



Metro-North Railroad

Financial Report

**MTA METRO-NORTH RAILROAD
MAY 2013 FINANCIAL AND RIDERSHIP REPORT
EXECUTIVE SUMMARY**

The month of May reflects the impact of the May 17th derailment and side-swipe of two trains on the New Haven Line. Related costs of \$6.4 million were incurred during the month of which \$1.6 million was for operating expenses related to clean-up, alternate bus service, and infrastructure rebuilding efforts. In addition, a \$4.8 million cost adjustment was recorded to reflect the asset write-down for significantly damaged M-8 cars. Lost farebox revenues are estimated at \$0.5 million resulting from approximately 50,000 fewer New Haven Line riders.

May YTD financial results continue to be favorable with a net operating deficit that is \$25.1 million or 8.4% lower than the Adopted Budget. Principal drivers include an earlier than projected \$11.3 million reimbursement from the FTA in April for Tropical Storm Sandy expenses (budgeted in December). This improvement was offset by lower passenger revenues of \$7.3 million as a result of lower ridership growth rates and the impact of the February snow storm. Overall operating expenses were \$20.9 million lower than the Adopted Budget due to vacant positions as well as timing in several non-payroll categories (Materials, Maintenance & Operating Contracts, and Professional Services) partially offset by costs associated with the NHL derailment (\$6.2 million). Capital program expenditures (and reimbursements) were \$16.6 million lower than Budget also due to revised timing of several projects (NH Shop Complex, Positive Train Control, and Track Program work).

Ridership

May YTD ridership of 33.9 million was 2.7% below the Adopted Budget. YTD Ridership was lower than the Adopted Budget on all lines and across all ticket types. These results reflect the February snowstorm, the persistent effect of business office dislocations in lower Manhattan caused by Tropical Storm Sandy, the NHL derailment and slower growth in non-commutation sales than had been projected for 2013.

East of Hudson

- May ridership of 7.1 million was 2.2% lower than the Adopted Budget and 0.5% lower than 2012.
- YTD ridership of 33.3 million was 2.5% lower than the Adopted Budget and 0.6% lower than 2012.
- Commutation ridership was 1.1% lower YTD and 0.4% lower for the month vs. the Adopted Budget.
- Non-commutation ridership for May was also lower than the Adopted Budget (4.7% for YTD and 1.5% for the month).

West of Hudson

- May YTD ridership was 10.5% lower than the Adopted Budget due to the February snow storm, the impact of Tropical Storm Sandy on lower Manhattan, reduced Port Jervis and Pascack Valley Line service due to the persisting effects of Tropical Storm Irene, combined with the absence of full PATH service between Hoboken and the World Trade Center through January.

Revenue and Reimbursements

Total Revenue and Reimbursements of \$340.9 million through May was \$12.4 million, or 3.5% lower than the Adopted Budget:

- Farebox Revenue of \$248.0 million was \$7.3 million lower than Budget due to the lower ridership.
- Other Operating Revenue of \$31.6 million was \$11.5 million above the Adopted Budget due to the receipt of the Tropical Storm Sandy Emergency Relief Grants and GCT Revenue due to lower tenant service costs (timing) and higher event bookings.
- Capital and Other Reimbursements of \$61.2 million was \$16.6 million lower than the Adopted Budget due to scheduling changes in a number of projects.

Expenses

Total non-reimbursable and reimbursable expenses of \$613.8 million through May were \$37.5 million (5.8%) lower than the Adopted Budget:

- \$22.1 million was attributable to lower non-labor costs. These were primarily driven by timing of materials and contract service expenditures, lower electric power costs (both cost per kilowatt-hour and consumption), and timing of capital projects partly offset by \$5.8 million in costs related to the NHL derailment (\$4.8 million asset impairment off of two M8 cars and \$0.9 million in MTA Police Services, bus services, and materials and supplies)
- Total Labor costs (operating and capital) were \$7.1 million (2.0%) below the Adopted Budget due to budgeted but unfilled positions, lower healthcare premiums, and minimal employee claims partly offset by \$0.4 million in higher overtime requirements related to the NHL derailment.

YTD Financial Performance Measures

- Adjusted Farebox Operating Ratio of 69.2% through May was 4.0 percentage points better than the Adopted Budget primarily due to lower operating expenses.
- Adjusted Cost per Passenger of \$12.40 for the period was \$0.24 lower than the Budget due to the net effect of lower expenses partially offset by lower ridership.
- Revenue per Passenger of \$7.53 for the period was on target to the Budget.

**MTA METRO-NORTH RAILROAD
MAY 2013 FINANCIAL REPORT
YEAR-TO-DATE ACTUAL VERSUS ADOPTED BUDGET**

REVENUE

Total Revenue and reimbursements were \$12.4 million (3.5%) lower than the Adopted Budget through May:

- **Farebox Revenue** – year-to-date and the month were lower than the Adopted Budget by \$7.3 million (2.8%) and \$1.7 million (3.1%), respectively, due to slower than projected ridership growth and ridership losses in February related to the snow storm.
- **Other Operating Revenue** – year-to-date was higher than the Adopted Budget by \$11.5 million mainly due to the receipt of Tropical Storm Sandy Emergency Relief grants (\$11.3 million), favorable GCT revenues from event bookings and the timing of tenant service costs.
- **Capital and Other Reimbursements** – YTD versus the Adopted Budget was \$16.6 million lower, and for the month \$5.7 million lower due to changes in the timing of several projects (NH Shop Complex, Positive Train Control, and Track Program work) which resulted in lower reimbursements.

EXPENSES

Total Expenses – Year-to-date expenses of \$613.8 million were \$37.5 million (5.8%) lower than the Adopted Budget. For the month, expenses were essentially flat to the Adopted Budget.

Labor expenses (including fringes and overhead recoveries) were \$347.8 million YTD. This was \$7.1 million (2.0%) lower than the Adopted Budget primarily due to budgeted but unfilled positions, favorable healthcare premiums and lower employee claim payments partly offset by higher overtime requirements for the NHL derailment and the February snowstorm. For the month, labor expenses were \$0.6 million lower than the Adopted Budget.

Non-Labor Expenses

YTD non-labor expenses were \$140.7 million, \$22.1 million lower than the Adopted Budget but \$1.4 million higher for the month:

- **Electric Power** – \$3.6 million lower year-to-date due to both lower rates and consumption. For the month, expenses were \$1.1 million lower than the Adopted Budget.
- **Maintenance & Other Operating Contracts** – \$8.1 million lower than the Adopted Budget primarily due to timing of costs across a variety of operating categories (general repairs, police services, locomotive overhauls and utilities), capitalization of the GCT escalator repairs which had been budgeted as operating, and timing of reimbursable projects. For the month, expenses were \$0.7 million higher than the Adopted Budget due to the 2012 true-up of MTA Police services (\$1.3 million) and \$0.9 million in accruals for MTA Police and bus services related to the NHL derailment partly offset by lower costs for maintenance contracts and GCT utilities.
- **Professional Services** – \$6.5 million below the Adopted Budget primarily due to the timing of expenses for IT related work, legal expenses, and bridge inspections. For the month, expenses were \$1.3 million lower than the Adopted Budget.
- **Materials & Supplies** – year-to-date expenditures were \$8.0 million below the Adopted Budget due to timing differences in the following reimbursable capital projects: NH Yard Component Change-out Shop, Positive Train Control, Mainline and GCT Turnouts, and the Danbury Branch Signal System. For the month, expenses were \$1.6 million lower than the Adopted Budget.
- **Other Business Expenses** – YTD and the month, respectively, were \$4.3 million higher than the Adopted Budget due to the asset impairment off of two M-8 cars destroyed in the New Haven Line derailment.
- **Depreciation and Other Non-Cash Liability Adjustments** – \$125.4 million year-to-date (\$25.6 million for the month), which was \$8.2 million lower than the Adopted Budget due to the timing of recording completed capital projects.

CASH DEFICIT

The Cash Deficit through May was \$51.2 million favorable to the Adopted Budget. This was primarily due to the net effect of \$55.7 million in lower actual cash disbursements, the \$11.3 million recovery of Hurricane Sandy expenses from the FTA and \$2.1 million in higher non-passenger revenue receipts partly offset by \$20.0 million in lower passenger revenue and capital project reimbursements.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
May 2013
(\$ in millions)

SCHEDULE I - A

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)			Adopted Budget	Favorable (Unfavorable)		
		Actual	Variance	Percent		Actual	Variance	Percent		Actual	Variance	Percent
Revenue												
Farebox Revenue	\$54.310	\$52.631	(\$1.679)	(3.1)	\$0.000	\$0.000	\$0.000	-	\$54.310	\$52.631	(\$1.679)	(3.1)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.913	3.831	(0.083)	(2.1)	0.000	0.000	0.000	-	3.913	3.831	(0.083)	(2.1)
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	10.958	6.615	(4.343)	(39.6)	10.958	6.615	(4.343)	(39.6)
CDOT	0.000	0.000	0.000	-	5.799	4.875	(0.924)	(15.9)	5.799	4.875	(0.924)	(15.9)
Other	0.000	0.000	0.000	-	1.270	0.849	(0.421)	(33.1)	1.270	0.849	(0.421)	(33.1)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	18.027	12.339	(5.688)	(31.6)	18.027	12.339	(5.688)	(31.6)
Total Revenue/Receipts	\$58.223	\$56.461	(\$1.762)	(3.0)	\$18.027	\$12.339	(\$5.688)	(31.6)	\$76.250	\$68.801	(\$7.449)	(9.8)
Expenses												
<i>Labor:</i>												
Payroll	\$35.851	\$35.859	(\$0.008)	(0.0)	\$4.170	\$3.140	\$1.030	24.7	\$40.021	\$39.000	\$1.021	2.6
Overtime	4.107	5.500	(1.393)	(33.9)	1.640	1.359	0.281	17.1	5.747	6.859	(1.112)	(19.4)
Health and Welfare	9.018	8.843	0.175	1.9	1.476	1.058	0.419	28.4	10.494	9.900	0.594	5.7
OPEB Current Payment	1.583	1.681	(0.097)	(6.1)	0.000	0.000	0.000	-	1.583	1.681	(0.097)	(6.1)
Pensions	6.286	6.613	(0.328)	(5.2)	0.851	0.659	0.192	22.6	7.137	7.273	(0.136)	(1.9)
Other Fringe Benefits	7.965	7.929	0.036	0.5	0.972	0.766	0.206	21.2	8.937	8.695	0.242	2.7
Reimbursable Overhead	(3.990)	(2.968)	(1.022)	(25.6)	3.947	2.877	1.070	27.1	(0.044)	(0.091)	0.048	*
Total Labor	\$60.819	\$63.457	(\$2.638)	(4.3)	\$13.056	\$9.859	\$3.197	24.5	\$73.875	\$73.316	\$0.559	0.8
<i>Non-Labor:</i>												
Electric Power	\$6.809	\$5.683	\$1.126	16.5	\$0.000	\$0.005	(\$0.005)	-	\$6.809	\$5.687	\$1.121	16.5
Fuel	2.084	2.402	(0.318)	(15.2)	0.000	0.000	(0.000)	-	2.084	2.402	(0.318)	(15.3)
Insurance	1.077	1.242	(0.165)	(15.4)	0.435	0.251	0.183	42.1	1.511	1.493	0.018	1.2
Claims	0.059	0.093	(0.034)	(58.3)	0.000	0.000	0.000	-	0.059	0.093	(0.034)	(58.3)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	7.324	8.037	(0.713)	(9.7)	1.472	1.488	(0.016)	(1.1)	8.796	9.525	(0.729)	(8.3)
Professional Service Contracts	2.567	1.811	0.756	29.5	0.979	0.419	0.560	57.2	3.546	2.230	1.316	37.1
Materials & Supplies	5.328	5.552	(0.225)	(4.2)	2.034	0.254	1.780	87.5	7.362	5.806	1.556	21.1
Other Business Expenses	1.990	6.267	(4.277)	*	0.051	0.062	(0.012)	(23.6)	2.040	6.329	(4.289)	*
Total Non-Labor	\$27.236	\$31.086	(\$3.850)	(14.1)	\$4.971	\$2.480	\$2.491	50.1	\$32.207	\$33.566	(\$1.359)	(4.2)
<i>Other Adjustments:</i>												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$88.055	\$94.543	(\$6.488)	(7.4)	\$18.027	\$12.339	\$5.688	31.6	\$106.082	\$106.882	(\$0.800)	(0.8)
Depreciation	20.182	19.250	0.933	4.6	0.000	0.000	0.000	-	20.182	19.250	0.933	4.6
OPEB Obligation	6.339	6.339	(0.000)	0.0	0.000	0.000	0.000	-	6.339	6.339	(0.000)	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$114.577	\$120.132	(\$5.556)	(4.8)	\$18.027	\$12.339	\$5.688	31.6	\$132.604	\$132.472	\$0.132	0.1
Net Surplus/(Deficit)	(\$56.353)	(\$63.671)	(\$7.317)	(13.0)	\$0.000	\$0.000	\$0.000	-	(\$56.353)	(\$63.671)	(\$7.317)	(13.0)
<i>Cash Conversion Adjustments:</i>												
Depreciation	20.182	19.250	(0.933)	(4.6)	0.000	0.000	0.000	-	20.182	19.250	(0.933)	(4.6)
Operating/Capital	(2.071)	(2.166)	(0.095)	(4.6)	0.000	0.000	0.000	-	(2.071)	(2.166)	(0.095)	(4.6)
Other Cash Adjustments	0.353	15.246	14.893	*	0.000	0.000	0.000	-	0.353	15.246	14.893	*
Total Cash Conversion Adjustments	\$18.464	\$32.330	\$13.865	75.1	\$0.000	\$0.000	\$0.000	-	\$18.464	\$32.330	\$13.865	75.1
Net Cash Surplus/(Deficit)	(\$37.889)	(\$31.341)	\$6.548	17.3	\$0.000	\$0.000	\$0.000	-	(\$37.889)	(\$31.341)	\$6.548	17.3

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
May Year-To-Date
(\$ in millions)

SCHEDULE I - B

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Percent	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Percent	Adopted Budget	Actual	Favorable (Unfavorable) Variance	Percent
Revenue												
Farebox Revenue	\$255.311	\$248.044	(\$7.266)	(2.8)	\$0.000	\$0.000	\$0.000	-	\$255.311	\$248.044	(\$7.266)	(2.8)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	20.113	31.624	11.511	57.2	0.000	0.000	0.000	-	20.113	31.624	11.511	57.2
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	46.754	34.732	(12.022)	(25.7)	46.754	34.732	(12.022)	(25.7)
CDOT	0.000	0.000	0.000	-	26.118	22.941	(3.177)	(12.2)	26.118	22.941	(3.177)	(12.2)
Other	0.000	0.000	0.000	-	4.967	3.562	(1.406)	(28.3)	4.967	3.562	(1.406)	(28.3)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	77.840	61.235	(16.605)	(21.3)	77.840	61.235	(16.605)	(21.3)
Total Revenue/Receipts	\$275.423	\$279.668	\$4.245	1.5	\$77.840	\$61.235	(\$16.605)	(21.3)	\$353.263	\$340.903	(\$12.360)	(3.5)
Expenses												
<i>Labor:</i>												
Payroll	\$172.421	\$169.569	\$2.851	1.7	\$17.990	\$15.692	\$2.298	12.8	\$190.410	\$185.261	\$5.149	2.7
Overtime	22.555	24.178	(1.623)	(7.2)	6.585	7.104	(0.519)	(7.9)	29.140	31.282	(2.142)	(7.4)
Health and Welfare	43.693	41.710	1.983	4.5	6.195	5.201	0.994	16.0	49.888	46.911	2.977	6.0
OPEB Current Payment	7.917	8.198	(0.282)	(3.6)	0.000	0.000	0.000	-	7.917	8.198	(0.282)	(3.6)
Pensions	30.509	31.000	(0.492)	(1.6)	3.640	2.888	0.752	20.7	34.148	33.888	0.260	0.8
Other Fringe Benefits	39.495	38.327	1.168	3.0	4.103	4.250	(0.147)	(3.6)	43.598	42.576	1.021	2.3
Reimbursable Overhead	(16.358)	(14.842)	(1.516)	(9.3)	16.150	14.500	1.650	10.2	(0.208)	(0.342)	0.134	64.6
Total Labor	\$300.230	\$298.140	\$2.089	0.7	\$54.663	\$49.635	\$5.028	9.2	\$354.893	\$347.776	\$7.117	2.0
<i>Non-Labor:</i>												
Electric Power	\$36.171	\$32.551	\$3.620	10.0	\$0.000	\$0.021	(\$0.021)	-	\$36.171	\$32.573	\$3.598	9.9
Fuel	12.182	12.593	(0.411)	(3.4)	0.000	0.001	(0.001)	-	12.182	12.595	(0.412)	(3.4)
Insurance	5.036	5.072	(0.036)	(0.7)	1.741	1.278	0.463	26.6	6.777	6.350	0.427	6.3
Claims	0.285	0.023	0.262	91.8	0.000	0.000	0.000	-	0.285	0.023	0.262	91.8
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	39.084	33.235	5.848	15.0	6.738	4.447	2.292	34.0	45.822	37.682	8.140	17.8
Professional Service Contracts	11.107	6.490	4.616	41.6	3.758	1.919	1.839	48.9	14.865	8.410	6.455	43.4
Materials & Supplies	26.078	25.177	0.902	3.5	10.572	3.507	7.065	66.8	36.650	28.683	7.967	21.7
Other Business Expenses	9.667	13.912	(4.245)	(43.9)	0.367	0.426	(0.059)	(16.0)	10.034	14.338	(4.304)	(42.9)
Total Non-Labor	\$139.610	\$129.053	\$10.557	7.6	\$23.176	\$11.599	\$11.577	50.0	\$162.786	\$140.653	\$22.133	13.6
<i>Other Adjustments</i>												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adj.s.	\$439.840	\$427.194	\$12.646	2.9	\$77.840	\$61.235	\$16.605	21.3	\$517.679	\$488.429	\$29.251	5.7
Depreciation	100.912	93.251	7.661	7.6	0.000	0.000	0.000	-	100.912	93.251	7.661	7.6
OPEB Obligation	31.697	31.697	(0.000)	0.0	0.000	0.000	0.000	-	31.697	31.697	(0.000)	0.0
Environmental Remediation	0.989	0.404	0.585	59.2	0.000	0.000	0.000	-	0.989	0.404	0.585	59.2
Total Expenses	\$573.438	\$552.545	\$20.892	3.6	\$77.840	\$61.235	\$16.605	21.3	\$651.277	\$613.780	\$37.497	5.8
Net Surplus/(Deficit)	(\$298.014)	(\$272.877)	\$25.137	8.4	\$0.000	\$0.000	\$0.000	-	(\$298.014)	(\$272.877)	\$25.137	8.4
<i>Cash Conversion Adjustments:</i>												
Depreciation	100.912	93.251	(7.661)	(7.6)	0.000	0.000	0.000	-	100.912	93.251	(7.661)	(7.6)
Operating/Capital	(11.093)	(4.744)	6.349	57.2	0.000	0.000	0.000	-	(11.093)	(4.744)	6.349	57.2
Other Cash Adjustments	39.047	66.403	27.355	70.1	0.000	0.000	0.000	-	39.047	66.403	27.355	70.1
Total Cash Conversion Adjustments	\$128.866	\$154.909	\$26.043	20.2	\$0.000	\$0.000	\$0.000	-	\$128.866	\$154.909	\$26.043	20.2
Net Cash Surplus/(Deficit)	(\$169.148)	(\$117.968)	\$51.180	30.3	\$0.000	\$0.000	\$0.000	-	(\$169.148)	(\$117.968)	\$51.180	30.3

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
MAY 2013
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Adopted Budget			Year to Date vs. Adopted Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
OTHER OPERATING REVENUE	Non-Reimb	(\$0.083)	(2.1%)	Lower Parking revenues and utilities receipts.	\$11.511	57.2%	Primarily reflects Tropical Storm Sandy Emergency Relief Grants (\$11.3 million) and higher net GCT revenues due to favorable event bookings and the timing of tenant service costs.
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$5.688)	(31.6%)	Lower reimbursements reflect scheduling changes in capital project expenditures.	(\$16.605)	(21.3%)	Lower reimbursements reflect scheduling changes in capital project expenditures.
PAYROLL	Reimb	\$1.030	24.7%	Reflects lower than projected activity on the Cyclical Track Program, Capital Administration and Signal System Replacement and rescheduling of the following projects: Replace/Repair undergrade Bridge, Positive Train Control, NHL - Bridge Timber Replacement and the Cos Cob West Substation.	\$2.298	12.8%	Reflects lower than projected activity on the 2013 Cyclical Track Program and the M-8 NHL Purchase and the rescheduling of the folling projects: NH Rail Yard - Component Change Out Shop, Positive Train Control project, Replace/Repair Undergrade Bridge Project and the Cos Cob West Substation.
OVERTIME	Non-Reimb	(\$1.393)	(33.9%)	Due to increased overtime requirements for the NHL derailment and service coverage	(\$1.623)	(7.2%)	Due to increased overtime requirements for the NHL derailment, service coverage and the February snowstorm.
	Reimb	\$0.281	17.1%	Reflects lower than projected activity on the 2013 Cyclical Track Program.	(\$0.519)	(7.9%)	Reflects higher than projected activity on the Mainline High Speed Turnouts.
HEALTH AND WELFARE	Reimb	\$0.419	28.4%	Reflects lower project activity.	\$0.994	16.0%	Reflects lower project activity.
OPEB CURRENT PAYMENT	Non-Reimb	(\$0.097)	(6.1%)	Additional retiree healthcare premiums	(\$0.282)	(3.6%)	Additional retiree healthcare premiums
PENSIONS	Non-Reimb	(\$0.328)	(5.2%)	Reflects an adjustment due to underaccrual of fringe costs.	(\$0.492)	(1.6%)	
	Reimb	\$0.192	22.6%	Reflects lower project activity.	\$0.752	20.7%	Reflects lower project activity.
OTHER FRINGE BENEFITS	Reimb	\$0.206	21.2%	Reflects rate differentials and project adjustments	(\$0.147)	(3.6%)	Reflects rate differentials and project adjustments

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
MAY 2013
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Adopted Budget			Year to Date vs. Adopted Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
REIMBURSABLE OVERHEAD	Non-Reimb	(\$1.022)	(25.6%)	Reflects lower capital project activity for the following projects: Cyclical Track Program, Overhead Bridge Program, and Positive Train Control	(\$1.516)	(9.3%)	Reflects lower capital project activity for the following projects: Cyclical Track Program, NH Rail Yard - Component Change out Shop, NHL Signal System, Overhead Bridge Program, and Positive Train Control
	Reimb	\$1.070	27.1%	Reflects lower project activity.	\$1.650	10.2%	Reflects lower project activity.
ELECTRIC POWER	Non-Reimb	\$1.126	16.5%	Primarily due to lower rates and consumption.	\$3.620	10.0%	Primarily due to lower rates and consumption.
FUEL	Non-Reim	(\$0.318)	(15.2%)	Primarily due to higher heating oil prices.	(\$0.411)	(3.4%)	
INSURANCE	Non-Reimb	(\$0.165)	(15.4%)	Higher liability insurance expense for the month.	(\$0.036)	(0.7%)	
	Reimb	\$0.183	42.1%	Reflects lower project activity.	\$0.463	26.6%	Reflects lower project activity.
CLAIMS	Non-Reimb	(\$0.034)	*	Primarily due to the timing of claims expense.	\$0.262	*	Primarily due to the timing of reimbursements for administrative fees from FMTAC.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	(\$0.713)	(9.7%)	Reflects 2012 true-up expense of \$1.3 million for MTA Police services and \$0.9 million in expense accruals for MTA Police and bus services related to the New Haven Line derailment partly offset by lower costs for maintenance contracts and GCT utilities.	\$5.848	15.0%	Reflects lower costs for maintenance contracts, GCT utilities, timing of Genesis Locomotive overhaul, and the reclassification of GCT escalator repair project to operating capital partly offset by 2012 true-up expense for MTA Police services and expense accruals for the New Haven Line derailment.
	Reimb	(\$0.016)	(1.1%)	Reflects higher activity on the Danbury Branch Signal System and the Cos Cob West Substation partially offset by delay on the Positive Train Control.	\$2.292	34.0%	Reflects timing differences on the Positive Train Control Project partially offset by the higher activity on the Cos Cob West Substation.
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$0.756	29.5%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, bridge inspections, and outside training.	\$4.616	41.6%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, advertising, bridge inspections, temporary services, medical services, and outside training.
	Reimb	\$0.560	57.2%	Reflects rescheduling on Overhead Bridge Program - EofH, Connecting Services - Marketing/Customer Support and the Positive Train Control project.	\$1.839	48.9%	Reflects rescheduling on the Overhead Bridge Program - EofH and the NHL Signal System projects.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN ADOPTED BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
MAY 2013
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Adopted Budget			Year to Date vs. Adopted Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
MATERIAL AND SUPPLIES	Reimb	\$1.780	87.5%	Reflects delay on the Bronx Stations Capacity, Positive Train Control, PBX Equipment Upgrade and the Mainline/High Speed Turnouts and the timing of expenses on the Cyclical Track Program, C-29 and Cyclical Track Program.	\$7.065	66.8%	Reflects delay on the NHL Rail Yard Component changeout Shop, MainLine High Speed Turnouts, Positive Train Control, Bronx Stations Capacity IMP, PBX Equipment Upgrade, 2013 Cyclical Track Program and the Danbury Branch Signal System and the timing of expenses on the C29 project.
OTHER BUSINESS EXPENSES	Non-Reimb	(\$4.277)	*	Reflects a \$4.8 million loss related to the write off of two M8 cars destroyed in the New Haven Line derailment.	(\$4.245)	(43.9%)	Reflects a \$4.8 million loss related to the write off of two M8 cars destroyed in the New Haven Line derailment.
	Reimb	(\$0.012)	(23.6%)	Reflects insignificant variances on several other projects.	(\$0.059)	(16.0%)	Reflects higher activity on the Tarrytown Station Improvement, West Haven Station and the Monthly Ticket Hologram program.
DEPRECIATION	Non-Reimb	\$0.933	4.6%	Timing of capitalization of assets.	\$7.661	7.6%	Timing of capitalization of assets.
ENVIRONMENTAL REMEDIATION	Non-Reimb	\$0.000	-		\$0.585	59.2%	Primarily due to fewer projects requiring remediation.
OPERATING CAPITAL	Non-Reim	(\$0.095)	(4.6%)	Reflects higher activity during the period on GCT Escalators Heavy Repair and Maint., Purchase Mobile and Rolling Stock Radios partially offset by lower activity on the GCT Escalator Replacement, Replace Railtop Culverts, Replace Windows & Roof at Fleetwood, Shop Equipment replacement and the Purchase of Snowmelter Cabinets.	\$6.349	57.2%	Reflects lower activity during the period on the Purchase of a Production Switch Tamper, Locomotive Overhaul For 6 GP 35 Locos, Ticket Vending Machines Upgrade projects, Snowmelter Cabinets, GCT Escalator Replacement, Hudson Rail Link Bus Replacement and the Replace Windows & Roof at Fleetwood.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
February Financial Plan - 2013 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	May						May Year-to-Date					
	Adopted Budget		Actuals		Var. - Fav./(Unfav)		Adopted Budget		Actuals		Var. - Fav./(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
<u>Scheduled Service</u> ¹	39,287	\$2.2	52,828	\$2.8	(13,540)	(\$0.6)	194,412	\$10.8	216,777	\$11.3	(22,365)	(\$0.4)
					-34.5%	-25.6%					-11.5%	-4.0%
<u>Unscheduled Service</u>	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0
					-	-					-	-
<u>Programmatic/Routine Maintenance</u>	15,855	\$0.8	19,001	\$0.9	(3,146)	(\$0.2)	91,419	\$4.3	91,942	\$4.4	(523)	(\$0.1)
					-19.8%	-21.5%					-0.6%	-2.3%
<u>Unscheduled Maintenance</u>	0	\$0.0	6,286	\$0.3	(6,286)	(\$0.3)	0	\$0.0	6,286	\$0.3	(6,286)	(\$0.3)
					-	-					-	-
<u>Vacancy/Absentee Coverage</u> ²	15,396	\$0.7	18,070	\$0.8	(2,674)	(\$0.1)	79,058	\$3.6	77,038	\$3.5	2,020	\$0.0
					-17.4%	-18.3%					2.6%	1.2%
<u>Weather Emergencies</u>	8,038	\$0.4	9,080	\$0.4	(1,042)	(\$0.0)	66,281	\$3.3	75,340	\$3.7	(9,059)	(\$0.4)
					-13.0%	-7.2%					-13.7%	-12.9%
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0
					-	-					-	-
<u>Other</u> ⁴	1,506	\$0.1	5,601	\$0.3	(4,094)	(\$0.2)	12,811	\$0.5	19,925	\$0.9	(7,115)	(\$0.4)
					*	*					-55.5%	-73.4%
Subtotal	80,082	\$4.1	110,866	\$5.5	(30,783)	(\$1.4)	443,981	\$22.6	487,308	\$24.2	(43,328)	(\$1.6)
					-38.4%	-33.9%					-9.8%	-7.2%
REIMBURSABLE OVERTIME	34,955	\$1.6	28,038	\$1.4	6,917	\$0.3	138,247	\$6.6	145,501	\$7.1	(7,254)	(\$0.5)
					19.8%	17.1%					-5.2%	-7.9%
TOTAL OVERTIME	115,037	\$5.7	138,904	\$6.9	(23,867)	(\$1.1)	582,228	\$29.1	632,809	\$31.3	(50,581)	(\$2.1)
					-20.7%	-19.4%					-8.7%	-7.4%

Totals may not add due to rounding.

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Scheduled Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Depts as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
February Financial Plan - 2013 Adopted Budget
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	May			May Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u> ¹	(13,540) -34.5%	(\$0.6) -25.6%	New Haven Line derailment service restoration.	(22,365) -11.5%	(\$0.4) -4.0%	New Haven Line derailment service restoration.
<u>Unscheduled Service</u>	0 -	\$0.0 -		0 -	\$0.0 -	
<u>Programmatic/Routine Maintenance</u>	(3,146) -19.8%	(\$0.2) -21.5%		(523) -0.6%	(\$0.1) -2.3%	
<u>Unscheduled Maintenance</u>	(6,286) -	(\$0.3) -	New Haven Line derailment cleanup and right-of-way restoration.	(6,286) -	(\$0.3) -	New Haven Line derailment cleanup and right-of-way restoration.
<u>Vacancy/Absentee Coverage</u> ²	(2,674) -17.4%	(\$0.1) -18.3%		2,020 2.6%	\$0.0 1.2%	
<u>Weather Emergencies</u>	(1,042) -13.0%	(\$0.0) -7.2%		(9,059) -13.7%	(\$0.4) -12.9%	Snowstorm Nemo cleanup and repair of facilities to restore service.
<u>Safety/Security/Law Enforcement</u> ³	0 -	\$0.0 -		0 -	\$0.0 -	
<u>Other</u> ⁴	(4,094) *	(\$0.2) *	Reflects timing differences related to payroll and calendar cutoff dates.	(7,115) -55.5%	(\$0.4) -73.4%	Reflects timing differences related to payroll and calendar cutoff dates.
Subtotal	(30,783) -38.4%	(\$1.4) -33.9%		(43,328) -9.8%	(\$1.6) -7.2%	
REIMBURSABLE OVERTIME	6,917 19.8%	\$0.3 17.1%	Lower activity on 2013 Cyclical Track Program.	(7,254) -5.2%	(\$0.5) -7.9%	Reflects track availability constraints for turnout replacement/upgrades in GCT and on the main lines in New York, and for tie replacement, track surfacing, and turnout installation on the New Haven Line in Connecticut.
TOTAL OVERTIME	(23,867)	(\$1.1)		(50,581)	(\$2.1)	

NOTE: Percentages are based on each type of Overtime and not on Total Overtime.

* Exceeds 100%

¹ Includes Service Delay and Tour Length related overtime.

² Excludes T&E crew coverage (included in Scheduled Service category)

³ Not Applicable

⁴ Reflects overtime for Customer Service and Material Management Depts. as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
2013 Overtime Report
Overtime Legend

REVISED OVERTIME DECOMPOSITION LEGEND DEFINITIONS

<u>Type</u>	<u>Definition</u>
<i>Scheduled Service</i>	Crew book/Regular Run/Shift hours (above 8 hours) required by train crews, bus/tower/block operators, transportation supervisors/dispatchers, fare sales and collection, Train & Engineers, as well as non-transportation workers whose work is directly related to providing service (includes coverage for holidays).
<i>Unscheduled Service</i>	Service coverage resulting from extraordinary events not related to weather, such as injuries, mechanical breakdowns, unusual traffic, tour length, late tour relief, and other requirements that arise that are non-absence related.
<i>Programmatic/Routine Maintenance</i>	<i>Program Maintenance</i> work for which overtime is planned (e.g. Railroad Tie Replacement, Sperry Rail Testing, Running Board Replacement Programs). This also includes <i>Routine Maintenance</i> work for which OT has been planned, as well as all other maintenance <u>not resulting from extraordinary events</u> , including running repairs. Program/Routine maintenance work is usually performed during hours that are deemed more practical in order to minimize service disruptions, and includes contractual scheduled pay over 8 hours.
<i>Unscheduled Maintenance</i>	Resulting from an <u>extraordinary event</u> (not weather-related) requiring the use of unplanned maintenance to perform repairs on trains, buses, subway and bus stations, depots, tracks and administrative and other facilities, including derailments, tour length and weekend coverage.
<i>Vacancy/Absentee Coverage</i>	Provides coverage for an absent employee or a vacant position.
<i>Weather Emergencies</i>	Coverage necessitated by extreme weather conditions (e.g. snow, flooding, hurricane, and tornadoes), as well as preparatory and residual costs.
<i>Safety/Security/Law Enforcement</i>	Coverage required to provide additional customer & employee protection and to secure MTA fleet facilities, transportation routes, and security training.
<i>Other</i>	Includes overtime coverage for clerical, administrative positions that are eligible for overtime.
<i>Reimbursable Overtime</i>	Overtime incurred to support projects that are reimbursed from the MTA Capital Program and other funding sources.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

SCHEDULE III

	May 2013				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$54.968	\$55.017	\$0.049	0.1	\$258.552	\$254.170	(\$4.382)	(1.7)
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	5.159	5.571	0.412	8.0	26.502	39.917	13.415	50.6
<i>Capital & Other Reimbursements:</i>								
MTA	8.666	5.846	(2.820)	(32.5)	45.793	29.261	(16.532)	(36.1)
CDOT	6.117	2.465	(3.652)	(59.7)	26.199	18.278	(7.921)	(30.2)
Other	1.004	1.648	0.644	64.1	4.265	13.139	8.874	*
Total Capital and Other Reimbursements	15.787	9.959	(5.828)	(36.9)	76.257	60.678	(15.579)	(20.4)
Total Receipts	\$75.914	\$70.547	(\$5.367)	(7.1)	\$361.311	\$354.765	(\$6.546)	(1.8)
Expenditures								
<i>Labor:</i>								
Payroll	\$43.506	\$40.742	\$2.764	6.4	\$193.391	\$185.774	\$7.617	3.9
Overtime	6.540	7.411	(0.871)	(13.3)	29.777	32.314	(2.537)	(8.5)
Health and Welfare	10.293	6.501	3.792	36.8	51.606	40.055	11.551	22.4
OPEB Current Payment	1.583	1.464	0.119	7.5	7.917	7.802	0.115	1.4
Pensions	6.893	7.028	(0.135)	(2.0)	17.572	18.298	(0.726)	(4.1)
Other Fringe Benefits	10.274	10.048	0.226	2.2	46.943	45.834	1.109	2.4
GASB Account	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor	\$79.089	\$73.194	\$5.895	7.5	\$347.206	\$330.077	\$7.129	4.9
<i>Non-Labor:</i>								
Electric Power	\$6.991	\$5.311	\$1.680	24.0	\$37.091	\$28.233	\$8.858	23.9
Fuel	1.784	2.257	(0.473)	(26.5)	10.683	10.513	0.170	1.6
Insurance	1.640	0.026	1.614	98.4	6.318	4.705	1.613	25.5
Claims	0.057	0.154	(0.097)	*	0.285	0.455	(0.170)	(59.6)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	8.223	7.924	0.299	3.6	49.578	34.712	14.866	30.0
Professional Service Contracts	3.222	2.490	0.732	22.7	14.300	10.325	3.975	27.8
Materials & Supplies	8.069	8.135	(0.066)	(0.8)	41.099	34.756	6.343	15.4
Other Business Expenditures	4.428	2.397	2.031	45.9	22.399	18.957	3.442	15.4
Total Non-Labor	\$34.414	\$28.694	\$5.720	16.6	\$181.753	\$142.656	\$39.097	21.5
<i>Other Adjustments:</i>								
Other	0.300	0.000	0.300	100.0	1.500	0.000	1.500	100.0
Other Post Employment Benefits	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.300	\$0.000	\$0.300	100.0	\$1.500	\$0.000	\$1.500	100.0
Total Expenditures	\$113.803	\$101.888	\$11.915	10.5	\$530.459	\$472.733	\$57.726	10.9
Net Cash Deficit (excludes Opening Cash Balance)	(\$37.889)	(\$31.341)	\$6.548	17.3	(\$169.148)	(\$117.968)	\$51.180	30.3
Subsidies								
MTA	30.270	3.685	(26.585)	(87.8)	126.616	86.165	(40.451)	(31.9)
CDOT	7.619	1.965	(5.654)	(74.2)	42.532	30.943	(11.589)	(27.2)
Total Subsidies	\$37.889	\$5.650	(\$32.239)	(85.1)	\$169.148	\$117.108	(\$52.040)	(30.8)
Cash Timing and Availability Adjustment	\$0.000	\$4.121	\$4.121	-	\$0.000	\$0.777	\$0.777	-

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	May, 2013			Year-To-Date as of May 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
OTHER REVENUE	0.412	8.0%	Primarily net timing differences for parking receipts and miscellaneous receipts, partially offset by higher GCT LaSalle payments.	13.415	50.6%	Recovery for Tropical Storm Sandy, as well as a higher parking revenues, and net GCT revenues, partially offset by lower advertising and miscellaneous receipts in the period.
CAPITAL AND OTHER REIMBURSEMENTS: MTA	(2.820)	(32.5%)	Lower project activity, and timing difference in receipts.	(16.532)	(36.1%)	Lower project activity for the period, as well as receipt timing differences.
CDOT	(3.652)	(59.7%)	Receipt timing difference, as well as lower activity.	(7.921)	(30.2%)	Timing difference in receipts, as well as lower project activity.
OTHER	0.644	64.1%	Primarily due to receipt timing difference for prior period activity (GCT Vault).	8.874	*	Primarily due to cash timing difference for prior period activity (Primarily GCT Vault), as well as higher advances for Tappan Zee Bridge project.
PAYROLL	2.764	6.4%	Primarily due to lower capital project activity, higher vacancies, as well as payment timing for employee taxes.	7.617	3.9%	Primarily due to higher vacancies, and lower capital project activity, as well as payment timing for employee taxes.
OVERTIME	(0.871)	(13.3%)	Higher overtime requirements primarily due to emergency coverage on the NHL.	(2.537)	(8.5%)	Higher overtime requirements primarily due to increase level of weather emergency coverage, other emergency needs, as well as higher capital project activity.
HEALTH & WELFARE	3.792	36.8%	Timing for NYSHIP/Empire Plan payments, as well as payment timing for dental/vision care.	11.551	22.4%	Timing for NYSHIP/Empire Plan dental/vision care payments for the period (changed from monthly to quarterly payment cycle) as well as lower than projected premiums.
OPEB CURRENT PAYMENT	0.119	7.5%	Lower payment in the month			
ELECTRIC POWER	1.680	24.0%	Primarily due to lower rates on both HH and NH Lines, lower consumption on the NHL, and payment timing for NHL power.	8.858	23.9%	Payment timing to New York Power Authority and NHL power, and lower rates on both Harlem/Hudson and New Haven lines.

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	May, 2013			Year-To-Date as of May 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FUEL	(0.473)	(26.5%)	Primarily higher payments in the month for non-revenue Fuel (Gasoline and Heating Fuel).			
INSURANCE	1.614	98.4%	Payment timing for station liability and automobile premiums.	1.613	25.5%	Payment timing for all agency and excess liability, and automobile premiums.
CLAIMS	0.097	*	Nothing material to report.	(0.170)	(59.6%)	Nothing material to report.
MAINTENANCE & OTHER OPERATING CONTRACTS				14.866	30.0%	Timing in payments for capital project activity (Danbury Branch Signal, Positive Train Control, purchase of Production Switch Tamper, GP35 Locomotive Overhaul, NHL relay protection, GCT escalator replacement, and others), as well as lower facility maintenance costs, telephone/wireless services, and lower miscellaneous contractual services.
PROFESSIONAL SERVICE CONTRACTS	0.732	22.7%	Timing difference for IT hardware, engineering services, as well as lower capital project expenditures (NHL Overhead Bridge Program), partially offset by higher advertising/marketing payments in the month.	3.975	27.8%	Timing difference for BSC payments, I.T. hardware, engineering services, legal fees, data services, and capital project expenditures.
MATERIALS & SUPPLIES				6.343	15.4%	Payment timing difference for capital projects (NHL Rail Yard Component Change Out Shop, Positive Train Control, Turnouts: Mainline/Highspeed, Other Track Programs, Bronx Station Capacity Improvements, PBX equipment upgrade, and others), as well as propulsion/power material, carbody material, cab/signal, and various other material purchases.
OTHER BUSINESS EXPENSES	2.031	45.9%	Primarily due to a payment timing difference for NJT subsidy.	3.442	15.4%	Payment timing on capital projects (TVMs), and NJT subsidy payments, and lower Metro-Card pass-through payments.
MTA SUBSIDY RECEIPTS	(26.585)	(87.8%)	Lower subsidy draw due a lower net cash deficit in the month, and by the change in available bank balance, partially offset by lower CDOT subsidy payments.	(40.451)	(31.9%)	Lower subsidy draw due a lower net cash deficit in the period, partially offset by lower CDOT subsidy payments.
CDOT SUBSIDY RECEIPTS	(5.654)	(74.2%)	Payment timing differences and by a credit for actual to estimate billing for the month of March.	(11.589)	(27.2%)	Lower payments primarily due to lower operating deficit.
TOTAL SUBSIDY RECEIPTS	(32.239)	(85.1%)		(52.040)	(30.8%)	

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	May 2013				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
<u>Receipts</u>								
Farebox Revenue	\$0.658	\$2.386	\$1.728	*	\$3.241	\$6.126	\$2.884	89.0
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	1.246	1.740	0.495	39.7	6.389	8.293	1.904	29.8
<i>Capital & Other Reimbursements:</i>								
MTA	(2.292)	(0.769)	1.523	66.4	(0.961)	(5.471)	(4.510)	*
CDOT	0.318	(2.410)	(2.728)	*	0.081	(4.663)	(4.744)	*
Other	(0.266)	0.799	1.065	*	(0.702)	9.577	10.280	*
Total Capital and Other Reimbursements	(2.240)	(2.380)	(0.140)	(6.3)	(1.583)	(0.557)	1.026	64.8
Total Revenue/Receipts	(\$0.336)	\$1.746	\$2.082	*	\$8.048	\$13.862	\$5.814	72.2
<u>Expenditures</u>								
<i>Labor:</i>								
Payroll	(\$3.485)	(\$1.742)	\$1.743	50.0	(\$2.981)	(\$0.513)	\$2.468	82.8
Overtime	(0.793)	(0.552)	0.241	30.4	(0.637)	(1.032)	(0.395)	(61.9)
Health and Welfare	0.201	3.399	3.198	*	(1.718)	6.856	8.575	*
OPEB Current Payment	0.000	0.217	0.000		0.000	0.396	0.396	-
Pensions	0.244	0.245	0.001	0.3	16.576	15.590	(0.986)	(5.9)
Other Fringe Benefits	(1.337)	(1.353)	(0.016)	(1.2)	(3.345)	(3.258)	0.088	2.6
GASB Account	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	(0.044)	(0.091)	(0.048)	*	(0.208)	(0.342)	(0.134)	(64.6)
Total Labor	(\$5.214)	\$0.122	\$5.336	*	\$7.687	\$17.699	\$10.012	*
<i>Non-Labor:</i>								
Electric Power	(\$0.182)	\$0.376	\$0.559	*	(\$0.920)	\$4.340	\$5.260	*
Fuel	\$0.300	\$0.145	(\$0.155)	(51.7)	\$1.499	\$2.082	\$0.582	38.8
Insurance	(0.129)	1.467	1.596	*	0.459	1.645	1.186	*
Claims	0.002	(0.061)	(0.063)	*	0.000	(0.432)	(0.432)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	0.573	1.601	1.028	*	(3.756)	2.970	6.726	*
Professional Service Contracts	0.324	(0.260)	(0.584)	*	0.565	(1.915)	(2.480)	*
Materials & Supplies	(0.707)	(2.329)	(1.622)	*	(4.449)	(6.073)	(1.624)	(36.5)
Other Business Expenses	(2.388)	3.932	6.320	*	(12.365)	(4.619)	7.746	62.6
Total Non-Labor	(\$2.207)	\$4.872	\$7.079	*	(\$18.967)	(\$2.003)	\$16.964	89.4
<i>Other Adjustments:</i>								
Other	(0.300)	0.000	0.300	100.0	(1.500)	0.000	1.500	100.0
Total Other Adjustments	(\$0.300)	\$0.000	\$0.300	100.0	(\$1.500)	\$0.000	\$1.500	100.0
Total Expenditures Adjustments before Non-Cash Liability Adjs.	(\$7.721)	\$4.994	\$12.715	*	(\$12.780)	\$15.696	\$28.475	*
Depreciation	20.182	19.250	(0.933)	(4.6)	100.912	93.251	(7.661)	(7.6)
OPEB Obligation	6.339	6.339	0.000	0.0	31.697	31.697	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.989	0.404	(0.585)	59.2
Total Expenditures Adjustments	\$18.801	\$30.584	\$11.783	62.7	\$120.818	\$141.047	\$20.229	16.7
Total Cash Conversion Adjustments	\$18.464	\$32.330	\$13.865	75.1	\$128.866	\$154.909	\$26.043	20.2

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
UTILIZATION
(in millions)

	Month of May		Variance		Year-to-Date May		Variance	
	Budget	Actual	Fav (Unfav) Amount	%	Budget	Actual	Fav (Unfav) Amount	%
<u>Farebox Revenue</u>								
Harlem Line	\$16.331	\$16.011	(\$0.320)	-2.0	\$76.761	\$74.815	(\$1.947)	-2.5
Hudson Line	\$12.074	\$11.793	(\$0.281)	-2.3	\$55.472	\$54.125	(\$1.347)	-2.4
New Haven Line	\$25.854	\$24.789	(\$1.065)	-4.1	\$122.816	\$118.912	(\$3.904)	-3.2
Total Farebox Revenue	\$54.258	\$52.592 ⁽¹⁾	(\$1.666)	-3.1	\$255.049	\$247.851 ⁽¹⁾	(\$7.198)	-2.8
<u>Ridership</u>								
Harlem Line	2.366	2.327	(0.039)	-1.7	11.302	11.038	(0.264)	-2.3
Hudson Line	1.421	1.397	(0.025)	-1.7	6.622	6.470	(0.152)	-2.3
New Haven Line	3.435	3.338	(0.098)	-2.8	16.253	15.797	(0.455)	-2.8
Total Ridership East of Hudson	7.222	7.061	(0.161)	-2.2	34.176	33.306	(0.871)	-2.5
West of Hudson	0.150	0.137	(0.013)	-8.4	0.708	0.634	(0.074)	-10.5
Total Ridership	7.372	7.198	(0.174)	-2.4	34.884	33.939	(0.945)	-2.7

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.038 million for the month and \$0.193 million year-to-date.

East of Hudson:

Year-to-date ridership was 33.3 million, 2.5% lower than Budget and 0.6% lower than 2012 reflecting the impact of the February snowstorm, business office dislocations in lower Manhattan caused by Tropical Storm Sandy, as well as a slower than projected growth in non-commutation ridership. For the month, ridership of 7.1 million was 2.2% lower than budget and 0.5% lower than May 2012 .

Commutation ridership was 1.1% lower year-to-date and 0.4% lower for the month vs. budget. Compared to 2012, May year-to-date commutation ridership was 0.1 higher. Non-commutation ridership was 4.7% below budget year-to-date and 1.6% lower than 2012. For the month, non-commutation ridership was 4.7% lower than budget and 1.8% worse than 2012.

West of Hudson:

West of Hudson ridership was 8.4% lower for the month and 10.5% lower year-to-date vs. 2013 Adopted Budget reflecting the impact of the February snowstorm, as well as the residual impact of Tropical Storm Sandy on both lower Manhattan employment and the absence of full of PATH service between Hoboken and the World Trade Center until the end of January.

MTA METRO-NORTH RAILROAD
2013 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
May 31, 2013

<u>Department</u>	<u>2013 Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	8	1
Safety	22	18	4
COS/Corporate & Public Affairs	16	15	1
Legal	18	17	1
Claims Services	14	13	1
Environmental Compliance & Svce	7	7	0
VP Administration	3	3	-
VP Human Resources	3	3	0
Human Resources	30	32	(2)
Training	47	44	3
Employee Relations & Diversity	4	4	-
VP Planning	2	1	1
Operations Planning & Analysis	17	16	1
Capital Planning & Programming	15	13	2
Business Development, Facilities & Mktg (1)	22	21	1
Long Range Planning	8	7	1
VP Finance & Information Systems	2	1	1
Controller	78	78	(0)
Information Technology & Project Mgmt	96	80	16
Budget	20	19	1
Customer Service (2) (3)	45	41	4
Procurement & Material Mgmt (4)	40	29	11
Total Administration	521	473	48
Operations			
Operations Administration	60	45	15
Operations Services	1,796	1,747	49
Customer Service (2) (3)	233	229	4
Business Development, Facilities & Mktg (1)	38	35	3
Metro-North West	26	35	(9)
Total Operations	2,153	2,091	62
Maintenance			
GCT	370	356	14
Maintenance of Equipment	1,301	1,263	37
Maintenance of Way	1,651	1,634	16
Procurement & Material Mgmt (4)	120	125	(5)
Total Maintenance	3,441	3,379	62
Engineering/Capital			
Construction Management	40	35	5
Engineering & Design	60	57	3
Total Engineering/Capital	100	92	8
Total Positions	6,215	6,034	180
Non-Reimbursable	5,481	5,535	(54)
Reimbursable	734	500	234
Total Full-Time	6,214	6,033	180
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(1) Business Development, Facilities and Marketing includes administrative positions and operations positions for Commissary services.

(2) Customer Service positions includes administrative positions for Customer Info. Center and operations positions for Ticket Selling & Station Cleaning functions.

(3) Includes 2 part-time positions equal to 1 FTE.

(4) Procurement & Material Management positions includes maintenance positions for material distribution/storeroom functions and administrative positions for Contracts Mgmt, Purchasing, and Procurement Administration functions.

MTA METRO-NORTH RAILROAD
2013 ADOPTED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
May 31, 2013

FUNCTION/OCCUPATION	2013 Budget	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	184	165	19
Professional, Technical, Clerical	337	308	29
Operational Hourlies	-	-	-
Total Administration	521	473	48
Operations (1)			
Managers/Supervisors	155	135	20
Professional, Technical, Clerical	232	226	6
Operational Hourlies	1,766	1,730	36
Total Operations	2,153	2,091	62
Maintenance (1)			
Managers/Supervisors	512	485	28
Professional, Technical, Clerical	477	479	(1)
Operational Hourlies	2,451	2,415	36
Total Maintenance	3,441	3,379	62
Engineering/Capital			
Managers/Supervisors	48	35	13
Professional, Technical, Clerical	52	57	(4)
Operational Hourlies	-	-	-
Total Engineering/Capital	100	92	8
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	899	820	79
Professional, Technical, Clerical	1,098	1,069	29
Operational Hourlies	4,217	4,145	72
Total Positions	6,215	6,034	180

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

**MTA METRO-NORTH RAILROAD
2013 ADOPTED BUDGET VS. ACTUALS**

May 31, 2013

Agency-wide (Non-Reimbursable and Reimbursable)	2013 Budget	Actual	Favorable (Unfavorable) Variance	Explanation of Variances
<i>Functional Classification:</i>				
Operations (1)	2,153	2,091	62	Reflects vacancies in operation and customer services staffing (Ticket Sellers and Service Attendant positions)
Maintenance (1)	3,441	3,379	62	Reflects vacancies in Maintenance of Way positions (trackmen, vehicle & machine operators, signalman and maintainers, electricians, and building maintenance forces) and Maintenance of Equipment carmen and electricians.
Administration (1)	521	473	48	Reflects timing differences in hiring IT, and Procurement personnel.
Engineering / Capital	100	92	8	
Total Agency-wide Headcount	6,215	6,034	180	
Non-Reimbursable	5,481	5,535	(54)	
Reimbursable	734	500	234	

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2013 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS *
MAY 2013

	MONTH			VARIANCE	
	2013	BUDGET	2012	BUDGET	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	57.4%	62.6%	60.6%	-5.2%	-3.2%
Adjusted ⁽²⁾	63.8%	69.5%	67.8%	-5.7%	-4.0%
Cost per Passenger					
Standard ⁽¹⁾	\$13.14	\$12.15	\$11.68	(\$0.99)	(\$1.46)
Adjusted ⁽²⁾	\$12.96	\$11.98	\$11.50	(\$0.98)	(\$1.46)
Passenger Revenue/Passenger ⁽³⁾	\$7.55	\$7.61	\$7.08	(\$0.06)	\$0.47
	YEAR-TO-DATE			VARIANCE	
	2013	BUDGET	2012	BUDGET	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	59.8%	58.9%	61.0%	0.9%	-1.2%
Adjusted ^{(2) (4)}	69.2%	65.2%	68.0%	4.0%	1.2%
Cost per Passenger					
Standard ⁽¹⁾	\$12.60	\$12.83	\$11.77	\$0.23	(\$0.83)
Adjusted ⁽²⁾	\$12.40	\$12.64	\$11.59	\$0.24	(\$0.81)
Passenger Revenue/Passenger ⁽³⁾	\$7.53	\$7.56	\$7.18	(\$0.03)	\$0.35

(1) Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits, Environmental Remediation (GASB-49), and the NHL share of MTA Police and Business Service Center costs.

(2) Adjusted Fare Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between Metro-North and the LIRR and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenues and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB retiree expenses, and Inclusion of estimated farebox revenue from an equalization of the Connecticut fare structure.

(3) Includes Bar Car Services.

(4) Actuals for the Adjusted Performance Indicator calculation include \$11.3 million in Hurricane Sandy revenue recoveries from the FTA that were budgeted later in the year. Excluding this adjustment the adjusted FOR would be 66.5% year-to-date..

* Includes East and West of Hudson revenues and expenses.