

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, 2011, the TFA issued \$3.6 billion of new money Future Tax Secured Bonds as follows: \$1 billion on August 16, 2010, \$850 million on November 3, 2010, \$875 million on January 20, 2011, and \$875 million on February 10, 2011. Additionally, the TFA issued \$649 million of Future Tax Secured Bonds to refund a portion of its outstanding bonds on April 25, 2011.

During the Fiscal Year ending June 30, 2011, the TFA issued \$650 million of new money Building Aid Revenue Bonds as follows: \$350 million on November 23, 2010, and \$300 million on June 29, 2011.