

Dallas Area Rapid Transit

Summary Financial and Service Information



DFW Airport Station

December 2022

DART
Summary Financial and Service Information
December 2022

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December 2022 Report Highlights

Revenue and Expense Actual vs. Budget Summary – Budget Basis (page 4)

FY 2023 budget amounts included in the actual vs. budget summary report correspond to the original operating budget approved by the DART Board on September 27, 2022 (Resolution No. 220135) and amendments to the capital and non-operating budget on October 25, 2022 (Resolution No. 220156).

Revenues: Total revenue for the first three months of FY 2023 is \$8.2 million, or four percent, higher than budget. This variance is mainly due to better-than-expected sales tax revenue by \$5.5 million, or three percent, passenger revenue by \$0.7 million, or eight percent, advertising/rental income by \$1.3 million, or 63 percent, and non-operating revenue by \$0.7 million, or 20 percent.

Operating Expenses: For the first three months of FY 2023, overall operating expenses are below budget by \$16.6 million, or 10 percent, and projected to remain slightly below budget at the end of the year. This year-to-date variance is mainly due to savings from salaries and benefits for open positions. Aggressive hiring and training of new bus drivers enabled DART to restore nine of the 31 bus routes that experienced reduced levels of service by December and kept us on track to fully restore the remaining 22 routes in January 2023 as planned.

Revenue and Expense Summary – GAAP Basis (Unaudited) (page 5)

Total revenues for the first three months of FY 2023 are \$278.6 million, an increase of \$36.9 million, or 15 percent, compared to the same period last year. This increase is mainly due to sales tax revenue, passenger revenue, investment income, and other non-operating revenues.

- Sales tax revenue increased by \$25.6 million, or 13 percent.
- Passenger revenue increased by \$1.3 million, or 16 percent, due to a ridership increase of more than one million passengers, or 10 percent, over the same period. As we restore bus service and revenue hours increase, passenger revenues are likely to continue increasing as well.
- Investment income increased by \$11 million due to rising interest rates.
- Other non-operating revenues increased by \$2.2 million, or 35 percent, mainly due to a sale of property (Irving Warehouse).

An increase in total revenue is slightly offset by a \$3.2 million, or 12 percent, decrease in grant revenue, mainly due to lower reimbursement resulting from the completion of Red and Blue platform extension contracts/projects. The preventive maintenance grant is also lower than last year because this year's reimbursement request is for direct costs only and does not include indirect costs.

Total expenses are \$256.1 million, which increased by \$14.1 million, or six percent, compared to the same period last year. This increase resulted from labor, other operating expenses, and depreciation expenses.

- Labor increased by \$11 million, or 17 percent, due to payment of retention bonus, filled positions and the planned implementation of the compensation study.

- Other operating expenses increased by \$5.6 million, or 12 percent, mainly due to higher costs of services and purchased transportation.
- Depreciation expenses increased by \$3.5 million, or six percent, due to new assets placed in service.
- Interest and financing expenses decreased by \$5.3 million, or 13 percent, because FY 2021 amounts included debt issuance cost of \$6.2 million and there is no debt issuance cost for FY 2022.

Assets and Liability Summary (page 6)

Total assets and deferred outflows decreased by \$130.1 million as of December 31, compared to September 30, due to debt service payments and depreciation of capital (fixed) assets.

Total liabilities and deferred inflows decreased by \$152.8 million as of December 31, compared to September 30, due to the payment of accrued liabilities and retirement of bond.

Service Summary (page 7)

For the first three months of FY 2023, total ridership is one million, or 10 percent, higher than last year and 0.2 million, or two percent, over budget. We expect bus ridership to increase as the 31 bus routes reduced in June 2022 return to service sooner than expected. Nine routes resumed full service in December and the remaining 22 routes will resume in January 2023.

Additionally, DART continues to improve the cleanliness, reliability, and safety of the system as laid out in the CEO's near-term goals. These ridership improvements, one-time projects funded with Ridership Improvement Funds from the Mobility Assistance and Innovation Fund (MAIF), are primarily intended to enhance the rider experience for regular customers, but in time may also lead to increased ridership.

Energy Consumption (Page 8)

DART's energy cost is higher than last year by \$0.7 million, or 13 percent. This increase is mainly due to increases in the price of diesel fuel (commuter rail) and electricity (light rail vehicles and facilities). Total compressed natural gas (CNG) costs decreased due to fewer bus miles driven than this time last year.

Investment Summary (Page 9)

DART's total portfolio balance as of December 31, was \$1.2 billion, which was \$96.7 million, or nine percent, higher than last year.

- The Operating Fund increased by \$260.2 million, or 98 percent, due to the receipt of a portion of the federal American Rescue Plan Act reimbursement funds and robust sales tax revenue collections.
- The DART board approved a transfer of \$110.3 million from the MAIF to the Operating Fund on October 25, 2022 (Resolution No. 220155).
- The Platform Fund decrease due to drawdowns to cover project expenses.

- The increase in the Public Transportation Improvement Fund (PTIF) is the result of Resolution No. 220136 to allocate for distribution to service area cities.
- The Insurance Fund increased due to an increase in claims for which DART is self-insured.
- The Commercial Paper (CP) System Expansion and Acquisition Fund (SEAF) increased due to interest income.
- The Bond SEAF increased due to receipt of Silver Line bond proceeds the Series 2021B bonds.
- The Debt Service Fund increased due to FY 2022 bond sales and pro rata monthly deposits.
- The Regional Toll Road Fund increased due to interest income.
- The Streetcar Fund decreased due to the payment of capital project invoices.
- The Toyota Fund decreased due to payment for services from Collin County.
- The Regional Right of Way (ROW) Corporation Fund decreased due to invoicing for qualifying expenses.

Risk Management Summary (page 10)

Short Term Disability

Short-Term Disability benefit payments and claim volumes were \$145,000 (50 claims) in December, compared to \$144,000 (55 claims) in November, a one percent increase in paid benefits and a nine percent decrease in claims.

Workers' Compensation

Monthly workers' compensation costs incurred increased to \$253,000 (37 claims) in December, from \$134,000 (28 claims) in November, a 32 percent increase in costs and an 89 percent increase in new claims. Seventeen claims were classified as Lost Time (i.e., employees could not resume working their regular duties), compared to nine Lost Time claims in November, an 89 percent increase. The top two leading causes of injury were collision with another vehicle (5) and slip/trip/fall (7). The leading nature of injury was sprains/strains (16).

Alternative Duty

Alternative duty wages decreased to \$65,000 (20 employees) in December from \$69,000 -(23 employees) in November, a six percent decrease in wages and 13 percent decrease in employees working with restrictions in December.

Liability Claims

Risk Management received 57 new claims and closed 52 claims in December. Thirty-eight claims closed without incurring a settlement payment (73 percent), and 14 claims incurred payments totaling \$127,989. The average payment per closed claim was \$9,142. Subrogation recoveries for December totaled \$14,729.

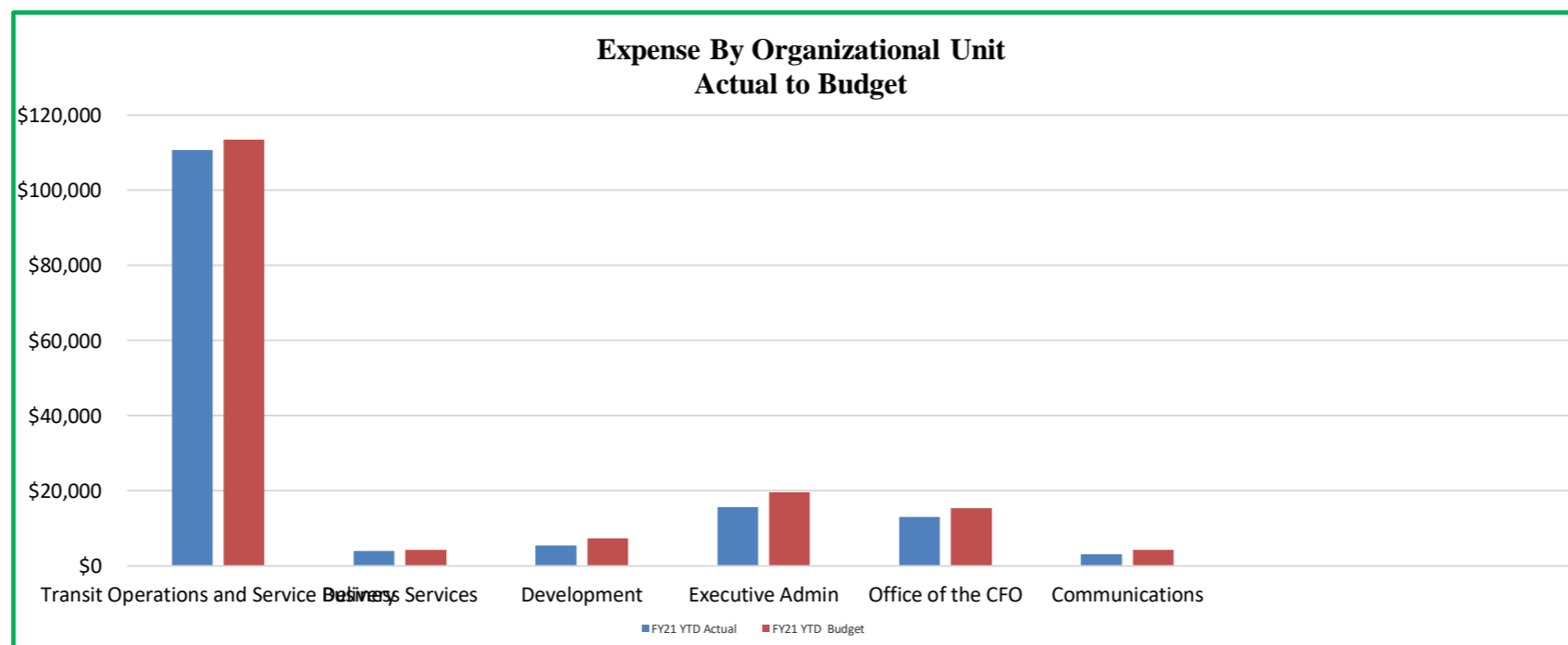
Dallas Area Rapid Transit
Revenue and Expense Actual Vs. Budget Summary Report - Budget Basis*
December 2022 (Amounts in thousands)

ACTUAL VS. BUDGET SUMMARY

	FY 2023 YTD Actual	FY 2023 YTD Budget ¹	Variance	% Variance
Revenues (YTD)				
Sales tax ²	\$218,016	\$212,484	\$5,532	3%
Passenger	9,812	9,105	707	8%
Advertising/Rental income	3,252	1,997	1,255	63%
Non-Operating Revenue	3,991	3,325	666	20%
	\$235,071	\$226,911	\$8,160	4%

	FY 2023 YTD Actual	FY 2023 YTD Budget ¹	Variance	% Variance
Operating Expenses by Organizational Unit				
Transit Operations and Service Delivery	\$110,764	\$113,509	\$2,745	2%
Business Services	3,984	4,236	252	6%
Development ³	5,425	7,353	1,928	26%
Executive Admin	15,628	19,608	3,980	20%
Chief of Staff	483	637		
Office of the CFO	13,078	15,399	2,321	15%
Communications	3,146	4,253		
Board Direct Reports	1,328	1,866	538	29%
Capital Planning & Development	(3,430)	(3,990)	(560)	-14%
Agency-Wide**	(741)	1,918	2,659	-139%
Fuel Incentives	(1,434)	-	1,434	n/a
	\$148,231	\$164,789	\$16,558	10%

	FY 2023 Projection	FY 2023 Budget ¹	Variance	% Variance
Operating Expenses by Organizational Unit				
Transit Operations and Service Delivery	\$425,595	\$426,782	\$1,187	0%
Business Services	16,169	16,169	-	0%
Development	32,387	32,815	428	1%
Executive Admin	61,041	62,021	980	2%
Chief of Staff	2,589	2,743		
Office of the CFO	57,716	57,716		
Communications	14,384	15,492		
Board Direct Reports	5,940	6,478	538	8%
Capital Planning & Development	(15,959)	(15,959)	-	0%
Agency-Wide ⁴	33,611	33,611	-	0%
Fuel Incentives	(1,434)	-	1,434	n/a
	\$632,039	\$637,868	\$5,829	1%



* This actual vs. budget summary report is prepared on a budget basis and does not include items such as depreciation, investment income, interest expense and some accounting adjustments such as barter advertising arrangements, amortization of prepayments, etc.

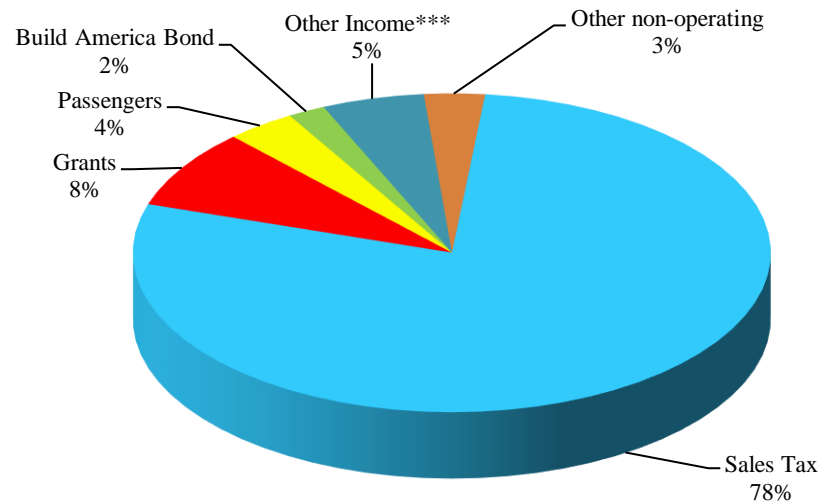
1. FY 2023 budget amounts shown above correspond to the operating budget amounts approved by the DART Board on September 27, 2022 (Resolution No. 220135).
2. Sales tax revenue shown in budget report is net of repayments to the State Comptroller. Sales tax revenue also includes an estimate for current month.
3. Planning and Development costs related to capital projects.
4. Agency-wide includes benefits that are allocated to each department based on a budgeted ratio.

Dallas Area Rapid Transit
Revenue and Expense Summary Report - GAAP Basis* (Unaudited)
December 2022 (Amounts in thousands)

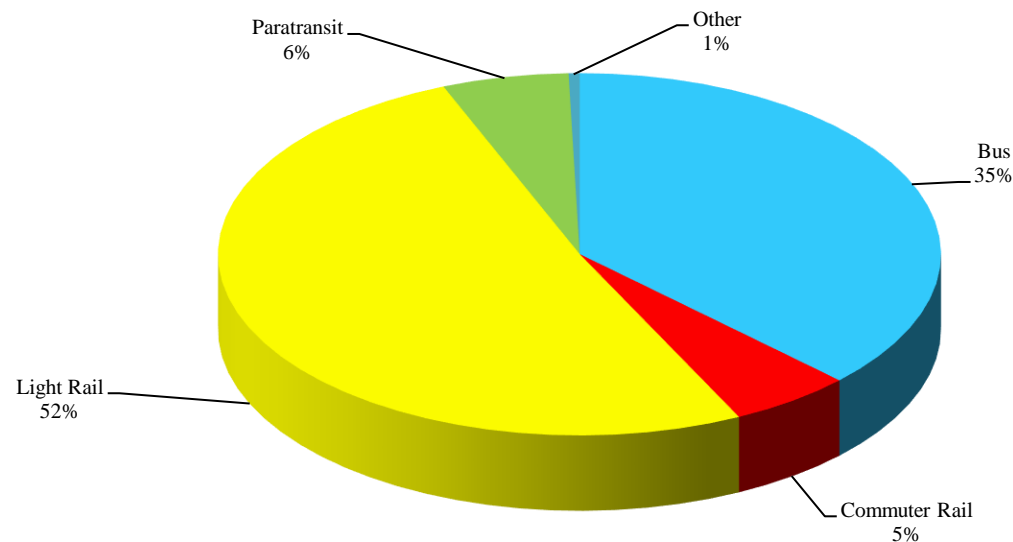
REVENUE AND EXPENSE SUMMARY*

	FY 2023 YTD Actual	FY 2022 YTD Actual	Change	% Change
Revenues				
Sales tax revenue**	\$218,016	\$192,425	\$25,591	13%
Grant revenue	22,408	25,590	(3,182)	-12%
Passenger revenues	9,812	8,492	1,320	16%
Build America Bond tax credit	5,312	5,325	(13)	0%
Advertising, rent & others	3,668	3,669	(1)	0%
Investment income (Loss)	10,778	(211)	10,989	5208%
Other non-operating revenues	8,578	6,344	2,234	35%
Total Revenues	278,572	241,634	36,938	15%
Expenses				
Labor	74,368	63,328	\$11,040	17%
Benefits	29,797	30,559	(762)	-2%
Other operating expenses (excluding depreciation)	53,412	47,837	5,575	12%
Depreciation expense	63,707	60,172	3,535	6%
Interest and financing expense	34,495	39,813	(5,318)	-13%
Other non-operating expenses	315	257	58	23%
Total Expenses	256,094	241,966	14,128	6%
Net Income (Loss)	\$22,478	(\$332)	\$22,810	-6870%

FY 2023 YTD Total Revenue



FY 2023 YTD Total Expense By Mode



* Revenues and expenses shown on this page are prepared on a generally accepted accounting principles (GAAP) basis. The amounts shown above do not tie to revenues and expenses shown on the Actual vs. Budget Summary (page 4) due to items such as depreciation, investment income, interest expense and some accounting adjustments such as barter advertising arrangements, amortization of prepayments etc. not included in the budget report.

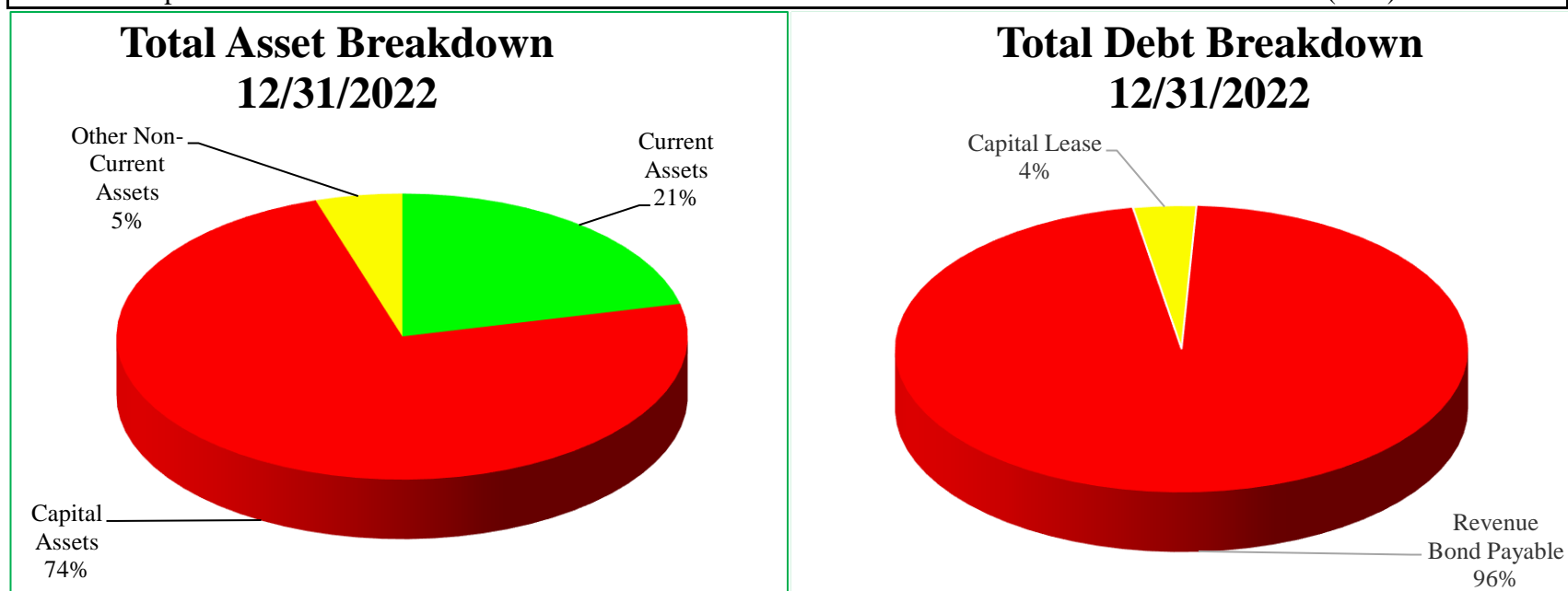
** Year-to-date sales tax revenue includes an estimate for the current month.

*** Other income includes advertising, rent & others as well as Investment income.

Dallas Area Rapid Transit
Assets and Liabilities Summary Report - GAAP Basis* (Unaudited)
December 2022 (Amounts in thousands)

ASSET AND LIABILITY SUMMARY

Assets and Liabilities	12/31/2022	9/30/2022	Change	% Change
Current Assets	\$1,227,205	\$1,307,744	(\$80,539)	-6%
Capital Assets	4,243,935	4,265,769	(21,834)	-1%
Other Non-Current Assets	282,887	309,727	(26,840)	-9%
Total Assets	5,754,027	5,883,240	(129,213)	-2%
Deferred Outflows of Resources	65,780	66,877	(1,097)	-2%
Total Assets and Deferred Outflows	5,819,807	5,950,117	(130,310)	-2%
Current Liabilities	359,715	437,314	(77,599)	-18%
Non-Current Liabilities	3,651,916	3,726,885	(74,969)	-2%
Total Liabilities	4,011,631	4,164,199	(152,568)	-4%
Deferred Inflows of Resources	66,784	67,004	(220)	0%
Total Liabilities and Deferred Inflows	4,078,415	4,231,203	(152,788)	-4%
Net Assets	\$1,741,392	\$1,718,914	\$22,478	1%
Debt				
Revenue Bond - Face value	\$3,415,385	\$3,493,275	(\$77,890)	-2%
Revenue Bond - Premium	212,664	216,577	(3,913)	-2%
Total Revenue Bond (Face and Premium)	3,628,049	3,709,852	(81,803)	-2%
RRIF Bond Payable	50	50	-	0%
Commercial Paper	-	100	(100)	-100%
Capital Lease	133,731	131,082	2,649	2%
Total Debt (Excluding Interest Payable)	3,761,830	3,841,084	(79,255)	-2%
Interest Payable	12,190	49,814	(37,624)	-76%
Total Debt	\$3,774,020	\$3,890,898	(\$116,879)	-3%
Ratio Analysis				
Acid-Test Ratio ¹	3.31	2.90	0.41	14%
Current Ratio (Current Assets/Current Liabilities) ¹	3.41	2.99	0.42	14%
Capital Assets/Total Assets Ratio ²	0.74	0.73	0.01	2%
Debt/Capital Assets Ratio ³	0.89	0.91	(0.02)	-3%



- 1 Acid-Test Ratio shows DART's ability to pay off its current liabilities with short-term assets excluding inventory. Current Ratio measures DART's ability to pay off its current liabilities with its current assets. Generally a ratio of 1 or greater is good.
- 2 Capital Assets/Total Assets Ratio shows the level of DART's investment in capital assets (such as rail right-of-way, passenger, operating facilities, rolling stock, etc.) relative to total assets. Currently, DART's capital assets represent 74% of total assets. This ratio reflects DART's extensive investment in its system.
- 3 Debt/Capital assets ratio measures the percentage of DART's capital assets financed with debt. This ratio at the last day of the month indicates that 89% of DART's capital assets are financed with debt.

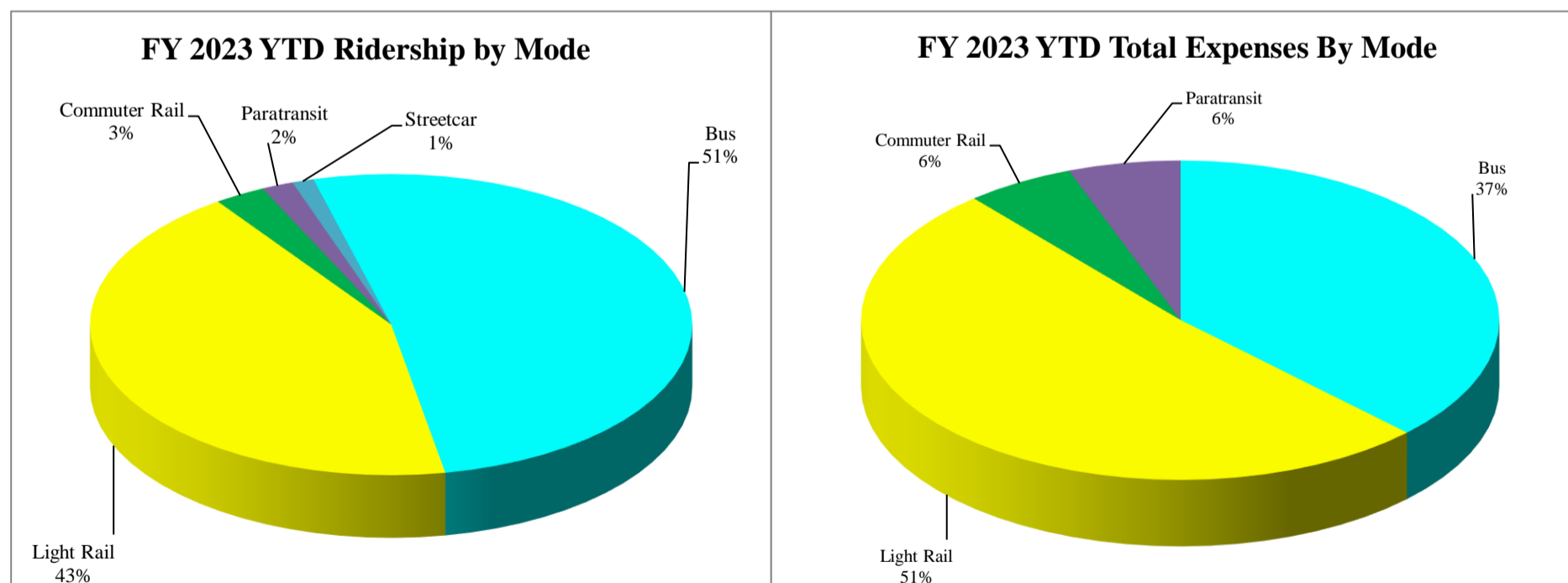
* Assets and liabilities presented here are prepared in accordance with generally accepted accounting principles (GAAP).

**Dallas Area Rapid Transit
Service Summary Report
December 2022 (Amounts in thousands)**

SERVICE SUMMARY - Ridership, Revenue Hours, Miles and Cost

Ridership	FY 2023 YTD	FY 2022 YTD	Variance	% Variance	FY 2023 YTD	Actual vs	%
	Actual	Actual			Budget	Budget	
Bus	6,100	5,589	511	9%	6,053	47	1%
Light Rail	5,126	4,550	576	13%	5,126	-	0%
Commuter Rail	326	300	26	9%	237	89	38%
Vanpool	-	9	(9)	-100%	-	-	0%
Paratransit	203	172	31	18%	136	67	49%
Streetcar	138	238	(100)	-42%	138	-	0%
	11,893	10,858	1,035	10%	11,690	203	2%
Revenue Hours							
Bus	437	417	20	5%			
Light Rail	127	116	11	9%			
Commuter Rail	18	19	(1)	-5%			
Vanpool	-	3	(3)	(1)			
Paratransit *	127	111	16	14%			
Streetcar	3	3	-	0%			
	712	669	43	6%			
Revenue Miles							
Bus	5,379	5,165	214	4%			
Light Rail	2,715	2,360	355	15%			
Commuter Rail	335	335	-	0%			
Vanpool	-	-	-	0%			
Paratransit *	2,215	1,947	268	14%			
Streetcar	24	23	1	4%			
	10,668	9,830	838	9%			

Total Expenses by Mode**				
Bus	\$95,148	\$87,141	\$8,007	9%
Light Rail	130,470	127,222	3,248	3%
Commuter Rail	14,012	13,899	113	1%
Vanpool	1,252	1,279	(27)	-2%
Paratransit	14,465	11,743	2,722	23%
Streetcar	632	669	(37)	-6%
Other ***	115	13	101	759%
	\$256,094	\$241,967	\$14,127	6%



* Revenue hours and miles for Paratransit Mode include estimates for the month.
 ** Modal allocation includes both operating expenses and interest expenses related to money borrowed to finance capital projects.
 *** Other includes funding of the Transit Related Improvement Program (TRIP) for DART service area cities with no rail service.
 Total Expense by Mode items that do not appear on the pie chart represent less than 1% of the total.

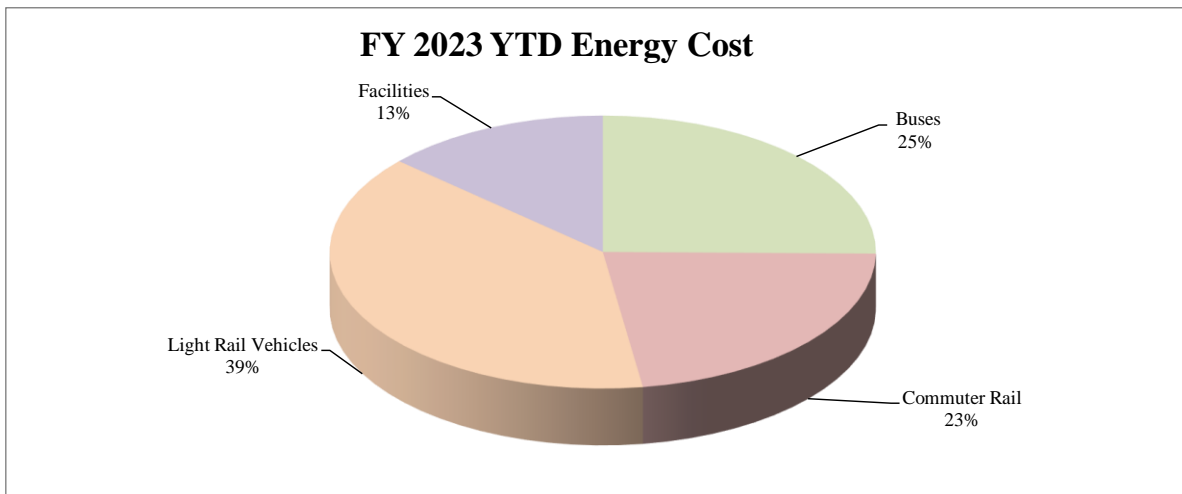
**Dallas Area Rapid Transit
Energy Consumption and Cost Summary Report
December 2022 (Amounts in thousands)**

ENERGY CONSUMPTION

Total Cost	FY 2023 YTD	FY 2022 YTD	Variance	%
	Actual	Actual		Variance
Compressed Natural Gas (CNG)/DGE ¹ - Bus **	\$1,618	\$2,180	(\$562)	-26%
Diesel Fuel (Gallons) - commuter rail	1,442	788	654	83%
Total CNG and Diesel - Cost	3,060	2,968	92	3%
Electricity- Light Rail Vehicles (LRV)**	2,500	1,981	519	26%
Electricity- Streetcar**	14	13	1	8%
Electricity- Facilities**	861	153	708	463%
Total CNG and Electricity - Cost	\$6,435	\$5,115	\$1,320	26%

Volume	FY 2023 YTD	FY 2022 YTD	Variance	%
	Actual	Actual		Variance
Compressed Natural Gas (CNG)/DGE - Bus **	2,247	2,268	(21)	-1%
Diesel Fuel - commuter rail	403	311	92	30%
Total CNG and Diesel Fuel -Volume	2,650	2,579	71	3%
Electricity (KWH) - Light Rail Vehicles**	29,776	27,789	1,987	7%
Electricity (KWH) - Streetcar**	155	148	7	5%
Electricity (KWH) - Facilities**	10,918	10,963	(46)	0%
Total Electricity - Volume	40,849	38,901	1,948	5%

Unit Cost	FY 2023 YTD	FY 2022 YTD	Variance	%
	Unit Cost	Unit Cost		Variance
CNG - bus/paratransit (per DGE)	\$0.72	\$0.96	(\$0.24)	-25%
Diesel Fuel - commuter rail (per gallon)	\$3.58	\$2.53	\$1.05	42%
Electricity - LRV/facilities/streetcar (per KWH)	\$0.08	\$0.06	\$0.03	50%



1- DGE = Diesel Gallon Equivalent

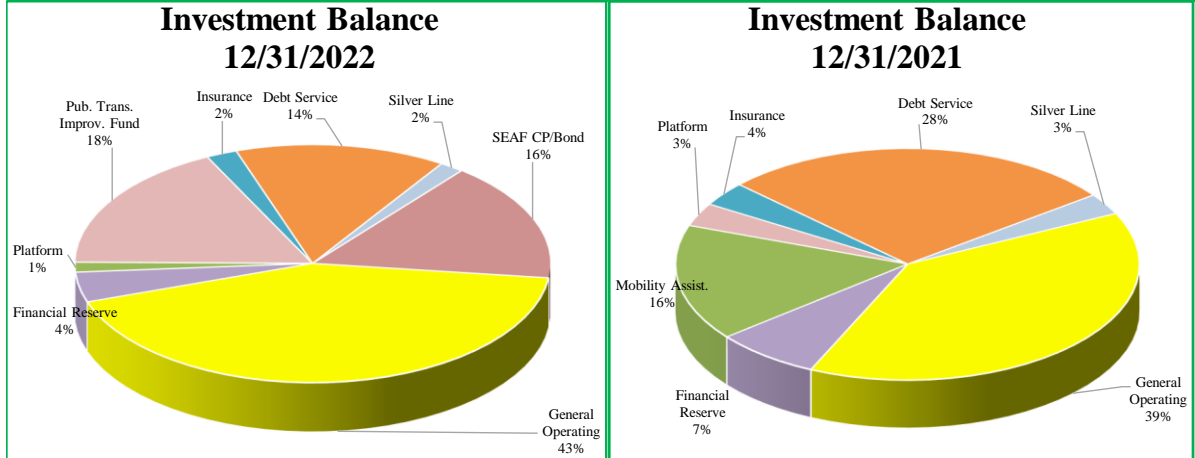
**Energy consumption includes estimates for the current month

Energy costs that do not appear on the pie chart represent less than 1% of the total.

**Dallas Area Rapid Transit
Investment Summary Report
December 2022 (Amounts in thousands)**

INVESTMENT SUMMARY

	12/31/2022	Yield	Compliant ²	12/31/2021	Yield	Balance % Change
Managed Funds¹						
General Operating	\$525,527	3.683%	Yes	\$265,377	0.276%	98%
Financial Reserve ²	50,001	3.725%	Yes	50,000	0.123%	0%
Mobility Assist. & Innov. Fund ^{5,7,11}	2,142	4.335%	Yes	110,314	0.076%	-98%
Platform	16,517	4.178%	Yes	22,091	0.074%	-25%
Pub. Trans. Improv. Fund ¹⁰	215,277	4.334%	Yes	-	0.000%	
Insurance	25,772	2.326%	Yes	23,021	0.341%	12%
Silver Line ^{4,8}	20,100	4.334%	Yes	20,100	0.075%	0%
SEAF CP ⁹	42	4.334%	Yes	41	0.074%	2%
SEAF Bond ⁹	198,517	4.334%	Yes	453,629	0.073%	-56%
Total Managed Funds	1,053,895	3.929%		944,573	0.140%	12%
Constrained Funds³						
Debt Service	176,009	4.016%	Yes	188,616	0.053%	-7%
Regional Toll Road (NW Plano) ⁴	1,558	3.270%	Yes	1,544	0.010%	1%
City of Dallas Streetcar	37	3.270%	Yes	60	0.010%	-39%
Toyota	335	4.084%	Yes	372	0.039%	-10%
Regional ROW Corp. Fund	334	4.084%	Yes	290	0.036%	15%
Total Constrained Funds	178,272	4.300%		190,882	0.083%	-7%
	\$1,232,167	3.939%		\$1,135,455	0.137%	9%

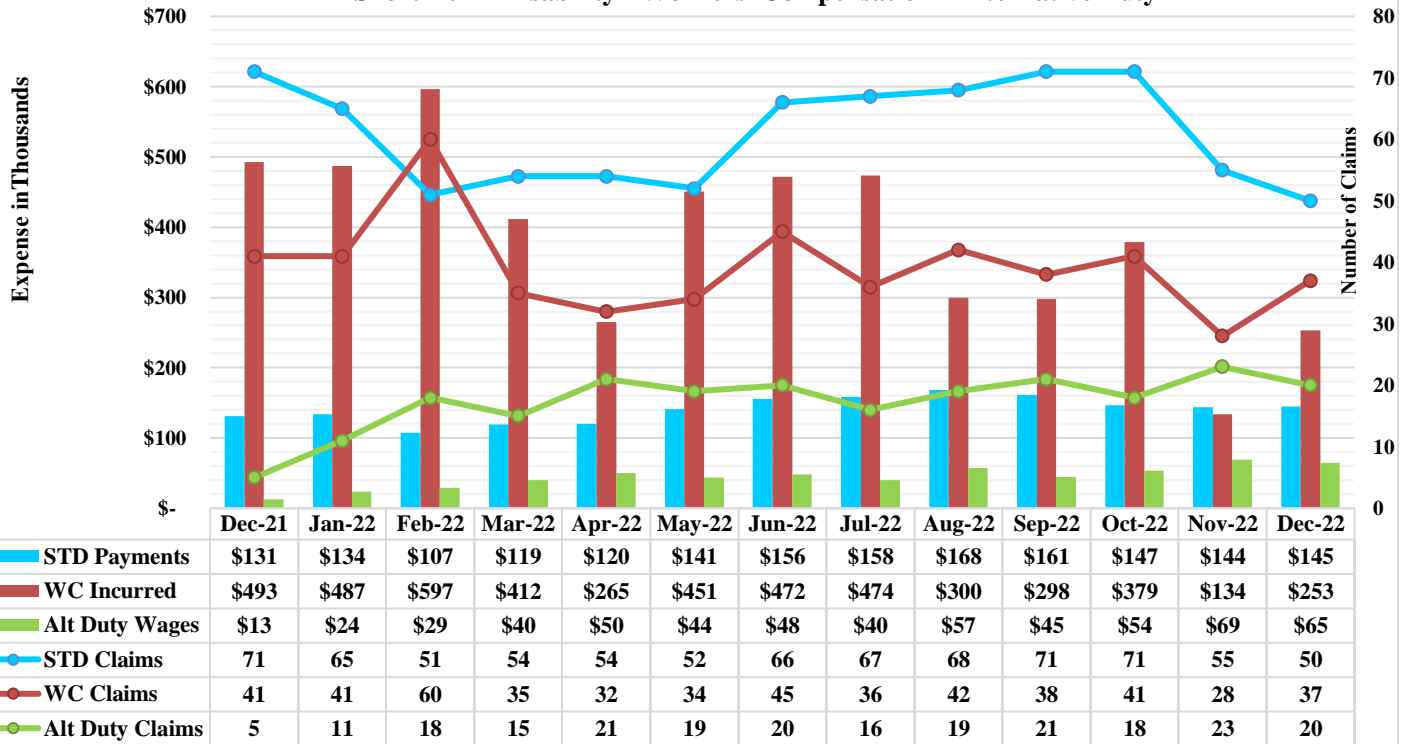


Investments that do not appear on the pie chart represent less than 1% of the total.

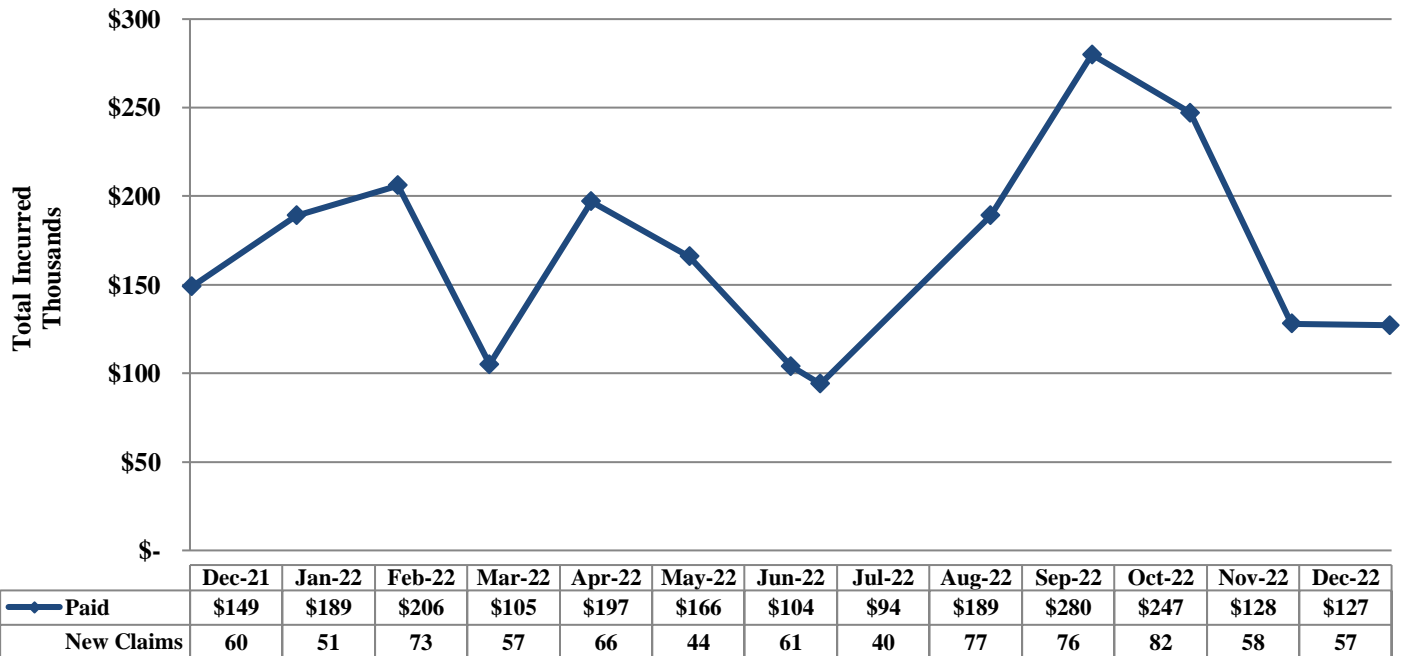
1. Managed Funds are investment pools that DART has sole discretion to manage within its investment policy.
2. Compliant indicates that the fund is in compliance with DART's investment policy and other contractual commitments.
3. Constrained Funds are investment pools that have greater investment restrictions than DART's investment policy.
4. The Regional Toll Revenue (RTR) and City of Dallas Streetcar Funds are imprest accounts, thus they are invested in very low-yield safe instruments. The City of Dallas streetcar money shown here is for capital projects only.
5. By Resolution No. 160109, as approved by the DART Board of Directors.
7. By Resolution No. 190053, the Capital Reserve Fund was renamed the Mobility Assistance and Innovation Fund.
8. By Resolution No. 190072, the Cotton Belt Commuter Rail Line was renamed the Silver Line.
9. System Expansion and Acquisition Fund (SEAF) commercial paper and bonds.
SEAF CP/Bond that do not appear on the pie chart represent less than 1% of the total.
10. By Resolution No. 220156 \$214,250,000 was authorized to be moved out of the Operating Fund into the Public Transportation Improvement Fund
11. By Resolution No. 220155 \$110,323,838 was authorized to be moved out the MAIF and into the Operating Fund.

Risk Management – December 2022

Integrated Disability Programs Short Term Disability - Workers' Compensation - Alternative Duty



Liability Claims Program



Glossary of Terms/Definitions

Accounting Basis – The principles and methods used for accounting. DART uses the accounting basis appropriate for a government enterprise fund. Financial statements are prepared on the accrual basis of accounting under which revenues and expenses are recognized when earned or incurred.

Accrual Basis of Accounting – An accounting method that measures the performance and position of a company by recognizing economic events in the period they occur regardless of when cash transactions occur (i.e., recognize revenue in the period in which it is earned rather than when the cash is received; and recognize expenses when incurred rather than when cash is paid).

Acid-Test Ratio – Shows DART’s ability to pay off its current liabilities with short-term assets excluding inventory.

ADA Paratransit Service – Non-fixed-route paratransit service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants in the program, as required by the Americans with Disabilities Act.

Alternative Duty – Provides employees who have a temporary disability resulting from an on- or off-the-job injury/illness with the ability to return to work with restrictions. Work may include an alternate assignment or modifications to the employee’s regular duties.

Amortization – The process of allocating the cost of an asset (including a prepayment) over a period of time.

Average Fare (calculated by mode) – Represents the average fare paid per passenger boarding on each mode of service during the period.

$$\text{Calculation} = (\text{Modal Passenger Revenue} - \text{Commissions \& Discounts}) / (\text{Modal Passenger Boardings})$$

Barter Arrangements – Exchange of goods or services for other goods or services without using money. A good example is media partnerships DART enters with radio and TV stations.

Bond Refinancing/Refunding – The redemption (payoff) and reissuance of bonds to obtain lower interest costs and/or bond conditions.

Capital – Funds that finance construction, renovation, and major repair projects or the purchase of machinery, equipment, buildings, and land.

Capital Asset – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible and intangible assets that are used in operations and have initial useful lives extending beyond one year.

Capital Asset/Total Asset Ratio – Shows the level of DART’s investment in capital assets (such as rail right-of-way, passenger and operating facilities, rolling stock, etc.) relative to total assets.

Capital Lease Obligation – Installment payments that constitute a payment of principal plus interest for the capital lease. Capital lease obligations are listed in the liabilities section of a balance sheet while the property or asset leased is listed in the assets section of the balance sheet.

CNG – A readily available alternative to gasoline that’s made by compressing natural gas to less than 1% of its volume at standard atmospheric pressure. Consisting mostly of methane, CNG is odorless, colorless and tasteless. It is drawn from domestically drilled natural gas wells or in conjunction with crude oil production.

Constrained Funds – Funds that are designated for a special purpose such as the Debt Service Fund, Regional Toll Road, and Streetcar Funds.

Commuter Rail – Passenger rail transport service that primarily operates between a city center to outer suburbs beyond 10 miles and commuter towns or other locations.

Compliant – Funds are in compliance with DART’s investment policy and other contractual commitments.

Current Ratio – Measures DART’s ability to pay off its current liabilities with its current assets. Generally, a ratio of 1 or greater is good.

Debt Service – The payment of interest and the repayment of principal on long-term borrowed funds according to a predetermined schedule.

Debt Service Coverage – The measure of the Agency’s ability to meet debt service payments. It is a ratio of cash flows to debt service requirement.

Debt Service Payments – The amount of money required to make payments on the principal and interest on outstanding loans, the interest on bonds, or the principal of maturing bonds.

Debt/Capital Asset Ratio – Measures the percentage of DART’s capital assets financed with debt.

Defeasance of Bonds – An action that sets aside cash or bonds sufficient enough to service the borrower’s debt on a bond or loan.

Deferred Inflow and Outflow – Acquisition or consumption of net assets (e.g., receiving or spending cash) that is applicable to a future reporting period. For example, if DART has paid for a service it will receive in the future, it has an asset (much like a prepaid expense). Conversely, if DART has received cash for a service it must provide in the future, it has a liability.

Depreciation – An accounting method of allocating a periodic cost of capital assets (excluding land and improvements to land) to expense. This periodic cost allocation results in the reduction of the value of capital assets with passage of time, due in particular to wear and tear.

Drawdown – Process by which grant reimbursements are requested based on a set of payment schedule after the organization has submitted sufficient documents to verify expenses.

DGE – Diesel gallon equivalent (DGE) is the amount of diesel fuel it takes to equal the energy content of one liquid gallon of gasoline. It allows consumers to compare the energy content of competing fuels against a commonly known fuel – gasoline.

Enterprise Fund – Gives the flexibility to account separately for all financial activities associated with a broad range of government services. It establishes a separate accounting and financial reporting mechanism for services for which a fee is charged. Revenues and expenses of the service are segregated into a fund with financial statements separate from all other activities.

Farebox Revenue – All revenue from the sale of passenger tickets, passes, or other instruments of fare payment.

Fares – The amount charged to passengers for use of various services.

FTA (Federal Transit Administration) – The federal agency that helps cities and communities provide mobility to their residents. Through its grant programs, FTA provides financial and planning assistance to help plan, build, and operate bus, rail, and paratransit systems.

Fiscal Year – DART’s fiscal year is from October 1 through September 30 of the following year.

Financial Reserve Fund – Highly restricted (as to use) funds derived primarily from the accumulated amounts of actual sales tax over budgeted receipts of sales tax from prior years.

Fuel Hedge – A contractual tool used to reduce exposure to volatile and potentially rising fuel costs. A fuel hedge contract allows a company to establish a fixed or capped cost, via a commodity swap or option to mitigate their exposure to future fuel prices that may be higher than current prices and/or to establish a known fuel cost for budgeting purposes.

Full Funding Grant Agreement (FFGA) – The Federal Transit Administration uses a FFGA to provide financial assistance for new start projects and other capital projects. The FFGA defines the project, including cost and schedule, commits to a maximum level of federal financial assistance (subject to appropriation), covers the period of time for the project, and helps to manage the project in accordance with federal laws and regulations.

Fund Balance – The difference between a fund’s assets and liabilities (also called Fund Equity). Often this term refers to money set aside or earmarked for future needs. DART uses “reserves” as well as “funds” to ensure resources are available for anticipated and unanticipated needs.

Generally Accepted Accounting Principles (GAAP) - A commonly accepted way of recording and reporting accounting information. DART follows the U.S. GAAP that is applicable to state and local governments as issued by the Governmental Accounting Standards Board (GASB).

General Liability – The intake, management, and resolution of all bodily injury and property damage claims arising out of DART Operations and subrogation or recovery of damages from responsible third parties.

General Operating Account – The operating account used to account for all financial resources and normal recurring activities except for those required to be accounted for in another fund.

Grants – Moneys received from local, federal, and state governments to provide capital or operating assistance.

Interest Expense – The cost of debt that has occurred during a specified period of time.

Investment Income – Income from interest payments, dividends, capital gains collected upon the sale of a security or other assets, and any other profit made through an investment vehicle of any kind.

Investment Portfolio - The whole range of financial investments held by an individual investor or a financial organization.

KWH – Kilowatt hour is a derived unit of energy equal to 3.6 megajoules, the amount of energy converted if work is done at an average rate of one thousand watts for one hour. If the energy is being transmitted or used at a constant rate (power) over a period of time, the total energy in kilowatt-hours is the product of the power in kilowatts and the time in hours.

Labor Expenditure – The cost of wages and salaries (including overtime) to employees for the performance of their work.

Lease/Leaseback Transaction – Financing structure that involves the purchase of personal or real property by a public agency, which subsequently sells or leases the property to a private, nonprofit or other public entity. The original purchasing public agency then leases the property back under a sublease.

Liability – The future sacrifice of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

Maintenance Expenditure – Expenditures for labor, materials, services, and equipment used to repair and maintain transit and service vehicles and facilities.

Managed Funds – An investment fund managed for a number of clients by a company, often involving a combination of fixed-interest and property investments at the discretion of the fund managers.

Mark-to-Market – Refers to accounting for the "fair value" of an asset or liability based on the current market price, or for similar assets and liabilities.

Mobility Assistance and Innovation Fund – An account on DART's balance sheet that is reserved for long-term capital investment projects.

Non-Operating Revenues – The portion of an organization's income that is derived from activities not related to its core operations.

Operating Budget – The planning of revenue and expenditures for a given period of time to maintain daily operations.

Operating Revenues – Includes the revenues obtained from the farebox, special events service, advertising, signboard rentals, leases, pass sales, operating grants, shuttle services, and other miscellaneous income. Operating revenues do not include sales tax revenue, interest income, or gain on sale of assets.

Operating Expenses – Includes the expenses required to operate DART's revenue services and general mobility projects. Operating expenses do not include the staff costs associated with DART's capital programs.

Paratransit Service – Any transit service that is not conventional fixed-route bus or rail service, including ADA Paratransit Services.

Platform Fund – Funds designated for platform extensions on the Red and Blue lines to accommodate three-car trains.

Repurchase Agreement – A money-market transaction in which one party sells securities to another while agreeing to repurchase those securities at a later date.

Reserves – DART uses "reserves" as well as "funds" to ensure resources are available for anticipated and unanticipated needs.

Revenue Bond – A bond on which debt service is payable solely from a restricted revenue source (or sources) such as sales tax revenues.

Revenue Miles or Hours – Measures the number of miles, or hours, that a vehicle is in revenue service (i.e., available to pick up passengers) and includes special events service. This measure does not include "deadhead miles" which are the miles between the bus or rail maintenance facility and the beginning or end of a route.

Ridership – For the total system, this is the total number of passengers boarding a DART vehicle. Transfers are included in total ridership and passenger boarding counts (e.g., if a person transfers from one bus to another bus or from a bus to rail, this is counted as two passenger boardings). Fixed-route ridership counts passenger boardings (including transfers) for bus, light rail, streetcar, and commuter rail only.

Short-Term Disability - Provides income continuation for employees who are unable to perform their regular duties as a result of a temporary disability.

Total Incurred – The present and future total cost of a claim.

Vanpool – A group of five to 15 people who regularly travel together to work (typically 30 miles or more roundtrip) in a DART-provided van.

Vehicle Revenue Mile – Vehicle mile during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Workers' Compensation – Provides income continuation and pays for related medical care for employees who are injured on the job. "Incurred" refers to the present and future total cost of a claim. "Paid" represents amounts paid to date on a claim.

Yield to Maturity – The yield an investor can expect if the security is held to its stated end, and all coupon payments are made. This value is highly dependent on what price was paid for the security.