

BUDGETWATCH

September 2015 Flash Report

(Forecast figures in this report, except for Summary of June Budgetwatch, refer to 2015 Mid-Year Forecast)

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

Overall results through June were favorable compared with the Adopted Budget, reflecting higher collections of real estate transaction tax receipts and toll revenue, and lower debt service costs. These were partially offset by lower collections of the Petroleum Business Tax, MTA Aid taxes and fees, and passenger revenues that were impacted by severe winter weather in the first quarter.

Operating results, encompassing passenger/toll revenues and operating expenses, were slightly favorable YTD. Unfavorable YTD passenger revenue reflected lower revenue in January and February (the result of harsh weather) that was partially offset by favorable passenger revenue for March through May, while YTD toll revenue remained favorable. May YTD operating expenses were favorable, reflecting timing-related variances and vacancies, as well as lower fuel, pension, and health and welfare expenses; this was mostly offset by higher overtime expenses due to weather and other operating need, as well as NYCT expense for electric power.

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

Overall, preliminary net results were positive for the month as favorable operating expenses, real estate transaction taxes, toll revenue and debt service expense were partially offset by unfavorable passenger revenue and lower collections of the Petroleum Business Tax (PBT), Payroll Mobility Tax (PMT) and MTA Aid taxes and fees. YTD results were also positive and reflect similar impacts.

Operating results, encompassing passenger fares, toll revenues and operating expenses, were favorable both for the month and YTD. Toll revenue remained favorable in August while passenger fare collections in August were unfavorable. August YTD operating expenses were favorable, reflecting timing-related variances and lower costs for health and welfare, professional services, maintenance contracts, and electric power expense at the commuter railroads.

YTD debt service costs were favorable due to lower variable rates. Subsidies were above target YTD on the strength of Urban Tax and Mortgage Recording Tax (MRT) receipts; PBT and PMT are falling below target.

Passenger and Toll Revenues

| | YTD August 2015 (\$ in millions) | | | | Month of August 2015 (\$ in millions) | | | | |
|------------------|----------------------------------|-------------------|----------------|--------------|---------------------------------------|-------------------|----------------|----------------|--------------|
| | Actual | Mid-Year Forecast | Diff | %Diff | Actual | Mid-Year Forecast | Diff | %Diff | |
| NYCT: | | | | | | | | | |
| Subway | \$2,170.0 | \$2,175.1 | (\$5.1) | -0.2% | Subway | \$272.4 | \$275.7 | (\$3.3) | -1.2% |
| Bus | 636.2 | 638.5 | (2.3) | -0.4% | Bus | 82.1 | 83.0 | (0.9) | -1.1% |
| Other | 41.3 | 41.4 | (0.1) | -0.3% | Other | 5.2 | 5.3 | (0.1) | -1.2% |
| NYCT | \$2,847.5 | \$2,855.0 | (\$7.5) | -0.3% | NYCT | \$359.8 | \$364.0 | (\$4.2) | -1.2% |
| LIRR | 457.1 | 452.7 | 4.4 | 1.0% | LIRR | 62.0 | 60.3 | 1.7 | 2.9% |
| MNR | 442.5 | 442.4 | 0.1 | 0.0% | MNR | 57.9 | 58.0 | (0.1) | -0.2% |
| Sub-total | \$3,747.1 | \$3,750.1 | (\$3.0) | -0.1% | Sub-total | \$479.7 | \$482.3 | (\$2.6) | -0.5% |
| B&T | 1,188.5 | 1,172.0 | 16.5 | 1.4% | B&T | 166.9 | 161.9 | 5.1 | 3.1% |
| Total | \$4,935.6 | \$4,922.1 | \$13.5 | 0.3% | Total | \$646.6 | \$644.2 | \$2.4 | 0.4% |

For the month, **passenger revenues** were slightly unfavorable, reflecting lower subway and bus ridership and higher ridership for the LIRR, with MNR results on target. YTD results were similar, with lower subway and bus farebox revenue mostly offset by higher farebox revenue at the LIRR. **Toll revenues** were favorable for both the month and YTD primarily due to higher than anticipated traffic levels stemming from improvements in the local economy, lower gas prices, and less rainfall during the summer months.

Total Operating Expenses before Non-Cash Liability Adjustments

| YTD August 2015 (\$ in millions) | | | | | Month of August 2015 (\$ in millions) | | | | |
|----------------------------------|------------------|------------------|----------------|-------------|---------------------------------------|----------------|----------------|---------------|-------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| NYCT | \$5,028.8 | \$5,067.9 | \$39.1 | 0.8% | NYCT | \$544.0 | \$560.5 | \$16.5 | 2.9% |
| LIRR | 918.2 | 948.0 | 29.9 | 3.1% | LIRR | 107.1 | 121.2 | 14.1 | 11.6% |
| MNR | 785.4 | 805.1 | 19.7 | 2.4% | MNR | 95.3 | 101.8 | 6.5 | 6.4% |
| B&T | <u>269.6</u> | <u>285.5</u> | <u>16.0</u> | <u>5.6%</u> | B&T | <u>39.6</u> | <u>41.1</u> | <u>1.5</u> | <u>3.6%</u> |
| Total | \$7,001.9 | \$7,106.5 | \$104.6 | 1.5% | Total | \$786.0 | \$824.6 | \$38.6 | 4.7% |

Overall expenses for August were lower than Forecast. NYCT was favorable by \$16.5 million, or 2.9%, mostly due to lower expenses for professional services, materials & supplies, maintenance contracts, fuel and electric power. The LIRR was favorable by \$14.1 million, or 11.6%, mainly due to lower labor, materials & supplies, maintenance, and electric power expenses. MNR was favorable by \$6.5 million, or 6.4%, mainly due to lower overtime, electric rates, contracted services, and claims expenses. B&T was favorable by \$1.5 million, or 3.6%, largely due to vacancies, lower overtime, and the timing of major maintenance projects.

Year-to-date preliminary expenses were \$104.6 million, or 1.5%, favorable to Forecast. NYCT was favorable by \$39.1 million, or 0.8% favorable, reflecting timing, higher reimbursable recoveries, and lower expenses for health and welfare, professional services, maintenance contracts, and claims, which were partly offset by higher overtime. The LIRR was favorable by \$29.9 million, or 3.1%, reflecting timing and higher reimbursable recoveries, as well as lower expenses for labor, maintenance contracts, materials and supplies, and electric power, which were partly offset by higher expenses for professional services. MNR was favorable by \$19.7 million, or 2.4%, mainly due to the timing of contracted services, as well as lower rate driven electric expenses and overtime (higher staff availability and no severe weather events). B&T was \$16.0 million, or 5.6%, favorable mainly due to vacancies, lower overtime, and the timing of major maintenance projects.

Overtime

| YTD August 2015 (\$ in millions) | | | | | Month of August 2015 (\$ in millions) | | | | |
|----------------------------------|----------------|----------------|--------------|-------------|---------------------------------------|---------------|---------------|--------------|--------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| NYCT | \$305.0 | \$299.1 | (\$5.9) | -2.0% | NYCT | \$38.5 | \$35.4 | (\$3.1) | -8.9% |
| LIRR | 77.9 | 80.9 | 3.0 | 3.7% | LIRR | 8.1 | 9.4 | 1.3 | 13.6% |
| MNR | 58.3 | 62.8 | 4.5 | 7.2% | MNR | 6.0 | 8.1 | 2.1 | 25.9% |
| B&T | <u>15.5</u> | <u>16.4</u> | <u>0.9</u> | <u>5.4%</u> | B&T | <u>1.8</u> | <u>2.3</u> | <u>0.5</u> | <u>23.3%</u> |
| Total | \$456.7 | \$459.2 | \$2.5 | 0.5% | Total | \$54.4 | \$55.2 | \$0.8 | 1.4% |

Preliminary overtime expenses for the month were \$0.8 million, or 1.4%, favorable to Forecast. Favorable results at the Commuter Railroads and B&T were mostly offset by higher spending at NYCT. On a YTD basis, preliminary overtime expenses were \$2.5 million, or 0.5% unfavorable to Forecast. NYCT was \$5.9 million unfavorable, mainly due to subway service delays and overcrowding, bus traffic and ramp delays, vacancy/absentee coverage, and over-age fleet maintenance. The LIRR was \$3.0 million favorable due to less overtime required to maintain on-time performance and less weather-related overtime, partly offset by increased track maintenance requirements. MNR was \$4.5 million favorable mainly due to higher staff availability attributable to newly graduating conductor classes, lower attrition, and less weather-related overtime. B&T was \$0.9 million favorable mainly due to timing and lower than Forecast overtime required across a number of categories.

Debt Service

Debt service expenses for August were \$217.5 million, which was \$5.8 million, or 2.6%, favorable due to lower than projected variable rates. August YTD debt service costs were \$1,620.9 million, which was \$27.7 million, or 1.7%, favorable, also due to lower variable rates.

State Dedicated Taxes and Fees

| YTD September 2015 (\$ in millions) | | | | | Month of September 2015 (\$ in millions) | | | | |
|-------------------------------------|------------------|------------------|----------------|--------------|--|----------------|----------------|----------------|--------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| MMTOA | \$716.3 | \$716.3 | \$0.0 | 0.0% | MMTOA | \$138.3 | \$138.3 | \$0.0 | 0.0% |
| PBT | 458.2 | 475.7 | -17.4 | -3.7% | PBT | 51.1 | 60.1 | -9.0 | -14.9% |
| PMT ¹ | 1,014.7 | 1,020.6 | -5.9 | -0.6% | PMT ¹ | 67.0 | 75.7 | -8.7 | -11.5% |
| MTA Aid ² | 211.2 | 211.6 | -0.4 | -0.2% | MTA Aid ² | 77.9 | 79.8 | -1.9 | -2.4% |
| Total | \$2,400.5 | \$2,424.2 | -\$23.7 | -1.0% | Total | \$334.3 | \$353.9 | -\$19.6 | -5.5% |

MMTOA receipts for both September and YTD were on target. Petroleum Business Tax (PBT) receipts for September were \$9.0 million (14.9%) unfavorable, and YTD were unfavorable by \$17.4 million (3.7%), reflecting what appears to be timing differences reflecting the non-seasonal nature of PBT receipts.

September Payroll Mobility Tax (PMT) receipts were \$8.7 million (11.5%) unfavorable due mostly to an earlier-than-expected timing of the payment by the State, resulting in three fewer days of collections in this payment. Year-to-date PMT collections were slightly unfavorable by \$5.9 million (0.6%). The third quarterly MTA Aid payment was \$1.9 million (2.4%) unfavorable; YTD MTA Aid receipts were \$0.4 million or 0.2% unfavorable.

Real Estate Transaction Taxes

| YTD September 2015 (\$ in millions) | | | | | Month of September 2015 (\$ in millions) | | | | |
|-------------------------------------|------------------|------------------|---------------|-------------|--|----------------|---------------|---------------|--------------|
| | Mid-Year | | | | | Mid-Year | | | |
| | Actual | Forecast | Diff | % Diff | | Actual | Forecast | Diff | % Diff |
| MRT | \$318.7 | \$306.5 | \$12.2 | 4.0% | MRT | \$38.7 | \$34.8 | \$3.9 | 11.2% |
| NYC Urban | 729.5 | 714.1 | \$15.4 | 2.2% | NYC Urban | \$79.9 | 61.3 | \$18.6 | 30.3% |
| Total | \$1,048.2 | \$1,020.6 | \$27.6 | 2.7% | Total | \$118.6 | \$96.1 | \$22.5 | 23.4% |

Total real estate taxes for September were \$22.5 million (23.4%) favorable to the Mid-Year Forecast, with the YTD variance favorable by \$27.6 million (2.7%). YTD, the Real Estate Transaction Taxes are ahead of 2014 levels by \$202.4 million (23.9%); about three quarters of this improvement is the result of strong Urban Tax receipts.

Regional Mortgage Recording Tax³ receipts for September were \$3.9 million or 11.2% higher than forecast; MRT-1 was favorable by \$3.1 million, and MRT-2 receipts were favorable by \$0.8 million. YTD MRT receipts were favorable by \$12.2 million, or 4.0%, with MRT-1 receipts \$10.3 million favorable and MRT-2 receipts \$1.9 million favorable.

New York City Urban Tax⁴ receipts for September were \$18.6 million or 30.3% favorable, making YTD Urban Tax receipts \$15.4 million (2.2%) favorable. For September, the Real Property Transfer Tax (RPTT) portion of the Urban Tax was favorable by \$12.6 million or 28.0%, while the MRT portion of the Urban Tax was \$6.0 million or 36.8% favorable. Urban Tax revenues have averaged \$81.1 million per month through September, exceeding the monthly average for all of 2014 by \$32.5 million or 66.9%.

¹ PMT replacement funds totaling \$309 million for the year, excluded from the results reported in this table, are projected to be received in five equal \$61 million installments.

² MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee and Automobile Rental Fee.

³ Mortgage Recording Taxes consist of two separate taxes on mortgages recorded in the twelve-county region: MRT-1 is a tax on all mortgages, while MRT-2 is also imposed on residential real estate structures containing up to six dwelling units.

⁴ New York City Urban Taxes are imposed on commercial property and apartment building transactions within New York City. The MRT component is imposed on mortgages exceeding \$500,000, and the Real Property Transfer Tax component is imposed on transfers exceeding \$500,000.

Real Estate Transaction Taxes Receipts (\$ in millions)

Mid-Year Forecast vs. Actual Receipts

| 2015 Mid-Year Forecast | 2015 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | YTD Sep |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|---------------|------------------|
| MRT-1 | \$301.3 | \$29.8 | \$24.0 | \$23.6 | \$25.0 | \$25.9 | \$24.6 | \$24.7 | \$24.7 | \$24.7 | \$24.7 | \$24.7 | \$24.7 | \$227.2 |
| MRT-2 | 109.5 | 8.9 | 7.9 | 7.6 | 8.6 | 8.4 | 7.8 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 79.3 |
| Total MRT | \$410.8 | \$38.7 | \$31.9 | \$31.2 | \$33.7 | \$34.3 | \$32.4 | \$34.8 | \$34.8 | \$34.8 | \$34.8 | \$34.8 | \$34.8 | \$306.5 |
| RPTT | \$674.5 | \$62.0 | \$62.7 | \$62.5 | \$46.7 | \$67.2 | \$72.3 | \$45.0 | \$45.0 | \$45.0 | \$65.6 | \$55.8 | \$45.0 | \$508.2 |
| MRT | 254.9 | 32.3 | 24.2 | 24.6 | 23.2 | 26.5 | 25.8 | 16.4 | 16.4 | 16.4 | 16.4 | 16.4 | 16.4 | 205.8 |
| Total Urban Tax - NYCT 90% share | \$929.5 | \$94.3 | \$86.9 | \$87.2 | \$69.9 | \$93.7 | \$98.1 | \$61.3 | \$61.3 | \$61.3 | \$81.9 | \$72.1 | \$61.3 | \$714.1 |
| Total Real Estate Taxes | \$1,340.275 | \$133.0 | \$118.8 | \$118.3 | \$103.6 | \$128.0 | \$130.5 | \$96.1 | \$96.1 | \$96.1 | \$116.7 | \$106.9 | \$96.1 | \$1,020.6 |

| 2015 Monthly Actuals | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | YTD Sep |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|--------|--------|--------|------------------|
| MRT-1 | \$29.8 | \$24.0 | \$23.6 | \$25.0 | \$25.9 | \$24.6 | \$26.7 | \$30.0 | \$27.9 | | | | \$237.5 |
| MRT-2 | 8.9 | 7.9 | 7.6 | 8.6 | 8.4 | 7.8 | 10.4 | 10.8 | 10.8 | | | | 81.3 |
| Total MRT | \$38.7 | \$31.9 | \$31.2 | \$33.7 | \$34.3 | \$32.4 | \$37.1 | \$40.8 | \$38.7 | | | | \$318.7 |
| RPTT | \$62.0 | \$62.7 | \$62.5 | \$46.7 | \$67.2 | \$72.3 | \$37.5 | \$31.8 | \$57.5 | | | | \$500.2 |
| MRT | 32.3 | 24.2 | 24.6 | 23.2 | 26.5 | 25.8 | 22.9 | 27.2 | 22.4 | | | | 229.2 |
| Total Urban Tax - NYCT 90% share | \$94.3 | \$86.9 | \$87.2 | \$69.9 | \$93.7 | \$98.1 | \$60.4 | \$59.1 | \$79.9 | | | | \$729.5 |
| Total Real Estate Taxes | \$133.0 | \$118.8 | \$118.3 | \$103.6 | \$128.0 | \$130.5 | \$97.4 | \$99.9 | \$118.6 | | | | \$1,048.2 |

| Variances | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | YTD Sep |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|---------------|--------|--------|--------|---------------|
| MRT-1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.9 | \$5.3 | \$3.1 | | | | \$10.3 |
| MRT-2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.8 | 0.8 | | | | 1.9 |
| Total MRT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$2.3 | \$6.1 | \$3.9 | | | | \$12.2 |
| RPTT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$7.5) | (\$13.1) | \$12.6 | | | | (\$8.0) |
| MRT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.5 | 10.9 | 6.0 | | | | 23.4 |
| Total Urban Tax - NYCT 90% share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$1.0) | (\$2.2) | \$18.6 | | | | \$15.4 |
| Total Real Estate Taxes | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.3 | \$3.8 | \$22.5 | | | | \$27.6 |

| | | | | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--|--|--|-------------|
| MRT-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 7.8% | 21.3% | 12.7% | | | | 4.6% |
| MRT-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 3.7% | 7.8% | 7.5% | | | | 2.4% |
| Total MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 6.6% | 17.4% | 11.2% | | | | 4.0% |
| RPTT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -16.6% | -29.2% | 28.0% | | | | -1.6% |
| MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 39.7% | 66.4% | 36.8% | | | | 11.4% |
| Total Urban Tax - NYCT 90% share | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -1.6% | -3.7% | 30.3% | | | | 2.2% |
| Total Real Estate Taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.4% | 4.0% | 23.4% | | | | 2.7% |

Real Estate Transaction Taxes Receipts (\$ in millions)

2015 Receipts vs. 2014 Receipts

| 2014 Monthly Actuals | 2014 Act | 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 | \$264.8 | \$22.7 | \$25.0 | \$14.7 | \$21.0 | \$18.6 | \$24.0 | \$20.3 | \$22.5 | \$23.9 | \$21.9 | \$29.3 | \$20.9 | \$192.8 |
| MRT-2 | 94.6 | 8.8 | 7.8 | 6.4 | 7.2 | 6.9 | 7.7 | 7.4 | 8.6 | 9.3 | 8.2 | 8.9 | 7.2 | 70.2 |
| Total MRT | \$359.5 | \$31.5 | \$32.9 | \$21.2 | \$28.2 | \$25.5 | \$31.7 | \$27.7 | \$31.1 | \$33.2 | \$30.1 | \$38.2 | \$28.1 | \$263.0 |
| RPTT | \$558.6 | \$81.2 | \$48.2 | \$19.6 | \$33.3 | \$27.9 | \$36.1 | \$84.5 | \$37.9 | \$36.9 | \$46.1 | \$52.7 | \$54.3 | \$405.5 |
| MRT | 247.5 | 19.7 | 26.0 | 10.8 | 20.6 | 16.0 | 25.4 | 18.5 | 19.4 | 20.9 | 19.0 | 31.5 | 19.7 | 177.3 |
| Total Urban Tax - NYCT 90% share | \$806.1 | \$100.9 | \$74.2 | \$30.4 | \$53.9 | \$43.9 | \$61.4 | \$103.0 | \$57.3 | \$57.8 | \$65.1 | \$84.2 | \$74.0 | \$582.8 |
| Total Real Estate Taxes | \$1,165.5 | \$132.4 | \$107.1 | \$51.5 | \$82.1 | \$69.4 | \$93.1 | \$130.7 | \$88.4 | \$91.0 | \$95.2 | \$122.4 | \$102.1 | \$845.8 |

| 2015 Monthly Actuals | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | YTD Sep |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|--------|--------|--------|------------------|
| MRT-1 | \$29.8 | \$24.0 | \$23.6 | \$25.0 | \$25.9 | \$24.6 | \$26.7 | \$30.0 | \$27.9 | | | | \$237.5 |
| MRT-2 | 8.9 | 7.9 | 7.6 | 8.6 | 8.4 | 7.8 | 10.4 | 10.8 | 10.8 | | | | 81.3 |
| Total MRT | \$38.7 | \$31.9 | \$31.2 | \$33.7 | \$34.3 | \$32.4 | \$37.1 | \$40.8 | \$38.7 | | | | \$318.7 |
| RPTT | \$62.0 | \$62.7 | \$62.5 | \$46.7 | \$67.2 | \$72.3 | \$37.5 | \$31.8 | \$57.5 | | | | \$500.2 |
| MRT | 32.3 | 24.2 | 24.6 | 23.2 | 26.5 | 25.8 | 22.9 | 27.2 | 22.4 | | | | 229.2 |
| Total Urban Tax - NYCT 90% share | \$94.3 | \$86.9 | \$87.2 | \$69.9 | \$93.7 | \$98.1 | \$60.4 | \$59.1 | \$79.9 | | | | \$729.5 |
| Total Real Estate Taxes | \$133.0 | \$118.8 | \$118.3 | \$103.6 | \$128.0 | \$130.5 | \$97.4 | \$99.9 | \$118.6 | | | | \$1,048.2 |

| Variiances | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Sep |
|---|----------------|----------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|-----|-----|-----|----------------|
| MRT-1 | \$7.1 | (\$1.0) | \$8.9 | \$4.0 | \$7.3 | \$0.6 | \$6.4 | \$7.5 | \$4.0 | | | | \$44.7 |
| MRT-2 | 0.1 | 0.0 | 1.1 | 1.4 | 1.5 | 0.1 | 3.0 | 2.2 | 1.5 | | | | 11.0 |
| Total MRT | \$7.2 | (\$1.0) | \$10.0 | \$5.4 | \$8.8 | \$0.7 | \$9.4 | \$9.7 | \$5.5 | | | | \$55.7 |
| RPTT | (\$19.2) | \$14.5 | \$42.9 | \$13.4 | \$39.4 | \$36.2 | (\$47.0) | (\$6.1) | \$20.6 | | | | \$94.8 |
| MRT | 12.7 | (1.8) | 13.8 | 2.6 | 10.5 | 0.4 | 4.3 | 7.9 | 1.5 | | | | 51.9 |
| Total Urban Tax - NYCT 90% share | (\$6.5) | \$12.7 | \$56.8 | \$16.0 | \$49.8 | \$36.6 | (\$42.6) | \$1.8 | \$22.1 | | | | \$146.7 |
| Total Real Estate Taxes | \$0.7 | \$11.8 | \$66.8 | \$21.4 | \$58.6 | \$37.4 | (\$33.3) | \$11.5 | \$27.6 | | | | \$202.4 |
| MRT-1 | 31.3% | -4.0% | 60.2% | 19.1% | 39.3% | 2.6% | 31.5% | 33.1% | 16.6% | | | | 23.2% |
| MRT-2 | 0.9% | 0.3% | 17.8% | 19.8% | 21.6% | 1.4% | 40.3% | 25.9% | 16.2% | | | | 15.7% |
| Total MRT | 22.8% | -3.0% | 47.3% | 19.3% | 34.5% | 2.3% | 33.8% | 31.1% | 16.5% | | | | 21.2% |
| RPTT | -23.6% | 30.0% | 219.5% | 40.3% | 141.1% | 100.4% | -55.6% | -16.0% | 55.9% | | | | 23.4% |
| MRT | 64.4% | -6.7% | 128.1% | 12.4% | 65.4% | 1.7% | 23.3% | 40.6% | 7.0% | | | | 29.3% |
| Total Urban Tax - NYCT 90% share | -6.5% | 17.2% | 187.0% | 29.6% | 113.5% | 59.6% | -41.4% | 3.1% | 38.2% | | | | 25.2% |
| Total Real Estate Taxes | 0.5% | 11.0% | 129.6% | 26.1% | 84.5% | 40.1% | -25.4% | 13.0% | 30.3% | | | | 23.9% |

BUDGETWATCH

September 2015 Regional Economy Report

New York City Employment

Sectors with Employment Gains in July 2015 Compared to July 2014

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



Sectors with Employment losses in July 2015 Compared to July 2014

- Manufacturing



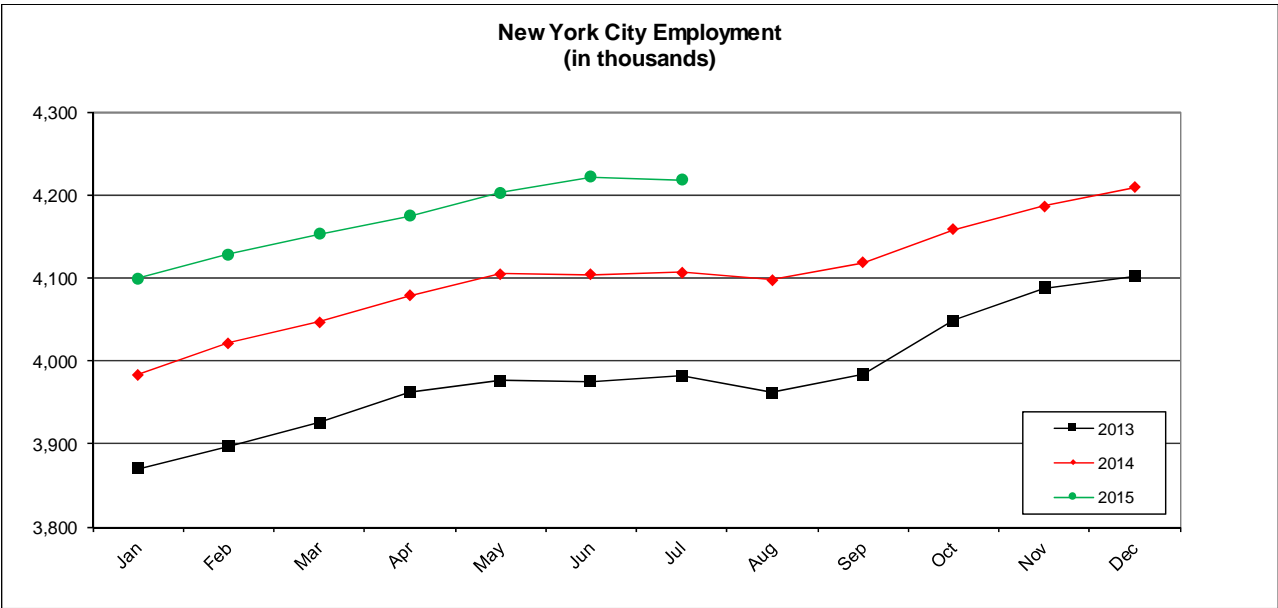
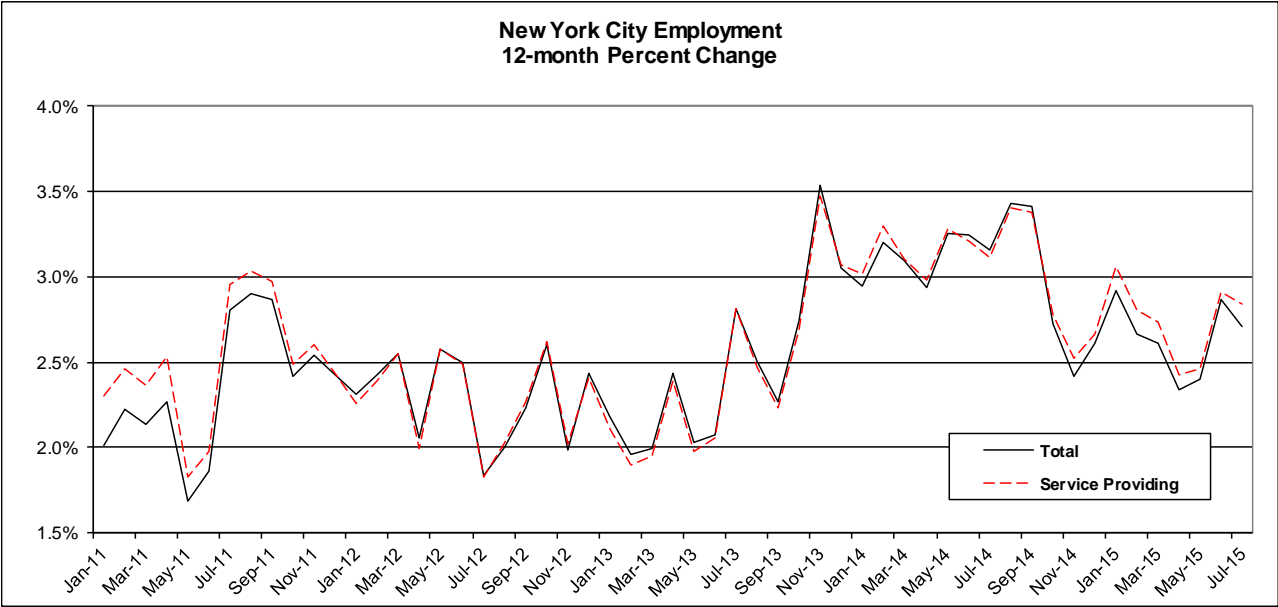
| New York City Employment (in thousands) | | | | Jul-15 versus | | | |
|---|------------------|-------------------|----------------|---------------|--------------|--------------|-------------|
| | Prelim Jul-15 | Revised Jun-15 | Jul-14 | Jun-15 | | Jul-14 | |
| | | | | Net | Pct | Net | Pct |
| Total Employment | 4,218.8 | 4,222.8 | 4,107.6 | (4.0) | -0.1% | 111.2 | 2.7% |
| Goods Producing | 209.6 | 210.9 | 209.1 | (1.3) | -0.6% | 0.5 | 0.2% |
| Construction, Mining, Nat Res | 135.9 | 135.8 | 133.2 | 0.1 | 0.1% | 2.7 | 2.0% |
| Manufacturing | 73.7 | 75.1 | 75.9 | (1.4) | -1.9% | (2.2) | -2.9% |
| Service Producing | 4,009.2 | 4,011.9 | 3,898.5 | (2.7) | -0.1% | 110.7 | 2.8% |
| Transportation, Utilities | 124.7 | 129.1 | 121.4 | (4.4) | -3.4% | 3.3 | 2.7% |
| Trade | 500.5 | 499.6 | 490.9 | 0.9 | 0.2% | 9.6 | 2.0% |
| Information | 187.3 | 186.9 | 185.0 | 0.4 | 0.2% | 2.3 | 1.2% |
| Financial Activities | 466.5 | 460.9 | 456.9 | 5.6 | 1.2% | 9.6 | 2.1% |
| Education & Health Svcs | 695.2 | 697.1 | 675.0 | (1.9) | -0.3% | 20.2 | 3.0% |
| Professional & Business Svcs | 857.1 | 872.5 | 822.7 | (15.4) | -1.8% | 34.4 | 4.2% |
| Leisure & Hospitality | 428.6 | 433.0 | 411.2 | (4.4) | -1.0% | 17.4 | 4.2% |
| Other Services | 189.9 | 189.5 | 179.4 | 0.4 | 0.2% | 10.5 | 5.9% |
| Government | 559.4 | 543.3 | 556.0 | 16.1 | 3.0% | 3.4 | 0.6% |

Preliminary July 2015 employment in New York City shows a gain of 111.2 thousand jobs (an increase of 2.7%) compared to last July's employment level. This marks the sixtieth consecutive month in which employment has improved over its level from one year earlier. The Education & Health and Professional & Business Services sectors experienced the greatest gains among the major sectors, adding 20,200 and 34,400 jobs, respectively, over the past twelve months.

Employment in New York City's service-producing sectors increased by 110.7 thousand jobs, an increase of 2.8% over the July 2014 level. Private-sector service-providing employment in New York City increased by 107.3 thousand jobs, 3.2% higher than the level of one year ago, and July marks the sixty-fifth consecutive month that has seen a year-to-year improvement of more than one percent.

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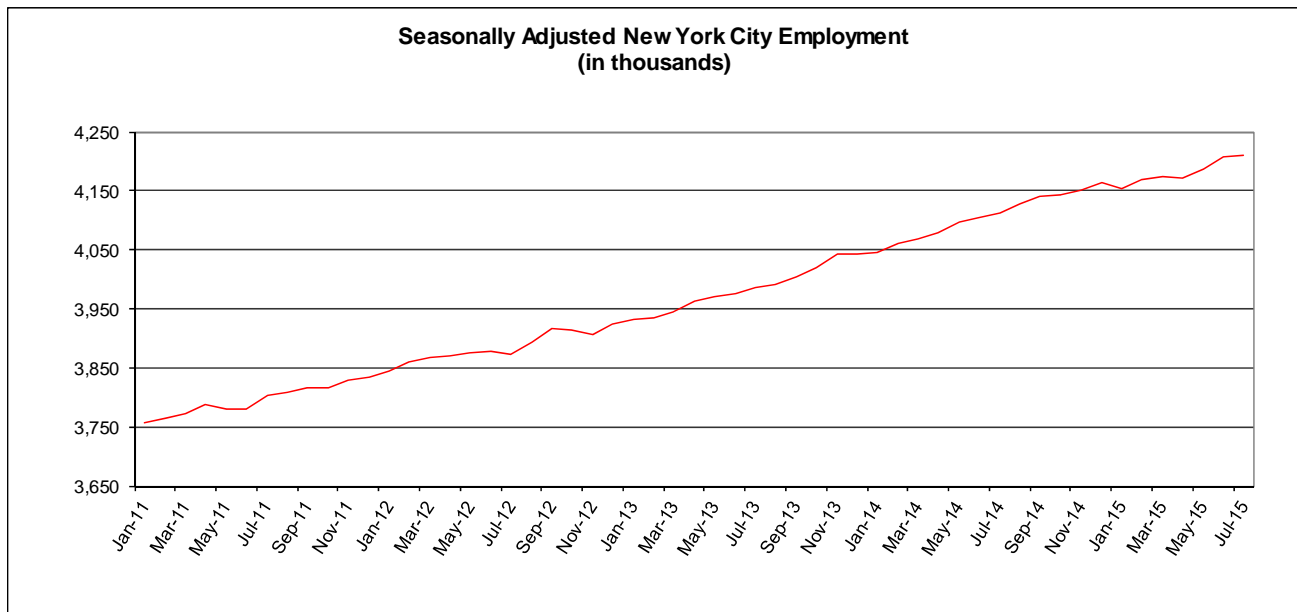
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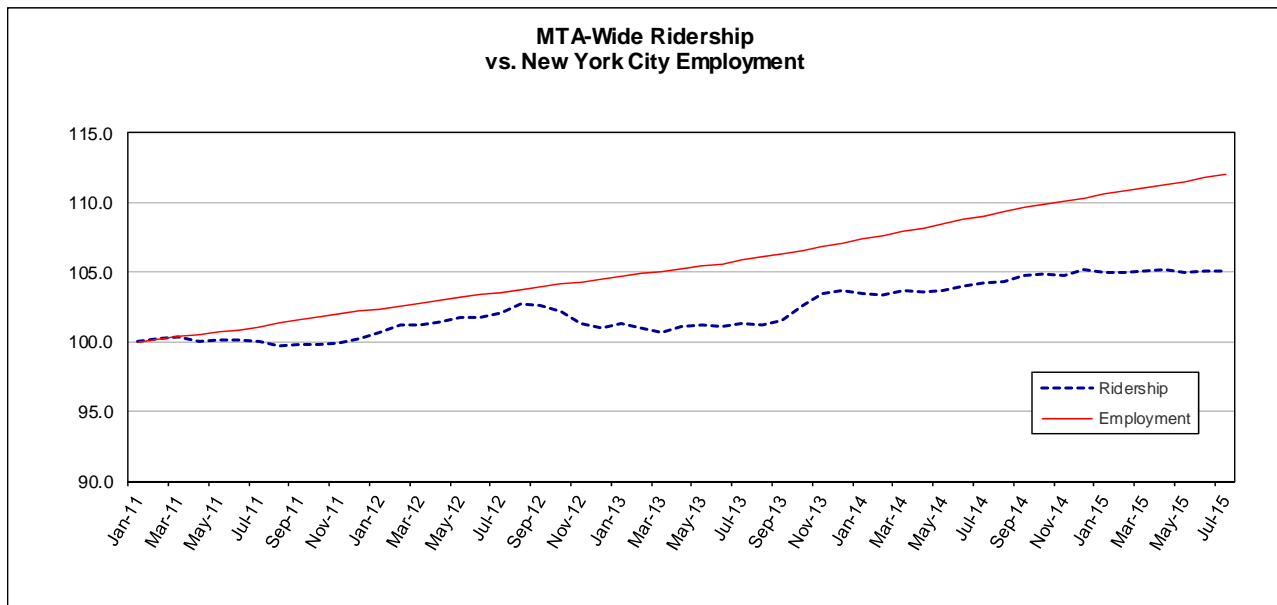
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In July, seasonally adjusted New York City employment of 4.2 million was higher than in July 2014 by 97.0 thousand jobs (2.4%), and was slightly higher than June 2015 by 2.7 thousand jobs (0.1%).



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 sixteen consecutive months – though March 2010 – the twelve-month moving average fell, and employment levels declined by 3%. However, since that time, the twelve-month monthly employment average has increased with almost no interruption. Considering the more recent period since January 2011, while the twelve-month average has increased 12.0%, annualized (12-month average) MTA-wide ridership has grown by 5.1%. The twelve-month average for ridership in July 2015 was 0.8% higher than one year earlier.



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Consumer Price Index

Goods Reporting Price Increases in July 2015 Compared to June 2015

- Medical Care
- Food
- Transportation

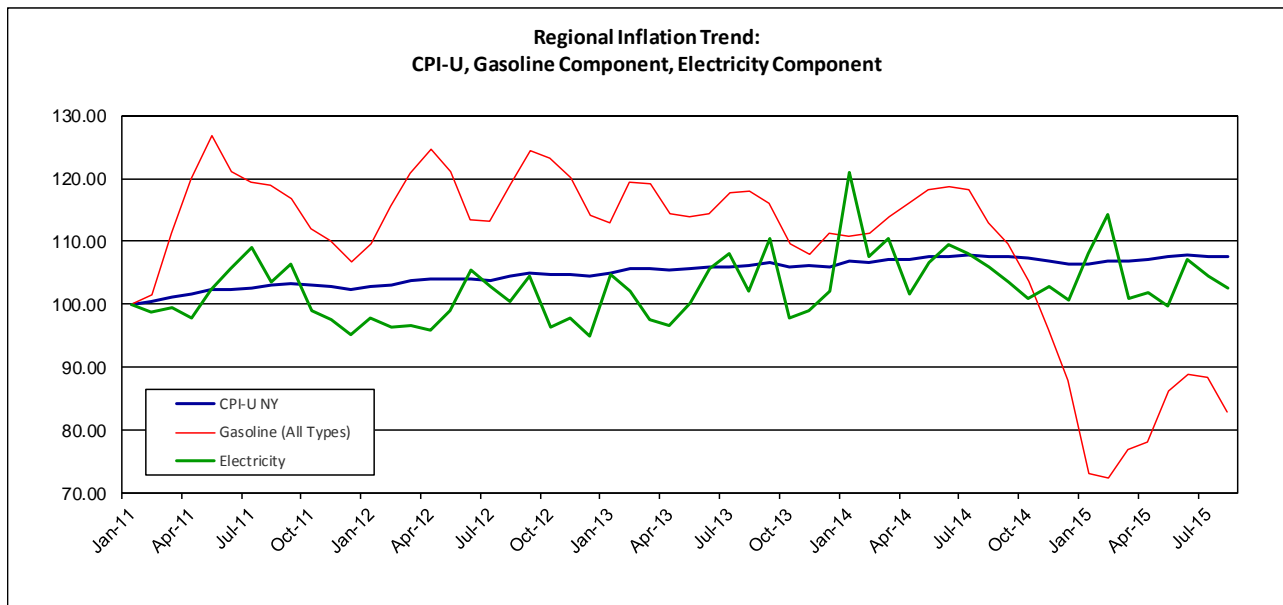


Goods Reporting Price Declines in July 2015 Compared to June 2015

- Transportation
- Electricity
- Gasoline



| | Aug-15 | Jul-15 | Aug-14 | Aug-15 versus | | | |
|---------------------------------|---------------|---------------|---------------|---------------|-------|---------|--------|
| | | | | Jul-15 | | Aug-14 | |
| | | | | Net | Pct | Net | Pct |
| Regional CPI-U | 261.35 | 261.20 | 261.08 | 0.15 | 0.1% | 0.27 | 0.1% |
| Medical Care Component | 447.19 | 445.13 | 438.50 | 2.05 | 0.5% | 8.69 | 2.0% |
| Electricity Component | 187.48 | 190.89 | 193.54 | (3.41) | -1.8% | (6.06) | -3.1% |
| Gasoline (all grades) Component | 205.57 | 219.12 | 280.61 | (13.55) | -6.2% | (75.04) | -26.7% |
| National CPI-U | 238.32 | 238.65 | 237.85 | (0.34) | -0.1% | 0.46 | 0.2% |

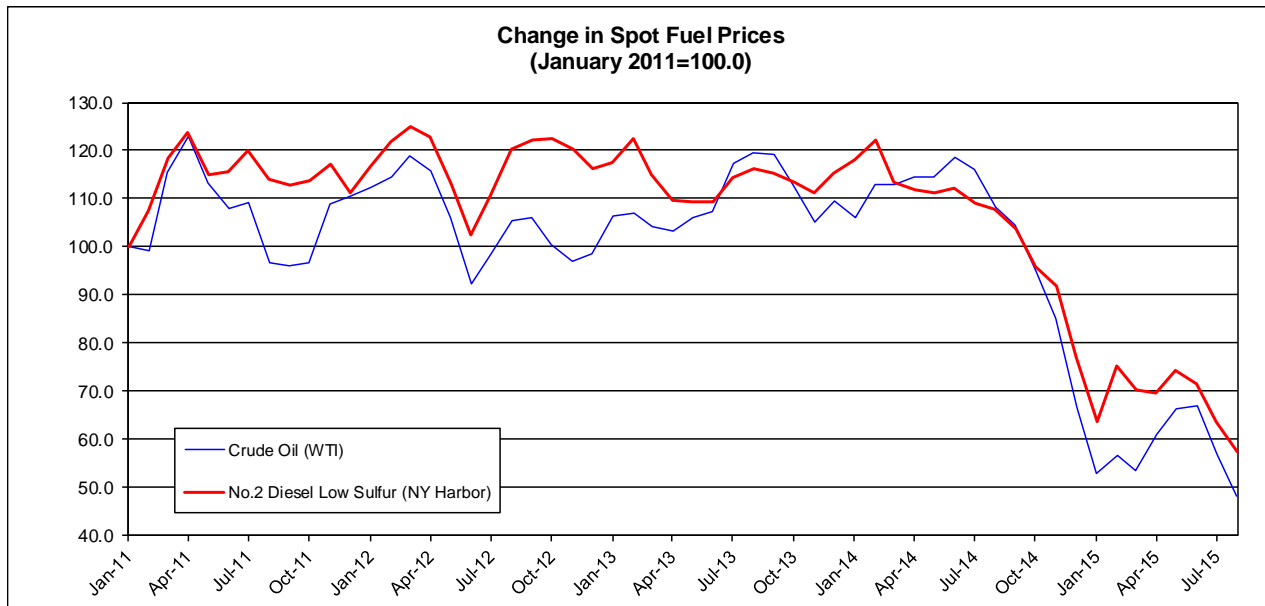


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Fuel Prices

| Fuel - Spot Prices <i>NY Harbor, except Crude Oil (WTI)</i> | Latest Price | | | Aug-15 versus | | |
|--|--------------|--------|--------|---------------|--------|--------|
| | 09/14/15 | Aug-15 | Jul-15 | Aug-14 | Jul-15 | Aug-14 |
| Crude Oil (\$/bbl) | 44.07 | 42.87 | 50.90 | 96.54 | -15.8% | -55.6% |
| Conventional Regular Gasoline (\$/gal) | 1.39 | 1.62 | 1.86 | 2.71 | -12.9% | -40.1% |
| Low Sulfur No.2 Diesel Fuel (\$/gal) | 1.48 | 1.52 | 1.68 | 2.85 | -10.0% | -46.8% |
| No.2 Heating Oil (\$/gal) | 1.37 | 1.39 | 1.56 | 2.75 | -10.9% | -49.6% |



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| Nassau, Suffolk Employment (in thousands) | | | | Jul-15 versus | | | |
|---|----------------|----------------|----------------|---------------|--------------|-------------|-------------|
| | Prelim | Revised | Jul-14 | Jun-15 | | Jul-14 | |
| | Jul-15 | Jun-15 | | Net | Percent | Net | Percent |
| Total Employment | 1,322.5 | 1,338.1 | 1,303.3 | -15.6 | -1.2% | 19.2 | 1.5% |
| Goods Producing | 151.1 | 151.6 | 146.8 | -0.5 | -0.3% | 4.3 | 2.9% |
| Construction, Mining, Nat Res | 79.4 | 79.6 | 75.0 | -0.2 | -0.3% | 4.4 | 5.9% |
| Manufacturing | 71.7 | 72.0 | 71.8 | -0.3 | -0.4% | -0.1 | -0.1% |
| Service Producing | 1,171.4 | 1,186.5 | 1,156.5 | -15.1 | -1.3% | 14.9 | 1.3% |
| Transportation, Utilities | 38.5 | 42.0 | 38.6 | -3.5 | -8.3% | -0.1 | -0.3% |
| Trade | 237.0 | 236.0 | 233.4 | 1.0 | 0.4% | 3.6 | 1.5% |
| Information | 21.2 | 21.3 | 22.0 | -0.1 | -0.5% | -0.8 | -3.6% |
| Financial Activities | 72.0 | 72.4 | 74.0 | -0.4 | -0.6% | -2.0 | -2.7% |
| Education & Health Svcs | 174.9 | 175.3 | 174.0 | -0.4 | -0.2% | 0.9 | 0.5% |
| Professional & Business Svcs | 245.4 | 249.2 | 236.6 | -3.8 | -1.5% | 8.8 | 3.7% |
| Leisure & Hospitality | 136.2 | 131.6 | 133.3 | 4.6 | 3.5% | 2.9 | 2.2% |
| Other Services | 60.4 | 59.8 | 58.1 | 0.6 | 1.0% | 2.3 | 4.0% |
| Government | 185.8 | 198.9 | 186.5 | -13.1 | -6.6% | -0.7 | -0.4% |

| Orange, Rockland, Westchester Employment (in thousands) | | | | Jul-15 versus | | | |
|---|--------------|--------------|--------------|---------------|--------------|-------------|--------------|
| | Prelim | Revised | Jul-14 | Jun-15 | | Jul-14 | |
| | Jul-15 | Jun-15 | | Net | Percent | Net | Percent |
| Total Employment | 705.0 | 706.5 | 696.6 | -1.5 | -0.2% | 8.4 | 1.2% |
| Goods Producing | 66.5 | 65.4 | 67.5 | 1.1 | 1.7% | -1.0 | -1.5% |
| Construction, Mining, Nat Res | 37.9 | 36.3 | 37.5 | 1.6 | 4.4% | 0.4 | 1.1% |
| Manufacturing | 28.6 | 29.1 | 30.0 | -0.5 | -1.7% | -1.4 | -4.7% |
| Service Producing | 638.5 | 641.1 | 629.1 | -2.6 | -0.4% | 9.4 | 1.5% |
| Transportation, Utilities | 23.4 | 24.7 | 22.9 | -1.3 | -5.3% | 0.5 | 2.2% |
| Trade | 118.1 | 118.4 | 118.7 | -0.3 | -0.3% | -0.6 | -0.5% |
| Information | 13.3 | 13.3 | 13.6 | 0.0 | 0.0% | -0.3 | -2.2% |
| Financial Activities | 35.9 | 36.6 | 37.4 | -0.7 | -1.9% | -1.5 | -4.0% |
| Education & Health Svcs | 88.5 | 89.2 | 89.1 | -0.7 | -0.8% | -0.6 | -0.7% |
| Professional & Business Svcs | 141.6 | 143.7 | 135.1 | -2.1 | -1.5% | 6.5 | 4.8% |
| Leisure & Hospitality | 73.3 | 71.0 | 69.0 | 2.3 | 3.2% | 4.3 | 6.2% |
| Other Services | 32.8 | 32.2 | 31.0 | 0.6 | 1.9% | 1.8 | 5.8% |
| Government | 111.6 | 112.0 | 112.3 | -0.4 | -0.4% | -0.7 | -0.6% |

| Dutchess, Putnam Employment (in thousands) | | | | Jul-15 versus | | | |
|--|--------------|--------------|--------------|---------------|--------------|-------------|--------------|
| | Prelim | Revised | Jul-14 | Jun-15 | | Jul-14 | |
| | Jul-15 | Jun-15 | | Net | Percent | Net | Percent |
| Total Employment | 143.1 | 143.9 | 142.7 | -0.8 | -0.6% | 0.4 | 0.3% |
| Goods Producing | 18.1 | 18.2 | 18.6 | -0.1 | -0.5% | -0.5 | -2.7% |
| Construction, Mining, Nat Res | 7.6 | 7.6 | 7.9 | 0.0 | 0.0% | -0.3 | -3.8% |
| Manufacturing | 10.5 | 10.6 | 10.7 | -0.1 | -0.9% | -0.2 | -1.9% |
| Service Producing | 125.0 | 125.7 | 124.1 | -0.7 | -0.6% | 0.9 | 0.7% |
| Transportation, Utilities | 3.8 | 4.0 | 3.8 | -0.2 | -5.0% | 0.0 | 0.0% |
| Trade | 20.7 | 20.7 | 20.3 | 0.0 | 0.0% | 0.4 | 2.0% |
| Information | 1.9 | 1.9 | 1.9 | 0.0 | 0.0% | 0.0 | 0.0% |
| Financial Activities | 5.0 | 5.0 | 5.1 | 0.0 | 0.0% | -0.1 | -2.0% |
| Education & Health Svcs | 11.9 | 11.9 | 11.6 | 0.0 | 0.0% | 0.3 | 2.6% |
| Professional & Business Svcs | 34.7 | 34.9 | 34.1 | -0.2 | -0.6% | 0.6 | 1.8% |
| Leisure & Hospitality | 15.1 | 14.6 | 15.3 | 0.5 | 3.4% | -0.2 | -1.3% |
| Other Services | 6.9 | 6.9 | 6.7 | 0.0 | 0.0% | 0.2 | 3.0% |
| Government | 25.0 | 25.8 | 25.3 | -0.8 | -3.1% | -0.3 | -1.2% |

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