



DENTON COUNTY
TRANSPORTATION AUTHORITY

1955 Lakeway Dr., # 260, Lewisville, Texas 75057
972.221.4600 | RideDCTA.net

Board of Directors Work Session

January 26, 2017 | 1:30 p.m.

1. Routine Briefing Items
 - a. Staff Briefing on Monthly Financial Reports
 - i. Financial Statements for November and December 2016
 - ii. Capital Projects Budget Report for November and December 2016
 - iii. Monthly Sales Tax Receipts
 - iv. Quarterly Investment Report Q1 FY2017
 - v. Current Procurement Activities
 - vi. Quarterly Grant Update
 - b. Marketing and Communications
 - i. Collateral Material Overview
 - ii. FY '16 Community Survey Results
 - iii. Riding the A-train vs Driving on I35E Campaign Update
 - c. Strategic Planning and Development
 - i. Development Projects Update
 - ii. Regional Planning Initiatives Update
 - d. Capital Projects
 - i. Flood Damage Repairs Update
 - ii. Positive Train Control & Signal System Enhancements
 - e. Staff Briefing on Transit Operations Reports
 - i. Bus and Rail Operations
2. Items for Discussion
 - a. Board Officer Elections
3. Committee Chair Report
 - a. Finance Committee (01/16/2017) Dave Kovatch, chair
4. Discussion of Regular Board Meeting Agenda Items (January 2017)

5. Convene Executive Session. The Board may convene the Work Session into Closed Executive Session for the following:
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board of Directors Work Session 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 or the Regular Board Meeting Agenda.
 - b. 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.
6. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
7. Discussion of Future Agenda Items
 - a. Board Member Requests
8. ADJOURN

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

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

**Members – Skip Kalb, Doug Peach, Jim Robertson, Tom Winterburn, Don Hartman,
George A. Campbell, Allen Harris, Carter Wilson, Connie White, Eric Jensen
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 rcomer@dcta.net or calling Rusty Comer at 972-221-4600.

This notice was posted on 1/20/2017 at 4:10 PM.

Rusty Comer, Senior Public Information Specialist



Board of Directors Memo

Subject: Monthly Financial Reports

January 26, 2017

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending November 30, 2016 include the Statement of Change in Net Position, Statement of Net Position, 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 between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Change in Net Position.

Statement of Change in Net Position:

- **Note A:** Passenger Revenues – YTD unfavorable by (\$10k), due to lower than budgeted ridership. YTD rail ridership of 104k is 7% less than budgeted YTD ridership of 111k. YTD Connect & Access ridership of 102k is 12% less than budgeted YTD ridership of 116k.

Although only Connect and Access ridership impact passenger revenue, total YTD bus ridership of 637k is 7% higher than budgeted ridership of 594k.

- **Note B:** Contract Service Revenue – YTD favorable by \$25k, due to increased revenue hours (\$63k). YTD revenue hours of 14,892 are 6% higher than budgeted 14,084 revenue hours. This favorable variance is partially offset by reduced fuel pass-through costs for UNT and NCTC (reduction of \$39k). Average billed fuel price/gallon of \$1.90 is 37% lower than the budgeted \$3.00/gallon.
- **Note C:** Sales Tax Revenue – November sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in November will be received in January. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY16 sales tax receipts collected through December.
- **Note D:** Federal/State Grants-Capital – YTD unfavorable by (\$401k) mainly because expenses and corresponding reimbursements for the Lewisville Hike & Bike Trail (\$380k) have been delayed from the timing anticipated in the budget. As expenses are incurred for this project, reimbursement will be requested.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus O&M	\$ -	\$ 6,209	\$ 6,209
Comp. Service Analysis	58,726	3,066	(55,660)
Lewisville Hike & Bike Trail	380,000	-	(380,000)
PTC	998,197	1,100,146	101,949
Safety/Security	56,124	-	(56,124)
Transit Enhancements	25,713	7,893	(17,820)
	\$ 1,518,760	\$ 1,117,314	\$ (401,446)

- **Note E:** Federal/State Grants-Operating – YTD unfavorable by (\$241k) mainly because expenses and corresponding reimbursements for FEMA projects have been delayed from the timing anticipated in the budget. These reimbursements will be requested in coming months.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus PM	\$ 173,222	\$ 175,009	\$ 1,787
Rail PM	300,001	223,426	(76,575)
ADA Assistance	280,617	470,152	189,535
FEMA	355,779	-	(355,779)
	<u>\$ 1,109,619</u>	<u>\$ 868,587</u>	<u>\$ (241,032)</u>

- **Note F:** Insurance – YTD unfavorable by (\$36k), attributable to higher than budgeted costs for rail liability insurance. Previously, DCTA was covered under an interlocal agreement with DART for insurance coverage. DCTA has entered into an independent policy for FY2017 that is higher than previous coverage. This overage will be addressed with an upcoming budget transfer.
- **Note G:** Purchased Transportation – YTD unfavorable by (\$178k), attributable to higher than budgeted train hours and car miles. These overages are related to additional car miles for two car operations versus single car operations as well as additional service hours and car miles for the State Fair of Texas in October 2016; these items were not budgeted. Additional service for the State Fair of Texas was added in response to customer complaints regarding the service schedule. Car miles will decrease when the A-train is able to implement single car operations. Actual YTD train hours were 3,110 compared to 2,417 budgeted hours. Actual YTD car miles were 124,836 compared to 74,892 budgeted miles.

Identified Need

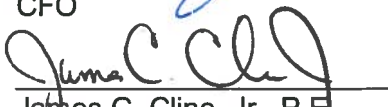
Provides the Board a review of DCTA's financial position and the agency's performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA 
Controller

Final Review: 
Anna Mosqueda,
CFO

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

Denton County Transportation Authority
Change in Net Position
Month and Year to Date November 30, 2016
(Unaudited)

Item 1(a)i

Description	Month Ended November 30, 2016			Year to Date November 30, 2016			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	\$ 120,639	\$ 119,924	\$ 715	\$ 269,955	\$ 280,239	\$ (10,284)	\$ 1,446,008	Note A
Contract Service Revenue	394,557	364,025	30,532	813,038	787,813	25,225	3,649,987	Note B
Sales Tax Revenue	1,888,912	1,969,968	(81,056)	3,948,606	3,939,936	8,670	24,624,601	Note C
Federal/State Grants - Capital	1,087,712	759,380	328,332	1,117,314	1,518,760	(401,446)	11,940,392	Note D
Federal/State Grants - Operating	256,092	414,501	(158,409)	868,587	1,109,619	(241,032)	6,264,427	Note E
Total Revenue and Other Income	3,747,912	3,627,798	120,114	7,017,500	7,636,367	(618,867)	47,925,415	
Operating Expenses								
Salary, Wages and Benefits	977,122	909,098	(68,024)	1,773,164	1,875,516	102,352	10,893,651	
Services	155,696	231,311	75,615	225,181	598,614	373,434	2,691,146	
Materials and Supplies	174,298	278,141	103,842	346,853	552,236	205,383	3,321,374	
Utilities	33,366	39,105	5,739	38,437	77,218	38,781	481,264	
Insurance, Casualties and Losses	180,555	105,990	(74,565)	248,631	212,331	(36,301)	1,285,814	Note F
Purchased Transportation Services	799,213	755,759	(43,455)	1,688,971	1,510,666	(178,305)	9,131,734	Note G
Miscellaneous	23,261	16,832	(6,429)	37,915	131,108	93,193	385,405	
Leases and Rentals	17,084	24,840	7,756	39,455	50,606	11,150	301,776	
Depreciation	815,978	845,341	29,363	1,631,956	1,690,682	58,726	10,339,739	
Total Operating Expenses	3,176,573	3,206,416	29,843	6,030,564	6,698,977	668,413	38,831,903	
Income Before Non-operating Revenue and Expense	571,339	421,382	149,957	986,937	937,390	49,547	9,093,512	
Non-Operating Revenues / (Expense)								
Investment Income	6,118	3,333	2,785	13,204	6,666	6,538	40,000	
Gain (Loss) Disposal of Assets	-	-	-	2,300	-	2,300	-	
Fare Evasion Fee	150	125	25	225	250	(25)	1,500	
Other Income - Miscellaneous	12,056	-	12,056	12,214	-	12,214	-	
Long Term Debt Interest/Expense	(91,534)	(91,534)	(0)	(183,069)	(183,068)	(1)	(1,098,412)	
Total Non-Operating Revenue / (Expense)	(73,210)	(88,076)	14,866	(155,126)	(176,152)	21,026	(1,056,912)	
Change in Net Position	\$ 498,129	\$ 333,306	\$ 164,823	\$ 831,811	\$ 761,238	\$ 70,573	\$ 8,036,600	

Denton County Transportation Authority
Statement of Net Position
As of November 30, 2016
(Unaudited)

	November 30, 2016	October 31, 2016	Change
Current Assets			
Cash & Cash Equivalents	\$ 11,146,053	\$ 11,441,399	\$ (295,347)
Investments	4,443,671	5,260,160	(816,489)
Accounts & Notes Receivable	6,685,211	6,463,863	221,348
Prepaid Expenses	773,456	281,369	492,088
Inventory	4,692	12,270	(7,578)
Restricted Asset-Cash and Equivalents	3,589,810	3,594,639	(4,829)
Total Current Assets	26,642,893	27,053,700	(410,807)
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	6,458,821	6,458,821	-
Machinery & Equipment	2,754,866	2,754,866	-
Leasehold Improvements	55,506	55,506	-
Vehicles	90,298,496	90,298,496	-
Computers & Software	1,180,676	1,180,676	-
Accumulated Depreciation	(49,540,151)	(48,724,173)	(815,978)
Total Property, Plant and Equipment	67,436,551	68,252,529	(815,978)
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,739,641	234,739,641	-
Construction in Progress	13,840,770	13,787,424	53,345
Total Capital Assets	265,577,566	265,524,220	53,345
Total Assets	<u>\$ 359,657,010</u>	<u>\$ 360,830,449</u>	<u>\$ (1,173,440)</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 362,509	\$ 2,093,146	\$ (1,730,637)
Salary, Wages, and Benefits Payable	644,860	615,433	29,427
Accrued Expenses Payable	209,937	323,277	(113,340)
Deferred Revenues	105,526	54,692	50,834
Interest Payable	183,069	91,534	91,534
Total Current Liabilities	1,505,900	3,178,082	(1,672,181)
Non-Current Liabilities			
Rail Easement Payable	1,300,000	1,300,000	-
Retainage Payable	319,783	319,171	612
Bonds Payable	30,385,000	30,385,000	-
Total Non-Current Liabilities	32,004,783	32,004,171	612
Total Liabilities	<u>33,510,683</u>	<u>35,182,252</u>	<u>(1,671,569)</u>
Net Position			
Net Investment in Capital Assets	305,686,488	305,686,488	-
Unrestricted	19,628,027	19,628,027	-
Change in Net Position	831,811	333,682	498,129
Total Equity	<u>326,146,326</u>	<u>325,648,197</u>	<u>498,129</u>
Total Liabilities and Equity	<u>\$ 359,657,010</u>	<u>\$ 360,830,449</u>	<u>\$ (1,173,440)</u>



Board of Directors Memo

Subject: Monthly Financial Reports

January 26, 2017

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending December 31, 2016 include the Statement of Change in Net Position, Statement of Net Position, 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 between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Change in Net Position.

Statement of Change in Net Position:

- **Note A:** Passenger Revenues – YTD favorable by \$23k, due to 675 service hours billed for special movements (\$41k revenue). This positive variance is partially offset by lower than budgeted ridership. YTD rail ridership of 140k is 6% less than budgeted YTD ridership of 150k. YTD ridership for Connect, Access, Frisco, and North Texas Express is 142k, which is 13% less than budgeted YTD ridership of 163k. Total YTD bus ridership including UNT and NCTC riders is 779k, which is 10% higher than budgeted ridership of 708k.

		YTD FY17 Actual Ridership	YTD FY17 Budgeted Ridership	% Variance
Total Rail Ridership	(A)	140,357	149,977	- 6%
Connect, Access, Frisco, North Texas Express	(A)	143,141	163,227	- 12%
UNT & NCTC	(B)	636,142	545,112	17%
Total Bus Ridership		779,283	708,339	10%
Total Ridership		919,640	858,316	7%

(A) Passenger revenues are linked with these ridership statistics. Although Frisco service is a contracted service, the passengers are responsible for a passenger fare as well.

(B) These ridership numbers are shown for information purposes only and are not linked to passenger revenues.

- **Note B:** Contract Service Revenue – YTD favorable by \$83k, due to increased revenue hours (\$129k). YTD revenue hours of 19,500 are 11% higher than budgeted 17,498 revenue hours. This favorable variance is partially offset by reduced fuel pass-through costs for UNT and NCTC (reduction of \$46k). Average billed fuel price/gallon of \$1.93 is 36% lower than the budgeted \$3.00/gallon.
- **Note C:** Sales Tax Revenue – December sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in December will be received in February. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY16 sales tax receipts collected through January.

- **Note D:** Federal/State Grants-Capital – YTD unfavorable by (\$6k) mainly because expenses and corresponding reimbursements for the Lewisville Hike & Bike Trail (\$570k) have been delayed from the timing anticipated in the budget. The budget for this project will be adjusted to reduce project costs and corresponding reimbursements. This negative variance is partially offset by reimbursements for the PTC project that are higher than anticipated in the budget.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus O&M	\$ -	\$ 6,209	\$ 6,209
Comp. Service Analysis	88,089	3,066	(85,023)
Lewisville Hike & Bike Trail	570,000	-	(570,000)
Positive Train Control (PTC)	1,497,296	2,255,376	758,081
Safety/Security	84,186	-	(84,186)
Transit Enhancements	38,570	7,893	(30,677)
	\$ 2,278,140	\$ 2,272,544	\$ (5,596)

- **Note E:** Federal/State Grants-Operating – YTD unfavorable by (\$206k) mainly because expenses and corresponding reimbursements for FEMA projects have been delayed from the timing anticipated in the budget. These reimbursements will be requested in coming months. This negative variance is partially offset by reimbursements for ADA assistance that are higher than anticipated in the budget.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus PM	\$ 259,833	\$ 322,634	\$ 62,801
Rail PM	450,000	476,254	26,254
ADA Assistance	280,617	519,607	238,990
FEMA	533,670	-	(533,670)
	\$ 1,524,120	\$ 1,318,495	\$ (205,625)

- **Note F:** Insurance – YTD unfavorable by (\$54k), due to higher than budgeted costs for rail liability insurance. Previously, DCTA was covered under an interlocal agreement with DART for insurance coverage. DCTA entered into an independent policy for FY2017 that is higher than previous coverage. This overage will be addressed with an upcoming budget transfer.
- **Note G:** Purchased Transportation – YTD unfavorable by (\$266k), attributable to higher than budgeted train hours and car miles. These overages are related to additional car miles for two car operations versus single car operations as well as additional service hours and car miles for the State Fair of Texas in October 2016; these items were not budgeted. Additional service for the State Fair of Texas was added in response to customer complaints regarding the service schedule. Car miles will decrease when the A-train is able to implement single car operations. Actual YTD train hours were 4,663 compared to 3,625 budgeted hours. Actual YTD car miles were 184,978 compared to 112,338 budgeted miles.

Identified Need


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

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA 
Controller

Final Review: 
Anna Mosqueda,
CFO

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

Denton County Transportation Authority
Change in Net Position
Month and Year to Date December 31, 2016
(Unaudited)

Item 1(a)i

Description	Month Ended December 31, 2016			Year to Date December 31, 2016			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	\$ 137,965	\$ 104,411	\$ 33,554	\$ 407,920	\$ 384,650	\$ 23,270	\$ 1,446,008	Note A
Contract Service Revenue	251,126	193,383	57,743	1,064,164	981,196	82,968	3,649,987	Note B
Sales Tax Revenue	2,662,754	2,462,460	200,294	6,611,361	6,402,396	208,965	24,624,601	Note C
Federal/State Grants - Capital	1,155,230	759,380	395,850	2,272,544	2,278,140	(5,596)	11,940,392	Note D
Federal/State Grants - Operating	449,908	414,501	35,407	1,318,495	1,524,120	(205,625)	6,264,427	Note E
Total Revenue and Other Income	4,656,983	3,934,135	722,848	11,674,483	11,570,502	103,981	47,925,415	
Operating Expenses								
Salary, Wages and Benefits	807,453	876,219	68,766	2,580,617	2,751,735	171,118	10,893,651	
Services	129,153	208,493	79,339	354,334	807,107	452,773	2,691,146	
Materials and Supplies	227,293	257,230	29,936	574,146	809,466	235,320	3,321,374	
Utilities	14,585	40,105	25,520	53,021	117,323	64,302	481,264	
Insurance, Casualties and Losses	124,092	105,990	(18,102)	372,724	318,321	(54,403)	1,285,814	Note F
Purchased Transportation Services	844,417	756,314	(88,103)	2,533,388	2,266,980	(266,408)	9,131,734	Note G
Miscellaneous	9,991	21,391	11,400	47,906	152,499	104,593	385,405	
Leases and Rentals	28,765	24,840	(3,925)	68,220	75,445	7,225	301,776	
Depreciation	816,709	847,744	31,035	2,448,665	2,538,426	89,761	10,339,739	
Total Operating Expenses	3,002,458	3,138,325	135,867	9,033,021	9,837,302	804,281	38,831,903	
Income Before Non-operating Revenue and Expense	1,654,525	795,810	858,715	2,641,462	1,733,200	908,261	9,093,512	
Non-Operating Revenues / (Expense)								
Investment Income	4,267	3,333	933.62	17,471	9,999	7,472	40,000	
Gain (Loss) Disposal of Assets	50	-	50	2,350	-	2,350	-	
Fare Evasion Fee	-	125	(125)	225	375	(150)	1,500	
Other Income - Miscellaneous	2,599	-	2,599	14,812	-	14,812	-	
Long Term Debt Interest/Expense	(91,534)	(91,534)	(0)	(274,603)	(274,602)	(1)	(1,098,412)	
Total Non-Operating Revenue / (Expense)	(84,619)	(88,076)	3,457	(239,745)	(264,228)	24,483	(1,056,912)	
Change in Net Position	\$ 1,569,906	\$ 707,734	\$ 862,172	\$ 2,401,717	\$ 1,468,972	\$ 932,745	\$ 8,036,600	

Denton County Transportation Authority
Statement of Net Position
As of December 31, 2016
(Unaudited)

	<u>December 31, 2016</u>	<u>November 30, 2016</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 11,642,964	\$ 11,146,053	\$ 496,912
Investments	4,214,595	4,443,671	(229,076)
Accounts & Notes Receivable	7,519,278	6,685,211	834,067
Prepaid Expenses	649,364	773,456	(124,092)
Inventory	9,771	4,692	5,079
Restricted Asset-Cash and Equivalents	3,321,078	3,589,810	(268,732)
Total Current Assets	<u>27,357,051</u>	<u>26,642,893</u>	<u>714,158</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	6,458,821	6,458,821	-
Machinery & Equipment	3,722,202	2,754,866	967,336
Leasehold Improvements	55,506	55,506	-
Vehicles	90,298,496	90,298,496	-
Computers & Software	1,180,676	1,180,676	-
Accumulated Depreciation	(50,356,861)	(49,540,151)	(816,709)
Total Property, Plant and Equipment	<u>67,587,178</u>	<u>67,436,551</u>	<u>150,627</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,739,641	234,739,641	-
Construction in Progress	14,418,380	13,840,770	577,611
Total Capital Assets	<u>266,155,176</u>	<u>265,577,566</u>	<u>577,611</u>
Total Assets	<u><u>\$ 361,099,406</u></u>	<u><u>\$ 359,657,010</u></u>	<u><u>\$ 1,442,396</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ -	\$ 362,509	\$ (362,509)
Salary, Wages, and Benefits Payable	685,421	644,860	40,561
Accrued Expenses Payable	246,465	209,937	36,528
Deferred Revenues	97,097	105,526	(8,429)
Interest Payable	274,603	183,069	91,534
Total Current Liabilities	<u>1,303,585</u>	<u>1,505,900</u>	<u>(202,316)</u>
Non-Current Liabilities			
Rail Easement Payable	1,300,000	1,300,000	-
Retainage Payable	394,589	319,783	74,806
Bonds Payable	30,385,000	30,385,000	-
Total Non-Current Liabilities	<u>32,079,589</u>	<u>32,004,783</u>	<u>74,806</u>
Total Liabilities	<u>33,383,173</u>	<u>33,510,683</u>	<u>(127,510)</u>
Net Position			
Net Investment in Capital Assets	305,686,488	305,686,488	-
Unrestricted	19,628,028	19,628,028	-
Change in Net Position	2,401,717	831,811	1,569,906
Total Equity	<u>327,716,232</u>	<u>326,146,326</u>	<u>1,569,906</u>
Total Liabilities and Equity	<u><u>\$ 361,099,406</u></u>	<u><u>\$ 359,657,010</u></u>	<u><u>\$ 1,442,396</u></u>

Capital Projects Fund - DCTA
Budget vs. Actual
As of November 30, 2016
(Cash Basis)

Work Session 1a

ASSETS

Fixed Assets

1660 - Construction Work in Progress

	Original Budget	Revised Budget	November 2016 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of November 2016 Close)	Project % Complete (Operations)
1 - G&A Capital Projects							
Total 10402 - Shortel Phone System	45,000	85,000	2,957	79,900	5,100	94%	
Total 10601 - COGNOS Report Application	200,000	200,000	-	-	200,000	0%	
Total 10602 - Comprehensive Service Analysis	567,414	420,222	539	196,444	223,778	47%	
Total 10603 - Legal Support	226,753	226,753	-	233,408	(6,655)	103%	
Total 10301 - Lewisville Facilities Study	-	100,000	-	79,064	20,936	79%	
Total 10302 - Infrastructure Acquisition	1,900,000	1,900,000	22,070	22,070	1,877,930	1%	
Total 10604 - Safety & Security Assessment	250,000	250,000	-	-	250,000	0%	
Total 10605 - Project Management/Document Control	150,000	150,000	-	-	150,000	0%	
Total 1 - G&A Capital Projects	3,339,167	3,331,975	25,566	610,886	2,721,089	18%	
5 - Bus Capital Projects							
Total 50204 - Transit Enhancements (2015-16)	165,000	165,000	8,368	158,089	6,911	96%	98%
Total 50301 - Bus O&M Facility	8,142,667	11,497,555	-	11,411,494	86,061	99%	100%
Total 50305 - IOMF Fuel Tanks	250,000	250,000	-	-	250,000	0%	3%
Total 50409 - Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%	
Total 50410 - AVL Systems	200,000	200,000	-	-	200,000	0%	
Total 50507 - Fleet {2016}	1,250,000	1,250,000	-	-	1,250,000	0%	
Total 50510 - Fleet {2017}	1,550,000	1,550,000	-	-	1,550,000	0%	
Total 50601 - Scheduling Software (Bus)	250,000	250,000	-	20,000	230,000	8%	
Total 5 - Bus Capital Projects	11,957,167	15,312,055	8,368	11,589,583	3,722,472	76%	
6 - Rail Construction							
Total 61401 - Fare Collection Systems	569,000	733,104	-	682,258	50,846	93%	
Total 61406 - Positive Train Control Preparation	15,997,441	1,346,527	-	1,346,527	-	100%	
Total 61406.1 - Positive Train Control Implementation	-	16,720,141	14,600	6,609,372	10,110,769	40%	39%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	-	2,046,359	1,053,497	66%	100**
Total 60701 - Passenger Information	56,214	96,821	-	61,411	35,410	63%	
Total 61505 - GTW Wheel Work	915,041	915,041	-	905,925	9,116	99%	
Total 61604 - Rail Mobilization (2015)	2,119,517	2,119,517	-	1,187,165	932,352	56%	80%
Total 61209 - Trinity Mills Crew Facility	250,000	250,000	-	69,830	180,170	28%	15% **
Total 61210 - Station Landscaping	75,000	485,000	1,500	392,702	92,298	81%	
61713 - Disaster Recovery - 2015 Floods							
61713.01 - Operating Revenue	-	-	-	(181,483)	181,483	0%	
Total 61713 - Disaster Recovery - 2015 Floods	1,000,000	300,000	-	216,457	83,543	72%	100%
61713-1 - Rail Facility Flume Repair (2015 Flood)							
61713-1.01 - Operating Revenue	-	-	-	(87,059)	87,059	0%	
Total 61713-1 - Rail Facility Flume Repair (2015 Flood)	325,482	325,482	94	56,754	268,728	17%	14%***
Total 61713-2 - Grade Crossing Replacements (2015 Flood)	2,157,760	2,157,760	-	62,958	2,094,802	3%	5%****
61713-3 - Hebron Signal House (2015 Flood)							
61713-3.01 - Operating Revenue	-	-	-	(116,060)	116,060	0%	
Total 61713-3 - Hebron Signal House (2015 Flood)	122,000	122,000	-	98,626	23,374	81%	90%
Total 61713-4 - Ballast Undercutting (2015 Flood)	761,600	761,600	-	21,198	740,402	3%	5%****
Total 61713-5 - Pockrus Page (2015 Flood)	623,000	623,000	3,186	37,446	585,554	6%	3%
Total 61714 - Rail Capital Maintenance	745,000	745,000	-	-	745,000	0%	
Total 61715 - Trail Safety Improvements	139,657	139,657	-	-	139,657	0%	
Total 61716 - Lewisville Bike Trail - Eagle Point Section	-	2,995,873	31	40,491	2,955,382	1%	
Total Rail Construction Projects	28,956,568	33,936,379	19,412	13,835,480	20,100,900	41%	
Total 1660 - Construction Work in Progress	44,252,902	52,580,409	53,345	26,035,949	26,544,460	50%	

* Construction complete Balance is for Engineering of Eagle Point

** Preliminary plans complete

*** Plans complete. Out for bid.

**** Project awarded. Construction Scheduled.

Capital Projects Fund - DCTA
Budget vs. Actual
As of December 31, 2016
(Cash Basis)

Work Session 1a11

ASSETS

Fixed Assets

1660 - Construction Work in Progress

	Original Budget	Revised Budget	December 2016 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of December 2016 Close)	Project % Complete (Operations)
1 - G&A Capital Projects							
Total 10402 - Shortel Phone System	45,000	85,000	-	79,900	5,100	94%	
Total 10601 - COGNOS Report Application	200,000	200,000	-	-	200,000	0%	
Total 10602 - Comprehensive Service Analysis	567,414	420,222	-	196,444	223,778	47%	
Total 10603 - Legal Support - CLOSED	226,753	233,406	-	233,406	-	100%	
Total 10301 - Lewisville Facilities Study	-	100,000	-	79,064	20,936	79%	
Total 10302 - Infrastructure Acquisition	1,900,000	1,900,000	8,020	30,090	1,869,910	2%	
Total 10604 - Safety & Security Assessment	250,000	250,000	-	-	250,000	0%	
Total 10605 - Project Management/Document Control	150,000	150,000	-	-	150,000	0%	
Total 1 - G&A Capital Projects	3,339,167	3,338,628	8,020	618,904	2,719,724	19%	
5 - Bus Capital Projects							
Total 50204 - Transit Enhancements (2015-16)	165,000	165,000	3,268	161,357	3,643	98%	98%
Total 50301 - Bus O&M Facility	8,142,667	11,497,555	-	11,411,494	86,061	99%	100%
Total 50305 - IOMF Fuel Tanks	250,000	250,000	-	-	250,000	0%	3%
Total 50409 - Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%	
Total 50410 - AVL Systems	200,000	200,000	-	-	200,000	0%	
Total 50507 - Fleet {2016}	1,250,000	1,250,000	-	-	1,250,000	0%	
Total 50510 - Fleet {2017}	1,550,000	1,550,000	-	-	1,550,000	0%	
Total 50601 - Scheduling Software (Bus)	250,000	250,000	-	20,000	230,000	8%	
Total 5 - Bus Capital Projects	11,957,167	15,312,055	3,268	11,592,851	3,719,204	76%	
6 - Rail Construction							
Total 61401 - Fare Collection Systems	569,000	733,104	-	682,258	50,846	93%	
Total 61406 - Positive Train Control Preparation	15,997,441	1,346,527	-	1,346,527	-	100%	
Total 61406.1 - Positive Train Control Implementation	-	16,720,141	1,518,992	8,128,364	8,591,777	49%	46%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	9,155	2,055,514	1,044,342	66%	100%*
Total 60701 - Passenger Information - CLOSED	56,214	96,821	-	61,411	35,410	63%	
Total 61505 - GTW Wheel Work - CLOSED	915,041	908,188	-	905,925	2,263	100%	
Total 61604 - Rail Mobilization (2015)	2,119,517	2,119,517	-	1,187,165	932,352	56%	80%
Total 61209 - Trinity Mills Crew Facility	250,000	250,000	37	69,866	180,134	28%	15%**
Total 61210 - Station Landscaping	75,000	485,000	-	392,702	92,298	81%	
61713 - Disaster Recovery - 2015 Floods							
6171301 - Operating Revenue	-	-	-	(181,483)	181,483	0%	
Total 61713 - Disaster Recovery - 2015 Floods	1,000,000	300,000	-	216,457	83,543	72%	100%
61713-1 - Rail Facility Flume Repair {2015 Flood}							
61713-1.01 - Operating Revenue	-	-	-	(87,059)	87,059	0%	
Total 61713-1 - Rail Facility Flume Repair {2015 Flood}	325,482	325,482	94	56,848	268,634	17%	14%***
Total 61713-2 - Grade Crossing Replacements {2015 Flood}	2,157,760	2,157,760	31	62,989	2,094,771	3%	5%****
61713-3 - Hebron Signal House {2015 Flood}							
61713-3.01 - Operating Revenue	-	-	-	(116,060)	116,060	0%	
Total 61713-3 - Hebron Signal House {2015 Flood}	122,000	122,000	-	98,626	23,374	81%	90%
Total 61713-4 - Ballast Undercutting {2015 Flood}	761,600	761,600	94	21,292	740,308	3%	5%****
Total 61713-5 - Pockrus Page {2015 Flood}	623,000	623,000	5,256	42,702	580,298	7%	4%
Total 61714 - Rail Capital Maintenance	745,000	745,000	-	-	745,000	0%	
Total 61715 - Trail Safety Improvements	139,657	139,657	-	-	139,657	0%	
Total 61716 - Lewisville Bike Trail - Eagle Point Section	-	2,995,873	-	40,491	2,955,382	1%	
Total Rail Construction Projects	28,956,568	33,929,526	1,533,660	15,369,139	18,560,388	45%	
Total 1660 - Construction Work in Progress	44,252,902	52,580,209	1,544,947	27,580,894	24,999,315	52%	

* Construction complete Balance is for Engineering of Eagle Point

** Preliminary plans complete

*** Plans complete. Out for bid.

**** Project out for bid

**Board of Directors Memo**

January 26, 2017

Subject: Sales Tax Report**Background**

Sales tax represents the single largest source of revenue for DCTA at 51.34% for FY17 budget. The annual Sales Tax budget for FY 2017 is \$24,624,601. 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 by 10.17%. The January allocation is for sales generated in the month of November and represents revenue for the second month of FY 2017.

- Sales tax for sales generated at retail in the month of November and received in January was \$2,170,262.
- This represents an increase of 10.17% or \$200,294 compared to budget for the month.
- Compared to the same month last year, sales tax receipts are \$210,959 or 10.77% higher.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 12.81%
 - City of Denton up 24.62%
 - Highland Village up 3.91%

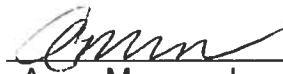
Need

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:	2016-2017 Year Budget	2016-2017 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 1,969,968	\$ 1,978,638	\$ 8,670	0.44%	\$ 1,821,854	\$ 156,784	8.61%
November	January	\$ 1,969,968	\$ 2,170,262	\$ 200,294	10.17%	\$ 1,959,303	\$ 210,959	10.77%
December	February	\$ 2,462,460				\$ 2,669,055		
January	March	\$ 1,723,722				\$ 1,637,497		
February	April	\$ 1,723,722				\$ 1,776,656		
March	May	\$ 2,216,214				\$ 2,340,336		
April	June	\$ 1,969,968				\$ 1,955,110		
May	July	\$ 1,969,968				\$ 1,931,826		
June	August	\$ 2,216,214				\$ 2,397,828		
July	September	\$ 1,969,968				\$ 1,919,001		
August	October	\$ 2,216,214				\$ 2,128,874		
September	November	\$ 2,216,214				\$ 2,281,816		
YTD Total		\$ 24,624,601	\$ 4,148,901	\$ 208,964	5.30%	\$ 24,819,156	\$ 367,744	9.73%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

January 20, 2017

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:	2015-2016 Year Actual	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,537,910	\$ 2,795,751	\$ 257,840	10.16%
November	January	\$ 2,541,494	\$ 2,867,155	\$ 325,661	12.81%
December	February	\$ 3,661,985			
January	March	\$ 2,441,184			
February	April	\$ 2,533,341			
March	May	\$ 3,373,295			
April	June	\$ 2,982,209			
May	July	\$ 2,781,814			
June	August	\$ 3,395,384			
July	September	\$ 2,802,579			
August	October	\$ 2,907,256			
September	November	\$ 3,105,183			
YTD Total		\$ 35,063,635	\$ 5,662,905	\$ 583,501	11.49%

City of Highland Village					
Sales Generated in Month of:	Received in Month of:	2015-2016 Year Actual	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 290,956	\$ 298,777	\$ 7,820	2.69%
November	January	\$ 301,727	\$ 313,524	\$ 11,796	3.91%
December	February	\$ 469,889			
January	March	\$ 264,553			
February	April	\$ 233,938			
March	May	\$ 330,255			
April	June	\$ 265,293			
May	July	\$ 288,202			
June	August	\$ 369,689			
July	September	\$ 271,812			
August	October	\$ 279,518			
September	November	\$ 329,430			
YTD Total		\$ 3,695,262	\$ 612,300	\$ 19,617	3.31%

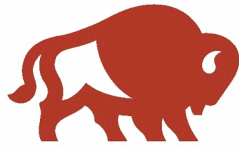
City of Denton					
Sales Generated in Month of:	Received in Month of:	2015-2016 Year Actual	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,246,579	\$ 2,451,245	\$ 204,666	9.11%
November	January	\$ 2,342,199	\$ 2,918,947	\$ 576,747	24.62%
December	February	\$ 3,372,458			
January	March	\$ 1,869,754			
February	April	\$ 2,128,444			
March	May	\$ 2,842,993			
April	June	\$ 2,317,882			
May	July	\$ 2,405,495			
June	August	\$ 3,157,640			
July	September	\$ 2,260,102			
August	October	\$ 2,775,088			
September	November	\$ 3,026,800			
YTD Total		\$ 30,745,434	\$ 5,370,192	\$ 781,414	17.03%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
January 20, 2017

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

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$18,490,096.70	\$16,941,530.35	9.14%	\$18,490,096.70	\$16,941,530.35	9.14%
Corpus Christi MTA	0.50%	\$2,352,174.53	\$2,489,495.03	-5.51%	\$2,352,174.53	\$2,489,495.03	-5.51%
Dallas MTA	1.00%	\$43,265,215.39	\$40,354,389.54	7.21%	\$43,265,215.39	\$40,354,389.54	7.21%
Denton CTA	0.50%	\$2,170,262.19	\$1,959,302.97	10.76%	\$2,170,262.19	\$1,959,302.97	10.76%
El Paso CTD	0.50%	\$3,452,370.38	\$3,324,058.64	3.86%	\$3,452,370.38	\$3,324,058.64	3.86%
Fort Worth MTA	0.50%	\$5,821,586.56	\$5,026,588.12	15.81%	\$5,821,586.56	\$5,026,588.12	15.81%
Houston MTA	1.00%	\$53,999,959.42	\$55,658,285.62	-2.97%	\$53,999,959.42	\$55,658,285.62	-2.97%
Laredo CTD	0.25%	\$628,587.85	\$639,178.89	-1.65%	\$628,587.85	\$639,178.89	-1.65%
San Antonio ATD	0.25%	\$5,085,788.36	\$4,653,083.24	9.29%	\$5,085,788.36	\$4,653,083.24	9.29%
San Antonio MTA	0.50%	\$11,165,224.80	\$10,285,979.53	8.54%	\$11,165,224.80	\$10,285,979.53	8.54%
TOTALS		\$146,431,266.18	\$141,331,891.93	3.61%	\$146,431,266.18	\$141,331,891.93	3.61%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
January 20, 2017



Denton County Transportation Authority



For the Quarter Ended

December 31, 2016

Report Name

Certification Page

Executive Summary

Benchmark Comparison

Detail of Security Holdings

Change in Value

Earned Income

Investment Transactions

Amortization and Accretion

Projected Fixed Income Cash Flows

MARKET RECAP - DECEMBER 2016:

Financial markets, still reeling from November's election results, spent much of December speculating about the implications of a Trump presidency. Equity markets rallied to record highs by focusing on the potential positives of a more business friendly environment, reduced regulatory burdens and tax reform. As Gluskin-Sheff Chief Economist David Rosenberg wrote recently, "the market has gone to fully price in the good stuff without regard for other downside risks from this new style of government." Bond markets went the other way, sending yields higher on fears of faster economic growth, accelerating inflation and mountains of debt. As was the case in November, economic data carried less weight than typical during December. Survey based measures, often described as "soft data" generally did well, reflecting the post-election optimism. The ISM manufacturing index climbed to 53.2, matching a 21-month high. The ISM non-manufacturing index surged to 57.2, the highest in over a year. The Conference Board's Consumer Confidence index jumped to 113.7, its highest level since August 2001 as Americans grew very upbeat about the outlook.

The "hard data," meanwhile, was more mixed. Non-farm payrolls came in close to forecasts, growing by 178k in November while the unemployment rate declined to 4.6% on a drop in the labor force. Auto sales held at lofty levels close to 18 million annual units during November. Retail sales for November advanced just +0.1%, short of the +0.3% forecast. The retail sales control group, which feeds into GDP calculations, matched that disappointing +0.1% result. Downward revisions to October sales data added to the pall. Inflation held steady in November with CPI advancing +0.2% for November and +1.7% year-over-year. Ex food and energy was slightly higher at +2.1%, but the Fed's preferred PCE Core was flat for the month and up a smaller +1.6% year-over-year. Finally, home sales improved with existing home sales gaining +0.7% and new home sales jumping +5.2%. Looking forward, housing starts plunged -18.7% and building permits slid -4.7%.


The Fed was the other big story in December. On the 14th of the month, the FOMC voted unanimously to raise the overnight fed funds target rate by 25 basis points to a new range of 0.50% to 0.75%. It was the first and only rate increase of the year. The quarter point move was fully expected. However, the bond market had been anticipating just two quarter point increases for 2017, consistent with the Fed's September "dot plot." FOMC members revised their forward guidance to show three rate increases in 2017, which apparently surprised investors enough to push market yields higher. The two-year T-note yield, trading as low as 0.55% in July and 0.83% just before the election, reached 1.29% after the Fed meeting, a level not seen since 2009. The entire curve reached year-to-date highs the day after the FOMC meeting with the five-year T-note yield climbing to 2.09% and the 10-year to 2.60%. Yields then retreated modestly and settled into narrow trading ranges to close 2016. The path from here is anything but certain as much will depend on what a Trump administration accomplishes.

For the Quarter Ended
December 31, 2016

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

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

Officer Names and Titles:


Name: Anna Mosqueda

 CFO
Title: Chief Financial Officer


Name: James C. Cline Jr.

Title: Chief Executive Officer

Account Summary

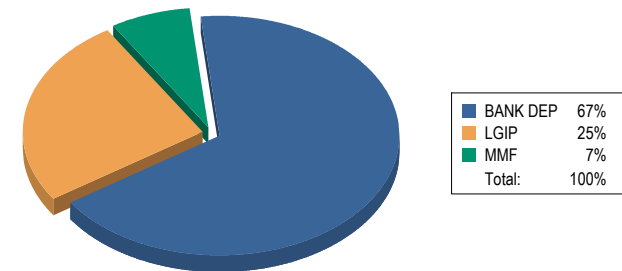
Allocation by Security Type

Beginning Values as of 09/30/16

Ending Values as of 12/31/16

Par Value	19,735,631.80	19,254,948.19
Market Value	19,735,631.80	19,254,948.19
Book Value	19,735,631.80	19,254,948.19
Unrealized Gain /(Loss)	0.00	0.00
Market Value %	100.00%	100.00%

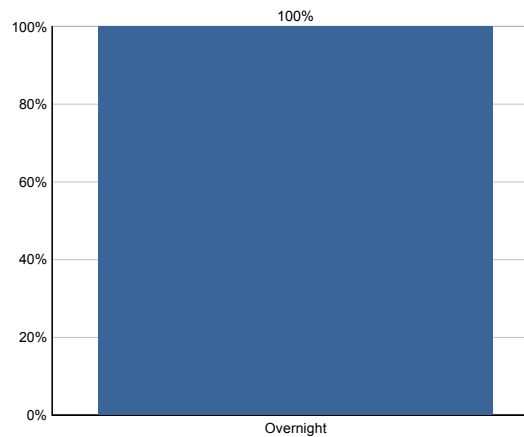
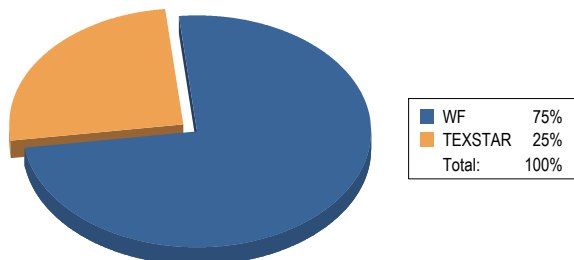
Weighted Avg. YTW	0.324%	0.250%
Weighted Avg. YTM	0.324%	0.250%



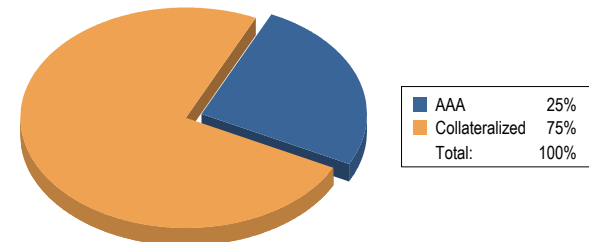
Allocation by Issuer

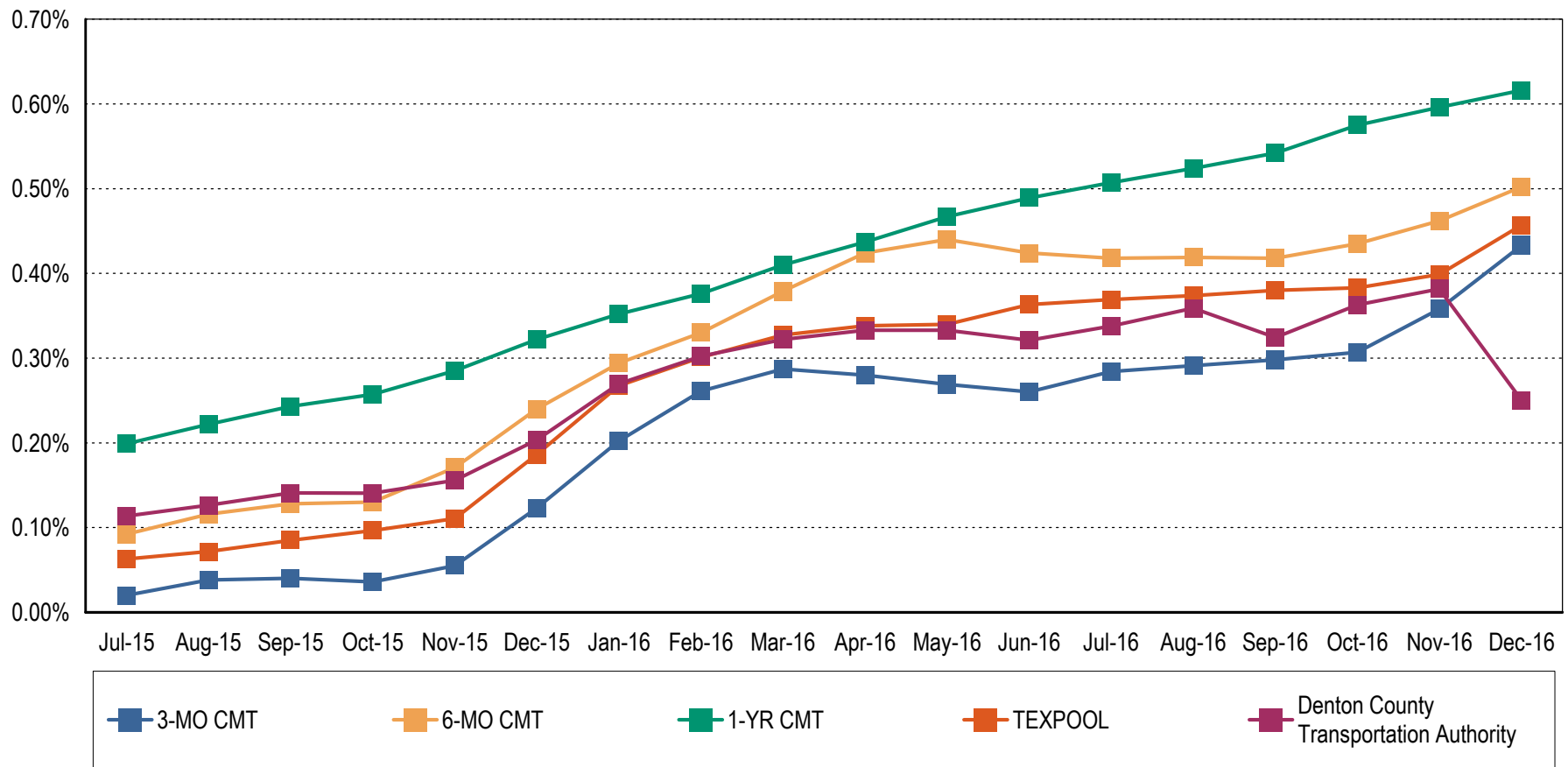
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 0





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

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

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
2011 Bond Fund																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					2,630,445.23	100.000	2,630,445.23	2,630,445.23	100.000	2,630,445.23	1		0.150	0.150
Total for 2011 Bond Fund								2,630,445.23	100.000	2,630,445.23	2,630,445.23	100.000	2,630,445.23	1		0.150	0.150
Bond Fund																	
TEXSTAR		LGIP	TexSTAR					690,632.83	100.000	690,632.83	690,632.83	100.000	690,632.83	1		0.481	0.481
Total for Bond Fund								690,632.83	100.000	690,632.83	690,632.83	100.000	690,632.83	1		0.481	0.481
Operating Fund																	
WF-SWEEP		MMF	Wells Fargo Sweep					1,403,245.87	100.000	1,403,245.87	1,403,245.87	100.000	1,403,245.87	1		0.000	0.000
Total for Operating Fund								1,403,245.87	100.000	1,403,245.87	1,403,245.87	100.000	1,403,245.87	1		0.000	0.000
Reserve Fund																	
WF-PREM		BANK DEP	Wells Fargo Premium Rate					10,316,029.07	100.000	10,316,029.07	10,316,029.07	100.000	10,316,029.07	1		0.200	0.200
Total for Reserve Fund								10,316,029.07	100.000	10,316,029.07	10,316,029.07	100.000	10,316,029.07	1		0.200	0.200
Sales Tax Fund																	
TEXSTAR		LGIP	TexSTAR					4,214,595.19	100.000	4,214,595.19	4,214,595.19	100.000	4,214,595.19	1		0.481	0.481
Total for Sales Tax Fund								4,214,595.19	100.000	4,214,595.19	4,214,595.19	100.000	4,214,595.19	1		0.481	0.481
Total for Denton County Transportation Authority								19,254,948.19	100.000	19,254,948.19	19,254,948.19	100.000	19,254,948.19	1		0.250	0.250

CUSIP	Security Type	Security Description	09/30/16 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/16 Book Value	09/30/16 Market Value	12/31/16 Market Value	Change in Mkt Value
2011 Bond Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	3,656,982.05	0.00	(1,026,536.82)	0.00	0.00	2,630,445.23	3,656,982.05	2,630,445.23	(1,026,536.82)
Total for 2011 Bond Fund			3,656,982.05	0.00	(1,026,536.82)	0.00	0.00	2,630,445.23	3,656,982.05	2,630,445.23	(1,026,536.82)
Bond Fund											
TEXSTAR	LGIP	TexSTAR	21.51	690,611.32	0.00	0.00	0.00	690,632.83	21.51	690,632.83	690,611.32
Total for Bond Fund			21.51	690,611.32	0.00	0.00	0.00	690,632.83	21.51	690,632.83	690,611.32
Operating Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	621,776.06	556,915.10	(1,178,691.16)	0.00	0.00	0.00	621,776.06	0.00	(621,776.06)
WF-SWEEP	MMF	Wells Fargo Sweep	2,509,211.19	540,320.59	(1,646,285.91)	0.00	0.00	1,403,245.87	2,509,211.19	1,403,245.87	(1,105,965.32)
Total for Operating Fund			3,130,987.25	1,097,235.69	(2,824,977.07)	0.00	0.00	1,403,245.87	3,130,987.25	1,403,245.87	(1,727,741.38)
Reserve Fund											
WF-PREM	BANK DEP	Wells Fargo Premium Rate	10,059,806.89	256,222.18	0.00	0.00	0.00	10,316,029.07	10,059,806.89	10,316,029.07	256,222.18
Total for Reserve Fund			10,059,806.89	256,222.18	0.00	0.00	0.00	10,316,029.07	10,059,806.89	10,316,029.07	256,222.18
Sales Tax Fund											
TEXSTAR	LGIP	TexSTAR	2,887,834.10	1,555,837.10	(229,076.01)	0.00	0.00	4,214,595.19	2,887,834.10	4,214,595.19	1,326,761.09
Total for Sales Tax Fund			2,887,834.10	1,555,837.10	(229,076.01)	0.00	0.00	4,214,595.19	2,887,834.10	4,214,595.19	1,326,761.09
Total for Denton County Transportation Authority			19,735,631.80	3,599,906.29	(4,080,589.90)	0.00	0.00	19,254,948.19	19,735,631.80	19,254,948.19	(480,683.61)

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
2011 Bond Fund									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	1,435.06	1,435.06	0.00	0.00	0.00	1,435.06
Total for 2011 Bond Fund			0.00	1,435.06	1,435.06	0.00	0.00	0.00	1,435.06
Bond Fund									
TEXSTAR	LGIP	TexSTAR	0.00	611.32	611.32	0.00	0.00	0.00	611.32
Total for Bond Fund			0.00	611.32	611.32	0.00	0.00	0.00	611.32
Operating Fund									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	332.20	332.20	0.00	0.00	0.00	332.20
Total for Operating Fund			0.00	332.20	332.20	0.00	0.00	0.00	332.20
Reserve Fund									
WF-PREM	BANK DEP	Wells Fargo Premium Rate	0.00	9,267.18	9,267.18	0.00	0.00	0.00	9,267.18
Total for Reserve Fund			0.00	9,267.18	9,267.18	0.00	0.00	0.00	9,267.18
Sales Tax Fund									
TEXSTAR	LGIP	TexSTAR	0.00	4,741.91	4,741.91	0.00	0.00	0.00	4,741.91
Total for Sales Tax Fund			0.00	4,741.91	4,741.91	0.00	0.00	0.00	4,741.91
Total for Denton County Transportation Authority			0.00	16,387.67	16,387.67	0.00	0.00	0.00	16,387.67



Board of Directors Memo

January 26, 2017

Subject: Item WS 1 (a) v: Procurement Activities

Drainage Flume Repair

On November 21 staff released the procurement solicitation documents for repair of the drainage channel and flume wall that was damaged by the 2015 flooding. This project has been approved and will be reimbursed with FEMA funds. Bids were due January 10 and DCTA received no bids. Staff has decided to release the procurement again the week of January 23 with bids due in late February.

Purchase of Small and Medium Vehicles

On December 19 staff released a request for proposals for a five year contract to purchase small ADA compliant paratransit vans and low floor cutaway buses. Proposals are due February 15 and award is anticipated at the March meeting.

Security Guard Services

On January 18 staff released a request for proposals for security guard services for the Bus operations facility and DDTC. Our current contract will expire in April 2017. The proposals are due February 24 and award is anticipated at the March meeting.

Transportation Network Services

On January 23 staff released a request for proposals for transportation network services for passengers. The program will be similar to the program currently being provided by Uber in Highland Village. DCTA will offer a discount to passengers who utilize the services within a defined zone. The proposals are due February 23 and award is anticipated at the March meeting.

Purchase of 5-35' Heavy Duty Buses

In April of 2015, after a competitive procurement process, the Board awarded a contract to Gillig with the option to purchase up to 37 – 35 foot heavy duty transit buses over the next 5 years based on DCTA's fleet replacement needs. Awarding the multi-year contract allowed DCTA to manage both the cost of buses and fleet replacement in a more strategic manner. To date DCTA has purchased 12 buses (4 delivered in 2016 and 8 scheduled for delivery 2017/2018). Staff is requesting to order four (4) additional units at a cost of \$1,581,076 with a build time of 18 to 24 months from date of order to delivery. The anticipated delivery of these units is Spring of 2019. The expenditure for this fleet replacement is included for FY19 in the cash flow model as part of the fleet replacement plan. DCTA will be reimbursed for 85% of the cost with federal dollars from FTA. Payment for buses is made at time of delivery, so no expenditure will occur until the units are delivered and accepted by DCTA.

Submitted
by:


Athena Forrester, CPPO, CPPB
Senior Procurement Manager

Final
Review:


Anna Mosqueda, CFO



Board of Directors Memo

January 26, 2017

Subject: Quarterly Grants Report

Grant Activities This Period

DCTA currently has 12 open FTA grants that provide reimbursements for various capital projects, rail and bus preventative maintenance, operating assistance and ADA paratransit service. The agency has also been awarded FEMA funds related to the floods in 2015. Total grant balance of awarded grants was \$18.5 million as of 12/31/2016. Of this total, \$8.4 million is obligated for Positive Train Control, \$2.9 million is obligated for the FY15 Program of Projects, and \$3 million is FEMA funds. The grant funding sources include Federal Transit Administration (FTA), North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), and FEMA.

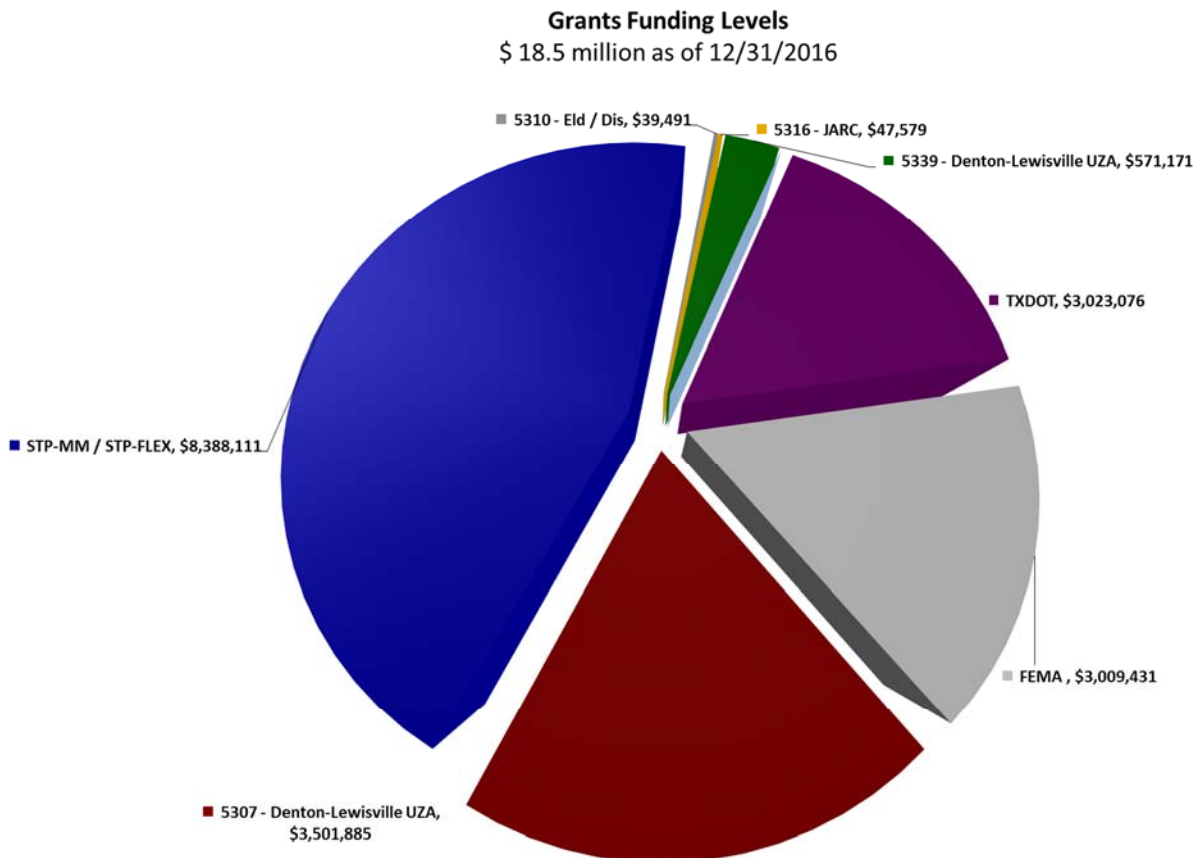
This quarter there were no grant applications submitted to the Board for approval.

Funding levels for active grants funding types are illustrated below.

1 Close out Grant

13 Active Grants

2 Obligated Funding



Program	(Prior Quarter) 4 th Quarter Balance	1 ST Quarter Balance	Grant Activity
Denton-Lewisville UZA (5307)	\$4,519,115	\$3,501,885	Fleet Replacement, Bus Shelters, Bus Radios, Positive Train Control-Design, Signage, Preventative Maintenance.
STP-MM / STP-FLEX	\$10,273,667	\$8,388,111	Positive Train Control Implementation
Elderly Persons and Persons with Disabilities (5310)	\$67,061	\$39,491	Transit Capital Accessibility (lighting and ramps)
Job Access, Reverse Commute (JA/RC) (5316)	\$47,579	\$47,579	Route Planning Study
New Freedom (5317)	\$0	\$0	Passenger Amenities
Bus and Bus Facilities (5339)	\$571,171	\$571,171	Fleet Replacement
State of Good Repair (5309)	\$12,117	\$0	Bus Operating & Maintenance facility
TXDOT (FHWA)	\$3,018,016	\$3,023,076	A-train rail trail (Eagle Point Section & Phase I close-out)
FEMA	\$3,009,431	\$3,009,431	
Total	\$21,518,157	\$18,580,744	

Obligated Funding

The 2016 Annual Program of Projects (POP) has been submitted and is currently in FTA review phase. The estimated project funding is: \$418,016 (Bus and Bus Facilities-5339) and \$5.5 million (Denton-Lewisville UZA-5307).

The Vanpool grant has been reviewed by FTA and we are waiting for the funding to be completed. The project funding is \$1,162,813 and will subsidize the vanpool program thru FY 2018.

Recommendation

This is for information only. No Board action is required

Submitted by:


Anna Mosqueda, CFO



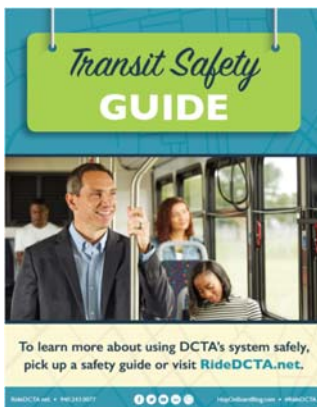
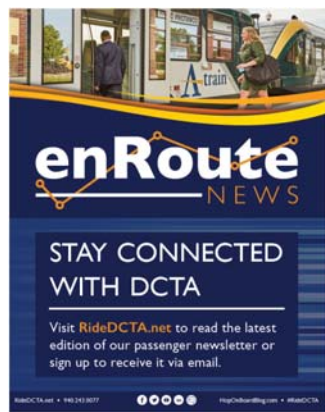
Board of Directors Memo

January 26, 2017

Subject: Marketing & Communications Update

Collateral Material Overview

- 2017 Q1 Agency Performance Report (handout)
- 2017 Q1 Regional Leave Behind (handout)
- Posters, Rail Cards and Vehicle Decals (samples below)

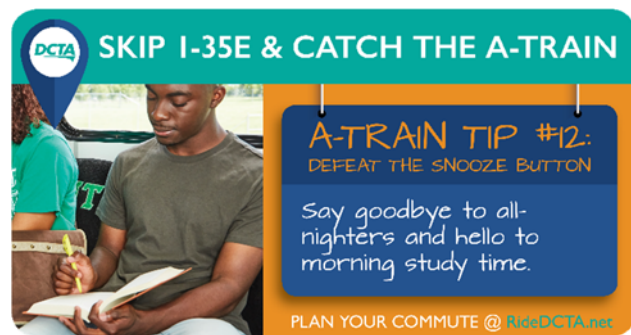


FY '16 Community Survey Updated Results

- See attached report

Riding the A-train vs Driving on I-35E Campaign Update

- Campaign Timing: January 16 – April 7
- Marketing and Communications Tactics
 - Social Media – Facebook, Twitter, Hop on Board Blog
 - Native Advertising – Outbrain platform
 - Video Promotion
 - Outreach – Local partners and online influencers



Approved by:

Nicole M. Recker

Nicole M. Recker
Vice President of Marketing & Communications

FY '17 Marketing & Communications Metrics Review

BRAND IMPRESSIONS																				
Activity	Metric	FY '16 EOY	FY '17 Goal	Oct '16	Nov '16	Dec '16	Q1	Jan '17	Feb '17	Mar '17	Q2	Apr '17	May '17	Jun '17	Q3	Jul '17	Aug '17	Sep '17	Q4	YTD
Community Brand Impressions*	Global Impressions	397,333	400,000	288	293	1,500	3,391													3,391
	Confirmed Impressions	13,110	10,000	413	133	189	770													770
Media Buy Impressions**	Online/Confirmed Impressions	14,804,385	15M	2,594,459	344,180	0	2,938,639													2,938,639
	Online Click Through Rate	.27%	>= .06%	.06%	.13%	0%	.07%													.07%
	Mobile Click Through Rate	-	>= .40%	.42%	.06%	0%	.39%													.39%
	Print Impressions	8,729,321	1M	648,845	0	65,000	708,645													708,645
	Direct Mail Impressions	-	175,000	0	5,200	5,200	32,600													32,600
MEDIA RELATIONS																				
Activity	Metric	FY '16 EOY	FY '17 Goal	Oct '16	Nov '16	Dec '16	Q1	Jan '17	Feb '17	Mar '17	Q2	Apr '17	May '17	Jun '17	Q3	Jul '17	Aug '17	Sep '17	Q4	YTD
Press Coverage	Articles Mentioning DCTA	600	350	30	49	85	164													164
Media Relations Impressions^	Articles Mentioning DCTA	208,875,720	165M	4,805,658	6,949,925	23,912,992	35,668,575													35,668,575
Publicity Value^^	Articles Mentioning DCTA	\$774,156	\$750,000	\$33,602	\$24,437	\$66,812	\$124,221													\$124,221
Headline Highlights	<div>October 2016 –<ul style="list-style-type: none">DCTA Offering Insight on Proposed ChangesDCTA Partners with Uber for More Highland Village Options</div> <div>November 2016 –<ul style="list-style-type: none">DCTA Announces Holiday ScheduleDCTA to Offer Free Rides for Veterans and Active Military Personnel</div> <div>December 2016 –<ul style="list-style-type: none">PRSA Dallas Celebrates 2016 Pegasus Award WinnersDCTA Announces Holiday ScheduleThe Latest: DCTA Route Changes</div>																			
Major Media Outlets	<div>October 2016 – WFAA-TV (ABC), KTVT-TV (CBS), Denton Record-Chronicle, KRLD NewsRadio 1080, Mass Transit Magazine</div> <div>November 2016 – FOX 4 News, CBS 11, Denton Record-Chronicle, KRLD NewsRadio 1080, Cross Timbers Gazette, Mass Transit</div> <div>December 2016 – KXAS-TV (NBC 5), Denton Record-Chronicle, Cross Timbers Gazette, Mass Transit</div>																			
SOCIAL MEDIA																				
Activity	Metric	FY '16 EOY	FY '17 Goal	Oct '16	Nov '16	Dec '16	Q1	Jan '17	Feb '17	Mar '17	Q2	Apr '17	May '17	Jun '17	Q3	Jul '17	Aug '17	Sep '17	Q4	YTD
Facebook Likes	Increase in Likes	3,099	4,000	39	27	479	545													545
Twitter Followers	Increase in Followers	1,015	1,200	15	1	154	170													170
YouTube Subscribers	Increase in Subscribers	-	45	1	2	0	3													3
LinkedIn Followers	Increase in Followers	-	50	4	3	4	11													11
DIGITAL																				
Activity	Metric	FY '16 EOY	FY '17 Goal	Oct '16	Nov '16	Dec '16	Q1	Jan '17	Feb '17	Mar '17	Q2	Apr '17	May '17	Jun '17	Q3	Jul '17	Aug '17	Sep '17	Q4	YTD
Website	New Users	-	>40%	47%	38%	38%	42%													42%
	Return Users	-	>40%	53%	62%	62%	58%													58%
	Total Sessions	-	380K	44,806	30,489	27,342	102,637													102,637
	Average Session Duration	-	>2:50	2:55	2:45	2:41	2:48													2:48
	Average # of Pages/Session	-	>= 3	3	2.77	2.69	2.81													2.81
	Top 5 Pages Visited	<div>October 2016 – (1) Homepage, (2) A-train Schedule, (3) Connect Schedule, (4) State Fair, (5) Routes & Schedules</div> <div>November 2016 – (1) A-train Schedule, (2) Homepage, (3) Connect Schedule, (4) Routes & Schedules, (5) A-train Information</div> <div>December 2016 – (1) A-train Schedule, (2) Homepage, (3) Connect Schedule, (4) Routes & Schedules, (5) A-train Information</div>																		
Top 5 Referring Sites	<div>October 2016 – (1) State Fair of Texas, (2) UNT Transportation, (3) DART, (4) GovDelivery, (5) UNT Portal</div> <div>November 2016 – (1) GovDelivery, (2) UNT Transportation, (3) DART, (4) GovDelivery Subscription Page, (5) Twitter</div>																			

		December 2016 – (1) GovDelivery, (2) UNT Transportation, (3) GovDelivery Subscription Page, (4) DART, (5) Twitter																		
Hop On Board Blog	Unique Users	-	3,750	150	193	337	680													680
	Return Users	-	600	29	29	43	101													101
	Total Pageviews	8,686	9,000	284	356	581	1,221													1,221
	Bounce Rate	-	<75%	81.76	78.12%	83.84%	81.24%													81.24%
	Increase in Subscribers	21	75	0	0	1	1													1
	Top 5 Pages Visited	October 2016 – (1) Homepage, (2) Fun Things to Do in October, (3) Member City Highlight – Highland Village, (4) State Fair – Get a Turkey Let Up on Traffic, (5) Passenger Tools for a Smooth Commute November 2016 – (1) Holiday Gift Guide for Commuters, (2) Homepage, (3) Fun Things to Do in November, (4) Employee Spotlight: Melonee Scruggs, (5) Easy Steps to Use DCTA’s New Uber Discount Program in Highland Village December 2016 – (1) Holiday Gift Guide for Commuters, (2) Homepage, (3) Fun Things to Do in December, (4) Take Winter by Storm with Our Travel Preparedness Tips, (5) Hop on Board the Peyton Express Tour																		
	Top 5 Referring Sites	October 2016 – (1) Facebook, (2) Twitter, (3) GovDelivery November 2016 – (1) Facebook, (2) Twitter, (3) GovDelivery December 2016 – (1) Facebook, (2) Outbrain, (3) We Denton Do It Blog																		
GovDelivery	Total Subscribers	-	3K	2,109	2,359	2,502	6,970													6,970
CUSTOMER SERVICE																				
Activity	Metric	FY ’16 EOY	FY ’17 Goal	Oct ’16	Nov ’16	Dec ’16	Q1	Jan ’17	Feb ’17	Mar ’17	Q2	Apr ’17	May ’17	Jun ’17	Q3	Jul ’17	Aug ’17	Sep ’17	Q4	YTD
Shortel Phone Service	Calls Received	-	>50,000	6,744	6,206	6,002	18,985													18,985
	Abandoned Calls	2%	<3%	1%	1%	1%	1%													1%
Where’s My Ride	Total Hits†	553,938	400,000	49,641	43,937	41,725	135,303													135,303
	SMS (Texts)	93,384	50,000	8,228	7,612	5,712	21,552													21,552
	Calls	29,879	15,000	2,052	1,858	1,843	5,753													5,753
GORquest	Avg. Days/Closeout	2.52	<3.2	1.68	2.09	3.13	2.01													2.01
	Total Entries/10K	2.11	>= 2	3.22	2.88	1.68	2.80													2.80
	Types of Submittals	October 2016 – Complaint – 59, Compliment – 5; Problem – 0; Question – 47; Suggestion – 18 (high complaints due to spammer – 39 entries) November 2016 – Complaint – 77, Compliment – 3, Problem – 2, Question – 9, Suggestion – 7 (high complaints due to spammer – 45 entries) December 2016 – Complaint – 18; Compliment – 2; Problem – 1; Question – 8; Suggestion – 1																		
DISCOUNT SALES PROGRAMS††																				
Activity	Metric	FY ’16 EOY	FY ’17 Goal	Oct ’16	Nov ’16	Dec ’16	Q1	Jan ’17	Feb ’17	Mar ’17	Q2	Apr ’17	May ’17	Jun ’17	Q3	Jul ’17	Aug ’17	Sep ’17	Q4	YTD
Group Discount Program	Ticket Sales	\$10,034	\$10,000	\$391	\$2,511	\$3,052	\$5,954													\$5,954
	Website Pageviews	258	250	79	28	27	134													134
	Top 3 Referring Sites	October 2016 – (1) Google.com, (2) Bing.com, (3) BigTex.com November 2016 – (1) Google.com, (2) Bing.com, (3) Facebook December 2016 – (1) Google.com, (2) Yahoo.com, (3) bitly																		
Non-Profit Discount Program	Ticket Sales	\$1,933	\$2,000	\$190	\$0	\$56	\$246													\$246
	Website Pageviews	338	400	86	55	50	191													191
	Top 3 Referring Sites	October 2016 – (1) Google.com, (2) Bing.com, (3) BigTex.com November 2016 – (1) Google.com, (2) Bing.com, (3) Geri-Options.com December 2016 – (1) Google.com, (2) GovDelivery, (3) Yahoo.com																		
Corporate Pass Program	Ticket Sales	\$0	\$5,000	\$0	\$82,240	\$0	\$82,240													\$82,240
	Increase in Business Database	1,885	250	57	66	0	123													123
	Targeted Cold Calls	278	125	5	6	19	30													30
	Direct Mail Distribution	2,684	4,800	0	0	0	0													0
	Sales Kit Distribution	10	125	29	49	21	99													99
	Website Pageviews	345	500	83	43	33	159													159
	Top 3 Referring Sites	October 2016 – (1) Google.com, (2) Bing.com, (3) BigTex.com November 2016 – (1) Google.com, (2) Bing.com, (3) FirstTransit.com December 2016 – (1) Google.com, (2) Bing.com, (3) City of Denton																		

Footnote:

*Community Brand Impressions:

- Global Impressions are the total number of individuals impacted through events, fairs and sponsorships.
- Confirmed Impressions are the total number of one-on-one interactions experienced through events, fairs and sponsorships.

**Media Buy Impressions:

- Online/Confirmed Impressions are the number of individuals who were delivered an online advertisement through marketing campaign efforts.
- Online Click Through Rates are the number of individuals who were delivered an online advertisement, clicked on the advertisements, and visited a directed URL through marketing campaign efforts.

[^]*Media Relations Impressions are the total number of individuals impacted through media relations efforts throughout all communications mediums (i.e. broadcast, print, online, radio, etc.).*

^{^^}*Publicity Value identifies the financial investment that would be required to receive identical coverage through advertising efforts.*

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

^{††}*Discount Pass Program Metrics – Annual goals are set based on research and potential program growth. FY ‘16 marks the first year of tracking metrics of success and will only included partial-year results. Goals set for FY ‘17 are minimal in order to determine trends.*



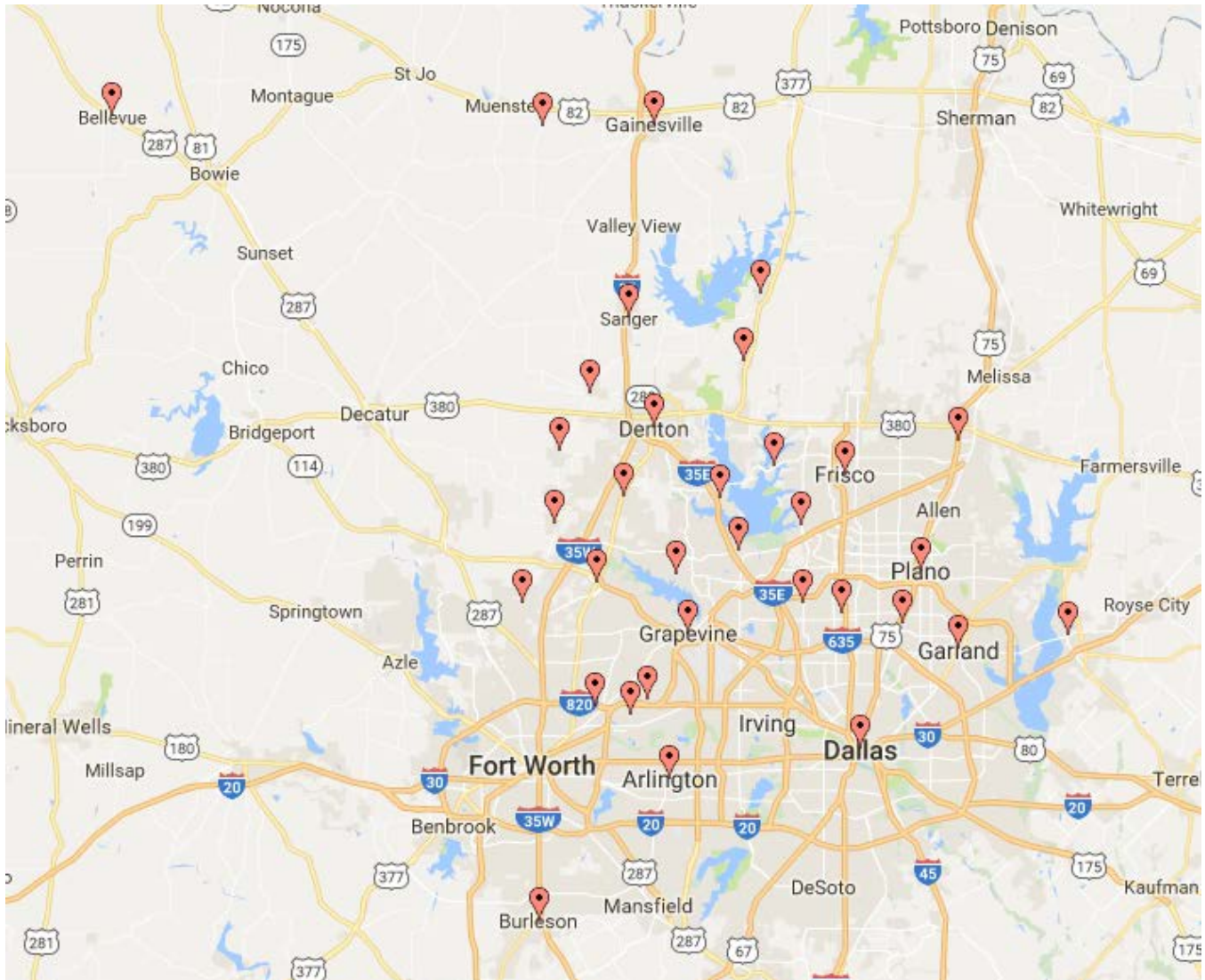
DENTON COUNTY
TRANSPORTATION
AUTHORITY



2016 Community Survey Non-Rider Data Breakdown

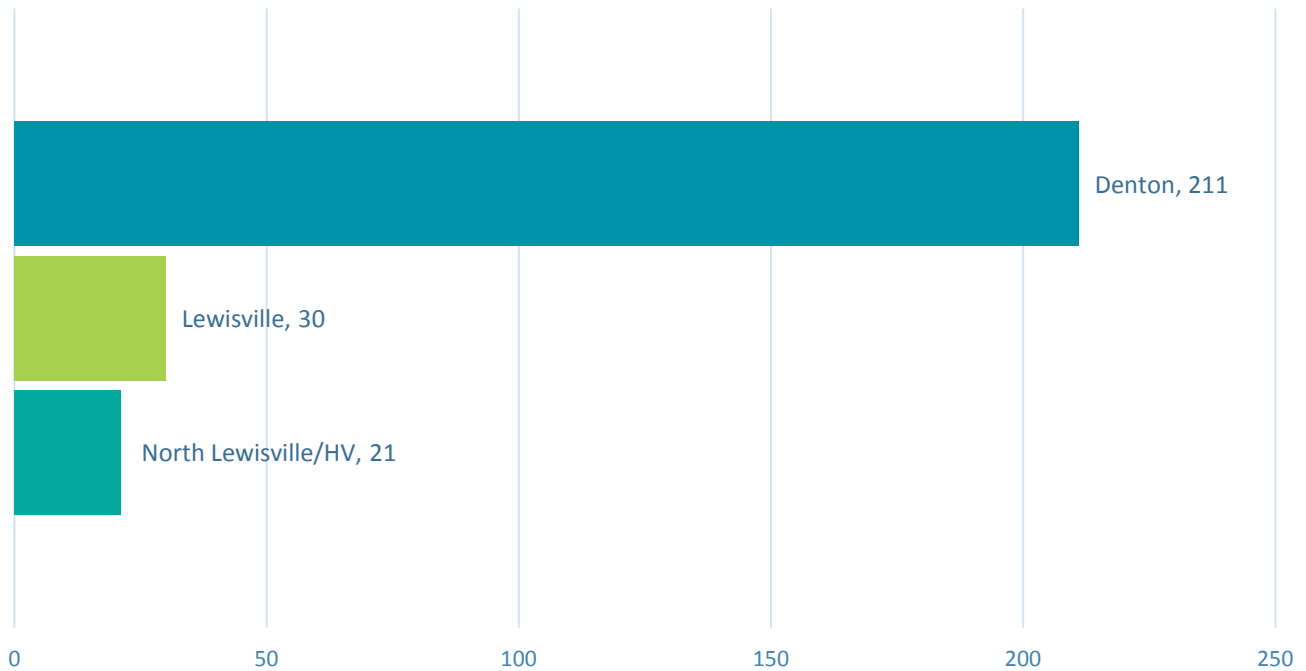
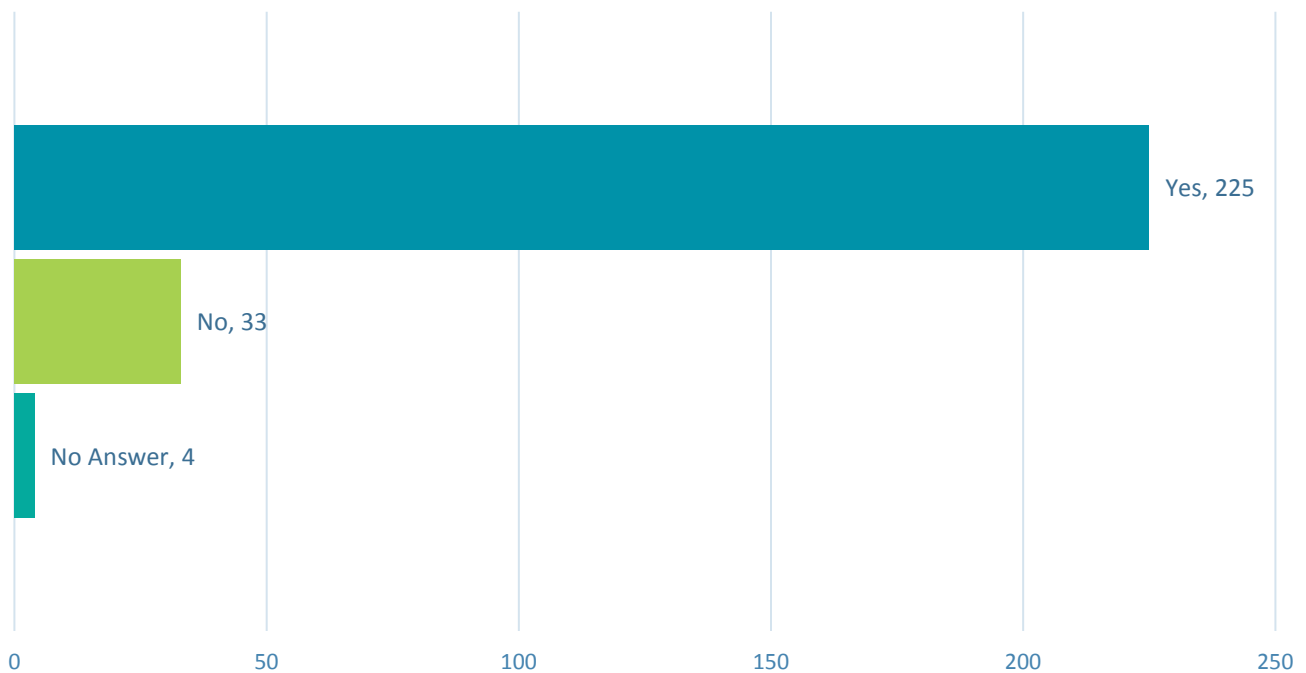
Map of Non-Riders' City of Residence

Non-Rider City of Residence



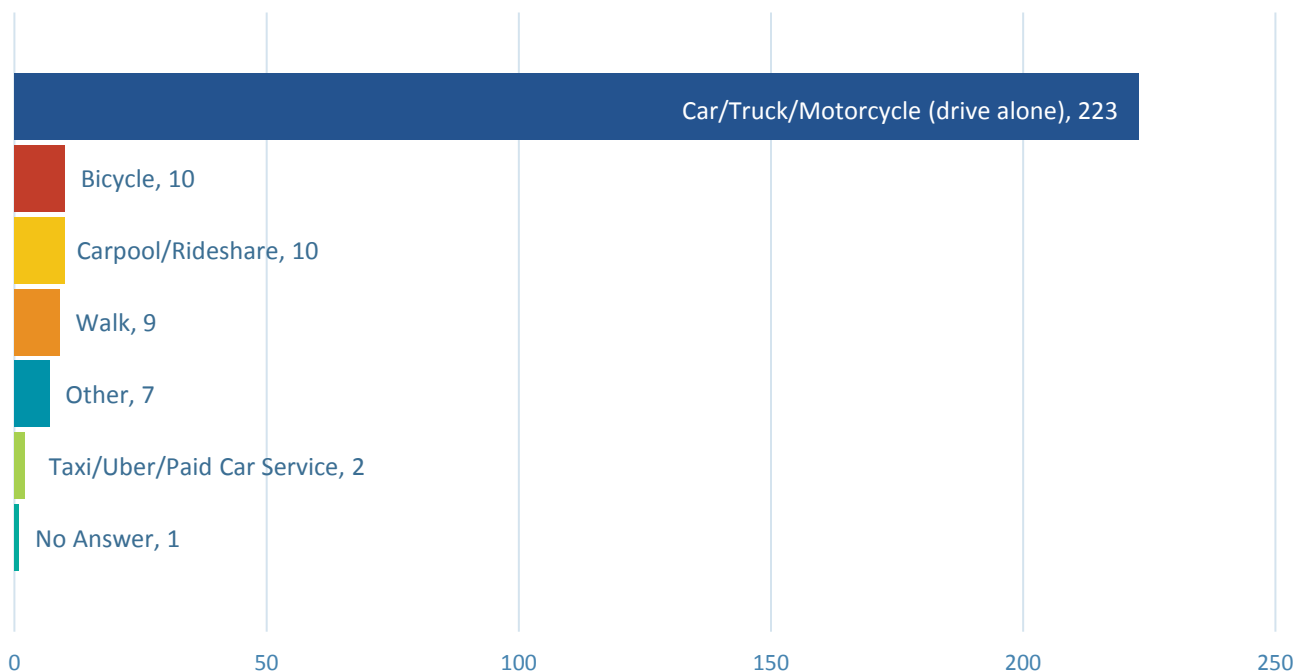
Addison.....1	Denton.....211	Krum.....4	Pilot Point.....1
Argyle.....6	Flower Mound.....139	Lake Dallas.....3	Plano.....2
Arlington.....3	Frisco.....4	Lewisville.....30	Ponder.....2
Aubrey.....80	Gainesville.....2	Little Elm.....96	Richardson.....1
Bedford.....1	Garland.....2	McKinney.....1	Roanoke.....3
Bellevue.....1	Grapevine.....2	North Lewisville / Highland Village.....21	Rockwall.....1
Burleson.....1	Haslet.....1	North Richland Hills.....2	Sanger.....5
Carrollton.....150	Hurst.....1	Other.....6	The Colony.....171
Dallas.....8	Justin.....2		

Data for Non-Riders Who Live in a Member City

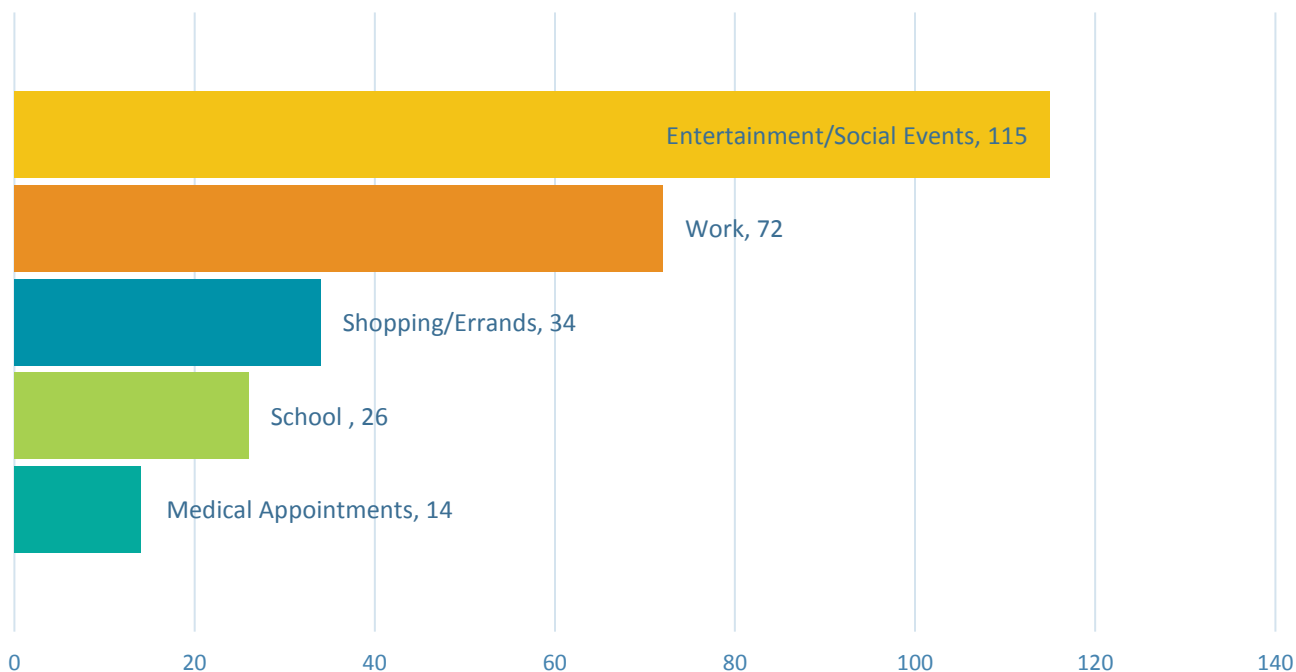
Non-Rider Living in a Member City**City of Residence****Have you ever used public transportation in any place other than Denton County?**

Non-Rider Living in a Member City

What is your primary means of transportation? Please select only one.

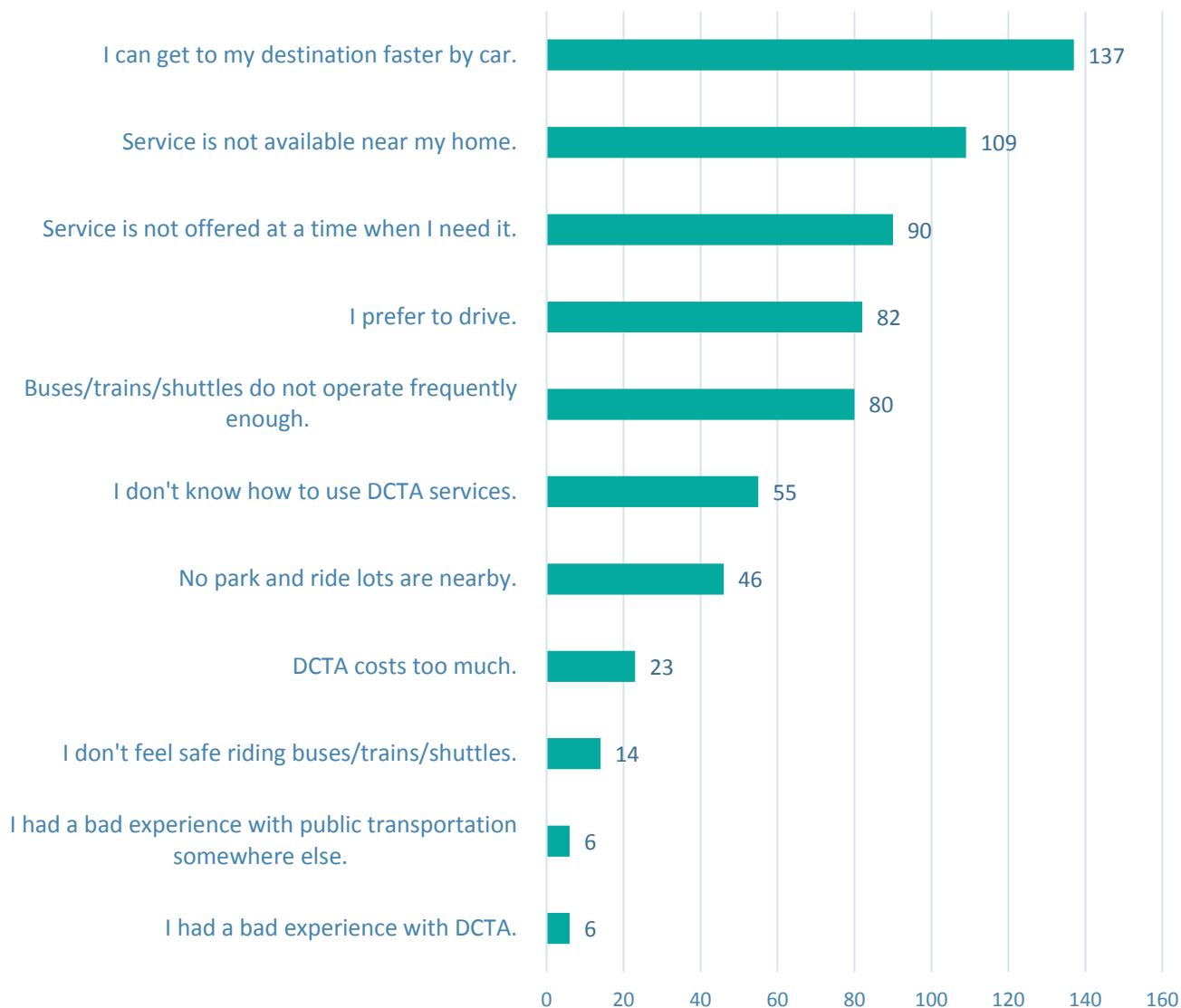


If you were going to use public transportation in Denton County, which of the following would be the primary destination? Please select only one.



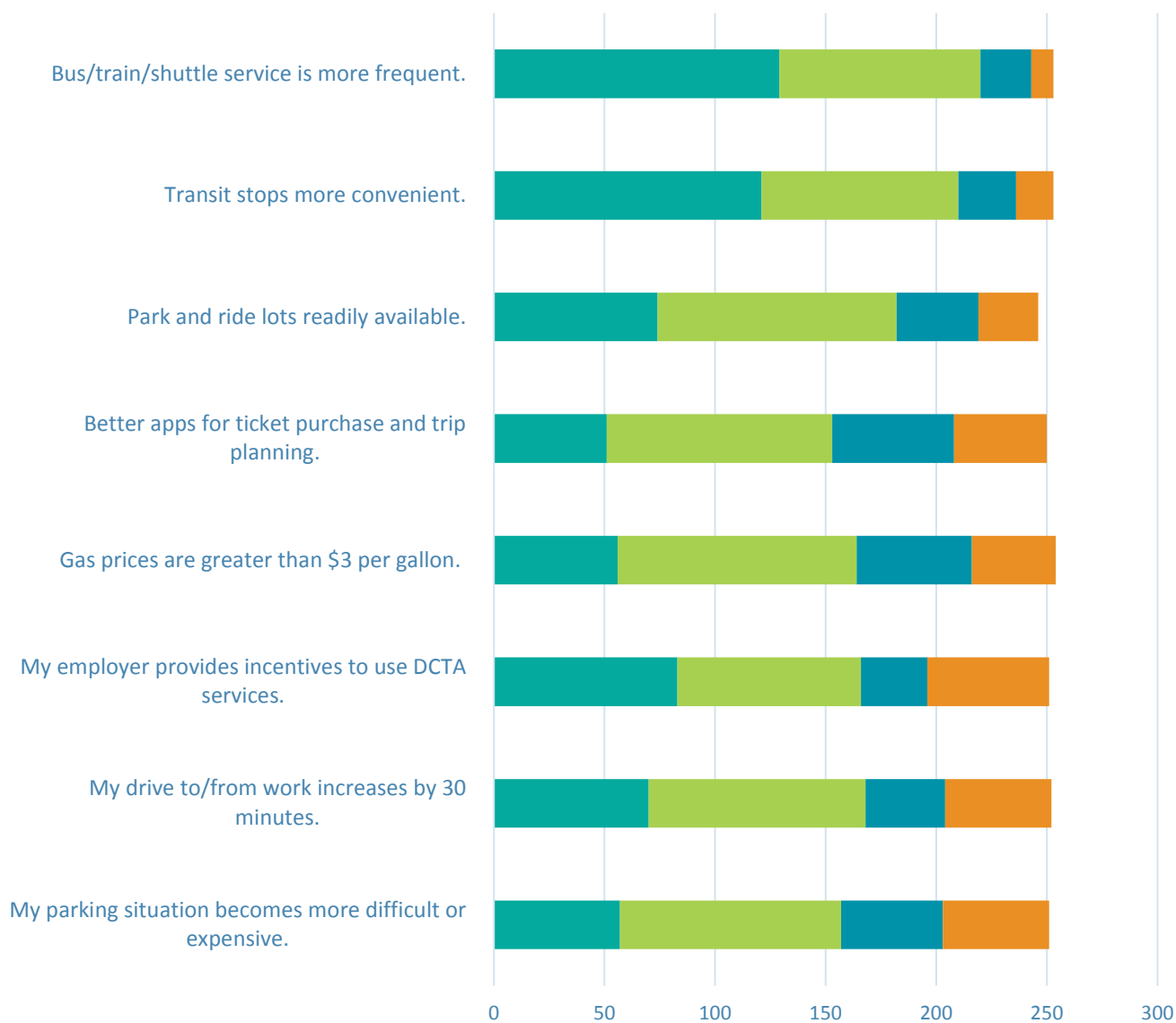
Non-Rider Living in a Member City

Below are reasons why people do not use DCTA services. Please select all that apply to you.



Non-Rider Living in a Member City

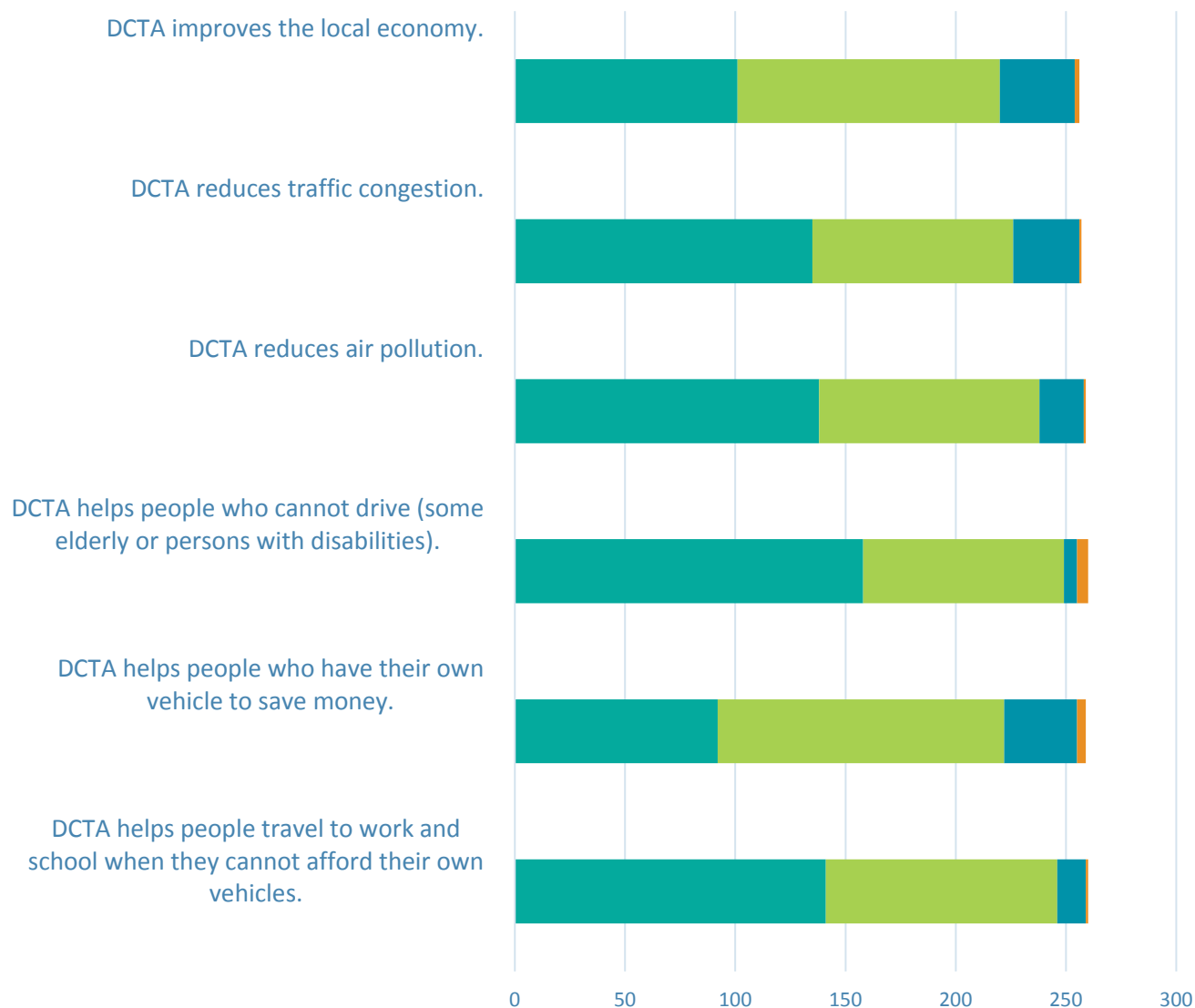
Please rate how likely each factor would be to increase your use of DCTA public transit.



	My parking situation becomes more difficult or expensive.	My drive to/from work increases by 30 minutes.	My employer provides incentives to use DCTA services.	Gas prices are greater than \$3 per gallon.	Better apps for ticket purchase and trip planning.	Park and ride lots readily available.	Transit stops more convenient.	Bus/train/shuttle service is more frequent.
Extremely Likely	57	70	83	56	51	74	121	129
Somewhat Likely	100	98	83	108	102	108	89	91
Somewhat Unlikely	46	36	30	52	55	37	26	23
Extremely Unlikely	48	48	55	38	42	27	17	10

Non-Rider Living in a Member City

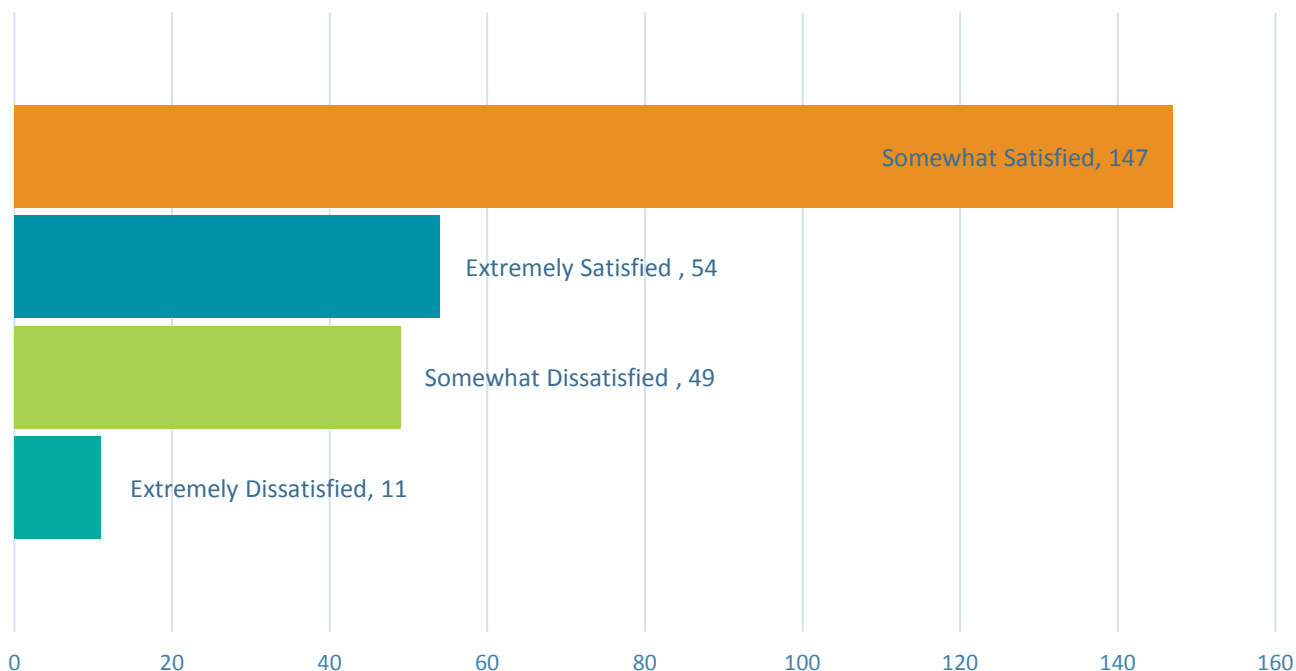
How much do you agree with the following statements about how DCTA benefits the community?



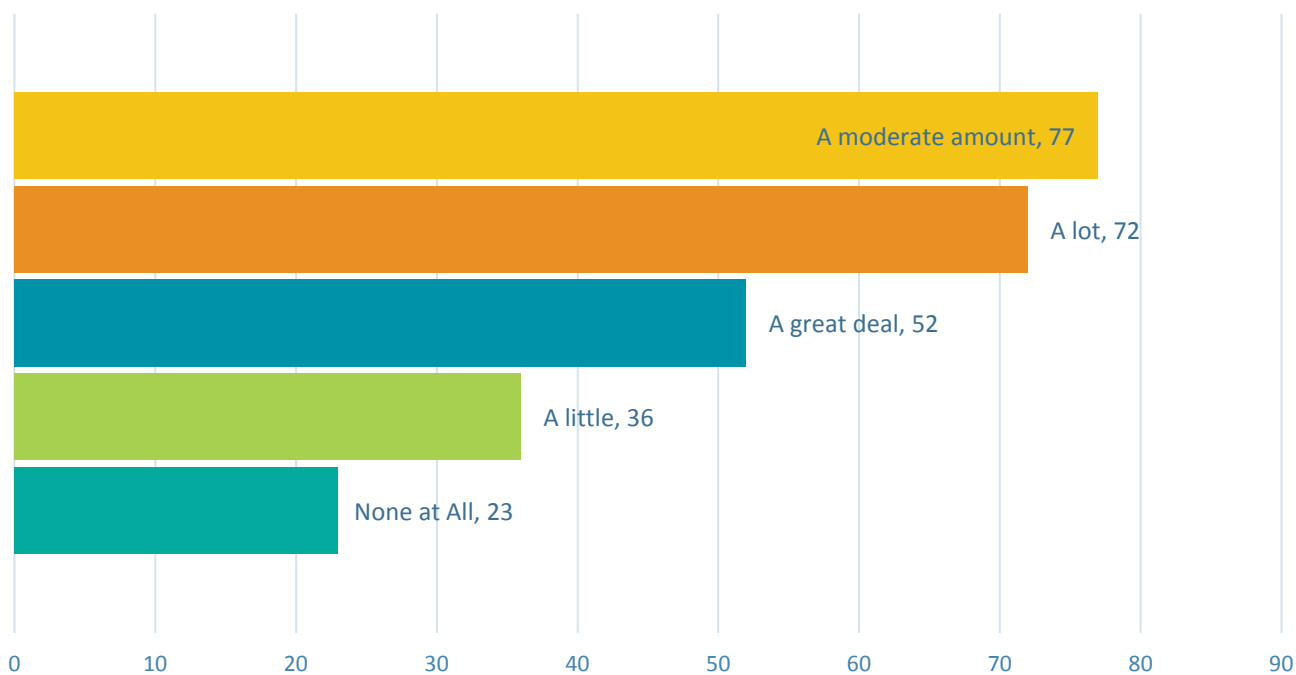
	DCTA helps people travel to work and school when they cannot afford their own vehicles.	DCTA helps people who have their own vehicle to save money.	DCTA helps people who cannot drive (some elderly or persons with disabilities).	DCTA reduces air pollution.	DCTA reduces traffic congestion.	DCTA improves the local economy.
Strongly Agree	141	92	158	138	135	101
Agree	105	130	91	100	91	119
Disagree	13	33	6	20	30	34
Strongly Disagree	1	4	5	1	1	2

Non-Rider Living in a Member City

How satisfied are you with the public transportation services that DCTA provides?



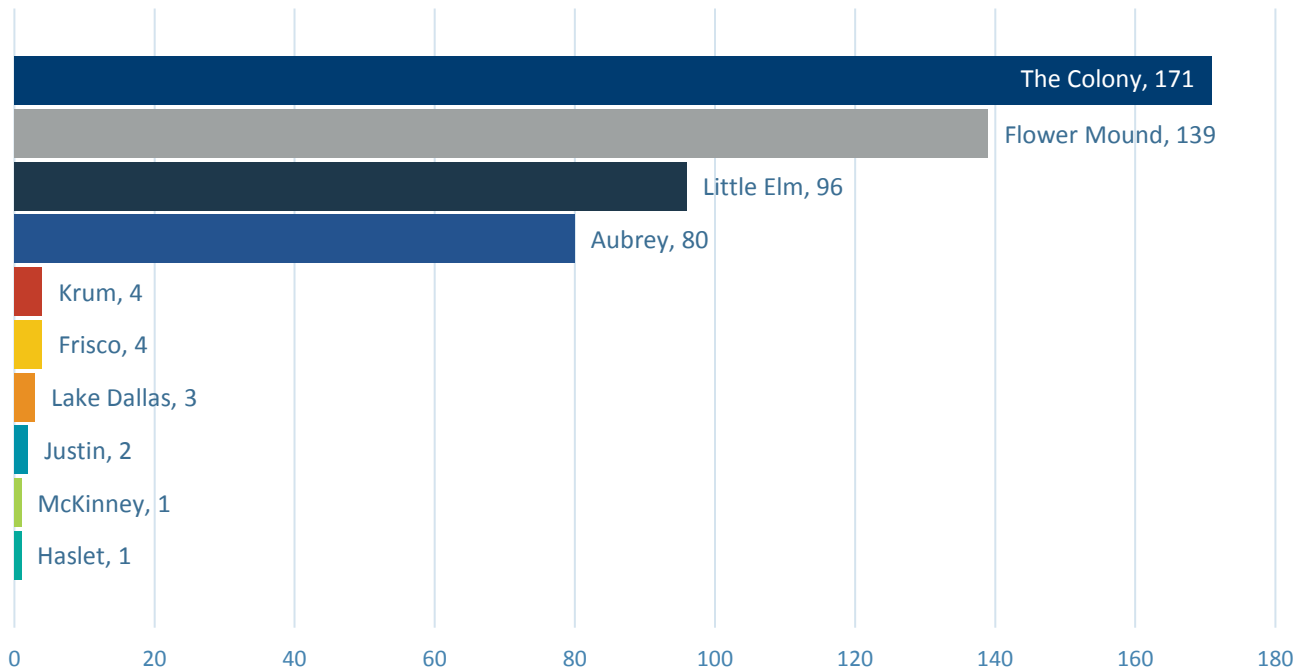
How much do DCTA services improve the quality of life in your community?



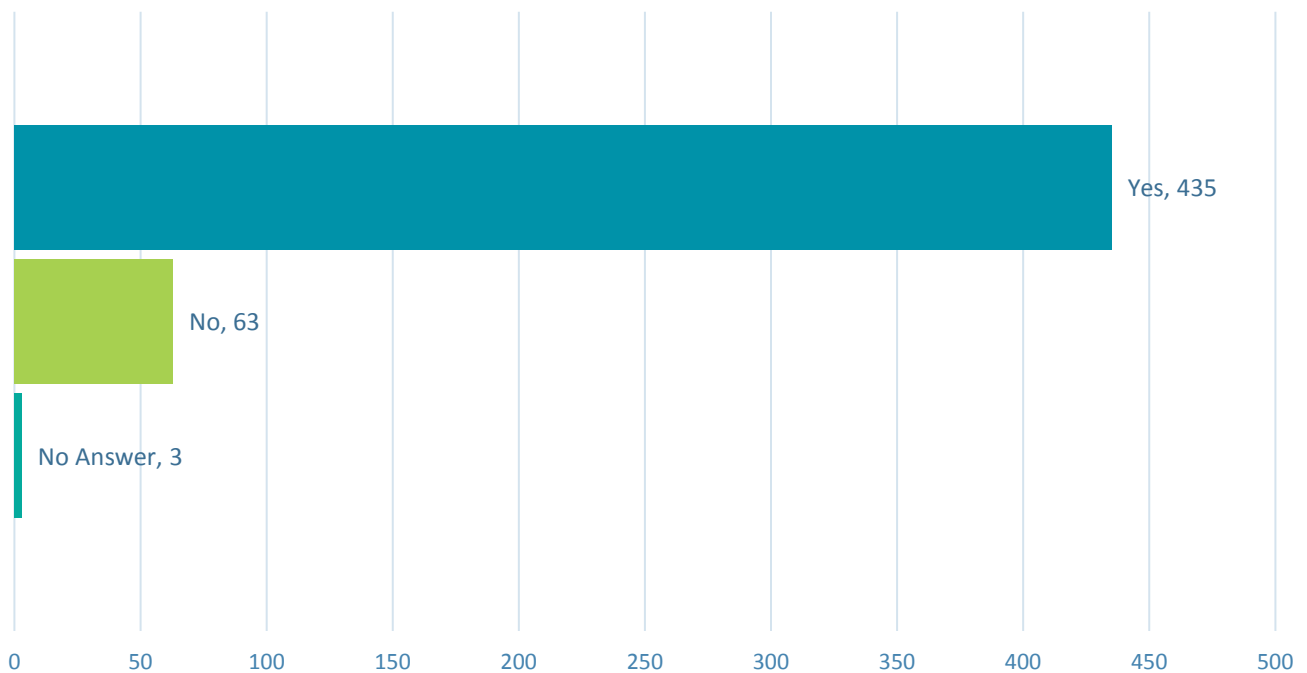
Data for Non-Riders Who Live in a City Neighboring a Member City

Non-Rider Living in a City Neighboring a Member City

City of Residence

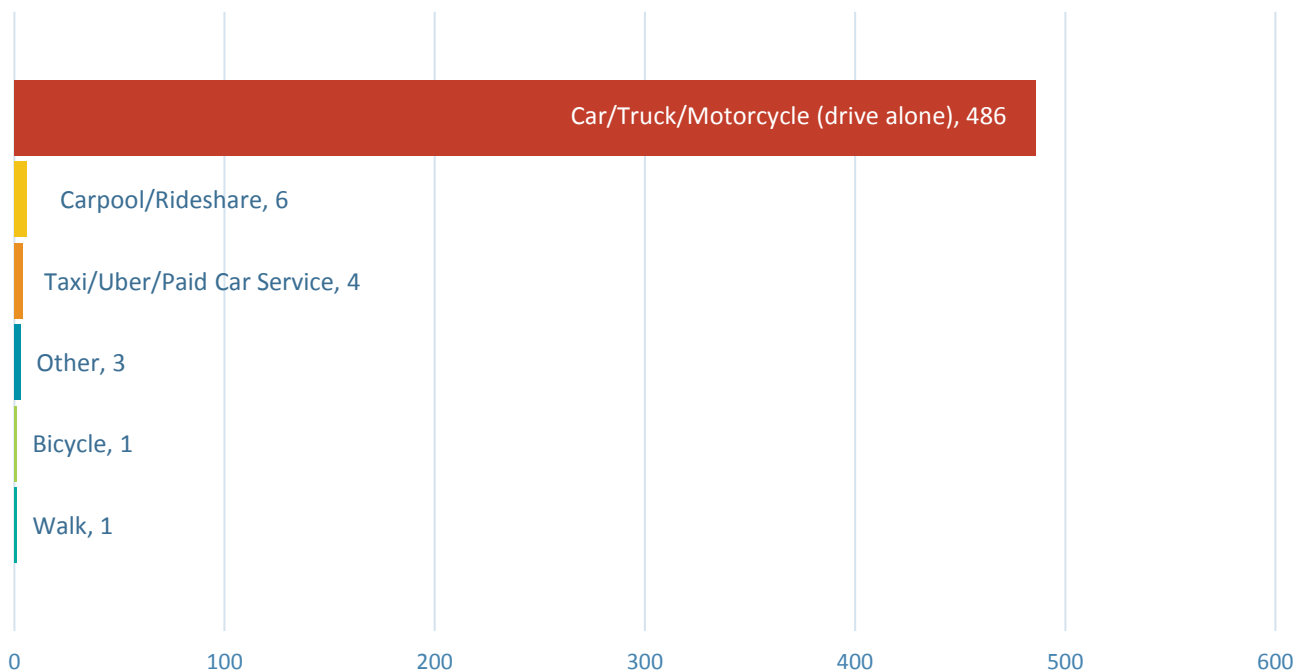


Have you ever used public transportation in any place other than Denton County?

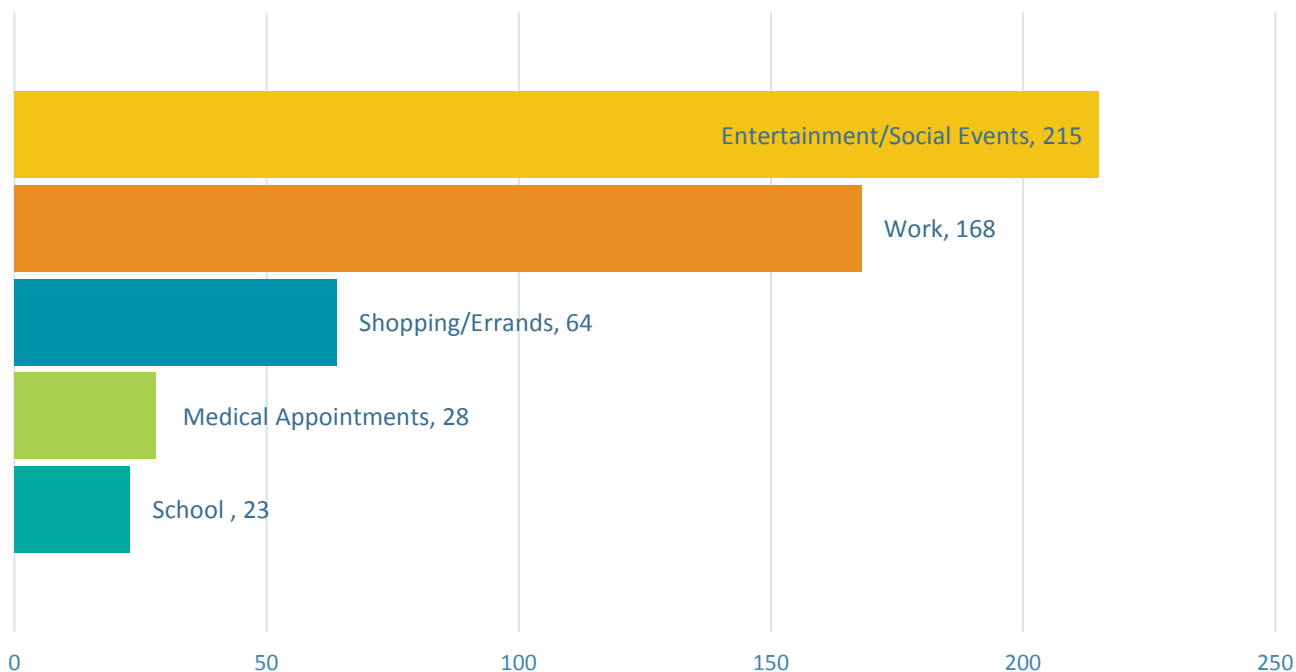


Non-Rider Living in a City Neighboring a Member City

What is your primary means of transportation? Please select only one.

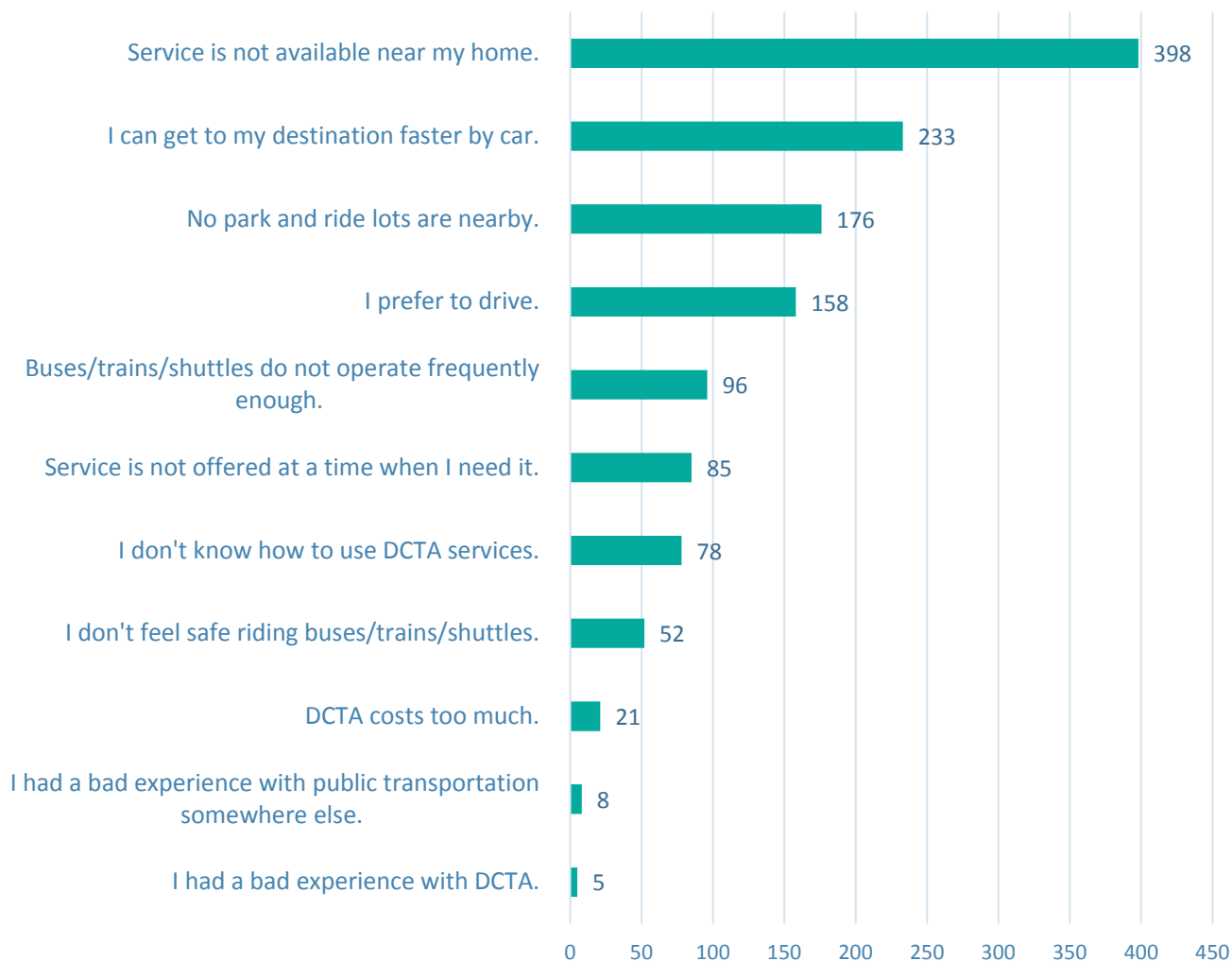


If you were going to use public transportation in Denton County, which of the following would be the primary destination? Please select only one.



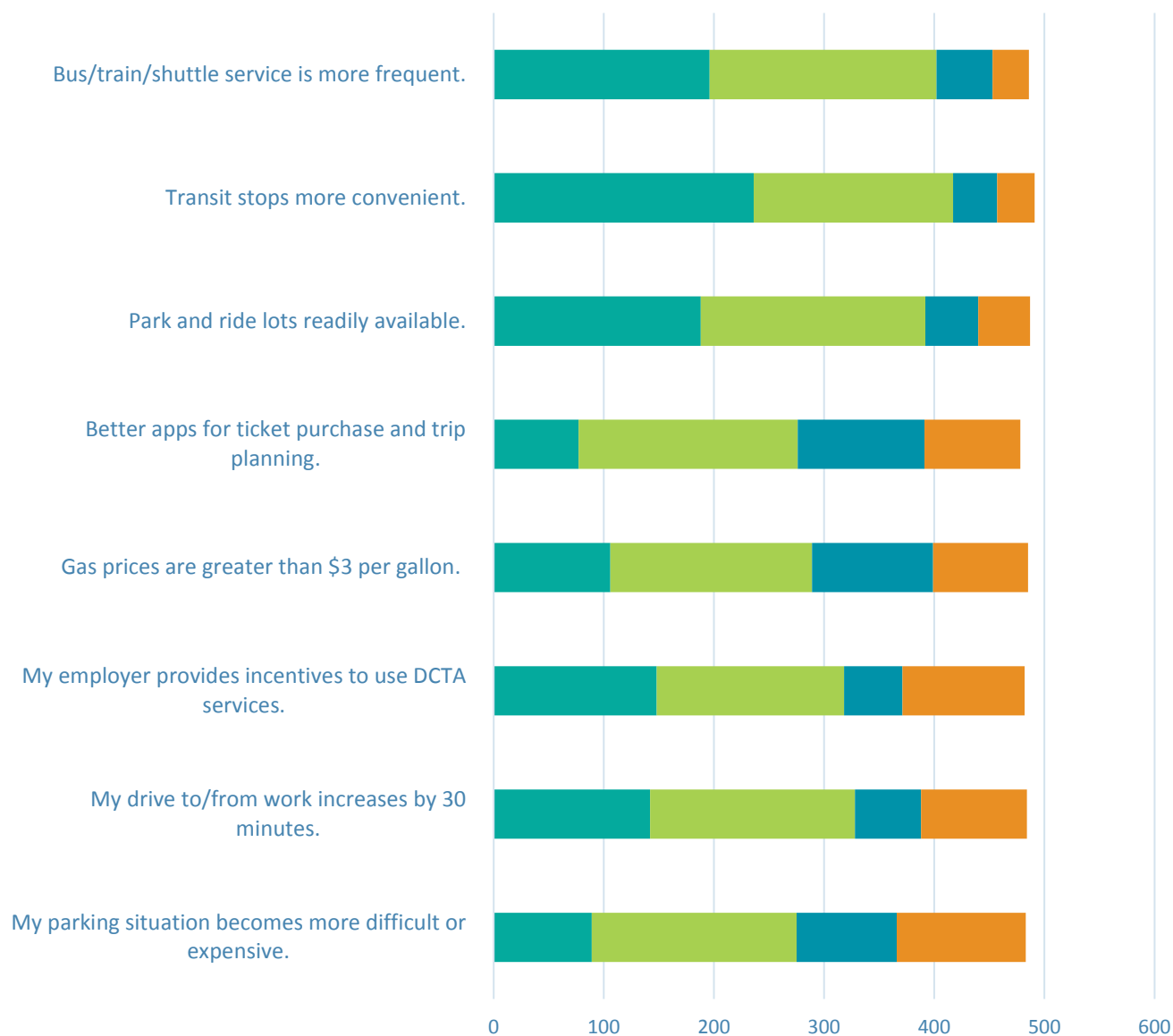
Non-Rider Living in a City Neighboring a Member City

Below are reasons why people do not use DCTA services. Please select all that apply to you.



Non-Rider Living in a City Neighboring a Member City

Please rate how likely each factor would be to increase your use of DCTA public transit.



	My parking situation becomes more difficult or expensive.	My drive to/from work increases by 30 minutes.	My employer provides incentives to use DCTA services.	Gas prices are greater than \$3 per gallon.	Better apps for ticket purchase and trip planning.	Park and ride lots readily available.	Transit stops more convenient.	Bus/train/shuttle service is more frequent.
Extremely Likely	89	142	148	106	77	188	236	196
Somewhat Likely	186	186	170	183	199	204	181	206
Somewhat Unlikely	91	60	53	110	115	48	40	51
Extremely Unlikely	117	96	111	86	87	47	34	33

Non-Rider Living in a City Neighboring a Member City

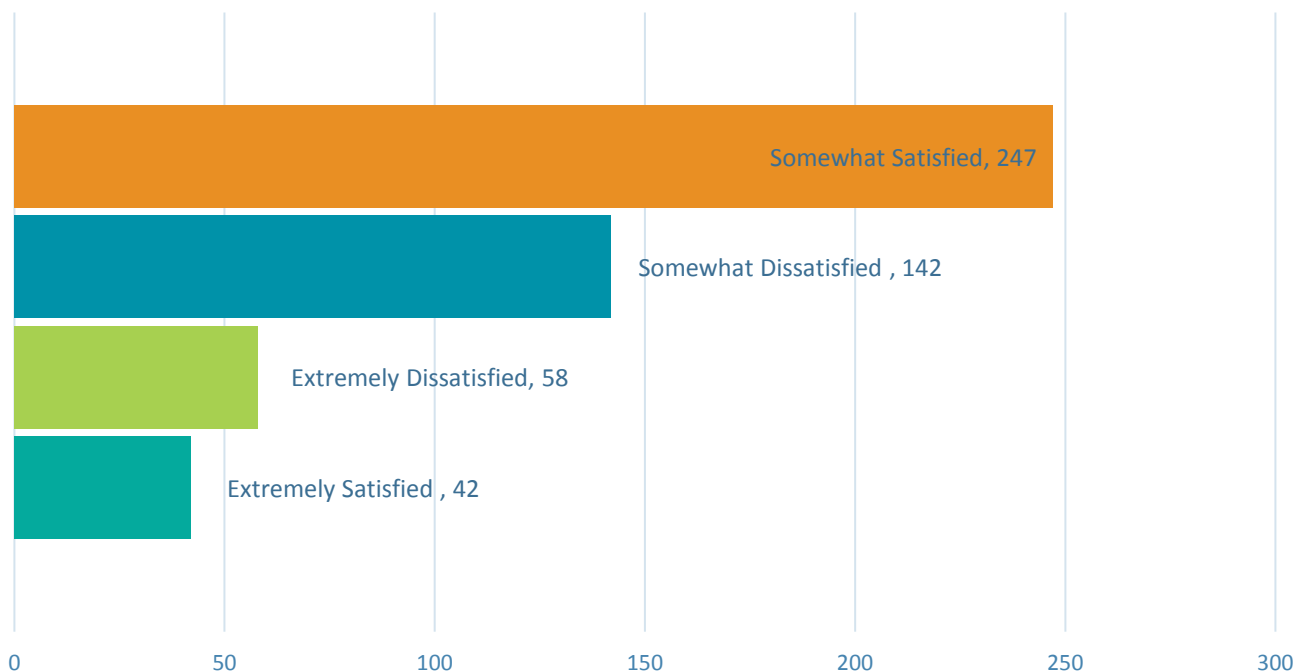
How much do you agree with the following statements about how DCTA benefits the community?



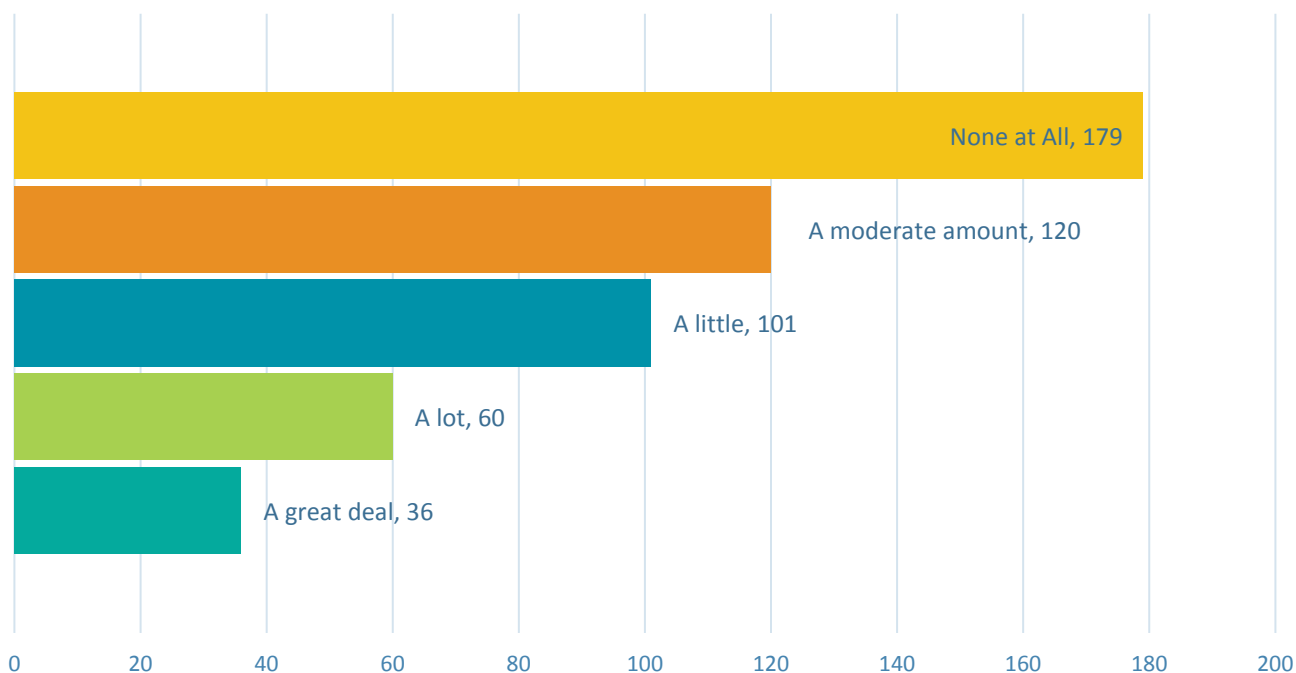
	DCTA helps people travel to work and school when they cannot afford their own vehicles.	DCTA helps people who have their own vehicle to save money.	DCTA helps people who cannot drive (some elderly or persons with disabilities).	DCTA reduces air pollution.	DCTA reduces traffic congestion.	DCTA improves the local economy.
Strongly Agree	219	144	256	210	232	158
Agree	234	267	209	237	206	244
Disagree	32	72	23	38	48	79
Strongly Disagree	13	14	11	13	13	15

Non-Rider Living in a City Neighboring a Member City

How satisfied are you with the public transportation services that DCTA provides?



How much do DCTA services improve the quality of life in your community?





Board of Directors Memo

January 26, 2017

Subject: Strategic Planning & Development Update

REGIONAL TRANSPORTATION PLANNING

High Intensity Bus Corridors (Regional Express Bus Service)

- These high intensity bus corridors have been incorporated as “proposed” corridors into the 2040 Regional Mobility Transportation Plan which was approved by the RTC in March 2016
- The North Texas Xpress was successfully launched in partnership with the FWTa along the 35W corridor
- Currently awaiting execution of a Park & Ride agreement with Presbyterian Hospital of Denton
- A joint funding request with the FWTa for the ultimate High Intensity Bus Corridor Service has been submitted to the NCTCOG

Mobility Transportation Plan Policy Bundle

- To encourage the development of alternative and strategic solutions, the Regional Mobility 2040 Transportation Plan includes a voluntary list of policies that local governments and transit agencies can choose to adopt
- By participating in 50% of applicable policies, participant agencies will receive an offset of local funds in federal transportation projects through the utilization of Transportation Development Credits (TDC)
- DCTA staff is working to pull all of the necessary documentation to demonstrate participation of at least 50% of these policies with the plan to submit prior to the early submittal deadline
- The early submittal deadline is February 3, 2017 with a final deadline of March 3, 2017

Regional Trail Initiative

- DCTA has been an active participant in the NCTCOG Bike and Pedestrian Advocacy Committee (BPAC)
- A current BPAC initiative is the Regional Trail Veloweb which includes planning to connect the A-train Rail Trail from the Hebron Station to the DART Frankford Station
- This section of trail will involve coordination and collaboration between DCTA, NCTCOG, DART, as well as the cities of Carrollton and Lewisville
- A small task force consisting of representatives from all five agencies has been meeting regularly to outline an action plan including preliminary design which will likely require each entity to provide a small level of funding support. The level of support being requested of DCTA has not yet been finalized

LOCAL TRANSPORTATION PLANNING

Innovative Transit Solutions / Mobility On-Demand

- Staff is currently developing RFPs for taxi service providers and Transportation Network Company (TNC) services. Companies selected through this RFP process will be available on call to provide customized cost-effective transportation solutions for member and non-member cities in situations where fixed route traditional transportation service is not feasible
- Staff will continue seeking opportunities to explore potential partnerships with innovative transportation alternative providers

BUSINESS DEVELOPMENT & PARTNERSHIPS

City of Frisco Contract Service

- At the city's request, staff is developing a program incorporating taxi service into the currently provided service to assist in service area expansion, increased capacity capabilities and improved operational efficiencies

Town of Flower Mound

- DCTA presented to the Town of Flower Mound's Joint City Council/Transportation Commission meeting and provided the town leadership with a path to pursue the exploration of implementing mobility solutions within their community
- DCTA staff has assisted in the coordination of a Transit Needs Assessment for the Town of Flower Mound which will be conducted by the NCTCOG. The results of this assessment will provide recommendations and a plan to the Town for the potential deployment of transit service

Service Expansion within New Service Areas

- Staff is being responsive to requests from non-member cities interested in exploring transit solutions to meet the demands within their communities

LAND USE PLANNING & DEVELOPMENT

Downtown Denton Parking

- In coordination with the Union Pacific Railroad and the NCTCOG, DCTA is working with City of Denton staff to identify solutions addressing downtown parking shortages, aesthetics, noise mitigation and safety enhancements.
- Conversations continue with City staff to develop the best plan of action to address all of these issues

Additional Land Use Planning

- DCTA continues conversations with member cities in an effort to support their respective City Strategic Plan which include historical neighborhood revitalization, transit oriented development, transportation thoroughfare planning, transit service enhancements and trail planning initiatives
- Ongoing conversations continue with City staff to develop the best plan of action to address all of these issues

ADDITIONAL PROJECTS

- Regional Trail Veloweb
- Highland Village Service Enhancements
- Huffines-Hebron Joint Development Project
- Infrastructure Development Planning
- Innovative Transit Service Development
- Long-Range Agency Planning Efforts
- State and Federal Legislative Initiatives
- Grant Funding Opportunities
- TxDOT 35W Expansion Coordination

Submitted by: _____


Kristina Brevard, VP, Planning & Development



Board of Directors Memo

Subject: Capital Projects Update

January 26, 2017

Signal System Enhancements Phase II

- Network drawings are complete.
- Hardware installation at the first site occurred on January 13.
- Project completion is expected by the end of March 2017.

Positive Train Control (PTC)

- Finalizing 100% design
- Wayside installation has commenced
- Vehicle installation will begin in February
- The FRA document approval process may delay the final acceptance date. We are actively working with the FRA and Alstom to ensure the project is not delayed.

Lewisville Hike and Bike Trail – Eagle Point Section

- Still under review at TxDOT but the schematics have been approved. Review by the construction division is in progress and we hope to have final comments within 30 days.

Flood Damage Repairs

Issue	FEMA Claim	Estimated DCTA Cost	Status
DTA 003G Washout of RipRap and ballast (includes Herzog Emergency response)	\$280,411	\$70,103	Award letter received. Initial invoice sent to TDEM. Working with TDEM auditors
DTA 001G and DTA 004G Replace Crossings	\$2,036,198	\$509,050	Two bids received. Contract awarded to Herzog. Const. to begin following ballast undercutting.
DTA 002E Bus O&M Electrical repairs*	\$14,616	\$3,654	Complete. Reimbursement received.
DTA 001E Signal & Comm. System	\$122,000	\$6,500	Repair is complete.

DTA006G Rail OMF drainage	\$116,079	\$29,019	Small project reimbursement received. No bids received. Staff is assessing alternatives.
DTA 002G Undercut Ballast	\$657,652	\$164,413	Two bids received. Contract awarded to Herzog. Equip. in place 1/15. Work to begin 1/22, weather permitting.
Replace flume at Pockrus Page	\$623,000* \$161,338 **	\$155,750 \$461,662	Appeal filed. Engineers are finalizing repair recommendations. Surveying complete. 60% drawings approved.

* Original claim 290'

** Approved claim

- Ballast undercutting work has been delayed by weather, however, the equipment has been delivered and is located at the Rail O&M facility. Work will begin January 22, 2017, weather permitting. The contractor will be preparing ties for the crossing replacements at the same time. Work on the crossings will begin in March, 2017.
- Extensions have been filed on all projects in October 2017.
- Total estimated cost of repairs is \$3,065,618. The current estimated DCTA cost is \$776,239.00. This number may vary depending on the results of the appeals and actual cost.

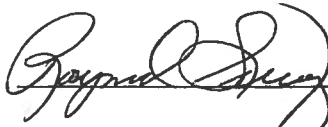
IOMF – Bus Fueling at the Rail Facility

- DCTA staff and Jacobs Engineering met with the City of Lewisville to discuss the project.
- The site plan development is in progress. Permit requirements are minimal, however, the new site plan will need Council approval as there are 5 permanent zoning variances in place.
- Fuel tank specifications are under development.

Rail Facility – Brownfield Investigation

- EPA grant application filed in December.
- If approved, this grant requires no local match.
- HNTB is reviewing the bid package for tire and barrel removal.

Final Review:


Raymond Suarez

Board of Directors Memo

January 26, 2017

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

- FY 2017 YTD “On Time Performance” (OTP) for the A-train is 98.4%
- FY 2017 YTD “On Time Performance” (OTP) for Connect service is 88.5%.

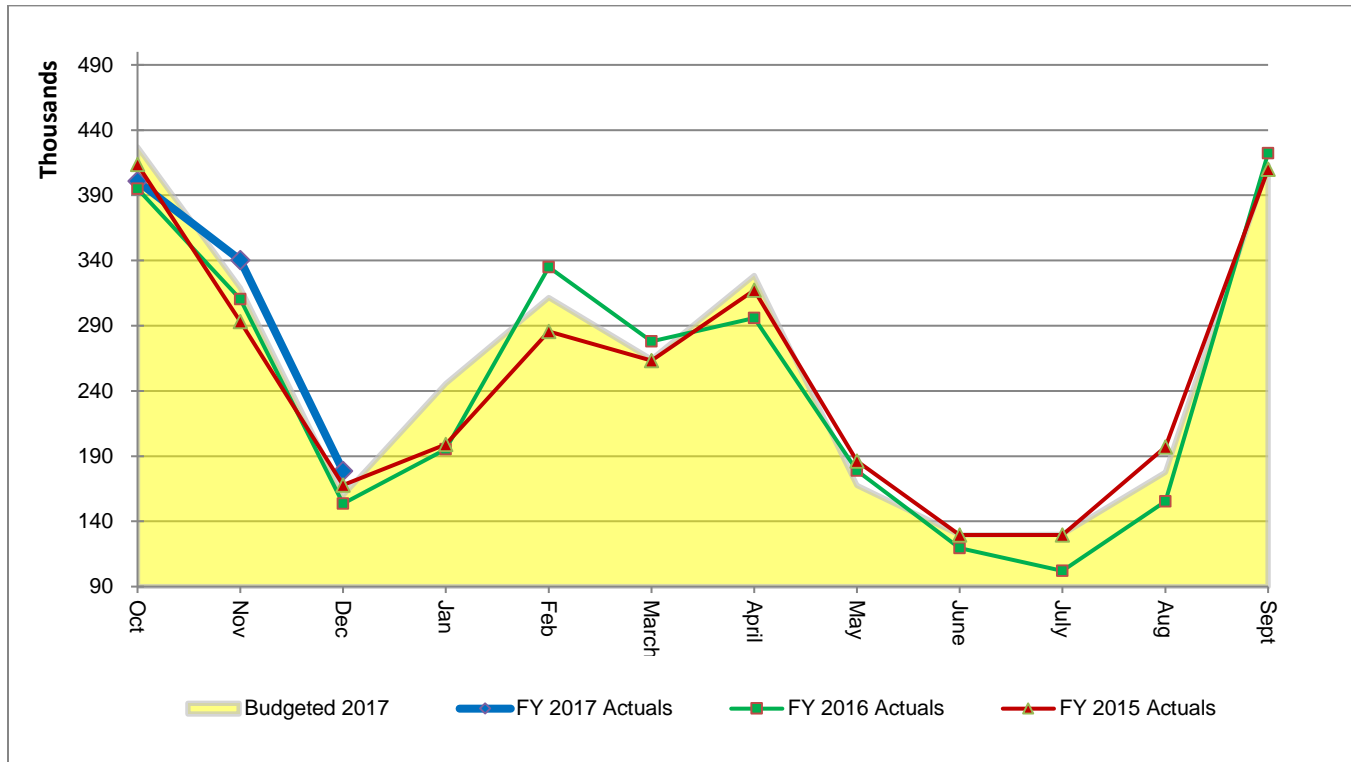
RIDERSHIP PERFORMANCE**Year to Date Change in Ridership by Service Type**

Service	% Change FY 2016 to FY 2017	Color Indicator	Notation No.
All Bus & Rail	7.24%	Green	1
Rail	-6.41%	Yellow	2
All Bus	10.13%	Green	
Connect	-15.46%	Yellow	2
UNT	16.79%	Green	
NCTC	6.63%	Green	
Access	3.64%	Green	
Frisco Demand Response	N/A	Green	

1. As a system, ridership increased over previous year, bucking national downward trends due to University and Access growth.
2. The YTD boardings decreased for Rail and Connect over the same period for the previous fiscal year. An APTA study states that for every 10% drop in gas prices there is a 1.8% drop in ridership. Over the past year there has been a 35% decrease in gas prices which equals a 6.3% drop in ridership. We are in the 2nd year of sustained low gas prices, which is making car ownership more competitive to mass transit, and it appears that consumer behavior is adjusting. This is consistent with national trends.

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

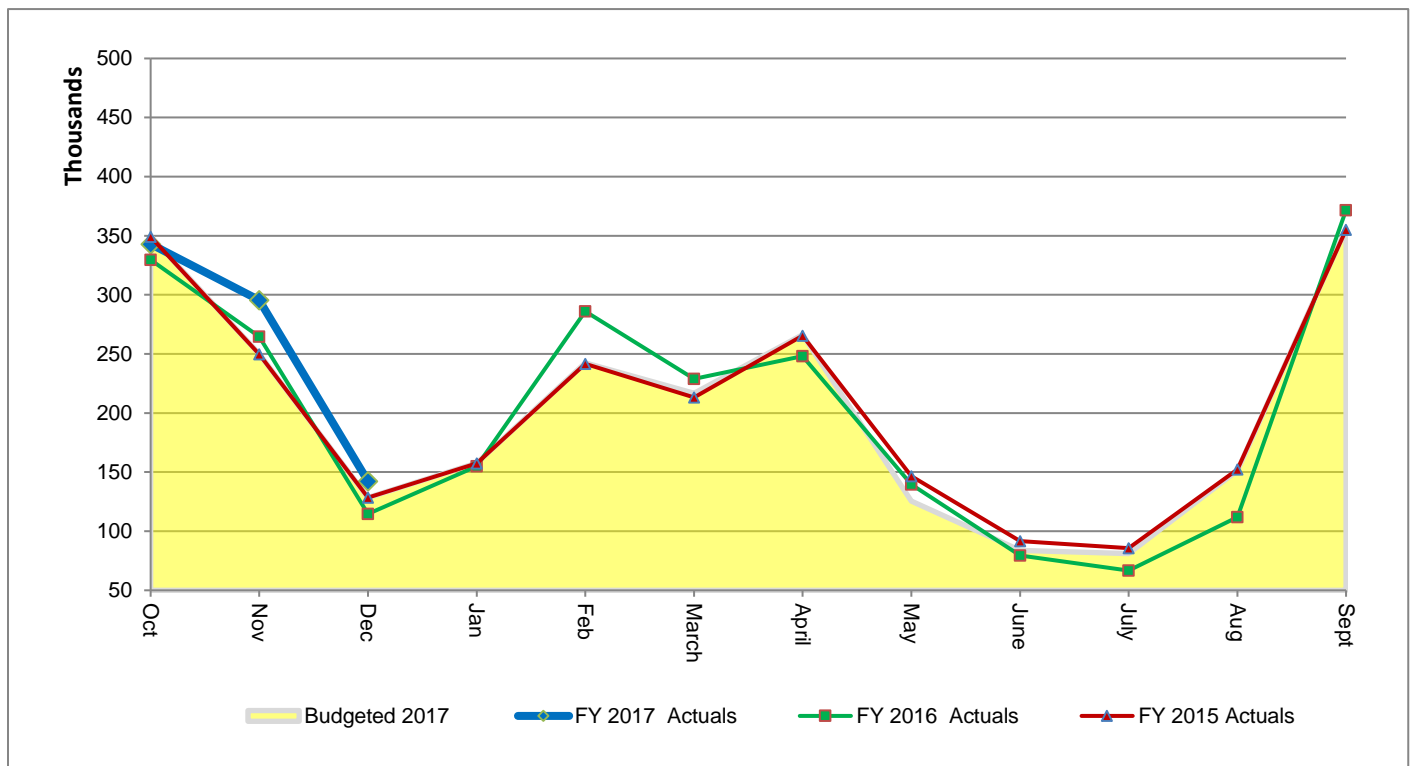


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- Total boardings for Rail and All Bus increased 6,332 boardings or 1.60% in October, increased 30,439 boardings or 9.81% in November, and increased by 25,428 boardings for 16.55% in December compared to the same period the prior year.
- YTD boardings for Rail and All Bus increased by 62,199 riders or 7.24% compared to the same period the prior year.

All Bus: Total Boardings

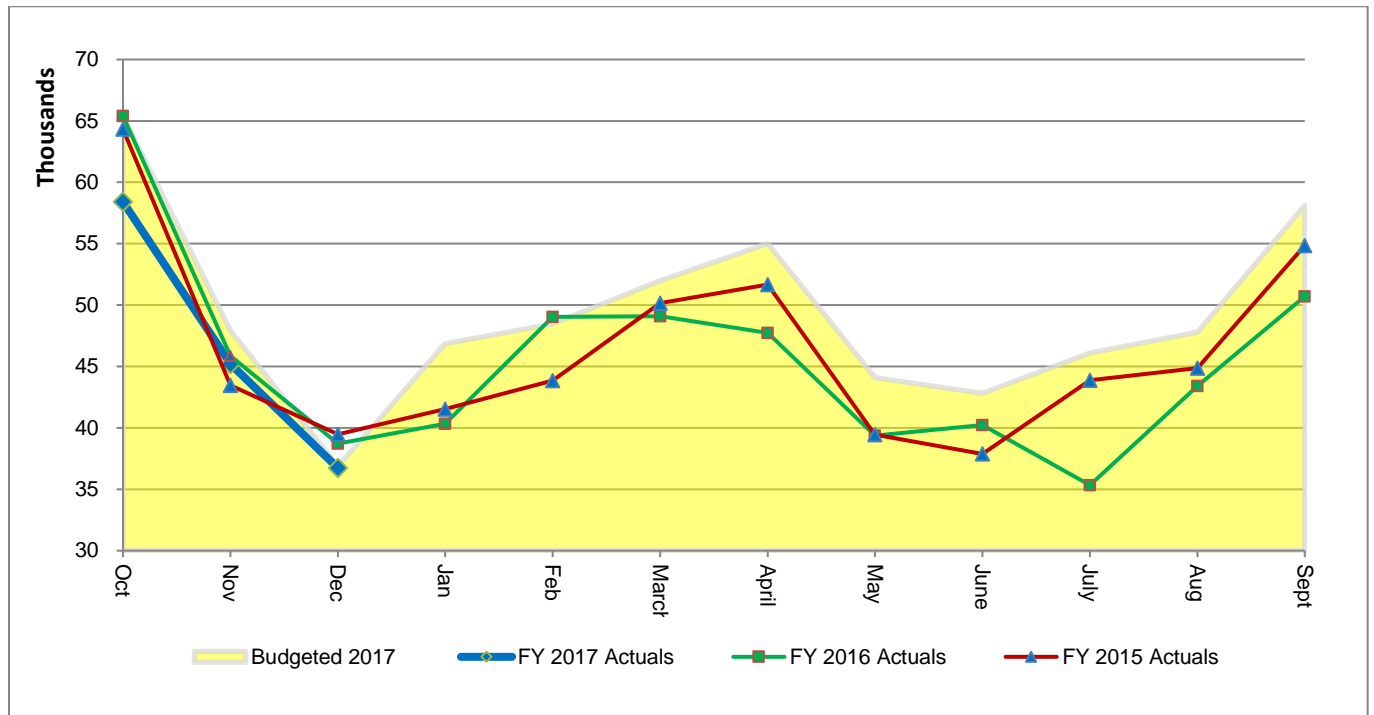


Note: Statistics include Connect, UNT, NCTC, Access, Connect Highland Village, Frisco Demand Response Service, Highland Village Service, Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- Modifications to UNT Student Parking has resulted in changes to student travel patterns that is having a significant impact on Denton Connect route performance. UNT boardings are up 16.79% while Connect is down 15.46%.
- Several changes were made in FY15/FY16 to UNT shuttle service in an effort to reduce overcrowding on several routes. While the changes significantly improved UNT route performance, it had a corresponding adverse effect on the DCTA Denton Connect Routes that serve many of the same areas. This will continue until implementation of the Denton COA recommendations in May 2017.
- Lewisville ridership is down primarily due to the consolidation of Route 23 into the new Routes 21 & 22 respectfully. The new routes cover the same area as in the past. The routes were consolidated to improve the customer experience and to provide a one-seat ride for customers by eliminating the need to transfer. However, the elimination of the transfer resulted in a corresponding reduction in boardings counted separately on Route 23. This accounts for approximately 30% of the downturn in the Lewisville ridership.

Rail: Total Boardings

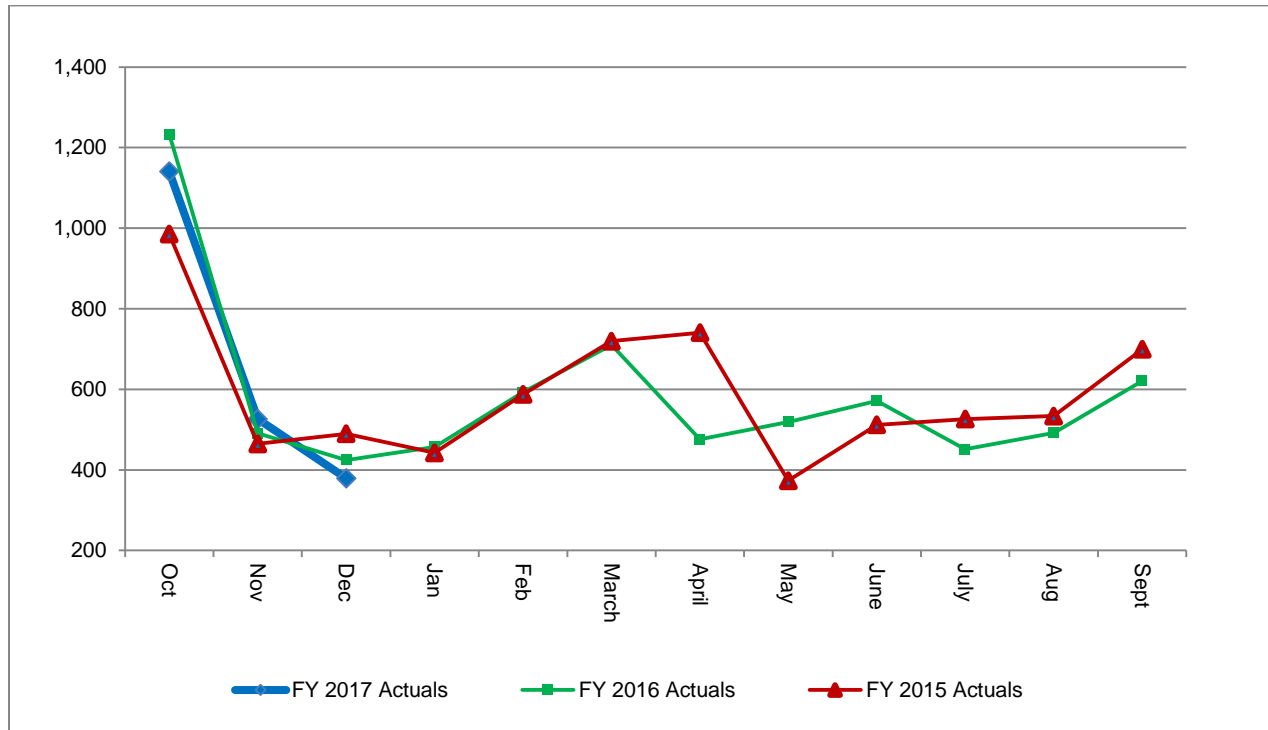


Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- The YTD rail boardings decreased by 12,141 or 8% as compared to the previous fiscal year. Ridership for TRE and DART rail are also down as compared to last year.

Rail: Saturday Average Boardings

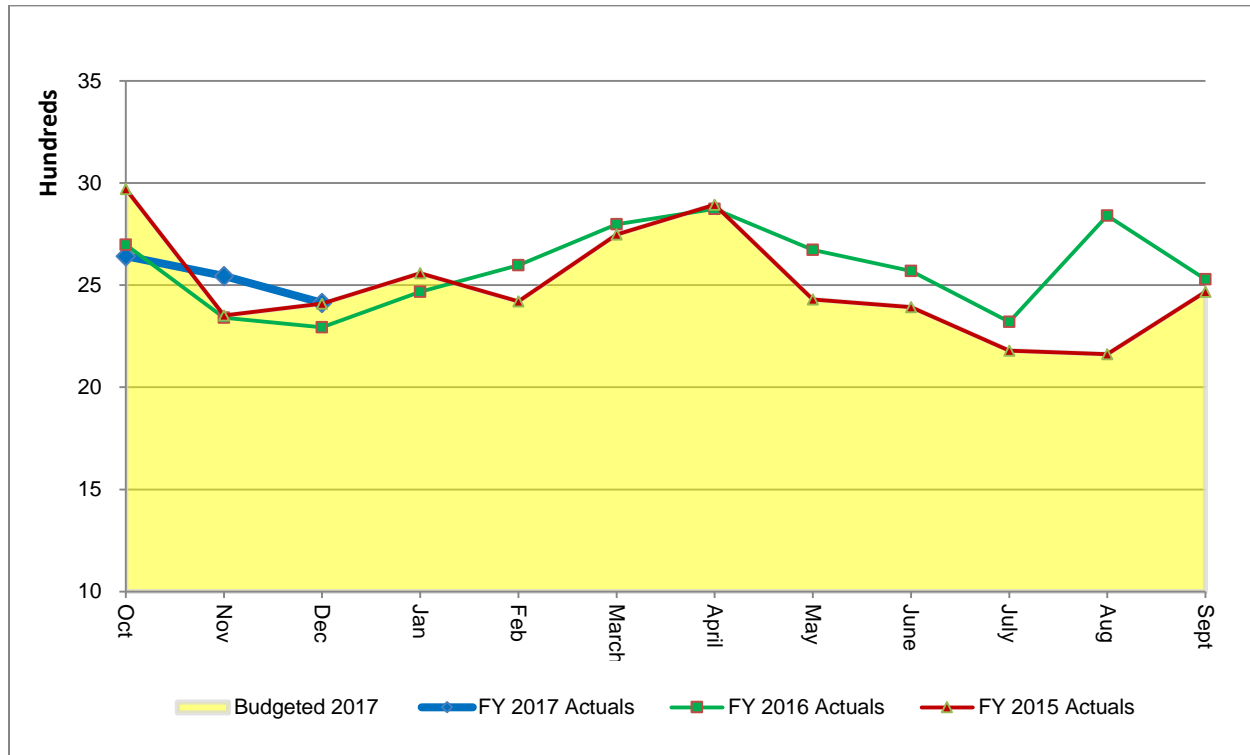


Note: For display purposes, the Y axis origin has been modified.

Rail: Saturday Average Boardings

- The YTD Average Saturday Ridership has decreased by 4.75% as compared to the same period the prior year.

Access: Total Boardings

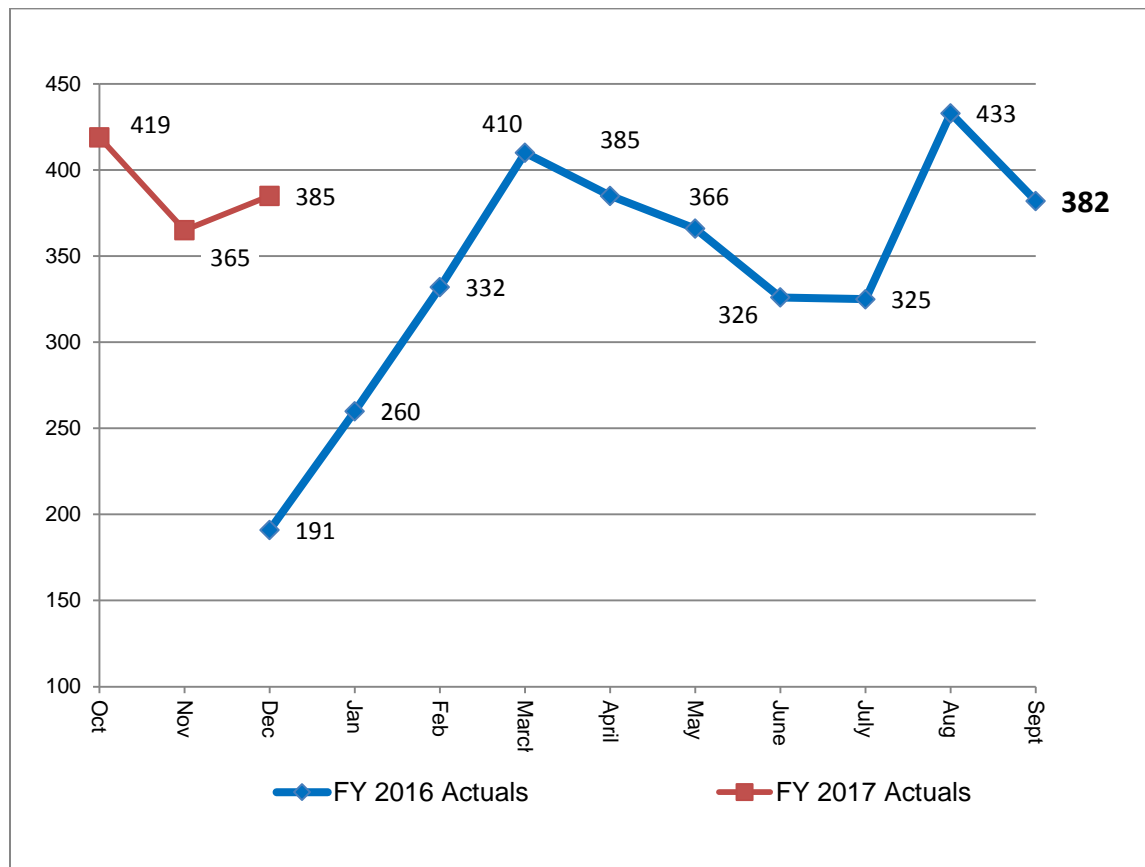


Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- In October, total boardings decreased by 56 boardings or 2.08% compared to the same period the previous year. This was the result of 1 less service day in October 2016 compared to October 2015. When adjusting for service days the average daily boardings actually increased by 1.69 boardings over October 2015.
- In November, total boardings increased by 204 or 8.71% and December boardings increased by 119 or 5.19% compared to the same period last year.
- Through December, YTD boardings have increased by 267 or 3.64% compared to the same period last year.

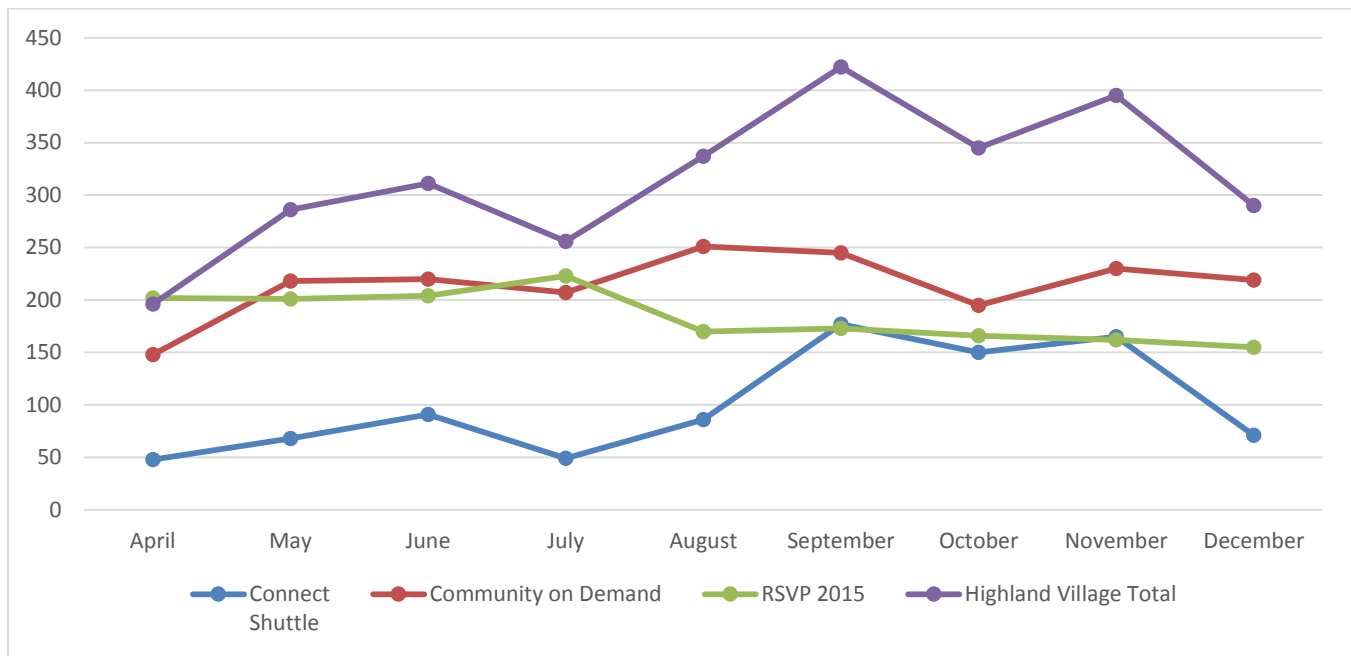
Frisko Demand Response Service: Total Boardings



Frisko Demand Response Service: Total Boardings

- Frisko service reached its one year anniversary in December 2016. Since inception, ridership has grown steadily. Currently, demand for service exceeds the available capacity.
- Staff is working with the City of Frisko to identify options to expand the existing capacity, as well as expand the service area to include portions of Plano.

Highland Village Service: Total Boardings



Highland Village Service: Total Boardings

- In April 2016, RSVP was replaced with the Highland Village Connect Shuttle and Community On-Demand services.
- YTD total boardings for Highland Village Community On-Demand increased by 161 boardings or 33.3% over RSVP total boardings for the same period the prior year.
- YTD total boardings for all Highland Village services increased by 547 boardings or 113% over the same period the prior year with the addition of the Connect Shuttle.

North Texas Xpress Commuter Services: Total Boardings

- Service was initiated on Monday, September 26, 2016.
- The North Texas Xpress is a joint service provided by DCTA and the Fort Worth Transportation Authority.
- Service is provided Monday through Friday from 6:15 am to 9:30 pm.
- North Texas Xpress ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

NORTH TEXAS XPRESS SUMMARY REPORT		
Month	Total	DCTA Apportionment
December	685	342
November	985	492
October	948	474
September	72	36

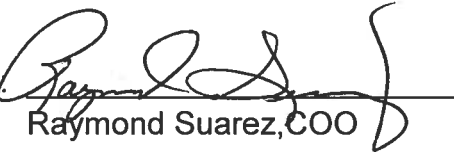
SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 1,608
- DCTA Bus Operations Injury-Free Workdays: 29

MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** On December 12, 2016 a software issue caused a temporary outage of the signal system. Two trains were delayed as a result.
- **Stations:** DCTA contract operations Rio Grande Pacific continues to perform weekly safety inspections, which have not identified any major issues.
- **Rail Mechanical:** On December 9, 2016, 13 trains were delayed as a result of a mechanical fault from the data recorder. The data recorder was sent to the equipment manufacturer for further analysis. On December 19, 2016, three trains were delayed as a result of a mechanical shut down. First Transit has been proactive with the equipment manufacturer and will present a mechanical assessment on the current state of our vehicle fleet. This assessment will help us plan capital purchases for the next fiscal year.

Final Review


Raymond Suarez, COO



Board of Directors Memo

January 26, 2017

Item: WS 3(a) Finance Committee Chair Report

The Finance Committee meeting and Special Called Board of Directors meeting was held at 2:00 p.m., Monday, January 16, 2017 at 1955 Lakeway Dr., Suite 260 Conference Room in Lewisville, Texas.

In attendance were:

Committee Members: Richard Huckaby, Connie White (acting Committee Chair), Tom Winterburn

Board Members: Charles Emery

Absent: Dave Kovatch (Committee Chair)

DCTA Staff: Anna Mosqueda, Amanda Riddle, Jim Cline, Kristina Brevard, Marisa Perry, Rusty Comer

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

Presentation of Preliminary Year-End Audit Report

- Jerry Gaither, Partner, and Jennifer Ripka, Senior Manager, with Weaver and Tidwell, LLP presented the FY16 audit report. DCTA will receive an unmodified (clean) opinion for FY16. The audit presentation included a detailed discussion of the audit process, required communications to the committee/board, audit results, areas of DCTA strengths and accomplishments, and financial highlights.
- The Finance Committee recommended forwarding the audit as presented to the Board for acceptance at the February Board meeting scheduled for February 14th.

Review of FY17 Budget Calendar

- The Finance Committee reviewed the FY17-18 budget calendar as presented by staff. The following changes were made to the calendar:
 - Finance Committee FY18 Budget Workshop on July 10th was moved to 12-4pm (originally 10am-2pm)
 - Finance Committee in October was moved from October 9th to October 16th due to Columbus Day holiday
 - Finance Committee in January 2018 was moved from January 15th to January 8th due to the MLK holiday
- Finance Committee asked that members review personal schedules and confirm July budget workshop date and approve.
- The original calendar as well as the revised proposed calendar is included for review.

The meeting adjourned at 3:01pm.

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO



1955 Lakeway Dr., # 260, Lewisville, Texas 75057
972.221.4600 | RideDCTA.net

Special Called Meeting of the DCTA Board of Directors
and the **Finance Committee** of the DCTA Board of Directors
January 16, 2017 | 2:00 p.m.

AGENDA

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

Welcome and Introductions

1) ITEMS FOR DISCUSSION

- a. Preliminary FY2016 Audit Report & Presentation – Weaver and Tidwell, LLP
- b. FY17 Budget Calendar

2) ADJOURN

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO

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

This notice was posted at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 at a place convenient and readily accessible to the public at all times. Said notice was posted on 1/19/2017 at 11:09 AM.

Rusty Comer, Senior Public Information Specialist

Denton County Transportation Authority

Finance Committee Meeting
January 16, 2017



Overview

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

Introductions

The Firm of Texas

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

REGIONAL AND NATIONAL RANKINGS

Largest Firm based in the Southwest Region of the U.S. | *Accounting Today* (2016)

Top 40 Firms | *INSIDE Public Accounting* (2015)

2015 BEST of the BEST Firm to Watch | *INSIDE Public Accounting*

Best and Brightest Companies to Work For® | Dallas/Fort Worth (2016) and Houston (2015)

7 Texas Offices

Approximately 600 Employees

80+ Partners



Engagement Team

Denton County Transportation Authority

Audit Leadership

Jerry Gaither, CPA
Engagement Partner

- ✓ Thirty-nine years of public accounting experience
- ✓ Leader of Weaver's Public Sector Practice

Jennifer Ripka, CPA
Audit Senior Manager

- ✓ Ten years of public accounting experience
- ✓ Dedicated primarily to serving public sector clients

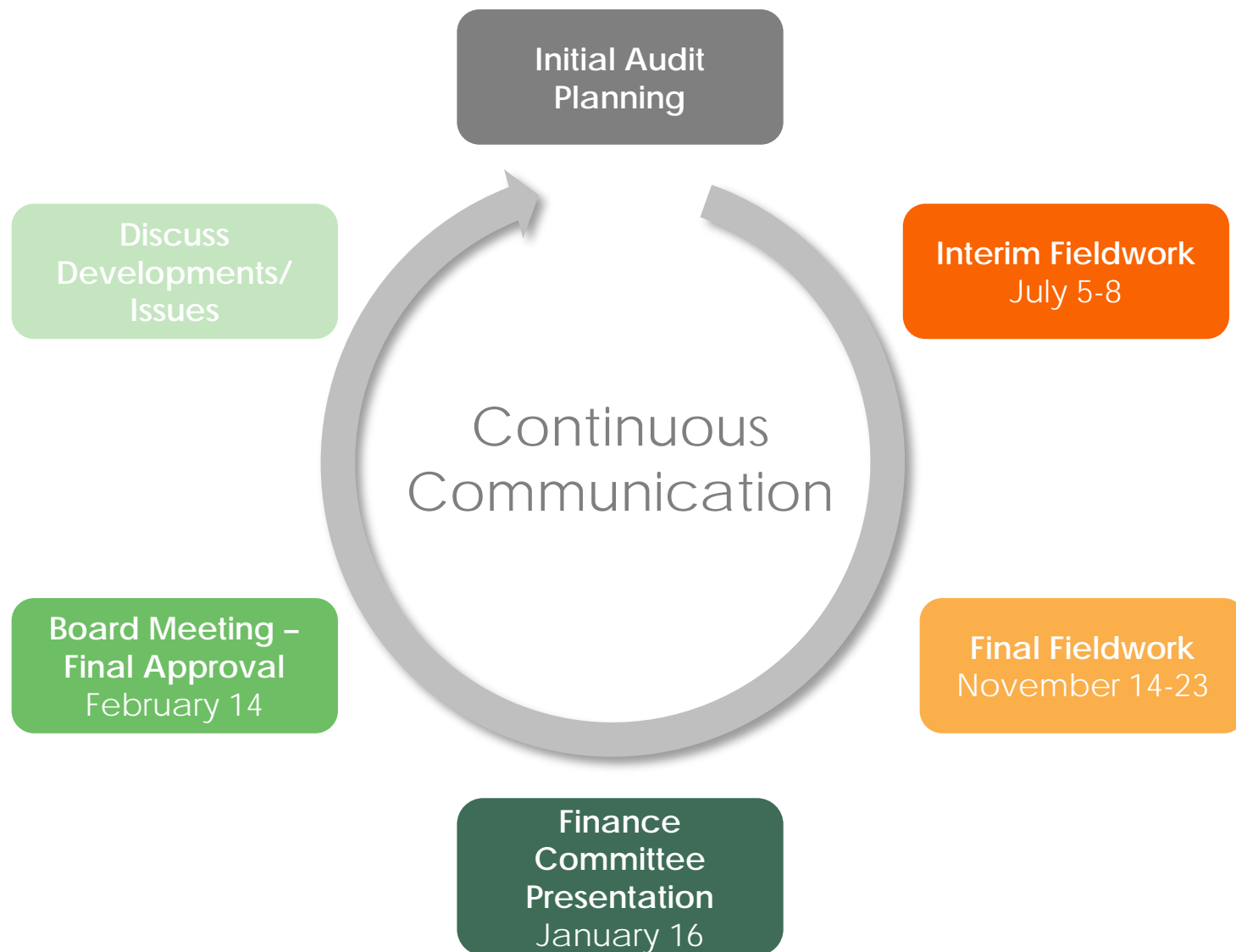
Audit Staff

Michael Belt, CPA
Audit Senior Associate III

Kayce Stillings
Audit Associate I

Audit Process

Engagement Timeline



Audit Process

- The audit was performed in accordance with **Generally Accepted Auditing Standards (GAAS)**, **Generally Accepted Government Auditing Standards (GAGAS)**, and the **Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (Uniform Guidance)
- The audit process was a **risk-based approach** in which we identified potential areas of risk that could lead to material misstatement of the financial statements. We tailored our audit programs and resources to specifically address the following areas of risk:
 - Federal grant revenues and expenditures
 - State grant revenues
 - Capital projects, purchasing, and compliance with bidding procedures
 - Payables, accrued liability and expenditures
 - Revenue recognition for passenger revenue and contracted services
- Additionally, significant audit areas included:
 - Cash and cash equivalents
 - Capital assets



Audit Process

Interim fieldwork and risk assessment were performed in July 2016. Procedures included:

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

Audit Process

- Capital Projects Testing
- Identification of major federal financial assistance programs and tested controls over compliance.
 - Major Program – Federal Transit Cluster (CFDA #'s 20.507 and 20.526)
 - Test of controls over direct and material compliance requirements related to each major program
- Major programs tested represented 94% of total federal financial assistance

Audit Process

Final fieldwork was performed in November 2016.

Procedures included:

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



Auditor Communications

for the year ended September 30, 2016



Weaver**Views**

Required Communications to Those in Charge of Governance

Communication	Results
Auditor's Responsibility under Generally Accepted Auditing Standards (GAAS)	Weaver will issue an unmodified opinion on the financial statements.
Auditor's Responsibility under Government Auditing Standards	Weaver will issue a report noting no findings under Government Auditing Standards.
Auditor's Responsibility under Uniform Guidance	Weaver will issue an unmodified opinion on compliance and will report no findings under Uniform Guidance.
Unusual transactions and the adoption of new accounting principles	None noted.
Fraud and illegal acts	None noted.
Material weakness in internal control over financial reporting	None noted.
Material weakness in internal control over compliance	None noted.

Required Communications to Those in Charge of Governance

Communication	Results
Significant deficiencies in internal control over compliance	None noted.
Management judgments and accounting estimates	Evaluated and determined to be reasonable.
Difficulties encountered	None noted.
Management representations	Management letter will be requested in conjunction with the release of the financial statements.
Management consultations	Weaver is not aware of any.
Auditor independence	No independence issues.
Audit adjustments	No significant audit adjustments or passed adjustments.
Other material written communications between Weaver and Tidwell, L.L.P., and the Authority	No other communications

Auditor Results

Areas of Strength and Accomplishments

- Management is knowledgeable in finance
- Detailed monthly financial information is provided to the Board for review
- Awarded the GFOA Distinguished Budget Presentation Award
- Awarded GFOA Certificate of Achievement for Excellence in Financial Reporting
- Receives a Triennial Review from the Federal Transit Administration
- Earned the Texas Comptroller Platinum Leadership Circle Award for fiscal transparency



Areas of Strength and Accomplishments

- Timely audit
- Full cooperation of Authority staff
- No passed adjustments or significant audit adjustments
- No material weaknesses in internal controls
- No findings identified in testing of compliance or controls over compliance in related to the single audit major program (Authority qualifies as a low-risk auditee)



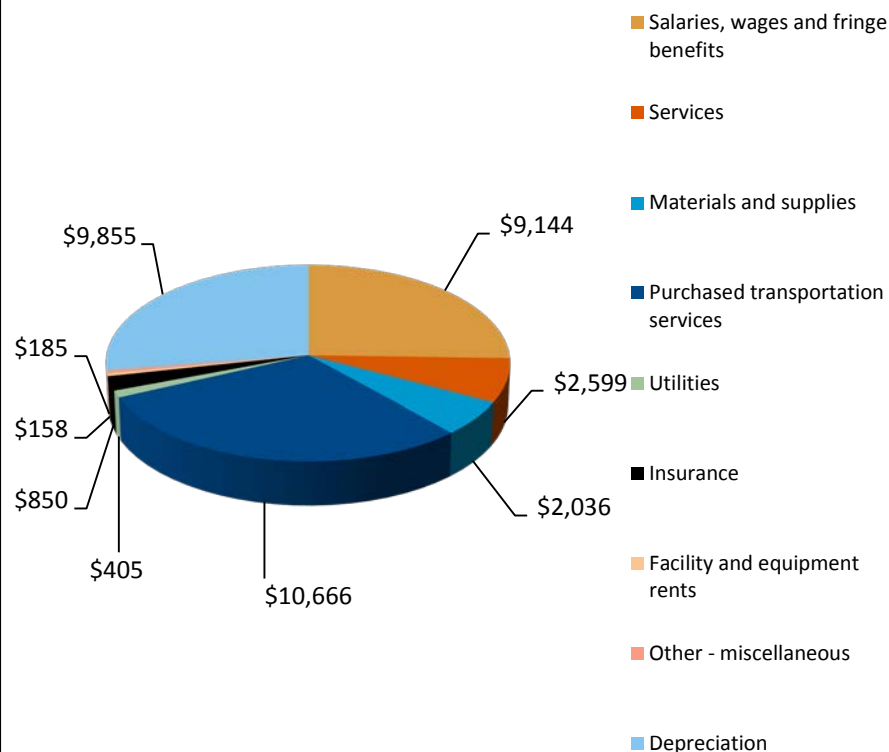
Financial Highlights

Weaver**Views**

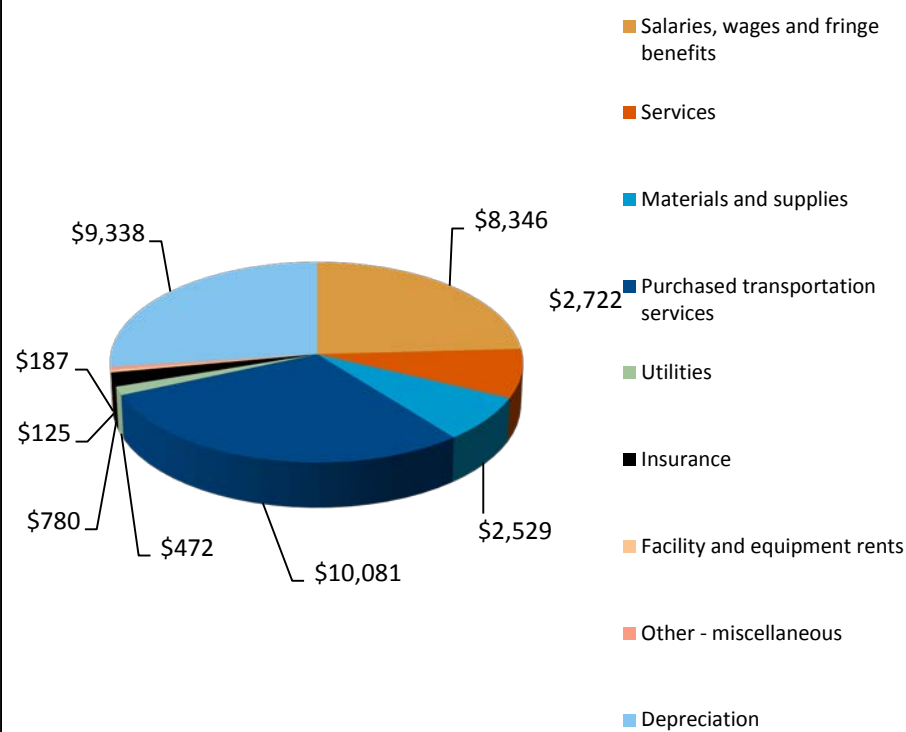
Financial Highlights

Comparison of Operating Expenses (in thousands of dollars)

FY 2016 Expenses



FY 2015 Expenses



Financial Highlights

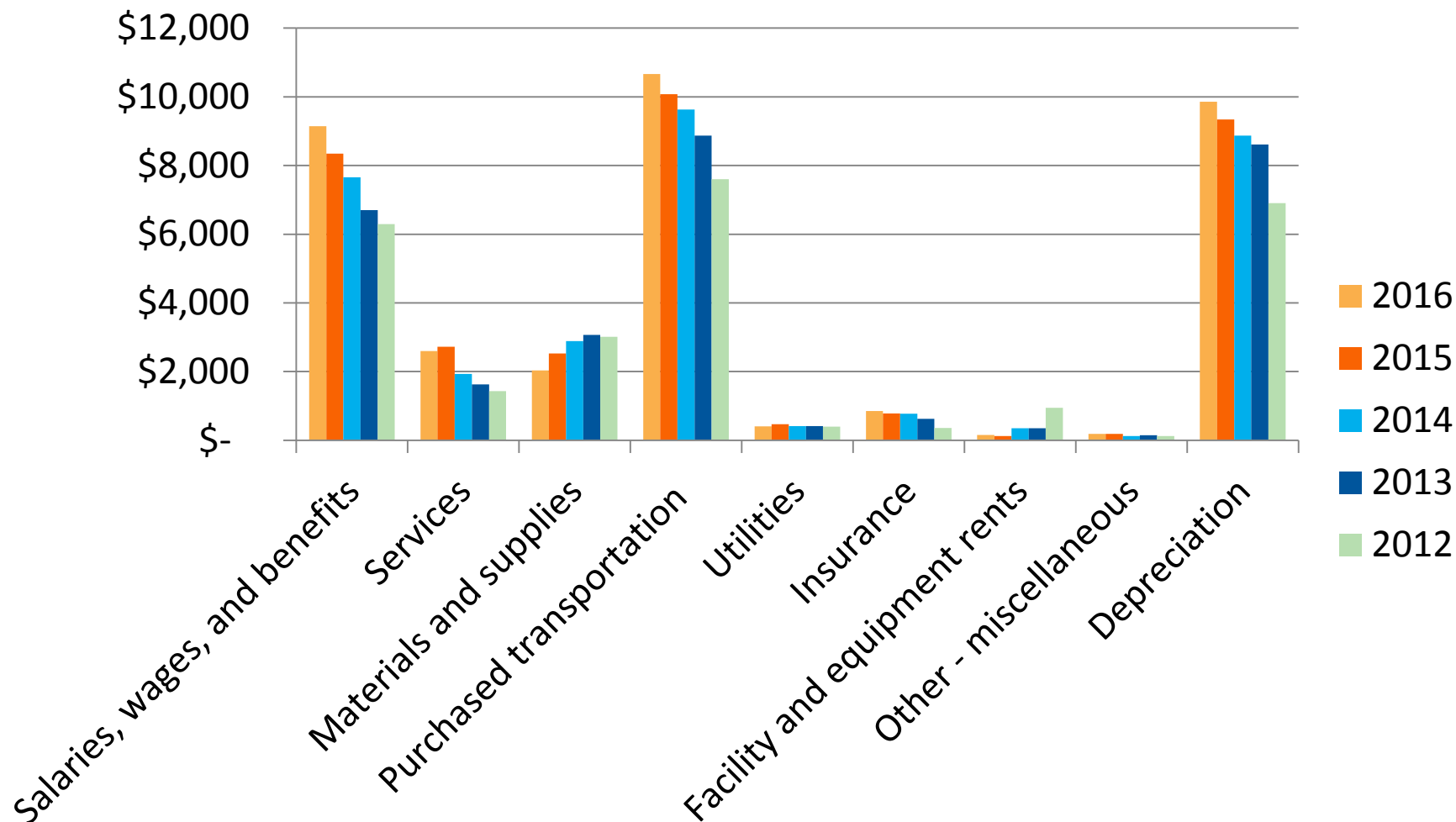
Comparison of Operating Expenses

Fiscal year 2016 expenses totaled \$35.9 million, an increase of \$1.3 million or 4% compared to 2015. Largest changes are as follows:

- Salaries, wages, and fringe benefits increased \$798 thousand primarily due to an increase in the average number of employees employed by the Authority combined with merit raises given during FY 2016.
- Materials and supplies decreased \$493 thousand primarily due to a decrease in diesel fuel costs.
- Purchased transportation increased \$585 thousand due to increased train hours and car miles related to shared costs/services.
- Depreciation increased \$517 thousand primarily due to capital asset additions (rail system, land improvements, and office furniture).

Financial Highlights

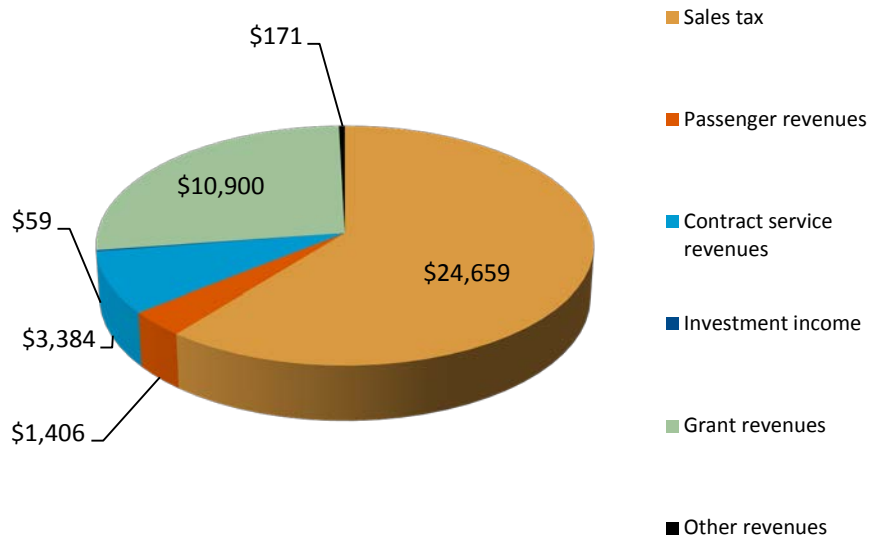
Comparison of Operating Expenses



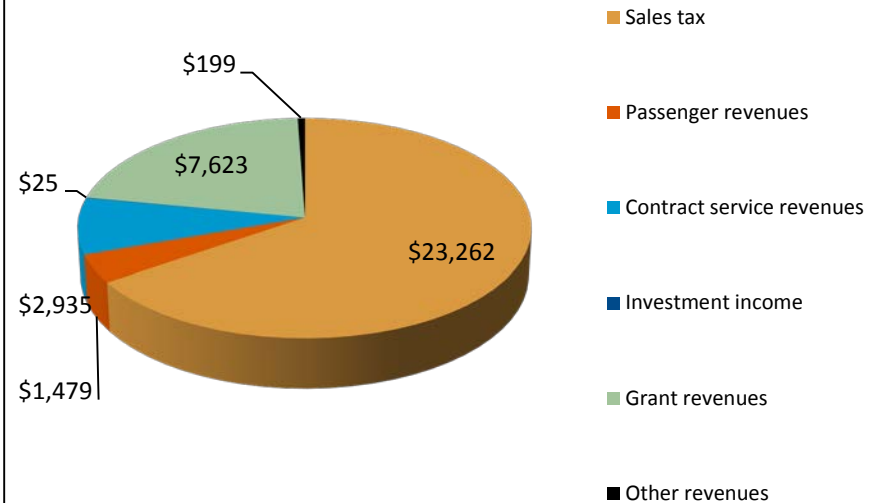
Financial Highlights

Comparison of Revenues (In thousands of dollars)

FY 2016 Revenues



FY 2015 Revenues



Financial Highlights

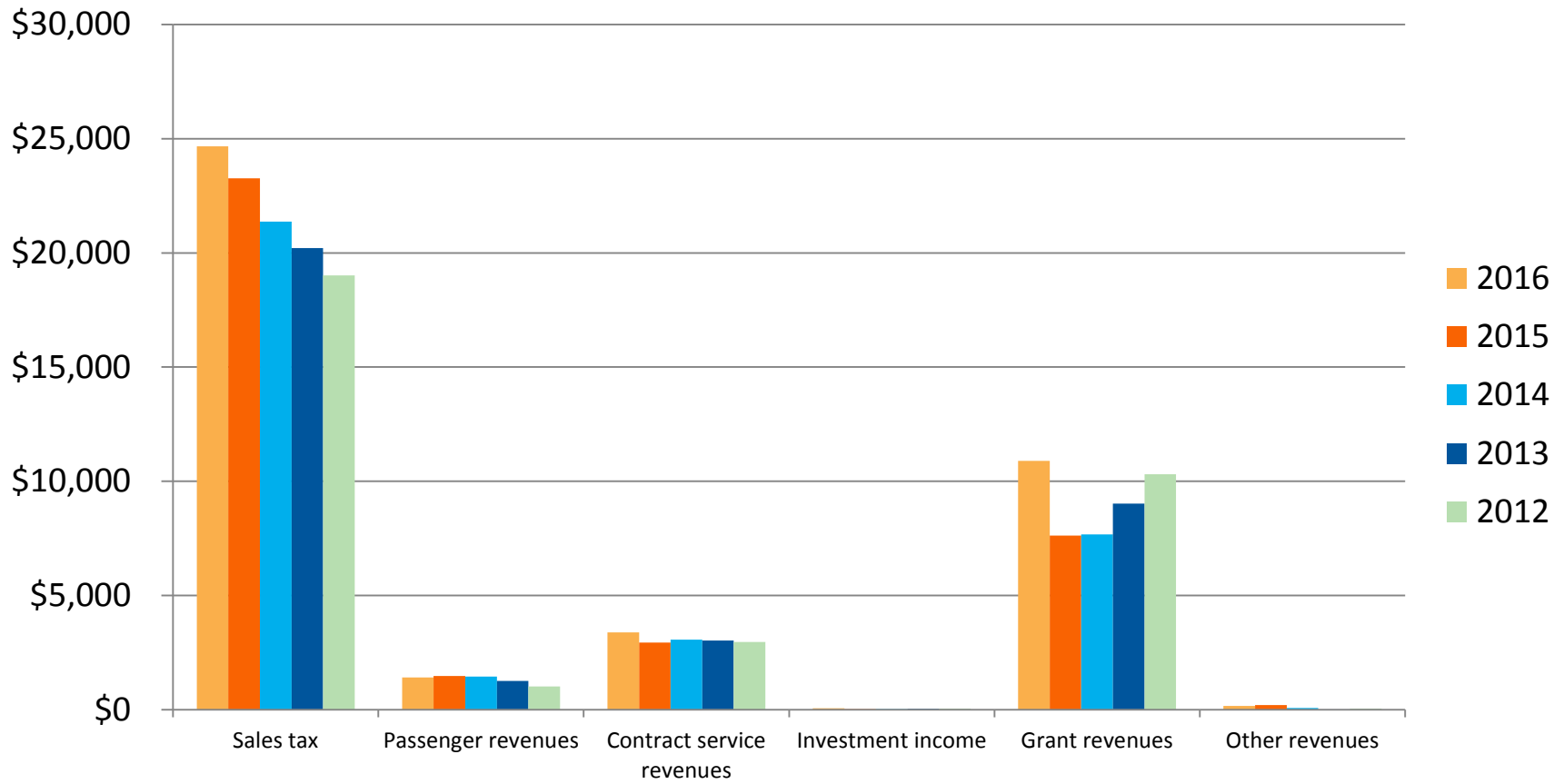
Comparison of Revenues

Fiscal year 2016 revenues totaled \$40.6 million, an increase of \$5.1 million or 14% compared to 2015. Largest change is as follows:

- Sales Tax revenue increased \$1.4 million due to an increase in sales and a growing economy in the area.
- Grant revenues increased \$3.3 million due an increase in FTA funding offset by a decrease in Highway Planning funding.

Financial Highlights

Comparison of Revenues



(5 year comparison in thousands of dollars)

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



Questions?

Contact Us

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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 statement of net position of Denton County Transportation Authority (the Authority) as of and for the year ended September 30, 2016, the related statement of revenues, expenses, and changes in net position and the cash flows for the year then ended, and the related notes to the financial statements.

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.

Denton County Transportation Authority

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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, 2016, 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.

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 Texas County District Retirement System pension schedules (on pages 37-38) 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.

Denton County Transportation Authority

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2017, 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
February __, 2017

BASIC FINANCIAL STATEMENTS

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,471,108	\$ 17,127,538
Restricted cash and cash equivalents	3,100,323	3,650,196
Receivables	6,513,915	6,387,417
Prepaid expenses	394,348	398,745
Inventories	10,389	5,937
Total current assets	<u>26,490,083</u>	<u>27,569,833</u>
Noncurrent assets:		
Land and construction in progress	30,013,393	26,094,561
Other capital assets, net of accumulated depreciation/amortization	<u>304,576,967</u>	<u>308,091,469</u>
Total noncurrent assets	<u>334,590,360</u>	<u>334,186,030</u>
TOTAL ASSETS	<u>361,080,443</u>	<u>361,755,863</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to TCDRS pension	<u>245,475</u>	<u>166,628</u>
Total deferred outflows of resources	245,475	166,628
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	3,682,870	2,976,141
Construction contracts payable	-	1,888,711
Retainage payable	319,171	1,560,124
Unearned revenue	78,885	88,983
Easement obligation- current portion	100,000	100,000
Bonds payable-current portion	<u>1,645,000</u>	<u>1,580,000</u>
Total current liabilities	<u>5,825,926</u>	<u>8,193,959</u>
Noncurrent liabilities:		
Easement obligation	1,200,000	1,300,000
Net pension liability	48,425	124,748
Bonds payable	<u>28,740,000</u>	<u>30,385,000</u>
Total noncurrent liabilities	<u>29,988,425</u>	<u>31,809,748</u>
Total liabilities	<u>35,814,351</u>	<u>40,003,707</u>
DEFERRED INFLOWS OF RESOURCES		
Related to TCDRS pension	<u>83,445</u>	<u>-</u>
Total deferred inflows of resources	83,445	-
NET POSITION		
Net investment in capital assets	305,686,490	301,021,096
Unrestricted	<u>19,741,632</u>	<u>20,897,688</u>
Total net position	<u>\$ 325,428,122</u>	<u>\$ 321,918,784</u>

The Notes to Basic 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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Passenger revenue	\$ 1,406,471	\$ 1,478,840
Contract services	3,383,656	2,935,371
Other	170,742	199,176
Total operating revenues	<u>4,960,869</u>	<u>4,613,387</u>
OPERATING EXPENSES		
Salaries, wages and fringe benefits	9,144,246	8,346,152
Services	2,598,749	2,722,176
Materials and supplies	2,036,382	2,528,741
Purchased transportation services	10,666,292	10,080,919
Utilities	404,896	472,391
Insurance	849,981	780,112
Facility and equipment rents	158,251	124,645
Other - miscellaneous	184,509	186,598
	<u>26,043,306</u>	<u>25,241,734</u>
Depreciation and amortization	9,854,907	9,337,505
Total operating expenses	<u>35,898,213</u>	<u>34,579,239</u>
NET OPERATING LOSS	<u>(30,937,344)</u>	<u>(29,965,852)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales tax revenue	24,658,546	23,261,748
Transit system operating assistance grants	5,130,046	4,985,908
Investment income	59,364	24,772
Interest expense	(1,156,229)	(1,211,899)
Gain (Loss) on disposal of assets	(14,675)	(51,815)
Total non-operating revenue (expenses)	<u>28,677,052</u>	<u>27,008,714</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	<u>(2,260,292)</u>	<u>(2,957,138)</u>
GRANTS FOR CAPITAL IMPROVEMENTS	<u>5,769,630</u>	<u>2,636,956</u>
Change in net position	3,509,338	(320,182)
NET POSITION, beginning of year, as restated	<u>321,918,784</u>	<u>322,238,966</u>
NET POSITION, end of year	<u>\$ 325,428,122</u>	<u>\$ 321,918,784</u>

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

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 5,004,500	\$ 4,689,182
Payments to suppliers	(16,034,338)	(17,576,224)
Payments to employees	(9,374,019)	(8,296,550)
Net cash used by operating activities	<u>(20,403,857)</u>	<u>(21,183,592)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Sales tax received	24,489,979	22,916,596
Operating grant reimbursements	5,309,772	5,412,865
Net cash provided by non-capital financing activities	<u>29,799,751</u>	<u>28,329,461</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions and grants for capital improvements	5,578,244	1,717,261
Principal paid on bonds	(1,580,000)	(1,510,000)
Acquisition and construction of capital assets	(13,531,766)	(4,399,777)
Proceeds from sale of capital improvements	28,190	28,185
Interest paid on bonds	(1,156,229)	(1,211,899)
Net cash used by capital and related financing activities	<u>(10,661,561)</u>	<u>(5,376,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	59,364	24,772
Net cash provided by investing activities	<u>59,364</u>	<u>24,772</u>
Net increase (decrease) in cash and cash equivalents	(1,206,303)	1,794,411
CASH AND CASH EQUIVALENTS, beginning of year	<u>20,777,734</u>	<u>18,983,323</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 19,571,431</u></u>	<u><u>\$ 20,777,734</u></u>

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

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015
(CONTINUED)**

	<u>2016</u>	<u>2015</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (30,937,344)	\$ (29,965,852)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	9,854,907	9,337,505
Change in operating assets and liabilities		
Operating accounts receivable	53,729	66,625
Prepaid expenses	4,397	(59,873)
Fuel inventory	(4,452)	10,918
Deferred outflows of resources related to TCDRS pension	(78,847)	(112,646)
Operating accounts payable	864,777	(631,687)
Accrued payroll and payroll related taxes	(158,048)	42,461
Unearned revenue	(10,098)	9,170
Deferred inflows of resources related to TCDRS pension	83,445	-
Net pension liability	(76,323)	119,787
Net cash used by operating activities	<u><u>\$ (20,403,857)</u></u>	<u><u>\$ (21,183,592)</u></u>
NONCASH CAPITAL AND RELATED FINANCING		
Gain (loss) on sale of non-capital assets	\$ (14,675)	\$ (51,815)
Grants for capital improvements	-	116,183
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET ASSETS		
Cash and cash equivalents	\$ 16,471,108	\$ 17,127,538
Restricted cash	<u>3,100,323</u>	<u>3,650,196</u>
	<u><u>\$ 19,571,431</u></u>	<u><u>\$ 20,777,734</u></u>

The Notes to Basic 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 year ended September 30, 2016, 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 2016 and 2015 are for the fiscal years ended September 30, 2016 and 2015.

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

The Authority purchases and maintains its own fuel inventory, which is valued by volume on a monthly basis using a first-in, first-out inventory costing method.

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	5-12 years
Paratransit	4-5 years
Rail	50 years
Transportation equipment	3-7 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.

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, 2016 and 2015, the Authority has received \$78,885 and \$88,983 in advance payments respectively.

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

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

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 service revenue is recorded in the period earned. The Authority provides contract services for UNT, NCTC, and the City of Frisco.

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 and interest expense.

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

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

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Authority specific information about its Fiduciary Net Position in the Texas County and District Retirement System (TCDRS) and additions to/deductions from the Authority's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Authority's Total Pension Liability is obtained from TCERS through a report prepared for the Authority by TCERS consulting actuary, Milliman, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

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.

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

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.

NOTE 3. SERVICE AGREEMENTS

On October 1, 2014, 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 Assistant 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 contract with Herzog Transit Services for rail operations and maintenance in FY16. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. The contract is accounted for under Purchased Transportation. Additionally, DCTA and DART entered into an interlocal operating agreement for ticket vending machine services and train platform maintenance.

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

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, a sales tax stabilization fund, fuel stabilization, and a capital/infrastructure reserve. These reserves may be allocated by the approval of the Board. At September 30, 2016, the reserves are as follows:

- Operating reserve: \$6,701,309
- Sales tax stabilization: \$692,022
- Fuel stabilization: \$72,582
- Capital/infrastructure: \$3,961,050

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

	September 30, 2016	September 30, 2015
Cash and cash equivalents		
Demand deposits	\$ 37,969	\$ 44,815
Sweep repurchase agreements	2,307,040	237,133
Money market account	14,338,566	12,894,564
TexSTAR	2,887,856	7,601,222
	<u>\$ 19,571,431</u>	<u>\$ 20,777,734</u>
Reconciliation		
Cash and cash equivalents	\$ 16,471,108	\$ 17,127,538
Restricted cash and cash equivalents	3,100,323	3,650,196
	<u>\$ 19,571,431</u>	<u>\$ 20,777,734</u>

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 eighteen 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.

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

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

Investments – Continued

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.

The TexSTAR investment pool is an external investment pool measured at NAV. TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The Authority has no unfunded commitments related to the investment pools. TexSTAR has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

NOTE 5. RECEIVABLES

Receivables at September 30, 2016 and 2015 consisted of the following:

	2016	2015
Operating		
Ticket, token and other receivables	\$ 590,983	\$ 644,712
Sales tax	4,410,690	4,242,123
Grants receivable	1,512,242	1,500,582
Total	<u>\$ 6,513,915</u>	<u>\$ 6,387,417</u>

DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Changes in capital assets for the fiscal years ended September 30, 2016 and 2015 are:

	Balance September 30, 2015	Increases	Decreases	Transfers	Balance September 30, 2016
Capital assets, not being depreciated:					
Land	\$ 16,228,337	\$ -	\$ -	\$ -	\$ 16,228,337
Construction in progress	9,866,224	12,119,482	(388,711)	(7,811,939)	13,785,056
Total capital assets not being depreciated	26,094,561	12,119,482	(388,711)	(7,811,939)	30,013,393
Capital assets, being depreciated/amortized					
Rail system	278,300,390	-	(1,466,744)	5,385,079	282,218,725
Land improvements	6,458,821	-	-	-	6,458,821
Vehicles and operating equipment	8,370,679	38,073	(113,784)	1,702,352	9,997,320
Leasehold improvements	55,506	-	-	-	55,506
Office furniture and equipment	3,211,034	-	-	724,508	3,935,542
Facilities	32,843,448	-	-	-	32,843,448
Easement	16,997,155	-	-	-	16,997,155
Total capital assets being depreciated/amortized	346,237,033	38,073	(1,580,528)	7,811,939	352,506,517
Less accumulated depreciation/amortization for					
Rail system	24,381,744	6,502,126	-	-	30,883,870
Land improvements	1,088,981	288,519	-	-	1,377,500
Vehicles and operating equipment	4,964,966	881,035	(70,921)	-	5,775,080
Leasehold improvements	55,506	-	-	-	55,506
Office furniture and equipment	1,000,296	603,985	-	-	1,604,281
Facilities	2,121,496	729,385	-	-	2,850,881
Easement	4,532,575	849,857	-	-	5,382,432
Total accumulated depreciation	38,145,564	9,854,907	(70,921)	-	47,929,550
Total capital assets, being depreciated, net	308,091,469	(9,816,834)	(1,509,607)	7,811,939	304,576,967
Total capital assets, net	<u>\$ 334,186,030</u>	<u>\$ 2,302,648</u>	<u>\$ (1,898,318)</u>	<u>\$ -</u>	<u>\$ 334,590,360</u>

DENTON COUNTY TRANSPORTATION AUTHORITY NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS— CONTINUED

	Balance September 30, 2014	Increases	Decreases	Transfers	Balance September 30, 2015
Capital assets, not being depreciated:					
Land	\$ 16,228,337	\$ -	\$ -	\$ -	\$ 16,228,337
Construction in progress	10,900,642	3,890,610	-	(4,925,028)	9,866,224
Total capital assets not being depreciated	27,128,979	3,890,610	-	(4,925,028)	26,094,561
Capital assets, being depreciated/amortized					
Rail system	276,138,293	-	-	2,162,097	278,300,390
Land improvements	5,386,734	-	-	1,072,087	6,458,821
Vehicles and operating equipment	8,940,025	-	(977,143)	407,797	8,370,679
Leasehold improvements	55,506	-	-	-	55,506
Office furniture and equipment	1,958,428	-	(30,441)	1,283,047	3,211,034
Facilities	32,843,448	-	-	-	32,843,448
Easement	16,997,155	-	-	-	16,997,155
Total capital assets being depreciated/amortized	342,319,589	-	(1,007,584)	4,925,028	346,237,033
Less accumulated depreciation/amortization for					
Rail system	18,028,395	6,353,349	-	-	24,381,744
Land improvements	944,428	144,553	-	-	1,088,981
Vehicles and operating equipment	4,941,135	920,974	(897,143)	-	4,964,966
Leasehold improvements	55,506	-	-	-	55,506
Office furniture and equipment	713,240	317,496	(30,440)	-	1,000,296
Facilities	1,370,221	751,275	-	-	2,121,496
Easement	3,682,717	849,858	-	-	4,532,575
Total accumulated depreciation	29,735,642	9,337,505	(927,583)	-	38,145,564
Total capital assets, being depreciated, net	312,583,947	(9,337,505)	(80,001)	4,925,028	308,091,469
Total capital assets, net	\$ 339,712,926	\$ (5,446,895)	\$ (80,001)	\$ -	\$ 334,186,030

Primary capital asset expenditures in 2016 and 2015 relate to the Lewisville Hike and Bike Trail, the purchase of additional vehicles, and improvements to the rail line, including implementation of Enhanced Automatic Train Control technology, which will move the agency towards compliance with Positive Train Control. 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, 2016, \$15,650,000 had been paid to the Dallas Area Rapid Transit (DART). The remaining payments of \$1,300,000 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, 2016 and 2015.

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.

DENTON COUNTY TRANSPORTATION AUTHORITY NOTES TO FINANCIAL STATEMENTS

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

As of January 2012, the Authority became a member of Texas County and 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 677 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.

Contributions: The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis. Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs. Monthly contributions by the Authority are based on the covered payroll and the employer contribution rate in effect. For calendar year 2016, the Authority made contributions of 6.05%.

Actuarial Assumptions: The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Real rate of return	5.00%
Inflation	3.00%
Investment Rate of Return	8.10% per year

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

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

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

The actuarial assumptions that determined the total pension liability as of December 31, 2015 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68. Mortality for depositing members is based on the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA; for service retirees, beneficiaries and non-depositing members is based on the RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females; and for disabled members is based on the RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information were provided by TCDRS' investment consultant, Cliffwater LLC, and were based on January 2015 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	14.5%	5.45%
Private Equity	14.0%	8.45%
Global Equities	1.5%	5.75%
International Equities-Developed	10.0%	5.45%
International Equities-Emerging	8.0%	6.45%
Investment-Grade Bonds	3.0%	1.00%
High-Yield Bonds	3.0%	5.10%
Opportunistic Credit	2.0%	5.09%
Direct Lending	5.0%	6.40%
Distressed Debt	3.0%	8.10%
REIT Equities	3.0%	4.00%
Master Limited Partnerships	3.0%	6.80%
Private Real Estate Partnerships	5.0%	6.90%
Hedge Funds	25.0%	5.25%
Total	100.0%	

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

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

Discount Rate: The discount rate used to measure the Total Pension Liability was 8.10%. The projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years; the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. The discount rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	\$ 673,603	\$ 548,855	\$ 124,748
Changes for the year:			
Service cost	159,650	-	159,650
Interest on total pension liability	60,290	-	60,290
Effect of plan changes	(26,820)	-	(26,820)
Effect of economic/demographic gains or losses	(95,366)	-	(95,366)
Effect of assumptions changes or inputs	13,055.00	-	13,055
Refund of contributions	(1,640)	(1,640)	-
Benefit payments	-	-	-
Administrative expenses	-	(472)	472
Member contributions	-	92,022	(92,022)
Net investment income	-	(13,315)	13,315
Employer contributions	-	108,954	(108,954)
Other	-	(57)	57
Balance at 12/31/2015	\$ 782,772	\$ 734,347	\$ 48,425

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 944,208	\$ 782,772	\$ 656,264
Fiduciary net pension	734,347	734,347	734,347
Net pension liability	\$ 209,861	\$ 48,425	\$ (78,083)

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

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions:

For the year ended September 30, 2016, the Authority recognized pension contribution of \$71,725.

At September 30, 2016, the Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 83,445	\$ 65,410
Changes in actuarial assumptions	-	11,423
Difference between projected and actual investment earnings	-	59,688
Contributions subsequent to the measurement date	-	108,954
Total	<u>\$ 83,445</u>	<u>\$ 245,475</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$108,954 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2016 (i.e. recognized in the Authority's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ 16,100
2017	16,100
2018	16,100
2019	13,841
2020	613
Thereafter	(9,678)
Total	<u>\$ 53,076</u>

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

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. The first principal payment was made in September 2015 and annual installments continue through September 2031.

The annual debt service requirements are:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	1,870,000	909,368	2,779,368
2021-2025	10,655,000	3,458,012	14,113,012
2026-2030	11,490,000	1,333,551	12,823,551
2031	1,215,000	38,030	1,253,030
Total requirements	<u>\$ 30,385,000</u>	<u>\$ 8,850,422</u>	<u>\$ 39,235,422</u>

The following is a summary of changes in bonds payable of the Authority for the year ended September 30, 2016:

Balance at October 1, 2015	\$ 31,965,000
Additions	-
Reductions	<u>(1,580,000)</u>
Balance at September 30, 2016	<u>\$ 30,385,000</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%.

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

NOTE 8. BONDS PAYABLE – CONTINUED

No interest was capitalized during the years ended September 30, 2016 and 2015.

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, 2016 and 2015, the Authority was in compliance with this requirement.

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
2017	\$ 100,000
2018	100,000
2019	100,000
2020	100,000
2021-2025	500,000
2026-2029	400,000
Total requirements	<u>\$ 1,300,000</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-IRP) to provide insurance for errors and omission, general liability, workers' compensation, automobile liability, and physical damage coverage. TML-IRP was self-sustaining in 2016 based on premiums charged so that total contributions plus earnings on the contributions will be sufficient to satisfy claims and liabilities.

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

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

Risk Management – Continued

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. Cyber Liability and Data Breach Response Coverage is also provided by TML-IRP for the following:

- Information Security, Privacy Liability, Website Media Content Liability - \$1,000,000 Aggregate limit, \$0 deductible
- Privacy Breach Response Services - \$25,000 per incident and in the Aggregate, \$1,250 deductible per incident
- Regulatory Defense & Penalties/Payment Card Industry Fines and Expenses/Cyber Extortion/First Party Data Protection and Network Business Interruption - \$50,000 Aggregate limit; \$2,500 deductible per claim, \$5,000 Loss of Income Deductible.

The Authority has a government crime policy with TML-IRP insuring against employee theft up to \$1,000,000 per loss. For the year ended September 30, 2016, the Authority has not incurred any losses under this plan.

In addition to the coverages provided by TML-IRP, DCTA also carries Pollution Liability Coverage for its 16,000 gallon Underground Fuel Storage Tank (UST) permitted by the Texas Commission on Environmental Quality (TCEQ) and located at the Rail Operations & Maintenance Facility. The UST provides fleet re-fueling for DCTA's passenger rail vehicles. Great American Alliance Insurance Company is the insurance provider with the following coverages: \$1,000,000 each Pollution Incident, \$2,000,000 Annual Aggregate, \$0 deductible.

DCTA's Excess Railroad Liability Insurance is provided through a multi-layer program with Steadfast Insurance Company, a member of Zurich Insurance Group, as the primary carrier with a policy limit of \$125,000,000 and \$2,000,000 deductible. Prior to securing its own rail liability insurance coverage, this coverage was provided via shared policy with DART and the Fort Worth "T" which carried DCTA as an additional insured with DCTA sharing in the cost of the annual premium.

Litigation

The Authority has no pending lawsuits as of September 30, 2016.

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

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

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, 2016, the Authority has the following outstanding commitments:

Rail purchased transportation services	\$ 120,147,940
Positive train control system implementation	9,561,405
35 foot transit buses	3,146,400
Management agreement for bus transit operations	1,357,233
Consulting services	364,242
Landscaping and maintenance	194,689
Rail FEMA projects	183,483
Engineering and design	94,418
Discount pass program	20,000
Shared services agreement	6,165
	<u>\$ 135,075,975</u>

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 2017. The total lease expense was \$258,251 for 2016 and \$224,645 for 2015. The lease payments by year are as follows:

	<u>2017</u>
Lease commitments	
Administration offices	<u>\$ 108,780</u>
Total lease commitments	<u>\$ 108,780</u>

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

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

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. 72, Fair Value Measurement, and was effective for periods beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting related to fair value measurements. This Statement applies to all state and governmental entities. The implementation of this statement did not impact the Authority's financial statements.

The GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68, which will be effective for periods beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement applies to all state and governmental entities. 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. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, which will be effective for periods beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local OPEB plans for making decisions and assessing accountability. This Statement applies to all state and governmental entities. 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. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). This Statement applies to all state and governmental entities. 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. 77, Tax Abatement Disclosures, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to require governments that enter into tax abatement agreements to provide certain disclosures regarding the commitments. This Statement applies to all state and governmental entities. The Authority will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

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

NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS - CONTINUED

The GASB issued Statement No. 78, Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement applies to all state and governmental entities. 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. 79, Certain External Investment Pools and Pool Participants, which will be effective for periods beginning after December 15, 2015. The objective of this Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement applies to all state and governmental entities. The Authority will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

NOTE 12. SUBSEQUENT EVENTS

The Authority has evaluated all events and transactions that occurred after September 30, 2016 through February __, 2017, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

**DENTON COUNTY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED
RATIOS
(UNAUDITED)**

	2014	2015
Total Pension Liability		
Service cost	\$ 130,849	\$ 159,650
Interest (on the total pension liability)	37,882	60,290
Effect of plan changes	40,628	(26,820)
Effect of assumption changes or inputs	-	13,055
Effect of economic/demographic (gains) or losses	87,214	(95,366)
Benefit payments/refunds of contributions	(12,905)	(1,640)
Net Change in Total Pension Liability	283,668	109,169
Total Pension Liability - Beginning	389,935	673,603
Total Pension Liability - Ending (a)	<u>\$ 673,603</u>	<u>\$ 782,772</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 72,565	\$ 108,954
Contributions - Employee	78,874	92,022
Investment income net of investment expenses	25,740	(13,315)
Benefit payments/refunds of contributions	(12,905)	(1,640)
Administrative expense	(366)	(472)
Other	(27)	(57)
Net Change in Plan Fiduciary Net Position	163,881	185,492
Plan Fiduciary Net Position - Beginning	384,974	548,855
Plan Fiduciary Net Position - Ending (b)	<u>\$ 548,855</u>	<u>\$ 734,347</u>
Net Pension Liability - Ending (a) - (b)	\$ 124,748	\$ 48,425
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.48%	93.81%
Covered Employee Payroll	\$ 1,577,470	\$ 1,840,437
Net Pension Liability as a Percentage of Covered Employee Payroll	7.91%	2.63%

Notes to Schedule:

As of December 31 - Measurement date

Benefit changes. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions. There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**DENTON COUNTY TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS COUNTY DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)**

	Year Ended December 31			
	2012	2013	2014	2015
Actuarially determined contribution	\$ 70,124	\$ 73,246	\$ 72,565	\$ 108,954
Contributions in relation to the actuarially determined contribution	70,124	153,247	72,565	108,954
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (80,001)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,328,117	\$ 1,387,238	\$ 1,577,470	\$ 1,577,470
Contributions as a percentage of covered-employee payroll	5.28%	11.05%	4.60%	6.91%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial Cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Investment rate of return 8.10%

Retirement age Experience-based table of rates that are specific to the City's plan of benefits.

Mortality

Based on the RP-2000 Active Employee Mortality Table for depositing members; RP-2000 Combined Mortality Table for the service retirees, beneficiaries and non-depositing members; and RP-2000 Disabled Mortality Table for disabled retirees.

Only three years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

SUPPLEMENTARY INFORMATION

DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES – BUDGET TO ACTUAL
YEAR ENDED SEPTEMBER 30, 2016 WITH COMPARATIVE ACTUAL FOR 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)	2015 Actual
OPERATING REVENUES					
Passenger revenue	\$ 1,542,909	\$ 1,542,909	\$ 1,406,471	\$ (136,438)	\$ 1,478,840
Contract services	3,263,687	3,534,517	3,383,656	(150,861)	2,935,371
Other	1,500	1,500	170,742	169,242	199,176
	<u>4,808,096</u>	<u>5,078,926</u>	<u>4,960,869</u>	<u>(118,057)</u>	<u>4,613,387</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	9,394,250	9,418,015	9,144,246	273,769	8,346,152
Services	2,436,784	2,624,383	2,598,749	25,634	2,722,176
Materials and supplies	3,783,284	2,413,022	2,036,382	376,640	2,528,741
Purchased transportation services	11,633,624	10,633,624	10,666,292	(32,668)	10,080,919
Utilities	511,361	511,361	404,896	106,465	472,391
Insurance	800,215	800,215	849,981	(49,766)	780,112
Facility and equipment rents	216,183	144,183	158,251	(14,068)	124,645
Other - miscellaneous	281,345	260,430	184,509	75,921	186,598
Depreciation and amortization	9,981,205	10,017,196	9,854,907	162,289	9,337,505
Total operating expenses	<u>39,038,251</u>	<u>36,822,429</u>	<u>35,898,213</u>	<u>924,216</u>	<u>34,579,239</u>
Operating loss	<u>(34,230,155)</u>	<u>(31,743,503)</u>	<u>(30,937,344)</u>	<u>806,159</u>	<u>(29,965,852)</u>
NON-OPERATING REVENUES (EXPENSES)					
Sales tax revenue	23,067,403	23,067,403	24,658,546	1,591,143	23,261,748
Transit system operating assistance grants	4,643,442	6,502,465	5,130,046	(1,372,419)	4,985,908
Investment income	20,000	20,000	59,364	39,364	24,772
Interest expense	(1,156,422)	(1,156,422)	(1,156,229)	193	(1,211,899)
Gain (loss) on disposal of assets	-	-	(14,675)	(14,675)	(51,815)
Total non-operating revenue (expenses)	<u>26,574,423</u>	<u>28,433,446</u>	<u>28,677,052</u>	<u>243,606</u>	<u>27,008,714</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	<u>(7,655,732)</u>	<u>(3,310,057)</u>	<u>(2,260,292)</u>	<u>1,049,765</u>	<u>(2,957,138)</u>
GRANTS FOR CAPITAL IMPROVEMENTS	<u>6,109,914</u>	<u>6,350,215</u>	<u>5,769,630</u>	<u>(580,585)</u>	<u>2,636,956</u>
Change in net position	<u>\$ (1,545,818)</u>	<u>\$ 3,040,158</u>	<u>\$ 3,509,338</u>	<u>\$ 469,180</u>	<u>\$ (320,182)</u>

DENTON COUNTY TRANSPORTATION AUTHORITY

SINGLE AUDIT REPORT

SEPTEMBER 30, 2016

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

To the Board of Directors
Denton County Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position of Denton County Transportation Authority (the Authority) as of and for the year ended September 30, 2016, the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February __, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Denton County Transportation Authority

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

Purpose of this Report

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

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February __, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
UNIFORM GUIDANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS**

To the Board of Directors
Denton County Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited Denton County Transportation Authority's (the Authority) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Denton County Transportation Authority

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Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of Denton County Transportation Authority as of and for the year ended September 30, 2016, and have issued our report thereon dated February __, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

Denton County Transportation Authority

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The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February __, 2017

**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

I. Summary of the Auditor's Results:

Financial Statements

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

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No
- g. Identification of major programs:
- | | |
|-------------------------|----------------|
| Federal Transit Cluster | 20.507, 20.526 |
|-------------------------|----------------|
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$750,000
- i. Auditee qualified as a low-risk auditee. ☒ Yes ☐ No

**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

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

None

III. Findings and Questioned Costs for Federal Awards:

None

**DENTON COUNTY TRANSPORTATION AUTHORITY
SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2016**

None

**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass-Through Grantor	Grantor ID Number	Catalog of Federal Domestic Assistance ID Number	Federal Expenditures
U. S. Department of Transportation			
<u>Direct Funding U. S. Department of Transportation</u>			
Federal Transit Cluster:			
Federal Transit Formula Grant	TX-90-X884-02	20.507	\$ 315,229
Federal Transit Formula Grant	TX-90-X941-00	20.507	1,177,563
Federal Transit Formula Grant	TX-90-X972-01	20.507	8,731
Federal Transit Formula Grant	TX-90-Y044-00	20.507	205,122
Federal Transit Formula Grant	TX-95-X079-00	20.507	3,011,743
Federal Transit Formula Grant	TX-90-Y127-00	20.507	2,799,320
Federal Transit Formula Grant	TX-2016-058-00	20.507	1,848,824
Federal Transit Formula Grant	TX-04-0090-00	20.507	75,425
Bus and Bus Facilities Formula Grant	TX-34-0015-00	20.526	713,441
Total Federal Transit Cluster			<u>10,155,398</u>
Transit Services Programs Cluster:			
Job Access-Reverse Commute (JARC)	TX-37-X110-00	20.516	7,338
New Freedom Program	TX-57-X051-00	20.521	63,189
Total Transit Services Programs Cluster			<u>70,527</u>
Total Direct Funding U. S. Department of Transportation			<u>10,225,925</u>
<u>Passed Through the North Central Texas Council of Governments</u>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction Grant	0918-46-258	20.205	16,862
Highway Planning and Construction Grant	0918-46-259	20.205	221,969
Total Highway Planning and Construction Cluster			<u>238,831</u>
Enhanced Mobility for Seniors and Individuals with Disabilities		20.513	<u>19,677</u>
New Freedom Program		20.521	<u>73,596</u>
Federal Transit Formula Grant	TX-96-X020	20.507	<u>38,073</u>
Total Passed Through the North Central Texas Council of Governments			<u>370,177</u>
Total U.S. Department of Transportation			<u>10,596,102</u>
U. S. Department of Homeland Security			
<u>Passed Through the North Central Texas Council of Governments</u>			
Disaster Grants-Public Assistance		97.036	<u>303,574</u>
Total U.S. Department of Homeland Security			<u>303,574</u>
Total Federal Expenditures			<u>\$ 10,899,676</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Denton County Transportation Authority (the Authority) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Specifically, when the Authority is awarded funds which include certain “pre-award” costs reimbursing the Authority for amounts expended prior to the approval of the award, the schedule of expenditures of federal awards will include expenses that were recorded on the statement of revenue, expenses and changes in net assets in a previous year.

NOTE 2. SUBRECIPIENTS

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

NOTE 3. NON-CASH ASSISTANCE

The Authority received non-cash assistance from North Central Texas Council of Governments in the form of buses during the fiscal year ended September 30, 2016. The expenditures are listed in the Schedule of Expenditures of Federal Awards under the Disaster Grants-Public Assistance Grant for \$303,574.

NOTE 4. LOANS

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

FY 17-18 Finance Committee Calendar

April '17						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	PS/E	19	20	21	22
23	24	25	26	B	28	29
30						

April 25: FY17 Q2 Budget Reviews (Staff)

May '17						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	FC	9	10	11	12	13
14	15	E	17	18	19	20
21	22	23	24	B	26	27
28	29	30	31			

May 8: Finance Committee (2-4 pm)
FY17 Revised BudgetMay 25: BOD FY17 Revised Budget Adoption
May 29: FY18 Department Goals Due

June '17						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	PS/E	14	15	16	17
18	19	20	21	B	23	24
25	26	27	28	29	30	

June 5: FY18 Budget Projections Due (Staff)

Revenues, Operating & Capital
June 8-9: FY18 Budget Reviews (Staff)

July '17						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	FC	11	12	13	14
15	16	17	E	19	20	21
22	23	24	25	B	28	29
30	31					

July 10: Finance Committee (2:00pm-2pm)
FY18 Budget Workshop

August '17						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	FC	8	9	10	11	12
13	14	PS/E	16	17	18	19
20	21	22	23	B	25	26
27	28	29	30	31		

August 7: Finance Committee (2-4 pm) *If needed
August 24: BOD FY18 Budget Presentation
& Public Hearing

September '17						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	FC	12	13	14	15	16
17	18	E	20	21	22	23
24	25	26	27	B	29	30

Sept 11: Finance Committee (2-4pm) *optional
Sept 28: BOD FY18 Budget Adoption

October '17						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	FC	10	11	12	13	14
15	16	PS/E	18	19	20	21
22	23	24	25	B	27	28
29	30	31				

October 9: Quarterly Finance Committee (2-4pm)

November '17						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December '17						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	PS/E	6	7	8	9
10	11	12	13	B	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January '18						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	FC	16	17	18	19	20
21	22	23	24	B	26	27
28	29	30	31			

January 15: Quarterly Finance Committee (2-4pm)

FC Finance Committee

PS Program Services

Budget Reviews (Staff)

Department Goals Due

B Board of Director Meetings

E Executive Committee

Budget Projections Due (Staff)

FY 17-18 Finance Committee Calendar

April '17						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	PS/E	19	20	21	22
23	24	25	26	B	28	29
30						

April 25: FY17 Q2 Budget Reviews (Staff)

May '17						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	FC	9	10	11	12	13
14	15	E	17	18	19	20
21	22	23	24	B	26	27
28	29	30	31			

May 8: Finance Committee (2-4 pm)
FY17 Revised BudgetMay 25: BOD FY17 Revised Budget Adoption
May 29: FY18 Department Goals Due

June '17						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	PS/E	14	15	16	17
18	19	20	21	B	23	24
25	26	27	28	29	30	

June 5: FY18 Budget Projections Due (Staff)

Revenues, Operating & Capital

June 8-9: FY18 Budget Reviews (Staff)

July '17						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	FC	11	12	13	14	15
16	17	E	19	20	21	22
23	24	25	26	B	28	29
30	31					

July 10: Finance Committee (12pm-4pm)

FY18 Budget Workshop

August '17						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	FC	8	9	10	11	12
13	14	PS/E	16	17	18	19
20	21	22	23	B	25	26
27	28	29	30	31		

August 7: Finance Committee (2-4 pm) *If needed

August 24: BOD FY18 Budget Presentation
& Public Hearing

September '17						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	FC	12	13	14	15	16
17	18	E	20	21	22	23
24	25	26	27	B	29	30

Sept 11: Finance Committee (2-4pm) *optional

Sept 28: BOD FY18 Budget Adoption

October '17						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	FC	PS/E	18	19	20	21
22	23	24	25	B	27	28
29	30	31				

October 16: Quarterly Finance Committee (2-4pm)

November '17						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	E	8	9	10	11
12	13	14	15	B	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December '17						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	PS/E	6	7	8	9
10	11	12	13	B	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January '18						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	FC	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	B	26	27
28	29	30	31			

January 8: Quarterly Finance Committee (2-4pm)

FC Finance Committee

PS Program Services

Budget Reviews (Staff)

Department Goals Due

B Board of Director Meetings

E Executive Committee

Budget Projections Due (Staff)