



Long Island Rail Road

Monthly Financial Report

September 2013

MTA LONG ISLAND RAIL ROAD

September Ridership and Financial Report

Executive Summary

Ridership

- During the month of September, total ridership was 6.8 million, which was 1.3% lower than September 2012 (adjusted for same number of work days) and 1.0% below the forecast.
 - 2013 Total ridership through September was 62.1 million. This was 0.9% lower than 2012 (adjusted for same number of work days) and 0.5% lower than the 2013 forecast.
 - Through September 2013, commutation ridership was 0.7% lower than 2012 (work day adjusted) and 0.1% lower than the 2013 forecast.
 - Through September 2013, non-commutation ridership was 1.2% lower than 2012 and 1.0% lower than forecast.
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Revenues

- Farebox revenue through September totaling \$469.7 million was \$1.0 million lower than forecast due to lower ridership, partially offset by higher yield per passenger.
- Capital & Other Revenue of \$213.3 million was \$2.3 million lower than forecast due to timing of capital program activity, partially offset by the timing of federal reimbursement for Superstorm Sandy.
- In summary, total LIRR revenue of \$683.0 million was \$3.3 million lower than the mid-year forecast.

Expenses

- Through September, total expenses of \$1,420.1 million were \$36.6 million less than forecast.
- Straight-time payroll spending was \$5.5 million less than Mid-Year Forecast due to the existence of vacant positions. At the end of September, 134 of 6,800 positions were vacant. These vacancies consisted primarily of management/supervisory and professional/technical positions.
- Year-to-date overtime hours worked was 0.6%, or 9,879 hours higher than the forecast. The majority was due to vacancy/absentee coverage, which was 11,095 hours over forecast. The LIRR has established a corporate initiative to fill all vacant positions that contribute to overtime.
- Year-to-date overtime hours increased by 14.4% in 2013 compared to 2012. This increase is primarily caused by higher weather-related overtime, vacancy coverage and maintenance overtime.
- Other variances are primarily timing related.

Financial Performance Measures

- Through September, the Adjusted Farebox Operating Ratio was 62.3%, which is favorable to forecast due to lower expenses.
- Through September, the Adjusted Cost per Passenger was \$13.43 which is lower than forecast due to lower expenses.
- Through September, the Revenue per Passenger was \$7.59, which is higher than forecast.

FINANCIAL REPORT
(\$ In Millions)
For the Month Ending September 30, 2013

REVENUE

Year-to-date September **Total Revenues** (including Capital and Other Reimbursements) of \$683.0 were \$(3.3) million or (0.5)% unfavorable to forecast. The month of August of \$74.7 was unfavorable to forecast by \$(3.8) million or (4.9)%.

- **Y-T-D Farebox Revenues** were \$(1.0) unfavorable to forecast. The month was \$(1.0) unfavorable to forecast due to lower ridership and lower yield per passenger.
- **Y-T-D Other Operating Revenues** were \$1.8 favorable to forecast. The month was on forecast.
- **Y-T-D Capital and Other Reimbursements** were \$(4.1) unfavorable to forecast. The month was \$(2.8) unfavorable due to timing of project activity.

OPERATING EXPENSES

Year-to-date September **Total Expenses** (including depreciation and other) of \$1,420.1 were favorable to the forecast by \$36.6 or 2.5%. The total expenses for the month of \$160.9 were favorable to forecast by \$8.7 or 5.1%.

Labor Expenses, \$12.9 favorable Y-T-D; \$(0.7) unfavorable for the month.

- **Payroll**, \$5.5 favorable Y-T-D; \$(0.7) unfavorable for the month (primarily prior period rate and wage claim accrual adjustments and retiree sick payouts, partially offset by vacant positions).
- **Overtime**, \$(2.2) unfavorable Y-T-D; \$(0.5) unfavorable for the month (primarily capital project activity, prior period rate accruals and lower availability/coverage in Customer Service and Train Service, partially offset by higher availability in Maintenance of Equipment).
- **Health & Welfare**, \$1.2 favorable Y-T-D; \$0.2 favorable for the month (primarily vacant positions).
- **OPEB Current Payment**, \$4.1 favorable Y-T-D; \$0.6 favorable for the month (fewer retirees/beneficiaries).
- **Other Fringe**, \$4.3 favorable Y-T-D; \$(0.3) unfavorable for the month (higher FELA Indemnity payments, partially offset by lower Railroad Retirement Taxes).

Non-Labor Expenses, \$25.1 favorable Y-T-D; \$8.7 favorable for the month.

- **Electric Power**, \$1.0 favorable Y-T-D; \$0.5 favorable for the month (lower rates and consumption, partially offset by accrual adjustments).
- **Fuel**, \$1.9 favorable Y-T-D; \$0.5 favorable for the month (lower consumption and rates).
- **Maintenance and Other Operating Contracts**, \$6.5 favorable Y-T-D; \$3.0 favorable for the month (primarily prior period accrual reversals and timing of elevator/escalator maintenance, HVAC, refuse/recycling, vehicle purchases and various security initiatives).
- **Professional Services**, \$8.0 favorable Y-T-D; \$0.8 favorable for the month (primarily timing of project activity, charges and activity for various IT hardware, software and system initiatives and other professional services, partially offset by the timing of third party legal fees).
- **Materials and Supplies**, \$6.3 favorable Y-T-D; \$3.0 favorable for the month (primarily timing of miscellaneous inventory adjustments, capital material usage, revenue vehicle fleet running repair and Reliability Centered Maintenance activities).
- **Other Business Expenses**, \$0.6 favorable Y-T-D; \$0.2 favorable for the month (timing of miscellaneous expenses).

Depreciation and Other, \$1.3 unfavorable Y-T-D; \$0.6 favorable for the month (Depreciation and Other Post-Employment Benefits).

FAREBOX OPERATING RATIO

The year-to-date Farebox Operating Ratio was 48.7%, the same as year-to-date August. The Farebox Operating Ratio for the month of September of 48.8% was 1.8 percentage points above the forecast resulting from lower expenses, partially offset by higher revenue. The adjusted year-to-date Farebox Operating Ratio was 62.3%. The adjusted Farebox Operating Ratio reflects the removal of the UAAL associated with the LIRR's closed pension plan and OPEB retiree expenses and the inclusion of Other Operating Revenue to reflect operational actions at the Rail Road.

TABLE 1

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
September 2013
(\$ in millions)

| | Nonreimbursable | | | | Reimbursable | | | | Total | | | |
|--|----------------------------|-------------------|------------------|--------------|----------------------------|-----------------|------------------|---------------|----------------------------|-------------------|------------------|--------------|
| | Favorable (Unfavorable) | | | | Favorable (Unfavorable) | | | | Favorable (Unfavorable) | | | |
| | Forecast | Actual | Variance | Percent | Forecast | Actual | Variance | Percent | Forecast | Actual | Variance | Percent |
| Revenue | | | | | | | | | | | | |
| Farebox Revenue | \$54.310 | \$53.333 | (\$0.977) | (1.8) | \$0.000 | \$0.000 | \$0.000 | - | \$54.310 | \$53.333 | (\$0.977) | (1.8) |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - |
| Other Operating Revenue | 3.341 | 3.346 | 0.005 | 0.2 | 0.000 | 0.000 | 0.000 | - | 3.341 | 3.346 | 0.005 | 0.2 |
| Capital & Other Reimbursements | 0.000 | 0.000 | 0.000 | - | 20.836 | 17.995 | (2.841) | (13.6) | 20.836 | 17.995 | (2.841) | (13.6) |
| Total Revenue | \$57.651 | \$56.679 | (\$0.972) | (1.7) | \$20.836 | \$17.995 | (\$2.841) | (13.6) | \$78.487 | \$74.674 | (\$3.813) | (4.9) |
| Expenses | | | | | | | | | | | | |
| <i>Labor:</i> | | | | | | | | | | | | |
| Payroll | \$35.854 | \$37.862 | (\$2.008) | (5.6) | \$6.986 | \$5.717 | \$1.269 | 18.2 | \$42.840 | \$43.578 | (\$0.738) | (1.7) |
| Overtime | 7.086 | 7.361 | (0.275) | (3.9) | 1.306 | 1.501 | (0.195) | (14.9) | 8.392 | 8.862 | (0.470) | (5.6) |
| Health and Welfare | 7.956 | 7.829 | 0.127 | 1.6 | 1.262 | 1.235 | 0.027 | 2.1 | 9.218 | 9.064 | 0.154 | 1.7 |
| OPEB Current Payment | 5.386 | 4.778 | 0.608 | 11.3 | 0.000 | 0.000 | 0.000 | - | 5.386 | 4.778 | 0.608 | 11.3 |
| Pensions | 15.265 | 15.067 | 0.198 | 1.3 | 1.685 | 1.883 | (0.198) | (11.7) | 16.950 | 16.950 | 0.000 | 0.0 |
| Other Fringe Benefits | 9.027 | 9.575 | (0.548) | (6.1) | 1.520 | 1.248 | 0.272 | 17.9 | 10.547 | 10.823 | (0.276) | (2.6) |
| Reimbursable Overhead | (2.121) | (2.067) | (0.054) | (2.5) | 2.121 | 2.067 | 0.054 | 2.5 | 0.000 | 0.000 | 0.000 | - |
| Total Labor Expenses | \$78.453 | \$80.406 | (\$1.953) | (2.5) | \$14.880 | \$13.650 | \$1.230 | 8.3 | \$93.333 | \$94.056 | (\$0.723) | (0.8) |
| <i>Non-Labor:</i> | | | | | | | | | | | | |
| Electric Power | \$9.379 | \$8.888 | \$0.491 | 5.2 | \$0.000 | \$0.009 | (\$0.009) | - | \$9.379 | \$8.897 | \$0.482 | 5.1 |
| Fuel | 2.553 | 2.088 | 0.465 | 18.2 | 0.000 | 0.000 | 0.000 | - | 2.553 | 2.088 | 0.465 | 18.2 |
| Insurance | 2.430 | 1.969 | 0.461 | 19.0 | 0.443 | 0.338 | 0.105 | 23.6 | 2.873 | 2.307 | 0.566 | 19.7 |
| Claims | 0.455 | 0.206 | 0.249 | 54.7 | 0.000 | 0.000 | 0.000 | - | 0.455 | 0.206 | 0.249 | 54.7 |
| 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 | 6.367 | 3.439 | 2.928 | 46.0 | 1.015 | 0.949 | 0.066 | 6.5 | 7.382 | 4.389 | 2.993 | 40.6 |
| Professional Service Contracts | 3.098 | 2.601 | 0.497 | 16.0 | 0.654 | 0.366 | 0.288 | 44.1 | 3.752 | 2.967 | 0.785 | 20.9 |
| Materials & Supplies | 10.369 | 8.572 | 1.797 | 17.3 | 3.826 | 2.657 | 1.169 | 30.6 | 14.195 | 11.229 | 2.966 | 20.9 |
| Other Business Expenses | 1.323 | 1.076 | 0.247 | 18.6 | 0.018 | 0.025 | (0.007) | (38.5) | 1.341 | 1.101 | 0.240 | 17.9 |
| Total Non-Labor Expenses | \$35.974 | \$28.839 | \$7.135 | 19.8 | \$5.956 | \$4.345 | \$1.611 | 27.1 | \$41.930 | \$33.184 | \$8.746 | 20.9 |
| <i>Other Expense Adjustments:</i> | | | | | | | | | | | | |
| Other | \$0.000 | \$0.000 | \$0.000 | - | \$0.000 | \$0.000 | \$0.000 | - | \$0.000 | \$0.000 | \$0.000 | - |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | \$0.000 | - | \$0.000 | \$0.000 | \$0.000 | - | \$0.000 | \$0.000 | \$0.000 | - |
| Total Expenses before Depreciation & Other Post Employment Benefits | \$114.427 | \$109.245 | \$5.182 | 4.5 | \$20.836 | \$17.995 | \$2.841 | 13.6 | \$135.263 | \$127.240 | \$8.023 | 5.9 |
| <i>Depreciation</i> | | | | | | | | | | | | |
| Depreciation | \$27.363 | \$27.048 | \$0.315 | 1.2 | \$0.000 | \$0.000 | \$0.000 | - | \$27.363 | \$27.048 | \$0.315 | 1.2 |
| Other Post Employment Benefits | 6.800 | 6.472 | 0.328 | 4.8 | 0.000 | 0.000 | 0.000 | - | \$6.800 | 6.472 | 0.328 | 4.8 |
| Environmental Remediation | 0.167 | 0.167 | 0.000 | 0.2 | 0.000 | 0.000 | 0.000 | - | \$0.167 | 0.167 | 0.000 | 0.2 |
| Total Expenses | \$148.757 | \$142.932 | \$5.825 | 3.9 | \$20.836 | \$17.995 | \$2.841 | 13.6 | \$169.593 | \$160.926 | \$8.667 | 5.1 |
| Net Surplus/(Deficit) | (\$91.106) | (\$86.253) | \$4.853 | 5.3 | \$0.000 | \$0.000 | \$0.000 | - | (\$91.106) | (\$86.253) | \$4.853 | 5.3 |
| <i>Cash Conversion Adjustments</i> | | | | | | | | | | | | |
| Depreciation | 27.363 | 27.048 | (0.315) | (1.2) | 0.000 | 0.000 | 0.000 | - | 27.363 | 27.048 | (0.315) | (1.2) |
| Operating/Capital | (1.668) | (0.405) | 1.263 | 75.7 | 0.000 | 0.000 | 0.000 | - | (1.668) | (0.405) | 1.263 | 75.7 |
| Other Cash Adjustments | 12.223 | 17.121 | 4.898 | 40.1 | 0.000 | 0.000 | 0.000 | - | 12.223 | 17.121 | 4.898 | 40.1 |
| Total Cash Conversion Adjustments | \$37.918 | \$43.764 | \$5.846 | 15.4 | 0.000 | \$0.000 | \$0.000 | - | \$37.918 | \$43.764 | \$5.846 | 15.4 |
| Net Cash Surplus/(Deficit) | (\$53.188) | (\$42.489) | \$10.700 | 20.1 | \$0.000 | \$0.000 | \$0.000 | - | (\$53.188) | (\$42.489) | \$10.700 | 20.1 |

TABLE 2

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
September Year-To-Date
(\$ in millions)

| | Nonreimbursable | | | | Reimbursable | | | | Total | | | |
|--|----------------------------|--------------------|-------------------|--------------|----------------------------|------------------|------------------|--------------|----------------------------|--------------------|-------------------|--------------|
| | Favorable (Unfavorable) | | | | Favorable (Unfavorable) | | | | Favorable (Unfavorable) | | | |
| | Forecast | Actual | Variance | Percent | Forecast | Actual | Variance | Percent | Forecast | Actual | Variance | Percent |
| Revenue | | | | | | | | | | | | |
| Farebox Revenue | \$470.646 | \$469.650 | (\$0.996) | (0.2) | \$0.000 | \$0.000 | \$0.000 | - | \$470.646 | \$469.650 | (\$0.996) | (0.2) |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - | \$0.000 | 0.000 | 0.000 | - |
| Other Operating Revenue | 48.008 | 49.819 | 1.811 | 3.8 | 0.000 | 0.000 | 0.000 | - | 48.008 | 49.819 | 1.811 | 3.8 |
| Capital & Other Reimbursements | 0.000 | 0.000 | 0.000 | - | 167.583 | 163.487 | (4.096) | (2.4) | 167.583 | 163.487 | (4.096) | (2.4) |
| Total Revenue | \$518.654 | \$519.469 | \$0.815 | 0.2 | \$167.583 | \$163.487 | (\$4.096) | (2.4) | \$686.237 | \$682.955 | (\$3.282) | (0.5) |
| Expenses | | | | | | | | | | | | |
| <i>Labor:</i> | | | | | | | | | | | | |
| Payroll | \$318.014 | \$319.880 | (\$1.866) | (0.6) | \$55.725 | \$48.340 | \$7.385 | 13.3 | \$373.739 | \$368.220 | \$5.519 | 1.5 |
| Overtime | 66.430 | 67.544 | (1.114) | (1.7) | 12.026 | 13.144 | (1.118) | (9.3) | 78.456 | 80.689 | (2.233) | (2.8) |
| Health and Welfare | 70.593 | 69.394 | 1.199 | 1.7 | 10.373 | 10.397 | (0.024) | (0.2) | 80.966 | 79.791 | 1.175 | 1.5 |
| OPEB Current Payment | 46.810 | 42.717 | 4.093 | 8.7 | 0.000 | 0.000 | 0.000 | - | 46.810 | 42.717 | 4.093 | 8.7 |
| Pensions | 137.050 | 135.667 | 1.383 | 1.0 | 14.100 | 15.483 | (1.383) | (9.8) | 151.150 | 151.150 | 0.000 | 0.0 |
| Other Fringe Benefits | 87.507 | 84.715 | 2.792 | 3.2 | 11.987 | 10.473 | 1.514 | 12.6 | 99.494 | 95.189 | 4.305 | 4.3 |
| Reimbursable Overhead | (17.549) | (17.591) | 0.042 | 0.2 | 17.549 | 17.591 | (0.042) | (0.2) | 0.000 | 0.000 | 0.000 | - |
| Total Labor Expenses | \$708.855 | \$702.327 | \$6.528 | 0.9 | \$121.760 | \$115.428 | \$6.332 | 5.2 | \$830.615 | \$817.755 | \$12.860 | 1.5 |
| <i>Non-Labor:</i> | | | | | | | | | | | | |
| Electric Power | \$77.508 | \$76.344 | \$1.164 | 1.5 | \$0.000 | \$0.165 | (\$0.165) | - | \$77.508 | \$76.509 | \$0.999 | 1.3 |
| Fuel | 23.545 | 21.675 | 1.870 | 7.9 | 0.000 | 0.000 | 0.000 | - | 23.545 | 21.675 | 1.870 | 7.9 |
| Insurance | 14.888 | 14.380 | 0.508 | 3.4 | 3.382 | 2.511 | 0.871 | 25.8 | 18.270 | 16.890 | 1.380 | 7.6 |
| Claims | 1.425 | 2.030 | (0.605) | (42.5) | 0.000 | 0.000 | 0.000 | - | 1.425 | 2.030 | (0.605) | (42.5) |
| 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 | 45.401 | 36.694 | 8.707 | 19.2 | 9.204 | 11.404 | (2.200) | (23.9) | 54.605 | 48.098 | 6.507 | 11.9 |
| Professional Service Contracts | 24.339 | 15.471 | 8.868 | 36.4 | 5.357 | 6.237 | (0.880) | (16.4) | 29.696 | 21.708 | 7.988 | 26.9 |
| Materials & Supplies | 80.712 | 74.745 | 5.967 | 7.4 | 27.651 | 27.281 | 0.370 | 1.3 | 108.363 | 102.026 | 6.337 | 5.8 |
| Other Business Expenses | 10.284 | 9.418 | 0.866 | 8.4 | 0.229 | 0.460 | (0.231) | * | 10.513 | 9.878 | 0.635 | 6.0 |
| Total Non-Labor Expenses | \$278.102 | \$250.757 | \$27.345 | 9.8 | \$45.823 | \$48.058 | (\$2.235) | (4.9) | \$323.925 | \$298.815 | \$25.110 | 7.8 |
| Other Expense Adjustments | | | | | | | | | | | | |
| Other | \$0.000 | \$0.000 | (\$0.000) | - | 0.000 | \$0.000 | \$0.000 | - | 0.000 | \$0.000 | (\$0.000) | - |
| Total Other Expense Adjustments | \$0.000 | \$0.000 | (\$0.000) | - | \$0.000 | \$0.000 | \$0.000 | - | \$0.000 | \$0.000 | (\$0.000) | - |
| Total Expenses before Depreciation & Other Post Employment Benefits | \$986.957 | \$953.084 | \$33.873 | 3.4 | \$167.583 | \$163.487 | \$4.096 | 2.4 | \$1,154.540 | \$1,116.570 | \$37.970 | 3.3 |
| Depreciation | \$240.656 | \$243.508 | (2.852) | (1.2) | 0.000 | \$0.000 | \$0.000 | - | \$240.656 | \$243.508 | (\$2.852) | (1.2) |
| Other Post Employment Benefits | 60.053 | 58.533 | 1.520 | 2.5 | 0.000 | 0.000 | 0.000 | - | 60.053 | 58.533 | 1.520 | 2.5 |
| Environmental Remediation | 1.503 | 1.500 | 0.003 | 0.2 | 0.000 | 0.000 | 0.000 | - | 1.503 | 1.500 | 0.003 | 0.2 |
| Total Expenses | \$1,289.169 | \$1,256.625 | \$32.544 | 2.5 | \$167.583 | \$163.487 | \$4.096 | 2.4 | \$1,456.752 | \$1,420.111 | \$36.641 | 2.5 |
| Net Surplus/(Deficit) | (\$770.515) | (\$737.156) | \$33.359 | 4.3 | \$0.000 | \$0.000 | \$0.000 | - | (\$770.515) | (\$737.156) | \$33.359 | 4.3 |
| <i>Cash Conversion Adjustments</i> | | | | | | | | | | | | |
| Depreciation | 240.656 | 243.508 | 2.852 | 1.2 | 0.000 | 0.000 | 0.000 | - | 240.656 | 243.508 | 2.852 | 1.2 |
| Operating/Capital | (16.771) | (15.513) | 1.258 | 7.5 | 0.000 | 0.000 | 0.000 | - | (16.771) | (15.513) | 1.258 | 7.5 |
| Other Cash Adjustments | 46.410 | 30.242 | (16.168) | (34.8) | 0.000 | 0.000 | 0.000 | - | 46.410 | 30.242 | (16.168) | (34.8) |
| Total Cash Conversion Adjustments | \$270.295 | \$258.237 | (\$12.059) | (4.5) | \$0.000 | \$0.000 | \$0.000 | - | \$270.295 | \$258.237 | (\$12.059) | (4.5) |
| Net Cash Surplus/(Deficit) | (\$500.220) | (\$478.919) | \$21.300 | 4.3 | \$0.000 | \$0.000 | \$0.000 | - | (\$500.220) | (\$478.919) | \$21.300 | 4.3 |

TABLE 3

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN MID-YEAR FORECAST AND ACTUAL: ACCRUAL BASIS

| September 2013 | | | | | Year-to-Date September 2013 | | |
|---|-------------------------|---|--------|--|---|-------|--|
| Generic Revenue or Expense Category | Non Reimb. Or Reimb. | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | | \$ | % | | \$ | % | |
| Revenue | | | | | | | |
| Farebox Revenue | Non Reimb. | (0.977) | (1.8) | Lower yield \$(0.453) and ridership \$(0.524). | (0.996) | (0.2) | Lower ridership \$(2.372), partially offset by higher yield \$1.376. |
| Other Operating Revenue | Non Reimb. | 0.005 | 0.2 | | 1.811 | 3.8 | Primarily due to federal reimbursements for Superstorm Sandy. |
| Capital & Other Reimbursements | Reimb. | (2.841) | (13.6) | Primarily due to timing of project activity. | (4.096) | (2.4) | Primarily due to timing of project activity. |
| | | | | | | | |
| Expenses | | | | | | | |
| Payroll | Non Reimb. | (2.008) | (5.6) | Primarily prior period rate and wage claim accrual adjustments, timing of retiree unused sick payments and Engineering workforce performing more maintenance activity than project activity, partially offset by vacant positions. | (1.866) | (0.6) | Primarily prior period rate and wage claim accrual adjustments, timing of retiree unused sick payments, higher differential payments and Engineering workforce performing more maintenance activity than project activity, partially offset by vacant positions. |
| | Reimb. | 1.269 | 18.2 | Primarily due to vacant positions and timing of project activity and other reimbursements. | 7.385 | 13.3 | Primarily due to vacant positions and timing of project activity and other reimbursements. |
| Overtime | Non Reimb. | (0.275) | (3.9) | Primarily prior period rate accrual adjustments, partially offset favorable availability and weather-related overtime. | (1.114) | (1.7) | Primarily higher vacancy/absentee coverage and rates, partially offset by lower maintenance and weather-related overtime. |
| | Reimb. | (0.195) | (14.9) | Primarily due to timing of project activity. | (1.118) | (9.3) | Primarily due to timing of project activity. |
| Health and Welfare | Non Reimb. | 0.127 | 1.6 | Vacant positions. | 1.199 | 1.7 | Vacant positions. |
| | Reimb. | 0.027 | 2.1 | Primarily due to timing of project activity. | (0.024) | (0.2) | Primarily due to timing of project activity. |
| OPEB Current Payment | Non Reimb. | 0.608 | 11.3 | Fewer retirees/beneficiaries. | 4.093 | 8.7 | Fewer retirees/beneficiaries. |

TABLE 3

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN MID-YEAR FORECAST AND ACTUAL: ACCRUAL BASIS

| September 2013 | | | | Year-to-Date September 2013 | | | |
|---|-------------------------|---|--------|--|---|--------|--|
| Generic Revenue or Expense Category | Non Reimb. Or Reimb. | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | | \$ | % | | \$ | % | |
| Pensions | Non Reimb. | 0.198 | 1.3 | Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under estimated. | 1.383 | 1.0 | Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under estimated. |
| | Reimb. | (0.198) | (11.7) | Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under estimated. | (1.383) | (9.8) | Total pension is on plan. However the estimated percentage of pension allocated to reimbursable was under estimated. |
| Other Fringe Benefits | Non Reimb. | (0.548) | (6.1) | Timing of FELA Indemnity payments, partially offset by lower Railroad Retirement taxes due to vacant positions. | 2.792 | 3.2 | Lower Railroad Retirement taxes due to vacant positions, timing of FELA Indemnity payments and accrual adjustments to Railroad Unemployment Insurance. |
| | Reimb. | 0.272 | 17.9 | Primarily due to timing of project activity. | 1.514 | 12.6 | Primarily due to timing of project activity. |
| Electric Power | Non Reimb. | 0.491 | 5.2 | Lower rates and consumption, partially offset by accrual adjustments. | 1.164 | 1.5 | Lower rates and consumption, partially offset by accrual adjustments. |
| | Reimb. | (0.009) | - | VD Yard | (0.165) | - | VD Yard |
| Fuel | Non Reimb. | 0.465 | 18.2 | Lower consumption and rates. | 1.870 | 7.9 | Lower consumption and rates. |
| Insurance | Non Reimb. | 0.461 | 19.0 | Timing of premium payments | 0.508 | 3.4 | Timing of premium payments. |
| | Reimb. | 0.105 | 23.6 | Force Account Insurance associated with project activity. | 0.871 | 25.8 | Force Account Insurance associated with project activity. |
| Claims | Non Reimb. | 0.249 | 54.7 | Timing of indemnity payments and payments for public liability expenses. | (0.605) | (42.5) | Timing of public liability expenses and legal claims. |

TABLE 3

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN MID-YEAR FORECAST AND ACTUAL: ACCRUAL BASIS

| September 2013 | | | | Year-to-Date September 2013 | | | |
|--|-------------------------|---|------|---|---|--------|---|
| Generic Revenue or Expense Category | Non Reimb. Or Reimb. | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | | \$ | % | | \$ | % | |
| Maintenance & Other Operating Contracts | Non Reimb. | 2.928 | 46.0 | Primarily prior period accrual reversals and timing of elevator/escalator maintenance, HVAC, refuse/recycling, vehicle purchases and various security initiatives. | 8.707 | 19.2 | Timing of payments for HVAC maintenance, security services, vegetation management, environmental and plant maintenance services and elevator escalator repairs, partially offset by higher payments for busing services. |
| | Reimb. | 0.066 | 6.5 | Primarily due to timing of project activity. | (2.200) | (23.9) | Primarily due to timing of project activity. |
| Professional Service Contracts | Non Reimb. | 0.497 | 16.0 | Primarily due to timing of payments and activities for IT software, hardware and maintenance and miscellaneous consulting services, partially offset by the timing of payments for legal fees. | 8.868 | 36.4 | Primarily due to timing of payments and activities for IT software, hardware and maintenance, timing of charges for Superstorm Sandy and reclassification of parking facilities payments from Professional Services to Maintenance Services. |
| | Reimb. | 0.288 | 44.1 | Primarily due to timing of project activity. | (0.880) | (16.4) | Primarily due to timing of project activity. |
| Materials & Supplies | Non Reimb. | 1.797 | 17.3 | Timing of corporate inventory adjustments, lower usage of running repair material for the MU fleet, delayed propulsion control unit initiative and lower use of running repair material in the Wheel and A/C Support Shops. | 5.967 | 7.4 | Primarily due to lower usage of running repair material in the MU Car Shop and Support Shops, delayed startup of propulsion control unit replacement and C-3 HVAC modification and timing of corporate inventory adjustments, partially offset by pool material chargeouts greater than rebuilds. |
| | Reimb. | 1.169 | 30.6 | Primarily due to timing of project activity and timing of payments for project material. | 0.370 | 1.3 | Primarily due to timing of project activity and timing of payments for project material. |

TABLE 3

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN MID-YEAR FORECAST AND ACTUAL: ACCRUAL BASIS

| September 2013 | | | | | Year-to-Date September 2013 | | |
|---|-------------------------|---|--------|---|---|-------|--|
| Generic Revenue or Expense Category | Non Reimb. Or Reimb. | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | | \$ | % | | \$ | % | |
| Other Business Expenses | Non Reimb. | 0.247 | 18.6 | Timing of miscellaneous expenses. | 0.866 | 8.4 | Lower bad debt expenses and timing of payments for recruitment and other miscellaneous expenses, partially offset by the timing of payments for travel expenses. |
| | Reimb. | (0.007) | (38.5) | Primarily due to timing of project activity. | (0.231) | * | Primarily due to timing of project activity. |
| Depreciation | Non Reimb. | 0.315 | 1.2 | Primarily timing. | (2.852) | (1.2) | Primarily timing. |
| Other Post Employment Benefits | Non Reimb. | 0.328 | 4.8 | Lower GASB adjustment to reflect the value associated with unfunded accrued liability for post employment benefits. | 1.520 | 2.5 | Lower GASB adjustment to reflect the value associated with unfunded accrued liability for post employment benefits. |

Table 4

| MTA LONG ISLAND RAIL ROAD JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST CASH RECEIPTS and EXPENDITURES September 2013 (\$ in millions) | | | | | | | | |
|---|----------------------|-------------------|----------------------------|--------------|----------------------|--------------------|----------------------------|--------------|
| | Month | | | | Year-to-Date | | | |
| | Mid Year Forecast | Actual | Favorable (Unfavorable) | | Mid Year Forecast | Actual | Favorable (Unfavorable) | |
| | | | Variance | Percent | | | Variance | Percent |
| Opening Cash Balance | \$0.004 | \$0.009 | \$0.005 | * | \$0.004 | \$0.004 | \$0.000 | 0.0 |
| Receipts | | | | | | | | |
| Farebox Revenue | \$56.462 | \$55.319 | (\$1.143) | (2.0) | \$489.911 | \$486.769 | (\$3.142) | (0.6) |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - |
| Other Operating Revenue | 4.507 | 2.301 | (2.206) | (48.9) | 48.479 | 40.846 | (7.633) | (15.7) |
| Capital & Other Reimbursements | 20.506 | 22.356 | 1.850 | 9.0 | 135.242 | 118.158 | (17.084) | (12.6) |
| Total Receipts | \$81.475 | \$79.976 | (\$1.499) | (1.8) | \$673.632 | \$645.773 | (\$27.859) | (4.1) |
| Expenditures | | | | | | | | |
| <i>Labor:</i> | | | | | | | | |
| Payroll | \$40.157 | \$37.932 | \$2.225 | 5.5 | \$370.749 | \$362.516 | \$8.233 | 2.2 |
| Overtime | 8.392 | 8.349 | 0.043 | 0.5 | 80.435 | 81.058 | (0.623) | (0.8) |
| Health and Welfare | 9.218 | 8.914 | 0.304 | 3.3 | 80.967 | 79.227 | 1.740 | 2.1 |
| OPEB Current Payment | 5.386 | 4.690 | 0.696 | 12.9 | 45.650 | 42.372 | 3.278 | 7.2 |
| Pensions | 16.950 | 16.949 | 0.001 | 0.0 | 151.845 | 151.738 | 0.107 | 0.1 |
| Other Fringe Benefits | 11.913 | 10.879 | 1.034 | 8.7 | 105.942 | 93.986 | 11.956 | 11.3 |
| GASB | 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 Expenditures | \$92.016 | \$87.713 | \$4.303 | 4.7 | \$835.588 | \$810.897 | \$24.691 | 3.0 |
| <i>Non-Labor:</i> | | | | | | | | |
| Electric Power | \$9.379 | \$8.745 | \$0.634 | 6.8 | \$76.402 | \$73.228 | \$3.174 | 4.2 |
| Fuel | 2.661 | 3.552 | (0.891) | (33.5) | 23.570 | 24.426 | (0.856) | (3.6) |
| Insurance | 3.360 | 0.503 | 2.857 | 85.0 | 17.458 | 13.994 | 3.464 | 19.8 |
| Claims | 0.032 | 0.046 | (0.014) | (44.4) | 2.329 | 3.454 | (1.125) | (48.3) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - |
| Maintenance and Other Operating Contracts | 9.124 | 6.369 | 2.755 | 30.2 | 57.327 | 44.463 | 12.864 | 22.4 |
| Professional Service Contracts | 3.138 | 2.139 | 0.999 | 31.9 | 30.281 | 23.873 | 6.408 | 21.2 |
| Materials & Supplies | 11.356 | 10.352 | 1.004 | 8.8 | 101.555 | 104.839 | (3.284) | (3.2) |
| Other Business Expenses | 1.439 | 0.885 | 0.554 | 38.5 | 10.816 | 8.355 | 2.461 | 22.8 |
| Total Non-Labor Expenditures | \$40.489 | \$32.591 | \$7.898 | 19.5 | \$319.738 | \$296.634 | \$23.104 | 7.2 |
| <i>Other Expenditure Adjustments:</i> | | | | | | | | |
| Other | 2.158 | 1.974 | 0.184 | 8.5 | 18.526 | 17.549 | 0.977 | 5.3 |
| Total Other Expenditure Adjustments | \$2.158 | \$1.974 | \$0.184 | 8.5 | \$18.526 | \$17.549 | \$0.977 | 5.3 |
| Total Expenditures | \$134.663 | \$122.279 | \$12.384 | 9.2 | \$1,173.852 | \$1,125.080 | \$48.772 | 4.2 |
| Cash Timing and Availability Adjustment | 0.000 | (0.186) | (0.186) | - | 0.000 | 0.388 | 0.388 | - |
| Net Cash Deficit (excludes opening balance) | (\$53.188) | (\$42.489) | \$10.700 | 20.1 | (\$500.220) | (\$478.919) | \$21.300 | 4.3 |
| Subsidies | | | | | | | | |
| MTA | 53.188 | 42.764 | (10.425) | (19.6) | 500.220 | 479.199 | (21.020) | (4.2) |

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN JULY MID-YEAR FORECAST AND ACTUAL CASH BASIS

Table 5

| Generic Revenue or Expense Category | September 2013 | | | Year-to-Date as of September 30, 2013 | | |
|--|---|--------|--|---|--------|--|
| | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | \$ | % | | \$ | % | |
| Receipts | | | | | | |
| Farebox Revenue | (1.143) | (2.0) | Lower ridership \$(0.524), lower yields \$(0.453) and lower Metrocard/AirTrain sales \$(0.198), partially offset by higher advance sales impact \$0.032. | (3.142) | (0.6) | Lower ridership \$(2.372), lower advance sales impact \$(1.300) and lower Metrocard/AirTrain sales \$(0.846), partially offset by higher yields \$1.376. |
| Other Operating Revenue | (2.206) | (48.9) | Primarily due to the timing of rental revenue, intercompany receipts and miscellaneous revenue. | (7.633) | (15.7) | Primarily due to the timing of rental revenue, intercompany receipts and miscellaneous revenue, partially offset by the timing of Superstorm Sandy federal reimbursements. |
| Capital and Other Reimbursements | 1.850 | 9.0 | Timing of activity and reimbursement for capital and other reimbursements. | (17.084) | (12.6) | Timing of activity and reimbursement for capital and other reimbursements. |
| Expenditures | | | | | | |
| Labor: | | | | | | |
| Payroll | 2.225 | 5.5 | Primarily due to lower headcount and lower rates. | 8.233 | 2.2 | Primarily due to lower headcount, rates and work rule payments, partially offset by higher retiree payments. |
| Overtime | 0.043 | 0.5 | Primarily lower vacancy/absentee coverage and weather-related overtime, partially offset by higher project overtime. | (0.623) | (0.8) | Primarily higher project overtime, higher vacancy/absentee coverage and higher rates, partially offset by lower maintenance overtime. |
| Health and Welfare | 0.304 | 3.3 | Primarily due to lower headcount. | 1.740 | 2.1 | Primarily due to lower headcount. |
| OPEB Current Payment | 0.696 | 12.9 | Primarily due to fewer retirees/beneficiaries. | 3.278 | 7.2 | Primarily due to fewer retirees/beneficiaries. |

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
EXPLANATION OF VARIANCES BETWEEN JULY MID-YEAR FORECAST AND ACTUAL CASH BASIS

Table 5

| Generic Revenue or Expense Category | September 2013 | | | Year-to-Date as of September 30, 2013 | | |
|---|---|--------|---|---|--------|---|
| | Favorable/ (Unfavorable) Variance | | Reason for Variance | Favorable/ (Unfavorable) Variance | | Reason for Variance |
| | \$ | % | | \$ | % | |
| Other Fringe Benefits | 1.034 | 8.7 | Primarily lower Railroad Retirement payments. | 11.956 | 11.3 | Primarily the timing of and lower FELA payments and lower Railroad Retirement payments. |
| Non-Labor: | | | | | | |
| Electric Power | 0.634 | 6.8 | Primarily due to lower rates and lower consumption. | 3.174 | 4.2 | Primarily due to lower rates, unread meters and lower consumption. |
| | | | | | | |
| Fuel | (0.891) | (33.5) | Primarily due to timing of payments. | (0.856) | (3.6) | Primarily due to the timing of payments. |
| | | | | | | |
| Insurance | 2.857 | 85.0 | Timing of payments. | 3.464 | 19.8 | Timing of payments. |
| | | | | | | |
| Claims | (0.014) | (44.4) | Higher payments for claims. | (1.125) | (48.3) | Higher payments for claims. |
| | | | | | | |
| Maintenance and Other Operating Contracts | 2.755 | 30.2 | Timing of payments. | 12.864 | 22.4 | Timing of payments. |
| | | | | | | |
| Professional Service Contracts | 0.999 | 31.9 | Primarily the timing of payments and activities. | 6.408 | 21.2 | Primarily the timing of payments and activities. |
| | | | | | | |
| Materials and Supplies | 1.004 | 8.8 | Primarily the timing of program, production plan, and operating funded capital material and supplies. | (3.284) | (3.2) | Primarily the timing of program, production plan, and operating funded capital material and supplies. |
| | | | | | | |
| Other Business Expenses | 0.554 | 38.5 | Primarily due to the timing of payments. | 2.461 | 22.8 | Primarily due to the timing of payments. |
| | | | | | | |
| Other Expenditure Adjustments | 0.184 | 8.5 | Lower Metrocard/AirTrain pass through payments. | 0.977 | 5.3 | Lower Metrocard/AirTrain pass through payments. |
| | | | | | | |

Table 6

| MTA LONG ISLAND RAIL ROAD | | | | | | | | |
|---|----------------------|------------------|----------------------------|---------------|----------------------|-------------------|----------------------------|---------------|
| JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST | | | | | | | | |
| CASH CONVERSION (CASH FLOW ADJUSTMENTS) | | | | | | | | |
| September 2013 | | | | | | | | |
| (\$ in millions) | | | | | | | | |
| | Month | | | | Year-to-Date | | | |
| | Mid Year Forecast | Actual | Favorable (Unfavorable) | | Mid Year Forecast | Actual | Favorable (Unfavorable) | |
| | | | Variance | Percent | | | Variance | Percent |
| Receipts | | | | | | | | |
| Farebox Revenue | \$2.152 | \$1.986 | (\$0.166) | (7.7) | \$19.265 | \$17.119 | (\$2.146) | (11.1) |
| Vehicle Toll Revenue | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - |
| Other Operating Revenue | 1.166 | (1.045) | (2.211) | * | 0.471 | (8.973) | (9.444) | * |
| Capital & Other Reimbursements | (0.330) | 4.361 | 4.691 | * | (32.341) | (45.329) | (12.988) | (40.2) |
| Total Receipts | \$2.988 | \$5.302 | \$2.314 | 77.5 | (\$12.605) | (\$37.183) | (\$24.578) | * |
| Expenditures | | | | | | | | |
| <i>Labor:</i> | | | | | | | | |
| Payroll | \$2.683 | \$5.646 | \$2.963 | * | \$2.990 | \$5.704 | \$2.714 | 90.8 |
| Overtime | 0.000 | 0.513 | 0.513 | - | (1.979) | (0.369) | 1.610 | 81.3 |
| Health and Welfare | 0.000 | 0.150 | 0.150 | - | (0.001) | 0.564 | 0.565 | * |
| OPEB Current Payment | 0.000 | 0.088 | 0.088 | - | 1.160 | 0.345 | (0.815) | (70.2) |
| Pensions | 0.000 | 0.001 | 0.001 | - | (0.695) | (0.588) | 0.107 | 15.3 |
| Other Fringe Benefits | (1.366) | (0.056) | 1.310 | 95.9 | (6.448) | 1.203 | 7.651 | * |
| GASB | 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 Expenditures | \$1.317 | \$6.342 | \$5.025 | * | (\$4.973) | \$6.858 | \$11.831 | * |
| <i>Non-Labor:</i> | | | | | | | | |
| Electric Power | \$0.000 | \$0.151 | \$0.151 | - | \$1.106 | \$3.281 | \$2.175 | * |
| Fuel | (0.108) | (1.465) | (1.356) | * | (0.025) | (2.751) | (2.726) | * |
| Insurance | (0.487) | 1.804 | 2.291 | * | 0.812 | 2.896 | 2.084 | * |
| Claims | 0.423 | 0.160 | (0.263) | (62.2) | (0.904) | (1.424) | (0.520) | (57.5) |
| Paratransit Service Contracts | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | - |
| Maintenance and Other Operating Contracts | (1.742) | (1.981) | (0.239) | (13.7) | (2.722) | 3.635 | 6.357 | * |
| Professional Service Contracts | 0.614 | 0.828 | 0.214 | 34.9 | (0.585) | (2.165) | (1.580) | * |
| Materials & Supplies | 2.839 | 0.878 | (1.961) | (69.1) | 6.808 | (2.813) | (9.621) | * |
| Other Business Expenses | (0.098) | 0.217 | 0.315 | * | (0.303) | 1.523 | 1.826 | * |
| Total Non-Labor Expenditures | \$1.441 | \$0.593 | (\$0.848) | (58.9) | \$4.187 | \$2.181 | (\$2.006) | (47.9) |
| <i>Other Expenditure Adjustments:</i> | | | | | | | | |
| Other | (2.158) | (1.974) | 0.184 | 8.5 | (18.526) | (17.549) | 0.977 | 5.3 |
| Total Other Expenditure Adjustments | (\$2.158) | (\$1.974) | \$0.184 | 8.5 | (\$18.526) | (\$17.549) | \$0.977 | 5.3 |
| Total Expenditures before Depreciation | \$0.600 | \$4.961 | \$4.361 | * | (\$19.312) | (\$8.510) | \$10.802 | 55.9 |
| Depreciation Adjustment | 27.363 | 27.048 | (0.315) | (1.2) | 240.656 | 243.508 | 2.852 | 1.2 |
| Other Post Employment Benefits | 6.800 | 6.472 | (0.328) | (4.8) | 60.053 | 58.533 | (1.520) | (2.5) |
| Environmental Remediation | 0.167 | 0.167 | (0.000) | (0.2) | 1.503 | 1.500 | (0.003) | (0.2) |
| Total Expenditures | \$34.930 | \$38.647 | \$3.718 | 10.6 | \$282.900 | \$295.031 | \$12.131 | 4.3 |
| Cash Timing and Availability Adjustment | 0.000 | (0.186) | (0.186) | - | 0.000 | 0.388 | 0.388 | - |
| Total Cash Conversion Adjustments | \$37.918 | \$43.764 | \$5.846 | 15.4 | \$270.295 | \$258.237 | (\$12.059) | (4.5) |

MTA LONG ISLAND RAIL ROAD
2013 July Financial Plan
Non-Reimbursable/Reimbursable Overtime
 (\$ in millions)

[illegible]

MTA LONG ISLAND RAIL ROAD
2013 July Financial Plan
Non-Reimbursable/Reimbursable Overtime
(\$ in millions)

| | Monthly | | | Year-to-Date | | |
|---|---------------------|----------------|--|---------------------|----------------|---|
| | Var. - Fav./(Unfav) | | | Var. - Fav./(Unfav) | | |
| | Hours | \$ | Explanations | Hours | \$ | Explanations |
| NON-REIMBURSABLE OVERTIME | | | | | | |
| <u>Scheduled Service</u> | (984) | (\$0.1) | Higher than anticipated crew book and holiday overtime. | (5,116) | (\$0.3) | Higher than anticipated crew book and holiday overtime. |
| | -3.5% | -4.2% | | -2.1% | -2.1% | |
| <u>Unscheduled Service</u> | 3,693 | 0.2 | | 3,216 | 0.2 | |
| | 34.5% | 34.3% | | 3.6% | 4.1% | |
| <u>Programmatic/Routine Maintenance</u> | (2,081) | (0.1) | Attributed to Sperry rail testing activities and replacement of defective rails, partially offset by lower than forecast overtime in Maintenance of Equipment. | 2,934 | 0.3 | Primarily due to Maintenance of Equipment aggressive management oversight. |
| | -5.2% | -2.7% | | 0.8% | 1.6% | |
| <u>Unscheduled Maintenance</u> | (468) | (0.0) | | (1,848) | (0.1) | |
| | * | * | | -13.8% | -13.9% | |
| <u>Vacancy/Absentee Coverage</u> | 4,412 | 0.1 | Primarily due to favorable availability in Maintenance of Equipment. Partially offset by lower availability in Train Service and greater coverage needs in Customer Service. | (11,095) | (0.4) | Average of 11 vacant craft positions YTD in Maintenance of Equipment as well as less than forecast availability in Customer Service. |
| | 7.2% | 3.9% | | -2.2% | -1.7% | |
| <u>Weather Emergencies</u> | 1,560 | 0.1 | | 7,422 | 0.4 | |
| | 77.0% | 77.7% | | 8.5% | 8.1% | |
| <u>Safety/Security/Law Enforcement</u> | | | | | | |
| <u>Other</u> | (719) | (0.5) | Due to variance between actual/forecasted wage rates including double-time payments and prior period rate accruals from July to September 2013. | (1,987) | (1.2) | Due to variance between actual/forecasted wage rates including double-time payments and prior period rate accruals from July to September 2013. |
| | -47.7% | * | | -14.0% | -88.2% | |
| Subtotal | 5,413 | (\$0.3) | | (6,474) | (\$1.1) | |
| | 3.8% | -3.9% | | -0.5% | -1.7% | |
| REIMBURSABLE OVERTIME | (2,609) | (\$0.2) | Over-run attributed to East Side Access due to latest project schedule requirements. | (3,404) | (\$1.1) | Greater than forecast flagging needs for ESA, the annual track program and the Manhasset Timber Bridge Replacement. |
| | -10.3% | -14.9% | | -1.4% | -9.3% | |
| TOTAL OVERTIME | 2,804 | (\$0.5) | | (9,879) | (\$2.2) | |
| | 1.7% | -5.6% | | -0.6% | -2.8% | |
| * Exceeds 100% | | | | | | |

METROPOLITAN TRANSPORTATION AUTHORITY - LONG ISLAND RAIL ROAD
2013 Overtime Reporting
Overtime Legend

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 LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE
END-of-MONTH SEPTEMBER 2013

| | Forecast | Actual | Favorable/ (Unfavorable) Variance |
|--|--------------|--------------|---|
| Administration | | | |
| Executive VP | 5 | 6 | (1) |
| Labor Relations | 18 | 17 | 1 |
| Procurement & Logistics (excl. Stores) | 84 | 82 | 2 |
| Human Resources | 32 | 37 | (5) |
| Sr VP Administration | 2 | 2 | 0 |
| Strategic Investments | 35 | 27 | 8 |
| President | 4 | 4 | 0 |
| VP & CFO | 2 | 7 | (5) |
| Information Technology | 162 | 157 | 5 |
| Controller | 45 | 41 | 4 |
| Management & Budget | 18 | 16 | 2 |
| Process Re-Engineering | 7 | 6 | 1 |
| VP - East Side Access & Special Projects | 27 | 27 | 0 |
| Market Dev. & Public Affairs | 60 | 59 | 1 |
| Gen. Counsel & Secretary | 30 | 29 | 1 |
| Diversity Management | 1 | 1 | 0 |
| System Safety/Training | 79 | 72 | 7 |
| Security | 6 | 6 | 0 |
| Sr VP Operations/Service Planning | 24 | 20 | 4 |
| Total Administration | 641 | 616 | 25 |
| Operations | | | |
| Train Operations | 1,950 | 1,983 | (33) |
| Customer Services | 299 | 291 | 8 |
| Total Operations | 2,249 | 2,274 | (25) |
| Maintenance | | | |
| Engineering | 1,664 | 1,582 | 82 |
| Equipment | 2,019 | 1,991 | 28 |
| Procurement (Stores) | 93 | 91 | 2 |
| Total Maintenance | 3,776 | 3,664 | 112 |
| Engineering/Capital | | | |
| Department of Project Management | 134 | 112 | 22 |
| Total Engineering/Capital | 134 | 112 | 22 |
| Baseline Total Positions | 6,800 | 6,666 | 134 |
| <i>Non-Reimbursable</i> | 5,869 | 5,884 | (15) |
| <i>Reimbursable</i> | 931 | 782 | 149 |
| Total Full-Time | 6,800 | 6,666 | 134 |
| Total Full-Time-Equivalents | - | - | - |

**MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS
NON-REIMBURSABLE and REIMBURSABLE
END-OF-MONTH SEPTEMBER 2013**

| Explanation of Variances |
|---|
| |
| NON-REIMBURSABLE POSITIONS - Unfavorable (15) positions due to switch of Engineering labor force from project to maintenance activity, partially offset by various managerial and supervisory vacant positions company-wide. |
| |
| REIMBURSABLE POSITIONS - Favorable 149 positions primarily due to the timing of project activity and vacant positions. |
| |

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and OCCUPATION
END-of-MONTH SEPTEMBER 2013

| | Forecast | Actual | Favorable/ (Unfavorable) Variance |
|-----------------------------------|-----------------|---------------|--|
| Administration | | | |
| Managers/Supervisors | 328 | 304 | 24 |
| Professional, Technical, Clerical | 313 | 312 | 1 |
| Operational Hourlies | - | - | - |
| Total Administration | 641 | 616 | 25 |
| Operations | | | |
| Managers/Supervisors | 325 | 309 | 16 |
| Professional, Technical, Clerical | 170 | 161 | 9 |
| Operational Hourlies | 1,754 | 1,804 | (50) |
| Total Operations | 2,249 | 2,274 | (25) |
| Maintenance | | | |
| Managers/Supervisors | 735 | 691 | 44 |
| Professional, Technical, Clerical | 277 | 252 | 25 |
| Operational Hourlies | 2,764 | 2,721 | 43 |
| Total Maintenance | 3,776 | 3,664 | 112 |
| Engineering/Capital | | | |
| Managers/Supervisors | 100 | 88 | 12 |
| Professional, Technical, Clerical | 34 | 24 | 10 |
| Operational Hourlies | - | - | - |
| Total Engineering/Capital | 134 | 112 | 22 |
| Total Positions | | | |
| Managers/Supervisors | 1,488 | 1,392 | 96 |
| Professional, Technical, Clerical | 794 | 749 | 45 |
| Operational Hourlies | 4,518 | 4,525 | (7) |
| Total Positions | 6,800 | 6,666 | 134 |

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID YEAR FORECAST
RIDERSHIP
(In Thousands)

| RIDERSHIP | September 2013 | | | | Year-to-Date September 2013 | | | |
|-----------------------|----------------|--------|---|-------|-----------------------------|--------|---|-------|
| | Forecast | Actual | Favorable/ (Unfavorable) Variance | % | Forecast | Actual | Favorable/ (Unfavorable) Variance | % |
| Monthly | 3.725 | 3.700 | (0.026) | -0.7% | 34.501 | 34.364 | (0.136) | -0.4% |
| Weekly | 0.141 | 0.166 | 0.025 | 17.9% | 1.353 | 1.441 | 0.087 | 6.4% |
| Total Commutation | 3.866 | 3.865 | (0.001) | 0.0% | 35.854 | 35.805 | (0.049) | -0.1% |
| One-Way Full Fare | 0.685 | 0.655 | (0.030) | -4.4% | 5.993 | 6.049 | 0.056 | 0.9% |
| One-Way Off-Peak | 1.529 | 1.456 | (0.073) | -4.8% | 13.397 | 12.942 | (0.454) | -3.4% |
| All Other | 0.777 | 0.814 | 0.038 | 4.8% | 7.153 | 7.286 | 0.133 | 1.9% |
| Total Non-Commutation | 2.991 | 2.925 | (0.066) | -2.2% | 26.543 | 26.277 | (0.265) | -1.0% |
| Total | 6.857 | 6.791 | (0.066) | -1.0% | 62.397 | 62.082 | (0.314) | -0.5% |

MTA LONG ISLAND RAIL ROAD
JULY FINANCIAL PLAN - 2013 MID-YEAR FORECAST
MONTHLY PERFORMANCE INDICATORS
September 2013

| | | MONTH | | | VARIANCE | |
|--|-------------------------|---------------------|-------------------------------------|--------------------|--------------------------------|----------------------------|
| | | <u>2013</u> | <u>Mid-Year Forecast</u> | <u>2012</u> | <u>vs. Forecast</u> | <u>vs. 2012</u> |
| Farebox Operating Ratio | | | | | | |
| | Standard ⁽¹⁾ | 48.8% | 47.0% | 56.5% | 1.8% | -7.7% |
| | Adjusted ⁽²⁾ | 59.9% | 57.5% | 63.9% | 2.4% | -4.0% |
| Cost Per Passenger | | | | | | |
| | Standard ⁽¹⁾ | \$16.15 | \$16.93 | \$13.18 | \$0.78 | (\$2.97) |
| | Adjusted ⁽²⁾ | \$13.93 | \$14.63 | \$12.24 | \$0.70 | (\$1.69) |
| Passenger Revenue/Passenger ⁽³⁾ | | \$7.88 | \$7.95 | \$7.45 | (\$0.07) | \$0.43 |
| | | YEAR-TO-DATE | | | VARIANCE | |
| | | <u>2013</u> | <u>Mid-Year Forecast</u> | <u>2012</u> | <u>vs. Forecast</u> | <u>vs. 2012</u> |
| Farebox Operating Ratio | | | | | | |
| | Standard ⁽¹⁾ | 48.7% | 47.1% | 49.7% | 1.6% | -1.0% |
| | Adjusted ⁽²⁾ | 62.3% | 60.1% | 61.8% | 2.2% | 0.5% |
| Cost Per Passenger | | | | | | |
| | Standard ⁽¹⁾ | \$15.60 | \$16.09 | \$14.25 | \$0.49 | (\$1.35) |
| | Adjusted ⁽²⁾ | \$13.43 | \$13.84 | \$12.16 | \$0.41 | (\$1.27) |
| Passenger Revenue/Passenger ⁽³⁾ | | \$7.59 | \$7.57 | \$7.09 | \$0.02 | \$0.50 |

(1) The 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 and Environmental Remediation (GASB-49).

(2) Adjusted Fare Box Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between the Long Island Rail Road and Metro-North Railroad 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 revenue and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB Current Payment expenses for retirees, and Removal of the UAAL associated with the LIRR's closed pension plan.

(3) Passenger Revenue/Passenger includes Bar Car Services