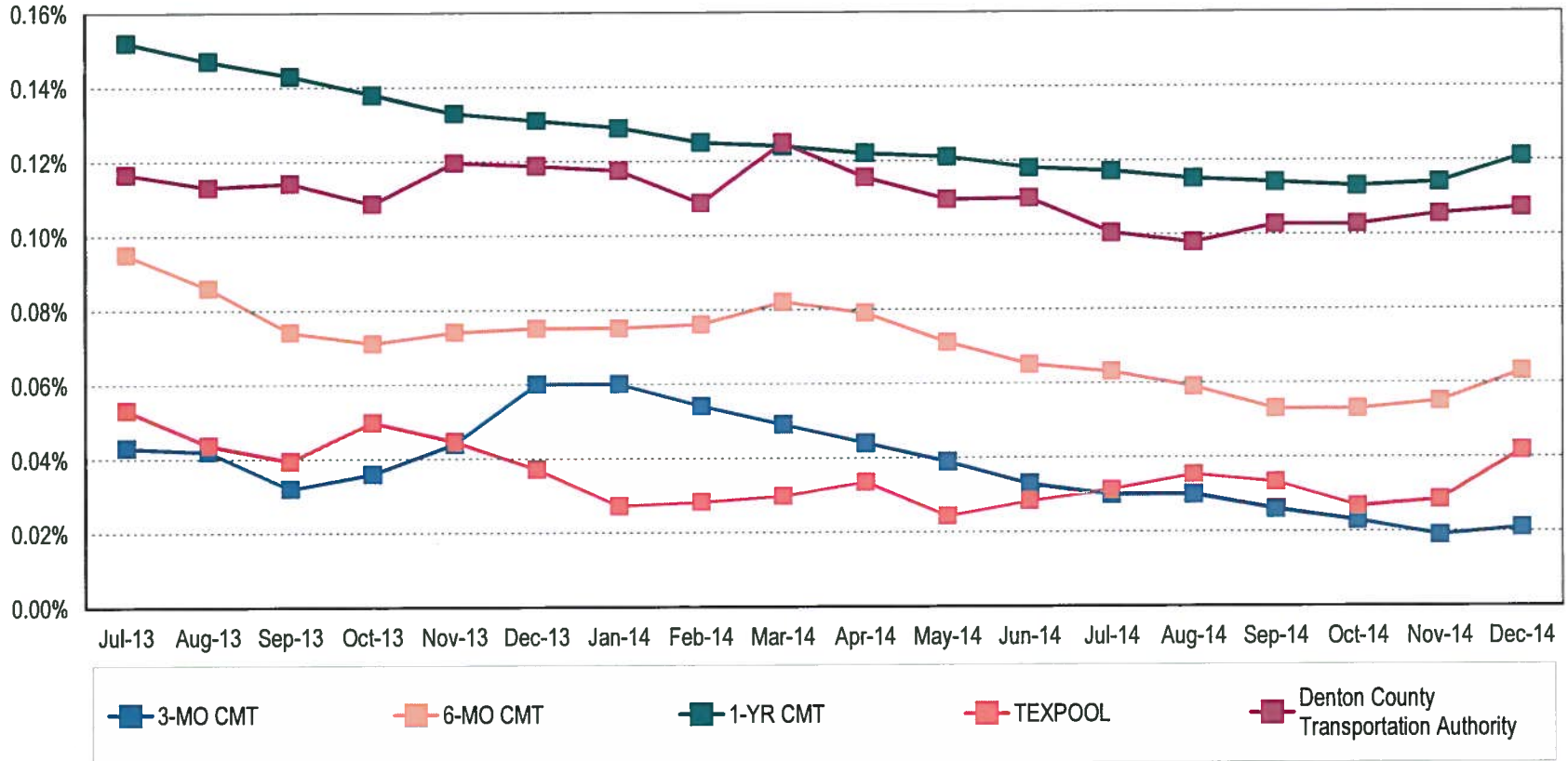


Allocation by Issuer **Maturity Distribution %** **Credit Quality**



Weighted Average Days to Maturity: 0





Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.



WS 1(a)(iv)
Denton County Transportation Authority
Detail of Security Holdings
 As of 12/31/2014

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
2011 Bond Fund																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					3,343,261.48	100.000	3,343,261.48	3,343,261.48	100.000	3,343,261.48	1		0.200	0.200
Total for 2011 Bond Fund								3,343,261.48	100.000	3,343,261.48	3,343,261.48	100.000	3,343,261.48	1		0.200	0.200
Bond Fund																	
TEXSTAR		LGIP	TexSTAR					682,489.26	100.000	682,489.26	682,489.26	100.000	682,489.26	1		0.050	0.050
Total for Bond Fund								682,489.26	100.000	682,489.26	682,489.26	100.000	682,489.26	1		0.050	0.050
Operating Fund																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					474,711.35	100.000	474,711.35	474,711.35	100.000	474,711.35	1		0.200	0.200
WF-SWEEP		MMF	Wells Fargo Sweep					299,251.23	100.000	299,251.23	299,251.23	100.000	299,251.23	1		0.020	0.020
Total for Operating Fund								773,962.58	100.000	773,962.58	773,962.58	100.000	773,962.58	1		0.130	0.130
Reserve Fund																	
WF-PREM		BANK DEP	Wells Fargo Premium Rate					9,458,656.21	100.000	9,458,656.21	9,458,656.21	100.000	9,458,656.21	1		0.100	0.100
Total for Reserve Fund								9,458,656.21	100.000	9,458,656.21	9,458,656.21	100.000	9,458,656.21	1		0.100	0.100
RTRFI Funding																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					49,525.34	100.000	49,525.34	49,525.34	100.000	49,525.34	1		0.200	0.200
Total for RTRFI Funding								49,525.34	100.000	49,525.34	49,525.34	100.000	49,525.34	1		0.200	0.200
Sales Tax Fund																	
TEXSTAR		LGIP	TexSTAR					3,961,503.23	100.000	3,961,503.23	3,961,503.23	100.000	3,961,503.23	1		0.050	0.050
Total for Sales Tax Fund								3,961,503.23	100.000	3,961,503.23	3,961,503.23	100.000	3,961,503.23	1		0.050	0.050



WS 1(a)(iv)
Denton County Transportation Authority
Detail of Security Holdings
As of 12/31/2014

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	
Total for Denton County Transportation Authority									18,269,398.10	100.000	18,269,398.10	18,269,398.10	100.000	18,269,398.10	1		0.107	0.107



WS 1(a)(iv)
Denton County Transportation Authority
Change in Value
 From 09/30/2014 to 12/31/2014

CUSIP	Security Type	Security Description	09/30/14 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/14 Book Value	09/30/14 Market Value	12/31/14 Market Value	Change in Mkt Value
2011 Bond Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	3,341,547.43	1,714.05	0.00	0.00	0.00	3,343,261.48	3,341,547.43	3,343,261.48	1,714.05
Total for 2011 Bond Fund			3,341,547.43	1,714.05	0.00	0.00	0.00	3,343,261.48	3,341,547.43	3,343,261.48	1,714.05
Bond Fund											
TEXSTAR	LGIP	TexSTAR	12,429.30	670,059.96	0.00	0.00	0.00	682,489.26	12,429.30	682,489.26	670,059.96
Total for Bond Fund			12,429.30	670,059.96	0.00	0.00	0.00	682,489.26	12,429.30	682,489.26	670,059.96
Operating Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	474,467.97	243.38	0.00	0.00	0.00	474,711.35	474,467.97	474,711.35	243.38
WF-SWEEP	MMF	Wells Fargo Sweep	273,794.97	694,138.80	(668,682.54)	0.00	0.00	299,251.23	273,794.97	299,251.23	25,456.26
Total for Operating Fund			748,262.94	694,382.18	(668,682.54)	0.00	0.00	773,962.58	748,262.94	773,962.58	25,699.64
Reserve Fund											
WF-PREM	BANK DEP	Wells Fargo Premium Rate	8,941,300.63	517,355.58	0.00	0.00	0.00	9,458,656.21	8,941,300.63	9,458,656.21	517,355.58
Total for Reserve Fund			8,941,300.63	517,355.58	0.00	0.00	0.00	9,458,656.21	8,941,300.63	9,458,656.21	517,355.58
RTRFI Funding											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	116,182.85	0.00	(66,657.51)	0.00	0.00	49,525.34	116,182.85	49,525.34	(66,657.51)
Total for RTRFI Funding			116,182.85	0.00	(66,657.51)	0.00	0.00	49,525.34	116,182.85	49,525.34	(66,657.51)
RTRFI Interest											
TEXSTAR	LGIP	TexSTAR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total for RTRFI Interest			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



WS 1(a)(iv)
Denton County Transportation Authority
Change in Value
From 09/30/2014 to 12/31/2014

CUSIP	Security Type	Security Description	09/30/14 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/14 Book Value	09/30/14 Market Value	12/31/14 Market Value	Change in Mkt Value
Sales Tax Fund											
TEXSTAR	LGIP	TexSTAR	5,843,342.49	65,879.67	(1,947,718.93)	0.00	0.00	3,961,503.23	5,843,342.49	3,961,503.23	(1,881,839.26)
Total for Sales Tax Fund			5,843,342.49	65,879.67	(1,947,718.93)	0.00	0.00	3,961,503.23	5,843,342.49	3,961,503.23	(1,881,839.26)
Total for Denton County Transportation Authority			19,003,065.64	1,949,391.44	(2,683,058.98)	0.00	0.00	18,269,398.10	19,003,065.64	18,269,398.10	(733,667.54)



WS 1(a)(iv)
Denton County Transportation Authority
Earned Income
 From 09/30/2014 to 12/31/2014

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
2011 Bond Fund									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	1,714.05	1,714.05	0.00	0.00	0.00	1,714.05
Total for 2011 Bond Fund			0.00	1,714.05	1,714.05	0.00	0.00	0.00	1,714.05
Bond Fund									
TEXSTAR	LGIP	TexSTAR	0.00	59.96	59.96	0.00	0.00	0.00	59.96
Total for Bond Fund			0.00	59.96	59.96	0.00	0.00	0.00	59.96
Operating Fund									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	243.38	243.38	0.00	0.00	0.00	243.38
WF-SWEEP	MMF	Wells Fargo Sweep	0.00	21.76	21.76	0.00	0.00	0.00	21.76
Total for Operating Fund			0.00	265.14	265.14	0.00	0.00	0.00	265.14
Reserve Fund									
WF-PREM	BANK DEP	Wells Fargo Premium Rate	0.00	2,355.58	2,355.58	0.00	0.00	0.00	2,355.58
Total for Reserve Fund			0.00	2,355.58	2,355.58	0.00	0.00	0.00	2,355.58
RTRFI Funding									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	55.21	55.21	0.00	0.00	0.00	55.21
Total for RTRFI Funding			0.00	55.21	55.21	0.00	0.00	0.00	55.21
RTRFI Interest									
Total for RTRFI Interest			0.00	0.00	0.00	0.00	0.00	0.00	0.00



WS 1(a)(iv)
Denton County Transportation Authority

Earned Income
 From 09/30/2014 to 12/31/2014

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
Sales Tax Fund									
TEXSTAR	LGIP	TexSTAR	0.00	491.10	491.10	0.00	0.00	0.00	491.10
Total for Sales Tax Fund			0.00	491.10	491.10	0.00	0.00	0.00	491.10
Total for Denton County Transportation Authority			0.00	4,941.04	4,941.04	0.00	0.00	0.00	4,941.04



Board of Directors Memo

January 22, 2015

Item: 1(a)v Procurement Status Report

Landscape Maintenance

The specifications and drawings for the procurement documents are nearing final completion and it is anticipated the procurement will be released this month with award anticipated on the February agenda.

Drainage Project

The specifications and drawings for the procurement documents are nearing final completion and it is anticipated the procurement will be released this month with award anticipated on the February agenda.

Transit and Transportation Planning Services

A Request for Proposal is currently available for firms to provide planning services to support DCTA's Planning and Development initiatives. Proposals are due on February 18, 2015, with award anticipated on the March agenda.

Submitted by: 
Athena Forrester, Procurement Manager

Final Review: 
Anna Mosqueda, CFO



Item: 1(a)(vi) Grants Quarterly Report

Grant Activities This Period

DCTA currently has 13 active grants that provide reimbursements for the following existing projects: Bus Operations & Maintenance Facility construction, Where's My Ride, fleet replacement, safety and security enhancements, passenger amenities, route signage, bike and pedestrian trails, and Positive Train Control. Other current grant-reimbursed activities include, operating assistance for bus services, ADA paratransit services and bus and rail preventative maintenance. Funding levels by grant type are illustrated below.

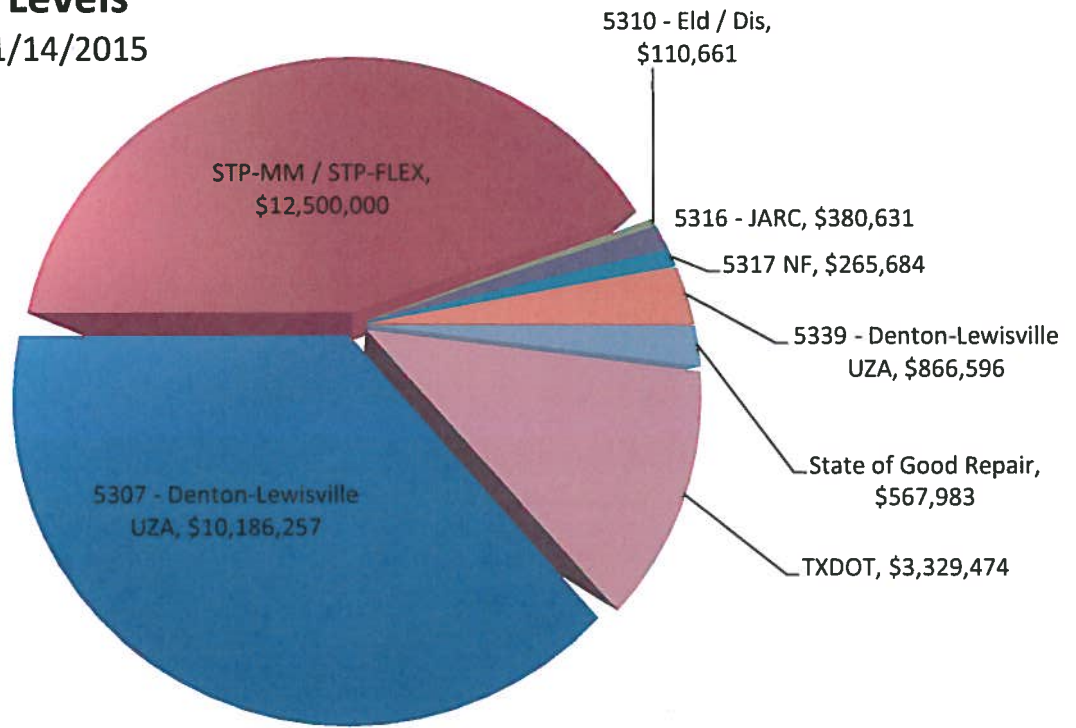
13 Active Grants

5 Obligated Grants

0 Close out Grants

Grants Funding Levels

\$ 28.2 million as of 01/14/2015



Program	Prior Balance	Current Balance	Grant Activity
Denton-Lewisville UZA (5307)	\$11,520,011	\$10,186,257	Fleet Replacement, Bus Shelters, Safety & Security, Positive Train Control Design, Passenger and Route Signage, Preventative Maintenance for Rail and Bus.
STP-MM / STP-FLEX	\$12,500,000	\$12,500,000	Positive Train Control Implementation
Elderly Persons and Persons with Disabilities (5310)	\$110,661	\$110,661	NEW -Transit Capital Accessibility (lighting and ramps)
Job Access, Reverse Commute (JA/RC) (5316)	\$542,494	\$380,631	Where's My Ride, Vanpool, NEW -Route Planning Study H-V
New Freedom (5317)	\$266,270	\$265,684	Where's My Ride, NEW -Lewisville Work Connection
Bus and Bus Facilities (5339)	\$866,596	\$866,596	Fleet Replacement
State of Good Repair (5309)	\$688,085	\$567,983	Construction of the Bus Operating & Maintenance facility
TXDOT (FHWA)	\$3,278,082	\$3,329,474	Community Enhancement trails and Lewisville Hike & Bike Trails
Total	\$29,772,199	\$28,207,286	

Discretionary Grant Awards

During this quarter, the agency did not receive any discretionary grant awards. DCTA submitted applications for a Lewisville Multimodal Facility and Bus Fleet Modernization projects for funding opportunities through The Ladder of Opportunity Initiative (LOI). The LOI call for projects awarded \$100 million in federal funding to 24 recipients in 19 states to significantly improve bus service and bus facilities in urban and rural communities. In addition, DCTA received notification the grant application for funding of the remaining portion of the Lewisville Hike & Bike Trail submitted through the 2014 Transportation Alternatives Program (TAP Grant) sponsored by the NCTCOG was not selected for award.

Upcoming Grant Applications

Staff continues to actively monitor grant opportunities and will continue to focus on identifying funding for the remaining portion of the Lewisville Hike & Bike Trail. In addition, as the Comprehensive Service Analysis Plan is developed and funding needs are fleshed out and identified, staff will be collaborating on developing a grant application strategy to support those efforts.

DCTA's regional Vanpool Program has been approved for funding by NCTCOG's Congestion Management and Transportation Safety Program. This will provide funding through FY 2016 to assist in the continuation of the vanpool program. NCTCOG will submit the request to the Regional Transportation Council in May. We anticipate the receipt of a formal funding award and funding agreements shortly thereafter.

Pending Applications for Obligated Grants

There are five pending grants for which funds have been obligated to DCTA. Two applications are in the final stages of FTA Regional office Review. We anticipate the formal grants to be executed and reimbursement activity within the next 30 days. These applications include the revisions to the 5307 urbanized formula programs that were approved during the 2014 Program of Projects and the three Cooperative Agreements between NCTCOG as the grantee and DCTA as the subgrantee, which are on today's Board agenda for implementation of FTA 5310, 5316 & 5317 funded projects.

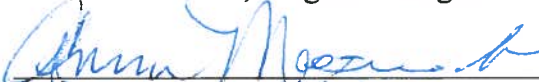
Compliance Activities

- | | |
|-------------------------------------|---|
| • DBE Program | Submitted 5/6/2014, Awaiting FTA approval |
| • EEO Program | Submitted 7/2014, FTA Approval 7/2014 |
| • Title VI Program | Submitted 4/4/2014, Awaiting FTA approval |
| • 2014 Program of Projects | Revised 7/24/14, RTC Approval 7/10/2014 |
| • 2015 Program of Projects | Completed 9/25/14 |
| • FY 2015 Certificate of Assurances | Completed 11/2014 |
| • Triennial Review | Site Visit May 21-22, 2015 |

Recommendation

This is for information purposes only. No Board action is required

Submitted by: Shanna O'Gilvie
Shanna O'Gilvie, Program Manger

Final Review: 
Anna Mosqueda, CFO



Board of Directors Memo

January 22, 2015

Item: 1(b) Communications and Marketing Update

Marketing & Communications Initiatives

FY15 Marketing & Communications Project/Budget Document Development & Implementation
 35Express Construction Campaign
 Where's My Ride Development & Implementation
 Community Events Calendar Coordination
 Agency Rebranding Development & Implementation
 Mean Green Game Day Shuttle RFP Development
 FY15 Agency Fact Sheets Development
 EnRoute News Implementation
 EnRoute News Scavenger Hunt Contest Promotion
 DDTK Kiosks Rebranding
 Holiday Service Schedule Implementation
 Campus Connections Brochure Planning & Development

2015 Public Relations Calendar of Activities Planning & Development
 University Pass Program Brochure Planning & Development
 Transit Connections Brochure Development
 Internal Communications Development
 Passenger Information Development & Implementation
 Why I Ride DCTA Social Media Campaign Implementation
 Passenger Satisfaction Survey Development
 Messaging Map Development & Implementation
 A-train Magazine Planning & Development
 Valentine's Day Promotion Development

Regional Initiatives

NCTCOG Air North Texas
 NCTCOG Regional Transit Survey
 Veteran's Transp. & Community Living Initiative
 NCTCOG Casual Carpool App

GoPass Mobile Application Promotion
 Human Trafficking Campaign Development & Implementation

Recent Events

19-Jan January Service Changes
 19-Jan Where's My Ride Campaign Launch

Upcoming Events

14-Feb Valentine's Day Promotion

General DCTA Related Media

Articles Mentioning DCTA	22	Month Total Ad Value	\$43,980
Web Reach Per Million	1,048	YTD Total Ad Value	\$54,512
YTD Web Reach Per Million	4,829		

Topic Highlights

Offices, facilities to close for holiday
 DCTA to make service changes
 DCTA announces new vice president of marketing and communications

DCTA Marketing Web Statistics (Based on Fiscal Year)

DCTA Website

RideDCTA.net				
	Visitors	Visits	New Visits	Avg. Time on Site
October	13,714	26,588	40.27%	3:10
November	14,882	30,794	36.59%	3:11
December	13,772	28,554	36.81%	3:04
Total	42,368	85,936	37.89%	3:08

Traffic Sources Overview			
	October	November	December
Search Engines	28,029	21,566	19,792
Direct Traffic	8,876	7,053	6,695
Referring Sites	3,516	1,827	1,764
Social	720	348	303

Top Page Views
Homepage
A-train Routes & Schedules
Connect Routes & Schedules
Routes & Schedules
A-train Route Map

Top Traffic Sources
Google
Direct
Yahoo
Bing
DART

DCTA Social Media

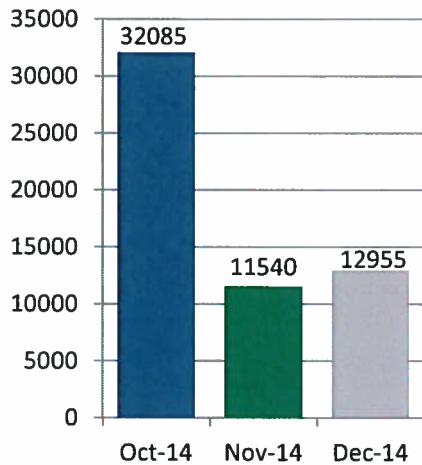
twitter.com/RideDCTA	
Followers	2697
Following	448

ridedcta.wordpress.com			
	October	November	December
Views	127	110	118
Visitors	92	91	90

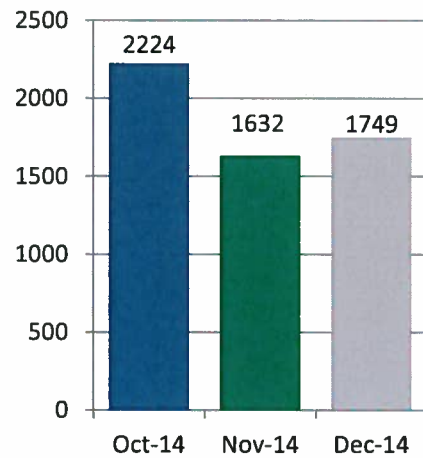
facebook.com/RideDCTA			
	October	November	December
Lifetime Total Likes	5,076	5,133	5,147
New Likes	371	76	25
Unlikes	49	10	8
Page Engaged Users	2,189	2,158	836
Total Reach	138,494	113,669	11,108
Total Impressions	229,686	360,800	27,613

GoPass Application

New Downloads



DCTA Tickets Sold

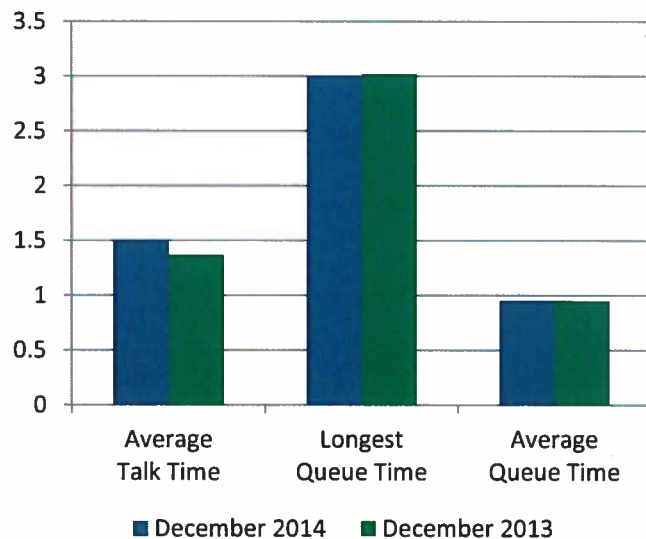
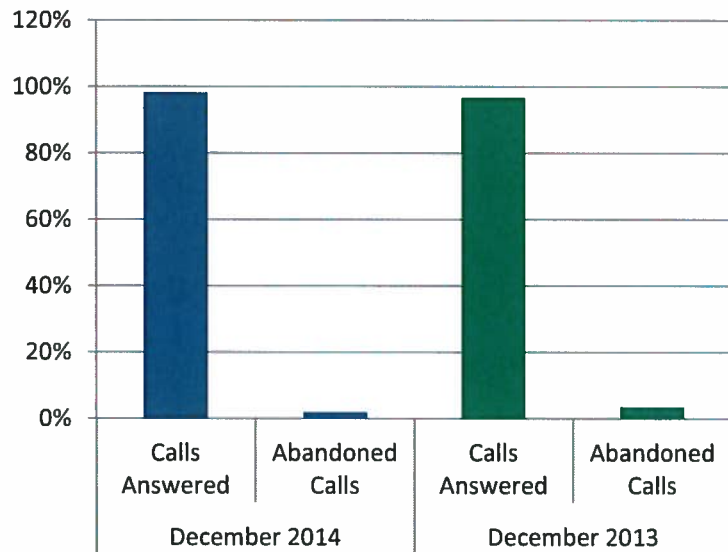


Call Center Statistics

In December, DCTA's call center received 4,738 calls compared to the 4,256 calls that were recorded in the month of November. This is an 11% increase in call volume from the previous month. 4,649 of the calls recorded in December were answered and 89 were abandoned.

The target for answered calls is 90%. With a 98% rate of calls answered, this target was met this month.

DCTA's target talk time is three minutes. The longest queue time that we would like to see is three minutes. The ideal average queue time is 90 seconds.



GO Request Statistics

DCTA had a total of 55 submissions into GO Request during the month of December. This is a 25% increase from the month of November.

Accident / Safety / Security	4
Customer Service Information	9
Driver Conduct	14
Driving Skills	1
On Time Performance	12
Other	6
Passenger Information Layout & Content	2
Route and Schedule Information	1
Service Request	3
Stations / Shelters / Bus Stops	2
Ticket or Ticket Vending Machine Issue	1

Types of Submittals Breakout

Complaint	29
Compliment	8
Problem	1
Question	13
Suggestion	4

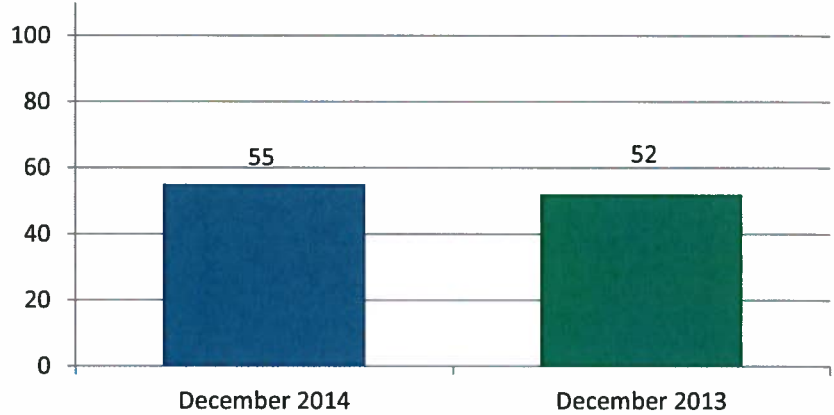
Complaints Per 10,000 Passengers

1.79	Complaints/10,000 Passengers
3.28	Total Requests / 10,000 Passengers

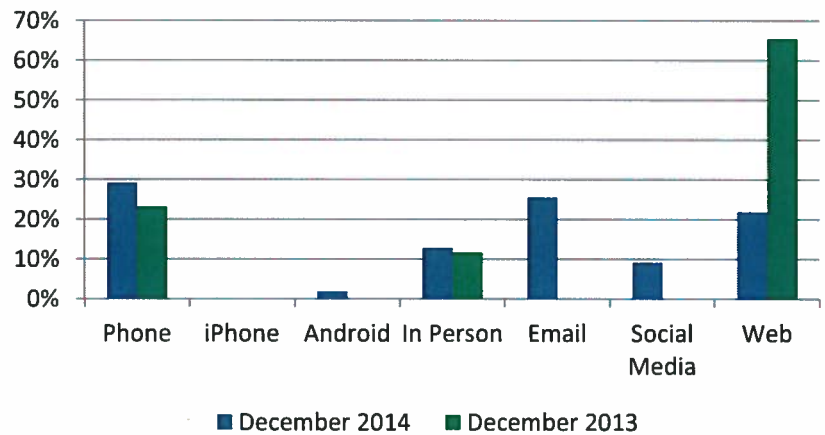
Complaint Topic Breakout

Accident / Safety / Security	2
Customer Service Information	3
Driver Conduct	10
On Time Performance	10
Other	1
Passenger Information Layout & Content	1
Service Request	2
Stations / Shelters / Bus Stops	1
Ticket or Ticket Vending Machine Issue	1

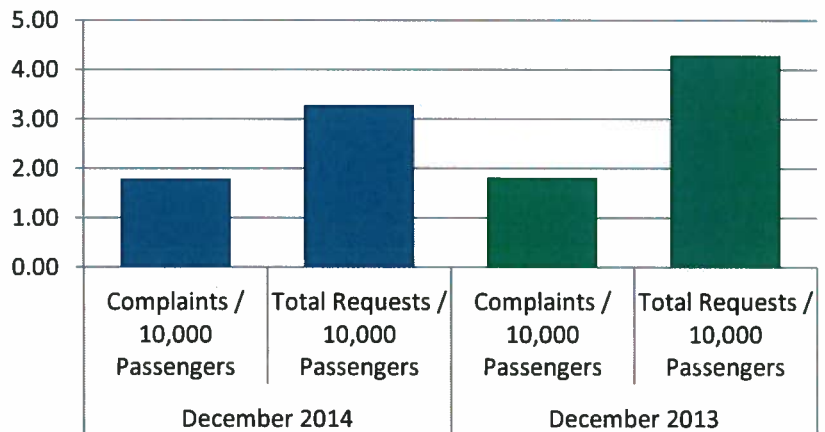
Number of Opened Requests



How Requests Are Reported



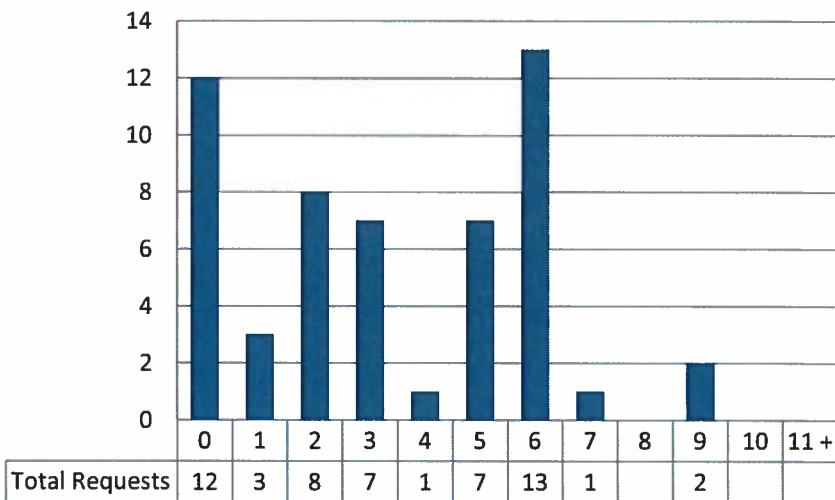
Requests Per 10,000 Passengers



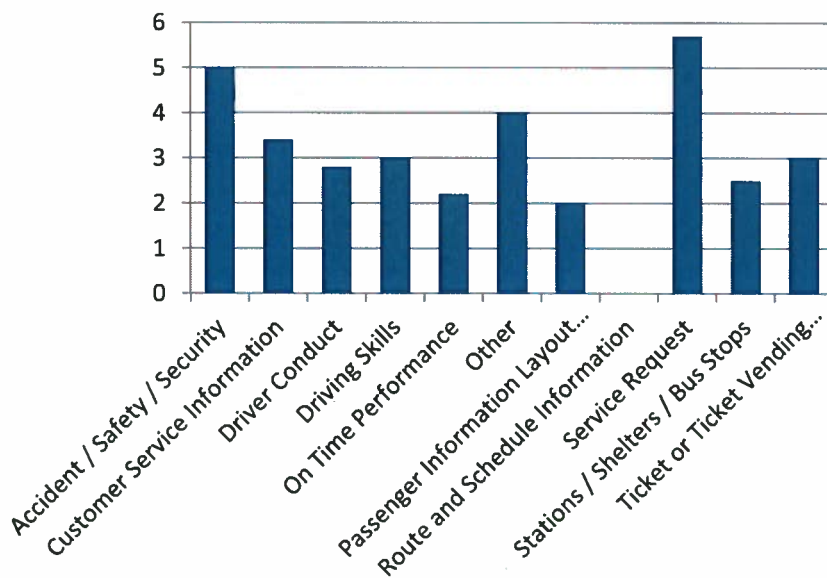
DCTA has a goal to close all requests within seven days. Ten days is the maximum number of days a request is allowed to remain unresolved.

In this reporting period it took, on average, 3.37 days to close out a request.

Number of Days to Close a Request



Average Number of Days to Close a Request



Submitted by: Rusty Comer
 Rusty Comer, Marketing Coordinator

Approved by: Nicole M. Recker
 Nicole M. Recker, Vice President of Marketing & Communications



Board of Directors Memo

January 22, 2015

Item: 1(c) Capital Projects Update

GTW Implementation

- Initial single car testing was performed 12/5/2014 from Hebron to Trinity Mills.
- Additional testing will continue for several months to obtain a baseline that reflects rail grinding and scrubbing and to determine where additional work is required.
- Track circuit modifications between North Lake and South Med are planned for Q2, 2015.
- Staff is researching options to enable continuous monitoring of shunt conditions.

Where's My Ride

- Went live on January 19th with the January service change.

Community Enhancements

- The project is substantially complete. The contractor is waiting on completion of the 3 way agreements with the City to schedule the paving modifications.

Lewisville Hike/Bike Trail

- Quality Excavating has begun the project. Silt fence and other storm water measures are in place.

Positive Train Control (PTC)

- DART cancelled the existing IETMS procurement and is developing a new scope of work. DCTA will be included as an option to the scope. The new solicitation is expected in February or March.
- The DCTA ACSES II solicitation has been released with bids due in February.

Station Landscaping

- Scope, Budget and Statement of Work are with Procurement. Anticipate February board cycle for approval of a project budget amendment.
- The project cost estimate is \$483,600 with a recommend phased implementation:
- Phase 1 addresses safety, irrigation, erosion and replacement of some non-native plants with drought tolerant plants. The phase 1 estimate is \$193,200.
 - An FY15 capital project is approved in the amount of \$75,000.
 - Existing grant funds are available in the amount of \$49,661.
- Phase 2 replaces existing dead "non-native" plants with native and drought tolerant plants. The phase 2 estimate is \$290,400.
 - Phase 2 will be incorporated in a FY2016 capital budget request.
- If approved, this capital work will be included in a comprehensive ground maintenance contract for upkeep of DCTA rail stations, the Bus O&M facility and the DDTC grounds.

Phase 1	\$193,200	FY2015
Phase 2	\$290,400	FY2016
Total including contingency	\$483,600	

Rail OMF Drainage

- Drawings and specifications are substantially complete and have been submitted to the City of Lewisville for approval.
- NTP is anticipated in late February, 2015, allowing for the DCTA procurement process.

Station Enhancement (Trinity Mills Station)

- HNTB has completed the survey work at the station and is working with DART to obtain the as-built drawings they require.
- DCTA has allocated a total of \$250,000 for this project which includes engineering and design fees.

Final Approval: 
Raymond Suarez, COO

Board of Directors Memo

January 22, 2015

Item: 1(d) Transit Operations Report

RIDERSHIP

- DCTA carried 167,793 passengers system wide (rail and bus) in December. Overall ridership increased 38% compared to last December. This increase in ridership is credited to UNT enrollment, service increases in January and August 2014, and inclement weather in 2013 that affected December ridership.
- The A-train carried 39,477 passengers during the month of December reflecting an overall 23% increase and a 60% increase in Saturday ridership as compared to December 2013. This increase in ridership is likely attributed to mid-day service added January 2014 and the inclement weather in December 2013.
- DCTA's bus system carried 128,316 passengers which is a 43% increase from December 2013.
- UNT Shuttle ridership increased 61% in December 2014 as compared to December 2013. This increase in ridership is likely attributed to increased enrollment at UNT and service added in August 2014.
- Connect ridership increased by 24% when compared to last December. This increase is likely attributed to service added in January and August 2014.
- NCTC ridership increased 49% compared to December 2013. This increase is likely attributed to service added in September 2014.
- Ridership on Connect RSVP increased by 9% (or 15 boardings) as compared to December 2013. This increase is likely attributed to inclement weather in December 2013.
- Access boardings in December increased by 25% (or 492 boardings) in comparison to the previous year. Like with Connect RSVP, this increase in ridership is likely attributed to inclement weather in December 2013.

SYSTEM ON-TIME PERFORMANCE

- December "On Time Performance" (OTP) for the A-train was 99.31%
- December "On Time Performance" (OTP) for Connect service was 73.08%.

SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 969
- DCTA Bus Operations Injury-Free Workdays: 93
- On December 26th at approximately 3 AM two Staddler vehicles were tagged with graffiti. A police report was filed and the graffiti was removed, no significant damage occurred. Staff is looking at security improvement options to improve the safety and security of the rail facility.

PLANNING AND CUSTOMER SERVICE

- Connect, Connect RSVP, and Access service have shown data anomalies. Staff is reviewing data with TMDC staff and exploring various solutions. Staff will update the Board next month.
- Construction on Highland Street has continued to impact bus routes resulting in customer complaints. DCTA is working with UNT to manage the re-routing during construction and communicate detours to minimize disruption to the customer.

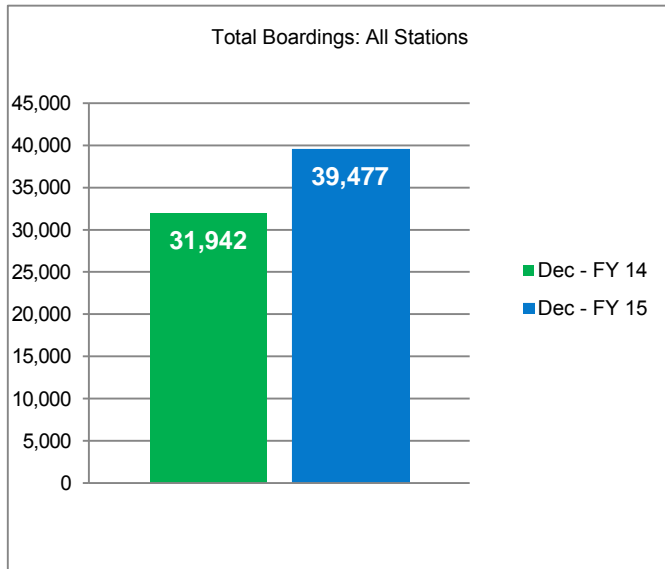
MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no signal issues in December.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major issues, and any minor aesthetic issues have been resolved (i.e. landscape maintenance, etc.).
- **Rail Mechanical:** DCTA contract operations (HTSI) reported no mechanical issues in December.

Final Review:



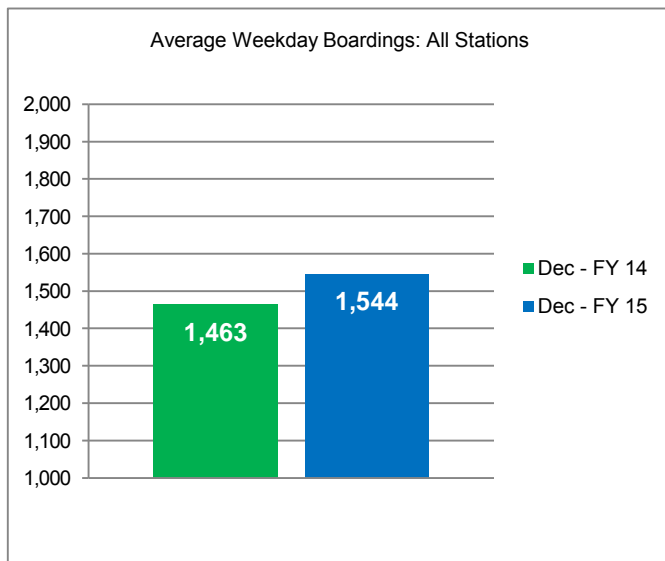
Raymond Suarez, COO



All Stations

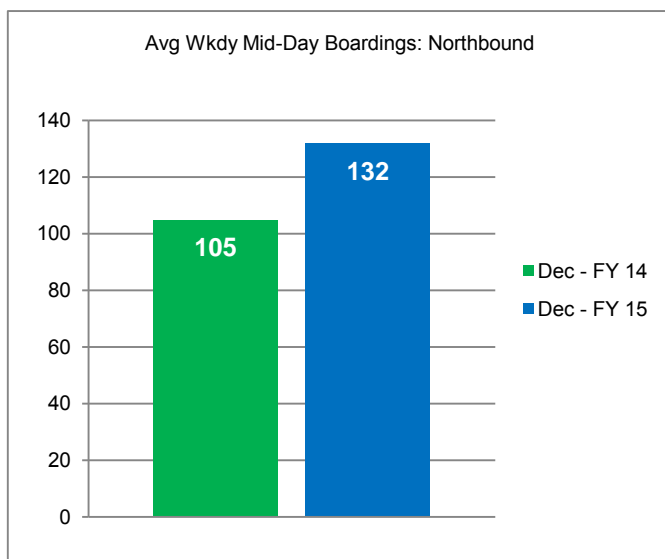
Total Boardings: All Stations

In December 2014, total boardings increased by 23% (or 7,535 boardings) compared to 2013. Two snow days in December 2013 contributed to the increase in 2014. While A-train service was not canceled during these snow days, many A-train passengers experienced delays and limited opportunities to transfer to other DCTA service. In addition, UNT, TWU, and NCTC classes were canceled.



Average Weekday Boardings: All Stations

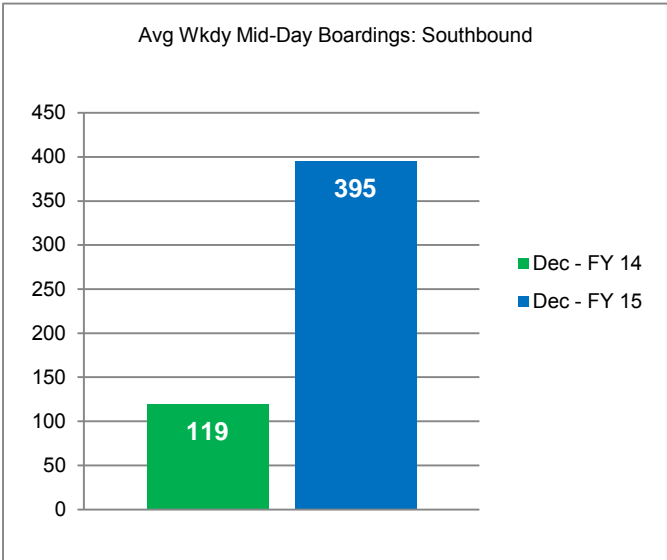
Average weekday boardings increased by 5% (or 81 boardings per weekday) from the previous December. Like with total boardings, inclement weather, reduced weekday boardings in December 2013.



Average Weekday Mid-Day Boardings: Northbound

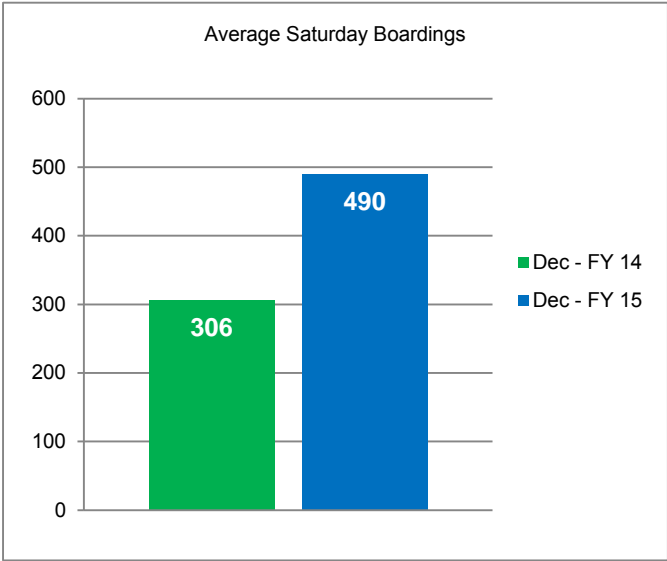
On an average weekday during the mid-day, boardings increased by 26% (or 27 boardings per day) on northbound trains from December 2013 to December 2014. This increase is explained by additional mid-day service added in January 2014.

All Stations



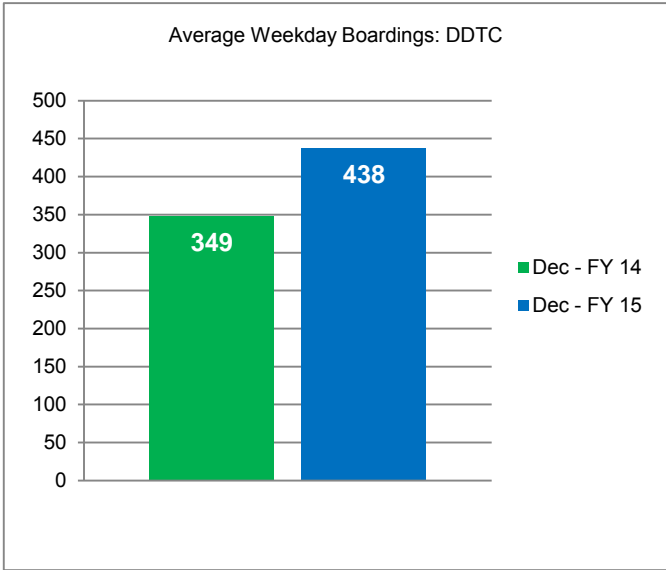
Average Weekday Mid-Day Boardings: Southbound

Average daily boardings during mid-day traveling southbound grew by 230% (or 275 boardings per weekday). In January 2014, mid-day service was added. Two Southbound one-way trips while only 1.5 Northbound one-way trips were added.



Average Saturday Boardings: All Stations

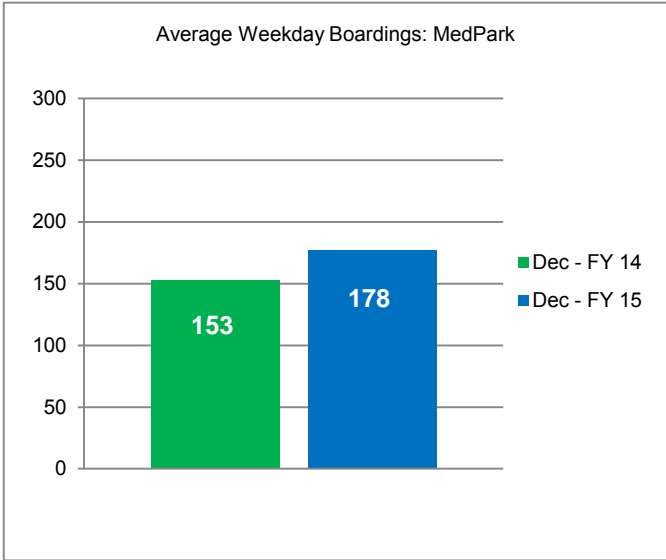
In December, average Saturday boardings increased by 60% (or 183 boardings per Saturday) when compared to the previous year. The cancellation of holiday events on Saturday, December 7, 2013 and service delays due to inclement weather help explain this increase in Saturday boardings from December 2013 to December 2014.



Station by Station

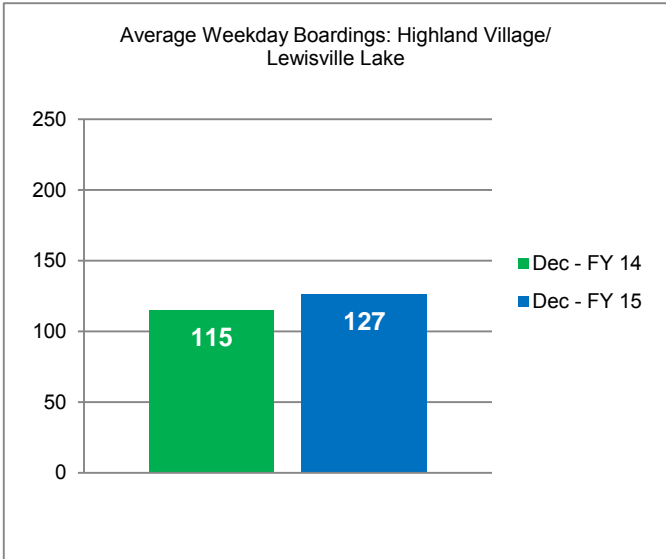
Average Weekday Boardings: DDTC

In December, average daily boardings at the DDTC increased by 25% (or 89 boardings per weekday) when compared to the previous year. Factors explaining this increase include additional Connect trips and the NCTC shuttle providing more service at the DDTC and additional opportunities to transfer. In addition, UNT, TWU, NCTC school closures during snow days in December 2013 also impacted the growth in average weekday boardings at the DDTC.



Average Weekday Boardings: MedPark

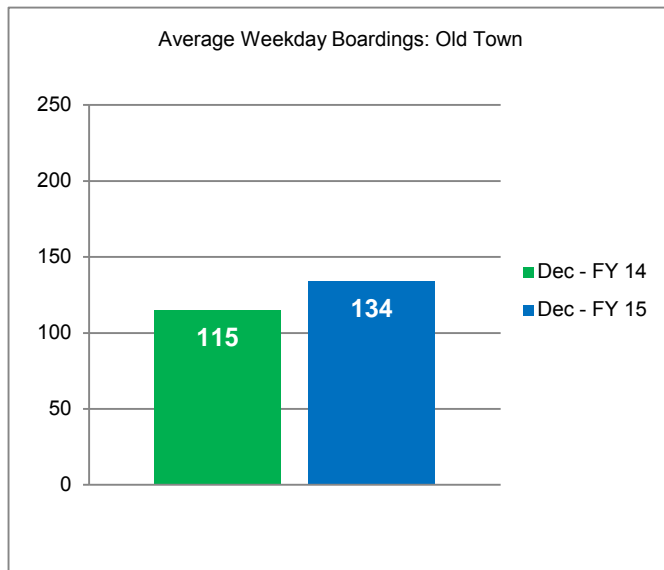
In December, average daily boardings at the MedPark Station increased by 16% (or nearly 25 boardings per day) when compared to the previous year. Since December 2013, UNT's Colorado Express was extended to the MedPark Station. Another factor explaining this increase is the cancellation of UNT, TWU, NCTC class and holiday events due to inclement weather in December 2013.



Average Weekday Boardings: Highland Village/ Lewisville Lake

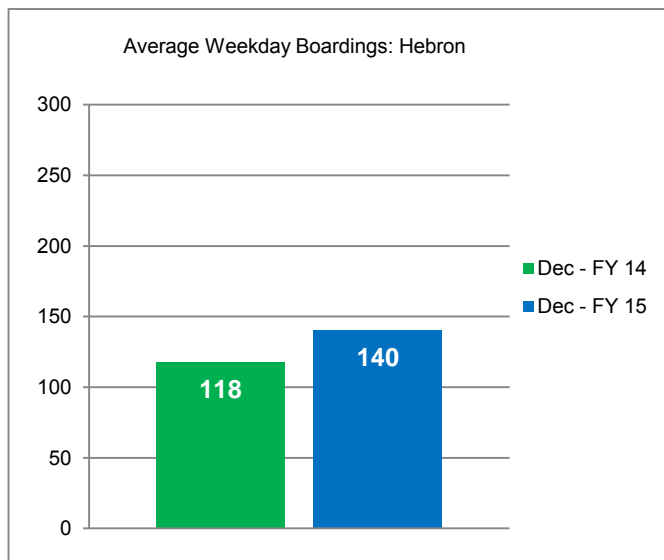
In December, average daily boardings at the Highland Village/Lewisville Lake Station increased by nearly 10% (or 11 boardings per day) when compared to last year. This increase can be explained by class and event cancellations in December 2013. The Lewisville Recreational Parking opened in September 2014 and added 83 general public parking spaces to the Highland

Station by Station



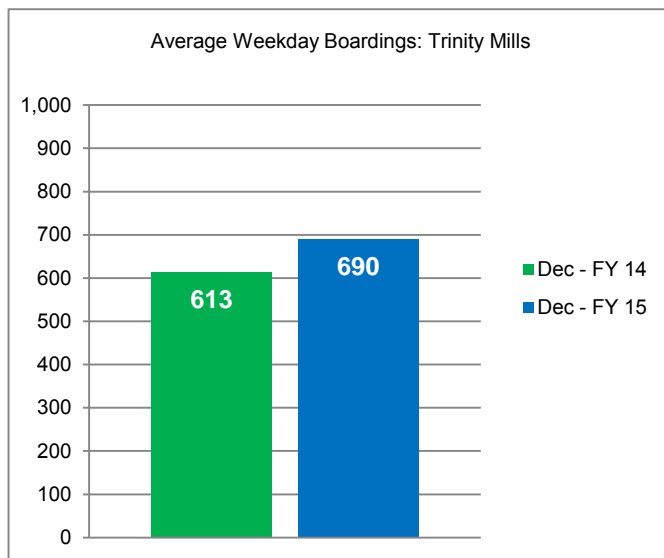
Average Weekday Boardings: Old Town

In December, average daily boardings at the Old Town Station increased by 16% (or 18 boardings per weekday) compared to the previous year. Inclement weather and cancellation of holiday events in December 2013 may contribute to the increase in December 2014.



Average Weekday Boardings: Hebron

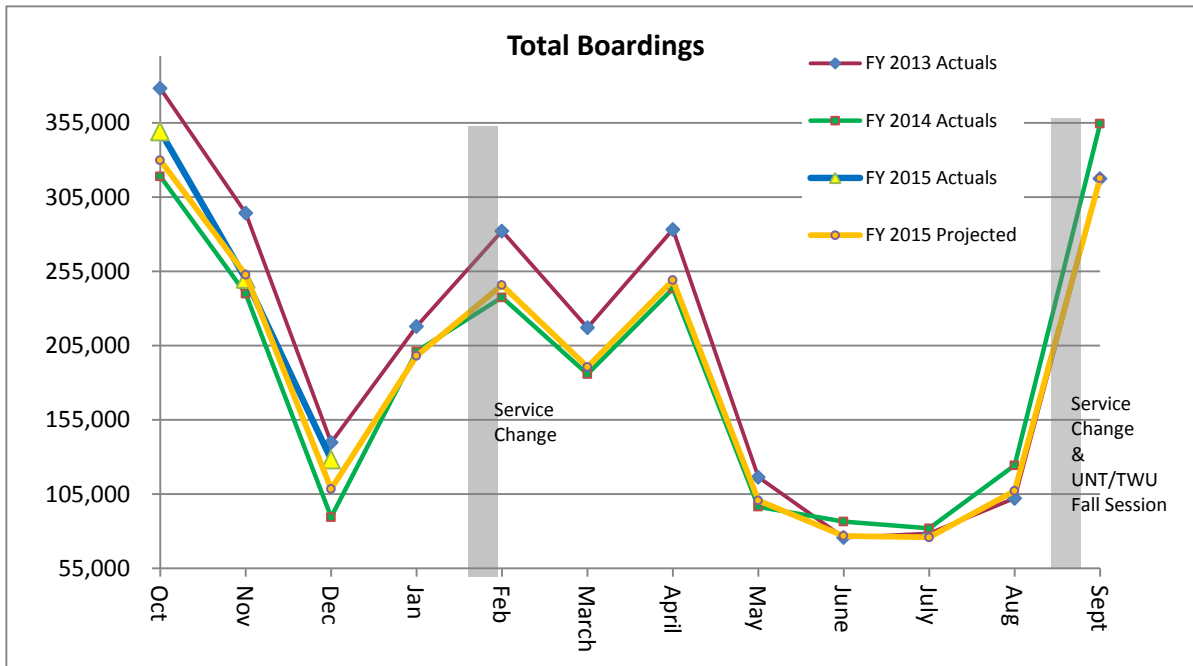
In December, the average daily boardings at the Hebron Station increased nearly 19% (or 22 boardings per weekday) relative to last year. Like with the other stations, inclement weather may have reduced ridership in December 2013.



Average Weekday Boardings: Trinity Mills

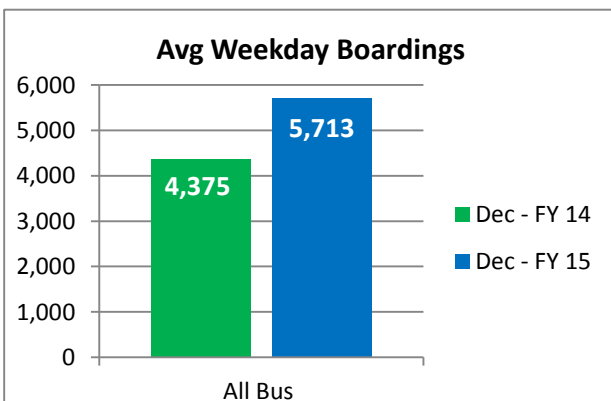
In December, average daily boardings at the Trinity Mills Station increased by 12% (or 76 boardings per weekday) compared to last year. This increase may be explained by the drop in ridership in December 2013 due to inclement weather.

Total Bus



Total Bus: Total Boardings

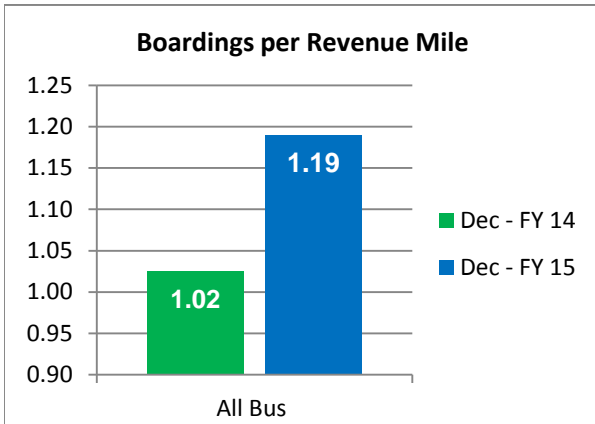
The chart above compares actual boardings in FYs 2013, 2014, and 2015 (YTD) with the projected ridership for FY 2015. Boardings the first quarter of FY 2015 (shown in blue) match the projected ridership for FY 2015 (shown in orange) and are slightly above actual boardings for those months in FY 2014 (shown in green).



Total Bus: Average Weekday Boardings

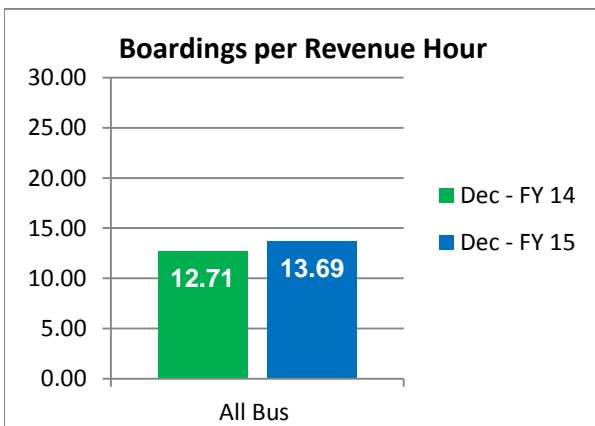
Average weekday boardings increased by 30% (or 1,338 boardings) per day when comparing December 2014 to the same period in 2013. When service increases are accounted for, boardings per one-way trip increased by 7%. This increase was driven by growth in UNT ridership.

Total Bus (Cont.)



Total Bus: Boardings per Revenue Mile

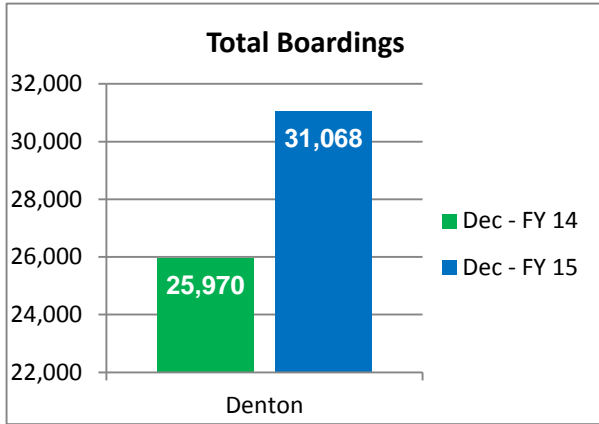
Overall in December, boardings per revenue mile increased by 16% compared to the previous year. That is, boardings increased almost twice as fast as revenue miles.



Total Bus: Boardings per Revenue Hour

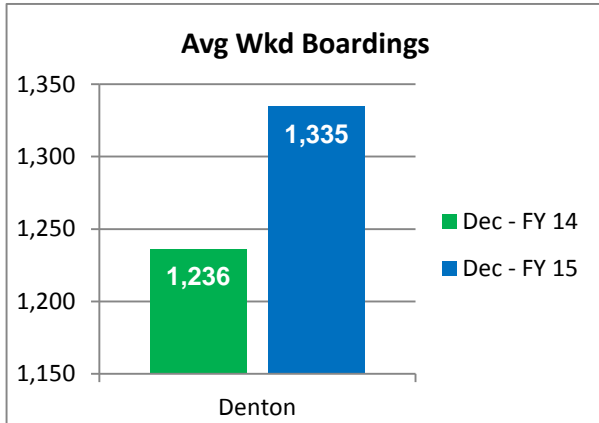
In December, boardings per revenue hour increased by 7% compared to last year. In other words, more passengers on average boarded in a revenue hour in December 2014 relative to December 2013. Revenue miles and hours increased at different rates so that boardings per revenue hour didn't increase as fast as boardings per revenue mile.

Denton Connect



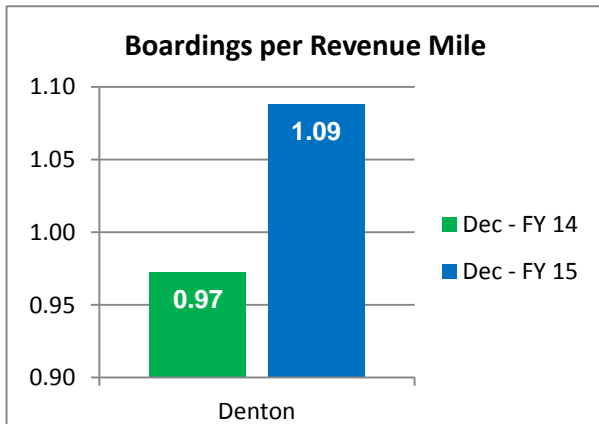
Denton Connect: Total Boardings

In December 2014, boardings on Denton routes increased by 19% (or 5,098 boardings) compared to 2013. This large increase is explained by inclement weather in December 2013 and service increases in January 2014.



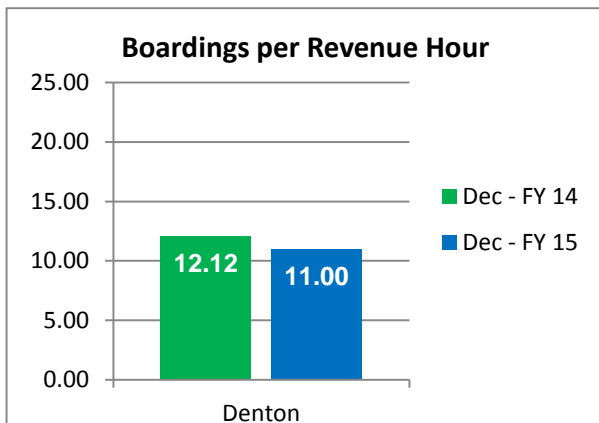
Denton Connect: Average Weekday Boardings

In December 2014, boardings on a typical weekday increased by 8% (or 98 boardings per weekday) compared to 2013. Like with total boardings in Denton, this jump in productivity is explained by service increases.



Denton Connect: Boardings per Revenue Mile

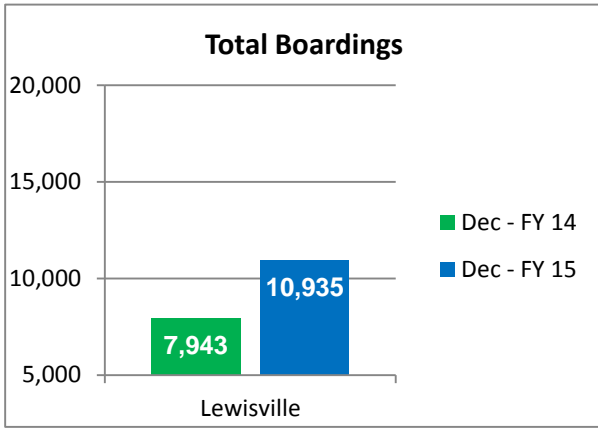
In December, boardings per revenue mile increased by 12% compared to the previous year. Like with overall ridership, boardings in Denton increased twice as fast as revenue miles. Revenue miles for Connect routes indicate possible data anomalies and DCTA staff is working with



Denton Connect: Boardings per Revenue Hour

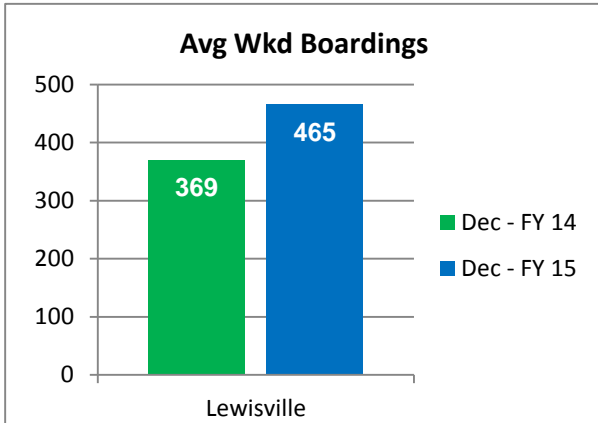
In December 2014, boardings per revenue hour dropped by 9% from the previous year. Revenue hours for Connect routes indicate possible data anomalies and DCTA staff is working with TMDC staff to resolve these issues.

Lewisville Connect



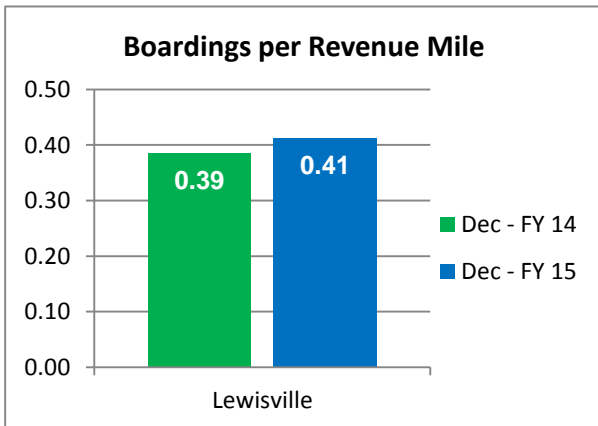
Lewisville Connect: Total Boardings

In December, boardings increased by 37% (or 2,992 boardings) when compared to the previous year. This jump in ridership can be explained by mid-day service being added in January 2014 and less service in December 2013 due to two snow days where service was not operated.



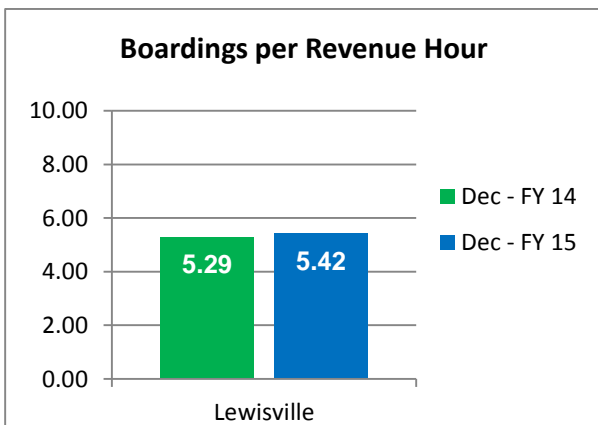
Lewisville Connect: Average Weekday Boardings

In December, average weekday boardings increased by 26% (or 96 boardings per day) when compared to the previous year. Boardings on a typical weekday in December 2014 grew due to mid-day service added and mid-day frequency improved on routes 21, 22, & 23.



Lewisville Connect: Boardings per Revenue Mile

In December, boardings per revenue mile increased by 7% when compared to 2013. Revenue miles for Connect routes indicate possible data anomalies and DCTA staff is working with TMDC staff to resolve these issues.



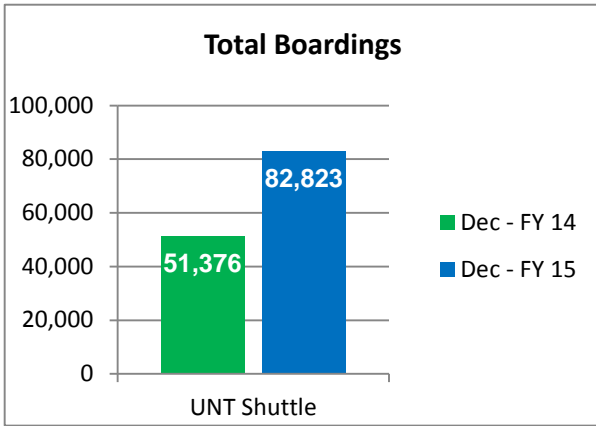
Lewisville Connect: Boardings per Revenue Hour

In December, boardings per revenue hour remained about the same from the previous year. Revenue hours for Connect routes indicate possible data anomalies and DCTA staff is working with TMDC staff to resolve these issues.

UNT Shuttle

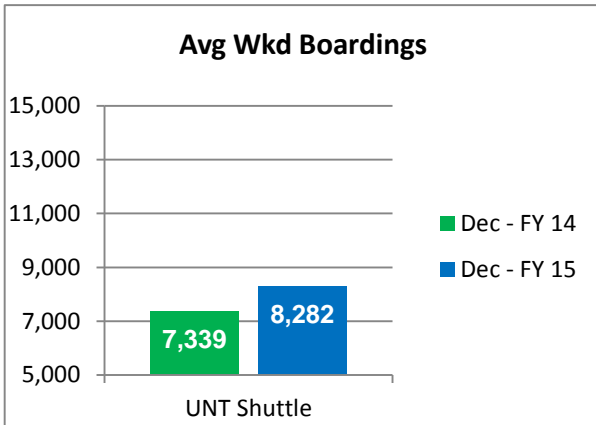
UNT Shuttle: Total Boardings

In December, UNT boardings increased by 61% (or 31,447 boardings) relative to the previous year. Increases in ridership since August 2014 represent a reversal of a 24 month period of declines. Factors explaining this large increase include less service provided in December 2013 (due to inclement weather) and service added in August 2014.



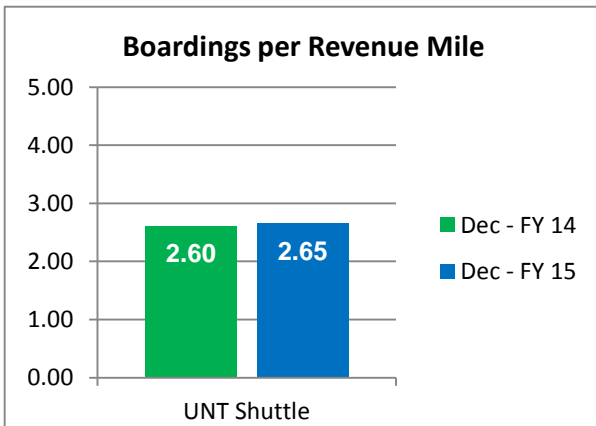
UNT Shuttle: Average Weekday Boardings

In December, UNT average weekday boardings increased by almost 13% (or on average 943 boardings per weekday) compared to December 2013. This increase can be explained by more regular class days in December 2014 (due to inclement weather in December 2013) and additional service.



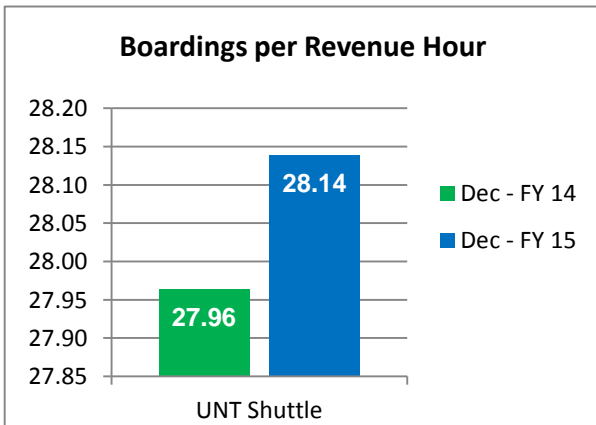
UNT Shuttle: Boardings per Revenue Mile

In December, boardings per revenue mile increased by nearly 2% when compared to December 2013. Routes with the greatest gains in boardings per revenue mile were Centre Place (by 42%) and Discovery Park (by 33%).



UNT Shuttle: Boardings per Revenue Hour

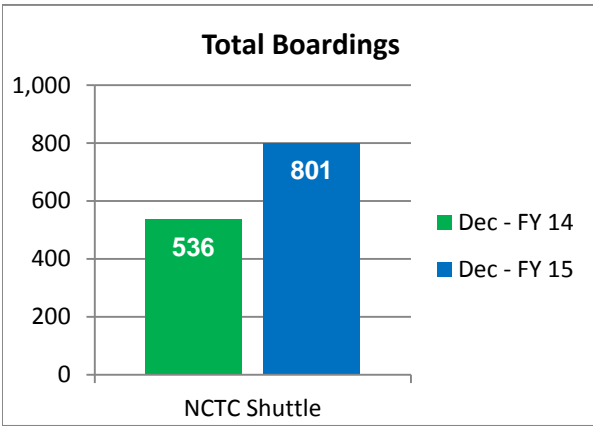
In December, boardings per revenue hour remained about the same relative to the previous year. Boardings increased about the same rate as revenue hours from December 2013 to December 2014.



NCTC Shuttle

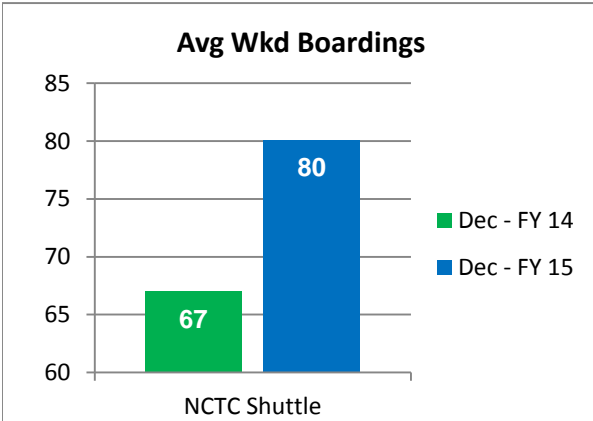
NCTC Shuttle: Total Boardings

In December, NCTC boardings increased by 49% (or 265 boardings) when compared to 2013. This increase may be explained by this route being extended to include stops at the Flower Mound Campus, Summit @ Civic (Lewisville) and the DDTC in September 2014. Between December 2013 and December 2014, the number of one-way trips increased by 239% (or 134 trips per month). In addition, NCTC service operated fewer days in December 2013 due to inclement weather.



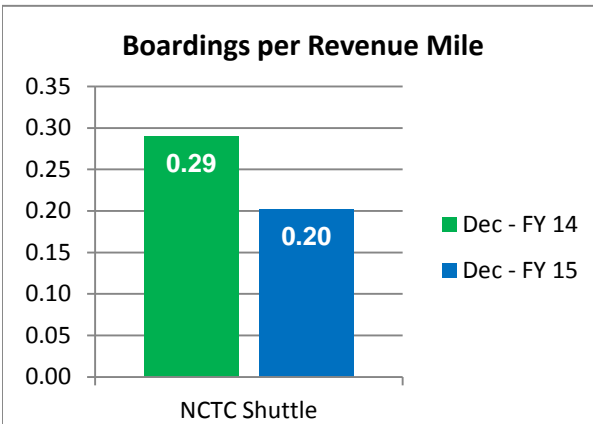
NCTC Shuttle: Average Weekday Boardings

In November, NCTC average weekday boardings increased by 19% (or on average 13 boardings per weekday) when compared to 2013. This is due to additional service being added in September 2014. However, data indicates that this new service has not matured. That is, boardings per one-way trip declined by 56% (or on average 5 boardings per trip)



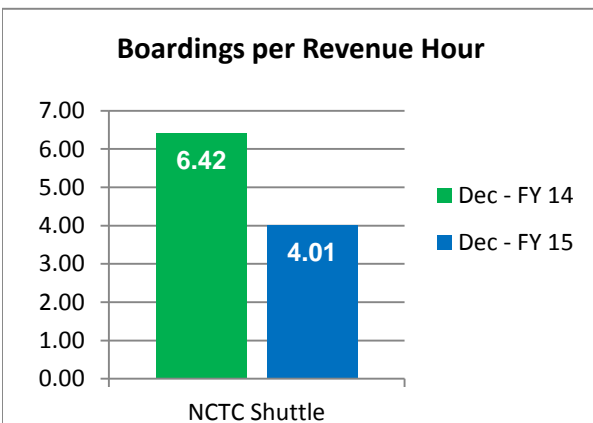
NCTC Shuttle: Boardings per Revenue Mile

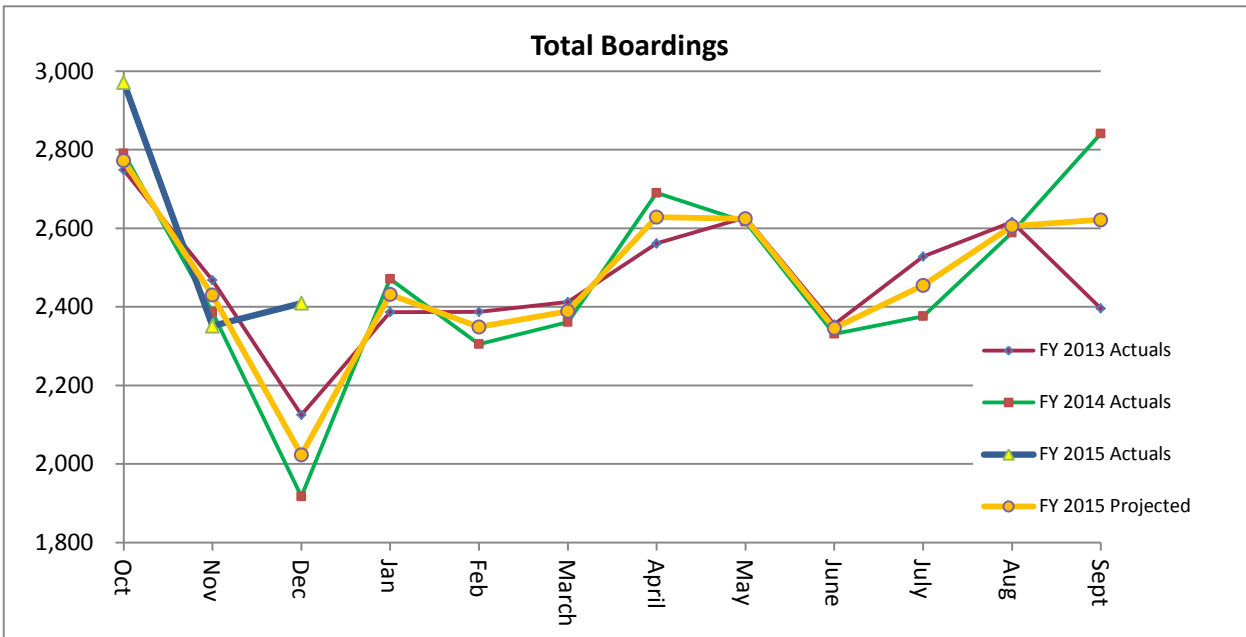
In December, boardings per revenue mile decreased by 30% from the previous year. From December 2013 to December 2014, revenue miles increased by 114% (or 2,108 miles per month) while boardings only increased by 49%. This indicates that service has not matured (grow at the same rate as revenue miles).



NCTC Shuttle: Boardings per Revenue Hour

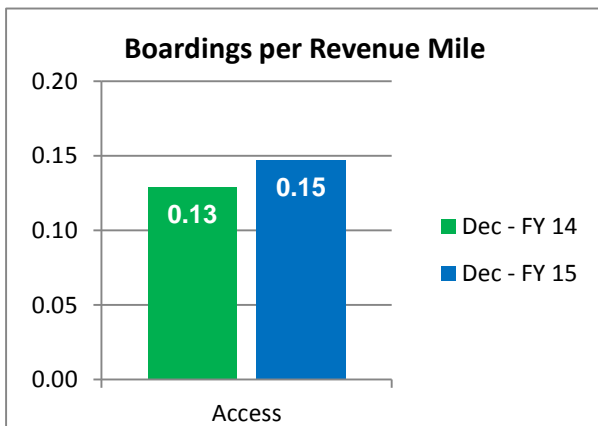
In December, boardings per revenue hour decreased by 37% from the previous year. From December 2013 to December 2014, revenue hours increased by 139% (or 116 revenue hours per month) while boardings only increased by 49% in that same time period. Like with Boardings per revenue hour, this data shows that growth in boarding has not caught up with increases in revenue miles or hours.





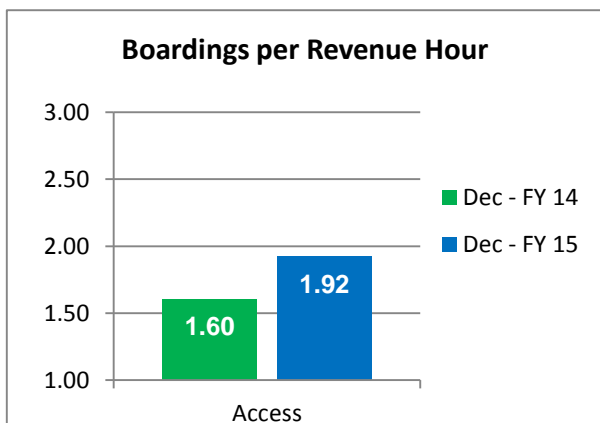
Access: Total Boardings

The chart above compares actual boardings in FYs 2013, 2014, and 2015 (YTD) with the projected ridership for FY 2015. Boardings for October and November FY 2015 (shown in blue) match the projected ridership for FY 2015 (shown in orange) but increases faster than those months in FY s



Access: Boardings per Revenue Mile

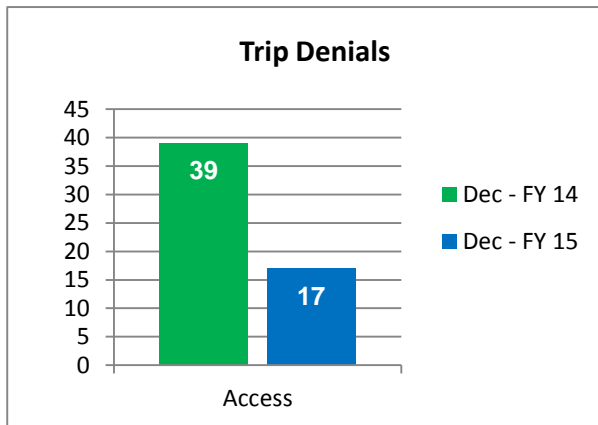
In December, boardings per revenue mile increased by 14% when compared to the previous year. Boardings per revenue mile in December 2013 may have been untypically low due to inclement weather causing trip delays and possible missed trips.



Access: Boardings per Revenue Hour

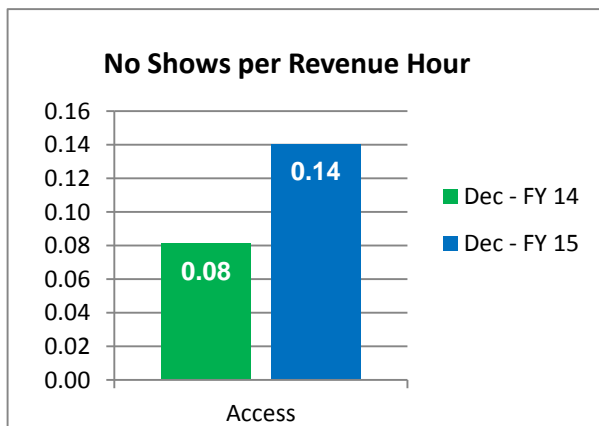
In December 2014, boardings per revenue hour increased by nearly 20%. Like with boardings per revenue mile, December 2013 data may have negatively impacted by inclement weather.

Access (Cont.)



Access: Trip Denials

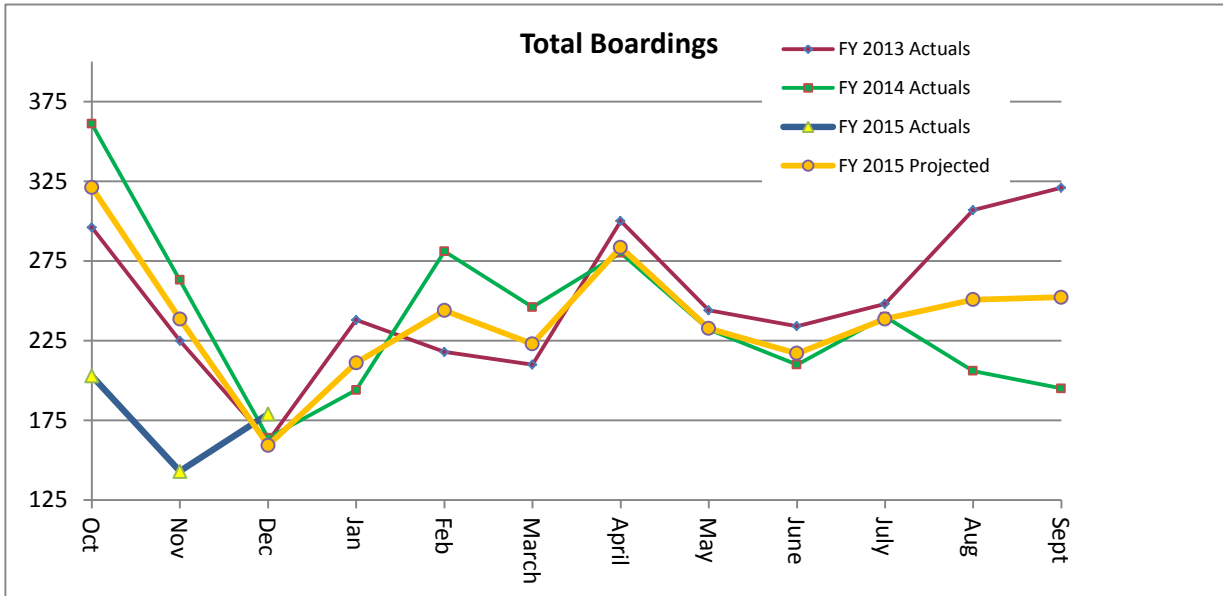
In December, non-ADA trip denials decreased by 56% (or 22 denials) when compared to 2013. The inclement weather in December 2013 may have caused trip denials in that month to spike.



Access: No-Shows per Revenue Hour

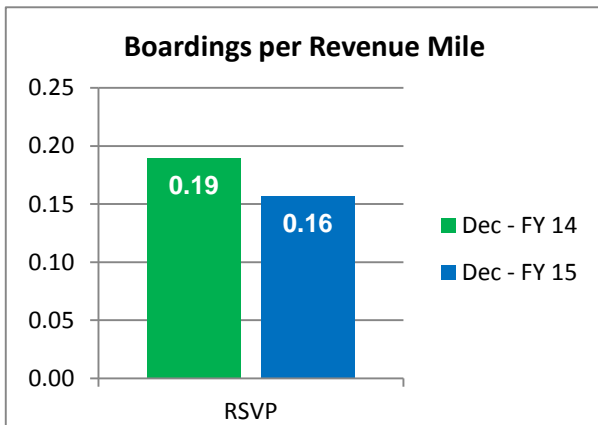
In December, the rate of no-shows per revenue hour increased by 73% from the previous year. No shows increased by 81% (or 79 no shows) while revenue hours increased by 5% (or 58 hours).

Connect RSVP



Connect RSVP : Total Boardings

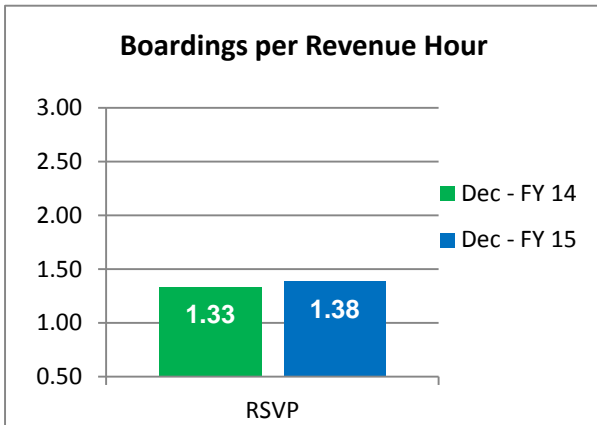
The chart above compares actual boardings in FYs 2013, 2014, and 2015 (YTD) with the projected ridership for FY 2015. Boardings the first quarter of FY 2015 (shown in blue) do not follow the projected ridership for FY 2015 (shown in orange) but increases in December 2014 when those months in FYs 2013 and 2014 (shown in red and green respectively) decline. This divergence may be attributed to additional parking at HV/LL Station, and changes in RSVP scheduling and technology which may have resulted in data anomalies. Staff is currently reviewing with TMDC staff and will revise reporting as necessary in next month's report.



Connect RSVP : Boardings per Revenue Mile

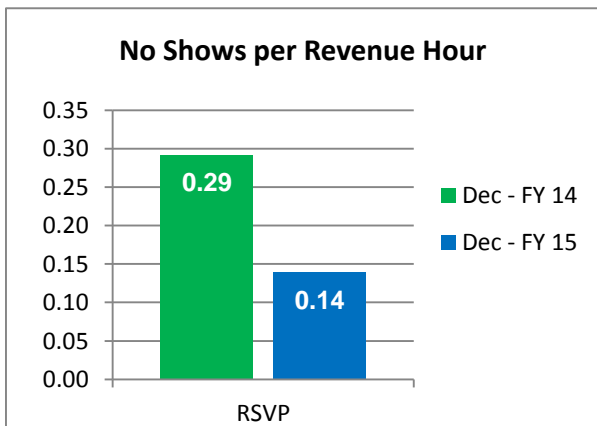
Boardings per revenue miles dropped by 17% when comparing December 2014 to 2013. Boardings in December 2014 did not grow as fast as revenue miles relative to December 2013.

Connect RSVP (Cont.)



Connect RSVP: Boardings per Revenue Hour

In December, boardings per revenue hour increased by 4% when compared to 2013. Boardings in December 2014 grew slightly faster than revenue miles relative to December 2013.



Connect RSVP: No-Shows per Revenue Hour

In December, no-shows per revenue hour dropped by 52% (or 15 no shows per 100 hours) from the previous year. In December 2013, inclement weather may explain the high number of no shows.

Board of Directors Memo

January 22, 2015

Item: 1(e) Strategic Planning & Development Update**PRIORITY PROJECTS****Transit Planning Services (Comprehensive Service Analysis)**

- RFP for transit planning services was posted on January 7, 2015
- Pre-proposal meeting is set for January 20, 2015
- Proposals are due February 18, 2015
- Staff will select up to three qualified firms to perform transit planning task orders as part of the comprehensive service analysis
- Expect to bring the contract to the board for approval at the March board meeting

Major Service Corridor Preliminary Planning

- Refining proposed corridors
- Refining cost model
- Developing revenue and financing mechanism model

Highland Village (FM407 Retailers)

- Currently developing preliminary service plans to address the labor force demand
- Incorporated Highland Village service into Major Service Corridors Preliminary Plan
- Exploring potential funding sources

I-35W Corridor (Denton to Fort Worth)

- Currently developing preliminary service plans to establish options for providing service along the I-35W
- Incorporated I-35W Corridor into Major Service Corridors Preliminary Plan

Next Steps

- Finalize Major Service Corridors
- Finalize Cost Model and Financing Mechanism
- Meet with Program Services & Finance Committee
- Explore & Confirm Potential Funding Source
- Marketing Collateral Development
- Meet with Stakeholders & Potential Partners

OUTREACH EFFORTS**Recent Outreach Efforts**

1/12 City of Lewisville
1/13 Northwest Communities Partnership Board Retreat
1/15 UNT Parking & Transportation Master Planning Committee
1/26 Southeast Denton Neighborhood Association
1/29 NTC "To the Point" - Welcome to Toyota North America's Sr VP

Submitted by: 
Kristina Brevard, VP, Strategic Planning & Development



Board of Directors Memo

January 22, 2015

Subject: Work Session 3a) Finance Committee Chair Report

The Finance Committee meeting was held at 2:00 p.m., Monday, January 12, 2015 at 1955 Lakeway Drive, Suite 260 Conference Room in Lewisville, TX.

In attendance were:

Weaver, LLP, External Auditors: Jennifer Ripka

Committee Chair: Dave Kovatch

Committee Members: Allen Harris

Board Members: Charles Emery

Absent: George Campbell, Richard Huckaby, Jim Robertson

DCTA Staff: Anna Mosqueda, Kristina Brevard, Jim Cline, Leslee Bachus, Amanda Riddle, Shanna O'Gilvie, Marisa Perry

A complete copy of the Finance Committee agenda packet and handouts is included as "Attachment A" to this report. The following agenda items were discussed:

Preliminary Year-End Audit Results

The auditors presented the draft audit report for the FY14 external audit, which is an unmodified (favorable) opinion. The presentation also included required communications to governance stating that no material weaknesses were noted during the external audit, no difficulties arose, and there were no passed audit adjustments. A draft of the basic financial statements and Single Audit Report was also provided to the Finance Committee. The auditors reviewed new GASB standards that were implemented in FY2014 and are required to be implemented in FY2015.

The final audit opinion and financial statements will be included in the Comprehensive Annual Financial Report (CAFR) that will be presented to the Board at the February meeting.

Triennial Review Update

The Finance Committee received an update regarding the Federal Transit Administration (FTA) FY 15 Triennial Review. The Triennial reviews will examine the three year period of FY12, 13 14 as well as provide a forward looking assessment of the agency's risk in the management and implementation of FTA grant programs. The review is also intended to assist agencies in understanding and meeting FTA requirements. This review covers 17 areas. Staff submitted the Grantee Information Packet on with all the required review documents by the December 23, 2014. Staff provided an overview of the activities that would be included in the FTA onsite visit scheduled for May 21-22, 2015. This will be DCTA's third Triennial Review conducted by the Federal Transit Administration.

Update on Concept Plans for Future Service Expansion

The preliminary planning process for future service expansion continues as staff currently has a strong focus on developing a financial planning model outlining projected capital expense, operating costs and revenue potential. A joint Finance and Programs Services Committee meeting will be scheduled when staff is ready for the Board to begin addressing specific expansion projects.

Future Items

The Finance Committee requested staff review and bring back the following items for future discussion:

- Evaluate options for refunding existing debt to capitalize on the current interest rate environment
- Risk Assessment review of current insurance coverage of assets to also include review of coverage for errors and omissions of management and Board.
- Consider additional scope requirements for future audits to test effectiveness of specific controls – i.e. cash receipts testing, etc.
- Mandatory rotation of external audit firm

Meeting adjourned at 2:56pm.

Finance Committee**Chair – Dave Kovatch****Members – George Campbell, Allen Harris, Richard Huckaby, Jim Robertson****Staff Liaison – Anna Mosqueda – CFO/VP Finance**



Special Called Meeting of the DCTA Board of Directors
and the **Finance Committee**
of the DCTA Board of Directors
2:00 p.m., January 12, 2015
1955 Lakeway Drive, Suite 260 Conference Room
Lewisville, TX 75067

AGENDA

NOTICE IS HEREBY GIVEN that there will be a special called meeting of the DCTA Board of Directors and a meeting of the Finance Committee of the DCTA Board of Directors at the time and location above. The DCTA Board of Directors will not conduct its special called meeting if a quorum of the DCTA Board of Directors does not attend however the DCTA Finance Committee will conduct its meeting regardless of the presence of a quorum of the DCTA Board of the Directors. The DCTA Board of Directors and the Finance Committee of the DCTA Board of Directors will consider the following:

Welcome and Introductions

1) **ITEMS FOR DISCUSSION**

- a. Preliminary Year-end Audit Report
- b. Triennial Review Update
- c. Update on Concept Plans for Future Service Expansion

2) **ADJOURN**

Finance Committee

Chair – Dave Kovatch

Members – George Campbell, Allen Harris Richard Huckaby, Jim Robertson

Staff Liaison – Anna Mosqueda – CFO

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the east entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing lbachus@dcta.net or calling Leslee Bachus at 972-221-4600.

This notice was posted at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 at a place convenient and readily accessible to the public at all times. Said notice was posted on 1/9/2015 at 10:21 AM.

Leslee Bachus, Executive Assistant

Denton County Transportation Authority

Finance Committee Meeting
January 12, 2015



Overview

- Introduction
- Audit Process
- Required Communications
- Audit Results
- Areas of Strength and Accomplishment
- Financial Highlights
- New Accounting Pronouncements
- Questions

Introductions

A large, modern, circular conference table with several laptops and office chairs arranged around it, set against a light green background. The table is white with a central circular cutout. There are eight office chairs around the table, and several laptops are open on the table surface. The background is a solid light green color.

The Firm of Texas



Weaver is the largest independent accounting firm in Texas and the Southwest. We are consistently named a top firm in the state and nationally.

- #6 Largest Accounting Firms **in Texas** | *Houston Business Journal*
- #4 Largest **Tarrant County** Accounting Firms | *Fort Worth Business Press*
- #8 Largest **North Texas** Accounting Firms | *Dallas Business Journal*
- #7 Largest **Austin** Accounting Firms | *Austin Business Journal*
- #14 Largest **Houston-Area** Public Accounting Firms | *Houston Business Journal*
- #5 Largest **San Antonio** Accounting Firms | *San Antonio Business Journal*
- 2014 **Top 50** Firms | *INSIDE Public Accounting*
- 2014 **BEST of the BEST** Firm | *INSIDE Public Accounting*



7 Texas
Offices

500+
Employees

65+
Partners

We know your questions don't end when the audit does, so the team leadership remains available to you throughout the year.

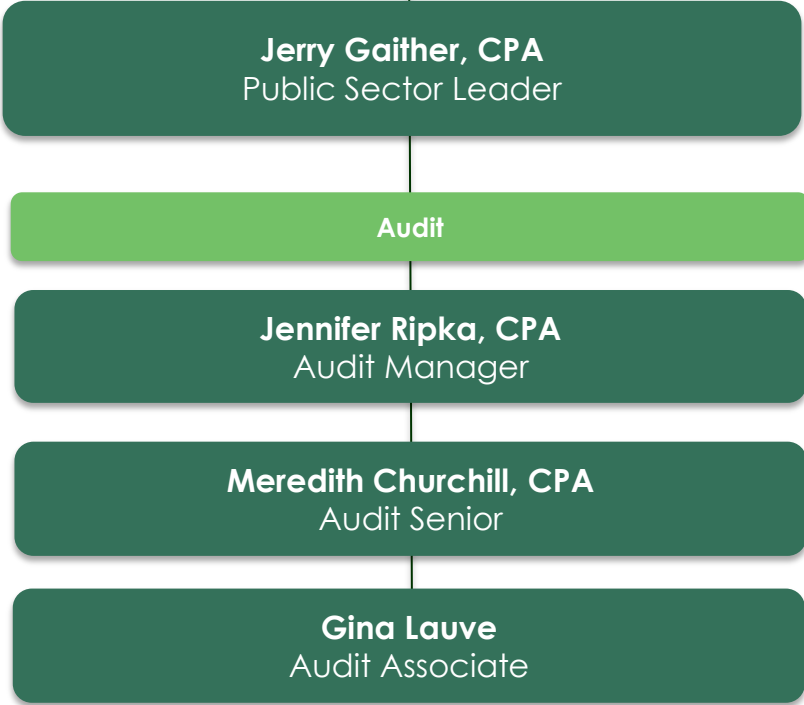
Jerry Gaither

Partner, Assurance Services

Jennifer Ripka

Manager,
Assurance Services

Denton County Transportation Authority



Audit Process



Interim fieldwork and risk assessment were performed in August 2014. Procedures included:

- Walkthrough of accounting controls over significant transaction cycles:
 - Budget
 - Cash Disbursements
 - Cash Receipts
 - Payroll
 - P-Card Process
 - TVM, DDTC, POS, Online, and GoPass Revenue
 - Grant Funding
- Test of internal controls over financial reporting
- Test of compliance
 - PFIA

Audit Process

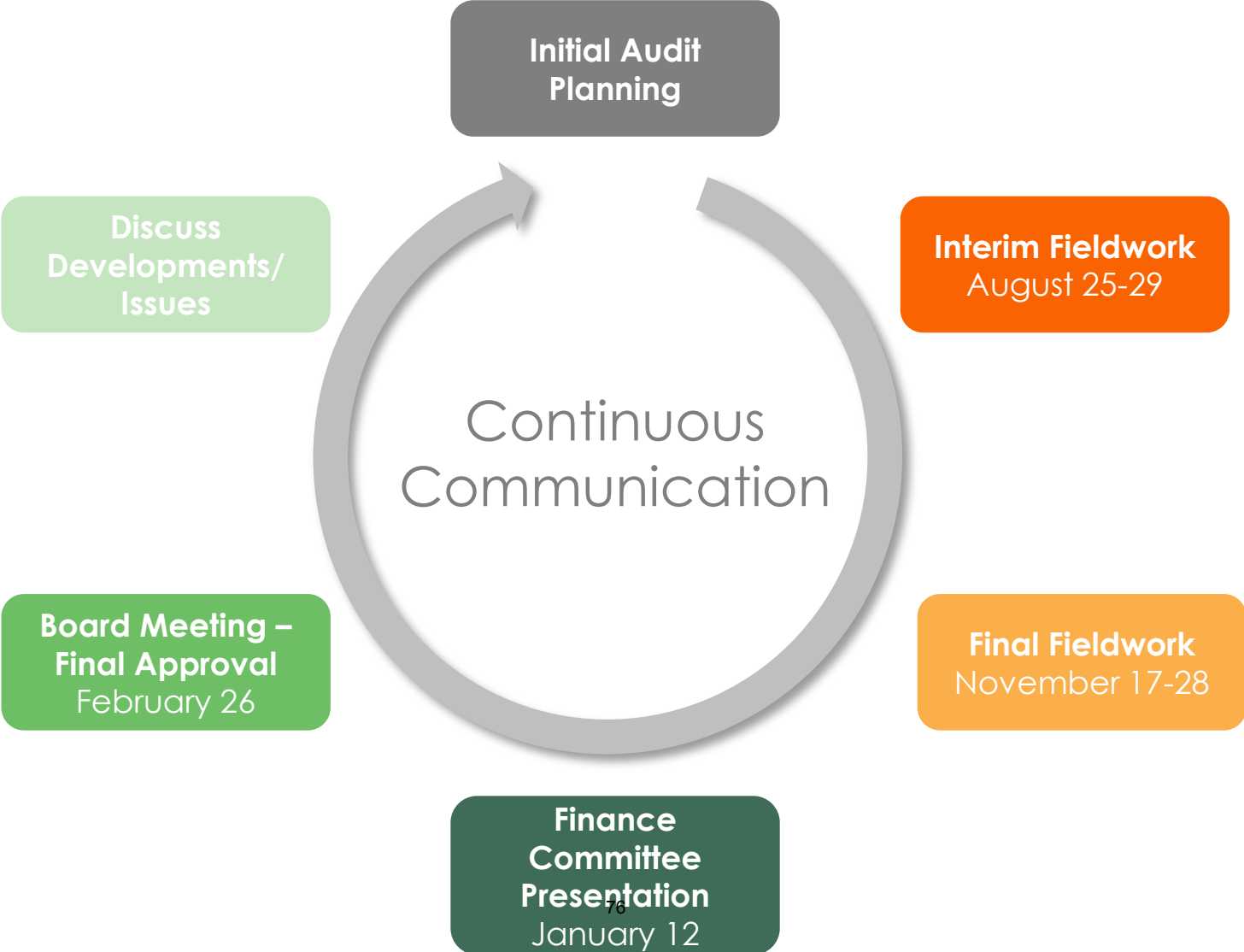
- Identification of major federal financial assistance programs and tested controls over compliance.
 - Major Program – Federal Transit Cluster (CFDA #'s 20.500 and 20.507)
 - Major Program – Highway Planning and Construction Cluster (CFDA # 20.205)
 - Test of controls over direct and material compliance requirements related to each major program
- Began tests of compliance and controls over compliance for the direct and material requirements prescribed by OMB Cir. A-133
- Major programs tested represented 96% of total federal financial assistance

Final fieldwork was performed in November 2014.

Procedures included:

- Testing using a combination of analytics, vouching of material transactions and sampling.
- Completion of Single Audit testing of compliance for each major program
- Assisting with the preparation of the CAFR and Schedule of Expenditures of Federal Awards

Engagement Timeline





Auditor Communications

for the year ended September 30, 2014

Required Communications to Those in Charge of Governance

Communication

Auditor's responsibility under generally accepted auditing standards (GAAS)

Results

The financial statements are the responsibility of the Authority. Our audit was designed in accordance with GAAS in the U.S. and provide for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

The audit of the fiscal year 2014 financial statements is near completion and we will issue an unmodified opinion.

Required Communications to Those in Charge of Governance

Communication

Auditor's Responsibility under Government Auditing Standards

Results

In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our reports do not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issue a written report on the results of these procedures; however, our report does not express an opinion on compliance.

No findings noted.

Required Communications to Those in Charge of Governance

Communication

Auditor Responsibility under OMB Circular A-133

Results

Our testing includes all major federal financial assistance programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.

The audit of the fiscal year 2014 major federal financial assistance programs is near completion and we will issue an unmodified opinion.

Required Communications to Those in Charge of Governance

Communication

Unusual transactions and the adoption of new accounting principles

Results

The significant accounting policies used by the Authority are described in Note 1 to the basic financial statements.

New GASB pronouncements implemented in 2014 include GASB Statement No. 65. The effects of the implementation of GASB Statement No. GASB 65 are described in Note 11 to the basic financial statements.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

Required Communications to Those in Charge of Governance



Communication	Results
Fraud and illegal acts	No material errors, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses noted.
Other information contained in documents containing audited financial statements	We provided an “in relation to opinion” on supplementary information accompanying the financial statements. We performed limited procedures on the MD&A and RSI. We did not provide any assurance on this information. The Introductory and Statistical sections were both unaudited.
Management judgments and accounting estimates	Management's estimates of estimated useful lives for capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.

Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We will request certain representation from management that will be included in the management representation letter.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.

Required Communications to Those in Charge of Governance



Communication	Results
Audit adjustments	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that the uncorrected misstatements are immaterial individually and in the aggregate to the basic financial statements.</p> <p>No passed adjustments or significant audit adjustments to report.</p>
Other material written communications between Weaver and Tidwell, L.L.P., and the Authority	Nothing to note

Auditor Results

Areas of Strength and Accomplishments

- Management is knowledgeable in finance
- Full cooperation of Authority staff
- No passed adjustments or significant audit adjustments
- No material weaknesses in internal controls
- No findings identified in testing of compliance or controls over compliance in either of the two major programs (Authority qualifies as a low-risk auditee)
- Awarded GFOA Certificate of Achievement for Excellence in Financial Reporting



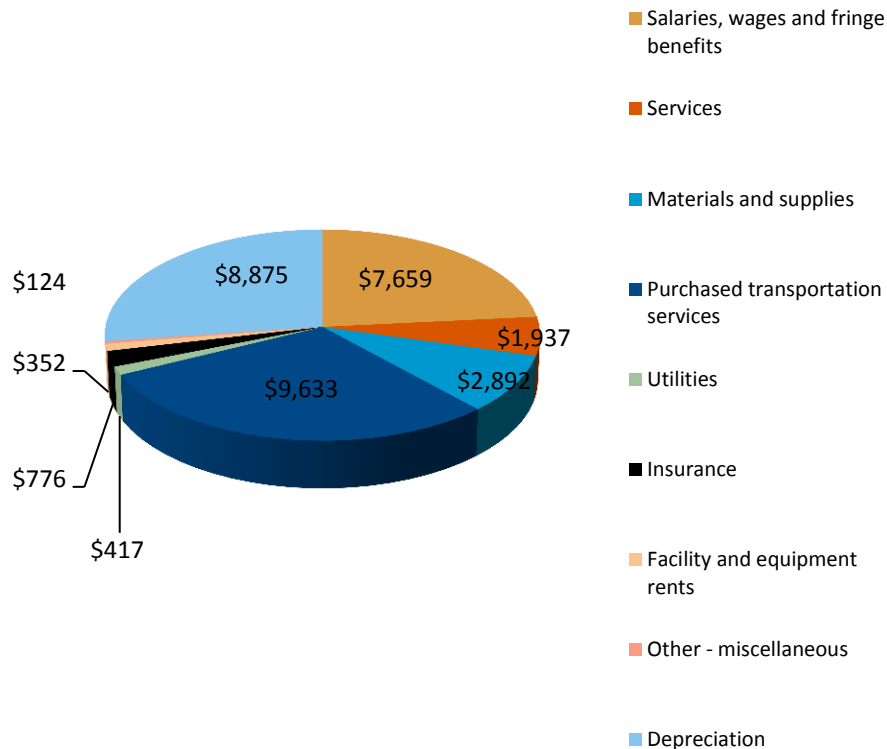
Financial Highlights



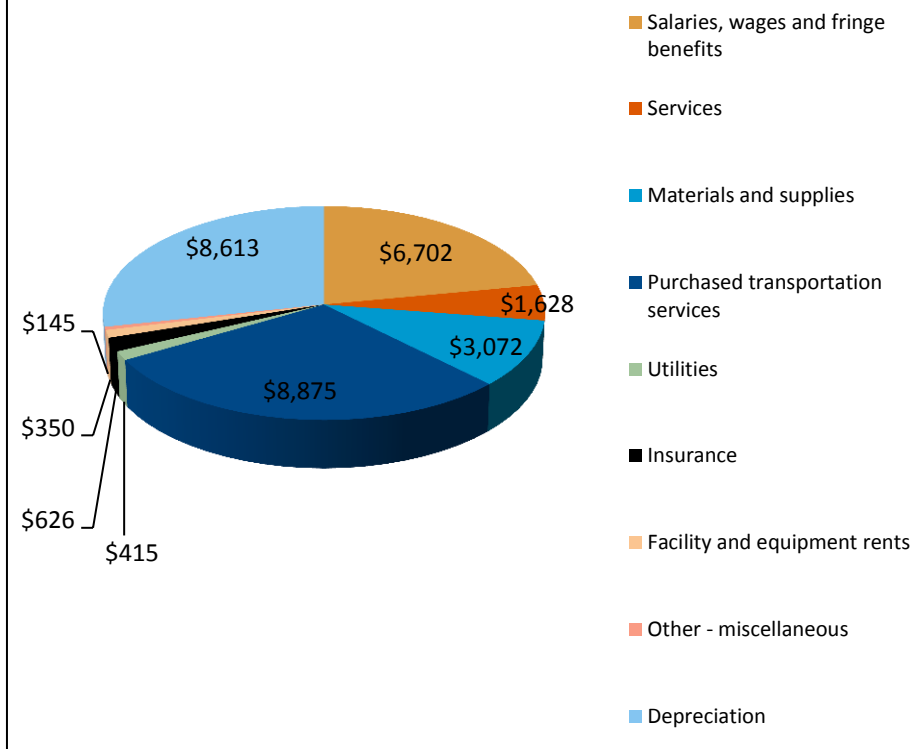
Financial Highlights

Comparison of Operating Expenses (in thousands of dollars)

FY 2014 Expenses



FY 2013 Expenses



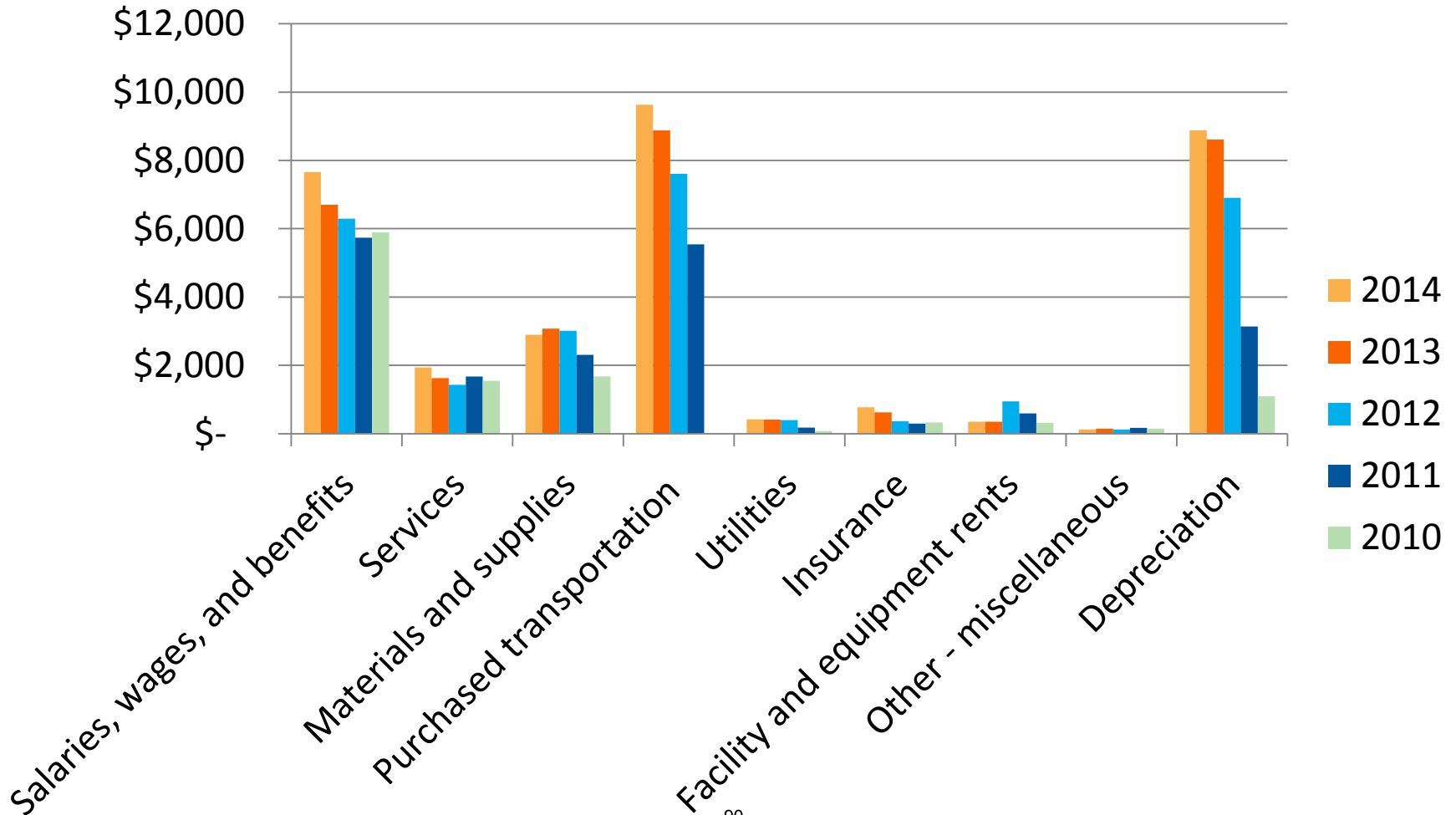
Comparison of Operating Expenses

Fiscal year 2014 expenses totaled \$32.7 million, an increase of \$2.2 million or 7% compared to 2013. Largest changes are as follows:

- Salaries, wages, and fringe benefits increased \$956 thousand primarily due to an increase in the average number of employees employed by the Authority combined with merit raises given during FY 2014.
- Services increased \$309 thousand primarily due to increases in legal services provided to the Authority.
- Purchased transportation services increased \$758 thousand due to increased train hours and car miles related to DART shared costs/services.
- Depreciation increased \$262 thousand primarily related to depreciation on the Bus O&M Facility which was placed into service in January 2014.

Financial Highlights

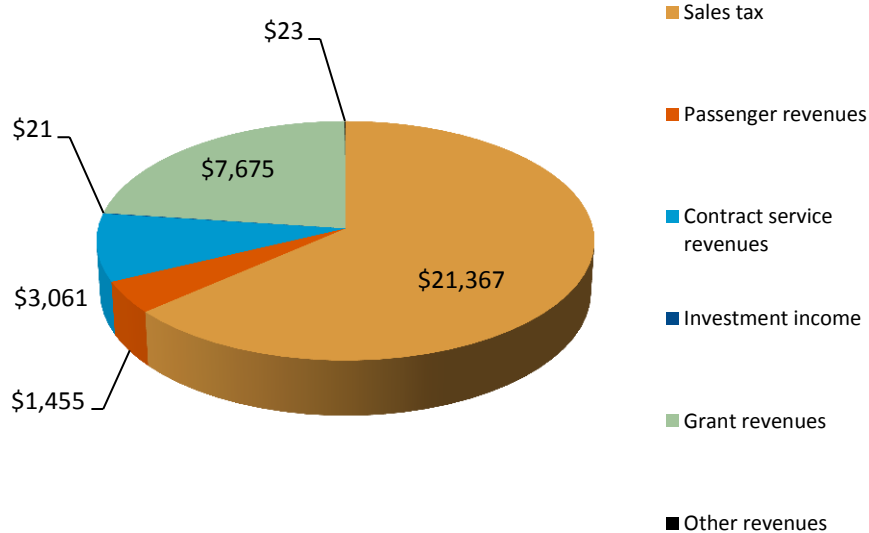
Comparison of Operating Expenses



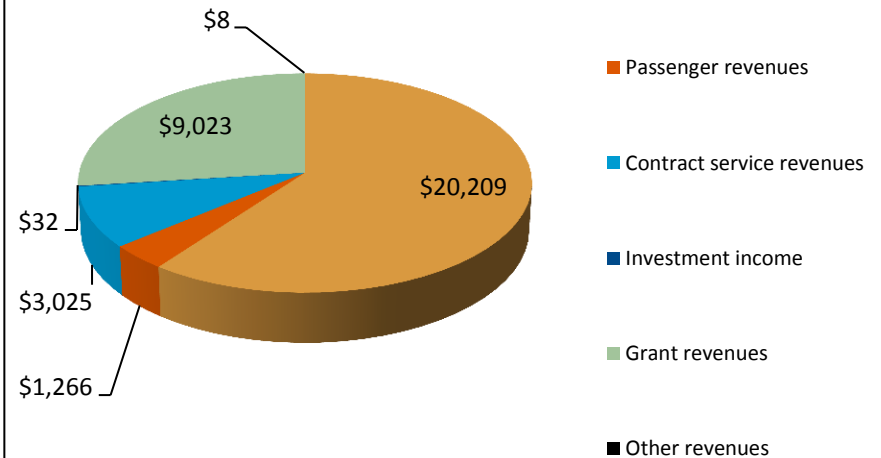
Financial Highlights

Comparison of Revenues (In thousands of dollars)

FY 2014 Revenues



FY 2013 Revenues



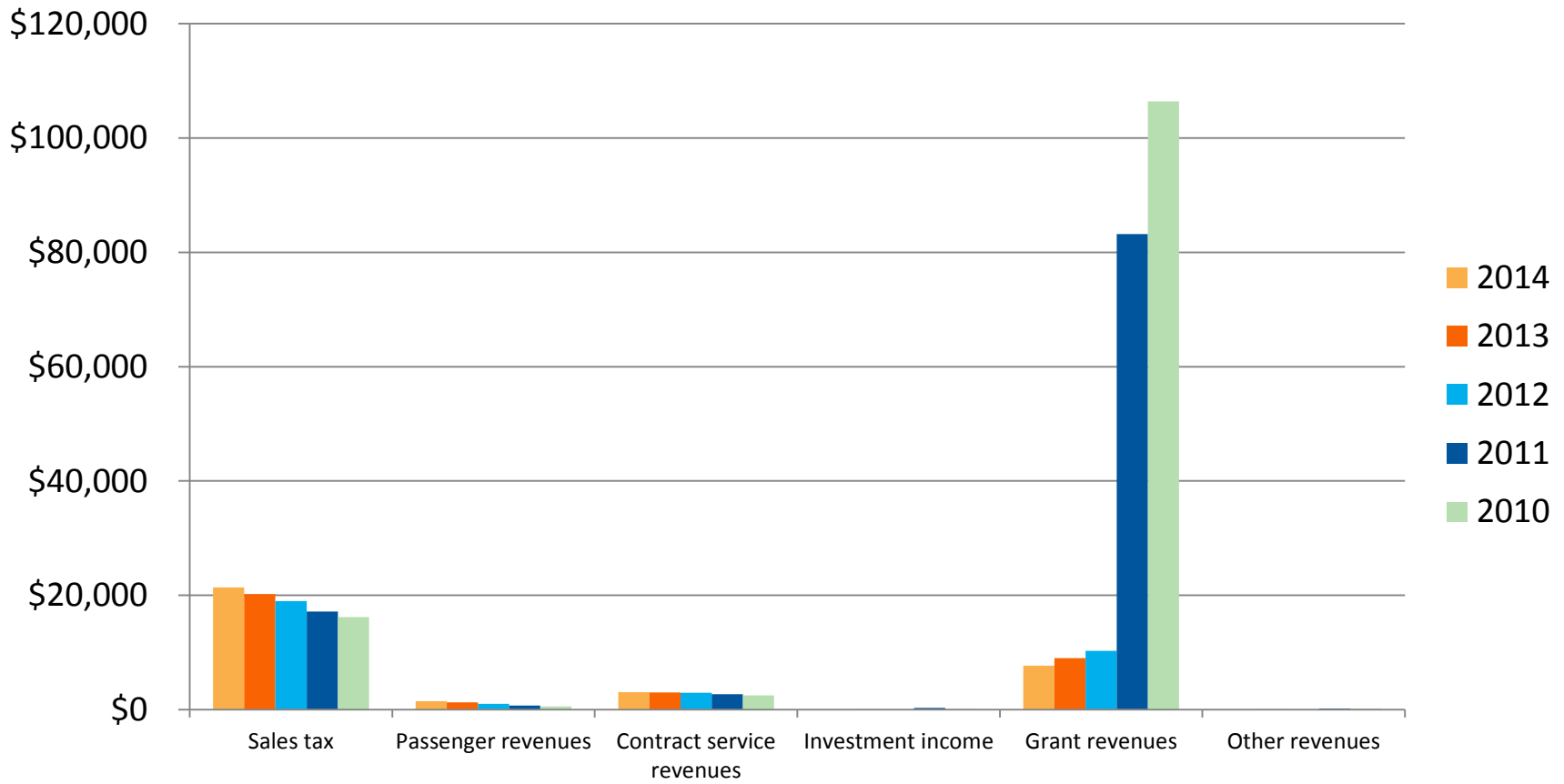
Comparison of Revenues

Fiscal year 2014 revenues totaled \$33.7 million, an increase of \$97 thousand or 0.2% compared to 2013. Largest changes are as follows:

- Sales Tax revenue increased \$1.2 million due to an increase in sales and a growing economy in the area.
- Passenger revenue increased \$189 thousand due to an increase in both rail and connect ridership.
- Grant revenue decreased \$1.3 million due to a decrease in expenditures related to the capital grants.

Financial Highlights

Comparison of Revenues



(5 year comparison in thousands of dollars)

Standards Required to be Implemented in FY2015

Effective for the year ended September 30, 2015

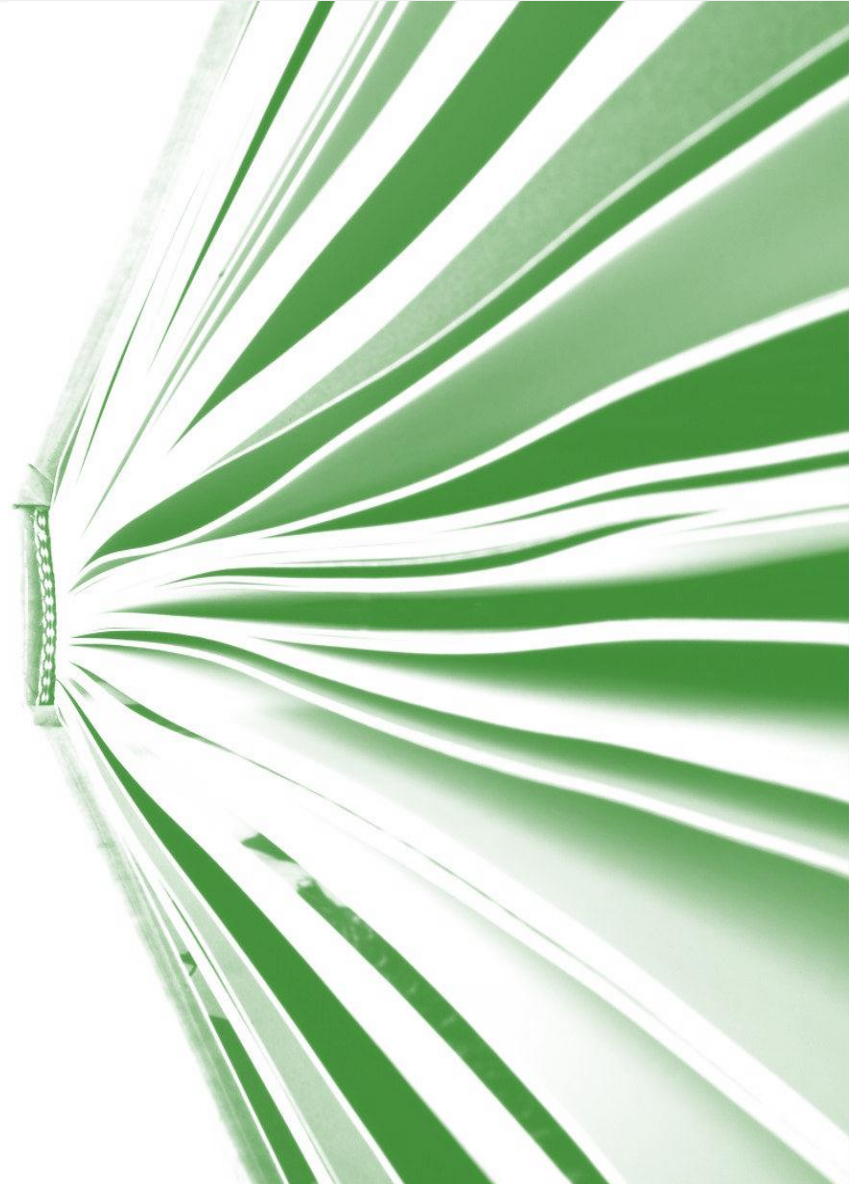
GASB 68 – Accounting and Financial Reporting for Pensions

- **Objective:** to improve financial reporting by state and local governmental pension plans
- **Effect:** GASB 68 will require the recognition of net pension liabilities of employers in financial statements prepared on the accrual basis.

GASB 71 – Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment to GASB 68

- **Objective:** to address an issue regarding application of the transition provisions of GASB 68. The statement requires that when transitioning to the new pension standards, the entity recognize a beginning deferred outflow of resources for the pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation.
- **Effect:** GASB 68 will require the Authority recognize the beginning deferred outflow concurrent with the recognition of the net pension liabilities

We appreciate the opportunity to work with
**Denton County
Transportation Authority**
and look forward to our continued relationship.





Questions?

Contact Us

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972.448.6918 | jerry.gaither@weaver.com

Jennifer Ripka, CPA | Manager
972.448.9268 | jennifer.ripka@weaver.com



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Denton County Transportation Authority

Report on the Financial Statements

We have audited the accompanying statements of net position of Denton County Transportation Authority (the Authority) as of and for the year ended September 30, 2014 and 2013, the related statements of revenues, expenses, and changes in net position and the cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2014 and 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 11 to the financial statements, in 2014, the Authority adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4-11) and the schedule of funding progress for the Texas County District Retirement System (on page 33) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the schedule of revenue and expenses – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenues and expenses - budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **RELEASE DATE**, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
RELEASE DATE

DRAFT

DRAFT

BASIC FINANCIAL STATEMENTS

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013**

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,513,164	\$ 12,721,952
Restricted cash and cash equivalents	3,470,159	5,326,810
Receivables	5,732,335	6,679,353
Prepaid expenses	338,872	351,591
Fuel Inventory	16,855	-
Total current assets	25,071,385	25,079,706
Noncurrent assets:		
Land and construction in progress	27,128,979	36,941,693
Other capital assets, net of accumulated depreciation/amortization	312,583,947	306,768,615
Total noncurrent assets	339,712,926	343,710,308
TOTAL ASSETS	\$ 364,784,311	\$ 368,790,014
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,565,367	\$ 4,273,684
Construction contracts payable	1,888,711	3,853,105
Retainage payable	1,969,292	1,839,745
Unearned revenue	195,996	336,396
Easement obligation- current portion	100,000	150,000
Bonds payable-current portion	1,510,000	920,000
Total current liabilities	9,229,366	11,372,930
Noncurrent liabilities:		
Easement obligation	1,400,000	1,500,000
Bonds payable	31,965,000	33,475,000
Total noncurrent liabilities	33,365,000	34,975,000
Total liabilities	42,594,366	46,347,930
NET POSITION		
Net investment in capital assets	304,221,470	305,306,546
Unrestricted	17,968,475	17,135,538
Total net position	\$ 322,189,945	\$ 322,442,084

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	2014	2013
OPERATING REVENUES		
Passenger revenue	\$ 1,454,750	\$ 1,265,685
Contract services	3,061,389	2,980,804
Other	58,694	44,072
Total operating revenues	4,574,833	4,290,561
OPERATING EXPENSES		
Salaries, wages and fringe benefits	7,658,566	6,702,365
Services	1,937,441	1,628,119
Materials and supplies	2,891,739	3,071,662
Purchased transportation services	9,632,780	8,874,900
Utilities	416,818	415,341
Insurance	775,986	625,788
Facility and equipment rents	352,479	349,592
Other - miscellaneous	123,609	144,743
	23,789,418	21,812,510
Depreciation and amortization	8,875,337	8,613,310
Total operating expenses	32,664,755	30,425,820
NET OPERATING LOSS	(28,089,922)	(26,135,259)
NON-OPERATING REVENUES (EXPENSES)		
Sales tax revenue	21,367,086	20,209,051
Transit system operating assistance grants	3,410,607	3,100,729
Investment income	21,100	32,137
Interest expense	(1,247,357)	(1,449,718)
Bond issuance costs and fees	-	(213,096)
Gain on disposal of assets	22,825	8,150
Total non-operating revenue (expenses)	23,574,261	21,687,253
INCOME (LOSS) BEFORE CAPITAL GRANTS	(4,515,661)	(4,448,006)
GRANTS FOR CAPITAL IMPROVEMENTS	4,263,522	5,922,358
Change in net position	(252,139)	1,474,352
NET POSITION, beginning of year, as restated	322,442,084	320,967,732
NET POSITION, end of year	\$ 322,189,945	\$ 322,442,084

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 4,496,145	\$ 4,635,369
Payments to suppliers	(16,877,962)	(12,910,192)
Payments to employees	(7,623,909)	(6,651,293)
	Net cash used by operating activities	(14,926,116)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Sales tax received	21,047,716	19,872,791
Operating grant reimbursements	2,804,665	3,180,404
	Net cash provided by non-capital financing activities	23,053,195
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions and grants for capital improvements	6,074,139	3,636,626
Principal paid on bonds	(920,000)	(885,000)
Acquisition and construction of capital assets	(6,839,977)	(10,921,021)
Interest paid on bonds	(1,247,356)	(1,282,666)
	Net cash used by capital and related financing activities	(9,452,061)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	21,100	32,137
	Net cash provided by investing activities	32,137
	Net increase (decrease) in cash and cash equivalents	(1,292,845)
CASH AND CASH EQUIVALENTS, beginning of year	18,048,762	19,341,607
CASH AND CASH EQUIVALENTS, end of year	\$ 18,983,323	\$ 18,048,762

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(CONTINUED)**

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (28,089,922)	\$ (26,135,259)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	8,875,337	8,613,310
Change in operating assets and liabilities		
Operating accounts receivable	(80,913)	351,808
Prepaid expenses	12,719	(57,722)
Fuel inventory	(16,855)	-
Operating accounts payable	(742,974)	2,257,675
Accrued payroll and payroll related taxes	34,657	51,072
Unearned revenue	2,225	(7,000)
	Net cash used by operating activities	\$ (14,926,116)
	\$ (20,005,726)	\$ (14,926,116)
NONCASH CAPITAL AND RELATED FINANCING		
Gain on sale of non-capital assets	\$ 22,825	\$ 8,150
	\$ 22,825	\$ 8,150
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET ASSETS		
Cash and cash equivalents	\$ 15,513,164	\$ 12,721,952
Restricted cash	3,470,159	5,326,810
	\$ 18,983,323	\$ 18,048,762
	\$ 18,983,323	\$ 18,048,762

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Denton County Transportation Authority (the Authority), as reflected in the accompanying financial statements for the fiscal years ended September 30, 2014 and 2013, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units, as prescribed by the Governmental Accounting Standards Board, and include applicable standards of the Financial Accounting Standards Board.

Financial Reporting Entity

The financial statements of the Authority include all governmental activities, organizations, and functions as required by accounting principles generally accepted in the United States of America. The Authority does not have any component units and does not meet the requirements to be included as a component unit in other governmental entities. Accordingly, the Authority does not have any related parties or related party transactions in the accompanying financial statements.

The Authority is a coordinated county transportation authority of the State of Texas, created pursuant to Chapter 460 of the Texas Transportation Code. This legislation requires that a Service Plan, an outline of the services that could be provided by an authority confirmed by the voters, be developed by the transit authority. A Service Plan was developed and the Authority was confirmed by a public referendum held November 5, 2002. A second election was held in eight municipalities on September 13, 2003 for consideration and approval of a one-half percent sales and use tax. The sales and use tax and associated Service Plan passed in three cities: Denton, Highland Village, and Lewisville. Collection of the sales tax began on January 1, 2004.

The Board of Directors, which governs the Authority, currently consists of 14 authorized positions. The Board is composed of:

1. One member appointed by the governing body of each municipality with a population of 17,000 or more located in Denton County;
2. Three members appointed by the Commissioner's Court, two of whom must reside in the unincorporated area of Denton County;
3. Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in Denton County.

Basis of Accounting

The activities of the Authority are similar to those of proprietary funds of local jurisdictions and are therefore reported as an enterprise fund. The activities are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Basis of Accounting – Continued

Revenues are recognized in the accounting period in which they are earned, and expenses are recorded at the time liabilities are incurred. Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The Authority's principal operating revenues are derived from charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All dollar amounts, unless otherwise noted, are in whole dollars. References to years 2014 and 2013 are for fiscal years ended September 30, 2014 and 2013.

When both restricted and unrestricted resources are available and permissible for use, it is the Authority's policy to use restricted resources first. The unrestricted resources are used as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less when purchased. Cash and cash equivalents are valued at cost which is substantially equal to the fair value.

Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, and customer billings. Management does not believe any credit risk exists related to these receivables. Management evaluates the receivables to determine if an allowance for doubtful accounts should be established and considers the collection history, the aging of the accounts, and other specific information known to management that may affect collectability. Based upon this assessment, management has determined that an allowance is not necessary.

Prepaid Expenses

Prepaid expenses consist primarily of insurance payments, which are amortized over the policy period, and prepaid rents.

Fuel Inventory

In 2014, the Authority began purchasing and maintaining its own fuel inventory, which is valued by volume on a monthly basis.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Restricted Assets

Restricted assets consist of unspent proceeds from capital grants and bonds and are held as cash and cash equivalents.

Investments

The investment policies of the Authority are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Authority's funds are managed and invested based on safety, liquidity, diversification, and yield. Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of revenues, expenses, and changes in net position.

Capital Assets

All capital assets are stated at historical cost. Capital assets are defined as assets which:

1. Have a useful life of more than one year and a unit cost greater than \$5,000;
2. Have a unit cost of \$5,000 or less, but are part of a network or combined unit of property; or
3. Were purchased with grant money.

Maintenance and repair expenditures which substantially improve or extend the useful life of property are capitalized. The cost of routine maintenance and repairs is expensed as incurred. Interest incurred as a result of construction in progress and contracts with durations over one year is capitalized.

The provision for depreciation of transportation property and equipment is calculated under the straight-line method using the respective estimated useful lives of major asset classifications, as follows:

Rail system	20-50 years
Land improvements	25 years
Transportation vehicles:	
Bus	7-12 years
Paratransit	4-5 years
Rail	50 years
Transportation equipment	3-5 years
Office equipment	3 years

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Capital Assets – Continued

Except for sales of assets in which the unit fair value is less than \$5,000, proceeds from the sale of property, facilities, and equipment purchased with funds provided by federal grants for capital expenditures are remitted to the Federal Transit Administration (FTA) on the same percentage basis that such funds were provided by grant contracts with the FTA.

The transit system operated by the Authority includes certain facilities owned by others. The Authority has contractual rights to operate these facilities under the terms of the authorizing legislation and other agreements.

Intangible assets are stated at historical cost net of accumulated amortization. The intangible asset consists of a rail operating easement for the purpose of constructing, installing, maintaining, and operating a modern rail passenger system.

Current Liabilities

The Authority has not formally restricted cash funds to pay current operating liabilities, but has adequate cash and investments to satisfy these obligations. Construction contracts payable will be satisfied with unrestricted cash and restricted assets received from the Texas Department of Transportation for the use of the passenger rail system.

Compensated Absences

Employees receive compensation for vacations, holidays, illness, personal days, and certain other qualifying absences. The number of days compensated for the various categories of absence is based on length of service. Sick days and vacation days that have been earned, but not paid, have been accrued in the accompanying financial statements. Compensation for holidays and other qualifying absences are not accrued in the accompanying financial statements as rights to such compensation do not accumulate or vest.

Unearned Revenue

The University of North Texas (UNT) and North Central Texas College (NCTC) have contracted with the Authority to provide transportation for faculty, staff, and students in Denton, Texas through the Connect service. The universities have paid for this service in advance and, in addition, the Authority sells semester and annual passes. The Authority recognizes the revenue through straight-line amortization over the respective period. At September 30, 2014 and 2013, the Authority has received \$79,813 and \$77,588 in advance payments respectively.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Unearned Revenue – Continued

In addition, during 2010, the Authority received an advanced funding in the amount of \$250,360,000 from the Texas Department of Transportation for the development of the passenger rail system and to purchase rail vehicles. The Authority recognizes revenue as the funds are spent. At September 30, 2014 and 2013, unspent grant funds plus interest amounted to \$116,183 and \$258,808, respectively, and are reflected as part of unearned revenue and restricted cash and cash equivalents in the statement of net position.

Net Position

Equity is displayed in two components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation and related debt.

Unrestricted – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Operating Revenues

Passenger revenue consists of farebox collections, the sale of passes, and amortization of unearned revenue. Farebox revenue is recorded at the time service is performed. Revenue from the sale of passes is recorded at the time of the sale. Unearned revenue from advance payments on contracts is amortized straight-line over the respective period.

Contract service revenue is related to providing transit services to third parties on a contractual basis. Contract revenue is recorded in the period earned. The Authority provides contract services for UNT and NCTC.

Classification of Revenues and Expenses

The Authority classifies its revenues as either operating or non-operating. Operating revenues include activities from the sale of transit services. Non-operating revenue is revenue not associated with the operations of the Authority transit service and includes grant income, investment income, and income from sales and use tax collections.

Operating expenses will be incurred for activities related to providing public transportation services. Such activities include transportation, maintenance, depreciation on capital assets, and general and administrative functions. Non-operating expenses include bad debt expense, interest expense, and amortization of bond fees.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Financial Instruments and Credit Risk

In accordance with the Texas Public Funds Investment Act and the Authority's investment policy, the Authority invests in obligations of the United States or its agencies and instrumentalities. These financial instruments subject the Authority to limited credit risk.

Credit risk with respect to trade and other receivables is limited as they are primarily due from the State of Texas for sales tax collections and other city and state governmental units in the State of Texas.

NOTE 2. BUDGETARY DATA

Section 460 of the Texas Transportation Code requires the Authority to create an annual budget. The Authority maintains control over operating expenditures by the establishment of the annual operating budget. Budgets are prepared on the accrual basis consistent with accounting principles generally accepted in the United States of America. Annual proposed operating and capital budgets are prepared by management, presented to Denton County residents at public meetings, reviewed by the Budget Committee, and reviewed by the Board of Directors prior to adoption of the final budget in September. The operating and capital budgets follow the same preparation and review cycle.

Operating budget appropriations terminate at the end of the fiscal year. Capital budget amounts are not included in the accompanying financial statements. Capital budget amounts are budgeted over the life of the respective project, not on an annual basis.

During the course of the annual budget cycle, it may be necessary to modify the budget by a process of amendment or transfer. For example, modifications may be required because of changes in the purpose, description, terms and conditions, or changes in the cost of an approved service or item. All budget amendments require approval by the Board of Directors. Budget transfers within a department may be authorized by the Authority President and reported to the Board. The Board of Directors monitors, reviews, and accepts the monthly and year to date financial statements with budget comparisons and explanations of material variances.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3. SERVICE AGREEMENTS

On October 1, 2006, the Authority entered into a management contract with First Transit, Inc. as an independent contractor to manage the operation of the Authority's public transit system in the Denton County urban area. Under the direction of the Authority's staff and guidance of its policy, First Transit, Inc. provides a qualified and experienced General Manager and home office support personnel to perform all services and functions necessary to ensure effective and efficient management and administration of the transit system including new and expanded services.

DCTA entered into a joint rail operations contract with DART and the "T" of Fort Worth. The contract provides passenger rail service coordination and allows DCTA to participate in services provided by HTSI under the TRE/DART operating contract. The contract supports the train operations and is accounted for under Purchased Transportation. The contract provides for maintenance services for stations, corridor, track signal and communication systems, engineers and conductors to operate the DCTA service, dispatching, management support, ticket vending machine service, and DART funded insurance for Commercial General Liability that provides DCTA with a minimum of \$125 million worth of primary and non-contributory commercial liability that is a combination of insurance and self-insurance.

NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

The Authority's cash and cash equivalents are deposited in various accounts as allowed by the Texas Public Funds Investment Act and the Authority's investment policy. The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority deposits may not be recovered. Balances for these accounts are insured by the Federal Depository Insurance Corporation, and the deposits in excess of the insured amount are collateralized by pledged book entry securities held in a securities account at a Federal Reserve Bank in the Authority's name by a third party or were invested in U.S. Government Securities as allowed by the Texas Public Funds Investment Act.

The Board adopted a policy to designate three months' operating expenses as a reserve to address unanticipated emergencies which may be allocated by the approval of the Board. At September 30, 2014, the reserve is \$6,267,294.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED

Cash and Cash Equivalents – Continued

At year-end, cash, cash equivalents and investments consist of the following:

	September 30, 2014	September 30, 2013
Cash and cash equivalents		
Demand deposits	\$ 46,689	\$ 22,062
Sweep repurchase agreements	207,364	170,099
Money market account	12,873,499	12,891,376
TexSTAR	5,855,771	4,965,225
	\$ 18,983,323	\$ 18,048,762
Reconciliation		
Cash and cash equivalents	\$ 15,513,164	\$ 12,721,952
Restricted cash and cash equivalents	3,470,159	5,326,810
	\$ 18,983,323	\$ 18,048,762

Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority's investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates. In addition, the policy limits weighted average maturity of the overall portfolio to twelve months.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority does not contain in its investment policy a formal policy regarding credit risk.

As authorized by the Authority's investment policy and in accordance with the Texas Public Funds Investment Act, cash equivalents and investments were invested in U.S. Government Agency Securities, U.S. Treasury Notes and TexSTAR. TexSTAR is administered by First Southwest Asset Management, Inc. and JP Morgan Fleming Asset Management. TexSTAR is a local government investment pool created under the Inter-local Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all of the requirements of the Texas Public Funds Investment Act for local government investment pools.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5. RECEIVABLES

Receivables at September 30, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Operating		
Ticket, token and other receivables	\$ 1,463,597	\$ 776,742
Sales tax	3,896,970	3,577,600
Grants receivable	<u>371,768</u>	<u>2,325,011</u>
Total	<u>\$ 5,732,335</u>	<u>\$ 6,679,353</u>

NOTE 6. CAPITAL ASSETS

Changes in capital assets for the fiscal years ended September 30, 2014 and 2013 are:

	Balance September 30, 2013	Increases	Transfers/ Decreases	Balance September 30, 2014
Capital assets, not being depreciated:				
Land	\$ 16,228,337	\$ -	\$ -	\$ 16,228,337
Construction in progress	20,713,356	4,877,955	(14,690,669)	10,900,642
Total capital assets not being depreciated	<u>36,941,693</u>	<u>4,877,955</u>	<u>(14,690,669)</u>	<u>27,128,979</u>
Capital assets, being depreciated/amortized				
Rail system	295,548,514	-	(19,410,221)	276,138,293
Land improvements	5,386,734	-	-	5,386,734
Vehicles and operating equipment	8,261,725	-	678,300	8,940,025
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	1,379,286	-	579,142	1,958,428
Facilities	-	-	32,843,448	32,843,448
Easement	16,997,155	-	-	16,997,155
Total capital assets being depreciated/amortized	<u>327,628,920</u>	<u>-</u>	<u>14,690,669</u>	<u>342,319,589</u>
Less accumulated depreciation/amortization for				
Rail system	12,681,356	4,416,941	930,098	18,028,395
Land improvements	665,279	279,149	-	944,428
Vehicles and operating equipment	4,170,403	2,489,707	(1,718,975)	4,941,135
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	454,902	258,338	-	713,240
Facilities	-	581,344	788,877	1,370,221
Easement	2,832,859	849,858	-	3,682,717
Total accumulated depreciation	<u>20,860,305</u>	<u>8,875,337</u>	<u>-</u>	<u>29,735,642</u>
Total capital assets, being depreciated, net	<u>306,768,615</u>	<u>(8,875,337)</u>	<u>14,690,669</u>	<u>312,583,947</u>
Total capital assets, net	<u>\$ 343,710,308</u>	<u>\$ (3,997,382)</u>	<u>\$ -</u>	<u>\$ 339,712,926</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2012	Increases	Transfers/ Decreases	Balance September 30, 2013
Capital assets, not being depreciated:				
Land	\$ 16,228,337	\$ -	\$ -	\$ 16,228,337
Construction in progress	19,504,570	10,821,554	(9,612,768)	20,713,356
Total capital assets not being depreciated	35,732,907	10,821,554	(9,612,768)	36,941,693
Capital assets, being depreciated/amortized				
Rail system	286,261,767	-	9,286,747	295,548,514
Land improvements	5,386,734	-	-	5,386,734
Vehicles and operating equipment	8,261,725	-	-	8,261,725
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	1,077,612	-	301,674	1,379,286
Easement	16,997,155	-	-	16,997,155
Total capital assets being depreciated/amortized	318,040,499	-	9,588,421	327,628,920
Less accumulated depreciation/amortization for				
Rail system	4,840,193	6,375,562	1,465,601	12,681,356
Land improvements	284,202	381,077	-	665,279
Vehicles and operating equipment	4,738,045	744,235	(1,311,877)	4,170,403
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	349,772	103,966	1,164	454,902
Easement	1,977,500	1,120,541	(265,182)	2,832,859
Total accumulated depreciation	12,245,218	8,725,381	(110,294)	20,860,305
Total capital assets, being depreciated, net	305,795,281	(8,725,381)	9,698,715	306,768,615
Total capital assets, net	<u>\$ 341,528,188</u>	<u>\$ 2,096,173</u>	<u>\$ 85,947</u>	<u>\$ 343,710,308</u>

Primary capital asset expenditures in 2014 and 2013 relate to the bus operations & maintenance facility and the design of the 21-mile rail corridor and the purchase of rail vehicles, respectively. See related commitment disclosure in Note 10.

In June 2010, the Authority acquired a rail operating easement for the purpose of constructing, installing, maintaining, and operating a modern passenger rail system for payments totaling \$16,950,000. As of September 30, 2014, \$15,450,000 had been paid to the Dallas Area Rapid Transit (DART). The remaining payments of \$1,500,000 will be paid in annual payments until the contract expires (See Note 9). The Authority's right under the contract will expire in June 2030, which is 20 years after the execution of the contract. Amortization of this asset is being recognized over the 20 year useful life on a straight-line basis and was \$847,500 for each of the years ended September 30, 2014 and 2013.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7. PENSION, RETIREMENT, AND DEFERRED COMPENSATION PLANS

The Authority has a qualified deferred compensation defined contribution plan under the Internal Revenue Code Section 457 for full-time employees. AIG Valic is the administrator of the plan. Employees can make voluntary contributions in the plan through pretax payroll deductions up to the limits allowed by the Internal Revenue Code Section 457.

As of January 2012, the Authority became a member of Texas County District Retirement System (TCDRS) and no longer contributes to the qualified deferred compensation defined contribution plan.

Plan Description: The Authority provides retirement, disability and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the TCDRS. The Board of Directors is responsible for the administration of the statewide agent multi-employer public employee defined benefit pension retirement system consisting of 624 public employee defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the board of trustees at P. O. Box 2034, Austin, Texas 78768-2034 or can be viewed at www.tcdrs.org.

The Authority adopted an annually determined contribution rate plan, for which the employer contribution rate is actuarially determined. The rate, applicable for two calendar years, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 20-year amortization period which began January 1, 2012 using the entry age actuarial cost method. Monthly contributions by the Authority are based on the covered payroll and the employer contribution rate in effect. The contribution rate for calendar year 2014 is 4.60%.

During fiscal year 2014, employee contributions for all retirement plans totaled \$134,632. The Authority's contributions were \$90,826 for all retirement plans.

Annual pension cost and related information for the first and second year of TCDRS is as follows:

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>FY 2011-12</u>
Actuarial valuation date	12/31/2013	1/1/2012	1/1/2012
Actuarial Assumptions			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
	Level Percent of	Level Percent of	Level Percent of
	Payroll	Payroll	Payroll
Amortization Method	20 Yrs-Closed	20 Yrs-Closed	20 Yrs-Closed
Remaining Amortization Period	10-Yr Smoothed	10-Yr Smoothed	10-Yr Smoothed
Asset Valuation Method	Value	Value	Value
Investment Rate of Return	8.0%	8.0%	8.0%
Inflation	3.0%	3.5%	3.5%
Projected Salary Increases	1.9%	1.9%	1.9%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. PENSION, RETIREMENT, AND DEFERRED COMPENSATION PLANS –
CONTINUED**

The Authority's net pension obligation (NPO) at September 30, 2014 and 2013 is calculated as follows:

	Fiscal Year Ending September 30,		
	2014	2013	2012
Annual Pension Cost	\$ 73,356	\$ 69,429	\$ 52,280
Contributions Made	(73,356)	(69,429)	(52,280)
Net Pension Obligation (NPO) at Year End	\$ -	\$ -	\$ -
Contributions as a % of Annual Pension Cost	100%	100%	100%

As of December 31, 2013, the most recent actuarial valuation date, the plan was 95.7% funded. The actuarial accrued liability for benefits was \$385,737, and the actuarial value of assets was \$368,960, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,777. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$1,387,238, and the ratio of the UAAL to the covered payroll was 1.21%.

NOTE 8. BONDS PAYABLE

In December 2009, the Authority issued Sales Tax Revenue Refunding Bonds for \$20,890,000. This bond issuance refunds the \$20 million privately held bonds that were issued in 2008 and will allow the Authority to repay the bonds over 20 years versus a five-year repayment under the original issuance. Because of the early repayment, a \$727,000 interest penalty was incurred. The penalty was being amortized over the remaining life of the 2008 issuance and was paid in full as of September 30, 2013. This amount was financed through the refunding bonds. The Authority has pledged the sales tax revenues towards the repayment of the bonds. The first principal payment was made in September 2013 and annual installments continue through September 2029.

In September 2011, the Authority issued Sales Tax Contractual Obligations for \$14,390,000. This issuance funds the acquisition of personal property related to the rail project, rail vehicles, and the first phase of the new federal mandate for Positive Train Control. Beginning September 2015, principal payments are due in annual installments and continue through September 2031.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. BONDS PAYABLE – CONTINUED

The annual debt service requirements are:

Fiscal Year Ending September 30,	Principal	Interest	Total
2015	\$ 1,510,000	\$ 1,211,899	\$ 2,721,899
2016	1,580,000	1,156,423	2,736,423
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,065	2,758,065
2019	1,790,000	974,984	2,764,984
2020 - 2024	10,205,000	3,831,436	14,036,436
2025 - 2029	12,655,000	1,795,313	14,450,313
2030 - 2031	2,370,000	112,211	2,482,211
Total requirements	<u>\$ 33,475,000</u>	<u>\$ 11,218,743</u>	<u>\$ 44,693,743</u>

The following is a summary of changes in bonds payable of the Authority for the year ended September 30, 2014:

Balance at October 1, 2013	\$ 34,395,000
Additions	-
Reductions	<u>(920,000)</u>
Balance at September 30, 2014	<u>\$ 33,475,000</u>

Interest is due semi-annually in March and September with the first payment paid on March 15, 2010. The bonds bear interest of 3.14%.

No interest was capitalized during the years ended September 30, 2014 and 2013.

The bond agreements require the Authority to establish and maintain a pledged revenue account and a bond fund account at a depository institution and segregate these accounts in the general ledger for the purpose of accumulating principal and interest when it becomes due and payable. At September 30, 2014 and 2013, the Authority was in compliance with this requirement.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9. EASEMENT OBLIGATION

In June 2010, the Authority entered into a rail operating easement agreement with DART. The easement obligation represents the remaining principal amounts payable under the agreement. Remaining requirements are as follows:

Fiscal Year Ending September 30,	Principal
2015	\$ 100,000
2016	100,000
2017	100,000
2018	100,000
2019	100,000
2020 - 2024	500,000
2025 - 2029	500,000
Total requirements	<u>\$ 1,500,000</u>

NOTE 10. COMMITMENTS AND CONTINGENCIES

Risk Management

The Authority is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences.

The Authority is a participant in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide insurance for errors and omission, general liability, workers' compensation, automobile liability, and physical damage coverage. TML was self-sustaining in 2014 based on premiums charged so that total contributions plus earnings on the contributions will be sufficient to satisfy claims and liabilities.

Premiums are assessed based on the rates set by the Texas State Board of Insurance for each participating political subdivision's experience. The Authority has a \$10,000 deductible for errors and omissions liability with limits of \$3,000,000 per wrongful act and an annual aggregate of \$6,000,000. General liability coverage has no deductible with limits of \$1,000,000 per occurrence, \$1,000,000 per occurrence for sudden events involving pollution, and an annual aggregate of \$2,000,000. Worker's compensation coverage has no deductible. Automobile liability has a limit of \$5,000,000 per occurrence. The Authority's vehicles are insured for physical damage for collision and comprehensive coverage after a \$10,000 deductible.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

Risk Management – Continued

The Authority has a government crime policy with TML insuring against employee theft up to \$1,000,000 per loss. For the year ended September 30, 2014, the Authority has not incurred any losses under these plans.

Litigation

The Authority has one pending lawsuit. In the opinion of management, after consultation with legal counsel, potential losses will not materially affect financial position, operations or cash flows.

State and Federal Grants

The Authority participates in several State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to these grant programs are subject to audit, approval, and adjustment by the grantor agencies, which could result in refunds to the grantor. It is management's opinion that the Authority has complied with substantially all of the requirements under the respective grants, and therefore, no provision has been recorded in the accompanying financial statements for such liabilities.

Commitments

At September 30, 2014, the Authority has the following outstanding commitments:

Right of Way agreement with DART	\$ 1,500,000
Predictive Arrival Software	346,630
Operations and Maintenance Agreement with DART	9,853,076
Management agreement for bus transit operations	<u>1,850,649</u>
	<u><u>\$ 13,550,355</u></u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

Operating Lease Agreements

The Authority has entered into certain operating lease agreements. All operating leases to which the Authority is currently a party will expire in fiscal year 2016. The total lease expense was \$502,479 for 2014 and \$499,592 for 2013. The lease payments by year are as follows:

	<u>2015</u>	<u>2016</u>	<u>Total</u>
Lease commitments			
Administration offices	\$ 104,977	\$ 213,757	\$ 318,734
Total lease commitments	<u>\$ 104,977</u>	<u>\$ 213,757</u>	<u>\$ 318,734</u>

Funding

These current expenditures, current contract commitments, and any future commitments will be funded by the Authority out of available cash and investments, future sales tax collections, federal grants, and debt financing.

NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

GASB concluded that debt issuance costs should be recognized as an outflow of resources in the reporting period in which they are incurred. The effect of the change on beginning net position was a decrease of \$204,008.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS – CONTINUED

The comparative financial statements have been adjusted to apply the change in accounting principle to the fiscal year 2013 balances. The following financial statement line items for fiscal year 2013 were affected by the change in accounting principle:

Statement of Net Position:

	<u>As adjusted</u>	<u>As originally reported</u>	<u>Effect of change</u>
Deferred Charges	\$ -	\$ 204,008	\$ (204,008)

Statement of Revenues, Expenses, and Changes in Net Position:

	<u>As adjusted</u>	<u>As originally reported</u>	<u>Effect of change</u>
Bond issuance costs and fees	\$ 213,096	\$ 9,088	\$ 204,008

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REQUIRED SUPPLEMENTARY INFORMATION

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**DENTON COUNTY TRANSPORTATION AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY DISTRICT RETIREMENT SYSTEM
 ANALYSIS OF FUNDING PROGRESS
 (UNAUDITED)**

		A	B	C = A/B	D = B-A	E	F = D/E		
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Contributions	Actual Contributions
2012	01/01/2012	\$ -	\$ 170,028	0%	\$ 170,028	\$ 1,177,573	14.44%	\$ 52,280	\$ 52,280
2013	01/01/2012	-	170,028	0%	170,028	1,177,573	14.44%	69,429	69,429
2014	12/31/2013	368,960	385,737	96%	16,777	1,387,238	1.21%	73,356	73,356

Note: The Authority became a member of Texas County District Retirement System (TCDRS) in January 2012.

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SUPPLEMENTARY INFORMATION

DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES – BUDGET TO ACTUAL
YEAR ENDED SEPTEMBER 30, 2014 WITH COMPARATIVE ACTUAL FOR 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance	Actual
OPERATING REVENUES					
Passenger revenue	\$ 1,375,663	\$ 1,375,663	\$ 1,454,750	\$ 79,087	\$ 1,265,685
Contract services	3,298,781	3,298,781	3,061,389	(237,392)	2,980,804
Other	7,125	7,125	58,694	51,569	44,072
	<u>4,681,569</u>	<u>4,681,569</u>	<u>4,574,833</u>	<u>(106,736)</u>	<u>4,290,561</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	8,279,130	8,329,943	7,658,566	671,377	6,702,365
Services	1,865,784	2,731,636	1,937,441	794,195	1,628,119
Materials and supplies	3,829,224	3,701,224	2,891,739	809,485	3,071,662
Purchased transportation services	9,331,365	9,300,701	9,632,780	(332,079)	8,874,900
Utilities	447,815	472,015	416,818	55,197	415,341
Insurance	798,162	798,162	775,986	22,176	625,788
Facility and equipment rents	284,615	427,615	352,479	75,136	349,592
Other - miscellaneous	233,085	236,085	123,609	112,476	144,743
Depreciation and amortization	8,997,293	8,668,090	8,875,337	(207,247)	8,613,310
Total operating expenses	<u>34,066,473</u>	<u>34,665,471</u>	<u>32,664,755</u>	<u>2,000,716</u>	<u>30,425,820</u>
Operating loss	<u>(29,384,904)</u>	<u>(29,983,902)</u>	<u>(28,089,922)</u>	<u>1,893,980</u>	<u>(26,135,259)</u>
NON-OPERATING REVENUES (EXPENSES)					
Sales tax revenue	20,725,320	20,725,320	21,367,086	641,766	20,209,051
Transit system operating assistance grants	3,680,022	3,680,022	3,410,607	(269,415)	3,100,729
Investment income	33,000	33,000	21,100	(11,900)	32,137
Interest expense	(2,423,840)	(2,627,850)	(1,247,357)	1,380,493	(1,449,718)
Bond issuance costs and fees	-	-	-	-	(213,096)
Gain (loss) on disposal of assets	-	-	22,825	22,825	8,150
Total non-operating revenue (expenses)	<u>22,014,502</u>	<u>21,810,492</u>	<u>23,574,261</u>	<u>1,763,769</u>	<u>21,687,253</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	<u>(7,370,402)</u>	<u>(8,173,410)</u>	<u>(4,515,661)</u>	<u>3,657,749</u>	<u>(4,448,006)</u>
GRANTS FOR CAPITAL IMPROVEMENTS	<u>3,399,336</u>	<u>3,399,336</u>	<u>4,263,522</u>	<u>864,186</u>	<u>5,922,358</u>
Change in net position	<u>\$ (3,971,066)</u>	<u>\$ (4,774,074)</u>	<u>\$ (252,139)</u>	<u>\$ 4,521,935</u>	<u>\$ 1,474,352</u>

DENTON COUNTY TRANSPORTATION AUTHORITY

SINGLE AUDIT REPORT

SEPTEMBER 30, 2014

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Denton County Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of net position of Denton County Transportation Authority (the Authority) as of and for the years ended September 30, 2014 and 2013, the related statements of revenues, expenses, and changes in net position and the cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **RELEASE DATE**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Denton County Transportation Authority

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The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
RELEASE DATE

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Directors
Denton County Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited Denton County Transportation Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the accompanying statements of net position of Denton County Transportation Authority as of September 30, 2014, the related statements of revenues, expenses, and changes in net position and the cash flows for the year then ended, and the related notes to the financial statements. We issued our report thereon dated **RELEASE DATE**, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
RELEASE DATE

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**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2014**

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? Yes No
 - Significant deficiency(s) identified that are not considered a material weakness Yes None reported
- c. Noncompliance material to financial statements noted Yes No

Federal Awards

- d. Internal control over major programs
- Material weakness(es) identified? Yes No
 - Significant deficiency(s) identified that are not considered a material weakness Yes None reported
- e. An unmodified opinion was issued on compliance for major programs
- f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133 Yes No
- g. Identification of major programs:
- | | |
|-------------------|---|
| 20.500 and 20.507 | Federal Transit Cluster |
| 20.205 | Highway Planning and Construction Cluster |
- h. The dollar threshold used to distinguish between Type A and Type B programs \$ 300,000
- i. Auditee qualified as a low-risk auditee. Yes No

**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2014**

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*:

None

III. Findings and Questioned Costs for Federal Awards:

None

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**DENTON COUNTY TRANSPORTATION AUTHORITY
SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2014**

None

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**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Grantor ID Number</u>	<u>Catalog of Federal Domestic Assistance ID Number</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation			
<u>Direct Funding U. S. Department of Transportation</u>			
Federal Transit Cluster:			
FTA/Formula (and flex funds)	TX-90-X884-02	20.507	\$ 441,599
FTA/Formula (and flex funds)	TX-90-X941-00	20.507	166,633
FTA/Formula (and flex funds)	TX-90-X972-01	20.507	856,534
FTA/Formula (and flex funds)	TX-90-0932-00	20.507	1,865
ARRA - FTA/Formula (and flex funds)	TX-90-4044-04	20.507	2,213,876
FTA Capital Investment	TX-04-0051-00	20.500	<u>3,062,301</u>
Total Federal Transit Cluster			<u>6,742,808</u>
Transit Services Programs Cluster:			
Job Access-Reverse Commute (JARC)	TX-37-X073-01	20.516	199,816
Job Access-Reverse Commute (JARC)	TX-37-X099-00	20.516	<u>82,566</u>
Total Transit Services Programs Cluster			<u>282,382</u>
Total Direct Funding U. S. Department of Transportation			<u>7,025,190</u>
<u>Passed Through the North Central Texas Council of Governments</u>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction Grant	0918-46-258	20.205	<u>502,091</u>
Total Highway Planning and Construction Cluster			<u>502,091</u>
Total Passed Through the North Central Texas Council of Governments			<u>502,091</u>
Total U.S. Department of Transportation			<u>7,527,281</u>
Total Federal Expenditures			<u>\$ 7,527,281</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Denton County Transportation Authority (the Authority) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Specifically, when the Authority is awarded funds which include certain “pre-award” costs reimbursing the Authority for amounts expended prior to the approval of the award, the schedule of expenditures of federal awards will include expenses that were recorded on the statement of revenue, expenses and changes in net assets in a previous year.

NOTE 2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Authority provided no federal awards to subrecipients.

NOTE 3. NON-CASH ASSISTANCE

The Authority did not receive any non-cash assistance from federal awards for the year ended September 30, 2014.

NOTE 4. LOANS

At year-end, the Authority had no loans or loan guarantees outstanding with federal awarding agencies.



Finance Committee Memo

January 12, 2015

Item: 1(b) FY15 Triennial Review Update

Background: Every three years the Federal Transit Administration (FTA) reviews and evaluates the performance of grant recipients in carrying out FTA funded programs. This focus of the review relates specifically to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under applicable grant guidelines.

In November 2014 DCTA staff received notification from the Federal Transit Administration (FTA) of the upcoming FY 2015 Triennial Review. Staff had to submit responses to a detailed questionnaire and provide supporting documentation for initial FTA review by December 23rd. The Grantee Information Review materials required by FTA were successfully submitted by the December 23, 2014 deadline. The requested information and documents addressed DCTA's compliance in 15 of the 17 content areas listed below:

- **Financial Management and Financial Capacity**
- **Americans with Disabilities Act (ADA)**
- **Disadvantaged Business Enterprise (DBE)**
- **Satisfactory Continuing Control**
- **Planning/Program of Projects**
- **Public Comment on Fare and Service Changes**
- **Equal Employment Opportunity (EEO)**
- **Drug Free Workplace and Drug and Alcohol Program**
- Charter Bus (*Not Applicable to DCTA*)
- School Bus (*Not Applicable to DCTA*)
- **Technical Capacity**
- **Maintenance**
- **Procurement**
- **Title VI**
- **Safety and Security**
- **Legal**
- **Half Fare**

Over the next few months FTA will review the information submitted in the Grantee Information packet and will request additional documents or materials that will need to be made available for review in further detail during the FTA site visit. DCTA is scheduled for a site visit by FTA staff and reviewers on May 21-22, 2015.

During the site visit the reviewers will interview staff, conduct further review of DCTA and subcontractor's pertinent documentation as well as visit DCTA's facilities and review maintenance, procurement and financial reporting records. In addition to helping evaluate grantees, the Triennial Review gives FTA an opportunity to provide technical assistance on FTA requirements in areas that need strengthening. At the conclusion of the site visit, the Board will be updated with the outcome of the review, any deficiencies identified and any corrective actions necessary.

Financial Impact:

No financial impact at this time. However, a successful Triennial Review by the FTA is critical for a transit agency's continued receipt of federal funding.

Recommendation:

This report is for informational purposes only.

Staff: Shanna O'Gilvie
Program Manager, Human Resources and Grants

Final Review: Anna Mosqueda
Senior Vice President, Chief Financial Officer



1955 Lakeway Dr., # 260
Lewisville, Texas 75057

Denton County Transportation Authority
Board of Directors
Work Session and Board Meeting Minutes

Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 1:30 p.m. December 18, 2014 at 1955 Lakeway Dr., # 260 Lewisville, Texas 75057 . A quorum was present.

Attendance

Small Cities

Skip Kalb

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village, Vice-Chair
Richard Huckaby, Denton, Secretary
Carter Wilson, Frisco (arrived 1:37 p.m.)
Jim Robertson, Flower Mound (arrived 1:47 pm)

Denton County at Large

Dave Kovatch, Treasurer

Denton County Unincorporated

George A. Campbell

Board Members Absent

Don Hartman
Allen Harris, The Colony
Doug Peach, Little Elm
Daniel Peugh, Corinth

DCTA Staff

James C. Cline, Jr., P.E.
Anna Mosqueda, CFO / Sr. VP Finance
Kristina Brevard, Vice President, Strategic
Planning & Development

Jeff Bennett, Director of Transit Operations
Marisa Perry, Accounting Manager
Shanna O'Gilvie, Program Manager HR / Grants
Ann Boulden, Project Manager Capital Projects
Athena Forrester, Purchasing Manager
Chrissy Nguyen, Senior Accountant

Legal Counsel

Pete Smith, General Counsel

Chairman Charles Emery called the meeting to order and announced the presence of a quorum.

1. Routine Briefing Items
 - a. Financial Reports – Anna Mosqueda presented financial information
 - i. Financial Statements (to be provided in January 2015)
 - ii. Capital Projects Fund (to be provided in January 2015)
 - iii. Sales Tax Report
 - iv. Procurement Report
 - b. Communications and Marketing – Kristina Brevard reported on these items
 - i. Marketing and Communications Initiatives

- ii. Media Coverage
 - iii. Customer Service
 - c. Capital Projects Update - Jim Cline presented information on the following topics
 - i. GTW Integration
 - ii. Where's My Ride
 - iii. Lewisville Bike Trail
 - iv. Positive Train Control (PTC)
 - v. Station Improvements
 - vi. Rail Facility Drainage
 - d. Transit Operations – Jim Cline provided an update
 - i. Rail Operations
 - ii. Bus Operations
 - e. Strategic Planning / Development – Kristina Brevard provided an update
 - i. Comprehensive Service Analysis
 - ii. Outreach Efforts
- 2. Discussion of Regular Board Meeting Agenda Items (December 18, 2014) – no discussion
- 3. Executive Session - none
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
 - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
- 4. Reconvene Open Session n/a
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
- 5. Discussion of Future Agenda Items
 - a. Board Member Requests – none

<Break> 2:57 p.m.



**1955 Lakeway Dr., # 260
Lewisville, Texas 75057**

Denton County Transportation Authority
Board of Directors
Work Session and Board Meeting Minutes

Board Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 3:09 p.m. December 18, 2014 at 1955 Lakeway Dr., # 260 Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities

Skip Kalb

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village, Vice-Chair
Richard Huckaby, Denton, Secretary
Carter Wilson, Frisco
Jim Robertson, Flower Mound
Daniel Peugh, Corinth (arrived 3:15 p.m.)

Denton County at Large

Dave Kovatch, Treasurer

Denton County Unincorporated

George A. Campbell

Board Members Absent

Don Hartman
Allen Harris, The Colony
Doug Peach, Little Elm

DCTA Staff

James C. Cline, Jr., P.E.
Anna Mosqueda, CFO / Sr. VP Finance
Kristina Brevard, Vice President, Strategic Planning & Development

Jeff Bennett, Director of Transit Operations
Marisa Perry, Accounting Manager
Shanna O’Gilvie, Program Manager HR / Grants
Ann Boulden, Project Manager Capital Projects
Athena Forrester, Purchasing Manager
Chrissy Nguyen, Senior Accountant

Legal Counsel

Pete Smith, General Counsel

CALL TO ORDER – Chairman Charles Emery called the meeting to order and announced the presence of a quorum of the Board.

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – Richard Huckaby

INVOCATION – Skip Kalb

WELCOME AND INTRODUCTION OF VISITORS

1. CONSENT AGENDA

- a. Approval of Minutes November 20, 2014
- b. Approve Award and Authorize the President to Execute a Contract for Remanufactured Engines

- c. Approve Award and Authorize the President to Execute a Contract for Remanufactured Transmissions
-Motion to approve Consent Agenda Items 1a-c made by Richard Huckaby. 2nd by Skip Kalb. Motion carried unanimously.
2. CHAIR REPORT – Charles Emery gave an update Regional Transportation Issues
 - a. Discussion of Regional Transportation Issues
 - b. Legislative Update
3. PRESIDENT’S REPORT – Jim Cline reported
 - a. Regional Transportation Update
 - b. Budget Transfers
4. REPORT ON ITEMS OF COMMUNITY INTEREST - Regional Transportation Commission Award – Air North Texas presented to Adrienne Hamilton for Media Partnerships
 - a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.
5. CONVENE EXECUTIVE SESSION – none
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
6. RECONVENE OPEN SESSION – n/a
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
7. ADJOURN 3:20 p.m.

The minutes of the December 18, 2014 meeting of the Board of Directors were passed, and approved by a vote on this 22nd day of January, 2015.

Charles Emery, Chairman

ATTEST

Richard Huckaby, Secretary



Board of Directors Memo

January 22, 2015

Item: 1(c) Authorize the President or designee to execute Cooperative Agreements between NCTCOG as the grantee and DCTA as the subgrantee for implementation of FTA 5310, 5316 & 5317 funded projects

Background

The North Central Texas Council of Governments (NCTCOG) conducted a competitive call for projects for the Enhanced Mobility of Seniors and Individuals with Disabilities 5310, Job Access/Reverse Commute (JA/RC) 5316 and New Freedom Programs 5317 and awarded approximately \$2.4 million in available federal funds. Twenty-two projects applications were received with funding requests totaling nearly \$6.4 million. On April 10, 2014, the Regional Transportation Council awarded funds to twelve projects in the Dallas –Fort Worth- Arlington and Denton-Lewisville Urbanized Area.

DCTA submitted four projects received notification of the awards and sub recipient agreements for the implementation of the awarded projects. A summary of the projects and funding awards are provided in Exhibit A.

Financial Impact

The Lewisville Work Connection, Route Planning Study for Highland Village and the Route Match Call Back system are already included in the FY15 Budget.

The Transit Capital Accessibility project was not included in the FY15 capital projects budget and will be placed on a future Board agenda for approval as a new FY15 Capital project for passenger amenities.

Recommendation

Staff recommends the Board Authorize the President or designee to execute Cooperative Agreements between NCTCOG as the grantee and DCTA as the subgrantee for implementation of FTA 5310, 5316 & 5317 funded projects.

Respectfully,

Submitted by: Shanna O’Gilvie
Shanna O’Gilvie, Program Manager

Final Review: 
Anna Mosqueda, CFO

Exhibit A – Summary of 5310, 5316 & 5317 awarded funds and project descriptions

Lewisville Work Connection: This service improvement will primarily concentrate on improving connection to employment centers with DCTA's A-train commuter rail line in Lewisville and key transfer points between local service routes. This is included as a component of the Comprehensive Service Analysis Plan.

FTA New Freedom 5317 Funding

Eligible Expenses	Total	Federal	Local	Grantor
Operating	\$ 147,192	\$ 73,596	\$ 73,596	NCTCOG

Route Planning Study for Highland Village Public Transit Access: Conduct a route planning study to examine the existing Highland Village service efficiency, route planning to identify future growth needs. This is included as a component of the Comprehensive Service Analysis Plan.

FTA Job Access/Reverse Commute (JA/RC) 5316 Funding

Eligible Expenses	Total	Federal	Local	Grantee Holder
Capital	\$ 75,000	\$60,000	\$15,000	NCTCOG

Route Match Call Back system: DCTA's Access service provides transportation for seniors (over 65) and individuals with disabilities. This funding will provide technology enhancements of the existing Access Service scheduling software to improve efficiency reduce no-shows, trip cancellations and improve service reliability. This will add a module to the existing Route-Match software application used for Access scheduling. This new module will provide customers real-time trip delay notification as well as an automated feature for communication and notification of key passenger and service information.

FTA Enhance Mobility of Seniors and Individuals with Disabilities 5310 Funding

Eligible Expenses	Total	Federal	Local	Grantee Holder
Capital	\$ 54,500	\$43,600	\$10,900	NCTCOG

Transit Capital Accessibility: This project will prioritize and improve bus stops to help make the use of public transit is more accessible to the elderly and disabled.

FTA Enhance Mobility of Seniors and Individuals with Disabilities 5310 Funding

Eligible Expenses	Total	Federal	Local	Grantee Holder
Capital	\$ 83,827	\$67,061	\$16,766	NCTCOG

Board of Directors Memo**January 22, 2015****Item: RM 1(d) Discussion/Approval of extension of Temporary Staffing Services****Background**

DCTA periodically utilizes temporary staffing services to fill short-term staffing needs. These usually occur either as a result of staff turn-over, extended employee absence, or if a major project requires additional staff support. The duration of temporary staff assignments can range from a couple of weeks to several months depending on the need, but is typically less than six months. Currently, DCTA has two temporary staff assignments – one is supporting the Capital Projects Manager as a capital projects assistant and the other is an administrative assistant filling a current staff vacancy. These positions are providing administrative support for Capital Projects, Human Resources, Purchasing and Front Office.

It is anticipated that we will continue to utilize temporary staffing services at various times throughout FY 15 should the need arise. Staff is working to develop procurement documents to solicit a competitive bid to select a vendor pool to provide temporary staffing services.

Identified Need

Due to the project support required to support increased capital project activity and set up of new DBE grant compliance software and an administrative assistant vacancy the current agreement needs to be increased for additional support.

Financial Impact

Expenditures for temporary services are covered by savings from existing vacancies or other categories with savings within the department budgets.

Recommendation

The current amount expended through end of December is \$17,800. Staff recommends the Board approve an extension of the agreement not to exceed the amount of \$35,500.

Respectfully,

Submitted by: Shanna O'Gilvie
Shanna O'Gilvie, Program Manager

Final Review: 
Anna Mosqueda, CFO

COPY

DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)
BUDGET TRANSFER REQUEST

Number: 2015-03

Type: Transfer x
Revision

	Current Budget Amount	Budget Transfer Amount	Adjusted Budget Amount
FROM:			
150 - 50316 3rd Party Maintenance	171,960	(171,960)	-
Total	171,960	(171,960)	-
TO:			
150 - 50410 Fuel	-	37,560	37,560
150 - 50810 Purchased Transportation	-	134,400	134,400
Total	171,960	-	171,960

Explanation:

This budget transfer allows staff to accurately record the expenses associated with the Vanpool contract. There is no financial impact to the operating budget.

Date: 1/13/14
Date 1/13/15
Date 1/16/15

Requested By
Reviewed By Amanda Riddle
President James C. Cl. J.