



Metro-North Railroad

Financial Report



FINANCIAL STATEMENTS

MONTH ENDED: JULY 31, 2013

OFFICE OF VICE PRESIDENT OF FINANCE & INFORMATION SYSTEMS

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

July YTD financial results were favorable with a net operating deficit that was \$11.6 million or 5.9% lower than the Mid-Year Forecast. Operating Revenue was \$0.4 million lower than the Mid-Year Forecast primarily due to lower farebox revenue. Operating expenses were \$10.8 million lower than the Mid-Year Forecast primarily due to timing in non-payroll expenditures and vacancies, partially offset by higher overtime costs. July results reflect the impact of the July 18th derailment of a CSX freight train on the Hudson Line near Spuyten Duyvil. Related operating costs of \$0.9 million were incurred for clean-up and repairs, and lost farebox revenues are also estimated at \$0.9 million resulting from approximately 90,000 fewer Hudson Line riders. Metro-North expects to be reimbursed by CSX for the cost of clearing the derailment wreckage and restoring the right-of-way. July also began the implementation of the Bronx Right-of-Way Improvement project undertaken to review the infrastructure to identify improvements and reduce operating risk. This program, as well as similar work that is underway in other segments of the railroad, will continue through the fall and will result in on-going overtime, material and track equipment costs until completed.

Capital program expenditures (and reimbursements) were \$8.6 million lower than Forecast due to revised timing of several projects (New Haven Line Grade Crossing Project, Cable Replacement Project and Track Program work).

Ridership

Total ridership was 7.3 million for July and 48.3 million YTD which was on target to the Mid-Year Forecast.

East of Hudson

- July ridership of 7.2 million was 0.8% below the Mid-Year Forecast and 1.1% lower than 2012 as a result of the CSX freight train derailment.
- YTD ridership of 47.4 million was on target to the Mid-Year Forecast and 0.5% lower than 2012.
- Commutation ridership was higher than the Mid-Year Forecast by 0.5% and 1.4%, respectively, YTD and for the month. Compared to 2012, YTD commutation was 0.3% higher.
- Non-commutation ridership for July was 3.7% lower than the Mid-Year Forecast and 3.9% lower than 2012 due to the CSX derailment; YTD ridership was 0.7% lower than forecast and 1.7% lower than 2012.

West of Hudson

- July ridership was higher than the Mid-Year Forecast (2.0% YTD and 3.9% for the month) reflecting higher commutation and non-commutation ridership.

Revenue and Reimbursements

Total Revenue and Reimbursements of \$486.1 million through July was \$9 million, or 1.8% lower than the Mid-Year Forecast.

- Farebox Revenue of \$357.7 million was \$0.3 million lower than the Mid-Year Forecast primarily due to the lower ridership on the Hudson Line due to the CSX derailment partly offset by slightly higher ridership on the Harlem and New Haven Lines.
- Other Operating Revenue of \$40.3 million was on target to the Mid-Year Forecast.
- Capital and Other Reimbursements of \$88.1 million was \$8.6 million lower than the Mid-Year Forecast due to scheduling changes in a number of projects.

Expenses

Total non-reimbursable and reimbursable expenses of \$853.9 million through July were \$19.4 million (2.2%) lower than the Mid-Year Forecast:

- \$17.8 million was attributable to lower non-labor costs. These were primarily driven by timing of contract service expenditures, lower electric power costs and timing of capital projects.
- Total Labor costs (operating and capital) were \$4.7 million (1.0%) above the Mid-Year Forecast due to higher overtime requirements related to the CSX freight train derailment, Maintenance of Way Infrastructure Improvement Program, coverage requirements, as well as accounting adjustments for retiree vacation and sick payouts, partly offset by vacancies. These increases were offset by lower straight-time costs due to vacancies associated with higher than projected attrition.

YTD Financial Performance Measures

- Adjusted Farebox Operating Ratio of 70.2% through July was 1.1 percentage points better than the Mid-Year Forecast primarily due to MNR's lower operating expenses.
- Adjusted Cost per Passenger of \$12.25 for the period was \$0.20 lower than the Forecast due also due to the overall lower expenses.
- Revenue per Passenger of \$7.63 for the period was on target to the Forecast.

**MTA METRO-NORTH RAILROAD
JULY 2013 FINANCIAL REPORT
YEAR-TO-DATE ACTUAL VERSUS MID-YEAR FORECAST**

REVENUE

Total Revenue and reimbursements were \$9.0 million (1.8%) lower than the Mid-Year Forecast through July:

- **Farebox Revenue** – year-to-date and the month were lower than the Mid-Year Forecast by \$0.4 million and \$0.3 million, respectively reflecting lower ridership on the Hudson Line due to the CSX freight train derailment partly offset by slightly higher ridership on the Harlem and New Haven Lines.
- **Other Operating Revenue** – year-to-date was on target to the Mid-Year Forecast and \$0.4 million higher for the month due to higher net GCT retail revenue due to the timing of expenses and higher advertising revenue.
- **Capital and Other Reimbursements** – YTD versus the Mid-Year Forecast was \$8.6 million lower, and for the month \$2.5 million lower due to changes in the timing of several projects (New Haven Line Grade Crossing Project, Cable Replacement Project and Track Program work) which resulted in lower reimbursements.

EXPENSES

Total Expenses – Year-to-date expenses of \$853.9 million were \$19.4 million (2.2%) lower than the Mid-Year Forecast. For the month, expenses were \$2.5 million (1.9%) lower than the Mid-Year Forecast.

Labor expenses (including fringes and overhead recoveries) were \$486.8 million YTD. This was \$4.7 million (1.0%) above the Mid-Year Forecast due to higher overtime requirements related to the Maintenance of Way Infrastructure Improvement Program, clean-up and repair work for the CSX freight train derailment, as well as timing differences in recording accounting adjustments for retiree vacation and sick payouts. These increases were partly offset by favorable straight-time costs due to vacancies related to higher than projected attrition. For the month, labor expenses were \$3.3 million higher than the Mid-Year Forecast.

Non-Labor Expenses

YTD non-labor expenses were \$197.4 million, \$17.8 million lower than the Mid-Year Forecast and \$4.7 million lower for the month:

- **Electric Power** – \$2.7 million lower year-to-date due to lower rates and consumption. For the month, expenses were \$0.6 million lower than the Mid-Year Forecast.
- **Maintenance & Other Operating Contracts** – \$2.4 million lower YTD vs. the Mid-Year Forecast primarily due to timing of costs across a variety of operating categories (general repairs and utilities payments), partially offset by timing of reimbursable projects. For the month, these costs were \$1.5 million lower than the Mid-Year Forecast.
- **Professional Services** – \$7.2 million below the Mid-Year Forecast through July primarily due to the timing of expenses for IT related work, legal fees, advertising, and reimbursable projects. For the month, expenses were \$1.4 million lower than the Mid-Year Forecast.
- **Materials & Supplies** – year-to-date expenditures were \$5.7 million below the Mid-Year Forecast due to timing differences in the delivery of material for reimbursable capital projects including : Fiber Cable Replacement and several New haven Line projects. For the month, expenses were \$1.3 million lower than the Mid-Year Forecast.
- **Other Business Expenses** – year-to-date expenditures were \$0.6 million below the Mid-Year Forecast due to lower NJT subsidy payments due to improved passenger receipts. For the month, expenses were on target to the Mid-Year Forecast.

Depreciation and Other Non-Cash Liability Adjustments – \$169.7 million year-to-date (\$23.8 million for the month), which was \$6.3 million lower than the Mid-Year Forecast primarily due to the timing of recording completed capital projects and fewer projects requiring environmental remediation.

CASH DEFICIT

The Cash Deficit through July was \$183.9 million, which is \$11.6 million favorable to the Mid-Year Forecast. This is essentially due to \$14.2 million in lower actual cash disbursements (a function of the overall lower expenses noted above) and \$1.6 million in higher operating revenue receipts partly offset by \$4.3 million in lower capital project reimbursements (due primarily to timing differences in project activity).

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
ACCRUAL STATEMENT OF OPERATIONS by CATEGORY
July 2013
(\$ in millions)

SCHEDULE I - A

	Nonreimbursable				Reimbursable				Total			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$55.015	\$54.615	(\$0.400)	(0.7)	\$0.000	\$0.000	\$0.000	-	\$55.015	\$54.615	(\$0.400)	(0.7)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.992	4.430	0.438	11.0	0.000	0.000	0.000	-	3.992	4.430	0.438	11.0
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	9.931	6.427	(3.504)	(35.3)	9.931	6.427	(3.504)	(35.3)
CDOT	0.000	0.000	0.000	-	4.332	5.548	1.216	28.1	4.332	5.548	1.216	28.1
Other	0.000	0.000	0.000	-	1.519	1.324	(0.195)	(12.8)	1.519	1.324	(0.195)	(12.8)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	15.781	13.298	(2.483)	(15.7)	15.781	13.298	(2.483)	(15.7)
Total Revenue/Receipts	\$59.007	\$59.045	\$0.038	0.1	\$15.781	\$13.298	(\$2.483)	(15.7)	\$74.788	\$72.343	(\$2.445)	(3.3)
Expenses												
<i>Labor:</i>												
Payroll	\$36.827	\$37.364	(\$0.537)	(1.5)	\$3.553	\$3.443	\$0.110	3.1	\$40.380	\$40.807	(\$0.427)	(1.1)
Overtime	5.391	7.496	(2.105)	(39.0)	1.444	1.368	0.076	5.3	6.835	8.864	(2.029)	(29.7)
Health and Welfare	8.131	8.956	(0.825)	(10.1)	1.210	1.119	0.090	7.5	9.340	10.075	(0.735)	(7.9)
OPEB Current Payment	1.703	1.696	0.007	0.4	0.000	0.000	0.000	-	1.703	1.696	0.007	0.4
Pensions	6.689	6.922	(0.233)	(3.5)	0.753	0.700	0.053	7.0	7.442	7.622	(0.180)	(2.4)
Other Fringe Benefits	8.489	8.358	0.131	1.5	0.852	0.818	0.034	4.0	9.341	9.176	0.165	1.8
Reimbursable Overhead	(4.030)	(3.128)	(0.903)	(22.4)	3.854	3.059	0.795	20.6	(0.176)	(0.068)	(0.107)	(61.1)
Total Labor	\$63.200	\$67.665	(\$4.465)	(7.1)	\$11.666	\$10.508	\$1.158	9.9	\$74.866	\$78.173	(\$3.307)	(4.4)
<i>Non-Labor:</i>												
Electric Power	\$6.950	\$6.355	\$0.595	8.6	\$0.000	\$0.005	(\$0.005)	-	\$6.950	\$6.360	\$0.590	8.5
Fuel	2.102	2.346	(0.244)	(11.6)	0.000	0.000	(0.000)	-	2.102	2.347	(0.245)	(11.6)
Insurance	1.250	1.208	0.042	3.3	0.285	0.289	(0.003)	(1.1)	1.535	1.497	0.039	2.5
Claims	0.046	0.013	0.033	71.3	0.000	0.000	0.000	-	0.046	0.013	0.033	71.3
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	8.539	6.785	1.754	20.5	1.249	1.465	(0.216)	(17.3)	9.788	8.251	1.538	15.7
Professional Service Contracts	2.515	1.853	0.662	26.3	0.890	0.184	0.706	79.3	3.406	2.037	1.368	40.2
Materials & Supplies	5.119	4.664	0.455	8.9	1.655	0.797	0.858	51.9	6.774	5.461	1.313	19.4
Other Business Expenses	1.945	1.889	0.056	2.9	0.035	0.051	(0.016)	(44.4)	1.980	1.940	0.040	2.0
Total Non-Labor	\$28.467	\$25.115	\$3.352	11.8	\$4.115	\$2.791	\$1.325	32.2	\$32.582	\$27.906	\$4.677	14.4
<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.	\$91.668	\$92.780	(\$1.112)	(1.2)	\$15.781	\$13.299	\$2.482	15.7	\$107.449	\$106.079	\$1.370	1.3
Depreciation	20.182	19.048	1.134	5.6	0.000	0.000	0.000	-	20.182	19.048	1.134	5.6
OPEB Obligation	4.776	4.776	0.000	0.0	0.000	0.000	0.000	-	4.776	4.776	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	\$116.626	\$116.604	\$0.022	0.0	\$15.781	\$13.299	\$2.482	15.7	\$132.407	\$129.903	\$2.504	1.9
Net Surplus/(Deficit)	(\$57.619)	(\$57.559)	\$0.060	0.1	\$0.000	(\$0.000)	(\$0.000)	-	(\$57.619)	(\$57.559)	\$0.059	0.1
<i>Cash Conversion Adjustments:</i>												
Depreciation	20.182	19.048	(1.134)	(5.6)	0.000	0.000	0.000	-	20.182	19.048	(1.134)	(5.6)
Operating/Capital	(5.313)	(3.526)	1.787	33.6	0.000	0.000	0.000	-	(5.313)	(3.526)	1.787	33.6
Other Cash Adjustments	9.125	(1.210)	(10.335)	*	0.000	0.000	0.000	-	9.125	(1.210)	(10.335)	*
Total Cash Conversion Adjustments	\$23.995	\$14.312	(\$9.682)	(40.4)	\$0.000	\$0.000	\$0.000	-	\$23.995	\$14.312	(\$9.682)	(40.4)
Net Cash Surplus/(Deficit)	(\$33.624)	(\$43.247)	(\$9.623)	(28.6)	\$0.000	(\$0.000)	(\$0.000)	-	(\$33.624)	(\$43.247)	(\$9.623)	(28.6)

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
ACCRUAL STATEMENT OF OPERATIONS by CATEGORY
July Year-To-Date
(\$ in millions)

SCHEDULE I - B

	Nonreimbursable				Reimbursable				Total			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$357.984	\$357.647	(\$0.337)	(0.1)	\$0.000	\$0.000	\$0.000	-	\$357.984	\$357.647	(\$0.337)	(0.1)
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	40.384	40.323	(0.061)	(0.2)	0.000	0.000	0.000	-	40.384	40.323	(0.061)	(0.2)
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	56.801	47.327	(9.474)	(16.7)	56.801	47.327	(9.474)	(16.7)
CDOT	0.000	0.000	0.000	-	32.049	34.989	2.940	9.2	32.049	34.989	2.940	9.2
Other	0.000	0.000	0.000	-	7.878	5.771	(2.106)	(26.7)	7.878	5.771	(2.106)	(26.7)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	96.727	88.087	(8.640)	(8.9)	96.727	88.087	(8.640)	(8.9)
Total Revenue/Receipts	\$398.368	\$397.971	(\$0.397)	(0.1)	\$96.727	\$88.087	(\$8.640)	(8.9)	\$495.095	\$486.058	(\$9.037)	(1.8)
Expenses												
<i>Labor:</i>												
Payroll	\$237.558	\$236.881	\$0.677	0.3	\$22.908	\$22.288	\$0.621	2.7	\$260.466	\$259.169	\$1.297	0.5
Overtime	32.575	36.383	(3.808)	(11.7)	9.548	10.125	(0.577)	(6.0)	42.124	46.508	(4.385)	(10.4)
Health and Welfare	53.575	55.336	(1.761)	(3.3)	7.632	7.429	0.203	2.7	61.207	62.765	(1.558)	(2.5)
OPEB Current Payment	11.450	11.502	(0.052)	(0.5)	0.000	0.000	0.000	-	11.450	11.502	(0.052)	(0.5)
Pensions	42.623	43.596	(0.973)	(2.3)	4.514	4.278	0.236	5.2	47.136	47.873	(0.737)	(1.6)
Other Fringe Benefits	54.612	53.592	1.021	1.9	5.800	5.876	(0.076)	(1.3)	60.412	59.467	0.944	1.6
Reimbursable Overhead	(23.987)	(21.226)	(2.761)	(11.5)	23.275	20.700	2.576	11.1	(0.712)	(0.526)	(0.185)	(26.0)
Total Labor	\$408.406	\$416.063	(\$7.657)	(1.9)	\$73.677	\$70.695	\$2.982	4.0	\$482.083	\$486.758	(\$4.675)	(1.0)
<i>Non-Labor:</i>												
Electric Power	\$47.673	\$44.944	\$2.729	5.7	\$0.000	\$0.031	(\$0.031)	-	\$47.673	\$44.975	\$2.698	5.7
Fuel	16.015	17.080	(1.065)	(6.7)	0.000	0.001	(0.001)	-	16.015	17.082	(1.067)	(6.7)
Insurance	7.633	7.538	0.095	1.3	1.867	1.893	(0.026)	(1.4)	9.501	9.431	0.070	0.7
Claims	0.214	0.073	0.142	66.1	0.000	0.000	0.000	-	0.214	0.073	0.142	66.1
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	52.570	48.350	4.219	8.0	5.897	7.682	(1.785)	(30.3)	58.467	56.033	2.434	4.2
Professional Service Contracts	14.518	9.801	4.717	32.5	4.651	2.177	2.474	53.2	19.169	11.978	7.191	37.5
Materials & Supplies	35.592	34.956	0.636	1.8	10.155	5.067	5.088	50.1	45.747	40.023	5.724	12.5
Other Business Expenses	17.947	17.251	0.696	3.9	0.480	0.541	(0.061)	(12.7)	18.427	17.792	0.635	3.4
Total Non-Labor	\$192.163	\$179.993	\$12.170	6.3	\$23.050	\$17.393	\$5.657	24.5	\$215.213	\$197.385	\$17.827	8.3
<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.	\$600.569	\$596.056	\$4.513	0.8	\$96.727	\$88.087	\$8.640	8.9	\$697.296	\$684.144	\$13.152	1.9
Depreciation	136.230	131.027	5.204	3.8	0.000	0.000	0.000	-	136.230	131.027	5.204	3.8
OPEB Obligation	38.191	38.191	0.000	0.0	0.000	0.000	0.000	-	38.191	38.191	0.000	0.0
Environmental Remediation	1.587	0.517	1.070	67.4	0.000	0.000	0.000	-	1.587	0.517	1.070	67.4
Total Expenses	\$776.578	\$765.792	\$10.786	1.4	\$96.727	\$88.087	\$8.640	8.9	\$873.305	\$853.879	\$19.426	2.2
Net Surplus/(Deficit)	(\$378.210)	(\$367.821)	\$10.389	2.7	\$0.000	\$0.000	(\$0.000)	-	(\$378.210)	(\$367.821)	\$10.389	2.7
<i>Cash Conversion Adjustments:</i>												
Depreciation	136.230	131.027	(5.204)	(3.8)	0.000	0.000	0.000	-	136.230	131.027	(5.204)	(3.8)
Operating/Capital	(13.875)	(10.901)	2.974	21.4	0.000	0.000	0.000	-	(13.875)	(10.901)	2.974	21.4
Other Cash Adjustments	60.433	63.829	3.396	5.6	0.000	0.000	0.000	-	60.433	63.829	3.396	5.6
Total Cash Conversion Adjustments	\$182.788	\$183.955	\$1.167	0.6	\$0.000	\$0.000	\$0.000	-	\$182.788	\$183.955	\$1.167	0.6
Net Cash Surplus/(Deficit)	(\$195.422)	(\$183.866)	\$11.556	5.9	\$0.000	\$0.000	(\$0.000)	-	(\$195.422)	(\$183.866)	\$11.556	5.9

-- 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
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
JULY 2013
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast			Year to Date vs. Mid-Year Forecast		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
OTHER OPERATING REVENUE	Non-Reimb	\$0.438	11.0%	Primarily reflects higher GCT net revenue due to the timing of expenses and higher advertising revenue.	(\$0.061)	(0.2%)	
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$2.483)	(15.7%)	Lower reimbursements reflect scheduling changes in capital project expenditures.	(\$8.640)	(8.9%)	Lower reimbursements reflect scheduling changes in capital project expenditures.
OVERTIME	Non-Reimb	(\$2.105)	(39.0%)	Due to increased overtime requirements for the Maintenance of Way Infrastructure Improvement Program and CSX freight derailment, higher than anticipated vacation rate, and timing differences related to payroll and calendar cutoff dates.	(\$3.808)	(11.7%)	Due to increased overtime requirements for the Maintenance of Way Infrastructure Improvement Program and CSX freight derailment, higher than anticipated vacation rate, and category reclassifications to reflect more accurate reporting.
	Reimb	\$0.076	5.3%	Reflects delays on the Mainline High Speed Turnouts, partially offset by higher than projected activity on the Replace/Repair Undergrade Bridge Program, NHL - Bridge Timber Replacement Program and the Danbury Branch Signal System.	(\$0.577)	(6.0%)	Reflects higher than projected activity on the Danbury Branch Signal System, Mainline High Speed Turnouts, CDOT Bridge and Catenary C1B Program and the NHL - Bridge Timbers and Mitre Rail project.
HEALTH AND WELFARE	Non-Reimb	(\$0.825)	(10.1%)	Reflects accounting adjustments for year-to-date retirement payouts.	(\$1.761)	(3.3%)	
	Reimb	\$0.090	7.5%	Reflects lower project activity.	\$0.203	2.7%	
PENSIONS	Reimb	\$0.053	7.0%	Reflects lower project activity.	\$0.236	5.2%	Reflects lower project activity.
REIMBURSABLE OVERHEAD	Non-Reimb	(\$0.903)	(22.4%)	Reflects lower capital project activity for the following projects: Overhead Bridge Program, NH Rail Yard Component Change Out Shop, Turnouts: Mainline/High Speed and NHL Fleet Replacement.	(\$2.761)	(11.5%)	Reflects lower capital project activity for the following projects: Cyclical Track Program, Overhead Bridge Program, NH Rail Yard Component Change Out Shop, NHL Fleet Replacement, NHL Branch Line Grade Crossing Improvement and Cable Replacement Project.
	Reimb	\$0.795	20.6%	Reflects lower project activity.	\$2.576	11.1%	Reflects lower project activity.

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

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast			Year to Date vs. Mid-Year Forecast		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
ELECTRIC POWER	Non-Reimb	\$0.595	8.6%	Primarily due to lower rates and consumption.	\$2.729	5.7%	Primarily due to lower rates and consumption.
FUEL	Non-Reim	(\$0.244)	(11.6%)	Primarily due to higher rates and consumption on the New Haven Line.	(\$1.065)	(6.7%)	Reflects higher heating oil prices due to a colder than anticipated winter and higher rates and consumption on the New Haven Line.
CLAIMS	Non-Reimb	\$0.033	71.3%	Reflects lower expense for claims.	\$0.142	66.1%	Reflects lower expense for claims.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	\$1.754	20.5%	Reflects timing of expenses for maintenance contracts and GCT utilities.	\$4.219	8.0%	Reflects timing of expenses for maintenance contracts and GCT utilities.
	Reimb	(\$0.216)	(17.3%)	Reflects higher activity on the Cos Cob West Substation.	(\$1.785)	(30.3%)	Reflects higher activity on the Design Guard Booths @ Stamford and E. Bridgeport, NHL - C & S System Replacement Study and the NHL - Tree Removal Program.
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$0.662	26.3%	Favorable variance reflects the timing of expenses for legal expenses, temporary services, bridge inspections, and outside training.	\$4.717	32.5%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, advertising, bridge inspections, temporary services, medical services, and outside training.
	Reimb	\$0.706	79.3%	Reflects delays on Overhead Bridge Program - EOFH and NHL - Stamford Station Real-Time Info System and lower activity on the NHL - EMU Fleet Replacement - M8 Spec Develop.	\$2.474	53.2%	Reflects delay on the Overhead Bridge Program - EOFH and the Connecting Services - Marketing/Customer Support and lower activity on the NHL - EMU Fleet Replacement - M8 Spec Develop.
MATERIAL AND SUPPLIES	Non-Reimb	\$0.455	8.9%	Reflects favorable inventory valuation adjustment.	\$0.636	1.8%	
	Reimb	\$0.858	51.9%	Reflects delay on the NH Rail Yard - Component Change Out Shop, Bronx Stations Capacity and the Reconstruction of the Moses Wheeler Bridge.	\$5.088	50.1%	Reflects delay on the Replace Fiber/C&S Cables, Bronx Stations Capacity IMP, NH Branch Line Grade Xing Imp., NH Rail Yard - Component Change Out Shop, NHL - Bridge Timbers and Mitre Rail - Walk SAGA and the timing of expenses on the Cyclical Track Programs and the West Haven Station Project.

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

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Mid-Year Forecast			Year to Date vs. Mid-Year Forecast		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
OTHER BUSINESS EXPENSES	Non-Reimb	\$0.056	2.9%		\$0.696	3.9%	Reflects lower NJT Subsidy payments due to higher than forecasted YTD passenger receipts.
	Reimb	(\$0.016)	(44.4%)	Reflects insignificant variances on several projects.	(\$0.061)	(12.7%)	Reflects insignificant variances on several projects.
DEPRECIATION	Non-Reimb	\$1.134	5.6%	Timing of capitalization of assets.	\$5.204	3.8%	Timing of capitalization of assets.
ENVIRONMENTAL REMEDIATION	Non-Reimb	\$0.000	0.0%		\$1.070	67.4%	Primarily due to fewer projects requiring remediation.
OPERATING CAPITAL	Non-Reim	\$1.787	33.6%	Reflects lower activity during the period on the Purchase of A Production Switch Tamper, 2013 Vehicle Replacement, Repair Third Rail Fire Alarm - Park Ave Tunnel and the Ticket Vending Machine partially offset by the GCT Escalators Heavy Repair And Maintenance.	\$2.974	21.4%	Reflects lower activity during the period on the Ticket Vending Machines Upgrade, Snowmelter Cabinets projects, Replace Railtop Culverts, Repair Boring Machines - Harmon Shop, Repair Third Rail Fire Alarm - Park Ave Tunnel, C&S Microcomputer Upgrade, Employee Welfare Facility Improvements and the Bridge Walkways Installation.

* Variance exceeds 100%.

MTA Metro-North Railroad
July Financial Plan - 2013 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	July						July Year-to-Date					
	Forecast		Actuals		Var. - Fav./(Unfav)		Forecast		Actuals		Var. - Fav./(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
<u>Scheduled Service</u> ¹	44,887	\$2.5	50,198	\$2.63	(5,311)	(\$0.2)	287,862	\$15.5	299,356	\$15.83	(11,493)	(\$0.3)
					-11.8%	-6.0%					-4.0%	-2.0%
<u>Unscheduled Service</u>	0	\$0.0	1,358	\$0.1	(1,358)	(\$0.1)	0	\$0.0	3,295	\$0.2	(3,295)	(\$0.2)
					-	-					-	-
<u>Programmatic/Routine Maintenance</u>	29,050	\$1.5	43,782	\$2.04	(14,732)	(\$0.6)	123,405	\$5.9	172,241	\$8.23	(48,836)	(\$2.4)
					-50.7%	-38.2%					-39.6%	-40.4%
<u>Unscheduled Maintenance</u>	0	\$0.0	7,242	\$0.4	(7,242)	(\$0.4)	10,405	\$0.5	12,172	\$0.6	(1,767)	(\$0.1)
					-	-					-17.0%	-28.6%
<u>Vacancy/Absentee Coverage</u> ²	18,560	\$0.8	26,147	\$1.2	(7,587)	(\$0.4)	103,418	\$4.6	129,374	\$5.7	(25,956)	(\$1.2)
					-40.9%	-43.4%					-25.1%	-26.2%
<u>Weather Emergencies</u>	8,771	\$0.4	9,645	\$0.5	(875)	(\$0.0)	93,155	\$4.5	86,600	\$4.0	6,555	\$0.4
					-10.0%	-7.6%					7.0%	10.1%
<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	4,800	\$0.2	6,424	\$0.8	(1,623)	(\$0.6)	37,929	\$1.7	25,890	\$1.8	12,039	(\$0.1)
					-33.8%	*					31.7%	-4.3%
Subtotal	106,069	\$5.4	144,797	\$7.5	(38,728)	(\$2.1)	656,174	\$32.6	728,927	\$36.4	(72,754)	(\$3.8)
					-36.5%	-39.0%					-11.1%	-11.7%
REIMBURSABLE OVERTIME	27,901	\$1.4	23,147	\$1.4	4,754	\$0.1	191,147	\$9.5	213,375	\$10.1	(22,228)	(\$0.6)
					17.0%	5.3%					-11.6%	-6.0%
TOTAL OVERTIME	133,969	\$6.8	167,944	\$8.9	(33,975)	(\$2.0)	847,321	\$42.1	942,302	\$46.5	(94,981)	(\$4.4)
					-25.4%	-29.7%					-11.2%	-10.4%

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
July Financial Plan - 2013 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

	July			July Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u> ¹	(5,311)	(\$0.2)	Overtime required for service coverage and to meet revenue collection requirements.	(11,493)	(\$0.3)	Overtime required for service coverage and to meet revenue collection requirements.
	-11.8%	-6.0%		-4.0%	-2.0%	
<u>Unscheduled Service</u>	(1,358)	(\$0.1)	Service restoration efforts for the CSX freight train derailment on the Hudson Line.	(3,295)	(\$0.2)	Service restoration efforts for the CSX freight train derailment on the Hudson Line in July in addition to the New Haven Line derailment in May.
	-	-		-	-	
<u>Programmatic/Routine Maintenance</u>	(14,732)	(\$0.6)	Reflects M of W Infrastructure Improvement Program to address and remediate areas of poor drainage along right-of-way.	(48,836)	(\$2.4)	Reflects M of W Infrastructure Improvement Program to address and remediate areas of poor drainage along right-of-way. M of E overtime reduction efforts have been delayed by incremental work required in association with the New Haven Line derailment cleanup.
	-50.7%	-38.2%		-39.6%	-40.4%	
<u>Unscheduled Maintenance</u>	(7,242)	(\$0.4)	Reflects the right-of-way cleanup of the CSX freight train derailment on the Hudson Line.	(1,767)	(\$0.1)	Reflects the right-of-way cleanup of the CSX freight train derailment on the Hudson Line in July (\$0.4 million) offset by lower than projected costs for the New Haven Line derailment in May.
	-	-		-17.0%	-28.6%	
<u>Vacancy/Absentee Coverage</u> ²	(7,587)	(\$0.4)	Primarily reflects absence coverage necessitated by M of E training.	(25,956)	(\$1.2)	Primarily reflects absence coverage necessitated by M of E training.
	-40.9%	-43.4%		-25.1%	-26.2%	
<u>Weather Emergencies</u>	(875)	(\$0.0)		6,555	\$0.4	
	-10.0%	-7.6%		7.0%	10.1%	
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0		0	\$0.0	
	-	-		-	-	
<u>Other</u> ⁴	(1,623)	(\$0.6)	Reflects timing differences related to payroll and calendar cutoff dates.	12,039	(\$0.1)	Reflects timing differences related to payroll and calendar cutoff dates.
	-33.8%	*		31.7%	-4.3%	
Subtotal	(38,728)	(\$2.1)		(72,754)	(\$3.8)	
	-36.5%	-39.0%		-11.1%	-11.7%	
REIMBURSABLE OVERTIME	4,754	\$0.1		(22,228)	(\$0.6)	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.
	17.0%	5.3%		-11.6%	-6.0%	
TOTAL OVERTIME	(33,975)	(\$2.0)		(94,981)	(\$4.4)	

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.

⁵ Certain prior month cause category line items have been reclassified to conform to the current cause reporting classification.

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
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

SCHEDULE III

	July 2013				Year-to-Date			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
<u>Receipts</u>								
Farebox Receipts	\$55.545	\$58.261	\$2.716	4.9	\$362.594	\$364.156	\$1.562	0.4
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	4.781	3.486	(1.295)	(27.1)	49.346	49.383	0.037	0.1
<i>Capital & Other Reimbursements:</i>								
MTA	9.008	7.192	(1.816)	(20.2)	45.774	43.696	(2.078)	(4.5)
CDOT	4.714	4.032	(0.682)	(14.5)	30.743	28.328	(2.415)	(7.9)
Other	1.375	0.757	(0.618)	(44.9)	14.272	14.513	0.241	1.7
Total Capital and Other Reimbursements	15.097	11.981	(3.116)	(20.6)	90.789	86.537	(4.252)	(4.7)
Total Receipts	\$75.423	\$73.728	(\$1.695)	(2.2)	\$502.729	\$500.076	(\$2.653)	(0.5)
<u>Expenditures</u>								
<i>Labor:</i>								
Payroll	\$36.374	\$34.472	\$1.902	5.2	\$260.694	\$254.826	\$5.868	2.3
Overtime	5.647	7.211	(1.564)	(27.7)	42.909	45.852	(2.943)	(6.9)
Health and Welfare	12.838	13.814	(0.976)	(7.6)	60.192	60.403	(0.211)	(0.4)
OPEB Current Payment	1.703	2.055	(0.352)	(20.7)	11.450	11.289	0.161	1.4
Pensions	7.034	7.000	0.034	0.5	32.428	32.270	0.158	0.5
Other Fringe Benefits	9.133	8.469	0.664	7.3	64.185	62.808	1.377	2.1
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	\$72.729	\$73.021	(\$0.292)	(0.4)	\$471.858	\$467.448	\$4.410	0.9
<i>Non-Labor:</i>								
Electric Power	\$7.189	\$5.706	\$1.483	20.6	\$44.256	\$39.873	\$4.383	9.9
Fuel	1.802	1.609	0.193	10.7	14.331	13.982	0.349	2.4
Insurance	1.129	3.688	(2.559)	*	9.248	8.552	0.696	7.5
Claims	0.047	0.062	(0.015)	(31.9)	0.443	0.559	(0.116)	(26.2)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	9.666	12.885	(3.219)	(33.3)	59.580	53.302	6.278	10.5
Professional Service Contracts	3.291	2.421	0.870	26.4	19.461	14.254	5.207	26.8
Materials & Supplies	9.154	10.234	(1.080)	(11.8)	50.153	52.974	(2.821)	(5.6)
Other Business Expenditures	4.040	7.349	(3.309)	(81.9)	28.821	32.998	(4.177)	(14.5)
Total Non-Labor	\$36.318	\$43.954	(\$7.636)	(21.0)	\$226.293	\$216.494	\$9.799	4.3
<i>Other Adjustments:</i>								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Post Employment Benefits	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	-
Total Expenditures	\$109.047	\$116.975	(\$7.928)	(7.3)	\$698.151	\$683.942	\$14.209	2.0
Net Cash Deficit (excludes Opening Cash Balance)	(\$33.624)	(\$43.247)	(\$9.623)	(28.6)	(\$195.422)	(\$183.866)	\$11.556	5.9
<u>Subsidies</u>								
MTA	25.562	37.315	11.753	46.0	147.524	143.244	(4.280)	(2.9)
CDOT	8.062	11.381	3.319	41.2	47.038	46.535	(0.503)	(1.1)
Total Subsidies	\$33.624	\$48.696	\$15.072	44.8	\$194.562	\$189.779	(\$4.783)	(2.5)
Cash Timing and Availability Adjustment	\$0.000	(\$9.050)	(\$9.050)	-	\$0.777	(\$5.996)	(\$6.773)	*

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

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

Generic Receipt or Expense Category	July, 2013			Year-To-Date as of July 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FAREBOX RECEIPTS	2.716	4.9%	Primarily due to a timing difference in receipts.			
OTHER REVENUE	(1.295)	(27.1%)	Timing difference for net GCT retail revenue (lower expenses), partially offset by higher commuter parking and miscellaneous receipts in the month.			
CAPITAL AND OTHER REIMBURSEMENTS: MTA	(1.816)	(20.2%)	Timing difference in receipts, and lower project activity.			
CDOT	(0.682)	(14.5%)	Timing difference in receipts, partially offset by higher activity.	(2.415)	(7.9%)	Primarily due to receipt timing difference.
OTHER	(0.618)	(44.9%)	Lower project activity, as well as receipt timing differences.			
PAYROLL	1.902	5.2%	Primarily due to timing difference in payments, as well as lower capital project activity.			
OVERTIME	(1.564)	(27.7%)	Higher overtime requirements resulting from Hudson Line derailment clean-up and repairs as well as Maintenance of Way Infrastructure Improvement program.	(2.943)	(6.9%)	Higher overtime requirements resulting from Hudson Line derailment clean-up and repairs as well as Maintenance of Way Infrastructure Improvement program.
HEALTH & WELFARE	(0.976)	(7.6%)	Higher NYSHIP/Empire Plan payments in the month (Timing).			
OPEB CURRENT PAYMENT	(0.352)	(20.7%)	Higher payment in the month			
OTHER FRINGE BENEFITS	0.664	7.3%	Lower payments for employee injury claims, and railroad retirement taxes.			
ELECTRIC POWER	1.483	20.6%	Primarily due to lower rates on the Harlem/Hudson, and lower usage on the New Haven line, payment timing differences and lower non-traction power costs, partially offset by higher usage on the Harlem/Hudson line.	4.383	9.9%	Lower rates on both Harlem/Hudson and New Haven lines, and payment timing differences, as well as lower non-traction power payments, partially offset by higher traction power usage.

* Variance exceeds 100%

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

Generic Receipt or Expense Category	July, 2013			Year-To-Date as of July 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FUEL	0.193	10.7%	Nothing material to report.			
INSURANCE	(2.559)	*	Payment timing difference for force account and automobile premiums.	0.696	7.5%	Payment timing for all agency property and terrorism, partially offset by higher force account and automobile premiums.
CLAIMS	(0.015)	(31.9%)	Nothing material to report.	(0.116)	(26.2%)	Nothing material to report.
MAINTENANCE & OTHER OPERATING CONTRACTS	(3.219)	(33.3%)	Timing in payments for NHL police costs for 2012 true-up, GCT escalator maintenance, facility maintenance, real estate & other taxes, ferry service, and other various operating contract services.	6.278	10.5%	Timing in payments for NHL police costs, revenue vehicle maintenance, and other various operating contract services, partially offset by higher occupancy payments.
PROFESSIONAL SERVICE CONTRACTS	0.870	26.4%	Timing difference for capital project expenditures (EofH Overhead Bridge Program, NHL Fleet Replacement-M8 Specifications), I.T. service fees, and other professional services, partially offset by higher payments in the month for advertising/marketing, and medical services.	5.207	26.8%	Timing difference for NHL BSC services, I.T. hardware, outside training, audit services, legal fees, and other professional services, as well as lower capital project expenditures (EofH Overhead Bridge Program, NHL Fleet Replacement-M8 Specifications).
MATERIALS & SUPPLIES	(1.080)	(11.8%)	Payment timing difference for both operating and capital project material.	(2.821)	(5.6%)	Payment timing difference for both operating and capital project material.
OTHER BUSINESS EXPENSES	(3.309)	(81.9%)	Primarily due to a payment timing difference for NJT subsidy (Two payments made in the month).	(4.177)	(14.5%)	Primarily due to a payment timing difference for NJT subsidy, as well as other purchases ahead of forecast.
MTA SUBSIDY RECEIPTS	11.753	46.0%	Higher subsidy draw due a higher net cash deficit in the month and the change in available bank balance, partially offset by higher CDOT subsidy payments -Timing).	(4.280)	(2.9%)	Lower subsidy draw due a lower net cash deficit in the period, partially offset by the change in available bank balance and lower CDOT subsidy payments.
CDOT SUBSIDY RECEIPTS	3.319	41.2%	Primarily due to payment timing differences (received July and August).	(0.503)	(1.1%)	
TOTAL SUBSIDY RECEIPTS	15.072	44.8%		(4.783)	(2.5%)	

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	July 2013				Year-to-Date			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
<u>Receipts</u>								
Farebox Revenue	\$0.530	\$3.646	\$3.116	*	\$4.610	\$6.509	\$1.899	41.2
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	0.789	(0.944)	(1.733)	*	8.962	9.060	0.098	1.1
<i>Capital & Other Reimbursements:</i>		0.000			0.000	0.000		
MTA	(0.923)	0.765	1.688	*	(11.027)	(3.631)	7.396	67.1
CDOT	0.382	(1.516)	(1.898)	*	(1.306)	(6.661)	(5.355)	*
Other	(0.144)	(0.567)	(0.423)	*	6.394	8.742	2.347	36.7
Total Capital and Other Reimbursements	(0.684)	(1.317)	(0.633)	(92.5)	(5.938)	(1.550)	4.388	73.9
Total Revenue/Receipts	\$0.635	\$1.385	\$0.750	*	\$7.634	\$14.018	\$6.384	83.6
<u>Expenditures</u>								
<i>Labor:</i>								
Payroll	\$4.006	\$6.335	\$2.329	58.1	(\$0.228)	\$4.343	\$4.571	*
Overtime	1.188	1.653	0.465	39.1	(0.785)	0.656	1.442	*
Health and Welfare	(3.498)	(3.739)	(0.241)	(6.9)	1.015	2.362	1.347	*
OPEB Current Payment	0.000	(0.359)	0.000		0.000	0.213	0.213	-
Pensions	0.408	0.622	0.214	52.5	14.708	15.603	0.895	6.1
Other Fringe Benefits	0.208	0.707	0.499	*	(3.773)	(3.341)	0.433	11.5
GASB Account	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	(0.176)	(0.068)	0.107	61.1	(0.712)	(0.526)	0.185	26.0
Total Labor	\$2.137	\$5.152	\$3.015	*	\$10.225	\$19.310	\$9.085	88.8
<i>Non-Labor:</i>								
Electric Power	(\$0.239)	\$0.654	\$0.893	*	\$3.417	\$5.102	\$1.685	49.3
Fuel	0.300	0.738	0.438	*	1.684	3.100	1.416	84.1
Insurance	0.406	(2.191)	(2.598)	*	0.253	0.879	0.626	*
Claims	(0.001)	(0.049)	(0.048)	*	(0.229)	(0.486)	(0.258)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	0.122	(4.634)	(4.757)	*	(1.113)	2.731	3.844	*
Professional Service Contracts	0.115	(0.384)	(0.498)	*	(0.292)	(2.276)	(1.984)	*
Materials & Supplies	(2.380)	(4.773)	(2.393)	*	(4.406)	(12.951)	(8.545)	*
Other Business Expenses	(2.060)	(5.409)	(3.349)	*	(10.394)	(15.206)	(4.812)	(46.3)
Total Non-Labor	(\$3.736)	(\$16.048)	(\$12.313)	*	(\$11.080)	(\$19.109)	(\$8.028)	(72.5)
<i>Other Adjustments:</i>								
Other	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	-
Total Expenditures Adjustments before Non-Cash Liability Adj.	(\$1.598)	(\$10.896)	(\$9.298)	*	(\$0.855)	\$0.202	\$1.057	*
Depreciation	20.182	19.048	(1.134)	(5.6)	136.230	131.027	(5.204)	(3.8)
OPEB Obligation	4.776	4.776	0.000	0.0	38.191	38.191	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	1.587	0.517	(1.070)	67.4
Total Expenditures Adjustments	\$23.360	\$12.928	(\$10.432)	(44.7)	\$175.154	\$169.937	(\$5.217)	(3.0)
Total Cash Conversion Adjustments	\$23.995	\$14.312	(\$9.682)	(40.4)	\$182.788	\$183.955	\$1.167	0.6

-- Results are preliminary and subject to audit review.

-- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
UTILIZATION
(in millions)

	<u>Month of July</u>		<u>Variance</u>		<u>Year-to-Date July</u>		<u>Variance</u>	
	<u>Forecast</u>	<u>Actual</u>	<u>Fav (Unfav)</u>		<u>Forecast</u>	<u>Actual</u>	<u>Fav (Unfav)</u>	
			<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>
<u>Farebox Revenue</u>								
Harlem Line	\$16.474	\$16.642	\$0.168	1.0	\$107.683	\$107.919	\$0.236	0.2
Hudson Line	\$12.268	\$11.373	(\$0.896)	-7.3	\$78.334	\$77.590	(\$0.744)	-0.9
New Haven Line	\$26.235	\$26.560	\$0.326	1.2	\$171.695	\$171.865	\$0.170	0.1
 Total Farebox Revenue	 \$54.977	 \$54.576 ⁽¹⁾	 (\$0.401)	 -0.7	 \$357.712	 \$357.374 ⁽¹⁾	 (\$0.338)	 -0.1
 <u>Ridership</u>								
Harlem Line	2.321	2.330	0.009	0.4	15.584	15.613	0.029	0.2
Hudson Line	1.432	1.344	(0.088)	-6.1	9.243	9.185	(0.058)	-0.6
New Haven Line	3.465	3.482	0.017	0.5	22.606	22.623	0.017	0.1
 Total Ridership East of Hudson	 7.218	 7.157	 (0.061)	 -0.8	 47.433	 47.421	 (0.011)	 0.0
 West of Hudson	 0.138	 0.144	 0.005	 3.9	 0.895	 0.913	 0.018	 2.0
 Total Ridership	 7.356	 7.300	 (0.056)	 -0.8	 48.328	 48.335	 0.007	 0.0

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.039 million for the month and \$0.273 million year-to-date.

East of Hudson:

Year-to-date ridership of 47.4 million was virtually on target to the Mid-Year Forecast and 0.5% lower than 2012. For the month, ridership of 7.2 million was 0.8% lower than the Mid-Year Forecast and 1.1% lower than July 2012. All lines but the Hudson registered an increase in the month due to the service disruption as a result of the CSX freight train derailment. The estimated ridership loss due to the incident was 90,000.

Commutation ridership was 0.5% higher year-to-date and 1.4% higher for the month vs. the Mid-Year Forecast. Compared to July 2012 year-to-date, commutation ridership was 0.3% higher. Non-commutation ridership was 0.7% below the Mid-Year Forecast year-to-date and 1.7% lower than 2012. For the month, non-commutation ridership was 3.7% lower than the Mid-Year Forecast and 3.9% lower than 2012.

West of Hudson:

West of Hudson ridership was 3.9% higher for the month and 2.0% higher year-to-date vs. 2013 Mid-Year Forecast reflecting both higher commutation and non-commutation ridership.

MTA METRO-NORTH RAILROAD
2013 MID-YEAR FORECAST VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
July 31, 2013

<u>Department</u>	<u>Mid-Year Forecast</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	8	7	1
Safety	21	19	2
COS/Corporate & Public Affairs	16	15	1
Legal	18	16	2
Claims Services	13	13	0
Environmental Compliance & Svce	7	7	-
VP Administration	3	3	-
VP Human Resources	3	3	0
Human Resources	32	31	1
Training	45	45	0
Employee Relations & Diversity	5	5	1
VP Planning	2	1	1
Operations Planning & Analysis	17	16	1
Capital Planning & Programming	13	13	0
Business Development, Facilities & Mktg (1)	21	21	-
Long Range Planning	7	7	-
VP Finance & Information Systems	1	1	0
Controller	77	75	3
Information Technology & Project Mgmt	81	78	3
Budget	17	18	(1)
Customer Service (2) (3)	41	44	(3)
Procurement & Material Mgmt (4)	30	30	1
Total Administration	481	470	12
Operations			
Operations Administration	49	46	2
Operations Services	1,777	1,712	64
Customer Service (2) (3)	232	223	9
Business Development, Facilities & Mktg (1)	38	35	3
Metro-North West	32	37	(5)
Total Operations	2,127	2,054	73
Maintenance			
GCT	352	345	7
Maintenance of Equipment	1,289	1,233	56
Maintenance of Way	1,680	1,657	23
Procurement & Material Mgmt (4)	130	125	5
Total Maintenance	3,451	3,360	91
Engineering/Capital			
Construction Management	37	36	1
Engineering & Design	60	55	6
Total Engineering/Capital	97	91	7
Total Positions	6,156	5,974	182
Non-Reimbursable	5,641	5,572	68
Reimbursable	516	402	114
Total Full-Time	6,155	5,973	182
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 MID-YEAR FORECAST VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
July 31, 2013

FUNCTION/OCCUPATION	Mid-Year Forecast	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	165	159	6
Professional, Technical, Clerical	316	311	6
Operational Hourlies	-	-	-
Total Administration	481	470	12
Operations (1)			
Managers/Supervisors	143	132	12
Professional, Technical, Clerical	229	222	7
Operational Hourlies	1,756	1,701	55
Total Operations	2,127	2,054	73
Maintenance (1)			
Managers/Supervisors	494	480	14
Professional, Technical, Clerical	493	479	14
Operational Hourlies	2,464	2,401	63
Total Maintenance	3,451	3,360	91
Engineering/Capital			
Managers/Supervisors	40	35	5
Professional, Technical, Clerical	57	56	1
Operational Hourlies	-	-	-
Total Engineering/Capital	97	91	7
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	842	805	37
Professional, Technical, Clerical	1,095	1,067	28
Operational Hourlies	4,220	4,102	118
Total Positions	6,156	5,974	182

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 MID-YEAR FORECAST VS. ACTUALS**

July 31, 2013

Agency-wide (Non-Reimbursable and Reimbursable)	Mid-Year Forecast	Actual	Favorable (Unfavorable) Variance	Explanation of Variances
<i>Functional Classification:</i>				
Operations (1)	2,127	2,054	73	Reflects vacancies in operation services staffing.
Maintenance (1)	3,451	3,360	91	Reflects vacancies in Maintenance of Way and Maintenance of Equipment positions (trackmen, vehicle & machine operators, signalman and maintainers, electricians, and building maintenance forces).
Administration (1)	481	470	12	Reflects timing differences in hiring IT personnel.
Engineering / Capital	97	91	7	
Total Agency-wide Headcount	6,156	5,974	182	
Non-Reimbursable	5,641	5,572	68	Reflects greater than anticipated attrition.
Reimbursable	516	402	114	

Notes

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

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
MONTHLY PERFORMANCE INDICATORS *
JULY 2013

	MONTH			VARIANCE	
	2013	FORECAST	2012	FORECAST	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	58.9%	58.7%	68.2%	0.2%	-9.3%
Adjusted ⁽²⁾	65.9%	65.3%	75.9%	0.6%	-10.0%
Cost per Passenger					
Standard ⁽¹⁾	\$13.12	\$13.13	\$10.81	\$0.01	(\$2.31)
Adjusted ⁽²⁾	\$12.94	\$12.93	\$10.62	(\$0.01)	(\$2.32)
Passenger Revenue/Passenger ⁽³⁾	\$7.72	\$7.70	\$7.37	\$0.02	\$0.35
	YEAR-TO-DATE			VARIANCE	
	2013	FORECAST	2012	FORECAST	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	61.3%	60.3%	63.2%	1.0%	-1.9%
Adjusted ^{(2) (4)}	70.2%	69.1%	70.4%	1.1%	-0.2%
Cost per Passenger					
Standard ⁽¹⁾	\$12.44	\$12.66	\$11.44	\$0.22	(\$1.00)
Adjusted ⁽²⁾	\$12.25	\$12.45	\$11.26	\$0.20	(\$0.99)
Passenger Revenue/Passenger ⁽³⁾	\$7.63	\$7.63	\$7.23	\$0.00	\$0.40

(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. Excluding this adjustment the adjusted FOR would be 68.3% year-to-date.

* Includes East and West of Hudson revenues and expenses.