

BUDGETWATCH

September 2014 Flash Report

(Forecast figures in this report, except the Summary of June Budgetwatch, refer to the 2014 Mid-Year Forecast)

Summary of June Budgetwatch (reporting on operations through May and subsidies through June):

Preliminary YTD results against the **Adopted Budget** were favorable. Operating results were on target; favorable revenue results in recent months offset weaker January and February results that were impacted by harsh winter weather. Lower expenses for health & welfare and OTPS offset the impact of the TWU contract award at NYCT. Debt service costs were favorable due to lower rates, and subsidies were favorable, with strong Urban Tax receipts, particularly in January and February, more than offsetting unfavorable collections from the Mortgage Recording Tax (MRT) and the Payroll Mobility Tax (PMT). *It should be noted that the trends compared with budget described in this paragraph were captured in the Mid-Year Forecast (July Financial Plan).*

Overall Latest Condition (reporting on operations through August and subsidies through September):

Overall, preliminary net results were favorable for the month and YTD. Operating results, encompassing passenger/toll revenues and operating expenses, were favorable for the month and also YTD. Operating expenses were very favorable; however, much of that variance was associated with the timing of accruals associated with represented labor agreements. Adjusted for timing, overall operating results were still mainly favorable, with the exception of overtime and fuel.

YTD debt service costs were favorable due to lower rates. Subsidies were slightly below target YTD, with favorable collections of Urban Tax and Payroll Mobility Taxes (PMT) receipts offsetting much of the combined shortfall in Petroleum Business Tax (PBT) and MTA Aid.

Passenger and Toll Revenues

| YTD August 2014 (\$ in millions) | | | | | Month of August 2014 (\$ in millions) | | | | |
|----------------------------------|------------------|-------------------|---------------|--------------|---------------------------------------|----------------|-------------------|--------------|--------------|
| | Actual | Mid-Year Forecast | Diff | % Diff | | Actual | Mid-Year Forecast | Diff | % Diff |
| NYCT: | | | | | NYCT: | | | | |
| Subway | \$2,081.9 | \$2,066.5 | \$15.4 | 0.7% | Subway | \$258.1 | \$255.5 | \$2.5 | 1.0% |
| Bus | 628.0 | 626.8 | 1.2 | 0.2% | Bus | 79.1 | 80.0 | (1.0) | -1.2% |
| Other | <u>53.2</u> | <u>56.2</u> | <u>(3.0)</u> | <u>-5.4%</u> | Other | <u>7.4</u> | <u>7.5</u> | <u>(0.1)</u> | <u>-1.7%</u> |
| NYCT | \$2,763.1 | \$2,749.5 | \$13.6 | 0.5% | NYCT | \$344.5 | \$343.0 | \$1.5 | 0.4% |
| LIRR | 435.8 | 431.7 | 4.1 | 0.9% | LIRR | 58.3 | 56.6 | 1.7 | 3.0% |
| MNR | <u>427.1</u> | <u>424.3</u> | <u>2.8</u> | <u>0.7%</u> | MNR | <u>55.5</u> | <u>54.9</u> | <u>0.6</u> | <u>1.0%</u> |
| Sub-total | \$3,626.0 | \$3,605.4 | \$20.5 | 0.6% | Sub-total | \$458.3 | \$454.6 | \$3.7 | 0.8% |
| B&T | <u>1,109.3</u> | <u>1,097.8</u> | <u>11.5</u> | <u>1.0%</u> | B&T | <u>153.5</u> | <u>148.2</u> | <u>5.3</u> | <u>3.6%</u> |
| Total | \$4,735.3 | \$4,703.3 | \$32.0 | 0.7% | Total | \$611.7 | \$602.8 | \$9.0 | 1.5% |

Through August, combined passenger and toll revenues were \$32.0 million favorable compared with the Mid-Year Forecast. For the month, passenger revenues were \$3.7 million, or 0.8%, above Forecast, and toll revenues were favorable by \$5.3 million, or 3.6%. NYCT was on target for the month as higher subway ridership was partly offset by lower bus ridership. At the LIRR, revenues were favorable due to strong ridership growth, while favorable Metro-North revenues reflect higher than expected non-commutation ridership. Toll revenues were favorable for the month and YTD primarily due to higher traffic.

Total Operating Expenses before Non-Cash Liability Adjustments

| YTD August 2014 (\$ in millions) | | | | | Month of August 2014 (\$ in millions) | | | | |
|----------------------------------|------------------|--------------------------|----------------|---------------|---------------------------------------|----------------|--------------------------|---------------|---------------|
| | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Diff</u> | <u>% Diff</u> | | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Diff</u> | <u>% Diff</u> |
| NYCT | \$4,958.9 | \$5,048.1 | \$89.2 | 1.8% | NYCT | \$541.7 | \$558.5 | \$16.8 | 3.0% |
| LIRR | 986.8 | 1,047.9 | 61.0 | 5.8% | LIRR | 218.4 | 242.9 | 24.5 | 10.1% |
| MNR | 832.4 | 863.9 | 31.4 | 3.6% | MNR | 83.9 | 97.9 | 14.0 | 14.3% |
| B&T | <u>262.3</u> | <u>278.1</u> | <u>15.7</u> | <u>5.7%</u> | B&T | <u>39.5</u> | <u>40.9</u> | <u>1.4</u> | <u>3.5%</u> |
| Total | \$7,040.5 | \$7,237.9 | \$197.4 | 2.7% | Total | \$883.4 | \$940.2 | \$56.7 | 6.0% |

For the month, expenses were \$56.7 million, or 6.0%, favorable to Forecast. Two-thirds of this variance reflects the favorable timing of accrued labor expenses (payroll, pensions, other fringe benefits) related to represented employee labor contract settlements at NYCT, LIRR and MNR. Non-labor expense impacts include: NYCT favorable by \$5.0 million, or 3.5%, mainly in maintenance and other operating contracts and likely due to timing; LIRR favorable by \$8.7 million, or 23.2%, mainly in materials & supplies, maintenance and other operating contracts, and professional service contracts; and MNR favorable by \$3.6 million, or 11.4%, mainly in electric power and professional services. B&T was favorable by \$1.4 million, or 3.5%, largely due to higher vacancies.

Year-to-date preliminary expenses were \$197.4 million, or 2.7%, favorable to the Mid-Year Forecast, with seventy percent arising from favorable labor expenses which primarily reflect the above-mentioned favorable timing associated with the labor settlements. Most notably, NYCT had lower YTD labor expenses of \$83.3 million; however, pension costs represent \$77 million of that variance as additional NYCERS expenses anticipated in July are awaiting additional actuarial analysis and will not be made until later in the year. Non-labor expenses were favorable by \$5.9 million and reflect lower paratransit contract expenses, professional services, and other business expenses. LIRR labor expenses were favorable by \$36.3 million and non-labor expenses were favorable by \$24.7 million mainly due to the timing of materials & supplies, maintenance contracts, professional services, and other business expenses. MNR labor expenses were favorable by \$19.4 million, and non-labor expenses were lower by \$12.0 million and were primarily due to electric power, professional services, and maintenance contracts. B&T was \$15.7 million favorable mainly due to higher vacancies and the timing of maintenance contract costs.

Overtime

| YTD August 2014 (\$ in millions) | | | | | Month of August 2014 (\$ in millions) | | | | |
|----------------------------------|----------------|--------------------------|----------------|---------------|---------------------------------------|---------------|--------------------------|----------------|---------------|
| | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Diff</u> | <u>% Diff</u> | | <u>Actual</u> | <u>Mid-Year Forecast</u> | <u>Diff</u> | <u>% Diff</u> |
| NYCT | \$283.7 | \$279.0 | (\$4.7) | -1.7% | NYCT | \$35.1 | \$32.1 | (\$3.0) | -9.3% |
| LIRR | 87.9 | 88.9 | 1.0 | 1.1% | LIRR | 28.1 | 27.5 | (0.6) | -2.1% |
| MNR | 69.2 | 67.6 | (1.6) | -2.4% | MNR | 6.3 | 6.0 | (0.3) | -4.9% |
| B&T | <u>13.8</u> | <u>14.7</u> | <u>0.9</u> | <u>6.1%</u> | B&T | <u>1.3</u> | <u>1.7</u> | <u>0.4</u> | <u>23.8%</u> |
| Total | \$454.6 | \$450.1 | (\$4.4) | -1.0% | Total | \$70.8 | \$67.4 | (\$3.4) | -5.1% |

Year-to-date preliminary overtime expenses were 1.0% unfavorable to the Mid-Year Forecast. For the month, expenses were \$3.4 million, or 5.1%, unfavorable to Forecast. NYCT was 9.3% unfavorable, and an explanation was unavailable at the time of this report. The LIRR was unfavorable by 2.1%, while MNR was 4.9% unfavorable mainly due to higher requirements for the station enhancement program and emergency replacement of bridge timbers. B&T was 23.8% favorable due to less vacancy/absentee coverage requirements. The Mid-Year Forecast included significant increases in Overtime from Adopted Budget levels, and due to continuing unfavorable results Overtime levels will be re-examined during the November Financial Plan process.

Debt Service

Debt service costs for August were \$207.1 million, which was \$4.1 million, or 1.9%, favorable against the Mid-Year Forecast due to lower than projected rates and the timing of interest payments. August YTD debt service costs were \$1,527.0 million, which was \$18.0 million, or 1.2%, favorable also due primarily to lower than projected rates and the timing of interest payments.

PMT and MTA Aid

| YTD September 2014 (\$ in millions) | | | | | Month of September 2014 (\$ in millions) | | | | |
|-------------------------------------|--------------|--------------|-----------------|--------------|--|-------------|-------------|----------------|--------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| PMT | \$984.2 | \$978.7 | \$5.5 | 0.6% | PMT | \$73.2 | \$67.3 | \$5.9 | 8.7% |
| MTA Aid | <u>225.3</u> | <u>239.6</u> | <u>(\$14.3)</u> | <u>-6.0%</u> | MTA Aid | <u>77.7</u> | <u>82.8</u> | <u>(\$5.1)</u> | <u>-6.1%</u> |
| Total | \$1,209.5 | \$1,218.3 | (\$8.7) | -0.7% | Total | \$150.9 | \$150.1 | \$0.8 | 0.5% |

Notes: 1) MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee, Automobile Rental Fee.
2) PMT replacement funds totaling \$307 million for the year, excluded from the results reported in this table, are projected to be received in five equal installments of \$61 million.

September Payroll Mobility Tax (PMT) receipts were \$5.9 million, or 8.7% above forecast; the YTD variance was favorable by \$5.5 million, or 0.6%, reflecting slightly better than expected activity in September.

MTA Aid receipts for the third quarter of the year of \$77.7 million were \$5.1 million or 6.1% below the forecast; YTD receipts of \$225.3 million were \$14.3 million or 6.0% unfavorable. While a portion of this unfavorable variance may be due to timing delays in the transfer of funds prior to remittance to the MTA, some of the variance appears to be real since all three quarterly payments this year have fallen short of projections. Receipts received subsequent to the transfer of funds to the MTA will be closely monitored for further indication of whether the shortfall is real or due to timing. The final 2014 MTA Aid quarterly payment will be received in December and reported with MTA's December results.

State Dedicated Taxes

| YTD September 2014 (\$ in millions) | | | | | Month of September 2014 (\$ in millions) | | | | |
|-------------------------------------|--------------|--------------|--------------|-------------|--|--------------|--------------|--------------|-------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| PBT | \$473.4 | \$483.6 | (\$10.1) | -2.1% | PBT | \$50.1 | \$62.2 | (\$12.2) | -19.6% |
| MMTOA | <u>716.3</u> | <u>716.3</u> | <u>\$0.0</u> | <u>0.0%</u> | MMTOA | <u>138.3</u> | <u>138.3</u> | <u>\$0.0</u> | <u>0.0%</u> |
| Total | \$1,189.8 | \$1,199.9 | (\$10.1) | -0.8% | Total | \$188.3 | \$200.5 | (\$12.2) | -6.1% |

For September, Petroleum Business Tax (PBT) receipts of \$50.1 million were \$12.2 million, or 19.6%, below the Mid-Year forecast; YTD PBT was also below the forecast, with receipts of \$473.4 million unfavorable by \$10.1 million, or 2.1%. Monthly PBT receipts are not consistent from year to year, making monthly forecasts difficult to project and therefore subject to wide swings in variances; despite this, the 2014 PBT Mid-Year Forecast is expected to be met by year's end.

The MMTOA payments for the month of \$188.3 million and YTD of \$716.3 million were consistent with the Budget.

Real Estate Transaction Taxes

| YTD September 2014 (\$ in millions) | | | | | Month of September 2014 (\$ in millions) | | | | |
|-------------------------------------|--------------|--------------|---------------|-------------|--|---------------|-------------|--------------|--------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| MRT | \$263.0 | \$273.2 | (\$10.3) | -3.8% | MRT | \$33.2 | \$34.1 | (\$0.9) | -2.7% |
| NYC Urban | <u>582.8</u> | <u>561.4</u> | <u>\$21.4</u> | <u>3.8%</u> | NYC Urban | <u>\$57.8</u> | <u>48.1</u> | <u>\$9.8</u> | <u>20.3%</u> |
| Total | \$845.8 | \$834.6 | \$11.1 | 1.3% | Total | \$91.0 | \$82.2 | \$8.8 | 10.7% |

Total real estate taxes for September were \$8.8 million (10.7%) better than Budget, contributing to a favorable YTD variance of \$11.1 million (1.3%). YTD Total Real Estate Transaction Taxes are ahead of 2013 levels by \$170.6 million, or 25.3%, reflecting strong Urban Tax collections while MRT receipts have been flat.

Regional Mortgage Recording Tax¹ receipts for September were \$0.9 million or 2.7% below Budget; MRT-1 was \$0.6 million favorable, but MRT-2 receipts came in below budget by \$1.5 million. YTD MRT receipts fell short of the Mid-Year Forecast by \$10.3 million or 3.8%, with MRT-1 receipts \$3.3 million unfavorable and MRT-2 receipts \$6.9 unfavorable.

New York City Urban Tax² receipts for September were \$9.8 million or 20.3% favorable, making YTD Urban Tax receipts \$21.4 million (3.8%) favorable. The MRT portion of the Urban Tax was \$3.6 million or 20.6% favorable, while the Real Property Transfer Tax (RPTT) portion of the Urban Tax was favorable by \$6.2 million or 20.1%. Urban Tax revenues have shown considerable variability in 2014: \$278 million (47% of the YTD total) was received in the months of January, February and July, while the six remaining months have averaged \$51 million, consistent with the \$50 million monthly average for all of 2013. The Mid-Year Forecast projects that Urban Tax revenues for the remaining months of the year will come in at \$48 million per month.

¹ Mortgage Recording Taxes consist of two separate taxes on all mortgages recorded in the twelve-county region: MRT-1 is a tax on both commercial and residential mortgages, while MRT-2 is imposed on residential real estate structures containing one to six dwelling units.

² New York City Urban Taxes are imposed on non-residential property and apartment building transactions within New York City that are valued at over \$500,000. The MRT component of the Urban Tax is imposed on mortgages of commercial property exceeding \$500,000, and the Real Property Transfer Tax component is imposed on the transfer of NYC commercial real properties valued over \$500K.

Real Estate Transaction Taxes Receipts (\$ in millions)

2014 Receipts vs. 2013 Receipts

| 2013 Monthly Actuals | 2013 Act | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Oct-13 | Nov-13 | Dec-13 | YTD Sep |
|---|----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|
| MRT-1 | \$253.6 | \$20.5 | \$24.6 | \$16.0 | \$18.7 | \$18.1 | \$21.4 | \$16.9 | \$22.9 | \$25.1 | \$23.8 | \$25.7 | \$19.7 | \$184.4 |
| MRT-2 | 108.8 | 7.9 | 8.6 | 7.6 | 7.9 | 8.1 | 9.4 | 8.4 | 10.5 | 11.6 | 11.0 | 10.1 | 7.7 | 80.0 |
| Total MRT | \$362.4 | \$28.5 | \$33.2 | \$23.6 | \$26.6 | \$26.2 | \$30.8 | \$25.4 | \$33.4 | \$36.7 | \$34.7 | \$35.8 | \$27.5 | \$264.4 |
| RPTT | \$399.0 | \$44.9 | \$56.8 | \$14.5 | \$42.4 | \$13.1 | \$17.5 | \$19.9 | \$35.4 | \$25.6 | \$27.8 | \$68.4 | \$32.9 | \$269.9 |
| MRT | 195.5 | 18.5 | 23.6 | 10.1 | 14.8 | 13.2 | 16.4 | 10.2 | 16.2 | 17.8 | 15.8 | 21.9 | 17.0 | 140.8 |
| Total Urban Tax - NYCT 90% share | \$594.5 | \$63.3 | \$80.4 | \$24.6 | \$57.1 | \$26.3 | \$33.9 | \$30.1 | \$51.6 | \$43.4 | \$43.7 | \$90.3 | \$49.8 | \$410.7 |
| Total Real Estate Taxes | \$956.9 | \$91.8 | \$113.6 | \$48.2 | \$83.7 | \$52.5 | \$64.7 | \$55.5 | \$85.0 | \$80.1 | \$78.4 | \$126.1 | \$77.3 | \$675.2 |

| 2014 Monthly Actuals | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | YTD Sep |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|--------|--------|--------|----------------|
| MRT-1 | \$22.7 | \$25.0 | \$14.7 | \$21.0 | \$18.6 | \$24.0 | \$20.3 | \$22.5 | \$23.9 | | | | \$192.8 |
| MRT-2 | 8.8 | 7.8 | 6.4 | 7.2 | 6.9 | 7.7 | 7.4 | 8.6 | 9.3 | | | | 70.2 |
| Total MRT | \$31.5 | \$32.9 | \$21.2 | \$28.2 | \$25.5 | \$31.7 | \$27.7 | \$31.1 | \$33.2 | | | | \$263.0 |
| RPTT | \$81.2 | \$48.2 | \$19.6 | \$33.3 | \$27.9 | \$36.1 | \$84.5 | \$37.9 | \$36.9 | | | | \$405.5 |
| MRT | 19.7 | 26.0 | 10.8 | 20.6 | 16.0 | 25.4 | 18.5 | 19.4 | 20.9 | | | | 177.3 |
| Total Urban Tax - NYCT 90% share | \$100.9 | \$74.2 | \$30.4 | \$53.9 | \$43.9 | \$61.4 | \$103.0 | \$57.3 | \$57.8 | | | | \$582.8 |
| Total Real Estate Taxes | \$132.4 | \$107.1 | \$51.5 | \$82.1 | \$69.4 | \$93.1 | \$130.7 | \$88.4 | \$91.0 | | | | \$845.8 |

| Variiances | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Sep |
|---|---------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|-----|-----|-----|----------------|
| MRT-1 | \$2.2 | \$0.4 | (\$1.3) | \$2.3 | \$0.5 | \$2.5 | \$3.3 | (\$0.4) | (\$1.1) | | | | \$8.3 |
| MRT-2 | 0.9 | (0.8) | (1.1) | (0.7) | (1.2) | (1.6) | (1.0) | (1.9) | (2.4) | | | | (9.8) |
| Total MRT | \$3.0 | (\$0.4) | (\$2.5) | \$1.6 | (\$0.7) | \$0.9 | \$2.3 | (\$2.3) | (\$3.5) | | | | (\$1.5) |
| RPTT | \$36.3 | (\$8.6) | \$5.1 | (\$9.1) | \$14.8 | \$18.6 | \$64.6 | \$2.5 | \$11.3 | | | | \$135.5 |
| MRT | 1.2 | 2.4 | 0.7 | 5.9 | 2.8 | 8.9 | 8.3 | 3.2 | 3.1 | | | | 36.5 |
| Total Urban Tax - NYCT 90% share | \$37.5 | (\$6.2) | \$5.8 | (\$3.2) | \$17.6 | \$27.5 | \$72.9 | \$5.7 | \$14.4 | | | | \$172.0 |
| Total Real Estate Taxes | \$40.6 | (\$6.6) | \$3.3 | (\$1.6) | \$16.9 | \$28.4 | \$75.2 | \$3.5 | \$10.9 | | | | \$170.6 |
| MRT-1 | 10.5% | 1.6% | -8.2% | 12.5% | 2.5% | 11.7% | 19.6% | -1.7% | -4.6% | | | | 4.5% |
| MRT-2 | 11.1% | -8.8% | -15.1% | -9.0% | -14.3% | -17.6% | -12.1% | -17.9% | -20.3% | | | | -12.2% |
| Total MRT | 10.7% | -1.1% | -10.4% | 6.1% | -2.7% | 2.8% | 9.1% | -6.8% | -9.6% | | | | -0.6% |
| RPTT | 81.0% | -15.1% | 35.2% | -21.5% | 112.6% | 106.3% | 325.4% | 7.2% | 44.1% | | | | 50.2% |
| MRT | 6.4% | 10.0% | 6.7% | 39.8% | 21.3% | 54.5% | 81.3% | 19.8% | 17.5% | | | | 25.9% |
| Total Urban Tax - NYCT 90% share | 59.2% | -7.7% | 23.5% | -5.6% | 66.8% | 81.2% | 242.4% | 11.1% | 33.2% | | | | 41.9% |
| Total Real Estate Taxes | 44.2% | -5.8% | 6.9% | -1.9% | 32.1% | 43.9% | 135.6% | 4.1% | 13.6% | | | | 25.3% |

Real Estate Transaction Taxes Receipts (\$ in millions)

Mid-Year Forecast vs. Actual Receipts

| 2014 Mid-Year Forecast | 2014 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | YTD Sep |
|---|--------------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|
| MRT-1 | \$266.2 | \$22.7 | \$25.0 | \$14.7 | \$21.0 | \$18.6 | \$24.0 | \$23.4 | \$23.4 | \$23.4 | \$23.4 | \$23.4 | \$23.4 | \$196.1 |
| MRT-2 | 109.3 | 8.8 | 7.8 | 6.4 | 7.2 | 6.9 | 7.7 | 10.7 | 10.7 | 10.7 | 10.7 | 10.7 | 10.7 | 77.1 |
| Total MRT | \$375.5 | \$31.5 | \$32.9 | \$21.2 | \$28.2 | \$25.5 | \$31.7 | \$34.1 | \$34.1 | \$34.1 | \$34.1 | \$34.1 | \$34.1 | \$273.2 |
| RPTT | \$483.1 | \$81.2 | \$48.2 | \$19.6 | \$33.3 | \$27.9 | \$36.1 | \$83.2 | \$30.7 | \$30.7 | \$30.7 | \$30.7 | \$30.7 | \$390.9 |
| MRT | 222.5 | 19.7 | 26.0 | 10.8 | 20.6 | 16.0 | 25.4 | 17.3 | 17.3 | 17.3 | 17.3 | 17.3 | 17.3 | 170.5 |
| Total Urban Tax - NYCT 90% share | \$705.6 | \$100.9 | \$74.2 | \$30.4 | \$53.9 | \$43.9 | \$61.4 | \$100.6 | \$48.1 | \$48.1 | \$48.1 | \$48.1 | \$48.1 | \$561.4 |
| Total Real Estate Taxes | \$1,081.111 | \$132.4 | \$107.1 | \$51.5 | \$82.1 | \$69.4 | \$93.1 | \$134.6 | \$82.2 | \$82.2 | \$82.2 | \$82.2 | \$82.2 | \$834.6 |


| 2014 Monthly Actuals | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | YTD Sep |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|--------|--------|--------|----------------|
| MRT-1 | \$22.7 | \$25.0 | \$14.7 | \$21.0 | \$18.6 | \$24.0 | \$20.3 | \$22.5 | \$23.9 | | | | \$192.8 |
| MRT-2 | 8.8 | 7.8 | 6.4 | 7.2 | 6.9 | 7.7 | 7.4 | 8.6 | 9.3 | | | | 70.2 |
| Total MRT | \$31.5 | \$32.9 | \$21.2 | \$28.2 | \$25.5 | \$31.7 | \$27.7 | \$31.1 | \$33.2 | | | | \$263.0 |
| RPTT | \$81.2 | \$48.2 | \$19.6 | \$33.3 | \$27.9 | \$36.1 | \$84.5 | \$37.9 | \$36.9 | | | | \$405.5 |
| MRT | 19.7 | 26.0 | 10.8 | 20.6 | 16.0 | 25.4 | 18.5 | 19.4 | 20.9 | | | | 177.3 |
| Total Urban Tax - NYCT 90% share | \$100.9 | \$74.2 | \$30.4 | \$53.9 | \$43.9 | \$61.4 | \$103.0 | \$57.3 | \$57.8 | | | | \$582.8 |
| Total Real Estate Taxes | \$132.4 | \$107.1 | \$51.5 | \$82.1 | \$69.4 | \$93.1 | \$130.7 | \$88.4 | \$91.0 | | | | \$845.8 |

| Variances | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | YTD Sep |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------|--------|--------|-----------------|
| MRT-1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$3.1) | (\$0.8) | \$0.6 | | | | (\$3.3) |
| MRT-2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (3.3) | (2.1) | (1.5) | | | | (6.9) |
| Total MRT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$6.4) | (\$3.0) | (\$0.9) | | | | (\$10.3) |
| RPTT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.2 | \$7.2 | \$6.2 | | | | \$14.6 |
| MRT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | 2.0 | 3.6 | | | | 6.8 |
| Total Urban Tax - NYCT 90% share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$2.4 | \$9.2 | \$9.8 | | | | \$21.4 |
| Total Real Estate Taxes | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$3.9) | \$6.3 | \$8.8 | | | | \$11.1 |
| MRT-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -13.2% | -3.5% | 2.4% | | | | -1.7% |
| MRT-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -30.8% | -19.9% | -13.8% | | | | -9.0% |
| Total MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -18.8% | -8.7% | -2.7% | | | | -3.8% |
| RPTT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 23.4% | 20.1% | | | | 3.7% |
| MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 6.9% | 11.7% | 20.6% | | | | 4.0% |
| Total Urban Tax - NYCT 90% share | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.4% | 19.2% | 20.3% | | | | 3.8% |
| Total Real Estate Taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -2.9% | 7.6% | 10.7% | | | | 1.3% |

September 2014 BudgetWatch Regional Economy

New York City Employment

Sectors with Employment Gains in July 2014 Compared to July 2013

- Information Services
 - Other Services
 - Education and Health Svcs
 - Financial Activities
 - Manufacturing
- 
- Transportation, Utilities
 - Leisure and Hospitality
 - Trade
 - Professional and Business Services
 - Construction, Mining, Natural Resources

Sectors with Employment losses in July 2014 Compared to July 2013

- Government
- 

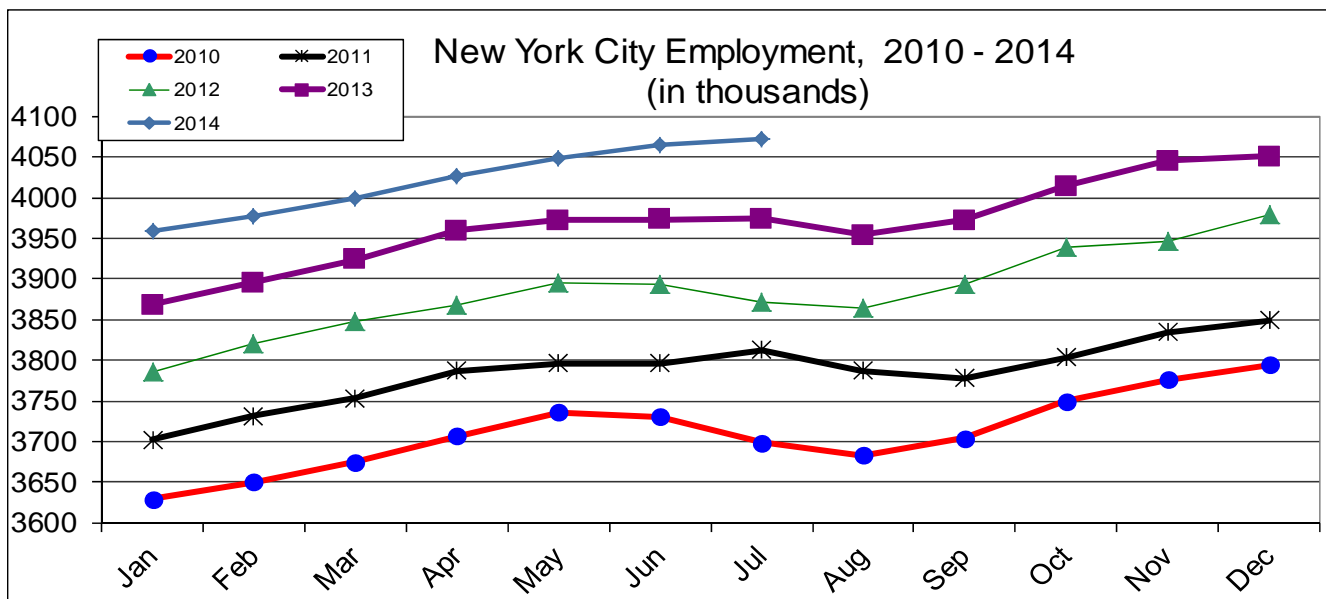
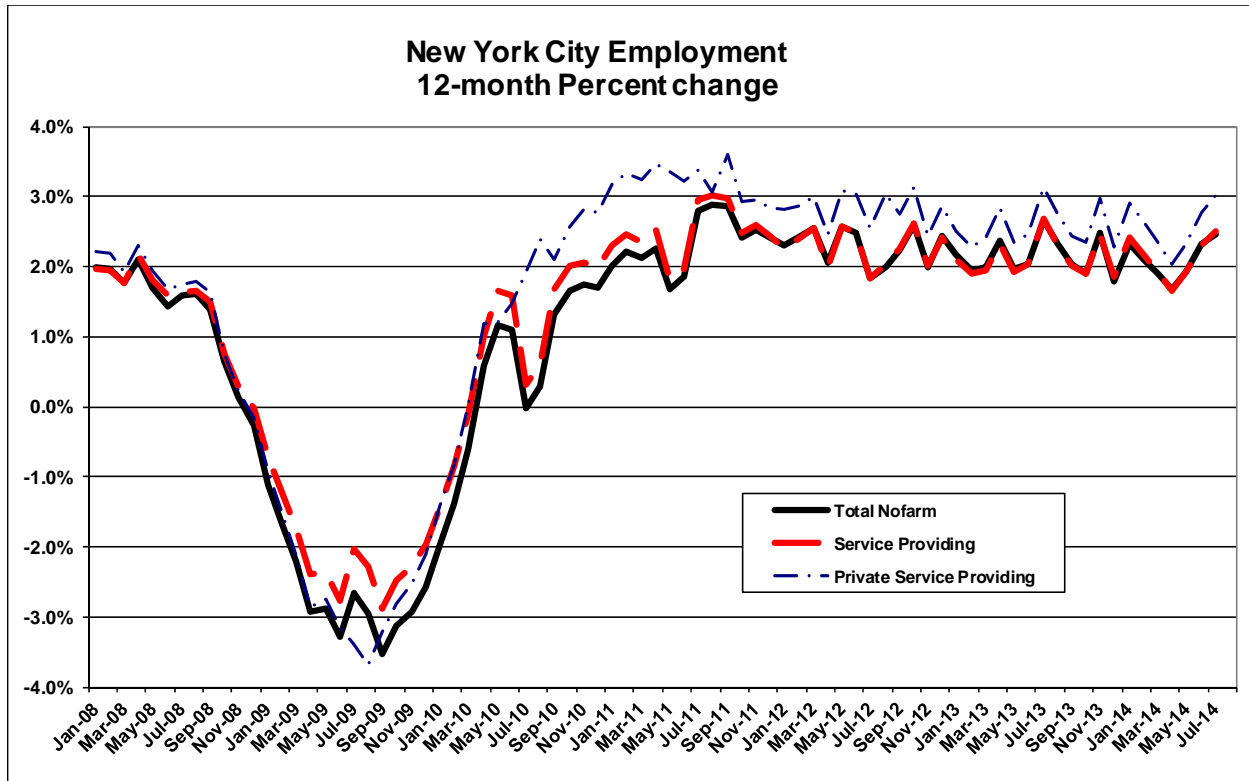
| New York City Employment (in thousands) | Prelim Jul-14 | Revised Jun-14 | Jul-13 | Gain / (Loss) | | | |
|--|------------------|-------------------|---------------|----------------|--------------|-------------|-------------|
| | | | | Jul-14 versus: | | | |
| | | | | Jun-14 | | Jul-13 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 4072.2 | 4065.5 | 3974.2 | 6.7 | 0.2% | 98.0 | 2.5% |
| Goods Producing | 203.3 | 203.7 | 199.7 | (0.4) | -0.2% | 3.6 | 1.8% |
| Construction, Mining, Nat Res | 126.9 | 126.2 | 123.9 | 0.7 | 0.6% | 3.0 | 2.4% |
| Manufacturing | 76.4 | 77.5 | 75.8 | (1.1) | -1.4% | 0.6 | 0.8% |
| Service Producing | 3868.9 | 3861.8 | 3774.5 | 7.1 | 0.2% | 94.4 | 2.5% |
| Transportation, Utilities | 120.9 | 124.7 | 117.3 | (3.8) | -3.0% | 3.6 | 3.1% |
| Trade | 495.3 | 494.7 | 479.6 | 0.6 | 0.1% | 15.7 | 3.3% |
| Information | 180.1 | 177.5 | 179.7 | 2.6 | 1.5% | 0.4 | 0.2% |
| Financial Activities | 449.7 | 443.0 | 443.0 | 6.7 | 1.5% | 6.7 | 1.5% |
| Education & Health Svcs | 68.2 | 67.0 | 67.3 | 1.2 | 1.8% | 0.9 | 1.3% |
| Professional & Business Svcs | 825.2 | 834.3 | 787.4 | (9.1) | -1.1% | 37.8 | 4.8% |
| Leisure & Hospitality | 403.5 | 407.4 | 385.6 | (3.9) | -1.0% | 17.9 | 4.6% |
| Other Services | 177.5 | 178.8 | 174.6 | (1.3) | -0.7% | 2.9 | 1.7% |
| Government | 552.8 | 537.1 | 555.8 | 15.7 | 2.9% | (3.0) | -0.5% |

Preliminary July 2014 employment in New York City shows a gain of 98.0 thousand jobs (an increase of 2.5%) compared to last July's employment level. This marks the forty-eighth consecutive month in which employment has improved over its level from one year earlier. The Professional & Business Services and the Leisure & Hospitality sectors experienced the greatest gains among the major sectors, adding 37,800 and 17,900 jobs, respectively, over the past twelve months.

September 2014 BudgetWatch

Regional Economy

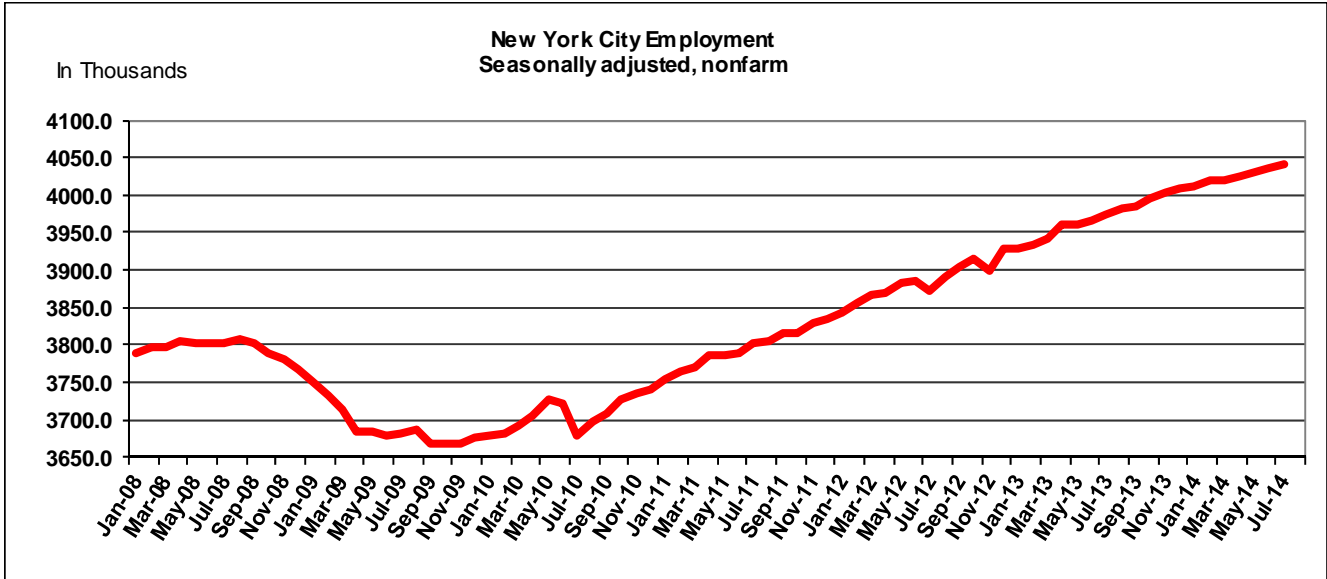
Employment in New York City's service-producing sectors increased by 94.4 thousand jobs, an increase of 2.5% over the July 2013 level. Private-sector service-providing employment in New York City increased by 97.4 thousand jobs, 3.0% higher than the level of one year ago, and July marks the fifty-second consecutive month that has seen a year-to-year improvement of more than one percent.



September 2014 BudgetWatch

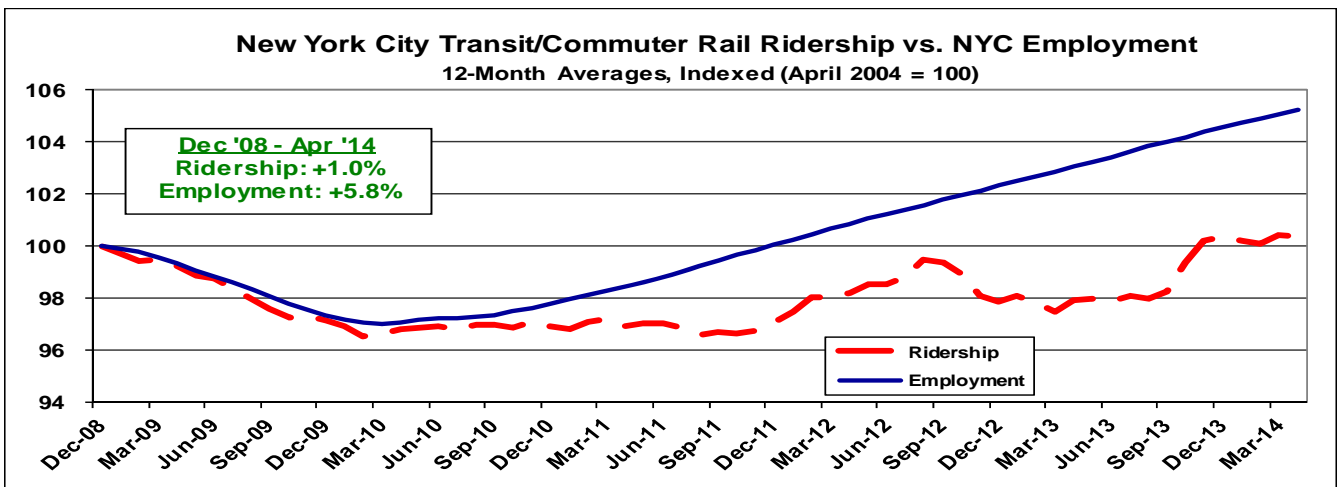
Regional Economy

In July, seasonally adjusted New York City employment of 4.0 million was higher than in July 2013 by 65.8 thousand jobs (1.6%), and slightly higher than in June 2014 by 5.0 thousand jobs.



Ridership and Employment

In December 2008, the twelve-month moving average for employment began to decline after increasing in 51 of the previous 59 months. For the next fifteen months in a row, the twelve-month moving average fell, and employment levels declined by 4.0%. In the 53 months from March 2010 through July 2014, the twelve-month monthly employment average has increased fifty-two times, and was 5.8% higher in July 2014 than the December 2008 level. Annualized (12-month average) New York City Transit/Commuter Rail ridership has grown to 1.0% above the December 2008 level. The twelve-month average for ridership in July 2014 was 3.0% higher than one year earlier.



September 2014 BudgetWatch Regional Economy

Consumer Price Index

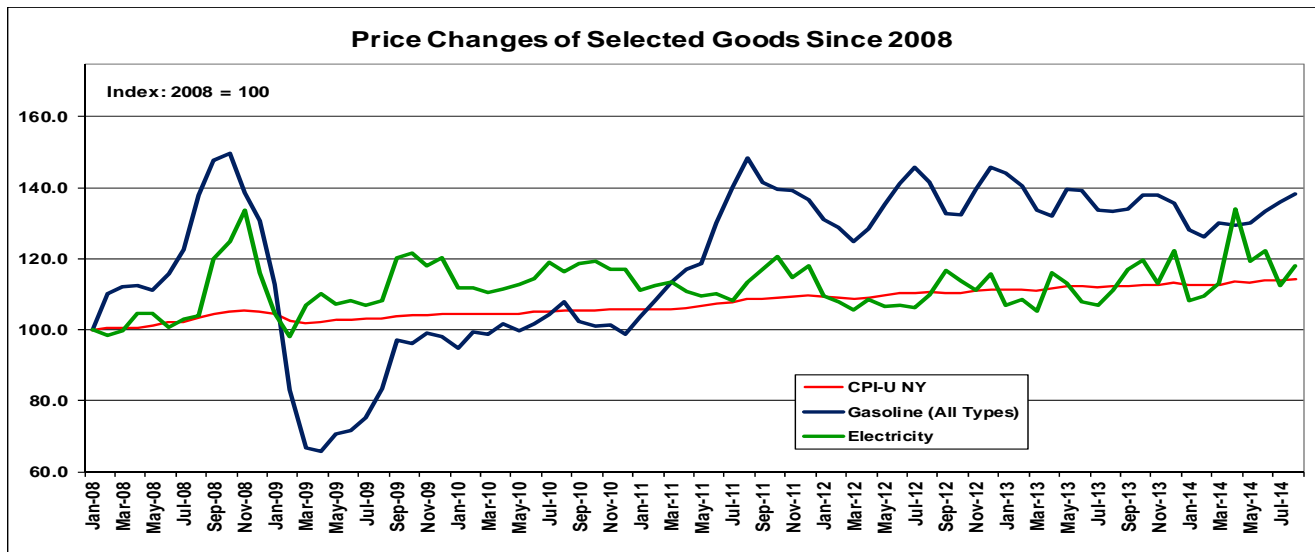
Goods Reporting Price Increases in August 2014 Compared to July 2014

- Apparel



Goods Reporting Price Declines in August 2014 Compared to July 2014

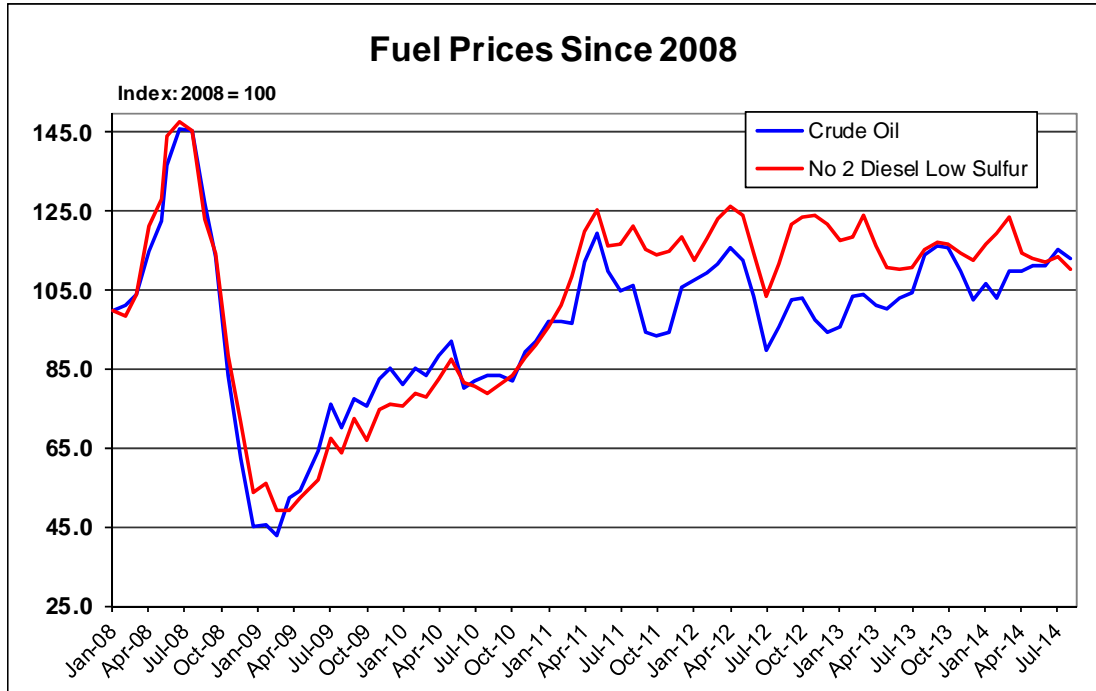
- Transportation
- Gasoline
- Food
- Medical Care
- Electricity



| NY-NJ-CT Consumer Price Index All Urban Consumers (CPI-U) | Aug-14 | Jul-14 | Aug-13 | Increase / (Decrease) Aug-14 vs | | | |
|--|--------|--------|--------|------------------------------------|---------|--------|---------|
| | | | | Jul-14 | | Aug-13 | |
| | | | | Net | Percent | Net | Percent |
| | | | | | | | |
| Regional CPI-U | 261.1 | 261.5 | 257.7 | -0.4 | -0.2% | 3.4 | 1.3% |
| Medical Care Component | 438.5 | 439.7 | 427.0 | -1.2 | -0.3% | 11.5 | 2.7% |
| Electricity Component | 193.5 | 197.2 | 186.6 | -3.7 | -1.9% | 6.9 | 3.7% |
| Gasoline (all grades) Component | 280.6 | 293.4 | 292.5 | -12.8 | -4.4% | (11.9) | -4.1% |
| National CPI-U | 237.9 | 238.3 | 233.9 | -0.4 | -0.2% | 4.0 | 1.7% |

September 2014 BudgetWatch Regional Economy

Fuel Prices



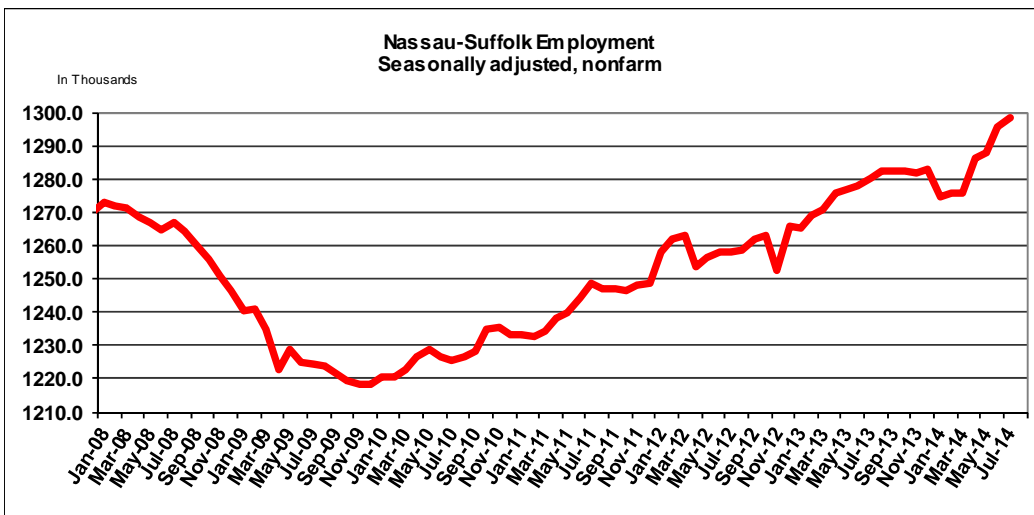
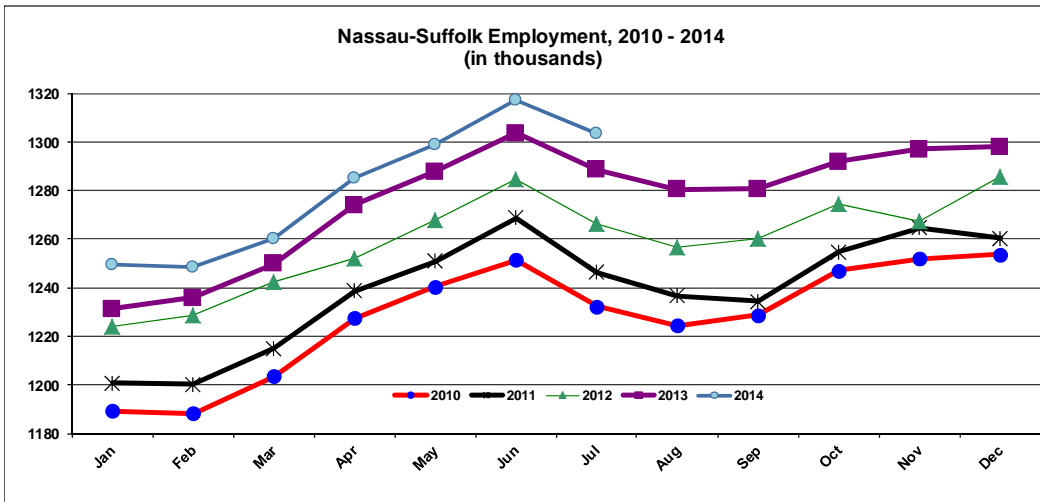
NOTE: Latest Crude Oil and No.2 Diesel Low Sulfur prices: March 18, 2014

| Fuel Prices New York Spot Prices | Spot Price on: September 17, 2014 | Most Recent Quarter | | | | Change, Aug '14 vs. | | |
|-------------------------------------|--------------------------------------|---------------------|--------|--------|--------|---------------------|--------|--------|
| | | Aug-14 | Jul-14 | Jun-14 | Aug-13 | Jul-14 | Jun-14 | Aug-13 |
| | | Crude Oil * | 92.86 | 96.54 | 103.59 | 105.79 | 106.57 | -6.8% |
| Conventional Regular Gasoline ** | 2.65 | 2.71 | 2.80 | 2.90 | 2.93 | -3.5% | -6.6% | -7.8% |
| Low Sulfur No.2 Diesel Fuel ** | 2.73 | 2.85 | 2.88 | 2.96 | 3.07 | -1.0% | -3.8% | -7.1% |
| No.2 Heating Oil ** | 2.61 | 2.75 | 2.78 | 2.88 | 2.96 | -0.8% | -4.5% | -6.9% |

*\$ per barrel, ** \$ per gallon

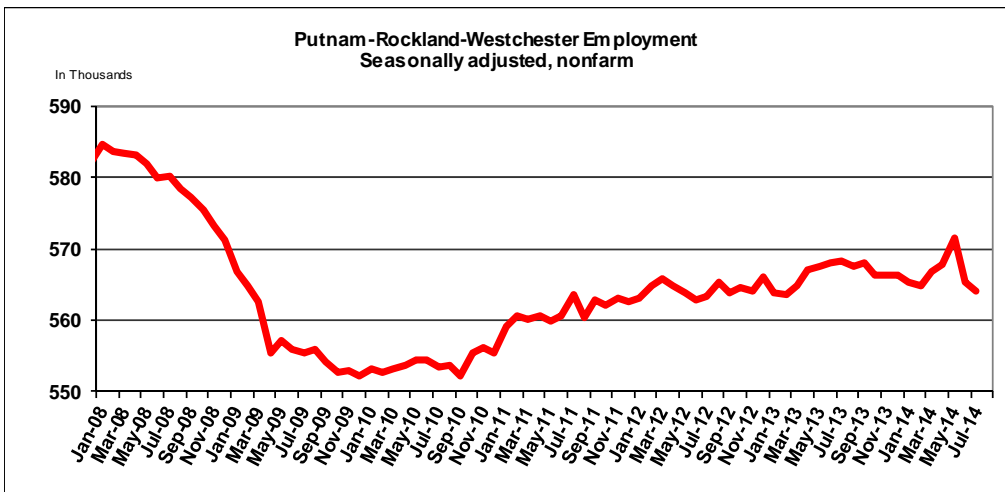
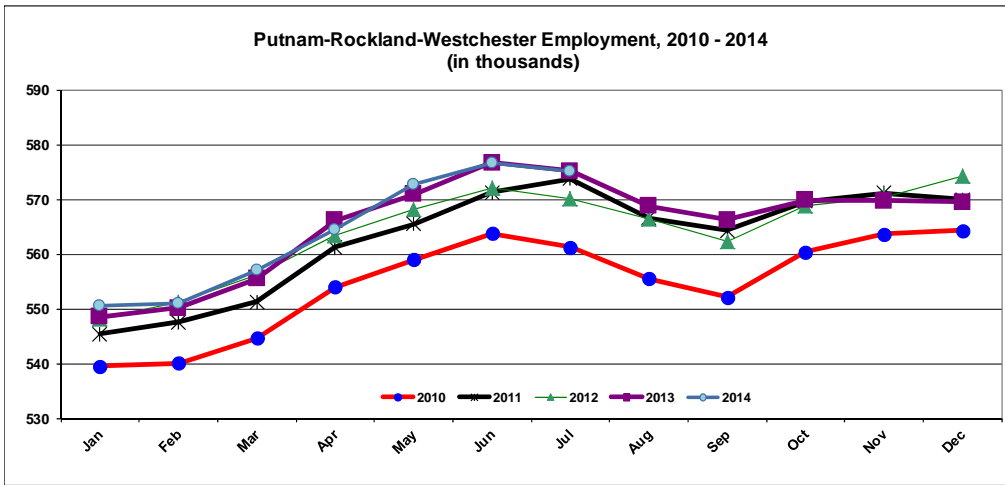
September 2014 BudgetWatch Regional Economy

| Nassau & Suffolk Employment (in thousands) | Gain / (Loss) Jul-14 versus | | | | | | |
|---|--------------------------------|-------------------|---------------|---------------|--------------|-------------|-------------|
| | Prelim Jul-14 | Revised Jun-14 | Jul-13 | Jun-14 | | Jul-13 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 1303.5 | 1317.4 | 1288.5 | (13.9) | -1.1% | 15.0 | 1.2% |
| Goods Producing | 147.5 | 148.9 | 144.2 | (1.4) | -0.9% | 3.3 | 2.3% |
| Construction, Mining, Nat Res | 74.3 | 74.3 | 70.1 | 0.0 | 0.0% | 4.2 | 6.0% |
| Manufacturing | 73.2 | 74.6 | 74.1 | (1.4) | -1.9% | (0.9) | -1.2% |
| Service Producing | 1156.0 | 1168.5 | 1144.3 | (12.5) | -1.1% | 11.7 | 1.0% |
| Transportation, Utilities | 38.9 | 42.3 | 36.2 | (3.4) | -8.0% | 2.7 | 7.5% |
| Trade | 234.6 | 234.7 | 230.4 | (0.1) | 0.0% | 4.2 | 1.8% |
| Information | 23.7 | 23.5 | 24.2 | 0.2 | 0.9% | (0.5) | -2.1% |
| Financial Activities | 71.8 | 70.6 | 73.9 | 1.2 | 1.7% | (2.1) | -2.8% |
| Education & Health Svcs | 174.9 | 173.1 | 170.4 | 1.8 | 1.0% | 4.5 | 2.6% |
| Professional & Business Svcs | 240.6 | 241.9 | 233.3 | (1.3) | -0.5% | 7.3 | 3.1% |
| Leisure & Hospitality | 128.8 | 126.6 | 131.6 | 2.2 | 1.7% | (2.8) | -2.1% |
| Other Services | 58.0 | 58.0 | 56.6 | 0.0 | 0.0% | 1.4 | 2.5% |
| Government | 184.7 | 197.8 | 187.7 | (13.1) | -6.6% | (3.0) | -1.6% |



September 2014 BudgetWatch Regional Economy

| (in thousands) | Putnam, Rockland & Westchester Employment | | | | | | | Gain / (Loss) | |
|-------------------------------|---|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------|
| | Prelim Jul-14 | Revised Jun-14 | Jul-13 | Jun-14 | | Jul-13 | | Jul-14 versus | |
| | | | | Net | Percent | Net | Percent | Net | Percent |
| Total Employment | 575.2 | 576.6 | 575.2 | (1.4) | -0.2% | 0.0 | 0.0% | | |
| Goods Producing | 53.6 | 52.2 | 55.0 | 1.4 | 2.7% | (1.4) | -2.5% | | |
| Construction, Mining, Nat Res | 30.4 | 28.7 | 31.0 | 1.7 | 5.9% | (0.6) | -1.9% | | |
| Manufacturing | 23.2 | 23.5 | 24.0 | (0.3) | -1.3% | (0.8) | -3.3% | | |
| Service Producing | 521.6 | 524.4 | 520.2 | (2.8) | -0.5% | 1.4 | 0.3% | | |
| Transportation, Utilities | 17.6 | 18.5 | 16.6 | (0.9) | -4.9% | 1.0 | 6.0% | | |
| Trade | 87.5 | 88.4 | 89.6 | (0.9) | -1.0% | (2.1) | -2.3% | | |
| Information | 12.7 | 12.7 | 13.1 | 0.0 | 0.0% | (0.4) | -3.1% | | |
| Financial Activities | 33.7 | 34.1 | 34.5 | (0.4) | -1.2% | (0.8) | -2.3% | | |
| Education & Health Svcs | 78.2 | 77.6 | 76.2 | 0.6 | 0.8% | 2.0 | 2.6% | | |
| Professional & Business Svcs | 119.7 | 121.2 | 116.5 | (1.5) | -1.2% | 3.2 | 2.7% | | |
| Leisure & Hospitality | 56.9 | 55.9 | 57.2 | 1.0 | 1.8% | (0.3) | -0.5% | | |
| Other Services | 25.9 | 26.1 | 25.7 | (0.2) | -0.8% | 0.2 | 0.8% | | |
| Government | 89.4 | 89.9 | 90.8 | (0.5) | -0.6% | (1.4) | -1.5% | | |



September 2014 BudgetWatch

Regional Economy

| Poughkeepsie-Newburgh-Middletown Employment (in thousands) | Gain / (Loss) Jul-14 versus | | | | | | |
|---|--------------------------------|-------------------|--------------|--------------|--------------|------------|-------------|
| | Prelim Jul-14 | Revised Jun-14 | Jul-13 | Jun-14 | | Jul-13 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 254.4 | 257.7 | 251.8 | (3.3) | -1.3% | 2.6 | 1.0% |
| Goods Producing | 29.2 | 28.8 | 28.5 | 0.4 | 1.4% | 0.7 | 2.5% |
| Construction, Mining, Nat Res | 10.6 | 10.2 | 10.0 | 0.4 | 3.9% | 0.6 | 6.0% |
| Manufacturing | 18.6 | 18.6 | 18.5 | 0.0 | 0.0% | 0.1 | 0.5% |
| Service Producing | 225.2 | 228.9 | 223.3 | (3.7) | -1.6% | 1.9 | 0.9% |
| Transportation, Utilities | 8.9 | 9.3 | 8.4 | (0.4) | -4.3% | 0.5 | 6.0% |
| Trade | 49.1 | 49.1 | 47.8 | 0.0 | 0.0% | 1.3 | 2.7% |
| Information | 3.6 | 3.5 | 3.7 | 0.1 | 2.9% | (0.1) | -2.7% |
| Financial Activities | 8.7 | 8.6 | 8.8 | 0.1 | 1.2% | (0.1) | -1.1% |
| Education & Health Svcs | 21.6 | 22.4 | 23.5 | (0.8) | -3.6% | (1.9) | -8.1% |
| Professional & Business Svcs | 51.5 | 52.7 | 50.2 | (1.2) | -2.3% | 1.3 | 2.6% |
| Leisure & Hospitality | 25.7 | 24.8 | 24.3 | 0.9 | 3.6% | 1.4 | 5.8% |
| Other Services | 10.8 | 10.7 | 10.7 | 0.1 | 0.9% | 0.1 | 0.9% |
| Government | 45.3 | 47.8 | 45.9 | (2.5) | -5.2% | (0.6) | -1.3% |

