



marta
FY 2013
ANNUAL REPORT
July 1, 2012 – June 30, 2013



METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY | www.itsmarta.com | 404-848-5000 | TTY: 404-848-5665 | Accessible Format: 404-848-5202



Indian Creek Station



Vision

MARTA is an integral part of the community, the economy and the transportation system in the region, providing a meaningful mobility choice and attractive alternative to the automobile for all residents and visitors to the area.

MARTA is a safe, secure, and reliable public transportation system, with an emphasis on customer service and cost effectiveness.

It is a system with a positive image that the community understands, respects and supports.

Vision Objectives

- Expand MARTA's Role in Providing Mobility (for Choice Riders)
- Refocus MARTA on its Only Product: Serving the Customer
- Reach More Riders Conveniently
- Partner with Developers and Local Governments
- Incrementally Intensify Existing Service
- Provide Easy Access to Information
- Determine Final Recommendations for MARTA's Transformation
- Find Funding Options to Enhance Services



BOARD OF DIRECTORS

OFFICERS

 Frederick L. DANIELS, JR. <i>Chairman</i>	 Barbara BABBIT KAUFMAN <i>Vice Chair</i>	 Harold BUCKLEY, SR. <i>Treasurer</i>	 Juanita JONES ABERNATHY <i>Secretary</i>
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DIRECTORS

 Robert L. ASHE III	 Wendy BUTLER	 Jim DURRETT
 Roderick E. EDMOND	 Adam D. ORKIN	 Noni ELLISON-SOUTHALL

EX-OFFICIO

 Jannine MILLER	 Keith GOLDEN
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LEADERSHIP

Keith T. Parker became MARTA's General Manager / CEO on December 10, 2012. An experienced transit executive, he is working with the Board of Directors, employees, customers and the Greater Atlanta community to fundamentally transform the transit system and effectively position it for future growth.



In his first day on the job, and most days ever since), General Manager/CEO Keith Parker rode MARTA to work at Lindbergh Center. Later, he was flanked by Board Members as he addressed employees.



LEADERSHIP

Introduction from the General Manager/CEO

"It all begins with me. If I ride the bus and ride the train to work every day and really believe in what we do, it sends a message. Over time, we'll be able to change the image of the transit system to one that's innovative, customer friendly, that really wants to hear your opinion and wants you to ride."



I'm pleased to present MARTA's Annual Report for Fiscal Year 2013. While MARTA's challenges are great, our objectives remain clear: We will execute a top-to-bottom transformation of MARTA to secure its place as one of the best transit systems in the nation.

In a fairly short time, MARTA has already made solid progress in becoming a more financially stable, safer and efficient operation. We have focused on improving the overall customer experience while also upholding our obligation as responsible stewards of the public tax dollars we receive.

This year's annual report offers both a detailed snapshot of our financial and operational performance as well as a promising glimpse of what is yet to come. With the abiding support of our stakeholders, MARTA will rise to meet the growing transportation needs of the metro Atlanta region that we are proud and privileged to serve.

Thank you.

The signature of Keith T. Parker.

Keith T. Parker, AICP
MARTA, General Manager/CEO



TRANSPORTING Customers

Moving Metro Atlanta

MARTA keeps metro Atlanta moving. As the nation's ninth largest public transit system, MARTA provides bus, train and paratransit service in the City of Atlanta, Fulton and DeKalb counties, a fast-growing region with a combined population of two million residents.



Our customers are the heart and soul of MARTA. On an average weekday, MARTA provided roughly 420,000 weekday passenger boardings to residents and visitors alike traveling to work, school, medical appointments, major league games and special events.

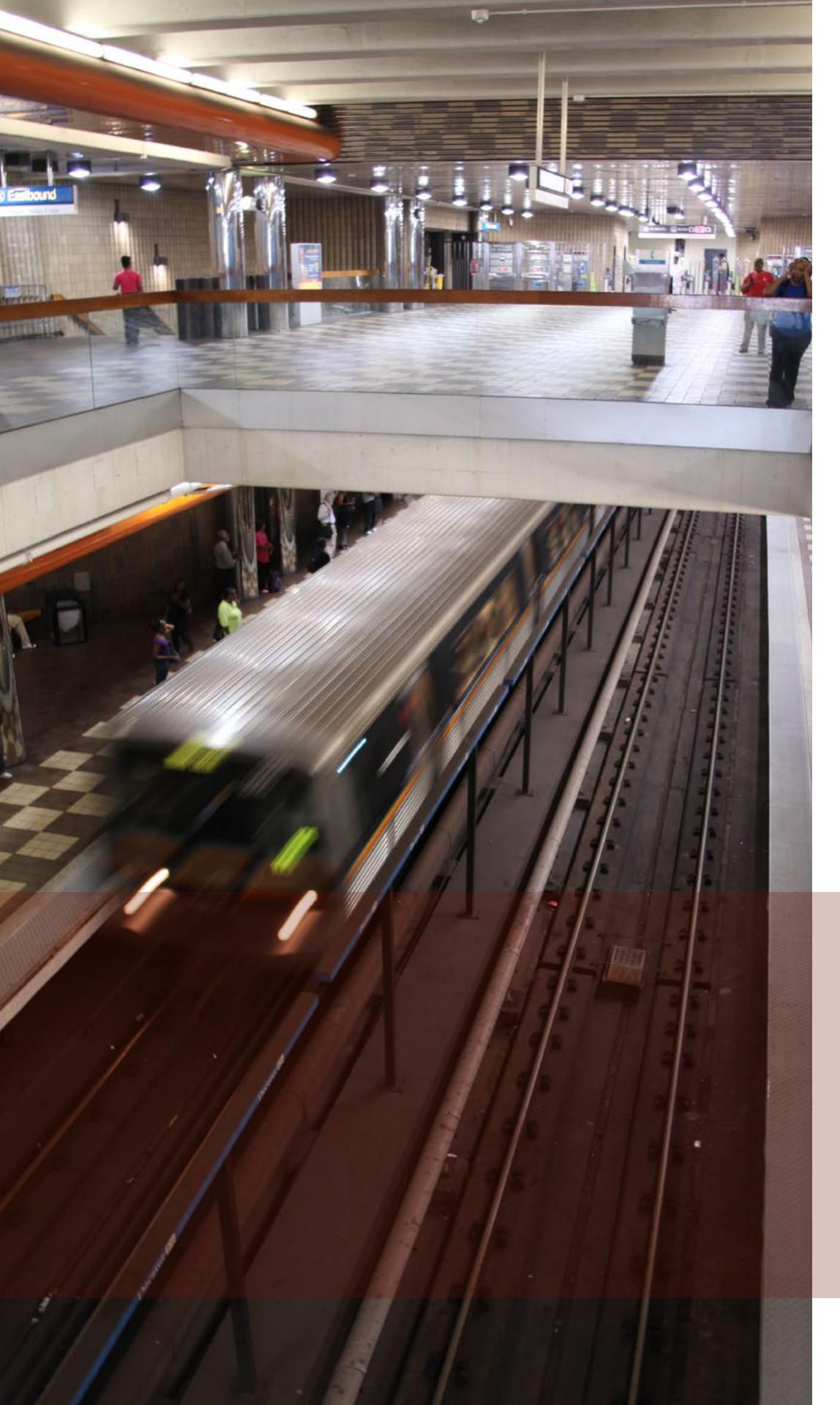




TRANSPORTING Customers

Moving Metro Atlanta

MARTA bolsters the economy by generating an estimated \$2.6 billion in economic impact statewide, and supporting 24,000 jobs, according to a University of Georgia study. This year, more than half of the trips on MARTA were taken by customers traveling to and from jobs.



"Most every employer says, 'If I am going to look at an area of competition in Atlanta, I want to know that I have access to MARTA.'"

Yvonne Williams
*President and CEO,
Perimeter Community
Improvement Districts*



TRANSPORTATION Bus, Train, Mobility

Moving Metro Atlanta

MARTA bus service started in 1972 with the purchase of the Atlanta Transit Company; its rail service launched in 1979 and Mobility (paratransit) in 1988. Since then, MARTA has provided more than five billion total passenger trips.

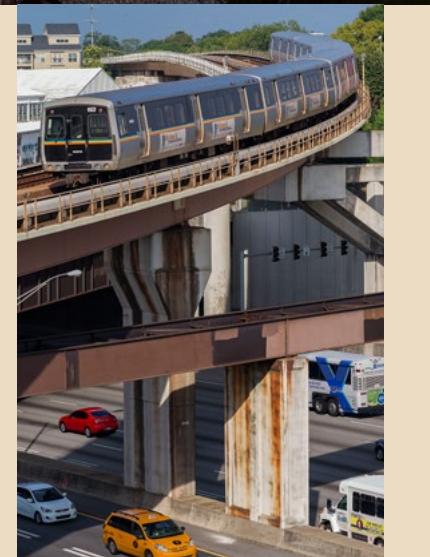


BY THE NUMBERS

This year, MARTA logged nearly 130 million unlinked trips by bus, rail and Mobility (paratransit) vehicles.

FY13 UNLINKED PASSENGER TRIPS

Rail	69,629,901
Bus	59,689,757
Mobility.....	583,082





TRANSPORTATION Bus, Train, Mobility

Connecting The Region

MARTA works with its regional transit partners including Cobb Community Transit, Gwinnett County Transit, the Buckhead Uptown Connection and Xpress commuter buses from the Georgia Regional Transportation Authority, to offer customers expanded mobility and travel options.



"As metro Atlanta continues to grow, MARTA's relationships with our neighboring transit agencies are likely to become increasingly collaborative and interdependent."

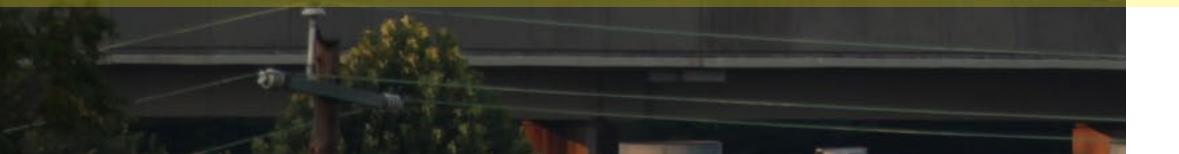
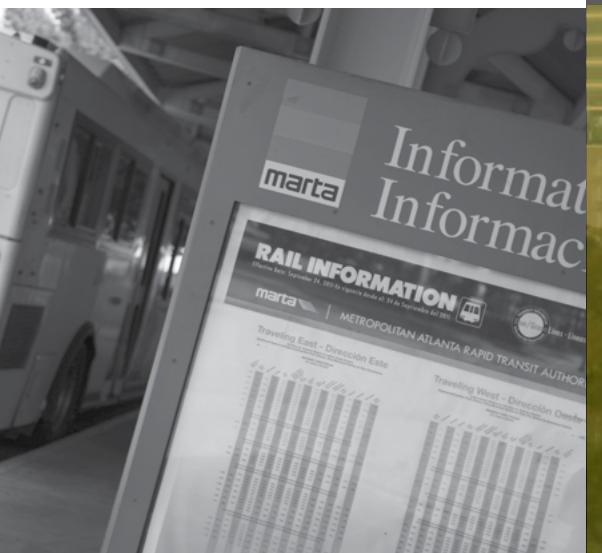
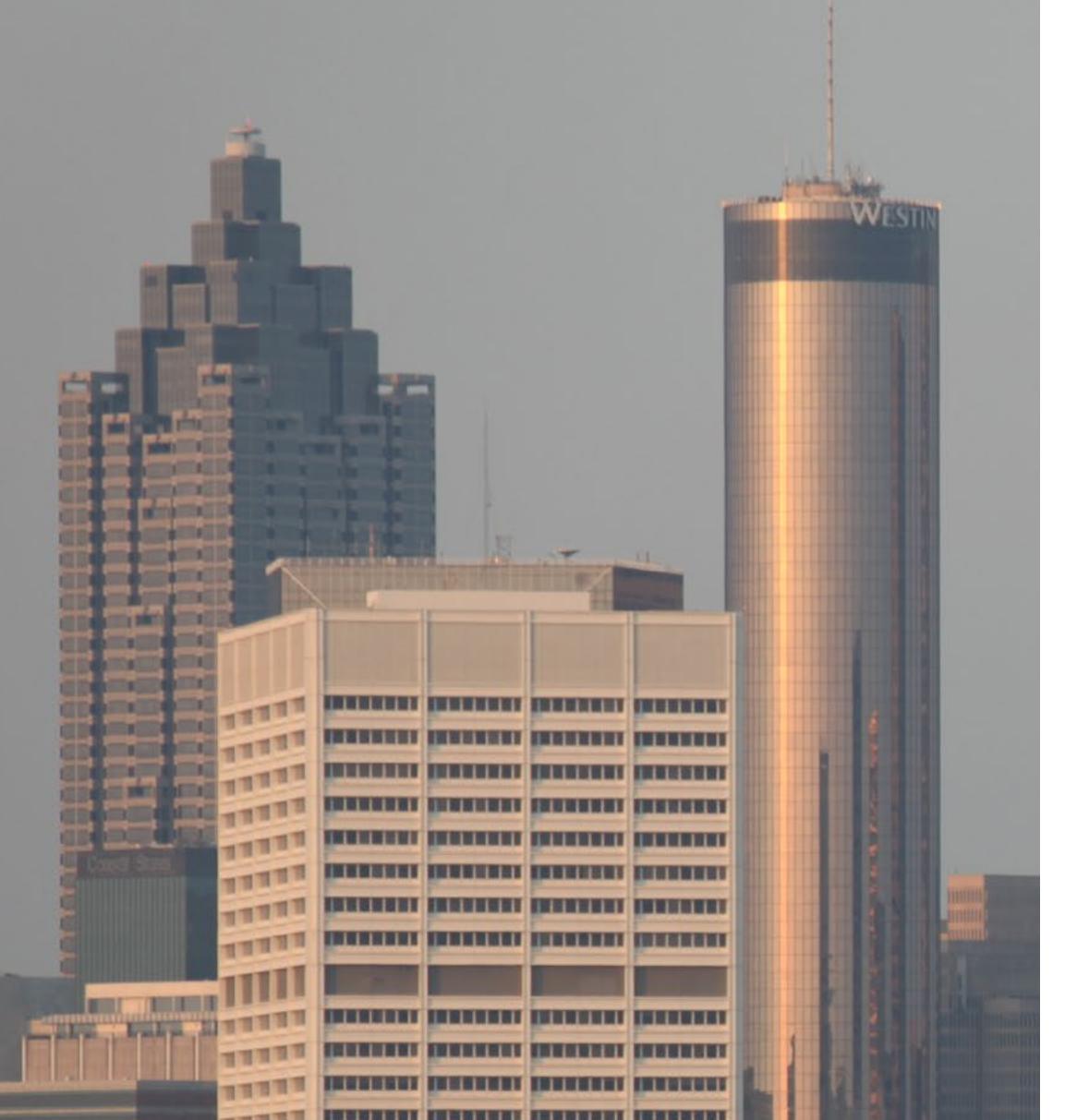
Keith T. Parker, AICP
General Manager / CEO



OUR SERVICES Rail Connection

Moving Metro Atlanta

MARTA's rail service is a convenient and affordable alternative to driving to some of the region's top destinations, including direct access to Hartsfield-Jackson International Airport. While racking up nearly 18 million vehicle miles this year, MARTA's rail service was an industry leader with an impressive 97 percent on-time performance record.



Rail By The Numbers

Total Track Miles	48.1
Rail Stations	38
Rail Cars.....	338
Rail Cost PerPassenger Trip	\$ 2.37





OUR SERVICES Mobility Connection

Moving Metro Atlanta

"Many people who utilize wheelchairs to be fully engaged in their communities have moved to Atlanta because of MARTA and the Shepherd Center. We continue to appreciate MARTA's partnership in showcasing Atlanta to the world..."

Scott H. Sikes
*Vice President and Executive
Director, Shepherd Center*



MARTA provides complementary, "curb-to-curb" Mobility (paratransit) service for eligible customers within the jurisdictions of DeKalb, Fulton and the City of Atlanta—averaging about 451,000 trips a year. MARTA also offers paratransit connections through regional partnerships with Cobb Community Transit, Gwinnett County Transit and the Atlanta Regional Commission.



OUR SERVICES

Bus Connections

Moving Metro Atlanta

MARTA has a network of 91 fixed bus routes, most connecting with rail stations, covering over 1,400 miles. MARTA's fixed-route bus system logged about 23 million vehicle revenue service miles this year.



US BY THE NUMBERS

- | | |
|-----------------------|-----|
| l-size Bus Fleet..... | 531 |
| uses Powered | 373 |
| Compressed | |
| natural Gas (CNG) | |
| uses Powered | 158 |
| Diesel | |
| duction of | 95% |
| arbon Monoxide | |
| llution by using CNG | |





OUR SERVICES Special Events

Moving Metro Atlanta

MARTA moves massive crowds each year for special events, and saw one of its largest spikes in ridership during the 2013 NCAA Final Four tournament. MARTA had more than 1 million passenger boardings over the four day period – an estimated 78 percent increase in ridership compared to a normal weekend.



"Atlanta competes all over the globe for major tourism and conventions because of MARTA and tens of thousands of jobs are also impacted as a result...As we invest in innovative, new transit projects like the Atlanta Streetcar and the Atlanta Beltline that will connect to MARTA, there's no doubt about whether (MARTA) is an invaluable asset for our economy and quality of life".

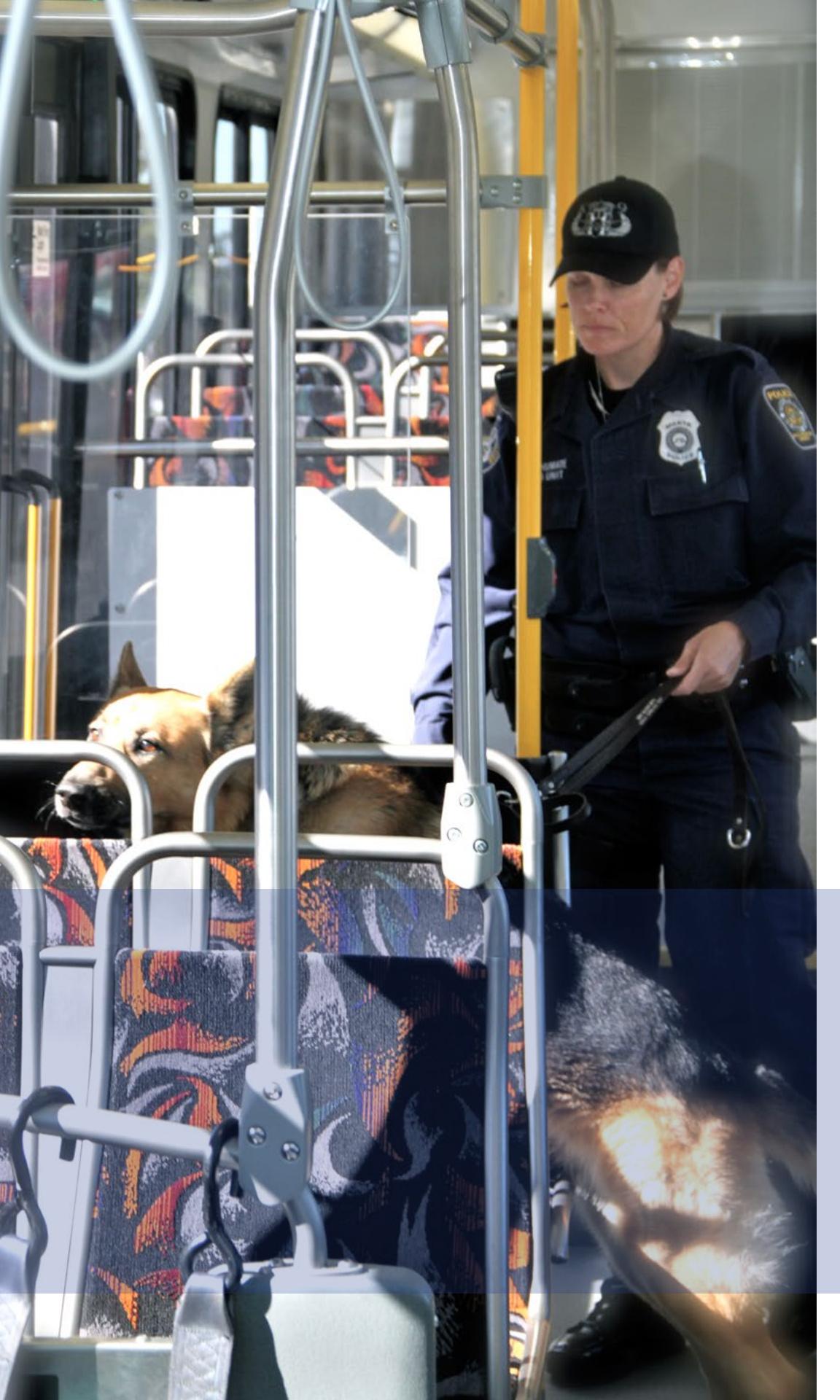
Atlanta Mayor Kasim Reed



OUR SERVICES Police Patrol

Moving Metro Atlanta

MARTA's award-winning police department ramped up a proactive approach to safety and security. Enhancements include a heightened police presence, newly installed vehicle security cameras and the "See & Say" smartphone app that enables customers to easily – and discreetly – report suspicious activity.



"I think your new vision for how your officers engage riders is the smartest move in years and will be a big factor in MARTA getting better. Today a new police officer was at Garnett Station and he made it a point to come up to everyone on the platform and make friendly eye contact and smile. This simple gesture lets people know that he knows they are there and paying attention."

Joe Miller, MARTA Customer





FINANCIAL HIGHLIGHTS

This Annual Report contains summarized financial information taken from MARTA's Comprehensive Annual Financial Report (CAFR), which is published separately. The CAFR includes detailed financial information including MARTA's audited financial statements. Copies of the CAFR and Popular Annual Report are available at MARTA's headquarters building, the public libraries of DeKalb County, Fulton County, and the City of Atlanta, and on the internet @ www.itsmarta.com.

In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, MARTA has adopted accounting principles and methods appropriate for a governmental enterprise fund. Enterprise funds are used to account for specific operating activities. Enterprise funds are financed and operated similar to a private business entity where a fee is levied for the use of the product or service.

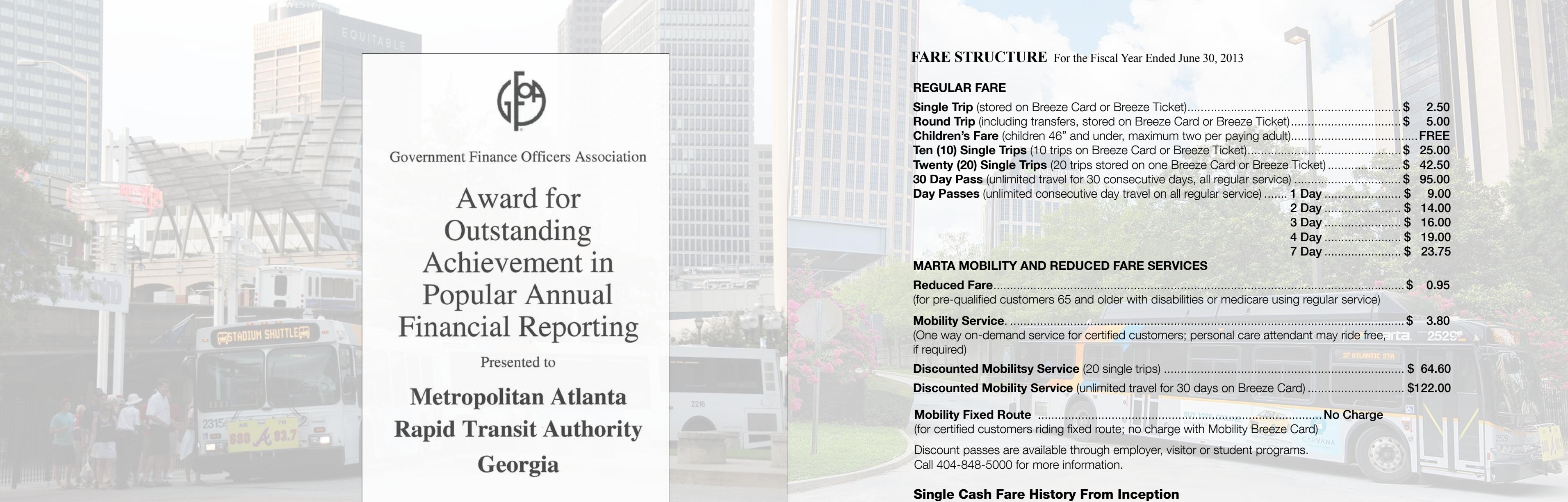
MARTA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under which revenues are recognized when earned and measurable and expenses are recognized when incurred. The statements are presented in conformity with accounting principles generally accepted in the United States of America.

The Government Finance Officers Association of the United States and Canada (GFOA) has given MARTA the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2012. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MARTA has received a Popular Award for the last fifteen consecutive years (fiscal years ended June 30, 1998 through 2012). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.





Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Metropolitan Atlanta
Rapid Transit Authority
Georgia**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FARE STRUCTURE For the Fiscal Year Ended June 30, 2013

REGULAR FARE

Single Trip (stored on Breeze Card or Breeze Ticket).....	\$ 2.50
Round Trip (including transfers, stored on Breeze Card or Breeze Ticket).....	\$ 5.00
Children's Fare (children 46" and under, maximum two per paying adult).....	FREE
Ten (10) Single Trips (10 trips on Breeze Card or Breeze Ticket).....	\$ 25.00
Twenty (20) Single Trips (20 trips stored on one Breeze Card or Breeze Ticket).....	\$ 42.50
30 Day Pass (unlimited travel for 30 consecutive days, all regular service)	\$ 95.00
Day Passes (unlimited consecutive day travel on all regular service)	
1 Day	\$ 9.00
2 Day	\$ 14.00
3 Day	\$ 16.00
4 Day	\$ 19.00
7 Day	\$ 23.75

MARTA MOBILITY AND REDUCED FARE SERVICES

Reduced Fare	\$ 0.95
(for pre-qualified customers 65 and older with disabilities or medicare using regular service)	

Mobility Service	\$ 3.80
(One way on-demand service for certified customers; personal care attendant may ride free, if required)	

Discounted Mobility Service (20 single trips)	\$ 64.60
Discounted Mobility Service (unlimited travel for 30 days on Breeze Card)	\$122.00

Mobility Fixed Route	No Charge
(for certified customers riding fixed route; no charge with Mobility Breeze Card)	

Discount passes are available through employer, visitor or student programs.
Call 404-848-5000 for more information.

Single Cash Fare History From Inception

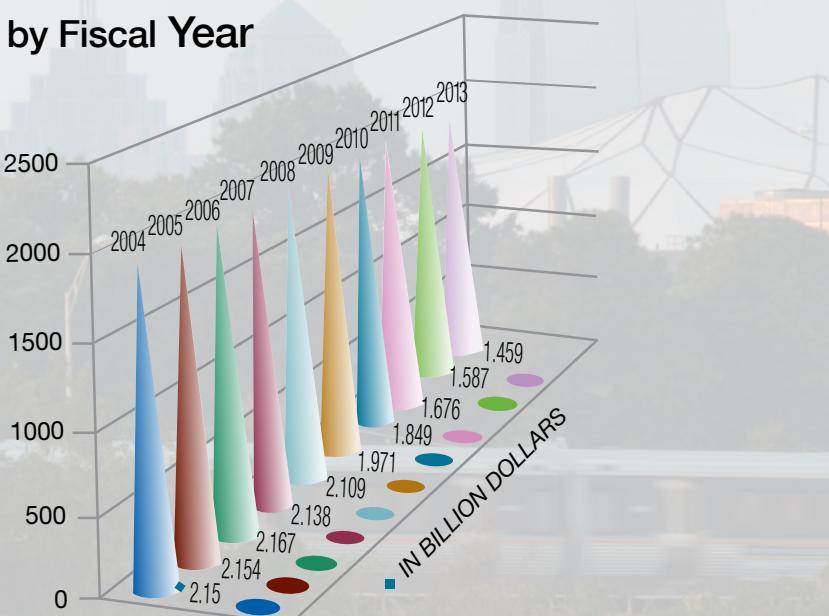
The chart below gives a detail breakdown of MARTA's fare structure. This chart also shows the history of MARTA's single cash fare from inception. As noted in the chart, MARTA's one-trip pass fare is currently \$2.50. MARTA gives various discounts, including stored trips, unlimited daily, weekly and monthly passes and discounts to the elderly and disabled.



NET POSITION

MARTA's net position was \$1.4 billion at June 30, 2013, a \$128 million decrease from June 30, 2012 when net position was \$1.6 billion, a \$90 million decrease from June 30, 2011. MARTA is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal years. More detailed information on the statement of net position is contained in the Comprehensive Annual Financial Report.

Net Position by Fiscal Year

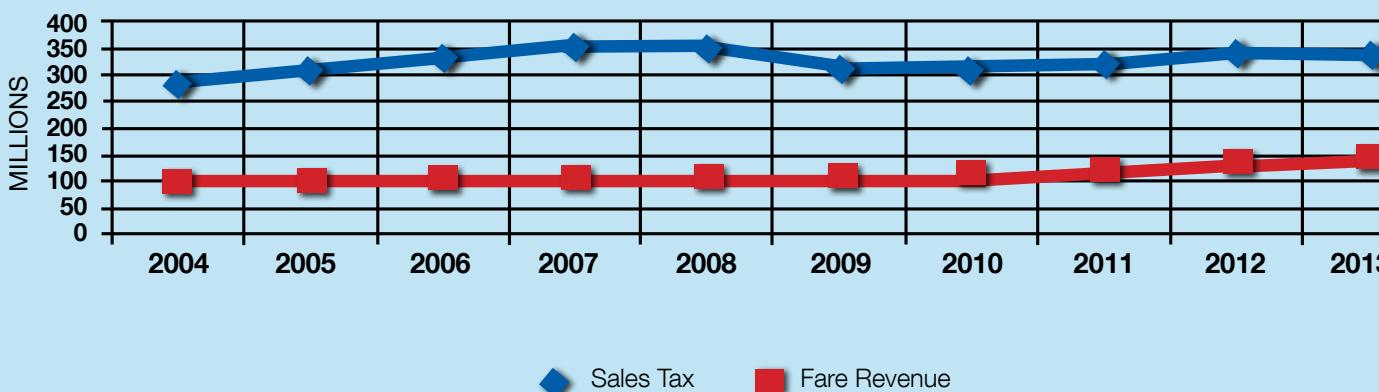


PRIMARY REVENUE SOURCE TREND

This chart shows MARTA's two primary revenues trended over the past ten fiscal years. MARTA's two largest revenue sources are Sales Tax and Fare Revenue. The two combined make up 81% or \$480 million of total revenue. Sales Tax provides 57% of MARTA's total revenue and Fare Revenue provides 24% of the total.

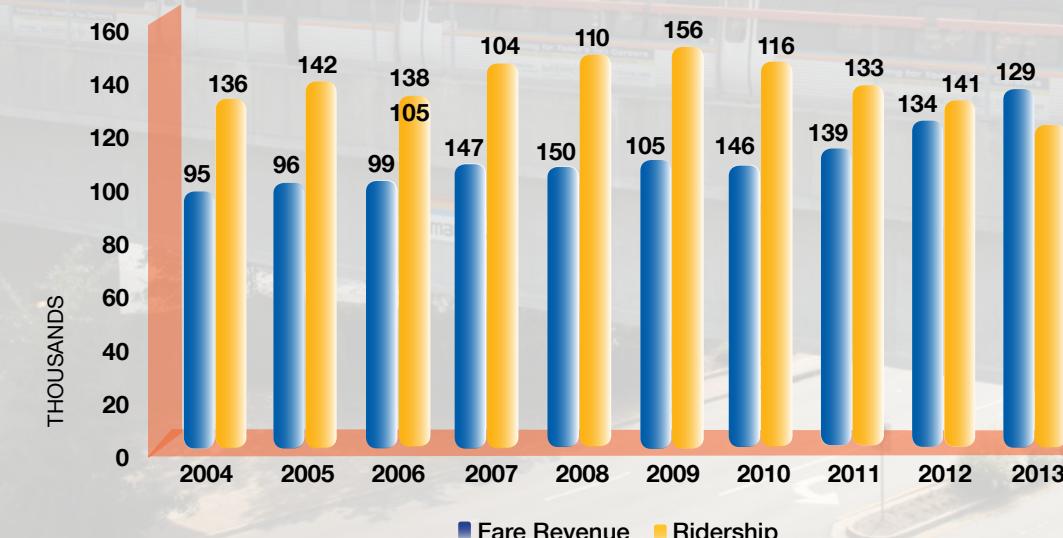
MARTA's Sales Tax Revenue comes from a 1% sales tax levied in the City of Atlanta and the Counties of Fulton and DeKalb. Under the law authorizing the levy of the sales and use tax, MARTA is restricted as to its use of the tax proceeds. Fare Revenue is earned through user fees; as of June 30, 2013, the full fare fee is \$2.50, which was increased from \$2.00 in October 2011.

As indicated on the chart, Sales Tax Revenue has trended upward for most of the past decade. In 2007, Georgia and most of the country entered into a major economic recession. The impact of this recession can easily be seen in the sales tax revenue numbers. However, Fare Revenue has remained relatively constant over the past decade.



CHANGE IN RIDERSHIP AND FARE REVENUE

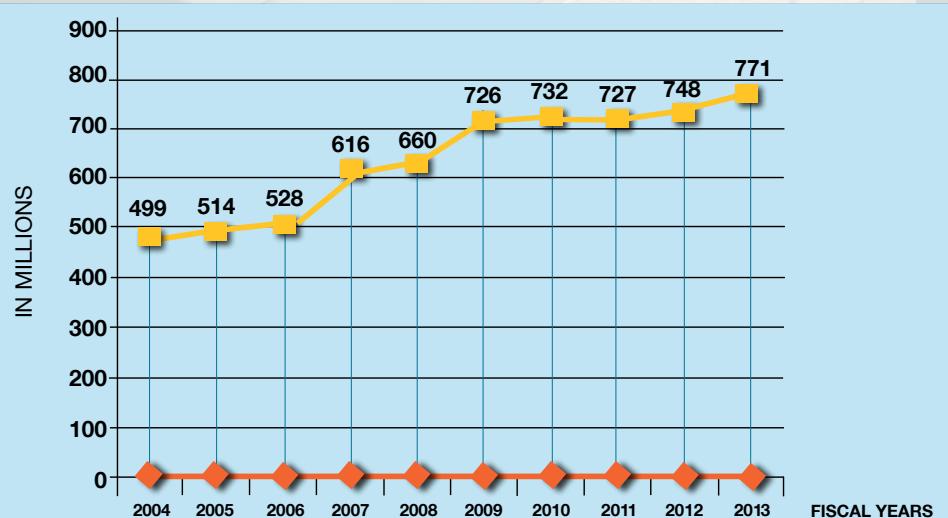
This chart gives a simple comparison of MARTA's revenue in dollars and passenger count trended over the past 10 years. Both passenger count and fare revenue had a slight up and down movement from 2004 through 2008. However, Fare Revenue, started to have a steady rise from 2009 to 2013 while passenger count continued to have a see-saw movement until 2013.

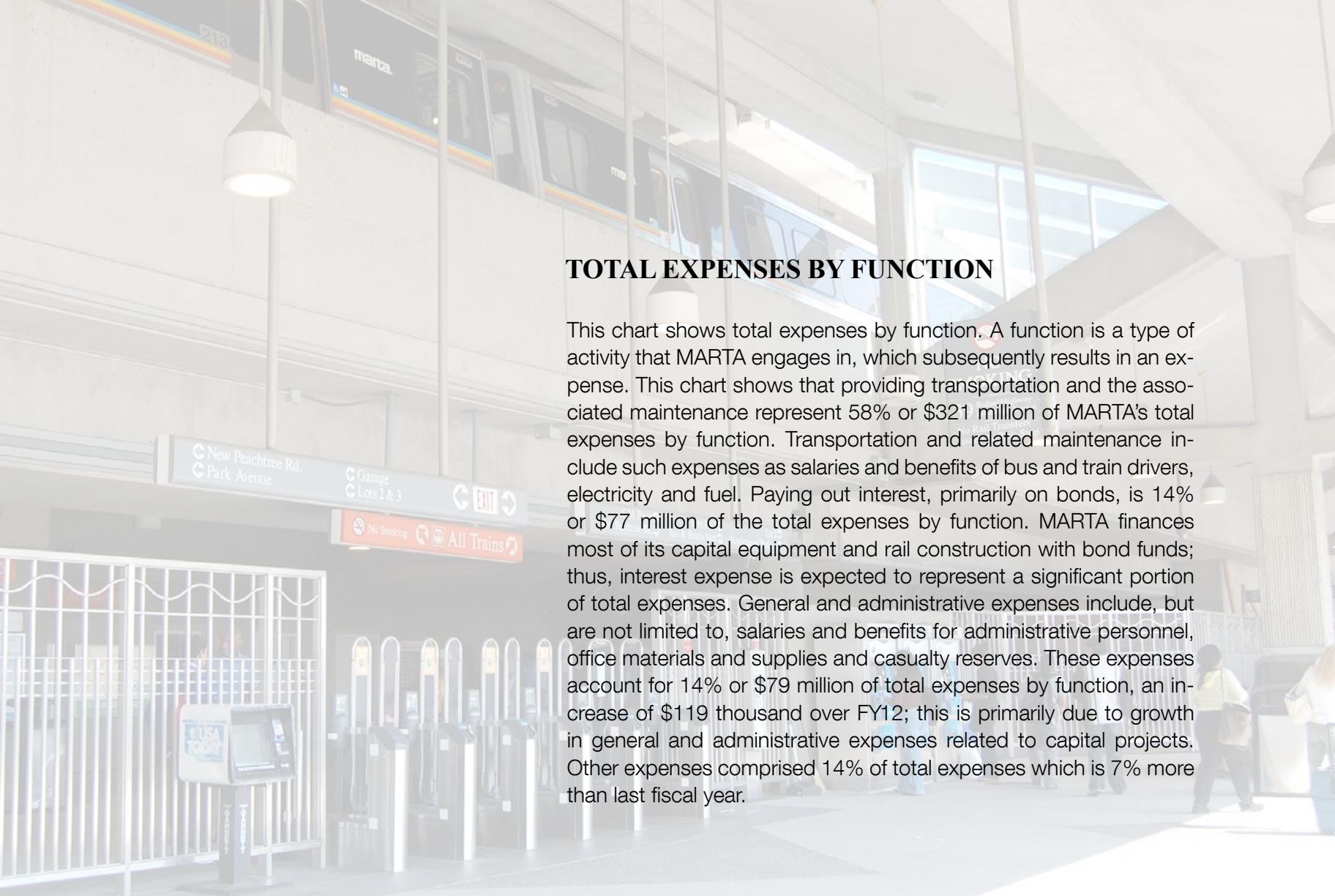


Fare Revenue was on the upward trend from 2004-2013.

TREND OF TOTAL EXPENSES

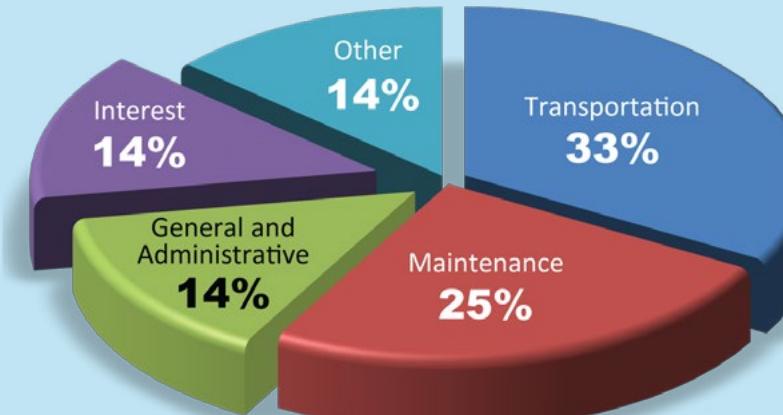
This chart shows total expenses trended over the past ten years. Total expenses include both operating and non-operating expenses. In 2007, total expenses started to increase gradually due to depreciation on a number of major capital programs that were placed in service. Cost containment measures have effectively flat-lined the growth in expenses from 2009-2011, and has gradually increased the last two years. Even with the aggressive cost containment measures, the cost of fuel and health care continue to outpace the related cost savings and any revenue growth.





TOTAL EXPENSES BY FUNCTION

This chart shows total expenses by function. A function is a type of activity that MARTA engages in, which subsequently results in an expense. This chart shows that providing transportation and the associated maintenance represent 58% or \$321 million of MARTA's total expenses by function. Transportation and related maintenance include such expenses as salaries and benefits of bus and train drivers, electricity and fuel. Paying out interest, primarily on bonds, is 14% or \$77 million of the total expenses by function. MARTA finances most of its capital equipment and rail construction with bond funds; thus, interest expense is expected to represent a significant portion of total expenses. General and administrative expenses include, but are not limited to, salaries and benefits for administrative personnel, office materials and supplies and casualty reserves. These expenses account for 14% or \$79 million of total expenses by function, an increase of \$119 thousand over FY12; this is primarily due to growth in general and administrative expenses related to capital projects. Other expenses comprised 14% of total expenses which is 7% more than last fiscal year.

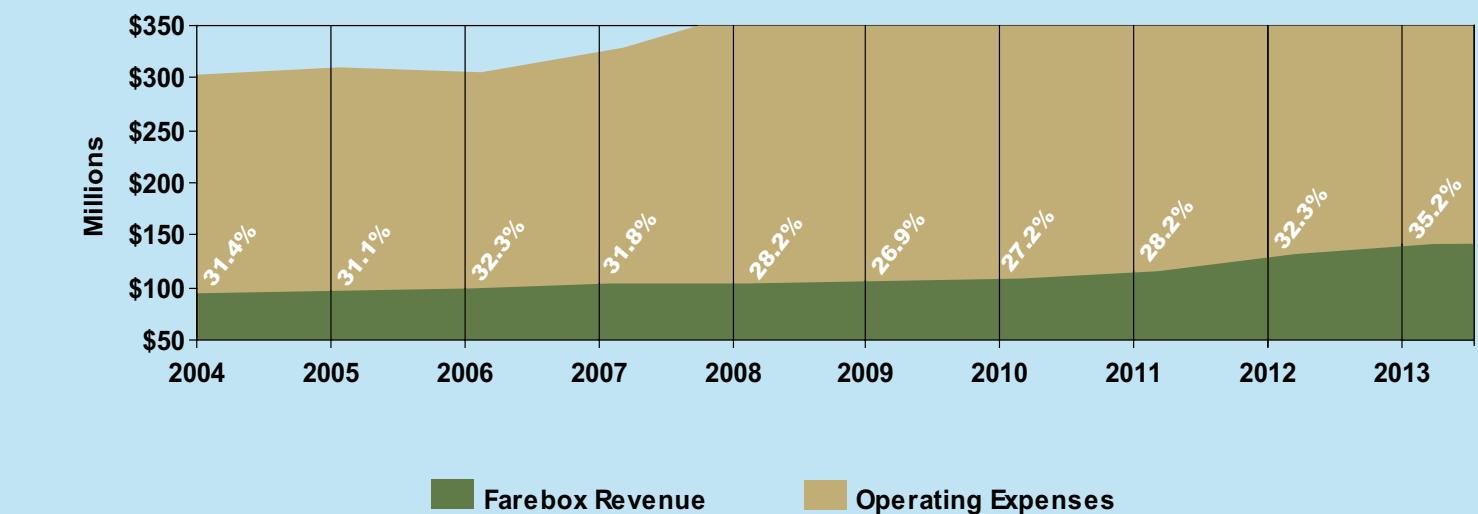


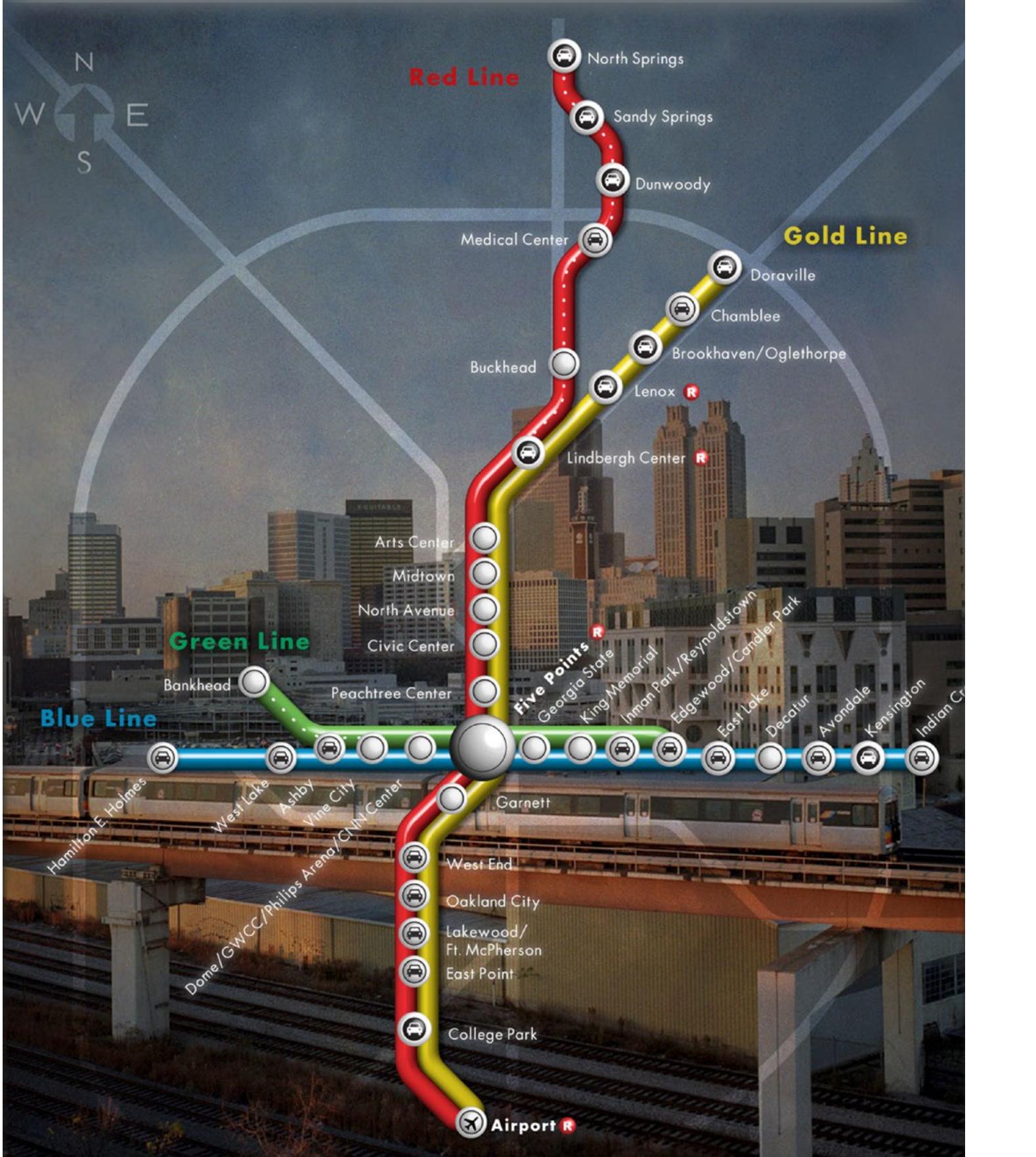
FAREBOX RECOVERY PERCENTAGE

Last Ten Fiscal Years (Dollars in Thousands)

This chart shows the percentage of MARTA's operating expenses that are paid by the revenue obtained from the passenger fare.

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses ⁽¹⁾	Percent Change	Farebox Recovery
2004	95,082 \$	4.0	% 303,057\$	(3.7)	% 31.4
2005	96,244	1.2	309,382	2.1	31.1
2006	99,148	3.0	306,505	(0.9)	32.3
2007	104,678	5.6	328,958	7.3	31.8
2008	103,963	(0.7)	368,767	12.1	28.2
2009	105,235	1.2	390,923	6.0	26.9
2010	109,546	4.1	403,360	3.2	27.2
2011	115,828	5.7	410,462	1.8	28.2
2012	132,870	14.7	411,476	0.2	32.3
2013	140,697	5.9	399,742	(2.9)	35.2







165

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marta.

metro

We have it.
contract, 45 speed.