ENTER TO THE RIGHT ENTER TO THE RIGHT marta POPULAR ANNUAL FINANCIAL REPORT For the Years Ended June 30, 2015 & 2014 Atlanta, Georgia

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Board of Directors

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NONI ELLISON-SOUTHALL VICE CHAIR



Frederick L. Daniels, Jr. TREASURER



RODERICK E. EDMOND SECRETARY

DIRECTORS



Juanita Jones Abernathy



Roberta Abdul-Salaam



Jerry R. Griffin



Harold Buckley, Sr.



Robert F. Dallas





Freda Hardage



Barbara Babbit Kaufman

Ex-Officio



Russell McMurry, PE



Christopher Tomlinson

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Message from the General Manager/CEO



n behalf of the MARTA Board of Directors, am pleased to report that Fiscal Year 2015 was an exceptional one for the Authority during which we experienced increased ridership, rising revenues and introduced new technology to deliver better service to customers. These accomplishments were the result of a team-oriented approach that involved customers, employees and many other stakeholders, which made my job as MARTA's GM/CEO especially rewarding.

The icing on the cake for all of us this year was the much-anticipated addition of Clayton County to the MARTA family. After a successful and historic ballot referendum. MARTA buses began rolling in Clayton in March 2015, a seminal moment that marked the first expansion of our transit system in 40 vears.

MARTA launched other major initiatives this year to make the transit system more efficient and cost-effective while also finding ways to upgrade customer amenities and reward our employees. For example, our represented and non-represented workforce received pay raises, we launched a merit-based performance management program

and created new opportunities for professional training and career building.

For our customers, MARTA's Q-Bus (Quality Care) Program aimed to improve overall bus fleet reliability, we opened additional rail station restrooms and invested in security measures - including on-board bus and Mobility surveillance cameras and other technology - that will make our vehicles and stations even safer.

Fiscally, MARTA continued to improve its financial posi-

tion with the realization of its five-year, Fiscal Sustainability Plan (FSP). Higher revenues and constrained expenditures allowed the Authority to manage its operations without any reliance on reserves for the last three consecutive years, which hadn't happened at MARTA since the 1996 Summer Olympics in Atlanta. Overall, MARTA weathered and overcame several economic challenges in recent years, and we are encouraged by our fiscal outlook.

MARTA remains committed to the precept of "Routine Excellence," as the way we do business to ensure efficient, safe and reliable service that makes the most of taxpayers' dollars. As Authority endeavors to continue improving the quality of its transit service in the next fiscal year, and beyond. Thank you.

Sincerely,

Keith T. Parker, GM/CEO

Keith T. Parker

MARTA's Vision

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

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

community understands, respects, and supports.



Expanding For The Future

veryone knows what MARTA does for metro Atlanta as the top provider of quality transit services.

But what, exactly, does MARTA mean to metro Atlanta?

Just remember the acronym **S-E-A-T**, which stands for:

- Service to customers and our community at-large.
- **Economic** and job opportunities.
- **Art** and cultural projects that enhance the transit experience.
- Technology that is forward-looking and customer friendly

These core principles are embedded in MARTA's transformational business model and are an expression of our strategic vision for future growth and expansion. In Fiscal Year 2015, MARTA put those principles into practice with the support of employees, customers and our public and private sector partners who share a common goal: Making our transit system better every day.

At the heart of MARTA's mission is providing safe, affordable and convenient bus, heavy rail and Mobility (paratransit) transportation to our customers, and we averaged about 433,000 such trips each weekday. On the service front, however, this year will be best remembered for the overwhelming vote by Clayton County residents to join the MARTA system – the first-ever jurisdictional expansion since the agency's inception. A celebratory motorcade, community event and ribbon-cutting marked the launch of Clayton bus service in March.

MARTA also continued to be a positive force that boosted the region and Georgia's bottom line. While generating about \$2.6 billion in annual economic activity statewide, the agency also advanced a series of transit-oriented development projects, helped attract major corporate relocations, hosted job fairs and provided a venue for local farmers to sell their fresh produce at one of our rail stations.

lconic institutions often reflect the profound artistic expression and cultural aspirations of their communities – and MARTA is no exception. The rise of metro Atlanta's "creative class" has contributed to a renaissance of MARTA's longstanding commitment to make the transit system more inviting and engaging. From collaborations with a growing variety of local arts organizations to a number of big budget Hollywood productions filmed on MARTA property, the transit system played a larger role in the artistic and cultural spotlight.

Finally, MARTA continued to build on its legacy as a technology innovator. As the first transit system in the nation to fully implement a smartcard fare system, the Authority moved forward this year with IT solutions that improved internal operations behind the scenes and provided direct benefits to customers. Improvements included upgrades to the "On the Go" smartphone app, the ongoing restoration of digital information signs in rail stations and the fortification of MARTA's defenses against the ever-present threat of cyber-attacks.

In the pages that follow, we invite you to read more detailed information about SEAT and a host of major MARTA accomplishments from Fiscal Year 2015.



MARTA prides itself on moving people safely, efficiently, and dependably.

Here are some of the numbers behind MARTA's success:



REGIONAL DEMOGRAPHICS

1,612,500 Population served
4.2 Million Atlanta's regional population
8,376 Square miles Atlanta metro size
498 Square miles MARTA service area

BUSES

4.4 Years Average bus age
257 Million annual bus passenger miles (excludes para-transit/demand response)
6 Bus park and ride facilities
2,750 Bus passenger parking capacity
79.6% Average on-time bus performance

MOBILITY VEHICLES

1.9 Years Average age

TRAINS

26.6 Years Average rapid rail vehicle age 21,992 Rail passenger parking capacity 96.2% (Avg) On-time rail performance

RIDERSHIP

75,500 (Avg) people commute to work per weekday on MARTA

41,500 (Approx.) workers use MARTA because they have no alternative means of transportation



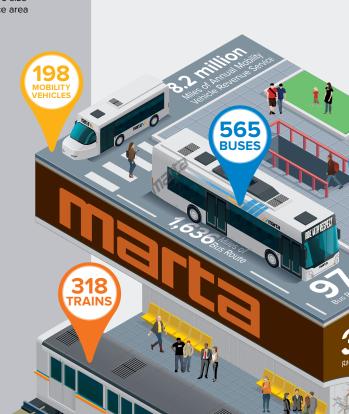


use MARTA

for convenience

60% of riders use MARTA to commute to work

14 of 18 of Atlanta's fastest growing industry sectors have employees who commute to work on MARTA.





71.8% bus & rail

bus & rail

MARTA Economic Impact Rep 12

MARTA EXAMPLE AND MARTA

*excludes para-transit/demand response

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marta\\.

ROUTINE EXCELLENCE





Ravi Sharma Manager of Roofing Program **Architecture and Design** MARTA Headquarters



Rena Tye Serviceperson 3 Contracts & Procurement MARTA Headquarters

Living proof that MARTA aims to be the best transit system in the nation, these employees have exemplified the goal of "routine

excellence" to which we aspire. We congratulate them for their service and their leadership.



Natalie Johnson Police Officer, Community Affairs
MARTA Police Department **Annex Building** Police Headquarters



Vincent Smith Serviceperson 2 Contracts & Procurement MARTA Headquarters



Kenneth R. Johnson Supervisor Print Shop, CPMAS MARTA Headquarters



Kenneth Middlebrooks General Superintendent Dept. of Bus Operation/ **Bus Maintenance** Laredo Bus Facility



Juriel Munroe Administrative Assistant **Bus Maintenance** Browns Mill









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 at 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, 2014. 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 seventeen consecutive years (fiscal years ended June 30, 1998 through 2014). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Award For Outstanding Achievement



Fare Structure

For the Fiscal Year Ended June 30, 2015

Regu	lar	Fare
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Single Trip (stored on Breeze Card)	\$2.50
Round Trip (stored on Breeze Card or Breeze Ticket)	\$5.00
Ten(10) Trips (10 trips on Breeze Card or Breeze Ticket)	\$25.00

Discounted Fare

Twenty (20) single trips (20 trips stored on Breeze Card) \$42.50 30 day pass (unlimited travel for 30 consecutive days, all regular service) \$95.00 7 day pass (unlimited travel for 7 consecutive days, all regular service) \$23.75 Day passes (unlimited travel for consecutive days, all regular service). Price per day: 1 day:

\$9.00 2 day: \$14.00 3 day: \$16.00 4 day: \$19.00

\$0.60

\$1.00

Mobility and Reduced Fare Programs

Reduced Fare (for pre-qualified customers 65 and older and disabled customers using regular service)

Mobility Service (Demand response for certified customers. \$4.00

Personal care attendant may ride free, if required) Discounted Mobility Service (20 single trips) \$68.00 Discounted Mobility Service (unlimited travel for 30

days on Breeze Card) \$128.00 Mobility on Fixed Route (For Mobility certified custom-No ers riding fixed route with Mobility Breeze Card) charge

Student Programs

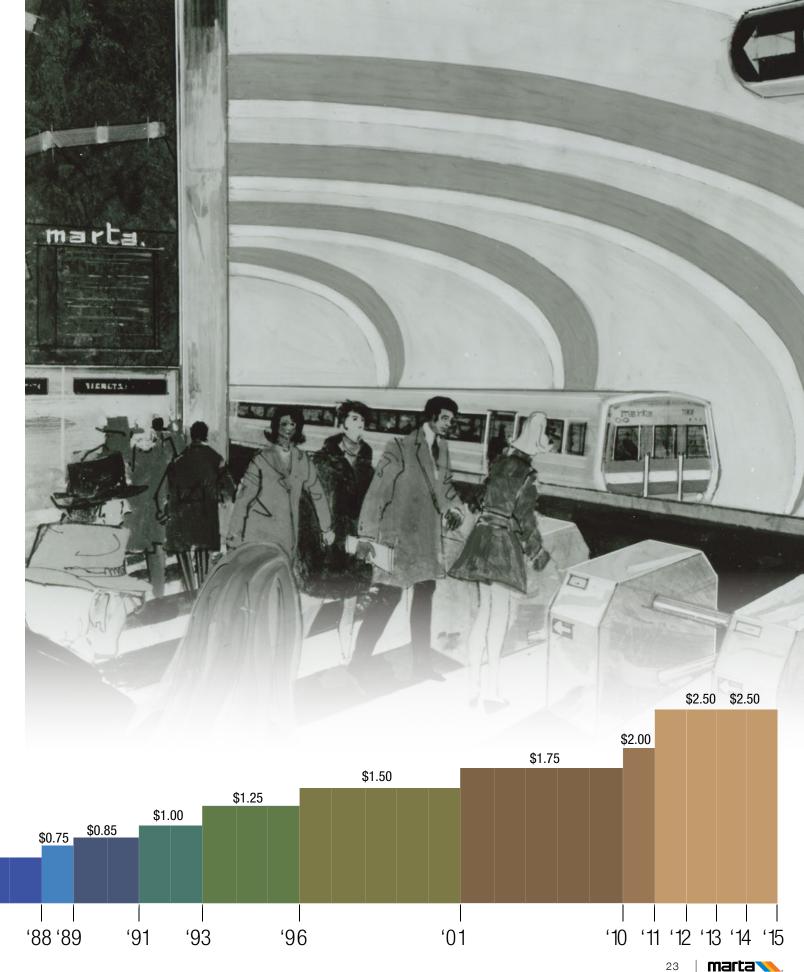
K-12 Program (Grade School and High School students K-12, Monday through Friday

\$14.40 Ten(10) trip pass (to/from school), all regular school

\$0.50

\$0.25

'80 '81 '82





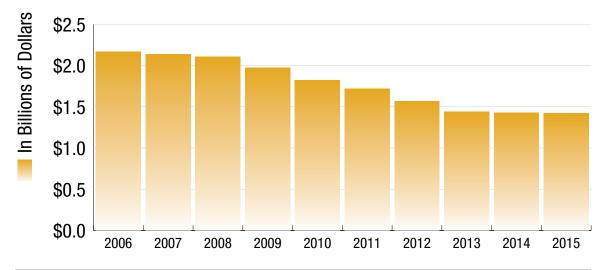
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\$0.15

Net Position

ARTA's net position was \$1.4 billion at June 30, 2015, a \$16.8 million decrease from June 30, 2014, when net position was \$1.42 billion and a \$33.6 million decrease from June 30, 2013. MARTA reported positive balances in two categories of net position

and one negative balance for unrestricted net position. MARTA reported positive situation on all categories of net position for prior years. More detailed information on the statement of net position is contained in the Comprehensive Annual Financial report.



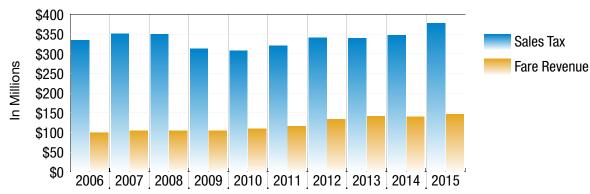
Primary Revenue Source Trend

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 80% or \$524 million of total revenue. Sales Tax provides 58% of MARTA's total revenue and Fare Revenue provides 22% 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, DeKalb and Clayton. 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, 2015, 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 but slowly improved in the most recent 5 years. 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 & Fare Revenue

his 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

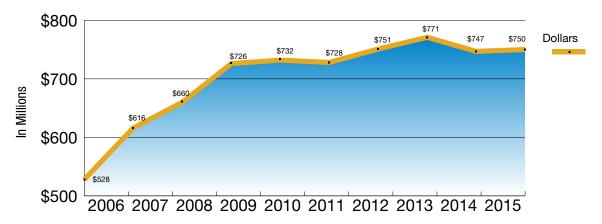
from 2006 through 2009. However, Fare Revenue, started to have a steady rise from 2011 to 2015 while Passenger Count continued to have a see-saw movement.



Trend of Total Expenses

his 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 effectively flat-lined the growth in expenses from 2009-2011, and gradually increased in 2012 and 2013. Even with the aggressive cost containment measures, the cost of fuel and health care continue to outpace the related cost savings and revenue growth.

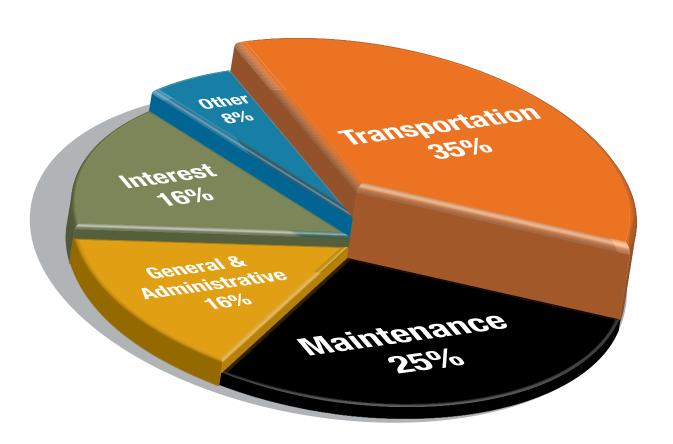


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Total Expenses By Function

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 60% or \$317 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 16% or \$85 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 16% or \$82 million of total expenses by function, an decrease of \$7 million over FY14; this is primarily due to growth in general and administrative expenses related to capital projects. Other expenses comprised 8% of total expenses which is 1% less than last fiscal year.

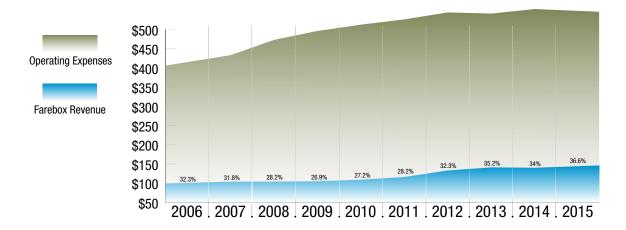


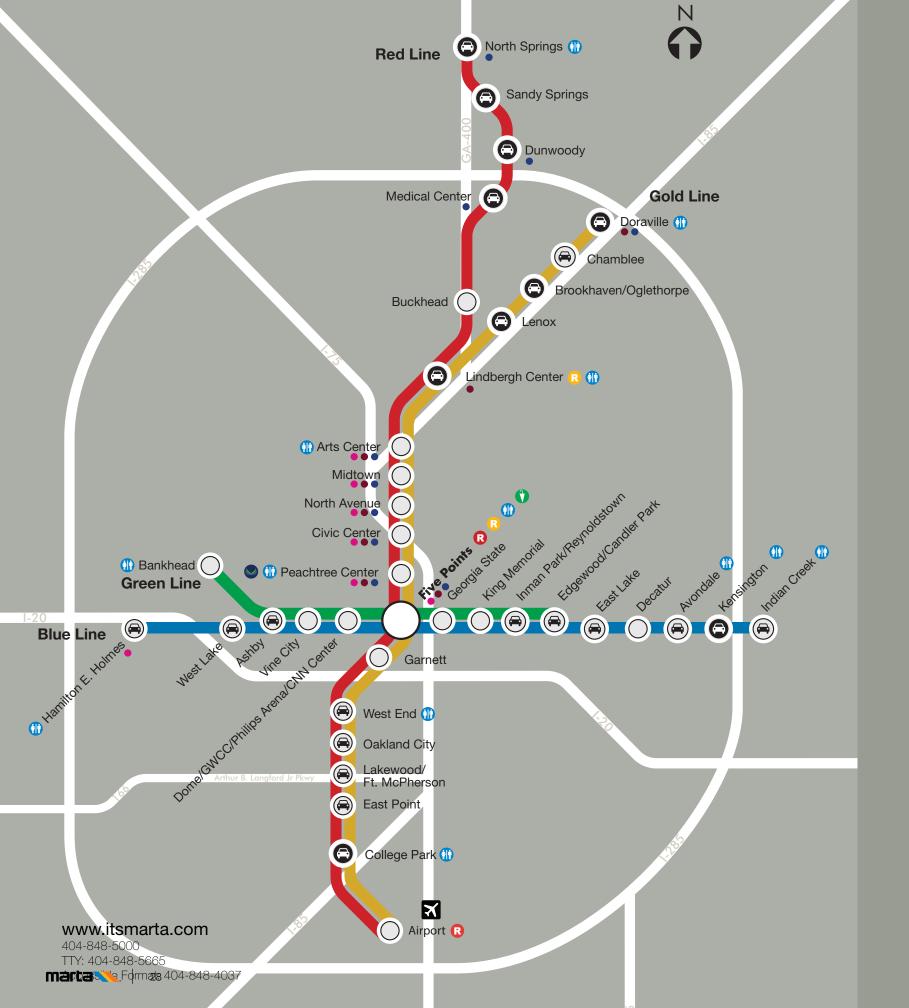
Farebox Recovery Percentage

Last Ten Fiscal Years (Dollars in Thousands)

Fiscal	Farebox	Percent	Operating	Percent	Farebox
Year	Revenue	Change	Expenses	Change	Recovery
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
2014	140,318	(0.3)	412,742	3.3	34.0
2015	146,417	4.3	400,157	3.0	36.6

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







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