



Board of Directors Regular Board Meeting

March 7, 2022 | 10:00 a.m.

NOTICE IS HEREBY GIVEN that the members of the Denton County Transportation Authority (DCTA) Board of Directors will hold a Regular Meeting on March 7, 2022 at 10:00 a.m. at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 and by Zoom Video Conference at which time the following agenda will be discussed.

Effective September 1, 2021, the public is allowed to use the ZOOM link below to participate in a Board Meeting; however, audio-only is no longer allowed, therefore, full-video will be required when speaking to the Board. To join the meeting, please use the information below:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/88556947676?pwd=QUNhdFFsWTh0S2Vlb3ZFbHh4VTRxUT09>

Passcode: 571704

Or One tap mobile :

US: +13462487799

Or Telephone:

Dial: US: +1 346 248 7799

Webinar ID: 885 5694 7676

Passcode: 571704

As authorized by Section 551-071 of the Texas Government Code, the Board of Directors may convene into Closed Executive Session for the purpose of seeking legal advice from Legal Counsel on any item on the agenda at any time during the meeting.

CALL TO ORDER

INVOCATION

INTRODUCTIONS

PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the DCTA Board of Directors on any agenda item(s) or other matters relating to DCTA. Each speaker will be given a total of three (3) minutes to address any item(s). Anyone wishing to speak shall be courteous and cordial.

Any person who wishes to address the DCTA Board of Directors regarding any item(s) may do so by either completing a Request to Speak Card located in the DCTA Board Room prior to the meeting or if participating virtually, by utilizing the "raise hand" function ensuring when called upon your camera is turned on and your name is displayed.



Citizens that are not able to participate in-person or connect virtually to the Zoom meeting must email his or her public comment to kmorris-perkins@dcta.net no later than **3:00 pm on Friday, March 4, 2022**, to ensure the comment will be read.

The Board of Directors is not permitted to take action on any subject raised by a speaker during Public Comments. However, the DCTA Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

CONSENT AGENDA

1. **Consider Approval of Regular Meeting Minutes dated December 2, 2021 and January 27, 2022**
([packet pages 7-28](#))

Action Item

Backup Information Exhibit 1: December 2, 2021 Minutes
 Exhibit 2: January 27, 2022 Minutes

2. **Consider Approval of Monthly Financial Statements for January 2022**
([packet pages 29-36](#))

Action Item

Backup Information: Memo
 Exhibit 1.1: Monthly Financial Statements – January 2022
 Exhibit 1.2: Capital Projects Budget Report – January 2022

REGULAR AGENDA

1. **Presentation of Audit Report for Fiscal Year End September 30, 2021 by Plante Moran and Consider Approval of the FY2021 Financial Statements and Supplemental Information**
([packet pages 37-121](#))

Action Item

Presenters: Amber Karkauskas, Controller/AVP of Finance
 Keith Szymanski, Senior Manager – Plante Moran

Backup Information: Memo
 Exhibit 1: FY2021 Annual Comprehensive Financial Report (ACFR)
 Exhibit 2: FY2021 Single Audit Report
 Exhibit 3: Plante Moran's Report to the Board of Directors

2. **Mobility Services Update**
([packet pages 122-123](#))

Discussion Item

Presenter: Javier Trilla, AVP of Innovation & Information Technology

Backup Information: Memo

3. Discuss and Consider Authorizing the CEO to Negotiate and Enter into an Agreement with River North Transit LLC (Via) for Comprehensive Operations Analysis Services

[\(packet pages 124-134\)](#)

Action Item

Presenter: Javier Trilla, AVP of Innovation & Information Technology

Backup Information: Memo

Exhibit 1: DCTA Via Consulting Agreement

4. Consider Approval of Resolution R22-02 Approving Budget Revision 2022-07

[\(packet pages 135-145\)](#)

Action Item

Presenter: Amanda Riddle, Senior Manager of Budget

Backup Information: Memo

Exhibit 1: Resolution R22-02 with the following Exhibits:

“A”: Budget Revision 2022-07

“B”: Change in Net Position (DCTA Only)

“B-1”: Change in Net Position (DCTA & NTMC Combined)

Exhibit 2: Year-to-Date FY22 Budget Revisions

5. Review and Discuss Project Management Office (PMO) Activities with Accenture, LLP

[\(packet pages 146-148\)](#)

Discussion Item

Presenter: Chris Newport, Accenture, LLP

Backup Information: Memo

Exhibit 1: Accenture PMO Status Report

6. Consider Approval of Amendment to Task Order with River North Transit LLC (Via) Regarding GoZone Customer Support Services

[\(packet pages 149-151\)](#)

Action Item

Presenter: Javier Trilla, AVP of Innovation & Information Technology

Backup Information: Memo

Exhibit 1: DCTA Amendment #4 - Full Time Customer Support (Mar 2022 - Sept 2022)

7. Presentation and Discussion of Approach to Enhance Value of the A-train

[\(packet page 152\)](#)

Discussion Item

Presenter: Paul Cristina, Deputy CEO

Backup Information: Memo

8. Provide Update on Burns Property Lease

[\(packet page 153\)](#)

Discussion Item

Presenter: Paul Cristina, Deputy CEO

Backup Information: Memo

9. Staff Briefing on Recent Inclement Weather Response and Recovery
(packet pages 154-155)

Discussion Item

Presenter: Brittney Farr, Director of Government Relations

Backup Information: Memo

10. Discuss Local and Regional Transportation Updates and Legislative Issues
(packet pages N/A)

Discussion Item

Presenters: Cesar Molina, Chair
Dianne Costa, Board Secretary
Raymond Suarez, CEO

11. Consider a Second Amended and Restated Employment Agreement Between Denton County Transportation Authority (DCTA) and the Chief Executive Officer (CEO)
(packet page 156)

Action Item

Backup Information: Memo

INFORMATIONAL REPORTS

1. Monthly Financial Reports
(packet pages 157-165)

Backup Information: Memo 1: Monthly Sales Tax Receipts
Exhibit 1: FY22 Monthly Sales Tax Report
Memo 2: Monthly Mobility-as-a-Service Update
Memo 3: Budget Information
Exhibit 3: Proposed FY23 Budget Calendar

2. Monthly Ridership Reports
(packet pages 166-173)

Backup Information: Memo
Exhibit 1: Ridership by Mode – January 2022
Exhibit 2: A-train Year-Over-Year Ridership Comparison
Exhibit 3: Connect and GoZone Ridership by Month and Year
Exhibit 4: Fixed-Route Ridership – January 2022
Exhibit 5: Connect Ridership Year-Over-Year by Month
Exhibit 6: UNT Ridership Year-Over-Year by Month

3. Request for Proposals (RFP) 22-02 State Legislative Consultant
(packet page 174)

Backup Information: Memo

4. Community Advisory Committee Recap Report

([packet pages 175-184](#))

Backup Information: Memo

Exhibit 1: Community Advisory Committee Recap Report

5. Request for Proposals (RFP) 22-03 Unarmed Uniformed Security Guard Services at Bus Operations Facility and Downtown Denton Transit Center (DDTC)

([packet page 185](#))

Backup Information: Memo

6. Memorandum of Understanding (MOU) with Dallas Area Rapid Transit (DART) and Trinity Metro for Rail Liability Insurance Administration

([packet page 186](#))

Backup Information: Memo

7. Extension of 17-03 On-Demand Rideshare Services and 17-27 On-Call Taxi and Non-emergency Transportation Services Contracts

([packet pages 187-188](#))

Back up Information: Memo

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

Next Board Meeting Date: [March 24, 2022](#)

REPORT ON ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the evaluation, duties, and employment of the Chief Executive Officer.

RECONVENE OPEN SESSION

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

ADJOURN



Board Members:

Cesar Molina, Denton County Seat 1, *Chair*
TJ Gilmore, Lewisville, *Vice-Chair*
Dianne Costa, Highland Village, *Secretary*
Alison Maguire, Denton
Andy Eads, Denton County Seat 2

Alternates

Jody Gonzalez, Denton County Seat 1
Kristin Green, Lewisville
Pat Smith, Denton
Paul Stevens, Highland Village
Vacant, Denton County Seat 2

Non-Voting Board Members:

Dennie Franklin, Frisco
Mark Miller, Flower Mound
Joe Perez, The Colony
Connie White, Small Cities
Tom Winterburn, Corinth
Vacant, Little Elm

Staff Liaison:

Raymond Suarez, CEO

This notice was posted on March 1, 2022 by 5pm.

Kisha Morris-Perkins
Executive Assistant | Board Process Manager



Board of Directors Regular Meeting Minutes

December 2, 2021 | 10:00 a.m.

The Board of Directors of the Denton County Transportation Authority (DCTA) convened the Regular Meeting of the Board of Directors with Chair Cesar Molina presiding on December 2, 2021 at 10:00am located at the DCTA Administrative Offices.

Voting Members

Chair Cesar Molina, Denton County
Vice-Chair TJ Gilmore, City of Lewisville
Secretary Sam Burke, Denton County
Board Member Dianne Costa, City of Highland Village
Board Member Alison Maguire, City of Denton

Alternates

Board Member Jody Gonzalez, Denton County
Board Member Kristin Green, City of Lewisville
Board Member Pat Smith, City of Denton
Board Member Paul Stevens, City of Highland Village

Non-Voting Members

Board Member Tom Winterburn, City of Corinth
Board Member Dennie Franklin, City of Frisco
Board Member Connie White, Small Cities
Board Member Mark Miller, City of Flower Mound
Board Member Joe Perez, City of The Colony

Legal Counsel

Joe Gorfida, NJDHS

DCTA CEO

Raymond Suarez

CALL TO ORDER

Chair Molina called the meeting to order at 10:02am. All voting Board Members were present in-person. The following alternates were in-person: Jody Gonzalez, Pat Smith and Paul Stevens. The following alternate and non-voting board members participated virtually: Kristin Green, Dennie Franklin, Mark Miller, Joe Perez, Connie White and Tom Winterburn.

Note: The Board recessed and reconvened at the following times:

- Recessed at 10:20am due to technical issues and reconvened at 10:27am.
- Recessed at 11:24am due to technical issues and reconvened at 11:43am.
- Recessed at 2:18pm (lunch) and reconvened at 2:44pm.



- Convened into Executive Session at 2:45pm to consult with Legal Counsel on Agenda Item 3. The Board reconvened into Open Session at 3:07pm with no action taken.

INVOCATION

Alternate Board Member Pat Smith provided the invocation.

INTRODUCTIONS

Chair Molina and Board Member Costa thanked Charlotte Wilcox for her service as an Alternate Board Member representing the City of Highland Village and welcomed Paul Stevens as the newly appointed Alternate Board Member for the City of Highland Village. CEO Raymond Suarez also introduced Paul Cristina and DCTA's Deputy CEO.

PUBLIC COMMENT

The following individuals addressed the Board during this time:

Joshua Hatton – Verbal Comments (virtual)
Eva Grecco – Verbal Comments (virtual)
Eric Pruett – Written Comments (email)

CONSENT AGENDA

1. Consider Approval of Monthly Financial Statements for October 2021

[\(packet pages 7-13\)](#)

Action Item

Backup Information Memo

Exhibit 1(a): Monthly Financial Statements – October 2021

Exhibit 1(b): Capital Projects Budget Report – October 2021

2. Consider Approval of October 28, 2021 Regular Meeting Minutes

[\(packet pages 14-22\)](#)

Action Item

Backup Information: Exhibit 1: October 28, 2021 Regular Meeting Minutes

Motion by Vice-Chair Gilmore with a second by Board Member Maguire to approve as presented.

Motion passes 5-0.

REGULAR AGENDA

1. Consider Approval of Resolution R21-09 approving Budget Revision 2022-02 for Sales Tax associated with the Castle Hills annexation into the City of Lewisville

[\(packet pages 23-31\)](#)

Action Item

Presenters: Marisa Perry, Chief Financial Officer/Vice President of Finance

Backup Information: Memo

Exhibit 1: Resolution R21-09 with the following exhibits:



"A": Budget Revision 2022-02
"B": Change in Net Position
Exhibit 2: Year to Date FY22 Budget Revisions

Marisa Perry, CFO/VP of Finance presented the staff report highlighting the following:

- Projected increase of \$575,093 with annexation of Castle Hills into City of Lewisville
- GoZone extension approved in September 2021 into Castle Hills Service Area (\$150,094 Cost, \$1565 Passenger Revenues)
- Projections were provided to the City of Lewisville

Board discussion regarding Castle Hills projections from the State Comptroller's Office.

***Motion by Board Member Costa with a second by Board Member Maguire to approve as presented.
Motion passes 5-0.***

2. GoZone Update
(packet pages 32-33)

Discussion Item

Presenters: Javier Trilla, AVP of Innovation & Information Technology
Chris Newport, Accenture

Backup Information: Memo

Javier Trilla, AVP of Innovation and Information Technology, presented the staff report highlighting the following:

- Noteworthy Statistics (October – 30,922 rides and November – 27,369 passenger rides as of November 22, 2021)
- Operational Challenges (High demand with supply challenges = higher wait times)
- GoZone Consolidated Dashboard

Board discussion regarding comparisons to 2019 ridership, breakout of multiple rider requests (3 or more people), COVID-19 related ridership, clarification of "unaccepted proposals" definition, the Board receiving a better visual of the "heat map", additional Via fleet vehicles and how many are wheelchair accessible and the ability to request a wheelchair accessible van through the Via app.

No Board action required at this time.

3. Consider Service Modifications Effective December 5, 2021 and Proposed Recommendations
(packet pages 34-89)

Action Item

Presenters: Chris Newport, Accenture
Raymond Suarez, CEO
Ari Luks, Via
Alex Lavoie, Via
Laney Cloud, Via

Backup Information: Memo

Exhibit 1: Multimodal System Assessment

CEO Raymond Suarez introduced this item and provided information as relates to consideration of the proposed service modifications and subsequently considering approval of a Budget Revision Resolution in Regular Agenda Item 4. With that being said, Mr. Suarez turned the presentation over to Chris Newport from Accenture and Ari Luks, Alex Lavoie and Laney Cloud; representatives from Via.

Chris Newport, Ari Luks and Alex Lavoie presented highlighting the following information:

- Service Assessment – Recap (Consolidate, Analyze and Recommend)
- Service Assessment – Current State Summary
- Monthly Service Assessment – Framework
- GoZone Weekly Ridership Trend
- September and October Ridership: GoZone by Daily Peak Period
- September and October Ridership: GoZone and Connect
- September vs October – Denton/Lewisville Connect Ridership
- September and October – Connect Total Monthly Ridership by Daily Peak Period
- Boardings per Revenue Hour by Daily Peak Period
- Connect Route Indicator Assessment Summary
- Proposed Connect Alternative Service Considerations
- GoZone Utilization and Connect Coverage Overlap – Weekdays – Denton
- GoZone Utilization and Connect Coverage Overlap – Weekdays – Lewisville/Highland Village
- Distribution of GoZone rides by Distance (last 2 months)
- Key Takeaways (Ridership, Efficiency, Service Enhancement through Collaboration)
- Designing DCTA Integrated Multi-Modal Service (Re-design fixed route network, configure GoZone app to highlight hubs and increase fixed route awareness, adjust GoZone pricing for efficiency and to driver rider behavior, and deploy Intermodal Technology to optimize modes
- Proposed Fixed Route Network Changes – Denton
- Proposed Fixed Route Network Changes – Lewisville
- Proposed Connect Route Schedules
- Proposed Denton Connect and existing University Service
- Proposed Lewisville Connect Service Profile
- GoZone Map – Highlight Fixed Route Hubs
- Pricing – Potential Goals and Impact
- Potential Pricing Structures and How They Might Work (Hub discounts, Distance Based, Combination of Hubs/Discounts)
- Intermodal Trip Planning
- Designing DCTA Integrated Multi-Modal Service to be brought back for Board consideration in June 2022, as part of a Comprehensive Service Analysis

Recommendation Summary

1. Discuss and Approve Revised Connect Routes
2. Discuss and Approve Revised Connect Schedules
3. Discuss and Approve Not-To-Exceed Budget Amendment Options (Agenda Item R04)

Budget Revision Description	R04 Option 1: December 2021 – March 2022 (Current Service Levels)	R04 Option 2: December 2021 – September 2022 (Revised Service Levels)
Net Position Impact, Lewisville Connect	(\$403,430)	(\$727,841)
Net Position Impact, Denton Connect	(\$345,224)	(\$1,019,290)
Net Position Impact, Total	(\$748,654)	(\$1,747,131)

- September and October Boardings by Timepoint: DC1
- September and October Boardings by Timepoint: DC2
- September and October Boardings by Timepoint: DC3
- September and October Boardings by Timepoint: DC4
- September and October Boardings by Timepoint: DC6
- September and October Boardings by Timepoint: DC7
- September and October Boardings by Timepoint: LC 21
- September and October Boardings by Timepoint: LC22
- GoZone Intensity of Pick-ups and Drop-offs – Saturdays - Denton
- GoZone Intensity of Pick-ups and Drop-offs – Saturdays – Lewisville/Highland Village
- Equity Considerations with Connect and GoZone – Denton
- Equity Considerations with Connect and GoZone – Lewisville/Highland Village
- Fixed Route Changes: DC1 (Discontinued)
- Fixed Route Changes: DC2
- Fixed Route Changes: DC3
- Fixed Route Changes: DC4
- Fixed Route Changes: DC5 (new)
- Fixed Route Changes: DC6
- Fixed Route Changes: DC7
- Fixed Route Changes: LC21
- Fixed Route Changes: LC22

Motion by Secretary Burke with a second by Board Member Costa to adopt Option #2 for Denton Connect only from December 24, 2021 through September 2022 (end of Fiscal Year 2022). After further discussion of the motion, the motion was amended to include the base rate in Lewisville/Highland Village will be the same as the base rate in Denton and that the Lewisville/Highland Village users will not be charged any additional distance charges whether or not these are implemented in Denton. Motion passes 5-0.

Motion by Vice-Chair Gilmore with a second by Board Member Costa to extend routes LC 21 and LC22 through December 24, 2021 for ridership notification purposes. Motion passes 5-0.

Motion by Board Member Maguire with a second by Vice-Chair Gilmore to extend DC Route 1 through December 24, 2021. Motion passes 5-0.



4. Consider Approval of Resolution R21-10 approving Budget Revision 2022-03 for Fixed Route Service Extension

(packet pages 90-105)

Action Item

Presenter: Marisa Perry, Chief Financial Officer/Vice President of Finance

Backup Information: Memo

Exhibit 1: Resolution R21-10 with the following exhibits:

“A”: Option 1 – Budget Revision 2022-03A

“B”: Option 1 – Change in Net Position (DCTA Only)

“B-1”: Option 1 – Change in Net Position (DCTA & NTMC Combined)

“C”: Option 2 – Budget Revision 2022-03B

“D”: Option 2 – Change in Net Position (DCTA Only)

“D-1”: Option 2 – Change in Net Position (DCTA & NTMC Combined)

Marisa Perry, CFO/VP of Finance, presented the staff report highlighting the following: She noted that the modification with extending Lewisville routes LC 21 and LC22 through December 24, 2021 was not included in the options presented and therefore, staff will determine if a budget revision is needed during the January Board Meeting.

Budget Revision 2022-03A (Option 1)

- Extends Lewisville and Denton Fixed Route Service through March 2022
- Based on Current Service Levels
- Total Budget Impact Lewisville FR - \$403,430
- Total Budget Impact Denton FR - \$345,224

Budget Revision 2022-03B (Option 2)

- Extends Lewisville and Denton Fixed Route Service through September 2022
- Based on Modified Service Levels
- Total Budget Impact Lewisville FR - \$727,841
- Total Budget Impact Denton FR - \$1,019,290

Motion by Board Member Maguire with a second by Board Member Costa to approve Option 2, Budget Revision 2022-03B, as presented. Motion passes 5-0.

5. Discussion Regarding Dallas Area Rapid Transit (DART) Lease Agreement for use of Denton County Transportation Authority (DCTA) Operations and Maintenance Facility

(packet page 106)

Discussion Item

Presenters: Paul Cristina, Deputy CEO

Raymond Suarez, CEO

Backup Information: Memo

Paul Cristina, Deputy CEO, presented the staff report highlighting the following:

- DCTA/DART Joint Rail Operations Facility Timeline (November 202 – January 2022)
- ILA Phases and Milestones (1-3)
- Appraisal Methodology and Value (Land, Facility, Railroad & Support Systems)
(Contracted with Stateside Real Estate for appraisal and drafting of the lease agreement. Stateside subcontracted with Lowery Property Advisors (provides appraisals for rail operators including TRE, DART and Trinity Metro) to perform the work.
- Lease Rate and Expense Calculation: Years 1-2 (Facility & Rail Lease/Operating Expense)

Board discussion regarding being on track to see a resolved document in January 2022.

No Board action required at this time.

6. Discussion regarding Project Management Office (PMO) Activities Related to Task Order #2 with Accenture, LLP

Discussion Item

(packet pages 107-109)

Presenter: Chris Newport, Accenture

Backup Information: Memo

Exhibit 1: PMO Progress Report

Chris Newport, Accenture, provided the Board with an update highlighting the following:

- GoZone Update
- ERP Sourcing
- Trinity Metro

Board discussion regarding the GoZone Dashboard going “live” and the GoZone/GoPass integration and clarification.

No Board action required at this time.

7. Discuss Task Order #3 with Accenture for Transformation Initiative Priority Project Implementation Services

(packet pages 110-116)

Discussion Item

Presenters: Raymond Suarez, CEO

Chris Newport, Accenture

Backup Information: Memo

Exhibit 1: DCTA Transformation Initiative Roadmap

CEO Raymond Suarez briefly presented to the Board a proposed Task Order #3 with Accenture (for Board approval in January 2022) to include the following scope of work:

- Agency Strategic Planning, including an off-site workshop
- Bus Parts Management and Maintenance
- ERP alternative solution selection advisory services
- IT Project Management capability implementation
- Touchless and digital fare experience design and implementation

No Board action required at this time.

8. Discuss and Provide Direction Regarding Future Board Strategic Workshop (packet page N/A)

Discussion Item

Presenters: Raymond Suarez, CEO
Chris Newport, Accenture

Backup Information: N/A

CEO Raymond Suarez and Chris Newport from Accenture discussed the potential structure for a Full Day Board Workshop highlighting the following:

- Review/Recap Session
- Long Range Financial Planning
- Strategic Initiatives
- Transformation Roadmap
- Survey Questions

Note: Staff will not seek formal action during this workshop.

It was the consensus of the Board to conduct the Board Workshop on Friday, February 18, 2022, gathering at 8am and beginning the agenda at 8:30am. Location will be determined at a later date.

9. Federal Legislative Update (packet pages 117-119)

Discussion Item

Presenters: Chris Giglio, Capital Edge
Brittney Farr, Director of Government Relations

Backup Information: Memo

Chris Giglio from Capital Edge provided the update on the Infrastructure Investment and Jobs Act highlighting the following:

- \$1.2 trillion for traditional infrastructure
- \$550 billion in new spending
- New funding – either competitive grant programs or state formulas
- Crafted by bipartisan group of Senators
- Includes 5-year reauthorization of Department of Transportation programs
- Signed into law November 15, 2021

- How much does DCTA get? (compete for grants for electric buses, railroad grade crossings, rail vehicle replacement, \$61 million federal transit formula grants over next 5 years; current funding is approximately \$9 million per year)
- When can DCTA get it? (formula funds will start flowing when a budget is approved, competitive grants as Department of Transportation announces)
- What kind of projects will be priorities? (safety, modernization, climate and equity)
- Build Back Better (\$1.75 trillion “human” infrastructure plan, childcare, universal Pre-K, Medicare Expansion, Affordable Housing, \$10 billion for FTA-HUD Competitive Grant, 30% Tax Credit for electric bus purchases, House approved last month; changes expected in Senate)
- Mask mandates extended until March 2022

No Board action required at this time.

10. Discuss Local and Regional Transportation Updates & Legislative Issues

(packet pages N/A)

Discussion Item

Presenters: Cesar Molina, Chair
Director Dianne Costa
Raymond Suarez, CEO

Board Member Costa provided an update from the Regional Transportation Council (RTC) and CEO Raymond Suarez advised the Board that he and the Chair attended the APTA Conference in Orlando, Florida in which DCTA received the AdWheel Grand Award, information regarding Castle Hills Annexation and the proposed City of Corinth Rail.

INFORMATIONAL REPORTS

1. Monthly Financial Reports

(packet pages 120-134)

Backup Information: Memo 1: Monthly Sales Tax Receipts
Exhibit 1: FY21 Monthly Sales Tax Report
Memo 2: Monthly Mobility-as-a-Service Update
Memo 3: Budget Information
Exhibit 3(a): Year to Date FY21 Budget Revisions
Exhibit 3(b): Year to Date FY22 Budget Revisions
Exhibit 3(c): FY22 TRiP Funding Allocations

2. Ridership Trends & Rail Trail Utilization Report

(packet pages 135-148)

Backup Information: Memo
Exhibit 1: FY19-FY22 Total Monthly Ridership Comparison Chart: Rail
Exhibit 2: FY19-FY22 Total Monthly Ridership Comparison Chart: Bus
Exhibit 3: FY19-FY22 Total Monthly Ridership Comparison Chart: Access
Exhibit 4: FY19-FY22 Total Monthly Ridership Comparison Chart: On-Demand



Exhibit 5: A-train Ridership Pre and Post COVID-19 Comparison and Trend

Exhibit 6: October 2021 Rail Trail Utilization Report

3. Social Services Agency Recap

(packet pages 149-160)

Backup Information: Memo

Exhibit 1: Social Service Agency Roundtable Recap Report

4. Community Advisory Committee Meeting Recap Report

(packet pages 161-168)

Backup Information: Memo

Exhibit 1: Community Advisory Committee Meeting Recap Report

5. Interlocal Agreement with Trinity Metro for Cooperative Purchasing

(packet pages 169-173)

Backup Information: Memo

Exhibit 1: DRAFT Interlocal Agreement with Trinity Metro Cooperative Purchasing

6. Title VI Policy Updates Due to FTA by June 1, 2022

(packet pages 174-175)

Backup Information: Memo

No Board action required at this time regarding the Informational Reports. However, Marisa Perry, CFO/VP of Finance, advised the Board of an Exhibit on page 134 of the Monthly Financial Reports (TRiP allocation/FY21/Sales). This information will be communicated to member cities for use during the Call for Projects.

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

- A-train Authorization Study

Next Board Meeting Date: January 27, 2022

REPORT ON ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition



of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

- Highland Village Christmas at the Ranch Event – Doubletree Ranch – Saturday, December 11, 2021 from 10am until 2pm.
- Mass Transit announces 40 under 40 recognition awarded to Brittney Farr, Director of Government Relations

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

As Authorized by Section 551.074 of the Texas Government Code, the Board of Directors Meeting may be Convened into Closed Executive Session for the purpose of discussing the duties and evaluation of the Chief Executive Officer (CEO).

The Board convened into Executive Session at 4:44pm and reconvened into Open Session at 5:11pm.

RECONVENE OPEN SESSION

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

A. Consider Amendments to CEO Employment Agreement.

The Board reconvened into Open Session at 5:12pm with no action necessary.

ADJOURN

Chair Molina adjourned the meeting at 4:44pm.

Cesar Molina, Chair

Sam Burke, Secretary



Board of Directors Regular Board Meeting Minutes

January 27, 2022 | 10:00 a.m.

The Board of Directors of the Denton County Transportation Authority (DCTA) convened the Regular Meeting of the Board of Directors with Chair Cesar Molina presiding on January 27, 2022, at 10:00am located at the DCTA Administrative Offices.

Voting Members

Chair Cesar Molina, Denton County
Vice-Chair TJ Gilmore, City of Lewisville
Secretary Dianne Costa, City of Highland Village
Board Member Andy Eads, Denton County
Board Member Alison Maguire, City of Denton

Alternates

Board Member Jody Gonzalez, Denton County
Board Member Kristin Green, City of Lewisville
Board Member Pat Smith, City of Denton
Board Member Paul Stevens, City of Highland Village

Non-Voting Members

Board Member Tom Winterburn, City of Corinth
Board Member Dennie Franklin, City of Frisco
Board Member Connie White, Small Cities
Board Member Mark Miller, City of Flower Mound
Board Member Joe Perez, City of The Colony

Legal Counsel

Joe Gorfida, NJDHS

DCTA CEO

Raymond Suarez

As authorized by Section 551-071 of the Texas Government Code, the Board of Directors may convene into Closed Executive Session for the purpose of seeking legal advice from Legal Counsel on any item on the agenda at any time during the meeting.

CALL TO ORDER

Chair Molina called the meeting to order at 10:03am. All voting board members and alternates were in-person. The following non-voting board members were present: Joe Perez, Tom Winterburn and Connie White.

Note: The Board recessed at 1:51pm and reconvened at 2:22pm.

INVOCATION

Dianne Costa provided the invocation.

INTRODUCTIONS

Chair Molina gave all Board Members an opportunity to introduce themselves and the cities they represent.

PUBLIC COMMENT

There were no comments received via email; however, the following individual wished to address the board via Zoom: Eva Grecco.

CONSENT AGENDA

1. Consider Regular Meeting Minutes dated December 2, 2021

(packet pages 8-18)

Action Item

Backup Information Exhibit 1: December 2, 2021 Minutes

2. Consider and Approve an Interlocal Agreement with Trinity Metro for Cooperative Purchasing

(packet pages 19-23)

Action Item

Backup Information: Memo

Exhibit 1: ILA DCTA and Trinity Metro Cooperative Purchasing Agreement

3. Consider and Approve a Second Amendment to the ILA with Trinity Metro for extension of Services at Alliance

(packet pages 24-33)

Action Item

Backup Information: Memo

Exhibit 1: ILA DCTA and Trinity Metro

4. Consider Approval of a Contract with Granicus in the amount of \$77,497.80 for a term of 36 months for the Implementation of Granicus Legistar Agenda Management Software

(packet pages 34-42)

Action Item

Backup Information: Memo

Exhibit 1: Granicus Legistar Contract

Motion by Board Member Maguire with a second by Board Member Costa to approve Consent Agenda items 2 and 4. Motion passes. 5-0. Note: Consent Agenda Item 1 was removed from the agenda and will be considered at the next scheduled regular board meeting.

Consent Agenda Item 3, Consider and Approve a Second Amendment to the ILA with Trinity Metro for extension of Services at Alliance was requested by Vice-Chair Gilmore to be removed from the Consent Agenda to be discussed during the Regular Agenda.

CEO Raymond Suarez and AVP of Regulatory Compliance Athena Forrester, provided clarification of RTR funding. Motion by Vice Chair Gilmore with a second by Secretary Costa to approve as presented. Motion passes 5-0.

REGULAR AGENDA

1. Discuss and Consider Denton County Transportation Authority (DCTA) Board of Directors Election of Officers

(packet page 43)

Action Item

Presenter: Raymond Suarez, CEO

Backup Information: Memo

Motion by Board Member Maguire with a second by Board Member Eads to confirm the nomination of Board Member Costa to serve the remainder of the Board Secretary position term that was vacated due to the resignation of Sam Burke. Motion passes 5-0.

2. Presentation and Discussion of Corinth Rail Station and Transit Oriented Development

Discussion Item

(packet pages 44-45)

Presenters: Raymond Suarez, CEO

Paul Cristina, Deputy CEO

Bob Hart, City Manager – City of Corinth

Backup Information: Memo

Exhibit 1: City of Corinth Letter, November 4, 2021

City Manager Bob Hart presented highlighting the following:

- Corinth at a Glance (population, median age, median household income, median home value, education, number of businesses, available properties and trails & bike paths)
- Agora at Corinth
- Commons at Agora
- NCTC Expansion
- Wolverine Interests
- McCaslin Property
- Parkway District
- Corinth DCTA Commuter Rail Station

Board discussion regarding clarification of Wolverine parking spaces/parking garage, Denton's participation in the project, American Rescue Plan funding, redevelopment along the I35 corridor (mix of public space and educational opportunities, and the acknowledgement of having transit-oriented development conversations). City Manager Hart confirmed that the project would continue to move forward in the absence of a rail system.

3. Presentation of the FY2021 Preliminary Audit Reports from Plante Moran

(packet pages 46-95)

Discussion Item

Presenters: Amber Karkauskas, Controller/ AVP of Finance
Keith Szymanski, Senior Manager – Plante Moran
Amy Tytar, Senior – Plante Moran

Backup Information: Memo
Exhibit 1: Draft of FY2021 Annual Comprehensive Financial Report (ACFR)
Exhibit 2: Draft of FY2021 Single Audit Report
Exhibit 3: Draft of Plante Moran’s Report to the Board of Directors

Amber Karkauskas, Controller/AVP Finance, introduced Plante Moran representatives Keith Szymanski and Amy Tytar who presented the report highlighting the following:

- Audit Timeline
- Deliverables
- Independent Auditor’s Report
- Financial Highlights
- Report to the Board
- Single Audit Report

It was noted by Plante Moran that they will present the final reports to the Board on February 24, 2022; reviewed quarterly investment report and noted no errors or exceptions; and the National Transit Database procedure to be performed prior to the May deadline. Plante Moran complimented DCTA Finance Team and staff citing they were knowledgeable, helpful and a pleasure to work with.

Marisa Perry commented that on page 80-81 of the agenda packet, the DCTA/NTMC final schedules, supplementary budget schedule to actual budget schedule.

Board discussion regarding the “emphasis of matter” paragraph and ensuring there continues to be a strong firewall between DCTA and NTMC. Staff indicated that additional conversations would occur between staff and legal counsel regarding this topic.

The Board thanked the DCTA Finance team and staff for their great work. CEO Raymond Suarez echoed the same sentiments and thanked Amber Karkauskas, Controller/AVP of Finance, and the rest of the Finance Team for their efforts during this busy time of year.

4. Consider a Second Amended and Restated Employment Agreement Between Denton County Transportation Authority (DCTA) and the Chief Executive Officer (CEO)
(packet page 96)

Action Item

Backup Information Memo

Chair Molina read the agenda captions and indicated that the Board would convene into Executive Session at 11:02am. Voting Board Members and Alternates were invited to participate in the Executive Session.

No action taken at this time.

5. Review and Discuss Project Management Office (PMO) Activities with Accenture, LLP
(packet pages 97-99)

Discussion Item

Presenter: Chris Newport, Accenture

Backup Information: Memo

Exhibit 1: PMO Progress Report

Chris Newport, Accenture, presented to the Board highlighting the following:

- ERP update: There have been several meetings to discuss this critical initiative and the good progress that is being made. This initiative is critical as there are several activities/processes that are conducted manually throughout the agency. Staff is working to put together demonstrations as 4 vendors have responded.

6. GoZone Update
(packet pages 100-101)

Discussion Item

Presenter: Javier Trilla, AVP of Innovation & Information Technology

Backup Information: Memo

Javier Trilla, AVP of Innovation and Technology presented to the Board highlighting the following:

- GoZone Staff Dashboard (Ridership by Origin, Completed Ridership by City, Request Disposition, Average Time to Pick Up, Completed Requests per Month, Completed Requests by Day of the Week, Departure On Time)
- Castle Hills service launched successfully on January 19, 2022
- Service hour projections assumptions
- Metrics through 4 months of service
- Hours required to support current level of service

Board discussion on whether this information is available to the public and if the Board can be provided the latest month on the dashboard for review (currently lists the month of September).

7. Consider Approval of Task Order #3 with Accenture, LLP and Consider Approval of Resolution R22-01 Approving FY22 Budget Revision 2022-05
(packet pages 102-117)

Action Item

Presenter: Javier Trilla, AVP of Innovation and Technology

Chris Newport, Accenture

Backup Information: Memo

Exhibit 1: Accenture SOW Task Order 3

Exhibit 2: Resolution R22-01 with the following Exhibits:

“A”: Budget Revision 2022-05

“B”: Change in Net Position (DCTA Only)

“B-1”: Change in Net Position (DCTA & NTMC Combined)

Exhibit 3: Year-to-Date FY22 Budget Revisions

Javier Trilla, AVP of Innovation and Technology and Chris Newport, Accenture, provided the Board with the three (3) major initiatives with Accenture.

Motion by Vice-Chair Gilmore with a second by Board Member Eads to approve the Budget Revision in the amount of \$447,000. Motion passes 5-0.

8. Discuss Amendment #4 to Via Task Order #1 for Via to Provide Customer Service for GoZone (packet pages 118-122)

Discussion Item

Presenters: Javier Trilla, AVP of Innovation and Technology
Chris Newport, Accenture

Backup Information: Memo
Exhibit 1: DCTA Rider Support Proposal

Javier Trilla, AVP of Innovation and Technology presented to the Board highlighting the following:

- GoZone Customer Service:
 - Initially handled by NTMC Customer Service staff
 - Customer support for service hours of NTMC staff hours provided by Via by mean of Amendment #3 to Via’s Task Order #1
 - Existing staff levels are not capable of handling GoZone call volumes, causing increased wait times
- Via agreed to assist DCTA’s call center
 - Timeline: From launch through March 2022 at no cost
 - Via has provided a pricing proposal to amend Task Order #1 to extend customer support until the end of FY22
- GoZone Customer Service: Via Customer Service Proposal
 - Proposed monthly fee for Via to provide GoZone customer support is \$35,000 (\$35,000 x 7 months = \$245,000)
 - Annualized support cost = \$420,000. Includes phone and email support for all GoZone service hours

Board discussion regarding existing staff, number of calls per month, wait times during peak and non-peak hours, and clarification of how customer service works currently. This item will be brought back to the Board for approval during the February 2022 Board Meeting.

9. Consider Approval of Monthly Financial Statements for November 2021 and December 2021 and Quarterly Reports for Q1 FY2022 (packet pages 123-156)

Action Item

Presenters: Marisa Perry, Chief Financial Officer/VP of Finance

Backup Information: Memo 1

Exhibit 1(a): Monthly Financial Statements – November 2021

Exhibit 1(b): Capital Projects Budget Report – November 2021

Memo 2

Exhibit 2(a): Monthly Financial Statements – December 2021

Exhibit 2(b): Capital Projects Budget Report – December 2021

Memo 3

Exhibit 3(a): Quarterly Investment Report Q1 FY2022

Memo 4: Quarterly Grants Report Q1 FY2022

Marisa Perry, CFO/VP of Finance provided the report highlighting the following:

- Investment Report: Account Summary – Beginning values as of September 30, 2022, and Ending Values as of December 31, 2021.
- Investment Report: Allocation by Security Type
- Constant Maturity Treasury
- Grant Activities: Denton/Lewisville UZA, Bus and Bus Facilities (5307), Fixed Guideway, STP-MM/STP-Flex, CARES Act Relief Funding, ARP Act Relief Funding, Congestion Mitigation & Air Quality, Consolidated Rail Infrastructure and Safety Improvements (CRISI), Transit Oriented Development, Bus and Bus Facilities (5339b)

Note: Capital Projects Budget Report (page 136) – Changed format to include the TRiP amounts of the TRiP program that have already been utilized in the previous Fiscal Year to show what amount is left that has not been paid out.

Board discussion regarding higher-than-normal anticipated ridership and less than anticipated shared rides. Board request, after 6 months of the contract (March 2022), a summary of Via's performance versus what was promised in the contract (i.e., ridership, total cost, etc.). Specifically, a "reset baseline" compared to the contract.

Motion by Secretary Costa with a second by Board Member Maguire to approve as presented. Motion passes 5-0.

**10. Discuss and Consider Approval of Dallas Area Rapid Transit (DART) Short Term Lease Agreement for use of Denton County Transportation Authority (DCTA) Operations and Maintenance Facility
([packet pages 157-222](#))**

Action Item

Presenters: Paul Cristina, Deputy CEO
Raymond Suarez, CEO

Backup Information: Memo

Exhibit 1: Lease Rate and Operating Expense Calculation and DART Counterproposal

Exhibit 2: DCTA – DART Interlocal Agreement

Exhibit 3: Draft Lease Agreement (Currently Under Review by DART)

Paul Cristina, Deputy CEO, presented to the Board highlighting the following:

- Timeline (November 2020 – November 2021)
- ILA Phases and Milestones (Phases 1-3)
- Appraisal Methodology and Value (land, facility, railroad & support systems, facility valuation, railway support systems valuation and appraised value)
- Lease Rate and Operating Expense Calculation and DART Counterproposal

Motion by Vice-Chair Gilmore with a second by Secretary Costa to approve Option 1 of the agenda item memo as provided with the understanding that DART will provide an operations flow that can be included in the agreement and authorize the CEO to execute any necessary documents after review by Legal Counsel. Motion passes 5-0.

11. Discuss and Consider Approval of Receipt of DART design funds and execution of Task Orders with Jacobs Engineering for design of the Joint Rail Operations Facility (JROF) expansion at the Denton County Transportation Authority (DCTA) Rail Operations and Maintenance Facility (ROMF)
(packet pages 223-259)

Action Item

Presenter: Paul Cristina, Deputy CEO

Backup Information: Memo

Exhibit 1: Accounts Receivable Letter

Exhibit 2: Jacobs Engineering Scope of Work

Exhibit 3: DCTA – DART Interlocal Agreement

Paul Cristina, Deputy CEO, presented the report to the Board. Board discussion regarding whether staff would manage the design and construction and possible concerns with utilizing Jacobs Engineering. Paul Cristina indicated that he will be the lead on the project; however, staff will be discussing either to utilize a consultant or employ an already budgeted project management staff member.

Motion by Secretary Costa with a second by Vice Chair Gilmore to approve as presented. Motion passes 5-0.

12. Discuss FY21 TRiP Annual Report and FY22 TRiP Annual Call for Projects
(packet pages 260-314)

Discussion Item

Presenter: Tim Palermo, Planning & Data Analytics Manager

Backup Information: Memo

Exhibit 1: TRiP Annual Report for FY21

Exhibit 2: Proposed FY22 Member City Funding Allocations Including FY21
Rollover Amounts

Exhibit 3: TRiP Annual Call for Projects for FY22

Tim Palermo, Planning & Data Analytics Manager, provided the Board with the report highlighting the following:

- Definition of TRiP: Transportation Reinvestment Program

- FY21 Program Highlights: 10 grants awarded totaling over \$5.3 million. Over \$2.2 million rolled over to FY22.
 - 6 in Denton
 - 3 in Lewisville
 - 1 in Highland Village
- FY22 TRiP Program Funding Levels
- FY22 Call for Projects
- TRiP Project Selection – Key Dates
 - May 2 – Applications Due
 - June 16 – Project Eligibility Reviews Completed
 - June 23 – DCTA Board Consideration
 - July – Prepare and Execute Member City TRiP Reimbursement Agreements

Board discussion regarding sales tax collection by member cities, accessibility of pedestrian sidewalks. The Board thanked former Board Chair Chris Watts for his leadership in reinstating this program.

13. Discuss Local and Regional Transportation Updates and Legislative Issues **(packet pages N/A)**

Discussion Item

Presenters: Cesar Molina, Chair
Dianne Costa, Board Member
Raymond Suarez, CEO

Secretary Costa provided the following updates:

- Dallas Regional Mobility Coalition: Ridership, Service modifications and the Castle Hills expansion
- RTC: Discussed the Colin County Transportation Study

INFORMATIONAL REPORTS

1. Monthly Financial Reports **(packet pages 315-321)**

Backup Information: Memo 1: Monthly Sales Tax Receipts
Exhibit 1: FY22 Monthly Sales Tax Report
Memo 2: Monthly Mobility-as-a-Service Update
Memo 3: Budget Information

2. Ridership Trends and Rail Trail Utilization Report **(packet pages 322-338)**

Backup Information: Memo
Exhibit 1: FY19-FY22 Total Monthly Ridership Trend – Rail
Exhibit 2: FY19-FY22 Total Monthly Ridership Trend – Bus
Exhibit 3: FY19-FY22 Total Monthly Ridership Trend – Access
Exhibit 4: FY19-FY22 Total Monthly Ridership Trend – On-Demand
Exhibit 5: Total Rail Boardings as a Percentage of February 2020
Exhibit 6: November/December 2021 Rail Trail Utilization Report

3. Capital Edge Federal Legislative Briefing

(packet pages 339-340)

Backup Information: Memo

4. Request for Proposals (RFP) 22-01 Commuter Vanpool Program

(packet pages 341-423)

Backup Information: Memo

Exhibit 1: Request for Proposal 22-01

The Board did not have any questions or comments as it relates to the Informational Reports.

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

The following are topics and/or board requests.

- March 24, 2022 – Agenda item: Set new date for Board Workshop/Retreat
- March 24, 2022 – Agenda item: DCTA property
- A-train Optimization
- Extending A-train to the Silver Line
- Update on bus operation with Trinity Metro
- Board Request: A list of all contracts with expiring terms to be sent to the entire Board

REPORT ON ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

- NTMC General Manager RJ Garza has accepted a new position. Maurice Pearl will be the new General Manager for NTMC.

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the evaluation and duties of General Counsel.

The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the evaluation and duties of the Chief Executive Officer.

The Board of Directors convened into Executive Session at 11:03am and concluded Executive Session at 1:50pm with no action taken on both items.



RECONVENE OPEN SESSION

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

ADJOURN

Board Members:

Cesar Molina, Denton County Seat 1, *Chair*
TJ Gilmore, *Vice-Chair*
Dianne Costa, Highland Village
Alison Maguire, Denton
Andy Eads, Denton County Seat 2

Alternates

Jody Gonzalez, Denton County Seat 1
Kristin Green, Lewisville
Pat Smith, Denton
Paul Stevens, Highland Village
Vacant, Denton County Seat 2

Non-Voting Board Members:

Dennie Franklin, Frisco
Mark Miller, Flower Mound
Joe Perez, The Colony
Connie White, Small Cities
Tom Winterburn, Corinth

Staff Liaison:

Raymond Suarez, CEO

This notice was posted on January 21, 2022, by 5pm.

Kisha Morris-Perkins
Executive Assistant | Board Process Manager

Board of Directors Memo

February 24, 2022

SUBJECT: Consider Approval of Monthly Financial Statements for January 2022

Recommendation

Staff recommends approval.

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports for the period ending January 31, 2022 include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Budget Report. These reports provide a comparison of year-to-date budget vs. actual as of the current month.

Previous Board Activity & Action

There has been no previous Board-level activity on this item.

Identified Need

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

Financial Impact

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.

- Note A:** Passenger Revenues – YTD favorable by \$58k due primarily to A-train and GoZone ridership of 213k which was 53% higher than budgeted ridership of 139k (\$44k increased revenue).

		YTD FY22 Actual Ridership	YTD FY22 Budgeted Ridership	% Variance, Actual to Budget	YTD FY21 Actual Ridership	% Variance, Actual to Prior Yr
Total Rail Ridership		58,164	45,104	29%	32,680	78%
Connect		58,276	69,337	-16%	69,625	-16%
Access & Zone Service	(A)	6,705	6,633	1%	6,091	10%
GoZone		155,106	94,262	65%	-	N/A
Frisco	(B)	1,963	1,331	47%	721	172%
Collin County Transit (CCT)	(B)	3,371	5,387	-37%	3,345	1%
North Texas Xpress	(C)	602	157	283%	1,563	-61%
University of North Texas	(D)	365,726	572,504	-36%	88,800	312%
Special Movements	(D)	329	-	N/A	-	N/A
Total Bus Ridership		592,078	749,611	-21%	170,145	248%
Vanpool	(D)	68,879	-	N/A	66,561	3%
Total System Ridership		719,121	794,715	-10%	269,386	167%

(A) FY21 ridership includes Lewisville Lakeway On-Demand and Downtown Denton Transit Center (DDTC) Evening On-Demand which ended September 6, 2021.

(B) Includes Demand Response service and Taxi service.

(C) FY21 ridership includes North Texas Xpress operated jointly with Trinity Metro through September 6, 2021. Beginning September 7, 2021, DCTA operates an abbreviated portion of the route with two trips each weekday.

(D) These ridership numbers are not linked to passenger revenues and are shown for information purposes only to present system-wide ridership.

- **Note B:** Contract Service Revenue – YTD unfavorable by \$134k primarily due to lower than budgeted revenue hours (\$66k decreased revenue) and billable fuel costs (\$31k decreased revenue). Average pass-through fuel cost was \$2.67/gallon compared to budgeted \$3.00/gallon and usage of 31k gallons was 18% lower than budgeted usage of 38k gallons. Additionally, Lyft and Taxi services were under budget (\$36k decreased revenue).
- **Note C:** Sales Tax Revenue – January sales tax revenue was not yet received as of month-end close and is accrued for the month based on budget. Sales tax generated in January will be received in March.
- **Note D:** Federal/State Grants - Capital – YTD favorable by \$56k due to reimbursements for the Positive Train Control (PTC) project being received earlier than anticipated in the budget.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
PTC Implementation & Enhancements	\$ 56,293	\$ -	\$ 56,293
	<u>\$ 56,293</u>	<u>\$ -</u>	<u>\$ 56,293</u>

- **Note E:** Federal/State Grants - Operating – YTD unfavorable by \$1.4 million mainly due to timing differences of drawdowns for operating assistance, as well as bus and rail preventive maintenance reimbursements. Reimbursement requests will be made in the next few weeks once drawdown calculations are finalized.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
Bus Preventive Maintenance	\$ 176,182	\$ 620,000	\$ (443,818)
Rail Preventive Maintenance	1,139,805	1,541,404	(401,599)
Operating Assistance	3,311,691	3,963,231	(651,540)
ADA Assistance	165,968	100,000	65,968
Vanpool	61,275	63,165	(1,890)
	<u>\$ 4,854,921</u>	<u>\$ 6,287,800</u>	<u>\$ (1,432,879)</u>


- **Note F:** Purchased Transportation Services Expense – YTD unfavorable by \$442k mainly due to higher than anticipated GoZone service costs. The FY22 YTD budget anticipated 44k GoZone service hours; actual YTD GoZone billed hours were 51k (\$283k increased expense). Additionally, \$60k for after-hours customer service support charges was not anticipated in the budget and \$15k was billed for bike rack installations that were planned in the FY21 budget. Purchased transportation for rail services is \$39k over budget due to projects that were budgeted in FY21 but not completed until FY22 due to supply chain delays related to COVID-19. Costs for the Trinity Metro Alliance Lyft contract are also higher than budgeted (\$34k) due to higher than anticipated usage; a budget amendment will be brought to the Board in the coming months, along with an adjustment to increase budgeted revenue associated with this contract.
- **Note G:** Depreciation Expense – YTD unfavorable by \$446k due to capitalization of the Positive Train Control (PTC) project in FY21 ahead of the budgeted completion date of 12/31/21, as the project was deemed materially complete for recognition. A budget amendment for this adjustment will be brought to the Board in March.



Exhibits

Exhibit 1.1: Monthly Financial Statements – January 2022

Exhibit 1.2: Capital Projects Budget Report – January 2022

Submitted By: 
Khoa Nguyen, Accounting Manager

Reviewed By: 
Amber Karkauskas, Controller/AVP of Finance

Final Review: 
Marisa Perry, CPA, Chief Financial Officer/VP of Finance



DENTON COUNTY TRANSPORTATION AUTHORITY

CHANGE IN NET POSITION

MONTH AND YEAR TO DATE AS OF JANUARY 31, 2022

(UNAUDITED)

Description	Month Ended January 31, 2022			Year to Date January 31, 2022			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenue and Other Income							
Passenger Revenues	\$ 63,321	\$ 54,008	\$ 9,313	\$ 273,636	\$ 216,128	\$ 57,508	\$ 642,579 Note A
Contract Service Revenues	226,778	279,206	(52,428)	1,152,086	1,285,841	(133,755)	3,915,759 Note B
Sales Tax Revenues	2,738,060	2,429,458	308,602	12,218,577	11,616,433	602,144	32,663,897 Note C
Federal/State Grants - Capital	-	-	-	56,293	-	56,293	4,609,056 Note D
Federal/State Grants - Operating	3,965,195	4,546,614	(581,419)	4,854,921	6,287,800	(1,432,879)	21,781,841 Note E
Total Revenues and Other Income	<u>6,993,354</u>	<u>7,309,286</u>	<u>(315,932)</u>	<u>18,555,514</u>	<u>19,406,202</u>	<u>(850,688)</u>	<u>63,613,132</u>
Operating Expenses							
Salary, Wages and Benefits	314,717	415,596	100,880	1,285,900	1,691,245	405,345	5,103,643
Outsourced Services and Charges	328,117	509,988	181,871	1,018,908	1,966,534	947,626	5,083,312
Materials and Supplies	205,006	272,707	67,701	641,318	1,054,388	413,070	2,855,594
Utilities	39,428	43,853	4,425	115,071	175,423	60,352	526,281
Insurance	79,261	141,412	62,151	353,634	574,757	221,123	1,706,052
Purchased Transportation Services	1,580,127	1,401,124	(179,003)	6,039,137	5,597,099	(442,038)	16,830,256 Note F
Employee Development	6,993	32,618	25,625	19,567	105,762	86,195	235,385
Leases and Rentals	24,001	11,546	(12,455)	47,314	46,309	(1,005)	139,772
Depreciation	946,716	948,025	1,309	3,786,865	3,340,469	(446,396)	10,899,464 Note G
Total Operating Expenses	<u>3,524,365</u>	<u>3,776,869</u>	<u>252,504</u>	<u>13,307,716</u>	<u>14,551,986</u>	<u>1,244,270</u>	<u>43,379,759</u>
Income Before Non-Operating Revenues and Expenses	3,468,988	3,532,417	(63,429)	5,247,798	4,854,216	393,582	20,233,373
Non-Operating Revenues/(Expense)							
Investment Income	(8,530)	1,000	(9,530)	(10,582)	4,000	(14,582)	12,000
Gain (Loss) on Disposal of Assets	-	-	-	(5,245)	-	(5,245)	-
Other Income/(Expense) - Miscellaneous	188,182	-	188,182	210,979	-	210,979	-
Long Term Debt Interest/Expense	(19,946)	(19,817)	(129)	(74,482)	(79,268)	4,786	(237,800)
Total Non-Operating Revenues/(Expenses)	<u>159,706</u>	<u>(18,817)</u>	<u>178,523</u>	<u>120,671</u>	<u>(75,268)</u>	<u>195,939</u>	<u>(225,800)</u>
Income (Loss) before Transfers	3,628,694	3,513,600	115,094	5,368,469	4,778,948	589,521	20,007,573
Transfers Out	(456,432)	(544,315)	87,883	(2,128,315)	(2,730,610)	602,295	(7,193,067)
Total Transfers	<u>(456,432)</u>	<u>(544,315)</u>	<u>87,883</u>	<u>(2,128,315)</u>	<u>(2,730,610)</u>	<u>602,295</u>	<u>(7,193,067)</u>
Change in Net Position	<u>\$ 3,172,263</u>	<u>\$ 2,969,285</u>	<u>\$ 202,978</u>	<u>\$ 3,240,154</u>	<u>\$ 2,048,338</u>	<u>\$ 1,191,816</u>	<u>\$ 12,814,506</u>



DENTON COUNTY TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION AS OF JANUARY 31, 2022 (UNAUDITED)

	January 31, 2022	December 31, 2021	Change
Assets			
Current Assets			
Operating Cash & Cash Equivalents	\$ 58,500,631	\$ 59,530,779	\$ (1,030,148)
Reserves: Cash & Cash Equivalents	4,111,428	4,111,393	35
Reserves: Investments	8,094,382	9,614,889	(1,520,508)
Accounts & Notes Receivable	12,975,889	8,736,698	4,239,191
Prepaid Expenses	662,581	733,244	(70,663)
Inventory	717,705	725,205	(7,500)
Restricted Asset-Cash and Equivalents	1,362,086	1,376,059	(13,973)
Total Current Assets	86,424,701	84,828,267	1,596,434
Non-Current Assets			
Land	17,394,147	17,394,147	-
Land Improvements	12,158,726	12,158,726	-
Machinery & Equipment	5,243,986	5,243,986	-
Vehicles	93,183,134	93,183,134	-
Computers & Software	1,791,431	1,791,431	-
Intangible Assets	16,997,155	16,997,155	-
Construction in Progress	3,539,507	3,539,230	278
Other Capital Assets, Net	251,986,070	251,986,070	-
Accumulated Depreciation	(100,087,099)	(99,140,383)	(946,716)
Net Pension Asset	65,492	65,492	-
Total Non-Current Assets	302,272,549	303,218,988	(946,439)
Total Assets	388,697,251	388,047,256	649,995
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	421,130	421,130	-
Total Deferred Outflow of Resources	421,130	421,130	-
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	1,759,100	4,303,037	(2,543,937)
Deferred Revenues	52,630	50,906	1,724
Interest Payable	74,482	54,536	19,946
Total Current Liabilities	1,886,211	4,408,479	(2,522,267)
Non-Current Liabilities			
Rail Easement Payable	800,000	800,000	-
Bonds Payable	21,265,000	21,265,000	-
Total Non-Current Liabilities	22,065,000	22,065,000	-
Total Liabilities	23,951,211	26,473,479	(2,522,267)
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	152,490	152,490	-
Total Deferred Inflow of Resources	152,490	152,490	-
Net Position			
Net Investment in Capital Assets	283,862,326	283,862,326	-
Unrestricted	77,781,216	77,781,216	-
Change in Net Position	3,240,154	67,891	3,172,263
Total Net Position	\$ 364,883,696	\$ 361,711,433	\$ 3,172,263



NORTH TEXAS MOBILITY CORPORATION

CHANGE IN NET POSITION

MONTH AND YEAR TO DATE AS OF JANUARY 31, 2022

(UNAUDITED)

Description	Month Ended January 31, 2022			Year to Date January 31, 2022			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
Operating Expenses							
Salary, Wages and Benefits	\$ 398,946	\$ 493,745	\$ 94,799	\$ 1,955,765	\$ 2,527,112	\$ 571,347	\$ 6,590,242
Outsourced Services and Charges	48,812	38,626	(10,186)	142,333	153,514	11,181	452,892
Materials and Supplies	-	184	184	40	668	628	1,936
Insurance	6,982	7,635	653	27,927	28,276	349	89,337
Employee Development	1,692	4,125	2,433	2,251	21,040	18,789	58,660
Total Operating Expenses	<u>456,432</u>	<u>544,315</u>	<u>87,883</u>	<u>2,128,315</u>	<u>2,730,610</u>	<u>602,295</u>	<u>7,193,067</u>
Income (Loss) before Transfers	(456,432)	(544,315)	87,883	(2,128,315)	(2,730,610)	602,295	(7,193,067)
Transfers In	<u>456,432</u>	<u>544,315</u>	<u>(87,883)</u>	<u>2,128,315</u>	<u>2,730,610</u>	<u>(602,295)</u>	<u>7,193,067</u>
Total Transfers	<u>456,432</u>	<u>544,315</u>	<u>(87,883)</u>	<u>2,128,315</u>	<u>2,730,610</u>	<u>(602,295)</u>	<u>7,193,067</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NORTH TEXAS MOBILITY CORPORATION

STATEMENT OF NET POSITION

AS OF JANUARY 31, 2022

(UNAUDITED)

	January 31, 2022	December 31, 2021	Change
Assets			
Operating Cash & Cash Equivalents	\$ 147,606	\$ 241,462	\$ (93,857)
Accounts & Notes Receivable	-	-	-
Prepaid Expenses	55,853	62,835	(6,982)
Total Assets	<u>203,459</u>	<u>304,297</u>	<u>(100,838)</u>
Liabilities			
Accounts Payable and Accrued Expenses	203,459	304,297	(100,838)
Total Liabilities	<u>203,459</u>	<u>304,297</u>	<u>(100,838)</u>
Net Position			
Change in Net Position	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DENTON COUNTY TRANSPORTATION AUTHORITY CAPITAL PROJECTS BUDGET REPORT

AS OF JANUARY 31, 2022

Capital Project Number/Name	Project Budget	January 2022 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of January 2022 Close)
Construction Work in Progress					
G&A Capital Projects					
Total 10302 · Infrastructure Acquisition	\$ 3,251,990	\$ -	\$ 2,617,009	\$ 634,981	80%
Total 10404 · Backup Infrastructure Upgrade	45,000	-	-	45,000	0%
Total 10702 · Transportation Reinvestment Program - FY21 <i>Close-Out to Operating Expense</i>	100,000 <i>(18,557)</i>	-	35,773 <i>(18,557)</i>	64,228	36%
Net Remaining · Transportation Reinvestment Program - FY21	81,444	-	17,216	64,228	
Total 10702.1 · Transportation Reinvestment Program FY21 - Denton <i>Close-Out to Operating Expense</i>	3,424,946 <i>(5,173)</i>	416	5,590 <i>(5,173)</i>	3,419,356	0%
Net Remaining · Transportation Reinvestment Program FY21 - Denton	3,419,773	416	416	3,419,356	
Total 10702.2 · Transportation Reinvestment Program FY21 - Highland Village <i>Close-Out to Operating Expense</i>	379,591 <i>(2,358)</i>	-	2,358 <i>(2,358)</i>	377,233	1%
Net Remaining · Transportation Reinvestment Program FY21 - Highland Village	377,233	-	-	377,233	
Total 10702.3 · Transportation Reinvestment Program FY21 - Lewisville <i>Close-Out to Operating Expense</i>	3,837,597 <i>(3,710)</i>	278	3,987 <i>(3,710)</i>	3,833,610	0%
Net Remaining · Transportation Reinvestment Program FY21 - Lewisville	3,833,887	278	278	3,833,610	
Total 10703 · Transportation Reinvestment Program - FY22	100,000	-	-	100,000	0%
Total 10703.1 · Transportation Reinvestment Program FY22 - Denton	3,074,578	(416)	-	3,074,578	0%
Total 10703.2 · Transportation Reinvestment Program FY22 - Highland Village	324,900	-	-	324,900	0%
Total 10703.3 · Transportation Reinvestment Program FY22 - Lewisville	3,619,951	-	-	3,619,951	0%
Total G&A Capital Projects	18,128,756	278	2,634,919	15,493,837	15%
Bus Capital Projects					
Total 50307 · Major Maintenance - Bus 2022	179,530	-	-	179,530	0%
Total 50411 · Integrated Fare Payment	600,000	-	-	600,000	0%
Total 50412 · Bus OMF Network Video Recorder	26,000	-	-	26,000	0%
Total 50413 · DDTC Rail Fiber Extension	125,000	-	-	125,000	0%
Total Bus Capital Projects	930,530	-	-	930,530	0%
Rail Capital Projects					
Total 61406.1 · Positive Train Control Implementation <i>Close-Out to Capitalized Assets</i>	16,720,141 <i>(16,022,566)</i>	-	16,110,392 <i>(16,022,566)</i>	609,749	96%
Net Remaining · Positive Train Control Implementation	697,575	-	87,826	609,749	
Total 61406.2 · Positive Train Control Enhancements	5,000,000	-	148,180	4,851,820	3%
Total 61605 · Brownfield Remediation <i>Close-Out to Operating Expenses</i>	420,000 <i>(366,448)</i>	-	366,448 <i>(366,448)</i>	53,552	87%
Net Remaining · Brownfield Remediation	53,552	-	-	53,552	
Total 61723.1 · Canopy Repairs 2021 <i>Close-Out to Operating Expenses</i>	486,127 <i>(65,055)</i>	-	175,476 <i>(65,055)</i>	310,651	36%
Net Remaining · Canopy Repairs 2021	421,072	-	110,421	310,651	
Total 61724 · Major Maintenance-Rail 2022	1,836,442	-	558,162	1,278,280	30%
Total Rail Capital Projects	8,008,641	-	904,588	7,104,052	11%
Total Construction Work in Progress	\$ 27,067,926	\$ 278	\$ 3,539,507	\$ 23,528,419	13%



Board of Directors Memo

February 24, 2022

SUBJECT: Presentation of Audit Report for Fiscal Year End 09/30/2021 by Plante & Moran, PLLC and Consider Approval of the FY2021 Financial Statements and Supplemental Information

Recommendation

Staff recommends the Board of Directors approve the FY2021 financial statements and supplemental information.

Background

Chapter 460 and DCTA bylaws require an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record.

Previous Board Activity & Action

- January 27, 2022 – The preliminary FY2021 audit report and draft basic financial statements were presented to the Board at the DCTA Board meeting.

Identified Need

As part of the audit engagement, DCTA's independent auditor, Plante & Moran, PLLC (Plante Moran), has a responsibility to communicate with those charged with governance in the audit of financial statements. Those required communications were included in Plante Moran's presentation on January 27, 2022. The FY2021 Annual Comprehensive Financial Report (ACFR) is included as Exhibit 1 to this item.

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires a governmental organization with federal expenditures in excess of \$750,000 to have a single audit performed, which includes an audit of both the financial statements and the federal awards. The FY2021 Single Audit Report is included as Exhibit 2 to this item.

Financial Impact

There is no financial impact associated with the approval of the FY2021 financial statements and supplemental information.

Exhibits

Exhibit 1: FY2021 Annual Comprehensive Financial Report (ACFR)

Exhibit 2: FY2021 Single Audit Report

Exhibit 3: Plante Moran's Report to the Board of Directors

Submitted By:

Amber Karkauskas, Controller/AVP of Finance

Final Review:

Marisa Perry, CPA, CFO/VP of Finance

2021

Annual Comprehensive Financial Report

DENTON COUNTY
TRANSPORTATION
AUTHORITY



FISCAL YEAR ENDED SEPTEMBER 30, 2021 & 2020

LEWISVILLE, TEXAS

Denton County Transportation Authority

**Annual Comprehensive Financial Report
with Supplemental Information
September 30, 2021 and 2020**

**Prepared by:
DCTA Finance Department
Lewisville, Texas**

Denton County Transportation Authority

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INTRODUCTORY SECTION



Letter of Transmittal

February 9, 2022

The Honorable Chair and Members of the Board
Denton County Transportation Authority
Lewisville, Texas

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Denton County Transportation Authority (DCTA) for the fiscal year ended September 30, 2021.

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

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

Plante & Moran, PLLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the DCTA's financial statements for the year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

DCTA PROFILE

DCTA is the Coordinated County Transportation Authority for Denton County, created by House Bill 3323, under Chapter 460 of the Texas Transportation Code, approved by the 77th Texas Legislature and signed into law by the Governor in 2001. Voters in Denton County approved the confirmation of DCTA on November 5, 2002 to advance public transportation and transportation-related services. Collection of the sales and use tax dedicated to DCTA from its three member cities (Denton, Highland Village, and Lewisville) began January 1, 2004. DCTA is granted power under Texas law to plan, develop, acquire, construct, own, operate, and maintain a public transportation system.

Location

Denton County encompasses roughly 953 square miles and is located in the northern part of the Dallas-Fort Worth Metroplex adjacent to Collin, Dallas, and Tarrant counties. The county, founded in 1846, is one of the fastest growing counties in the U.S. with an estimated population of 933,220 in 2021 according to North Central Texas Council of Governments (NCTCOG) population estimates, an increase of 41% since 2010.

Governance

DCTA is governed by a five voting-member Board of Directors appointed by respective entities from Denton County and the cities of Denton, Highland Village, and Lewisville serving two-year terms. Large cities, small cities and other Denton County cities make up the remaining six non-voting members. Board officers are elected from the Board membership and serve a one-year term.

Agency Background

The single largest revenue source for DCTA is a dedicated ½ cent local sales tax from its three member cities - Denton, Highland Village, and Lewisville. These revenues, along with federal and state grants, service contracts, passenger fares, and investment income, fund the operations and implementation of DCTA's Long Range Service Plan, which includes a commuter rail component, a bus service component with local fixed route bus service, paratransit demand response, general demand response, commuter vanpools, and university shuttle services as well as a network of park and ride locations and rail and bus facilities to serve area residents and visitors. These elements provide services to improve mobility and air quality, spur economic development, and enhance livability in the areas served. DCTA's A-train connects Denton and Dallas counties. At the Trinity Mills station, riders can transfer to Dallas Area Rapid Transit's (DART) Red, Orange, Green and Blue Lines and the Trinity Railway Express (TRE).

Construction of DCTA's A-train rail corridor and purchase of rail vehicles was accomplished with funding from a Regional Toll Road Funding Initiative (RTRFI) grant received in March 2009 which provided roughly \$250 million and required a 20% local match from DCTA. A contract for construction of the 21-mile rail line was awarded in May 2009, and the A-train officially opened for service in June 2011. In addition to the already existing bus service, the central element of DCTA's initial Long Range Service Plan was achieved with the start of A-train commuter rail service in 2011.

In December 2011, the Board of Directors updated DCTA's Long Range Service Plan to include system-wide improvements to the existing system and opportunities for expansion of the existing system to meet the public transit needs. The plan serves as a road map guiding DCTA's service planning, capital improvement program, and financial planning, and provides input for NCTCOG's Mobility 2045 Plan. NCTCOG serves as the Metropolitan Planning Organization (MPO) for the North Texas region and is the organization charged with coordinating regional transportation planning efforts for a 12-county region which includes Denton County. The Mobility 2045 Plan serves as a blueprint for the region's transportation system planning and guides expenditures of state and federal transportation funds over the next 20-plus years. DCTA provided input regarding key service components of its Long Range Service Plan for incorporation into the Mobility 2045 Plan. The goals defined in the Mobility 2045 Plan guide efforts to accommodate the region's multimodal mobility needs and improve air quality. DCTA and other regional transit agencies, as well as local governments, use NCTCOG's Mobility 2045 Plan as a basis for their own planning efforts.

Accounting System and Budgetary Control

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

On an annual basis, DCTA develops and presents for the Board's approval an operating and capital budget within the context of a Long Range Financial Plan. The Long Range Financial Plan outlines the operating components, debt service costs, and Capital Improvement Plan requirements over the next fifteen years and serves as the foundation for the development of the annual operating and capital budget. This document helps provide a financially sustainable perspective of the impact of current year decisions on future years. As part of the annual budget process, the Board also adopts a Budget Contingency Plan which positions DCTA to respond quickly to economic or market fluctuations or downturns.

The Board conducts a public hearing in August to receive citizen input and provides final review of the budget with formal adoption in September of each year. The fiscal year for DCTA is October 1 – September 30. The President/CEO is authorized to transfer budgeted amounts between departments, line items, or capital projects; however, any revisions that alter the total adopted fiscal year budgeted expenditures (operating + capital) must be approved by the Board. As a matter of practice, budget transfers are reported to the Board at its regularly scheduled meetings.

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

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

North Texas Mobility Corporation (NTMC) was incorporated on April 1, 2019 and is accounted for as a blended component unit included in DCTA's financial statements. NTMC operations began June 2, 2019. As a fully functional Limited Government Corporation (LGC), the NTMC now operates with a Board of Directors, appointed by the DCTA Board of Directors, and Board officers.

SERVICES PROVIDED

DCTA provides service in Denton County including regional commuter rail service (A-train); fixed route bus service; rideshare on-demand service; paratransit and general demand response service; vanpool service; campus shuttles operated under contract with the University of North Texas (UNT); and contract service in Frisco and Coppell. As reported in the National Transit Database, DCTA carried roughly 848,000 bus and rail passengers in FY21, a 46% decrease from roughly 1.6 million passengers in FY20. Ridership decreased drastically in the second half of FY20 and throughout FY21 as public transportation ridership diminished nation-wide due to the COVID-19 pandemic.

Regional Commuter Rail (A-train)

The A-train is a 21-mile regional rail system connecting Denton and Dallas counties. The rail corridor follows the east side of I-35E and connects the cities of Denton and Carrollton. DCTA has five A-train stations: two in Denton and three in the greater Highland Village-Lewisville area, with a transfer station at the Trinity Mills Station in Carrollton. The Trinity Mills transfer station connects riders with DART rail and bus service. The system also includes a 19-mile hike & bike trail that parallels the A-train rail line.

DCTA operates 11 low-floor diesel-electric articulated GTW passenger rail vehicles designed to comfortably accommodate wheelchairs, strollers, and bikes with room for 104 seated and 96 standing passengers per vehicle. In FY21, rail ridership totaled roughly 113,000 passengers, a decrease of 49% from roughly 221,000 in FY20. Rail service changes were implemented in March 2020 to reduce service hours in response to decreased ridership in light of the COVID-19 pandemic. In September 2020, DCTA increased A-train service levels per Board direction to modify peak period service frequency from 60 minutes to 30 minutes. Decreases in ridership as a result of COVID-19 remained throughout FY21.

Connect Fixed-Route

In FY21, Connect offered local fixed-route bus service in the cities of Denton and Lewisville; these routes totaled roughly 220,000 boardings. Lewisville Connect Routes were discontinued in December 2021 after running alongside GoZone on-demand micro-transit service since September 2021. The Highland Village Connect Shuttle was replaced with an enhanced Lyft program in March 2020. The Highland Village Lyft service was discontinued in September 2021 and was replaced by the GoZone service.

University Shuttle Service

The UNT Campus Shuttle consists of twelve routes including weekday, late night, and weekend-only service through a contractual agreement. The UNT Shuttle service provides transportation from off-campus housing to the campus as well as circulation throughout the campus. Total passengers for FY21 totaled roughly 462,000, a 51% decrease from FY20 ridership of roughly 946,000. Service was reduced significantly in the second half of FY20 as the university moved to virtual learning in response to COVID-19 and some students moved away from the campus area. A portion of these service reductions remained in place throughout FY21 as students continued virtual learning.

GoZone On-Demand

During FY21, the Board of Directors evaluated options for replacing a portion of fixed route service with an on-demand micro-transit service. In January 2021, the Board of Directors awarded an on-demand service delivery contract to Via which allowed the agency to work with Via to develop a proposed service plan that was presented to the public for review and input. In July, a service plan with Via was approved by the Board for GoZone on-demand service; this service launched in September 2021. GoZone is a zone-based on-demand rideshare service that riders utilize for trips within, and sometimes between, designated zones in Denton County. The on-demand service uses a mobile app where passengers book their trips in real-time. A fleet of dedicated vans is used to pick up and drop off riders at virtual stops within the zones. GoZone launched in on September 7, 2021 with almost 14,000 passengers in the first month of service, the final month of FY21.

Demand Response Service

Access offers shared ride, origin to destination ADA paratransit service for residents and visitors in Denton, Highland Village, and Lewisville and also provides service for senior and disabled (non-ADA) passengers in these cities. Any person who wishes to use Access must complete an application, and non-seniors or non-Medicare-eligible individuals must submit a physician's affidavit of eligibility. DCTA carried roughly 16,000 Access passengers in its member city service area in FY21.

Since December 2015, the City of Frisco has contracted with DCTA for curb-to-curb demand response transit service to eligible Frisco residents for trips within Frisco and designated portions of Plano. Taxi vehicles are used in this service to supplement demand-response service as capacity dictates. The service carried roughly 3,000 passengers in FY21. In June 2017, DCTA launched a demand response service in coordination with the City of McKinney and the McKinney Urban Transit District (MUTD) which consisted of a subsidized taxi voucher program to provide transit options for participating MUTD cities including Celina, Lowry Crossing, McKinney, Melissa, Princeton and Prosper. In FY21, the service provided transportation to almost 11,000 passengers. This service was discontinued in December 2021 as DART began managing the service.

Vanpools

The Vanpool service provides a low-cost commuting alternative for residents to get to work. Vanpools are ideal for groups of six to fifteen people. Individuals who live or work in Denton County can start a vanpool through their employer or create one with others who have similar commute origins and destinations. During FY21, there were a maximum 67 vanpools in operation.

DCTA PROGRESS

In FY21, DCTA completed the Board-led Transformation Initiative, identifying priority projects on a five-year strategic roadmap. DCTA engaged selected consultant teams with expertise in strategic planning, information technology, process improvement, and organizational management best practices who worked closely with staff to expand the use of non-traditional transit services and products, allowing for a more tailored response to the demands of multiple markets and developing a robust, equitable, consumer-centric transportation system which leverages existing infrastructure. DCTA launched GoZone service in September 2021 across all member cities overlayed on existing fixed route bus service. As a result, bus ridership rebounded from a 70% drop from pre-pandemic levels to exceeding pre-pandemic levels with ridership that is projected to continue growing.

In FY22, DCTA will be working with stakeholder communities to fully integrate mobility services with integrated fare strategies to streamline trip planning and improve accessibility to mobility services for the riding public. Phase Two of the Transformation Initiative will focus on operational and construction planning for DCTA and DART to share access to Downtown Carrollton, implementation of a new enterprise resource planning (ERP) system to automate manual processes, completion of a Comprehensive Operational Analysis to define the optimal service mix for fixed route bus service and on-demand micro-transit, and exploration of a new rail station on the A-train corridor.

DCTA is committed to rail safety, working diligently to implement Positive Train Control (PTC), and DCTA received PTC certification from the Federal Railroad Administration (FRA) ahead of the December 31, 2020 deadline. DCTA staff has been working with DART throughout FY21 and recently completed an Interlocal Agreement to design and construct an expansion to DCTA's existing Rail Operations and Maintenance facility so that both agencies can jointly operate from DCTA's facility to be renamed as the Joint Rail Operations Facility (JROF). DCTA will continue to work the DART on matters including shared railroad liability insurance and exploring joint services, technology and operational efficiencies.

FUTURE OUTLOOK

Total revenues were \$60.4 million in FY21 compared to \$55.1 million in FY20. DCTA's largest revenue source, sales tax, grew from \$29.8 million in FY20 to \$35.3 million in FY21. Despite sales tax growth, DCTA faces challenges with rising healthcare costs, low interest rates impacting investment earnings, and prioritizing funding for service expansion and future construction projects. In addition, the sustainability of the current economic expansion remains notable; its impact on local sales tax will continue to be monitored closely.

Regional Economy

The Dallas–Fort Worth economy strengthened throughout 2021. At the end of the year, payroll employment and consumer spending were strong and business-cycle indexes were expanding. The Federal Reserve Bank of Dallas reported in its December 2021 Economic Indicators Update:

DFW employment rose an annualized 10.8 percent (33,400 jobs) in November, up from an upwardly revised 6.3 percent (19,800 jobs) in October... Growth was broad based across sectors, with leisure and hospitality and professional and business services leading the way. The November gain puts DFW employment at 1.7 percent (63,900 jobs) above its prepandemic level in February 2020. The Dallas and Fort Worth business-cycle indexes continued to expand strongly in November, buoyed by robust job growth and falling unemployment. The Dallas index rose an annualized 13.7 percent, marking the 19th straight month of growth, and was up 5.7 percent from its February 2020 level... The Fort Worth index climbed an annualized 14.2 percent in November, its ninth successive month of expansion, and eclipsed its prepandemic high by 2.4 percent. Since late February 2021, consumer spending in DFW has stayed consistently above prepandemic levels... Rising consumer spending is indicative of rising demand and consumer confidence.

Population Forecast

North Central Texas is a rapidly growing region whose residents and visitors increasingly require a variety of transportation options to serve diverse travel needs. NCTCOG estimates a region population of 7.9 million as of 2021. According to the NCTCOG's Mobility 2045 Plan, population for the Dallas-Fort Worth Metropolitan Area is projected to grow to an estimated 11.2 million by the year 2045. This significant increase in population for North Texas will require a maturing system of roads, public transportation, and bicycle and pedestrian facilities, complemented by local policies and programs to enhance infrastructure investment.

The counties of Collin, Dallas, Denton and Tarrant accounted for 85% of the 16-county population in 2021. The individual population share for Collin and Denton counties within the region has increased since 2010 while the population share for Dallas and Tarrant counties has decreased. Population growth in Denton County is projected to be significant. According to the NCTCOG 2045 Demographic Forecast, the population within Denton County is projected to increase from 933,220 in 2021 to 1,346,314 in 2045, a 44% growth. As Collin and Denton counties continue to grow, DCTA will focus efforts on east/west corridor planning and investments in these areas. The US Census Bureau 2019 American Community Survey estimates that roughly half of individuals who live in Denton County work outside of the county, which highlights the importance of providing transportation links from Denton County to major employment destinations in neighboring counties.

Long Range Service Plan

The Long Range Service Plan provides a roadmap for decision making about transit investments in Denton County over the next 25 years and reaffirms DCTA's goals and performance standards that will be used to help officials make decisions about future investments and the implementation of new services. It will help ensure that transit services mature and develop to better meet the needs of Denton County. In FY22, the Board of Directors will embark on a new strategic visioning session that will inform future priorities. This, along with a comprehensive county-wide transit study that is being conducted by the NCTCOG, will serve as the catalyst for a new Long Range Service Plan for the agency.

Until then, DCTA will be focused on regional rail service through planning and engineering analysis for potential expansion of service south to DART's Downtown Carrollton Station, discussion with a non-member city regarding a potential in-fill station, exploration of adding double tracking to the existing A-train alignment, and conducting a Comprehensive Operational Analysis for DCTA's fixed route bus service and on-demand micro-transit.

OTHER INFORMATION

Independent Audit

Chapter 460, Section 460.402 of the Texas Transportation Code requires an annual audit of the books of account, financial records and transactions of the DCTA by independent certified accountants selected by the Board of Directors. This requirement has been complied with and the independent auditor's report has been included. The Board of Directors reviews recommendations made by the independent auditors and also guides the annual budget process.

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the DCTA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the eleventh consecutive year for the DCTA to receive the Certificate of Achievement.

To be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

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

Sincerely,



Raymond Suarez
President/CEO



Marisa Perry, CPA
Chief Financial Officer/VP of Finance



Amber Karkauskas, CGFO
Controller/AVP of Finance



Government Finance Officers Association

**Certificate of
Achievement
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Texas**

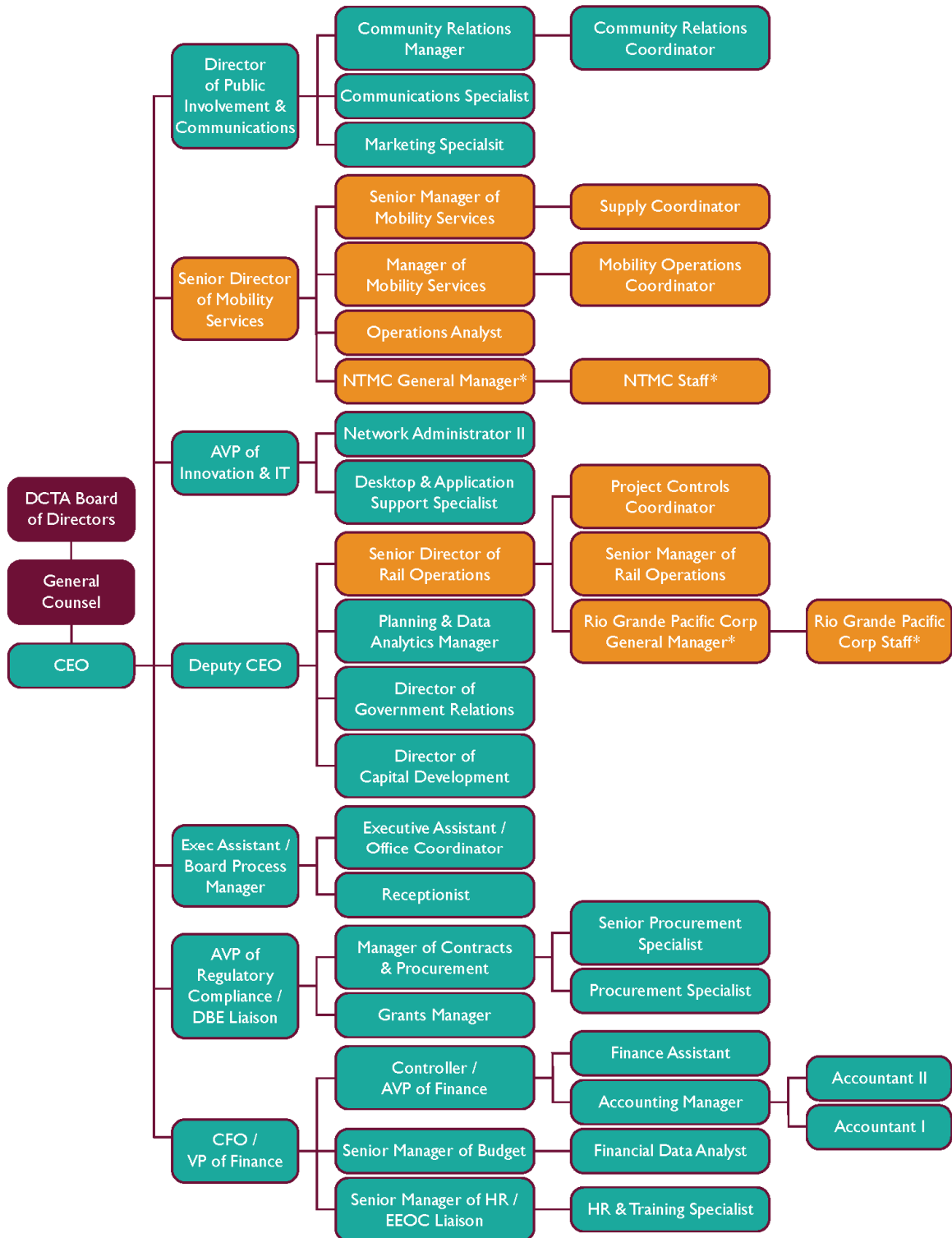
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

Denton County Transportation Authority
Organizational Chart
As of September 30, 2021



*Contracted services

Denton County Transportation Authority

List of Principal Officials
As of September 30, 2021

A Board of Directors composed of 5 voting members representing the county of Denton governs DCTA:

- two members appointed by the Denton County Commissioner's Court;
- three members designated by the municipalities (Cities).

Each Board member serves a term of two years and may be re-appointed. There are no term limits. Large cities, small cities and other Denton County cities make up the remaining six non-voting members. The Board is responsible for the general policy governance of the DCTA with the President/CEO and DCTA staff responsible for day-to-day management, operations, and implementation of the agency's goals and objectives.

Board Member	Position	Appointed by
Chris Watts	Chair	City of Denton
Cesar Molina	Vice Chair	Denton County Seat 1
Sam Burke	Secretary	Denton County Seat 2
Dianne Costa	Member	City of Highland Village
TJ Gilmore	Member	City of Lewisville

Non-Voting Board Members	Position	Appointed by
Dennie Franklin	Member	City of Frisco
Mark Miller	Member	Town of Flower Mound
Joe Perez	Member	City of The Colony
Connie White	Member	Small Cities
Tom Winterburn	Member	City of Corinth
Vacant	Member	Town of Little Elm

FINANCIAL SECTION

**Plante & Moran, PLLC**

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 plantemoran.com

Independent Auditor's Report

To the Board of Directors
 Denton County Transportation Authority

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Denton County Transportation Authority (the "Authority") as of and for the years ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

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 audits. We conducted our audits 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 audits 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Denton County Transportation Authority as of September 30, 2021 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the Authority made a change to the reporting entity by combining the North Texas Mobility Corporation with the Authority's operations. Our opinion is not modified with respect to this matter. The change described was retrospectively applied to all years presented.

Other Matters

Report on Prior Year Financial Statements and Restatement

The basic financial statements of the Denton County Transportation Authority as of and for the year ended September 30, 2020 were audited by a predecessor auditor, which expressed an unmodified opinion on the basic financial statements. The predecessor auditor's report was dated March 2, 2021.

To the Board of Directors
Denton County Transportation Authority

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, 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, which 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 certain limited procedures to the required supplemental 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 Denton County Transportation Authority's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2022 on our consideration of the Denton County Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's 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 Denton County Transportation Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 9, 2022

Denton County Transportation Authority

Management's Discussion and Analysis

The management of the Denton County Transportation Authority (DCTA or the "Authority") offers readers of the DCTA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2021. This discussion and analysis is designed to provide an objective and easily readable analysis of DCTA's financial activities based on currently known facts, decisions, or conditions.

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

Financial Highlights

- As of September 30, 2021 and 2020, total assets and deferred outflows of resources of DCTA exceeded total liabilities and deferred inflows of resources by \$361,643,543 and \$341,283,144, respectively. The amount of unrestricted net position as of September 30, 2021 was \$77,781,215 compared to \$50,683,527 in 2020. Unrestricted net position is the amount that may be used to meet DCTA's ongoing obligations in accordance with the fiscal policies.
- Net position increased \$20,360,399 during the current fiscal year compared to an increase of \$13,482,349 in the prior year. The change compared to the prior year is attributable to a \$1.4 million decrease in operating expenses as well as a \$5.5 million increase in sales tax revenue and \$2.8 million increase in operating grants, mainly related to one-time operating assistance reimbursements from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, partially offset by a decrease in capital grants of \$2.1 million.
- Net capital assets were \$305.2 million as of September 30, 2021 compared to \$314.0 million as of September 30, 2020. The decrease of \$8.8 million is caused by \$10.0 million of depreciation expense, offset by \$1.2 million of asset additions.

Overview of the Financial Statements

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

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

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

Statement of Net Position

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

Denton County Transportation Authority

Management's Discussion and Analysis (Continued)

Statement of Revenue, Expenses, and Changes in Net Position

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

Statement of Cash Flows

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

Notes and Other Information

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

Financial Analysis

Statement of Net Position

As noted earlier, net position, and especially net position by category, may serve over time as a useful indicator of DCTA's financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$361,643,543 and \$341,283,144 as of September 30, 2021 and 2020, respectively. The largest portion, 78 percent and 85 percent in 2021 and 2020, respectively, is net investment in capital assets primarily related to the rail line construction and acquisition of rail vehicles. The remaining 22 percent and 15 percent, respectively, is in unrestricted net position, which represents assets with no external restriction as to use or purpose. The unrestricted net position can be employed for any lawful purpose designated by the governing board.

Net position of DCTA increased 6.0 percent, or \$20,360,399, during the current fiscal year compared to an increase of 4.1 percent, or \$13,482,349, in the prior year. The increase in net position in the current fiscal year is mainly attributable to a \$26.4 million increase in current and other assets and a \$2.7 million decrease in liabilities, partially offset by a \$8.8 million decrease in capital assets.

Denton County Transportation Authority

Management's Discussion and Analysis (Continued)

The Authority's Net Position

	2021	2020	2019
Assets			
Current and other assets	\$ 81,540,801	\$ 55,142,924	\$ 38,234,115
Capital assets	305,229,605	314,019,761	319,554,318
Total assets	386,770,406	369,162,685	357,788,433
Deferred Outflows of Resources	421,130	290,447	369,652
Liabilities			
Current liabilities	5,830,011	5,894,892	5,940,322
Noncurrent liabilities	19,565,492	22,205,000	24,369,285
Total liabilities	25,395,503	28,099,892	30,309,607
Deferred Inflows of Resources	152,490	70,096	47,683
Net Position			
Net investment in capital assets	283,862,328	290,599,617	294,293,446
Unrestricted	77,781,215	50,683,527	33,507,349
Total net position	<u>\$ 361,643,543</u>	<u>\$ 341,283,144</u>	<u>\$ 327,800,795</u>

Assets

During fiscal year 2021, DCTA's total assets increased 4.8 percent, or \$17.6 million, from fiscal year 2020. The net increase is mainly attributable to a \$24.8 million increase in cash and investments, offset by a \$8.8 million decrease in capital assets.

Capital assets, net of depreciation, decreased due to a net \$1.2 million of asset additions for bus fleet replacement and the Positive Train Control project, offset by \$10.0 million of depreciation. The capital assets activity for the year is captured in Note 6 (page 20).

Liabilities

Current liabilities decreased slightly during the year from \$5.9 million as of September 30, 2020 to \$5.8 million as of September 30, 2021 primarily due to minor fluctuations in accounts payable, accrued expenses, and bonds payable.

DCTA's current ratio, current assets of \$80,843,078 and current liabilities of \$5,830,011, was 14:1 as of September 30, 2021, compared to a ratio of 9:1 as of September 30, 2020.

There was a \$2.6 million decrease in noncurrent liabilities in fiscal year 2021 due primarily to payments made for DCTA's outstanding bonds and the rail operating easement agreement with DART. The bond payable activity for the year and rail operating easement obligation are captured in Notes 7 and 11 (pages 22 and 29).

Statement of Revenues, Expenses, and Changes in Net Position

During fiscal year 2021, DCTA's activities resulted in an increase in net position of \$20,360,399 compared to an increase of \$13,482,349 in the prior year. The increase in the current fiscal year net position is mainly attributable to a decrease of \$1.4 million in operating expenses and increases of \$5.5 million in sales tax revenue and \$2.8 million in operating grants, offset by a decrease of \$2.1 million in capital grants. The changes in net position for the fiscal years ended September 30, 2021, 2020, and 2019 are shown in the following table.

Denton County Transportation Authority

Management's Discussion and Analysis (Continued)

The Authority's Changes in Net Position

	2021	2020	2019
Operating Revenue	\$ 3,931,563	\$ 4,639,923	\$ 5,769,167
Operating Expenses	39,323,018	40,694,995	43,231,721
Operating Loss	(35,391,455)	(36,055,072)	(37,462,554)
Nonoperating Revenue (Expense)	54,342,431	46,064,745	35,043,469
(Loss) Income - Before capital contributions	18,950,976	10,009,673	(2,419,085)
Capital Contributions	1,409,423	3,472,676	4,187,777
Change in Net Position	20,360,399	13,482,349	1,768,692
Net Position - Beginning of year	341,283,144	327,800,795	326,032,103
Net Position - End of year	<u><u>\$ 361,643,543</u></u>	<u><u>\$ 341,283,144</u></u>	<u><u>\$ 327,800,795</u></u>

Operating Revenue

Passenger Revenue

The fiscal year 2021 passenger revenue decreased 34 percent, or \$286,000, from fiscal year 2020 due primarily to a 46 percent decrease in bus and rail ridership in light of the COVID-19 pandemic and related stay-at-home orders and mandatory closures of nonessential businesses. This impact was common for all public transportation, as officials encouraged people to stay home and encouraged employers to allow telecommuting.

Contract Service

The fiscal year 2021 contract service revenue decreased 13 percent, or \$456,000, from the prior year. In fiscal year 2021, DCTA provided service for University of North Texas (UNT); the City of Frisco, Texas; and the McKinney Urban Transit District (MUTD), while service for North Central Texas College (NCTC) ended in fiscal year 2020. These contracts include a combination of DCTA-provided service, as well as Lyft and taxi services, which are billed as pass-through costs with an associated administrative fee. Contract service revenue decreased due to a 19 percent reduction in service hours from the prior year in relation to the COVID-19 pandemic but was partially offset by increased usage of Lyft and taxi services.

Operating Expenses

The fiscal year 2021 operating expenses decreased 3 percent, or \$1.4 million, from fiscal year 2020. Salaries and benefits decreased \$1.6 million due to an administrative staff reduction in force in May 2020 and bus service reductions implemented in response to reduced ridership. Expenses for materials and supplies decreased \$835,000 primarily due to statement of net position recognition of bus parts inventory in fiscal year 2021. Outsourced services expenses, however, increased by \$511,000 mainly due to a professional services contract for the Board-led Transformation Initiative. Depreciation expense increased 4 percent, or \$398,000, from the prior year mainly due to the capitalization of PTC implementation in fiscal year 2021.

Nonoperating Revenue and Expenses

Sales Tax Revenue

The fiscal year 2021 sales tax revenue increased 18 percent, or \$5.5 million, over fiscal year 2020. DCTA collects 0.5 percent sales and use tax in the member cities of Denton, Highland Village, and Lewisville. Consumer spending continued to increase during fiscal year 2021, and DCTA and its member cities experienced growth in sales tax revenue similar to the expansion experienced throughout the state.

Denton County Transportation Authority

Management's Discussion and Analysis (Continued)

Capital Grants

Grants for capital improvements decreased \$2.1 million from the prior year. This decrease is primarily a result of a one-time reimbursement for infrastructure acquisition in Old Town Lewisville in fiscal year 2020, offset by increased reimbursable expenses for bus fleet replacement in fiscal year 2021.

Transit System Operating Assistance Grants

The fiscal year 2021 federal and state grant revenue increased \$2.8 million over fiscal year 2020 revenue mainly due to one-time operating assistance reimbursements from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Investment Income

The fiscal year 2021 investment income of \$31,000 was a decrease of 90 percent from fiscal year 2020 revenue of \$321,000. The average yield to maturity continued to decline during the fiscal year from 0.27 percent at September 30, 2020 to 0.043 percent as of September 30, 2021, as interest rates remained low throughout fiscal year 2021 in response to the COVID-19 pandemic. DCTA continues to build up reserve funds in accordance with the board's reserve policy, and staff will look to diversifying and laddering the investment portfolio to improve yield through investment vehicles such as U.S. Treasury notes and U.S. agency securities.

Debt Administration

In June 2008, DCTA completed its first debt issuance by issuing \$20,000,000 in tax-exempt Sales Tax Revenue Bonds. The bonds were issued through a private placement with a maximum 5-year term to fund the DCTA A-train regional passenger rail project, which provides passenger rail service connecting Denton and Dallas counties. The principal payment was due in one lump sum in June 2013, with interest due semiannually.

The Series 2008 Sales Tax Revenue bonds were refunded through a private placement to long-term debt on December 17, 2009. These bonds will be repaid over 20 years at an interest rate of 3.99 percent. The first principal payment of \$885,000 was paid in September 2013 and annual installments continue through September 2029.

The Series 2009 Sales Tax Revenue Refunding bonds were refunded in November 2020. These bonds will be repaid over 12 years at an interest rate of 0.99 percent with principal payments due annually through September 2032.

In September 2011, DCTA issued \$14,390,000 in contractual obligations for a portion of its share of the cost for new rail vehicles and for the first phase of the federally mandated PTC project. These obligations were issued through a private placement to be repaid over 20 years at an interest rate of 3.13 percent. The first principal payment of \$140,000 was paid in September 2015, and annual installments continue through September 2031.

The 2011 contractual obligations were refunded in September 2021. These bonds will be repaid over 10 years at an interest rate of 1.28 percent, with principal payments due annually through September 2031.

Requests for Further Information

This financial report is intended to provide a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, please contact DCTA at 1955 Lakeway Drive, Suite 260, Lewisville, TX 75057; by phone at (972) 221-4600; or by electronic mail at info@dcta.net.

Basic Financial Statements

Denton County Transportation Authority**Statement of Net Position****September 30, 2021 and 2020**

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 59,281,187	\$ 38,923,553
Investments (Note 4)	9,537,185	5,064,346
Receivables (Note 5)	10,848,224	10,064,934
Inventory	719,857	29,805
Prepaid expenses	456,625	194,441
Total current assets	80,843,078	54,277,079
Noncurrent assets:		
Restricted cash	697,723	839,856
Net pension asset (Note 9)	-	25,989
Capital assets: (Note 6)		
Assets not subject to depreciation	20,159,336	37,408,478
Assets subject to depreciation - Net	285,070,269	276,611,283
Total noncurrent assets	305,927,328	314,885,606
Total assets	386,770,406	369,162,685
Deferred Outflows of Resources - Deferred pension costs (Note 9)	421,130	290,447
Liabilities		
Current liabilities:		
Accounts payable	2,076,049	2,128,514
Accrued liabilities and other	1,135,862	1,654,920
Unearned revenue	53,100	56,458
Current portion of easement obligation (Note 11)	100,000	100,000
Current portion of bonds payable (Note 7)	2,465,000	1,955,000
Total current liabilities	5,830,011	5,894,892
Noncurrent liabilities:		
Easement obligation - Net of current portion (Note 11)	700,000	800,000
Net pension liability (Note 9)	65,492	-
Bonds payable, net of current portion (Note 7)	18,800,000	21,405,000
Total noncurrent liabilities	19,565,492	22,205,000
Total liabilities	25,395,503	28,099,892
Deferred Inflows of Resources - Deferred pension cost reductions (Note 9)	152,490	70,096
Net Position		
Net investment in capital assets	283,862,328	290,599,617
Unrestricted	77,781,215	50,683,527
Total net position	\$ 361,643,543	\$ 341,283,144

Denton County Transportation Authority**Statement of Revenues, Expenses, and Changes in Net Position****Years Ended September 30, 2021 and 2020**

	2021	2020
Operating Revenues		
Passenger revenue	\$ 548,078	\$ 833,637
Contract services	2,923,277	3,378,826
Other	460,208	427,460
Total operating revenues	3,931,563	4,639,923
Operating Expenses		
Salaries, wages, and benefits	9,973,967	11,609,934
Outsourced services and charges	5,395,088	4,884,281
Materials and supplies	1,087,451	1,922,266
Purchased transportation services	10,302,946	10,091,453
Utilities	431,998	431,838
Insurance	1,822,821	1,783,994
Leases and rentals	224,889	226,632
Employee development	97,423	185,783
Transportation reinvestment program	29,798	-
Depreciation	9,956,637	9,558,814
Total operating expenses	39,323,018	40,694,995
Operating Loss	(35,391,455)	(36,055,072)
Nonoperating Revenue (Expense)		
Investment income	31,178	320,793
Gain (loss) on sale of assets	42,344	(7,482)
Sales tax revenue	35,332,154	29,817,365
Transit system operating assistance grants	19,633,941	16,843,203
Interest expense	(697,186)	(909,134)
Total nonoperating revenue	54,342,431	46,064,745
Income - Before capital contributions	18,950,976	10,009,673
Capital Contributions - Capital grants	1,409,423	3,472,676
Change in Net Position	20,360,399	13,482,349
Net Position - Beginning of year	341,283,144	327,800,795
Net Position - End of year	\$ 361,643,543	\$ 341,283,144

Denton County Transportation Authority**Statement of Cash Flows****Years Ended September 30, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities		
Receipts from customers	\$ 3,909,156	\$ 5,344,945
Payments to suppliers	(20,267,338)	(19,627,183)
Payments to employees and benefits	(9,958,574)	(11,557,058)
Net cash and cash equivalents used in operating activities	(26,316,756)	(25,839,296)
Cash Flows from Noncapital Financing Activities		
Operating grants and subsidies	18,741,443	14,212,860
Sales tax received	34,529,445	29,259,386
Net cash and cash equivalents provided by noncapital financing activities	53,270,888	43,472,246
Cash Flows from Capital and Related Financing Activities		
Issuance of bonds	22,870,000	-
Receipt of capital grants	2,340,389	3,480,939
Proceeds from sale of capital assets	52,344	68,124
Purchase of capital assets	(1,797,517)	(4,084,232)
Principal and interest paid on capital debt, including refunding	(25,762,186)	(2,879,134)
Net cash and cash equivalents used in capital and related financing activities	(2,296,970)	(3,414,303)
Cash Flows from Investing Activities		
Interest received on investments	31,178	320,793
Purchases of investment securities	(4,472,839)	(5,053,745)
Proceeds from sale and maturities of investment securities	-	5,000,000
Net cash and cash equivalents (used in) provided by investing activities	(4,441,661)	267,048
Net Increase in Cash and Cash Equivalents	20,215,501	14,485,695
Cash and Cash Equivalents - Beginning of year	39,763,409	25,277,714
Cash and Cash Equivalents - End of year	\$ 59,978,910	\$ 39,763,409
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 59,281,187	\$ 38,923,553
Restricted cash	697,723	839,856
Total cash and cash equivalents	\$ 59,978,910	\$ 39,763,409

Denton County Transportation Authority**Statement of Cash Flows (Continued)****Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (35,391,455)	\$ (36,055,072)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	9,956,637	9,558,814
Changes in assets and liabilities:		
Receivables	(19,049)	743,247
Inventory	(690,052)	18,474
Prepaid and other assets	(262,184)	74,958
Net pension asset/liability and related deferrals	53,023	(33,656)
Accounts payable	77,312	(194,368)
Accrued and other liabilities	(37,630)	86,532
Unearned revenue	(3,358)	(38,225)
Net cash and cash equivalents used in operating activities	<u><u>\$ (26,316,756)</u></u>	<u><u>\$ (25,839,296)</u></u>

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies

Reporting Entity

The Denton County Transportation Authority (DCTA) 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 on November 5, 2002. A second election was held in eight municipalities on September 13, 2003 for consideration and approval of a 0.5 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 Authority is governed by an 11-member board of directors. As of September 30, 2021, the board was composed of the following:

1. One voting member appointed by the governing body of each of the following cities: Denton, Highland Village, and Lewisville
2. Two voting members appointed by the Denton County Commissioner's Court
3. Six non-voting members designated by the remaining Denton County cities

The accompanying financial statements present the Authority and its component unit, an entity for which the Authority is considered to be financially accountable. The blended component unit is, in substance, part of the Authority's operations, even though it is a separate legal entity.

Blended Component Unit

The North Texas Mobility Corporation (NTMC) was incorporated on April 1, 2019 and is governed by a five-member board appointed by the Authority's board of directors. Although it is legally separate from the Authority, NTMC is reported as if it were part of the Authority because its sole purpose is to manage and operate transit services for the Authority. Separate financial statements are not available, but condensed financial information for NTMC can be found in Note 12.

Accounting and Reporting Principles

The Authority follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Authority:

Report Presentation

This report includes the statements of the Authority. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type activities.

Fund Accounting

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Authority reports all activity in a single enterprise fund. Activity reported in this fund includes the blended component unit, NTMC. NTMC is used to account for all employee-related operations associated with bus services provided by NTMC.

Basis of Accounting

Proprietary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. 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.

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 collectibility. Based upon this assessment, management has determined that an allowance is not necessary.

Inventories

The Authority purchases and maintains its own fuel inventory and maintenance and repair parts. Fuel inventory is valued by volume on a monthly basis using a first-in, first-out inventory costing method. Parts inventory is valued by average cost.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses. These expenses consist primarily of insurance payments, which are amortized over the policy period, and prepaid rents.

Restricted Assets

Restricted assets consist of unspent bonds and are held as cash and cash equivalents.

Capital Assets

Capital assets are defined by the Authority as assets that:

1. Have an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year
2. Have an individual cost of \$5,000 or less but are part of a network or combined unit of property
3. Facilities or equipment with a useful life of at least one year, which are eligible for capital assistance, and paid for with grant funding

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets is included as part of the capitalized value of the assets constructed.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Rail system	20-50
Land improvements	25
Vehicles:	
Bus	5-12
Paratransit	4-5
Rail	50
Furniture and equipment	3-7
Easement	20

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.

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 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. The contract with NCTC expired on July 31, 2020. The Retreat at Denton also contracts with DCTA to provide transportation to its residents through the Connect service.

Long-term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond issuance costs are expensed at the time they are incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflows related to the defined benefit pension plan, as further described in Note 9.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows related to the defined benefit pension plan, as further described in Note 9.

Net Position

Net position of the Authority can be classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position can consist of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Authority will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from the TCERS fiduciary net position have been determined on the same basis as they are reported by TCERS. TCERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

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 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 is not accrued in the accompanying financial statements, as rights to such compensation do not accumulate or vest. The liability for compensated absences is classified as an accrued liability.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Authority is the sale of transit services. Passenger revenue consists of farebox collections and the sale of passes. Contract service revenue is related to providing transit services to third parties on a contractual basis. The Authority provides contract services for UNT; NCTC; the City of Frisco, Texas; the McKinney Urban Transit District; the City of Coppell, Texas; and Trinity Metro. The contract with NCTC expired on July 31, 2020.

Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

Use of 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 at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. The changes to fiscal year 2020 consist of a reclassification of \$9,931 from restricted cash to unrestricted cash, the breakout of \$1,654,920 of accrued liabilities and other from accounts payable, and the inclusion of \$621,036 of retainage payable in accounts payable. The net investment in capital assets was increased by \$621,036 to exclude retainage payable, and unrestricted net position was reduced by the same amount.

Reporting Change

In 2021, the Authority determined the North Texas Mobility Corporation should be combined with the Authority as opposed to presented as a separate enterprise fund. This change was applied to the 2020 financial statements as well. There was no impact to net position, as NTMC had zero net position.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Authority's financial statements for the year ended September 30, 2021 but were extended to September 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2023.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Authority's financial statements for the year ending September 30, 2022.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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, 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 may be authorized by the Authority's President/CEO and reported to the board. The board of directors monitors, reviews, and accepts the monthly and year to date unaudited financial statements with budget comparisons and explanations of material variances.

Note 3 - Service Agreement

On October 1, 2016, DCTA entered into a contract with First Transit Inc. for rail operations and maintenance. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. The contract is accounted for under purchased transportation services. On October 31, 2020, Rio Grande Pacific Corporation assumed the contract in place of First Transit Inc. As of September 30, 2021, \$10,393,283 was spent on this contract, and the remaining commitment was \$63,317,465. Additionally, DCTA and the Dallas Area Rapid Transit (DART) entered into an interlocal operating agreement for ticket vending machine services and train platform maintenance.

Note 4 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	2021	2020
Cash and cash equivalents	\$ 59,281,187	\$ 38,923,553
Investments	9,537,185	5,064,346
Restricted cash and investments	697,723	839,856
Total deposits and investments	<u>\$ 69,516,095</u>	<u>\$ 44,827,755</u>

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 4 - Deposits and Investments (Continued)

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. 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. Balances for these accounts are insured by the Federal Deposit Insurance Corporation, and the deposits in excess of the insured amount are collateralized at 105 percent of the market value of the principal and accrued interest 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.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy minimizes interest rate risk by limiting 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 18 months.

At year end, the Authority had the following investments:

Investment	2021		2020	
	Carrying Value	Weighted-average Maturity (Days)	Carrying Value	Weighted-average Maturity (Days)
U.S. Treasury	\$ 4,526,320	183	\$ 1,012,070	197
U.S. government agency securities	5,010,865	410	4,052,276	254
TexSTAR investment pool	58,548,348	43	38,605,005	39

Credit Risk

The Authority's investment policy minimizes credit risk by limiting allowable investments. 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. As of September 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	2021			2020		
	Carrying Value	Rating	Rating Organization	Carrying Value	Rating	Rating Organization
U.S. government agency securities	\$ 5,010,865	AA+	S&P	\$ 4,052,276	AA+	S&P
TexSTAR investment pool	58,548,348	AAAm	S&P	38,605,005	AAAm	S&P
Total	<u>\$ 63,559,213</u>			<u>\$ 42,657,281</u>		

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 4 - Deposits and Investments (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of September 30, 2021 and 2020:

- U.S. Treasury securities of \$4,526,320 and \$1,012,070, respectively, are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$5,010,865 and \$4,052,276, respectively, are valued using a matrix pricing model (Level 2 inputs).
- The investment in the TexSTAR investment pool of \$58,548,348 and \$38,605,005, respectively, is measured at NAV.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is described below.

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At September 30, 2021 and 2020, the Authority had investments in the TexSTAR investment pool of \$58,548,348 and \$38,605,005, respectively.

TexSTAR is a local government investment pool created under the Interlocal 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 & 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.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act; administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM); and managed by JPMIM, which provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. TexSTAR may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations that are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; and SEC-registered no-load money market funds that meet the requirements of the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 5 - Receivables

Receivables at September 30, 2021 and 2020 consisted of the following:

	2021	2020
Operating - Ticket, token, and other receivables	\$ 774,105	\$ 755,056
Sales tax	6,225,167	5,422,458
Grants receivable	3,848,952	3,887,420
Total	<u>\$ 10,848,224</u>	<u>\$ 10,064,934</u>

Note 6 - Capital Assets

Capital asset activity during the fiscal year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2021
Capital assets not being depreciated:					
Land	\$ 17,394,147	\$ -	\$ -	\$ -	\$ 17,394,147
Construction in progress	20,014,331	(18,425,623)	1,176,481	-	2,765,189
Subtotal	37,408,478	(18,425,623)	1,176,481	-	20,159,336
Capital assets being depreciated:					
Rail	283,178,861	17,369,093	-	-	300,547,954
Land improvements	12,166,783	(8,057)	-	-	12,158,726
Vehicles	12,584,752	1,064,587	-	(667,052)	12,982,287
Furniture and equipment	7,035,417	-	-	-	7,035,417
Facilities	31,760,649	-	-	-	31,760,649
Easement	16,997,155	-	-	-	16,997,155
Subtotal	363,723,617	18,425,623	-	(667,052)	381,482,188
Accumulated depreciation:					
Rail	56,110,686	-	6,765,003	-	62,875,689
Land improvements	2,788,304	-	486,763	-	3,275,067
Vehicles	9,190,031	-	704,162	(657,052)	9,237,141
Furniture and equipment	4,640,797	-	445,361	-	5,086,158
Facilities	5,600,653	-	705,490	-	6,306,143
Easement	8,781,863	-	849,858	-	9,631,721
Subtotal	87,112,334	-	9,956,637	(657,052)	96,411,919
Net capital assets being depreciated	276,611,283	18,425,623	(9,956,637)	(10,000)	285,070,269
Net capital assets	<u>\$ 314,019,761</u>	<u>\$ -</u>	<u>\$ (8,780,156)</u>	<u>\$ (10,000)</u>	<u>\$ 305,229,605</u>

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 6 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2020
Capital assets not being depreciated:					
Land	\$ 17,394,147	\$ -	\$ -	\$ -	\$ 17,394,147
Construction in progress	20,536,649	(4,586,481)	4,064,163	-	20,014,331
Subtotal	37,930,796	(4,586,481)	4,064,163	-	37,408,478
Capital assets being depreciated:					
Rail	283,178,861	-	-	-	283,178,861
Land improvements	9,017,865	3,148,918	-	-	12,166,783
Vehicles	12,698,163	-	-	(113,411)	12,584,752
Furniture and equipment	5,567,482	1,437,563	35,700	(5,328)	7,035,417
Facilities	31,760,649	-	-	-	31,760,649
Easement	16,997,155	-	-	-	16,997,155
Subtotal	359,220,175	4,586,481	35,700	(118,739)	363,723,617
Accumulated depreciation:					
Rail	49,779,910	-	6,330,776	-	56,110,686
Land improvements	2,327,927	-	460,377	-	2,788,304
Vehicles	8,513,300	-	714,535	(37,804)	9,190,031
Furniture and equipment	4,148,347	-	497,779	(5,329)	4,640,797
Facilities	4,895,163	-	705,490	-	5,600,653
Easement	7,932,006	-	849,857	-	8,781,863
Subtotal	77,596,653	-	9,558,814	(43,133)	87,112,334
Net capital assets being depreciated	281,623,522	4,586,481	(9,523,114)	(75,606)	276,611,283
Net capital assets	\$ 319,554,318	\$ -	\$ (5,458,951)	\$ (75,606)	\$ 314,019,761

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, 2021, \$16,150,000 had been paid to the Dallas Area Rapid Transit. The remaining payments of \$800,000 will be paid in annual payments until the contract expires (see Note 11). 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 \$849,858 and \$849,857 for the years ended September 30, 2021 and 2020, respectively.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 7 - Long-term Debt

Long-term debt activity for the years ended September 30, 2021 and 2020 can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	2021			Due within One Year
				Additions	Reductions	Ending Balance	
Bonds and contracts payable -							
Other debt:							
Sales Tax Revenue Refunding Bonds, Series 2020	0.99%	\$805,000 - 2,065,000	\$ -	\$ 12,930,000	\$ (1,605,000)	\$ 11,325,000	\$ 1,600,000
Sales Tax Revenue Refunding Bonds, Series 2021	1.28%	\$865,000 - 1,140,000	-	9,940,000	-	9,940,000	865,000
Sales Tax Revenue Refunding Bonds, Series 2009	3.99%	\$885,000 - 1,650,000	12,755,000	-	(12,755,000)	-	-
Sales Tax Bonds, Series 2011	3.13%	\$555,000 - 1,215,000	10,605,000	-	(10,605,000)	-	-
Total long-term debt			\$ 23,360,000	\$ 22,870,000	\$ (24,965,000)	\$ 21,265,000	\$ 2,465,000
	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	2020			Due within One Year
				Additions	Reductions	Ending Balance	
Bonds and contracts payable -							
Other debt:							
Sales Tax Revenue Refunding Bonds, Series 2009	3.99%	\$885,000 - 1,650,000	\$ 13,915,000	\$ -	\$ (1,160,000)	\$ 12,755,000	\$ 1,205,000
Sales Tax Bonds, Series 2011	3.13%	\$555,000 - 1,215,000	11,315,000	-	(710,000)	10,605,000	750,000
Total long-term debt			\$ 25,230,000	\$ -	\$ (1,870,000)	\$ 23,360,000	\$ 1,955,000

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. The Authority utilizes revenue bonds to finance capital expenditures. The Authority has pledged gross sales tax revenue. Proceeds from the bonds provided financing for acquisition of rail vehicles and the first phase of the new federal mandate for Positive Train Control. The remaining principal and interest to be paid on the bonds is \$22,681,449. During the current year, gross sales tax revenue of the Authority was \$35,332,154, compared to annual debt requirements of \$1,710,250.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending September 30	Other Debt		
	Principal	Interest	Total
2022	\$ 2,465,000	\$ 234,048	\$ 2,699,048
2023	1,775,000	212,438	1,987,438
2024	1,800,000	192,299	1,992,299
2025	1,815,000	171,811	1,986,811
2026	1,835,000	151,102	1,986,102
2027-2031	9,510,000	434,310	9,944,310
2032	2,065,000	20,441	2,085,441
Total	\$ 21,265,000	\$ 1,416,449	\$ 22,681,449

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 7 - Long-term Debt (Continued)

Advance Bond Refundings

During the year, the Authority issued \$12,930,000 in revenue bonds with an average interest rate of 0.99 percent. The proceeds of these bonds were used to advance refund \$12,755,000 of outstanding revenue bonds with an average interest rate of 3.99 percent. The net proceeds of \$12,845,475 (after payment of \$84,525 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 8 years by \$1,707,058, which represents an economic gain of \$1,803,985.

During the year, the Authority issued \$9,940,000 revenue bonds with an average interest rate of 1.28 percent. The proceeds of these bonds were used to advance refund \$9,855,000 of outstanding revenue bonds with an average interest rate of 3.13 percent. The net proceeds of \$9,867,853 (after payment of \$72,147 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 10 years by \$1,008,898, which represents an economic gain of \$938,899.

Significant Terms

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, 2021 and 2020, the Authority was in compliance with this requirement.

Note 8 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority participates 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. Settled claims relating to the insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program in which the Authority participates operates as a common risk-sharing management program; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

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. Workers' 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. Real and personal property coverage has a \$10,000 deductible. Cyber liability and data breach response coverage is also provided by TML-IRP for the following:

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 8 - Risk Management (Continued)

- 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 and 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 forgery and computer fraud up to \$1,000,000 in the aggregate. For the years ended September 30, 2021 and 2020, the Authority has not incurred any losses under this plan.

In addition to the coverages provided by TML-IRP, the Authority 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 refueling for the Authority's passenger rail vehicles. Mid-Continent Casualty Company is the insurance provider with the following coverages: \$1,000,000 each pollution incident for bodily injury, property damage, and claim handling, \$2,000,000 annual aggregate, \$5,000 deductible.

Beginning in December 2020, DCTA's excess railroad liability insurance has been provided under Dallas Area Rapid Transit's policy with a policy limit of \$140 million and \$3 million self-insured retention. DCTA secured its own rail liability insurance coverage from October 2016 to December 2020. The change to a joint policy allowed both DCTA and DART to benefit from reduced premiums.

Note 9 - Pension Plans

Plan Description

The Authority provides retirement, disability and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the Texas County and District Retirement System, an agent multiple-employer plan, administered by the TCDRS board. The board of directors is responsible for the administration of the statewide agent multi-employer public employee defined benefit pension retirement system consisting of nearly 800 public employee defined benefit pension plans.

TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar year basis. The ACFR is available upon written request from the board of trustees at P.O. Box 2034, Austin, TX 78768-2034 or can be viewed at www.tcdrs.org.

Benefits Provided

Texas County and District Retirement System provides retirement, disability, and survivor benefits to all of its non-temporary DCTA employees. Retirement benefits are calculated based on 5 percent of each employee's pay, earning 7 percent interest on beginning of year balances annually and at retirement, account is matched at an employer set percentage (currently 200 percent) and is then converted to an annuity. An employee who leaves DCTA service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms do not provide for an automatic annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. However, each year, the Authority may elect an ad hoc COLA for its retirees. There are two COLA types, each limited by actual inflation.

Benefit terms are generally established under the TCDRS Act and can be amended as of January 1 each year but must remain in conformity with the Act.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 9 - Pension Plans (Continued)

Benefit terms, including contribution requirements, for qualified deferred compensation defined contribution plan under the Internal Revenue Code Section 457 are established and may be amended by the board of directors. The Authority is not required to contribute to individual employee accounts. Employees are permitted to make contributions to the pension plan up to applicable Internal Revenue Code limits. Employees are immediately vested in their own contributions and earnings on those contributions and become vested in employer contributions and earnings on employer contributions after completion of 60 months of creditable service with the Authority. Nonvested Authority contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the plan's administrative expenses.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	32
	<hr/>
Total employees covered by the plan	68
	<hr/>

Contributions

The deposit rate for employees is 4 percent to 7 percent 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 percent 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, prefund 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 fiscal years 2021 and 2020, the Authority made contributions of 6.25 percent and 6.26 percent, respectively.

Net Pension Liability

The Authority has chosen to use the December 31, 2020 measurement date as its measurement date for the net pension liability. The September 30, 2021 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2020 measurement date. The December 31, 2020 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 9 - Pension Plans (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability
Balance at December 31, 2019	\$ 2,375,960	\$ 2,401,949	\$ (25,989)
Changes for the year:			
Service cost	354,281	-	354,281
Interest	220,389	-	220,389
Differences between expected and actual experience	(84,719)	-	(84,719)
Changes in assumptions	221,352	-	221,352
Contributions - Employer	-	202,396	(202,396)
Contributions - Employee	-	160,377	(160,377)
Net investment income	-	248,840	(248,840)
Benefit payments, including refunds	(19,149)	(19,149)	-
Administrative expenses	-	(2,197)	2,197
Miscellaneous other charges	-	10,406	(10,406)
Net changes	692,154	600,673	91,481
Balance at December 31, 2020	<u>\$ 3,068,114</u>	<u>\$ 3,002,622</u>	<u>\$ 65,492</u>

The plan's fiduciary net position represents 97.9 percent of the total pension liability.

Changes in the net pension liability during the prior measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at December 31, 2018	\$ 1,861,885	\$ 1,752,600	\$ 109,285
Changes for the year:			
Service cost	296,238	-	296,238
Interest	174,468	-	174,468
Changes in benefits	51,919	-	51,919
Contributions - Employer	-	200,030	(200,030)
Contributions - Employee	-	159,880	(159,880)
Net investment income	-	287,455	(287,455)
Benefit payments, including refunds	(8,550)	(8,550)	-
Administrative expenses	-	(1,830)	1,830
Other	-	12,364	(12,364)
Net changes	514,075	649,349	(135,274)
Balance at December 31, 2019	<u>\$ 2,375,960</u>	<u>\$ 2,401,949</u>	<u>\$ (25,989)</u>

The plan's fiduciary net position represents 101.1 percent of the total pension liability as of the previous measurement date.

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

For the year ended September 30, 2021 and 2020, the Authority recognized pension expense of \$231,840 and \$172,966, respectively.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 9 - Pension Plans (Continued)

At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 97,086	\$ 91,617	\$ 127,473	\$ 35,762
Changes in assumptions	182,878	-	8,061	-
Net difference between projected and actual earnings on pension plan investments	-	60,873	-	34,334
Employer contributions to the plan subsequent to the measurement date	141,166	-	154,913	-
Total	<u>\$ 421,130</u>	<u>\$ 152,490</u>	<u>\$ 290,447</u>	<u>\$ 70,096</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Year Ending December 31	Amount
2021	\$ 32,659
2022	33,660
2023	12,466
2024	38,688
2025	10,001
Total	<u>\$ 127,474</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (average over career including inflation) of 3.50 to 8.00 percent, including wage inflation of 3.00 percent; an investment rate of return (gross of investment expenses) of 7.60 percent; and the RP-2014 Healthy Annuitant mortality tables. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted for the period from January 1, 2013 through December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 9 - Pension Plans (Continued)

Investment Rate of Return

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 shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
U.S. equities	11.50 %	4.25 %
Global equities	2.50	4.55
International equities - Developed markets	5.00	4.25
International equities - Emerging markets	6.00	4.75
Investment-grade bonds	3.00	(0.85)
Strategic credit	9.00	2.11
Direct lending	16.00	6.70
Distressed debt	4.00	5.70
REIT equities	2.00	3.45
Master limited partnerships	2.00	5.10
Private real estate partnerships	6.00	4.90
Private equity	25.00	7.25
Hedge funds	6.00	1.85
Cash equivalents	2.00	(0.70)

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 7.60 percent, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability (asset)	\$ 590,345	\$ 65,492	\$ (361,098)

Assumption Changes

The December 31, 2020 actuarial valuation updated investment rate of return, net of investment and administrative expenses, from 8.00 to 7.50 percent; inflation from 2.75 to 2.50 percent; and discount rate from 8.10 to 7.60 percent

Note 10 - NTMC Defined Contribution Retirement Plans

The Authority sponsors one NTMC 401(k) plan for non-operator employees. The plan provides for the Authority to make a required matching contribution of 50 percent of the participant's elected deferral up to 6 percent. Contributions to the plan totaled \$9,138 and \$9,263 for the years ended September 30, 2021 and 2020, respectively.

The Authority sponsors one Amalgamated Transit Union (ATU) 401(k) plan for operator employees. The plan provides for the Authority to make a required matching contribution of 50 percent of the participant's elected deferral up to 3 percent. Contributions to the plan totaled \$460 for the year ended September 30, 2021. In 2020, the Authority did not match the ATU 401(k) plan. In April 2021, NTMC and the ATU went into bargaining negotiations and bargained a new collective bargaining agreement (CBA) for an employer match to this plan.

Denton County Transportation Authority**Notes to Financial Statements****September 30, 2021 and 2020****Note 11 - 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:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 100,000
2023	100,000
2024	100,000
2025	100,000
2026	100,000
2027-2029	<u>300,000</u>
Total	<u>\$ 800,000</u>

The current portion of the easement obligation is \$100,000 as of September 30, 2021 and 2020.

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 12 - Component Unit Information

Condensed financial information detailing component unit activity is as follows:

	2021			2020		
	DCTA	NTMC	Total	DCTA	NTMC	Total
Current Assets	\$ 80,343,240	\$ 499,838	\$ 80,843,078	\$ 53,858,895	\$ 408,253	\$ 54,267,148
Long-term Assets	305,927,328	-	305,927,328	314,895,537	-	314,895,537
Deferred Outflows of Resources	421,130	-	421,130	290,447	-	290,447
Total assets and deferred outflows	<u>\$ 386,691,698</u>	<u>\$ 499,838</u>	<u>\$ 387,191,536</u>	<u>\$ 369,044,879</u>	<u>\$ 408,253</u>	<u>\$ 369,453,132</u>
Current Liabilities	5,330,173	499,838	5,830,011	5,486,639	408,253	5,894,892
Long-term Liabilities	19,565,492	-	19,565,492	22,205,000	-	22,205,000
Deferred Inflows of Resources	152,490	-	152,490	70,096	-	70,096
Total liabilities and deferred inflows	25,048,155	499,838	25,547,993	27,761,735	408,253	28,169,988
Net Position						
Net investment in capital assets	283,862,328	-	283,862,328	289,978,581	-	289,978,581
Unrestricted	77,781,215	-	77,781,215	51,304,563	-	51,304,563
Total net position	<u>361,643,543</u>	<u>-</u>	<u>361,643,543</u>	<u>341,283,144</u>	<u>-</u>	<u>341,283,144</u>
Total liabilities and net position	<u>\$ 386,691,698</u>	<u>\$ 499,838</u>	<u>\$ 387,191,536</u>	<u>\$ 369,044,879</u>	<u>\$ 408,253</u>	<u>\$ 369,453,132</u>
Operating Revenues	\$ 3,931,563	\$ -	\$ 3,931,563	\$ 4,639,923	\$ -	\$ 4,639,923
Operating Expenses	32,802,554	6,520,464	39,323,018	33,139,568	7,555,427	40,694,995
Operating Loss	(28,870,991)	(6,520,464)	(35,391,455)	(28,499,645)	(7,555,427)	(36,055,072)
Other Revenue (Expense)						
Nonoperating revenue	54,342,431	-	54,342,431	46,064,745	-	46,064,745
Capital contributions	1,409,423	-	1,409,423	3,472,676	-	3,472,676
Payment from DCTA to NTMC	(6,520,464)	6,520,464	-	(7,555,427)	7,555,427	-
Total other revenue	<u>49,231,390</u>	<u>6,520,464</u>	<u>55,751,854</u>	<u>41,981,994</u>	<u>7,555,427</u>	<u>49,537,421</u>
Change in net position	<u>\$ 20,360,399</u>	<u>\$ -</u>	<u>\$ 20,360,399</u>	<u>\$ 13,482,349</u>	<u>\$ -</u>	<u>\$ 13,482,349</u>
Cash Flows from Operating Activities	\$ (26,864,831)	\$ 5,529	\$ (26,859,302)	\$ (25,883,237)	\$ 43,941	\$ (25,839,296)
Cash Flows from Noncapital Financing Activities	54,223,364	-	54,223,364	43,472,246	-	43,472,246
Cash Flows from Capital and Related Financing Activities	(2,706,900)	-	(2,706,900)	(3,414,303)	-	(3,414,303)
Cash Flows from Investing Activities	(4,441,661)	-	(4,441,661)	267,048	-	267,048
Net Increase in Cash and Cash Equivalents	20,209,972	5,529	20,215,501	14,441,754	43,941	14,485,695
Cash and Cash Equivalents - Beginning of year	39,356,019	407,390	39,763,409	24,914,265	363,449	25,277,714
Cash and Cash Equivalents - End of year	<u>\$ 59,565,991</u>	<u>\$ 412,919</u>	<u>\$ 59,978,910</u>	<u>\$ 39,356,019</u>	<u>\$ 407,390</u>	<u>\$ 39,763,409</u>

Denton County Transportation Authority

Notes to Financial Statements

September 30, 2021 and 2020

Note 13 - Commitments and Contingencies

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 2022. The total lease expense was \$224,889 for 2021 and \$226,632 for 2020. The remaining lease payments for 2022 are \$119,639.

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.

TRiP Projects

The Transportation Reinvestment Program (TRiP) will enable partnerships between DCTA and its member cities on mutually beneficial investments in transit-supportive projects by allowing DCTA to distribute funds to member cities for eligible projects consistent with DCTA's Long Range Service Plan and the Authority's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code. TRiP was approved by the board as a five-year program with its first funding cycle in fiscal year 2021. The anticipated annual TRiP budget will be set at 15 percent of DCTA's net available fund balance from the previous fiscal year. For the initial program year and in addition to the set 15 percent, a one-time program startup amount of \$2,000,000 was dedicated to the TRiP project line item within the fiscal year 2021 budget. The Authority has made commitments totaling \$4,972,771 to local communities to support transit-related projects under the Authority's Transportation Reinvestment Program.

Note 14 - Operating Reserves

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, 2021 and 2020, the reserves are as follows:

	2021	2020
Operating reserve	\$ 8,563,132	\$ 8,069,817
Sales tax stabilization	934,625	804,161
Fuel stabilization	326,000	450,000
Capital/Infrastructure	2,000,000	4,000,000
Total	<u>\$ 11,823,757</u>	<u>\$ 13,323,978</u>

Required Supplemental Information

Denton County Transportation Authority

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

Last Seven Plan Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 354,281	\$ 296,238	\$ 268,708	\$ 232,727	\$ 202,663	\$ 159,650	\$ 130,849
Interest	220,389	174,468	138,144	102,436	70,330	60,290	37,882
Changes in benefit terms	-	-	-	-	-	(26,820)	40,628
Differences between expected and actual experience	(84,719)	51,919	20,678	68,812	6,193	(95,366)	87,214
Changes in assumptions	221,352	-	-	5,065	-	13,055	-
Benefit payments, including refunds	(19,149)	(8,550)	(4,744)	(3,633)	(28,266)	(1,640)	(12,905)
Net Change in Total Pension Liability	692,154	514,075	422,786	405,407	250,920	109,169	283,668
Total Pension Liability - Beginning of year	2,375,960	1,861,885	1,439,099	1,033,692	782,772	673,603	389,935
Total Pension Liability - End of year	\$ 3,068,114	\$ 2,375,960	\$ 1,861,885	\$ 1,439,099	\$ 1,033,692	\$ 782,772	\$ 673,603
Plan Fiduciary Net Position							
Contributions - Employer	\$ 202,396	\$ 200,030	\$ 184,229	\$ 148,998	\$ 126,805	\$ 108,954	\$ 72,565
Contributions - Employee	160,377	159,880	149,818	122,330	104,798	92,022	78,874
Net investment income (loss)	248,840	287,455	(23,109)	152,471	55,555	(13,315)	25,740
Administrative expenses	(2,197)	(1,830)	(1,408)	(956)	(604)	(472)	(366)
Benefit payments, including refunds	(19,149)	(8,550)	(4,744)	(3,633)	(28,266)	(1,640)	(12,905)
Other	10,406	12,364	9,955	3,579	22,435	(57)	(27)
Net Change in Plan Fiduciary Net Position	600,673	649,349	314,741	422,789	280,723	185,492	163,881
Plan Fiduciary Net Position - Beginning of year	2,401,949	1,752,600	1,437,859	1,015,070	734,347	548,855	384,974
Plan Fiduciary Net Position - End of year	\$ 3,002,622	\$ 2,401,949	\$ 1,752,600	\$ 1,437,859	\$ 1,015,070	\$ 734,347	\$ 548,855
Authority's Net Pension Liability - Ending	\$ 65,492	\$ (25,989)	\$ 109,285	\$ 1,240	\$ 18,622	\$ 48,425	\$ 124,748
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.87 %	101.09 %	94.13 %	99.91 %	98.20 %	93.81 %	81.48 %
Covered Payroll	\$ 3,207,550	\$ 3,197,604	\$ 2,996,341	\$ 2,446,606	\$ 2,095,950	\$ 1,840,437	\$ 1,577,470
Authority's Net Pension Liability as a Percentage of Covered Payroll	2.04 %	(0.81)%	3.65 %	0.05 %	0.89 %	2.63 %	7.91 %

Schedule is built prospectively upon implementation of GASB 68.

Denton County Transportation Authority

Required Supplemental Information Schedule of Pension Contributions

Last Seven Fiscal Years Years Ended September 30

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 188,649	\$ 206,622	\$ 188,483	\$ 184,273	\$ 143,780	\$ 120,475	\$ 99,864
Contributions in relation to the actuarially determined contribution	188,649	206,622	188,483	184,273	143,780	120,475	99,864
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,018,354	\$ 3,300,495	\$ 3,025,716	\$ 3,002,632	\$ 2,364,645	\$ 2,001,375	\$ 1,776,972
Contributions as a Percentage of Covered Payroll	6.25 %	6.26 %	6.23 %	6.14 %	6.08 %	6.02 %	5.62 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

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	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	Varies by age and service 4.6 percent average over career including inflation
Investment rate of return	7.50 percent - Net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130 percent of the RP-2014 Healthy Annuitant Mortality Table for males and 110 percent of the RP-2014 Healthy Annuitant Mortality for females, both projected with 110 percent of the MP-2014 Ultimate scale after 2014.
Other information	None

Denton County Transportation Authority

Note to Required Supplemental Information

September 30, 2021 and 2020

Pension Information

Changes in Assumptions

Amounts reported in 2021 reflect updated investment rate of return, net of investment and administrative expenses, from 8.00 percent to 7.50 percent; inflation from 2.75 percent to 2.50 percent; and discount rate from 8.10 percent to 7.60 percent.

Other Supplemental Information

Denton County Transportation Authority

Other Supplemental Information

Schedule of Revenue and Expenses - DCTA - Budget to Actual

**Year Ended September 30, 2021
(with Comparative Actual for 2020)**

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget	2020
Operating Revenues					
Passenger revenue	\$ 580,291	\$ 580,291	\$ 548,078	\$ (32,213)	\$ 833,637
Contract services	3,458,402	3,633,760	2,923,277	(710,483)	3,378,826
Other	-	200,000	460,208	260,208	427,460
Total operating revenues	4,038,693	4,414,051	3,931,563	(482,488)	4,639,923
Operating Expenses					
Salaries, wages, and benefits	4,193,211	4,263,661	3,945,499	318,162	4,398,509
Outsourced services and charges	3,955,959	6,247,868	5,028,644	1,219,224	4,683,164
Materials and supplies	2,917,735	2,883,995	1,086,848	1,797,147	1,922,266
Purchased transportation services	10,732,539	11,402,257	10,302,946	1,099,311	10,091,453
Utilities	506,668	508,810	431,998	76,812	431,838
Insurance	1,681,336	1,715,712	1,712,923	2,789	1,656,122
Leases and rentals	238,468	238,468	224,889	13,579	226,632
Employee development	241,304	241,604	82,372	159,232	170,770
Transportation reinvestment program	-	29,798	29,798	-	-
Depreciation	10,489,375	10,489,375	9,956,637	532,738	9,558,814
Total operating expenses	34,956,595	38,021,548	32,802,554	5,218,994	33,139,568
Operating Loss	(30,917,902)	(33,607,497)	(28,870,991)	4,736,506	(28,499,645)
Nonoperating Revenue (Expenses)					
Investment income	100,000	100,000	31,178	(68,822)	320,793
Gain (loss) on sale of assets	-	-	42,344	42,344	(7,482)
Sales tax revenue	26,624,124	31,154,178	35,332,154	4,177,976	29,817,365
Transit system operating assistance grants	16,506,873	19,143,234	19,633,941	490,707	16,843,203
Interest expense	(841,080)	(684,330)	(697,186)	(12,856)	(909,134)
Total nonoperating revenue	42,389,917	49,713,082	54,342,431	4,629,349	46,064,745
Capital Contributions - Capital grants	6,094,359	1,556,153	1,409,423	(146,730)	3,472,676
Transfers to NTMC	(8,027,839)	(8,214,303)	(6,520,464)	1,693,839	(7,555,427)
Change in Net Position	9,538,535	9,447,435	20,360,399	10,912,964	13,482,349
Net Position - Beginning of year	341,283,144	341,283,144	341,283,144	-	327,800,795
Net Position - End of year	<u>\$ 350,821,679</u>	<u>\$ 350,730,579</u>	<u>\$ 361,643,543</u>	<u>\$ 10,912,964</u>	<u>\$ 341,283,144</u>

Denton County Transportation Authority

Other Supplemental Information

Schedule of Revenue and Expenses - NTMC - Budget to Actual

Year Ended September 30, 2021
(with Comparative Actual for 2020)

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget	2020
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses					
Salaries, wages, and benefits	7,451,314	7,636,554	6,028,468	(1,608,086)	7,211,425
Outsourced services and charges	399,919	400,219	366,444	(33,775)	201,117
Materials and supplies	3,293	3,293	603	(2,690)	-
Insurance	118,878	119,802	109,898	(9,904)	127,872
Employee development	54,435	54,435	15,051	(39,384)	15,013
Total operating expenses	8,027,839	8,214,303	6,520,464	(1,693,839)	7,555,427
Transfers from DCTA	8,027,839	8,214,303	6,520,464	(1,693,839)	7,555,427
Change in Net Position	-	-	-	-	-
Net Position - Beginning of year	-	-	-	-	-
Net Position - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This section of the Authority's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall conditions.

Contents

Financial Trends

These schedules contain trend information for the past ten years to help the reader understand how the Authority's financial performance and progress have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant revenue sources.

Debt Capacity

This schedule presents information to help the reader assess the affordability of the Authority's current level of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the Authority's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Denton County Transportation Authority**Net Position by Component****Last Ten Fiscal Years****September 30, 2021****(Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net position										
Net investment in capital assets	\$ 303,747,102	\$ 307,146,291	\$ 306,190,762	\$ 302,581,220	\$ 306,005,661	\$ 302,425,170	\$ 296,540,285	\$ 294,293,446	\$ 290,599,617	\$ 283,862,328
Unrestricted	17,220,630	15,295,793	16,048,204	19,337,564	19,422,461	23,662,662	29,491,818	33,507,349	50,683,527	77,781,215
Total net position	\$ 320,967,732	\$ 322,442,084	\$ 322,238,966	\$ 321,918,784	\$ 325,428,122	\$ 326,087,832	\$ 326,032,103	\$ 327,800,795	\$ 341,283,144	\$ 361,643,543

Denton County Transportation Authority

Changes in Net Position

	Last Ten Fiscal Years September 30, 2021 (Accrual Basis of Accounting)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating revenues										
Passenger revenue	\$ 1,015,813	\$ 1,265,685	\$ 1,454,750	\$ 1,478,840	\$ 1,406,471	\$ 1,292,725	\$ 1,114,734	\$ 1,357,691	\$ 833,637	\$ 548,078
Contract services	2,927,341	2,980,804	3,061,389	2,935,371	3,383,656	3,716,481	3,416,001	4,201,278	3,378,826	2,923,277
Other	38,032	44,072	58,694	199,176	170,742	396,450	858,648	210,198	427,460	460,208
Total operating revenues	3,981,186	4,290,561	4,574,833	4,613,387	4,960,869	5,405,656	5,389,383	5,769,167	4,639,923	3,931,563
Operating expenses										
Salaries, wages, and benefits	6,293,238	6,702,365	7,658,566	8,346,152	9,144,246	10,425,981	11,137,613	12,367,693	11,609,934	9,973,966
Outsourced services and charges	1,431,693	1,628,119	1,937,441	2,722,176	2,598,749	6,209,389	4,348,623	6,202,321	4,884,281	5,395,088
Materials and supplies	3,010,582	3,071,662	2,891,739	2,528,741	2,036,382	2,317,170	2,508,020	2,445,770	1,922,266	1,087,452
Utilities	396,248	415,341	416,818	472,391	404,896	427,013	439,476	445,809	431,838	431,998
Insurance	362,960	625,788	775,986	780,112	849,981	1,600,932	1,707,909	1,697,189	1,783,994	1,822,821
Purchased transportation services	7,605,436	8,874,900	9,632,780	10,080,919	10,666,292	10,587,125	8,980,451	9,755,585	10,091,453	10,302,946
Leases and rentals	943,160	349,592	352,479	124,645	158,251	248,128	213,497	221,903	226,632	224,889
Employee development	126,190	144,743	123,609	186,598	184,509	203,467	274,072	281,968	185,785	97,423
Transportation reinvestment program	-	-	-	-	-	-	-	-	-	29,798
Depreciation	6,901,760	8,613,310	8,875,337	9,337,505	9,854,907	9,986,476	10,202,356	9,813,483	9,558,814	9,956,637
Total operating expenses	27,071,267	30,425,820	32,664,755	34,579,239	35,898,213	42,005,681	39,812,017	43,231,721	40,694,995	39,323,018
Operating loss	(23,090,081)	(26,135,259)	(28,089,922)	(29,965,852)	(30,937,344)	(36,600,025)	(34,422,634)	(37,462,554)	(36,055,072)	(35,391,455)
Non-operating revenues (expenses)										
Sales tax revenue	19,009,135	20,209,051	21,367,086	23,261,748	24,658,546	26,790,098	27,937,707	28,735,383	29,817,365	35,332,154
Capital grants	7,127,088	5,922,358	4,263,522	2,636,956	5,769,630	6,532,885	1,631,747	4,187,777	3,472,676	1,409,423
Transit system operating assistance grants	3,183,057	3,100,729	3,410,607	4,985,908	5,130,046	4,900,401	5,484,450	6,664,660	16,843,203	19,633,941
Investment income	53,927	32,137	21,100	24,772	59,364	122,250	350,924	597,793	320,793	31,178
Interest expense	(1,486,881)	(1,449,718)	(1,247,357)	(1,211,899)	(1,156,229)	(1,098,107)	(1,040,263)	(972,668)	(909,134)	(697,186)
Bond issuance costs and fees	(12,219)	(213,096)	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	52,269	8,150	22,825	(51,815)	(14,675)	12,208	2,340	18,301	(7,482)	42,344
Total non-operating revenues (expenses)	27,926,376	27,609,611	27,837,783	29,645,670	34,446,682	37,259,735	34,366,905	39,231,246	49,537,421	55,751,854
Change in net position	\$ 4,836,295	\$ 1,474,352	\$ (252,139)	\$ (320,182)	\$ 3,509,338	\$ 659,710	\$ (55,729)	\$ 1,768,692	\$ 13,482,349	\$ 20,360,399

Denton County Transportation Authority

Capital Assets

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital assets not being depreciated:										
Land	\$ 16,228,337	\$ 16,228,337	\$ 16,228,337	\$ 16,228,337	\$ 16,228,337	\$ 17,394,147	\$ 17,394,147	\$ 17,394,147	\$ 17,394,147	\$ 17,394,147
Construction in progress	19,504,570	20,713,356	10,900,642	9,866,224	13,785,056	18,124,446	18,251,850	20,536,649	20,014,331	2,765,189
Total capital assets not being depreciated	35,732,907	36,941,693	27,128,979	26,094,561	30,013,393	35,518,593	35,645,997	37,930,796	37,408,478	20,159,336
Other capital assets being depreciated:										
Rail assets	286,261,767	295,548,514	276,138,293	278,300,390	282,218,725	282,218,725	283,178,861	283,178,861	283,178,861	300,547,954
Land improvements	5,386,734	5,386,734	5,386,734	6,458,821	6,458,821	6,458,821	6,874,492	9,017,865	12,166,783	12,158,726
Vehicles and operating equipment	8,261,725	8,261,725	8,940,025	8,370,679	9,997,320	10,228,999	11,444,904	12,698,164	12,584,752	12,982,287
Leasehold improvements	55,506	55,506	55,506	55,506	55,506	-	-	-	-	-
Office furniture and equipment	1,077,612	1,379,286	1,958,428	3,211,034	3,935,542	5,272,885	5,426,024	5,567,481	7,035,417	7,035,417
Facilities	-	-	32,843,448	32,843,448	32,843,448	31,760,649	31,760,649	31,760,649	31,760,649	31,760,649
Easement	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155	16,997,155
Total other capital assets	318,040,499	327,628,920	342,319,589	346,237,033	352,506,517	352,937,234	355,682,085	359,220,175	363,723,617	381,482,188
Less accumulated depreciation:										
Rail assets	4,840,193	12,681,356	18,028,395	24,381,744	30,883,870	37,160,734	43,449,134	49,779,910	56,110,686	62,875,689
Land improvements	284,202	665,279	944,428	1,088,981	1,377,500	1,666,020	1,965,624	2,327,927	2,788,304	3,275,067
Vehicles and operating equipment	4,738,045	4,170,403	4,941,135	4,964,966	5,775,080	6,756,251	7,779,318	8,513,300	9,190,031	9,237,141
Leasehold improvements	55,506	55,506	55,506	55,506	55,506	-	-	-	-	-
Office furniture and equipment	349,772	454,902	713,240	1,000,296	1,604,281	2,389,010	3,424,947	4,148,347	4,640,797	5,086,158
Facilities	-	-	1,370,221	2,121,496	2,850,881	3,484,184	4,189,674	4,895,163	5,600,653	6,306,143
Easement	1,977,500	2,832,859	3,682,717	4,532,575	5,382,432	6,232,290	7,082,148	7,932,006	8,781,863	9,631,721
Total accumulated depreciation	12,245,218	20,860,305	29,735,642	38,145,564	47,929,550	57,688,489	67,890,845	77,596,653	87,112,334	96,411,919
Total capital assets, net	\$ 341,528,188	\$ 343,710,308	\$ 339,712,926	\$ 334,186,030	\$ 334,590,360	\$ 330,767,338	\$ 323,437,237	\$ 319,554,318	\$ 314,019,761	\$ 305,229,605

Denton County Transportation Authority**Revenue by Source****Last Ten Fiscal Years**

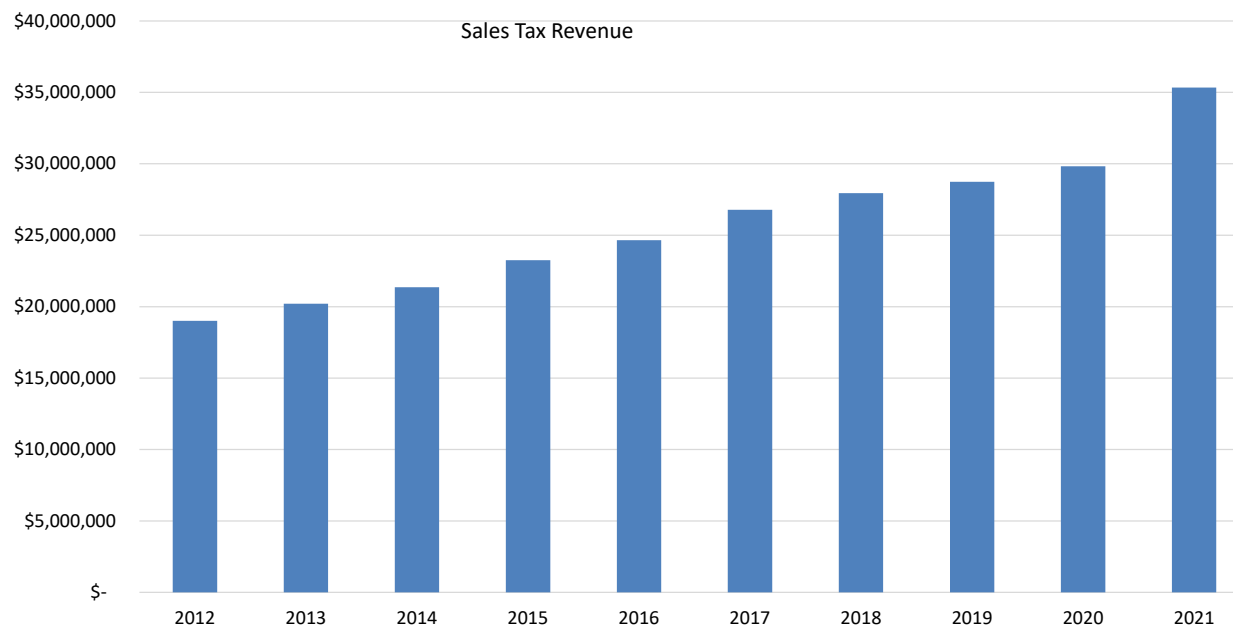
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue:										
Sales tax	\$ 19,009,135	\$ 20,209,051	\$ 21,367,086	\$ 23,261,748	\$ 24,658,546	\$ 26,790,098	\$ 27,937,707	\$ 28,735,383	\$ 29,817,365	\$ 35,332,154
Passenger revenues	1,015,813	1,265,685	1,454,750	1,478,840	1,406,471	1,292,725	1,114,734	1,357,691	833,637	548,078
Contract service revenues	2,965,373	3,024,876	3,120,083	3,134,547	3,554,398	4,112,931	4,274,649	4,411,476	3,806,286	3,383,485
Investment income	53,927	32,137	21,100	24,772	59,364	122,250	350,924	597,793	320,793	31,178
Grant revenues	10,310,145	9,023,087	7,674,129	7,622,864	10,899,676	11,433,286	7,116,197	10,852,437	20,315,879	21,043,364
Other revenues	52,269	8,150	22,825	(51,815)	(14,675)	12,208	2,340	18,301	(7,482)	42,344
Total revenue	\$ 33,406,662	\$ 33,562,986	\$ 33,659,973	\$ 35,470,956	\$ 40,563,780	\$ 43,763,498	\$ 40,796,551	\$ 45,973,081	\$ 55,086,478	\$ 60,380,603

Denton County Transportation Authority**Sales Tax Revenue****Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sales Tax Revenue	\$ 19,009,135	\$ 20,209,051	\$ 21,367,086	\$ 23,261,748	\$ 24,658,546	\$ 26,790,098	\$ 27,937,707	\$ 28,735,383	\$ 29,817,365	\$ 35,332,154
Compounded Percent Change from Base Year ⁽¹⁾		6.3%	12.4%	22.4%	29.7%	40.9%	47.0%	51.2%	56.9%	85.9%
Percent Change from Prior Year		6.3%	5.7%	8.9%	6.0%	8.6%	4.3%	2.9%	3.8%	18.5%
Average Growth										7.2%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Notes:

⁽¹⁾ Base Year for 2013 through 2021 is 2012.

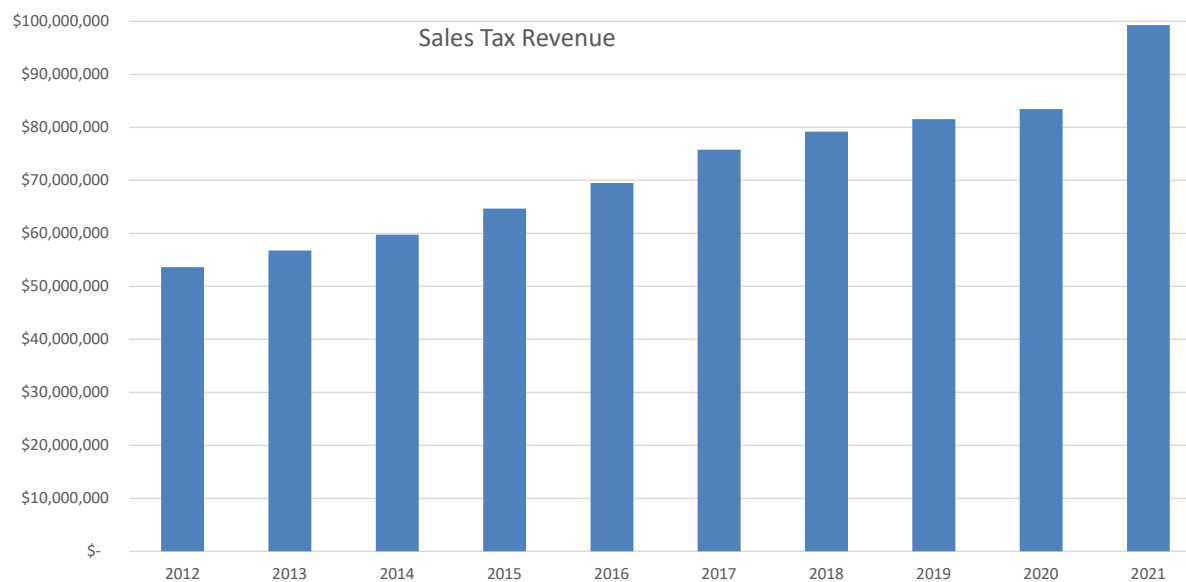
Denton County Transportation Authority

Sales Tax Allocation Received by Member Cities

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Denton	\$ 24,367,672	\$ 24,954,131	\$ 26,062,974	\$ 28,717,159	\$ 30,745,434	\$ 34,956,511	\$ 36,276,094	\$ 36,402,338	\$ 37,398,228	\$ 43,498,977
City of Highland Village	3,196,265	3,244,944	3,514,486	3,591,789	3,695,262	3,727,797	3,804,755	4,154,270	4,144,890	4,596,666
City of Lewisville	26,061,918	28,564,305	30,175,350	32,359,597	35,063,635	37,100,766	39,118,841	40,976,630	41,904,104	51,215,079
Total	\$ 53,625,855	\$ 56,763,380	\$ 59,752,810	\$ 64,668,545	\$ 69,504,331	\$ 75,785,074	\$ 79,199,690	\$ 81,533,238	\$ 83,447,222	\$ 99,310,722

Source: Texas Comptroller of Public Accounts allocation of sales tax receipts by city.



Denton County Transportation Authority

Long-term Debt

Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue Refunding Bonds, Series 2009 ⁽¹⁾	Contractual Obligations, Series 2011 ⁽¹⁾	Sales Tax Revenue Refunding Bonds, Series 2020 ⁽¹⁾	Sales Tax Revenue Refunding Bonds, Series 2021 ⁽¹⁾	Total	Percentage of Personal Income ⁽²⁾	Per Capita ⁽³⁾
2012	\$ 20,890,000	\$ 14,390,000	\$ -	\$ -	\$ 35,280,000	0.15%	\$ 51.65
2013	20,005,000	14,390,000	-	-	34,395,000	0.15%	49.56
2014	19,085,000	14,390,000	-	-	33,475,000	0.14%	46.94
2015	18,130,000	13,835,000	-	-	31,965,000	0.12%	43.49
2016	17,135,000	13,250,000	-	-	30,385,000	0.11%	38.71
2017	16,105,000	12,635,000	-	-	28,740,000	0.09%	35.28
2018	15,030,000	11,990,000	-	-	27,020,000	0.08%	32.00
2019	13,915,000	11,315,000	-	-	25,230,000	0.07%	28.86
2020	12,755,000	10,605,000	-	-	23,360,000	(A)	25.92
2021	-	-	11,325,000	9,940,000	21,265,000	(A)	22.79

Sources:

⁽¹⁾ DCTA Finance Department

⁽²⁾ Personal income from U.S. Census Bureau, American Community Survey

⁽³⁾ Population from Regional Data Center, North Central Texas Council of Governments (NCTCOG) estimates

Notes:

(A) Certain portions of the above data have been omitted as the information is not available to DCTA at this time.

Denton County Transportation Authority

Demographic and Economic Statistics for Denton County

Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income (in Thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	Education Level in Years of Formal Schooling ⁽²⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2012	683,010	\$ 22,938,891	\$ 33,585	33.0	14.0	209,157	5.6%
2013	694,050	23,497,063	33,855	33.4	14.1	215,359	5.4%
2014	713,200	24,625,370	34,528	33.8	14.1	219,368	4.5%
2015	734,970	25,660,743	34,914	34.2	14.1	223,446	3.4%
2016	784,840	28,441,032	36,238	34.5	14.1	224,226	3.6%
2017	814,560	30,894,632	37,928	34.9	14.2	228,173	3.1%
2018	844,260	34,587,644	40,968	35.8	14.4	242,860	3.1%
2019	874,240	37,742,689	43,172	36.0	14.3	249,086	2.8%
2020	901,120	(A)	(A)	(A)	(A)	(A)	6.3%
2021	933,220	(A)	(A)	(A)	(A)	(A)	3.9%

Sources:

⁽¹⁾ Regional Data Center, North Central Texas Council of Governments (NCTCOG) estimates

⁽²⁾ U.S. Census Bureau, American Community Survey

⁽³⁾ Texas Workforce Commission, data for September of respective year

Notes:

(A) Certain portions of the above data have been omitted as the information is not available to DCTA at this time.

Denton County Transportation Authority

Principal Employers in Denton County

September 30, 2021 and Nine Years Ago

10 Largest Employers	Industry	2021			2012		
		Rank	Estimated Number of Employees ⁽¹⁾	Percentage of Total Employment ⁽²⁾	Rank	Estimated Number of Employees ⁽¹⁾	Percentage of Total Employment ⁽²⁾
Lewisville Independent School District	Education	1	6,363	1.27%	2	6,508	1.77%
Charles Schwab Corp	Finance/Insurance	2	6,000	1.20%	-	(A)	(A)
Wal-Mart	Retail	3	4,876	0.97%	3	3,900	1.06%
University of North Texas	Education	4	4,614	0.92%	1	7,762	2.11%
Denton Independent School District	Education	5	4,417	0.88%	4	3,266	0.89%
Peterbilt Motors Co.	Manufacturing	6	3,075	0.61%	8	2,100	0.57%
Northwest Independent School District	Education	7	2,694	0.54%	9	1,636	0.44%
Nebraska Furniture Mart	Retail	8	2,000	0.40%	-	(A)	(A)
Texas Woman's University	Education	9	1,875	0.37%	-	(A)	(A)
Frito Lay	Food Distribution	10	1,712	0.34%	6	2,500	0.68%
Centex Home Equity	Finance/Insurance				5	2,600	0.71%
American Airlines Alliance	Transportation				7	2,154	0.58%
Denton State School	Health Care/Social Assistance				10	1,500	0.41%
			37,626	7.52%		33,926	9.20%

Sources:

⁽¹⁾ North Central Texas Council of Governments (NCTCOG) Regional Data Center, various cities, chambers of commerce, school districts

⁽²⁾ Texas Workforce Commission

Notes:

(A) Certain portions of the above data have been omitted as the information is not available to DCTA at this time.

Denton County Transportation Authority

Total Employees and Contract Operations

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Employee Count										
DCTA - Administration	18.00	22.00	23.75	26.75	27.25	29.75	33.75	42.50	35.50	36.00
Third Party Contract Operations:										
Bus Services	119.00	126.00	137.00	140.50	152.00	132.50	141.00	139.50	137.00	118.00
Total Full Time Equivalents (FTEs)	137.00	148.00	160.75	167.25	179.25	162.25	174.75	182.00	172.50	154.00

Sources: DCTA Finance Department

Notes:

Note 1: Figures represent total budgeted FTEs.

Note 2: Third party contract bus operations include TMDC employees in previous years and NTMC employees starting with FY19.

Denton County Transportation Authority

Operating Statistics

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actual Vehicle Revenue Miles										
Demand Response Directly Operated Transportation	244,606	237,817	236,203	226,065	276,159	260,833	264,591	284,103	204,413	135,902
Fixed Route Bus Directly Operated Transportation	1,269,081	1,213,224	1,223,746	1,403,748	1,482,110	1,626,952	1,625,327	1,643,943	1,307,863	1,190,682
A-train Rail Purchased Transportation	250,758	299,037	313,062	326,217	334,468	338,751	328,658	335,611	579,625	501,786
VanPool Purchased Transportation	38,478	360,277	461,253	618,963	822,901	785,538	689,889	718,019	1,005,519	1,491,900
Demand Response Taxi Purchased Transportation	-	-	-	-	-	13,766	61,695	97,277	67,987	67,179
Demand Response Purchased Transportation	-	-	-	-	-	-	-	-	-	64,204
Total Actual Vehicle Revenue Miles	1,802,923	2,110,354	2,234,264	2,574,993	2,915,638	3,025,840	2,970,160	3,078,953	3,165,407	3,451,653
Actual Vehicle Revenue Hours										
Demand Response Directly Operated Transportation	16,975	17,407	17,655	17,614	24,452	24,659	21,031	21,741	15,993	11,841
Fixed Route Bus Directly Operated Transportation	96,479	99,468	104,932	116,874	126,214	135,091	137,411	138,881	105,124	89,675
A-train Rail Purchased Transportation	10,121	11,125	12,215	13,149	13,580	13,511	13,208	13,765	26,354	23,285
VanPool Purchased Transportation	1,023	7,044	9,079	11,072	14,706	14,689	14,935	17,842	23,778	26,970
Demand Response Taxi Purchased Transportation	-	-	-	-	-	1,097	3,969	6,209	4,129	4,017
Demand Response Purchased Transportation	-	-	-	-	-	-	-	-	-	4,470
Total Actual Vehicle Revenue Hours	124,598	135,044	143,881	158,709	178,952	189,047	190,554	198,438	175,378	160,258
Total Annual Unlinked Passenger Trips - Bus										
	2,588,802	2,502,586	2,259,168	2,400,699	2,396,220	2,458,623	2,426,039	2,403,728	1,339,577	724,239
Total Annual Unlinked Passenger Trips - Rail										
	387,126	510,738	568,338	555,423	545,250	504,958	419,335	393,700	221,316	113,440
Total Annual Unlinked Passenger Trips - VanPool										
	5,764	66,294	80,235	134,662	199,044	145,020	128,088	128,171	154,812	216,451
Total Annual Unlinked Passenger Trips - Taxi										
	-	-	-	-	-	1,716	7,576	13,710	10,568	10,248
	2,981,692	3,079,618	2,907,741	3,090,784	3,140,514	3,110,317	2,981,038	2,939,309	1,726,273	1,064,378
Annual Passenger Miles										
Demand Response Directly Operated Transportation	221,474	237,922	236,238	226,214	258,644	202,774	204,529	260,791	195,020	135,764
Fixed Route Bus Directly Operated Transportation	7,818,249	7,415,162	6,092,976	7,132,608	6,322,593	5,918,759	5,828,301	5,748,291	3,182,297	1,675,782
A-train Rail Purchased Transportation	5,724,715	7,637,399	8,339,421	8,175,102	8,000,309	7,298,558	5,901,029	5,493,329	3,039,904	1,531,530
VanPool Purchased Transportation	167,761	1,906,523	3,413,865	3,258,528	6,439,172	6,119,250	5,618,838	5,787,405	7,205,612	10,788,190
Demand Response Taxi Purchased Transportation	-	-	-	-	-	13,923	61,441	97,339	68,014	67,302
Demand Response Purchased Transportation	-	-	-	-	-	-	-	-	-	53,733
Total Annual Passenger Miles	13,932,199	17,197,007	18,082,500	18,792,452	21,020,718	19,553,264	17,614,138	17,387,155	13,690,847	14,252,301
Operating Expenses										
Demand Response Directly Operated Transportation	\$ 1,383,900	\$ 1,478,366	\$ 1,569,707	\$ 1,429,741	\$ 1,703,434	\$ 2,225,894	\$ 2,421,592	\$ 3,027,013	\$ 2,557,881	\$ 1,967,427
Fixed Route Bus Directly Operated Transportation	7,994,301	8,456,825	9,179,521	9,934,604	10,956,771	11,877,132	12,657,498	13,838,874	13,165,615	11,555,180
A-train Rail Purchased Transportation	9,787,380	11,319,050	12,402,812	13,429,333	12,757,014	13,528,182	13,680,466	14,464,826	14,086,602	13,623,014
VanPool Purchased Transportation	57,969	221,587	327,211	356,865	430,362	392,099	386,401	424,355	605,410	735,614
Demand Response Taxi Purchased Transportation	-	-	-	-	-	187,927	281,604	364,491	303,210	374,351
Demand Response Purchased Transportation	-	-	-	-	-	-	-	-	-	620,655
Total Operating Expenses	\$ 19,223,550	\$ 21,475,827	\$ 23,479,251	\$ 25,150,543	\$ 25,847,581	\$ 28,211,234	\$ 29,427,561	\$ 32,119,559	\$ 30,718,718	\$ 28,876,241

Actual Vehicle Revenue Miles: The miles a vehicle travels while in revenue service. This definition includes layover and recovery, but excludes travel to and from storage facilities, the training of operators prior to revenue service, road tests, deadhead travel, and school bus and charter service. FY 2015 includes special service. For A-train, this is defined as revenue train miles.

Actual Vehicle Revenue Hours: The hours a vehicle travels while in revenue service. This definition includes layover and recovery, but excludes travel to and from storage facilities, the training of operators prior to revenue service, road tests, deadhead travel, and school bus and charter service. FY 2015 includes special service. For A-train, this is defined as revenue train hours.

Unlinked Passenger Trips: The number of passengers who board public transportation vehicles. A passenger is counted each time the passenger boards a vehicle even though the passenger might be on the same journey from origin to destination. FY 2015 includes special service.

Annual Passenger Miles: The sum of miles traveled by passengers, calculated by multiplying the average miles traveled per passenger by the total number of boardings.

Source: National Transit Database

Denton County Transportation Authority

Farebox Recovery Percentage

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Farebox Recovery - Bus	47.65%	46.30%	46.07%	42.73%	44.14%	41.25%	36.35%	39.51%	33.04%	31.76%
Farebox Recovery - Rail	5.51%	6.53%	6.87%	6.15%	6.17%	5.36%	5.33%	5.25%	3.29%	2.10%

Fare Structure at 9/30/2021

Local System (Bus & Rail)

Local System AM/PM Pass	\$ 1.50
Local System AM/PM Reduced*	0.75
Local System Day Pass	3.00
Local System Day Pass Reduced*	1.50
Local System 7-Day Pass	15.00
Local System 10 Pack of Day Passes	20.00
Local System Monthly/31-Day Pass	48.00
Local System Monthly/31-Day Pass Reduced*	24.00
Local System Annual Pass	480.00
Local System Annual Pass Reduced*	240.00
Local System University Full Semester Pass**	120.00
Local System University Summer Semester Pass**	72.00
Local System University Annual Pass**	240.00

GoZone On-Demand Micro-Transit

Single Trip	0.75
-------------	------

Frisco Demand Response

One-Way Local Trip	3.00
One-Way Regional Trip	5.00

Regional (Bus & Rail)

Regional Day Pass	\$ 12.00
Regional Day Pass Reduced*	3.00
Regional 10 Pack of Day Passes	84.00
Regional Monthly/31-Day Pass	192.00
Regional Monthly/31-Day Pass Reduced*	48.00
Regional Annual Pass	1,920.00
Regional Annual Pass Reduced*	576.00
Regional University Full Semester Pass**	240.00
Regional University Summer Semester Pass**	144.00
Regional University Annual Pass**	576.00

Access

Access One-Way Trip	3.00
Access 10-Ride Book	30.00

Collin County Transit Demand Response

Boarding fare	2.25
Plus fare per mile	1.80

* Reduced = Seniors (65+), disabled (with DCTA issued ID), Medicare cardholders, and students (Ages 5-18, students over the age of 14 require a valid high school or DCTA issued ID)

** Students, faculty or staff attending colleges with physical campuses within Denton County are eligible to participate in the University Pass Program. Proof of enrollment/employment is required.

Farebox recovery ratio is a proportion of the amount of revenue generated through fares by its paying customers including contract services as a fraction of the cost of its total operating expenses without depreciation expense.

Source: DCTA Finance Department

Denton County Transportation Authority

**Federal Awards Supplemental Information
September 30, 2021**

Denton County Transportation Authority

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

Independent Auditor's Report

To the Board of Directors
 Denton County Transportation Authority

We have audited the financial statements of the Denton County Transportation Authority (the "Authority") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated February 9, 2022, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to February 9, 2022.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

February 9, 2022

**Plante & Moran, PLLC**

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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*

Independent Auditor's Report

To Management and the Board of Directors
Denton County Transportation Authority

We have audited, 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, the financial statements of the Denton County Transportation Authority (the "Authority") as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 9, 2022.

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) as a basis for designing 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 Authority'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 financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Directors
Denton County Transportation Authority

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moren, PLLC

February 9, 2022



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Denton County Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited the 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 the Authority's major federal program for the year ended September 30, 2021. The Authority's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "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 the major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

To the Board of Directors
Denton County Transportation Authority

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 a 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.

Plante & Moreau, PLLC

February 9, 2022

Denton County Transportation Authority**Schedule of Expenditures of Federal Awards****Year Ended September 30, 2021**

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
U.S. Department of Transportation - Direct Programs:				
Federal Transit Cluster:				
Federal Transit - Formula Grants (Urbanized Area Formula Program):				
TX-95-X079-00	20.507		\$ -	\$ 565,518
TX-2017-011-00	20.507		-	587,974
TX-2019-071-00	20.507		-	406,307
TX-2020-048-00	20.507		-	245,654
COVID-19-TX-2020-095-00	20.507		-	16,735,697
TX-2020-124-00	20.507		-	1,297,076
TX-2020-151-00	20.507		-	176,970
TX-2021-014-00	20.507		-	255,931
TX-2021-088-00	20.507		-	441,642
TX-2021-091-00	20.507		-	158,042
Total Formula Grants (Urbanized Area Formula Program)			-	20,870,811
State of Good Repair Grants Program TX-2021-067-00	20.525		-	(1,120)
Total Federal Transit Cluster			-	20,869,691
Passed through the North Central Texas Council of Governments -				
Transit Services Programs Cluster -				
Job Access and Reverse Commute Program TX-57-X043-01	20.516	N/A	-	99,778
Total expenditures of federal awards			\$ -	\$ 20,969,469

Denton County Transportation Authority

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2021**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Denton County Transportation Authority (the "Authority") under programs of the federal government for the year ended September 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Denton County Transportation Authority**Schedule of Findings and Questioned Costs****Year Ended September 30, 2021****Section I - Summary of Auditor's Results****Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.507, 20.525	Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No**Section II - Financial Statement Audit Findings**

None

Section III - Federal Program Audit Findings

None



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February 9, 2022

To the Board of Directors
Denton County Transportation Authority

We have audited the financial statements of the Denton County Transportation Authority (the "Authority") as of and for the year ended September 30, 2021 and have issued our report thereon dated February 9, 2022. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the members of the board of directors of the Authority.

Section II contains informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the Authority's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the members of the board of directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "Pamela L. Hill".

Pamela L. Hill

A handwritten signature in black ink that reads "Keith Szymanski".

Keith Szymanski

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 4, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the Authority's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the Authority, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated February 9, 2022 regarding 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.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 22, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

As described in Note 1 to the financial statements, the Authority made a reporting change to combine the North Texas Mobility Corporation with the Authority's operations.

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

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

Section I - Required Communications with Those Charged with Governance (Continued)

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the introductory and statistical section of the financial statements, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

Section II - Other Items

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our COVID-19 resource center at <https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center>. This will continue as our nation emerges from this crisis.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included \$30.5 billion in federal funding to support public transportation systems. The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including the cost principles and restrictions on general provisions for selected items of cost. The Authority will need to understand these reforms and may be required to evaluate, document, and monitor internal procedures around compliance, including maintaining certain required policies.

The COVID-19 resource center is being continuously updated for the latest guidance and strategy related to ARPA and will help keep the Authority running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

Auditor Reporting Standards

The AICPA Auditing Standards Board (ASB) issued several new standards that will be effective shortly, which will significantly change the independent auditor's report and make some changes to certain required audit procedures. The standards discussed below are both first effective for your fiscal year ending September 30, 2022.

Statement on Auditing Standards No. 137 addresses auditors' responsibilities relating to other information included in annual reports. This new standard may increase the scope of audit procedures and may result in some audit work being performed outside of the normal timing. To the extent that the Authority issues a document meeting the AICPA's definition of an annual report under the standard, additional audit procedures will need to be performed on that separate document before it is issued.

Statement on Auditing Standards No. 134 requires changes in the form and content of the auditor's report issued as a result of an audit of financial statements in order to provide financial statement users with more meaningful information about the audit process and meaning of auditor opinions. This is the first significant change to auditors' reports in years.

Significant elements of the new standard include:

- Revision of order for elements of the opinion letter, including moving the auditor's opinion to the top of the letter
- Expansion of information to be included within a basis of opinion section and notification to the user that the auditor is required to be independent of the entity and meet other ethical responsibilities
- Explanation of how misstatements to financial statements are determined to be material
- Addition of definition of reasonable assurance and identifying that the risk of material misstatement due to fraud is greater than the risk due to error

Section II - Other Items (Continued)

- Enhanced reporting related to going concern, including a description of management's responsibilities when required by the applicable reporting framework
- Description of the auditor's responsibilities, including responsibilities relating to professional judgment and professional skepticism, internal controls, identification of risks of material misstatement to the financial statements, evaluation of accounting policies used, conclusion on the entity's ability to continue as a going concern, and the auditor's communications with those charged with governance

We are happy to discuss these changes with you so that you are well prepared.

Cybersecurity

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, governmental entities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. They potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a government with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.

Recognizing the risk of cyberattacks, the Department of Homeland Security recently announced that TSA will impose cybersecurity mandates on certain rail transit systems and railroads. It will be recommended that public transit agencies not covered by the directive adopt certain measures, including developing and implementing contingency/response plans for cyberattacks and conducting self-assessments to benchmark cybersecurity posture.

We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Upcoming Accounting Standard Requiring Preparation - GASB Statement No. 87 - Leases

This new accounting pronouncement will be effective for the Authority's 2022 fiscal year. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

We recommend beginning to accumulate information now related to all significant lease agreements in order to more efficiently implement this new standard once it becomes effective.

Plante & Moran, PLLC has been providing trainings and other resources to help prepare for the implementation of this new standard. Please reach out to your engagement team for assistance in getting started.

Board of Directors Memo

February 24, 2022

SUBJECT: Mobility Services Update

Recommendation

No Board action required at this time. This is an informational update.

Background

This report on Mobility Services will serve as an update on the following topics:

- GoZone statistics
- Related GoZone service performance information and other updates
- Status update on March 2022 service changes

Previous Board Activity & Action

- **June 25, 2020** – Regular Agenda Item 3 – Mobility as a Service (MaaS) Task Order for Member City Services
- **July 31, 2020** – Specially Called Board Meeting – Transformation Initiative Workshop – Discussed as part of the future planning process
- **August 27, 2020** – Regular Agenda Item 8 – Discuss MaaS Task Order #2: On-Demand Service in Member Cities
- **September 24, 2020** – Regular Agenda Item 8 – Consider Approval of MaaS Task Order #2: On-Demand Services for Member Cities and Contracted Cities
- **November 12, 2020** – Regular Agenda Item 1 - Discuss Transformation Initiative Progress Report – Initial introduction of the Agency Priority Actions flowchart which included plans and estimated dates for the MaaS service plan
- **December 10, 2020** – Regular Agenda Item 6 - Discuss DCTA Priority Actions
- **January 28, 2021**
 - Regular Agenda Item 5 – Approval and Award of Mobility as a Service Contract
 - Joint Info Item 1 – DCTA Agency Priorities Update (memo and flowchart)
- **March 10, 2021** – Regular Agenda Item 7 – Review and Discuss MaaS Service Plan Update and Considerations
- **April 7, 2021**
 - Regular Agenda Item 1 – Presentation, Discussion and Approval of Via's Proposal #4
 - Regular Agenda Item 2 – Presentation and Discussion of Task Order with Via
- **May 27, 2021** – Regular Agenda Item 7 – Public Involvement Progress Report

- **June 24, 2021** – Regular Agenda Item 7 – Discuss GoZone Public Involvement Feedback and Potential Service Modifications to Proposed Plan
- **July 22, 2021** – Regular Agenda Item 4 - Discuss and Consider Approval of GoZone Service Plan for Launch on September 7, 2021
- **August 26, 2021** – Regular Agenda Item 6 - Update and Discussion of the September 7, 2021 GoZone Launch and Fixed Route Services
- **September 23, 2021** – Regular Agenda Item 3 - Update on Mobility Services, GoZone and Fixed Route
- **October 28, 2021** – Regular Agenda Item 6 – Provide a Report on GoZone Service Performance
- **December 2, 2021** – Regular Agenda Item 5 – GoZone Update
- **January 27, 2022** – Regular Agenda Item 6 – GoZone Update

Financial Impact

N/A

Exhibits

N/A

Submitted By: 

Javier Trilla, AVP of Innovation and Information Technology

Board of Directors Memo

February 24, 2022

SUBJECT: Discuss and Consider Authorizing the CEO to Negotiate and Enter into an Agreement with River North Transit LLC (Via) for Comprehensive Operations Analysis Services

Recommendation

Staff recommends the Board of Directors authorize the CEO to negotiate and enter into an agreement with Via to provide consulting services for a Comprehensive Operations Analysis.

Background

Modifications to the Connect Fixed Route service were recommended and approved during the December 2021 board meeting. In addition, a comprehensive operations analysis was recommended for presentation at the June 2022 board meeting.

In coordination with Accenture, Via will provide consulting services for a multimodal and intermodal solution that include the following tasks:

- Define Technology Options and Timeline
- Existing Conditions Analysis
- Develop and Assess Service Alternatives
- Refine Service Alternatives
- Cost-Benefit Analysis
- Develop Initial and Final Recommendations for the Board
- Implementation

Previous Board Activity & Action

- December 2, 2021 – Regular Agenda Item 3 - Reconsider Changes Made to Connect Fixed Route Service Effective December 5, 2021 and Proposed Recommendations

Financial Impact

The value of the task order will be \$75,000, billed at a rate of \$15,000 per month over the course of 5 months of work. Realized savings in the FY22 budget will be used to fund this task order.

Exhibits

Exhibit 1: DCTA - DCTA_Via_Consulting_Agreement

Submitted By:



Javier Trilla, AVP of Innovation and Information Technology

Consulting Services Agreement (DRAFT)

This Consulting Services Agreement (this "**Agreement**"), dated as of [DATE] (the "**Effective Date**"), is by and between Via Mobility LLC, a Delaware limited liability company, with offices located at 160 Varick St, New York, New York 10013 ("**Via**") and the Denton County Transportation Authority ("**DCTA**"), a Texas Metropolitan Transit Authority, with offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 ("**Client**" and together with Via, the "**Parties**", and each a "**Party**").

1. Background and Purpose.

1.1 Via Background. Via is the developer and owner of a proprietary technology platform and certain related systems and methods used to plan, establish, monitor, operate and/or manage on-demand transit networks. Via carries out planning and advisory projects for clients around the world, using various systems, technologies, methodologies and simulation tools (collectively, the "**Via Consulting Tools**"). Via also employs an internal use version of its proprietary platform, systems and methods to operate its own on-demand transit service under the Via brand, and has also developed a cloud-based version of its platform and related systems and methods (collectively, the "**Via Solution**") and accompanying technical and operational support services that it makes available by subscription on a software as a services basis to third party operators of private and public transportation networks.

1.2 Client Background. Client operates a public transportation network (the "**Client Transportation Service**") using vehicles, equipment and services (including telecommunications and/or dispatch equipment and services), personnel, routes and other infrastructure it owns or otherwise controls.

1.3 Purpose; Ordering. The purpose of this Agreement is to provide a framework under which Via will provide to Client certain transportation consulting services (collectively, the "**Services**"). This Agreement shall govern the provision of Services by Via to Client as described in the statement of work attached hereto and any other statement of work signed by Via and Client (each, a "**Statement of Work**").

2. The Services. Pursuant to one or more Statements of Work, the parties intend that Via shall provide the Services described in such Statement of Work. The initial accepted Statement of Work is attached hereto as Exhibit A. Additional Statements of Work shall be deemed issued and accepted only if signed by the Via Contract Manager and the Client Contract Manager, appointed pursuant to Section 3.1(a) and Section 4.1, respectively. Each Statement of Work may be amended through written agreement between Via and the Client from time to time during the Term. Unless a Statement of Work has different acceptance terms, Client will accept the Services and any resulting deliverables upon payment or fifteen (15) days after their performance, whichever occurs first, and may not withhold, condition, or delay payment or acceptance after that time.

3. Via Obligations. Via shall:

3.1 Designate employees or contractors that it determines, in its sole discretion, to be capable of filling the following positions:

(a) A primary contact to act as its authorized representative with respect to all matters pertaining to this Agreement (the "**Via Contract Manager**").

(b) A number of employees or contractors that it deems sufficient to perform the Services set out in each Statement of Work (collectively, with the Via Contract Manager, "**Via Representatives**").

3.2 Assign only qualified, legally authorized Via Representatives to provide the Services.

3.3 Comply with all Applicable Laws and regulations in providing the Services, where "**Applicable Laws**" means (i) any statute, statutory instrument or any other legislative instrument having the force of law; and (ii) any applicable judgment of a relevant court of law which is a binding precedent, in each case in force at any time during the Term.

3.4 Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Via in providing the Services. During the Term, upon Client's written request, Via shall allow Client or Client's representative to inspect and make copies of such records in connection with the provision of the Services; provided that: (i) Client provides Via with at least 15 business days advance written notice of the planned inspection, (ii) any such inspection shall take place during regular business hours, and (iii) any such inspection shall occur no more than once per year.

4. Client Obligations. Client shall:

4.1 Designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the "**Client Contract Manager**"), with such designation to remain in force unless and until a successor Client Contract Manager is appointed.

4.2 Cooperate with Via in its performance of the Services and provide access to Client's premises, information, personnel, and/or systems as required to enable Via to provide the Services. Via shall not be responsible for any failures or delays caused by the Client's failure to so cooperate or any inaccurate information provided by or on behalf of the Client.

4.3 Take all steps necessary, including obtaining any required licenses or consents, to prevent Client-caused delays in Via's provision of the Services.

5. Fees and Expenses.

5.1 In consideration of the provision of the Services by Via and the rights granted to Client under this Agreement, Client shall pay the fees set out in Via's then current Statement of Work. Payment to Via of such fees and the reimbursement of expenses pursuant to this Section 5 shall constitute payment in full for the performance of the Services. Unless

otherwise provided in the applicable Statement of Work, said fee will be payable within 30 days of receipt by the Client of an invoice from Via but in no event more than 30 days after completion of the Services performed pursuant to the applicable Statement of Work.

5.2 Client shall reimburse Via for all reasonable expenses incurred in accordance with the Statement of Work, within 30 days of receipt by the Client of an invoice from Via accompanied by receipts and reasonable supporting documentation.

5.3 Fees do not include applicable taxes (including sales, use, value-added, or excise taxes) or government charges all of which are payable by Client (excluding taxes on Via's income), nor do they include expenses Via may incur for Client's direct benefit, which will be incurred in accordance with Client's applicable expense-reimbursement policies, if so requested. Sales or value-added taxes or similar governmental charges associated with the provision of any Services (excluding taxes on Via's income) will be separately stated on the relevant invoice and shall be paid by Client in accordance with this Section 5.

5.4 If Via does not receive timely payment, Via may charge the maximum monthly interest allowed by law or one percent, whichever is greater, suspend Via's performance and seek cost of collection, including reasonable attorneys' fees. If Client disputes invoiced amounts, Client must submit disputes to Via in writing within ten (10) business days of the date the invoice originally was due, otherwise it will be final and non-refundable.

6. Indemnification. Each Party shall indemnify, defend, and hold harmless the other Party and its officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, "**Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, or costs, including reasonable attorneys' fees, awarded against Indemnified Party in a final judgment (collectively, "**Losses**"), relating to any claim of a third party arising out of or occurring in connection with the other Party's gross negligence or willful misconduct in the performance of this Agreement.

7. Warranties; Limitation of Liability; Insurance.

7.1 Warranties. Via warrants that: (a) from the Effective Date until the expiry or termination of this Agreement, the Services will comply in all material respects with this Agreement and with the relevant Statement of Work; (b) the Services will be carried out in a competent and professional manner; and (c) it has, and shall continue to have, all rights, consents and authorizations necessary to enable it to perform the Services in accordance with the provisions of this Agreement. In the event the Services fail to perform as warranted in this Section 7.1, Via shall use commercially reasonable to promptly correct any such failure of the Services.

7.2 Disclaimers. WITHOUT PREJUDICE TO SECTION 7.1 AND TO THE MAXIMUM EXTENT PERMITTED BY LAW: (a) EACH PARTY EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY (INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE AND NON-INFRINGEMENT); AND (b) VIA DOES NOT WARRANT THAT THE

SERVICES MEET CLIENT'S REQUIREMENTS, OR ARE ERROR FREE. Notwithstanding anything to the contrary express or implied in this Section 7, Section 6 or elsewhere in this Agreement, Via shall have no liability to Client or any passenger (including no duty to defend, indemnify or hold Client harmless) for any actions taken by Client as a result of with Service Provider's analysis, reports and/or other recommendations. In addition, Via shall have no liability to Client or any passenger for any Transport Incident where "**Transport Incident**" means any accident, incident or other situation involving any passenger (including negligent, willful and/or criminal acts and omissions), device, vehicle or equipment employed by Client in the use, provision or servicing of the Client Transportation Service and/or any employee or agent of Client operating such vehicle, device or equipment or otherwise acting on behalf of Client. Transport Incidents include actual or alleged violations of Applicable Laws and specifically any applicable law to which operators and owners of vehicles, employer of vehicle operators, and transportation service providers are required to adhere.

7.3 Limits on and Exclusions from Liability. NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, RELIANCE, OR PUNITIVE DAMAGES OR LOST OR IMPUTED PROFITS OR LOST DATA EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN WITH RESPECT TO FEES PAID OR PAYABLE BY CLIENT UNDER THE AGREEMENTS, EACH PARTY'S TOTAL LIABILITY FOR ALL CLAIMS ARISING IN CONNECTION WITH ALL AGREEMENTS WILL BE LIMITED TO DIRECT DAMAGES IN AN AMOUNT EQUIVALENT TO THE FEES PAID OR PAYABLE TO VIA WITH RESPECT TO THE PARTICULAR SERVICES, AS APPLICABLE, UNDER THE STATEMENT OF WORK OUT OF WHICH THE CLAIM AROSE DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING ASSERTION OF THE CLAIM. Client must bring all claims and causes of action within six (6) months of their being discovered or one (1) year after expiration or termination of the Statement of Work out of which the claim arises, whichever occurs first. The limitations and exclusions in this Section 7.3 apply to all claims or causes of action under whatever theory brought and regardless of whether a Party was advised of the possibility of the claim.

7.4 Insurance. Via shall obtain and maintain during the Term, with financially sound and reputable insurers having A.M. Best ratings of at least B (III) or better, policies of insurance customary for the delivery of technology and services similar to the Services including commercial general liability, auto liability (covering only Via's employees and not Client, passengers or the vehicles used in the Client Transportation Service) and professional liability. All such insurance shall be primary and not contributing with any insurance coverage maintained by Client. Client will receive advance written notice in the event of a cancellation or material change in any Via insurance policy hereunder. Where permissible, (e.g., policies other than professional liability), Via will name Client as an additional insured. Client shall obtain and maintain at all times any insurance necessary or statutorily required to operate the Client Transportation Service using the Via Solution in the jurisdiction(s) in which it operates, at its sole cost and expense.

8. Intellectual Property. Client shall own all intellectual property rights ("**Intellectual Property Rights**") in and to all reports that are delivered to Client under this Agreement

(collectively, the "**Deliverables**"). Client hereby grants Via a license to use all Intellectual Property Rights in the Deliverables free of charge and on a non-exclusive, worldwide, non-transferable, non-sublicensable, fully paid-up, royalty-free and perpetual basis. Notwithstanding the foregoing, Via shall own all Intellectual Property Rights in and to the Via Consulting Tools, the Via Solution, and to any pre-existing intellectual property or tools not developed specifically for Client ("**Via's IP**"). Client acknowledges and agrees that it shall have no right to use, reproduce, distribute, sublicense, modify or otherwise provide to third parties, Via's IP, in whole or in part, except as explicitly granted herein. In the event that Via provides Client with any hard-copy or electronic copies of materials containing Via's Confidential Information, including information pertaining to Via's IP and its operation, and Client retains copies of such materials in accordance with its general procurement rules following the termination of this Agreement, Client acknowledges that all Intellectual Property Rights relating to Via's IP and all of their derivative works and improvements remain the sole property of Via.

9. Independent Activities. The Client acknowledges that Via is in the business of performing services similar to the Services for third parties and that, subject to its confidentiality obligations hereunder, nothing herein prevents Via from continuing to engage in the performance of such services and related independent activities.

10. Confidentiality.

10.1 Non-Disclosure Obligations. Confidential Information may be provided or disclosed by one Party (the "**Disclosing Party**") orally, in writing or in graphical, machine-readable or other form to the other Party (the "**Receiving Party**"). The Receiving Party shall hold the Confidential Information in confidence and shall not make any use or disclosure of the Confidential Information to any individual or entity during the Term and thereafter without the express written consent of the Disclosing Party in each instance, except to the extent that those of the Receiving Party's employees, service providers, legal and financial advisors, and individual independent contractors who are bound to substantially similar obligations of confidentiality as set forth herein and have a need to know the Confidential Information so disclosed. The Receiving Party shall handle all Confidential Information received with the same degree of care as it uses to maintain the confidentiality of its own confidential information, which shall in no event be less than reasonable care. As between the parties, all Confidential Information shall remain the sole and exclusive property of the Disclosing Party and other than the licenses expressly granted in this Agreement or another agreement between the parties, no disclosure or permitted use of the Confidential Information under this Agreement shall be construed as the grant of any right, title or interest, by license or otherwise, in or to the Confidential Information. The remedy at law for breach or threatened breach of this Section 10.1 shall be inadequate, and in addition to any other remedy available, the non-breaching party shall be entitled to seek injunctive relief. In the event that Client receives a request for Via's Confidential Information, including this Agreement and the terms and conditions contained herein, under the Freedom of Information Act ("**FOIA**") or its state or local analogs, Client agrees to provide Via timely notice of such a request and to assist Via in seeking to protect its Confidential Information under any applicable exemption for trade secrets, to the extent possible under Applicable Law.

10.2 Exclusions. The Receiving Party shall have no obligation under Section 10.1 with respect to any Confidential Information disclosed to it which: (i) the Receiving Party can demonstrate was already known to it at the time of its receipt hereunder; (ii) is or becomes generally available to the public other than by means of breach of these Terms and Conditions or any other agreement any Party may have with the Disclosing Party; (iii) is independently obtained from a third party (other than any authorized recipient) whose disclosure to the Receiving Party does not violate a duty of confidentiality and does not require further restrictions on such disclosure; or (iv) is independently developed by or on behalf of the Receiving Party without use of, reference to or reliance on any Confidential Information of the Disclosing Party, and such independent development can be reasonably evidenced by the Receiving Party. In addition, the Receiving Party may make disclosure of Confidential Information in a judicial, legislative, or administrative investigation or proceeding or to a government or other regulatory agency; provided that, to the extent permitted by, and practicable under, the circumstances, the Receiving Party shall provide to Disclosing Party prior written notice of the intended disclosure to enable the Disclosing Party the reasonable opportunity to contest or limit such disclosure or, if prior written notice is not permitted or practicable under the circumstances, prompt notice of such disclosure.

11. Term and Termination.

11.1 Term; Duration of Right to Place Statements of Work. The Client's right to enter into Statements of Work under this Agreement commences on the Effective Date and continues, unless earlier terminated pursuant to this Section 11, for so long as at least one Statement of Work remains continuously in effect (the "**Term**").

11.2 Termination. If an obligation under this Agreement or a Statement of Work is materially breached, the non-breaching Party may provide written notice specifying the nature of the breach and the breaching Party will have thirty (30) days from receipt of notice to cure. If not so cured, the non-breaching Party may terminate the applicable Statement of Work affected by the breach by providing a second written notice of immediate termination. In addition, all Statements of Work, including all Services under them, shall terminate automatically and immediately upon either Party's insolvency or any attempt by either Party to obtain protection from creditors or wind down operations, unless otherwise agreed by the opposing Party in a written notice. If a Statement of Work is terminated by either Party or expires pursuant to its terms, then Client must pay any outstanding amounts due to Via, and all copies and embodiments of Via's Confidential Information (including the Applications) must be returned. Unless an Agreement is terminated by Client under this Section 11 as a result of Via's uncured material breach, no expiration or termination of this Agreement will affect Client's obligation to pay for Via's non-cancelable obligations to third parties on behalf of or benefitting Client, including fees in respect of Third Party Content, all of which will remain due and payable by Client in accordance with the terms of the applicable Statement of Work. The notification by either Party of its intent to terminate this Agreement and/or any Statements of Work does not relieve either Party of any obligations that have accrued on or before the date on which termination becomes effective.

12. Assignment. Neither Party may assign, transfer, delegate or subcontract any of its rights or delegate any of its obligations under this Agreement or any Statement of Work without the

prior written consent of the other Party, provided that such consent is not required for an assignment to a Party's Affiliate. Any purported assignment or delegation in violation of this Section 12 shall be null and void. Via may require Client and the proposed assignee/transferee to agree to additional terms or pay additional fees.

13. Dispute Resolution; Governing Law. The laws of the State of New York will govern this Agreement without regard to the principles of conflicts of laws. Except for either Party's right, in connection with any matter involving this Agreement, to seek equitable or declaratory relief in any court of competent jurisdiction, all disputes not resolved informally by the parties shall be submitted for arbitration before a panel of three (3) arbitrators selected one each by the parties and one by the American Arbitration Association (the "AAA"), at least one of whom shall be an expert in the field of cloud-deployed software solutions. The arbitration shall be conducted in accordance with the provisions contained herein and in accordance with the Commercial Arbitration Rules of the AAA in effect at the time of the arbitration. A written notice of intent to arbitrate shall be provided by one Party to the other Party within a reasonable time after the dispute has arisen, and in no event shall such notice be provided after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations. All arbitration shall be administered by the AAA and shall take place in New York, New York unless otherwise agreed to by the parties. All aspects of the arbitration including the result shall be treated as confidential and shall not be disclosed. The award of the arbitrators shall be binding and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction; provided, however, that the arbitrators shall not have the power to award: (a) punitive damages; or (b) damages in excess of the limitations set forth in Section 7 hereof.

14. Entire Agreement. This Agreement, including and together with any related Statements of Work, exhibits, schedules, attachments and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, regarding such subject matter. Conflicts between the terms and conditions of this Agreement and the terms and conditions of any Statement of Work with respect to amounts or timing of payments will be resolved in favor of the Statement of Work. All other conflicts will be resolved in favor of this Agreement, including in the event of a conflict with Client's general conditions.

15. Miscellaneous. These Terms and Conditions and each Statement of Work may be signed in separate counterparts deemed to be one instrument. The parties agree and acknowledge that signatures transmitted electronically, whether sent via facsimile or as attached files to electronic mail messages (e.g., in .pdf format), shall be acceptable to bind the parties. All notices must be sent by certified mail or overnight courier to the address specified for each Party and deemed given three (3) business days after sending. The prevailing Party in any dispute is entitled to the recovery of reasonable legal fees and expenses. Failures in performance beyond a Party's reasonable control are excused. Unenforceable provisions will be reformed to permit enforceability with maximum effect to the original intent. Waiver of a breach is not waiver of other or later breaches. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Nothing in an Agreement is intended to create an agency, partnership, joint

venture, or franchise between the parties and except as may be expressly stated in a Statement of Work, neither Party has the authority to act in the name or on behalf of or otherwise to bind the other. In performing its obligations under this Agreement, each Party is acting as an independent contractor of the other and is solely responsible for the supervision, daily direction, and control of its own employees and for the payment of their salaries and benefits and related compensation. Via may issue a press release or make other public announcements concerning this Agreement and/or Statements of Work and may use Client's Marks in its marketing materials and on its website in a manner consistent with Client's communications policies (to the extent made available to Via) but in all events reasonably, where "**Marks**" means any word, name, symbol, logo, font, or device or any combination thereof, used to identify and distinguish goods or services from another source, including trademarks (both registered and unregistered), domain names and trade dress. Client shall, upon Via's request, use commercially reasonable efforts to provide comments with respect to the collaboration hereunder that Via can quote in its press release. Except as expressly set forth herein, there no other third-party beneficiaries of this Agreement. No amendment to or modification of this Agreement is effective unless it is in writing, identified as an amendment to this Agreement and signed by each Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their respective duly authorized officers.

DENTON COUNTY TRANSPORTATION
AUTHORITY

By_____

Name:

Title:

VIA MOBILITY LLC

By_____

Name:

Title:

EXHIBITS

EXHIBIT A

INITIAL STATEMENT OF WORK

Task 1: Define Technology Options and Timeline The Via team will articulate the multimodal and intermodal features that are available for deployment both in the GoZone service and across DCTA's offerings, as well as the cost and timeline for introducing each of them.

Task 2: Existing Conditions Analysis Leveraging Remix and other tools, the Via team will conduct a spatial analysis of transit need and demand in the DCTA service area. We will analyze the performance of the existing fixed-route and on-demand transit network to understand how well the entire network, as well as individual routes and zones, are serving this demand. This will include the development of route profiles.

Task 3: Develop and Assess Service Alternatives Drawing on the existing conditions analysis and engagement with the DCTA team, Via will develop a series of alternative network scenarios involving various degrees of reduction in fixed-route service; adjustments to existing routes; and adjustments to GoZone service zone boundaries, business rules, and service parameters. Via will use Remix to model the vehicle-hour requirements associated with adjustments to fixed-route service and our proprietary agent-based simulation tool to assess adjustments to GoZone services. These alternatives will incorporate the multimodal and/or intermodal features described in Task 1.

Task 4: Refine Service Alternatives The Via team will review the analysis conducted in Task 3 to reflect any new developments in ridership and utilization of existing services that may be reflected in the April service data prepared by Accenture.

Task 5: Cost-Benefit Analysis The Via team will develop a matrix assessing the overall cost, and projected cost-per-trip, for the various fixed-route and on-demand service alternatives under consideration against their impact on ridership, network coverage, and access to opportunity for vulnerable groups.

Task 6: Develop Initial and Final Recommendations for the Board Drawing on work conducted in the preceding tasks, Via will work with Accenture and the DCTA team to propose a multimodal service plan and pricing strategy. Via will support DCTA staff in presenting these recommendations to the DCTA Board of Directors and will revise and refine recommendations based on the Board's feedback.

Task 7: Implementation The Via team will prepare a detailed implementation strategy for the service alternatives approved by the Board including fleet and driver acquisition and management, rider education and marketing, etc.

Budget and Schedule Via will work closely with Accenture and the DCTA staff to execute the scope described above over the course of approximately five months, with all work concluding by the end of July. We propose a fee of **\$75,000** to be billed at a monthly rate of \$15,000 over five months.

Board of Directors Memo

February 24, 2022

SUBJECT: Consider Approval of Resolution R22-02 Approving Budget Revision 2022-07

Recommendation

Staff recommends the Board of Directors approve Resolution R22-02 authorizing a budget revision for the FY2022 operating and capital budget.

Background

The DCTA budget is prepared months in advance of the start of the October 1 fiscal year and not all revenues and expenses can be anticipated at the time of the budget preparation. Therefore, during the fiscal year, it may become necessary to reforecast the annual revenues and expenses and modify the budget by amendment. Amending the budget for material changes will provide a better forecasting and management tool for the Board and DCTA staff.

Previous Board Activity & Action

The FY22 budget was originally adopted on September 23, 2021. This is the seventh budget revision related to the FY22 budget.

Identified Need

In order to improve financial reporting and communicate expected financial results, the revised budget is submitted to the Board for consideration and approval of the attached Budget Revision 2022-07. DCTA's Financial Management Policies require approval of a Board resolution to authorize a budget amendment that increases the total adopted fiscal year budget or moves funds between DCTA and North Texas Mobility Corporation.

Items included in this revision are as follows:

Via Customer Support:

- The proposed monthly fee for Via to provide GoZone customer support is \$35k for an increase of \$245k (\$35k x 7 months). This is offset by a credit of \$2,800 for the existing monthly fee that was included in Amendment #2, for a total budget impact of \$242,200 in purchased transportation services for FY22.
- The annualized support cost is \$420k and includes phone and E-mail support for all GoZone service hours.
- Task Order was presented to the Board in January and has been included on the February agenda for Board approval.

Joint Rail Operations Facility Project:

- The Board approved the receipt of DART design funds and execution of task orders with Jacobs Engineering for design of the Joint Rail Operations Facility (JROF) expansion of the DCTA Rail Operations & Maintenance Facility (ROMF).
- Budget Revision 2022-07 includes the \$1,027,200 for the receipt of funds from DART as well as the creation of the capital project expenditure for the same amount.
- This capital project will be fully funded by DART so there is no net position impact for DCTA.



Financial Impact

The total budget impact of Budget Revision 2022-07 is a decrease to Net Position of \$242,200.

Exhibits

Exhibit 1: Resolution R22-02 with the following exhibits:

Exhibit A: Budget Revision 2022-07

Exhibit B: Change in Net Position (DCTA Only)

Exhibit B-1: Change in Net Position (DCTA & NTMC Combined)

Exhibit 2: Year-to-Date FY22 Budget Revisions

Submitted By:

A handwritten signature in blue ink that reads "Amanda Riddle".

Amanda Riddle
Senior Manager of Budget

Final Review:

A handwritten signature in blue ink that reads "Marisa Perry".

Marisa Perry, CPA
Chief Financial Officer/VP of Finance

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. R22-02**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING FISCAL YEAR 2022 BUDGET REVISION NUMBER 2022-07 REVISED OPERATING AND CAPITAL BUDGET, ATTACHED HERETO AS EXHIBITS “A” AND “B”, RESPECTIVELY; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, DCTA budget is a well calculated estimate as to what will be needed for expenditures in the fiscal year; and

WHEREAS, budget estimates are often prepared months in advance of the actual expenditures and the possibility that the actual amount of the expenditure will be known in exact terms at the time of the budget preparation is unlikely; and

WHEREAS, it may become necessary to reforecast the annual expenditures and modify the budget by amendment; and

WHEREAS, the Board of Directors of the DCTA desires to amend the fiscal year 2022 Operating and Capital Budget as set forth in Exhibits “A” and “B”, respectively.

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

SECTION 1. The Operating and Capital Budget Revision attached hereto as Exhibits “A” and “B”, respectively, be, and the same is hereby adopted and which shall amend the original budget adopted September 23, 2021, from and after the effective date of this Resolution.

SECTION 2. All provisions of the resolutions of the Board of Directors of the DCTA, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 24TH DAY OF FEBRUARY, 2022.

APPROVED:

Cesar Molina, Chair

ATTEST:

Dianne Costa, Secretary
(02-09-2022:TM 127689)

Exhibit “A”
Budget Revision 2022-07
(to be attached)

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

TRANSACTION TYPE: Transfer ☐
Revision ☒

Number: 2022-07

Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
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ADDITIONS TO EXISTING BUDGET

OPERATING EXPENSES:

<i>Bus Operations:</i>	Purchased Transportation (535.50810)	\$ 3,173,172	\$ 145,320	\$ 3,318,492
<i>*Via Customer Service*</i>	Purchased Transportation (536.50810)	227,616	16,954	244,570
	Purchased Transportation (537.50810)	2,084,674	79,926	2,164,600

NON-OPERATING REVENUES:

<i>Rail Operations:</i>	Refunds & Reimbursements (620.40235)	-	1,027,200	1,027,200
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CAPITAL:

	Joint Rail Operations Facility (JROF - 61302)	-	1,027,200	1,027,200
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Net Position Impact \$ (242,200)

EXPLANATION: Bus Operations:

The additional \$242,200 in purchased transportation is for Via to provide customer support for GoZone for the remainder of the fiscal year. Task Order was presented to the Board in January and has been included on the February agenda for Board approval.

Rail Operations/Capital:

In January, the Board approved the receipt of DART design funds & execution of task orders with Jacobs Engineering for design of the Joint Rail Operations Facility (JROF) expansion of the DCTA Rail Operations & Maintenance Facility (ROMF).

DATE: 2.8.2022

REQUESTED BY:

Amanda Riddle

DATE: 2.9.2022

REVIEWED BY:

Maria G. M. M.

DATE:

CEO:

Exhibit “B”
Change in Net Position
(to be attached)

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position

Description	DCTA FY 2022 Adopted Budget	DCTA Completed Budget Revisions	DCTA Proposed Budget Revision 2022-07	DCTA FY 2022 Working Budget
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$ 326,995	\$ 52,667	\$ -	\$ 379,662
Passenger Revenues (Rail Farebox)	262,917	-	-	262,917
Contract Service Revenue	3,915,759	-	-	3,915,759
Total Operating Revenue	4,505,671	52,667	-	4,558,338
OPERATING EXPENSES				
Salary, Wages & Benefits	5,103,643	-	-	5,103,643
Outsourced Services & Charges	4,610,662	472,650	-	5,083,312
Materials & Supplies	2,650,094	205,500	-	2,855,594
Utilities	526,281	-	-	526,281
Insurance	1,635,812	70,240	-	1,706,052
Purchased Transportation Services	16,680,162	150,094	242,200	17,072,456
Employee Development	235,385	-	-	235,385
Leases & Rentals	139,772	-	-	139,772
Depreciation	10,899,464	-	-	10,899,464
Total Operating Expenses	42,481,275	898,484	242,200	43,621,959
Operating Income / (Loss)	(37,975,604)	(845,817)	(242,200)	(39,063,621)
NON-OPERATING REVENUE / (EXPENSE)				
Investment Income	12,000	-	-	12,000
Misc. Revenues	-	-	1,027,200	1,027,200
Sales Tax Revenue	32,088,804	575,093	-	32,663,897
Federal Grants & Reimbursements	26,390,897	-	-	26,390,897
State Grants & Reimbursements	-	-	-	-
Long Term Debt Interest/Expense	(237,800)	-	-	(237,800)
Total Non-Operating Revenue / (Expense)	58,253,901	575,093	1,027,200	59,856,194
Income (Loss) Before Transfers	20,278,297	(270,724)	785,000	20,792,573
Transfers Out	(6,364,715)	(828,352)	-	(7,193,067)
Transfers In	-	-	-	-
Total Transfers	(6,364,715)	(828,352)	-	(7,193,067)
CHANGE IN NET POSITION	\$ 13,913,582	\$ (1,099,076)	\$ 785,000	\$ 13,599,506
<i>Transfer to Capital Projects</i>	<i>(15,100,221)</i>	<i>(15,000)</i>	<i>(1,027,200)</i>	<i>(16,142,421)</i>
Change in Net Position After Capital Project Transfer	\$ (1,186,639)	\$ (1,114,076)	\$ (242,200)	\$ (2,542,915)

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position

Description	DCTA FY 2022 Adopted Budget	DCTA Completed Budget Revisions	DCTA Proposed Budget Revision 2022-07	DCTA FY 2022 Working Budget	NTMC FY 2022 Adopted Budget	NTMC Completed Budget Revisions	NTMC FY 2022 Working Budget	FY 2022 Adopted Budget	FY 2022 Working Budget
OPERATING REVENUE									
Passenger Revenues (Bus Farebox)	\$ 326,995	\$ 52,667	\$ -	\$ 379,662	\$ -	\$ -	\$ -	\$ 326,995	\$ 379,662
Passenger Revenues (Rail Farebox)	262,917	-	-	262,917	-	-	-	262,917	262,917
Contract Service Revenue	3,915,759	-	-	3,915,759	-	-	-	3,915,759	3,915,759
Total Operating Revenue	4,505,671	52,667	-	4,558,338	-	-	-	4,505,671	4,558,338
OPERATING EXPENSES									
Salary, Wages & Benefits	5,103,643	-	-	5,103,643	5,787,307	802,935	6,590,242	10,890,950	11,693,885
Outsourced Services & Charges	4,610,662	472,650	-	5,083,312	450,970	1,922	452,892	5,061,632	5,536,204
Materials & Supplies	2,650,094	205,500	-	2,855,594	1,936	-	1,936	2,652,030	2,857,530
Utilities	526,281	-	-	526,281	-	-	-	526,281	526,281
Insurance	1,635,812	70,240	-	1,706,052	65,842	23,495	89,337	1,701,654	1,795,389
Purchased Transportation Services	16,680,162	150,094	242,200	17,072,456	-	-	-	16,680,162	17,072,456
Employee Development	235,385	-	-	235,385	58,660	-	58,660	294,045	294,045
Leases & Rentals	139,772	-	-	139,772	-	-	-	139,772	139,772
Depreciation	10,899,464	-	-	10,899,464	-	-	-	10,899,464	10,899,464
Total Operating Expenses	42,481,275	898,484	242,200	43,621,959	6,364,715	828,352	7,193,067	48,845,990	50,815,026
Operating Income / (Loss)	(37,975,604)	(845,817)	(242,200)	(39,063,621)	(6,364,715)	(828,352)	(7,193,067)	(44,340,319)	(46,256,688)
NON-OPERATING REVENUE / (EXPENSE)									
Investment Income	12,000	-	-	12,000	-	-	-	12,000	12,000
Misc. Revenues	-	-	1,027,200	1,027,200	-	-	-	-	1,027,200
Sales Tax Revenue	32,088,804	575,093	-	32,663,897	-	-	-	32,088,804	32,663,897
Federal Grants & Reimbursements	26,390,897	-	-	26,390,897	-	-	-	26,390,897	26,390,897
State Grants & Reimbursements	-	-	-	-	-	-	-	-	-
Long Term Debt Interest/Expense	(237,800)	-	-	(237,800)	-	-	-	(237,800)	(237,800)
Total Non-Operating Revenue / (Expense)	58,253,901	575,093	1,027,200	59,856,194	-	-	-	58,253,901	59,856,194
Income (Loss) Before Transfers	20,278,297	(270,724)	785,000	20,792,573	(6,364,715)	(828,352)	(7,193,067)	13,913,582	13,599,506
Transfers Out	(6,364,715)	(828,352)	-	(7,193,067)	-	-	-	(6,364,715)	(7,193,067)
Transfers In	-	-	-	-	6,364,715	828,352	7,193,067	6,364,715	7,193,067
Total Transfers	(6,364,715)	(828,352)	-	(7,193,067)	6,364,715	828,352	7,193,067	-	-
CHANGE IN NET POSITION	\$ 13,913,582	\$ (1,099,076)	\$ 785,000	\$ 13,599,506	\$ -	\$ -	\$ -	\$ 13,913,582	\$ 13,599,506
<i>Transfer to Capital Projects</i>	<i>(15,100,221)</i>	<i>(15,000)</i>	<i>(1,027,200)</i>	<i>(16,142,421)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(15,100,221)</i>	<i>(16,142,421)</i>
Change in Net Position After Capital Project Transfer	\$ (1,186,639)	\$ (1,114,076)	\$ (242,200)	\$ (2,542,915)	\$ -	\$ -	\$ -	\$ (1,186,639)	\$ (2,542,915)

YEAR-TO-DATE FY22 BUDGET REVISIONS

DCTA 2022-01 (Presented to DCTA Board October 28, 2021)

Approved by DCTA Board in October; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING REVENUES:</u>							
<i>Bus Operations</i>	537.40100	Passenger Revenues	\$ 71,399	\$	1,565	\$	72,964
<u>OPERATING EXPENSES:</u>							
	G&A 180.50309	Professional Services	194,000		25,650		219,650
	180.50440	Computer Materials & Supplies	40,000		48,700		88,700
<i>Bus Operations</i>	537.50810	Purchased Transportation	1,934,580		150,094		2,084,674
<i>Net Position Impact</i>					\$ (222,879)		

DCTA 2022-02 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in December; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>NON-OPERATING REVENUES:</u>							
	900.40300	Sales Tax Revenue	\$ 32,088,804	\$	575,093	\$	32,663,897
<i>Net Position Impact</i>					\$ 575,093		

DCTA 2022-03 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in December; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING REVENUES:</u>							
<i>Bus Operations</i>	511.40100	Passenger Revenues	\$ 62,763	\$	51,102	\$	113,865
<u>OPERATING EXPENSES:</u>							
<i>Bus Operations</i>	511.50410	Fuel	108,684		171,800		280,484
	511.50635	Auto Liability Insurance	40,601		70,240		110,841
<u>DCTA TRANSFER OUT TO NTMC OPERATING BUDGET:</u>							
<i>Bus Operations</i>	711.501/502	Salaries & Benefits	502,676		802,935		1,305,611
	711.50306	Uniforms	2,219		1,922		4,141
	711.50630	Workers Compensation Insurance	6,390		23,495		29,885
<i>Net Position Impact</i>					\$ (1,019,290)		

DCTA 2022-04 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>CAPITAL:</u>							
		TRiP Program - FY22 (10703)	\$ 7,119,429	\$	(7,019,429)	\$	100,000
		TRiP Program FY22 - Denton (10703.1)	-		3,074,578		3,074,578
		TRiP Program FY22 - Highland Village (10703.2)	-		324,900		324,900
		TRiP Program FY22 - Lewisville (10703.3)	-		3,619,951		3,619,951
<i>Net Position Impact</i>					\$ -		

DCTA 2022-05 (Presented to DCTA Board January 27, 2022)

Approved by DCTA Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
G&A	110.50309	Professional Services	\$ 302,668	\$	447,000	\$	749,668
				<u>Net Position Impact</u>		\$ (447,000)	

NTMC 2022-N001 (Presented to NTMC Board January 26, 2022)

Approved by NTMC Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	711.501/502	Salaries & Benefits	\$ 502,676	\$	802,935	\$	1,305,611
	711.50306	Uniforms	2,219		1,922		4,141
	711.50630	Workers Compensation Insurance	6,390		23,495		29,885
<u>NTMC TRANSFER IN FROM DCTA OPERATING BUDGET:</u>							
Bus Operations	711.501/502	Transfers In	6,364,715		828,352		7,193,067
				<u>Net Position Impact</u>		\$ -	

DCTA 2022-06 (Presented to DCTA Board February 24, 2022)

Budget Transfer - No Approval Necessary; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	500.50318	Facilities Maintenance	\$ 236,380	\$	(32,900)	\$	203,480
	590.50318	Facilities Maintenance	17,100		32,900		50,000
Rail Operations	620.50410	Fuel	1,101,600		(15,000)		1,086,600
<u>CAPITAL:</u>							
	61605	Brownfield Remediation	405,000		15,000		420,000
				<u>Net Position Impact</u>		\$ -	

Board of Directors Memo

February 24, 2022

SUBJECT: Review and Discuss Project Manager Office (PMO) Progress Report

Recommendation

This is a discussion item only. There is no recommendation at this time.

Background

On February 1, 2022, Accenture began a 6-month engagement to deliver three (3) workstreams: planning and facilitation of a Board-Staff Strategic Planning Workshop, ERP alternative selection, and Service & Fare Analysis and Design. The Regular Agenda will feature a standing item to discuss progress of these initiatives. Accenture's scope of work under Task Order #3 includes:

- Board-Staff Strategic Planning Workshop Planning and Facilitation (scheduling to be discussed at March meeting)
- ERP Alternative Selection
- Conducting Service Network and Fare Design Research
- Developing Data Analysis and Visualization Strategy, dashboard design, and sourcing support

Prior Board Discussion

- January 27, 2022 – Board approved Task Order #3 with Accenture, LLP and associated budget amendment for additional services. Accenture will provide an update on workstream activities at monthly Board meetings beginning February 2022.

Progress Report - Activities since January 2022 board update:

February activities focused on mobilizing and kicking off activities for each of the three workstreams. Integrated workplans and milestones have been developed and delivered to staff. Accenture continues its support of ridership data analysis and reporting. Further detail regarding February activities is included in Exhibit 1.

Exhibits

Exhibit 1: Accenture PMO Status Report

Submitted By: Chris Newport
Chris Newport, Accenture



PMO Board Update

Week Ending 02/18/2022

Program Status Overview

Overall	Task Order #3				Current Focus / Accomplishments	Risks/Issues/ Mitigations
	Board-Staff Strategic Planning	Service Analysis & Reporting	ERP Sourcing Strategy	Service & Fare Design Analysis		
G	G	G	G	G	<ul style="list-style-type: none"> Board-Staff Strategic Planning <ul style="list-style-type: none"> Developing pre-workshop questions for Board, draft Agenda, activities, and focus areas of workshop Service Analysis & Reporting <ul style="list-style-type: none"> Updated GoZone data in the draft DCTA Performance Dashboard Developed 12-week work plan for dashboard development, standardized data collection and storage techniques Utilizing custom-built Excel macro to parse data in a format that can be blended with GoZone data for comparative analyses Reviewed dashboarding tool licensing structures, potential user counts, and procurement options with IT staff Delivered monthly ridership analysis to Board ERP Sourcing Strategy <ul style="list-style-type: none"> Conducted ERP alternative product overview demonstrations Delivered evaluation team assessment toolkit for ERP alternative vendor responses and demonstrations Service & Fare Design Analysis <ul style="list-style-type: none"> Developed integrated workplan, discussed and delivered to DCTA staff to develop activity timeline with next steps and milestones 	<ul style="list-style-type: none"> None at this time



Board of Directors Memo

February 24, 2022

SUBJECT: Consider Approval of Amendment to Task Order with River North Transit LLC (Via) Regarding GoZone Customer Support Services

Recommendation

Authorize the CEO to execute Amendment #4 to Task Order #1 with River North Transit LLC "Via" for Via to provide phone and E-mail customer support during all hours of GoZone operation pending legal review of the amendment.

Background

Shortly after service launch, Via assumed the responsibility of both phone and E-mail customer support of GoZone operations beyond after-hours support. Beginning on October 1, 2021, Via began to provide this support at no charge to DCTA to ensure riders of the GoZone service received dedicated support without overwhelming DCTA customer service operations. Via extended this level of free support until March 1, 2022, and staff is seeking approval of Amendment #4 to allow Via to continue providing support for GoZone until the end of Fiscal Year 2022.

Previous Board Activity & Action

- **January 27, 2021** - Discuss Amendment #4 to Via Task Order #1 for Via to Provide Customer Service for GoZone

Identified Need

Customer service for all transit modes is currently provided by NTMC call center employees. Support for all modes of transit by customer service staff would be negatively impacted by the additional load that GoZone calls would create without Via's current support level.

Financial Impact

The proposed monthly fee for Via to provide GoZone customer support is \$35,000 for an increase of \$242,200 in purchased transportation services for FY22 (\$35,000 x 7 months minus \$2,800 credit). A budget amendment for this item is included on the February board agenda as Resolution R22-02, approving Budget Revision 2022-07.

Exhibits

Exhibit 1: DCTA Amendment #4 - Full Time Customer Support (Mar 2022 - Sept 2022)

Submitted By: 

Javier Trilla, AVP of Innovation and Information Technology

**Amendment #4
to the
AGREEMENT FOR MOBILITY SERVICES
and to the
Denton County Transportation Authority Task Order No. 1**

River North Transit LLC (“Via”) and Denton County Transportation Authority (“Customer” and, together with Via, the “Parties”) have entered into those certain agreements titled AGREEMENT FOR MOBILITY SERVICES, Denton County Transportation Authority Task Order No. 1, Amendment #1 and Amendment #2 to the AGREEMENT FOR MOBILITY SERVICES and to the Denton County Transportation Authority Task Order No. 1 (collectively, the “Agreement”), dated May 15, 2019, June 2, 2021, July 27, 2021, September 7, 2021, and XXX respectively. Upon execution of this Amendment #4 to the Agreement for Mobility Services and to the Denton County Transportation Authority Task Order No. 1 (the “Amendment”), the Parties agree to modify the Agreement as follows:

Commented [1]: DCTA to fill in date with Amendment #3 ratification once it's signed by both parties. Amendment #3 does not need board approval on their end.

1. **Amendment:** The following language is added as Section 11 of Denton County Transportation Authority Task Order No. 1:

Section 11: Scheduling and Customer Support River North will be responsible for phone and email support for riders including reservations, scheduling, and customer support, as well as phone and email support for drivers. Support will be provided during the following standard GoZone operating hours:

- Monday-Thursday: 5 a.m. – 1 a.m.
- Friday: 5 a.m. – 2 a.m.
- Saturday: 8 a.m. – 2 a.m.
- Sundays and 10 holidays: 8 a.m. – 6 p.m.

The duration of this service shall last for a period of seven (7) months effective March 1, 2022 through September 30, 2022, and is subject to the extension of a one year term upon mutual written agreement of the parties on terms to be agreed (including any adjustment to fees for additional months of support). Customer shall pay a total of \$242,200 for these services. Via will invoice DCTA on or before the 5th business day of each month for support costs incurred in the prior month.

Service Performance: The service requirements included below are specific requirements for service performance and shall be used by the Customer to evaluate River North’s performance on a weekly or monthly basis, depending upon the exact service requirement.

- **Customer Complaints:** All customer complaints submitted to River North or the Customer and that are received during the agreed upon timeframe shall be responded to by River North within 48 hours.
- **Call Center Responsiveness:** Call wait times should not exceed 5 minutes on average, based on a monthly wait time average.

After the conclusion of each week or month, depending on the exact service requirement, River North shall calculate and notify the Customer in writing of any failure to meet the above service level requirements. If River North fails to meet the service requirements above, or any additional service impacts occur outside of those stated above, the Customer and River North will discuss and agree upon remedies for these failures.

2. Customer Support Pricing:

Monthly Fee for All Support (Incl. Late Night + Weekend) March 1, 2022 – September 30, 2022	\$35,000
Total Support Cost March 1, 2022 – September 30, 2022	\$245,000
Credit: Existing Monthly Fee for Late Night + Weekend Support March 1 - 7, 2022 (already contracted in Amendment #2)	(\$2,800)
2022 Incremental Cost to DCTA March 1, 2022 – September 30, 2022	\$242,200

The pricing above reflects a maximum of 50,000 monthly rides and current GoZone service parameters. Pricing will need to be adjusted if monthly rides exceed 50,000 or if other types of service are added (e.g., Access / ADA paratransit service, etc.).

3. **Conflicts, Use of Terms, Governing Law:** Capitalized terms used but not defined herein have the meanings set forth in the Agreement. Except as expressly provided herein, the terms and conditions of the Agreement remain unchanged. This Amendment #4 will be governed by the same law as the Agreement.

This Amendment #4 is effective as of the date executed by both Parties.

River North Transit LLC**Denton County Transportation Authority**

By: _____

By: _____

Name: Alex Lavoie

Name: Raymond Suarez

Title: Manager

Title: Chief Executive Officer

Date: _____

Date: _____



Board of Directors Memo

February 24, 2022

SUBJECT: Presentation and Discussion of Approach to Enhance Value of the A-train

Recommendation

This is an informational item. No Board action is required.

Background

The DCTA Board is beginning to consider opportunities to enhance the value of the A-train as a regional asset. The presentation to accompany this item will provide a general approach for the Board's consideration and feedback.

Previous Board Activity

The Board has not taken previous action on this item.

Identified Need

No action is required.

Exhibits

None.

Submitted By:

A handwritten signature in blue ink, reading "Paul A. Cristina", is written over a horizontal line.

Paul Cristina, Deputy CEO



Board of Directors Memo

February 24, 2022

SUBJECT: Provide Update on Burns Property Lease

Recommendation

This is an informational item. No Board action is required.

Background

DCTA purchased a 2.5-acre parcel of land in Lewisville, known as the Burns Property, on June 29, 2019. DCTA and the Seller executed a post-closing leaseback to enable the Seller to continue occupying the property until the Seller could find and develop a suitable site to accommodate their business. The initial term of the lease was two years, expiring on June 29, 2022. The Seller pays no monthly rent to DCTA, per the terms of the Purchase Agreement and Lease.

The lease can be renewed with 60-day notice in advance of expiration for up to one year, or June 29, 2023. If extended, the lease calls for a \$14,000 monthly lease rate payable by the Seller to DCTA.

Staff anticipates the Seller will contact DCTA in the near future to request extension of the lease and a waiver of the \$14,000 per month lease rate. At that time, the Board will have the opportunity to take action.

Previous Board Activity

The Board has not taken previous action on this item.

Identified Need

No action is required.

Exhibits

None.

Submitted By: 
Paul Cristina, Deputy CEO



Board of Directors Memo

February 24, 2022

SUBJECT: Staff Briefing on Recent Inclement Weather Response and Recovery

Recommendation

This is an informational item only.

Background

DCTA staff worked around the clock to respond quickly to rapidly changing weather conditions and associated service impacts as a result of the winter weather that hit North Texas on the evening of Wednesday, February 2, 2022.

On Wednesday night and early Thursday morning DCTA's rail contractor, Rio Grande Pacific, mobilized to de-ice railroad switches for the beginning of service Thursday morning. Railroad switch heaters were activated to prevent ice/snow related failures. Crews also treated the rail stations, bus shelters and the entryways from the parking lot to the station platform with biodegradable ice-melt in advance of Thursday service. Biodegradable ice-melt was also stocked on the trains for crews to spot treat if needed.

Early Thursday morning, at the request of Via, GoZone service was suspended. DCTA made the decision to continue operating A-train Service and Connect Bus Service on a Saturday schedule. Paratransit service and shuttle service along the Monsignor King route were also continued to provide vulnerable populations access to medical facilities and the emergency shelters across the City of Denton.

As travel conditions deteriorated into Thursday evening, with heavy icing anticipated for Friday morning, coupled with the decision by DART to suspend all services, DCTA staff decided to suspend Connect and A-train service. Via also decided to suspend GoZone service. Resources were shifted to focus on providing lifeline trips for paratransit customers and the Monsignor King emergency shelter shuttle.

Due to unsafe conditions on Saturday morning, operator shortages, a lack of connectivity to DART, A-train and Connect services remained suspended. However, as weather conditions improved throughout the afternoon, GoZone operated on a limited schedule between the hours of 12 p.m. – 7 p.m., completing nearly 1,100 trips.

Regular updates were provided to the Board, customers, and member cities. The safety of our operators, the traveling public, and our communities at large remained the highest priority throughout the weather event.

Previous Board Activity & Action

There has been no previous Board level activity on this item.

Identified Need

There is no identified need.

Financial Impact

There is no financial impact.



Exhibits – N/A

Submitted By: _____

A handwritten signature in black ink, appearing to read "BFarr", is written over a horizontal line.

Brittney Farr, Director of Government Relations



Board of Directors Memo

February 24, 2022

SUBJECT: Consider A Second Amended and Restated Employment Agreement Between Denton County Transportation Authority (DCTA) and the Chief Executive Officer (CEO)

Identified Need

The Board of Directors will deliberate the terms of the employment contract with the CEO.



Board of Directors Memo

February 24, 2022

SUBJECT: Monthly Sales Tax Receipts

Recommendation

This item is presented for informational purposes only. No action is required.

Background

Sales tax represents the single largest source of revenue for DCTA at 51.34% of Fiscal Year 2022 budgeted revenues. The sales tax budget for FY22 is \$32,663,897. 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.

For the month of February, receipts were favorable compared to budget.

- Sales tax for sales generated in the month of December and received in February was \$3,771,295.
- This represents an increase of 9.07% or \$313,648 compared to budget for the month.
- Compared to the same month last year, sales tax receipts are \$414,356 or 12.34% higher.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 4.82%
 - City of Denton up 23.48%
 - City of Highland Village up 18.73%

Previous Board Activity & Action

There has been no previous Board-level activity on this item.

Identified Need

Provides the Board of Directors a monthly status on sales tax collections.

Financial Impact

This item is included for informational purposes only; there is no financial impact associated with this informational item.

Exhibits

Exhibit 1: FY22 Monthly Sales Tax Report

Submitted By: 
Amanda Riddle, Senior Manager of Budget

Final Review: 
Marisa Perry, CPA
Chief Financial Officer/VP of Finance

DENTON COUNTY TRANSPORTATION AUTHORITY

SALES TAX REPORT
BUDGET TO ACTUAL AND PREVIOUS YEAR COMPARISON

Sales Generated in Month of:	Received in Month of:	2021-2022 Adopted Budget	2021-2022 Revised Budget	2021-2022 Year Actual	Variance Actual to Original Budget	CY Actual to CY Original Budget % Variance ^(A)	Variance Actual to Revised Budget	CY Actual to CY Revised Budget % Variance ^(B)	2020-2021 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,032,911	\$ 3,032,911	\$ 2,925,241	\$ (107,670)	-3.55%	\$ (107,670)	-3.55%	\$ 2,944,573	\$ (19,333)	-0.66%
November	January	\$ 2,696,417	\$ 2,696,417	\$ 3,097,630	\$ 401,213	14.88%	\$ 401,213	14.88%	\$ 2,617,881	\$ 479,749	18.33%
December	February	\$ 3,457,647	\$ 3,457,647	\$ 3,771,295	\$ 313,648	9.07%	\$ 313,648	9.07%	\$ 3,356,939	\$ 414,356	12.34%
January	March	\$ 2,365,559	\$ 2,429,458			0.00%		0.00%	\$ 2,296,659		0.00%
February	April	\$ 2,143,386	\$ 2,207,285			0.00%		0.00%	\$ 2,080,957		0.00%
March	May	\$ 3,470,214	\$ 3,534,113			0.00%		0.00%	\$ 3,369,140		0.00%
April	June	\$ 2,567,236	\$ 2,631,135			0.00%		0.00%	\$ 2,839,395		0.00%
May	July	\$ 2,258,937	\$ 2,322,836			0.00%		0.00%	\$ 3,171,719		0.00%
June	August	\$ 2,663,784	\$ 2,727,683			0.00%		0.00%	\$ 3,583,080		0.00%
July	September	\$ 2,248,852	\$ 2,312,751			0.00%		0.00%	\$ 2,903,336		0.00%
August	October	\$ 2,471,690	\$ 2,535,589			0.00%		0.00%	\$ 2,878,254		0.00%
September	November	\$ 2,712,171	\$ 2,776,072			0.00%		0.00%	\$ 3,346,913		0.00%
YTD TOTAL		\$ 9,186,975	\$ 9,186,975	\$ 9,794,165	\$ 607,190	6.61%	\$ 607,190	6.61%	\$ 8,919,393	\$ 874,773	9.81%
FISCAL YEAR TOTAL		\$ 32,088,804	\$ 32,663,897						\$ 35,388,847		

^(A) Formula: YTD Variance Actual to Original Budget/YTD Original Budget^(B) Formula: YTD Variance Actual to Revised Budget/YTD Revised Budget

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

February 9, 2022

DENTON COUNTY TRANSPORTATION AUTHORITY

MEMBER CITIES SALES TAX REPORT
MONTH ALLOCATION IS RECEIVED FROM COMPTROLLER
PREVIOUS YEAR COMPARISON

CITY OF LEWISVILLE						CITY OF HIGHLAND VILLAGE					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,348,633	\$ 4,067,980	\$ 719,347	21.48%	October	December	\$ 341,390	\$ 409,602	\$ 68,213	19.98%
November	January	\$ 3,755,579	\$ 4,446,756	\$ 691,177	18.40%	November	January	\$ 354,573	\$ 444,066	\$ 89,493	25.24%
December	February	\$ 4,903,701	\$ 5,140,124	\$ 236,424	4.82%	December	February	\$ 503,020	\$ 597,222	\$ 94,202	18.73%
January	March	\$ 3,072,003			0.00%	January	March	\$ 320,412			0.00%
February	April	\$ 2,971,403			0.00%	February	April	\$ 288,219			0.00%
March	May	\$ 4,956,466			0.00%	March	May	\$ 436,049			0.00%
April	June	\$ 3,990,693			0.00%	April	June	\$ 353,678			0.00%
May	July	\$ 6,076,775			0.00%	May	July	\$ 371,973			0.00%
June	August	\$ 5,447,446			0.00%	June	August	\$ 449,307			0.00%
July	September	\$ 4,010,507			0.00%	July	September	\$ 395,735			0.00%
August	October	\$ 3,945,754			0.00%	August	October	\$ 370,264			0.00%
September	November	\$ 4,735,921			0.00%	September	November	\$ 412,047			0.00%
YTD TOTAL		\$ 12,007,912	\$ 13,654,860	\$ 1,646,948	13.72%	YTD TOTAL		\$ 1,198,982	\$ 1,450,890	\$ 251,908	21.01%
FISCAL YEAR TOTAL		\$ 51,214,879				FISCAL YEAR TOTAL		\$ 4,596,666			

CITY OF DENTON					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,174,573	\$ 3,676,801	\$ 502,228	15.82%
November	January	\$ 3,050,388	\$ 3,708,019	\$ 657,631	21.56%
December	February	\$ 4,149,443	\$ 5,123,779	\$ 974,336	23.48%
January	March	\$ 3,086,526			0.00%
February	April	\$ 2,606,494			0.00%
March	May	\$ 4,277,512			0.00%
April	June	\$ 3,557,513			0.00%
May	July	\$ 3,442,340			0.00%
June	August	\$ 4,173,943			0.00%
July	September	\$ 3,845,740			0.00%
August	October	\$ 3,749,030			0.00%
September	November	\$ 4,385,475			0.00%
YTD TOTAL		\$ 10,374,404	\$ 12,508,599	\$ 2,134,195	20.57%
FISCAL YEAR TOTAL		\$ 43,498,977			

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
February 9, 2022

ALL TRANSIT AGENCIES
MONTHLY SALES AND USE TAX COMPARISON SUMMARY

Transit Agency	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$ 33,064,317	\$ 27,126,929	21.88%	\$ 62,031,799	\$ 48,349,069	28.29%
Corpus Christi MTA	0.50%	\$ 3,769,194	\$ 3,328,096	13.25%	\$ 6,851,829	\$ 5,944,715	15.25%
Dallas MTA	1.00%	\$ 77,120,685	\$ 67,587,453	14.10%	\$ 139,006,740	\$ 116,855,512	18.95%
Denton CTA	0.50%	\$ 3,771,295	\$ 3,356,939	12.34%	\$ 6,868,925	\$ 5,974,820	14.96%
El Paso CTD	0.50%	\$ 6,341,933	\$ 5,417,102	17.07%	\$ 11,454,248	\$ 9,402,977	21.81%
Fort Worth MTA	0.50%	\$ 10,341,005	\$ 8,731,284	18.43%	\$ 18,547,185	\$ 15,684,748	18.24%
Houston MTA	1.00%	\$ 93,358,837	\$ 82,068,522	13.75%	\$ 171,623,675	\$ 143,220,301	19.83%
Laredo CTD	0.25%	\$ 1,135,502	\$ 914,595	24.15%	\$ 2,021,831	\$ 1,614,356	25.24%
San Antonio ATD	0.25%	\$ 9,195,378	\$ 7,857,954	17.02%	\$ 16,519,965	\$ 13,608,653	21.39%
San Antonio MTA	0.50%	\$ 20,332,951	\$ 17,421,898	16.70%	\$ 36,669,542	\$ 30,166,975	21.55%
TOTALS		\$ 258,431,097	\$ 223,810,773	15.47%	\$ 471,595,738	\$ 390,822,125	20.67%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 February 9, 2022

Board of Directors Memo

February 24, 2022

SUBJECT: Monthly Mobility-as-a-Service Update

Recommendation

For information only. No action required.

Background

A Request for Proposals (RFP) was released on January 16, 2019 for Mobility as a Service (MaaS). Firms were invited to submit proposals (for both federal and non-federal funding project categories) to provide innovative mobility service to DCTA member cities, contracted communities, partner organizations, as well as large employment centers and other areas as the need arises. On March 12, 2019, DCTA received thirty-seven (37) proposals in response to the RFP. Thirty-three (33) proposals were deemed responsive and were evaluated by the evaluation team. The evaluation team rejected two proposals that scored less than seventy (70) points and recommended award to thirty-one (31) firms. The Board of Directors approved the award of Mobility-as-a-Service to thirty-one firms and reduced the total annual contract value of \$2,400,000 to \$75,000 for all task orders issued under the master on-call contracts. One of the recommended firms will not execute a contract due to business operational changes; therefore, thirty (30) firms remain eligible for contract execution. As requested by the Board of Directors, staff is providing a monthly update on all Mobility-as-a-Service commitments, activities, and expenses.

To date, the following twenty-six contracts have been fully executed:

- | | | |
|-----------------------------|----------------------------|---|
| • AJL International | • Irving Holdings | • RideCo |
| • Bird Rides | • Iteris | • Rideshark Corporation |
| • Bubbl Investments, LLC. | • Kapsch | • River North (Via) |
| • Dashboard Story dba DUET | • Lyft | • Roundtrip |
| • DemandTrans Solutions | • Moovel | • Routematch |
| • DoubleMap | • Moovit | • Spare Labs, Inc. |
| • Downtowner Holdings, LLC. | • MV Transportation | • Spare Labs, Inc. (with First Transit) |
| • First Transit | • Muve: Quebec, Inc. | • Transdev North America |
| • Ford Smart Mobility, LLC. | • Quebec, Inc. dba Transit | |

The remaining four contracts, all with software companies (Passport, SeatsX, Token Transit and Transloc), have been placed on hold until a need arises to enter into a contract for software.

Previous Board Activity & Action

Task Order #1 Lewisville Lakeway Zone and Denton Evening Zone was issued to Spare Labs, Inc. for Platform-as-a Service (Spare Platform). The task order was approved for award at the June 2020 Board meeting and was issued on 6/30/2020 for a not-to-exceed amount of \$50,000 per year with an initial term of two years and one two-year option to extend (total of 4 years). \$36,616 has been paid for this task order through September 2021. This service was replaced by the GoZone services on September 7, 2021.

Task Order #2 On-Demand Services in Member Cities and Contracted Cities was discussed at the June 2020 Board meeting and was presented at the September 2020 Board meeting to authorize negotiations with two firms. In January 2021, the Board approved and authorized staff to enter into a Task Order with River North (Via) to move forward with the recommendations and implementation of an On-Demand Service plan. In April 2021, the Board authorized a task order in the amount of \$33,520,691 for a period of four years, with a yearly breakdown presented below in the Financial Impact section.

Task Order #3 On-Demand Services for the McKinney Urban Transit District (MUTD) was requested by the City of McKinney. The City of McKinney has asked DCTA and DART, as a joint partnership, to provide on-demand services for the MUTD member cities. Services provided by DCTA to MUTD terminated on December 31, 2021. The DART Board of Directors approved an agreement with Spare Labs at its September 28th Board meeting. Spare Labs and DART began providing services to MUTD in January 2022.

Identified Need

Provides the Board of Directors a monthly status on Mobility-as-a-Services Contracts

Financial Impact

The breakdown of Task Order #2 with Via is included in the table below. As of January 31, 2022, \$141,600 was incurred toward up front hard costs. DCTA has also incurred for \$2,402,257 related to GoZone service hours. An amendment of \$74,900 was approved in September 2021 for scheduling and customer support; \$59,920 has been incurred on this project as of January 31, 2022.

	Year 1	Year 2	Year 3	Year 4	
Up Front Hard Costs	\$ 238,000	\$ 10,500	\$ -	\$ -	
Base Service	4,068,910	5,512,341	5,623,176	5,735,345	
Phase I Add-Ons	1,266,455	1,629,446	1,662,208	1,695,365	
Phase II Add-Ons	1,405,426	1,527,013	1,557,716	1,588,790	
	<u>\$ 6,978,791</u>	<u>\$ 8,679,300</u>	<u>\$ 8,843,100</u>	<u>\$ 9,019,500</u>	<u>\$ 33,520,691</u>

Exhibits

N/A

Submitted By: 
Brandy Hazel, Manager of Contracts & Procurement

Final Review: 
Athena Forrester, AVP of Regulatory Compliance

Board of Directors Memo

February 24, 2022

SUBJECT: Budget Information

Recommendation

This item is presented for informational purposes only. No action is required. The Financial Management Policies authorize the CEO to approve budget transfers between expense categories and departments, not to exceed 5% of the total annual operating budget.

Background

The DCTA budget is prepared months in advance of the start of the fiscal year and not all expenses can be anticipated at the time of the budget preparation. Therefore, during the fiscal year, it may become necessary to reforecast the annual expenses and complete transfers between budget categories and/or departments based on changing needs of the agency. Revising the budget for material changes will provide a better forecasting and management tool for the Board and DCTA staff for future periods.

BUDGET TRANSFER / REVISION REQUEST					
TRANSACTION TYPE:		Transfer <input checked="" type="checkbox"/>	Number: 2022-06		
		Revision <input type="checkbox"/>			
			Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
TRANSFERS WITHIN EXISTING BUDGET					
<u>OPERATING EXPENSES:</u>					
<i>Bus Operations:</i>		Facilities Maintenance (500.50318)	\$ 236,380	\$ (32,900)	\$ 203,480
		Facilities Maintenance (590.50318)	17,100	32,900	50,000
<i>Rail Operations:</i>		Fuel (620.50410)	1,101,600	(15,000)	1,086,600
<u>CAPITAL EXPENSES:</u>					
		Brownfield Remediation (61605)	405,000	15,000	420,000
			Net Position Impact \$ -		

Previous Board Activity & Action

The FY22 budget was originally adopted on September 23, 2021. This is the sixth budget revision related to the FY22 budget.


Identified Need


Provides the Board of Directors a monthly status on any budget transfers completed.

Financial Impact

Budget Revision 2022-06 allows the Agency to better allocate funds between bus departments related to facilities maintenance. This transfer also increases the Brownfield Remediation capital project for anticipated costs related to the closure. This increase is covered by fuel savings in rail. Overall, there is a net zero impact to the FY22 budget.



Submitted By: 
Amanda Riddle
Senior Manager of Budget

Final Review: 
Marisa Perry, CPA
Chief Financial Officer/VP of Finance

FY 2023 BUDGET CALENDAR

April '22						
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	NTMC B	DCTA B	29	30

April 4: FY23 Goals/Objectives Due (Staff)

May '22						
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	NTMC B	DCTA B	27	28
29	H	31				

May 9: FY23 Budget Projections Due (Staff)

**Revenues, Operating & Capital*

May 16-20: FY23 Budget Reviews (Staff)

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

June 16: Budget Workshop with DCTA Board

June 22: Budget Workshop with NTMC Board

July '22						
Su	M	Tu	W	Th	F	Sa
					1	2
3	H	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	NTMC B	DCTA B	29	30
31						

July 27: NTMC Budget Workshop Part II

**If needed*

July 28: DCTA Budget Workshop Part II (9-10am)

**If needed; prior to Board Mtg*

August '22						
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	NTMC B	DCTA B	26	27
28	29	30	31			

August 24: NTMC BOD FY23 Budget Presentation

August 25: DCTA BOD FY23 Budget Presentation
& Public Hearing

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

Sept 22: DCTA BOD FY23 Budget Adoption

Sept 28: NTMC BOD FY23 Budget Adoption

October '22						
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	NTMC B	DCTA B	28	29
30	31					

October 14: FY22 Performance Measure
Results Due (Staff)

November '22						
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	H	H	26
27	28	29	30			

Nov 7: FY23 Budget Document to Graphic Designer

December '22						
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	H	27	28	29	30	31

Dec 16: GFOA Budget Award Submission Deadline

H
B

DCTA Holidays

Board of Director Meetings

Budget Reviews {Staff}

Budget Materials Due {Staff}

Budget Meetings with Board

Board of Directors Memo

February 24, 2022

SUBJECT: Monthly Ridership Reports

Ridership Trends

Exhibits 1-6 provide an overview of total monthly ridership trends across all DCTA services—comparing FY19 against FY20, FY21 and FY22. In addition, this month's updated ridership exhibits include visual comparisons of GoZone and Connect ridership plus fixed-route reports by route and type of service.

The summary table below shows that January 2022 month-over-month bus trips increased substantially (49.6%) from December levels as a result of spring semester activities beginning at UNT.

January A-train boardings decreased by approximately 8 percent over the same period. This historic winter decline aligns with prior year trends as seen in Exhibit 1. However, January A-train boardings were still over 19 percent higher than the average monthly A-train monthly boardings in FY21.

Unlinked Passenger Trips				
	2021		2022	
	November	December	January	Dec.-Jan. % Change
Bus	133,347	41,749	82,856	49.6%
Rail	15,313	12,679	11,717	-8.2%
GoZone	36,884	39,070	48,304	19.1%
Access	1,758	1,693	1,533	-10.4%
On-Demand	438	435	260	-67.3%

Ridership recovery from the COVID-19 pandemic continues with January 2022 bus ridership being more than 84% above reported January 2021 levels with recorded A-train boardings being about 55 percent above January 2021 levels.

Unlinked Passenger Trips			
	Jan-21	Jan-22	% Change
Bus	44,920	82,856	84%
Rail	7,564	11,717	55%
Access	1,148	1,533	34%
On-Demand	552	260	-53%
ALL MODES	54,184	96,366	78%

Exhibits

- Exhibit 1: Ridership by Mode – January 2022
- Exhibit 2: A-train Year-Over-Year Ridership Comparison
- Exhibit 3: Connect and GoZone Ridership by Month and Year
- Exhibit 4: Fixed-Route Ridership – January 2022
- Exhibit 5: Connect Ridership Year-Over-Year by Month
- Exhibit 6: UNT Ridership Year-Over-Year by Month



Submitted By: _____
Tim Palermo, Planning & Data Analytics Manager



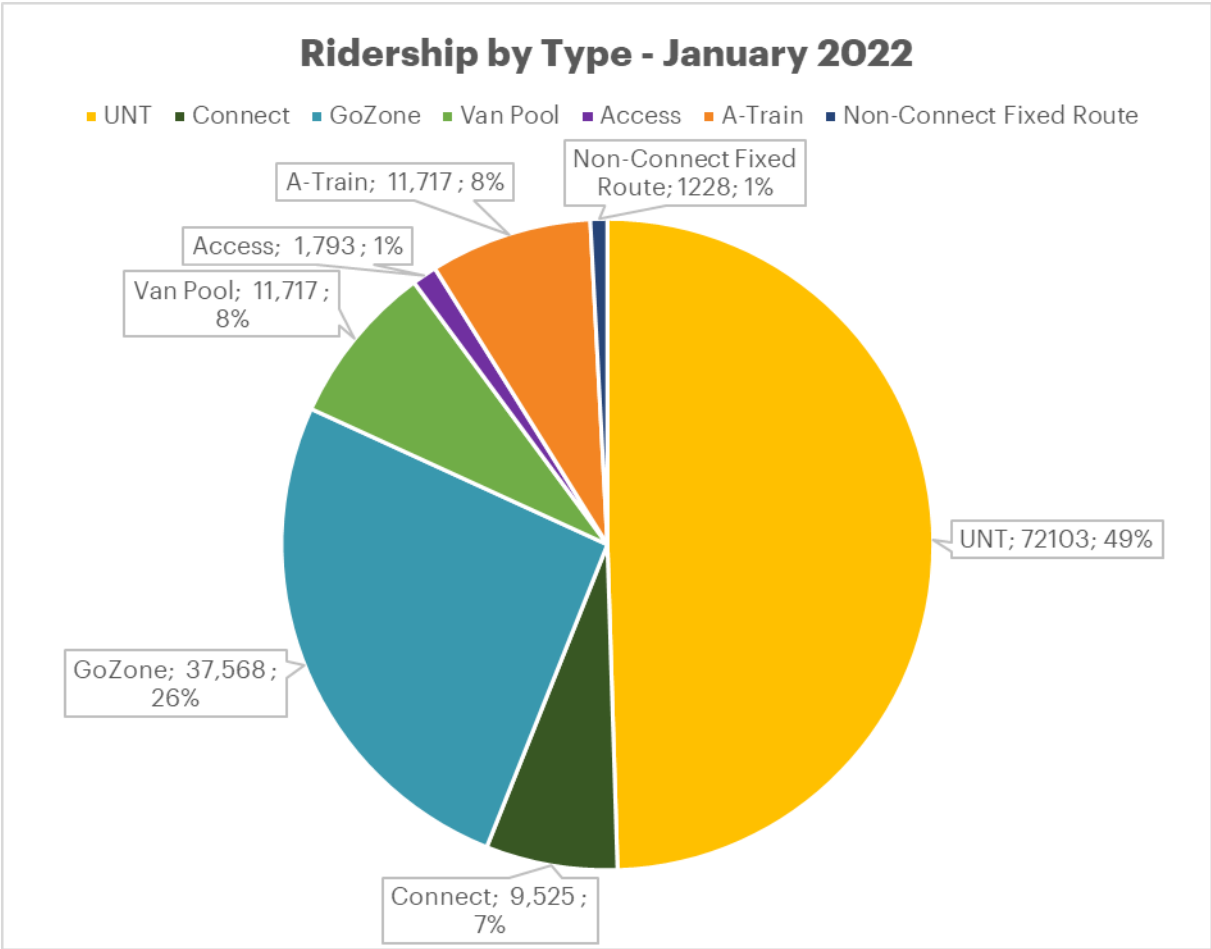
Final Review: _____
Troy Raley, Senior Director – Mobility Services



Final Review: _____
Rony Philip Sr. Director – Rail Operations

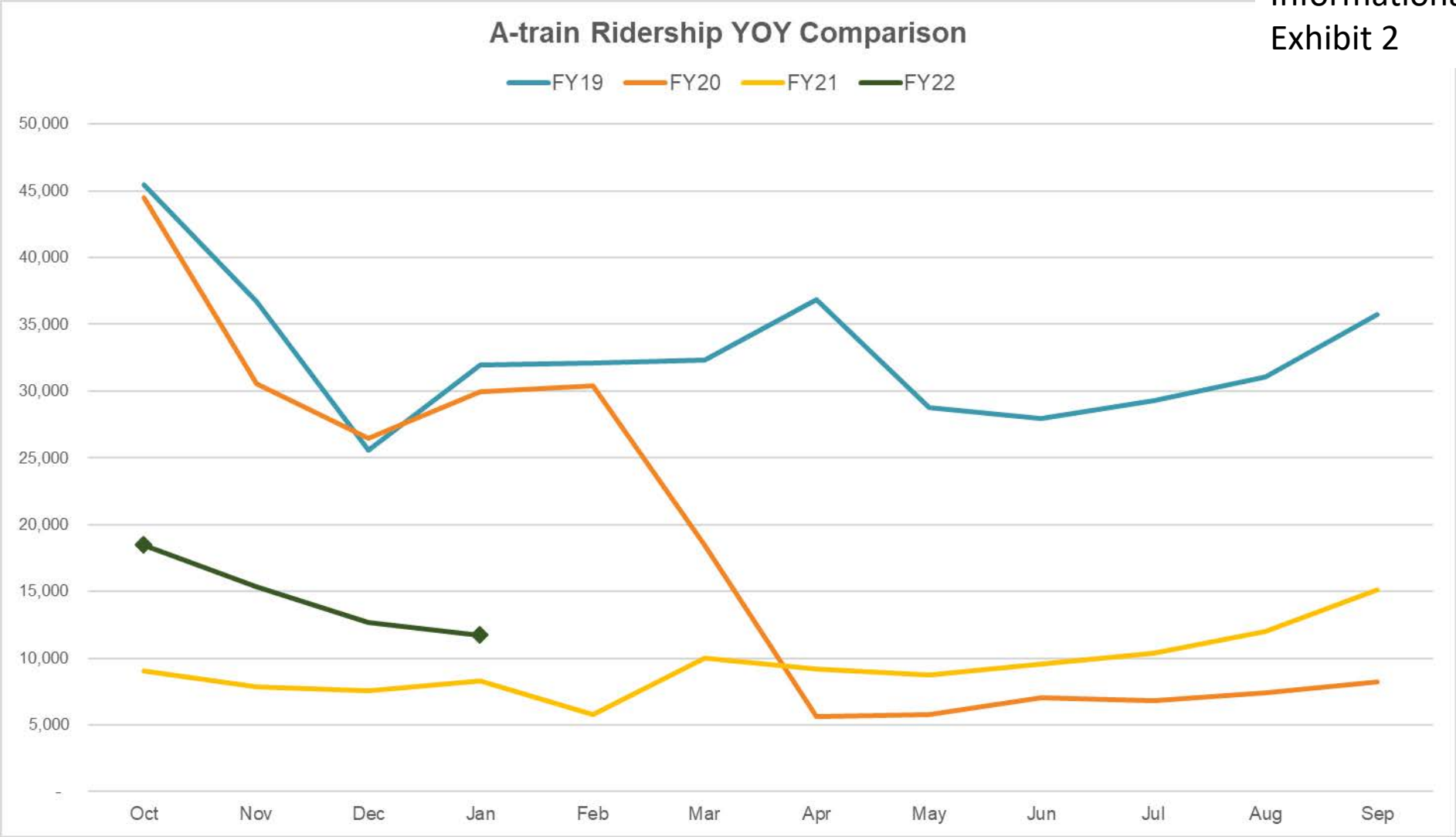
Ridership by Mode – January 2022

Total January 2022 ridership across all modes of transit within member cities: **145,651**



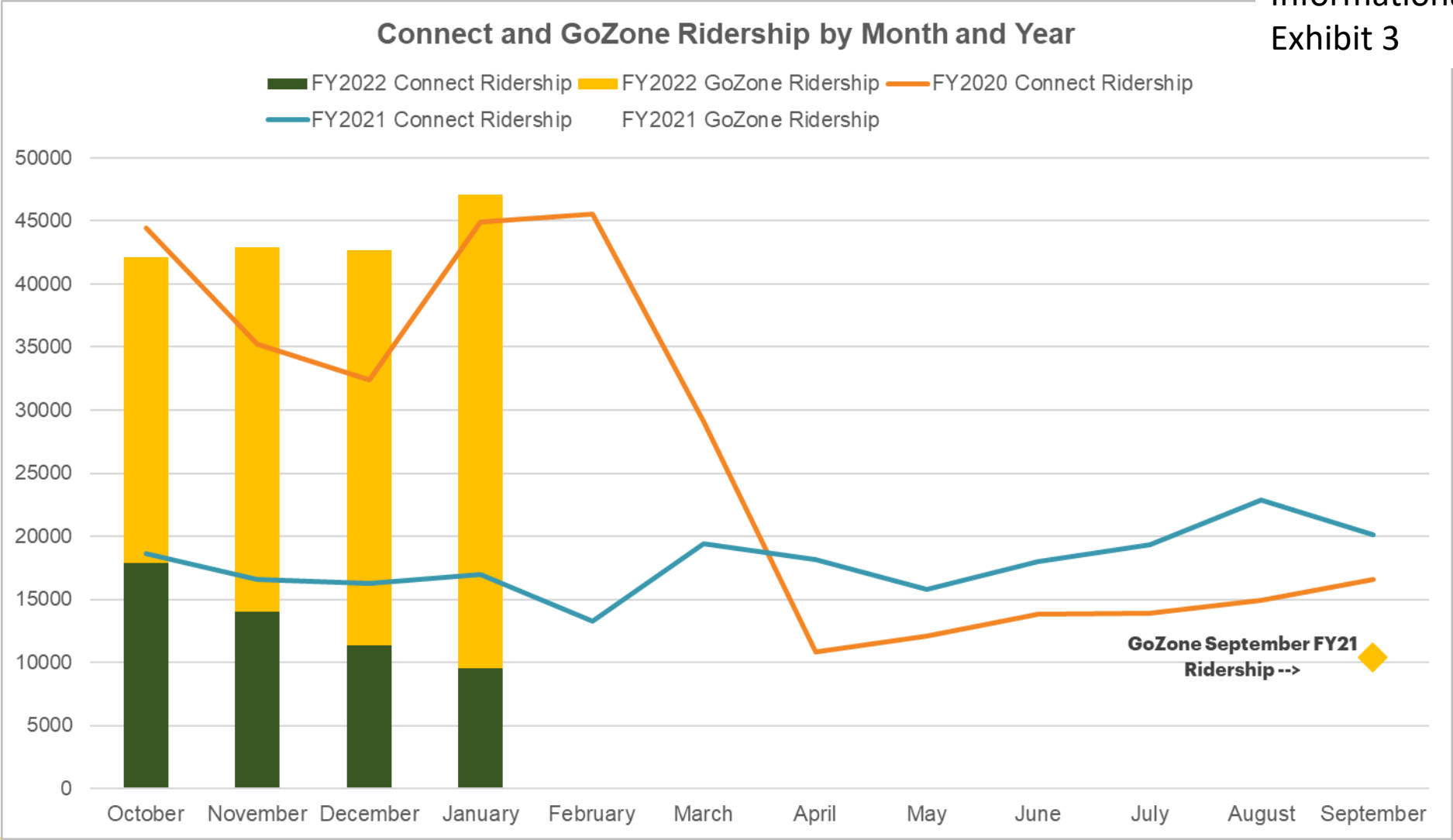
A-Train Year-Over-Year Ridership Comparison

Informational Report 2
Exhibit 2

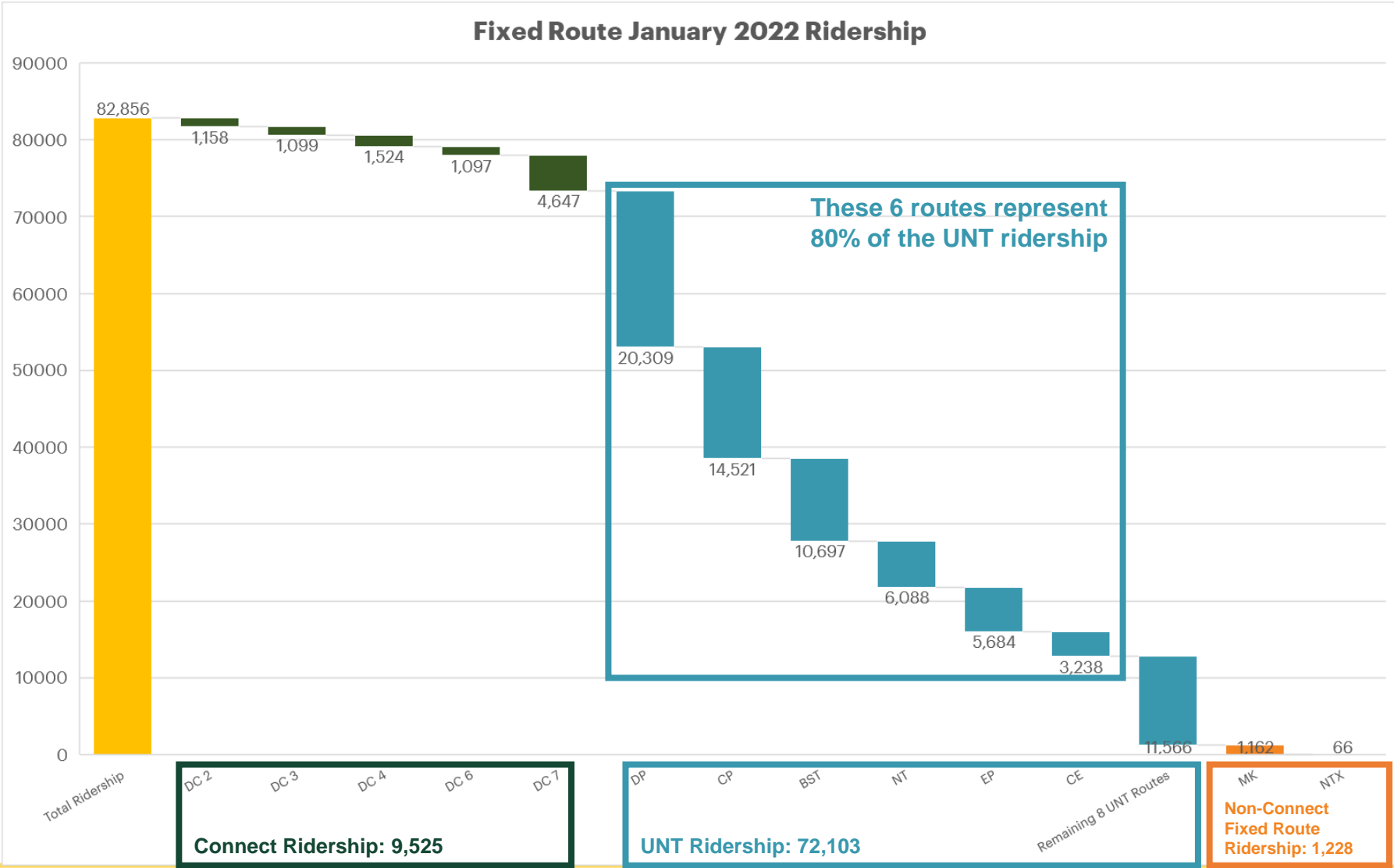


Connect and GoZone Ridership by Month and Year

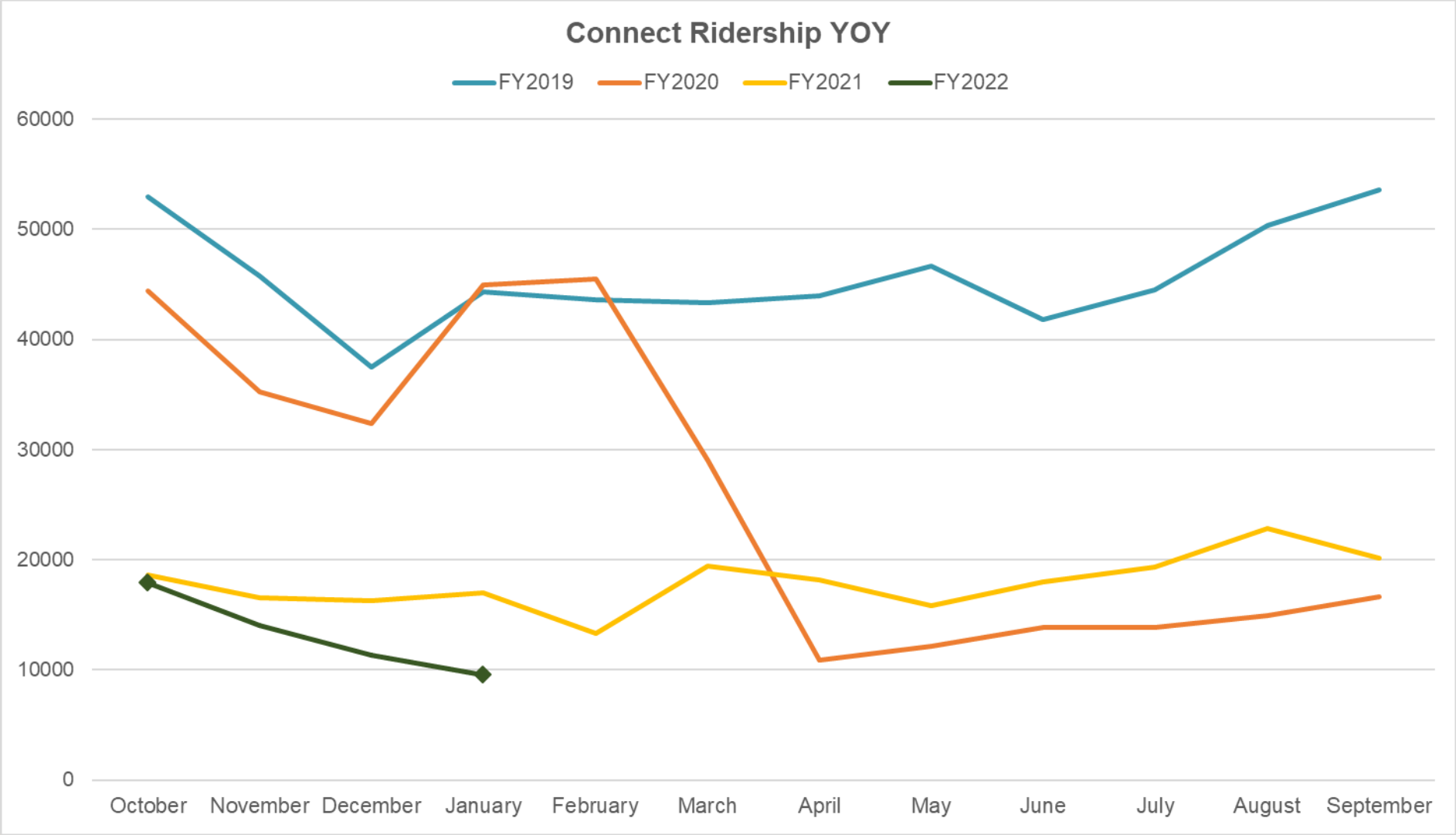
Informational Report 2
Exhibit 3



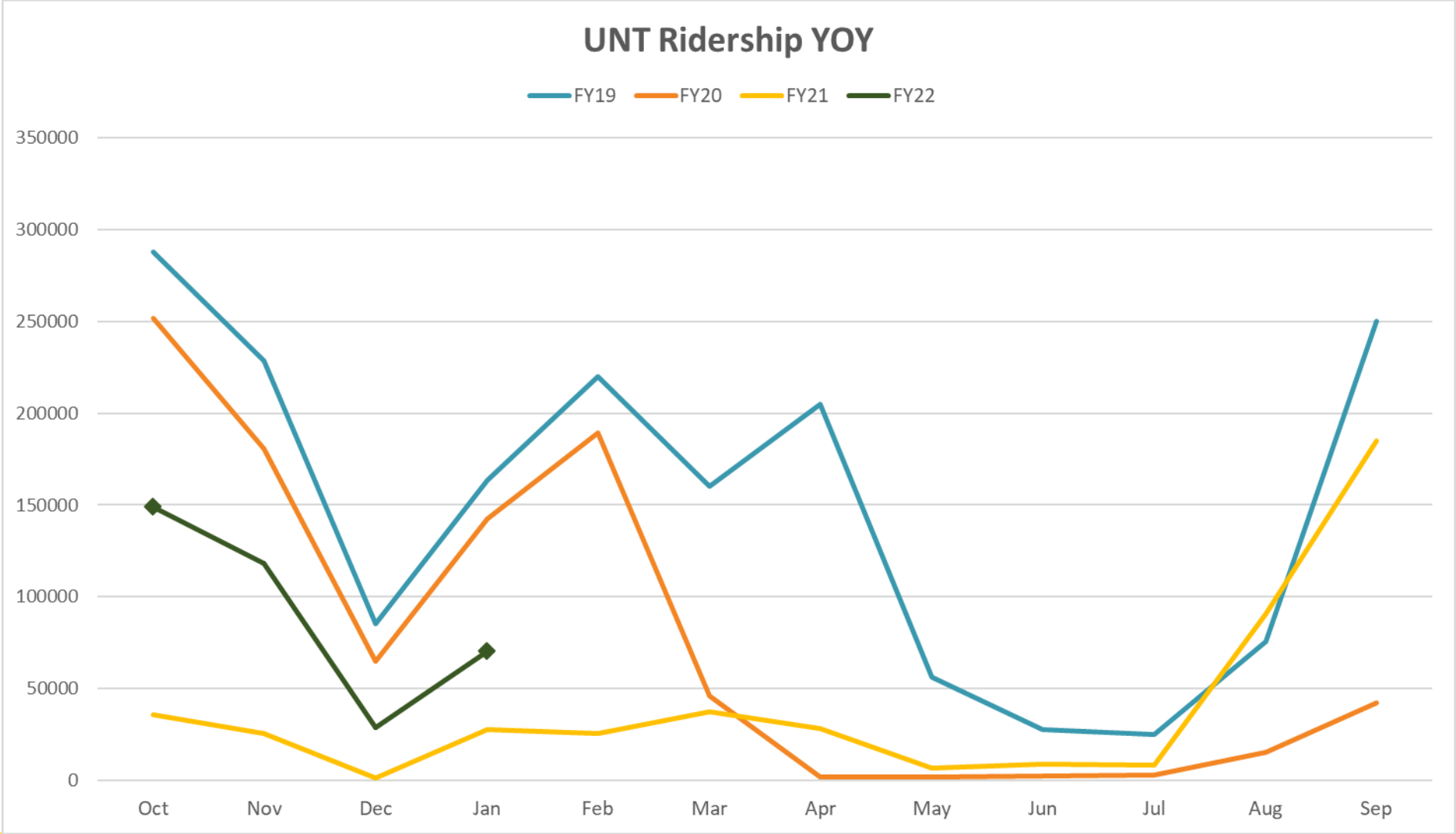
Fixed Route Ridership – January 2022



Connect Ridership YOY by Month



UNT Ridership Year-over-Year by Month





Board of Directors Memo

February 24, 2022

SUBJECT: Request for Proposals (RFP) 22-02 State Legislative Consultant

Recommendation

This is an informational item only. Staff will bring an action item to the Board in May for consideration of approval.

Background

DCTA has engaged State Legislative Consultants since 2006 to ensure the protection of the Agency's authority and funding structure. Thousands of bills are filed each session that have the potential to affect the agency either intentionally or unintentionally. During the 87th Texas Legislative Session alone, 9,999 bills were filed. As DCTA continues to evolve as an agency by deploying innovative mobility technologies, entering into public-private partnerships, and encouraging economic development along the A-train corridor, it is critical DCTA's legislative priorities and funding structure are statutorily protected.

Previous Board Activity & Action

There has been no previous Board level activity on this item.

Identified Need

The previous Legislative Consultant contract began on January 1, 2020; however, the contract was terminated for convenience on April 27, 2021. A new State Legislative Consultant is being sought to assist the DCTA Board in crafting the agency's 88th Legislative Agenda prior to the beginning of bill prefiling in November and representing DCTA's interest in the upcoming session. A request for Proposals (RFP) is in development for State Legislative Consultant. Staff plans to bring a final recommendation for award to the Board at the May 26, 2022, meeting.


Financial Impact

The cost for the service is incorporated within the approved FY2022 Budget.

Exhibits

N/A

Submitted By: _____


Brittney Farr, Director of Government Relations

Final Review: _____


Geri Osinaike, Senior Procurement Specialist



Board of Directors Memo

February 4, 2022

SUBJECT: Community Advisory Committee Recap Report

Recommendation

This is an informational item. No action is required.

Background

DCTA's Community Advisory Committee provides a forum to exchange information between DCTA staff, its passengers, and the community on transit-related issues. Public participation and input are critical as we continue to expand the public transportation opportunities available in the region.

Financial Impact

There is no financial impact

Exhibits

Exhibit 1: Community Advisory Committee Recap Report (January 2022)

Submitted By: _____
Mary Worthington, Community Relations Manager

Approval: _____
Pamela Burns, Director of Public Involvement and Communications



Community Advisory Committee Meeting Recap Report

January 26, 2022

MEETING DETAILS



Community Advisory Committee



DENTON COUNTY
TRANSPORTATION
AUTHORITY

Online meeting held on
Wednesday, January 26 at 6 p.m.

*This was a joint meeting for both the Denton and
Lewisville/Highland Village CAC groups*

Community Attendees: 8

DCTA Attendees: 4

PROMOTION

External promotion for each of the Community Advisory Committee meetings are posted to generate new attendance and participation on Facebook, Twitter and Instagram.



The graphic is a dark blue rectangular banner. At the top left, there is a logo consisting of four colored circles (yellow, green, blue, orange) each containing a white icon: a person walking, a lightbulb, a handshake, and a person running. Below this logo, the text "Community Advisory Committee" is written in white, followed by the "DCTA" logo and "DENTON COUNTY TRANSPORTATION AUTHORITY" in smaller white text. To the right of the logo, the words "ONLINE MEETING" are written in large, bold, light blue capital letters, and "WEDNESDAY, JANUARY 26 | 6PM" is written in bold, yellow-green capital letters. Below the text, there is an illustration of a laptop. On the laptop screen, a woman with dark hair wearing a green shirt and a blue sash that says "AMBASSADOR" is waving. Next to her, a man in a blue shirt with a "CAC" name tag is also waving. To the right of the laptop illustration, the text "Join us virtually for our quarterly Community Advisory Committee meeting at 6 p.m. on Wednesday, January 26!" is written in white. Below this, it says "If interested in attending, please email: Mary Worthington, Community Relations Manager, mworthington@dcta.net". At the bottom left of the banner, there are five small white icons for Facebook, Twitter, YouTube, LinkedIn, and a speech bubble. At the bottom right, the text "HopOnBoardBlog.com • #RideDCTA" is written in white.

Community Advisory Committee
DCTA DENTON COUNTY
TRANSPORTATION
AUTHORITY

ONLINE MEETING
WEDNESDAY, JANUARY 26 | 6PM

Join us virtually for our quarterly
Community Advisory Committee meeting
at 6 p.m. on Wednesday, January 26!

If interested in attending, please email:
Mary Worthington, Community Relations Manager,
mworthington@dcta.net

f t y in

HopOnBoardBlog.com • #RideDCTA

MEETING NOTES



MEETING NOTES

Purpose of the Community Advisory Committee (CAC)

- Exchanging Information
- Providing public input/feedback
- Sharing DCTA News
- Recruitment and welcoming new members

Air-train Update Provided

- Ridership is up over the previous year
- December total ridership - 12,679, compared to 7,564 in December 2020
- Average 509 riders per week, compared to 310 for the same period
- Average Saturday ridership was 321 as compared to 186 in 2020
- Silverline Update – Joint Rail Operating Facility

MEETING NOTES

GoZone Updates

- Ridership
- GoZone to Castle Hills – Started January 19
- Feedback

Service Updates

- UNT Spring Schedule

<https://www.dcta.net/passenger-resources/stayinformed/schedule-changes>



MEETING NOTES

Campaigns and Events

- Denton Black Film Festival (virtual) January 25 – 29
- Safety Kids Campaign – all of February
- Free Ride Campaign
- Colorpalooza – Lewisville - Saturday, April 23, 2022 CAC Volunteers needed for 2-hour volunteer shifts at DCTA Booth
- Register to Vote partnership with JOLT Initiative
- UNT campus housing fair – Wednesday, January 26, 2022



NEXT MEETING



April CAC Meeting



April 27
6 p.m.
Virtual

For questions about the upcoming Community Advisory Committee Meeting, or to get more involved in the conversation, please contact:

Mary Worthington, Community Relations Manager, at mworthington@dcta.net



Board of Directors Memo

February 24, 2022

SUBJECT: Request for Proposals (RFP) 22-03 Unarmed Uniformed Security Guard Services at Bus Operations Facility and Downtown Denton Transit Center (DDTC)

Recommendation

This is an informational item only. Staff will bring an action item to the Board in April for consideration of approval.

Background

Unarmed uniformed security staff are currently utilized at the Bus Operations and Maintenance (BOM) facility and the Downtown Denton Transit Center (DDTC). The BOM facility is located at 1101 Teasley Lane, Denton, Texas, the DDTC is located at 604 East Hickory Street, Denton, Texas. The security services are in place to monitor the exterior of both facilities after regularly scheduled business hours, scheduled holidays, and to be a presence at the DDTC during operating hours, monitoring both the interior and exterior activities, intervening when necessary if incidents occur.

The current contract has been in place from April 6, 2017, and will expire on June 5, 2022. A request for Proposals (RFP) has been released on BidSync for Unarmed Uniformed Security Services. Staff plans to bring a final recommendation for award to the Board at the April 28, 2022, meeting.

Previous Board Activity & Action

There has been no previous Board level activity on this item.

Identified Need

Security is needed to monitor the Denton facilities and provide a safe environment to the public, Staff, and any on-site Vendors. Suspicious or unlawful activity will be reported by the contractor to Law Enforcement.

Financial Impact

The cost for the service is incorporated within the approved FY2022 Budget.

Exhibits

N/A

Submitted By:

Rusty Comer, Senior Manager of Mobility Services

Final Review:

Geri Osinaike, Senior Procurement Specialist

Board of Directors Memo

February 24, 2022

SUBJECT: Memorandum of Understanding (MOU) with Dallas Area Rapid Transit (DART) and Trinity Metro for Rail Liability Insurance Administration

Recommendation

This item is presented for informational purposes only. No action is required. A final draft MOU will be presented to the Board for approval prior to execution.

Background

In accordance with the DART/DCTA interlocal agreement (ILA) regarding DCTA's ability to operate rail service on DART's corridor, DCTA is required to maintain a minimum of \$125 million in rail operations liability insurance coverage.

Due to projected increase in premiums and the difficulty in placing coverage due to capacity constraints, DCTA worked with DART to be added to DART's rail liability program as an Insured, along with TEXRail and Grapevine Vintage Railroad, which was more cost effective than each agency securing its own coverage. The current policy provides coverage for November 1, 2021 through October 31, 2022.

Staff of DCTA, DART, and Trinity Metro are reviewing a draft MOU that outlines the principles and understanding of the rail liability insurance pooled program. Each agency will manage its own claims and/or lawsuits within the policy self-insured retention of \$3 million. The pooled program is currently administered by DART; DCTA provides all requested information and documents to DART, and DART works directly with its benefit broker to secure coverage for all agencies participating in the pooled program. The draft MOU includes an administrative fee payable to DART by DCTA and Trinity Metro, in addition to each agency's share of the premiums.

Previous Board Activity & Action

- September 23, 2021 – The Board approved payment not to exceed \$686,000 to DART for DCTA's portion of excess rail liability insurance for November 1, 2021 through October 31, 2022.

Identified Need

DCTA is contractually required to maintain rail operations liability insurance with a minimum limit of \$125 million.

Financial Impact

Staff anticipates the proposed administrative fee can be accommodated within the existing FY22 budget.

Exhibits

N/A

Submitted By:



Marisa Perry, CPA

Chief Financial Officer/VP of Finance

Board of Directors Memo

February 24, 2022

SUBJECT: Extension of 17-03 On-Demand Rideshare Services and 17-27 On-Call Taxi and Non-emergency Transportation Services Contracts

Recommendation

This is an informational report. No Board action is required at this time.

Background

The current contracts for these services are set to expire in 2022. Staff is requesting an extension for these contracts through September 30, 2023, to allow sufficient time to rebid the services, due to staff shortages.

Previous Board Activity & Action

The On Demand Rideshare Services was originally presented to the Board in March 2017 and was approved. The On-Call Taxi and Non-emergency Transportation Services was originally presented to the Board in August 2017 and was approved.

Identified Need

Public transit is undergoing a paradigm shift from a service-oriented perspective to a rider-oriented service approach. This new paradigm is referred to as Mobility on Demand (MOD) and seeks to make public transit more accessible and appealing to its current and future customers by incorporating mobile technology and alternative transportation modes.

Partnering with third party providers to implement and continue these On-Demand services enables DCTA the opportunity to enhance the existing services by improving connections to public transit, as well as connections to private transportation service providers within its service area, to improve mobility for all customers.

As a result, DCTA seeks to continue to provide Mobility On-Demand services through this contract to low density areas, address the first/last mile connection, provide real time travel options to passengers, and offer alternatives to site specific shuttles to local employment centers.

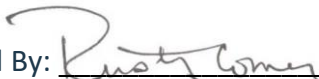
DCTA has successfully partnered with these vendors since 2017 and seeks to extend the existing contract through September 30, 2023, to offer discounted fare for customer requested trips.

Financial Impact

Services provided through the contract are subsidized by non-member cities at 100% plus our agreed upon Administrative Fee as defined by DCTA's Administrative Fee Policy.

Exhibits

N/A

Submitted By: 
Rusty Comer, Senior Manager of Mobility Services

Final Review: 
Brandy Hazel, Manager of Contracts & Procurement