

**Board Report**

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**Financial and Operating  
Performance Results  
December 31, 2011**

*Southeastern Pennsylvania Transportation Authority*





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**General Manager**  
Joseph M. Casey

Date: January 23, 2012

To: SEPTA Board Members

From: Joseph M. Casey

Re: December 2011 Financial & Operating Highlights

I am pleased to present the Financial and Operating Highlights for December 2011.

### ***OPERATING REVENUE***

Passenger revenue for December 2011 was 5.7% higher than budget, and 0.7% above December 2010. Year-to-date passenger revenue was 1.8% higher than budget. Other operating revenue, including shared ride, was 3.2% below budget year-to-date and 2.2% below the comparable period last year. Other operating revenue was below budget for the six month period primarily due to lower than anticipated income from real estate leases, shared ride services, advertising and scrap sales.

### ***OPERATING EXPENSES***

Total operating expenses were 0.1% above budget for December 2011 and essentially equal to budget for the 6-month period. Labor and Fringe expenses were 0.1% below budget for the month and 0.3% above budget year-to-date. There was a \$1.2 million surplus for the month and a year-to-date surplus of \$3.0 million.

### ***SEPTA EMPLOYEES SHOW GENEROSITY WITH TOY DRIVE***

For the 31st year, employees from across the Authority spread holiday cheer by participating in SEPTA's Yule Toy drive to benefit underprivileged children throughout the region. "Our employees once again exceeded all expectations and proved just how generous they are," said Carol Looby, assistant secretary to the SEPTA Board, who has coordinated Yule Toy for more than 20 years. "We collected about 8,000 gifts and made the holidays special for even more children." Between Thanksgiving and Christmas, employees from all SEPTA districts and Headquarters dropped toys in more than 70 bright red bins and collected thousands of dollars to purchase items for children of all ages. The gifts were given to a number of local organizations, which then distributed them to children throughout the SEPTA service area.

***SEPTA RECEIVES \$1.2 MILLION GRANT FROM EPA***

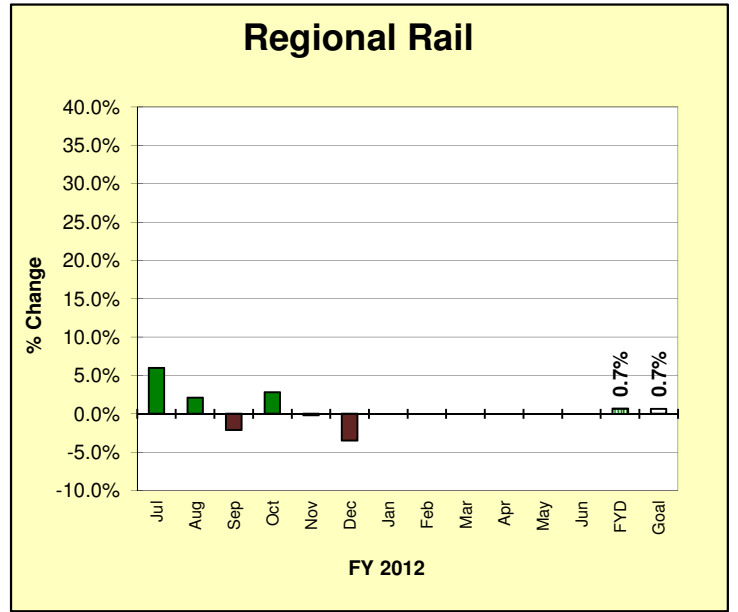
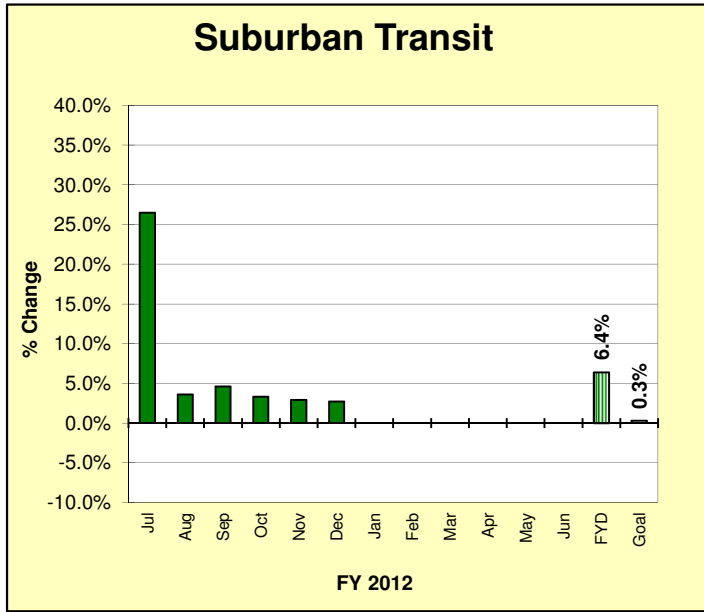
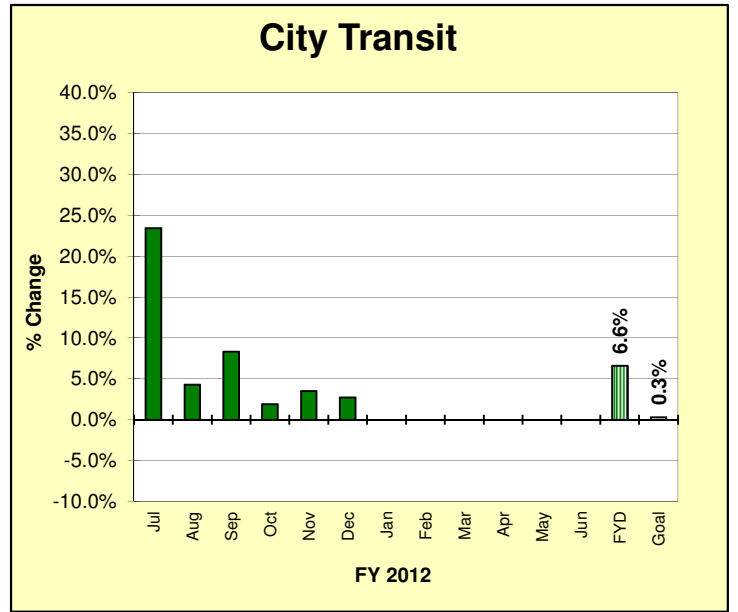
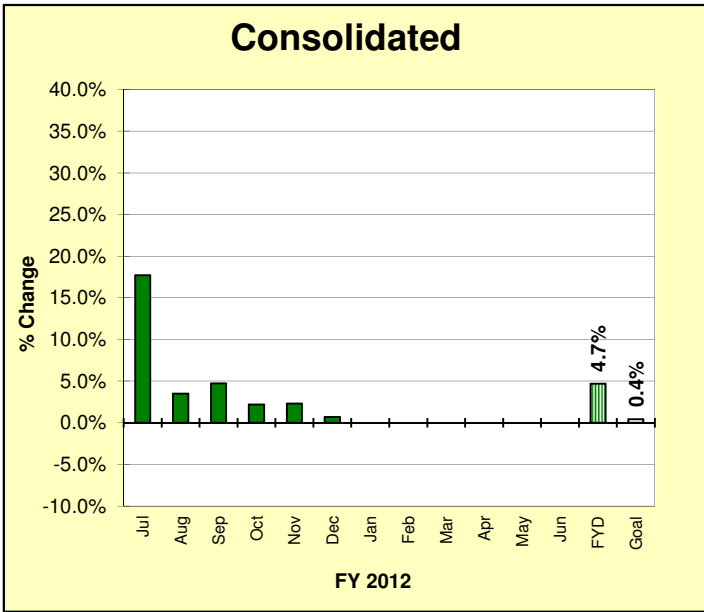
SEPTA received a \$1.2 million grant from the U.S. Environmental Protection Agency which will help SEPTA improve air quality in and around its rail yards, through the conversion of a locomotive to a clean diesel engine. EPA Regional Administrator Shawn M. Garvin announced the funding, made possible through EPA's Diesel Emissions Reduction Act Program, during a press conference in December with SEPTA General Manager Joseph M. Casey. The EPA-funded project will help SEPTA repower the engine of a conventional diesel maintenance locomotive with two generator sets ("GenSet"), and a diesel particulate filter. The repower will drastically cut harmful diesel emissions. With funding secured, SEPTA can move forward on the project to install this state-of-the-art technology on a 1950s-era locomotive. The repower is expected to be complete by mid-2012. GenSet locomotives reduce nitrous oxide and particulate matter emissions by approximately 80 percent and can reduce carbon dioxide emissions by 25 percent through technologies that monitor engine idling and switch to "sleep" mode after a period of inactivity.

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**SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**  
**FINANCIAL STATEMENT SUMMARY**  
**PERIOD ENDED DECEMBER 31, 2011**  
(Thousands)

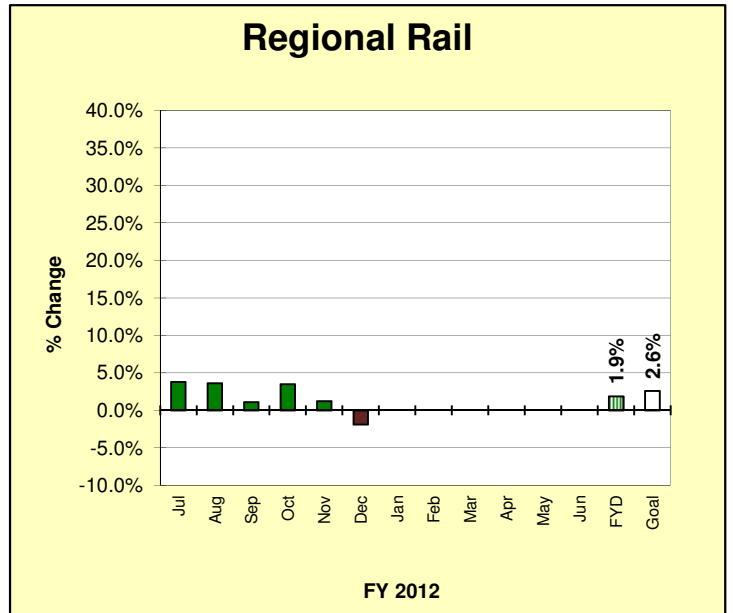
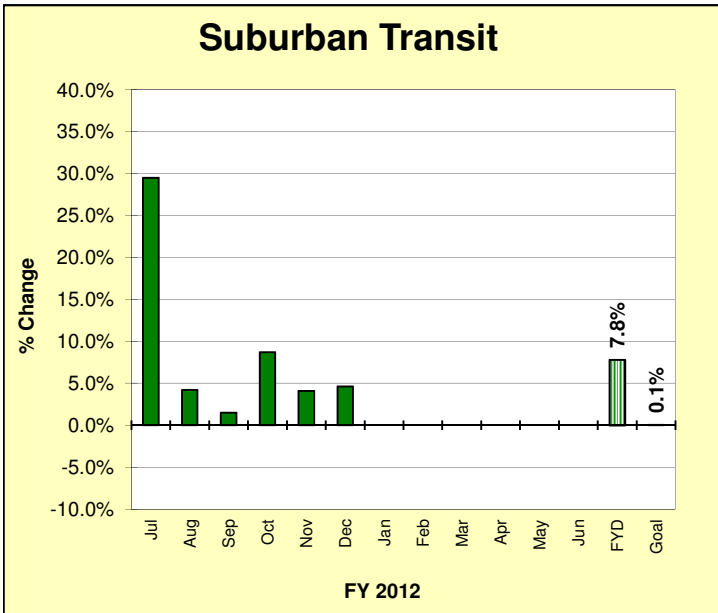
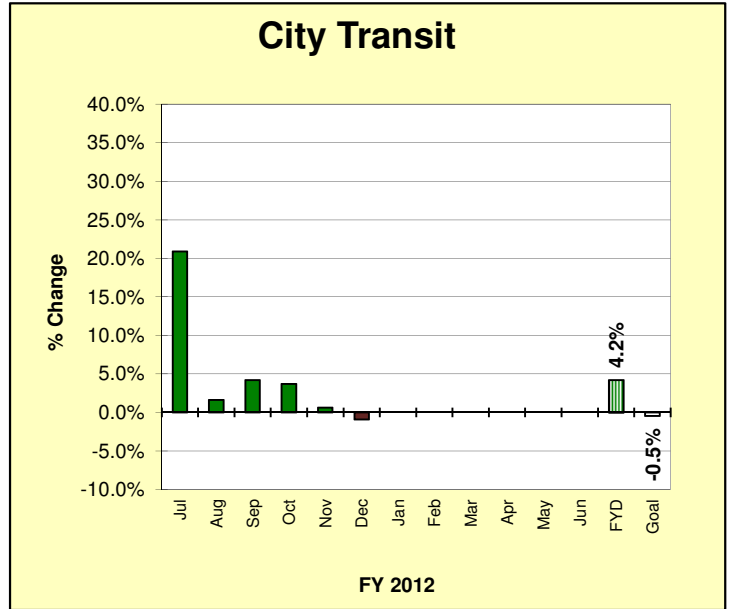
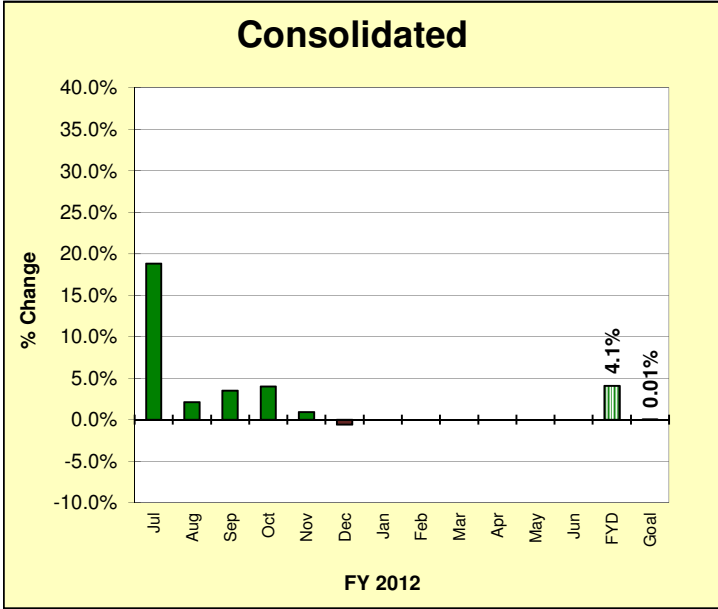
Month of December				Six Months through December				
ACTUAL	2011		2010 ACTUAL		ACTUAL	2011		2010 ACTUAL
	BUDGET	VARIANCE				BUDGET	VARIANCE	
\$ 33,739	\$ 31,925	\$ 1,814	\$ 33,488		\$ 217,993	\$ 214,190	\$ 3,803	\$ 208,184
1,392	1,729	(337)	1,729	<b><u>OPERATING REVENUES</u></b>	9,862	10,233	(371)	10,242
154	91	63	78	Passenger Revenue	657	552	105	613
2,467	2,662	(195)	2,780	Shared Ride Program	15,388	15,973	(585)	15,637
<b>\$ 37,752</b>	<b>\$ 36,407</b>	<b>\$ 1,345</b>	<b>\$ 38,075</b>	Investment Income				
				Other Income				
				<b>TOTAL OPERATING REVENUE</b>	<b>\$ 243,900</b>	<b>\$ 240,948</b>	<b>\$ 2,952</b>	<b>\$ 234,676</b>
\$ 41,033	\$ 40,043	\$ (990)	\$ 40,117	<b><u>OPERATING EXPENSES</u></b>	\$ 260,393	\$ 257,276	\$ (3,117)	\$ 243,876
27,705	28,757	1,052	26,048	Labor, including Paid Absences	167,514	169,239	1,725	155,681
17,319	17,332	13	16,019	Fringe Benefits	104,442	104,476	34	103,066
4,115	3,515	(600)	3,577	Material & Services	23,478	22,878	(600)	22,000
3,338	3,274	(64)	3,010	Injuries & Damages	17,839	18,431	592	16,584
160	210	50	192	Propulsion Power	1,201	1,130	(71)	1,175
2,591	2,916	325	2,986	Fixed Rent	18,101	18,930	829	19,503
1,729	1,851	122	1,517	Fuel	9,871	10,543	672	9,049
				Depreciation				
<b>\$ 97,990</b>	<b>\$ 97,898</b>	<b>\$ (92)</b>	<b>\$ 93,466</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 602,839</b>	<b>\$ 602,903</b>	<b>\$ 64</b>	<b>\$ 570,934</b>
<b>\$ (60,238)</b>	<b>\$ (61,491)</b>	<b>\$ 1,253</b>	<b>\$ (55,391)</b>	<b><u>DEFICIT BEFORE SUBSIDIES</u></b>	<b>\$ (358,939)</b>	<b>\$ (361,955)</b>	<b>\$ 3,016</b>	<b>\$ (336,258)</b>
\$ 2,893	\$ 2,893	\$ -	\$ 2,770	<b><u>OPERATING SUBSIDIES</u></b>	\$ 17,035	\$ 17,035	\$ -	\$ 16,627
44,920	44,920	-	42,450	Federal	264,363	264,363	-	254,707
6,737	6,737	-	6,367	State	39,654	39,654	-	38,206
6,676	6,676	-	4,872	Local	39,304	39,304	-	32,868
252	265	(13)	275	Lease Cost/Debt Service/Other	1,537	1,599	(62)	1,599
				Other-Route Guarantees				
<b>\$ 61,478</b>	<b>\$ 61,491</b>	<b>\$ (13)</b>	<b>\$ 56,734</b>	<b>TOTAL OPERATING SUBSIDIES</b>	<b>\$ 361,893</b>	<b>\$ 361,955</b>	<b>\$ (62)</b>	<b>\$ 344,007</b>
<b>\$ 1,240</b>	<b>\$ -</b>	<b>\$ 1,240</b>	<b>\$ 1,343</b>	<b>SURPLUS (DEFICIT) AFTER SUBSIDIES</b>	<b>\$ 2,954</b>	<b>\$ -</b>	<b>\$ 2,954</b>	<b>\$ 7,749</b>
-	-	-	-	Investment Gain re: Swap Termination	-	-	-	5,580
<b>\$ 1,240</b>	<b>\$ -</b>	<b>\$ 1,240</b>	<b>\$ 1,343</b>	<b>SURPLUS (DEFICIT) AFTER INVESTMENT GAIN</b>	<b>\$ 2,954</b>	<b>\$ -</b>	<b>\$ 2,954</b>	<b>\$ 13,329</b>

**REVENUE PERFORMANCE**  
FY 2012 Actual vs. FY 2011 Actual



Note: Above comparisons for July and year-to-date were impacted by six additional days in the July 2011 fiscal month versus July 2010.

**RIDERSHIP PERFORMANCE**  
FY 2012 Actual vs. FY 2011 Actual



Note: Above comparisons for July and year-to-date were impacted by six additional days in the July 2011 fiscal month versus July 2010.