



Metro-North Railroad

Financial Report



FINANCIAL STATEMENTS

MONTH ENDED: AUGUST 31, 2013

OFFICE OF VICE PRESIDENT OF FINANCE & INFORMATION SYSTEMS

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

August YTD financial results were favorable with a net operating deficit that was \$7.2 million or 1.7% lower than the Mid-Year Forecast. Through August, total Operating Revenue was \$0.3 million higher than the Mid-Year Forecast primarily due to higher farebox revenue. Operating expenses were \$6.9 million lower than the Mid-Year Forecast primarily due to timing in non-payroll expenditures and vacancies partially offset by higher overtime costs. YTD results include the continuation of the Bronx Right-of-Way Improvement project which includes track and drainage improvements, tie replacement fencing, repairs and general clean-up. This program, which began in July, and 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 \$13.4 million lower than Forecast also due to revised timing of several projects Mainline/High Speed Turnouts, New Haven Line Grade Crossing, Cable Replacement Project and Track Program work).

Ridership

Total ridership was 7.1 million for August and 55.5 million YTD which was on target to the Mid-Year Forecast.

East of Hudson

- August ridership of 7.0 million was 0.8% higher the Mid-Year Forecast and 0.8% lower than 2012.
- YTD ridership of 54.4 million was on target to the Mid-Year Forecast and 0.6% lower than 2012.
- Commutation ridership was higher than the Mid-Year Forecast by 0.4% and 0.1%, respectively, YTD and for the month. Compared to 2012, YTD commutation was 0.2% higher.
- Non-commutation ridership for August was 1.7% higher than the Mid-Year Forecast and 1.3% lower than 2012.

West of Hudson

- YTD ridership was 1.7% higher than the Mid-Year Forecast reflecting higher commutation and non-commutation ridership.

Revenue and Reimbursements

Total Revenue and Reimbursements of \$554.6 million through August was \$13.1 million, or 2.3% lower than the Mid-Year Forecast.

- Farebox Revenue of \$411.5 million was \$0.4 million higher than the Mid-Year Forecast primarily due to higher ridership on the Harlem and New Haven Lines partly offset by lower ridership on the Hudson Line due to the CSX derailment.
- Other Operating Revenue of \$44.1 million was on target to the Mid-Year Forecast.
- Capital and Other Reimbursements of \$99.1 million was \$13.4 million lower than the Mid-Year Forecast due to scheduling changes in a number of projects.

Expenses

Total non-reimbursable and reimbursable expenses of \$981.1 million through August were \$20.3 million (2.0%) lower than the Mid-Year Forecast:

- \$20.8 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 \$8.3 million (1.5%) above the Mid-Year Forecast due to higher overtime requirements related to the CSX freight and Infrastructure Improvement Program, retiree payouts and other payment timing differences, partly offset by vacancies.

YTD Financial Performance Measures

- Adjusted Farebox Operating Ratio of 69.7% through August was 0.8 percentage points better than the Mid-Year Forecast primarily due to MNR's lower operating expenses.
- Adjusted Cost per Passenger of \$12.31 for the period was \$0.15 lower than the Forecast due also due to the overall lower expenses.
- Revenue per Passenger of \$7.65 for the period was on target to the Forecast.

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

REVENUE

Total Revenue and reimbursements were \$13.1 million (2.3%) lower than the Mid-Year Forecast through August:

- **Farebox Revenue** – year-to-date and the month were higher than the Mid-Year Forecast by \$0.4 million and \$0.7 million, respectively reflecting higher ridership on the Harlem and New Haven Lines partly offset by lower ridership on the Hudson Line due to the CSX derailment.
- **Other Operating Revenue** – year-to-date and the month were on target to the Mid-Year Forecast.
- **Capital and Other Reimbursements** – YTD versus the Mid-Year Forecast was \$13.4 million lower, and for the month \$4.8 million lower due to changes in the timing of several projects (Mainline/High Speed Turnouts, New Haven Line Grade Crossing, Cable Replacement Project and Track Program work) which resulted in lower reimbursements.

EXPENSES

Total Expenses – Year-to-date expenses of \$981.1 million were \$20.3 million (2.0%) lower than the Mid-Year Forecast. For the month, expenses were \$0.9 million (0.7%) lower than the Mid-Year Forecast.

Labor expenses (including fringes and overhead recoveries) were \$560.2 million YTD. This was \$8.3 million (1.5%) above the Mid-Year Forecast due to higher overtime requirements and reallocation of reimbursable project forces related to the Maintenance of Way Infrastructure Improvement Program and CSX freight derailment as well as retiree payouts and other payment timing differences. These were partly offset by vacancies. For the month, labor expenses were \$3.6 million higher than the Mid-Year Forecast.

Non-Labor Expenses

YTD non-labor expenses were \$227.7 million, \$20.8 million lower than the Mid-Year Forecast and \$3.0 million lower for the month:

- **Electric Power** – \$3.3 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** – \$4.7 million lower than 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 \$2.3 million lower than the Mid-Year Forecast.
- **Professional Services** – \$8.1 million below the Mid-Year Forecast primarily due to the timing of expenses for IT related work, legal expense, advertising, bridge inspections and reimbursable projects. For the month, expenses were \$0.9 million lower than the Mid-Year Forecast.
- **Materials & Supplies** – year-to-date expenditures were \$5.4 million below the Mid-Year Forecast due to timing differences in the following reimbursable capital projects: Cyclical Track Program, New Haven Line Grade Crossing Improvements, and Fiber Cable Replacement. For the month, expenses were \$0.4 million higher than the Mid-Year Forecast.
- **Other Business Expenses** – year-to-date expenditures were \$0.4 million below the Mid-Year Forecast due to lower NJT subsidy payments due to improved revenue. For the month, expenses were \$0.3 million higher than the Mid-Year Forecast.

Depreciation and Other Non-Cash Liability Adjustments – \$193.3 million year-to-date (\$23.5 million for the month), which was \$7.7 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 August was \$217.9 million, which is \$14.1 million favorable to the Mid-Year Forecast. This is essentially due to \$11.2 million in lower actual cash disbursements (a function of the overall lower expenses) and \$2.9 million in higher revenue (primarily higher farebox revenue).

MTA METRO-NORTH RAILROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
August 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	\$53.140	\$53.829	\$0.689	1.3	\$0.000	\$0.000	\$0.000	-	\$53.140	\$53.829	\$0.689	1.3
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.694	3.730	0.037	1.0	0.000	0.000	0.000	-	3.694	3.730	0.037	1.0
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	10.238	4.803	(5.435)	(53.1)	10.238	4.803	(5.435)	(53.1)
CDOT	0.000	0.000	0.000	-	4.091	5.194	1.104	27.0	4.091	5.194	1.104	27.0
Other	0.000	0.000	0.000	-	1.416	0.993	(0.423)	(29.9)	1.416	0.993	(0.423)	(29.9)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	15.744	10.990	(4.754)	(30.2)	15.744	10.990	(4.754)	(30.2)
Total Revenue/Receipts	\$56.834	\$57.560	\$0.726	1.3	\$15.744	\$10.990	(\$4.754)	(30.2)	\$72.578	\$68.550	(\$4.029)	(5.6)
Expenses												
<i>Labor:</i>												
Payroll	\$34.314	\$35.953	(\$1.639)	(4.8)	\$3.480	\$2.646	\$0.833	24.0	\$37.794	\$38.599	(\$0.806)	(2.1)
Overtime	4.660	6.400	(1.739)	(37.3)	1.385	0.978	0.407	29.4	6.045	7.378	(1.333)	(22.0)
Health and Welfare	7.455	8.053	(0.598)	(8.0)	1.180	0.841	0.339	28.7	8.635	8.894	(0.259)	(3.0)
OPEB Current Payment	1.800	1.887	(0.087)	(4.9)	0.000	0.000	0.000	-	1.800	1.887	(0.087)	(4.9)
Pensions	6.187	6.478	(0.291)	(4.7)	0.734	0.567	0.166	22.6	6.921	7.046	(0.125)	(1.8)
Other Fringe Benefits	7.950	9.103	(1.153)	(14.5)	0.830	0.595	0.235	28.3	8.781	9.699	(0.918)	(10.5)
Reimbursable Overhead	(3.920)	(2.806)	(1.114)	(28.4)	3.776	2.719	1.057	28.0	(0.144)	(0.087)	(0.057)	(39.7)
Total Labor	\$58.447	\$65.069	(\$6.622)	(11.3)	\$11.385	\$8.347	\$3.038	26.7	\$69.831	\$73.415	(\$3.584)	(5.1)
<i>Non-Labor:</i>												
Electric Power	\$7.155	\$6.541	\$0.614	8.6	\$0.000	\$0.005	(\$0.005)	-	\$7.155	\$6.546	\$0.609	8.5
Fuel	2.130	2.283	(0.153)	(7.2)	0.000	0.000	(0.000)	-	2.130	2.284	(0.154)	(7.2)
Insurance	1.250	1.241	0.009	0.7	0.279	0.194	0.085	30.4	1.529	1.436	0.093	6.1
Claims	0.041	0.096	(0.054)	*	0.000	0.000	0.000	-	0.041	0.096	(0.054)	*
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	7.945	6.979	0.966	12.2	1.996	0.705	1.290	64.7	9.941	7.685	2.256	22.7
Professional Service Contracts	2.915	1.745	1.170	40.1	0.842	1.115	(0.273)	(32.4)	3.757	2.860	0.897	23.9
Materials & Supplies	5.595	6.673	(1.079)	(19.3)	1.208	0.489	0.719	59.6	6.803	7.162	(0.359)	(5.3)
Other Business Expenses	1.907	2.085	(0.179)	(9.4)	0.035	0.136	(0.100)	*	1.942	2.221	(0.279)	(14.4)
Total Non-Labor	\$28.939	\$27.645	\$1.293	4.5	\$4.360	\$2.644	\$1.716	39.4	\$33.298	\$30.289	\$3.010	9.0
<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.	\$87.385	\$92.714	(\$5.328)	(6.1)	\$15.744	\$10.990	\$4.754	30.2	\$103.130	\$103.704	(\$0.575)	(0.6)
Depreciation	20.182	18.757	1.425	7.1	0.000	0.000	0.000	-	20.182	18.757	1.425	7.1
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	\$112.343	\$116.247	(\$3.903)	(3.5)	\$15.744	\$10.990	\$4.754	30.2	\$128.088	\$127.237	\$0.851	0.7
Net Surplus/(Deficit)	(\$55.509)	(\$58.687)	(\$3.178)	(5.7)	\$0.000	(\$0.000)	(\$0.000)	-	(\$55.509)	(\$58.688)	(\$3.178)	(5.7)
<i>Cash Conversion Adjustments:</i>												
Depreciation	20.182	18.757	(1.425)	(7.1)	0.000	0.000	0.000	-	20.182	18.757	(1.425)	(7.1)
Operating/Capital	(3.521)	(0.942)	2.579	73.2	0.000	0.000	0.000	-	(3.521)	(0.942)	2.579	73.2
Other Cash Adjustments	2.285	6.873	4.589	*	0.000	0.000	0.000	-	2.285	6.873	4.589	*
Total Cash Conversion Adjustments	\$18.946	\$24.689	\$5.742	30.3	\$0.000	\$0.000	\$0.000	-	\$18.946	\$24.689	\$5.742	30.3
Net Cash Surplus/(Deficit)	(\$36.563)	(\$33.999)	\$2.564	7.0	\$0.000	(\$0.000)	(\$0.000)	-	(\$36.563)	(\$33.999)	\$2.564	7.0

-- 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
August 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	\$411.124	\$411.477	\$0.352	0.1	\$0.000	\$0.000	\$0.000	-	\$411.124	\$411.477	\$0.352	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	44.077	44.054	(0.024)	(0.1)	0.000	0.000	0.000	-	44.077	44.054	(0.024)	(0.1)
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	67.039	52.130	(14.909)	(22.2)	67.039	52.130	(14.909)	(22.2)
CDOT	0.000	0.000	0.000	-	36.139	40.183	4.044	11.2	36.139	40.183	4.044	11.2
Other	0.000	0.000	0.000	-	9.294	6.764	(2.530)	(27.2)	9.294	6.764	(2.530)	(27.2)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	112.472	99.078	(13.394)	(11.9)	112.472	99.078	(13.394)	(11.9)
Total Revenue/Receipts	\$455.202	\$455.530	\$0.328	0.1	\$112.472	\$99.078	(\$13.394)	(11.9)	\$567.673	\$554.608	(\$13.066)	(2.3)
Expenses												
<i>Labor:</i>												
Payroll	\$271.872	\$272.834	(\$0.962)	(0.4)	\$26.388	\$24.934	\$1.454	5.5	\$298.260	\$297.768	\$0.492	0.2
Overtime	37.236	42.783	(5.547)	(14.9)	10.933	11.103	(0.170)	(1.6)	48.169	53.886	(5.717)	(11.9)
Health and Welfare	61.030	63.389	(2.359)	(3.9)	8.812	8.270	0.542	6.2	69.842	71.659	(1.817)	(2.6)
OPEB Current Payment	13.250	13.390	(0.140)	(1.1)	0.000	0.000	0.000	-	13.250	13.390	(0.140)	(1.1)
Pensions	48.810	50.074	(1.264)	(2.6)	5.247	4.845	0.402	7.7	54.057	54.919	(0.861)	(1.6)
Other Fringe Benefits	62.562	62.695	(0.133)	(0.2)	6.630	6.471	0.159	2.4	69.192	69.166	0.027	0.0
Reimbursable Overhead	(27.907)	(24.032)	(3.875)	(13.9)	27.051	23.419	3.633	13.4	(0.856)	(0.613)	(0.242)	(28.3)
Total Labor	\$466.853	\$481.132	(\$14.279)	(3.1)	\$85.062	\$79.042	\$6.020	7.1	\$551.915	\$560.174	(\$8.259)	(1.5)
<i>Non-Labor:</i>												
Electric Power	\$54.828	\$51.485	\$3.343	6.1	\$0.000	\$0.036	(\$0.036)	-	\$54.828	\$51.522	\$3.307	6.0
Fuel	18.145	19.364	(1.219)	(6.7)	0.000	0.000	0.000	-	18.145	19.364	(1.219)	(6.7)
Insurance	8.883	8.779	0.104	1.2	2.146	2.087	0.059	2.7	11.030	10.867	0.163	1.5
Claims	0.256	0.168	0.087	34.2	0.000	0.000	0.000	-	0.256	0.168	0.087	34.2
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	60.515	55.330	5.185	8.6	7.893	8.387	(0.495)	(6.3)	68.407	63.717	4.690	6.9
Professional Service Contracts	17.434	11.546	5.888	33.8	5.493	3.292	2.201	40.1	22.927	14.838	8.089	35.3
Materials & Supplies	41.187	41.629	(0.442)	(1.1)	11.363	5.556	5.807	51.1	52.550	47.185	5.365	10.2
Other Business Expenses	19.854	19.336	0.518	2.6	0.515	0.676	(0.161)	(31.3)	20.369	20.012	0.357	1.8
Total Non-Labor	\$221.102	\$207.638	\$13.464	6.1	\$27.410	\$20.035	\$7.375	26.9	\$248.511	\$227.673	\$20.839	8.4
<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 Adj.s.	\$687.954	\$688.770	(\$0.816)	(0.1)	\$112.471	\$99.076	\$13.395	11.9	\$800.426	\$787.846	\$12.579	1.6
Depreciation	156.413	149.784	6.629	4.2	0.000	0.000	0.000	-	156.413	149.784	6.629	4.2
OPEB Obligation	42.967	42.967	0.000	0.0	0.000	0.000	0.000	-	42.967	42.967	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	\$888.922	\$882.038	\$6.883	0.8	\$112.471	\$99.076	\$13.395	11.9	\$1,001.393	\$981.115	\$20.278	2.0
Net Surplus/(Deficit)	(\$433.720)	(\$426.508)	\$7.212	1.7	\$0.000	\$0.001	\$0.001	-	(\$433.720)	(\$426.507)	\$7.213	1.7
<i>Cash Conversion Adjustments:</i>												
Depreciation	156.413	149.784	(6.629)	(4.2)	0.000	0.000	0.000	-	156.413	149.784	(6.629)	(4.2)
Operating/Capital	(17.396)	(11.843)	5.553	31.9	0.000	0.000	0.000	-	(17.396)	(11.843)	5.553	31.9
Other Cash Adjustments	62.718	70.701	7.983	12.7	0.000	0.000	0.000	-	62.718	70.701	7.983	12.7
Total Cash Conversion Adjustments	\$201.735	\$208.642	\$6.907	3.4	\$0.000	\$0.000	\$0.000	-	\$201.735	\$208.642	\$6.907	3.4
Net Cash Surplus/(Deficit)	(\$231.985)	(\$217.866)	\$14.119	6.1	\$0.000	\$0.001	\$0.001	-	(\$231.985)	(\$217.865)	\$14.120	6.1

-- 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 MID-YEAR FORECAST AND ACTUAL RESULTS
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
AUGUST 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
		\$	%		\$	%	
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$4.754)	(30.2%)	Lower reimbursements reflect scheduling changes in capital project expenditures.	(\$13.394)	(11.9%)	Lower reimbursements reflect scheduling changes in capital project expenditures.
PAYROLL	Non-Reimb	(\$1.639)	(4.8%)	Reflects payment timing differences and retiree payouts partly offset by vacancies.	(\$0.962)	(0.4%)	Reflects lower than projected activity on the Capital Administration and delays on the Mainline High Speed Turnouts and the Replace/Repair Undergrade Bridge Projects.
	Reimb	\$0.833	24.0%	Reflects delays on Mainline High Speed Turnouts, 2013 Cyclical Track Program, Replace/Repair Undergrade Bridge Programs, Replace Timbers/Undergrade Bridge, Drainage and Undercutting and the Replace Fiber/C&S Cables and lower than projected activity on the MTA Engineering and Design Reimbursable costs and the Capital Administration.	\$1.454	5.5%	
OVERTIME	Non-Reimb	(\$1.739)	(37.3%)	Due to increased overtime requirements for the Maintenance of Way Infrastructure Improvement Program, coverage in Maintenance of Equipment due to timing of FRA mandated training, service coverage, and timing differences related to payroll and calendar cutoff dates.	(\$5.547)	(14.9%)	Due to increased overtime requirements for the Maintenance of Way Infrastructure Improvement Program and CSX freight derailment, coverage in Maintenance of Equipment due to timing of FRA mandated training, service coverage, and timing differences related to payroll and calendar cutoff dates.
	Reimb	\$0.407	29.4%	Reflects delays on the Mainline High speed Turnouts and the Cyclical Track Programs.	(\$0.170)	(1.6%)	Reflects higher than projected activity on the Danbury Branch Signal System and the Verizon Cellphone in GCT Trainshed partially offset lower than forecasted activity on the Misc. I&C NHL & Branch Lines.
HEALTH AND WELFARE	Non-Reimb	(\$0.598)	(8.0%)	Due to higher labor costs for the period.	(\$2.359)	(3.9%)	Reflects lower project activity.
	Reimb	\$0.339	28.7%	Reflects lower project activity.	\$0.542	6.2%	
PENSIONS	Reimb	\$0.166	22.6%	Reflects lower project activity.	\$0.402	7.7%	Reflects lower project activity.
OTHER FRINGE BENEFITS	Non-Reimb	(\$1.153)	(14.5%)	Due to higher labor costs for the period.	(\$0.133)	(0.2%)	Reflects rate differentials and project adjustments
	Reimb	\$0.235	28.3%	Reflects rate differentials and project adjustments	\$0.159	2.4%	

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ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN MID-YEAR FORECAST AND ACTUAL RESULTS
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
AUGUST 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
		\$	%		\$	%	
REIMBURSABLE OVERHEAD	Non-Reimb	(\$1.114)	(28.4%)	Reflects lower capital project activity for the following projects: Mainline/High Speed Turnouts, Cyclical Track Program, Cos Cob West Substation, West of Hudson Track Program, and Overhead Bridge Program.	(\$3.875)	(13.9%)	Reflects lower capital project activity for the following projects: Mainline/High Speed Turnouts, West of Hudson Track Program, Cable Replacement Projects, Cyclical Track Program, New Haven Line Grade Crossings, and Overhead Bridge Program.
	Reimb	\$1.057	28.0%	Reflects lower project activity.	\$3.633	13.4%	Reflects lower project activity.
ELECTRIC POWER	Non-Reimb	\$0.614	8.6%	Primarily due to lower rates.	\$3.343	6.1%	Primarily due to lower rates.
FUEL	Non-Reim	(\$0.153)	(7.2%)	Primarily due to higher rates and consumption on the New Haven Line	(\$1.219)	(6.7%)	Due to higher heating oil prices and colder than anticipated winter.
INSURANCE	Reimb	\$0.085	30.4%	Reflects lower project activity.	\$0.059	2.7%	
CLAIMS	Non-Reimb	(\$0.054)	*	Primarily due to the timing of claims expense.	\$0.087	34.2%	Reflects lower expense for claims.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	\$0.966	12.2%	Reflects timing of expenses for maintenance contracts and GCT utilities partly offset by 2013 YTD true-up expense for MTA Police services.	\$5.185	8.6%	Reflects timing of expenses for maintenance contracts and GCT utilities.
	Reimb	\$1.290	64.7%	Reflects delays on the West of Hudson Track Program and the Radio Frequency Rebanding and the lower activity on the Cos Cob West Substation.	(\$0.495)	(6.3%)	Reflects higher activity on the Design Guard Booths @ Stamford and E. Bridgeport, NHL - C & S System Replacement Study and the S-20 Undergrade Bridge Rehabilitation partially offset by delay of the West of Hudson Track Program and lower activity on the Haverstraw - Ossining Ferry Operations.
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	\$1.170	40.1%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, and bridge inspections.	\$5.888	33.8%	Favorable variance reflects the timing of expenses for IT costs, legal expenses, advertising, bridge inspections, medical services, and outside training.
	Reimb	(\$0.273)	(32.4%)	Reflects higher activity on the NHL - EMU Fleet Replacement - M8 Spec Develop partially offset by delays on the Overhead Bridge Program - EOFH and NHL - Stamford Station Real-Time Info System.	\$2.201	40.1%	Reflects delay on the Overhead Bridge Program - EOFH and the NHL - Stamford Station Real-Time Information System partially offset by the higher activity on the Cos Cob Substation.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN MID-YEAR FORECAST AND ACTUAL RESULTS
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
AUGUST 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
		\$	%		\$	%	
MATERIAL AND SUPPLIES	Non-Reimb	(\$1.079)	(19.3%)	Primarily reflects YTD accounting adjustment for obsolete inventory.	(\$0.442)	(1.1%)	
	Reimb	\$0.719	59.6%	Reflects delay on the Bronx Stations Capacity, NH Rail Yard Component Out Shop and the Cyclical Track Program partially offset by higher activity on the NHL - Bridge Timber Replacement Program and the West Haven Station.	\$5.807	51.1%	Reflects delay on the Replace Fiber/C&S Cables, Bronx Stations Capacity IMP, NH Rail Yard - Component Change out Shop, Cyclical Track Program, NH Branch Line Grade Xing Imp., NHL - Bridge Timbers and Mitre Rail - Walk SAGA, and the Reconstruction Moses Wheeler Bridge.
OTHER BUSINESS EXPENSES	Non-Reimb	(\$0.179)	(9.4%)	Reflects lower Amtrak recoveries partly offset by lower NJT subsidy payment.	\$0.518	2.6%	
	Reimb	(\$0.100)	*	Reflects insignificant variances on several projects.	(\$0.161)	(31.3%)	Reflects insignificant variances on several projects.
DEPRECIATION	Non-Reimb	\$1.425	7.1%	Timing of capitalization of assets.	\$6.629	4.2%	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-Reimb	\$2.579	73.2%	Reflects lower activity during the period on the W-O-H Improvements, Vehicle Replacement, Ticket Vending Machines, Park Ave Tunnel Fire Alarm, GCT Escalators Heavy Repair And Maintenance, Shop Equipment Replacement Plan, Purchase Snowmelter Cabinets and the Purchase Mobile & Rolling Stock Radios.	\$5.553	31.9%	Reflects lower activity during the period on the W-O-H Improvements, Ticket Vending Machines Upgrade, Vehicle Replacement, Park Ave Tunnel Fire Alarm, Snowmelter Cabinets projects, Replace Railtop Culverts, Repair Boring Machines - Harmon Shop, C&S Microcomputer Upgrade, Employee Welfare Facility, Shop Equipment Replacement, Purchase Mobile & Rolling Stock Radios and the NYPA Improvement Support.

* Variance exceeds 100%.

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

	August						August 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	34,012	\$1.9	40,543	\$2.2	(6,531)	(\$0.3)	321,874	\$17.4	339,898	\$18.0	(18,024)	(\$0.5)
					-19.2%	-13.7%					-5.6%	-3.1%
<u>Unscheduled Service</u>	0	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	3,295	\$0.2	(3,295)	(\$0.2)
					-	-					-	-
<u>Programmatic/Routine Maintenance</u>	29,116	\$1.4	46,123	\$2.2	(17,006)	(\$0.8)	152,521	\$7.2	218,363	\$10.4	(65,842)	(\$3.2)
					-58.4%	-58.8%					-43.2%	-43.9%
<u>Unscheduled Maintenance</u>	0	\$0.0	0	\$0.0	0	\$0.0	10,405	\$0.5	12,172	\$0.6	(1,767)	(\$0.1)
					-	-					-17.0%	-28.6%
<u>Vacancy/Absentee Coverage</u> ²	20,009	\$0.9	27,350	\$1.2	(7,341)	(\$0.4)	123,427	\$5.4	156,724	\$7.0	(33,297)	(\$1.5)
					-36.7%	-40.7%					-27.0%	-28.6%
<u>Weather Emergencies</u>	9,054	\$0.4	7,037	\$0.3	2,018	\$0.1	102,209	\$4.9	93,637	\$4.3	8,572	\$0.6
					22.3%	24.7%					8.4%	11.4%
<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	3,873	\$0.1	5,928	\$0.5	(2,055)	(\$0.4)	41,802	\$1.7	31,818	\$2.2	9,984	(\$0.5)
					-53.1%	*					23.9%	-28.1%
Subtotal	96,064	\$4.7	126,980	\$6.4	(30,916)	(\$1.7)	752,238	\$37.2	855,907	\$42.8	(103,669)	(\$5.5)
					-32.2%	-36.8%					-13.8%	-14.9%
REIMBURSABLE OVERTIME	26,729	\$1.4	23,760	\$1.2	2,969	\$0.2	217,876	\$10.9	237,135	\$11.3	(19,258)	(\$0.4)
					11.1%	14.9%					-8.8%	-3.4%
TOTAL OVERTIME	122,793	\$6.0	150,740	\$7.6	(27,947)	(\$1.5)	970,114	\$48.2	1,093,042	\$54.1	(122,928)	(\$5.9)
					-22.8%	-25.0%					-12.7%	-12.3%

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)

	August			August Year-to-Date		
	Var. - Fav./(Unfav)		Explanations	Var. - Fav./(Unfav)		Explanations
	Hours	\$		Hours	\$	
NON-REIMBURSABLE OVERTIME						
<u>Scheduled Service</u> ¹	(6,531)	(\$0.3)	Overtime required for service coverage and to meet revenue collection requirements.	(18,024)	(\$0.5)	Overtime required for service coverage and to meet revenue collection requirements.
	-19.2%	-13.7%		-5.6%	-3.1%	
<u>Unscheduled Service</u>	0	\$0.0		(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>	(17,006)	(\$0.8)	Reflects M of W Infrastructure Improvement Program to address and remediate areas of poor drainage along right-of-way.	(65,842)	(\$3.2)	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.
	-58.4%	-58.8%		-43.2%	-43.9%	
<u>Unscheduled Maintenance</u>	0	\$0.0		(1,767)	(\$0.1)	Reflects the right-of-way cleanup of the CSX freight train derailment on the Hudson Line in July.
	-	-		-17.0%	-28.6%	
<u>Vacancy/Absentee Coverage</u> ²	(7,341)	(\$0.4)	Additional overtime incurred for coverage in the M of E department due to timing of FRA mandated training.	(33,297)	(\$1.5)	Primarily additional overtime incurred for coverage in the M of E department due to timing of FRA mandated training (originally scheduled for later in the year).
	-36.7%	-40.7%		-27.0%	-28.6%	
<u>Weather Emergencies</u>	2,018	\$0.1		8,572	\$0.6	
	22.3%	24.7%		8.4%	11.4%	
<u>Safety/Security/Law Enforcement</u> ³	0	\$0.0		0	\$0.0	
	-	-		-	-	
<u>Other</u> ⁴	(2,055)	(\$0.4)	Reflects timing differences related to payroll and calendar cutoff dates and fill Customer Service vacancies.	9,984	(\$0.5)	Reflects timing differences related to payroll and calendar cutoff dates and fill Customer Service vacancies.
	-53.1%	*		23.9%	-28.1%	
Subtotal	(30,916)	(\$1.7)		(103,669)	(\$5.5)	
	-32.2%	-36.8%		-13.8%	-14.9%	
REIMBURSABLE OVERTIME						
	2,969	\$0.2		(19,258)	(\$0.4)	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.
	11.1%	14.9%		-8.8%	-3.4%	
TOTAL OVERTIME	(27,947)	(\$1.5)		(122,928)	(\$5.9)	

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

	August 2013				Year-to-Date			
	Mid-Year Forecast	Actual	Favorable (Unfavorable)		Mid-Year Forecast	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$53.620	\$54.379	\$0.759	1.4	\$416.214	\$418.535	\$2.321	0.6
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	4.914	4.233	(0.681)	(13.9)	54.260	53.616	(0.644)	(1.2)
<i>Capital & Other Reimbursements:</i>								
MTA	11.100	8.428	(2.672)	(24.1)	56.874	52.124	(4.750)	(8.4)
CDOT	4.747	11.296	6.549	*	35.490	39.624	4.134	11.6
Other	1.196	2.804	1.608	*	15.468	17.317	1.849	12.0
Total Capital and Other Reimbursements	17.043	22.528	5.485	32.2	107.832	109.065	1.233	1.1
Total Receipts	\$75.577	\$81.140	\$5.563	7.4	\$578.306	\$581.216	\$2.910	0.5
Expenditures								
<i>Labor:</i>								
Payroll	\$44.396	\$43.107	\$1.289	2.9	\$305.090	\$297.933	\$7.157	2.3
Overtime	6.777	8.800	(2.023)	(29.9)	49.686	54.652	(4.966)	(10.0)
Health and Welfare	6.741	6.053	0.688	10.2	66.933	66.456	0.477	0.7
OPEB Current Payment	1.800	1.687	0.113	6.3	13.250	12.976	0.274	2.1
Pensions	7.090	7.036	0.054	0.8	39.518	39.306	0.212	0.5
Other Fringe Benefits	10.352	11.002	(0.650)	(6.3)	74.537	73.810	0.727	1.0
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	\$77.156	\$77.685	(\$0.529)	(0.7)	\$549.014	\$545.133	\$3.881	0.7
<i>Non-Labor:</i>								
Electric Power	\$7.173	\$6.080	\$1.093	15.2	\$51.429	\$45.953	\$5.476	10.6
Fuel	1.831	2.088	(0.257)	(14.0)	16.162	16.070	0.092	0.6
Insurance	0.444	1.659	(1.215)	*	9.692	10.211	(0.519)	(5.4)
Claims	0.048	0.155	(0.107)	*	0.491	0.714	(0.223)	(45.4)
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	9.089	11.515	(2.426)	(26.7)	68.669	64.817	3.852	5.6
Professional Service Contracts	3.647	1.959	1.688	46.3	23.108	16.213	6.895	29.8
Materials & Supplies	8.862	10.059	(1.197)	(13.5)	59.015	63.033	(4.018)	(6.8)
Other Business Expenditures	3.890	3.939	(0.049)	(1.3)	32.711	36.937	(4.226)	(12.9)
Total Non-Labor	\$34.984	\$37.454	(\$2.470)	(7.1)	\$261.277	\$253.948	\$7.329	2.8
<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	\$112.140	\$115.139	(\$2.999)	(2.7)	\$810.291	\$799.081	\$11.210	1.4
Net Cash Deficit (excludes Opening Cash Balance)	(\$36.563)	(\$33.999)	\$2.564	7.0	(\$231.985)	(\$217.865)	\$14.120	6.1
Subsidies								
MTA	29.366	26.269	(3.097)	(10.5)	176.890	169.513	(7.377)	(4.2)
CDOT	7.197	6.546	(0.651)	(9.0)	54.235	53.081	(1.154)	(2.1)
Total Subsidies	\$36.563	\$32.815	(\$3.748)	(10.3)	\$231.125	\$222.594	(\$8.531)	(3.7)
Cash Timing and Availability Adjustment	\$0.000	\$9.494	\$9.494	-	\$0.777	\$3.498	\$2.721	*

-- 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	August, 2013			Year-To-Date as of August 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
OTHER REVENUE	(0.681)	(13.9%)	Timing difference for Amtrak reimbursements, partially offset by higher net GCT revenue in the month.			
CAPITAL AND OTHER REIMBURSEMENTS: MTA	(2.672)	(24.1%)	Timing difference in receipts, and lower project activity.	(4.750)	(8.4%)	Primarily receipt timing.
CDOT	6.549	*	Receipt timing differences.	4.134	11.6%	Primarily due to higher project activity.
OTHER	1.608	*	Past costs and advances from ConEd for GCT vault repairs.	1.849	12.0%	Receipt timing differences (Primarily Con Ed vault repairs).
OVERTIME	(2.023)	(29.9%)	Higher overtime requirements primarily in Maintenance of Way - Track, and operations for areas of poor drainage repair, increased flagging, vacation and vacancy coverage, as well as payment of overtime from CSX freight train derailment in July.	(4.966)	(10.0%)	Higher overtime requirements primarily in Maintenance of Way - Track, and operations for areas of poor drainage repair, derailment repair coverage, increased flagging, vacation and vacancy coverage, as well as payment of overtime from CSX freight train derailment in July.
HEALTH & WELFARE	0.688	10.2%	Lower NYSHIP/Empire Plan payments in the month.			
OPEB CURRENT PAYMENT	0.113	6.3%	Nothing material to report.			
OTHER FRINGE BENEFITS	(0.650)	(6.3%)	Higher payments for employee injury claims (\$0.7m).			
ELECTRIC POWER	1.093	15.2%	Primarily due to lower rates on the Harlem/Hudson and NHL, 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.	5.476	10.6%	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.
FUEL	(0.257)	(14.0%)	Primarily higher prices for diesel fuel on both lines as well as higher payments for non-revenue fuel.			

* 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	August, 2013			Year-To-Date as of August 31, 2013		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
INSURANCE	(1.215)	*	Primarily payment timing for property insurance premium (Paid in August, forecasted in Sept.).	(0.519)	(5.4%)	Higher payments for force account, partially offset by timing for terrorism and automobile premiums.
CLAIMS	(0.107)	*	Nothing material to report.	(0.223)	(45.4%)	Nothing material to report.
MAINTENANCE & OTHER OPERATING CONTRACTS	(2.426)	(26.7%)	Timing in payments for NHL police costs, revenue vehicle maintenance, partially offset by offset by lower payments in the month for capital project activity (West of Hudson track improvements, highway vehicle replacement, ferry service operations), and other contract services.	3.852	5.6%	Timing in payments for capital related projects (West of Hudson improvements, ferry service operations, highway vehicle replacement program and other), as well as lower payments for safety equipment & supplies, and other various operating contract services, partially offset by higher payments in the period for occupancy costs and Police services.
PROFESSIONAL SERVICE CONTRACTS	1.688	46.3%	Timing difference for capital project expenditures (EofH Overhead Bridge Program, M8 fleet specifications, and other), I.T. related services and expenses (\$0.4m), medical, and other services.	6.895	29.8%	Timing difference for I.T. hardware and services, NHL BSC services, outside training, legal fees, and other professional services, as well as lower capital project expenditures (EofH Overhead Bridge Program and other).
MATERIALS & SUPPLIES	(1.197)	(13.5%)	Higher usage in the month for track and truck/suspension material, as well as timing of capital related track and C&S material invoices.	(4.018)	(6.8%)	Higher usage for the period for door material, track, truck/suspension material, and HVAC material, as well as timing of capital related track and C&S material invoices.
OTHER BUSINESS EXPENSES				(4.226)	(12.9%)	Primarily due to a payment timing difference for NJT subsidy, higher capital project activity, as well as other purchases ahead of forecast.
MTA SUBSIDY RECEIPTS	(3.097)	(10.5%)	Lower subsidy draw due a lower net cash deficit in the month, and the change in available bank balance, partially offset by lower CDOT subsidy payment.	(7.377)	(4.2%)	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	(0.651)	(9.0%)	Due to a credit for actual to estimate billing for the month of June.	(1.154)	(2.1%)	
TOTAL SUBSIDY RECEIPTS	(3.748)	(10.3%)		(8.531)	(3.7%)	

* Variance exceeds 100%

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

	August 2013				Year-to-Date			
			Favorable (Unfavorable)				Favorable (Unfavorable)	
	Mid-Year Forecast	Actual	Variance	Percent	Mid-Year Forecast	Actual	Variance	Percent
<u>Receipts</u>								
Farebox Revenue	\$0.480	\$0.550	\$0.070	14.6	\$5.090	\$7.058	\$1.969	38.7
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	1.220	0.503	(0.718)	(58.8)	10.183	9.562	(0.620)	(6.1)
Capital & Other Reimbursements:		0.000			0.000	0.000		
MTA	0.862	3.625	2.763	*	(10.165)	(0.006)	10.159	99.9
CDOT	0.656	6.102	5.445	*	(0.649)	(0.559)	0.090	13.8
Other	(0.220)	1.811	2.031	*	6.174	10.553	4.379	70.9
Total Capital and Other Reimbursements	1.299	11.538	10.239	*	(4.640)	9.987	14.627	*
Total Revenue/Receipts	\$2.999	\$12.590	\$9.592	*	\$10.633	\$26.608	\$15.976	*
<u>Expenditures</u>								
<i>Labor:</i>								
Payroll	(\$6.602)	(\$4.508)	\$2.095	31.7	(\$6.830)	(\$0.165)	\$6.665	97.6
Overtime	(0.732)	(1.422)	(0.690)	(94.3)	(1.517)	(0.766)	0.751	49.5
Health and Welfare	1.894	2.841	0.947	50.0	2.909	5.203	2.294	78.9
OPEB Current Payment	0.000	0.200	0.000		0.000	0.414	0.414	-
Pensions	(0.169)	0.010	0.179	*	14.539	15.613	1.073	7.4
Other Fringe Benefits	(1.571)	(1.303)	0.268	17.1	(5.345)	(4.644)	0.700	13.1
GASB Account	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	(0.144)	(0.087)	0.057	39.7	(0.856)	(0.613)	0.242	28.3
Total Labor	(\$7.325)	(\$4.270)	\$3.055	41.7	\$2.901	\$15.041	\$12.140	*
<i>Non-Labor:</i>								
Electric Power	(\$0.018)	\$0.466	\$0.484	*	\$3.399	\$5.569	\$2.169	63.8
Fuel	0.299	0.196	(0.103)	(34.6)	1.983	3.294	1.311	66.1
Insurance	1.085	(0.223)	(1.308)	*	1.338	0.656	(0.682)	(51.0)
Claims	(0.007)	(0.059)	(0.053)	*	(0.235)	(0.546)	(0.310)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	0.852	(3.830)	(4.682)	*	(0.262)	(1.100)	(0.838)	*
Professional Service Contracts	0.110	0.901	0.791	*	(0.181)	(1.375)	(1.194)	*
Materials & Supplies	(2.059)	(2.897)	(0.838)	(40.7)	(6.465)	(15.848)	(9.383)	*
Other Business Expenses	(1.948)	(1.718)	0.230	11.8	(12.342)	(16.925)	(4.583)	(37.1)
Total Non-Labor	(\$1.686)	(\$7.165)	(\$5.480)	*	(\$12.766)	(\$26.275)	(\$13.510)	*
<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 Adjs.	(\$9.010)	(\$11.435)	(\$2.424)	(26.9)	(\$9.865)	(\$11.235)	(\$1.369)	(13.9)
Depreciation	20.182	18.757	(1.425)	(7.1)	156.413	149.784	(6.629)	(4.2)
OPEB Obligation	4.776	4.776	0.000	0.0	42.967	42.967	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	1.587	0.517	(1.070)	67.4
Total Expenditures Adjustments	\$15.948	\$12.098	(\$3.850)	(24.1)	\$191.102	\$182.034	(\$9.068)	(4.7)
Total Cash Conversion Adjustments	\$18.946	\$24.689	\$5.742	30.3	\$201.735	\$208.642	\$6.907	3.4

-- 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 August</u>		<u>Variance</u>		<u>Year-to-Date August</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	\$15.915	\$15.918	\$0.003	0.0	\$123.599	\$123.837	\$0.238	0.2
Hudson Line	\$11.807	\$11.832	\$0.025	0.2	\$90.141	\$89.423	(\$0.718)	-0.8
New Haven Line	\$25.380	\$26.042	\$0.662	2.6	\$197.075	\$197.907	\$0.832	0.4
Total Farebox Revenue	\$53.102	\$53.792 ⁽¹⁾	\$0.690	1.3	\$410.814	\$411.166 ⁽¹⁾	\$0.352	0.1
<u>Ridership</u>								
Harlem Line	2.230	2.235	0.005	0.2	17.814	17.848	0.034	0.2
Hudson Line	1.370	1.373	0.003	0.2	10.613	10.558	(0.055)	-0.5
New Haven Line	3.341	3.388	0.047	1.4	25.947	26.011	0.064	0.2
Total Ridership East of Hudson	6.940	6.996	0.055	0.8	54.373	54.417	0.044	0.1
West of Hudson	0.138	0.137	(0.001)	-0.7	1.033	1.050	0.017	1.7
Total Ridership	7.078	7.132	0.054	0.8	55.406	55.467	0.061	0.1

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.037 million for the month and \$0.310 million year-to-date.

East of Hudson:

Year-to-date ridership of 54.4 million was 0.1% higher to the Mid-Year Forecast and 0.6% lower than 2012. For the month, ridership of 7.0 million was 0.8% higher than the Mid-Year Forecast and 0.8% lower than August 2012. All lines were favorable in the month. Year-to-date, the Hudson Line was the only line unfavorable due to the service disruption in July as a result of the CSX freight train derailment. The estimated ridership loss due to the incident was 90,000.

Commutation ridership was 0.4% higher year-to-date and 0.1% higher for the month vs. the Mid-Year Forecast. Compared to August 2012 year-to-date, commutation ridership was 0.2% higher. Non-commutation ridership was 0.4% below the Mid-Year Forecast year-to-date, and 1.7% lower than 2012. For the month, non-commutation ridership was 1.7% higher than the Mid-Year Forecast and 1.3% lower than 2012.

West of Hudson:

West of Hudson ridership was 0.7% lower for the month reflecting a 3.6% lower non-commutation, and a 1.6% higher commutation ridership; and 1.7% 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
August 31, 2013

<u>Department</u>	<u>Mid-Year Forecast</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	7	2
Safety	21	19	3
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	2
Training	48	45	3
Employee Relations & Diversity	5	5	-
VP Planning	2	2	1
Operations Planning & Analysis	17	16	1
Capital Planning & Programming	14	13	1
Business Development, Facilities & Mktg (1)	22	22	(0)
Long Range Planning	7	7	-
VP Finance & Information Systems	1	1	0
Controller	78	75	3
Information Technology & Project Mgmt	79	78	1
Budget	17	17	0
Customer Service (2) (3)	41	41	1
Procurement & Material Mgmt (4)	30	30	0
Total Administration	486	467	19
Operations			
Operations Administration	48	47	0
Operations Services	1,776	1,730	46
Customer Service (2) (3)	235	227	8
Business Development, Facilities & Mktg (1)	38	36	3
Metro-North West	33	38	(5)
Total Operations	2,130	2,078	52
Maintenance			
GCT	349	348	2
Maintenance of Equipment	1,282	1,248	34
Maintenance of Way	1,694	1,645	49
Procurement & Material Mgmt (4)	131	123	8
Total Maintenance	3,456	3,363	93
Engineering/Capital			
Construction Management	37	36	1
Engineering & Design	62	55	7
Total Engineering/Capital	99	91	9
Total Positions	6,171	5,999	172
Non-Reimbursable	5,671	5,641	30
Reimbursable	499	358	142
Total Full-Time	6,170	5,998	172
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
August 31, 2013

FUNCTION/OCCUPATION	Mid-Year Forecast	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	166	166	1
Professional, Technical, Clerical	320	302	18
Operational Hourlies	-	-	-
Total Administration	486	467	19
Operations (1)			
Managers/Supervisors	143	138	6
Professional, Technical, Clerical	229	222	7
Operational Hourlies	1,757	1,718	39
Total Operations	2,130	2,078	52
Maintenance (1)			
Managers/Supervisors	494	480	14
Professional, Technical, Clerical	494	473	22
Operational Hourlies	2,468	2,411	57
Total Maintenance	3,456	3,363	93
Engineering/Capital			
Managers/Supervisors	41	35	7
Professional, Technical, Clerical	58	56	2
Operational Hourlies	-	-	-
	99	91	9
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	845	818	28
Professional, Technical, Clerical	1,100	1,052	48
Operational Hourlies	4,225	4,129	96
Total Positions	6,171	5,999	172

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**

August 31, 2013

Agency-wide (Non-Reimbursable and Reimbursable)	Mid-Year Forecast	Actual	Favorable (Unfavorable) Variance	Explanation of Variances
<i>Functional Classification:</i>				
Operations (1)	2,130	2,078	52	Reflects vacancies in operation services staffing.
Maintenance (1)	3,456	3,363	93	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)	486	467	19	Reflects timing differences in hiring administrative personnel.
Engineering / Capital	99	91	9	
Total Agency-wide Headcount	6,171	5,999	172	
Non-Reimbursable	5,671	5,641	30	Reflects a transfer of reimbursable Maintenance of Way positions to perform operating work.
Reimbursable	499	358	142	Reflects a transfer of reimbursable Maintenance of Way positions to perform operating work as well as vacant reimbursable positions.

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 *
AUGUST 2013

	MONTH			VARIANCE	
	2013	FORECAST	2012	FORECAST	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	60.0%	60.6%	63.3%	-0.6%	-3.3%
Adjusted ⁽²⁾	66.6%	67.4%	69.5%	-0.8%	-2.9%
Cost per Passenger					
Standard ⁽¹⁾	\$12.98	\$12.77	\$11.22	(\$0.21)	(\$1.76)
Adjusted ⁽²⁾	\$12.77	\$12.56	\$11.05	(\$0.21)	(\$1.72)
Passenger Revenue/Passenger ⁽³⁾	\$7.78	\$7.74	\$7.10	\$0.04	\$0.68
	YEAR-TO-DATE			VARIANCE	
	2013	FORECAST	2012	FORECAST	2012
Farebox Operating Ratio					
Standard ⁽¹⁾	61.1%	60.3%	63.2%	0.8%	-2.1%
Adjusted ^{(2) (4)}	69.7%	68.9%	70.3%	0.8%	-0.6%
Cost per Passenger					
Standard ⁽¹⁾	\$12.51	\$12.68	\$11.41	\$0.17	(\$1.10)
Adjusted ⁽²⁾	\$12.31	\$12.46	\$11.23	\$0.15	(\$1.08)
Passenger Revenue/Passenger ⁽³⁾	\$7.65	\$7.65	\$7.21	\$0.00	\$0.44

(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 68.1% year-to-date.

* Includes East and West of Hudson revenues and expenses.