

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
SUMMARY

The MTA Long Island Rail Road's financial performance compared to the 2022 Final Estimate was favorable. This favorable result was due to the actual 2022 non-reimbursable expenses before non-cash liabilities of \$1,613.2 million, which were \$66.2 million lower than the Final Estimate, and Operating Revenues of \$1,443.7 million, which were \$6.2 million higher than the Final Estimate.

LIRR's Cash Deficit of \$990.3 million was \$118.8 million lower than the Final Estimate, primarily due to lower payroll expenses as a result of the existence of vacancies, overtime, Other Post Employee Benefits (OPEB) current payment, electric expenditures, higher capital and other reimbursements, and the timing of professional services and maintenance services. These were partially offset by higher material payments. Excluding timing-related items, the LIRR cash position was \$41.8 million favorable compared with the Final Estimate.

Total Non-Reimbursable Revenues were \$6.2 million higher than the Final Estimate primarily due to Farebox Revenue, which was higher than projected due to higher ridership and yield per passenger. Overall, ridership was 50% higher than 2021 ridership and 42.3% lower than 2019 pre-COVID-19 levels (adjusted for the same number of workdays). Ridership of 52.5 million was 0.2 million or 0.4% higher than the Final Estimate.

Total Non-Reimbursable Expenses Before Depreciation and GASB Adjustments were \$66.2 million lower than the Final Estimate. Labor expenses of \$1,196.9 million were \$57.3 million lower than the Final Estimate primarily due to the existence of vacant positions and associated fringe costs, lower maintenance overtime, vacancy/absentee coverage overtime, scheduled/unscheduled service overtime, pension, OPEB current payment, and higher Reimbursable Overhead due to increased capital project activity. This was partially offset by a higher Federal Employers Liability Act (FELA) indemnity reserve.

Non-Labor Expenses of \$416.3 million were \$8.9 million lower than the Final Estimate due to the timing of maintenance and professional service contracts, and lower electric expenses, partially offset by higher claims, and materials usage.

Non-Cash Liabilities of \$543.3 million were \$106.4 million below the Final Estimate primarily due to the timing of GASB 75, partially offset by higher depreciation, and environmental remediation.

Total Reimbursable Revenues and Expenses were \$21.6 million higher than the Final Estimate, resulting from increased capital project activity.

Cash Deficit of \$990.3 million was \$118.8 million lower than the Final Estimate, which consisted of a favorable real variance of \$41.8 million and favorable timing variance of \$77.0 million. Cash Receipts of \$1,034.9 million were higher than the Final Estimate by \$13.4 million, comprised of \$12.3 million in real variances and \$1.1 million in timing variances. The real variance was primarily due to favorable capital reimbursements resulting from higher project activity. The timing variance is attributed to advance ticket sale receipts.

Cash expenditures of \$2,025.2 million were \$105.4 million lower than the Final Estimate, comprised of \$29.5 million in favorable real variances and \$75.9 million in favorable timing-related variances. Favorable real variances are primarily attributed to lower payroll and associated fringe due to vacant positions, lower overtime, OPEB current payment, pension, and electric expenses,

partially offset by higher material, maintenance and other operating contract service payments, claims, and fuel. The timing variance is primarily attributed to retroactive wage payments and associated fringe costs, maintenance and other operating contract payments, and claims.

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
EXPLANATIONS OF REVENUE AND EXPENSE VARIANCES
ACCRUAL BASIS**

2022 Final Estimate vs. Actual

Non-Reimbursable

Revenue:

- **Farebox Revenue** was \$6.2 million above the Final Estimate due to higher ridership and yield per passenger. Ridership of 52.5 million was 0.4% above the Final Estimate.
- **Other Operating Revenue** was slightly above the Final Estimate primarily due to higher advertising and rental revenue, partially offset by lower miscellaneous revenue.

Expenses:

- **Payroll** was \$28.7 million or 4.7% below the Final Estimate primarily due to vacant positions.
- **Overtime** was \$6.9 million or 4.5% below the Final Estimate primarily due to lower maintenance, scheduled/unscheduled service, and weather-related emergencies.
- **Health & Welfare** was \$4.8 million or 3.7% below the Final Estimate due to vacant positions.
- **OPEB Current Payment** was \$6.3 million or 8.5% below the Final Estimate due to fewer retirees/beneficiaries than Final Estimate.
- **Pension** was \$1.9 million or 1.2% below the Final Estimate pending the final actuarial report.
- **Other Fringe Benefits** were \$2.0 million or 1.2% below Final Estimate due to lower Railroad Retirement taxes, partially offset by higher Federal Employers' Liability Act (FELA) indemnity reserves.
- **Reimbursable Overhead** was \$6.8 million or 16.7% above the Final Estimate as a result of higher project activity.
- **Electric Power** was \$3.6 million or 3.4% below the Final Estimate primarily due to lower consumption, partially offset by higher rates.
- **Fuel** was on forecast.
- **Insurance** was \$1.2 million or 5.4% below Final Estimate due to lower liability insurance, partially offset by higher property insurance.
- **Claims** were \$8.2 million above Final Estimate based on the latest actuarial Final Estimate.
- **Maintenance and Other Operating Contracts** were \$6.4 million or 7.8% below Final Estimate primarily due to lower real estate rental costs, facility maintenance costs, scheduled bussing and other maintenance contracts, partially offset by higher vegetation management, elevator & escalator maintenance, janitorial and custodial services, and emergency buses.
- **Professional Service Contracts** were \$7.9 million or 19.4% below the Final Estimate, primarily due to lower write-offs of project work expenses that are not capital eligible.

- **Materials & Supplies** were \$3.7 million or 3.1% above Final Estimate due to higher miscellaneous inventory adjustments and right-of-way material, partially offset by the timing of modifications and the RCM program for the revenue fleet.
- **Other Business Expenses** were \$1.8 million or 11.2% below Final Estimate primarily due to lower bad debt reserves, office supplies, and higher restitution on property damages.
- **Depreciation** was \$33.0 million or 7.0% above Final Estimate due to certain assets being fully depreciated.
- **GASB 75 OPEB Expense Adjustment** was \$150.7 million below the Final Estimate based on the latest actuarial report.
- **GASB 68 Pension Adjustment** was \$2.7 million below the Final Estimate based on the latest actuarial Final Estimate.
- **GASB 87 Lease Adjustment** was on forecast.
- **Environmental Remediation** was \$14.1 million above the Final Estimate based on higher expenses for environmental remediation.

Reimbursable:

Total Capital and Other Reimbursements were higher than the Final Estimate by \$21.6 million or 4.8%, primarily due to higher 3rd Track Expansion, Annual Track Program, Grant Central Madison, and Jamaica Capacity Improvement project activities.

2022 Adopted Budget vs. Actual

The MTA Long Island Rail Road's financial performance compared to the 2022 Adopted Budget was favorable. Actual non-reimbursable 2022 expenses before non-cash liabilities of \$1,613.2 million were \$239.5 million or 12.9% lower than the Adopted Budget. The operating cash deficit of \$990.3 million was \$216.3 million or 17.9% favorable to Adopted Budget. Favorable results reflect the accrued recognition of Federal COVID aid in addition to the variances cited below.

Non-Reimbursable

Revenue:

- **Farebox Revenue** was \$97.4 million or 17.5% below the Adopted Budget due to lower ridership, partially offset by higher yield per passenger. Ridership was 52.5 million or 19.4% below the Adopted Budget, which was based on the initial McKinsey ridership assumptions that were subsequently adjusted lower in the 2022 July Plan.
- **Other Operating Revenue** was \$957.1 million higher than Adopted Budget primarily due to the receipt of accrued Federal COVID aid of \$954.8 million.

Expenses:

- **Payroll** was \$58.4 million or 9.1% below Adopted Budget primarily due to vacant positions.
- **Overtime** was \$14.6 million or 9.2% below Adopted Budget primarily due to lower scheduled maintenance and scheduled/unscheduled service, partially offset by higher vacancy/absentee coverage.
- **Health & Welfare** was \$2.7 million or 2.1% below Adopted Budget primarily due to vacant positions, partially offset by higher rates.
- **OPEB Current Payment** was \$13.2 million or 16.5% below Adopted Budget due to fewer retirees/beneficiaries than Final Estimate, partially offset by higher rates.
- **Pension** was \$11.6 million or 7.0% below Adopted Budget based on the latest actuarial estimate.
- **Other Fringe Benefits** were \$9.6 million or 6.1% above Adopted Budget due to higher FELA indemnity reserves and Railroad Unemployment Insurance, partially offset by lower Railroad Retirement Taxes.
- **Reimbursable Overhead** was \$15.8 million or 49.7% above the Adopted Budget as a result of higher project activity.
- **Electric Power** was \$3.4 million or 3.5% above Adopted Budget due to higher rates, partially offset by lower consumption.
- **Fuel** was \$15.0 million or 68.4% above Adopted Budget due to higher rates and consumption.
- **Insurance** was \$3.1 million or 12.9% below Adopted Budget due to lower liability and property insurance.
- **Claims** were \$8.2 million above the Adopted Budget based on the latest actuarial estimate.

- **Maintenance and Other Operating Contracts** were \$52.3 million or 41.0% below Adopted Budget due to lower maintenance and repairs, elevator & escalator maintenance, janitorial & custodial services, joint facility expenses, real estate rental expenses and other maintenance services, partially offset by higher equipment rentals, and vegetation management.
- **Professional Service Contracts** were \$15.0 million or 31.5% below Adopted Budget primarily due to lower write-off of non-capitalized costs, and the timing of professional service contracts, partially offset by higher legal fees, and engineer services.
- **Materials & Supplies** were \$82.9 million or 40.2% below Adopted Budget. The favorable variance is primarily due to lower RCM activity for the revenue fleet, partially offset by higher miscellaneous inventory adjustments.
- **Other Business Expense** was \$5.9 million or 29.2% below Adopted Budget due to lower bad debt reserves, credit card fees, office supplies, travel meetings and conventions, and higher restitution of property damages.
- **Depreciation** was \$90.4 million or 21.8% above Adopted Budget due to certain assets being fully depreciated.
- **GASB 75 OPEB Expense Adjustment** was \$79.8 million or 73.1% below Adopted Budget based on the latest actuarial estimate.
- **GASB 68 Pension Expense Adjustment** was \$21.8 million below Adopted Budget based on the latest actuarial estimate.
- **GASB 87 Lease Adjustment** was \$0.6 million below Adopted Budget based on the latest actuarial estimate.
- **Environmental Remediation** was \$14.1 million above Adopted Budget based on the latest actuarial estimate.

Reimbursable:

Total Capital and Other Reimbursements were higher than Adopted Budget by \$0.9 million or 0.2%, primarily due to Yard Improvements at Various Locations, delays in purchasing M9 cars, and Positive Train Control (PTC).

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

NON-REIMBURSABLE	2022			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$554.949	\$451.398	\$457.583	(\$97.367)	(17.5)	\$6.184	1.4
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	29.024	986.068	986.102	957.078	*	0.034	0.0
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$583.973	\$1,437.466	\$1,443.685	\$859.712	*	\$6.219	0.4
Expenses							
Labor:							
Payroll	\$644.445	\$614.726	\$586.022	\$58.423	9.1	\$28.704	4.7
Overtime	159.181	151.395	144.544	14.637	9.2	6.850	4.5
Health and Welfare	129.233	131.319	126.515	2.718	2.1	4.804	3.7
OPEB Current Payment	80.401	73.414	67.155	13.246	16.5	6.259	8.5
Pensions	166.376	156.711	154.778	11.598	7.0	1.934	1.2
Other Fringe Benefits	155.884	167.452	165.450	(9.566)	(6.1)	2.002	1.2
Reimbursable Overhead	(31.767)	(40.769)	(47.564)	15.797	49.7	6.795	16.7
Total Labor Expenses	\$1,303.753	\$1,254.248	\$1,196.900	\$106.853	8.2	\$57.347	4.6
Non-Labor:							
Electric Power	\$96.693	\$103.664	\$100.095	(\$3.402)	(3.5)	\$3.569	3.4
Fuel	21.916	36.903	36.909	(14.994)	(68.4)	(0.006)	0.0
Insurance	23.725	21.834	20.655	3.070	12.9	1.179	5.4
Claims	4.682	4.682	12.861	(8.178)	*	(8.178)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	127.522	81.644	75.256	52.266	41.0	6.388	7.8
Professional Service Contracts	47.776	40.619	32.748	15.027	31.5	7.871	19.4
Materials & Supplies	206.482	119.792	123.533	82.949	40.2	(3.741)	(3.1)
Other Business Expenses	20.107	16.042	14.241	5.866	29.2	1.801	11.2
Total Non-Labor Expenses	\$548.903	\$425.182	\$416.299	\$132.604	24.2	\$8.883	2.1
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$1,852.656	\$1,679.429	\$1,613.199	\$239.457	12.9	\$66.230	3.9
Depreciation	\$415.234	\$472.622	\$505.618	(\$90.384)	(21.8)	(\$32.995)	(7.0)
GASB 75 OPEB Expense Adjustment	109.140	180.000	\$29.309	79.831	73.1	150.691	83.7
GASB 68 Pension Expense Adjustment	14.700	(4.350)	(7.097)	21.797	*	2.747	63.2
GASB 87 Lease Compliance	0.000	(0.620)	(0.632)	0.632	-	0.012	1.9
Environmental Remediation	2.000	2.000	16.065	(14.065)	*	(14.065)	*
Total Expenses	\$2,393.730	\$2,329.082	\$2,156.461	\$237.268	9.9	\$172.621	7.4
Net Surplus/(Deficit) <i>(Excluding Subsidies and Debt Service)</i>	(\$1,809.756)	(\$891.616)	(\$712.776)	\$1,096.980	60.6	\$178.840	20.1
Cash Depreciation Adjustments							
Depreciation	\$415.234	\$472.622	\$505.618	\$90.384	21.8	\$32.995	7.0
Operating/Capital	(25.576)	(\$8.277)	(9.742)	15.834	61.9	(1.464)	(17.7)
Other Cash Adjustments	213.506	(\$681.838)	(773.424)	(986.930)	*	(91.586)	(13.4)
Total Cash Conversion Adjustments	\$603.164	(\$217.493)	(\$277.548)	(\$880.712)	*	(\$60.055)	(27.6)
Net Cash Surplus/(Deficit)	(\$1,206.593)	(\$1,109.109)	(\$990.324)	\$216.269	17.9	\$118.784	10.7

Totals may not add due to rounding

Results are based on the preliminary close of the general ledger and are subject to review and adjustment.

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

REIMBURSABLE	2022			Favorable/(Unfavorable) Variance			
	<u>Adopted Budget</u>	<u>Final Estimate</u>	<u>Actual</u>	<u>Adopted Budget</u>		<u>Final Estimate</u>	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Capital and Other Reimbursements	471.788	451.120	472.733	0.945	0.2	21.613	4.8
Total Revenue	\$471.788	\$451.120	\$472.733	\$0.945	0.2	\$21.613	4.8
Expenses							
Labor:							
Payroll	\$155.927	\$144.991	\$135.234	\$20.692	13.3	\$9.757	6.7
Overtime	62.372	55.190	57.184	5.187	8.3	(1.994)	(3.6)
Health and Welfare	40.928	37.425	35.136	5.792	14.2	2.289	6.1
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	66.497	66.439	67.012	(0.515)	(0.8)	(0.573)	(0.9)
Other Fringe Benefits	41.852	38.550	36.501	5.351	12.8	2.049	5.3
Reimbursable Overhead	31.767	40.769	47.564	(15.797)	(49.7)	(6.795)	(16.7)
Total Labor Expenses	\$399.342	\$383.364	\$378.631	\$20.712	5.2	\$4.733	1.2
Non-Labor:							
Electric Power	\$0.268	\$0.363	\$0.391	(\$0.123)	(45.9)	(\$0.028)	(7.8)
Fuel	0.000	0.000	0.000	0.000	-	0.000	-
Insurance	8.266	7.007	6.546	1.721	20.8	0.461	6.6
Claims	0.000	0.000	0.000	0.000	-	0.000	-
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	16.902	21.063	31.587	(14.685)	(86.9)	(10.523)	(50.0)
Professional Service Contracts	0.871	2.720	7.270	(6.400)	*	(4.550)	*
Materials & Supplies	45.571	35.909	47.404	(1.832)	(4.0)	(11.495)	(32.0)
Other Business Expenses	0.567	0.694	0.905	(0.337)	(59.5)	(0.211)	(30.4)
Total Non-Labor Expenses	\$72.445	\$67.756	\$94.102	(\$21.657)	(29.9)	(\$26.346)	(38.9)
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$471.788	\$451.120	\$472.733	(\$0.945)	(0.2)	(\$21.613)	(4.8)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Other Post Employee Benefits	0.000	0.000	0.000	0.000	-	0.000	-
Environmental Remediation	0.000	0.000	0.000	0.000	-	0.000	-
Total Expenses	\$471.788	\$451.120	\$472.733	(\$0.945)	(0.2)	(\$21.613)	(4.8)
Net Surplus/(Deficit) <i>(Excluding Subsidies and Debt Service)</i>	\$0.000	(\$0.000)	\$0.000	\$0.000	-	\$0.000	100.0
<i>Cash Depreciation Adjustments</i>							
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Operating/Capital	0.000	0.000	0.000	0.000	-	0.000	-
Other Cash Adjustments	0.000	0.000	0.000	0.000	-	0.000	-
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Net Cash Surplus/(Deficit)	\$0.000	(\$0.000)	\$0.000	\$0.000	-	\$0.000	100.0

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MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

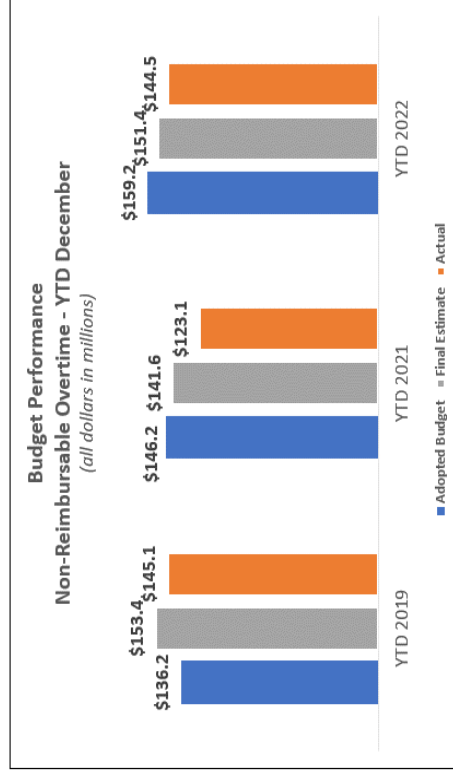
NON-REIMBURSABLE/ REIMBURSABLE	2022			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$554.949	\$451.398	\$457.583	(\$97.367)	(17.5)	\$6.184	1.4
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	29.024	986.068	986.102	957.078	*	0.034	0.0
Capital and Other Reimbursements	471.788	451.120	472.733	0.945	0.2	21.613	4.8
Total Revenue	\$1,055.761	\$1,888.586	\$1,916.418	\$860.657	81.5	\$27.832	1.5
Expenses							
Labor:							
Payroll	\$800.372	\$759.717	\$721.257	\$79.115	9.9	\$38.461	5.1
Overtime	221.552	206.584	201.728	19.824	8.9	4.856	2.4
Health and Welfare	170.161	168.743	161.651	8.510	5.0	7.093	4.2
OPEB Current Payment	80.401	73.414	67.155	13.246	16.5	6.259	8.5
Pensions	232.873	223.150	221.789	11.084	4.8	1.361	0.6
Other Fringe Benefits	197.736	206.002	201.951	(4.214)	(2.1)	4.052	2.0
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenses	\$1,703.096	\$1,637.611	\$1,575.531	\$127.565	7.5	\$62.080	3.8
Non-Labor:							
Electric Power	\$96.961	\$104.027	\$100.487	(\$3.525)	(3.6)	\$3.540	3.4
Fuel	21.916	36.903	36.909	(14.994)	(68.4)	(0.006)	0.0
Insurance	31.991	28.842	27.201	4.790	15.0	1.641	5.7
Claims	4.682	4.682	12.861	(8.178)	*	(8.178)	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	144.424	102.708	106.842	37.582	26.0	(4.135)	(4.0)
Professional Service Contracts	48.646	43.340	40.019	8.627	17.7	3.321	7.7
Materials & Supplies	252.053	155.701	170.937	81.116	32.2	(15.235)	(9.8)
Other Business Expenses	20.675	16.735	15.146	5.529	26.7	1.590	9.5
Total Non-Labor Expenses	\$621.348	\$492.938	\$510.401	\$110.947	17.9	(\$17.463)	(3.5)
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$2,324.444	\$2,130.549	\$2,085.932	\$238.512	10.3	\$44.618	2.1
Depreciation	\$415.234	\$472.622	\$505.618	(\$90.384)	(21.8)	(\$32.995)	(7.0)
GASB 75 OPEB Expense Adjustment	109.140	180.000	29.309	79.831	73.1	150.691	83.7
GASB 68 Pension Expense Adjustment	14.700	(4.350)	(7.097)	21.797	*	2.747	63.2
GASB 87 Lease Compliance	0.000	(0.620)	(0.632)	0.632	-	0.012	1.9
Environmental Remediation	2.000	2.000	16.065	(14.065)	*	(14.065)	*
Total Expenses	\$2,865.517	\$2,780.202	\$2,629.194	\$236.324	8.2	\$151.008	5.4
Net Surplus/(Deficit) <i>(Excluding Subsidies and Debt Service)</i>	(\$1,809.756)	(\$891.616)	(\$712.776)	\$1,096.980	60.6	\$178.840	20.1
<i>Cash Depreciation Adjustments</i>							
Depreciation	\$415.234	\$472.622	\$505.618	\$90.384	21.8	\$32.995	7.0
Operating/Capital	(25.576)	(8.277)	(9.742)	15.834	61.9	(1.464)	(17.7)
Other Cash Adjustments	213.506	(681.838)	(773.424)	(986.930)	*	(91.586)	(13.4)
Total Cash Conversion Adjustments	\$603.164	(\$217.493)	(\$277.548)	(\$880.712)	*	(\$60.055)	(27.6)
Net Cash Surplus/(Deficit)	(\$1,206.593)	(\$1,109.109)	(\$990.324)	\$216.269	17.9	\$118.784	10.7

Totals may not add due to rounding
Results are based on the preliminary close of the general ledger and are subject to review and adjustment.

LONG ISLAND RAIL ROAD

THE BIG PICTURE

- YTD December overtime underspend of \$6.9M 4.5% vs Final Estimate due to continued efficiencies with Fleet maintenance, Right of Way maintenance, Vacancy/Absentee coverage, Unscheduled/Scheduled Train Service and sanitizing/cleaning.
- YTD December overtime is Flat vs YTD 2019 and 18% higher than YTD 2021 mainly due to Fleet & Right of Way maintenance, Vacancy/Absentee coverage and Scheduled Train Service, partially offset by lower sanitizing/cleaning and weather -related emergencies.
- Total non-reimbursable labor expenses were \$57.3M or 4.6% below Final Estimate Forecast



NON-REIMBURSABLE OVERTIME

• AGENCY DETAIL

Maintenance of Equipment:

- Maintenance of Equipment Overtime of \$77.1M is 53% of 2022 YTD Actuals.
- \$2.4M favorable vs Final Estimate driven by lower Fleet maintenance partially offset by vacancy/absentee coverage.

• Maintenance of Way (MOW):

- MOW of \$22.7M is 16% of 2022 YTD Actuals.
- \$0.3M unfavorable vs Final Estimate driven by higher Right of Way Maintenance partially offset by weather related overtime and vacancy/absentee coverage.

• Transportation:

- Transportation Overtime of \$37.6M is 26% of 2022 YTD Actuals.
- \$5.1M favorable vs Final Estimate driven by lower unscheduled service as a result of less incidents and vacancy/absentee coverage related to current train service plan.

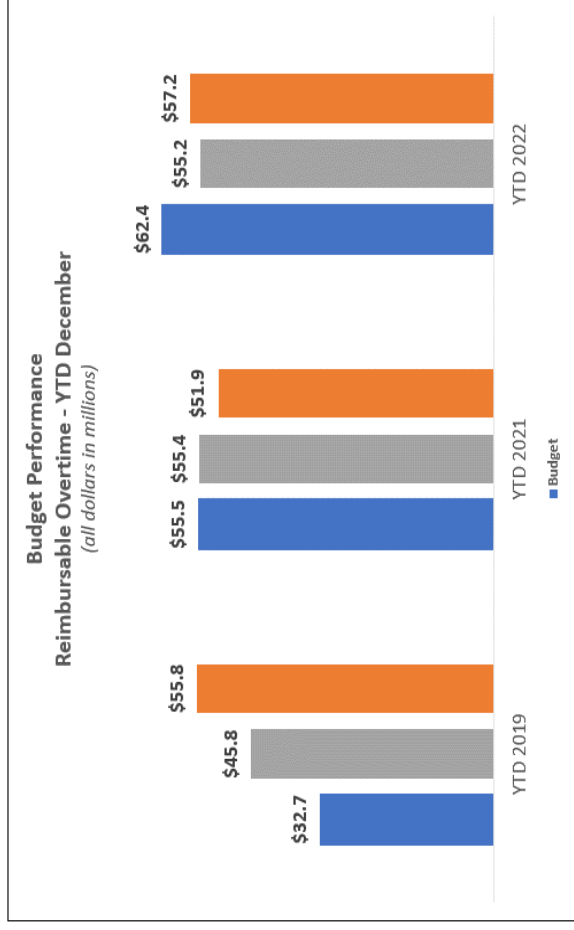
• Stations:

- Stations Overtime of \$4.9M is 3% of 2022 YTD Actuals.
- \$0.1M unfavorable vs Final Estimate driven by higher vacancy/absentee coverage.

LONG ISLAND RAIL ROAD

THE BIG PICTURE

- YTD overtime is 3.6% above the 2022 Final Estimate.
- YTD overtime is 2.5% higher than 2019 and 10% higher than 2021 mainly due to various capital projects and other reimbursements.



REIMBURSABLE OVERTIME

- **Agency Detail**
- **MOW:**
 - MOW Overtime of \$42.6M is 74% of 2022 YTD Actuals.
 - \$0.4M unfavorable vs Final Estimate driven by various capital project and other reimbursements.
- **Transportation:**
 - Transportation Overtime of \$11.9M is 21% of 2022 YTD Actuals.
 - \$0.7M unfavorable vs Final Estimate driven by various capital project and other reimbursements related to flagging needs.
- **MOE**
 - MOE Overtime of \$1.4M is 3% of 2022 YTD Actuals.
 - \$0.4M unfavorable vs Final Estimate.
- **Stations**
 - Station Overtime of \$1.1M is 2% of 2022 YTD Actuals.
 - \$0.4M unfavorable vs Final Estimate.

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
EXPLANATIONS OF CASH RECEIPTS AND EXPENDITURE VARIANCES

2022 Final Estimate vs. Actual

The favorable total cash deficit variance of \$118.8 million was the net of a real favorable variance of \$41.8 million and a favorable timing variance of \$77.0 million. The timing variance was primarily attributed to retroactive wage payments and associated fringe costs, maintenance and other operating contracts, and professional services. The real variances were primarily attributed to lower payroll and associated fringe due to the existence of vacant positions, lower overtime, OPEB current payment, pension, and electric power, partially offset by higher materials, and maintenance and other operating contract service payments.

Receipts

- **Farebox Revenue** was \$5.1 million or 1.1% above the Final Estimate as a result of higher advance sales, ridership, and yield per passenger, partially offset by lower MetroCard/AirTrain sales.
- **Other Operating Revenue** was \$2.4 million or 1.9% below the Final Estimate primarily due to the timing of rental and freight revenue, and lower miscellaneous revenue.
- **Capital and Other Reimbursements** were \$10.7 million or 2.4% above the Final Estimate primarily due to the timing of capital activity and other reimbursements.

Expenditures

- **Payroll** was \$58.8 million or 7.7% below the Final Estimate due to vacant positions, and lower rates due to the timing of retroactive payments for settled labor agreements, partially offset by the timing of interagency reimbursements.
- **Overtime** was \$20.0 million or 9.5% below the Final Estimate due to lower maintenance, scheduled/unscheduled service, and lower rates due to the timing of retroactive payments for settled labor agreements, partially offset by reimbursable project overtime.
- **Health and Welfare** was \$1.2 million or 0.8% lower than the Final Estimate primarily due to vacant positions.
- **OPEB Current Payment** was \$2.7 million or 3.9% lower than the Final Estimate due to fewer retirees/beneficiaries.
- **Pension** was \$4.0 million or 1.8% lower than the Final Estimate due to the timing of pension payments.
- **Other Fringe Benefits** were \$15.0 million or 6.7% lower than the Final Estimate due to lower Railroad Retirement Tax, partially offset by the timing of FELA payments, and miscellaneous employee expenses.
- **Electric Power** was \$4.2 million or 4.1% lower than the Final Estimate primarily due to lower consumption, partially offset by higher rates.

- **Fuel** was \$0.4 million or 1.0% higher than the Final Estimate primarily due to higher consumption and rates.
- **Insurance** was \$1.6 million or 6.3% lower than the Final Estimate primarily due to lower liability and property insurance.
- **Claims** were \$0.5 million or 27.1% lower due to the timing of payments.
- **Maintenance and Other Operating Contracts** were \$9.7 million or 8.6% lower than the Final Estimate primarily due to the timing and scheduling of maintenance services and payments.
- **Professional Service Contracts** were \$6.9 million or 19.1% lower than the Final Estimate primarily due to the timing of MTA chargebacks and other professional service payments.
- **Materials and Supplies** were \$23.6 million or 17.7% higher than the Final Estimate due to higher reimbursable project work and the timing of materials.
- **Other Business Expenses** were \$2.4 million or 12.2% lower than the Final Estimate, primarily due to lower office supplies and restitution on property damages.
- **Other Expense Adjustments** were \$2.3 million or 29.9% lower than the Final Estimate due to lower MetroCard/AirTrain sales pass-through payments.

2022 Adopted Budget vs. Actual

Receipts

- **Farebox Revenue** was \$104.3 million or 18.5% below the Adopted Budget due to lower ridership, and Metro Card/AirTrain sales, partially offset by higher advance sales, and yield per passenger.
- **Other Operating Revenue** was \$1.8 million or 1.5% above Adopted Budget due to higher rental revenue, partially offset by the timing of freight revenue, and lower miscellaneous revenue.
- **Capital and Other Reimbursements** were \$7.4 million or 1.6% higher than Adopted Budget due to the timing of capital activity and other reimbursements.

Expenditures

- **Payroll** was \$87.9 million or 11.1% lower than Adopted Budget due to vacant positions, and lower rates due to unsettled labor agreements, partially offset the timing of interagency reimbursements.
- **Overtime** was \$30.9 million or 13.9% lower than Adopted Budget primarily due to lower scheduled maintenance, scheduled/unscheduled service, reimbursable project overtime, and lower rates due to unsettled labor agreements, partially offset by higher vacancy/absentee coverage.
- **Health and Welfare** was \$13.0 million or 7.7% lower than Adopted Budget primarily due to vacant positions and the timing of New York State Health Insurance Program (NYSHIP) insurance payments.

- **OPEB Current Payment** was \$13.0 million or 16.2% lower than Adopted Budget due to fewer retirees/beneficiaries and the timing of NYSHIP insurance payments.
- **Pension** was \$12.7 million or 5.5% lower than Adopted Budget due to lower pension costs and the timing of payments.
- **Other Fringe Benefits** were \$4.3 million or 2.0% lower than Adopted Budget primarily due to lower Railroad Retirement Tax, partially offset by higher Railroad Unemployment Insurance, FELA payments, and miscellaneous employee expenses.
- **Electric Power** was \$2.8 million or 2.9% higher than the Adopted Budget due to higher consumption and higher rates.
- **Fuel** was \$15.4 million or 70.2% higher than the Adopted Budget primarily due to higher rates and consumption.
- **Insurance** was \$8.4 million or 25.8% lower than Adopted Budget primarily due to lower liability and property insurance.
- **Claims** were \$0.5 million or 27.1% lower than Adopted Budget due to the timing of payments.
- **Maintenance and Other Operating Contracts** were \$41.4 million or 28.7% lower than Adopted Budget primarily due to the timing and scheduling of maintenance services and payments.
- **Professional Service Contracts** were \$5.5 million or 15.8% lower than Adopted Budget due to the timing of MTA chargebacks and other professional service payments.
- **Materials and Supplies** were \$101.6 million or 39.3% lower than Adopted Budget primarily due to lower RCM activity for the revenue fleet.
- **Other Business Expenses** were \$6.1 million or 26.4% lower than Adopted Budget primarily due to lower credit card fees, office supplies, travel meetings and conventions, and restitution of property damages.
- **Other Expense Adjustments** were \$4.3 million or 44.6% lower than Adopted Budget due to lower MetroCard/AirTrain sales pass-through payments.

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

	2022			Favorable/(Unfavorable) Variance			
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>2022 Adopted Budget</u>		<u>Final Estimate</u>	
	<u>Budget</u>	<u>Estimate</u>		\$	%	\$	%
Receipts							
Farebox Revenue	\$564.509	\$455.133	\$460.196	(\$104.313)	(18.5)	\$5.064	1.1
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	119.808	124.014	121.631	1.823	1.5	(2.383)	(1.9)
Capital and Other Reimbursements	445.744	442.375	453.095	7.351	1.6	10.721	2.4
Total Receipts	\$1,130.061	\$1,021.521	\$1,034.923	(\$95.138)	(8.4)	\$13.402	1.3
Expenditures							
Labor:							
Payroll	\$794.948	\$765.919	\$707.085	\$87.864	11.1	\$58.834	7.7
Overtime	221.552	210.615	190.659	30.894	13.9	19.957	9.5
Health and Welfare	170.161	158.321	157.120	13.041	7.7	1.202	0.8
OPEB Current Payment	80.401	70.098	67.364	13.037	16.2	2.734	3.9
Pensions	232.873	224.150	220.170	12.703	5.5	3.980	1.8
Other Fringe Benefits	212.952	223.682	208.680	4.272	2.0	15.002	6.7
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	\$1,712.888	\$1,652.786	\$1,551.078	\$161.810	9.4	\$101.709	6.2
Non-Labor:							
Electric Power	\$96.961	\$104.027	\$99.790	(\$2.829)	(2.9)	\$4.237	4.1
Fuel	21.916	36.903	37.290	(15.374)	(70.2)	(0.387)	(1.0)
Insurance	32.374	25.623	24.017	8.357	25.8	1.606	6.3
Claims	1.852	1.852	1.350	0.502	27.1	0.502	27.1
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	144.424	112.698	102.989	41.435	28.7	9.708	8.6
Professional Service Contracts	34.996	36.401	29.461	5.535	15.8	6.939	19.1
Materials & Supplies	258.503	133.336	156.904	101.600	39.3	(23.567)	(17.7)
Other Business Expenses	23.180	19.441	17.070	6.110	26.4	2.372	12.2
Total Non-Labor Expenditures	\$614.206	\$470.281	\$468.870	\$145.336	23.7	\$1.411	0.3
Other	\$9.560	\$7.563	\$5.299	\$4.261	44.6	\$2.263	29.9
Total Other Expenditure Adjustments	\$9.560	\$7.563	\$5.299	\$4.261	44.6	\$2.263	29.9
Total Expenditures	\$2,336.654	\$2,130.630	\$2,025.247	\$311.407	13.3	\$105.383	4.9
Operating Cash Deficit	(\$1,206.593)	(\$1,109.109)	(\$990.324)	\$216.269	17.9	\$118.784	10.7
Cash Timing and Availability Adjustment	0.000	0.000	14.902	14.902	-	14.902	-

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
(\$ in millions)

	2022			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2020 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$9.560	\$3.735	\$2.614	(\$6.946)	(72.7)	(\$1.121)	(30.0)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	90.784	(862.054)	(864.471)	(955.255)	*	(2.417)	(0.3)
Capital and Other Reimbursements	(26.044)	(8.745)	(19.637)	6.407	24.6	(10.892)	*
Total Receipts	\$74.300	(\$867.065)	(\$881.495)	(\$955.795)	*	(\$14.430)	(1.7)
Expenditures							
Labor:							
Payroll	\$5.423	(\$6.202)	\$14.172	\$8.748	*	\$20.374	*
Overtime	0.000	(4.031)	11.070	11.070	-	15.101	*
Health and Welfare	0.000	10.422	4.531	4.531	-	(5.891)	(56.5)
OPEB Current Payment	0.000	3.316	(0.209)	(0.209)	-	(3.525)	*
Pensions	0.000	(1.000)	1.620	1.620	-	2.620	*
Other Fringe Benefits	(15.216)	(17.680)	(6.730)	8.486	55.8	10.950	61.9
GASB Account	0.000	0.000	0.000	0.000	-	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	(\$9.793)	(\$15.175)	\$24.453185	\$34.246	*	\$39.628	*
Non-Labor:							
Electric Power	\$0.000	\$0.000	\$0.697	\$0.697	-	\$0.697	-
Fuel	0.000	0.000	(0.380)	(0.380)	-	(0.380)	-
Insurance	(0.382)	3.218	3.184	3.566	*	(0.034)	(1.1)
Claims	2.831	2.831	11.511	8.681	*	8.681	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	0.000	(9.990)	3.853	3.853	-	13.843	*
Professional Service Contracts	13.650	6.939	10.557	(3.093)	(22.7)	3.618	52.1
Materials & Supplies	(6.450)	22.365	14.033	20.483	*	(8.332)	(37.3)
Other Business Expenses	(2.505)	(2.706)	(1.924)	0.581	23.2	0.782	28.9
Total Non-Labor Expenditures	\$7.142	\$22.657	\$41.530962	\$34.389	*	\$18.874	83.3
Other Expense Adjustments:							
Other	(\$9.560)	(\$7.563)	(\$5.299)	\$4.261	44.6	\$2.263	29.9
Total Other Expenditure Adjustments	(\$9.560)	(\$7.563)	(\$5.29927)	\$4.261	44.6	\$2.263	29.9
Total Expenditures Before Depreciation	(\$12.210)	(\$0.080)	\$60.685	\$72.895	*	\$60.765	*
Depreciation	\$415.234	\$472.622	\$505.618	\$90.384	21.8	\$32.995	7.0
GASB 75 OPEB Expense Adjustment	109.140	180.000	29.309	(79.831)	(73.1)	(150.691)	(83.7)
GASB 68 Pension Expense Adjustment	14.700	(4.350)	(7.097)	(21.797)	*	(2.747)	(63.2)
GASB 87 Lease Compliance	0.000	(0.620)	(0.632)	(0.632)	-	(0.012)	(1.9)
Environmental Remediation	2.000	2.000	16.065	14.065	*	14.065	*
Total Expenditures	\$528.864	\$649.572	\$603.947	\$75.083	14.2	(\$45.625)	(7.0)
Baseline Total Cash Conversion Adjustments	\$603.164	(\$217.493)	(\$277.548)	(\$880.712)	*	(\$60.055)	(27.6)
Cash Timing and Availability Adjustment	0.000	0.000	14.902	14.902	-	14.902	-

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

	Final Estimate	Actual	Favorable/(Unfavorable) Variance		
			Total	Real	Timing
<u>Receipts</u>					
Farebox Revenue	\$455.133	\$460.196	\$5.064	\$3.937	\$1.127
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	124.014	121.631	(2.383)	(2.383)	0.000
Capital and Other Reimbursements	442.375	453.095	10.721	10.721	0.000
Total Receipts	\$1,021.521	\$1,034.923	\$13.402	\$12.275	\$1.127
<u>Expenditures</u>					
Labor:					
Payroll	\$765.919	\$707.085	\$58.834	\$20.059	\$38.775
Overtime	210.615	190.659	19.957	9.168	\$10.789
Health and Welfare	158.321	157.120	1.202	1.202	\$0.000
OPEB Current Payment	70.098	67.364	2.734	2.734	\$0.000
Pensions	224.150	220.170	3.980	3.980	\$0.000
Other Fringe Benefits	223.682	208.680	15.002	6.419	\$8.583
GASB Account	0.000	0.000	0.000	0.000	\$0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	\$0.000
Total Labor Expenditures	\$1,652.786	\$1,551.078	\$101.709	\$43.562	\$58.147
Non-Labor:					
Electric Power	\$104.027	\$99.790	\$4.237	\$4.237	\$0.000
Fuel	36.903	37.290	(0.387)	(0.387)	0.000
Insurance	25.623	24.017	1.606	1.606	0.000
Claims	1.852	1.350	0.502	(0.820)	1.322
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	112.698	102.989	9.708	(1.028)	10.736
Professional Service Contracts	36.401	29.461	6.939	3.019	3.920
Materials & Supplies	133.336	156.904	(23.567)	(25.148)	1.580
Other Business Expenses	19.441	17.070	2.372	2.183	0.188
Total Non-Labor Expenditures	\$470.281	\$468.870	\$1.411	(\$16.336)	\$17.747
Other Expenditure Adjustments:					
Other	7.563	5.299	2.263	2.263	0.000
Total Other Expenditure Adjustments	\$7.563	\$5.299	\$2.263	\$2.263	\$0.000
Total Expenditures	\$2,130.630	\$2,025.247	\$105.383	\$29.489	\$75.894
Baseline Net Cash Surplus/(Deficit)	(\$1,109.109)	(\$990.324)	\$118.784	\$41.764	\$77.021

Totals may not agree due to rounding.
Results are subject to audit

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
EXPLANATIONS OF VARIANCES ON RIDERSHIP/ (UTILIZATION)**

2022 Final Estimate vs. Actual

Ridership of 52.5 million was 0.4% above the Final Estimate. Non-commutation ridership of 31.5 million was 8.6% higher than the Final Estimate, and commutation ridership of 21.1 million was 9.7% lower than the Final Estimate.

2022 Adopted Budget vs. Actual

Ridership of 52.5 million was 19.4% below the Adopted Budget. Non-commutation ridership of 31.5 million was 7.2% higher than the Adopted Budget, and commutation ridership of 21.1 million was 41.2% lower than the Adopted Budget. Ridership projections in the Adopted Budget were based on the initial McKinsey ridership assumptions that were subsequently adjusted lower in the 2022 July Plan.

MTA LONG ISLAND RAIL ROAD
2022 FEBRUARY ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL (December)
UTILIZATION
(in millions)

	YEAR-TO-DATE as of DECEMBER 2022				Variance Favorable / (Unfavorable)				
	Adopted	Final	Actual	Adjusted*	Budget	Final Estimate	Adjusted*		
	Budget	Estimate		2021			2021		
	\$	\$	\$	#	\$	\$	#	%	
FAREBOX REVENUE									
Commutation	\$272.499	\$175.734	\$157.567		(\$114.932)	(\$18.167)		-42.2%	-10.3%
Non-Commutation	\$282.450	\$275.664	\$300.016		\$17.565	\$24.352		6.2%	8.8%
Total Revenue	\$554.949	\$451.398	\$457.583		(\$97.367)	\$6.184		-17.5%	1.4%
RIDERSHIP									
Commutation	35.832	23.342	21.083	9,678	(14,749)	(2,260)	11,405	-41.2%	-9.7%
Non-Commutation	29,335	28,978	31,458	25,321	2,123	2,480	6,137	7.2%	8.6%
Total Ridership	65,166	52,320	52,541	34,999	(12,626)	0,220	17,542	-19.4%	0.4%

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
EXPLANATIONS OF VARIANCES on POSITIONS
By FUNCTION and DEPARTMENT
NON-REIMBURSABLE/ REIMBURSABLE and FULL-TIME/ FULL-TIME EQUIVALENTS**

2022 Final Estimate vs. Actual

At the end of 2022, the Long Island Rail Road had 7,535 total employees (actual staffing), which consisted of 6,550 non-reimbursable and 985 reimbursable employees. Staffing was 441 positions or 5.5% below the Final Estimate of 7,976 positions.

The vacancies were primarily in Train Operations, Engineering, Customer Services, Maintenance of Equipment, and administrative departments.

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 Final Estimate vs. Actual

Total Full-Time Positions & FTEs by Function and Department
December 2022

	2022		Fav/(Unfav)	
	Final Estimate	Actual	#	%
Administration				
Enterprise Asset Management	9	9	0	0.0%
Sr Vice President - Engineering	0	0	0	0.0%
Labor Relations	14	10	4	28.6%
Procurement & Logistics (excl. Stores)	46	37	9	19.6%
Human Resources	35	28	7	20.0%
Sr VP Administration	2	2	0	0.0%
Strategic Investments	25	16	9	36.0%
President	10	5	5	50.0%
VP & CFO	2	0	2	100.0%
Controller	39	38	1	2.6%
Management and Budget	13	10	3	23.1%
BPM, Controls, & Compliance	4	3	1	25.0%
Market Dev. & Public Affairs	71	69	2	2.8%
Gen. Counsel & Secretary	28	21	7	25.0%
Diversity Management	3	1	2	66.7%
Security	15	14	1	6.7%
System Safety	49	41	8	16.3%
Training	74	69	5	6.8%
Service Planning	31	31	0	0.0%
Rolling Stock Programs	17	8	9	52.9%
Sr Vice President - Operations	5	3	2	40.0%
Total Administration	492	415	77	15.7%
Operations				
Train Operations	2,329	2,170	159	6.8%
Customer Service	548	501	47	8.6%
Total Operations	2,877	2,671	206	7.1%
Maintenance				
Engineering	2,142	2,080	62	2.9%
Equipment	2,143	2,121	22	1.0%
Procurement (Stores)	101	90	11	10.9%
Total Maintenance	4,386	4,291	95	2.2%
Engineering/Capital				
Department of Project Management	112	74	38	33.9%
Special Projects/East Side Access	59	43	16	27.1%
Positive Train Control	50	41	9	18.0%
Total Engineering/Capital	221	158	63	28.5%
Baseline Total Positions	7,976	7,535	441	5.5%
<i>Non-Reimbursable</i>	6,849	6,550	298	4.4%
<i>Reimbursable</i>	1,127	985	142	12.6%
Total Full-Time	7,976	7,535	441	5.5%
Total Full-Time-Equivalents	0	0	0	

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
EXPLANATIONS of VARIANCES
By FUNCTION AND OCCUPATION GROUP**

2022 Final Estimate vs. Actual

At the end of 2022, the Long Island Rail Road had 7,535 total employees (actual staffing), which consisted of 1,526 Managers/Supervisors, 553 Professional, Technical and Clerical, and 5,456 Operational Hourlies. This was 441 positions or 5.5% below the Final Estimate of 7,976.

Approximately 40% of vacancies were Managers/Supervisors, followed by Operational Hourlies which was approximately 33%, and Professional, Technical, Clerical which was 29%.

MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 Final Estimate vs. Actual
Total Positions by Function and Occupational Group
December 2022

	Final Estimate	Actual	Favorable (Unfavorable) Variance	
			Final Estimate	
			#	%
Administration				
Managers/Supervisors	269	233	36	13.4%
Professional, Technical, Clerical	200	159	41	20.5%
Operational Hourlies	23	23	0	0.0%
Total Administration	492	415	77	15.7%
Operations				
Managers/Supervisors	369	334	35	9.4%
Professional, Technical, Clerical	126	110	16	12.7%
Operational Hourlies	2,382	2,227	155	6.5%
Total Operations	2,877	2,671	206	7.1%
Maintenance				
Managers/Supervisors	904	829	75	8.3%
Professional, Technical, Clerical	287	256	31	10.8%
Operational Hourlies	3,195	3,206	(11)	-0.3%
Total Maintenance	4,386	4,291	95	2.2%
Engineering/Capital				
Managers/Supervisors	154	130	24	15.6%
Professional, Technical, Clerical	67	28	39	58.2%
Operational Hourlies	0	0	0	0.0%
Total Engineering/Capital	221	158	63	28.5%
Baseline Total Positions				
Managers/Supervisors	1,696	1,526	170	10.0%
Professional, Technical, Clerical	680	553	127	18.7%
Operational Hourlies	5,600	5,456	144	2.6%
Total Baseline	7,976	7,535	441	5.5%

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
RESULTS OF OPERATIONS**

FINANCIAL PERFORMANCE

Actual 2022 non-reimbursable expenses before non-cash liabilities of \$1,613.2 million were \$239.5 million or 12.9% lower than the Adopted Budget and \$66.2 million or 3.9% lower than the Final Estimate.

The operating cash deficit of \$990.3 million was 17.9% favorable to the Adopted Budget and 10.7% favorable to the Final Estimate.

Managing Workforce Levels: Given that payroll spending is the single largest expense category in the budget, the LIRR pays close attention to staffing levels. Senior management must ensure that the LIRR is budgeted appropriately for its operation and at the same time make sure that a sufficient number of positions are filled to complete necessary work and avoid the unnecessary use of overtime. During 2022, the LIRR continued carefully reviewing all hiring decisions, including backfills of existing vacant positions.

The LIRR's success at controlling labor-related expenses is founded on developing a realistic and efficient hiring plan for operational positions. The hiring plan links workload (current and projected) to attrition projections and training and recruitment capacity to set hiring goals over a two-year planning horizon. This hiring plan was even more critical in 2022 as the LIRR prepared for the opening of Grand Central Madison (GCM).

Controlling Overtime: The LIRR's Overtime Task Force is tasked with strengthening the Rail Road's overtime monitoring and approval process, standardizing procedures, and increasing managerial accountability for overtime usage. The Task Force is a corporate-wide effort that engages high-level senior management and staffing from the four main operating departments and relevant oversight and support departments. The Task Force meets regularly to review and discuss progress on strategic overtime initiatives and overall overtime data. Individual working groups met to discuss trends and identify corrective action plans.

In 2022, The Overtime Task Force continued to meet with the President to discuss trends, the status of initiatives, and high earners. The operating departments conducted thorough overtime and time/attendance reviews of high earners and random employees. Departments continued to use tools such as the MTA Overtime Dashboard to assist in their analysis. In addition, rigorous monthly reviews of overtime approval, time and attendance, and payroll records enhance internal controls.

Overtime hours in 2022 were 393,000 hours (15%) higher than in 2021. Most of the increase was attributed to a 46% increase (191,500 hours) in programmatic/routine maintenance, and an 18% increase (157,000 hours) in vacancy/absentee coverage. The drastic increase in programmatic routine maintenance was mostly because the 2021 service plan allowed for more weekday track outages. It became more difficult to utilize these track outages as service increased which resulted in an increase in overtime on nights and weekends. The increase in vacancy/absentee coverage was mostly attributed to higher levels of vacancies in the Equipment Department which needed to be backfilled on overtime. This was due to higher levels of attrition than originally planned.

Other contributors included a 4% increase (12,300 hours) in scheduled service, partially offset by a 66% decrease (97,300 hours) in unscheduled maintenance due to reduced sanitizing/cleaning

efforts, and a 28% decrease (30,700 hours) in weather-related overtime. Another contributing factor included a 21% increase (157,000 hours) in reimbursable activity resulting from an increase in the amount of Maintenance of Way reimbursable work required to be completed on overtime.

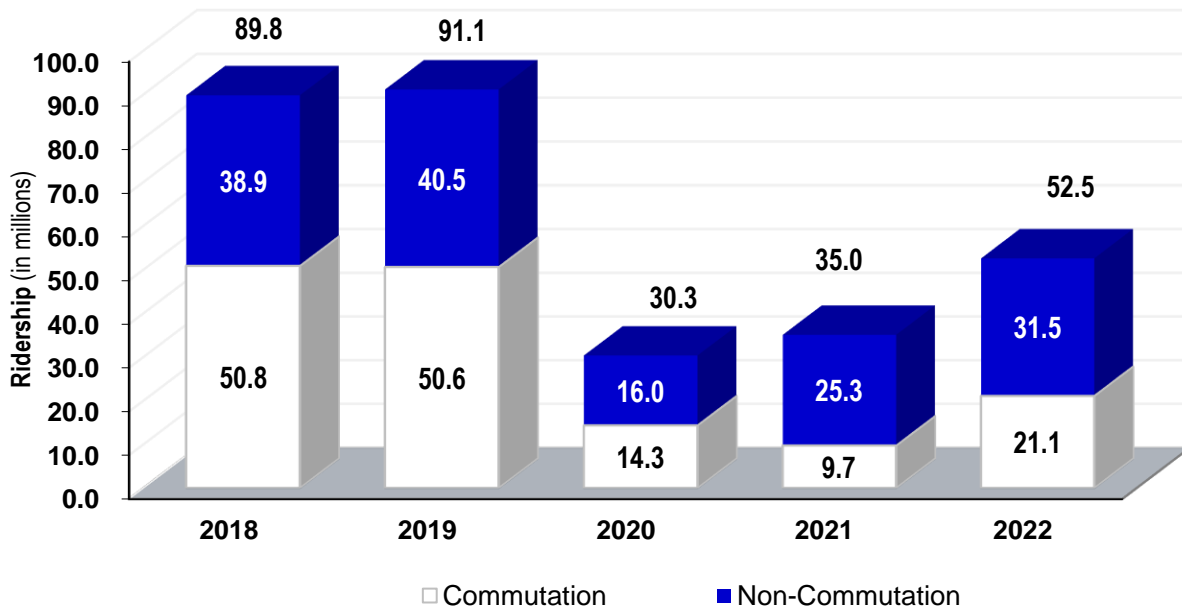
One metric used by the MTA to measure financial performance is the Farebox Operating Ratio (FOR), which calculate the percent of operating expenses the LIRR that is covered through farebox revenue. COVID-19 had a significant impact on this and other key financial performance metrics. In pre-pandemic 2019, the FOR was 50.2% and the operating cost per passenger was \$16.80. In 2022, the FOR increased from 19.8% in 2021 to 27.8%. The 2022 actual FOR was unfavorable to the Adopted Budget level of 29.6% and favorable to the Final Estimate of 26.4%. It is important to note that excluding the LIRR’s unfunded pension liability expenses would have increased the farebox operating ratio to 31.9% in 2022. The LIRR’s operating cost per passenger decreased to \$31.35 in 2022 from \$42.54 in 2021.

RIDERSHIP AND REVENUE

In 2022, ridership showed significant improvement compared to 2020 and 2021. Compared to 2019 levels, total ridership began the year at approximately 38%, growing to 66% in November 2022. Commutation ridership grew by 117% from 2021 to 2022 as many employees transitioned back to the office on at least a part-time schedule.

In 2022, the LIRR carried 52.5 million customers, which was a 50% percent increase from 35.0 million customers in 2021. However, this was still 42.3% lower than the pre-pandemic 2019 ridership of 91.1 million.

Total Ridership



Weekday service remained consistent throughout 2022 with no major changes to service. Traditional peak hours for most branches have also remained consistent. Weekend service was significantly impacted by outages for the Mainline Expansion project. Even with the significant outages, off-peak and weekend ridership have returned stronger than peak ridership.

Service to Grand Central Madison (GCM) was originally planned for late 2022 but did not commence until early 2023.

SAFETY/SECURITY

An essential element of LIRR's mission is to ensure the safety of its customers, employees, and the communities it serves. LIRR's corporate safety and security programs are designed to engage every employee in promoting the value of safety and security requirements. It is a collaborative effort between the Corporate Safety Department, the LIRR Office of Security, and all LIRR operating and administrative departments.

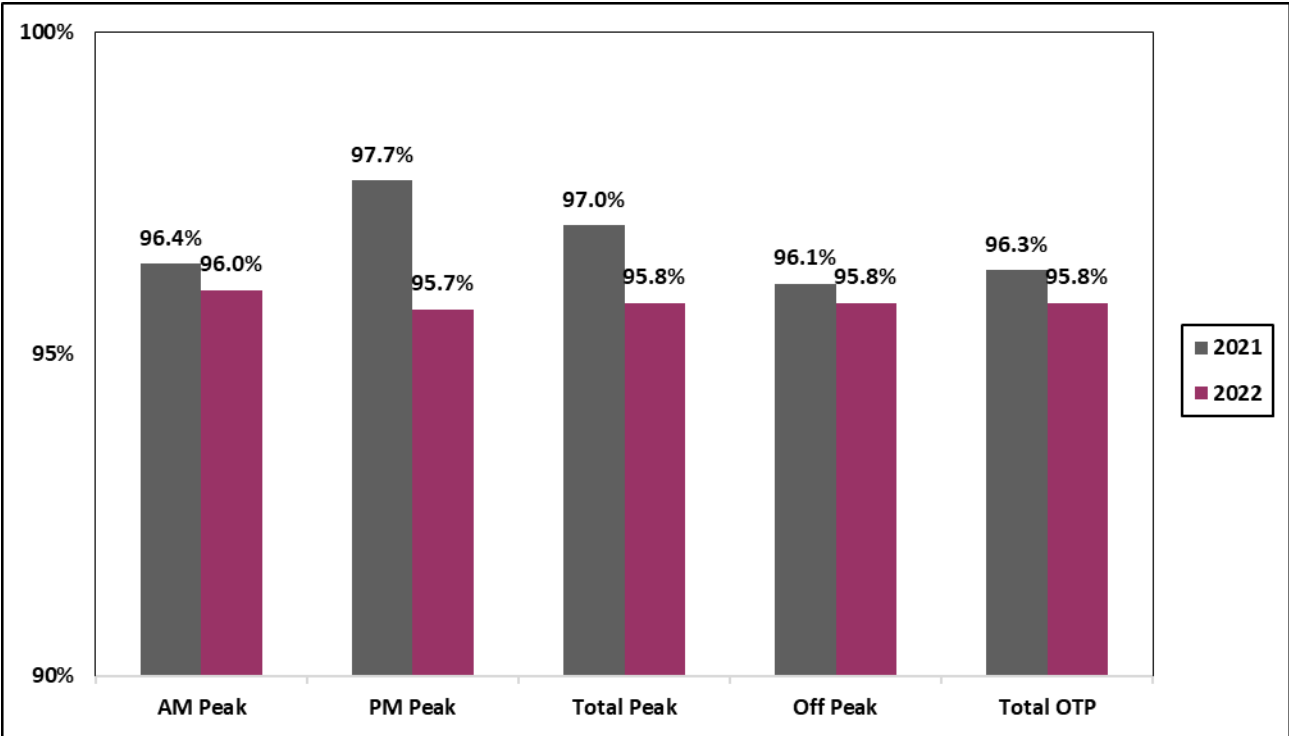
Other accomplishments in 2022 included the following:

- Collaborated with the Long Island Suicide Coalition which includes the NYS Office of Mental Health, Response Long Island and the Long Island Crisis Center. The group has worked together to engage customers at select stations throughout the years. Together the group designed a suicide awareness sign that has been installed at all 125 LIRR stations. In addition to the signage, the LIRR initiated a blue light strategy at select stations to deter suicide attempts at our stations.
- Conducted LIRR's quarterly "Safety FOCUS Days," (Fatigue, Outside Influences, Communication, Uncertainty Meetings, Situational Awareness) in which the LIRR president and the vice president of LIRR Corporate Safety meet directly with frontline supervisors and managers to discuss safety issues in the field.
- Continued the railroad's Confidential Close Call Reporting System (C3RS), a collaborative effort between management, labor, and the Federal Railroad Administration (FRA) that enables employees to confidentially report "close calls" that could have caused operating and safety incidents. Peer review teams meet several times a month to review reports, discuss mitigations, and recommend corrective actions.
- Continued implementing a new Enterprise Safety System (ESS) to replace LIRR's existing mainframe-based accident reporting system with a new database system utilizing trend analysis and other "business intelligence" capabilities.
- Continued a slate of employee safety initiatives, campaigns focusing on personal protective equipment, and social distancing, track safety for employees, and employee safety-related experiences in the field.
- Continued implementing safety recommendations resulting from an anonymized employee "Safety Barometer" survey co-managed by the National Safety Council (NSC).
- Continued installation, configuration, and research and development of analytics to work in conjunction with security cameras and access devices to deter crimes and record evidence for investigations.

- Completed multiple security projects across the railroad. These included the installation of CCTV and video management systems, intrusion detection systems, and access-control devices at multiple LIRR stations, facilities, and existing rail cars. New cameras continue to be installed on station platforms, crossings, yards, ticket offices, facility buildings, and newly acquired rail cars.
- Continued the installation of high-security electronic gates and fencing, along with other “hardening” upgrades to thwart trespassers on the right of way, as well as exterior yards.
- Increased security awareness through the turnover of security services from the project teams and LIRR Office of Security of several new facilities, including GCM and Mid-Day Storage Yard.
- Provided critical interagency support for security operations and information sharing for major events throughout the LIRR’s geographical area.

OPERATIONAL PERFORMANCE

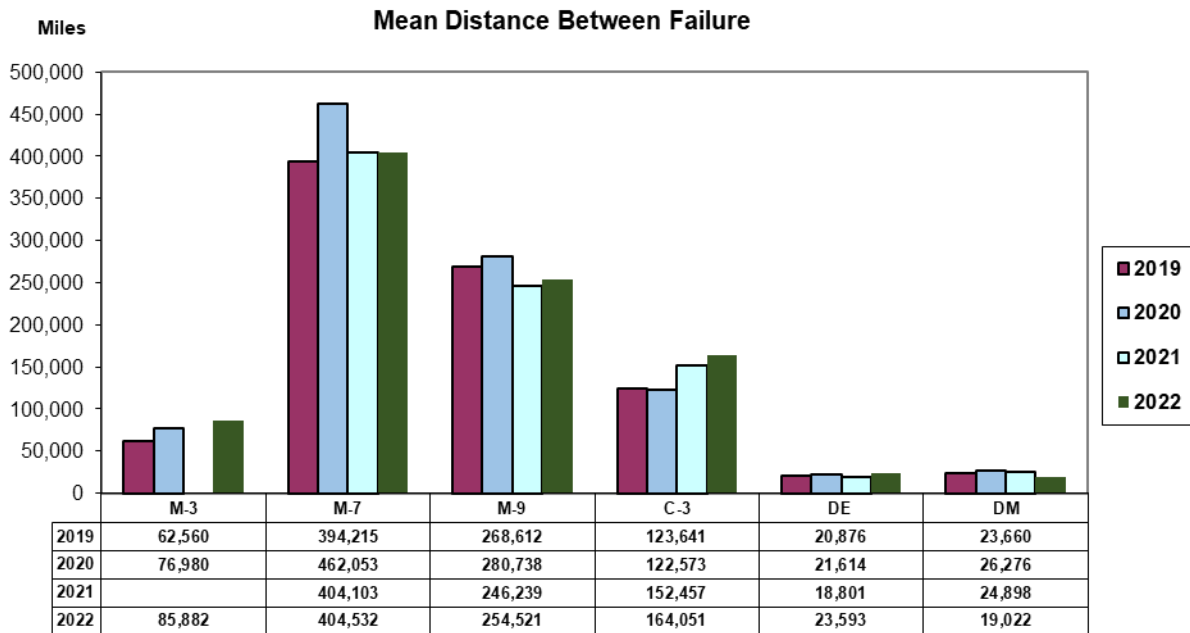
On-Time Performance (OTP): One of the most reliable predictors of customer satisfaction is the ability of the LIRR to deliver passengers to their intended destinations on time. For 2022, OTP was 95.8%, which was the 3rd highest OTP in LIRR history. This was slightly below 2021, which was the highest OTP LIRR has seen since modern record-keeping began in the 1970s.



In 2022, the total number of delays increased by 18% to 9,490 from 8,028 in 2021. Increases occurred in most of the categories; including Train Operations – 1128, Infrastructure Maintenance – 267, Customer Assistance – 198, Fleet – 184, and Police - 87. These increases are mostly attributed to an increase in ridership along with an increase in the number of scheduled trains.

For comparison, there was a 50% drop in late trains when comparing 2019 to 2022 (18,976 to 9,490).

Mean Distance Between Failures (MDBF): MDBF is the standard measurement used to gauge fleet reliability. The MDBF for the entire fleet in 2022 was 229,824 miles, exceeding the 2022 goal of 190,000 miles by 21% and representing a 0.7% decrease from 2021.



The M7 fleet, with an MDBF of 404,532 miles, continued to be the strongest contributor to the LIRR’s fleet reliability achievements. The RCM program and rigorous maintenance strategies contributed to this outstanding reliability performance.

The Maintenance of Equipment Department’s strategic maintenance efforts also helped to sustain a high C-3 fleet reliability, which reached an MDBF of 164,051 – exceeding the goal by 59%. The combined diesel fleet achieved an MDBF of 71,693 miles, which exceeded the goal by 40%.

At the end of 2022, the multiple unit (MU) electric fleet consisted of 826 M-7, 146 M-9 and 80 M-3 cars available for revenue service. The diesel fleet consisted of 134 C-3 coach cars and 45 diesel locomotives.

New M9 rail cars entered passenger service on Sept. 11, 2019. The new cars incorporate and improve upon the most successful and popular features of the MTA’s two recent electric car fleets, the LIRR’s familiar M-7 electric cars and the M-8 cars serving Metro-North’s New Haven Line. A total of 202 cars are expected to be put into revenue service over the next several years.

LIRR continues its efforts to optimize the Reliability Centered Maintenance program, Enterprise Asset Management (EAM) system implementation, continued M9 fleet addition in revenue service, and initiatives targeting the performance of the entire fleet.

CUSTOMER COMMUNICATION

Keeping customers fully informed in real-time is a high priority of the LIRR, and the Rail Road continues to explore ways to improve in this area. The LIRR Public Information Office (PIO) continues to improve messaging protocols to provide customers with recovery estimates for service disruptions as well as early morning messages in advance of anticipated disruptions.

Since January 2019, riders have been able to see exactly where their trains are, in real-time, thanks to the Train Time App. This tool uses real-time GPS tracking technology, enabling our customers to pull up the location of their train and expected time of arrival. It also provides information such as the car length of a train, train direction and whether it's diesel or electric. The Train Time App rolled out an enhanced feature in 2021 that provides accessibility information for a specific station, by locating elevators, escalators, and ramps at both the customer's origin and destination station. This allows the user to see specifically where along the station platform the elevators, escalators, and ramps are available. Real-time data provides customers with elevators and escalators that are currently out of service.

The LIRR continued to enhance the availability of on-board seating/crowding information at station platforms, by continuing to replace and upgrade electronic signs at selected stations. The new digital platform signs provide a diagram of an arriving train, displaying available seating capacity in each car, as well as the observer's relative position along the platform. This allows customers to position themselves along the platform to align with a train car that is less crowded/has more available seating.

The LIRR also continued the Rail Road's popular LIRR Care Program, which provides personalized attention for first-time LIRR travelers and customers requiring special assistance when boarding or exiting LIRR trains. The program an initiative LIRR is exploring to better accommodate Americans with Disabilities Act (ADA) customers.

CAPITAL IMPROVEMENTS

- The LIRR Modernization Program is a multi-billion-dollar investment in the regional transportation infrastructure that aims to foster Long Island's economic health. This comprehensive program to reconstruct and improve the LIRR system moves forward with planning, design, and construction. These projects range from significant system expansion efforts, such as the LIRR Expansion Project from Floral Park to Hicksville and GCM, to improvements to existing infrastructure, such as bridge replacements, substation replacements, and station enhancements. Collectively, these projects will work together to improve the overall LIRR system efficiency and reliability. Several major projects were completed, and others remain ongoing.
- Completed Jamaica Capacity Phase 1. The work included the completion of a new platform at Jamaica Station which is necessary to provide service between Brooklyn and Jamaica with the implementation of the new service plan for GCM.
- Completed the 2022 LIRR Annual Track Program, which included: installing 32,097 concrete ties on the Main Line, Hempstead, and Atlantic Branch; installing 48,694 linear feet of continuous welded rail (CWR) on the Main Line, Hempstead, and Atlantic Branch; replacing 13,429 timber ties to the Hempstead and Oyster Bay Branch; completing 486 field welds; surfacing 21 miles of track Main Line, Hempstead, Atlantic Branch, and systemwide.

- Completed necessary work to put GCM into service in early 2023. The work included the construction of the new train concourse below Grand Central Terminal along with remaining infrastructure work along the right-of-way.

**MTA LONG ISLAND RAIL ROAD
2022 YEAR-END REPORT
2022 FINAL ESTIMATE vs ACTUALS
MONTHLY PERFORMANCE INDICATORS
December 2022**

		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual</u>	<u>Final Estimate</u>	<u>2021</u>	<u>vs. Final Estimate</u>	<u>vs. 2021</u>
Farebox Operating Ratio	Standard ⁽¹⁾	28.0%	26.4%	19.8%	1.6%	8.2%
	Adjusted ⁽²⁾	32.4%	30.5%	23.7%	1.9%	8.7%
Cost Per Passenger	Standard ⁽¹⁾	\$31.09	\$32.64	\$42.54	\$1.55	\$11.45
	Adjusted ⁽²⁾	\$28.83	\$30.24	\$39.08	\$1.41	\$10.25
Passenger Revenue/Passenger ⁽³⁾		\$8.71	\$8.63	\$8.44	\$0.08	\$0.27

		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>Actual</u>	<u>Adopted Budget</u>	<u>2021</u>	<u>vs. Adopted Budget</u>	<u>vs. 2021</u>
Farebox Operating Ratio	Standard ⁽¹⁾	28.0%	29.6%	19.8%	-1.6%	8.2%
	Adjusted ⁽²⁾	32.4%	33.5%	23.7%	-1.1%	8.7%
Cost Per Passenger	Standard ⁽¹⁾	\$31.09	\$28.82	\$42.54	(\$2.27)	\$11.45
	Adjusted ⁽²⁾	\$28.83	\$26.74	\$39.08	(\$2.09)	\$10.25
Passenger Revenue/Passenger ⁽³⁾		\$8.71	\$8.52	\$8.44	\$0.19	\$0.27

(1) The Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, OPEB Expense (GASB 75), Pension Expense (GASB 68) 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 Hampton Seat Reservations.