

Board Report

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Selected Financial and Operating  
Performance Results  
June 2017

**Southeastern Pennsylvania Transportation Authority**





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**General Manager**  
Jeffrey D. Knueppel, P.E.

Date: July 27, 2017

To: SEPTA Board Members

From: Jeffrey D. Knueppel

Re: Financial & Operating Highlights – June 2017

I am pleased to present the Financial and Operating Highlights for June 2017.

***OPERATING REVENUE***

Passenger revenue for Fiscal Year 2017 was 8.3% lower than budget and 6.2% below the prior year. System-wide, SEPTA recorded 308.3 million passenger trips during the year which is 5.5% below the reported trips in Fiscal Year 2016. Passenger Revenue and Ridership fell in Fiscal Year 2017 primarily due to structural defects found in the 120 Silverliner V Regional Rail cars which were pulled from service in early July 2016; the six-day TWU-City Transit strike; and increased competition.

***OPERATING EXPENSES***

Total operating expenses for Fiscal Year 2017 were 3.0% lower than budget and 2.6% above the prior year. Labor and Fringe expenses for the twelve-month period were 4.4% below budget. The favorable operating expense variance for the year resulted from aggressive cost cutting measures, partially offset by lower lease costs and debt service subsidy reimbursements. There was a year-end surplus after subsidies of \$207 thousand. SEPTA has recorded eighteen consecutive years of balanced budgets.

***SEPTA KEY ROLLOUT FOR DISABILITY COMMUNITY BEGINS***

Members of the disability community who have registered for the new SEPTA Key Reduced Fare Photo ID Cards, began receiving them in the mail during the end of June. This marks another step forward in the implementation of the SEPTA Key fare modernization initiative. Those eligible for Reduced Fare pay half the regular fare for travel on SEPTA. With Travel Wallet funds loaded, Reduced Fare customers are ready for convenient tap-and-go travel using the SEPTA Key validators on all transit routes, including bus, trolley, trackless trolley, and the Market-Frankford, Broad Street and Norristown High Speed Lines. On Regional Rail, the SEPTA Key Reduced Fare Photo ID Card can be presented to the conductor with the discounted cash fare.

– more –

***SEPTA HOLDS NINTH ANNUAL PHILABUNDANCE FOOD DRIVE***

From June 12-23, SEPTA customers and employees helped thousands of school-aged children by helping fight hunger in the Greater Philadelphia region by participating in SEPTA's ninth annual "Stop Hunger at Your Station" food drive. SEPTA and Philabundance teamed up in response to the thousands of students who no longer receive the free, nutritious and reduced-cost meals they are given when school is in session. Philabundance, the Greater Philadelphia region's largest hunger-relief organization, has seen a 26 percent increase in need over the past year, compared to a 22 percent increase from the year before. The agency provides food to approximately 90,000 people per week in nine counties in Pennsylvania and New Jersey through its own food distribution programs, as well as through 350 member agencies such as food cupboards, shelters and emergency kitchens. Of the low-income area residents served by the organization, 15 percent are senior citizens and 30 percent are children. During the food drive, SEPTA collected donations of canned goods in marked barrels at 43 designated stations throughout the transit system.

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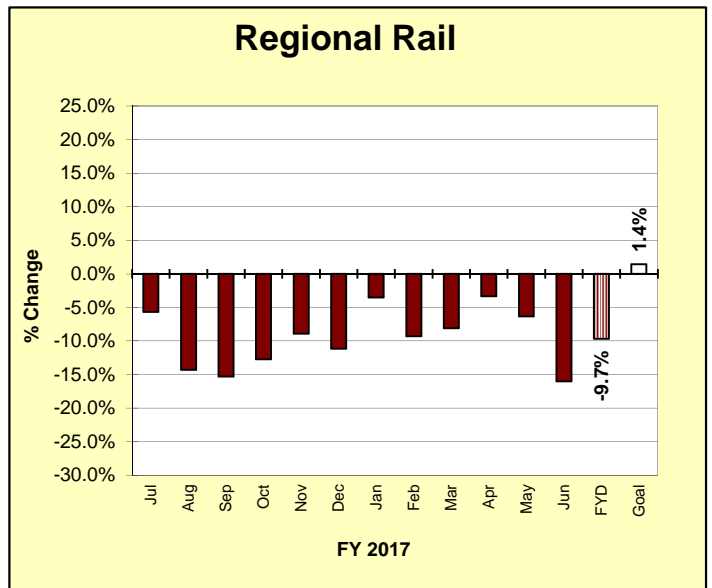
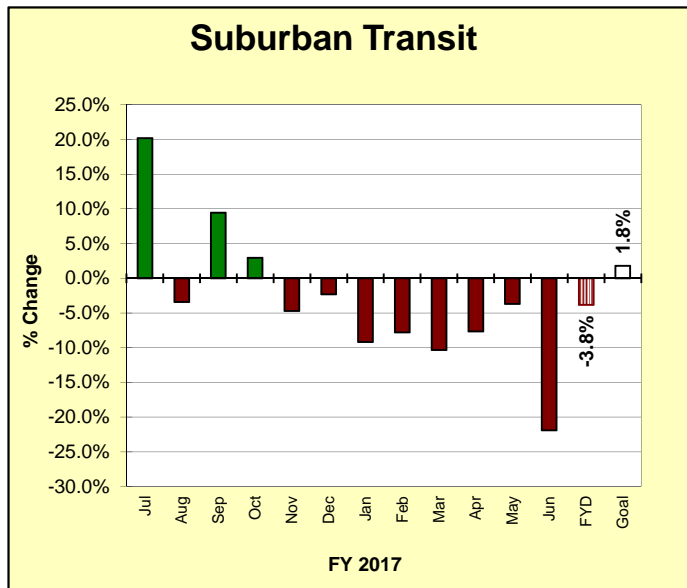
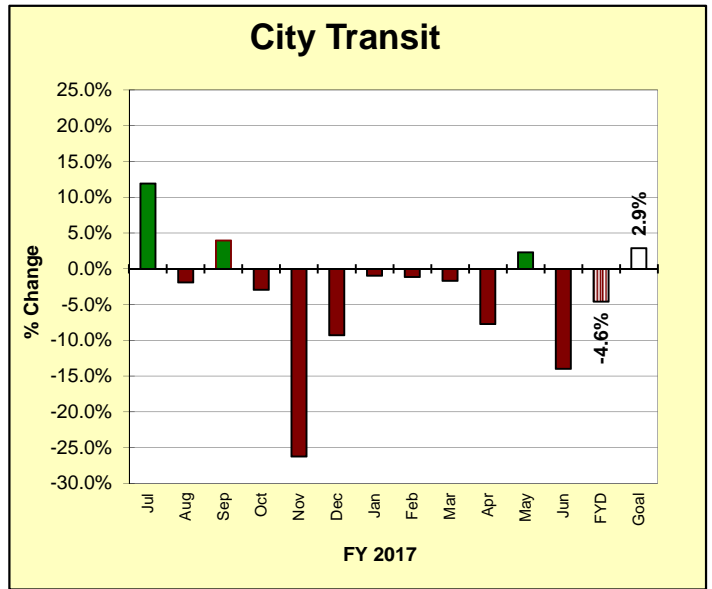
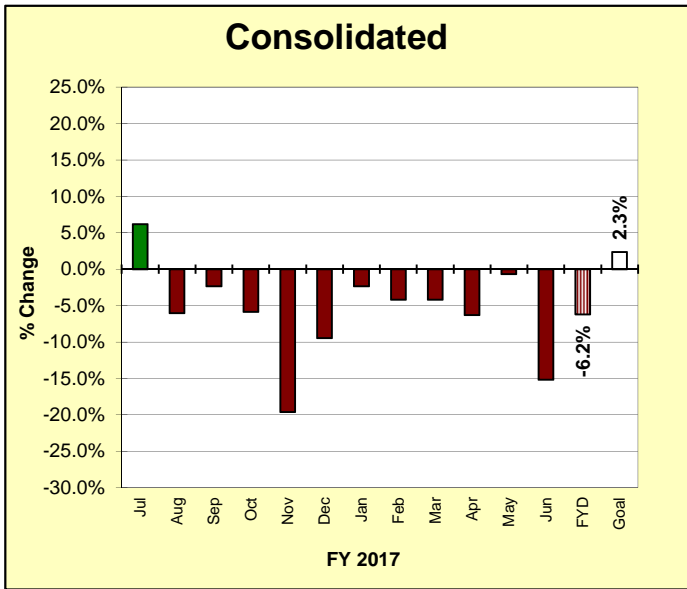
**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**  
**FINANCIAL STATEMENT SUMMARY**  
**PERIOD ENDED JUNE 30, 2017**  
(Thousands)

Month of June				Twelve Months through June			
2017		2016		2017		2016	
BUDGET	ACTUAL	VARIANCE	ACTUAL	BUDGET	ACTUAL	VARIANCE	ACTUAL
<b><u>OPERATING REVENUES</u></b>				<b><u>OPERATING REVENUES</u></b>			
\$ 34,922	34,441	\$ (481)	\$ 40,603	\$ 481,500	441,401	\$ (40,099)	\$ 470,445
1,667	1,366	(301)	1,541	19,000	17,205	(1,795)	18,575
81	156	75	277	1,150	1,939	789	1,497
2,805	3,102	297	4,155	34,900	35,732	832	35,950
<b>\$ 39,475</b>	<b>\$ 39,065</b>	<b>\$ (410)</b>	<b>\$ 46,576</b>	<b>\$ 536,550</b>	<b>\$ 496,277</b>	<b>\$ (40,273)</b>	<b>\$ 526,467</b>
<b>TOTAL OPERATING REVENUE</b>				<b>TOTAL OPERATING REVENUE</b>			
<b><u>OPERATING EXPENSES</u></b>				<b><u>OPERATING EXPENSES</u></b>			
\$ 45,363	\$ 44,024	\$ 1,339	\$ 55,234	\$ 614,808	\$ 607,148	\$ 7,660	\$ 599,990
39,008	23,417	15,591	27,065	400,208	363,689	36,519	359,512
22,503	24,793	(2,290)	24,115	278,306	273,170	5,136	263,335
2,212	(2,471)	4,683	(13,359)	28,700	24,017	4,683	5,636
2,932	2,472	460	2,406	35,184	31,567	3,617	32,804
331	533	(202)	368	4,076	9,901	(5,825)	4,504
1,812	1,761	51	3,106	25,757	23,937	1,820	34,336
1,672	1,801	(129)	1,566	19,500	19,644	(144)	18,459
(12,200)	-	(12,200)	-	(12,200)	-	(12,200)	-
<b>\$ 103,633</b>	<b>\$ 96,330</b>	<b>\$ 7,303</b>	<b>\$ 100,501</b>	<b>\$ 1,394,339</b>	<b>\$ 1,353,073</b>	<b>\$ 41,266</b>	<b>\$ 1,318,576</b>
<b>TOTAL OPERATING EXPENSES</b>				<b>TOTAL OPERATING EXPENSES</b>			
<b>\$ (64,158)</b>	<b>\$ (57,265)</b>	<b>\$ 6,893</b>	<b>\$ (53,925)</b>	<b>\$ (857,789)</b>	<b>\$ (856,796)</b>	<b>\$ 993</b>	<b>\$ (792,109)</b>
<b><u>DEFICIT BEFORE SUBSIDIES</u></b>				<b><u>DEFICIT BEFORE SUBSIDIES</u></b>			
<b><u>OPERATING SUBSIDIES</u></b>				<b><u>OPERATING SUBSIDIES</u></b>			
\$ 3,229	\$ 3,024	\$ (205)	\$ 3,090	\$ 36,800	\$ 36,595	\$ (205)	\$ 36,632
56,340	45,731	(10,609)	39,051	641,770	631,161	(10,609)	581,121
8,451	6,859	(1,592)	3,741	96,266	94,674	(1,592)	85,051
8,067	7,105	(962)	7,736	91,903	90,941	(962)	86,276
271	641	370	331	3,250	3,632	382	3,223
(12,200)	-	12,200	-	(12,200)	-	12,200	-
<b>\$ 64,158</b>	<b>\$ 63,360</b>	<b>\$ (798)</b>	<b>\$ 53,949</b>	<b>\$ 857,789</b>	<b>\$ 857,003</b>	<b>\$ (786)</b>	<b>\$ 792,303</b>
<b>TOTAL OPERATING SUBSIDIES</b>				<b>TOTAL OPERATING SUBSIDIES</b>			
<b>\$ -</b>	<b>\$ 6,095</b>	<b>\$ 6,095</b>	<b>\$ 24</b>	<b>\$ -</b>	<b>\$ 207</b>	<b>\$ 207</b>	<b>\$ 194</b>
<b>(DEFICIT)/SURPLUS AFTER SUBSIDIES</b>				<b>(DEFICIT)/SURPLUS AFTER SUBSIDIES</b>			
-	(996)	(996)	(180)	-	(1,932)	(1,932)	88
<b>\$ -</b>	<b>\$ 5,099</b>	<b>\$ 5,099</b>	<b>\$ (156)</b>	<b>\$ -</b>	<b>\$ (1,725)</b>	<b>\$ (1,725)</b>	<b>\$ 282</b>
<b>Unrealized Investment (Loss)/Gain</b>				<b>Unrealized Investment (Loss)/Gain</b>			
<b>(DEFICIT)/SURPLUS AFTER INVESTMENT (LOSS)/GAIN</b>				<b>(DEFICIT)/SURPLUS AFTER INVESTMENT (LOSS)/GAIN</b>			

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**

**REVENUE PERFORMANCE**

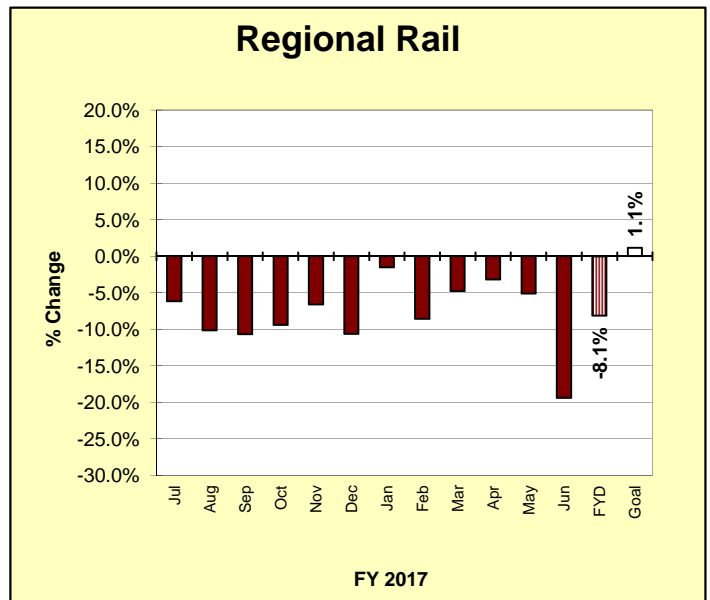
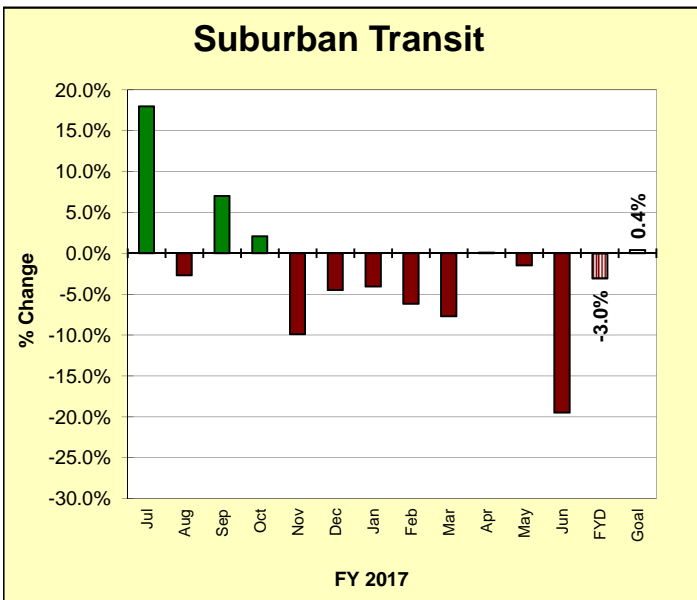
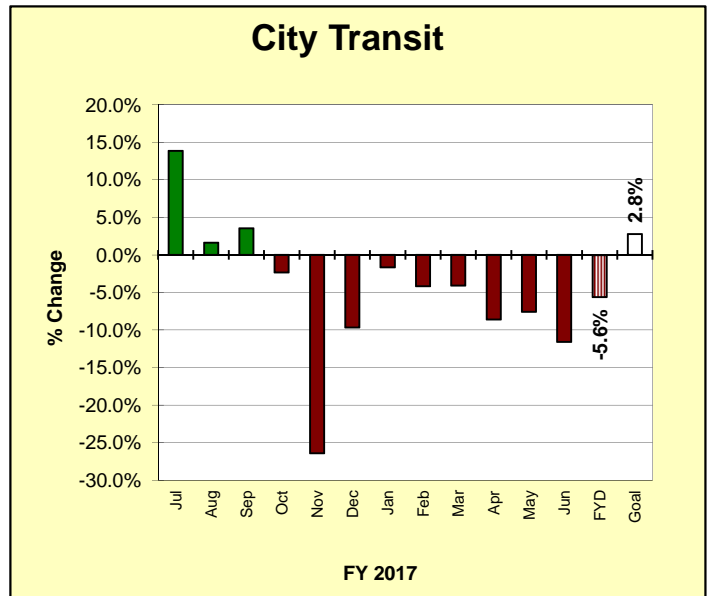
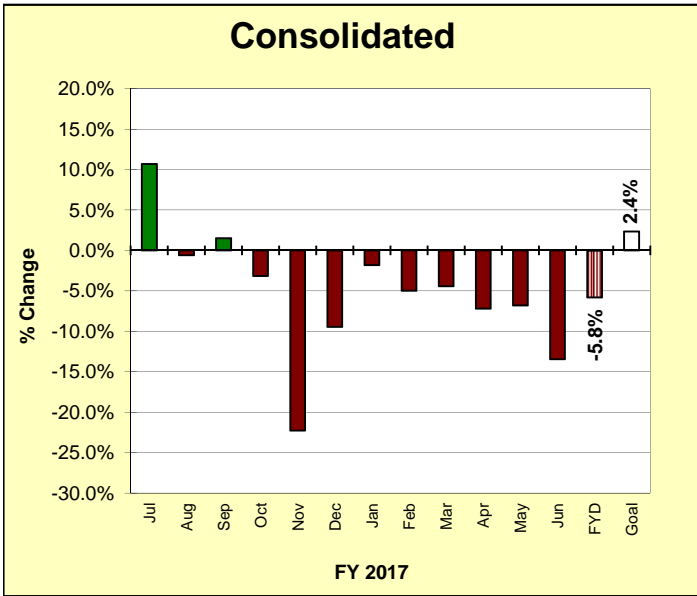
FY 2017 Actual vs. FY 2016 Actual



Note: Above comparisons for July were impacted by five more days in the July 2016 fiscal month versus July 2015.

**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY  
RIDERSHIP PERFORMANCE**

FY 2017 Actual vs. FY 2016 Actual



Note: Above comparisons for July were impacted by five more days in the July 2016 fiscal month versus July 2015.