



Dallas Area Rapid Transit

FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Years Ended
September 30, 2024 & 2023**

Dallas, Texas





DALLAS AREA RAPID TRANSIT

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Dallas, Texas

Nadine S. Lee
President & Chief Executive Officer

Jamie Adelman
Executive Vice President
Chief Financial Officer

Prepared by:
General Accounting Division of the Finance Department



**DALLAS AREA RAPID TRANSIT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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Dallas Area Rapid Transit
P.O. Box 660163
Dallas, TX 75266-0163
214-749-3278

March 20, 2025

To the Residents and Stakeholders of the Dallas Area Rapid Transit Service Area:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for Dallas Area Rapid Transit (DART) for the fiscal years ended September 30, 2024, and 2023. This report provides information regarding DART's financial position and operating results to the DART Board, service area residents, and other interested parties.

Under Section 452.451 of the Texas Transportation Code, the financial statements and required supplementary information contained herein must be independently audited. We are pleased to report that our financial statements received an unqualified (clean) opinion from our external auditor, Weaver and Tidwell, LLP. The Independent Auditor's Report is located at the front of the financial section of this report.

Federal and state regulations also require DART to undergo an audit of federally and state-funded programs administered by DART. 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 Audits are issued under separate cover.

DART management is responsible for the accuracy of the financial statements and their conformity with generally accepted accounting principles (GAAP). Management also establishes and maintains effective internal controls over financial reporting. Because the cost of internal controls should not outweigh their benefits, DART's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

GAAP requires management to provide a narrative introduction, overview, and analysis of the basic financial statements in the Management Discussion and Analysis (MD&A). This transmittal letter complements the MD&A and should be read alongside DART's MD&A following the Independent Auditor's Report.

Profile of Reporting Entity

DART is a \$1.8 billion subregional transportation authority established by a majority vote in each service area city on August 13, 1983. Our mission is to create best-in-class mobility experiences that help people and communities connect and flourish. Our service area comprises 13 North Texas municipalities (Addison, Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Highland Park, Irving, Plano, Richardson, Rowlett, and University Park) covering more than 700 square miles. Our headquarters is in downtown Dallas. Under the Act, we are authorized

to collect one percent sales and use tax on certain transactions. Revenue from this tax, along with federal funds, investment income, fares, and other revenues, fund the operations and ongoing development of DART's multimodal transit system.

DART started its transit operation with bus service in 1983. In 1996, DART entered an interlocal agreement with the Fort Worth Transportation Authority, which rebranded itself as Trinity Metro, to jointly operate commuter rail service under the name of Trinity Railway Express (TRE). The TRE operates along a 34-mile rail corridor between Dallas and Fort Worth, with stops in Hurst and Irving. The first light rail segment opened in 1996, and in May 1997, the 20-mile Light Rail Starter System was completed. Since then, DART has expanded its services considerably.

Today, DART operates and maintains a fleet of more than 692 buses, 14 bus transit centers, and approximately 7,000 bus stops. Our light rail network spans 93 miles and features 65 stations and 163 vehicles. Additionally, we manage 34 miles of commuter rail, which includes 36 locomotives, bi-level coaches, and bi-level cab cars. DART also contracts with third-party providers to deliver commuter rail, paratransit, on-demand, and GoLink services. Our customers use these services to get to jobs, medical appointments, shopping, entertainment, and other destinations. Last year, we moved more than 54.7 million passengers across the North Texas region.

DART also operates special event services for occasions such as the State Fair of Texas, New Year's Eve celebrations in downtown Dallas, concerts, basketball and hockey games, and various other events. Most special event services are provided on the light rail and commuter rail systems, with buses supplementing the rail system's capacity during periods of very high usage.

Additional operating information can be found in the Statistical Section of this report.

Governance

DART is governed by a 15-member Board appointed by service area city councils proportionally to each city's population compared to the total service area population. No city may appoint more than 65% of the Board members. The Board must restructure every fifth year after census data or population estimates become available. Each member serves at the pleasure of the service area city that appoints the member for staggered two-year terms. Eight of the Board members' terms begin on July 1 of odd-numbered years, and seven on July 1 of even-numbered years. Currently, the City of Dallas appoints seven members, and eight are appointed by the remaining cities (one of which is a shared appointment by Dallas and Cockrell Hill). Board officers are elected from the Board members and serve a one-year term.

Budget Process and Long-Term Financial Planning

Each year, DART prepares the annual budget and 20-Year Financial Plan to ensure the affordability of DART's long-range Transit System Plan. This plan encompasses the agency's commitments to future system expansion, maintenance, and debt issuance and repayment. The Financial Plan serves as the framework for balancing the scope of DART projects and capital expansion with available funding. It provides the Board, taxpayers, and elected officials in our

region with a comprehensive summary of the agency's plans and commitments, highlighting fiscal responsibility and ensuring long-term sustainability.

The Board establishes strategic priorities and approves a set of financial standards for budget development. Agency targets are set based on projections from the Financial Plan and other known factors or constraints. At executive management's direction, departments prepare detailed annual budgets for each of their cost centers. Department heads and Finance review and evaluate these budgets. The budgets are presented to the responsible Executive Vice President, Chief Financial Officer, and President and Chief Executive Officer. Based on their input, Finance develops the annual budget and 20-Year Financial Plan.

The annual budget, the first year of the plan, is presented first to the Board and then to DART's service area cities for a legally required 30-day comment period. Approval of the annual budget requires a simple majority vote by the DART Board and, under the Act, must be approved by September 30 each year. Approval of the 20-Year Financial Plan requires an affirmative vote by two-thirds of the DART Board. The Board approves these items by two separate resolutions.

DART Economic Outlook

DART maintains a stable and sustainable financial outlook and the capacity to meet its 2045 Transit System Plan commitments. This includes expanding and improving current bus, light rail, and other service levels and repaying its debt.

DART's largest source of revenue is a voter-approved sales tax within its service area, which is subject to fluctuations in the local economy and decisions made by member cities regarding funding.

According to the Federal Reserve Bank of Dallas, the local economy continued to expand moderately in 2024. Home sales increased slightly, overall employment rose, and prices increased moderately. Outlooks continued to improve, although there was concern regarding the potentially adverse effects of future immigration and trade policies.

DART continues to contribute significantly to the Dallas-Fort Worth (DFW) region's economy. According to a study conducted by the University of North Texas (UNT), unveiled in September 2024 during DART's State of the Agency luncheon, DART's cumulative economic impact within the service area has reached \$17.1 billion. This includes benefits from development projects near DART light rail stations, which have boosted the local economy.

Projected Sources and Uses of Funds

Total sources of funds for FY 2025 through FY 2044 are projected at \$35.3 billion, an increase of \$540.7 million (1.6%) from the FY 2024 Financial Plan. This reflects a cautiously optimistic expectation for gradually declining inflation and stable economic growth in the region.

As sales tax receipts represent the largest single source of revenues, sales tax projections are unquestionably the most critical estimate in DART's Financial Plan. Therefore, they are also the largest single risk to DART's ability to meet its goals and objectives. The FY 2025 Financial Plan's sales tax forecast is \$26.1 billion over the next 20 years, an increase of \$1.1 billion (4.4%) from the FY 2024 Financial Plan.

Passenger revenues are the primary component of operating revenues, representing approximately \$1.5 billion, or 80.7% of operating revenues during the next 20 years. The FY 2025 plan reflects increased passenger revenue projections due to continued increases in ridership, especially on weekends and via GoLink.

Total operating expenses for FY 2025 through FY 2044 are projected to be \$18.7 billion, an increase of about \$166 million (0.9%) from the FY 2024 plan. This increase is due to expected increases for new services and programs, contract increases, and adjustments related to fuel prices, health insurance, and purchased transportation costs.

Capital and non-operating expenditures are \$821.3 million for FY 2025 and \$8.2 billion through FY 2044, \$711.6 million (7.9%) less than the FY 2024 Financial Plan. The FY 2025 capital and non-operating budget and the 20-Year Financial Plan include sufficient funds to maintain and replace assets to keep the entire transportation system in a state of good repair.

The budget and 20-Year Financial Plan include enhancing passenger amenities across the system, raising 23 light rail platforms, replacing 95 light rail vehicles, modernizing signal systems, updating facilities, renovating TRE trains, and investing in technology, security, and communication systems.

Looking to the Future

As we look ahead, our goal is to transition DART from its current state (Point A) to become a more significant strategic economic and mobility asset for our communities and the region (Point B). To achieve this, DART will conduct a comprehensive agency-wide assessment and efficiency review. This process aims to streamline crucial operations, identify areas for improvement, and enhance efficiency. Our objective is to position DART to advance our strategic plan.

In addition, DART's 20-Year Financial Plan highlights our commitment to becoming the premier mobility partner by offering a travel experience that is clean, safe, secure, reliable, comfortable, and easy to use. Key initiatives for 2025 and beyond include completion of the Silver Line regional rail project, designing and purchasing state-of-the-art replacements for aging bus and light rail fleets, upgrading and expanding bus stop amenities to provide an accessible, secure, and informative environment for bus riders, and testing and installing new ticket vending machines and passenger information displays at stations and stops to offer a more seamless and stress-free journey.

Accomplishments

The Government Finance Officers Association (GFOA) awarded DART a Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended September 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also awarded DART the Distinguished Budget Presentation Award for its annual budget document (FY 2024 Annual Budget & 20-Year Financial Plan) for the fiscal year beginning October 1, 2023. To qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

DART also received the Certificate of Distinction from the Government Treasurers' Organization of Texas (GTOT) for its investment policy in September 2024. DART earned this honor for its commitment to adopt a comprehensive written investment policy that meets the criteria set forth by the GTOT as it relates to the Texas Public Funds Investment Act. The GTOT established this Investment Policy Certification Program to provide professional guidance in developing an investment policy and recognizing outstanding examples of written policies. The Certificate of Distinction is valid for two years.

Acknowledgments

Many DART employees are responsible for preparing this report and maintaining the records upon which it is based. We wish to express our appreciation to all DART staff and managers who contributed to the preparation of this report, especially those employees in the Accounting Division of the Finance Department who were instrumental in its successful completion.

We would also like to thank the members of the DART Board of Directors for their continuing guidance and support.

Sincerely,



Jamie Adelman
EVP & Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

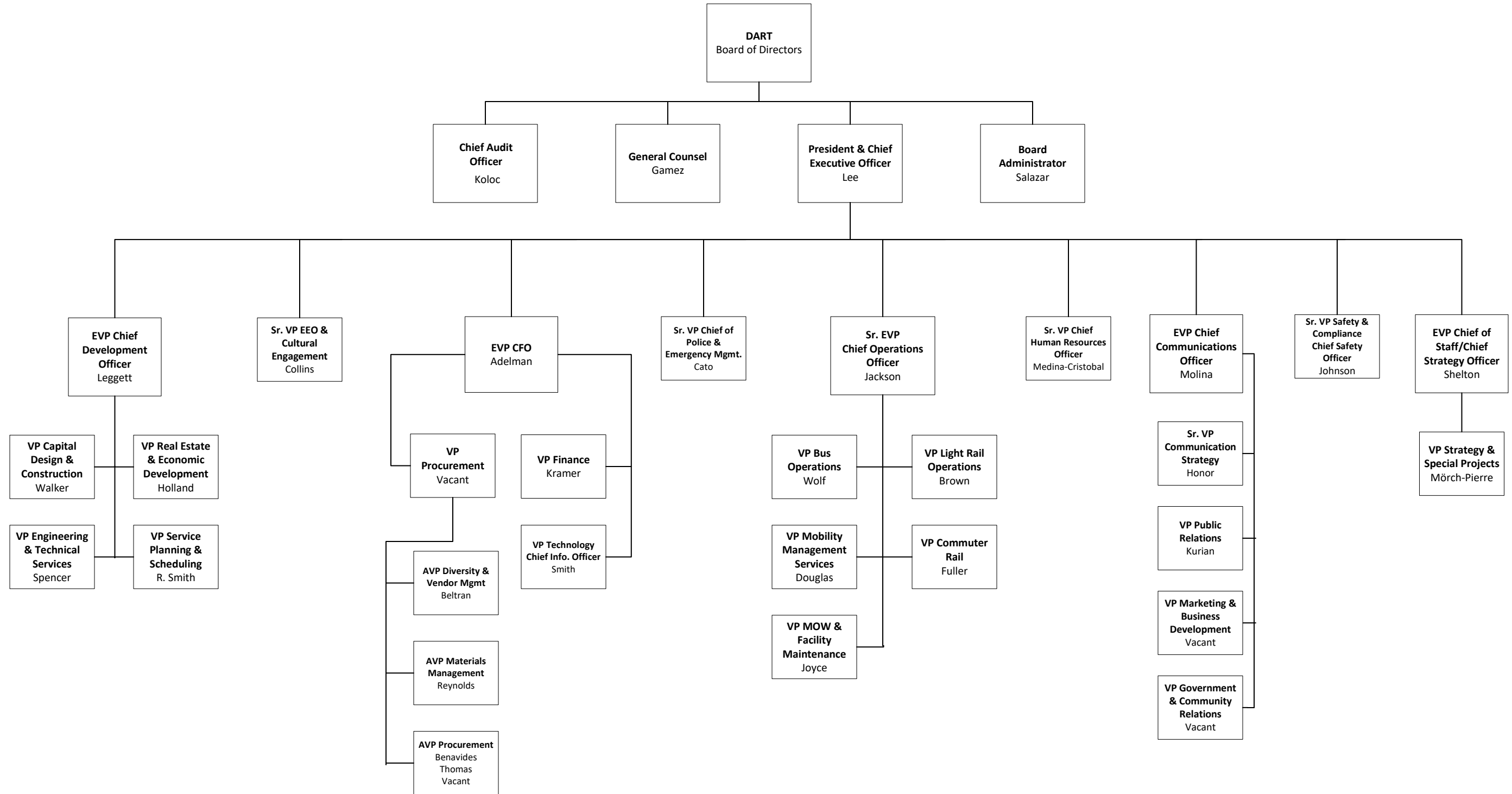
**Dallas Area Rapid Transit
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO



**Dallas Area Rapid Transit
Board of Directors**

Officers

Gary Slagel, Chairman
Cities of Richardson and University Park, Towns of Addison and Highland Park

Rodney Schlosser, Vice Chairman
City of Dallas

M. Nathan Barbera, Secretary
Cities of Plano and Farmers Branch

Flora M. Hernandez, Assistant Secretary
City of Dallas

City of Dallas

Carmen Garcia
Michele Wong Krause
Patrick Kennedy
Randall Bryant
D'Andrala D. Alexander

Cities of Dallas and Cockrell Hill

Enrique A. MacGregor

City of Garland

Marc Abraham

City of Irving

Rick Stopfer

City of Plano

Paul N. Wageman

Cities of Carrollton & Irving

Doug Hrbacek

Cities of Garland, Rowlett, and Glenn Heights

Mark C. Enoch

DART BOARD OF DIRECTORS



Marc Abraham
Garland



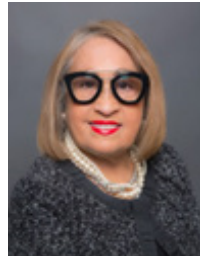
D'Andrala D. Alexander
Dallas



M. Nathan Barbera
Secretary
Plano and
Farmers Branch



Mark Enoch
Garland,
Rowlett, and
Glenn Heights



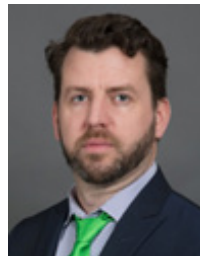
Carmen Garcia
Dallas



Flora M. Hernandez
Asst. Secretary
Dallas



Doug Hrbacek
Carrollton and
Irving



Patrick J. Kennedy
Dallas



Randall Bryant
Dallas



Enrique A. MacGregor
Dallas and
Cockrell Hill



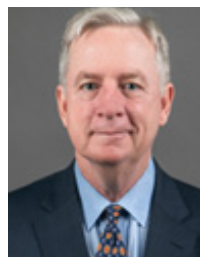
Rodney Schlosser
Vice Chair
Dallas



Gary Slagel
Chair
Richardson,
University Park,
Addison, and
Highland Park



Rick Stopfer
Irving

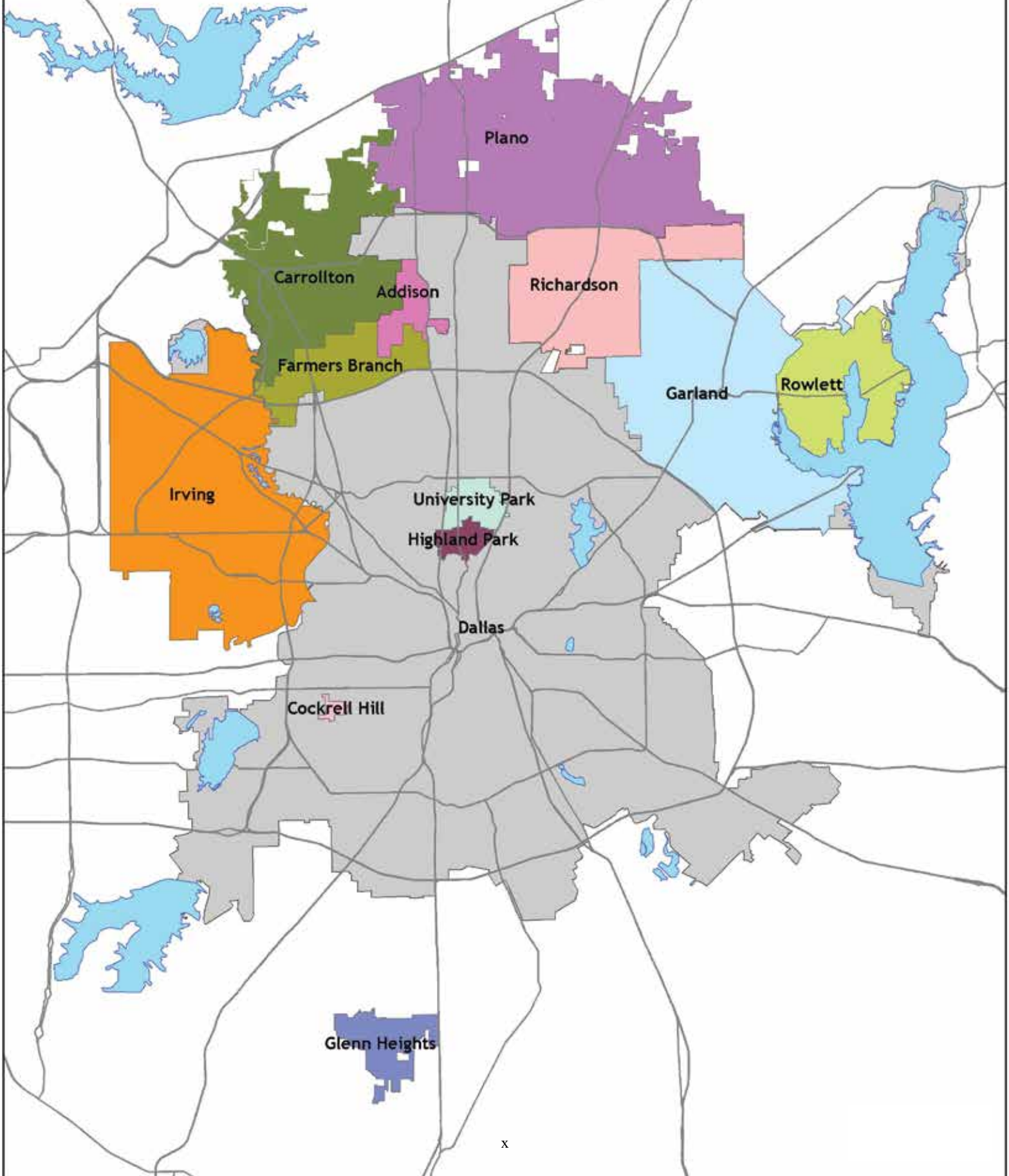


Paul N. Wageman
Plano



Michele Wong Krause
Dallas

DART SERVICE AREA



Rail System Map



FINANCIAL SECTION



let's go.

Dallas Area Rapid Transit Dallas, Texas

Financial Statements and Supplemental Information
Years Ended September 30, 2024, and 2023 and
Independent Auditor's Report

**DALLAS AREA RAPID TRANSIT
DALLAS, TEXAS
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS
ENDED SEPTEMBER 30, 2024, AND 2023**

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Independent Auditor's Report

Members of the Board of Directors
Dallas Area Rapid Transit
Dallas, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary activities of the Dallas Area Rapid Transit (DART), as of and for the years ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of DART as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DART and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

DART's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DART's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DART's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DART's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, the Schedule of Net Pension Liability - Defined Benefit Pension Plan, the Schedule of Employer Contributions - Defined Benefit Pension Plan, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Employer Contributions - OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Members of the Board of Directors
Dallas Area Rapid Transit

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DART's basic financial statements. The accompanying supplementary information, such as the Combining Statements of Fiduciary Net Position and Combining Statements of Changes in Fiduciary Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements of Fiduciary Net Position and Combining Statements of Changes in Fiduciary Net Position 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 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 GAAS. In our opinion, the Combining Statements of Fiduciary Net Position and Combining Statements of Changes in Fiduciary Net Position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025 on our consideration of DART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 DART'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 DART's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 25, 2025

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

The management of Dallas Area Rapid Transit (DART) offers this narrative overview of DART's financial statements and analysis of its financial activities for the fiscal years ended September 30, 2024, and 2023. This discussion and analysis is designed to help the reader focus on significant financial activities and identify any significant changes in DART's financial position. It should be read in conjunction with the financial statements after this section. All amounts are expressed in thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

As of September 30, 2024 and 2023, DART's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,498,419 and \$1,652,976, respectively. The unrestricted net position as of September 30, 2024, was \$604,472 compared to \$820,537 as of September 30, 2023.

DART's net position decreased by \$154,557 during fiscal year (FY) 2024 compared to a decrease of \$66,913 in FY 2023.

DART's total debt increased by 7% (\$234,506) in FY 2024 compared to a decrease of 4% (\$146,770) in FY 2023. The increase in FY 2024 was due to additional borrowing to pay for capital project costs. The decrease in FY 2023 was due to principal payments for capital lease/leaseback and senior lien revenue bonds. Debt information is summarized on page 12 of this management discussion and analysis.

Sales and use tax revenue was \$851,784 in FY 2024, compared to \$834,358 in FY 2023. Sales and use tax revenue increased by 2% (\$17,426) in FY 2024, compared to a 5% (\$42,519) increase in FY 2023.

Capital contributions from federal, state, and local governments were \$24,643 in FY 2024 and \$13,178 in FY 2023. These contributions financed DART's transit system expansion projects and the acquisition of light rail vehicles, buses, and equipment.

Other federal grants were \$69,564 in FY 2024, compared to \$68,240 in FY 2023. The increase in FY 2024 was due to an increase in grant-eligible expenses and the availability of additional grant funding. The decrease in FY 2023 was due to less federal COVID-19 relief money than the year before.

For FY 2024, total expenses exceeded total revenue, resulting in a loss before capital contributions of \$154,557, compared to an income of \$71,302 for FY 2023. The losses in FY2024 were due to expenses exceeding revenues. The loss in FY 2023 was due to a decrease in other federal grants.

BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to DART's basic financial statements, which are described below.

The Statements of Net Position present information on all of DART's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources equal net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in DART's financial position. The Statements of Net Position are shown on pages 14-15 of this report.

The Statements of Revenues, Expenses, and Changes in Net Position present information on revenues, expenses, capital contributions, and how DART's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues, expenses, and capital contributions are reported in the statements for some items that result in cash flows in future fiscal periods. The increase or decrease in net position may indicate the effect of DART's current year operations on its financial position. The Statements of Revenues, Expenses, and Changes in Net Position are shown on page 16 of this report.

The Statements of Cash Flows summarize DART's cash flows into four categories: cash flows from operating activities, cash flows from non-capital financing activities, cash flows from investing activities, and cash flows from capital and related financing activities. The Statements of Cash Flows, along with related notes and information in other financial statements, can be used to assess: (1) DART's ability to generate positive cash flows and pay its debt as the debt matures; (2) the reasons for differences between DART's operating cash flows and operating income (loss); and (3) the effect of cash and non-cash investing, capital, and financing activities on DART's financial position. The Statements of Cash Flows are shown on pages 17-18 of this report.

The Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position show how the net position of fiduciary funds changed during the years presented. These statements are shown on page 19.

Notes to the Financial Statements provide additional information that is essential to fully understand the data provided in the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. The Notes to the Financial Statements are shown on pages 20-57 of this report.

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)

DART's activities are accounted for as a proprietary fund and are presented in DART's financial statements as business-type activities. DART pays for its activities with a 1% sales and use tax within the service area jurisdictions, passenger revenues, federal, state, and local financial assistance, and other receipts such as advertising and rental income.

DART's financial statements include the accounts and operations of blended component units Regional Rail Right-of-Way Corporation, Dallas Area Rapid Transit Mobility Service, LGC, DART Employees' Defined Benefit Retirement Plan and Trust, Other Post-Employment Benefits (OPEB) Plan, DART Capital Accumulation Plan and Trust, and DART Retirement Plan and Trust.

FINANCIAL ANALYSIS

Statements of Net Position – DART's total assets and deferred outflows of resources exceeded total liabilities by \$1,498,419 and \$1,652,976 as of September 30, 2024, and 2023, respectively. A significant portion of this excess, 53% in FY 2024 and 45% in FY 2023, was net investment in capital assets. DART uses these capital assets to provide public transportation services to customers and service area jurisdictions; consequently, these assets are not available for future spending. Although DART's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be obtained from other sources, such as sales and use tax and farebox revenues, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Summary of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

	FY 2024	FY 2023	FY 2022 (Restated*)
Current assets	\$951,755	\$1,173,262	\$1,329,662
Other non-current assets	45,218	65,694	284,933
Capital assets (net of accumulated depreciation)	<u>4,795,188</u>	<u>4,499,590</u>	<u>4,280,055</u>
Total assets	5,792,161	5,738,546	5,894,650
Deferred outflows of resources	<u>84,551</u>	<u>113,119</u>	<u>66,877</u>
Total assets and deferred outflows of resources	<u>5,876,712</u>	<u>5,851,665</u>	<u>5,961,527</u>
Current liabilities	473,635	430,481	461,558
Noncurrent liabilities	<u>3,853,793</u>	<u>3,711,379</u>	<u>3,713,076</u>
Total liabilities	4,327,428	4,141,860	4,174,634
Deferred inflows of resources	<u>50,865</u>	<u>56,829</u>	<u>67,004</u>
Total liabilities and deferred inflows of resources	<u>4,378,293</u>	<u>4,198,689</u>	<u>4,241,638</u>
Net position			
Net investment in capital assets	790,485	742,715	746,665
Restricted for:			
Other post-employment benefits (OPEB)	15,686	15,223	19,217
Debt service	87,776	74,501	93,683
Security for lease/leaseback liabilities	-	-	2,133
Unrestricted	<u>604,472</u>	<u>820,537</u>	<u>858,191</u>
Total net position	<u>\$1,498,419</u>	<u>\$1,652,976</u>	<u>\$1,719,889</u>

*FY 2022 amounts are restated due to new financial reporting requirements – GASB Statement 87 - *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*.

Current assets decreased by (\$221,507) in FY 2024 compared to a decrease of \$156,400 in FY 2023. These decreases were attributed to lower investment balances, resulting from spending on capital projects and the payment of capital lease obligations.

Other noncurrent assets decreased by \$20,476 in FY 2024 compared to a decrease of \$219,239 in FY 2023. The decreases in FY 2024 and FY 2023 were due to bond proceeds spent on capital projects.

As of September 30, 2024, and 2023, none of DART's net position is restricted to satisfy the requirements of an amended lease/leaseback agreement compared to \$2,133 as of September 30, 2022. The unrestricted portion of the net position, \$604,472 in FY 2024 and \$820,537 in FY 2023, represents resources available to meet DART's ongoing obligations. The Board committed \$100,543 of the unrestricted net position in FY 2024 and \$214,921 in FY 2023 for Insurance, Financial Reserve, Silver Line Project, and Mobility Assistance and Innovation Funds (see note 3).

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

Statements of Revenues, Expenses, and Changes in Net Position – During FY 2024, DART's activities resulted in a decrease in net position of \$154,557, compared to a decrease of \$71,302 in FY 2023. The decrease in FY 2024 was due to increased operating and non-operating expenses. The decrease in FY 2023 was due to reduced grants and increased non-operating expenses. The key elements of the changes in net position for the fiscal years ended September 30, 2024, and 2023 are shown in the table below with comparative information for FY 2022.

Summary of Revenues, Expenses, and Changes in Net Position

	FY 2024	FY 2023	FY 2022 (Restated*)
Operating revenues			
Passenger revenues	\$42,093	\$37,886	\$33,305
Advertising, rent, and other	15,867	14,079	13,526
Total operating revenues	<u>57,960</u>	<u>51,965</u>	<u>46,831</u>
Operating expenses			
Labor	316,988	294,653	258,348
Benefits	140,338	119,000	108,482
Services	111,747	98,967	64,014
Materials and supplies	65,668	57,667	47,123
Purchased transportation	92,114	78,116	67,206
Depreciation	242,216	245,886	253,190
Utilities	21,774	18,896	17,702
Taxes, leases, and other	6,232	5,861	5,319
Casualty and liability	10,998	7,750	8,584
Total operating expenses	<u>1,008,075</u>	<u>926,796</u>	<u>829,968</u>
Net operating loss	<u>(950,115)</u>	<u>(874,831)</u>	<u>(783,137)</u>
Non-operating revenues (expenses)			
Sales and use tax revenue	851,784	834,358	791,839
Investment income	41,480	57,601	12,207
Build America Bonds tax credit	21,246	21,246	21,238
Other federal grants	69,564	68,240	366,818
Other non-operating revenues	26,110	28,367	34,475
Interest expense	(127,991)	(140,494)	(189,919)
Street improvements	(2,280)	(3,364)	(6,187)
Other non-operating expenses	<u>(108,998)</u>	<u>(75,603)</u>	<u>(4,547)</u>
Total net non-operating revenues	<u>770,915</u>	<u>790,351</u>	<u>1,025,924</u>
Income (loss) before capital contributions and grants	<u>(179,200)</u>	<u>(84,480)</u>	<u>242,787</u>
Capital contributions	24,643	13,178	27,690
Change in net position	<u>(154,557)</u>	<u>(71,302)</u>	<u>270,477</u>
Net position, beginning of the year	1,652,976	1,719,889	1,451,833
Cumulative effect of change in accounting principle	-	4,389	(2,421)
Net position, end of the year	<u>\$1,498,419</u>	<u>\$1,652,976</u>	<u>\$1,719,889</u>

Significant changes in revenues and expenses are shown and explained on the following pages.

*FY 2022 amounts are restated due to new financial reporting requirements – GASB Statement 87 - *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*.

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

REVENUES

The table below summarizes revenues and capital contributions for FY 2024 and FY 2023 with comparative information for FY 2022:

Revenue and Capital Contributions

Revenues	FY 2024	FY 2023	FY 2022
Passenger revenues	\$42,093	\$37,886	\$33,305
Advertising, rent, and other	15,867	14,079	13,526
Sales and use tax revenue	851,784	834,358	791,839
Other federal grants	69,564	68,240	366,818
Investment income	41,480	57,601	12,207
Capital contributions	24,643	13,178	27,690
Build America Bonds tax credit	21,246	21,246	21,238
Other revenues	26,110	28,367	34,475
Total	<u>\$1,092,787</u>	<u>\$1,074,955</u>	<u>\$1,301,098</u>

Passenger revenue – Passenger revenue includes farebox receipts, monthly and annual pass revenue, paratransit revenue, and special event fares. Passenger revenue increased by 11% (\$4,207) in FY 2024, compared to an increase of 14% (\$4,581) in FY 2023. The increase in both years was due to an increase in ridership.

Advertising, rent, and other – Advertising income includes revenue from advertisements at transit stations, and on DART buses, and light rail vehicles. Rental income includes revenue from leases on land along the rail corridor and other properties. Advertising, rent, and other income increased by 13% (\$1,788) in FY 2024, compared to an increase of 4% (\$553) in FY 2023. The increase in FY 2024 and FY 2023 were due to an improvement in the advertising market and increased rental income.

Sales and use tax revenue – Sales and use tax revenue is a dedicated 1% tax imposed on certain items within DART's service area. Sales and use tax revenue increased by 2% (\$17,426) in FY 2024, compared to an increase of 5% (\$42,519) in FY 2023. The increase in FY 2024 is due to inflation. The increase in FY 2023 was due to an improvement in the local economy. Sales and use tax revenue constituted approximately 78% of DART's total revenues and capital contributions in FY 2024 and FY 2023.

Other federal grants—Other federal grant revenue increased by 2% (\$1,324) in FY 2024, compared to a decrease of 81% (\$298,578) in FY 2023. The increase in FY 2024 was due to an increase in grant-eligible expenses and the availability of additional grant funding. The decrease in FY 2023 was due to the absence of COVID-19 relief grants that DART had received in prior years..

Investment income—Investment income decreased by 28% (\$16,121) in FY 2024, compared to an increase of 372% (\$45,394) in FY 2023. The decrease in FY 2024 was due to less cash available for investment. The increase in FY 2023 was due to an increase in interest rates and the market value of investments.

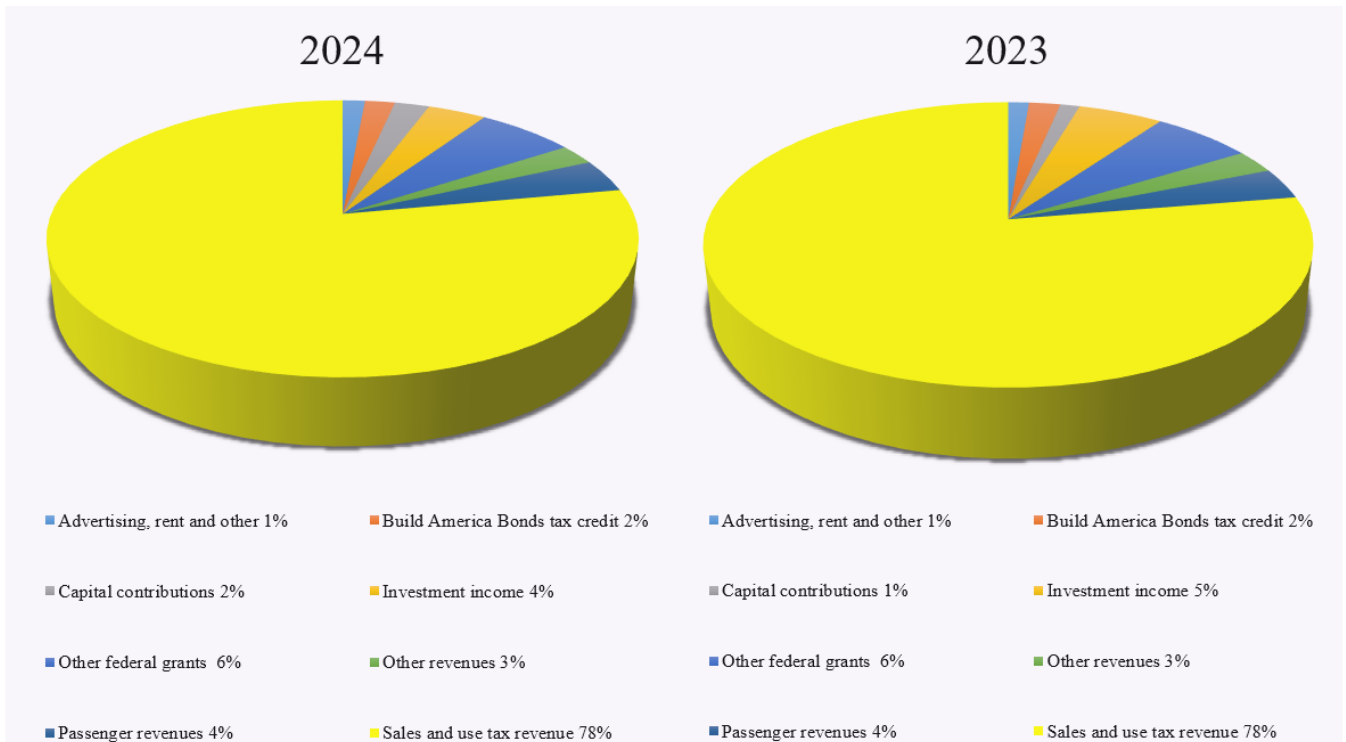
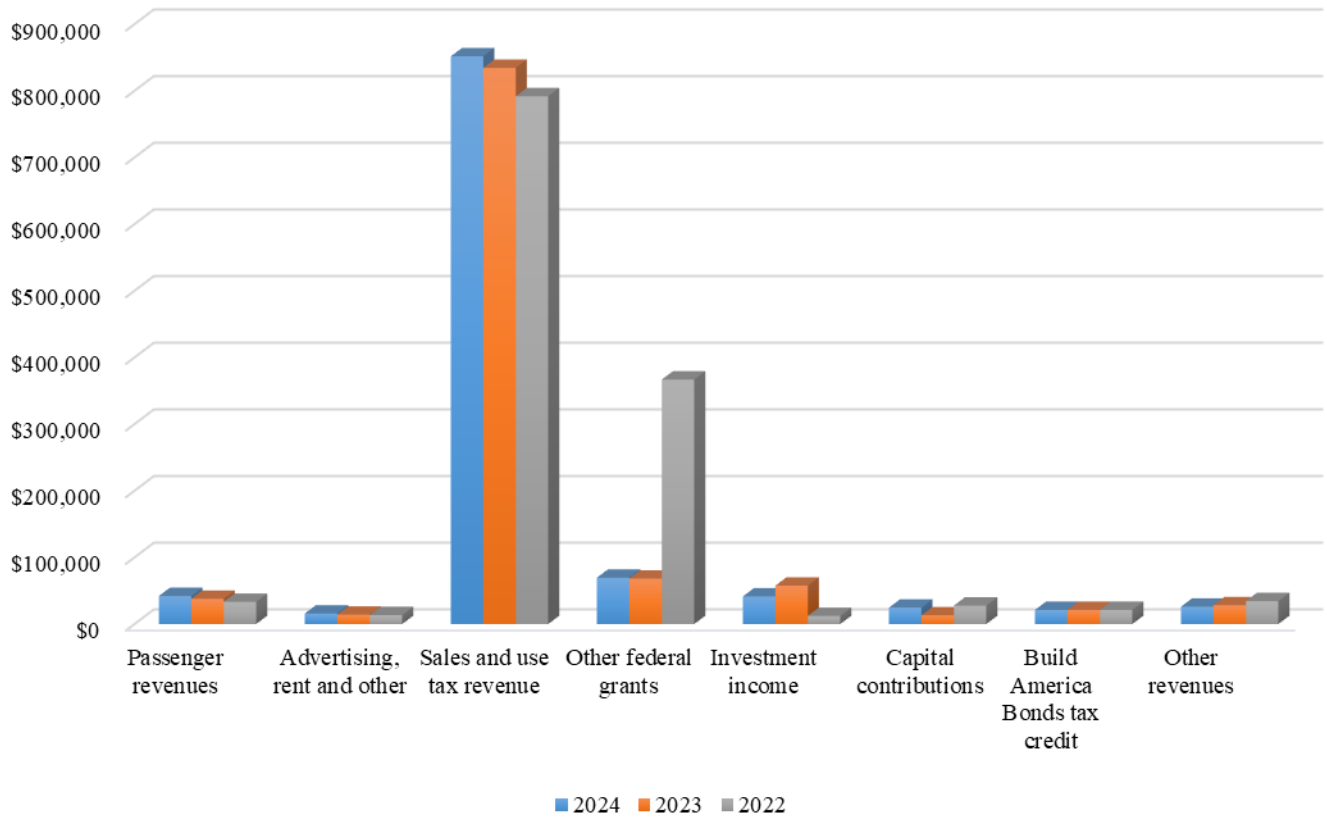
Capital contributions—Capital contributions include federal, state, and local grants and contributions. In FY 2024, capital contributions increased by 87% (\$11,465), compared to a decrease of 52% (\$14,512) in FY 2023. The increase in FY 2024 was due to grant funding received for the regional commuter rail (Silver Line) project. The decrease in FY 2023 was due to the completion of certain grant-funded projects and fewer available grants.

Build America Bonds tax credit—The Build America Bonds (BABs) tax credit for FY 2024 is the same as the previous year, compared to a slight increase (\$8) in FY 2023. The increase during FY 2023 was due to the partial refunding of bonds eligible for the credit.

Other revenues – Other revenues decreased by 8% (\$2,257) in FY 2024 compared to a decrease of 18% (\$6,108) in FY 2023. Other revenues include billings to Fort Worth Transportation Authority (Trinity Metro) for their share of the Trinity Railway Express (TRE) commuter rail service, billings to the City of Dallas for the streetcar system, and billings to the University of Texas at Dallas (UTD) for their share of the UTD shuttle service. These revenues also encompass gains/losses on the disposal of assets and an alternative fuel tax credit. The decrease during FY 2024 was due to lower gains on the disposal of assets. Other revenues decreased in FY 2023 due to lower adjustments related to the OPEB plan, partially offset by higher alternative fuel tax credits and gains on the disposal of assets.

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

The charts below summarize revenues for FY 2022 through 2024:



**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

EXPENSES

The table below summarizes expenses for FY 2024 and 2023, with comparative information for FY 2022:

Expenses by Object Class

Expenses	FY 2024	FY 2023	FY 2022
Labor	\$316,988	\$294,653	\$258,348
Benefits	140,338	119,000	108,482
Services	111,747	98,967	64,014
Materials and supplies	65,668	57,667	47,123
Purchased transportation	92,114	78,116	67,206
Depreciation and amortization	242,216	245,886	253,190
Utilities	21,774	18,896	17,702
Taxes, leases, and other	6,232	5,861	5,319
Casualty and liability	10,998	7,750	8,584
Street improvements	2,280	3,364	6,187
Interest and financing expenses	127,991	140,494	189,919
Other non-operating expense	108,998	75,603	4,547
Total	\$1,247,344	\$1,146,257	\$1,030,621

Labor – Labor expense increased by 8% (\$22,335) in FY 2024, compared to an increase of 14% (\$36,305) in FY 2023. The increases in FY 2024 and FY 2023 resulted from significant progress in filling vacant positions as well as annual merit and wage increases.

Benefits – Benefits increased by 18% (\$21,338) in FY 2024, compared to an increase of 10% (\$10,518) in FY 2023. The increases in FY 2024 and FY 2023 were due to higher pension expenses and healthcare costs.

Services – Services include contracted services such as security, vehicles, equipment and right-of-way maintenance, advertising, marketing, computing, communication, legal, government, and environmental services. Services increased by 13% (\$12,780) in FY 2024, compared to an increase of 55% (\$34,953) in FY 2023. The increase in FY 2024 was due to costs to improve the safety and cleanliness of DART vehicles and facilities, perform state-of-good repair inspection and condition assessment work, and implement the DART Cares program. The increase in FY 2023 was due to increased spending on software licensing and computing services, facilities maintenance and cleaning services, vehicle and equipment maintenance services, consulting services, security services, engineering services, and healthcare administrative fees. An accounting adjustment due to a change in accounting principles related to subscription-based information technology arrangements (SBITAs) also contributed to the increase.

Materials and supplies – Materials and supplies include the cost of fuel, parts, and supplies used to operate and maintain vehicles, equipment, and facilities. Materials and supplies expenses increased by 14% (\$8,001) in FY 2024, compared to an increase of 22% (\$10,544) in FY 2023. The increase in FY 2024 was due to the additional parts required to maintain the aging light rail vehicles. In FY 2023, the increase was attributed to the need for more parts for bus and light rail vehicle maintenance, as well as an accounting adjustment related to the expiration of the CNG hedge.

Purchased transportation – Purchased transportation represents the cost of contracted transportation services such as commuter rail, paratransit, GoLink, and shuttle services. Purchased transportation expenses increased by 18% (\$13,998) in FY 2024, compared to an increase of 16% (\$10,910) in FY 2023. The increase in FY 2024 and FY 2023 was due to an increased demand for GoLink and paratransit service.

Depreciation and amortization – Depreciation and amortization expenses decreased by 1% (\$3,670) in FY 2024, compared to a decrease of 3% (\$7,304) in FY 2023. The decrease in FY 2024 was due to some assets being fully depreciated. The decrease in FY 2023 was due to a change in accounting principle that resulted in reclassifying assets such as (SBITAs).

Utilities – Utilities include the cost of electricity, telecommunications, water, sewer, and natural gas. Utilities increased by 15% (\$2,878) in FY 2024, compared to an increase of 7% (\$1,994) in FY 2023. The increase in FY 2024 was due to a rate increase. The increase in FY 2023 was attributed to higher electricity usage for light rail vehicles, resulting from increased hours and miles of service

Taxes, leases, and other – Taxes, leases, and other includes fuel and lube taxes, equipment rentals, leases of operating and passenger facilities, training, travel, business meetings, membership dues, subscriptions, employee programs, and allowance for uncollectible receivables. Taxes, leases, and other expenses increased by 6% (\$371) in FY 2024, compared to a 10% (\$542) increase in FY 2023. The increase in FY 2024 was due to an allowance for bad debt related to some past-due receivables. The increase in FY 2023 was due to higher spending on business travel and meetings, in-house training, and employee relocation.

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)

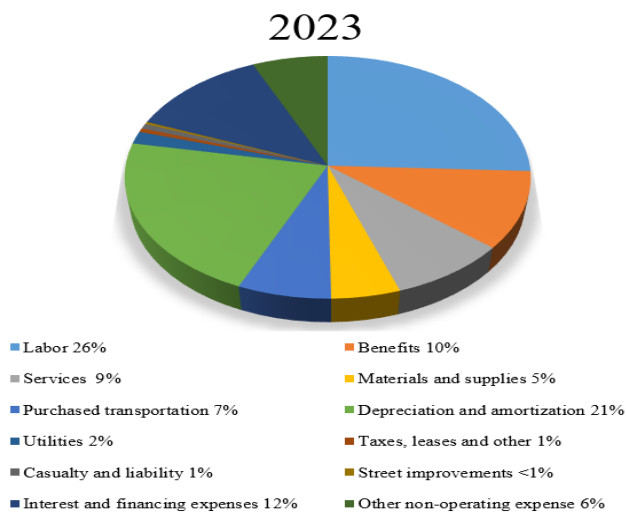
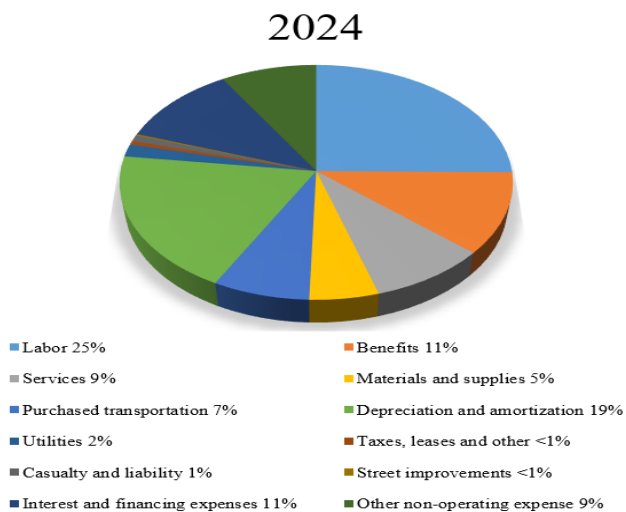
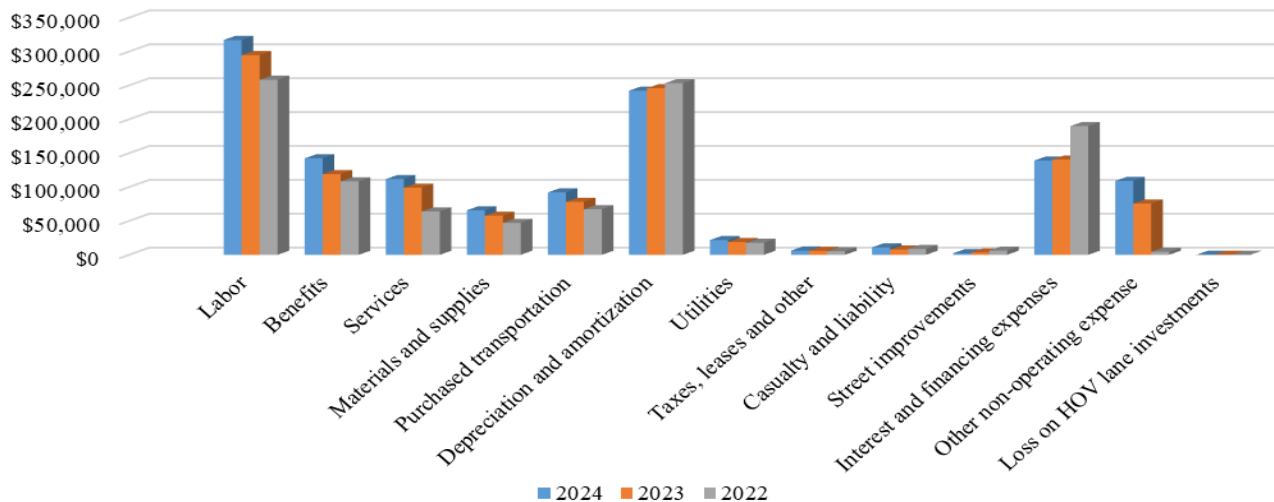
Casualty and liability – Casualty and liability expenses increased by 42% (\$3,248) in FY 2024 compared to a decrease of 10% (\$834) in FY 2023. The increase in FY 2024 was due to an unfavorable general liability claims experience and increased property and rail liability insurance costs. The decrease in FY 2023 was due to a favorable general liability claims experience and decreased insurance costs for property and rail liability premiums.

Street improvements – DART provides technical and financial assistance to eligible service area jurisdictions to reduce traffic congestion and complement bus and public transit operations. Street improvement program costs decreased by 32% (\$1,084) in FY 2024, compared to a decrease of 46% (\$2,823) in FY 2023. The decreases in FY 2024 and FY 2023 were due to the completion of traffic signal-related projects.

Interest and financing expenses—Interest expenses decreased by 9% (\$12,503) in FY 2024 compared to a decrease of 26% (\$49,425) in FY 2023. The decrease in both years was due to principal payments at maturity and additional borrowing at a lower interest rate.

Other non-operating expenses – Other non-operating expenses increased by 44% (\$33,395) in FY 2024, compared to an increase of 1,563% (\$71,056) in FY 2023. The increase in FY 2024 was due to payments related to the regional cooperative funding partnership and project funding strategy arrangements with the North Central Texas Council of Government and some service area cities. The increase in FY 2023 was due to disbursements of unallocated sales tax revenue to DART service area cities for transportation-related projects.

The charts below summarize expenses for FY 2022 through 2024:



**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

Expenses by function

Transportation includes expenses directly related to the operation of bus, light rail, commuter rail, vanpool, paratransit, and DART on-call and shuttle services. These expenses include items such as wages and benefits for operators, transit center service employees, transportation supervisors and managers, and DART police, as well as the cost of fuel, tires and tubes, propulsion power, purchased transportation, customer service, revenue collection, and other related costs.

Maintenance includes labor costs and benefits for vehicle and facility maintenance, personnel, materials and supplies, utilities, and all other costs incurred for maintenance purposes.

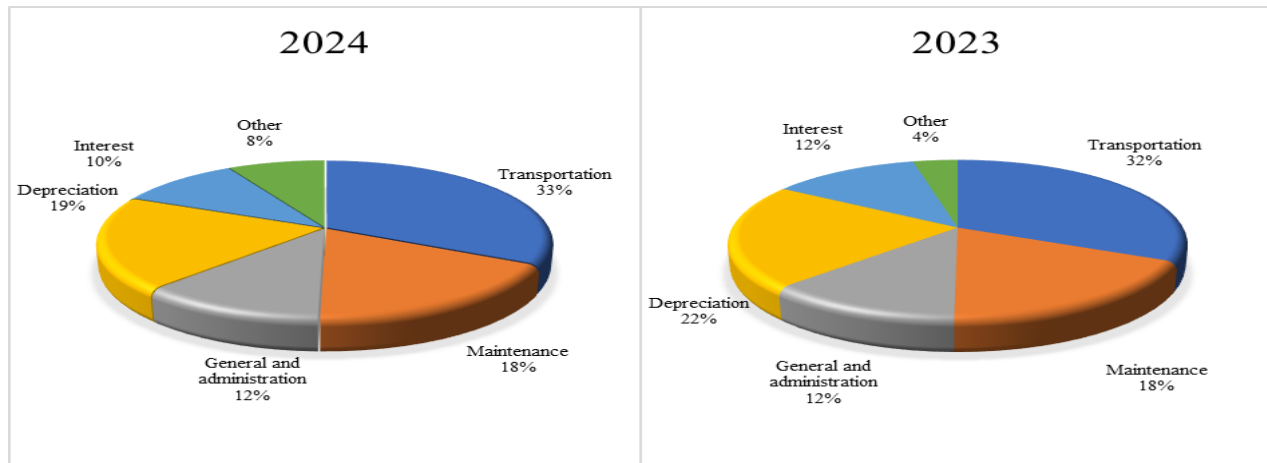
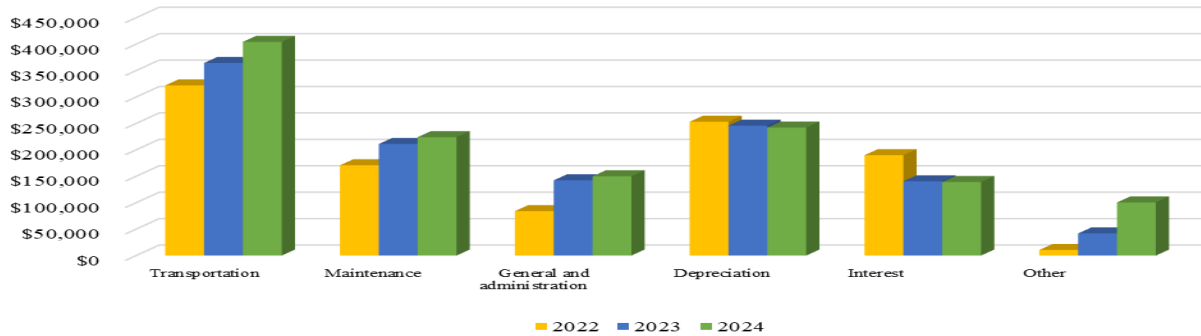
General administration includes administrative personnel costs, benefits, general liability and contract claims, street improvements, and other related costs.

Depreciation and amortization include depreciation and amortization expenses on all depreciable capital assets.

Interest includes interest expense incurred on debt net of capitalized interest.

Other include non-operating items such as payments for street improvements, transit-related improvement programs, and pass-through grants.

		Expenses by Functions		
		FY 2024	FY 2023	FY 2022
Transportation		\$404,374	\$364,401	\$321,977
Maintenance		224,124	211,198	170,945
General and administration		148,044	142,354	84,042
Depreciation and amortization		242,216	245,886	253,190
Interest		127,991	140,494	189,919
Other		100,595	41,924	10,548
Total		\$1,247,344	\$1,146,257	\$1,030,621



**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – Investment in capital assets includes land and rights-of-way, transitways, buildings and improvements, revenue and non-revenue vehicles and equipment, and furniture, fixtures, and leasehold improvements. DART's investment in capital assets as of September 30, 2024, is \$4,795,188, compared to \$4,499,590 in FY 2023. The net increase in capital assets during FY 2024 is 7% (\$295,598), compared to a 5% increase (\$219,535) in FY 2023. The table below summarizes capital assets net of depreciation as of September 30, 2024, and 2023, with comparative information for FY 2022.

	Capital Assets (Net of Depreciation)		
	FY 2024	FY 2023	FY 2022
Land and rights-of-way	\$616,220	\$616,220	\$618,739
Projects in progress	1,773,813	1,272,508	813,844
Transitways	1,811,361	1,949,016	2,082,905
Buildings and improvements	268,817	309,567	348,719
Revenue and non-revenue vehicles and equipment	268,248	301,703	353,402
Furniture, fixtures, and leasehold improvements	27,755	20,332	34,378
Right-to-use buildings	1,212	4,964	1,987
Right-to-use equipment	192	233	289
Right-to-use subscriptions	27,570	25,047	25,792
Total	<u>\$4,795,188</u>	<u>\$4,499,590</u>	<u>\$4,280,055</u>

The net increase in both years was due to additional work and spending on capital projects. Note 7 provides additional information on DART's capital assets.

Outstanding debt – Outstanding debt includes sales tax revenue commercial paper notes, senior lien revenue bonds payable, Railroad Rehabilitation and Improvement Financing (RRIF) bonds payable, and capital lease/leaseback liabilities. As of September 30, 2024, DART had a total outstanding debt of \$3,712,343, compared to \$3,477,837 as of September 30, 2023. Outstanding debt increased by 7% (\$234,506) in FY 2024, compared to a decrease of 4% (\$146,770) in FY 2023. The table below summarizes DART's total outstanding debt as of September 30, 2024, 2023 and 2022:

	9/30/2024	9/30/2023	9/30/2022
Sales tax revenue commercial paper notes	\$62,308	\$-	\$100
Senior lien revenue bonds payable	3,339,355	3,415,385	3,493,375
RRIF bonds payable	310,680	53,928	50
Capital lease/leaseback liabilities	-	8,524	131,082
Total debt	<u>\$3,712,343</u>	<u>\$3,477,837</u>	<u>\$3,624,607</u>

The sales tax revenue commercial paper notes outstanding balance is \$62,308 as of September 30, 2024, compared to \$0 as of September 30, 2023. Commercial paper notes are issued as a senior subordinate lien to sales and use tax revenues and are payable from the 1% sales and use tax receipts and farebox revenues (pledged revenues). The increase during FY 2024 was due to borrowing to pay for the Silver Line construction. The decrease during FY 2023 was due to DART paying off the \$100 commercial paper notes payable.

Senior lien revenue bonds payable are \$3,339,355 as of September 30, 2024, and \$3,415,385 as of September 30, 2023. These senior lien bonds are secured by and payable from pledged revenues. The decreases of \$76,030 in FY 2024 and \$77,990 in FY 2023 were due to principal payments. The senior lien revenue bonds shown above are at face value. The amounts shown in the Statements of Net Position include the unamortized balance of the original issuance premium of \$177,028 and \$200,922 as of September 30, 2024, and 2023, respectively.

During FY 2024, DART maintained an AA+ credit rating from Standard and Poor's (S&P), AAA from Kroll Bond Rating Agency (Kroll), and Aa2 from Moody's Investors Service (Moody's) on outstanding long-term debt. In addition, Fitch Ratings (Fitch) maintains an AA- on DART's Series 2007 bonds.

RRIF bonds payable are \$310,680 as of September 30, 2024, and \$53,928 as of September 30, 2023. The increases in FY 2024 and FY 2023 were due to borrowing for the Silver Line project. Additional information on the RRIF loan is shown in note 17.

Capital lease/leaseback liabilities are \$0 as of September 30, 2024, and \$8,524 as of September 30, 2023. The decrease in FY 2023 was due to principal payments, and the decrease to \$0 in FY 2024 resulted from the full repayment of the lease/leaseback liability. DART exercised the purchase option and fully paid the capital lease/leaseback liabilities.

Additional information on DART's outstanding debt is shown in notes 14 - 19.

**DALLAS AREA RAPID TRANSIT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

ECONOMIC OUTLOOK

Ridership has improved since the COVID-19 pandemic but remains below pre-pandemic levels. During FY 2024, ridership increased by 11% (5.7 million trips), and passenger revenues increased by 11% (\$4.2 million) from FY 2023. Despite the challenges caused by the pandemic, DART is in a strong financial position and is working to increase bus and light rail service hours and frequency while expanding access to on-demand service.

Sales and use tax is the primary revenue source for DART, accounting for 78% of total revenues in both FY 2024 and FY 2023. These revenues are influenced by changes in the local economy. During FY 2024, DART's sales and use tax revenues increased by 2% compared to the previous year. Actual sales and use tax revenues in FY 2024 are \$851,784, up from \$834,358 in FY 2023. The sales and use tax budget for FY 2025 is \$910,233, about a 7% increase from the \$851,784 in actual sales and use tax revenues for FY 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide our service area jurisdictions, customers, investors, and creditors with a general overview of DART's finances. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Chief Financial Officer at Dallas Area Rapid Transit, 1401 Pacific Avenue, P.O. Box 660163, Dallas, TX 75266-7220.

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF NET POSITION**

SEPTEMBER 30, 2024 AND 2023 (Dollars in Thousands)

	<u>9/30/2024</u>	<u>9/30/2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$189,568	\$135,133
Investments	371,357	642,726
Sales and use tax receivable	138,557	140,559
Transit revenue receivable, net	5,785	7,899
Short-term lease receivable	768	774
Due from federal and other governments	30,509	37,320
Materials and supplies inventory, net	45,091	41,325
Prepaid transit expenses and other	10,764	11,247
Restricted investments held by trustee for debt service	137,733	123,435
Restricted investments held for advance funding agreements	21,623	24,320
Restricted investments held to pay capital lease/leaseback liabilities	-	8,524
TOTAL CURRENT ASSETS	<u>951,755</u>	<u>1,173,262</u>
NONCURRENT ASSETS		
Restricted investments for system expansion and acquisition	5	22,995
Long-term lease receivable	18,033	18,801
Investment in joint venture	11,129	8,266
Capital assets		
Land and rights-of-way	616,220	616,220
Projects in progress	1,773,813	1,272,508
Depreciable capital assets, net of depreciation	2,376,181	2,580,618
Right-to-use asset, net of amortization	1,404	5,197
Subscription asset, net of amortization	27,570	25,047
Net other post-employment benefit (OPEB) asset	15,686	15,223
Unamortized bond insurance premium and other	365	409
TOTAL NONCURRENT ASSETS	<u>4,840,406</u>	<u>4,565,284</u>
TOTAL ASSETS	<u>5,792,161</u>	<u>5,738,546</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>84,551</u>	<u>113,119</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>5,876,712</u>	<u>5,851,665</u>

(Continued)

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF NET POSITION**

SEPTEMBER 30, 2024 AND 2023 (Dollars in Thousands)

LIABILITIES	<u>9/30/2024</u>	<u>9/30/2023</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	152,009	186,435
Short-term lease payable	441	595
Short-term subscription payable	5,672	2,194
Commercial paper notes payable	62,308	-
Current portion of capital lease/leaseback liabilities	-	8,524
Local Assistance Program payable	10,276	6,847
Retainage payable	53,248	38,726
Unearned revenue and other liabilities	60,599	62,196
Accrued interest payable from restricted assets	49,957	48,934
Current portion of bonds payable	79,125	76,030
TOTAL CURRENT LIABILITIES	<u>473,635</u>	<u>430,481</u>
NONCURRENT LIABILITIES		
Accrued liabilities	48,925	45,854
Long-term lease payable	869	4,590
Long-term subscription payable	10,280	7,739
Net pension liability	45,782	58,991
Senior lien revenue bonds payable	3,747,937	3,594,205
TOTAL NONCURRENT LIABILITIES	<u>3,853,793</u>	<u>3,711,379</u>
TOTAL LIABILITIES	<u>4,327,428</u>	<u>4,141,860</u>
DEFERRED INFLOWS OF RESOURCES	50,865	56,829
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>4,378,293</u>	<u>4,198,689</u>
NET POSITION		
Net investment in capital assets	790,485	742,715
Restricted for other post-employment benefits (OPEB)	15,686	15,223
Restricted for debt service	87,776	74,501
Unrestricted	604,472	820,537
TOTAL NET POSITION	<u>\$1,498,419</u>	<u>\$1,652,976</u>

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Dollars in Thousands)**

	<u>FY 2024</u>	<u>FY 2023</u>
OPERATING REVENUES		
Passenger revenues	\$42,093	\$37,886
Advertising, rent, and other	15,867	14,079
TOTAL OPERATING REVENUES	<u>57,960</u>	<u>51,965</u>
OPERATING EXPENSES		
Labor	316,988	294,653
Benefits	140,338	119,000
Services	111,747	98,967
Materials and supplies	65,668	57,667
Purchased transportation	92,114	78,116
Depreciation and amortization	242,216	245,886
Utilities	21,774	18,896
Taxes, leases, and other	6,232	5,861
Casualty and liability	10,998	7,750
TOTAL OPERATING EXPENSES	<u>1,008,075</u>	<u>926,796</u>
OPERATING LOSS	<u>(950,115)</u>	<u>(874,831)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales and use tax revenue	851,784	834,358
Investment Income	41,341	53,530
Interest income from investments held to pay capital lease/leaseback	139	4,071
Interest expense on capital lease/leaseback	(139)	(4,071)
Street improvements	(2,280)	(3,364)
Interest and financing expenses	(127,852)	(136,423)
Build America Bonds tax credit	21,246	21,246
Other federal grants	69,564	68,240
Other non-operating revenues	26,110	28,367
Other non-operating expenses	(108,998)	(75,603)
NET NON-OPERATING REVENUES	<u>770,915</u>	<u>790,351</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	<u>(179,200)</u>	<u>(84,480)</u>
CAPITAL CONTRIBUTIONS AND GRANTS		
Federal capital contributions	20,827	13,096
State capital contributions	3,816	82
TOTAL CAPITAL CONTRIBUTIONS AND GRANTS	<u>24,643</u>	<u>13,178</u>
CHANGE IN NET POSITION	(154,557)	(71,302)
TOTAL NET POSITION – BEGINNING OF YEAR	1,652,976	1,719,889
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	-	4,389
TOTAL NET POSITION – END OF YEAR	<u>\$1,498,419</u>	<u>\$1,652,976</u>

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Dollars in Thousands)

	<u>FY 2024</u>	<u>FY 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$57,177	\$50,779
Payments to suppliers of goods and services	(298,170)	(177,746)
Payments to purchased transportation service providers	(91,439)	(77,758)
Payments to employees	(313,666)	(292,429)
Benefit payments on behalf of employees	(132,075)	(133,891)
NET CASH USED BY OPERATING ACTIVITIES	<u>(778,173)</u>	<u>(631,045)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Sales and use tax receipts	853,785	831,262
Other federal grants	70,612	67,674
Build America Bonds tax credit	34,329	15,246
Other non-operating receipts	18,916	23,665
Public transportation improvement funds	(38,579)	(34,788)
Local Assistance Program and street improvements	(2,414)	(6,061)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>936,649</u>	<u>896,998</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	17,961	29,121
Proceeds from sales and maturity of investments	1,125,770	734,388
Purchase of investments	(819,356)	(805,141)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>324,375</u>	<u>(41,632)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(540,978)	(439,297)
Proceeds from the issuance of commercial paper notes	129,905	-
Payment on commercial paper notes	(67,597)	(100)
Proceeds from the issuance of RRIF bonds	256,752	53,878
Lease principal payments received	774	755
Lease interest payments received	409	406
Lease principal payments disbursed	(502)	(648)
Lease interest payments disbursed	(166)	(187)
Subscription asset principal payments disbursed	(4,940)	(2,921)
Subscription asset interest payments disbursed	(68)	(44)
Principal payment on revenue bonds	(76,030)	(77,990)
Interest and financing expenses	(148,083)	(148,659)
Federal capital contributions	20,827	13,096
State and local capital contributions	1,123	3,335
Proceeds from the sale of capital assets	158	2,099
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(428,416)</u>	<u>(596,277)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,435	(371,956)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>135,133</u>	<u>507,089</u>
CASH AND CASH EQUIVALENTS, END-OF-YEAR	<u>\$189,568</u>	<u>\$135,133</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Dollars in Thousands)

	<u>FY 2024</u>	<u>FY 2023</u>
RECONCILIATION OF OPERATING LOSS TO CASH USED BY OPERATING ACTIVITIES		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$(950,115)	\$(874,831)
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation and amortization	242,216	245,886
Changes in assets and liabilities:		
(Increase) decrease in transit receivable	1,144	(333)
Decrease (increase) in due from federal and other governments	681	(155)
Decrease (increase) in materials and supplies inventory	(3,766)	(6,986)
Decrease (increase) in prepaid expenses and other current assets	231	(4,028)
Increase (decrease) in net pension liability	8,185	3,058
Increase (decrease) in defined benefit pension plan deferred inflows of resources	-	(17,898)
Increase (decrease) in lease deferred inflows of resources	(928)	(927)
(Increase) decrease in lease receivable	3,387	(3,378)
Increase (decrease) in lease liability	(3,206)	2,687
(Increase) decrease in subscription asset	(2,523)	745
Increase (decrease) in subscription liability	11,028	1,864
Increase (decrease) in OPEB deferred inflows of resources	(5,036)	8,650
Increase (decrease) in net OPEB asset	(463)	3,994
Increase (decrease) in OPEB deferred outflows of resources	4,548	(14,329)
Increase (decrease) in accounts payable and accrued liabilities	(84,620)	25,008
Increase (decrease) in unearned revenue and other liabilities	1,064	(72)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$(778,173)</u>	<u>\$(631,045)</u>
 NON-CASH OPERATING, INVESTING, AND FINANCING ACTIVITIES		
Interest income from investments held to pay capital lease/leaseback	\$139	\$4,071
Interest expense on capital lease/leaseback	(139)	(4,071)
Increase (decrease) in capital lease/leaseback obligations	(8,524)	122,558
Decrease (increase) in investments held to pay capital lease/leaseback	8,524	(122,558)
Increase (decrease) in fair value of investments	5,282	2,187
Amortization of premium, discount, bond insurance premium costs, and loss on debt refunding	(10,171)	15,655
Purchases of capital assets in accounts payable at year-end	74,394	94,022
Change in OPEB deferred outflows of resources	4,548	(14,329)
Change in advance payments received from the state – capital contributions	(2,693)	(3,253)

(Concluded)

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

	<u>9/30/2024</u>	<u>9/30/2023</u>
ASSETS		
Cash and cash equivalents	\$8,554	\$8,539
Receivables:		
Notes receivables from participants	12,750	12,619
Other receivables	90	55
Employer contribution	1	767
Total receivables	<u>12,841</u>	<u>13,441</u>
Investments:		
Investments at contract value	80,407	82,747
Investments at fair value		
Equity	537,635	434,350
Fixed income	231,659	203,808
Real estate	33,211	47,988
Total investments	<u>882,912</u>	<u>768,893</u>
TOTAL ASSETS	<u>904,307</u>	<u>790,873</u>
LIABILITIES		
Accounts payable, investment management, accrued benefits, and administrative	194	535
Accounts payable, investments in-transit	<u>198</u>	<u>275</u>
TOTAL LIABILITIES	<u>392</u>	<u>810</u>
NET POSITION RESTRICTED FOR:		
Pensions	830,309	728,771
Other post-retirement benefits	73,606	61,292
TOTAL NET POSITION	<u>\$903,915</u>	<u>\$790,063</u>

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2024, AND 2023 (Dollars in Thousands)**

	<u>FY 2024</u>	<u>FY 2023</u>
ADDITIONS:		
Investment income:		
Net investment gain (loss)	\$94,003	\$(84,133)
Interest and dividends	24,204	22,660
Investment manager fees	(612)	(635)
Total investment income, net	<u>117,595</u>	<u>(62,108)</u>
Contributions:		
Employer	39,848	51,998
Employee/participant	21,682	20,116
Other	10	15
Total contributions	<u>61,540</u>	<u>72,129</u>
Total additions	<u>179,135</u>	<u>10,021</u>
DEDUCTIONS:		
Benefit payments	64,507	66,431
Administrative expenses	776	606
Total deductions	<u>65,283</u>	<u>67,037</u>
NET INCREASE (DECREASE) IN NET POSITION	113,852	(57,016)
NET POSITION:		
BEGINNING OF YEAR	<u>790,063</u>	<u>847,079</u>
END OF YEAR	<u>\$903,915</u>	<u>\$790,063</u>

The accompanying notes are an integral part of these financial statements.

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Dallas Area Rapid Transit (DART) is a regional transportation authority of the State of Texas, created and confirmed by referendum on August 13, 1983, pursuant to Article 1118y of the Vernon’s Annotated Texas Civil Statutes, as amended, and recodified into Section 452 of the Texas Transportation Code (the Code) effective September 1, 1995. DART is organized to provide public and general transportation services to 13 service area jurisdictions in five counties: Dallas, Collin, Ellis, Denton, and Rockwall. The member jurisdictions in which the voters elected to be included in DART are Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Irving, Plano, Richardson, Rowlett, and University Park, and the towns of Addison and Highland Park. Fifteen Board members represent the 13 service area jurisdictions. Board members are appointed according to the ratio of a service area jurisdiction’s population to the total service area population. One Board member may represent multiple jurisdictions.

Amendments to DART’s enabling legislation require approval of the Texas state legislature, which conducts its regular session every two years. Past legislative changes allowed the issuance of lease/leaseback transactions (see note 14), changed the collection period of sales taxes from quarterly to monthly, and allowed a joint pledge of sales and use tax and farebox revenues as security for long-term debt. Future changes to DART’s enabling legislation could have a material impact on DART’s financial position. The next session of the State Legislature is scheduled to begin in January 2025.

On August 12, 2000, the voters of the DART service area passed a referendum that allows DART to issue up to \$2.9 billion of bonds or notes solely payable from and secured by the DART sales and use tax revenue, with maturities beyond five years, and issued pursuant to the authority granted at the election. A change to DART’s enabling legislation was enacted during the 2009 Texas Legislative Session allowing DART to pledge multiple revenue sources as a first lien on senior lien long-term bonds. This legislative change allowed DART to issue more than \$2.9 billion in long-term debt, provided DART issues multi-revenue bonds. On July 23, 2012, DART filed a Bond Validation Petition in District Court 160 in Dallas County. DART sought a judicial ruling clarifying whether a \$2.9 billion limitation on “solely” pledged sales tax revenue bonds applies to “combined” pledged revenue bonds. The hearing was conducted on August 13, 2012, and the Court concurred with DART’s position. As a result, DART is no longer limited to \$2.9 billion in long-term debt if the debt is backed by a combined pledge of revenues (sales taxes plus another revenue source). Based on voters’ authorization and changes in its enabling legislation, DART issued and sold various bonds shown in notes 16-19.

Basis of Accounting – DART’s activities are accounted for as proprietary funds and therefore are reported as an enterprise fund in following with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board (GASB). Accordingly, DART uses the accrual basis of accounting. DART’s fiduciary activities are also presented on an accrual basis.

Reporting Entity – DART has two component units, Regional Rail Right-Of-Way Corporation (RRROW) and Dallas Area Rapid Transit Mobility Service, LGC (LGC).

Regional Rail Right-of-Way – The RRROW is a not-for-profit corporation formed under Article 1396-1.01 of the Texas Non-Profit Corporation Act on October 9, 1990, to facilitate the acquisition of certain properties and rights-of-way for DART. On July 9, 2002, the DART Board authorized the transfer of real estate interest to DART for certain railroad rights-of-way held by RRROW and granted easement rights to RRROW to continue freight rail operations on all of DART’s active freight rail corridors. DART retains all real estate interests in the active freight rail corridors and RRROW is the common carrier authority under the freight operating easement. RRROW discharges the common carrier obligations through existing trackage rights agreements managed by DART personnel on behalf of RRROW. RRROW collects all trackage rights fees from freight operations on active DART-owned railroad corridors. At the end of each fiscal year, DART receives income earned by the corporation that is not needed to pay RRROW expenses or obligations. DART retains the right to use the railroad corridors for reasonable purposes provided such uses do not materially interfere with common carrier freight service on the railroad corridors.

All powers of the RRROW are vested in a board of directors, each member of which is appointed by the DART Board. The RRROW Board consists of three to five directors, of which DART is the sole corporate member. The DART Board may remove any director from the RRROW Board at any time, with or without cause. The DART Board may review and revise the corporation’s structure, organization, and activities. The property and affairs of RRROW are subject to the restrictions imposed by the DART Board. In the event of dissolution, all assets will be turned over to DART.

Dallas Area Rapid Transit Mobility Service, LGC – The LGC is a not-for-profit corporation formed on March 6, 2012, under Subchapter D of Chapter 431, Texas Transportation Code, to aid and act on behalf of DART in performing its governmental purpose of providing a public transportation system by bus primarily outside the DART service area. The LGC can issue bonds, notes, or other obligations, and acquire real property, all subject to prior approval of the DART Board. The LGC must comply with all DART policies and, when applicable, all FTA requirements in performing its duties.

There are five members on the LGC Board including the DART Board Chair; one other DART Board member appointed by the DART Board; and three DART employees recommended by the DART President & Chief Executive Officer and subject to approval from the DART Board. DART is the sole corporate member of the LGC. The DART Board may remove any member from the LGC Board at any time, with or without cause. The DART Board shall fill any vacancy on the LGC Board by a majority vote. Staff functions for the LGC are performed by DART employees, as directed by the DART President & Chief Executive Officer. The DART Board may at any time consider and approve a resolution

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

directing the LGC Board to proceed with the dissolution of the corporation, in which case, all assets will be turned over to DART. At the end of each fiscal year, DART receives income earned by the corporation that is not needed to pay the LGC expenses or obligations.

Both the RRROW and LGC meet the criteria of a blended component unit for the reasons outlined in this paragraph. They are both nonprofit corporations in which the agency is the sole corporate member. The DART Board appoints/approves the voting majority of each board. The DART Board can impose its will on the corporations and may at any time consider and approve a resolution directing their boards to proceed with the dissolution of the corporation in which case, all assets will be turned over to DART. Also, the DART Board may remove any member from the LGC or RRROW Board at any time, with or without cause. In the case of RRROW, the corporation provides services that benefit the primary government (DART) by discharging the common carrier obligations through DART's existing trackage rights agreements and collecting the related trackage rights fees. DART is legally entitled to or can otherwise access the corporation's resources as it retains the right to use the railroad corridors and at the end of each fiscal year receives income earned by RRROW via the trackage right fees received. In the case of the LGC, the LGC benefits DART by aiding and acting on behalf of DART in performing its governmental purpose of providing a public transportation system. The LGC also provides a financial benefit to DART. At the end of each fiscal year, DART receives the income earned by the LGC that is not needed to pay the Corporation's expenses or obligations.

The financial information of the RRROW and LGC is included in DART's accompanying financial statements as blended component units in accordance with GASB Statement No. 61 and GASB Statement No. 80.

Internally prepared financial statements for either the RRROW or LGC may be obtained by contacting the Chief Financial Officer at Dallas Area Rapid Transit, 1401 Pacific Avenue, P.O. Box 660163, Dallas, TX 75266-7220.

Fiduciary Activities – DART implemented GASB Statement No. 84, *Fiduciary Activities*, during FY 2021. This Statement established the criteria for identifying fiduciary activities of state and local governments. For fiduciary funds that meet the criteria, it requires governments to present the statement of fiduciary net position and a statement of changes in fiduciary net position. The fiduciary financial statements include four fiduciary funds: DART Employees' Defined Benefit Retirement Plan and Trust (DB Plan), DART Other Post-Employment Benefits Plan (OPEB Plan), DART Capital Accumulation Retirement Plan and Trust, and DART Retirement Plan and Trust. These four plans are administered by DART, which may amend plan provisions and is responsible for managing plan assets. Each of these four plans is a single-employer plan and each plan's assets are held in trust. The DB Plan is a closed plan. New employees participate in the DART Retirement Plan and Trust and may participate in the Capital Accumulation Retirement Plan and Trust, the balances of which are as of December 31, 2023 and 2022, since these plans are reported on a calendar-year basis.

New Accounting Pronouncements – In FY 2024 and 2023, DART adopted new statements of financial accounting standards issued by GASB:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*

Statement No. 91, clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, sets standards for accounting and financial reporting of additional and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves required note disclosures. This Statement did not have an impact on DART's financial statements.

Statement No. 94, provides new definitions and guidance for accounting and financial reporting for public-private and public-public arrangements (PPPs) and availability payment arrangements (APAs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period, in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is a PPP arrangement between a transferor and an operator in which all of the following criteria are met: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or can modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating and underlying nonfinancial asset for a period in an exchange or exchange-like transaction. The Statement did not have an impact on DART's financial statements.

Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result of implementing this Statement, DART has recognized an additional \$975 in operating expenses. Prior years' amounts have been restated to

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

present comparative numbers with this Statement. The Statements of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows are shown on pages 14, 15, 16, 17, and 18.

Statement No. 99 focuses on practice issues identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics, including the clarification of provisions in (1) Statement No. 87, *Leases*, as amended, (2) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and (3) Statement No. 96, *Subscription-Based Information Technology Arrangements*. These requirements are effective for the fiscal year that ends June 30, 2023, and have no impact on DART’s financial statements. Also, the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 will take effect for financial statements starting with the fiscal year that ends on June 30, 2024, and have no impact on DART’s financial statements.

Statement No. 100 enhances accounting and financial reporting requirements by defining accounting changes and prescribing the accounting and financial reporting for accounting changes and error corrections. It also requires disclosure of descriptive information about accounting changes and error corrections in notes to financial statements. Statement No. 100 became effective for DART during FY 2024, and has no impact on DART’s financial statements.

Cash and Cash Equivalents – DART considers investments in unrestricted funds with original maturities of less than 90 days at the date of purchase to be cash equivalents. Cash and cash equivalents were \$189,568 and \$135,133 as of September 30, 2024, and 2023, respectively.

Investments – The investment balances on September 30, 2024, and 2023, other than investments held to pay lease/leaseback obligations (see note 3), are stated at fair value, except for money market funds, which are valued at amortized cost. Fair value is the amount at which an investment may be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. DART uses quoted market prices or other measurements on September 30, 2024, and 2023, as the equivalent of the fair value of investments.

Material and Supplies Inventory – An inventory of supplies and parts is maintained at different DART warehouses for use in operations and is recorded as an expense when consumed or placed in service. Inventory is stated at average cost.

Capital Assets – Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, as indicated in note 7. Major improvements to buildings and equipment are capitalized. Maintenance and repairs are charged to expense as incurred. Improvements and betterments that extend the useful lives of capital assets or add new functionality are capitalized. Transit system development costs for services such as project-related design, construction, and construction management or project management are capitalized when incurred. Donated assets are capitalized at an estimated acquisition value on the date of donation. There were no donated capital assets during FY 2024 or FY 2023.

Current/Noncurrent Classification – Liability balances due within one year are classified as current and balances due after a year are classified as noncurrent. Asset balances reasonably expected to be realized in cash, sold, or consumed within a year are classified as current. Asset balances that are restricted as to withdrawal or use for other than current operations, designated for disbursement in the acquisition or construction of noncurrent assets, or segregated for the liquidation of long-term debts are classified as noncurrent.

Deferred Outflow and Inflow of Resources –Deferred outflow of resources represents a consumption of net assets that applies to future periods, while deferred inflow of resources represents a consumption of net position that applies to future periods. Amounts that make up the balances of deferred outflows and inflows of resources reported in the statements of net position as of September 30, 2024 and 2023, are shown below.

Deferred Outflow of Resources	<u>9/30/2024</u>	<u>9/30/2023</u>
Debt Refunding Difference	\$35,604	\$38,230
DB Plan	24,831	46,225
OPEB Plan	<u>24,116</u>	<u>28,664</u>
Total Deferred Outflow of Resources	<u>\$84,551</u>	<u>\$113,119</u>
Deferred Inflow of Resources		
OPEB Plan	32,932	37,968
Leases – Lessors	<u>17,933</u>	<u>18,861</u>
Total Deferred Inflow of Resources	<u>\$50,865</u>	<u>\$56,829</u>

Paid Time Off, Vacation, and Sick Leave – Salaried exempt and non-exempt employees are eligible for a Paid Time Off (PTO) benefits program. Accumulated PTO hours have no cash value unless the employee has five or more years of service. Upon termination of employment, a percentage of unused PTO hours will be paid in a lump sum based on the number of years of continued service with DART. Hourly employees earn vacation and sick leave, which may be taken or accumulated up to certain levels until paid upon retirement or termination. The liability for PTO, vacation, and sick leave has been calculated in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, and is included in the accounts payable and accrued liabilities line item in the accompanying Statements of Net Position.

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Self-Insurance Liabilities – DART administers and maintains self-insured reserves for employee medical, operational workers’ compensation, auto, general liability (including bus/rail accidents), directors’ and officers’ liability, and light rail construction workers’ compensation and general liability claims. These programs are administered by DART or, in some instances, a third party. DART accrues the estimated cost of self-insurance liabilities based on actuarial review, and the estimate is included in the accounts payable and accrued liabilities line item in the accompanying Statements of Net Position. These estimates include incurred but not reported (IBNR) claims. Changes in liabilities in FY 2024 and 2023 for DART’s self-insured programs are:

	Injury, Damage, and Personal Liabilities	Workers’ Compensation Liabilities	Employee Medical, Dental, and Vision Liabilities*	Total Self- Insurance Liabilities
Beginning Balance, 10/01/2021	\$3,222	\$17,580	\$10,491	\$31,293
Add: Claims and changes in estimates	1,970	14,223	47,936	64,129
Less: Payments	(2,097)	(9,683)	(53,078)	(64,858)
Ending balance, 09/30/2022	3,095	22,120	5,349	30,564
Add: Claims and changes in estimates	1,152	8,615	60,150	69,917
Less: Payments	(1,731)	(6,494)	(61,119)	(69,344)
Ending balance, 09/30/2023	2,516	24,241	4,380	31,137
Add: Claims and changes in estimates	3,624	6,286	61,376	71,286
Less: Payments	(3,677)	(7,613)	(61,883)	(73,173)
Ending balance, 09/30/2024	2,463	22,914	3,873	29,250
Noncurrent	1,079	17,956	-	19,035
Current portion	\$1,384	\$4,958	\$3,873	\$10,215

*DART employees pay their share of medical, dental, and vision claims through biweekly payroll deductions. Employees’ share of medical, dental, and vision claims was \$10,598 during FY 2024, \$8,854 during FY 2023, and \$8,638 during FY 2022. The payment amounts shown in the table above are gross amounts and not netted against employee contributions.

DART purchases liability insurance coverage for all-risk property, commuter rail, leased premises, crime, directors and officers, light rail project-specific professional liability, light rail build-out workers’ compensation, and general liability. Coverage is evaluated annually and adjusted as necessary based on exposure and claim payments. There was no significant reduction in insurance coverage from the previous year, and the settlement amounts did not exceed insurance coverage for each of the past three fiscal years.

Premiums and Discounts on Revenue Bonds – Premiums and discounts on senior lien revenue bonds are amortized using the effective interest method. Bond insurance premiums and gains/losses on refunding are also amortized using the effective interest method over the life of the bonds.

Operating Revenues and Expenses – Operating revenues are generated from activities related to providing public transportation services such as bus, light rail, commuter rail, paratransit, and vanpool to DART customers. DART’s operating revenues include passenger fares, advertising, and rental income. Non-operating revenues are revenues not directly related to the operation of DART’s transit service. Sales and use tax revenues, BABs tax credits, and investment income are classified as non-operating revenues.

Operating expenses are incurred for activities directly related to providing public transportation services to DART customers. Such activities include transportation, maintenance, transit police, and general and administrative functions. Non-operating expenses include interest and financing costs, general planning and consulting work unrelated to current service, and local assistance to eligible member jurisdictions.

Revenue Recognition – Operating revenues are recognized when transit service is provided. Monthly tickets and annual passes are sold for revenue service, including bus and rail operations. An estimate of unused tickets and passes is recorded as unearned transit revenue and is included in the unearned revenue and other liabilities line item in the accompanying Statements of Net Position.

Sales and Use Tax Revenues – Sales and use tax revenues are recognized when the underlying transactions occur. Sales and use tax revenues are subject to audits by the State Comptroller, which sometimes results in refunds to the state.

Federal, State, and Local Capital Contributions and Grants – Grant funds used to acquire property and equipment are recorded as capital contribution revenues when the related grant eligibility requirements are met, and qualified expenditures are incurred. DART received \$24,643 in federal, state, and local capital contributions during FY 2024, compared to \$13,178 during FY 2023. None of the capital contributions received in either year were based on capital expenditures made in previous years. In addition to capital contributions, DART also received

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\$69,564 in FY 2024 in the form of other federal grants, compared to \$68,240 in FY 2023. These amounts include grants substantially related to capital maintenance grants from the federal government.

Pensions – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position of the DB Plan, and additions to/deductions from the DB Plan’s fiduciary net position have been determined on the same basis as they are reported by the DB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable per the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) – For purposes of measuring the net OPEB liability/asset, deferred outflows and inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the OPEB Plan, and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of retiree contributions) are recognized when due and payable per the benefit terms. Investments are reported at fair value.

Net position – *Net Investment in capital assets* includes capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings attributable to those assets' acquisition, construction, or improvement. *Restricted* consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, DART’s general policy is to use restricted resources first, and then unrestricted resources when needed. *Unrestricted* resources consist of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

2. SERVICE AGREEMENTS

DART has entered several agreements with contractors to provide paratransit, commuter rail, GoLink, and shuttle services. Payments to service providers are recorded as purchased transportation in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. A summary of major services rendered in FY 2024 and 2023 and the current contract terms, including option periods, is shown below:

Contractor’s Name	Service Type	Annual Payments		Contract Terms	
		FY 2024	FY 2023	Began	Expires
Herzog Transit Services, Inc.	Commuter rail service	\$29,034	\$27,192	10/1/2015	9/30/2025
MV Transportation, Inc.	Paratransit and mobility services	44,441	36,651	10/1/2012	9/30/2024
Others	Various	18,639	14,273	Various	Various
Total		<u>\$92,114</u>	<u>\$78,116</u>		

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and investments, including investments held for lease/leaseback liabilities as of September 30, 2024, and 2023, are classified in the Statements of Net Position below:

	9/30/2024	9/30/2023
Cash and cash equivalents	\$189,568	\$135,133
Investments	371,357	642,726
Restricted investments held by trustee for debt service	137,733	123,435
Restricted investments held for advance funding agreements	21,623	24,320
Restricted investments held for system expansion and acquisition	5	22,995
Total cash and investments	<u>\$720,286</u>	<u>\$948,609</u>

The table below summarizes cash and investments as of September 30, 2024, and 2023:

	9/30/2024	9/30/2023
Cash	\$2,174	\$2,849
Cash equivalents	187,394	132,284
Investments	530,718	813,476
Total cash and investments	<u>\$720,286</u>	<u>\$948,609</u>

Deposits – State statutes authorize DART to deposit cash in demand deposits, time deposits, or certificates of deposit and require that all deposits be fully collateralized or insured. On September 30, 2024, the carrying amount of DART’s deposits was \$2,174, compared to \$2,849 on September 30, 2023. Bank balances on September 30, 2024, and 2023 were entirely covered either by the Federal Deposit Insurance Corporation (FDIC) or by collateral held by DART’s agent in DART’s name.

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Custodial Credit Risk for Deposits – Custodial credit risk for deposits is the risk that DART will not recover its deposits or collateral securities in an outside party’s possession if a depository financial institution fails. DART’s policy requires that all deposits with financial institutions be collateralized to the extent not protected by the FDIC. Securities that can be accepted as collateral are limited to U.S. government securities, letters of credits, federal agency securities, and municipal securities.

Investments – Per the Texas Public Funds Investment Act (PFIA) and DART’s Investment Policy, DART invests in, among others, obligations of the U.S. or its agencies and instrumentalities, and obligations of states, agencies, counties, cities, and other state political subdivisions with ratings from a nationally recognized investment rating firm of not less than A or its equivalent and commercial paper with ratings of not less than A1 or P1. In addition, state statutes authorize DART to invest funds in other cash equivalents such as money market mutual funds, among other things. All DART investments are subject to the PFIA. The table below identifies the investment types authorized by DART’s Investment Policy. The table also identifies certain provisions of DART’s Investment Policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer at the Time of Purchase</u>
U.S. government securities	None	None	None
Federal agency securities	None	None	25%
Municipal securities	None	None	25%
Repurchase and reverse repurchase agreements	90 days	50%	5%
Money market mutual funds	None	None	None
Commercial paper	365 days	None	10%
Banker’s acceptance	270 days	None	5%
Certificate of deposit	None	None	None

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer an investment’s maturity, the more sensitive its fair value sensitivity is to changes in market interest rates. One of the ways DART manages exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and timing cash flows from maturities so that a portion of it matures evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The tables below provide information about the sensitivity of the fair values of DART investments to market interest rate fluctuations as of September 30. They show the distribution of DART investments by maturity. Investment maturity is based on call dates when applicable.

<u>Investment Type</u>	<u>Total Amount</u>	<u>Remaining Maturity (in Months) as of 9/30/2024</u>		
		<u>12 Months or Less</u>	<u>12 to 24 Months</u>	<u>24 to 60 Months</u>
Federal Agriculture Mortgage Corporation	\$12,913	\$12,913	\$-	\$-
Federal Farm Credit Banks	131,059	15,101	29,381	86,577
Federal Home Loan Bank	38,916	27,862	10,030	1,024
Federal Home Loan Mortgage Corporation	48,027	12,776	-	35,251
Federal Home Loan Mortgage Association	5,004	-	-	5,004
Total	\$235,919	\$68,652	\$39,411	\$127,856

<u>Investment Type</u>	<u>Total Amount</u>	<u>Remaining Maturity (in Months) as of 9/30/2023</u>		
		<u>12 Months or Less</u>	<u>12 to 24 Months</u>	<u>24 to 60 Months</u>
Federal Agriculture Mortgage Corporation	\$31,953	\$19,624	\$12,329	\$-
Federal Farm Credit Banks	88,679	25,027	43,891	19,761
Federal Home Loan Bank	98,435	71,850	26,585	-
Federal Home Loan Mortgage Corporation	46,332	13,842	22,543	9,947
Total	\$265,399	\$130,343	\$105,348	\$29,708

Credit Risk – Credit risk is the risk that an investment issuer will not fulfill its obligation to the investment holder. This is measured by a credit rating from a nationally recognized rating agency. The tables below show actual ratings as of September 30, 2024, and 2023, for each investment type. Money market funds listed are 2a.7 funds regulated by the Securities and Exchange Commission (SEC).

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Investment Type	Rating as of 9/30/2024				
	Total Amount	AA+/ Aaa	AAAm	A	Not Rated
Federal Agriculture Mortgage Corporation	\$12,913	\$12,913	\$-	\$-	\$-
Federal Farm Credit Banks	131,059	131,059	-	-	-
Federal Home Loan Bank	38,916	38,916	-	-	-
Federal Home Loan Mortgage Corporation	48,027	48,027	-	-	-
Federal Home Loan Mortgage Association	5,004	5,004	-	-	-
Federally Insured Cash Account*	5,433	-	-	-	5,433
Money Market Funds:					
LOGIC**	320,648	-	320,648	-	-
TexPool***	90,562	-	90,562	-	-
TexasCLASS****	30,700	-	30,700	-	-
Texas Range Investment Program	32,404	-	32,404	-	-
Other Money Market Funds	2,446	-	2,446	-	-
Total	<u>\$718,112</u>	<u>\$235,919</u>	<u>\$476,760</u>	<u>\$-</u>	<u>\$5,433</u>

Investment Type	Rating as of 9/30/2023				
	Total Amount	AA+/ Aaa	AAAm	A-1	Not Rated
Federal Agriculture Mortgage Corporation	\$31,953	\$31,953	\$-	\$-	\$-
Federal Farm Credit Banks	88,679	88,679	-	-	-
Federal Home Loan Bank	98,435	98,435	-	-	-
Federal Home Loan Mortgage Corporation	46,332	46,332	-	-	-
Federally Insured Cash Account*	5,209	-	-	-	5,209
Money Market Funds:					
LOGIC**	532,117	-	532,117	-	-
TexPool***	79,992	-	79,992	-	-
TexasCLASS****	29,769	-	29,769	-	-
TexasTERM*****	30,729	-	30,729	-	-
Other Money Market Funds	2,186	-	2,186	-	-
Total	<u>\$945,401</u>	<u>\$265,399</u>	<u>\$674,793</u>	<u>\$-</u>	<u>\$5,209</u>

*Federally Insured Cash Account is offered by StoneCastle Cash Management, LLC, which maintains a full insurance balance of DART's deposit by the FDIC or the National Credit Union Administration (NCUA). DART is listed as the depositor and owner on the account. StoneCastle is a registered investment advisor with the SEC not a bank or broker-dealer.

**LOGIC (Local Government Investment Cooperative) is an AAAm-rated investment pool tailored to the investment needs of local Texas governments. The portfolio invests only in A1/P1 commercial paper and government-backed securities (Treasuries/agencies and repurchase agreements) that comply with the PFIA. LOGIC is overseen by a governing board of individuals from participating government entities in the pool. The portfolio maintains a dollar-weighted average portfolio maturity that does not exceed 60 days calculated in accordance with 2a-7 or 90 days based on the stated maturity of fund investments. The fair value of the LOGIC portfolio is determined using amortized cost.

***TexPool is the largest and oldest local government investment pool in Texas. The State Comptroller oversees TexPool, which invests only in investments authorized under the PFIA. The pool's weighted average maturities cannot exceed 60 days. The fair value of the TexPool portfolio is also determined using amortized cost.

****TexasCLASS (Texas Cooperative Liquid Assets Securities System) is a participant-controlled trust created in accordance with the PFIA. TexasCLASS investments are rated AAAm by S&P and measured at net asset value (NAV).

*****TexasTERM is a local government investment pool created on behalf of entities whose investment objectives are the preservation and safety of principal, liquidity, and yield. TexasTERM investments are rated AAAm by S&P and measured at NAV.

On August 5, 2011, S&P, one of the nationally recognized raters of U.S. debt and securities, downgraded the rating of long-term U.S. sovereign debt from AAA to AA+ for the first time since 1941 with a negative outlook. On August 1, 2023, Fitch Ratings downgraded the rating of long-term U.S. sovereign debt from AAA to AA+. Moody's maintains an Aaa for the U.S. but has placed the rating on a negative outlook. DART's investment portfolio includes \$235,919 as of September 30, 2024, compared to \$265,399 as of September 30, 2023, with credit ratings of AA+ by S&P.

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Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of DART’s investment in a single issuer. DART’s Investment Policy limits the amount that can be invested in any one issuer, as shown in the table below. Investments in any one issuer that represents 5% or more of DART’s total investment portfolio as of September 30, 2024, and 2023 are shown below:

Investment Portfolio as of 9/30/2024		
Investment Type/Issuer	Reported Amount	Percentage of Total Portfolio
LOGIC	\$320,648	45%
Federal Farm Credit Banks	131,059	18%
TexPool	90,562	13%
Federal Home Loan Mortgage Corporation	48,027	7%
Federal Home Loan Bank	38,916	5%
Texas Range Investment Program	32,404	5%

Investment Portfolio as of 9/30/2023		
Investment Type/Issuer	Reported Amount	Percentage of Total Portfolio
LOGIC	\$532,117	56%
Federal Home Loan Bank	98,435	10%
Federal Farm Credit Banks	88,679	9%
TexPool	79,992	8%
Federal Home Loan Mortgage Corporation	46,332	5%

Custodial Credit Risk for Investments – Custodial credit risk for investments is the risk that DART will not be able to recover the value of its investment or collateral securities that are in the possession of another party” possession if the counterparty (e.g., broker-dealer) to a transaction fails. All of DART’s investments except for money market mutual funds, which by design provide ownership of shares within the fund, are registered in DART’s name as of September 30, 2024, and 2023, and are not exposed to custodial credit risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. None of DART’s investments are in foreign currency-denominated investments.

Fair Value – DART categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 other significant observable inputs valued using a matrix pricing model. Level 3 inputs are significant unobservable inputs. DART has the following fair value measurements as of September 30, 2024, and 2023.

Fair Value Measurements as of 9/30/2024				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Federal Agriculture Mortgage Corporation	\$12,913	\$-	\$12,913	\$ -
Federal Farm Credit Banks	131,059	-	131,059	-
Federal Home Loan Bank	38,916	-	38,916	-
Federal Home Loan Mortgage Corporation	48,027	-	48,027	-
Total	\$230,915	\$ -	\$230,915	\$ -

Fair Value Measurements as of 9/30/2023				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Federal Agriculture Mortgage Corporation	\$31,953	\$-	\$31,953	\$ -
Federal Farm Credit Banks	88,679	-	88,679	-
Federal Home Loan Bank	98,435	-	98,435	-
Federal Home Loan Mortgage Corporation	46,332	-	46,332	-
Total	\$265,399	\$ -	\$265,399	\$ -

Restricted Investments Held to Pay Capital Lease/Leaseback Liabilities – As of September 30, 2024, DART had no outstanding lease/leaseback obligation. When DART entered the capital lease/leaseback transactions, it received advance rental payments. DART used a portion of the advance rental payment to purchase contractual undertakings from certain financial institutions. These institutions assumed and agreed to pay the sublease rental payments due through the purchase option date and the purchase option price owed if DART were to exercise the purchase option rights. For other leases, DART deposited a portion of the advance rental payment with a trustee, who was to purchase direct obligations of the U.S. government and other securities that would mature on the dates in the amounts required to pay sublease rental payments and the respective purchase option price. The trustee held these investments in DART’s name and invested in U.S. Treasury strips,

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U.S. government-sponsored enterprise obligations, and guaranteed investment contracts. They included a combination of investments with short-term and long-term maturities that minimized interest rate risk exposure. Because these investments were insured by a third party and held in U.S. Treasuries and government investment contracts, they were not recorded at fair value but at amortized cost in the Statements of Net Position. On August 17, 2022, DART exercised its purchase option rights by executing and delivering a Purchase Option Election Notice as allowed by the lease/leaseback agreement. On December 2, 2023, the trustee transferred and paid the final sublease rent, which resulted in the closing of the liability and transfer of titles to DART.

Assigned assets – The DART Board has assigned certain cash and investment balances to be maintained for self-insurance and financial reserve. These amounts are shown as unrestricted investments in the accompanying financial statements. The assets for self-insurance include amounts assigned by the Board to fund future claims and workers’ compensation liabilities. The Board established a financial reserve to accumulate sales and use taxes in years when sales and use tax revenues exceed the budgeted amount. Sales and use tax revenues were \$18,969 less than budgeted for FY 2024, compared to \$15,422 more than budgeted for FY 2023. In addition, the Board authorized the establishment of the Mobility Assistance and Innovation Fund (MAIF). If the Financial Reserve exceeds \$50 million, excess funds are placed in the MAIF. An affirmative vote of two-thirds of the board is required to draw upon the financial reserve and MAIF. Per current financial standards, the MAIF has some limited restrictions.

The following table shows a summary of investments the DART Board has assigned for specific purposes as of September 30, 2024, and 2023:

Assigned for	FY 2024	FY 2023
Self-Insurance	\$28,681	\$27,339
Financial Reserve	51,018	50,000
Silver Line Project Fund*	-	20,103
Mobility Assistance and Innovation Fund**	20,844	117,479
Total	\$100,543	\$214,921

*On October 25, 2016, the DART Board approved the FY 2017 20-Year Financial Plan, which included an authorization to move \$20.1 million from the MAIF (formerly Capital Reserve Fund) to the Silver Line Project Fund to pay Silver Line capital project costs.

** By Resolution No. 190053, the DART Board renamed the Capital Reserve Fund the Mobility Assistance and Innovation Fund on May 14, 2019. By Resolution No. 230130, on September 26, 2023, the DART Board authorized the transfer of \$114,800 from the MAIF to the General Operating fund to finance light rail, bus, and GoLink services.

4. FIDUCIARY FUND INVESTMENTS

DART Employees’ Defined Benefit Retirement Plan and Trust (DB Plan) - The DB Plan is a single-employer defined benefit pension plan designed to provide retirement, death, and disability benefits to certain DART employees. This is a closed plan, and new employees are not eligible to participate. A committee of five members administers the DB Plan: one member of the DART Board appointed by the DART Board Chair, two elected by Plan participants, DART’s Chief Financial Officer, and one person appointed by the DART President & Chief Executive Officer.

DB Plan Investments – The DB Plan’s investments are stated at fair value. If available, quoted market prices are used to value investments. Shares of mutual funds are valued at the value of shares held by the DB Plan at year-end. The fair value of the common collective trust investments and the other investment funds is estimated by the issuer based on the fair value of the underlying investments.

Credit Risk—Credit risk is measured by a credit rating from a nationally recognized rating agency. The tables below show the ratings of the DB Plan’s investments as of September 30, 2024, and 2023.

Investment Type	Total Amount	Credit Rating as of 9/30/2024				
		AA+/ AAA	AA	A	< BAA	Not Rated
<i>Fixed Income Investments:</i>						
Agency	\$513	\$77	\$21	\$72	\$322	\$21
Corporate Bonds and Notes	29,699	1,243	954	5,291	15,622	6,589
Mortgage-Backed Securities	27,553	595	1,994	496	2,733	21,735
U.S. Treasury Bonds and Notes	21,865	18,450	1,443	266	1,641	65
Non-U.S. Government Bonds	5,021	208	2,867	86	1,860	-
	84,651	20,573	7,279	6,211	22,178	28,410
Equity Investments	117,570	-	-	-	-	117,570
Real Estate Funds	19,501	-	-	-	-	19,501
Total	221,722	\$ 20,573	\$7,279	\$6,211	\$22,178	\$165,481

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Investment Type	Total Amount	Credit Rating as of 9/30/2023				
		AA+/ AAA	AA	A	< BAA	Not Rated
Fixed Income Investments:						
Agency	\$ 1,352	\$ 12	\$ 22	\$ 197	\$ 1,010	\$ 111
Corporate Bonds and Notes	33,070	2,861	586	4,254	18,575	6,794
Mortgage-Backed Securities	20,428	35	63	572	2,926	16,832
U.S. Treasury Bonds and Notes	20,857	18,223	400	301	1,845	88
Non-U.S. Government Bonds	4,307	2,132	504	207	1,456	8
	80,014	23,263	1,575	5,531	25,812	23,833
Equity Investments	93,072	-	-	-	-	93,072
Real Estate Funds	24,940	-	-	-	-	24,940
Total	\$ 198,026	\$ 23,263	\$ 1,575	\$5,531	\$25,812	\$141,845

Custodial Credit Risk for Investments – Approximately 64% (\$142,566) of the Plan’s Net Position represents investments in external investment pools and open-ended mutual funds for 2024 compared to 67% (\$132,795) for 2023. The existence of these investments is not evidenced by securities that exist in physical form, and therefore, they are not exposed to custodial credit risk. The investments managed by Garcia Hamilton & Associates, Jo Hambro, Earnest Partners, and Seizert Capital Partners represent approximately 36% (\$79,156) of the total net position of the Plan for 2024 compared to approximately 33% (\$65,231) for 2023, are registered in the name of the Plan and therefore, are not exposed to custodial credit risk.

Concentration of Credit Risk—No individual investment in any issuer represents five percent or more of the Plan’s net position. In the investment portfolios managed separately, Garcia Hamilton & Associates and Seizert Capital Partners represented more than 5% of the DB Plan’s net position as of September 30, 2024, or 2023.

Interest Rate Risk – On September 30, 2024, the Plan’s portfolio consists of 53% (\$117,570) equity investments, 9% (\$19,501) real estate funds, and 38% (\$84,651) debt securities. As of September 30, 2023, the DB Plan’s portfolio consisted of 47% (\$93,072) equity investments, 13% (\$24,940) real estate funds, and 40% (\$80,013) debt securities. Information about the sensitivity of the fair values of the DB Plan’s investments to market interest rate fluctuation as of September 30, 2024, and 2023, are shown below:

Investment Type	Total Amount	Maturity (in Months) as of 9/30/2024				
		12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Not Applicable
Fixed Income Investments:						
Agency	\$513	\$47	\$-	\$-	\$ 466	\$-
Corporate Bonds and Notes	29,699	248	2,790	8,240	12,788	5,633
Mortgage-Backed Securities	27,553	-	100	182	27,271	-
U.S. Treasury Bonds and Notes	21,865	208	-	579	19,990	1,088
Non-U.S. Government Bonds	5,021	610	-	-	4,411	-
	84,651	1,113	2,890	9,001	64,926	6,721
Equity Investments	117,570	-	-	-	-	117,570
Real Estate Funds	19,501	-	-	-	-	19,501
Total	\$221,722	\$1,113	\$2,890	\$9,001	\$64,926	\$143,792

Investment Type	Total Amount	Maturity (in Months) as of 9/30/2023				
		12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Not Applicable
Fixed Income Investments:						
Agency	\$1,352	\$392	\$-	\$-	\$960	\$-
Corporate Bonds and Notes	33,070	2,633	1,733	10,337	16,649	1,718
Mortgage-Backed Securities	20,428	34	2	373	20,019	-
U.S. Treasury Bonds and Notes	20,857	551	103	35	19,868	300
Non-U.S. Government Bonds	4,307	-	-	-	4,307	-
	80,014	3,610	1,838	10,745	61,803	2,018
Equity Investments	93,072	-	-	-	-	93,072
Real Estate Funds	24,940	-	-	-	-	24,940
Total	\$198,026	\$3,610	\$1,838	\$10,745	\$61,803	\$120,030

Foreign Currency Risk—Some of the DB Plan’s investments were in international mutual funds, but the mutual funds are denominated in U.S. dollars and are not exposed to foreign currency risk.

Fair Value—DB Plan investments have the following fair value measurements as of September 30, 2024, and 2023:

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Fair Value Measurements as of 9/30/2024

Investment Type	Total Amount	Level 1	Level 2	Level 3
Agency	\$513	\$-	\$513	\$-
Corporate Bonds and Notes	23,383	-	23,383	-
Mortgage-Backed Securities	27,553	-	27,553	-
U.S. Treasury Bonds and Notes	21,865	-	21,865	-
Non-U.S. Government Bonds	5,021	-	5,021	-
Equity Investments	85,035	85,035	-	-
Total	163,370	\$85,035	\$78,335	\$-
Investments Measured at Net Asset Value				
Domestic Equity and Collective Trust	26,402			
Alternative Investments:				
Private Equity	12,449			
Real Estate	19,501			
Total Alternative Investments	31,950			
Total Investment Measured at Net Asset Value	58,352			
Total Investments Measured at Fair Value	\$221,722			

Fair Value Measurements as of 9/30/2023

Investment Type	Total Amount	Level 1	Level 2	Level 3
Agency	\$1,352	\$-	\$1,352	\$-
Corporate Bonds and Notes	26,871	-	26,871	-
Mortgage-Backed Securities	20,428	-	20,428	-
U.S. Treasury Bonds and Notes	20,857	-	20,857	-
Non-U.S. Government Bonds	4,307	-	4,307	-
Equity Investments	68,898	68,898	-	-
Total	142,713	\$68,898	\$73,815	\$-
Investments Measured at Net Asset Value				
Domestic Equity and Collective Trust	19,371			
Alternative Investments:				
Private Equity	11,002			
Real Estate	24,940			
Total Alternative Investments	35,942			
Total Investment Measured at Net Asset Value	55,313			
Total Investments Measured at Fair Value	\$198,026			

Other Post-Employment Benefits (OPEB) Plan

The OPEB Plan is a single-employer defined benefit plan that provides health care and life insurance to eligible retirees and their spouses through DART's group health plan and group life plan, which covers active and retired employees. Post-65 retirees are covered by a separate Medicare Advantage Plan. Eligibility criteria for the post-employment health care and life insurance benefits are as follows: Participants of the defined benefit pension plan will be eligible at age 55 with a minimum of 10 years of service to DART. Participants of the defined contribution pension plan will be eligible at age 60 with a minimum of 10 years of service to DART. DART administers the OPEB Plan and does not issue stand-alone financial reports.

OPEB Plan Investments – In accordance with the OPEB Plan's investment policy, the trustee invests in, among others, obligations of the U.S. or its agencies and instrumentalities, domestic equity, international equity, and fixed-income investments. DART established the OPEB Plan investment policy and can amend it as needed. There was no amendment to the OPEB investment policy during FY 2024.

Interest Rate Risk—All the OPEB Plan's investments were in mutual funds, which, by design, provide ownership of shares within the fund and are not exposed to interest rate risk.

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Credit Risk—The tables below show ratings for each investment type as of September 30, 2024, and 2023.

Investment Type	Total Amount	Credit Ratings as of 9/30/2024						Cash or Not Rated
		AAA/m	AAA/Aaa	AA/Aa	A	BBB/Baa	< BBB/Baa	
Cash and cash equivalent	\$264	\$264	\$-	\$-	\$-	\$-	\$-	\$-
Equity	44,443	-	-	-	-	-	-	44,443
Fixed income	28,923	-	10,234	7,127	3,179	5,256	1,120	2,007
	<u>\$73,630</u>	<u>\$264</u>	<u>\$10,234</u>	<u>\$7,127</u>	<u>\$3,179</u>	<u>\$5,256</u>	<u>\$1,120</u>	<u>\$46,450</u>

Concentration of Credit Risk – All the OPEB Plan’s investments were invested in mutual funds, which hold securities from many issuers, thereby minimizing the credit risk from a single issuer.

Investment Type	Total Amount	Credit Ratings as of 9/30/2023						Cash or Not Rated
		AAA/m	AAA/Aaa	AA/Aa	A	BBB/Baa	< BBB/Baa	
Cash and cash equivalent	\$535	\$535	\$-	\$-	\$-	\$-	\$-	\$-
Equity	37,478	-	11	458	51	65	38	36,855
Fixed income	23,601	-	7,842	5,407	2,823	4,877	985	1,667
	<u>\$61,614</u>	<u>\$535</u>	<u>\$7,853</u>	<u>\$5,865</u>	<u>\$2,874</u>	<u>\$4,942</u>	<u>\$1,023</u>	<u>\$38,522</u>

Custodial Credit Risk –All the OPEB Plan’s investments were invested in mutual funds, which by design provide ownership of shares within the fund and are not exposed to custodial credit risk.

Foreign Currency Risk –Some of the OPEB Plan’s investments were invested in international mutual funds, but the mutual funds are denominated in U.S. dollars and are not exposed to foreign currency risk.

Fair Value –DART has the following fair value measurements as of September 30, 2024, and 2023:

Fair Value Measurements as of 9/30/2024				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Cash and cash equivalent	\$264	\$264	\$-	\$-
Mutual Funds – Equity	44,443	44,443	-	-
Mutual Funds – Fixed Income	28,923	28,923	-	-
Total	<u>\$73,630</u>	<u>\$73,630</u>	<u>\$-</u>	<u>\$-</u>

Fair Value Measurements as of 9/30/2023				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Cash and cash equivalent	\$535	\$535	\$-	\$-
Mutual Funds – Equity	37,478	37,478	-	-
Mutual Funds – Fixed Income	23,601	23,601	-	-
Total	<u>\$61,614</u>	<u>\$61,614</u>	<u>\$-</u>	<u>\$-</u>

DART Capital Accumulation Plan and Trust (the Plan)

The Plan is a single-employer defined contribution retirement plan designed to provide retirement benefits to all full-time DART employees. Participants should refer to the Plan Document for more detailed information.

The Plan is administered by a retirement committee of at least five members appointed by DART’s President & Chief Executive Officer. DART has an agreement whereby the Trustee receives Plan contributions and allocates such contributions to the appropriate fund managers, as directed by the Plan participants. The investment income of each fund is credited to each participant’s account at the end of each day based on the account’s relative percentage in each fund to the total net position available for Plan benefits in each fund prior to credit for such income.

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Credit Risk –The tables below show the ratings of the underlying investments of the investment funds held by the plan as of December 31, 2023, and 2022.

Investment Type	Total Amount	Credit Rating as of 12/31/2023				
		Aa+/ Aaa	Aa	A	Baa	Not Rated
Short-Term Investments and Bonds	\$59,152	\$38,432	\$3,465	\$11,980	\$3,746	\$1,529
Balanced (Bonds and Stocks)	108,507	-	-	-	-	108,507
Domestic Equity (Stocks)	98,811	-	-	-	-	98,811
International Equity (Stocks)	26,696	-	-	-	-	26,696
Total Investments	\$293,166	\$38,432	\$3,465	\$11,980	\$3,746	\$235,543

Investment Type	Total Amount	Credit Rating as of 12/31/2022				
		Aa+/ Aaa	Aa	A	Baa	Not Rated
Short-Term Investments and Bonds	\$56,948	\$36,436	\$3,576	\$12,157	\$3,053	\$1,726
Balanced (Bonds and Stocks)	92,211	-	-	-	-	92,211
Domestic Equity (Stocks)	79,301	-	-	-	-	79,301
International Equity (Stocks)	19,746	-	-	-	-	19,746
Total Investments	\$248,206	\$36,436	\$3,576	\$12,157	\$3,053	\$192,984

Custodial Credit Risk –All the Plan’s investments are in open-ended mutual funds and a common collective trust fund. The existence of these investments is not evidenced by securities that exist in physical book-entry form, and therefore, they are not exposed to custodial credit risk.

Concentration of Credit Risk –All the investments held for the Plan are in mutual funds or a common collective trust fund.

Interest Rate Risk –The Plan’s balanced and equity investments portfolio was \$234,014 (80%) in 2023 compared to \$191,258 (77%) in 2022. Short-term investment and bonds were \$59,152 (20%) in 2023 compared to \$56,948 (23%) in 2022. Information about the sensitivity of the fair values of the Plan’s investments to market interest rate fluctuation as of December 31, 2023, and 2022, is shown below.

Investment Type	Total Amount	Maturity in Years as of 12/31/2023						N/A
		<1 Year	1-5 Years	5-10 Years	10-20 Years	20-30 Years	>30 Years	
Short-Term Investments and Bonds	\$59,152	\$4,375	\$30,516	\$18,663	\$2,380	\$3,218	\$-	\$-
Balanced (Bonds and Stocks)	108,507	-	-	-	-	-	-	108,507
Domestic Equity (Stocks)	98,811	-	-	-	-	-	-	98,811
International Equity (Stocks)	26,696	-	-	-	-	-	-	26,696
Total	\$293,166	\$4,375	\$30,516	\$18,663	\$2,380	\$3,218	\$-	\$234,014

Investment Type	Total Amount	Maturity in Years as of 12/31/2022						N/A
		<1 Year	1-5 Years	5-10 Years	10-20 Years	20-30 Years	>30 Years	
Short-Term Investments and Bonds	\$56,948	\$4,783	\$29,248	\$16,944	\$3,452	\$958	\$1,563	\$-
Balanced (Bonds and Stocks)	92,211	-	-	-	-	-	-	92,211
Domestic Equity (Stocks)	79,301	-	-	-	-	-	-	79,301
International Equity (Stocks)	19,746	-	-	-	-	-	-	19,746
Total	\$248,206	\$4,783	\$29,248	\$16,944	\$3,452	\$958	\$1,563	\$191,258

Foreign Currency Risk –Some of the Plan’s investments were invested in international mutual funds, but the mutual funds are denominated in U.S. dollars and are not exposed to foreign currency risk.

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NOTES TO THE FINANCIAL STATEMENTS**

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Fair Value –The tables below show the fair value measurements of the underlying investments of the investment funds held by the plan as of December 31, 2023 and 2022.

Fair Value Measurements as of 12/31/2023				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Short-Term Investments and Bonds	\$28,204	\$28,204	-	-
Balanced (Bonds and Stocks)	108,507	108,507	-	-
Domestic Equity (Stocks)	98,811	98,811	-	-
International Equity (Stocks)	26,696	26,696	-	-
Total	<u>\$262,218</u>	<u>\$262,218</u>	<u>\$ -</u>	<u>\$ -</u>

Investments Measured at Net Asset Value (NAV)	Total Amount	Redemption Frequency	Redemption Notice Period
Short-term Investments and Bonds	<u>\$30,948</u>	Not limited	None
Total Investments	<u>\$293,166</u>		

Fair Value Measurements as of 12/31/2022				
Investment Type	Total Amount	Level 1	Level 2	Level 3
Short-Term Investments and Bonds	\$21,999	\$21,999	-	-
Balanced (Bonds and Stocks)	92,211	92,211	-	-
Domestic Equity (Stocks)	79,301	79,301	-	-
International Equity (Stocks)	19,746	19,746	-	-
Total	<u>\$213,257</u>	<u>\$213,257</u>	<u>\$ -</u>	<u>\$ -</u>

Investments Measured at Net Asset Value (NAV)	Total Amount	Redemption Frequency	Redemption Notice Period
Short-term Investments and Bonds	<u>\$34,949</u>	Not limited	None
Total Investments	<u>\$248,206</u>		

DART Retirement Plan and Trust (the Plan)

The Plan is a single-employer defined contribution retirement plan designed to provide retirement benefits to all full-time DART employees. Participants should refer to the Plan Document for more detailed information.

The Plan is administered by a retirement committee of eight members appointed by DART’s President & Chief Executive Officer. DART has the right to amend this Plan to the extent it may deem advisable, provided that no such amendment shall impair or adversely affect the right of any participant that has matured, and no such amendment shall increase the duties or responsibilities of the Trustee without its consent given in writing. Although the employer has not expressed any intent to discontinue the Plan, it reserves the right in its sole discretion to do so. In such an event, each participant shall have a non-forfeitable right in 100% of their account balance.

The Plan’s assets are held in the DART Retirement Plan and Trust. Except for the Vanguard Retirement Savings Trust, which is held at contract value, the Plan’s investments are stated at fair value.

Credit Risk –The tables below show the ratings of the underlying investments of the investment funds held by the plan as of December 31, 2023 and 2022.

Investment Type	Total Amount	Credit Rating as of 12/31/2023				
		Aa+/Aaa	Aa	A	Baa	Not Rated
Short-Term Investments and Bonds	\$139,340	\$97,027	\$6,425	\$23,410	\$9,956	\$2,522
Domestic Equity (Stocks)	91,560	-	-	-	-	91,560
International Equity (Stocks)	50,048	-	-	-	-	50,048
Real Estate Funds	13,710	-	-	-	-	13,710
Total Investments	<u>\$294,658</u>	<u>\$97,027</u>	<u>\$6,425</u>	<u>\$23,410</u>	<u>\$9,956</u>	<u>\$157,840</u>

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Investment Type	Total Amount	Credit Rating as of 12/31/2022				
		Aa+/ Aaa	Aa	A	Baa	Not Rated
Short-Term Investments and Bonds	\$132,191	\$91,568	\$6,115	\$22,097	\$9,541	\$2,870
Domestic Equity (Stocks)	74,366	-	-	-	-	74,366
International Equity (Stocks)	42,980	-	-	-	-	42,980
Real Estate Funds	12,045	-	-	-	-	12,045
Total Investments	\$261,582	\$91,568	\$6,115	\$22,097	\$9,541	\$132,261

Custodial Credit Risk –All the Plan’s investments are in open-ended mutual funds and a common collective trust fund. The existence of these investments is not evidenced by securities that exist in physical book-entry form, and therefore, they are not exposed to custodial credit risk.

Concentration of Credit Risk –. All the investments held for the Plan are in mutual funds or a common collective trust fund.

Interest Rate Risk –The Plan’s equity and real estate investments portfolio was \$155,318 (53%) in 2023 compared to \$129,391 (49%) in 2022. Debt securities were \$139,340 (47%) in 2023 compared to \$132,191 (51%) in 2022. Information about the sensitivity of the fair values of the Plan’s investments to market interest rate fluctuation as of December 31, 2023, and 2022, is shown below:

Investment Type	Total Amount	Maturity in Years as of 12/31/2023						N/A
		<1 Year	1-5 Years	5-10 Years	10-20 Years	20-30 Years	>30 Years	
Short-Term Investments and Bonds	\$139,340	\$6,942	\$88,311	\$33,838	\$4,304	\$5,945	\$-	\$-
Domestic Equity (Stocks)	91,560	-	-	-	-	-	-	91,560
International Equity (Stocks)	50,048	-	-	-	-	-	-	50,048
Real Estate Funds	13,710	-	-	-	-	-	-	13,710
Total	\$294,658	\$6,942	\$88,311	\$33,838	\$4,304	\$5,945	\$-	\$155,318

Investment Type	Total Amount	Maturity in Years as of 12/31/2022						N/A
		<1 Year	1-5 Years	5-10 Years	10-20 Years	20-30 Years	>30 Years	
Short-Term Investments and Bonds	\$132,191	\$7,171	\$81,030	\$31,352	\$6,736	\$3,033	\$2,869	\$-
Domestic Equity (Stocks)	74,366	-	-	-	-	-	-	74,366
International Equity (Stocks)	42,980	-	-	-	-	-	-	42,980
Real Estate Funds	12,045	-	-	-	-	-	-	12,045
Total	\$261,582	\$7,171	\$81,030	\$31,352	\$6,736	\$3,033	\$2,869	\$129,391

Foreign Currency Risk –Some of the Plan’s investments were invested in international mutual funds, but the mutual funds are denominated in U.S. dollars and are not exposed to foreign currency risk.

Fair Value –. DART has the following fair value measurements as of December 31, 2023, and 2022:

Fair Value Measurement as of 12/31/2023				
	Total Amount	Level 1	Level 2	Level 3
Short-Term Investments and Bonds	\$89,881	\$89,881	\$-	\$-
Domestic Equity (Stocks)	91,560	91,560	-	-
International Equity (Stocks)	50,048	50,048	-	-
Real Estate Funds	13,710	13,710	-	-
Total	\$245,199	\$245,199	\$-	\$-

Investments Measured at Net Asset Value (NAV)	Total Amount	Redemption Frequency	Redemption Notice Period
Short-term Investments and Bonds	\$49,459	Not limited	None
Total Investments	\$294,658		

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Fair Value Measurement as of 12/31/2022				
	<u>Total Amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-Term Investments and Bonds	\$84,393	\$84,393	\$-	\$-
Domestic Equity (Stocks)	74,366	74,366	-	-
International Equity (Stocks)	42,980	42,980	-	-
Real Estate Funds	12,045	12,045	-	-
Total	<u>\$213,784</u>	<u>\$213,784</u>	<u>\$-</u>	<u>\$-</u>

Investments Measured at Net Asset Value (NAV)	<u>Total Amount</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Short-term Investments and Bonds	<u>\$47,798</u>	Not limited	None
Total Investments	<u>\$261,582</u>		

5. RESTRICTED ASSETS

As security for its senior lien obligations (bonds) and senior subordinate lien obligations (commercial paper notes), DART is required to maintain a certain amount of money in trust accounts created for this purpose. The money maintained in the trust accounts is reported as *Restricted investments held by trustee for debt service* in the Statements of Net Position. The trustee uses all the monies and investments in the account for payment of principal, interest for bonds and commercial paper notes, and administrative expenses. Restricted assets shown in the Statements of Net Position also include debt proceeds that will be used to fund capital expenditures. From time to time, DART enters into advance funding agreements with different entities and receives money for capital projects. The remaining balances of these monies are shown as *Restricted investments held for advance funding agreements* in the Statements of Net Position.

DART issues short-term debt (commercial paper notes) and long-term debt (bonds) as needed to pay for capital project costs. Due to unavoidable timing differences between the time debt is issued and the time the capital project cost is paid, unspent debt proceeds are held in investments. Such amounts are shown as *Restricted investments held for system expansion and acquisition* in the Statements of Net Position.

DART also entered an equity security agreement that required it to set aside certain investments as security for a certain lease/leaseback obligation. In FY 2024, DART exercised a purchase option and fully paid the capital lease/leaseback liability. The amounts set aside for this purpose \$0 as of September 30, 2024, compared to \$2,133 as of September 30, 2023. These amounts are shown as *Restricted investments held as security for capital lease/leaseback liabilities* in the Statements of Net Position.

6. INVESTMENT IN JOINT VENTURE

DART and Trinity Metro jointly provide commuter rail service between downtown Dallas and downtown Fort Worth. The authorities have adopted the name *Trinity Railway Express* (TRE) to provide this service. The operation and maintenance of commuter rail service is contracted to Herzog Transit Services, Inc. The cost of operating TRE, net of operating revenues, is shared between DART and Trinity Metro based on revenue linear single-track miles operated in Dallas County and Tarrant County, respectively. The transit authorities separately contributed the capital for the passenger stations and track storage areas in their respective counties, including fixtures and fare collection equipment at those stations. DART and Trinity Metro have jointly contributed the capital for seven rehabilitated locomotives, two new locomotives, 10 rehabilitated bi-level coaches, five new bi-level coaches, two rehabilitated bi-level cab cars, and five new bi-level cab cars. The book value of DART's share of these capital assets jointly owned with Trinity Metro is recorded as *Investment in Joint Venture* in the Statements of Net Position in accordance with GASB Statement No. 61. There are no separate financial statements for the TRE. Each authority includes its share of revenues, operating costs, and capital assets in its own financial statements.

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7. CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2024, are shown as follows:

	Beginning 10/1/2023	Additions	Disposals	Net Transfers/ Adjustments	Ending 9/30/2024
Non-Depreciable Assets					
Land and right-of-way	\$ 616,220	\$-	\$-	\$-	\$ 616,220
Capital projects in progress	1,272,508	537,804	-	(36,499)	1,773,813
Total non-depreciable assets	1,888,728	537,804	-	(36,499)	2,390,033
Depreciable Assets					
Transitways	4,102,026	-	-	965	4,102,991
Buildings and improvements	875,015	-	-	429	875,444
Revenue and non-revenue vehicles and equipment	1,278,145	-	(255)	24,584	1,302,474
Furniture, fixtures, and leasehold improvements	125,819	-	(59)	10,521	136,281
Total depreciable assets	6,381,005	-	(314)	36,499	6,417,190
Less accumulated depreciation					
Transitways	2,153,010	138,620	-	-	2,291,630
Buildings and improvements	565,448	41,179	-	-	606,627
Revenue and non-revenue vehicles and equipment	976,442	58,039	(255)	-	1,034,226
Furniture, fixtures, and leasehold improvements	105,487	3,098	(59)	-	108,526
Total accumulated depreciation	3,800,387	240,936	(314)	-	4,041,009
Depreciable assets, net	2,580,618	(240,936)	-	36,499	2,376,181
Right-to-Use Assets					
Buildings	6,057	893	(4,395)	-	2,555
Equipment	330	-	(76)	-	254
SBITA	37,161	11,546	(8,397)	-	40,310
Total right-to-use assets	43,548	12,439	(12,868)	-	43,119
Less accumulated amortization					
Buildings	1,093	598	(348)	-	1,343
Equipment	97	41	(76)	-	62
SBITA	12,114	9,023	(8,397)	-	12,740
Total accumulated amortization	13,304	9,662	(8,821)	-	14,145
Right-to-use assets, net	30,244	2,777	(4,047)	-	28,974
Total capital assets	\$4,499,590	\$299,645	\$(4,047)	\$-	\$4,795,188

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Changes in capital assets for the year ended September 30, 2023, are shown as follows:

	Beginning 10/1/2022	Additions	Disposals	Net Transfers/ Adjustments	Ending 9/30/2023
Non-Depreciable Assets					
Land and right-of-way	\$ 618,739	\$-	\$(2,519)	\$-	\$ 616,220
Capital projects in progress	813,844	484,498	-	(25,834)	1,272,508
Total non-depreciable assets	<u>1,432,583</u>	<u>484,498</u>	<u>(2,519)</u>	<u>(25,834)</u>	<u>1,888,728</u>
Depreciable Assets					
Transitways	4,097,428	-	-	4,598	4,102,026
Buildings and improvements	873,527	-	(1,079)	2,567	875,015
Revenue and non-revenue vehicles and equipment	1,295,083	550	(25,377)	7,889	1,278,145
Furniture, fixtures, and leasehold improvements	140,695	-	(25,656)	10,780	125,819
Total depreciable assets	<u>6,406,733</u>	<u>550</u>	<u>(52,112)</u>	<u>25,834</u>	<u>6,381,005</u>
Less accumulated depreciation					
Transitways	2,014,523	138,487	-	-	2,153,010
Buildings and improvements	524,808	41,706	(1,066)	-	565,448
Revenue and non-revenue vehicles and equipment	941,681	60,664	(25,903)	-	976,442
Furniture, fixtures, and leasehold improvements	106,317	5,029	(5,859)	-	105,487
Total accumulated depreciation	<u>3,587,329</u>	<u>245,886</u>	<u>(32,828)</u>	<u>-</u>	<u>3,800,387</u>
Depreciable assets, net	<u>2,819,404</u>	<u>(245,336)</u>	<u>(19,284)</u>	<u>25,834</u>	<u>2,580,618</u>
Right-to-Use Assets					
Buildings	2,546	4,395	(884)	-	6,057
Equipment	330	-	-	-	330
SBITA	32,073	5,290	(202)	-	37,161
Total right-to-use assets	<u>34,949</u>	<u>9,685</u>	<u>(1,086)</u>	<u>-</u>	<u>43,548</u>
Less accumulated amortization					
Buildings	559	700	(166)	-	1,093
Equipment	41	56	-	-	97
SBITA	6,281	6,035	(202)	-	12,114
Total accumulated amortization	<u>6,881</u>	<u>6,791</u>	<u>(368)</u>	<u>-</u>	<u>13,304</u>
Right-to-use assets, net	<u>28,068</u>	<u>2,894</u>	<u>(718)</u>	<u>-</u>	<u>30,244</u>
Total capital assets	<u><u>\$4,280,055</u></u>	<u><u>\$242,056</u></u>	<u><u>\$(22,521)</u></u>	<u><u>\$-</u></u>	<u><u>\$4,499,590</u></u>

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

Description	Years
Buildings and improvements	20-30
Buses and equipment	4-12
Furniture, fixtures, and leasehold improvements	3-10
Facilities and transitways (LRT system and HOV lanes)	20-30
Light rail transit vehicles and commuter rail vehicles	25
Rebuilt/remanufactured rail cars	10

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8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND REPAYMENT DUE TO STATE COMPTROLLER

Accounts payable and accrued liabilities as of September 30, 2024, and 2023, are as follows:

Description	FY 2024	FY 2023
Accounts payable and accrued liabilities		
Payroll	\$19,732	\$16,957
Accrued paid time off (PTO), vacation, and sick leave	31,254	28,387
Self-insurance liabilities	29,250	31,137
Other operating liabilities	40,267	61,787
Total operating expenses related	120,503	138,268
Non-operating expense and capital-related	80,431	94,021
Total accounts payable and accrued liabilities	200,934	232,289
Noncurrent	48,925	45,854
Current	\$152,009	\$186,435

9. ACCRUED PAID TIME OFF (PTO) VACATION AND SICK LEAVE

Changes in accrued PTO, vacation, and sick leave as of September 30, 2024, and 2023, are as follows:

Description	FY 2024	FY 2023
Beginning balance	\$28,387	\$27,717
Additions	4,456	1,624
Payments	(1,589)	(954)
Ending balance	31,254	28,387
Noncurrent	29,889	25,709
Amounts due in one year	\$1,365	\$2,678

10. LOCAL ASSISTANCE PROGRAMS

In January 2017, DART created the Transit-Related Improvement Program (TRIP). This program provides alternative mobility benefits to eligible non-rail cities by funding transit-related improvement projects. Eligible municipalities are Cockrell Hill, Glenn Heights, Highland Park, and University Park. The maximum amount of annual DART funding for any municipal project is 21% of the annual projected DART sales tax revenue from such city. To be eligible for reimbursement, a project must be authorized under and consistent with the provisions of Chapter 452 of the Texas Transportation Code. DART gives consideration and weight to projects that enhance transportation modes provided by DART, public transit safety, ridership, or efficiency anywhere in the DART service area, and innovative approaches to public transportation. TRIP will end on September 30, 2025. Under TRIP, DART paid \$2,279 to eligible non-rail cities in FY 2024, compared to \$8,620 in FY 2023.

11. LEASES – LESSOR

DART as a lessor enters various lease contracts related to land, buildings, and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. At the commencement of a lease, DART initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments related to leases include how DART determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) lease receipts. DART uses its incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives payable to the lessee. Lease information where DART acts as a lessor is below. DART did not incur any inflows related to its lease activities related to residual value guarantees or lease termination penalties. The table below shows the inflows of resources recognized during FY 2024.

Leased Asset	Inflows of Resources	Interest Revenue	Total
Land	\$168	\$48	\$216
Building	7	12	19
Equipment	752	340	1,092
Total Leased Assets	\$927	\$ 400	\$1,327

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The table below shows the minimum principal and interest lease receivable requirements for DART's leasing activities, with a remaining term of more than one year as of September 30, 2024.

Year Ended 9/30	Beginning Receivable Balance	Principal	Interest	Total Minimum Payments	Ending Receivable Balance
2024	\$19,575	\$774	\$409	\$1,183	\$18,801
2025	18,801	768	395	1,163	18,033
2026	18,033	776	380	1,156	17,257
2027	17,257	790	365	1,155	16,467
2028	16,467	806	349	1,155	15,661
2029	15,661	827	333	1,160	14,834
2030 – 2034	14,834	3,887	1,431	5,318	10,947
2035 - 2039	10,947	3,032	1,057	4,089	7,915
2040 - 2044	7,915	2,334	773	3,107	5,581
2045 – 2049	5,581	2,588	502	3,090	2,993
2050 - 2054	2,993	2,272	206	2,478	721
2055 - 2059	721	311	60	371	410
2060 - 2064	410	32	44	76	378
2065 - 2069	378	35	40	75	343
2070 - 2074	343	39	36	75	304
2075 – 2079	304	44	31	75	260
2080 - 2084	260	49	26	75	211
2085 – 2089	211	54	21	75	157
2090 – 2094	157	60	15	75	97
2095 - 2099	97	68	8	76	29
2100 - 2101	29	29	1	30	-
TOTAL		<u>\$18,801</u>	<u>\$6,073</u>	<u>\$24,874</u>	

Certain lease agreements contain terms of variable payments that depend on percentage rent based on revenue or on a price index. As a result, the lease receivable is modified during the term of the lease. Possible future increases in variable lease payments are not considered as part of the lease receivable until effective. At that time, the lease receivable is reassessed, and the deferred inflows of resources are adjusted. The inflow of resources not previously included in the measurement of future minimum lease payments was \$648 as of September 30, 2024.

12. LEASES – LESSEE

DART, as a lessee, enters non-cancelable lease contracts related to buildings and equipment. DART recognizes lease liabilities with an initial individual value of \$5,000 or more. At the commencement of a lease, DART measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is first measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or its useful life (see note 7). Key estimates and judgments related to leases include how DART determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments. DART uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, the purchase option price DART is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments reasonably certain of being required based on an assessment of all relevant factors. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Lease information where DART acts as a lessee is below. DART did not incur any outflows related to its lease activities related to residual value guarantees, lease termination penalties, or losses due to impairment.

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The table below shows the minimum principal and interest lease payment requirements for its leasing activities with a remaining of more than one year as of September 30, 2024.

Year Ended 9/30	Beginning Liability Balance	Additions	Disposals	Principal	Interest	Total Minimum Payments	Changes in Accrued Interest	Ending Liability Balance
2024	\$5,185	\$885	\$4,241	\$505	\$56	\$561	(\$14)	\$1,310
2025	\$1,310	\$-	\$-	\$439	\$22	\$461	\$-	\$871
2026	871	-	-	90	19	109	-	781
2027	781	-	-	93	17	110	-	688
2028	688	-	-	96	15	111	-	592
2029	592	-	-	100	13	113	1	493
2030 – 2034	493	-	-	492	27	519	(1)	-
TOTAL				\$1,310	\$113	\$1,423		

Certain lease agreements contain terms of variable payments that depend on a price index, fees, utilities, usage, and miscellaneous expenses. As a result, the lease payable is modified during the term of the lease. Possible future increases in variable lease payments are considered as part of the lease payable until effective. At that time, the lease payable is reassessed, and the right-of-use asset is adjusted. The outflow of resources not previously included in the measurement of future minimum lease payments was \$75 as of September 30, 2024.

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

DART has entered various contractual agreements that convey control of the right to use a third-party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

DART uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service (see note 7). The related obligations are presented in amounts equal to the present value of subscription payments, payable during the remaining SBITA term. DART has a variety of variable payment clauses within its SBITA arrangements, including variable payments based on future performance and usage of the underlying asset. DART did not incur any expenses related to its SBITA activities, such as termination penalties not previously included in the measurement of the SBITA liability or losses due to impairment. There are no commitments related to SBITA terms that did not commence as of September 30, 2024.

The table below shows the minimum principal and interest lease payment requirements for its SBITA activities, with a remaining term of more than one year as of September 30, 2024.

Year Ended 9/30	Beginning Liability Balance	Additions	Principal	Interest	Total Minimum Payments	Changes in Accrued Interest	Ending Liability Balance
2024	\$9,912	\$8,046	\$2,173	\$71	\$2,244	\$167	\$15,952
2025	\$15,952	\$-	\$5,505	\$224	\$5,729	(\$69)	\$10,378
2026	10,378	-	4,962	127	5,089	(67)	5,349
2027	5,349	-	1,922	41	1,963	(15)	3,412
2028	3,412	-	1,920	20	1,940	(16)	1,476
2029	1,476	-	756	1	757	-	720
2030 – 2031	720	-	720	1	721	-	-
TOTAL			\$15,785	\$ 414	\$16,199		

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14. FINANCE OBLIGATIONS UNDER CAPITAL LEASE/LEASEBACK

DART entered lease transactions where certain capital assets were leased to investors (head lease) and simultaneously leased back (sublease). The sublease provided DART with an opportunity, at its sole discretion, to repurchase the assets on specified dates. DART maintained the right to use and control the assets through the lease term and was required to insure and maintain them. As of September 30, 2023, DART had one outstanding lease/leaseback obligation. In December 2023, DART exercised the repurchase option and fully paid the capital lease/leaseback liability. The headlease and sublease were recorded as a capital lease/leaseback for accounting purposes. The tables below show the outstanding DART capital lease/leaseback transaction and the asset's net book value as of September 30, 2023.

Lease Date	Property	Fair Value at Closing Date	Prepayment Received on Head Lease	Amount Invested to Satisfy Sublease Obligation	Cash Benefit	Repurchase Option Date	Sublease Termination Date
09/28/2000	28 light rail cars	\$91,000	\$91,000	\$84,000	\$7,000	01/02/2023	12/15/2023

Lease Date	Property	Net book value as of 9/30/2024	Net book value as of 9/30/2023
09/28/2000	28 light rail cars	Not applicable	\$3,698

The net present value of the future sublease payments was recorded as both a short-term and long-term liability in the Statements of Net Position for FY 2023. Prepayments from the headlease were invested to satisfy sublease obligations. Since the investments were structured to meet all future obligations under the sublease, the investment balances were recorded to equal the sublease liabilities in the Statements of Net Position. The benefits from these transactions, net of transaction costs, were recorded as non-operating revenues in the Statements of Revenues, Expenses, and Changes in Net Position in the fiscal year each transaction occurred.

The capital lease/leaseback liabilities are reported as follows on the Statements of Net Position:

	FY 2024	FY 2023
Amounts due within one year	\$-	\$8,524
Amounts due in more than one year	-	-
Total	\$-	\$8,524

The lease/leaseback agreement included specific performance obligations for DART if the Payment Undertaker insurer's financial rating dropped below a certain threshold. During FY 2010, the credit rating of the financial institution insuring DART's lease/leaseback transaction was downgraded below the levels specified in the lease/leaseback agreement. As a result, DART entered an amended agreement to reset the acceptable credit rating at or above BBB. DART also entered an additional equity security agreement requiring it to set aside certain investments as security. These amounts are shown as *Restricted investments held as security for capital lease/leaseback liabilities* in the Statements of Net Position. DART was not required to set aside funds for this purpose in FY 2024.

As of September 30, 2023, DART had only one outstanding lease/leaseback obligation. Changes in the capital lease/leaseback obligations for the two years ended September 30, 2024, and 2023, are shown in the following table:

Description	FY 2024	FY 2023
Beginning balance	\$8,524	\$131,082
Accrued interest	139	4,071
Payments	(8,663)	(126,629)
Ending balance	\$-	\$8,524

There will be no future minimum sublease payments as of September 30, 2024, since DART exercised the purchase option and terminated the lease in December 2023.

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15. SENIOR SUBORDINATE LIEN SALES TAX REVENUE COMMERCIAL PAPER NOTES PAYABLE

In January 2001, the DART Board approved the issuance of up to \$650 million in senior subordinate lien sales tax revenue commercial paper notes under the provisions of the Master Debt Resolution.

Commercial Paper Self-Liquidity (CPSL) Program – In June 2014, the DART Board approved a new CPSL Program that allowed DART to issue up to \$200 million in commercial paper notes backed by self-liquidity. Under this program, DART provides self-liquidity in an aggregate principal amount of \$200 million plus 90 days of interest calculated at an interest rate of 12% of the outstanding commercial paper debt. DART also maintains an unrestricted balance of at least 2.0 times the debt service coverage for the self-liquidity commercial paper notes and ensures no more than \$35 million of the commercial paper notes mature within five days. In September 2018, the DART Board authorized the reduction of the CPSL Program from \$200 million to \$125 million to reduce the coverage requirement. During FY 2024 and FY 2023, DART complied with the requirements of the self-liquidity program.

As of September 30, 2024, DART had \$62,308 in outstanding commercial paper notes payable and an unused \$62,692 line of credit under the CPSL Program.

Bank-Backed Commercial Paper Program – In November 2018, the DART Board authorized the establishment of a Bank-Backed Commercial Paper Program in the amount of \$125 million for interim financing of capital projects. DART entered a revolving credit agreement with JPMorgan Chase Bank, N.A. that allows DART to issue up to \$125 million in bank-backed commercial paper notes. Under this program, the Bank provides a liquidity facility that constitutes 270 days of interest at 10% on the maximum available principal of \$125 million, calculated based on the actual number of days and a 365-day year. This commercial paper program expired on August 15, 2024.

Commercial Paper Extendable Program – In November 2018, the DART Board approved a Commercial Paper Extendable Program that allows DART to issue up to \$125 million in commercial paper notes not to exceed 270 days outstanding and backed by the faith and credit of DART. As of September 30, 2024, and 2023, DART had an unused line of credit of \$125 million and zero outstanding commercial paper notes under the extendable program.

Commercial paper notes are from direct placements and are issued in blocks for terms ranging from 1 to 270 days. They are recorded as current liabilities on the Statements of Net Position. As of September 30, 2023, there were no outstanding commercial paper notes, and the average interest rate on outstanding commercial paper notes was 3.48% as of September 30, 2024.

Below are changes in the commercial paper notes for the years ended September 30, 2024, and 2023.

<u>Description</u>	<u>FY 2024</u>	<u>FY 2023</u>
Beginning balance	\$-	\$100
Additions	129,888	-
Retirement	<u>(67,580)</u>	<u>(100)</u>
Ending balance	<u>\$62,308</u>	<u>\$-</u>

DART has pledged sales and use tax and farebox revenues (pledged revenue) as security for commercial paper notes, equal to the remaining debt service requirements for these obligations. Commercial paper notes have subordinate liens to pledged revenue, while senior lien revenue bonds, TIFIA bonds, and RRIF bonds have senior liens to pledged revenues. No assets have been pledged as collateral to secure commercial paper notes except for money accumulated in the Subordinate Lien Debt Service Fund, which has matured as of September 30, 2024. The Master Debt Resolution, available at www.dart.org or by contacting our Chief Financial Officer at our corporate address, establishes the provisions, terms, and conditions and the security for, DART’s bonds, notes, and credit agreements. It includes a provision that in the event of a default, the trustee shall transfer all future gross sales tax revenues and apply them to debt service payments based on the times, order, and priority set forth in the Master Debt Resolution. In the event of a default, the Master Debt Resolution also contains a provision that no right of acceleration shall be granted unless that right is extended to holders and payees of all outstanding bond and credit agreement obligations.

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16. SENIOR LIEN REVENUE BONDS

The DART Board has approved several issuances in accordance with the Master Debt Resolution. These bonds are senior lien revenue bonds secured by, and payable from pledged revenues. Pertinent information related to each bond outstanding is shown below:

Bond Series	Board Approval Date	Original Issue Amount	Date Issued	Interest Rate (Yields) Range		Maturity Date Range		Optional Redemption	
				From	To	From	To	Bonds Maturing After	Earliest Call Date
2007 (a)	Jan. 2007	\$770,270	03/08/07	4.00%	5.30%	12/1/07	12/1/36	12/1/17	12/1/16
2009B	May 2009	829,615	06/25/09	6.00%	6.30%	12/1/23	12/1/44	12/1/34	5/31/19
2010B	Sep. 2010	729,390	10/07/10	4.90%	5.00%	12/1/37	12/1/48	Not applicable	
2014A (b)	Oct. 2014	379,480	12/11/14	2.00%	5.00%	12/1/17	12/1/36	12/1/25	12/1/24
2015 (c)	Nov. 2015	117,470	12/15/15	2.06%	2.30%	12/1/16	12/1/27	Not applicable	
2016B (d)	Mar. 2016	228,900	09/21/16	3.00%	5.00%	12/1/19	12/1/38	12/1/27	12/1/26
2019 (e)	Feb. 2019	301,095	04/08/19	5.00%	5.00%	12/1/24	12/1/35	12/1/30	12/1/29
2020A (f)	Dec. 2019	130,470	03/26/20	1.25%	5.00%	12/1/21	12/1/50	Not applicable	
2020B (g)	Dec. 2019	32,060	09/02/20	5.00%	5.00%	12/1/21	12/1/23	Not applicable	
2020C (h)	Dec. 2019	115,220	03/26/20	0.895%	2.816%	12/1/20	12/1/42	Not applicable	
2020D (i)	Nov. 2020	281,090	11/18/20	0.0247%	3.039%	06/1/21	12/1/42	Not applicable	
2021A (j)	Dec. 2021	576,355	12/01/21	2.034%	4.00%	06/1/22	12/1/48	Not applicable	
2021B (k)	Dec. 2021	448,965	12/01/21	3.00%	5.00%	12/1/40	12/1/51	Not applicable	

- (a) The Series 2007 bond issuance included \$328,235 to partially refund Series 2001 and 2002 bonds.
- (b) The Series 2014A bonds were issued to refund Series 2007 and 2008 bonds totaling \$403,125.
- (c) The Series 2015 bonds were issued to refund a portion of Series 2007 bonds totaling \$112,720. The Series 2015 bonds were issued with an initial taxable rate of 2.30% converting to a tax-exempt rate of 2.06% on 12/01/2016.
- (d) The Series 2016B bonds were issued to refund a portion of Series 2007, 2008, and 2009A bonds totaling \$252,440.
- (e) The Series 2019 bonds were issued to refund a portion of Series 2009B bonds totaling \$362,645.
- (f) The Series 2020A bonds were issued to refund a portion of TIFIA bonds totaling \$58,389 and to finance capital projects.
- (g) The Series 2020B bonds were issued to refund a portion of Series 2010A bonds totaling \$34,700.
- (h) The Series 2020C bonds were issued to refund a portion of Series 2012 bonds totaling \$105,835.
- (i) The Series 2020D bonds were issued to refund a portion of Series 2014A and 2014B bonds with total face value of \$235,435.
- (j) The Series 2021A bonds were issued to refund a portion of Series 2014A and 2014B bonds with a total face value of \$515,950.
- (k) The Series 2021B bonds were issued to refund a portion of TIFIA bonds totaling \$35,845.

In June 2009, DART issued and sold \$170,385 in tax-exempt senior lien sales tax revenue bonds (Series 2009A bonds) and \$829,615 in taxable senior lien sales tax revenue bonds (Series 2009B bonds) to finance capital expenditures for DART's system expansion and acquisition. The Series 2009B bonds are taxable bonds issued under the (BAB) program of the American Recovery and Reinvestment Act of 2009 (ARRA).

In October 2010, DART issued and sold \$95,235 in tax-exempt senior lien sales tax revenue bonds (Series 2010A bonds) and \$729,390 in taxable senior lien sales tax revenue bonds (Series 2010B bonds) to finance capital expenditures for DART's system expansion and acquisition. The Series 2010B bonds are taxable bonds issued under the ARRA BAB program.

Per ARRA, DART receives a tax credit from the U.S. Treasury equal to 35% of the interest payable on the Series 2009B and 2010B bonds. However, this tax credit was reduced by 5.7% in both FY 2024 and FY 2023 due to budget cuts or "sequestration" by the federal government. During FY 2023 and FY 2024, DART recorded BABs tax credits of \$21,246 (for Series 2009B and 2010B bonds combined) in the Statements of Revenues, Expenses and Changes in Net Position.

DART may not issue additional bonds unless gross sales and use tax revenues exceed maximum debt service by at least 200% for 12 of the last 18 months.

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Changes in revenue bonds (shown at par) for the years ended September 30, 2024, and 2023, are shown below:

Bond Series	Balance, 10/1/2022	Retirement	Balance, 9/30/2023	Retirement	Balance, 9/30/2024	Amounts Due in One Year
2007	\$118,395	\$-	\$118,395	\$-	\$118,395	\$-
2009B	466,970	-	466,970	-	466,970	-
2010B	729,390	-	729,390	-	729,390	-
2012	2,955	(2,955)	-	-	-	-
2014A	70,765	(24,825)	45,940	(16,060)	29,880	29,880
2015	68,370	(10,625)	57,745	(3,760)	53,985	13,080
2016A	-	-	-	-	-	-
2016B	169,760	(21,715)	148,045	-	148,045	-
2019	301,095	-	301,095	(19,215)	281,880	19,710
2020A	128,850	(1,700)	127,150	(1,755)	125,395	3,385
2020B	27,360	(4,950)	22,410	(22,410)	-	-
2020C	112,145	(1,560)	110,585	(4,625)	105,960	4,675
2020D	272,000	(5,945)	266,055	(4,340)	261,715	4,370
2021A	576,355	(3,715)	572,640	(3,865)	568,775	4,025
2021B	448,965	-	448,965	-	448,965	-
TOTAL	\$3,493,375	\$(77,990)	\$3,415,385	\$(76,030)	\$3,339,355	\$79,125

The revenue bonds shown above are at face value. The amounts shown in the Statements of Net Position include the unamortized balance of the original issuance premium of \$186,611 and \$200,922 as of September 30, 2024, and 2023, respectively. Below is a summary of debt service requirements of the senior lien revenue bonds outstanding as of September 30, 2024:

Year Ended September 30	Principal	Interest	Total Debt Service	Build America Bonds Tax Credit	Net Debt Service
2025	79,125	141,537	220,662	(21,246)	199,416
2026	82,155	138,504	220,659	(21,246)	199,413
2027	84,145	135,709	219,854	(21,246)	198,608
2028	86,810	133,048	219,858	(21,246)	198,612
2029	90,300	129,683	219,983	(21,246)	198,737
2030 – 2034	514,290	585,236	1,099,526	(111,369)	988,157
2035 – 2039	628,945	472,838	1,101,783	(104,123)	997,660
2040 – 2044	740,395	313,741	1,054,136	(61,784)	992,352
2045 – 2049	830,065	131,273	961,338	(15,844)	945,494
2050 – 2052	203,125	12,104	215,229	-	215,229
TOTAL	\$3,339,355	\$2,193,673	\$5,533,028	\$(399,350)	\$5,133,678

DART has pledged revenue as security for senior lien revenue bonds equal to the remaining debt service requirements for these obligations. Senior lien revenue bonds have a senior lien to pledged revenue on parity with TIFIA and RRIF bonds. No assets have been pledged as collateral for the senior lien revenue bonds except for money accumulated in the Senior Lien Debt Service Fund, which totaled \$137,733 as of September 30, 2024, and \$123,435 as of September 30, 2023.

17. RAILROAD REHABILITATION AND IMPROVEMENT FINANCING (RRIF) BONDS

RRIF bonds payable are \$310,680 as of September 30, 2024, and \$53,928 as of September 30, 2023. On December 20, 2018, DART entered the RRIF loan agreement with USDOT to borrow up to \$908 million at an annual interest rate of 2.98%. However, on February 24, 2021, DART and USDOT terminated the 2018 loan agreement and entered a new loan agreement to borrow up to \$908 million at an annual interest rate of 2.26%. This new loan agreement is a senior lien obligation bond and proceeds will be used for the 26-mile Silver Line commuter rail line extending from Terminal B of DFW International Airport to a terminus on Shiloh Road in the City of Plano, with 10 stations and eight vehicles. The current estimate of eligible project costs is approximately \$2.099 billion. The RRIF financing agreement is reimbursement-based, and DART will request (drawdown) the money after paying the capital project costs. Debt service for RRIF bonds payable depends on future drawdowns since the loan is reimbursement-based. Changes in the RRIF bonds for the years ended September 30, 2024, and 2023 are shown below.

Description	FY 2024	FY 2023
Beginning balance	\$53,928	\$50
Addition	256,752	53,878
Ending balance	\$310,680	\$53,928

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For the \$310,680 outstanding RRIF bonds payable on September 30, 2024, the debt service schedule is as follows:

Year Ended September 30	Principal	Interest	Total
2025	\$-	\$6,709	\$6,709
2026	-	7,021	7,021
2027	-	7,021	7,021
2028	-	7,031	7,031
2029	-	7,012	7,012
2030 – 2034	5,132	34,932	40,064
2035 – 2039	30,257	33,403	63,660
2040 – 2044	58,279	27,901	86,180
2045 – 2049	67,495	20,794	88,289
2050 – 2054	78,170	12,585	90,755
2055 – 2058	71,347	3,286	74,633
TOTAL	<u>\$310,680</u>	<u>\$167,695</u>	<u>\$478,375</u>

As of September 30, 2024, the annual debt service requirements for the outstanding RRIF bonds range from \$6,709 during FY 2025 to \$18,841 during FY 2058.

18. PLEDGED REVENUES

DART has pledged sales and use tax and farebox revenues as security for revenue bonds, TIFIA bonds, RRIF bonds, and commercial paper debts. The amount of the pledge is equal to the remaining debt service requirements for these obligations. These obligations were issued to pay for DART’s system expansion and acquisition costs. The pledge continues for the remaining life of these obligations.

Total principal and interest remaining on the revenue bonds as of September 30, 2024, was \$5.53 billion before BABs tax credits of \$399 million, and \$5.13 billion net of BABs tax credits (see last table in note 16 above). As of September 30, 2023, it was \$5.75 billion before BABs tax credits of \$421 million, and \$5.33 billion net of BABs tax credits. The annual debt service requirements for these bonds, net of BABs tax credits, range from \$68,396 in FY 2055 to \$201,932 in FY 2037. Debt service on the bonds (including principal and interest net of BABs tax credits) was \$199,447 as of September 30, 2024, and \$204,590 as of September 30, 2023. Bonds have a senior lien on pledged revenues on parity with other senior lien bonds.

Total principal and interest outstanding on RRIF bonds was \$310,680 as of September 30, 2024, compared to \$53,928 as of September 30, 2023. The annual debt service requirements for the outstanding RRIF bonds as of September 30, 2024, range from \$6,709 in FY 2025 to \$18,841 in FY 2058. For FY 2024, the debt service on RRIF bonds was \$2,149 (interest only). The FY 2024 annual debt service amount increased because DART drew down more of the RRIF loan during FY 2024. RRIF bonds have a senior lien on pledged revenues on parity with other senior lien bonds.

Total principal and interest outstanding on commercial paper as of September 30, 2024, was \$62,537 compared to zero as of September 30, 2023. Commercial paper notes have a subordinate senior lien on pledged revenues.

19. DEBT REFUNDINGS

In November 2020, DART issued the Series 2020D bonds to refund a portion of Series 2014A and 2014B bonds. As a result, bonds totaling \$235,435 are defeased, and the liability for those bonds and the corresponding assets in the trust account have been removed from DART’s Statements of Net Position. This refunding resulted in DART recognizing a book loss of \$22,487, a reduction in debt service of \$32,632, and an economic gain of \$24,046.

In December 2021, DART issued the Series 2021A bonds to refund a portion of Series 2014A and 2016A bonds. As a result, bonds totaling \$515,950 were defeased, and the liability for those bonds and the corresponding assets in the trust account were removed from DART’s Statements of Net Position. This refunding resulted in DART recognizing a book loss of \$44,062, a reduction in debt service of \$130,227, and an economic gain of \$96,175.

As of September 30, 2024, \$751,385 of the refunded DART bonds remain outstanding, unchanged from September 30, 2023. The unamortized portions of the book loss of \$34,089 and \$38,230, respectively, are in the Statements of Net Position included in deferred outflows of resources as of September 30, 2024, and 2023.

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20. PENSION, RETIREMENT, AND DEFERRED COMPENSATION PLANS

DART operates several employee benefit plans including the DART Employees’ Defined Benefit Retirement Plan and Trust (formerly the Dallas Transit System [DTS] pension plan), DART Retirement Plan, and DART Capital Accumulation Plan and Trust. DART is the administrator of these retirement plans and has the authority to establish and amend the plans.

DART Employees’ Defined Benefit Retirement Plan and Trust (DB Plan)

Plan Description – The DB Plan is a single-employer defined benefit pension plan designed to provide retirement, death, and disability benefits to certain DART employees. On October 1, 1995, the DTS Employees Retirement Plan (Plan A) was amended to become the DB Plan. DB Plan participants are those employees who were members of the former plan on September 30, 1995. Those employees who elected to be covered under Plan A have eligibility, vesting, and benefit provisions different from those who elected the DB Plan. The DB Plan is a closed plan and is not open to new employees.

Contributions – Contributions to the DB Plan, as stipulated by the “Sale, Purchase, and Transfer Contract Between the City of Dallas and Dallas Area Rapid Transit,” are based on DART’s agreement to contribute an amount at least equal to the minimum funding standard under Section 412 of the Internal Revenue Code of 1986, as if the DB Plan were subject to Section 412. An actuary determines the contribution amount DART pays to the plan each year. Participants who were in the DB Plan on September 30, 1995, are required to contribute 3% of their base monthly salaries to the Plan. Other participants are not required to contribute to the DB Plan. DART’s contribution amount is actuarially determined on an annual basis.

Actual contributions made to the DB Plan during the years ended September 30, 2024, and 2023 are as follows:

	<u>FY 2024</u>	<u>FY 2023</u>
Employer contributions	\$12,000	\$27,000
Employee contributions	-	-
	<u>\$12,000</u>	<u>\$27,000</u>

Benefit Terms – Participants under the Plan A provisions may elect normal retirement at age 60 or on the date at which the sum of their credited service and age equals 90. Participants who elected to remain under the provisions of the original plan receive monthly benefits equal to 2% times the years of credited service times the participant’s final average monthly compensation. Participants in the DB Plan are entitled to monthly benefits equal to: (1) 2% times the number of years of credited service up to October 1, 1983; (2) plus 1.5% times the number of years of credited service after October 1, 1983; (3) times the participant’s final average monthly compensation. A participant may elect early retirement at age 55 with 10 years of service (30 years of service for participants under Plan A). Monthly income under this election will equal normal retirement benefits reduced by 5/12 of 1% for each full month by which the participant’s early retirement date precedes the normal retirement date.

Cost-of-Living Adjustments – Monthly retirement payments made to or on behalf of a retired participant, or a beneficiary, shall be subject to a cost-of-living adjustment each year. Such adjustment in any year shall only be made with respect to the benefits of persons whose immediate entitlement to benefits commenced prior to such year. The adjustment up or down shall be applied to each benefit so payable, except that in the case of commuted amounts and/or lump sum settlements, no account shall be taken of future changes in cost-of-living adjustments occurring after the date such settlement is made. The adjustment up or down for any year shall result in a percentage change in the base benefit.

The table below summarizes the number of participants covered by the benefit terms as of October 1, 2023, and 2022:

	<u>10/1/2023</u>	<u>10/1/2022</u>
Inactive employees or beneficiaries currently receiving benefits	886	899
Inactive employee entitled to but not yet receiving benefits	98	101
Active employees	48	51
	<u>1,032</u>	<u>1,051</u>

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Actuarial Assumptions – The total pension liability in the September 30, 2023, and 2022, actuarial valuation was determined using the actuarial assumptions below, applied to the periods included in the measurement.

Valuation Dates	October 1, 2023
Inflation	2.50% per annum
Salary Increases	3.00% annum
Investment Return	6.21% compounded annually, net of expenses
Measurement Date	September 30, 2023
Early Retirement Age	55 and 10 years of credited service.
Normal Retirement Age	60
Actuarial Cost Method	Entry Age Normal (level percent of pay)
Termination Rate	1.33% per year for all ages, 1.50% per year before age 54, and 1.00% per year on and after age 54
Disability Rate	Members are assumed to become disabled prior to retirement at varying rates based on age. Sample rates are 0.06% at age 45, 0.12% at age 50, 0.21% at age 55, 0.30% at age 60
Marital status	85% of male participants and 65% of female participants are assumed to be married. Additionally, male spouses are assumed to be three years older than female spouses.
<i>Mortality Rate:</i>	
Active Lives	PubG-2010 (Below-median, amount-weighted) employee rates with mortality improvement projections to the valuation date using Scale MP-2021
Retired and Vested Terminated Lives	PubG-2010 (Below-median, amount-weighted) healthy retiree rates with mortality improvement projections to the valuation date using Scale MP-2021
Contingent Survivor Lives	PubG-2010 (Below-median, amount-weighted) contingent survivor rates with mortality improvement projections to the valuation date using Scale MP-2021
Disabled Lives	PubG-2010 (amount-weighted) disabled retiree rates with mortality improvement projections to the valuation date using Scale MP-2021
Valuation Dates	October 1, 2022
Inflation	2.50% per annum
Salary Increases	3.00% per annum
Investment Return	6.64% compounded annually, net of expenses
Measurement Date	September 30, 2022
Early Retirement Age	55 and 10 years of credited service. Members are assumed to retire at varying rates with 6.0% retiring at age 55 and 100% retiring at age 70.
Normal Retirement Age	60
Actuarial Cost Method	Entry Age Normal (level percent of pay)
Termination Rate	1.33% year for all ages, 1.50% per year before age 54, and 1.00% per year on and after age 54
Disability Rate	Members are assumed to become disabled prior to retirement at varying rates based on age. Sample rates are: 0.06% at age 45, 0.12% at age 50, 0.21% at age 55, 0.30% at age 60
Marital status	85% of male participants and 65% of female participants are assumed to be married. Additionally, male spouses are assumed to be three years older than female spouses.
<i>Mortality Rate:</i>	
Active Lives	PubG-2010 (Below-median, amount-weighted) employee rates with mortality improvement projections to the valuation date using Scale MP-2021
Retired and Vested Terminated Lives	PubG-2010 (Below-median, amount-weighted) healthy retiree rates with mortality improvement projections to the valuation date using Scale MP-2021
Contingent Survivor Lives	PubG-2010 (Below-median, amount-weighted) contingent survivor rates with mortality improvement projections to the valuation date using Scale MP-2021
Disabled Lives	PubG-2010 (amount-weighted) disabled retiree rates with mortality improvement projections to the valuation date using Scale MP-2021

Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2023 and 2022, are summarized in the table below (note the rates shown below include the inflation components):

	9/30/2023 Valuation	Target Allocation	Estimate of expected long-term rate of return
U.S. Market Equities		39%	7.2%
Global Bonds		40%	3.8%
International Equities		10%	8.8%
Real Estate		10%	7.5%
Cash		1%	3.1%

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9/30/2022 Valuation	Target Allocation	Estimate of expected long-term rate of return
U.S. Market Equities	39%	7.8%
Global Bonds	40%	4.1%
International Equities	10%	9.4%
Real Estate	10%	6.5%
Cash	1%	3.5%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Changes in Assumptions – The valuation as of September 30, 2023, reflects retirement and termination rate updates in accordance with an experience study dated January 21, 2022. Due to the Plan’s maturity, the impact is amortized over 15 years. Previously, such changes were amortized over 30 years.

Discount Rate – The discount rate used to measure the total pension liability was 6.21% as of September 30, 2023, compared to 6.64% as of September 30, 2022. The projection of cash flows used to determine the discount rate assumes that DB Plan member and sponsor contributions will be made at the current contribution rate. Based on those assumptions, the DB Plan’s fiduciary net position was projected to provide future benefit payments for 32 years.

For this valuation, these payments were discounted using a discount rate of 6.75%. Future benefit payments beyond 32 years were discounted using the S&P Municipal Bond 20-Year High-Grade Rate index rate of 4.77%. The single equivalent discount rate is 6.64%. The next table summarizes changes in net pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at 9/30/2022	\$238,670	\$218,962	\$19,708
Service cost	259	-	259
Interest	15,494	-	15,494
Differences between expected and actual experience	3,999	-	3,999
Changes of assumptions	2,015	-	2,015
Benefit payments	(18,780)	(18,780)	-
Contributions-employer	-	10,000	(10,000)
Net investment income, net of expenses	-	(27,226)	27,226
Administrative expenses	-	(290)	290
Balance at 9/30/2023	\$241,657	\$182,666	\$58,991
Service cost	277	-	277
Interest	15,429	-	15,429
Differences between expected and actual experience	4,037	-	4,037
Changes of assumptions	9,104	-	9,104
Benefit payments	(19,125)	(19,125)	-
Contributions – employer	-	27,000	(27,000)
Net investment income, net of expenses	-	15,203	(15,203)
Administrative expenses	-	(147)	147
Net changes	9,722	22,931	(13,209)
Balance at 9/30/2024	\$251,379	\$205,597	\$45,782

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Sensitivity of Net Pension Liability to Changes in Discount Rate – The table below presents the net pension liability of DART, calculated using the discount rate of 6.21% as of September 30, 2024, compared to 6.64% as of September 30, 2023, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate.

	1% Decrease (5.21%)	Current Discount Rate (6.21%)	1% Increase (7.21%)
DART's net pension liability, 9/30/2024	\$69,410	\$45,782	\$25,470
	1% Decrease (5.64%)	Current Discount Rate (6.64%)	1% Increase (7.64%)
DART's net pension liability, 9/30/2023	\$81,610	\$58,991	\$39,541

Pension Plan Fiduciary Net Position – Detailed information about the DB Plan's fiduciary net position is available in the separately issued DART Employees Defined Benefit Retirement Plan and Trust financial report.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions – For FY 2024, DART recognized pension expenses of \$22,186, compared to \$12,160 for FY 2023. As of September 30, 2024, DART reported deferred inflows/outflows of resources related to pensions from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$12,831	\$-
Employer contribution made after measurement date	12,000	-
Total	<u>\$24,831</u>	<u>\$-</u>

The \$12,000 reported as deferred outflows of resources resulting from DART pension contributions after the September 30, 2023 measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended September 30:	Amount
2025	\$2,152
2026	3,383
2027	7,818
2028	(522)
2029	-
Thereafter	-

As of September 30, 2023, DART reported deferred inflows/outflows of resources related to pensions from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$19,225	\$-
Employer contribution made after measurement date	27,000	-
Total	<u>\$46,225</u>	<u>\$-</u>

The \$27,000 reported as deferred outflows of resources resulting from DART pension contributions after the September 30, 2022, measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended September 30:	Amount
2024	\$4,306
2025	2,674
2026	3,905
2027	8,340
2028	-
Thereafter	-

Additional trend information for the DB Plan can be obtained by writing to the DB Plan, Dallas Area Rapid Transit, P.O. Box 660163, Dallas, Texas 75266-7240.

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DART Retirement Plan

DART has adopted a defined contribution retirement plan for all employees not covered by the DB pension Plan. DART contributes an amount equal to 7.7% of each participant’s annual compensation to the plan. Participants hired before January 1, 2006, are vested in 25% of DART’s contributions after two years of service, graduating to 100% vesting after five years. Participants hired after December 31, 2005, become 100% vested in DART’s contributions to the Plan only after five years of service. Total expenses to DART to fund this plan fully were approximately \$23,404 and \$20,047 for the years ended September 30, 2024, and 2023, respectively.

DART Capital Accumulation Plan – 401(k)

DART has adopted a deferred compensation plan under Internal Revenue Code Section 401(k), which allows employees to contribute up to 50% of their annual compensation to the plan, subject to the annual contribution limits of the Internal Revenue Service. DART matches 50% of the employee’s contribution up to 3% of the employee’s annual compensation. Participants hired before January 1, 2006, are vested in 25% of DART’s contributions after two years of service, graduating to 100% vesting after five years. Participants hired after December 31, 2005, become 100% vested in DART’s contributions to the Plan only after five years of service. Total expenses to DART to fully fund this plan were approximately \$8,240 and \$6,802 for the years ended September 30, 2024, and 2023, respectively.

Readers may obtain annual financial statements for each of the three retirement plans discussed above by contacting the Chief Financial Officer at Dallas Area Rapid Transit, 1401 Pacific Avenue, P.O. Box 660163, Dallas, TX 75266-7220.

21. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – DART administers a single-employer-defined benefit called the Other Post-Employment Benefits (OPEB) Plan. The OPEB Plan provides health care and life insurance for eligible retirees and their spouses through DART’s group health plan and group life plan, which covers both active employees and retired members. Participants of the DB Plan are eligible for the OPEB at age 55 with a minimum of 10 years of service to DART. Participants of the defined contribution pension plan are eligible at age 60 with a minimum of 10 years of service to DART. The plan does not issue stand-alone financial reports.

Covered Participants – As of the September 30, 2023, and 2022, actuarial valuation, the active and inactive participants below were covered by the benefit terms under the plan:

	Number of Covered Participants	
	9/30/2023	9/30/2022
Active employees	3,391	3,058
Retirees, beneficiaries, disabled members, and covered spouses	651	608
Total	<u>4,042</u>	<u>3,666</u>

Contributions – DART contributions are based on annual actuarial valuations and are designed to fund the OPEB Plan on a level cost basis, cover normal costs each year, and cover amortization of any unfunded actuarial liabilities. Retirees also make monthly contributions to the health care plan. The plan administrator determines such contributions annually based on expected annual costs. DART contributed \$186 to the plan during FY 2024 and \$0 during FY 2023

Net OPEB Liability – DART’s net OPEB liability was measured as of September 30, 2023, and 2022, and the total OPEB liability used to calculate the net OPEB liability was also determined by an actuarial valuation as of that date.

Actuarial Assumptions – Benefit projections for financial reporting purposes are based on the substantive plan, as understood by the employer and the plan members. These projections include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations were performed for the OPEB Plan as of September 30, 2023, and 2022. The tables below summarize significant actuarial assumptions.

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Valuation Date	September 30, 2023
Discount Rate	6.00%
Inflation Rate	3.00% included in health care cost trend
Salary Inflation Rate	DB participants 3.00% per annum for the first 35 years of service, 3.00% thereafter, DC participants: 3.25% per annum.
Investment Rate of Return	6.00% per year, compounded annually, net of investment-related expenses
Health Care Inflation	Starts with 8.50% in 2024; ultimate trend rate is 4.00% in 2075, and the future <i>Active Lives:</i> PubG-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Healthy Inactive Lives:</i> PubG-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Beneficiaries:</i> PubG-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Disabled Lives:</i> PubG-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2021
Mortality Rate – Non-Special Risk	<i>Active Lives:</i> PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Healthy Inactive Lives:</i> PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Beneficiaries:</i> Pub-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Disabled Lives:</i> PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2021
Mortality Rate – Special Risk	<i>Active Lives:</i> PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Healthy Inactive Lives:</i> PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Beneficiaries:</i> Pub-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Disabled Lives:</i> PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2021
Future Participation Eligibility for Coverage	For future eligible retirees, 45% are assumed to elect medical coverage, while 25% are assumed to elect life coverage <i>Defined Benefit Pension Plan participants:</i> Age 55 and 10 years of service <i>Defined Contribution Pension Plan participants:</i> Age 60 and 10 years of service
Dependent Coverage	For active employees, 80% are assumed to be married at retirement, with the spouse electing coverage. Female spouses are assumed to be three years younger than their husbands. One hundred percent of future retirees with coverage are assumed to elect coverage on a spouse.
Actuarial Cost Method	Entry Age Actuarial Cost Method (Level Percentage of Pay)
Measurement Date	September 30, 2023
Valuation Date	September 30, 2022
Discount Rate	6.00%
Inflation	3.00% included in health care cost trend
Salary Increases	Varies
Investment Rate of Return	6.00% per year, compounded annually, net of investment-related expenses
Health Care Cost Trend Rate	Starts with 7.50% in 2023; ultimate trend rate is 4.00% in 2075 and the future
Mortality Rate – Non-Special Risk	<i>Active Lives:</i> PubG-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Healthy Inactive Lives:</i> PubG-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Beneficiaries:</i> PubG-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Disabled Lives:</i> PubG-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2021
Mortality Rate – Special Risk	<i>Active Lives:</i> PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Healthy Inactive Lives:</i> PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Beneficiaries:</i> Pub-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2021 <i>Disabled Lives:</i> PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2021
Future Participation Eligibility for Coverage	For future eligible retirees, 45% are assumed to elect medical coverage, while 25% are assumed to elect life coverage <i>Defined Benefit Pension Plan participants:</i> Age 55 and 10 years of service <i>Defined Contribution Pension Plan participants:</i> Age 60 and 10 years of service
Dependent Coverage	For active employees, 80% are assumed to be married at retirement with the spouse electing coverage. Female spouses are assumed to be four years younger than their husbands. One hundred percent of future retirees with coverage are assumed to elect coverage on spouse. Any potential costs for children have not been considered for valuation purposes.
Actuarial Cost Method	Entry Age Actuarial Cost Method
Measurement Date	September 30, 2022

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

An actuarial experience study for the OPEB Plan was also performed during FY 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below for September 30, 2024, and 2023 valuations:

	<u>Target Allocation</u>	<u>Estimate of Expected Long- Term Rates of Return</u>
Domestic Equity	39%	6.28%
International Equity	15%	6.55%
Emerging Markets Equity	6%	7.40%
Core Fixed	20%	1.43%
Investment Grade Corporate Debt	10%	1.95%
Emerging Markets debt	5%	4.10%
High Yield	5%	3.91%

Money-Weighted Rate of Return – The money-weighted rate of return was 13.96% for FY 2024, compared to 17.98% for FY 2023.

Discount Rate – The discount rate used to measure the total OPEB liability was 6%. The projection of cash flows used to determine the discount rate assumed that DART contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected OPEB payments for currently active and inactive employees. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in Discount Rate – The table below presents DART’s net OPEB liability, as well as what DART’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
DART’s Net OPEB Liability (Asset), 9/30/2024	\$(9,781)	\$(15,872)	\$(20,886)
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
DART’s Net OPEB Liability (Asset), 9/30/2023	\$(9,072)	\$(15,223)	\$(20,262)

Sensitivity of Net OPEB Liability to Changes in Health Care Cost Trend Rates – The table below presents DART’s net OPEB liability, as well as what DART’s net OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or higher than the current health care cost trend rates.

DART’s Net OPEB Liability (Asset)	1% Decrease	Health Care Cost Trend Rates	1% Increase
As of 9/30/2024	3.00% decreasing to 6.50%	4.00%, decreasing to 7.50%	5.00%, decreasing to 8.50%
	\$(21,209)	\$(15,872)	\$(9,319)
As of 9/30/2023	3.00% decreasing to 6.50%	4.00%, decreasing to 7.50%	5.00%, decreasing to 8.50%
	\$(20,560)	\$(15,223)	\$(8,640)

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

Changes in Net OPEB Liability – The changes in the total OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a-b)
Balance as of 9/30/2022	54,979	74,196	(19,217)
Service cost	1,334	-	1,334
Interest	3,739	-	3,739
Differences between expected and actual experience	(16,429)	-	(16,429)
Changes in assumptions or other inputs	4,922	-	4,922
Contributions – employer	-	2,000	(2,000)
Contributions – participant	-	280	(280)
Net investment loss, net of expenses	-	(12,655)	12,655
Benefit payments	(5,896)	(5,896)	-
Administrative expenses	-	(53)	53
Net changes	(12,330)	(16,324)	3,994
Balance at 9/30/2023	\$42,649	\$57,872	\$(15,223)
Service cost	1,464	-	1,464
Interest	2,561	-	2,561
Differences between expected and actual experience	1,805	-	1,805
Changes in assumptions or other inputs	(170)	-	(170)
Contributions – participant	-	621	(621)
Net investment loss, net of expenses	-	6,560	(6,560)
Benefit payments	(2,889)	(2,889)	-
Administrative expenses	-	(19)	19
Adjustment	-	(853)	853
Net changes	2,771	3,420	(649)
Balance at 9/30/2024	\$45,420	\$61,292	\$(15,872)

OPEB Expense – For FY 2024 and FY 2023, DART’s OPEB expense was zero.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – As of September 30, 2024, DART reported deferred inflows/outflows of resources related to OPEB from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$8,873	\$14,863
Changes in assumptions	4,424	12,139
Net difference between projected and actual earnings on OPEB Plan investments	4,702	-
Employer Contributions made after the measurement date	186	-
Total	\$18,185	\$27,002

There are no reported deferred outflows of resources related to OPEB resulting from DART contributions after the measurement date to be recognized as a reduction of the net OPEB liability in the year ended September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ended September 30	Amount
2024	\$(2,113)
2025	(1,562)
2026	(486)
2027	(2,808)
2028	(1,004)
Thereafter	(1,030)

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)**

On September 30, 2023, DART reported deferred inflows/outflows of resources related to OPEB from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$23,340	\$17,689
Changes in assumptions	5,324	15,192
Net difference between projected and actual earnings on OPEB Plan investments	-	5,087
Total	<u>\$28,664</u>	<u>\$37,968</u>

There are no reported deferred outflows of resources related to OPEB resulting from DART contributions after the measurement date to be recognized as a reduction of the net OPEB liability in the year ended September 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2024	\$(1,416)
2025	(1,681)
2026	(1,130)
2027	(54)
2028	(2,376)
Thereafter	(2,647)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately after the financial statements as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The table below shows the Statement of Fiduciary Net Position for OPEB for the years ended September 30, 2024, and 2023:

	<u>9/30/2024</u>	<u>9/30/2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$174	\$533
Other receivables	90	2
Investments at fair value:		
Equity	44,443	37,478
Fixed income	28,923	23,601
Total investments	<u>73,366</u>	<u>61,079</u>
TOTAL ASSETS	<u>73,630</u>	<u>61,614</u>
<u>LIABILITIES</u>		
Accounts payable, investment management, accrued benefits, and administrative fees	24	322
NET POSITION RESTRICTED FOR PENSIONS	<u>\$73,606</u>	<u>\$61,292</u>

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

The table below shows the Statement of Changes in Fiduciary Net Position for OPEB FY 2024 and 2023:

	<u>FY 2024</u>	<u>FY 2023</u>
<u>ADDITIONS</u>		
Investment income:		
Net investment gain (loss)	\$12,354	\$4,734
Interest and dividends	1,964	1,826
Total investment income, net	<u>\$14,318</u>	<u>\$6,560</u>
Contributions:		
Employer	186	-
Employee/participant	539	621
Total contributions	<u>725</u>	<u>621</u>
Total additions	<u>15,043</u>	<u>7,181</u>
<u>DEDUCTIONS</u>		
Benefit payments	2,703	2,899
Administrative expenses	26	19
Total deductions	<u>2,729</u>	<u>2,918</u>
NET INCREASE/(DECREASE) IN NET POSITION	12,314	4,273
NET POSITION:		
BEGINNING OF YEAR	<u>61,292</u>	<u>57,019</u>
END OF YEAR	<u>\$73,606</u>	<u>\$61,292</u>

22. CLAIMS AND LITIGATION

In the ordinary course of business, several claims and lawsuits have arisen from individuals seeking compensation for personal injury, death, and/or property damage resulting from accidents in the system's operation. In addition, DART has been named as a defendant in some lawsuits relating to personnel and contractual matters. Management does not believe the outcome of these claims will have a material adverse effect on DART's financial statements.

23. COMMITMENTS AND CONTINGENCIES

The Board-approved Transit System Plan includes the design and construction of the Silver Line for commuter rail service and light rail system modernization. The Silver Line is a 26-mile regional rail corridor that extends from DFW International Airport through the northern portion of the DART Service Area to the existing DART Red Line, passing through the cities of Grapevine, Coppell, Carrollton, Addison, Dallas, Richardson, and Plano, with 10 proposed stations along the way. The Dallas Central Business District (D2) alignment for light rail service has been replaced by system modernization. The D2 alignment was supposed to double the downtown LRT capacity and connect Victory Station and the Green Line. However, the pandemic and subsequent changes in ridership and travel patterns have reduced ridership, especially during peak commute times. The system modernization program includes upgrading the original rail signal system, purchasing new state-of-the-art trains, and implementing universal accessibility at all platforms. The timing and completion of the Transit System Plan are based on economic assumptions in DART's 20-Year Financial Plan and these projects costs are subject to change based on changing economic conditions. The FY 2024 20-Year Financial Plan includes \$8.2 billion for capital and non-operating projects.

DART participates in several federal and state grant programs governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of management, no significant contingent liabilities exist relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

DART owns and operates many facilities and acquires new properties for service expansion projects. DART has discovered contamination in some properties that may require pollution remediation. DART is working with relevant state and federal agencies on pollution remediation plans. Management does not believe the outcome of these remediation activities will adversely affect DART's financial position. Management has accrued an estimate, which is in the accounts payable and accrued liabilities line item in the accompanying Statements of Net Position.

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

24. DERIVATIVE INSTRUMENTS

DART had fuel delivery contracts with suppliers for commuter rail vehicles (diesel fuel), DART buses (compressed natural gas [CNG], and service vehicles (gasoline). DART entered a CNG fuel hedge contract to minimize its risk exposure. The last natural gas hedge contract expired on September 30, 2023.

Objective and Terms of the CNG Delivery Contract – The objectives of the CNG delivery contract were to ensure DART had delivery of natural gas for its transit buses and contractor-owned and operated paratransit vehicles during the contract period.

Early Termination – Subject to payment of early termination damages, either party could terminate the CNG delivery contract by giving the other party at least 30 days of written notice. The effect of termination risk on DART was paying market prices for CNG purchased for its operations. No early termination event occurred during FY 2023.

Credit Risk – As of September 30, 2023, DART had no asset position in the derivative instrument (natural gas hedge). DART could have been exposed to credit risk if the counterparty to the transaction became insolvent, but that did not happen. S&P's credit rating for the counterparty was A+ during FY 2023.

Termination Risk – DART or its counterparties could have terminated the derivative instrument if the other party failed to perform under the contract terms. The risk of termination for DART is that it would pay market prices for natural gas purchased for its operations. No termination event occurred during FY 2023; the last natural gas hedge contract expired on September 30, 2023.

Contingencies – The natural gas hedge contracts included provisions that required DART to post collateral if its credit rating fell below A- or A3 as issued by S&P or Moody's and if the exposure exceeded threshold amounts specified in the derivative instruments (contracts). During FY 2024, DART maintained an AA+ credit rating from S&P, AAA from Kroll and Aa2 from Moody's on outstanding long-term debt.

25. NEW ACCOUNTING PRONOUNCEMENTS

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to improve accounting and financial reporting requirements for accounting changes and error corrections, making the information more understandable, reliable, relevant, consistent, and comparable for decision making or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement requires descriptive information for each type of accounting change and error correction to be disclosed in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. The requirements of this Statement will take effect for financial statements with fiscal years that begin after June 30, 2024, which is FY 2025 for DART.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement better meets the needs of financial statement users by aligning the recognition and measurement guidance for compensated absences under a unified model and by amending certain previously required disclosures. This Statement requires the recognition of liabilities for compensated absences, covering both unused leave and leave that has been taken but not yet compensated in cash or through other means. This Statement requires that liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The requirements of this Statement are effective for fiscal years beginning after December 31, 2024, which is FY 2026 for DART.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement defines a concentration as a lack of diversity related to a significant inflow or outflows of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event(s) associated with a concentration or constraint that could cause the substantial impact to have occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines disclosure criteria have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of substantial impact. The disclosure should include descriptions of (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur before the issuance of the financial statements, and (3) actions taken by the government before issuing the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 30, 2024, which is FY 2025 for DART.

**DALLAS AREA RAPID TRANSIT
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED SEPTEMBER 30, 2024, and 2023 (Dollars in Thousands)

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model*. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). It also describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence and requires a separate display of the inflows and outflows related to each unusual or infrequent item. Also, the Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, which is FY 2026 for DART.

In June 2023, GASB issued Implementation Guide No. 2023-1, *Implementation Guidance Update-2023*. This Implementation Guide amends Implementation Guide No. 2019-3, *Leases*, Question 4.16, regarding a question and answer whether a lease contract allows only the lessee to unilaterally terminate a lease at any time but also provides cancellation penalties. Also, the Implementation Guide amends Implementation Guide No. 2021-1, *Implementation Guidance Update-2021*, Question 4.13, about whether interest revenue related to leases should be reported as operating revenue if the principal ongoing operation of a business-type activity or enterprise fund is leasing property to other entities. The requirements of this Implementation Guide are effective for fiscal years beginning after June 30, 2024, which is FY 2025 for DART.

Management has not yet determined the impact of these statements on the basic financial statements.

**DALLAS AREA RAPID TRANSIT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SEPTEMBER 30, 2024 (Dollars in Thousands)

**DART EMPLOYEES' DEFINED BENEFIT PENSION PLAN AND TRUST
SCHEDULE OF NET PENSION LIABILITY**

The schedule of changes in DART's net pension liability and related ratios (dollar amounts in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total Pension Liability								
Service cost	277	\$259	\$806	\$916	\$859	\$988	\$1,107	\$1,282
Interest	15,429	15,494	15,204	15,504	15,350	14,795	14,501	14,969
Difference between expected and actual experience	4,037	3,999	10,381	(781)	1,480	1,920	2,655	(2,815)
Changes in assumptions	9,104	2,015	-	-	-	5,326	-	63
Benefit payments	(19,125)	(18,780)	(24,308)	(15,661)	(15,256)	(14,107)	(13,471)	(11,203)
Net change in total pension liability	9,722	2,987	2,083	(22)	2,433	8,922	4,792	2,296
Total pension liability – beginning	241,657	238,670	236,587	236,609	234,176	225,254	220,462	218,166
Total pension liability – ending (a)	251,379	241,657	238,670	236,587	236,609	234,176	225,254	220,462
Plan Fiduciary Net Position								
Contributions – employer	27,000	10,000	10,000	10,000	10,000	10,000	10,000	9,217
Contributions – employee	-	-	-	-	2	2	2	2
Net investment income (loss), net of expenses	15,203	(27,226)	35,075	18,488	4,267	10,679	15,590	16,067
Benefit payments	(19,125)	(18,780)	(24,308)	(15,661)	(15,256)	(14,107)	(13,471)	(11,203)
Administrative expenses	(147)	(290)	(109)	(107)	(274)	(84)	(100)	(218)
Net change in plan fiduciary net position	22,931	(36,296)	20,658	12,720	(1,261)	6,490	12,021	13,865
Plan fiduciary net position – beginning	182,666	218,962	198,304	185,584	186,845	180,355	168,334	154,469
Plan fiduciary net position – ending (b)	205,597	182,666	218,962	198,304	185,584	186,845	180,355	168,334
DART's net pension liability (a-b)	\$45,782	\$58,991	\$19,708	\$38,283	\$51,025	\$47,331	\$44,899	\$52,128
Plan fiduciary net position as a percentage of total pension liability	81.79%	75.59%	91.74%	83.82%	78.43%	79.79%	80.07%	76.36%
Covered payroll	\$3,866	\$4,090	\$3,752	\$11,104	\$12,374	\$14,333	\$15,642	\$18,914
DART's net pension liability as a percentage of covered payroll	1184.22%	1442.32%	525.27%	344.77%	412.36%	330.22%	287.04%	275.61%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information are available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

Changes in Assumptions – Starting with measurement date September 30, 2022, a depletion date projection as of that date was performed. The results of this projection decreased the discount rate from 6.75% to 6.64%. Starting with measurement date September 30, 2018, assumed rates of mortality were amended to adopt the Pub-2010 Public Retirement Plan Mortality Tables for General Employees. Starting from FY 2017, the discount rate decreased from 7.00% to 6.75%. There were no significant changes in assumptions for other fiscal years.

**DALLAS AREA RAPID TRANSIT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SEPTEMBER 30, 2024 (Dollars in Thousands)

**DART EMPLOYEES' DEFINED BENEFIT PENSION PLAN AND TRUST
SCHEDULE OF EMPLOYER CONTRIBUTION**

The schedule of DART's contributions to the DB Plan (dollar amounts in thousands)

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16	9/30/15
Contractually required contribution	\$4,082	\$5,470	\$5,133	\$5,540	\$6,624	\$6,928	\$7,235	\$7,755	\$9,217	\$8,706
Contribution in relation to the contractually required contribution	12,000	27,000	10,000	10,000	10,000	10,000	10,000	10,000	9,217	8,706
Contribution deficiency (excess)	\$(7,918)	\$(21,530)	\$(4,867)	\$(4,460)	\$(3,376)	\$(3,072)	\$(2,765)	\$(2,245)	\$ -	\$ -
Covered payroll	N/A	\$3,866	\$4,090	\$3,752	\$11,104	\$12,374	\$14,333	\$15,642	\$18,914	\$19,129
Contribution as a percentage of covered payroll	N/A	698.40%	244.50%	266.52%	90.06%	80.81%	69.77%	63.93%	48.73%	45.51%

Valuation Date – The most recent valuation date is October 1, 2023.

Contribution Rates – Contractually required contribution rates are calculated by an actuary as of October 1 in the fiscal year in which contributions are reported. That is, the contribution calculated as of October 1, 2022, was made during the fiscal year ended September 30, 2023, and as of October 1, 2021, was made during the fiscal year ended September 30, 2022.

Actuarial Assumptions – Significant actuarial assumptions and methods used to determine contribution rates include the following:

Funding Method	The minimum required contribution is based upon DART's agreement to contribute an amount at least equal to the minimum funding standard under Section 412 of the Internal Revenue Code of 1986, as if the Plan were subject to Section 412, per the stipulation of the "Sale, Purchase and Transfer contract between the City of Dallas and Dallas Area Rapid Transit"
Actuarial Cost Method	Entry Age Normal starting from 9/30/2017 measurement date; before that, it was Projected Unit Credit
Asset valuation method	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period
Inflation	2.5%
Investment Return	6.75% per year compounded annually, net of all expenses starting from 9/30/2016 measurement dates; before that it was 7.00%
Retirement age	6.0% at age 55 (starting from 9/30/2023 measurement date), reaching 100% at age 70; before that for age 55, it was 7.5%
Salary Increases	3% starting from 9/30/2016 measurement date; before that, it was 3.25%
Mortality	<i>Active Lives:</i> PubG-2010 (Below-median, amount weighted) employee rates with mortality improvement projections to the valuation date using Scale MP-2021. <i>Retiree and Vested Terminated Lives:</i> PubG-2010 (Below median, amount-weighted) healthy retiree rates with mortality improvement projections to the valuation date using Scale MP-2021. <i>Contingent Survivor Lives:</i> PubG-2010 (Below-median, amount-weighted) contingent survivor rates with mortality improvement projections to the valuation date using Scale MP-2021. <i>Disabled Lives:</i> PubG-2010 (amount-weighted) disabled retiree rates with mortality improvement projections to the valuation date using Scale MP-2021.
Marital Status	85% of male participants and 65% of female participants are assumed to be married. Additionally, male spouses are assumed to be three years older than female spouses.
Termination Rate	1.33% per year for all ages, 1.50% per year before age 54, and 1.00% per year on and after age 54.

**DALLAS AREA RAPID TRANSIT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SEPTEMBER 30, 2024 (Dollars in Thousands)

**OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF NET OPEB LIABILITY**

The schedule of changes in DART's net OPEB liability and related ratios (dollar amounts in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Total OPEB Liability					
Service cost	\$1,464	\$1,334	\$2,142	\$2,436	\$2,559
Interest	2,561	3,739	4,094	4,505	4,338
Changes of benefit terms		-	(6,746)	-	7,047
Difference between expected and actual experience regarding economic or demographic assumptions	1,805	(16,429)	4,488	(1,795)	-
Changes in assumptions about future economic or demographic or other inputs	(170)	4,922	(2,647)	(6,443)	(8,292)
Benefit payments	(2,889)	(5,896)	(5,301)	(3,283)	(3,003)
Net change in total pension liability	2,771	(12,330)	(3,970)	(4,580)	2,649
Total OPEB liability – Beginning	42,649	54,979	58,949	63,529	60,880
Total OPEB liability – Ending (a)	45,420	42,649	54,979	58,949	63,529
Plan Fiduciary Net Position					
Contributions – employer	-	2,000	1,655	3,229	7,489
Contributions – participant	621	280	903	482	806
Net investment income, net of expenses	6,560	(12,655)	11,570	6,860	2,421
Benefit payments	(2,889)	(5,896)	(5,301)	(3,283)	(3,003)
Administrative expenses	(19)	(53)	(233)	(168)	(164)
Other income		-	-	1	-
Adjustment to reflect actual assets	(853)	-	-	-	-
Net change in plan fiduciary net position	3,420	(16,324)	8,594	7,121	7,549
Plan fiduciary net position – Beginning	57,872	74,196	65,602	58,481	50,932
Plan fiduciary net position – Ending (b)	61,292	57,872	74,196	65,602	58,481
DART's net OPEB liability(asset)* (a-b)	(15,872)	\$(15,223)	\$(19,217)	\$(6,653)	\$5,048
Plan fiduciary net position as a percentage of total OPEB liability	<u>134.94%</u>	<u>135.69%</u>	<u>134.95%</u>	<u>111.29%</u>	<u>92.05%</u>
Covered employee payroll	\$285,097	\$238,997	\$230,915	\$227,484	\$229,824
DART's net OPEB liability (asset) as a percentage of covered employee payroll	(5.57%)	(6.37%)	(8.32%)	(2.92%)	2.20%
Annual money-weighted rate of return for OPEB investments	13.96%	17.98%	(18.04%)	18.37%	12.16%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information are available. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

Changes in Assumptions and Other Changes – The annual per capita claims costs have been updated based on plan experience during the 36 months preceding the valuation date. Premiums were updated to reflect those in effect for the 2023 calendar year for active health plans and the 2022 calendar year for the Aetna Medicare supplement plan. Health care inflation rates have been updated to reflect recent health care trend rate surveys, blended with the Getzen model published by the Society of Actuaries. Mortality improvement has been updated to reflect mortality improvement scale MP-2021.

**DALLAS AREA RAPID TRANSIT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

SEPTEMBER 30, 2024 (Dollars in Thousands)

OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER CONTRIBUTION

The schedule of DART's contributions to the OPEB Plan (dollar amounts in thousands)

	9/30/24	9/30/23	9/30/22	9/30/21	9/30/20	9/30/19	9/30/18*	9/30/17	9/30/16	9/30/15
Actuarially determined contribution	\$186	\$-	\$2,000	\$1,655	\$3,229	\$3,627	\$3,862	\$5,821	\$4,625	\$4,313
Contribution in relation to the actuarially determined contribution	186	-	2,000	1,655	3,229	7,489	-	5,821	4,625	4,313
Contribution deficiency (excess)	\$-	\$-	\$-	\$-	\$-	(\$3,862)	\$3,862	\$-	\$-	\$-
Covered employee payroll	\$285,097	\$238,997	\$238,997	\$230,915	\$227,484	\$229,824	\$214,754	\$205,345	\$205,345	\$196,688
Contribution as a percentage of covered employee payroll	0.07%	N/A	0.84%	0.72%	1.42%	3.26%	0.00%	2.83%	2.25%	2.19%

*Contribution for the fiscal year ended September 30, 2018, was made during the fiscal year ending September 30, 2019 (on October 1, 2018).

Contribution Rates – Actuarially determined contribution rates shown above are calculated as of September 30 for the plan/fiscal year in which contributions are reported. Covered payroll is reported as actual payroll for years before September 30, 2019. Covered payroll as of September 30, 2019, is projected from the September 30, 2018, payroll amount.

**DALLAS AREA RAPID TRANSIT
OTHER SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024 (Dollars in Thousands)

COMBINING STATEMENT OF FIDUCIARY NET POSITION
September 30, 2024

	DART Employees' Defined Benefit Pension Plan and Trust	Other Post- Employment Benefits Plan	DART Capital Accumulation Plan and Trust	DART Retirement Plan and Trust	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$8,380	\$174	\$-	\$-	\$8,554
Receivables:					
Note receivable from participants	4	-	12,746	-	12,750
Other receivables	-	90	-	-	90
Employer contribution	-	-	-	1	1
Total receivables	4	90	12,746	1	12,841
Investments:					
Investments at contract value	-	-	30,948	49,459	80,407
Investments at fair value:					
Equity	117,570	44,443	234,014	141,608	537,635
Fixed income	84,651	28,923	28,204	89,881	231,659
Real estate	19,501	-	-	13,710	33,211
Total investments	221,722	73,366	293,166	294,658	882,912
TOTAL ASSETS	230,106	73,630	305,912	294,659	904,307
<u>LIABILITIES</u>					
Accounts payable, investment management, accrued benefits, and administrative fees	170	24	-	-	194
Accounts payable, investments in-transit	198	-	-	-	198
TOTAL LIABILITIES	368	24	-	-	392
NET POSITION RESTRICTED FOR:					
Pensions	229,738	-	305,912	294,659	830,309
Other post-employment benefits	-	73,606	-	-	73,606
TOTAL NET POSITION	\$229,738	\$73,606	\$305,912	\$294,659	\$903,915

**DALLAS AREA RAPID TRANSIT
OTHER SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024 (Dollars in Thousands)

COMBINING STATEMENT OF FIDUCIARY NET POSITION
September 30, 2023

	DART Employees' Defined Benefit Pension Plan and Trust	Other Post- Employment Benefits Plan	DART Capital Accumulation Plan and Trust	DART Retirement Plan and Trust	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$8,006	\$533	\$-	\$-	\$8,539
Receivables:					
Note receivable from participants	-	-	12,619	-	12,619
Other receivables	53	2	-	-	55
Employer contribution	-	-	-	767	767
Total receivables	53	2	12,619	767	13,441
Investments:					
Investments at contract value	-	-	34,949	47,798	82,747
Investments at fair value:					
Equity	93,072	37,478	191,258	117,346	439,154
Fixed income	80,014	23,601	21,999	84,393	210,007
Real estate	24,940	-	-	12,045	36,985
Total investments	198,026	61,079	248,206	261,582	768,893
TOTAL ASSETS	206,085	61,614	260,825	262,349	790,873
<u>LIABILITIES</u>					
Accounts payable, investment management, accrued benefits, and administrative fees	213	322	-	-	535
Accounts payable, investments in-transit	275	-	-	-	275
TOTAL LIABILITIES	488	322	-	-	810
NET POSITION RESTRICTED FOR:					
Pensions	205,597	-	260,825	262,349	728,771
Other post-employment benefits	-	61,292	-	-	61,292
TOTAL NET POSITION	\$205,597	\$61,292	\$260,825	\$262,349	\$790,063

**DALLAS AREA RAPID TRANSIT
OTHER SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024 (Dollars in Thousands)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2024

	DART Employees' Defined Benefit Pension Plan and Trust	Other Post- Employment Benefits Plan	DART Capital Accumulation Plan and Trust	DART Retirement Plan and Trust	Total
ADDITIONS:					
Investment income:					
Net investment gain (loss)	\$27,253	\$12,354	\$32,094	22,302	\$94,003
Interest and dividends	5,365	1,964	8,635	8,240	24,204
Investment manager fees	(612)	-	-	-	(612)
Total investment income (loss), net	32,006	14,318	40,729	30,542	117,595
Contributions:					
Employer	12,000	186	7,072	20,590	39,848
Employee/participant	-	539	21,143	-	21,682
Other additions	-	-	-	10	10
Total contributions	12,000	725	28,215	20,600	61,540
Total additions	44,006	15,043	68,944	51,142	179,135
DEDUCTIONS:					
Benefit payments	19,626	2,703	23,377	18,801	64,507
Administrative expenses	239	26	480	31	776
Total deductions	19,865	2,729	23,857	18,832	65,283
NET INCREASE/(DECREASE) IN NET POSITION	24,141	12,314	45,087	32,310	113,852
NET POSITION:					
BEGINNING OF YEAR	205,597	61,292	260,825	262,349	790,063
END OF YEAR	\$229,738	\$73,606	\$305,912	\$294,659	\$903,915

**DALLAS AREA RAPID TRANSIT
OTHER SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024 (Dollars in Thousands)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2023

	DART Employees' Defined Benefit Pension Plan and Trust	Other Post- Employment Benefits Plan	DART Capital Accumulation Plan and Trust	DART Retirement Plan and Trust	Total
ADDITIONS:					
Investment income:					
Net investment gain (loss)	\$10,851	\$4,734	\$(52,413)	\$(47,305)	\$(84,133)
Interest and dividends	4,987	1,826	8,852	6,995	22,660
Investment manager fees	(635)	-	-	-	(635)
Total investment income (loss), net	15,203	6,560	(43,561)	(40,310)	(62,108)
Contributions:					
Employer	27,000	-	6,507	18,491	51,998
Employee/participant	-	621	19,495	-	20,116
Other additions	-	-	-	15	15
Total contributions	27,000	621	26,002	18,506	72,129
Total additions	42,203	7,181	(17,559)	(21,804)	10,021
DEDUCTIONS:					
Benefit payments	19,124	2,889	24,689	19,729	66,431
Administrative expenses	148	19	419	20	606
Total deductions	19,272	2,908	25,108	19,749	67,037
NET INCREASE/(DECREASE) IN NET POSITION	22,931	4,273	(42,667)	(41,553)	(57,016)
NET POSITION:					
BEGINNING OF YEAR	182,666	57,019	303,492	303,902	847,079
END OF YEAR	\$205,597	\$61,292	\$260,825	\$262,349	\$790,063

STATISTICAL SECTION



let's go.

DALLAS AREA RAPID TRANSIT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION (Unaudited)

The statistical section provides financial statement users with historical perspective and context for understanding the information presented in the financial statements, notes to financial statements, and required supplementary information. It includes five categories of trend information.

<u>Contents</u>	<u>Pages</u>
<u>Financial Trends</u> – The schedules in this section assist users in understanding and assessing how DART’s financial performance and position have changed over the last ten fiscal years.	
Net Position by Component	69
Changes in Net Position	70
Expenses by Function	71
Operating Expenses – Comparison to Industry Trend Data	72
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Revenues by Source – Comparison to Industry Trend Data	74
<u>Revenue Capacity</u> – The schedules in this section assist users in understanding and assessing DART’s ability to generate revenues. It focuses on its two major sources of revenues: sales and use tax and passenger fare revenues.	
Sales and Use Tax Revenue and Service Area Population	76
Passenger Fare Revenue and Ridership	78
Fare Structure	80
<u>Debt Capacity</u> – These schedules present information to help the reader assess DART's current levels of outstanding debt and ability to issue additional debt in the future.	
Outstanding Debt Ratio	82
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Debt Coverage Ratio	84
<u>Demographic and Economic Information</u> – The schedules in this section assist users in understanding the socioeconomic environment in which DART operates.	
Economic and Demographic Information	86
Principal Employers	87
<u>Operating Information</u> – The schedules in this section provide information on the level of services provided by DART and resources used in providing the services. This section helps users understand how the information in the financial statements relate to the level of services provided and resources used in providing the services.	
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Level of Service, Annual and Related Charts	90
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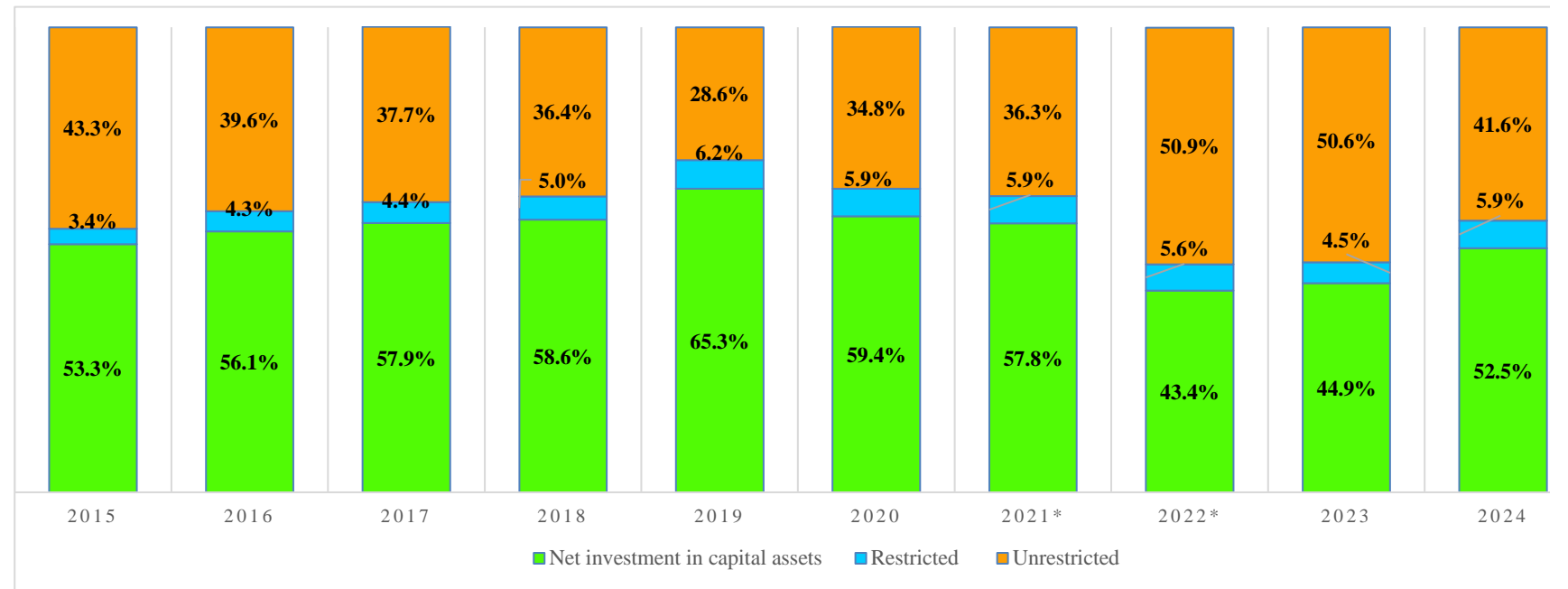
FINANCIAL TRENDS



let's go.

**DALLAS AREA RAPID TRANSIT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Amounts In Thousands)**

Components of Net Position	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
Net investment in capital assets	\$938,644	\$881,241	\$837,067	\$764,341	\$784,924	\$796,675	\$839,550	\$746,665	\$742,715	\$779,387
Restricted	59,091	67,928	64,156	65,822	74,112	77,479	85,338	95,816	74,501	87,776
Unrestricted	761,771	621,414	543,815	474,215	343,465	467,401	526,945	877,408	835,760	618,158
Total Net Position	\$1,759,506	\$1,570,583	\$1,445,038	\$1,304,378	\$1,202,501	\$1,341,555	\$1,451,833	\$1,719,889	\$1,652,976	\$1,485,321



*FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - Subscription-Based Information Technology Arrangements.

Source: Annual Financial Reports

**DALLAS AREA RAPID TRANSIT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Amounts In Thousands)**

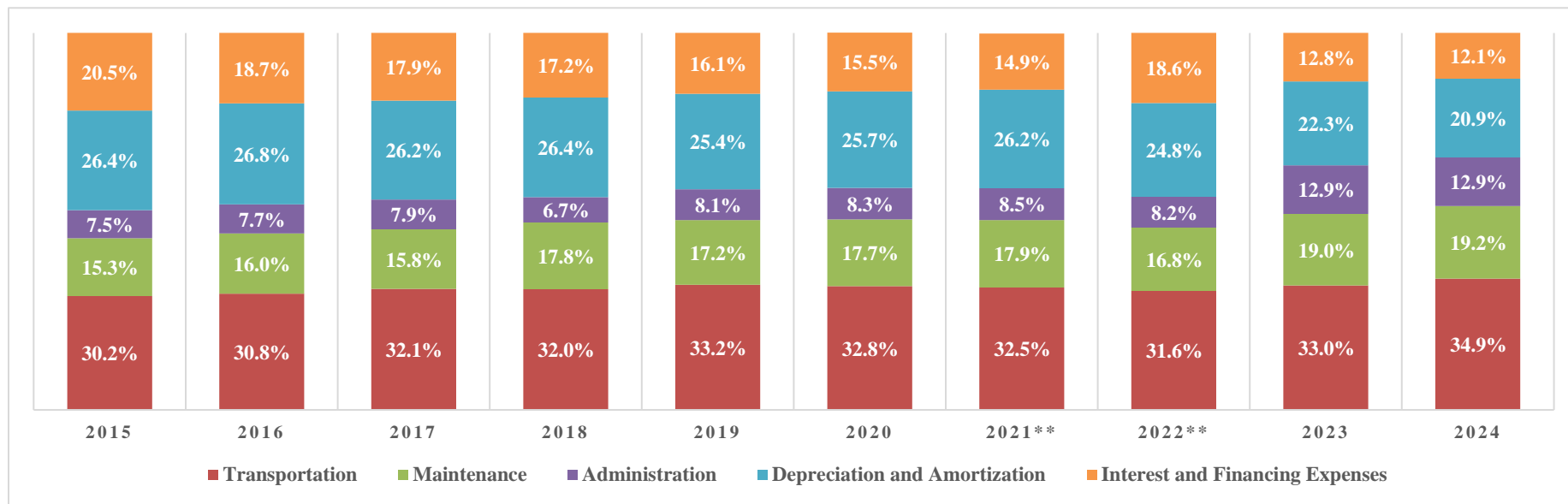
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
OPERATING REVENUES										
Passenger (fare) revenues	\$71,012	\$67,749	\$65,412	\$62,845	\$63,941	\$42,119	\$28,975	\$33,305	\$37,886	\$42,093
Advertising, rent and other	14,412	14,121	14,175	13,241	13,532	13,598	12,090	13,526	14,079	15,867
TOTAL OPERATING REVENUES	85,424	81,870	79,587	76,086	77,473	55,717	41,065	46,831	51,965	57,960
OPERATING EXPENSES										
Labor	220,723	229,795	239,382	249,894	259,186	268,436	256,170	258,348	294,653	316,988
Benefits	96,432	96,528	103,288	98,581	118,592	108,341	116,517	108,482	119,000	142,339
Services	35,785	41,998	40,883	48,331	53,282	55,943	55,230	64,014	98,967	111,747
Materials and Supplies	38,487	43,458	43,203	47,531	51,017	55,753	47,344	47,123	57,667	65,668
Purchased Transportation	45,608	50,316	52,531	55,978	58,537	57,079	57,044	67,206	78,116	92,114
Utilities	17,983	18,008	18,830	19,673	16,619	16,717	16,034	17,702	18,896	21,774
Taxes, Leases, and Other	4,829	4,835	4,778	4,029	6,679	3,492	5,649	5,319	5,861	6,232
Casualty and Liability	5,983	7,536	3,238	4,925	7,156	6,266	5,444	8,584	7,750	10,998
Operating Expenses (excluding depreciation and amortization)	465,830	492,474	506,133	528,942	571,068	572,027	559,432	576,778	680,910	767,860
Depreciation and amortization expense	239,439	246,794	239,381	250,210	248,064	249,778	249,078	253,190	245,886	242,216
TOTAL OPERATING EXPENSES	705,269	739,268	745,514	779,152	819,132	821,805	808,510	829,968	926,796	1,010,076
NET OPERATING LOSS	(619,845)	(657,398)	(665,927)	(703,066)	(741,659)	(766,088)	(767,445)	(783,137)	(874,831)	(952,116)
NON-OPERATING REVENUES (EXPENSES)										
Sales and use tax	519,448	545,907	567,418	596,400	621,129	616,220	683,171	791,839	834,358	851,784
Investment income	8,290	5,552	5,450	6,286	14,787	6,575	869	2,284	53,530	41,341
Interest income from investments held to pay capital lease/leaseback	15,189	9,336	8,365	8,524	8,695	8,904	8,835	9,923	4,071	139
Interest expense on capital lease/leaseback	(15,189)	(9,336)	(8,365)	(8,524)	(8,695)	(8,904)	(8,835)	(9,923)	(4,071)	(139)
Gain (loss) on HOV lane investments	(66,465)	(3,100)	600	(11,100)	-	-	-	-	-	-
Street improvement for member cities	(560)	(501)	(20)	(3,644)	(11,301)	(14,566)	(5,361)	(6,187)	(3,364)	(2,279)
Interest and financing expenses	(170,744)	(163,004)	(155,255)	(154,044)	(148,757)	(142,413)	(134,217)	(179,996)	(136,423)	(138,951)
Build America Bonds tax credit	28,289	28,391	28,381	28,443	25,021	21,390	21,286	21,238	21,246	21,246
Other federal and state grants	82,112	43,731	68,564	69,445	54,932	294,136	197,655	366,818	68,240	69,564
Other non-operating revenues	24,371	16,412	17,552	19,375	15,463	15,156	37,275	34,475	28,367	26,110
Other non-operating expenses	(13,691)	(9,939)	(3,151)	(1,969)	(13,517)	(10,615)	(418)	(4,547)	(75,603)	(108,997)
Loss on transfer of HOV operations	-	-	-	-	-	-	-	-	-	-
Transfer of assets to the City of Dallas	(19,041)	-	-	-	-	-	-	-	-	-
NET OPERATING REVENUES, NET	392,009	463,449	529,539	549,192	557,757	785,883	800,260	1,025,924	790,351	759,818
LOSS BEFORE CAPITAL CONTRIBUTIONS AND GRANTS	(227,836)	(193,949)	(136,388)	(153,874)	(183,902)	19,795	32,815	242,787	(84,480)	(192,298)
Capital Contributions	18,400	5,026	10,843	24,251	82,025	119,259	78,508	27,690	13,178	24,643
Total capital contribution and grants	18,400	5,026	10,843	24,251	82,025	119,259	78,508	27,690	13,178	24,643
CHANGE IN NET POSITION	(209,436)	(188,923)	(125,545)	(129,623)	(101,877)	139,054	111,323	270,477	(71,302)	(167,655)
NET POSITION, BEGINNING OF YEAR	2,039,587	1,759,506	1,570,583	1,445,038	1,304,378	1,202,501	1,341,555	1,451,833	1,719,889	1,652,976
Adjustments Due to Change in Accounting Principles	(70,645)	-	-	(11,037)	-	-	(1,045)	(2,421)	4,389	-
NET POSITION, END OF YEAR	1,759,506	1,570,583	1,445,038	1,304,378	1,202,501	1,341,555	1,451,833	1,719,889	1,652,976	1,485,321

*FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - Subscription-Based Information Technology Arrangements.

Source: Annual Financial Reports and internal financial records

**DALLAS AREA RAPID TRANSIT
EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Amounts In Thousands)**

FUNCTION	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021**	2022**	2023	2024
Transportation	\$273,552	\$284,136	\$293,060	\$303,082	\$324,552	\$319,463	\$309,042	\$321,977	\$364,401	\$404,374
Maintenance	138,662	147,499	143,845	168,222	168,579	172,309	170,126	170,945	211,198	224,124
Administration	67,867	71,279	72,399	63,251	79,624	80,255	80,494	84,042	142,354	150,043
Depreciation and Amortization	239,439	246,794	239,381	250,210	248,064	249,778	249,078	253,190	245,886	242,216
Interest and Financing Expenses	185,933	172,340	163,620	162,568	157,452	151,317	143,052	189,919	140,494	139,090
TOTAL*	\$905,453	\$922,048	\$912,305	\$947,333	\$978,271	\$973,122	\$951,792	\$1,020,073	\$1,104,333	\$1,159,847



**FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*.

Note: * For comparative purposes, total expenses shown above do not include the following items:

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Loss on HOV lane investments/Other	\$66,465	\$3,100	N/A	\$11,100						
Loss on transfer of HOV operations										
Street and Other Transit Related Improvement Programs					\$23,131	\$25,181	\$5,549	\$10,548	\$41,924	
Transfer of assets to the City of Dallas	\$19,041									
Total	\$85,506	\$3,100	N/A	\$11,100	\$23,131	\$25,181	\$5,549	\$10,548	\$41,924	

Source: Annual Financial Reports

**DALLAS AREA RAPID TRANSIT
OPERATING EXPENSES COMPARISON TO INDUSTRY TREND DATA
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
Dallas Area Rapid Transit ¹										
Labor and Benefits	68.1%	66.3%	67.7%	65.9%	66.2%	65.9%	66.6%	63.6%	60.7%	59.9%
Materials and Supplies	8.2%	8.8%	8.5%	9.0%	8.9%	9.7%	8.4%	8.2%	8.5%	8.6%
Services	7.7%	8.5%	8.1%	9.1%	9.3%	9.8%	9.9%	11.1%	14.5%	14.6%
Utilities	3.9%	3.7%	3.7%	3.7%	2.9%	2.9%	2.9%	3.1%	2.8%	2.8%
Casualty and Liability	1.3%	1.5%	0.6%	0.9%	1.3%	1.1%	1.0%	1.5%	1.1%	1.4%
Purchased Transportation	9.8%	10.2%	10.4%	10.6%	10.2%	10.0%	10.2%	11.6%	11.5%	11.9%
Others	1.0%	1.0%	1.0%	0.8%	1.2%	0.6%	1.0%	0.9%	0.9%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Transit Industry ^{2, 3}										
Labor and Benefits	60.7%	62.0%	62.0%	62.0%	61.0%	61.0%	62.0%	60.9%	60.0%	N/A
Materials and Supplies	11.2%	10.0%	9.0%	9.0%	9.0%	9.0%	8.0%	8.2%	8.0%	N/A
Services	7.1%	7.0%	8.0%	8.0%	8.0%	8.0%	9.0%	9.8%	10.0%	N/A
Utilities	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	N/A
Casualty and Liability	2.4%	2.0%	3.0%	3.0%	3.0%	3.0%	2.0%	2.8%	3.0%	N/A
Purchased Transportation	13.7%	14.0%	14.0%	14.0%	14.0%	15.0%	15.0%	14.1%	15.0%	N/A
Others	1.8%	2.0%	1.0%	1.0%	2.0%	1.0%	1.0%	1.2%	1.0%	N/A
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A

*FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*.

Note – Operating expenses for which ratios are shown here do not include depreciation and amortization expenses.

N/A= Industry information is not available

Source:

- (1) Ratios are calculated based on the amounts shown on page 68.
- (2) The American Public Transit Association, APTA Fact Book for each year.

DALLAS AREA RAPID TRANSIT
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Amounts In Thousands)

Revenue source	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
Passenger (fare) revenues	\$71,012	\$67,749	\$65,412	\$62,845	\$63,941	\$42,119	\$28,975	\$33,305	\$37,886	\$42,093
Advertising, rent and other	14,412	14,121	14,175	13,241	13,532	13,598	12,090	13,526	14,079	15,867
Sales and use tax	519,448	545,907	567,418	596,400	621,129	616,220	683,171	791,839	834,358	851,784
Federal operating grants	82,112	43,731	68,564	69,445	54,932	294,136	197,655	366,818	68,240	69,564
Investment income	8,290	5,552	5,450	6,286	14,787	6,575	869	2,284	53,530	41,341
Interest income from investments held to pay capital lease/leaseback	15,189	9,336	8,365	8,524	8,695	8,904	8,835	9,923	4,071	139
Build America Bonds tax credit	28,289	28,391	28,381	28,443	25,021	21,390	21,286	21,238	21,246	21,246
Other non-operating revenues	24,371	16,412	18,152	19,375	15,463	15,156	37,275	34,475	28,367	26,110
	<u>763,123</u>	<u>731,199</u>	<u>775,917</u>	<u>804,559</u>	<u>817,500</u>	<u>1,018,098</u>	<u>990,156</u>	<u>1,273,408</u>	<u>1,061,777</u>	<u>1,068,144</u>
Capital contributions:										
Federal capital contributions	17,738	3,656	9,957	24,122	80,426	98,924	54,189	13,551	13,096	20,827
State capital contributions	333	1,217	885	129	1,599	19,843	19,922	8,552	82	3,816
Local capital contributions	329	153	1	-	-	492	4,397	5,587	-	-
	<u>18,400</u>	<u>5,026</u>	<u>10,843</u>	<u>24,251</u>	<u>82,025</u>	<u>119,259</u>	<u>78,508</u>	<u>27,690</u>	<u>13,178</u>	<u>24,643</u>
Total revenues	<u>\$781,523</u>	<u>\$736,225</u>	<u>\$786,760</u>	<u>\$828,810</u>	<u>\$899,525</u>	<u>\$1,137,357</u>	<u>\$1,068,664</u>	<u>\$1,301,098</u>	<u>\$1,074,955</u>	<u>\$1,092,787</u>

*FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* .

Source: Annual Financial Reports and internal financial records

**DALLAS AREA RAPID TRANSIT
REVENUE BY SOURCE COMPARISON TO INDUSTRY TREND DATA
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
Dallas Area Rapid Transit										
Fare revenue ¹	9.3%	9.3%	8.4%	7.8%	7.8%	4.1%	2.9%	2.6%	3.6%	3.9%
Other revenues ²	11.9%	10.1%	9.6%	9.4%	9.5%	6.4%	8.1%	6.4%	11.4%	9.8%
State and local operating assistance ³	21.2%	19.4%	18.0%	17.2%	17.3%	10.5%	11.0%	9.0%	15.0%	13.7%
Federal operating assistance ⁴	68.0%	74.6%	73.2%	74.2%	76.0%	60.6%	69.0%	62.2%	78.6%	79.8%
Total ⁵	10.8%	6.0%	8.8%	8.6%	6.7%	28.9%	20.0%	28.8%	6.4%	6.5%
	78.8%	80.6%	82.0%	82.8%	82.7%	89.5%	89.0%	91.0%	85.0%	86.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Transit Industry⁶										
Fare revenue	32.0%	24.0%	23.0%	28.8%	27.4%	21.4%	17.1%	10.2%	11.9%	N/A
Other revenues	10.8%	14.0%	16.0%	0.2%	0.2%	0.2%	0.2%	4.5%	7.4%	N/A
State and local operating assistance	42.8%	38.0%	39.0%	29.0%	27.6%	21.6%	17.3%	14.7%	19.3%	N/A
Federal operating assistance	48.6%	44.0%	44.0%	54.6%	57.3%	52.0%	46.0%	48.2%	56.5%	N/A
Total	8.6%	18.0%	17.0%	16.4%	15.1%	26.4%	36.7%	37.1%	24.2%	N/A
	57.2%	62.0%	61.0%	71.0%	72.4%	78.4%	82.7%	85.3%	80.7%	N/A
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	N/A

N/A= Fiscal year industry information is not available

*FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* .

Notes

- (1) Fare revenue is reported as passenger revenue for DART.
- (2) Other revenues include Advertising, Rent and Other, Investment Income, Build America Tax Credit and other non-operating revenues.
- (3) State and local operating assistance includes sales and use tax revenues.
- (4) Federal operating assistance includes federal operating grants.
- (5) Revenues shown here do not include capital contributions.
- (6) The source for industry information is American Public Transit Association for fiscal years 2014 and 2015 and National Transit Database's national transit summary report for 2016 to 2024.

REVENUE CAPACITY



let's go.

**DALLAS AREA RAPID TRANSIT
SALES AND USE TAX REVENUE AND SERVICE AREA POPULATION
CURRENT FISCAL YEAR AND NINE YEARS AGO**

The major local source of revenues for DART is a 1% sales and use tax imposed on certain items within its service area. The table below shows estimated sales and use tax revenue and population by city in the service area for fiscal year 2024 compared to 2015 to show how sales and use tax and population have changed.

City	Sales and Use Tax Revenue ¹ (Amounts in Thousands)				Population ²			
	2024	2015	Percentage Change from 2015 to 2024	Percentage of total in 2024	2024	2015	Percentage Change from 2015 to 2024	Percentage of total in 2024
Dallas	\$423,239	\$261,309	62.0%	49.7%	1,356,479	1,244,270	9.0%	52.1%
Plano	115,971	73,829	57.1%	13.6%	294,152	271,140	8.5%	11.3%
Irving	103,130	60,220	71.3%	12.1%	264,546	228,610	15.7%	10.2%
Richardson	51,970	29,804	74.4%	6.1%	122,678	102,430	19.8%	4.7%
Carrollton	47,658	30,138	58.1%	5.6%	136,479	125,250	9.0%	5.2%
Garland	42,983	23,884	80.0%	5.0%	250,099	232,960	7.4%	9.6%
Farmers Branch	23,509	13,831	70.0%	2.8%	39,070	30,350	28.7%	1.5%
Addison	16,721	12,691	31.8%	2.0%	17,835	15,530	14.8%	0.7%
Rowlett	9,478	5,741	65.1%	1.1%	66,711	56,910	17.2%	2.6%
University Park	6,851	3,839	78.5%	0.8%	25,544	22,840	11.8%	1.0%
Highland Park	8,441	3,356	151.5%	1.0%	8,759	8,440	3.8%	0.3%
Glenn Heights	1,230	491	150.5%	0.1%	19,532	11,440	70.7%	0.7%
Cockrell Hill	603	315	91.4%	0.1%	3,837	4,160	-7.8%	0.1%
Total	\$851,784	\$519,448	64.0%	100.0%	2,605,721	2,354,330	10.7%	100.0%

Sources:

- (1) Sales and use tax revenue estimated allocation to each city is performed by DART based on sales tax information from the State Comptroller.
- (2) Population estimate is provided by the North Central Texas Council of Governments.

**DALLAS AREA RAPID TRANSIT
PASSENGER FARE REVENUE AND RIDERSHIP
CURRENT FISCAL YEAR COMPARED TO NINE YEARS AGO**

The second major local source of revenue for DART is passenger revenue (fare revenue) collected from customers who use DART's public transportation services. The following table shows passenger revenue and ridership for fiscal year 2024 compared to 2015.

Type of Service	Passenger Revenues (Amounts in Thousands)				Ridership ¹ (Amounts in Thousands)			
	2024	2015	Percentage Change from 2015 to 2024	Percentage of total in 2024	2024	2015	Percentage Change from 2015 to 2024	Percentage of total in 2024
Bus	\$19,403	\$30,834	-37.1%	46.1%	29,091	36,366	-20.0%	53.2%
Light Rail	14,741	26,387	-44.1%	35.0%	22,102	29,841	-25.9%	40.4%
Commuter Rail ²	3,755	9,383	-60.0%	8.9%	1,270	2,173	-41.6%	2.3%
Demand Response	2,332	1,021	128.4%	5.5%	1,221	397	207.6%	2.2%
Demand Response - Transit Network ³	1,752	1,213	44.4%	4.2%	883	471	87.5%	1.6%
Vanpool ⁴	-	787	-100.0%	0.0%	-	577	-100.0%	0.0%
Streetcar	110	-	100.0%	0.3%	169	20	100.0%	0.3%
Total	42,093	\$69,625	-39.5%	100.0%	54,736	69,845	-21.6%	100.0%

N/A= Not applicable

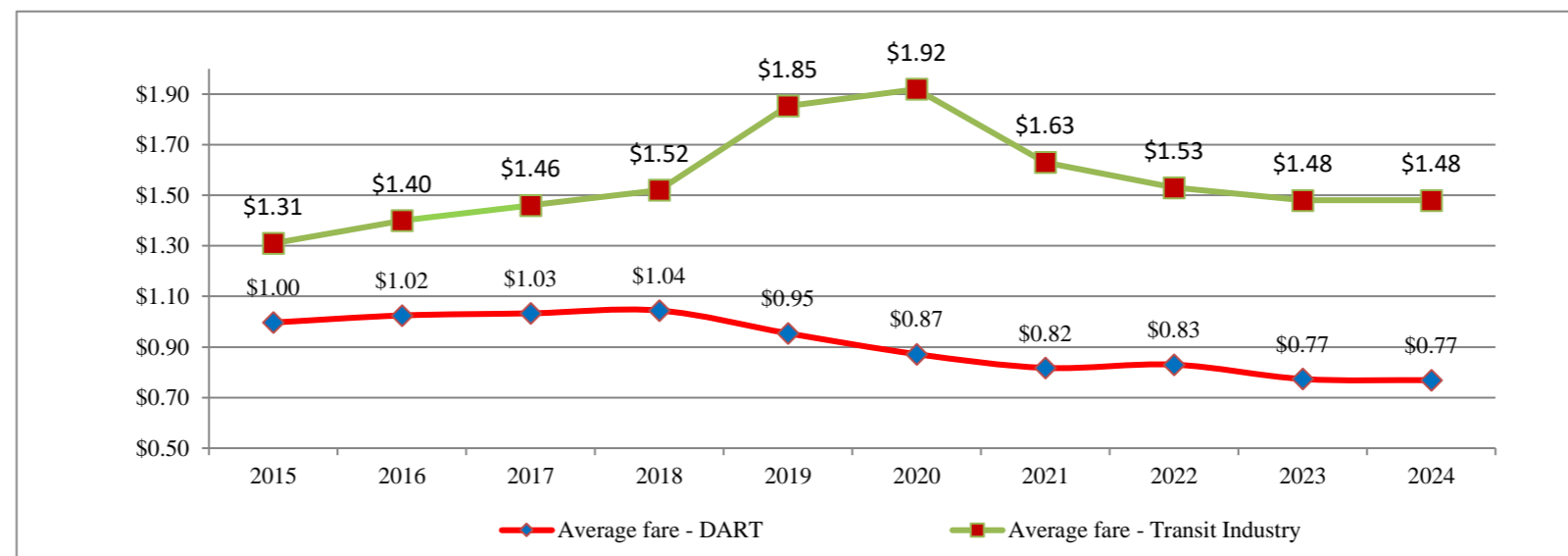
Notes:

- (1) Ridership is reported as unlinked passenger trips. For example, a passenger who transfers from a bus to rail is counted as two unlinked passenger trips.
- (2) The Commuter Rail mode does not include fare collected by the Fort Worth Transportation Authority.
- (3) The Demand Response - Transit Network category includes taxi service in 2015 and Uber in 2024. Taxi service was discontinued by 2024.
- (4) The COVID-19 pandemic led to a drop in vanpool ridership, prompting DART to discontinue the service in FY2022.

Source: National Transit Database and internal financial and ridership records.

**DALLAS AREA RAPID TRANSIT
PASSENGER FARE REVENUE AND RIDERSHIP
LAST TEN FISCAL YEARS
(Amounts in Thousands)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Passenger revenues¹										
Bus	\$30,834	\$29,005	\$27,640	\$26,995	\$30,647	\$20,569	\$14,412	\$16,347	\$18,193	\$19,403
Light Rail	26,387	27,596	27,712	25,980	23,347	15,035	10,728	13,416	14,932	\$14,741
Commuter Rail	9,383	8,849	8,867	8,725	8,191	5,572	2,255	2,752	2,406	\$3,755
Demand Response	1,021	838	876	885	989	1,615	1,393	1,614	2,220	\$2,332
Demand Response - Transit Network	1,213	1,421	1,367	1,308	1,392	-	-	-	1	\$1,752
Vanpool	787	749	1,299	1,316	1,572	615	90	19	-	-
Streetcar	-	-	-	-	-	142	88	120	134	\$110
Total	\$69,625	\$68,458	\$67,761	\$65,209	\$66,138	\$43,548	\$28,966	\$34,268	\$37,886	\$42,093
Ridership²										
Bus	36,366	33,521	31,951	30,011	37,231	27,473	19,432	21,537	25,875	29,091
Light Rail	29,841	29,762	29,994	28,873	28,336	20,081	14,487	17,676	20,495	22,102
Commuter Rail	2,173	2,054	2,098	2,039	2,007	1,266	795	1,066	1,136	1,270
Demand Response	397	335	339	357	415	702	580	822	1,293	1,221
Demand Response - Transit Network	471	562	530	527	591	-	-	-	8	883
Vanpool	577	516	515	483	496	233	24	9	-	-
Streetcar	20	50	156	149	226	189	116	158	164	169
Total*	69,845	66,800	65,583	62,439	69,302	49,944	35,434	41,268	48,971	54,736
 Average fare per passenger ³	\$1.00	\$1.02	\$1.03	\$1.04	\$0.95	\$0.87	\$0.82	\$0.83	\$0.77	\$0.77
 Average fare per passenger, Transit Industry - all agencies ^{4 5}	\$1.31	\$1.40	\$1.46	\$1.52	\$1.85	\$1.92	\$1.63	\$1.53	\$1.48	\$1.48



N/A = Fiscal year 2020 transit industry average fare information is not available.

Sources:

- (1) National Transit Database (NTD) Report and internal financial records
- (2) National Transit Database (NTD) Report and internal ridership records
- (3) Average fare, per passenger, is calculated by dividing total passenger revenues by total ridership
- (4) National Transit Database Report - National Transit Profile Summary.
- (5) Fiscal year 2024 transit industry average fare information is not available. The fare information for fiscal year 2023 was used.

*All modes of ridership decreased during 2020 and 2021 due to the COVID-19 Pandemic. In FY 2022, the reduced vanpool ridership, due to the COVID-19 pandemic, led DART to discontinue the vanpool service.

**DALLAS AREA RAPID TRANSIT
FARE STRUCTURE
LAST TEN FISCAL YEARS**

	2013 to 2018 Effective 12/3/12	2018 to 2020 Effective 8/1/18	2020 to 2021 Effective 1/1/20	2021 to 2022 Effective 1/1/22
BASE SINGLE RIDE FARE				
Local Service	N/A	\$2.50	\$2.50	\$2.50
Commuter Rail - Zone 1 and Express Bus ¹	N/A	N/A	N/A	N/A
Commuter Rail - Zone 2 and Express Bus ²	N/A	N/A	N/A	N/A
Reduced Fare ³	N/A	\$1.25	\$1.25	\$1.25
Paratransit - Demand Response Van/Sedan Service	N/A	\$3.50	\$3.50	\$3.50
Paratransit Trips to Fixed Route Stops	N/A	\$1.00	\$1.00	\$1.00
Paratransit Eligible Riders on Fixed Route Service	N/A	Free	Free	Free
BASE TWO-HOUR FARE (replaced by A.M./P.M. effective Aug. 1, 2018)				
Local Service ¹⁰	\$2.50	N/A	N/A	N/A
Regional Service ¹¹	\$5.00	N/A	N/A	N/A
Reduced Fare ³	\$1.25	N/A	N/A	N/A
Paratransit - Demand Response Van/Sedan Service	\$3.00	N/A	N/A	N/A
Paratransit Trips to Fixed Route Stops	\$0.75	N/A	N/A	N/A
Paratransit Eligible Riders on Fixed Route Service	Free	N/A	N/A	N/A
A.M./P.M. ¹²				
Local Service		\$3.00	\$3.00	N/A
Regional Service		\$6.00	\$6.00	N/A
Reduced Fare ³		\$1.50	\$1.50	N/A
MID-DAY FARE ⁹				
Local Service ¹⁰	\$1.75	\$2.00	\$2.00	\$2.00
Regional Service ¹¹	\$3.50	\$4.00	\$4.00	\$4.00
DAY PASS ⁴				
Local Service ¹⁰	\$5.00	\$6.00	\$6.00	\$6.00
Commuter Rail - Zone 1 and Express Bus ¹				
Commuter Rail - Zone 2 and Express Bus ²				
Regional Service ¹¹	\$10.00	\$12.00	\$12.00	\$12.00
Reduced Fare ³	\$2.50	\$3.00	\$3.00	\$3.00
Regional Day Pass Vouchers ¹³			\$3.60	\$3.60
Regional Day Pass Book of Ten	\$30.00	\$36.00	\$36.00	\$36.00
10-Ticket Paratransit Coupon Book	\$30.00	N/A	N/A	N/A
WEEKLY PASS ⁵				
Local Service ¹⁰	\$25.00	N/A	N/A	N/A
Commuter Rail - Zone 1 and Express Bus ¹		N/A	N/A	N/A
Commuter Rail - Zone 2 and Express Bus ²		N/A	N/A	N/A
Regional Service ¹¹	\$50.00	N/A	N/A	N/A
MONTHLY PASS ⁶				
Local Service ¹⁰	\$80.00	\$96.00	\$96.00	\$96.00
Commuter Rail - Zone 1 and Express Bus ¹				
Commuter Rail - Zone 2 and Express Bus ²				
Regional Service ¹¹	\$160.00	\$192.00	\$192.00	\$192.00
Reduced Fare ³	\$40.00	\$48.00	\$48.00	\$48.00
Lone Star Card - Local ⁸	\$40.00	\$48.00	\$48.00	\$48.00
Lone Star Card - Regional ⁸	\$80.00	\$96.00	\$96.00	\$96.00
Paratransit	N/A	N/A	N/A	\$112.00
ANNUAL PASS ⁷				
Local Service ¹⁰	\$800.00	\$960.00	\$960.00	\$960.00
Commuter Rail - Zone 1 and Express Bus ¹				
Commuter Rail - Zone 2 and Express Bus ²				
Regional Service ¹¹	\$1,600.00	\$1,920.00	\$1,920.00	\$1,920.00
Senior - Regional	\$480.00	\$576.00	\$576.00	\$576.00
Corporate - Local		\$720.00	\$720.00	\$720.00
Corporate - Regional		\$1,440.00	\$1,440.00	\$1,440.00

During the last ten years, the DART Board approved four amendments to fare structures with the following effective dates: 12/03/2012, 08/01/2018, 01/01/2020 and 01/01/22.
N/A= not applicable

Notes:

- (1) Commuter Rail-Zone 1 level of service is for customers that use commuter rail (TRE) service between Union Station in Downtown Dallas and CentrePort/DFW Station. Express bus service is a bus service with fewer stops and providing trips during morning and afternoon rush hours.
- (2) Commuter Rail-Zone 2 level of service is for customers that use the commuter rail (TRE) service to travel to destinations on the commuter rail (TRE) west of the CentrePort/DFW Station.
- (3) Reduced fares are applicable on bus and rail service to the following: seniors, non-paratransit disabled, high school students with valid identification, children age 5 through junior high school (children under age 5 ride free) and shuttle bus routes. Reduced passes are not available in the form of weekly passes and annual passes.
- (4) Day passes are valid for unlimited use on the date of purchase only through 3a.m. the following day.
- (5) Weekly passes are valid for seven consecutive days. Weekly pass fares were introduced on October 1, 2007.
- (6) Monthly passes available for calendar months or 31 consecutive days.
- (7) Annual passes are valid for a calendar year and expire at mid-night on December 31. Annual pass fares shown here are for individual customers. Pricing for annual passes bought by employers for their employees varies depending on the number of employees and the location of the employer within DART service area. The annual pass fare option for individuals
- (8) Lone Star cardholders with Temporary Assistance for Needy Families (TANF) benefits are eligible to purchase Monthly Passes at a 50% discount from listed fares. This discount does not apply to Reduced or High School Monthly Pass purchases.
- (9) Mid-Day Pass allows unlimited travel between 9:30 a.m. and 2:30 p.m. Monday through Friday.
- (10) All DART buses and trains; TRE service between Union Station and CentrePort Station; DART On-Call and Flex service.
- (11) All DART buses and trains; all TRE services; The T in Fort Worth; the A-Train and DCTA in Denton.
- (12) A.M./P.M.: tickets purchased from start of service day until noon are valid for travel until noon; tickets purchased at noon to end of service day are valid until end of DART service day. Valid for travel on all DART buses and trains, Trinity Railway Express Service, DART On-Call and Flex service.
- (13) Regional Day Pass vouchers are available only to government, alternative schools, and nonprofit institutions to be issued to DART Service Area clients. Passes for alternative schools are valid 6:00 a.m. to 6:00 p.m., Monday through Friday.

Source: DART Board Resolutions 020192, 030146, 070064, 090067, 120105, 180017, 190159 and 210180.

DEBT CAPACITY



let's go.

**DALLAS AREA RAPID TRANSIT
OUTSTANDING DEBT RATIO
LAST TEN FISCAL YEARS**

OUTSTANDING DEBT RATIO

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total outstanding debt (in thousands) ¹										
Senior Lien Revenue Bonds*	\$3,547,683	\$3,542,484	\$3,468,794	\$3,393,888	\$3,329,399	\$3,360,211	\$3,284,209	\$3,710,002	\$3,670,235	\$3,836,646
Lease and Subscription Obligations**	-	-	-	-	-	-	-	13,167	15,118	17,262
Capital Lease Obligations	201,098	109,725	111,716	113,866	116,187	118,716	121,177	131,082	8,524	-
	\$3,748,781	\$3,652,209	\$3,580,510	\$3,507,754	\$3,445,586	\$3,478,927	\$3,405,386	\$3,854,251	\$3,693,877	\$3,853,908
Total personal income (in thousands) ²	\$72,618,226	\$73,140,525	\$77,086,584	\$82,290,173	\$83,309,687	\$91,143,512	\$95,335,992	\$101,180,009	\$108,459,310	119,212,782
Outstanding debt ratio	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.03	0.03

OUTSTANDING DEBT PER CAPITA

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total outstanding debt (in thousands) as shown above	\$3,748,781	\$3,652,209	\$3,580,510	\$3,507,754	\$3,445,586	\$3,478,927	\$3,405,386	\$3,854,251	\$3,693,877	\$3,853,908
Service area population ³	2,354,330	2,380,600	2,407,830	2,467,760	2,467,760	2,506,490	2,530,800	2,556,170	2,568,686	2,605,721
Outstanding debt per capita	\$1,592	\$1,534	\$1,487	\$1,421	\$1,396	\$1,388	\$1,346	\$1,508	\$1,438	\$1,479

Note:

*Includes unamortized premium, and Transit Infrastructure Financing and Innovation Act (TIFIA) bonds starting from 9/30/2013.

**FY 2022 and 2021 amounts are restated due to an implementation of financial reporting requirements – GASB Statement No. 87 *Leases* and GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* .

Sources:

- (1) Outstanding debt information is obtained from annual financial reports and internal financial records.
- (2) Total personal income information for DART Service Area is obtained from the US Census Bureau and published reports of service area municipalities.
- (3) Service area population is obtained from the North Central Texas Council of Governments.

**DALLAS AREA RAPID TRANSIT
DEBT LIMIT
LAST TEN FISCAL YEARS
(Amounts In Thousands)**

	Fiscal Year									
Senior Lien Revenue Bonds ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Voted Debt Limit	See note 1	See note 1	See note 1	See note 1	See note 1	See note 1	See note 1	See note 1	See note 1	See note 1
Debt Issuance Subject to Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Limit Available	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent of Limit Issued										

N/A= Not Applicable

Notes:
 (1) In August 2000, the citizens of DART's members cities and towns voted to authorize DART to issue up to \$2.9 billion in bonds secured solely by sales and use tax revenues. Bonds issued through and including the Series 2008 bonds were solely secured with a sales tax revenue pledge and therefore subject to the \$2.9 billion voter authorized limit on sales tax only pledged bonds. Prior to the issuance of the Series 2009 bonds the security pledge for all bonds, retroactive to and including Series 2001, was expanded to include sales tax revenues and other pledged revenues. Therefore, new bonds issued with the expanded security pledge bonds are no longer subject to the \$2.9 billion limitation. However, DART can only issue additional bonds if its projected gross pledged revenues exceed projected debt service requirements by 200%. Each issuance of DART's revenue bond is subject to approval by the Attorney General of the State of Texas.

Source: Internal financial records

DALLAS AREA RAPID TRANSIT
DEBT COVERAGE RATIO
LAST TEN FISCAL YEARS
(Amounts In Thousands)

DEBT COVERAGE RATIO BASED ON PLEDGED REVENUES ¹

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pledged Revenues										
Sales and Use Tax	\$519,448	\$545,907	\$567,418	\$596,400	\$621,129	\$616,220	\$683,171	\$791,839	\$834,358	\$851,784
Passenger (Fare) Revenue	71,012	67,749	65,412	62,845	63,941	42,119	28,975	33,305	37,886	42,093
	\$590,460	\$613,656	\$632,830	\$659,245	\$685,070	\$658,339	\$712,146	\$825,144	\$872,244	\$893,877
Debt Service requirements ²										
Principal - Bond	\$38,215	\$48,115	\$53,962	\$53,936	\$58,291	\$59,974	\$62,689	\$71,355	\$77,990	\$76,030
Interest Payments	188,949	176,371	164,072	165,585	160,818	151,667	148,272	152,266	148,659	148,083
	227,164	224,486	218,034	219,521	219,109	211,641	210,961	223,621	226,649	224,113
Less: Build America Bond Credit	(28,289)	(28,391)	(28,381)	(28,443)	(25,021)	(21,390)	(21,286)	(21,238)	(21,246)	(21,246)
Net debt service	198,875	196,095	189,653	191,078	194,088	190,251	189,675	202,383	205,403	202,867
Coverage Ratio ³	2.97	3.13	3.34	3.45	3.53	3.46	3.75	4.08	4.25	4.41

Notes:

- (1) Sales and Use Tax and fare revenues are pledged as securities for debt service. Passenger fare revenues were pledged for debt service starting fiscal year 2009. Gross revenues are not shown net of expense since the debt has a senior lien (priority claim) against the pledge revenues.
- (2) The increase in debt service requirements over time is because of an increase in debt.
- (3) The coverage ratios shown here differ from the coverage ratios that are included in DART's debt documents. The ratios in this schedule are not an attempt to calculate the additional bonds test coverage ratio included in DART's debt documents.

Source: Annual financial statements and internal accounting records

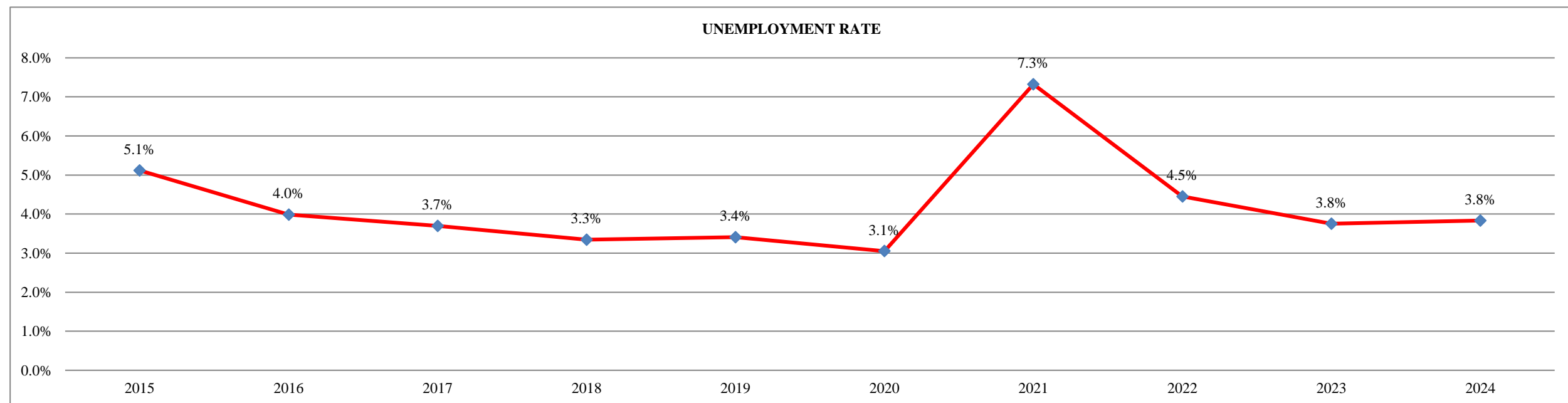
DEMOGRAPHIC AND ECONOMIC INFORMATION



let's go.

**DALLAS AREA RAPID TRANSIT
ECONOMIC AND DEMOGRAPHIC INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Population ¹	2,354,330	2,380,600	2,407,830	2,467,760	2,467,760	2,506,490	2,530,800	2,556,170	2,568,686	2,605,721
Per Capita Income ²	\$30,845	\$30,724	\$32,015	\$33,764	\$33,759	\$36,363	\$37,670	\$39,583	\$42,224	\$45,750
Total Personal Income (in thousands) ²	\$72,618,226	\$73,140,525	\$77,086,584	\$82,290,173	\$83,309,687	\$91,143,512	\$95,335,992	\$101,180,009	\$108,459,310	\$119,212,782
Unemployment Rate ³	5.1%	4.0%	3.7%	3.3%	3.4%	3.1%	7.3%	4.5%	3.8%	3.8%



Sources:

- (1) North Central Texas Council of Governments (NCTCOG)
- (2) Total personal income and per capita income for DART Service Area are obtained from the US Census Bureau and published reports of service area municipalities.
- (3) Texas Workforce Commission (unemployment rate information presented here is for the five counties where DART's member cities and towns are located).

**DALLAS AREA RAPID TRANSIT
PRINCIPAL EMPLOYERS IN DART SERVICE AREA
CURRENT FISCAL YEAR AND NINE YEARS AGO**

2024				2015			
Rank	Name of Employer	Number of Employees	Percentage of Total Employment	Rank	Name of Employer	Number of Employees	Percentage of Total Employment
1	Walmart	38,500	1.37%	1	Walmart	25,534	1.15%
2	American Airlines Group	36,000	1.28%	2	Dallas Independent School District	20,000	0.90%
3	Texas Health Resources	29,400	1.04%	3	Baylor Scott & White Health	16,860	0.76%
4	UT Southwestern Medical Center	25,349	0.90%	4	Bank of America	14,463	0.65%
5	JP Morgan Chase	18,500	0.66%	5	City of Dallas	13,000	0.59%
6	Medical City Healthcare	17,000	0.60%	6	Texas Instruments Inc.	13,000	0.59%
7	Southwest Airlines	16,000	0.57%	7	JP Morgan Chase Bank N.A.	12,600	0.57%
8	UNT System	14,730	0.52%	8	UT Southwestern Medical Center at Dallas	12,499	0.56%
9	Bank of America	14,300	0.51%	9	HCA North Texas Division	11,612	0.52%
10	State Farm	13,000	0.46%	10	Parkland Health & Hospital System	9,700	0.44%

Sources for 2024:

Dallas Business Journal, Book of Lists, October 2024

Sources for 2015:

Dallas Business Journal, Book of Lists 2016, Volume 39, Number 20

OPERATING INFORMATION



let's go.

**DALLAS AREA RAPID TRANSIT
NUMBER OF EMPLOYEES BY FUNCTION ¹
LAST TEN FISCAL YEARS**

FUNCTION	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Transport Operations										
Bus Operations	1,511	1,556	1,576	1,569	1,682	1,602	1,412	1,468	1,525	1,558
Commuter Rail Operations	14	14	14	15	20	18	14	9	9	9
HOV Lane Operations ²	-	-	-	-	-	-	-	-	-	-
Light Rail Operations	285	308	323	323	376	319	317	323	359	366
Paratransit Operations	59	60	64	59	58	54	43	39	43	45
Vanpool Operations ³	2	2	2	2	2	2	2	-	-	-
	1,871	1,940	1,979	1,968	2,138	1,995	1,788	1,839	1,936	1,978
Maintenance										
Vehicle Maintenance	710	722	701	706	668	653	566	472	500	528
Non-vehicle Maintenance	297	286	317	308	319	324	309	331	404	419
	1,007	1,008	1,018	1,014	987	977	875	803	904	947
Public Safety and Fare Enforcement	336	326	322	381	403	381	348	318	330	341
Operations Total	3,214	3,274	3,319	3,363	3,528	3,353	3,011	2,960	3,170	3,266
Administrative	352	374	386	395	365	366	330	325	351	432
Total	3,566	3,648	3,705	3,758	3,893	3,719	3,341	3,285	3,521	3,698

Notes:

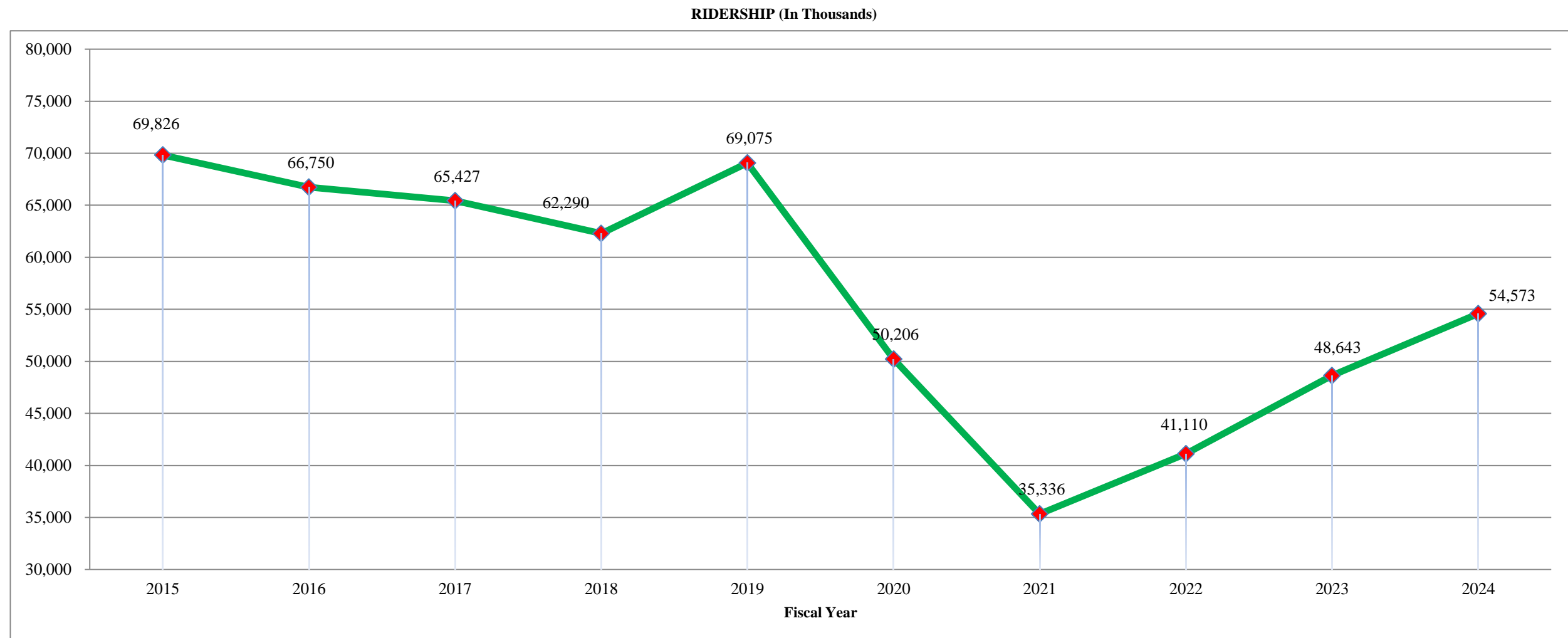
- (1) Number of employees presented here is actual head count of full-time, temporary and part-time employees at the end of each fiscal year.
- (2) HOV Lane is managed and operated by Texas Department of Transportation starting from October 1, 2013.
- (3) Vanpool is suspended starting from October 1, 2021.

Source: DART's personnel data

**DALLAS AREA RAPID TRANSIT
LEVEL OF SERVICE - ANNUAL
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PASSENGERS (RIDERSHIP)⁴										
Bus ¹	36,366,269	33,521,239	31,951,162	30,011,020	37,230,755	27,924,721	19,461,992	21,536,489	25,717,361	29,091,210
Light Rail	29,841,000	29,762,161	29,993,849	28,873,235	28,335,785	20,081,036	14,487,228	17,675,954	20,495,388	22,102,282
Commuter Rail ²	2,173,653	2,054,001	2,097,999	2,038,947	2,006,996	1,266,076	795,302	1,066,362	1,136,779	1,270,112
Demand Response	396,672	334,880	339,483	356,620	415,034	232,926	130,936	808,997	1,292,650	1,220,992
Demand Response-Transit Network ⁶	471,177	562,000	529,783	526,891	590,600	468,967	436,876	13,070	345	888,517
Vanpool ⁵	576,804	515,880	514,893	483,243	495,882	232,710	24,062	8,929	-	-
	69,825,575	66,750,161	65,427,169	62,289,956	69,075,052	50,206,436	35,336,396	41,109,801	48,642,523	54,573,113
REVENUE MILES										
Bus	27,343,486	27,501,704	27,557,587	28,242,935	28,574,907	26,891,856	24,216,644	20,519,289	24,800,432	25,490,106
Light Rail	9,721,956	9,829,532	10,244,288	10,236,821	10,310,712	9,866,803	8,906,185	9,585,216	10,221,270	10,213,780
Commuter Rail ²	1,153,406	1,164,706	1,630,259	1,627,050	1,633,624	1,404,961	1,341,985	1,349,872	1,195,239	1,187,409
Demand Response	2,373,541	1,986,108	2,184,726	2,407,024	2,934,943	1,843,118	1,247,190	8,420,618	10,392,198	11,430,219
Demand Response-Transit Network ⁶	4,975,169	5,614,299	5,513,890	5,850,754	7,160,994	5,804,395	6,554,402	166,609	7,885	3,307,117
Vanpool ⁵	2,695,134	3,061,242	3,087,735	3,031,554	2,838,832	1,423,846	169,653	55,517	-	-
	48,262,692	49,157,591	50,218,485	51,396,138	53,454,012	47,234,979	42,436,059	40,097,121	46,617,024	51,628,631
REVENUE HOURS										
Bus	2,148,462	2,159,309	2,174,863	2,222,726	2,264,372	2,156,801	1,954,204	1,648,398	1,893,617	2,023,203
Light Rail	468,421	473,059	491,854	458,345	500,544	481,071	431,893	505,359	543,807	541,258
Commuter Rail ²	49,720	49,554	72,469	73,746	73,830	62,515	66,530	71,090	60,810	70,551
Demand Response	185,498	157,192	215,791	195,261	225,099	144,285	94,863	478,329	643,414	694,357
Demand Response-Transit Network ⁶	276,047	328,641	308,413	337,873	397,133	377,154	344,325	6,471	165	142,050
Vanpool ⁵	69,437	80,758	80,844	79,552	77,361	36,820	3,008	1,098	-	-
	3,197,585	3,248,513	3,344,234	3,367,503	3,538,339	3,258,646	2,894,823	2,710,745	3,141,813	3,471,419
PASSENGERS PER REVENUE MILE										
Bus	1.33	1.22	1.16	1.06	1.30	1.04	0.80	1.05	1.04	1.14
Light Rail	3.07	3.03	2.93	2.82	2.75	2.04	1.63	1.84	2.01	2.16
Commuter Rail ²	1.88	1.76	1.29	1.25	1.23	0.90	0.59	0.79	0.95	1.07
Demand Response	0.17	0.17	0.16	0.15	0.14	0.13	0.10	0.10	0.12	0.11
Demand Response-Transit Network ⁶	-	-	-	-	-	0.08	0.07	0.08	0.04	0.27
Vanpool ⁵	0.21	0.17	0.17	0.16	0.17	0.16	0.14	0.16	-	-
	1.45	1.36	1.30	1.21	1.29	1.06	0.83	1.03	1.04	1.06
PASSENGERS PER REVENUE HOUR										
Bus	16.93	15.52	14.69	13.50	16.44	12.95	9.96	13.07	13.58	14.38
Light Rail	63.71	62.91	60.98	62.99	56.61	41.74	33.54	34.98	37.69	40.84
Commuter Rail ²	43.72	41.45	28.95	27.65	27.18	20.25	11.95	15.00	18.69	18.00
Demand Response	2.14	2.13	1.57	1.83	1.84	1.61	1.38	1.69	2.01	1.76
Demand Response-Transit Network ⁶	-	-	-	-	-	1.24	1.27	2.02	2.09	6.25
Vanpool ⁵	8.31	6.39	6.37	6.07	6.41	6.32	8.00	8.13	-	-
	21.84	20.55	19.56	18.50	19.52	15.41	12.21	15.17	15.48	15.72
Operating expense ³	\$465,830	\$492,474	\$506,133	\$528,942	\$571,068	\$572,027	\$559,432	\$576,778	\$680,910	\$767,860
Fare Revenue (Passenger revenue)	\$69,625,000	\$68,458,000	\$67,761,000	\$65,209,000	\$66,138,000	\$43,548,000	\$28,966,000	\$34,268,000	\$37,886,000	\$42,093,000
Operating expense per mile	\$9.65	\$10.02	\$10.08	\$10.29	\$10.68	\$12.11	\$13.18	\$14.38	\$14.61	\$14.87
Operating expense per hour	\$145.68	\$151.60	\$151.34	\$157.07	\$161.39	\$175.54	\$193.25	\$212.77	\$216.73	\$221.19
Operating expense per passenger	\$6.67	\$7.38	\$7.74	\$8.49	\$8.27	\$11.39	\$15.83	\$14.03	\$14.00	\$14.07
Fare revenue per passenger	\$1.00	\$1.02	\$1.03	\$1.04	\$0.95	\$0.87	\$0.82	\$0.83	\$0.77	\$0.77

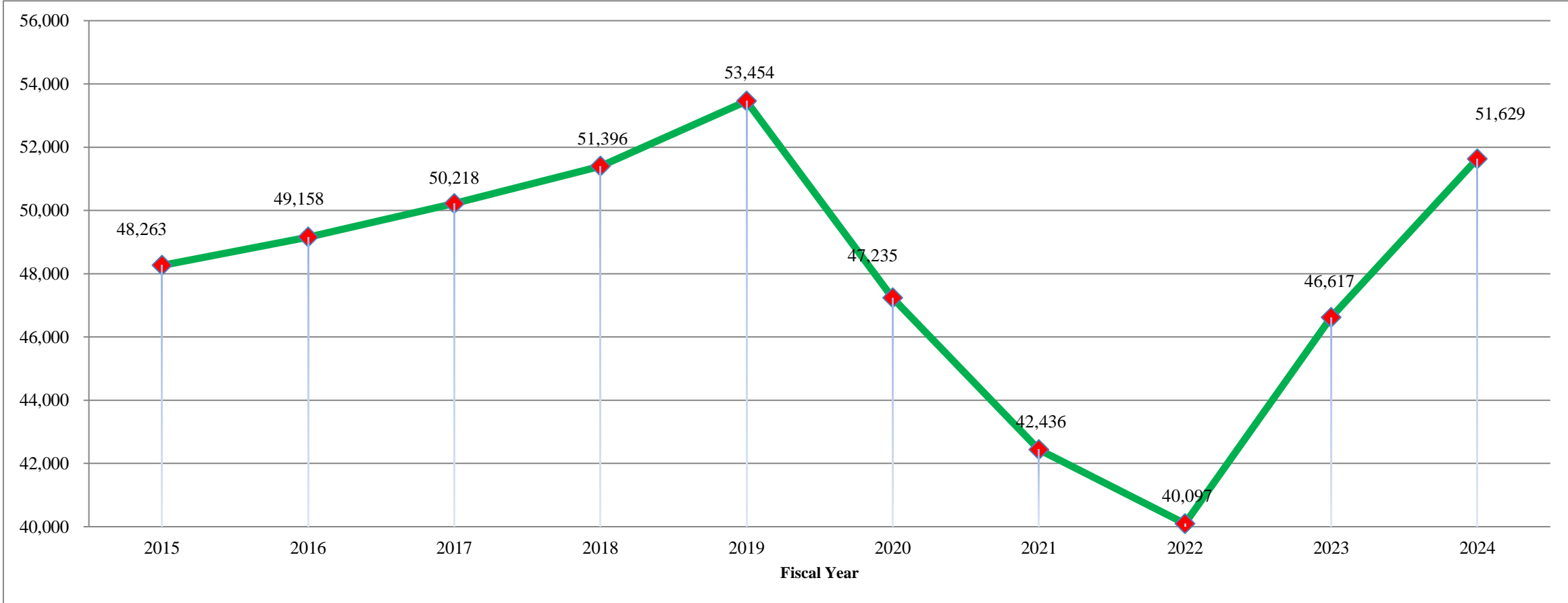
DALLAS AREA RAPID TRANSIT
RIDERSHIP
LAST TEN FISCAL YEARS



* Total ridership increased by 6.8 million trips or 11% from 2018 to 2019 due to a change in ridership counting method from manual to automated passenger counter (APC) for bus service and increased by 5.8 million or 16% in FY2022 but it is still lower before the COVID-19 Pandemic levels.

DALLAS AREA RAPID TRANSIT
REVENUE MILES
LAST TEN FISCAL YEARS

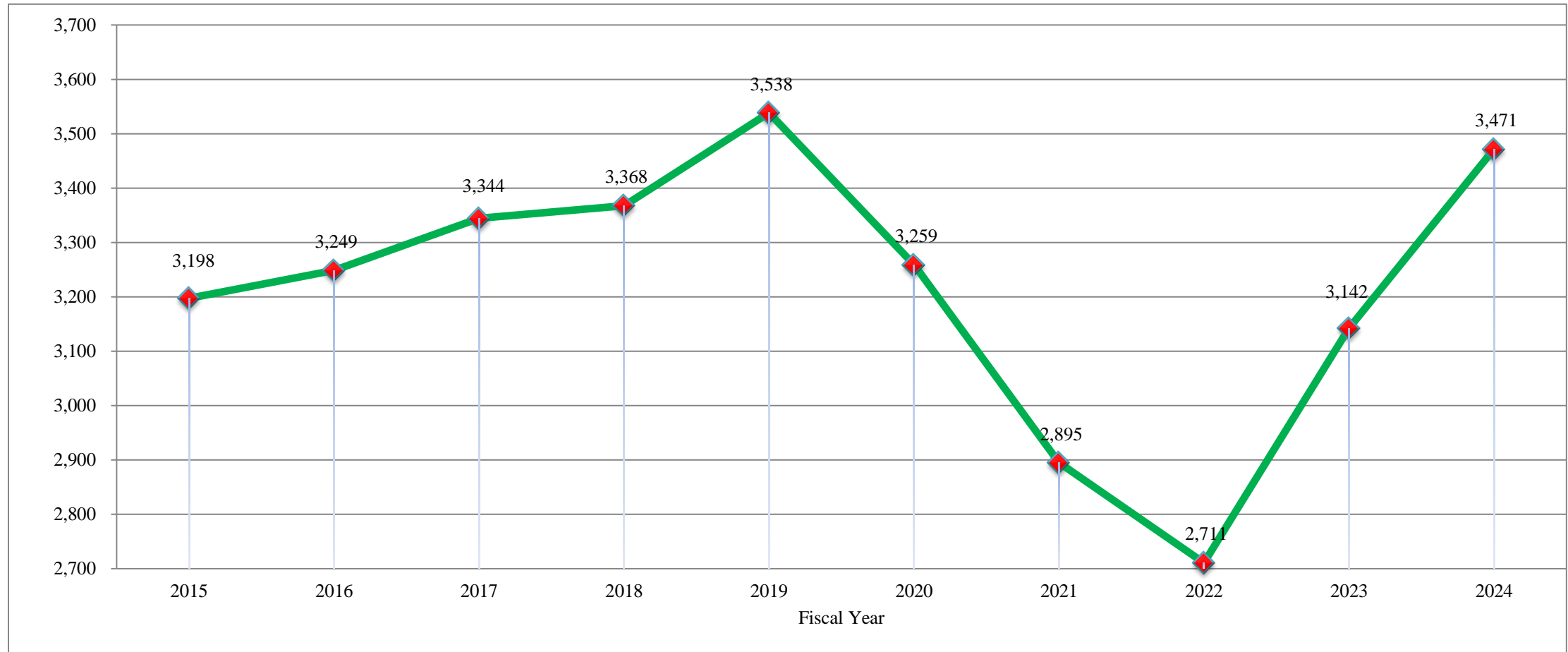
REVENUE MILES* (In Thousands)



* Revenue miles for rail services are car revenue miles.

DALLAS AREA RAPID TRANSIT
REVENUE HOURS
LAST TEN FISCAL YEARS

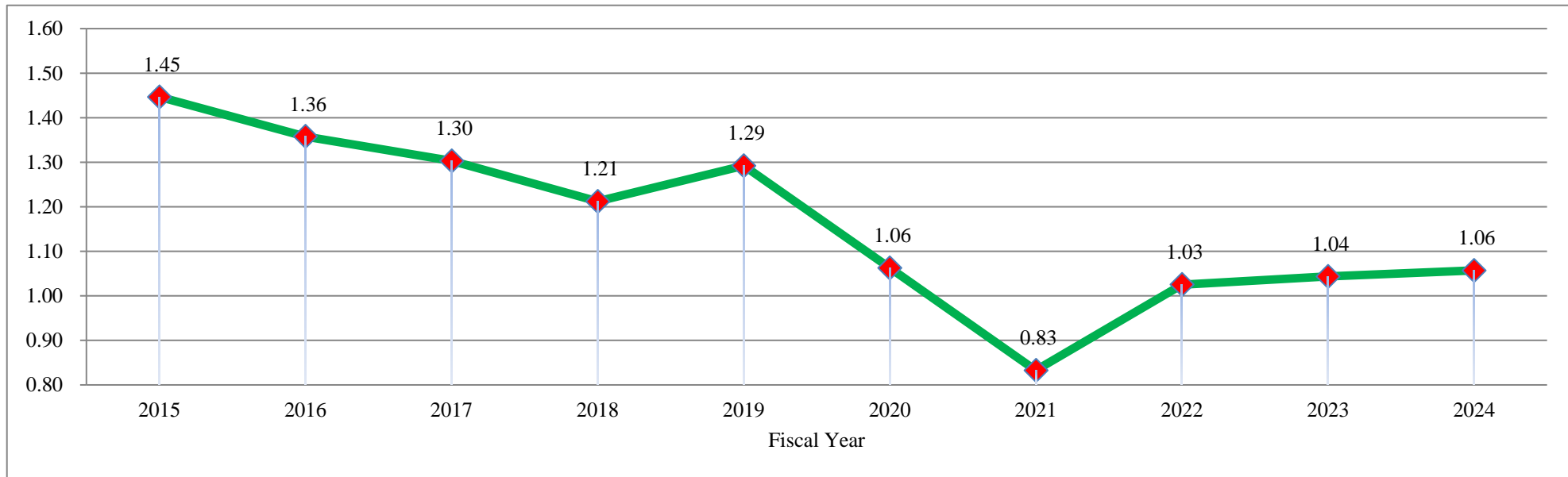
REVENUE HOURS* (In Thousands)



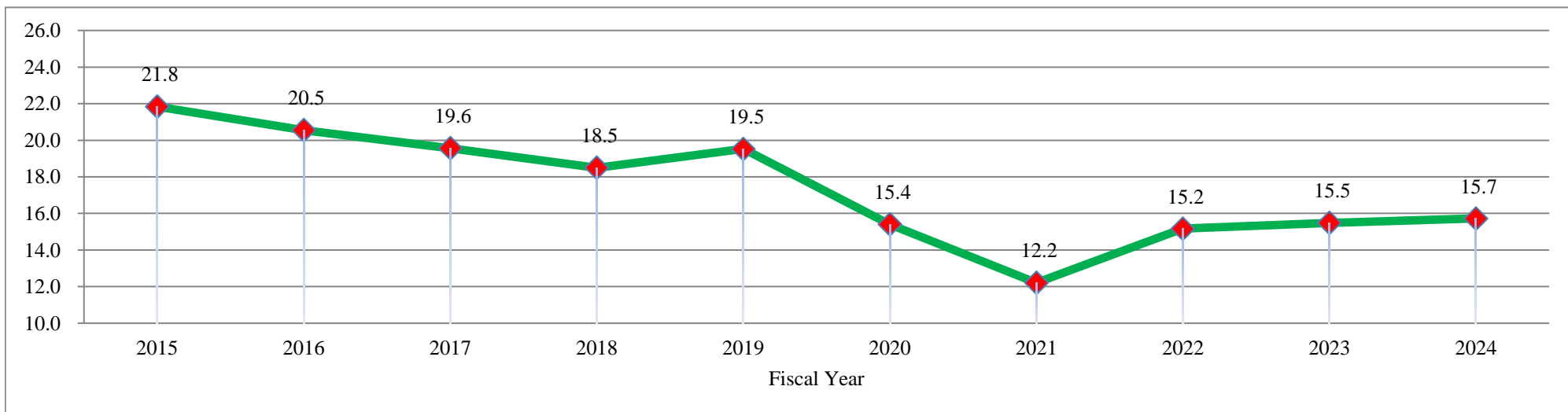
* Revenue hours for rail services are car revenue hours.

**DALLAS AREA RAPID TRANSIT
PASSENGERS PER REVENUE MILE AND REVENUE HOUR
LAST TEN FISCAL YEARS**

PASSENGERS PER REVENUE MILE



PASSENGERS PER REVENUE HOUR



**DALLAS AREA RAPID TRANSIT
LEVEL OF SERVICE - AVERAGE WEEKDAY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AVERAGE WEEKDAY PASSENGERS (RIDERSHIP)										
Bus	122,695	113,229	108,722	101,063	123,072	88,621	61,711	69,330	79,972	90,111
Light Rail	97,824	96,781	97,112	93,466	92,099	62,547	44,919	54,567	61,314	67,308
Commuter Rail	7,907	7,395	7,413	7,221	7,071	4,330	2,797	3,653	3,823	4,206
Demand Response	17,612	1,233	1,253	1,318	1,519	828	1,982	2,607	14,332	4,418
Demand Response-Transit Network ³	18,484	N/A	N/A	N/A	N/A	N/A	N/A	N/A	345	2,756
Vanpool ²	1,855	1,954	1,876	1,761	1,808	856	86	79	-	-
	266,377	220,592	216,376	204,829	225,569	157,182	111,495	130,236	159,786	168,799
AVERAGE WEEKDAY REVENUE MILES										
Bus	89,079	89,039	89,195	90,818	91,528	83,458	76,442	62,173	73,978	75,484
Light Rail ¹	31,046	31,080	31,827	31,792	31,953	30,805	27,713	30,215	31,715	31,945
Commuter Rail ¹	3,992	4,078	5,575	5,674	5,709	4,740	4,657	4,612	3,971	4,004
Demand Response	8,482	7,097	7,822	8,613	10,360	6,407	26,292	27,745	151,267	38,009
Demand Response-Transit Network ³	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,885	10,379
Vanpool ²	8,666	11,589	11,271	11,137	10,400	5,252	613	506	-	-
	141,265	142,883	145,690	148,034	149,950	130,662	135,717	125,251	268,816	159,821
AVERAGE WEEKDAY REVENUE HOURS										
Bus	6,942	7,510	6,945	7,083	7,138	6,630	6,105	5,057	5,528	6,002
Light Rail ¹	1,486	1,487	1,518	1,417	1,426	1,493	1,335	1,494	1,590	1,581
Commuter Rail ¹	173	173	251	254	253	208	223	240	203	239
Demand Response	674	570	775	703	801	514	1,505	1,550	8,912	2,269
Demand Response-Transit Network ³	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	165	449
Vanpool ²	223	306	297	293	284	136	11	91	-	-
	9,498	10,046	9,786	9,750	9,902	8,981	9,179	8,432	16,398	10,540
AVERAGE WEEKDAY PASSENGERS PER REVENUE MILE										
Bus	1.38	1.27	1.22	1.11	1.34	1.06	0.81	1.12	1.08	1.19
Light Rail	3.15	3.11	3.05	2.94	2.88	2.03	1.62	1.81	1.93	2.11
Commuter Rail	1.98	1.81	1.33	1.27	1.24	0.91	0.60	0.79	0.96	1.05
Demand Response	2.08	0.17	0.16	0.15	0.15	0.13	0.08	0.09	0.09	0.12
Demand Response-Transit Network ³	-	-	-	-	N/A	N/A	N/A	N/A	0.04	0.27
Vanpool ²	0.21	0.17	0.17	0.16	0.17	0.16	0.14	0.16	-	-
	1.89	1.54	1.49	1.38	1.50	1.20	0.82	1.04	0.59	1.06
AVERAGE WEEKDAY PASSENGERS PER REVENUE HOUR										
Bus	17.67	15.08	15.65	14.27	17.24	13.37	10.11	13.71	14.47	15.01
Light Rail	65.83	65.08	63.97	65.96	64.59	41.89	33.65	36.52	38.56	42.57
Commuter Rail ¹	45.71	42.75	29.53	28.43	27.95	20.82	12.54	15.22	18.83	17.60
Demand Response	26.13	2.16	1.62	1.87	1.90	1.61	1.32	1.68	1.61	1.95
Demand Response-Transit Network ³	-	-	N/A	N/A	N/A	N/A	N/A	N/A	2.09	6.14
Vanpool ²	8.32	6.39	6.32	6.01	6.37	6.29	7.82	0.87	-	-
	28.05	21.96	22.11	21.01	22.78	17.50	12.15	15.45	9.74	16.02

N/A= Not applicable

Notes:

- (1) Average weekday revenue miles and hours for rail services are car revenue miles and hours.
- (2) In FY 2022, the reduced vanpool ridership, due to the COVID-19 pandemic, led DART to discontinue the vanpool service.
- (3) The Demand Response - Transit Network category includes taxi services up until 2023 and was replaced by Uber in 2024.

Source: National Transit Database

**DALLAS AREA RAPID TRANSIT
NUMBER OF VEHICLES AND OPERATING FACILITIES
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of vehicles available for service ¹										
Bus	744	648	580	640	681	681	681	681	662	662
Light Rail	163	163	162	162	162	162	161	163	163	163
Commuter Rail	32	32	32	35	34	34	32	36	34	34
Demand Response	107	96	96	96	117	96	271	332	237	205
Demand Response-Transit Network ⁴	125	-	115	115	115	123	207	-	25	637
Vanpool ³	229	190	208	174	167	164	17	10	-	-
Total	1,400	1,129	1,193	1,222	1,276	1,265	1,369	1,222	1,121	1,701
Number of vehicles operated during weekday ¹										
Bus	535	533	530	537	561	443	453	453	389	420
Light Rail	105	104	107	109	117	91	89	89	74	97
Commuter Rail	18	18	23	23	23	23	23	23	23	23
Demand Response	92	106	96	96	107	67	149	198	237	137
Demand Response-Transit Network ⁴	115	-	115	115	115	N/A	116	-	25	305
Vanpool ³	162	175	186	174	167	85	13	10	-	-
Total	1,027	936	1,057	1,054	1,090	695	843	773	748	982
Operating Facilities ²										
Bus										
Number of operating garages	3	3	3	3	3	3	3	3	3	3
Number of transit centers	15	15	15	15	15	14	14	14	14	14
Number of bus stops	11,973	11,271	11,271	11,086	10,610	10,969	9,990	6,987	6,985	6,996
Light Rail										
Miles of tracks	85	85	93	93	93	93	93	93	93	93
Number of stations	62	62	64	64	64	64	65	65	65	65
Number of operating garages	2	2	2	2	2	2	2	2	2	2
Commuter Rail										
Miles of tracks	34	34	34	34	34	34	34	34	34	34
Number of stations	10	10	10	10	10	10	10	10	10	10
Number of operating garages	1	1	1	1	1	1	1	1	1	1
Demand Response										
Number of operating garages	1	1	1	1	1	1	1	1	1	1

Sources:

(1) National Transit Database

(2) Internal DART records

(3) In FY 2022, the reduced vanpool ridership, due to the COVID-19 pandemic, led DART to discontinue the vanpool service.

DALLAS AREA RAPID TRANSIT
COST OF CAPITAL ASSETS
LAST TEN FISCAL YEARS
(Amounts In Thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Non-Depreciable Capital Assets										
Land and right-of-way	\$616,728	\$615,709	\$619,026	\$619,043	\$618,596	\$618,572	\$618,572	\$618,739	\$616,220	\$616,220
Capital projects in progress	101,124	190,992	66,867	93,435	227,111	405,380	658,168	827,626	1,263,991	1,773,813
Total Non-Depreciable Capital Assets	717,852	806,701	685,893	712,478	845,707	1,023,952	1,276,740	1,446,365	1,880,211	2,390,033
Depreciable Capital Assets										
Transit-ways	3,860,836	3,861,876	4,019,867	4,050,153	4,054,449	4,059,781	4,094,332	4,097,428	4,102,026	4,102,991
Buildings and Improvements	748,445	749,160	749,860	750,296	753,648	755,314	757,097	873,527	875,015	875,444
Revenue and Non-Revenue Vehicles and Equipment	1,287,039	1,282,270	1,301,880	1,302,474	1,327,613	1,310,486	1,308,482	1,295,083	1,278,145	1,302,474
Furniture, Fixtures, and Leasehold Improvements	64,523	65,909	69,636	77,131	97,110	128,009	132,583	140,695	125,819	136,281
Total Depreciable Capital Assets	5,960,843	5,959,215	6,141,243	6,180,054	6,232,820	6,253,590	6,292,494	6,406,733	6,381,005	6,417,190
Less Accumulated Depreciation										
Transit-ways	1,060,638	1,190,044	1,324,572	1,460,616	1,597,555	1,735,312	1,874,118	2,014,524	2,153,011	2,291,630
Buildings and Improvements	341,810	366,599	391,305	415,950	440,564	462,692	487,312	524,809	565,449	606,627
Revenue and Non-Revenue Vehicles and Equipment	536,743	605,467	656,545	712,473	775,829	822,319	890,526	941,680	976,441	1,034,226
Furniture, Fixtures, and Leasehold Improvements	57,584	60,150	63,499	66,197	74,820	85,261	97,809	106,316	105,486	108,526
Total Accumulated Depreciation	1,996,775	2,222,260	2,435,921	2,655,236	2,888,768	3,105,584	3,349,765	3,587,329	3,800,387	4,041,009
Net Depreciable Capital Assets	3,964,068	3,736,955	3,705,322	3,524,818	3,344,052	3,148,006	2,942,729	2,819,404	2,580,618	2,376,181
Net Capital Assets	\$ 4,681,920	\$ 4,543,656	\$ 4,391,215	\$ 4,237,296	\$ 4,189,759	\$ 4,171,958	\$ 4,219,469	\$ 4,265,769	\$ 4,460,829	\$ 4,766,214

Source: Annual financial statements



let's go.

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