

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

CURRENT ACTIVITIES, OPERATIONS AND ACCOMPLISHMENTS

The New York City Transitional Finance Authority (the “TFA”) issues Future Tax Secured Bonds, secured by City of New York (the “City”) Personal Income Tax revenues and, under certain circumstances, City Sales Tax revenues, to fund general capital purposes of the City. The TFA also issues Building Aid Bonds, secured by state building aid payable to the City, to fund the City’s five year educational facilities capital plan (“Building Aid Bonds”).

In addition, the TFA issued bonds to pay for costs related to or arising from the attack on the World Trade Center (“Recovery Bonds”). Such bonds are secured by City Personal Income Tax revenues and, under certain circumstances, City Sales Tax revenues. The TFA does not expect to issue additional Recovery Bonds.

The TFA also issues bonds for refinancing purposes from time to time.

In compliance with the TFA’s indenture, the TFA’s ongoing activities include collecting state building aid and Personal Income Tax revenues, issuing Future Tax Secured Bonds and Building Aid Bonds, applying revenues to pay principal and interest on such bonds, remitting to the City any revenues in excess of those needed by the TFA, complying with federal tax law in order to maintain the tax exemption of its tax-exempt bonds and the federal subsidy on its Build America Bonds and Qualified School Construction Bonds, and maintaining bank facilities and other contractual arrangements necessary to facilitate the ongoing marketing and placement of its floating rate debt. In addition, the TFA complies with annual continuing disclosure requirements, issues annual audited financial statements, and complies with state and local reporting requirements.

During the Fiscal Year ending June 30, 2010, the TFA issued \$3.57 billion of new money Future Tax Secured Bonds as follows: \$900 million on July 30, 2009, \$775 million on October 22, 2009, \$900 million on March 3, 2010 and \$990 million on May 18, 2010.

During the Fiscal Year ending June 30, 2010, the TFA issued \$1.78 billion of Future Tax Secured Bonds to refund a portion of its outstanding bonds as follows: \$800 million on August 27, 2009, \$500 million on January 26, 2010, \$399,995,000 on May 18, 2010 and a reoffering of \$81 million of its New York City Recovery Bonds, Fiscal 2003 Subseries 3B on November 12, 2009.

The TFA did not issue any Building Aid Bonds during the Fiscal Year ending June 30, 2010.