



Denton County Transportation Authority

(972) 221-4600  
RideDCTA.net

**Board of Directors  
Regular Meeting / Board Retreat**

*TCC Corporate Services  
Alliance Corporate Training Center  
13600 Heritage Parkway, Suite 100  
Fort Worth, TX 76177*

February 26, 2015  
9:00 a.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

**1. ACTION ITEM**

- a. Presentation of Audit Report for Fiscal Year End 9/30/2014 by Weaver & Tidwell, LLP
- b. Discussion/Action - Accept the 2014 Financial Statements and Supplementary Information

**2. ROUTINE BRIEFING ITEMS (*Briefing by Exception Only*)**

- a. Financial Reports
  - i. Monthly Financial Reports
  - ii. Capital Projects Report
  - iii. Sales Tax Report
  - iv. Procurement Report
- b. Communications and Marketing
  - i. Marketing and Communications Initiatives
  - ii. Marketing and Communications Metrics
  - 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
3. BOARD PLANNING RETREAT – Discussion of Long Range Service Plan Implementation
4. 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. Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.
5. RECONVENE OPEN SESSION
- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
6. CONSENT AGENDA
- a. Approval of Minutes Board Meeting January 22, 2015
  - b. Acceptance of Financial Reports
  - c. Approval of Change Order for Intelligent Transportation System, Where's My Ride
  - d. Approval of Purchase of Special Tools for Stadler Vehicles
7. REGULAR AGENDA
- a. Discussion/Approval of Resolution 15-01 expressing the intent of DCTA to acquire certain real and personal property from the City of Denton, Texas, specifically, the Euline Brock Downtown Denton Transit Center, for the provision of public transportation by DCTA, including any federal grant interest associated with the procurement, pursuant to approval by the Federal Transit Administration of the proposed transfer; and providing an effective date.
  - b. Discussion/Approval of Operating and Capital Project Budget Amendments
    - i. Highland Village Lewisville Lake Recreational Parking
    - ii. Rail Station Landscaping
    - iii. Passenger Amenities

**8. CHAIR REPORT**

- a. Discussion of Regional Transportation Issues
- b. Discussion Legislative Issues
  - i. Regional
  - ii. State
  - iii. Federal

**9. PRESIDENT'S REPORT**

- a. Budget Transfers
- b. Regional Transportation Issues

**10. 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.

**11. DISCUSSION OF FUTURE AGENDA ITEMS**

- a. Board Member Requests

**12. LUNCH (fit into agenda as appropriate)**

**13. BOARD GUIDANCE**

**14. ADJOURN**

**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](mailto:lbachus@dcta.net) or calling Leslee Bachus at 972-221-4600.

Letter of Transmittal

February 27, 2014

Chairman and Members of the Board  
Denton County Transportation Authority  
Lewisville, Texas

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Denton County Transportation Authority (DCTA) for the fiscal year ended September 30, 2014.

This report is published to provide the DCTA Board of Directors, citizens of DCTA's service area, and other interested parties with detailed information regarding the financial condition and activities of DCTA. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the DCTA. Management is responsible for establishing and maintaining effective internal control over financial reporting. Because the cost of internal controls should not outweigh their benefits, DCTA's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the DCTA as measured by the financial activity of the fund. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the DCTA's financial affairs have been included.

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the DCTA's financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

## **DCTA PROFILE**

DCTA is a Coordinated County Transportation Authority as defined in Chapter 460 of the Texas Transportation Code. It is granted power under this Texas law to plan, develop, acquire, construct, own, operate, and maintain a public transportation system in Denton County. DCTA provides bus and commuter rail service in Denton County. Denton County is located in the northern part of the Dallas-Fort Worth Metroplex adjacent to both Dallas and Tarrant counties. The county is 953 square miles and is approximately 35 miles south of the border between Texas and Oklahoma. The county, founded in 1846, is one of the fastest growing counties in the U.S. with an estimated population of 713,200 in 2014.

In 2002, legislation authorizing DCTA was passed. On September 13, 2003 the voters of Denton County created DCTA. It is funded primarily by ½ cent local sales tax from the three (3) member cities of Denton, Highland Village, and Lewisville. These three cities account for approximately 80% of the sales tax revenue in the county. Collection of the sales and use tax, dedicated to DCTA for implementation of its 2003 Long Range Service Plan, began January 1, 2004. The 2003 Long Range Service Plan included a rail component and a bus service component with interim regional commuter bus service, local fixed route bus service, university shuttle service and demand response service. In addition, it outlined the plan for a network of Park-and-Rides and Rail and Bus operations facilities to be established to serve Denton County residents. These elements would provide services to help mitigate congestion, improve mobility, and connect Denton County's larger cities to commuter rail.

A major component of the 2003 Long Range Service Plan was to implement rail service connecting Denton County with Dallas Area Rapid Transit (DART) light rail transit facilities. Planning for this began in 2004. A Regional Toll Road Funding Initiative (RTRFI) grant was received in March of 2009, and a contract for construction of the 21-mile rail corridor was awarded in May of 2009. Construction of the rail corridor and rail stations linking riders from Denton County to the DART light rail was completed, and passenger service began in June of 2011. Completion of the rail corridor provided access to regional rail service to over half of the county population. A major milestone of DCTA's 2003 Long Range Service Plan was achieved with the start of A-train commuter rail service in 2011. After the RTRFI funding was received, DCTA completed construction of the rail corridor and began rail revenue service in just over two and one-half years.

In February 2012, the DCTA Board of Directors adopted the Long Range Service Plan-Update 2012. This update provides the framework for DCTA service planning for the next 25 years. The DCTA Long Range Service Plan supports the North Central Texas Council of Government's (NCTCOG) Mobility 2035 updated in 2012. NCTCOG is the organization charged with coordinating regional transportation planning efforts, and Mobility 2035 serves as a blueprint for the region's transportation system planning. The goals defined in Mobility 2035 guide efforts to accommodate the multimodal mobility needs of the region. DCTA and other regional transit agencies, as well as local governments, use Mobility 2035 as a reference for their own planning efforts, which in turn provide feedback to update the NCTCOG Mobility 2035 Plan.

Revenue from the ½ cent sales and use tax from the cities of Denton, Highland Village, and Lewisville, federal and state grants, service contracts, operating fares, investment income, long-term financing, and other revenues fund the operations and ongoing development of DCTA's Long Range Service Plan.

## **GOVERNANCE**

DCTA is governed by a 14-member Board. The members represent the county of Denton and are appointed by respective City Councils or the County Commissioners Court as follows: one member from each municipality with population of 17,000 or more (8 total); three members appointed by the Denton County Commissioners Court; and three members designated by the remaining municipalities with a population of greater than 500 and less than 17,000. Each member serves a term of two years and may be reappointed. There are no term limits. Board officers are elected from the Board membership and serve a one-year term with no term limits.

## SERVICES PROVIDED

DCTA is the primary public transportation operator in Denton County. It operates a range of services including regional commuter rail; fixed route bus services in the cities of Denton, Lewisville, and Highland Village; student shuttle transportation operated under contract with the University of North Texas (UNT) and North Central Texas College (NCTC); paratransit services; and vanpools.

### **Rail Operations:**

#### Regional Commuter Rail (A-train)

The A-train is a 21-mile regional rail system connecting Denton and Dallas counties. The 21-mile rail corridor follows the east side of I-35 E and connects Denton to Carrollton. DCTA has five A-train stations: two in Denton and three in the greater Highland Village-Lewisville area, with a transfer station at the Trinity Mills Station in Carrollton. The Trinity Mills transfer station connects riders with the DART Green Line and bus service. DCTA's five rail stations are served by fixed route bus service.

DCTA operates 11 low-floor diesel-electric articulated GTW passenger rail vehicles designed to comfortably accommodate wheelchairs and bikes with room for 104 seated and 96 standing passengers in each vehicle. In FY14 rail ridership totaled just over 568,000.

### **Bus Operations:**

#### Connect and Connect RSVP

Connect offers local fixed-route bus service in the cities of Denton and Lewisville, with nine bus routes in Denton and three in Lewisville. In fiscal year 2014, the combined Denton and Lewisville routes totaled just over 600,000 boardings. Denton routes run on average headways of about 40 minutes during peak hours and midday, while Lewisville services operate approximately every 35 minutes during the peak and 70 minutes midday. Key trip generators in Denton include UNT and TWU.

Connect RSVP provides peak-hour service on demand in Highland Village and north Lewisville. Ridership on Connect RSVP totaled just under 3,000, down slightly from FY2013.

#### University Shuttle Service

UNT services are operated by DCTA in Denton, which include an eight-route weekday shuttle service and one weekend-only route for UNT through a contractual agreement. The UNT Shuttle service provides transportation from nearby apartment complexes to the campus as well as circulation throughout the campus. The UNT services experience the highest ridership of any bus operations in the DCTA system. After several years of increases in ridership, the UNT service experienced about a 16% drop in ridership compared to FY13. Total passengers for FY14 were just over 1.6 million compared to 1.9 million in 2013.

NCTC services provided by DCTA operate between Denton and Corinth as well as Lewisville and Flower Mound. Ridership for the NCTC service experienced its first decrease in FY14. Ridership in FY14 was 14,000, down from 18,000 in FY13.

### Demand Response Service

Access, DCTA's demand response service, offers curb-to-curb ADA paratransit service in Denton and Lewisville. It also provides service for senior and disabled (non-ADA) residents of Denton, Lewisville, and Highland Village. Any person who wishes to use Access must complete an application, and non-seniors or non-Medicare-eligible individuals must submit a physician's affidavit of eligibility. DCTA carried 30,000 Access passengers in FY14.

### Vanpools

The Vanpool service provides a low cost commuting alternative for residents to get to work. Vanpools are ideal for groups of six (6) to fifteen (15) people. Individuals who live or work in Denton County can start a vanpool through their employer or create one with others who have similar commute origins and destinations. In 2014 there were 25 active Vanpools in operation, the same as in FY13 due to budget limitations.

### Accounting System and Budgetary Control

DCTA is accounted for as a single entity enterprise fund and reports financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. The accrual basis of accounting is used for the audited financial statements, external reporting, and internally for budgeting, with revenues recorded in the period that they are earned and expenses recorded in the period in which the liability or benefit is expected.

On an annual basis, DCTA develops and adopts an operating and capital budget as well as the long range financial plan. As part of the budget process, a long range financial forecast and cash flow model is presented to the Board. This document forecasts the operating and debt service costs and Capital Improvement Plan requirements and serves as the foundation for the development of the annual operating and capital budget. The cash flow model helps provide a long-term look at the impact of annual budgetary decisions. As part of the annual budget process, the Board also adopts a Budget Contingency Plan which allows DCTA to be positioned to respond quickly to economic or market fluctuations or downturns.

The Finance Committee, comprised of members of the Board, reviews the budget and makes recommendations to the Board. The Board conducts a public hearing to receive citizen input and provides final review with formal adoption in September of each year. The fiscal year for DCTA is October 1 – September 30. The President is authorized to transfer budgeted amounts between lines items and departments. The Board must approve any revision that increases the overall amount of the operating adopted budget and to increases to capital project budgets.

Budget control has been established at the department level. Financial reports showing budget to actual expenditures by line item are distributed monthly for review by management. Financial reports are presented to the Board monthly for their review and acceptance. Quarterly budget reviews of both the operating budgets and capital project budgets are conducted with the DCTA Executive Team comprised of the President and Vice-Presidents. Individual line items are reviewed and analyzed for budgetary compliance. Revenue budgets are reviewed monthly.

The Board has also adopted a series of financial standards and policies for the operating and debt management of the Agency. In addition, operating procedures have been established in accordance with state and federal requirements to ensure that DCTA is a fiscally sound

authority operating an efficient and effective transportation system.

## **DCTA PROGRESS**

The focus in 2014 continued to be on safety, improved service delivery and ridership, improving the customer experience, and maintaining the agency's investments in equipment and infrastructure. In FY2014 DCTA carried just under 3 million passengers system-wide. This included just over 568,000 rail passengers and 2.3 million on the bus system. This was a slight decrease in system-wide ridership from FY2013.

The next major rail related milestone for the agency is the implementation of federally mandated Positive Train Control (PTC) by late 2016. DCTA partnered with DART/Trinity Rail Express (TRE) and the Fort Worth "T" to form the North Texas Commuter Rail Alliance (NTCRA) to implement PTC and other joint initiatives. Procurement documents for a regional PTC system were released in January 2014, however proposals reflected significant increases over engineering estimates. The procurement will be re-released in mid-2015. DCTA continues to communicate with the Federal Railroad Administration (FRA) on the DCTA efforts to meeting PTC requirements and continues to explore other alternatives to address this issue.

In 2014, the third full year of operation, the A-train carried just over 568,000 passengers, an increase over 2013. Ridership during the first quarter of FY 2015 was comparable to first quarter of 2014 at slightly over 1 million riders. With the expansion currently underway of Interstate 35E between Denton and Dallas County, we anticipate an increase in A-train ridership. DCTA will continue to focus on education, customer service, and passenger amenities to promote ridership of the DCTA system.

The bus system as a whole has experienced continued ridership growth since DCTA assumed existing bus service in 2005. The number of total annual passenger bus-system trips increased from 1.3 million in 2005 to over 2.5 million in 2013. However, 2014 reflected a decline overall to slightly over 2.3 million due to a drop in UNT ridership. Connect fixed-route service in Denton and Lewisville saw a decrease in the first quarter of 2015 with ridership of 150,904 compared to 195,730 for the same period last year. Meanwhile, UNT service experienced a significant increase in ridership, 727,347 in the first quarter of 2015 compared to 641,034 in the same period last year. We anticipate the trend will continue as a result of DCTA working with UNT to evaluate options and route schedules to help address ridership decline. The changes implemented for 2015 have resulted in increased ridership for the first quarter of FY2015.

In November of 2012, DCTA awarded a contract for construction of a new full-service bus operations and maintenance facility in Denton. Construction was completed in January of 2014. The facility provides four (4) maintenance bays, a fueling island, wash facilities, and bus operations administrative offices. This facility was a significant addition which helped DCTA provide more efficient maintenance operations.

In 2014, DCTA implemented a number of initiatives to improve the passenger experience. These initiatives included additional funding to expand hours for rail midday service by adding two (2) additional trains per weekday and expanded Connect bus service for routes in Denton and Lewisville. Three and a half (3.5) full-time equivalents were added for IT support, customer service, bus operations supervision, and administrative assistance. Improvements to passenger information systems included implementation of a real-time passenger information system – "Where's My Ride". This system, which went live in December of 2014, provides predictive arrival information by stop for both bus and train via mobile phone app, SMS text alerts,



telephone Interactive Phone Response, or through the DCTA website. It also transmits data from GPS devices on the vehicles to provide CAD/AVL capabilities to dispatch and the customer call center. GoPass, a regional project with DART, the Fort Worth "T" and DCTA, was implemented in August 2013 and continues to grow in popularity as an alternative method for purchasing fares. This regional mobile ticketing application allows customers to utilize the application from a smart phone to purchase tickets and download to their phones. The design and plan for implementation of Positive Train Control is also a key project which has proven challenging to all rail systems nation-wide which are required to implement by the current deadline of 2016.

## **FUTURE OUTLOOK**

DCTA's major revenue source, sales tax, continues to trend upward. Sales tax revenues were \$21.4 million in FY14 compared to \$20.2 million in FY13. Total revenues were \$29.4 million in FY14. Despite strong sales tax growth and an improving economy, DCTA faces challenges in anticipated changes and increases in healthcare costs, low interest rates impacting investment earnings, and demand for increase and expansion of services.

The local economy in the Dallas-Fort Worth Metroplex continued to show improvement in 2014 but moderated somewhat in late 2014 as oil prices fell to five-year lows. According to the Federal Reserve Bank of Dallas, the outlook for 2015 is for moderate growth. Oil well permits and the Texas rig count have seen significant declines as oil prices continued to fall. However, conditions outside of the energy section were generally upbeat in December of 2014. The employment forecast for 2015 of about 2.2% growth in Texas is a little slower than the 3.6% growth seen in 2014. However, the Dallas-Fort Worth area continued to expand at a rapid clip and grew at an annual rate of 605% in December. The North Texas area continues to be one of the fastest-growing areas in the nation.

Population growth is projected to be significant. The Dallas-Fort Worth Metroplex is now the fourth-largest metropolitan area in the country. The City of Denton's population is expected to increase in size by nearly 150% by 2040. Significant growth is anticipated in other cities as well, notably Frisco, with high population growth projected in the smaller cities of Sanger and Pilot Point.

The North Central Texas Council of Governments (NCTCOG) Travel Demand Model estimates that most individuals who live in Denton County work outside of the county, with only 37% of Denton County residents working in the county. This highlights the importance of providing transportation links from Denton County to major employment destinations, not only in Dallas County but in Tarrant County as well.

About 2.8 million trips are made each day in Denton County. Of these, about one-quarter are home-based work trips. By 2030, NCTCOG estimates that total trips will increase to more than 4.7 million. Based on the travel demand data, the highest growth in trip generation is expected to come from the area in southeast Denton County. Areas in and around the Alliance development are also expected to see large increases in travel demand.

For the past several years, DCTA has focused on implementing the first phase of regional rail service as well as improving local bus routes in Denton and Lewisville and RSVP service in Highland Village. Having attained the milestone of delivering the first phase of regional rail service, DCTA is now looking beyond the A-train implementation and preparing for the future needs of Denton County. The Long Range Service Plan update, adopted by the Board in

February 2012, provides a roadmap for decision making about transit investments in Denton County over the next 25 years. Included in the FY15 Budget is funding for a comprehensive service analysis to focus on improvements to address “last mile” connection for commuter rail passengers and improved headways and routes for bus service.

The Long Range Service Plan reaffirms DCTA's goals and performance standards that will be used to help officials make decisions about future investments and the implementation of new services. It will help ensure that transit services mature and develop to better meet the needs of Denton County. The DCTA Plan supports the Mobility 2035 plan developed by the NCTCOG.

## **OTHER INFORMATION**

### Independent Audit

Chapter 460, Section 460.402 of the Texas Transportation Code requires an annual audit of the books of account, financial records and transactions of the DCTA by independent certified accountants selected by the Board of Directors. This requirement has been complied with and the independent auditors report has been included.

DCTA is also required to undergo an audit of federally and state funded programs administered by DCTA. The standards governing the Single Audit engagement require the independent auditor to report on the audited government's internal controls and compliance with laws, regulations, contracts and grants applicable to each major federal and state program. The reports related specifically to the Single Audit are issued under separate cover.

In addition, the DCTA has a Finance Committee as a sub-committee of the Board of Directors which functions as an audit committee and hears and reviews recommendations made by the independent auditors.

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the DCTA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the fourth year for the DCTA to receive the Certificate of Achievement.

In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire DCTA Finance Department staff. We also express our appreciation to all the DCTA staff members who assisted and contributed to the successful completion of this report.

We would like to thank the members of the DCTA Board of Directors and the Finance Committee and for their interest and support in planning and conducting the financial operations of the Denton County Transportation Authority in a responsible and progressive manner.

Sincerely,



James C. Cline, Jr.  
President



Anna M. Mosqueda  
Sr. V-P Finance/Chief Financial Officer



Marisa Perry, CPA  
Accounting Manager



## 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 years 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. The basic financial statements and other knowledge we obtained during our audit of the basic financial statements. 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**

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

The management of the Denton County Transportation Authority (DCTA) offers readers of the DCTA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2014. This discussion and analysis is designed to provide an objective and easily readable analysis of DCTA's financial activities based on currently known facts, decisions, or conditions.

We encourage the readers to consider the information presented here in conjunction with accompanying financial statements, notes thereto and additional information that is furnished in our letter of transmittal and the statistical section of this report. In addition, readers are encouraged to review information on the annual budget and other agency information found on the DCTA website at [www.dcta.net](http://www.dcta.net). It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of the report and that all of the additional information from the website and other DCTA sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

**In Brief**

- As of September 30, 2014 and 2013, total assets of DCTA exceeded total liabilities by \$322,189,945 and \$322,442,084 respectively. The amount of unrestricted net position as of September 30, 2014 was \$17,968,475 compared to \$17,135,538 in 2013. Unrestricted net position is the amount which may be used to meet DCTA's ongoing obligations in accordance with the fiscal policies.
- Net position decreased \$252,139 during the current fiscal year compared to an increase of \$1,474,352 in the prior year. The change compared to the prior year is attributable to a decrease in capital improvement grants as well as increased expenses for the rail operations contract. Reimbursements for construction of the bus operations and maintenance facility were \$1.5 million less in FY14 compared to FY13.
- Net capital assets were \$339.7 million as of September 30, 2014 compared to \$343.7 million as of September 30, 2013. The decrease of \$4.0 million is caused by \$8.9 million of depreciation expense offset by \$4.9 million of asset additions.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to DCTA's accompanying financial statements and notes. The basic financial statements consist of four components: 1) statements of net position, 2) statements of revenues, expenses, and changes in net position, 3) statements of cash flows, and 4) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves as well as a statistical section (unaudited) to provide the reader additional information relative to DCTA.

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

DCTA activities are accounted for in a single entity enterprise fund; therefore, government-wide financial statements are not presented. Enterprise funds are generally used to report business-type activities of governmental entities. The financial statements are prepared on the accrual basis of accounting meaning that all expenses are recorded when incurred and all revenues are recognized when earned in accordance with accounting principles generally accepted in the United States of America. Certain statements in the report are, or will be, forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

**Statement of Net Position** – The statement of net position reports all of the financial and capital resources of DCTA. The statement is presented in the format where total assets equal total liabilities plus net position. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash within one year) and noncurrent. The focus of the statement of net position is to show a picture of the liquidity and health of the organization as of the end of the reporting period. Changes in net position may serve as an indication of whether the financial position of DCTA is improving or deteriorating.

**Statement of Revenues, Expenses, and Changes in Net Position** – The statement of revenues, expenses, and changes in net position is similar to an income statement. This statement includes operating revenues, such as bus passenger fares and contracts to provide transit related service to third parties; operating expenses, such as costs of operating the transit system, administrative expenses, and depreciation on capital assets; and non-operating revenue and expenses, such as sales tax revenue, grant revenue, and interest income. The focus of the statement of revenues, expenses, and changes in net position is to present the change in net position during the two most recent fiscal years. The increase or decrease in net position will show the effect of DCTA's current year operations on its financial position.

**Statement of Cash Flows** – The statement of cash flows discloses net cash provided by or used for operating activities, non-capital financing activities, capital and related financing activities, and from investing activities. The statement of cash flows, related notes, and other financial statements can be used to assess DCTA's ability to provide adequate cash flow to support current operations and plans for future expansion.

The activities of DCTA are supported by a one-half percent sales and use tax collected in its three member cities: Denton, Highland Village and Lewisville; passenger fares, contract services, and state/federal grants.

**Notes to Financial Statements** – The notes to the financial statements are an integral part of the basic financial statements that describe the significant accounting policies and provide additional information that is essential to understanding the data provided in the financial statements.



**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

**Financial Analysis**

**Statement of Net Position** - As noted earlier, net position and especially net position by category, may serve over time as a useful indicator of DCTA's financial position. Total assets exceeded total liabilities by \$322,189,945 and \$322,442,084 as of September 30, 2014, and 2013 respectively. The largest portion, 94% in 2014, is net investment in capital assets primarily as a result of the rail line construction and acquisition of rail vehicles. The remaining 6% is in unrestricted net position which represents assets with no external restriction as to the use or purpose. The unrestricted net position can be employed for any lawful purpose designated by the governing board. In 2013, 5% of the excess was in unrestricted net position.

Net position of DCTA decreased 0% or \$252,139 during the current fiscal year compared to an increase of 0% or \$1,474,352 in the prior year. The decrease in net position in the current fiscal year is related to a \$4.0 million decrease in capital assets, offset by a \$2.7 million decrease in accrued liabilities for construction contracts and a \$1.0 million decrease in bonds payable.

**Comparative Condensed Statement of Net Position**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Assets</b>			
Current and other assets	\$ 25,071,385	\$ 25,079,706	\$ 24,484,588
Capital assets	339,712,926	343,710,308	341,528,188
Total Assets	<u>\$ 364,784,311</u>	<u>\$ 368,790,014</u>	<u>\$ 366,012,776</u>
<b>Liabilities and Net Position</b>			
Current liabilities	\$ 9,229,366	\$ 11,372,930	\$ 9,000,044
Non-current liabilities	33,365,000	34,975,000	36,045,000
Total Liabilities	42,594,366	46,347,930	45,045,044
Net Position			
Net investment in capital assets	304,221,470	305,306,546	302,097,014
Unrestricted	17,968,475	17,135,538	18,870,718
Total Net Position	<u>322,189,945</u>	<u>322,442,084</u>	<u>320,967,732</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 364,784,311</u>	<u>\$ 368,790,014</u>	<u>\$ 366,012,776</u>

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

**Assets** – During fiscal year 2014, DCTA's total assets decreased 1% or \$4,005,703 over fiscal year 2013. The net decrease is attributable to the \$4.0 million decrease in capital assets.

Capital Assets, net of depreciation, decreased \$4.0 million due to \$8.9 million of depreciation and amortization, offset by \$4.9 million additions to construction work in progress for the bus operations and maintenance facility, fleet replacement, and land improvements. The capital assets activity for the year is captured in Note 6 (pages 24 and 25).

**Liabilities** – Current liabilities decreased \$2,143,564 primarily due to payments made for land acquisition for the Medpark station and the construction of the bus operations and maintenance facility that were outstanding at the prior year-end.

DCTA's current ratio, current assets of \$25,079,706 and current liabilities of \$9,229,366, was 2:7:1 as of September 30, 2014 compared to 2:2:1 as of September 30, 2013. DCTA has restricted current assets (cash and cash equivalents) and recognized unearned revenue as a current liability related to the implementation of positive train control.

There was a \$1,610,000 decrease in non-current liabilities in 2014 due primarily to bonds payable and the remaining principal amount payable for the rail operating easement agreement with DART. The bond payable activity for the year and rail operating easement obligation are captured in Note 8 and Note 9 (pages 27 through 29).

**Statement of Revenues, Expenses, and Changes in Net position** – During the 2014 fiscal year DCTA's activities resulted in a decrease in net position of \$252,139 compared to an increase of \$1,474,352 in 2013. The decrease in the current fiscal year net position is attributable to a \$1.7 million decrease in grants for capital improvements and a \$2.2 million increase in operating expenses, which offset increases in sales tax revenue. The changes in net position for the fiscal years ended September 30, 2014 and 2013 are shown in the following table.

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

**Comparative Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES</b>			
Passenger revenue	\$ 1,454,750	\$ 1,265,685	\$ 1,015,813
Contract services	3,061,389	2,980,804	2,927,341
Other	58,694	44,072	38,032
<b>Total operating revenues</b>	<u>4,574,833</u>	<u>4,290,561</u>	<u>3,981,186</u>
<b>OPERATING EXPENSES</b>			
Salaries, wages and fringe benefits	7,658,566	6,702,365	6,293,238
Services	1,937,441	1,628,119	1,431,693
Materials and supplies	2,891,739	3,071,662	3,010,582
Purchased transportation services	9,632,780	8,874,900	7,605,436
Utilities	416,818	415,341	396,248
Casualty and liability insurance	775,986	625,788	362,960
Facility and equipment rents	352,479	349,592	943,160
Other - miscellaneous	123,609	144,743	126,190
Depreciation	8,875,337	8,613,310	6,901,760
<b>Total operating expenses</b>	<u>32,664,755</u>	<u>30,425,820</u>	<u>27,071,267</u>
<b>Operating loss</b>	<u>(28,089,922)</u>	<u>(26,135,259)</u>	<u>(23,090,081)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Sales tax revenue	21,367,086	20,209,051	19,009,135
Transit system operating assistance grants	3,410,607	3,100,729	3,183,057
Investment income	21,100	32,137	53,927
Interest expense	(1,247,357)	(1,449,718)	(1,486,881)
Bond issuance costs and fees	-	(213,096)	(12,219)
Gain (loss) on disposal of assets	22,825	8,150	52,269
<b>Total non-operating revenue (expenses)</b>	<u>23,574,261</u>	<u>21,687,253</u>	<u>20,799,288</u>
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS</b>	<u>(4,515,661)</u>	<u>(4,448,006)</u>	<u>(2,290,793)</u>
<b>GRANTS FOR CAPITAL IMPROVEMENTS</b>	<u>4,263,522</u>	<u>5,922,358</u>	<u>7,127,088</u>
<b>Change in net position</b>	<u>(252,139)</u>	<u>1,474,352</u>	<u>4,836,295</u>
<b>NET POSITION, beginning of year</b>	<u>322,442,084</u>	<u>320,967,732</u>	<u>316,131,437</u>
<b>NET POSITION, end of year</b>	<u>\$ 322,189,945</u>	<u>\$ 322,442,084</u>	<u>\$ 320,967,732</u>

**Operating Revenues**

Passenger Revenue - The 2014 passenger revenues increased 15% or \$189,065 over the prior year. The increase is related to an 11% increase in A-train ridership. Rail ridership in fiscal year 2014 was 568,338 compared to prior year ridership of 510,738.

Contract Service - The 2014 contract service revenues increased 3% or \$80,585 over the prior year. The increase is due to an increase in service hours for the contracts with University of North Texas (UNT) and North Central Texas College (NCTC).

Fuel prices are a pass-through on the contract; a 13% decrease in fuel prices from 2013 as well as a 7% decrease in gallons used partially offset the increase in service hour revenues. The contract provides bus service for students and faculty of UNT and North Central Texas College.

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

**Operating Expenses**

Operating Expense - The 2014 operating expenses increased 7% or \$2,238,935 over the prior year. Salaries and benefits increased \$956,000 primarily related to merit pay and an 8% increase in bus personnel hours. In addition, there was a \$758,000 increase in purchased transportation for the operating costs of the commuter rail service.

The 2014 depreciation expense increased 3% or \$262,027 over the prior year. This increase is primarily due to the depreciation of the bus operations and maintenance facility that was capitalized in January 2014.

**Non-operating Revenue and Expenses**

Sales Tax Revenue - The 2014 sales tax revenue increased 6%, or \$1,158,035 over 2013. DCTA collects one-half percent sales and use tax in the member cities of Denton, Highland Village, and Lewisville. 2014 represents the fourth consecutive year of growth in sales tax revenue for DCTA.

Capital Grants - Capital grants revenue decreased 17%, or \$1,658,836 primarily as a result of decreased reimbursable expenses related to the construction of the bus operations and maintenance facility.

Transit System Operating Assistance Grants - The 2014 federal and state grant revenue increased 10% or \$309,878 over 2013. The increase is attributable to reimbursements for FY2013 rail preventative maintenance that were requested in FY2014. Execution of a grant application was delayed as a result of the 2013 federal government shutdown thereby impacting the ability of funds for reimbursement.

Investment Income - The 2014 investment income decreased 34% or \$11,037 over 2013 due to lower interest rates and a decrease in cash available for investments due to construction of the bus operations and maintenance facility.

**Debt Administration**

In June of 2008, DCTA completed its first debt issuance. DCTA issued \$20,000,000 in tax-exempt Sales Tax Revenue Bonds. The bonds were issued through a private placement with a maximum 5 year term to fund the DCTA A-train regional passenger rail project. This rail project provides passenger rail service connecting Denton and Dallas counties. The principal payment was due in one lump sum in June 2013 with interest due semi-annually. The Series 2008 Sales Tax Revenue bonds were refunded through a private placement to long-term debt on December 17, 2009. These bonds will be repaid over 20 years at an interest rate of 3.99%. The first principal payment of \$885,000 was paid in September 2013 and annual installments continue through September 2029.

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

In September of 2011, DCTA issued \$14,390,000 in Contractual Obligations for a portion of its share of the cost for new rail vehicles and for the first phase of a new Federal requirement – Positive Train Control – a system which is currently mandated to be implemented by 2015. These Obligations were issued through a private placement to be repaid over 20 years at an interest rate of 3.13% with the first principal payment due in 2015.

**DCTA Fiscal Year 2014 Budget**

The 2013-2014 budget was adopted September 26, 2013. Amendments to the original budget included an increase in capital projects to recognize delayed projects that were carried over from the previous year and additions to operating expenses for additional legal services and vanpool costs.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position, Budget Year Ending September 30, 2015 and Financial Year Ending 2014 and 2013**

	2015 Budget	2014 Actual	2013 Actual	Increase (Decrease) from 2014	Percent Increase (Decrease) from 2014
Operating revenues	\$ 4,775,012	\$ 4,574,833	\$ 4,290,561	\$ 200,179	4%
Operating expenses	36,563,244	32,664,755	30,425,820	3,898,489	12%
Operating loss	(31,788,232)	(28,089,922)	(26,135,259)	(3,698,310)	13%
Non-operating revenues	24,164,481	23,574,261	21,687,253	590,220	3%
Income before capital grants	(7,623,751)	(4,515,661)	(4,448,006)	(3,108,090)	69%
Grants for capital improvements	18,975,800	4,263,522	5,922,358	14,712,278	345%
Change in net position	11,352,049	(252,139)	1,474,352	11,604,188	-4602%
Net position, beginning of year	322,189,945	322,442,084	320,967,732	(252,139)	0%
Net position, end of year	\$ 333,541,994	\$ 322,189,945	\$ 322,442,084	\$ 11,352,049	4%

**DCTA Fiscal Year 2014 Budget**

Operating revenues in 2015 show an increase of 4% or \$200,179 over 2014 actual results. Operating revenue includes passenger fare revenue and contract service revenue. Passenger farebox revenue is expected to increase due to additional revenue hours of Connect bus service for Denton as well as increased midday rail service. Contract service revenue is also expected to increase due to an increase in the rate per service hour for the UNT and NCTC contracts. The UNT and NCTC contracts provide bus service for students, staff, and faculty.

The fiscal year 2015 operating expenses are projected to increase \$3,898,488 over 2014 actual results. Major changes include an increase of \$1.5 million as a result of merit plan adjustments and increased health care benefits and a \$628,103 increase in depreciation due to the completion of the bus operations and maintenance facility and the anticipated completion of the predictive arrival software. The fiscal year 2015 budget also anticipates increases in fuel costs.

**Denton County Transportation Authority  
Management's Discussion and Analysis  
For the Year Ended September 30, 2014  
(Unaudited)**

Fuel is budgeted at \$4.00 per gallon in fiscal year 2015, compared to an average \$3.15 per gallon paid in fiscal year 2014.

Non-operating revenue, net of expenses, is projected to increase 21% or \$5,064,900 over 2014 actual results. The increase in non-operating revenue is due to the planned issuance of \$5.5 million in debt for the federally mandated Positive Train Control project.

**Requests for Information**

The financial report is designed to provide the citizens of our member cities, customers and other interested parties with a general overview of DCTA finances. If you have any questions regarding this report or need any additional information, contact DCTA at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057, by phone at (972) 221-4600, or by electronic mail at [info@dcta.net](mailto:info@dcta.net).

## **BASIC FINANCIAL STATEMENTS**

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

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
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
Inventories	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
<b>TOTAL ASSETS</b>	<b>\$ 364,784,311</b>	<b>\$ 368,790,014</b>
<b>LIABILITIES</b>		
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
<b>Total liabilities</b>	<b>42,594,366</b>	<b>46,347,930</b>
<b>NET POSITION</b>		
Net investment in capital assets	304,221,470	305,306,546
Unrestricted	17,968,475	17,135,538
<b>Total net position</b>	<b>\$ 322,189,945</b>	<b>\$ 322,442,084</b>

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**

	<b>2014</b>	<b>2013</b>
<b>OPERATING REVENUES</b>		
Passenger revenue	\$ 1,454,750	\$ 1,265,685
Contract services	3,061,389	2,980,804
Other	58,694	44,072
<b>Total operating revenues</b>	<b>4,574,833</b>	<b>4,290,561</b>
<b>OPERATING EXPENSES</b>		
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
<b>Total operating expenses</b>	<b>32,664,755</b>	<b>30,425,820</b>
<b>NET OPERATING LOSS</b>	<b>(28,089,922)</b>	<b>(26,135,259)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
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
<b>Total non-operating revenue (expenses)</b>	<b>23,574,261</b>	<b>21,687,253</b>
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS</b>	<b>(4,515,661)</b>	<b>(4,448,006)</b>
<b>GRANTS FOR CAPITAL IMPROVEMENTS</b>	<b>4,263,522</b>	<b>5,922,358</b>
<b>Change in net position</b>	<b>(252,139)</b>	<b>1,474,352</b>
<b>NET POSITION, beginning of year, as restated</b>	<b>322,442,084</b>	<b>320,967,732</b>
<b>NET POSITION, end of year</b>	<b>\$ 322,189,945</b>	<b>\$ 322,442,084</b>

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**

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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)
<b>Net cash used by operating activities</b>	<b>(20,005,726)</b>	<b>(14,926,116)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Sales tax received	21,047,716	19,872,791
Operating grant reimbursements	2,804,665	3,180,404
<b>Net cash provided by non-capital financing activities</b>	<b>23,852,381</b>	<b>23,053,195</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
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)
<b>Net cash used by capital and related financing activities</b>	<b>(2,933,194)</b>	<b>(9,452,061)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	21,100	32,137
<b>Net cash provided by investing activities</b>	<b>21,100</b>	<b>32,137</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>934,561</b>	<b>(1,292,845)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>18,048,762</b>	<b>19,341,607</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 18,983,323</b>	<b>\$ 18,048,762</b>

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)**

	<b>2014</b>	<b>2013</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
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)
	<b>\$ (20,005,726)</b>	<b>\$ (14,926,116)</b>
<b>NONCASH CAPITAL AND RELATED FINANCING</b>		
Gain on sale of non-capital assets	<b>\$ 22,825</b>	<b>\$ 8,150</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET ASSETS</b>		
Cash and cash equivalents	\$ 15,513,164	\$ 12,721,952
Restricted cash	3,470,159	5,326,810
	<b>\$ 18,983,323</b>	<b>\$ 18,048,762</b>

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.

**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 Finance 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 for rail operating 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	<u>20,713,356</u>	<u>4,877,955</u>	<u>(14,690,669)</u>	<u>10,900,642</u>
Total capital assets not being depreciated	36,941,693	4,877,955	(14,690,669)	27,128,979
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	<u>16,997,155</u>	<u>-</u>	<u>-</u>	<u>16,997,155</u>
Total capital assets being depreciated/amortized	327,628,920	-	14,690,669	342,319,589
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	<u>2,832,859</u>	<u>849,858</u>	<u>-</u>	<u>3,682,717</u>
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](http://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:

	FY 2013-14 <u>12/31/2013</u>	FY 2012-13 <u>1/1/2012</u>	FY 2011-12 <u>1/1/2012</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 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	<u>\$ 104,977</u>	<u>\$ 213,757</u>	<u>\$ 318,734</u>
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

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for the year ending September 30, 2015. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. The Authority will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date- an Amendment to GASB 68*, which will be effective for the year ending September 30, 2015. The objective of this Statement is 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. The Authority will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**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.

## **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
<b>OPERATING REVENUES</b>					
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>
<b>OPERATING EXPENSES</b>					
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
<b>Total operating expenses</b>	<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>
<b>Operating loss</b>	<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>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
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
<b>Total non-operating revenue (expenses)</b>	<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>
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS</b>	<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>
<b>GRANTS FOR CAPITAL IMPROVEMENTS</b>	<u>3,399,336</u>	<u>3,399,336</u>	<u>4,263,522</u>	<u>864,186</u>	<u>5,922,358</u>
<b>Change in net position</b>	<u>\$ (3,971,066)</u>	<u>\$ (4,774,074)</u>	<u>\$ (252,139)</u>	<u>\$ 4,521,935</u>	<u>\$ 1,474,352</u>





## Board of Directors Memo

February 26, 2015

### **Subject: Monthly Financial Reports**

#### **Background**

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending January 31, 2015 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 \$2k. YTD actual ridership through January is 1.07 million, right on par with budgeted ridership.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$97k) because actual fuel usage and price are lower than budgeted. Billed usage was 53,182 gallons compared to budgeted 62,081 gallons, down 14%.
- **Note C:** Sales Tax Revenue – January sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in January will be received in March. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY15 sales tax receipts collected through February.
- **Note D:** Federal/State Grants – YTD unfavorable by (\$3.2 million) is due to delays in the timing of capital projects as anticipated in the budget. Expenses and corresponding reimbursements for PTC (\$1.1 million), Lewisville Hike & Bike Trail (\$585k), Fleet Replacement (\$394k), rail preventive maintenance (\$289k), Comprehensive Service Analysis Study (\$254k), and Scheduling Software (\$200k) were less than anticipated. As additional expenses for these projects are incurred, reimbursement will be requested.
- **Note E:** Services – YTD favorable by \$475k due to a delay in expenses for legal fees (\$35k), advertising (\$73k), finance and HR consulting (\$54k), transit planning support (\$25k), marketing professional services and printing (\$167k), IT training and consulting (\$30k), and bandwidth upgrade (\$37k). These expenses will be incurred in the coming months.
- **Note F:** Materials and Supplies – YTD favorable by \$568k mainly due to a delay in expenses for marketing promotional items (\$32k); bandwidth, phone system, and content management supplies (\$83k); bus maintenance parts and tires (\$81k); spare parts for Where's My Ride and Card Quest (\$58k); and tablet replacements (\$22k). Bus operations fuel is \$211k under budget primarily because YTD fuel prices averaged \$2.57/gallon compared to \$4.00/gallon budgeted. Rail operations fuel is \$69k under budget.
- **Note G:** Leases & Rentals – YTD unfavorable by (\$18k) because February rent was prepaid in January.

**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

Approval:   
James C. Cline, Jr., P.E.,  
President

**Denton County Transportation Authority**  
**Change in Net Assets**  
**Month and Year to Date January 31, 2015**  
**(Unaudited)**

Item 2(a)j

Description	Month Ended January 31, 2015			Year to Date January 31, 2015			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
<b>Revenue and Other Income</b>								
Passenger Revenues	126,573	127,622	(1,049)	503,523	501,436	2,087	1,515,377	Note A
Contract Service Revenue	162,275	189,192	(26,917)	1,054,910	1,151,789	(96,879)	3,259,635	Note B
Sales Tax Revenue	1,799,192	1,592,189	207,003	7,736,865	7,036,011	700,854	21,347,080	Note C
Federal/State Grants and Reimbursements	278,362	2,109,019	(1,830,657)	1,661,097	4,831,771	(3,170,674)	18,975,801	Note D
<b>Total Revenue and Other Income</b>	<b>2,366,402</b>	<b>4,018,022</b>	<b>(1,651,620)</b>	<b>10,956,394</b>	<b>13,521,007</b>	<b>(2,564,613)</b>	<b>45,097,893</b>	
<b>Operating Expenses</b>								
Salary, Wages and Benefits	593,593	743,958	150,365	2,644,100	3,016,127	372,027	9,173,856	
Services	148,551	191,186	42,635	428,666	904,003	475,336	2,017,290	Note E
Materials and Supplies	176,547	387,248	210,701	933,140	1,501,076	567,936	4,198,335	Note F
Utilities	29,732	37,112	7,381	117,606	155,250	37,644	452,149	
Insurance, Casualties and Losses	64,212	64,121	(91)	257,347	256,485	(862)	778,013	
Purchased Transportation Services	706,221	834,512	128,291	3,098,335	3,311,381	213,046	9,987,477	
Miscellaneous	15,904	24,508	8,603	48,894	90,154	41,259	245,476	
Leases and Rentals	10,268	8,934	(1,334)	53,238	35,735	(17,503)	207,205	Note G
Depreciation	750,596	794,050	43,454	3,002,694	3,176,510	173,815	9,503,440	
<b>Total Operating Expenses</b>	<b>2,495,624</b>	<b>3,085,630</b>	<b>590,006</b>	<b>10,584,021</b>	<b>12,446,720</b>	<b>1,862,698</b>	<b>36,563,241</b>	
<b>Income Before Non-operating Revenue and Expense</b>	<b>(129,222)</b>	<b>932,392</b>	<b>(1,061,614)</b>	<b>372,373</b>	<b>1,074,287</b>	<b>(701,914)</b>	<b>8,534,652</b>	
<b>Non-Operating Revenues / (Expense)</b>								
Investment Income	1,839	2,750	(911)	8,605	11,000	(2,395)	33,000	
Gain (Loss) Disposal of Assets	-	-	-	900	-	900	-	
Fare Evasion Fee	75	525	(450)	600	2,100	(1,500)	6,300	
Other Income - Miscellaneous	20,987	-	20,987	56,957	-	56,957	-	
Long Term Debt Interest/Expense	(100,992)	(100,992)	0	(403,966)	(403,966)	0	(2,721,899)	
<b>Total Non-Operating Revenue / (Expense)</b>	<b>(78,091)</b>	<b>(97,717)</b>	<b>19,626</b>	<b>(336,904)</b>	<b>(390,866)</b>	<b>53,962</b>	<b>(2,682,599)</b>	
<b>Change in Net Assets</b>	<b>(207,313)</b>	<b>834,676</b>	<b>(1,041,988)</b>	<b>35,469</b>	<b>683,421</b>	<b>(647,952)</b>	<b>5,852,053</b>	

**Denton County Transportation Authority**  
**Statement of Net Assets**  
**As of January 31, 2015**  
**(Unaudited)**

	<u>January 31, 2015</u>	<u>December 31, 2014</u>	<u>Change</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	9,715,160	9,712,577	2,583
Investments	5,072,047	4,436,215	635,832
Accounts & Notes Receivable	5,604,620	6,311,472	(706,852)
Prepaid Expenses	73,277	137,488	(64,212)
Inventory	35,168	40,107	(4,939)
Restricted Asset-Cash and Equivalents	4,744,559	4,075,276	669,283
<b>Total Current Assets</b>	<u>25,244,830</u>	<u>24,713,135</u>	<u>531,695</u>
<b>Property, Plant and Equipment</b>			
Land	16,228,337	16,228,337	-
Land Improvements	5,386,734	5,386,734	-
Machinery & Equipment	1,934,927	1,695,752	239,175
Leasehold Improvements	55,506	55,506	-
Vehicles	89,262,558	89,262,558	-
Computers & Software	262,676	262,676	-
Accumulated Depreciation	(32,738,337)	(31,987,741)	(750,596)
<b>Total Property, Plant and Equipment</b>	<u>80,392,401</u>	<u>80,903,822</u>	<u>(511,421)</u>
<b>Capital Assets</b>			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	228,659,209	228,659,209	-
Construction in Progress	11,457,728	11,630,730	(173,002)
<b>Total Capital Assets</b>	<u>257,114,092</u>	<u>257,287,094</u>	<u>(173,002)</u>
<b>Total Assets</b>	<u><u>362,751,323</u></u>	<u><u>362,904,051</u></u>	<u><u>(152,728)</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	-	28,271	(28,271)
Salary, Wages, and Benefits Payable	483,541	422,440	61,101
Accrued Expenses Payable	2,959,497	3,065,128	(105,631)
Deferred Revenues	167,424	141,385	26,040
Interest Payable	403,966	302,975	100,992
<b>Total Current Liabilities</b>	<u>4,014,429</u>	<u>3,960,198</u>	<u>54,230</u>
<b>Non-Current Liabilities</b>			
Rail Easement Payable	1,500,000	1,500,000	-
Retainage Payable	1,536,478	1,536,124	355
Bonds Payable	33,475,000	33,475,000	-
<b>Total Non-Current Liabilities</b>	<u>36,511,478</u>	<u>36,511,124</u>	<u>355</u>
<b>Total Liabilities</b>	<u>40,525,907</u>	<u>40,471,322</u>	<u>54,585</u>
<b>Net Assets</b>			
Invested in Capital Assets	304,221,470	304,221,470	-
Unrestricted Retained Earnings	17,968,477	17,968,477	-
Change in Net Assets	35,469	242,782	<b>(207,313)</b>
<b>Total Equity</b>	<u>322,225,416</u>	<u>322,432,729</u>	<u>(207,313)</u>
<b>Total Liabilities and Equity</b>	<u><u>362,751,323</u></u>	<u><u>362,904,051</u></u>	<u><u>(152,728)</u></u>

**Capital Projects Fund - DCTA**  
**Budget vs. Actual**  
**As of January 31, 2015**  
**(Cash Basis)**

Regular Meeting 2aii

	Original Budget	Revised Budget	January 2015 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of January 2015 Close)
<b>ASSETS</b>						
<b>Fixed Assets</b>						
<b>1660 · Construction Work in Progress</b>						
<b>1 · G&amp;A Capital Projects</b>						
10401 · Cloud Hybrid Backup Solution.						
<b>Total 10401 · Cloud Hybrid Backup Solution</b>	35,000	35,000	-	-	35,000	0%
10601 · COGNOS Report Application						
<b>Total 10601 · COGNOS Report Application</b>	200,000	200,000	-	-	200,000	0%
10602 · Comprehensive Service Analysis						
<b>Total 10602 · Comprehensive Service Analysis</b>	567,414	567,414	-	-	567,414	0%
10603 · Legal Support						
<b>Total 10603 · Legal Support</b>	226,753	226,753	10,575	10,575	216,178	5%
<b>Total 1 · G&amp;A Capital Projects</b>	<b>1,029,167</b>	<b>1,029,167</b>	<b>10,575</b>	<b>10,575</b>	<b>1,018,592</b>	<b>1%</b>
<b>5 · Bus Capital Projects</b>						
50202 · Passenger Amenities (Phase 2) - CLOSED						
<b>Total 50202 · Passenger Amenities (Phase 2)</b>	174,011	229,326	-	239,175	(9,849)	104%
50301 · Bus O&M Facility						
<b>Total 50301 · Bus O&amp;M Facility</b>	8,142,667	11,720,717	33,359	11,362,148	358,569	97%
50303 · DDTC						
<b>Total 50303 · DDTC</b>	373,282	373,282	31	13,573	359,709	4%
50406 · Where's My Ride						
<b>Total 50406 · Where's My Ride</b>	940,485	940,485	-	735,236	205,249	78%
50502 · Fleet Replacement (2011-2013)						
<b>Total 50502 · Fleet Replacement</b>	1,968,500	3,411,592	-	2,982,327	429,265	87%
50504 · Fleet Replacement (2014)						
<b>Total 50504 · Fleet Replacement (2014)</b>	877,998	877,998	-	762,385	115,613	87%
50505 · Fleet Replacement (2015)						
<b>Total 50505 · Fleet Replacement (2015)</b>	395,000	395,000	-	62,000	333,000	16%
50506 · Bus Engines/Transmissions						
<b>Total 50506 · Bus Engines/Transmissions</b>	150,000	150,000	10,773	9,773	140,227	7%
50408 · Bus Radios						
<b>Total 50408 · Bus Radios</b>	137,457	137,457	-	47,861	89,596	35%
50601 · Scheduling Software (Bus)						
<b>Total 50601 · Scheduling Software (Bus)</b>	250,000	250,000	-	-	250,000	0%
<b>Total 5 · Bus Capital Projects</b>	<b>13,409,400</b>	<b>18,485,857</b>	<b>44,162</b>	<b>16,214,478</b>	<b>2,271,379</b>	<b>88%</b>

**Capital Projects Fund - DCTA**  
**Budget vs. Actual**  
As of January 31, 2015  
(Cash Basis)

Regular Meeting 2a11

	Original Budget	Revised Budget	January 2015 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of January 2015 Close)
<b>6 - Rail Construction</b>						
61401 - Fare Collection Systems						
Total 61401 - Fare Collection Systems	569,000	733,104	-	649,943	83,161	89%
61406 - Positive Train Control						
Total 61406 - Positive Train Control	16,997,441	22,902,951	-	1,241,495	21,661,456	5%
61707 - Community Enhancements						
Total 61707 - Community Enhancements	752,708	752,708	8,083	677,339	75,369	90%
61708 - Lewisville Bike Trail						
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	2,673	654,515	2,445,341	21%
61710 - HV Parking Expansion						
Total 61710 - HV Parking Expansion	250,000	314,110	680	307,907	6,203	98%
60701 - Passenger Information						
Total 60701 - Passenger Information	56,214	96,821	-	61,411	35,410	63%
61711 - Rail Maintenance of Way (MOW)						
Total 61711 - Rail MOW	150,000	150,000	-	73,666	76,334	49%
61712 - Rail Maintenance of Equipment (MOE)						
Total 61712 - Rail MOE	585,000	1,302,627	-	137,848	1,164,779	11%
61503 - Rail Single Car Operations						
Total 61503 - Rail Single Car Operations	101,800	101,800	-	22,169	79,631	22%
61504 - Re-Railing Equipment						
Total 61504 - Re-Railing Equipment	121,000	121,000	-	-	121,000	0%
61505 - GTW Wheel Work						
Total 61505 - GTW Wheel Work	915,041	915,041	-	-	915,041	0%
61209 - Trinity Mills Crew Facility						
Total 61209 - Trinity Mills Crew Facility	250,000	250,000	-	-	250,000	0%
61210 - Station Landscaping						
Total 61210 - Station Landscaping	75,000	75,000	-	-	75,000	0%
61407 - Shunt Enhancement						
Total 61407 - Shunt Enhancement	141,000	141,000	-	-	141,000	0%
61104 - Rail Drainage Improvement						
Total 61104 - Rail Drainage Improvement	250,000	250,000	-	25,902	224,098	10%
<b>Total Rail Construction Projects</b>	<b>24,314,060</b>	<b>31,206,018</b>	<b>11,436</b>	<b>3,852,196</b>	<b>27,353,822</b>	<b>12%</b>
<b>Total 1660 - Construction Work in Progress</b>	<b>38,752,627</b>	<b>50,721,042</b>	<b>66,173</b>	<b>20,077,248</b>	<b>30,643,794</b>	<b>40%</b>



## Board of Directors Memo

February 26, 2015

### Subject: 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 February allocation is for sales generated in the month of December and represents revenue for the third month of FY 2015.

- Sales tax for sales generated at retail in the month of December and received in February was \$2,433,456.
- This represents an increase of 9.30% or \$207,003 compared to budget for the month.
- Receipts are favorable 12.87% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$259,526 or 11.94% more than budgeted.
  
- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville up 10.08%
  - City of Denton up 13.63%
  - Highland Village up 6.29%

#### 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	\$ 2,433,456	\$ 207,003	9.30%	\$ 2,173,929	\$ 259,526	11.94%
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		
<b>YTD Total</b>		<b>\$ 21,347,079</b>	<b>\$ 6,144,676</b>	<b>\$ 700,854</b>	<b>12.87%</b>	<b>\$ 21,367,086</b>	<b>\$ 741,766</b>	<b>13.73%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
February 18, 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	\$ 3,407,084	\$ 312,104	10.08%
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			
<b>YTD Total</b>		<b>\$ 30,175,351</b>	<b>\$ 8,344,383</b>	<b>\$ 553,333</b>	<b>7.10%</b>

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	\$ 441,441	\$ 26,130	6.29%
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			
<b>YTD Total</b>		<b>\$ 3,514,486</b>	<b>\$ 993,148</b>	<b>\$ 62,952</b>	<b>6.77%</b>

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	\$ 3,020,338	\$ 362,339	13.63%
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			
<b>YTD Total</b>		<b>\$ 26,062,974</b>	<b>\$ 7,563,568</b>	<b>\$ 1,244,811</b>	<b>19.70%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
February 18, 2015

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

<b>Transit</b>	<b>Current Rate</b>	<b>Net Payment This Period</b>	<b>Comparable Payment Prior Year</b>	<b>% Change</b>	<b>2015 Payments To Date</b>	<b>2014 Payments To Date</b>	<b>% Change</b>
Houston MTA	1.00%	\$ 78,519,152.34	\$ 72,637,000.64	8.10%	\$ 135,278,169.33	\$ 124,318,641.33	8.82%
Dallas MTA	1.00%	\$ 55,865,585.97	\$ 50,201,621.54	11.28%	\$ 93,978,639.91	\$ 86,510,130.76	8.63%
Austin MTA	1.00%	\$ 21,749,687.84	\$ 19,521,751.89	11.41%	\$ 37,652,726.04	\$ 34,978,495.18	7.65%
San Antonio MTA	0.50%	\$ 15,106,723.10	\$ 13,785,278.49	9.59%	\$ 25,330,167.83	\$ 23,605,237.13	7.31%
San Antonio ATD	0.25%	\$ 6,784,185.49	\$ 6,360,582.61	6.66%	\$ 11,327,964.64	\$ 10,854,698.92	4.36%
Fort Worth MTA	0.50%	\$ 7,168,904.68	\$ 6,474,378.17	10.73%	\$ 12,225,917.65	\$ 11,096,368.13	10.18%
El Paso CTD	0.50%	\$ 4,422,267.10	\$ 4,313,229.82	2.53%	\$ 7,656,004.05	\$ 7,465,003.57	2.56%
Corpus Christi MTA	0.50%	\$ 3,752,066.03	\$ 3,425,615.70	9.53%	\$ 6,342,102.34	\$ 6,001,051.01	5.68%
Denton CTA	0.50%	\$ 2,433,455.56	\$ 2,173,929.28	11.94%	\$ 4,198,976.03	\$ 3,755,951.31	11.80%
Laredo CTD	0.25%	\$ 914,979.67	\$ 873,839.00	4.71%	\$ 1,589,837.32	\$ 1,527,430.31	4.09%
<b>TOTALS</b>		<b>\$ 196,717,007.78</b>	<b>\$ 179,767,227.14</b>	<b>9.43%</b>	<b>\$ 335,580,505.14</b>	<b>\$ 310,113,007.65</b>	<b>8.21%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
February 18, 2015

**Board of Directors Memo**

February 26, 2015

**Subject: Procurement Status Report****Transit and Transportation Planning Services**

A Request for Proposal was available for firms to provide planning services to support DCTA's Planning and Development initiatives. Ten (10) proposals were received on February 18, 2015, and are currently under review. Staff anticipates an award on the March agenda.

**Heavy Duty Transit Buses**

A proposal was released for the purchase of 35' heavy duty transit buses. Two (2) proposals were received on February 18, 2015, and are currently under review. Staff anticipates an award on the March agenda.

**Purchase of Bus Shelters**

Specifications are in development for the purchase of additional bus shelters. Staff anticipates releasing the procurement March 2<sup>nd</sup>.

**Automotive Filters**

Specifications are in development for a contract for the purchase of various automotive filters to be used for the maintenance of our fleet. Staff anticipates releasing the procurement in February with award on the March agenda.

Submitted by:

A handwritten signature in blue ink, appearing to read "A Forrester", written over a horizontal line.

Athena Forrester, Procurement Manager

Final Review:

A handwritten signature in blue ink, appearing to read "Anna Mosqueda", written over a horizontal line.

Anna Mosqueda, CFO



**Board of Directors Memo**

February 26, 2015

**Subject: Marketing & Communications Update**

MARKETING & COMMUNICATIONS INITIATIVES		
Category	Initiative	Important Dates
Brand Planning	Strategic Marketing and Communications Plan	Developed and Executed
	RFP for New Creative/Advertising Firm	Out for Bid – 3.9.15
Marketing Campaigns	Mean Green Game Day Campaign	Planning Phase
	Selfie with Your Favorite Bus Operator Campaign	Launch – 2.23.15
	Summer Sales Campaign	Planning Phase
	Summer Youth Pass	Planning Phase
	University Marketing Campaign	Planning Phase
	Valentine’s Day Code Word Campaign	Report Due EOM
	Where’s My Ride	In Market
	Where’s My Ride Travel Alerts	Beta Testing in Development
Collateral Development	EnRoute News March/April Issue	Development Phase
	Title VI Translations	Development Phase
	Transit Connections Rack Card	Development Phase
Public/Media Relations	AMCP Hermes Awards	Development Phase
	Lewisville Hike & Bike Pitching	Distributed
	Mass Transit Magazine Feature Story	Run Date TBD
	Monster.com Women in Transit Feature Story	Run Date 3.13.15
	PR Monitoring/Database Software RFP	Out for Bid – 3.9.15
Social Media	Editorial Calendar Execution	Ongoing
	Social Video Development	Planning phase
Internal Communications	Monthly Messaging Map	Ongoing
	Monthly Staff Meeting Presentation	Ongoing
Community Relations	Avid Field Trip	Planning Phase
	Calhoun Middle School Field Trip	Planning Phase
Events	Community Enhancements Celebration (Lewisville)	Planning Phase
	Mayor’s Mile	Planning Phase
Public Involvement	Citizen’s Advisory Team Meetings	Planned – 4.7.15 & 4.16.15
	Passenger Satisfaction Survey	Planning Phase
	Public Meeting (April 2015)	Planning Phase
Regional Initiatives	Go Pass 2.0	Planning Phase
	NCTCOG Air North Texas	Ongoing
	NCTCOG MyRideNCT	Ongoing
	Regional Marketing/Communications Meeting	Scheduled – 3.3.15

MARKETING & COMMUNICATIONS METRICS				
Activity	Metric	Annual Goal	Monthly	YTD
<b>Brand Impressions</b>				
Community Brand Impressions*	Confirmed Impressions	300,000	0	47,145
Media Buy Impressions**	Online/Confirmed Impressions	500,000	0	123,100
	Print/Confirmed Impressions	100,000	68,000	109,000
<b>Media Relations</b>				
Press Coverage	Articles About DCTA	450 Placements	27	103
Ad Value^	Articles About DCTA	\$255,000	\$38,520	\$93,032
Publicity Value^^	Articles About DCTA	\$460,000	\$115,559	\$115,559
Headline Highlights	Where’s My Ride Predictive Arrival System for Public Transportation Launches in Denton			
	DCTA Announces New Vice President of Marketing and Communications			

Major Media Outlets	Dallas Business Journal, Denton Record-Chronicle, Mass Transit Magazine, Metro Magazine, KRLD-AM, KXAS-TV/NBC, WBAP-AM			
<b>Social Media</b>				
Facebook Likes	Total Likes	6,500	10	5,157
Twitter Followers	Total Followers	3,500	26	2,713
DCTA Blog	Confirmed Impressions	1,900	188	543
	Top Referring Sites	Google.com, DCTA – Valentine’s Day Promotion Page		
<b>Website Results</b>				
Website Impressions	Pageviews	1.4M	127,725	471,085
Top 5 Referring Sites	Google, Direct, Yahoo, Bing, and UNT			
<b>Go Pass</b>				
New Downloads	Total Count	160,000	12,803	69,383
Tickets Sold	Total Count	16,000	1,923	7,528

CUSTOMER SERVICE				
Activity	Metric	Annual Goal	Monthly	YTD
Provide Excellent Customer Service	Calls Answered	95%	97%	98%
	Abandoned Calls	5%	3%	2%
Where’s My Ride	Total Hits***	100,000	11,423	11,423
	SMS (Texts)	10,000	1,047	1,047
	Calls	2,000	261	261
Go Request	Avg. Days/Closeout	3.5	3.15	3.13
	Total Entries/10K	>3	2.06	2.15
	Complaints/10K	<5	1.11	1.27
	Types of Submittals	Complaint – 20; Compliment – 1; Problem – 2; Question – 11; Suggestion – 7		

**Footnote:**

^Ad Value (AVEs) – Ad values are calculated based upon what a professional media buyer would pay for that amount of exposure for a particular media outlet. Most AVEs are based on the advertising rates for print outlets and in many cases advertising rates do not exist for online stories and even some broadcast placements.

^^Publicity Value – Publicity values are calculated generalizations based on the average cost per impression. Tracking publicity rates provides consistent and rational publicity values for print, online and broadcast/radio hits, regardless of availability or validity of a published ad rate. NOTE: Current PR monitoring software just started reporting publicity value January 2015.

\*Community Brand Impressions – This is the total number of individuals impacted through events, fairs and sponsorships. This total is a mixture in-person and branding impressions (i.e. those who saw our logo on event signage, etc.).

\*\*Media Buy Impressions – This is the number of individuals who see DCTA online advertisements. They may not click through the ad, but they were served the ad.

\*\*\*Where’s My Ride “hits” track all visits to the site. Total hits reported are not unique visitors.

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

**Board of Directors Memo**

February 26, 2015

**Subject: Capital Projects Update****GTW Implementation**

- Phase 1 of single car testing has been completed end to end.
- Track circuit modifications between North Lake and South Med are planned to complete in June, 2015.
- Staff is researching options to enable continuous monitoring of shunt conditions. The plan is to have a real time monitoring solution by the end of June, 2015 so that single car operations can commence thereafter.

**Lewisville Hike/Bike Trail**

- The sidewalk along Lakeside Circle is complete. Demolition and construction along Hebron Parkway is underway.

**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 March.
- ACSES II solicitation: bids due by February 27, 2015.

**Station Landscaping**

- A comprehensive ground maintenance scope of service has been developed the solicitation for upkeep of DCTA rail stations, the Bus O&M facility and the DDTC grounds will be issued shortly after board approval of the budget amendment request.

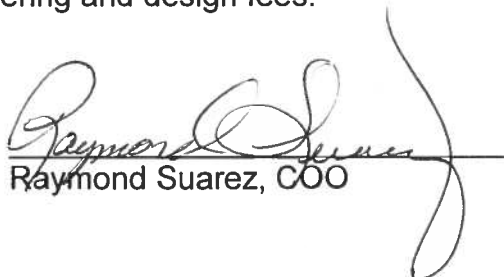
**Rail OMF Drainage**

- DCTA has completed engineering and site plans and is working with Hillwood to determine how the work will be performed.

**Station Enhancement (Trinity Mills Station)**

- Engineering is in progress.
- DCTA has allocated a total of \$250,000 for this project which includes engineering and design fees.

Final Review:



Raymond Suarez, COO

**Board of Directors Memo**

February 26, 2015

**Subject: Transit Operations Report****SYSTEM ON-TIME PERFORMANCE**

- FY 2015 YTD, "On Time Performance" (OTP) for the A-train was 98.89%
- FY 2015 YTD "On Time Performance" (OTP) for Connect service was 94%.

**RIDERSHIP PERFORMANCE****Year to date change in ridership by service type**

Service	% Change FY 2014 to FY 2015	Color Indicator	Notation No.
All Bus & Rail	3.27%	Green	
Rail	-0.89%	Yellow	1
All Bus	4.18%	Green	2
Connect	-0.02%	Green	
UNT	5.61%	Green	3
NCTC	7.8%	Green	4
Access	7.58%	Green	5
Connect RSVP	-30.35%	Red	6

1. A-train ridership decreased by approximately 0.9% which is due to operating 2 less weekdays.
2. Overall ridership is trending up primarily due to UNT ridership growth.
3. UNT ridership continues to grow. However, ridership dropped in January of FY 2015 which is likely attributed to UNT having 5 less regular classes days compared to FYs 2014 & 2013.
4. NCTC service continued to grow despite operating 5 less days in January of FY 2015 relative to January in FY 2014. This overall growth from October to January of FY 2015 is likely attributed to NCTC service being expanded in September 2014.
5. Access service continues to grow likely due to an increase in ADA qualified people.
6. Connect RSVP continues to decline likely due to riders no longer using this service, additional parking available at HV/LL station and potential riders are currently unable to make same day reservations. Staff is planning new service options for the August, 2015 service change.

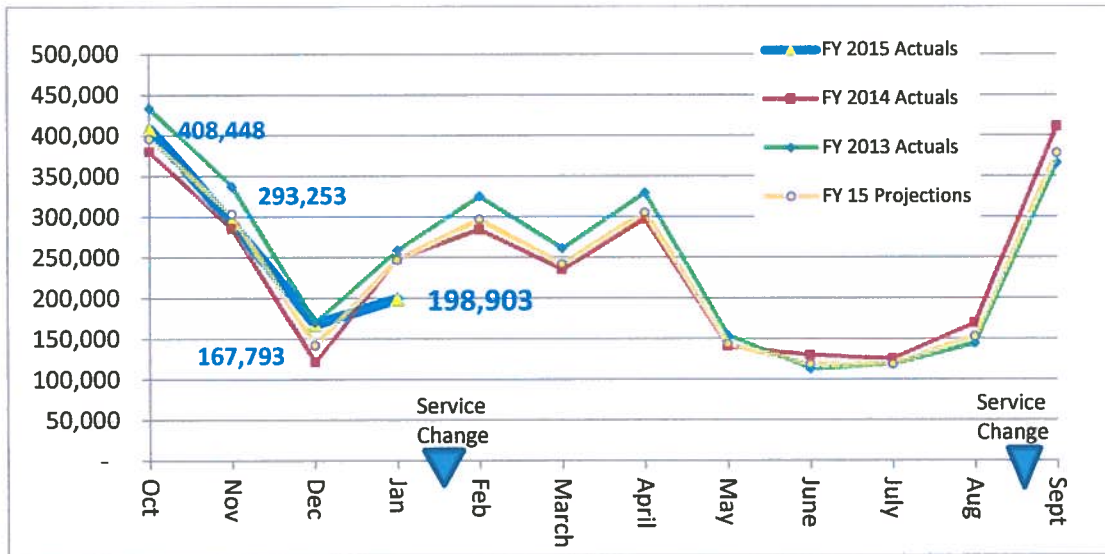
**Color Key**

Green indicates positive performance

Yellow indicates service that will be monitored by staff

Red indicates poor performance and needs further research

### Rail and All Bus: Total Boardings

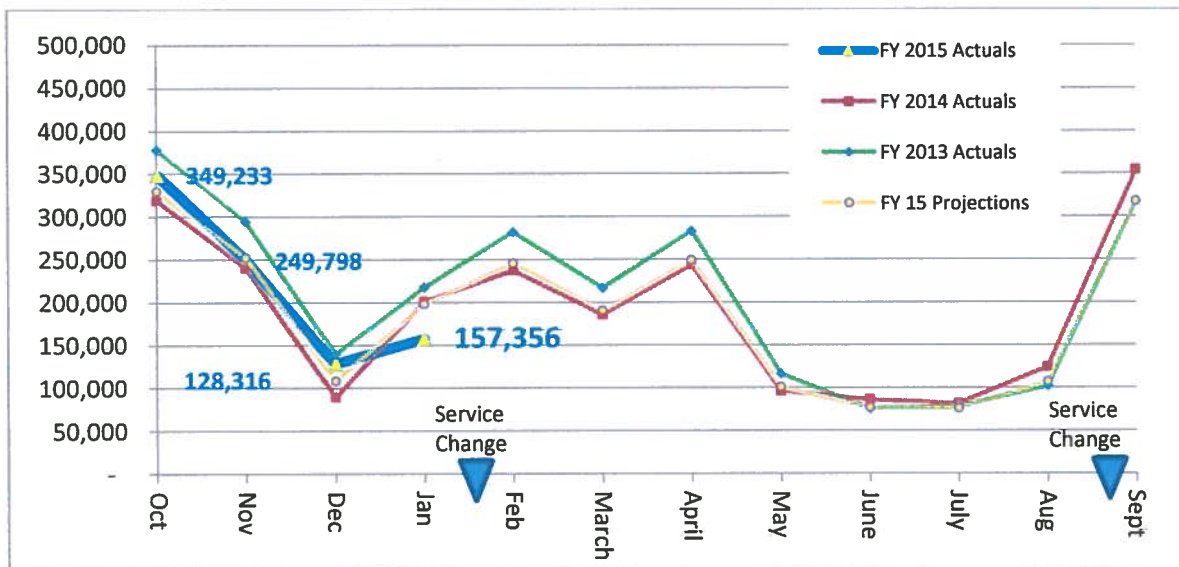


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, and special movement services.

#### Rail and All Bus: Total Boardings

- From October to January of FY 2015, service operated 2 less weekdays relative to prior years FYs 2014 and 2013.
- UNT had 5 less regular class days in January of FY 2015 which is the primary driver of January's ridership decline.
- For the exception of January which had less regular class days, overall ridership is trending up.

### All Bus: Total Boardings



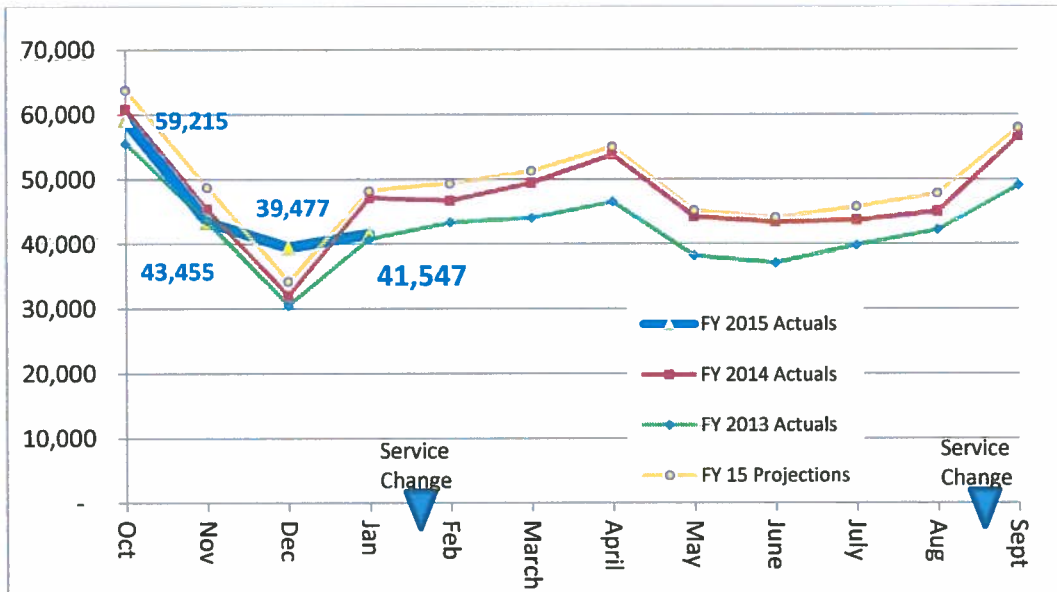
Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, and special movement services.

#### All Bus: Total Boardings

- Primary drivers of declining ridership as stated above are less UNT regular class days.



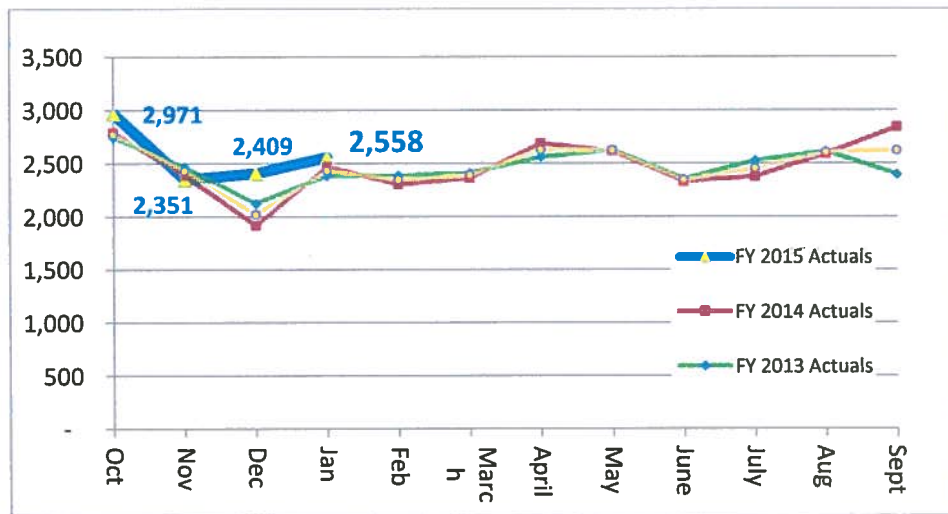
### Rail: Total Boardings



#### Rail: Total Boardings

- Mid-day service was added in the last 3 service changes which resulted in 100% growth in southbound and 19% in northbound boardings even with fewer weekdays in January of FY 2015.
- Data shows both an increase in AM peak and a significant increase in mid-day boardings. In contrast, PM peak ridership is declining. This data may indicate a shift in travel patterns where southbound mid-day trips are replacing PM peak southbound travel.
- Warmer weather likely contributed to the December ridership increase as compared to FYs 2014 and 2013.
- Rail operated 2 less weekdays in FY2015 relative to that same month of FY 2014
- As with bus, 4 less UNT regular class days is a large factor in January's decline in ridership.

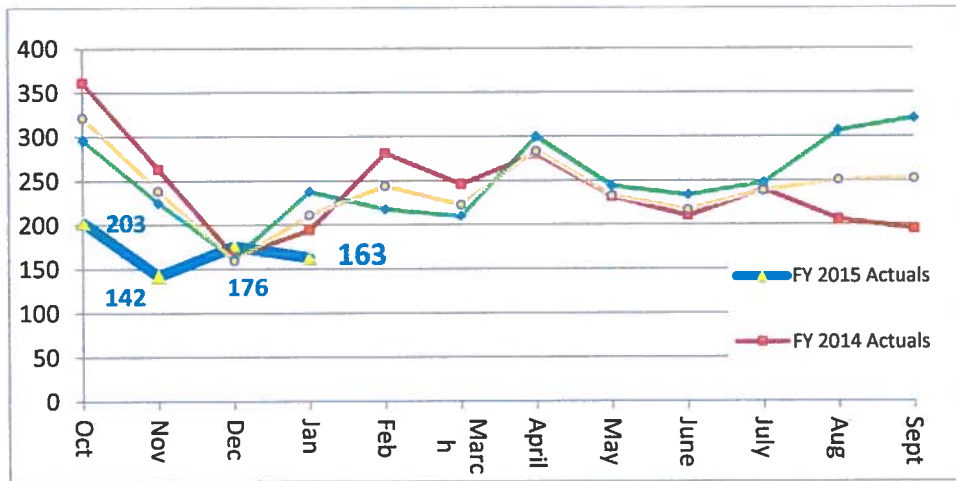
### Access: Total Boardings



#### Access: Total Boardings

- In January of FY 2015, Access operated one less weekday compared to that same month of FY 2014.
- Ridership may continue to grow as additional people become qualified to use this service.

### Connect RSVP: Total Boardings



#### Connect RSVP: Total Boardings

- The decline in January’s ridership may be attributed to one less operating day relative to FY 2014 and the lack of new riders replacing current riders who no longer use this service. An additional factor may be that potential riders are unable to make same day reservations from the HV/LL Station which is the current policy. Staff is investigating options to enhance the service.

#### SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 1,000
- DCTA Bus Operations Injury-Free Workdays: 3
- On January 22, two vehicles were stuck on the track at Eagle Point Road resulting in 18 late trains. No injuries occurred. This intersection will be improved within the next two years as part of the 35E construction project. DCTA staff are evaluating options to enhance safety at this crossing until the reconstruction is complete.

#### MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no signal issues in January.
- **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 January.

Final Review:

Raymond Suarez, COO



**Board of Directors Memo**

February 26, 2015

**Subject: Strategic Planning & Development Update**

**PRIORITY PROJECTS**

**Transit Planning Services (Comprehensive Service Analysis)**

- RFP for transit planning services was posted on January 7, 2015
- 20 vendors attended the pre-proposal meeting on January 20, 2015
- 10 proposals were received on 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**

- Corridors have been refined
- Financial model has been developed

**Highland Village (FM407 Retailers)**

- Continuing to develop service plans to address the labor force demand
- Incorporated Highland Village service into Major Service Corridors Preliminary Plan
- Exploring fleet options available through NCTCOG

**I-35W Corridor (Denton to Fort Worth)**

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

**Next Steps**

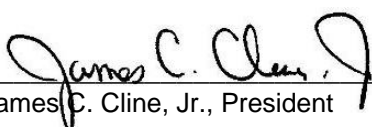
- Develop FM 407 service plan for potential implementation in August 2015
- Include major service corridors into the Comprehensive Service Analysis
- Refine Long Range Service Plan
- Meet with Program Services & Finance Committee

**OUTREACH EFFORTS**

**Recent Outreach Efforts**

- 2/4 35W Coalition
- 2/9 Addison Rail Discussion with NCTCOG, City of Addison, The T
- 2/12 Texas Motor Speedway
- 2/18 NCTCOG Express Corridor Discussion

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

Approved by:   
James C. Cline, Jr., President



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 1:32 p.m. January 22, 2015 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  
(arrived 1:47 pm)  
Carter Wilson, Frisco  
Jim Robertson, Flower Mound  
Allen Harris, The Colony  
Doug Peach, Little Elm

#### Denton County at Large

Dave Kovatch, Treasurer

#### Denton County Unincorporated

George A. Campbell  
Don Hartman

#### Board Members Absent

Daniel Peugh, Corinth

#### DCTA Staff

James C. Cline, Jr., P.E.  
Anna Mosqueda, CFO / Sr. VP Finance  
Kristina Brevard, VP Strategic Planning &  
Development  
Nicole Recker, VP Marketing & Communications  
  
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 – 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 – Nicole Recker reported on these items
  - i. Marketing and Communications Initiatives
  - ii. Media Coverage
  - iii. Customer Service
- c. Capital Projects Update - Raymond Suarez 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 – Raymond Suarez provided an update
  - i. Rail Operations
  - ii. Bus Operations
- e. Strategic Planning / Development – Kristina Brevard provided an update
  - i. Priority Projects Update
  - ii. Outreach Efforts

2. Items for Discussion

- a. Legislative Agenda – Capitol-Insights: Drew Campbell, Byron Campbell, Brandi Bird presented and update
- b. Agency Performance Metrics - Jim Cline presented first quarter information

3. Board Committee Report

- a. Finance Committee Chair Report – Dave Kovatch reported

4. Discussion of Regular Board Meeting Agenda Items (January 22, 2015) – no discussion

5. 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. 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 n/a

- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

7. 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 3:06 p.m. January 22, 2015 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  
Allen Harris, The Colony  
Doug Peach, Little Elm

#### **Denton County at Large**

Dave Kovatch, Treasurer

#### **Denton County Unincorporated**

George A. Campbell  
Don Hartman

#### **Board Members Absent**

Daniel Peugh, Corinth

#### **DCTA Staff**

James C. Cline, Jr., P.E.  
Anna Mosqueda, CFO / Sr. VP Finance  
Kristina Brevard, VP Strategic Planning &  
Development  
Nicole Recker, VP Marketing & Communications

#### **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** – Carter Wilson

**INVOCATION** – Paul Pomeroy

**WELCOME AND INTRODUCTION OF VISITORS** – Recognition of DCTA Staff achievement: Athena Forrester obtained Certified Public Procurement Officer certification

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
- Motion to approve Consent Agenda Items 1a-e made by Jim Robertson. 2<sup>nd</sup> by Skip Kalb. Motion carried unanimously.

<move forward to Item 6C>

2. REGULAR AGENDA

- a. Election of Board Officers
  - b. Chair
  - c. Vice-Chair
  - d. Secretary
  - e. Treasurer
- Motion to retain current officers in current positions made by Jim Robertson. 2<sup>nd</sup> by Skip Kalb. All officers indicated willingness to continue to serve in current roles. Motion carried unanimously.

3. CHAIR REPORT – Charles Emery gave an update Regional Transportation Issues

- a. 2015 Board Committee Assignments – will retain 2014 assignments
- b. Discussion of Regional Transportation Issues
- c. Discussion Legislative Issues
  - i. Regional
  - ii. State
  - iii. Federal

4. PRESIDENT'S REPORT – Jim Cline reported

- 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 – 3:11 p.m.
  - 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 – 4:12 p.m. No action.
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
  
8. ADJOURN 4:39 p.m.

The minutes of the January 22, 2015 meeting of the Board of Directors were passed, and approved by a vote on this 26<sup>th</sup> day of February, 2015.

---

Charles Emery, Chairman

ATTEST

---

Richard Huckaby, Secretary



Board of Directors Memo

February 26, 2015

**Subject: Discussion/Approval of Change Order to Agreement with Strategic Mapping for Where's My Ride (WMR)****Background**

Strategic Mapping has installed the equipment in the fleet of buses and trains as part of the Where's My Ride project. Having additional equipment components on hand is necessary in order to insure that replacement units and units for new vehicles are available. Strategic Mapping is the sole provider of these items due to proprietary technology.

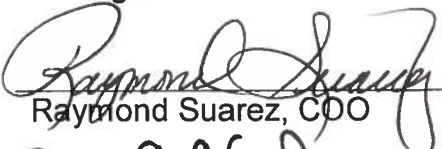
**Financial Impact**

This change order will increase the current contract by an additional \$41,796 from \$890,710 to \$932,506. The expenditures will be covered within the existing FY15 operating budget.

**Recommendation**

Staff recommends the Board authorize the President to execute a change order to the contract with Strategic Mapping for the purchase of additional replacement units.

Submitted by:   
Athena Forrester, Purchasing  
Manager

Final Review:   
Raymond Suarez, COO

Approval:   
James C. Cline, Jr., President

**Board of Directors Memo** February 26, 2015**Subject: Discussion/Approval of Purchase of Special Tools for Stadler Vehicles****Background**

Maintenance on the Stadler vehicles require special tools such as: dummy lifts, universal joint sets for mounting wheel assemblies, hydraulic table for mounting wheel assemblies, pressure relief equipment for wheel assemblies, and an assembly device for engine units. These tools are only available from Stadler Bussnag and are sole source procurement. They are engineered to work with Stadler DMU vehicles and conform to their specified stress/load tolerances.

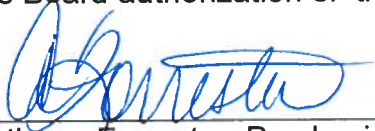
**Financial Impact**

The expenditure for the tools is included in the FY15 adopted budget. The cost of the tools is \$70,733.00.

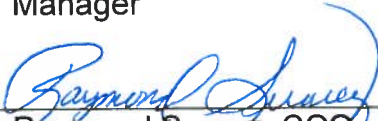
**Recommendation**

Staff recommends Board authorization of this purchase.

Submitted by:

Athena Forrester, Purchasing  
Manager

Final Review:



Raymond Suarez, COO

Approval:



James C. Cline, Jr., President



## Board of Directors Memo

February 26, 2015

**Subject: Discussion/Approval of Resolution 15-01 – Accept Conveyance of DDTC from City of Denton**

### **Background**

DCTA currently operates the Euline Brock Downtown Denton Transit Center (DDTC) through a Right of Entry Agreement with the City of Denton. In May 2008, DCTA and the City of Denton entered into an Interlocal Cooperation Agreement whereby City of Denton utilizing FTA 5309 funds would design and construct the Downtown Denton Transit Center Facility. Total estimated cost of the project was \$3,887,113 with \$3,109,690 (80%) of the costs paid by federal funds. DCTA, in consideration for the transfer of the Downtown Denton Transit Center upon completion, would reimburse the City of Denton up to \$777,423 (or 20%) for the local match. DCTA paid \$388,712 to City of Denton after execution of the ILA and the balance was to be paid upon completion of the project, close out with FTA of the 5390 grant, and conveyance of the property.

The City of Denton completed construction of the facility and a certificate of occupancy was issued in June of 2011. DCTA has been operating the DDTC since its completion under a Right of Entry (ROE) Agreement with the City of Denton. This ROE agreement expires June of 2015. The City of Denton has also completed the close out of the 5309 grant with FTA. City of Denton, DCTA and legal staff have been working toward full transition of all assets related the DDTC, including the property conveyance. The DDTC facility is 8,880 sq. feet and includes the furniture, fixtures and equipment provided for operations. In addition the asset transfer will include a 40 space parking lot and parking lot improvements.

### **Identified Need**

DCTA and the City have come completed the asset and real property inventory, and DCTA has confirmed the inventory of furniture, fixtures and equipment. Before the transition can be completed, both DCTA and the City need to pass a Resolution or Ordinance agreeing to the transfer of assets for submission to the FTA. At its February 3, 2015 meeting the Denton City Council approved an Ordinance authorizing the conveyance of the property.

By approval of this resolution, the DCTA Board of Directors expresses its intent to accept conveyance of the DDTC from City of Denton pending final approval by the FTA. This resolution will be submitted to the FTA as confirmation of the Board's intent.

**Financial Impact**

The balance remaining to be paid upon conveyance to City of Denton for the local share is \$368,711. This is the balance of \$388,711 less \$20,000 for work completed by DCTA for porch repairs.

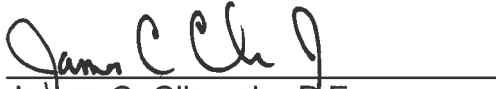
**Recommendation**

Staff recommends the Board approve the Resolution 15-01 expressing its intent to accept conveyance of the DDTC.

Final Review:

  
Department Head

Approval:

  
James C. Cline, Jr., P.E.,  
President

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 15-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (“DCTA”) EXPRESSING THE INTENT OF DCTA TO ACQUIRE CERTAIN REAL AND PERSONAL PROPERTY FROM THE CITY OF DENTON, TEXAS, SPECIFICALLY, THE EULINE BROCK DOWNTOWN DENTON TRANSIT CENTER, FOR THE PROVISION OF PUBLIC TRANSPORTATION BY DCTA, INCLUDING ANY FEDERAL GRANT INTEREST ASSOCIATED WITH THE PROCUREMENT, PURSUANT TO APPROVAL BY THE FEDERAL TRANSIT ADMINISTRATION OF THE PROPOSED TRANSFER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, in 2004, the City of Denton, Texas (“City”), was apportioned federal transportation dollars by the Federal Transit Administration (“FTA”) pursuant to a 5309 Grant No. TX-03-0293-00 (“the 5309 Grant”) for the development of the Euline Brock Downtown Denton Transit Center (“DDTC”); and

**WHEREAS**, pursuant to the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and Chapter 380, Texas Local Government Code, DCTA and the City entered into that certain *Interlocal Cooperation Agreement* effective May 6, 2008 (“the DDTC ILA”), setting forth the terms and conditions by which the City, for good and valuable consideration received from DCTA, would agree to design and construct the DDTC for the benefit of the DCTA and the City using the funds from the 5309 Grant and transfer ownership of the DDTC to DCTA upon completion of construction of the DDTC and the closing of the 5309 Grant; and

**WHEREAS**, City has satisfied all obligations pursuant its agreement with the FTA relating to the expenditure of, and accounting for, the funds received by City pursuant to the 5309 Grant and received “close out” approval from the FTA acknowledging completion of all grant obligations; and

**WHEREAS**, the DDTC ILA contemplated the conveyance by the City to DCTA of all personal property related to the DDTC, the real property on which the DDTC is located (including all improvements existing and constructed thereon), and any remaining FTA funding or grant interests (all of which are hereafter referred to as “the Assets”) upon compliance with the terms and conditions of the DDTC ILA; and

**WHEREAS**, the City approved Ordinance No. 2015-023 on February 3, 2015, expressing its intent to transfer the Assets to DCTA pursuant to the DDTC ILA subject to certain amendments and satisfaction of certain conditions, including the receipt from DCTA of DCTA’s formal intent to acquire and take possession and ownership of the Assets; and

**WHEREAS**, FTA requires that, prior to FTA approval of any conveyance of assets funded by an 5309 Grant, the recipient of such assets express its intent to continue to use the assets for the purposes required by the 5309 Grant agreement after such conveyance; and

**WHEREAS**, the Board of Directors of the Denton County Transportation Authority finds it to be in the best interest of DCTA and the public residing within DCTA's jurisdiction to adopt the resolution expressing DCTA's formal intent to acquire and take possession and ownership of the Assets from the City and to authorize the President to take additional actions related thereto:

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY, THAT:**

**SECTION 1.** DCTA hereby expresses its intent to acquire, procure, and purchase for the purpose of providing public transportation the Assets and the federal grant associated therewith, inclusive of the 5309 Grant, and including the assumption of all terms and conditions of the 5309 Grant from the City of Denton, including, without limitation, the capital interest of City in the Assets, said Assets being:

- A. The real property described as Lot 1, Block A, Denton Transit Center, according to the plat thereof recorded as Instrument No. 2011-115, Plat Records, Denton County, Texas ("the DDTC Property");
- B. All existing improvements and fixtures located on the DDTC Property; and
- C. Such personal property as may be located on the DDTC Property or purchased in relation to the DDTC Property which has been agreed to be transferred to DCTA pursuant to the DDTC ILA.

**SECTION 2.** The President is hereby authorized to take such actions as reasonable and necessary to carry out the intent expressed in Section 1, above, including, but not limited to, (a) sign on behalf of DCTA such documents as necessary to (i) complete the conveyance of the Assets by the City to DCTA pursuant to the DDTC ILA and (ii) obtain final approval by the FTA of such conveyance, and (b) pay to the City the remaining balance of DCTA's share of the local match for 5309 Grant less a credit in the amount of \$20,000.00 for monies advanced by DCTA to the City for additional construction costs, said amount less the credit being \$368,711.00.

**SECTION 3.** The President is hereby directed to transmit a true and correct copy of this Resolution to the City and the FTA.

**SECTION 4.** This resolution shall become effective immediately upon its passage and approval.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 26<sup>TH</sup> DAY OF FEBRUARY, 2015.**

**APPROVED:**

\_\_\_\_\_  
Charles Emery, Chairman

**ATTEST:**

\_\_\_\_\_  
Richard Huckaby, Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Peter G. Smith, General Counsel  
(KBL:2/17/15:70224)

**Board of Directors Memo**

February 26, 2015

**Subject: Discussion/Approval of Highland Village/Lewisville Lake Recreational Parking Capital Budget Amendment****Background:**

DCTA partnered with the City of Lewisville to fund the design and construction of recreational parking along Eagle Point, directly across from the Highland Village/Lewisville Lake station. This parking lot complements parking at the station and alleviates boat and trailer parking at the DCTA station. It will serve as the trailhead parking for the Lewisville portion of the A-train Rail Trail currently under construction and provide parking for other nearby recreational uses and encourage use of future recreational amenities in the area.

The property is owned by the U.S. Army Corps of Engineers and DCTA worked with the City of Lewisville and the Army Corps of Engineers on the design and construction of the facility.

Project requirements, not originally identified, included an electronic gate controller as specified by the Eagle Point Marina owners and guaranteed by the City of Lewisville. This additional funds request is necessary to cover these additional expenses. The project is now complete and no further expenses are anticipated.

The adopted Board Financial Policy for Capital Project Fund expenditures requires Board approval for an increase in the total approved budget of a specific capital project.

**Financial Impact:**


The current approved capital budget for this project is \$314,110. Additional funding in the amount of \$5,890 is required to complete the project for a new total authorized not to exceed amount of \$320,000. The additional amount needed to complete this project will be from savings identified in the Bus Radio capital project. There will be no impact to the bottom line FY2015 budget

**Recommendation:**

Staff requests the Board approve an increase in the Lewisville Recreational Parking Lot capital budget in the amount of \$5,890 for a new total authorized project budget of \$320,000.

Submitted by:   
Raymond Suarez, COO

Final Review:   
Anna Mosqueda, CFO

Approval:   
James C. Cline, Jr. President



DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)  
BUDGET TRANSFER REQUEST

Number: 2015-05

Type: Transfer           
Revision   x  

	Current Budget Amount	Budget Transfer Amount	Adjusted Budget Amount
From: 50408 - Bus Radios	137,457	(5,890)	131,567
To: 61710 - HV Parking Expansion	314,110	5,890	320,000
Total	451,567	-	451,567

**Explanation:**

DCTA installed additional card access equipment at the HV parking lot for Eagle Point Marina as part of the agreement. Savings from the Bus Radio project will be used to cover the additional expense for the HV Parking Expansion so there will be no bottom line impact to the capital budget.

Date: \_\_\_\_\_  
Date 2/19/2015  
Date 20 February 2015

Requested By \_\_\_\_\_  
Reviewed By Amanda Riddle  
President James C. Clark



**Board of Directors Memo**

February 26, 2015

**Subject: Discussion/Approval of Rail Station Landscaping Capital Budget Amendment**

**Background**

After evaluation of the existing rail station landscaping and irrigation, it has been determined that additional funds are required to produce a more drought tolerant environment. Repairs to the irrigation system and selective replacement of vegetation will provide ongoing reductions in maintenance, irrigation costs, and address safety. Work will be performed at the following rail stations: Hebron, Old Town, Highland Village/Lewisville Lake, and MedPark.

- 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 which includes 10% contingency and 10% project management.

Phase 2 replaces non-native plants with native and drought tolerant plants. The phase 2 estimate is \$290,400 which includes 10% project management and 10% contingency.

- When 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
<b>Total including contingency</b>	<b>\$483,600</b>	

A Fiscal Year 2015 capital project was approved in the amount of \$75,000. Staff is requesting an additional \$410,000 to fully fund the project. Staff anticipates issuing an RFP and awarding a contract for this work so funding authorization for the additional project requirements is needed in order to move forward. At the time the FY15 budget was approved, the analysis and comprehensive scope of the requirements was not yet completed.

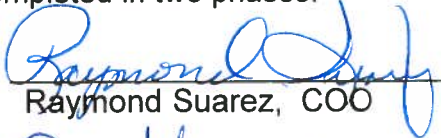
The adopted Board Financial Policy for Capital Project Fund expenditures requires Board approval for an increase in the total approved budget of a specific capital project.

**Financial Impact**

The FY15 Station Landscaping project budget was initially funded at \$75,000. We are requesting an additional \$410,000 to complete Phase 1 in FY15 and Phase 2 in FY16. \$48,664 of the increase will be funded from current year savings in the rail station purchased transportation rail station maintenance budget and the balance of \$361,336 will be funded from the Capital Infrastructure Reserve.

**Recommendation**

Staff requests the Board authorize an additional \$410,000 for the rail station landscaping project to be completed in two phases.

Submitted by:   
Raymond Suarez, COO

Final Review:   
Anna Mosqueda, CFO

Approval:   
James C. Cline, Jr., President

**DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)  
BUDGET TRANSFER REQUEST**

Number: 2015-06

Type:                      Transfer           
                                  Revision   x  

	<b>Current Budget Amount</b>	<b>Budget Transfer Amount</b>	<b>Adjusted Budget Amount</b>
From: 620 - 50810 Purchased Transportation	9,853,077	(48,664)	9,804,413
To: 61210 - Station Landscaping	75,000	410,000	485,000
<b>Total</b>	<b>9,928,077</b>	<b>361,336</b>	<b>10,289,413</b>
Capital Infrastructure Reserve Utilization	2,000,000	(361,336)	1,638,664

**Explanation:**

After evaluation of the existing landscape and irrigation, it has been determined that additional funds are required to produce a more drought tolerant environment. Repairs to the irrigation system and selective replacement of vegetation will provide ongoing reductions in maintenance, irrigation costs and address safety. Work to be performed at the following rail stations: Hebron, Old Town, Highland Village/Lewisville Lake, and MedPark. The agency will have savings from the Herzog/DART contract related to station maintenance expense in Purchased Transportation and these are assumed at \$6,083/month for the remainder of FY15. The remaining funds will come from the capital infrastructure fund.

Date: \_\_\_\_\_  
Date 2/19/15 \_\_\_\_\_  
Date \_\_\_\_\_

Requested By \_\_\_\_\_  
Reviewed By Jamanda Kiddle \_\_\_\_\_  
President James C. [Signature] \_\_\_\_\_



## Board of Directors Memo

February 26, 2015

**Subject: Discussion/Approval of Budget – Passenger Amenities**

### Background

DCTA staff has identified two existing FTA grants that have a small balance remaining. We have combined these grants to create a 2015 Passenger Amenities project.

- The amount available is \$42,786 with a local match of \$10,697 for a total of \$53,483.00.
- Based on historical cost data, we anticipate the construction of a maximum of 5 shelters in the cities of Denton and Lewisville.
- Staff will be releasing the RFP for the purchase of the shelters within the next two weeks.

### Financial Impact

The total capital budget requested is \$53,483.00 of which \$10,697 is local match and \$42,786 is FTA grant funded. The local match will be funded by savings in the Bus Radios capital project.

### Recommendation

Staff requests the Board approve the 2015 Passenger Amenities project.


Submitted by:

  
Raymond Suarez, COO

Final Review:

  
Anna Mosqueda, CFO

Approval:

  
James C. Cline, Jr., President

**DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)  
BUDGET TRANSFER / REVISION REQUEST**

Number: 2015-09

Type:                      Transfer  
                                  Revision                        X  

	<b>Current Budget Amount</b>	<b>Budget Transfer Amount</b>	<b>Adjusted Budget Amount</b>
From: 50408 - Bus Radios	131,567	(10,697)	120,870
To: 50203 - Passenger Amenities {2015}	-	53,483	53,483
			-
Total	<u>131,567</u>	<u>42,786</u>	<u>174,353</u>

**Explanation:**

This will be a new capital project for FY15 Passenger Amenities/Bus Shelters. Based on historical cost data, we anticipate the construction of a maximum of 5 shelters in the cities of Denton and Lewisville. Staff will be releasing the RFP for the purchase of the shelters within the next two weeks. This project is grant funded 80%, requiring a local match of \$10,697. This match will be covered by savings from the Bus Radio capital project.

Date: 2/18/2015

Date: 2/19/2015

Date: 20 Feb 2015

Requested By Ann Boulden

Reviewed By Amanda Kiddle

President Jan C. [Signature]



## Board of Directors Memo

February 26, 2015

**Subject: Discussion/Approval of Budget – Passenger Amenities (Printing)**

### Background

DCTA staff has identified an existing FTA grant that has a small balance remaining that expires in September 2015. We have increased the Communications & Marketing operating budget to make use of the remaining funds prior to their expiration date.

- The grant amount available is \$48,116 in grant funds with a required local match of \$12,029 for a total of \$60,145.
- Based on historical cost data, we anticipate the printing of the following projects: informational passenger collateral, at-stop signage, rail cards, schedule change notification, Where's My Ride collateral, Where's My Ride Travel Alerts collateral, university marketing collateral, and Summer Youth Pass collateral.

### Financial Impact

The total operating budget increase requested is \$60,145 of which \$12,029 is a local match and \$48,116 is FTA grant funded. The local match will be funded by savings in the existing Marketing and Communications operational budget.

### Recommendation

Staff requests the Board approve the 2015 Passenger Amenities (printing) project.

Submitted by:

Nicole Recker, VP Marketing & Communications

Final Review:

Anna Mosqueda, CFO

Approval:

James C. Cline, Jr., President

**DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)  
BUDGET TRANSFER / REVISION REQUEST**

Number: 2015-08

Type:                      Transfer  
                                  Revision        ✓  

	Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
<b>To:</b> 140.50311 - Printing	97,900	60,145	158,045
<b>From:</b> 140.50309 - Professional Services	204,050	(12,029)	192,021
<b>Total</b>	<u>301,950</u>	<u>48,116</u>	<u>350,066</u>

**Explanation:**

DCTA has additional federal grant funds that will expire in September if they are not utilized. These funds will be applied to the following items: print production of passenger collateral, at-stop signage, schedule change notifications, Where's My Ride related passenger collateral and Summer Youth Pass information. These are grant funded at 80% (\$48,116) and the local match will be covered by savings in Professional Services.

Date: 2.6.15 \_\_\_\_\_  
 Date 2/19/2015 \_\_\_\_\_  
 Date 24 February 2015 \_\_\_\_\_

Requested By Nicole Recker \_\_\_\_\_  
 Reviewed By Amanda Riddle \_\_\_\_\_  
 President James C. Cle. J. \_\_\_\_\_