



INTEROFFICE MEMORANDUM

DATE: May 17, 2024
TO: DART Board
THROUGH Nadine S. Lee /s/ NSL
FROM: M. Elizabeth Reich
SUBJECT: FY 2024 Quarterly Financial Report – March 2024

The second FY 2024 quarterly financial report is attached, providing a high-level overview of the agency's year-to-date financial performance through March 31, 2024. As with the monthly report, this delivers critical financial information at a high level so Board members can quickly digest the information they need to make sound policy decisions.

In addition to the topics covered in the monthly report, the quarterly report includes revenues and expenses prepared based on generally accepted accounting principles (GAAP basis), capital and non-operating expenses, and additional details on hiring.

As a reminder, you can access this and previous reports in the Board Portal by selecting:

- Reports and Audits
- Monthly & Quarterly Financial & Ridership Reports

Please contact me at EReich@dart.org if you have any questions about this information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich". The signature is written in a cursive style and is positioned above a horizontal line.

M. Elizabeth Reich
EVP & Chief Financial Officer

Attachment

c: Leadership Roundtable

FY 2024 // MARCH

EXECUTIVE SUMMARY

This quarterly report expands on the monthly report, but still provides a high-level overview of the agency's financial performance this fiscal year as of March 31, 2024. The FY 2024 budget includes total operating expenses of \$687 million, with year-to-date actual spending at \$332 million, a 48 percent utilization rate. Actual capital and non-operating expenses are at \$310 million, compared to a budget of \$894 million, a 35 percent utilization rate. Throughout this report, positive revenue variances and negative expense variances are better than budget.

<i>Values in \$M</i>	FY 2024 Budget	YTD Actual	% Spent	FY 2024 Forecast	Forecast vs. Budget
Operating	\$687	\$332	48%	\$684	\$(3)
Capital & Non-Operating	894	310	35%	894	0
Debt Service	222	150	68%	222	0
Total Expenses	\$1,803	\$793	44%	\$1,800	\$(3)

As a reminder, key indicators related to finance, ridership, security, safety, and service performance are available in the Transit Effectiveness Dashboard, which is accessible through the Board Portal, and on the public-facing [DART Scorecard](#) on DART.org.

REVENUES & OPERATING EXPENSES

Total Revenues

The table below includes year-to-date and forecasted revenues compared to the FY 2024 budget. In the second quarter of FY 2024, actual revenue fell short of the budget by \$41 million, primarily due to a \$35 million variance in federal funding due to timing of payments. We anticipate ending the year just under budget.

YTD Revenues (\$000)

Revenue	FY 2024 Budget	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Forecast	Forecast vs. Budget
Sales Tax	\$870,753	\$432,312	\$426,765	\$(5,547)	\$870,753	\$0
Operating Revenue	56,286	28,143	31,444	3,301	56,286	0
Interest Income	39,937	19,969	19,206	(763)	38,412	(1,525)
Federal Funding	159,516	79,758	44,720	(35,038)	159,516	0
Other Revenue	35,235	17,618	14,453	(3,165)	35,235	0
Total Revenues	\$1,161,727	\$499,725	\$461,156	\$(41,212)	\$1,160,202	\$(1,525)

Total Operating Expenses

The table below includes year-to-date and forecasted operating expenses compared to budget. Expenses are trending lower than budget, and we anticipate ending the year under budget.

YTD Operating Expenses (\$000)

Operating Expense	FY 2024 Budget	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Forecast	Forecast vs. Budget
Salaries & Wages	\$310,346	\$155,150	\$153,989	\$(1,161)	\$313,108	\$2,762
Benefits	133,798	66,588	63,730	(2,858)	124,963	(8,835)
Services	80,227	39,987	34,920	(5,067)	79,377	(849)
Materials & Supplies	52,544	25,772	27,553	1,781	56,967	4,423
Utilities	20,050	9,809	10,242	433	21,746	1,696
Claims & Insurance	10,583	5,291	5,407	116	11,004	421
Purchased Transportation	92,395	45,301	42,869	(2,432)	86,643	(5,752)
Lease, Rentals, Taxes & Other	8,696	4,350	2,277	(2,072)	7,083	(1,614)
Capital & Reserves	(21,394)	(10,665)	(8,722)	1,943	(16,778)	4,616
Total Operating Expenses	\$687,245	\$341,583	\$332,265	\$(9,319)	\$684,113	\$(3,132)

Revenues & Expenses (GAAP Basis)

The table below includes year-to-date revenues and expenses prepared based on generally accepted accounting principles (GAAP basis), compared to the same period from the prior year. These amounts do not necessarily match revenues and expenses in the rest of this report because of how items such as depreciation, investment income, interest expense, and accounting adjustments are reported on a GAAP basis. Please note these amounts are unaudited—audited financials are released in the Annual Comprehensive Financial Report.

Revenues & Expenses on GAAP Basis (\$000)

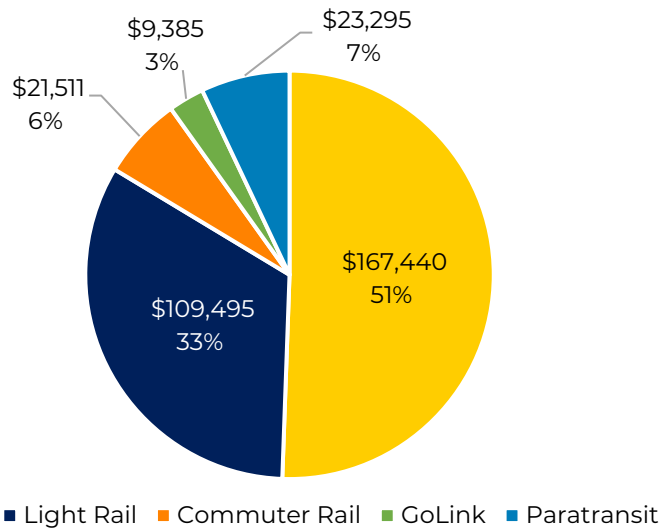
	FYTD 2024 Actuals	FYTD 2023 Actuals	YOY Change	% Change
Sales Tax Revenue	\$429,407	\$418,492	\$10,915	3%
Grant Revenue	44,294	39,661	4,633	12%
Passenger Revenues	20,884	18,021	2,863	16%
Build America Bond Tax Credit	10,623	10,623	0	0%
Advertising, Rent, & Others	7,997	6,501	1,496	23%
Investment Income (Loss)	21,904	23,643	(1,739)	(7%)
Other Non-Operating Revenues	12,802	14,824	(2,022)	(14%)
Total Revenues	547,911	531,765	16,146	3%
Labor	154,772	140,586	14,186	10%
Benefits	69,011	58,575	10,436	18%
Other Operating Expenses	143,989	110,676	33,313	30%

	FYTD 2024 Actuals	FYTD 2023 Actuals	YOY Change	% Change
Depreciation Expense	120,280	126,539	(6,259)	(5%)
Interest & Financing Expense	68,453	68,469	(16)	0%
Other Non-Operating Expenses	75,911	3,005	72,906	2426%
Total Expenses	632,416	507,850	124,566	25%
Net Income (Loss)	\$(84,505)	\$23,915	\$(108,420)	(453%)

Operating Expense Detail

The chart to the right breaks out year-to-date operating expenses by mode, while the table below includes each department's forecasted year-end operating expenses compared to its FY 2024 budget. If the year-end forecast varies from the budget by more than five percent, an explanation is provided below the table and identified by the department's row number.

YTD Expenses by Mode (\$000s)



YTD Expenses by Department (\$000s)

Row	Department	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Budget	FY 2024 Forecast	Forecast vs. Budget
1	Agency Safety & Compliance	\$1,866	\$1,552	\$(315)	\$3,741	\$3,150	\$(591)
2	Board Support	618	360	(258)	1,175	878	(297)
3	Bus Operations	112,420	114,663	2,243	230,481	232,055	1,575
4	Business Innovation	1,064	1,140	76	2,125	1,914	(210)
5	Capital P&D Allocation	(8,264)	(8,722)	(458)	(16,529)	(17,085)	(556)
6	Capital Planning	1,079	916	(163)	2,216	2,024	(191)
7	Capital Program Development	7,231	4,529	(2,701)	14,451	13,883	(568)
8	Chief of Staff	1,305	145	(1,160)	2,338	459	(1,878)
9	Communications Strategy	2,349	1,620	(729)	4,690	4,640	(51)
10	Commuter Rail (TRE)	18,514	16,937	(1,577)	37,033	36,458	(575)
11	Diversity & Vendor Management	610	482	(128)	1,216	1,151	(65)
12	EEO & Cultural Engagement	629	360	(268)	1,225	953	(272)
13	Engineering & Construction	2,998	2,306	(693)	5,975	5,900	(74)
14	Finance	14,111	13,378	(733)	28,247	26,450	(1,797)
15	(Office of) General Counsel	2,123	1,701	(422)	4,265	3,401	(864)

Row	Department	YTD Budget	YTD Actual	Actual vs. Budget	FY 2024 Budget	FY 2024 Forecast	Forecast vs. Budget
16	Government & Community Relations	1,246	810	(435)	2,494	2,290	(204)
17	Human Resources	3,510	3,150	(359)	7,043	6,661	(382)
18	Internal Audit	926	738	(188)	1,693	1,651	(41)
19	Light Rail Operations	33,882	39,259	5,377	68,012	76,377	8,364
20	MOW/Facility Maintenance	43,864	45,563	1,698	87,679	91,730	4,051
21	Marketing & Communications	6,797	5,684	(1,112)	13,150	12,944	(205)
22	Materials Management	4,534	3,808	(726)	8,579	8,473	(107)
23	Mobility Management Services	31,803	30,639	(1,163)	64,793	60,688	(4,106)
24	Police	29,006	27,109	(1,898)	58,313	55,642	(2,671)
25	(Office of) President	1,460	952	(508)	2,923	2,655	(268)
26	Procurement	2,538	2,089	(448)	5,060	4,653	(406)
27	Regional Rail ROW	0	150	150	100	100	0
28	Service Planning & Scheduling	2,624	2,588	(35)	5,812	5,268	(544)
29	Technology	19,344	16,813	(2,530)	38,969	38,404	(565)
30	Transit Ops & Service Delivery	988	721	(267)	2,128	1,871	(257)
31	Non-Departmental Operating Expenses	410	825	415	(2,153)	(1,526)	627
32	Total Operating Expenses	\$341,583	\$332,265	\$(9,319)	\$687,245	\$684,113	\$(3,132)

1. Agency Safety & Compliance is forecast to be under budget primarily due to vacancies.
2. Board Support is forecast to be under budget due to vacancies and savings from travel.
3. Bus Operations is forecast to be over budget due to overtime from absences and increased maintenance needs, as well as increased preventative and corrective maintenance costs.
4. Business Innovation is forecast to be over budget due to Kuba (GoPass) expenses.
6. Capital Planning is forecast to be under budget due to vacancies.
8. Chief of Staff is forecast to be under budget due to vacancies.
11. Diversity and Vendor Management is under budget due to vacancies.
12. EEO & Cultural Engagement is forecast to be under budget due to vacancies.
14. Finance is forecast to be under budget due to vacancies.
15. (Office of) General Counsel is forecast to be under budget primarily due to savings from using Silver Line capital budget to cover legal services.
16. Government & Community Relations is forecast to be under budget due to cost center savings earmarked for the Communications department reorganization anticipated to begin this fiscal year.
17. Human Resources is forecast to be under budget due to vacancies.
19. Light Rail Operations is forecast to be over budget due to overtime and parts necessary for corrective-based repairs and maintenance.

20. MOW & Facilities Maintenance is forecast to be over budget due to overtime from vacancies, absences, training, and emergency repairs.

23. Mobility Management Services is forecast to be under budget due to lower purchased transportation costs.

25. (Office of) President is forecast to be under budget due to vacancies.

26. Procurement is forecast to be under budget due to vacancies.

30. Transit Ops and Service Delivery is forecast to be under budget due to vacancies.

31. Non-Departmental Operating Expenses are forecast to be over budget due to an increased contribution to the Employees' Defined Benefit Retirement Plan and Trust.

Assets & Liabilities

The table below includes year-to-date assets and liabilities prepared on a GAAP basis, as well as debt and ratio analyses, compared to those amounts as of September 30, 2023.

Asset & Liability Summary on GAAP Basis (\$'000)

	3/31/2024	12/31/2023	\$ Change	% Change
Current Assets	\$966,476	\$969,691	\$(3,215)	0%
Capital Assets	4,585,512	4,493,358	92,154	2%
Other Non-Current Assets	73,269	82,324	(9,055)	(11%)
Total Assets	5,625,257	5,545,373	79,884	1%
Deferred Outflows of Resources	101,444	112,096	(10,652)	(10%)
Total Assets & Deferred Outflows	5,726,701	5,657,469	69,232	1%
Current Liabilities	345,354	293,104	52,250	18%
Non-Current Liabilities	3,754,426	3,667,620	86,806	2%
Total Liabilities	4,099,780	3,960,724	139,056	4%
Deferred Inflows of Resources	58,450	56,597	1,853	3%
Total Liabilities & Deferred Inflows	4,158,230	4,017,321	140,909	4%
Net Assets	\$1,568,471	\$1,640,148	\$(71,677)	(4%)
Revenue Bond – Face Value	3,339,355	3,339,355	0	0%
Revenue Bond – Premium	193,689	197,228	(3,539)	(2%)
Total Revenue Bond	3,533,044	3,536,583	(3,539)	0%
RRIF Bond Payable	188,424	91,127	97,297	107%
Commercial Paper	14,167	0	14,167	0%
Capital Lease	0	0	0	0%
Total Debt (excl. Interest Payable)	3,735,635	3,627,710	107,925	3%
Interest Payable	48,621	12,133	36,488	301%
Total Debt	\$3,784,256	\$3,639,843	\$144,413	4%

Acid-Test Ratio ¹	2.68	3.16
Current Ratio (Current Assets/Current Liabilities) ¹	2.80	3.31
Capital Assets/Total Assets Ratio ²	0.82	0.81
Debt/Capital Assets Ratio ³	0.83	0.81

¹The acid-test ratio measures DART’s ability to pay its current liabilities with short-term assets excluding inventory. In contrast, the current ratio measures DART’s ability to pay its current liabilities with its current assets. Generally, a ratio of one or greater is good.

²This ratio reflects DART's investment in capital assets (such as rail right-of-way, passenger, operating facilities, rolling stock, etc.) relative to total assets.

³This ratio measures the percentage of DART’s capital assets financed with debt.

CAPITAL & NON-OPERATING EXPENSES

The table below breaks out year-to-date capital and non-operating expenses by mode, compared to the FY 2024 budget. You can also find information on capital projects in the Capital Improvement Program section of the FY 2024 Annual Budget and 20-Year Financial Plan.

YTD Capital & Non-Operating Expenses (\$000)

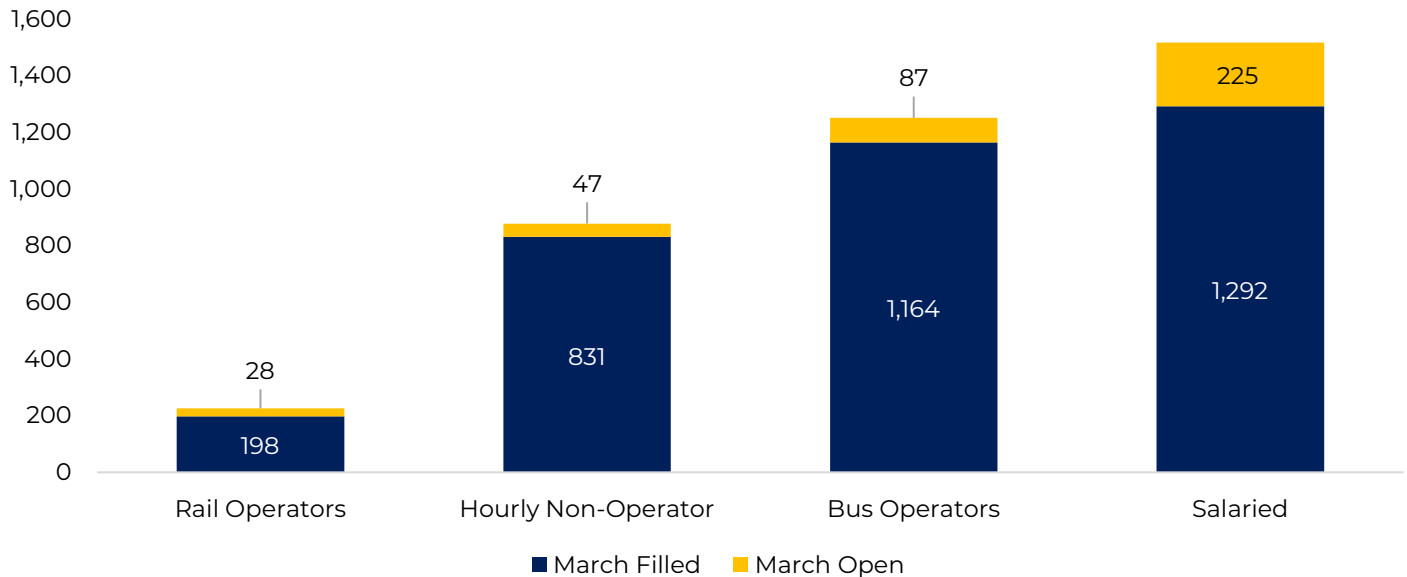
Mode	FY 2024 Budget	YTD Actual	Remainder
Agency-Wide	\$80,639	\$15,134	\$65,505
Bus	37,563	3,459	34,104
Light Rail Transit	136,062	9,683	126,379
Streetcar	4,377	0	4,377
Commuter Rail/RR Management	512,778	186,984	325,794
Paratransit	577	0	577
Capital Planning & Development/Start-Up	16,529	8,722	7,807
Capital Expenses	788,526	223,982	564,543
Non-Operating	105,895	86,369	19,527
Total Capital & Non-Operating Expenses	\$894,421	\$310,351	\$584,070

HIRING SUMMARY

Filled Positions

The table below details the number of filled and open positions by position type. We have filled 90 percent of the 3,872 budgeted positions. Total Bus Operator vacancies include 40 positions related to service expansions scheduled for June and September 2024; we plan to hire those positions in June.

Filled vs. Open Positions



Positions by Department

The table below lists the number of budgeted positions by department, any adjustments made this fiscal year, and vacancies. Positions are grouped by type, like the table above.

When we first submitted the budget to the Board on July 7, 2023, we had a “vacancy pool” (Row 1) of 62 positions that had been vacant for a significant time with no reasonable plan to fill them. Positions in the vacancy pool have since been reclassified and allocated to departments to support the Board’s goals and operating objectives.

The agency also added four new field maintenance inspectors to support enhanced cleaning, funded from contractual services allocations.

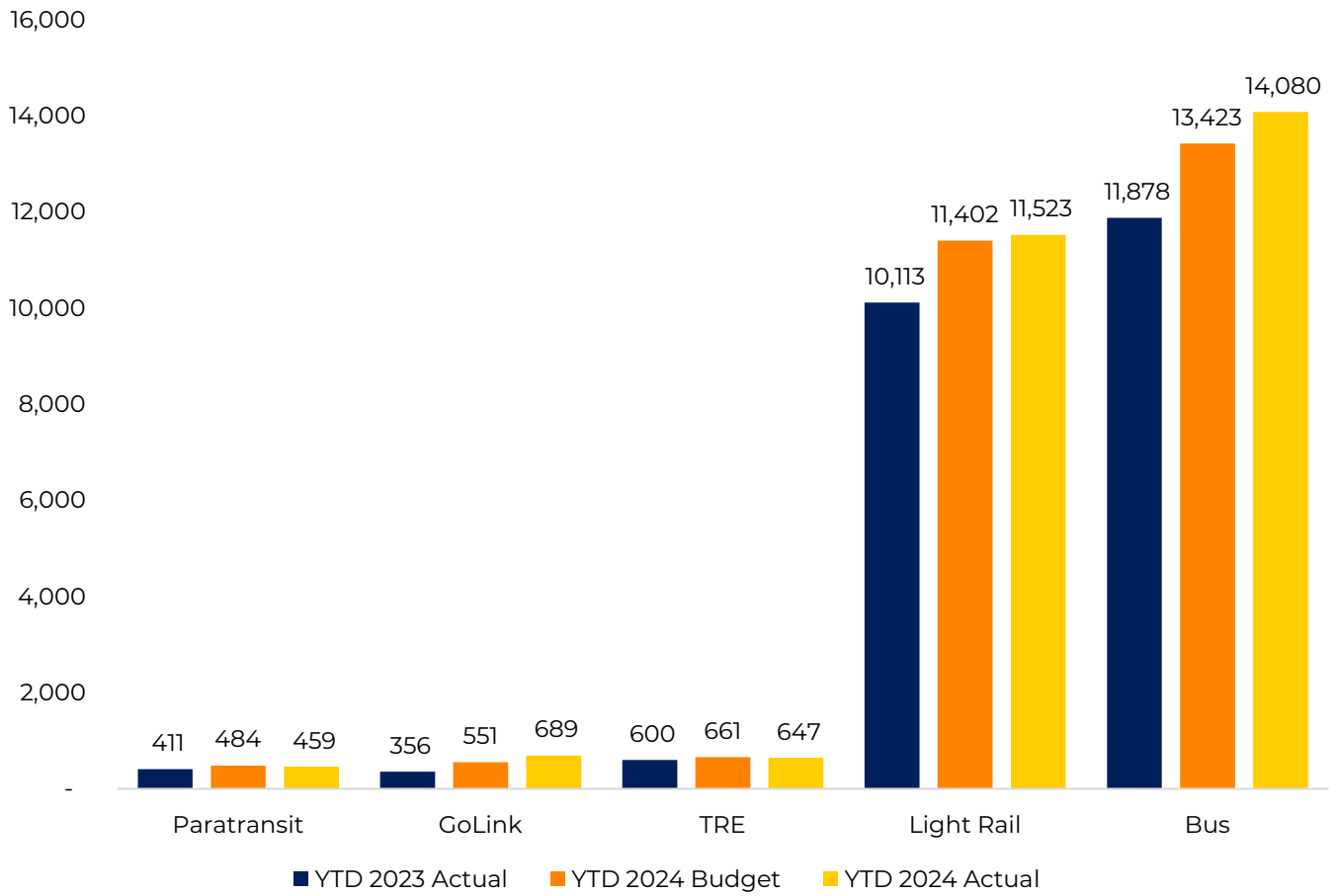
Row	Department	FY 2024 Positions as of 7/7/23	Adjustments	FY 2024 Positions as of 3/31/24	Vacancies
1	Agency Initiatives (Vacancy Pool)	62	(61)	1	1
2	Agency Safety & Compliance	22	5	27	5
3	Board Support	6	0	6	1
4	Bus Operations	190	(10)	180	13
5	Business Innovation	7	1	8	3
6	Capital Planning	10	4	14	3
7	Capital Program Development	35	29	64	11
8	Chief of Staff	6	(1)	5	3
9	Communications Strategy	10	8	18	6
10	Commuter Rail (TRE)	9	1	10	3
11	Diversity & Vendor Management	8	1	9	2

Row	Department	FY 2024 Positions as of 7/7/23	Adjustments	FY 2024 Positions as of 3/31/24	Vacancies
12	EEO & Cultural Engagement	7	1	8	3
13	Engineering & Construction	51	(17)	34	3
14	Finance	91	12	103	12
15	(Office of) General Counsel	19	0	19	0
16	Government & Community Relations	13	0	13	4
17	Human Resources	43	0	43	7
18	Internal Audit	9	0	9	0
19	Light Rail Operations	128	3	131	12
20	MOW/Facility Maintenance	91	11	102	12
21	Marketing & Communications	51	(3)	48	12
22	Materials Management	30	0	30	0
23	Mobility Management Services	46	0	46	0
24	Police	400	2	402	76
25	(Office of) President	9	(2)	7	1
26	Procurement	53	0	53	19
27	Service Planning & Scheduling	22	0	22	1
28	Technology	80	15	95	10
29	Transit Operations & Service Delivery	9	1	10	2
30	Total Salaried	1,517	0	1517	225
31	Bus Operations	340	0	340	21
32	Finance	17	0	17	3
33	Light Rail Operations	151	0	151	11
34	MOW/Facility Maintenance	277	5	282	10
35	Marketing & Communications	40	(2)	38	0
36	Materials Management	49	1	50	2
37	Total Hourly Non-Operator	874	4	878	47
38	Bus Operators	1,251	0	1,251	87
39	Light Rail Operators	226	0	226	28
40	Total Bus & Rail Operators	1,477	0	1,477	115
41	Total Hourly	2,351	4	2,355	162
42	Grand Total Departments	3,868	4	3,872	387

RIDERSHIP SUMMARY

The chart below compares year-to-date budgeted ridership to actual ridership and to the same period in FY 2023. Overall, ridership is up by four million riders (17 percent) over the same period last year, nearing 80 percent of pre-pandemic numbers. Detailed information on ridership, subsidy per passenger, and service performance is available on the public-facing [DART Scorecard](#) on DART.org.

YTD Ridership by Mode (000s)



Note: The Light Rail category includes ridership for light rail and the Dallas Streetcar.