NEW ISSUE

In the respective opinions of Norton Rose Fulbright US LLP and Bryant Rabbino LLP, Co-Bond Counsel to the Authority, interest on the Fixed Rate Bonds (as defined below) will be exempt from personal income taxes imposed by the State of New York (the "State") or any political subdivision thereof, including The City of New York (the "City"), and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Subseries G-1 Bonds, the Series H Bonds and the Series I Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes. Interest on the Subseries G-2 Bonds will be includable in the gross income of the owners thereof for federal income tax purposes. See "SECTION VII: TAX MATTERS" herein for further information.

$2,113,200,000
New York City Transitional Finance Authority
Future Tax Secured Subordinate Bonds

$1,174,485,000 Fiscal 2026 Series G

$1,099,400,000 Subseries G-1 (Tax-Exempt)

$75,085,000 Subseries G-2 (Taxable)

$38,715,000 Fiscal 2026 Series H (Tax-Exempt)

$900,000,000 Fiscal 2026 Series I (Tax-Exempt)

Dated: Date of Delivery **Due: As shown on inside cover pages**

The Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-1 (Tax-Exempt) (the "Subseries G-1 Bonds"), the Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-2 (Taxable) (the "Subseries G-2 Bonds"), the Future Tax Secured Subordinate Bonds, Fiscal 2026 Series H (Tax-Exempt) (the "Series H Bonds" and, collectively with the Subseries G-1 Bonds and the Subseries G-2 Bonds, the "Refunding Bonds") and the Future Tax Secured Subordinate Bonds, Fiscal 2026 Series I (Tax-Exempt) (the "Series I Bonds") are being issued by the New York City Transitional Finance Authority (the "Authority") pursuant to the New York City Transitional Finance Authority Act, as amended (the "Act"), and the Amended and Restated Original Indenture, as restated January 25, 2024, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"). The Refunding Bonds and the Series I Bonds are being issued as multi-modal bonds in the fixed rate mode and are collectively referred to herein as the "Fixed Rate Bonds."

The Fixed Rate Bonds will be issued as Parity Debt (as defined herein). Interest on and principal of the Fixed Rate Bonds are payable from the Tax Revenues of the Authority subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with the Authority's other Subordinate Bonds payable from the Tax Revenues (as such terms are defined herein). See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS." No Senior Debt Service is currently payable. Provided the statutory and contractual conditions are met, other Series of Bonds senior to or on a parity with the Fixed Rate Bonds may be issued. See "SECTION V: THE AUTHORITY—Other Authority Obligations."

Pursuant to the Act, the Fixed Rate Bonds are payable from the Tax Revenues of the Authority derived from collections of personal income taxes and of sales and compensating use taxes imposed by the City. Such taxes are imposed pursuant to statutes enacted by the State. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS."

The Fixed Rate Bonds will be issued only in fully registered form, registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"). Purchasers will not receive physical delivery of the Fixed Rate Bonds. Principal, redemption price and interest will be payable to DTC by the Trustee. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursements to the purchasers of the Fixed Rate Bonds are the responsibility of the DTC Participants. See "SECTION IV: THE FIXED RATE BONDS—Book-Entry Only System."

Purchases of the Fixed Rate Bonds will be made in book-entry form in denominations of $5,000 and integral multiples thereof. Interest on the Fixed Rate Bonds accrues from their dated date and is payable on each May 1 and November 1, commencing November 1, 2026.

The Fixed Rate Bonds are subject to redemption or mandatory tender prior to maturity as described herein.

THE FIXED RATE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A SUBORDINATE LIEN ON TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE. THE FIXED RATE BONDS ARE NOT A DEBT OF EITHER THE STATE OR THE CITY, AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE THEREON, NOR SHALL THE FIXED RATE BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN TAX REVENUES OF THE AUTHORITY AND CERTAIN ACCOUNTS HELD BY THE TRUSTEE.

The Fixed Rate Bonds are being offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters. The issuance of the Fixed Rate Bonds is subject to the approval of legality of the Fixed Rate Bonds and certain other matters by Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the New York City Corporation Counsel. Certain legal matters in connection with the preparation of this Offering Circular will be passed upon for the Authority by Hawkins Delafield & Wood LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Special Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York, and Holley & Pearson-Farrer LLP, New York, New York. It is expected that the Fixed Rate Bonds will be available for delivery in New York, New York on or about June 11, 2026.

Ramirez & Co., Inc.

BofA Securities

Jefferies

Academy Securities Inc.
BNY Mellon Capital Markets, LLC
Fidelity Capital Markets
J.P. Morgan
Oppenheimer & Co.
Rice Financial Products Company
Stern Brothers & Co.

Barclays
Cabrera Capital Markets LLC
Goldman Sachs & Co. LLC
Loop Capital Markets
Raymond James
Roosevelt & Cross Incorporated
Stifel, Nicolaus & Company, Incorporated
Wells Fargo Securities

Blaylock Van, LLC
Drexel Hamilton, LLC
Great Pacific Securities
Morgan Stanley
RBC Capital Markets
Siebert Williams Shank
TD Financial Products

May 28, 2026

$2,113,200,000
New York City Transitional Finance Authority
Future Tax Secured Subordinate Bonds

$1,174,485,000 Fiscal 2026 Series G

$1,099,400,000
Subseries G-1 (Tax-Exempt)

Base CUSIP[(1)]: 64972J

Due November 1,	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix
2028	$ 75,085,000	5%	2.71%	D54
2029	75,090,000	5	2.82	D62
2030	80,120,000	5	2.90	D70
2031	84,355,000	5	3.00	D88
2032	88,835,000	5	3.09	D96
2033	93,555,000	5	3.14	E20
2034	98,515,000	5	3.23	E38
2035	100,295,000	5	3.33	E46
2036	103,260,000	5	3.41	E53
2037[(2)]	112,605,000	5	3.52	E61
2038[(2)]	75,085,000	5	3.60	E79
2039[(2)]	112,600,000	5	3.70	E87

$75,085,000
Subseries G-2 (Taxable)

Base CUSIP[(1)]: 64972J

Due November 1,	Principal Amount	Interest Rate	Price	CUSIP[(1)] Suffix
2027	$75,085,000	4.33%	100%	E95

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[(2)] Priced to earliest optional par call on November 1, 2036.

$38,715,000 Fiscal 2026 Series H (Tax-Exempt)

Base CUSIP[(1)]: 64972J

Due November 1,	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix
2026	$2,100,000	5%	2.57%	F29
2027	2,100,000	5	2.64	F37
2028	2,095,000	5	2.71	F45
2029	2,095,000	5	2.82	F52
2030	3,100,000	5	2.90	F60
2031	3,140,000	5	3.00	F78
2032	3,140,000	5	3.09	F86
2033	3,140,000	5	3.14	F94
2034	3,140,000	5	3.23	G28
2035	3,140,000	5	3.33	G36
2036	3,140,000	5	3.41	G44
2037[(2)]	3,140,000	5	3.52	G51
2038[(2)]	2,105,000	5	3.60	G69
2039[(2)]	3,140,000	5	3.70	G77

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[(2)] Priced to earliest optional par call on November 1, 2036.

$900,000,000 Fiscal 2026 Series I (Tax-Exempt)

Base CUSIP[(1)]: 64972J

Due November 1,	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix
2027	$13,050,000	5 %	2.64%	G85
2028	13,700,000	5	2.71	G93
2029	14,390,000	5	2.82	H27
2030	18,050,000	5	2.90	H35
2031	18,955,000	5	3.00	H43
2032	19,900,000	5	3.09	H50
2033	20,895,000	5	3.14	H68
2034	21,940,000	5	3.23	H76
2035	23,035,000	5	3.33	H84
2036	24,190,000	5	3.41	H92
2037[(2)]	25,400,000	5	3.52	J25
2038[(2)]	26,670,000	5	3.60	J33
2039[(2)]	28,000,000	5	3.70	J41
2040[(2)]	29,400,000	5	3.72	J58
2041[(2)]	30,870,000	5	3.79	J66
2042[(2)]	32,415,000	5	3.85	J74
2043[(2)]	34,035,000	5	3.94	J82
2044[(2)]	35,740,000	5	4.01	J90
2045[(2)]	37,525,000	5	4.12	K23
2046[(2)]	39,400,000	5	4.25	K31
2047[(2)]	41,370,000	5	4.39	K49
2048[(2)]	43,440,000	5	4.47	K56
2049[(2)]	45,610,000	5¼	4.49	K64
2050[(2)]	48,005,000	5¼	4.52	K72
2051[(2)]	50,525,000	5¼	4.55	K80

$163,490,000 5½% Fiscal 2026 Series I Term Bonds due November 1, 2054[(2)] — Yield 4.60% CUSIP[(1)] Number: 64972JK98

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[(2)] Priced to earliest optional par call on November 1, 2036.

THE FIXED RATE BONDS ARE BEING ISSUED AS MULTI-MODAL BONDS IN THE FIXED RATE MODE. THIS OFFERING CIRCULAR DOES NOT DESCRIBE TERMS SPECIFICALLY APPLICABLE TO THE FIXED RATE BONDS BEARING INTEREST AT RATES OTHER THAN A FIXED RATE. SEE "SECTION IV: THE FIXED RATE BONDS—MULTI-MODAL BONDS IN THE FIXED RATE MODE."

Certain information in this Offering Circular has been provided by the City and other sources considered by the Authority to be reliable. All estimates and assumptions contained herein are believed to be reliable, but no representation is made that such estimates or assumptions are correct or will be realized. No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriters to give any information or to make any representation with respect to the Fixed Rate Bonds, other than those contained in this Offering Circular, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Fixed Rate Bonds, by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters have reviewed the information in this Offering Circular in accordance with their responsibilities to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Circular.

This Offering Circular includes forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the City and the amount of the Tax Revenues, the inclusion in this Offering Circular of such forecasts, projections and estimates should not be regarded as a representation by the Authority or the Underwriters that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

If and when included in this Offering Circular, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements speak only as of the date of this Offering Circular. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

IN CONNECTION WITH OFFERINGS AND SALES OF THE FIXED RATE BONDS, NO ACTION HAS BEEN TAKEN BY THE AUTHORITY THAT WOULD PERMIT A PUBLIC OFFERING OF THE FIXED RATE BONDS, OR POSSESSION OR DISTRIBUTION OF ANY INFORMATION RELATING TO THE PRICING OF THE FIXED RATE BONDS, THIS OFFERING CIRCULAR OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE FIXED RATE BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE UNDERWRITERS ARE OBLIGATED TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY NON-U.S. JURISDICTION IN WHICH THEY OFFER OR SELL THE FIXED RATE BONDS OR POSSESS OR DISTRIBUTE THIS OFFERING CIRCULAR OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE FIXED RATE BONDS AND ARE OBLIGATED TO OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY THEM FOR THE OFFER OR SALE BY THEM OF THE FIXED RATE BONDS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY NON-U.S. JURISDICTION TO WHICH THEY ARE SUBJECT OR

IN WHICH THEY MAKE SUCH OFFERINGS OR SALES, AND THE AUTHORITY SHALL HAVE NO RESPONSIBILITY THEREFOR.

THE FIXED RATE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY BODY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CBIZ CPAS P.C., THE AUTHORITY'S INDEPENDENT AUDITOR, HAS NOT REVIEWED, COMMENTED ON OR APPROVED, AND IS NOT ASSOCIATED WITH, THIS OFFERING CIRCULAR. THE REPORT OF CBIZ CPAS P.C. RELATING TO THE AUTHORITY'S FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024, WHICH IS A MATTER OF PUBLIC RECORD, IS INCLUDED IN THIS OFFERING CIRCULAR. HOWEVER, CBIZ CPAS P.C. HAS NOT PERFORMED ANY PROCEDURES ON ANY FINANCIAL STATEMENTS OR OTHER FINANCIAL INFORMATION OF THE AUTHORITY, INCLUDING WITHOUT LIMITATION ANY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR, SINCE THE DATE OF SUCH REPORT AND HAS NOT BEEN ASKED TO CONSENT TO THE INCLUSION OF ITS REPORT IN THIS OFFERING CIRCULAR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE RESPECTIVE FIXED RATE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SUMMARY OF TERMS

The following is qualified in its entirety by reference to the information appearing elsewhere in this Offering Circular. Terms used in this Offering Circular and not defined herein are defined in "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."

Issuer	The New York City Transitional Finance Authority (the "Authority") is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State of New York (the "State") created by the New York City Transitional Finance Authority Act (as amended, the "Act").
Securities Offered	The following Bonds of the Authority are to be issued pursuant to the Amended and Restated Original Indenture, as restated January 25, 2024, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"): $1,099,400,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-1 (Tax-Exempt) (the "Subseries G-1 Bonds"); $75,085,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-2 (Taxable) (the "Subseries G-2 Bonds"); $38,715,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Series H (Tax-Exempt) (the "Series H Bonds" and, collectively with the Subseries G-1 Bonds and the Subseries G-2 Bonds, the "Refunding Bonds"); and $900,000,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Series I (Tax-Exempt) (the "Series I Bonds" and, collectively with the Subseries G-1 Bonds and the Series H Bonds, the "Tax-Exempt Bonds"). The Refunding Bonds and the Series I Bonds are being issued as multi-modal bonds in the fixed rate mode and are collectively referred to herein as the "Fixed Rate Bonds." This Offering Circular does not describe terms specifically applicable to the Fixed Rate Bonds bearing interest at rates other than a fixed rate. See "SECTION IV: THE FIXED RATE BONDS—Multi-Modal Bonds in the Fixed Rate Mode." The Fixed Rate Bonds, along with other series of bonds secured by the Tax Revenues, are referred to herein as "Future Tax Secured Bonds." Future Tax Secured Bonds, together with all other series of bonds heretofore or hereafter issued under the Indenture, are referred to herein as the "Bonds." The Fixed Rate Bonds will be issued as Parity Debt subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with the Authority's other Subordinate Bonds payable from the Tax Revenues ("Parity Debt"). See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS."

The Offering.....	The Fixed Rate Bonds are being offered to the public, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters.
Trustee.....	The Bank of New York Mellon, New York, New York, acts as the Authority's trustee.
Servicer	The New York State Department of Taxation and Finance collects the Tax Revenues, which consist of Personal Income Tax Revenues and Sales Tax Revenues, each as defined herein, and reports the amount of such collections to the State Comptroller. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Servicing."
Disbursement Agent.....	The State Comptroller holds Personal Income Tax Revenues in trust for the Authority and deposits such Tax Revenues with the Trustee for payment of Debt Service and other expenses of the Authority. Sales Tax collections are remitted to the State Comptroller who then transfers Sales Tax Revenues to the Authority, if and to the extent that Personal Income Tax Revenues are projected to be insufficient to provide at least 150% of the maximum annual debt service on the Authority's Outstanding Bonds, in such amount as is necessary to provide at least 150% of such maximum annual debt service on Outstanding Bonds. Such transfer of Sales Tax Revenues to the Authority has never been required to date. Payments of Personal Income Tax collections and Sales Tax collections to the Authority are not subject to appropriation by the State or by The City of New York (the "City").
Not Debt of State or City.....	The Bonds are not a debt of either the State or the City, and neither the State nor the City shall be liable thereon. The Bonds are not payable out of any funds other than those of the Authority. Based on State and federal constitutional, statutory and case law and the terms of the Indenture and the Agreement (as defined herein), Norton Rose Fulbright US LLP, Co-Bond Counsel to the Authority, is of the opinion that the Authority is not eligible for protection from its creditors pursuant to Title 11 (the "Bankruptcy Code") of the United States Code; and if the debts of the City were adjusted under the Bankruptcy Code and the City or its creditors were to assert a right to the Tax Revenues equal or prior to the rights of the Holders of Future Tax Secured Bonds, such assertion would not succeed.
Purpose of Issue	The proceeds of the Series I Bonds will be used to finance general City capital expenditures. The proceeds of the Refunding Bonds, with other funds of the Authority, will be used to redeem, at or prior to maturity, the Future Tax Secured Bonds identified in APPENDIX D hereto (the "Refunded Bonds") by providing for the payment of the principal, interest and redemption premium, if any, on the Refunded Bonds to the extent and to the payment dates shown in APPENDIX D. The Refunded Bonds were issued to finance or refinance general City capital expenditures. Certain expenses of the Authority incurred in connection with the issuance and sale of the Fixed Rate Bonds will be paid from the proceeds of the Fixed Rate Bonds.

Tax Revenues.....	The Fixed Rate Bonds are payable from the Tax Revenues, which consist of Personal Income Tax Revenues and Sales Tax Revenues. The Act provides that the Authority's Tax Revenues are not funds of the City. The term "Personal Income Tax Revenues" means the collections from the Personal Income Tax less overpayments and State administrative costs. The term "Personal Income Tax" means the tax imposed by the City, as authorized by the State, on the income of City residents and, while applicable, on nonresident earnings in the City. Current tax law does not provide for Personal Income Tax on City nonresidents. Starting with fiscal year 2023, all references to Personal Income Tax Revenues also include the pass-through entity tax on certain partnerships and S corporations that elect to pay such tax and whose partners or shareholders receive a corresponding credit against their Personal Income Tax liabilities. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Tax Revenues." The New York State budget for fiscal year 2026 (the "2025-2026 Enacted State Budget") provides a full Personal Income Tax credit to City residents with dependents, whose income meets certain income threshold requirements set forth in the legislation. Such legislation also includes a partial Personal Income Tax credit for certain City residents with dependents, whose income is no more than $5,000 above the income thresholds set forth in the legislation. Such legislation was effective as of January 1, 2025 and is estimated to reduce Personal Income Tax Revenues by approximately $63 million, $64 million, $66 million, $67 million and $67 million in fiscal years 2026 through 2030, respectively. Such reductions are reflected herein. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Personal Income Tax." For information on recent legislation which impacts Personal Income Tax Revenues, see "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Personal Income Tax." Since the adoption of the Personal Income Tax in 1966, Personal Income Tax Revenues have risen from approximately $130 million to approximately $18.5 billion in fiscal year 2025. Personal Income Tax Revenues are projected to be approximately $20.5 billion, $20.8 billion, $21.3 billion, $21.4 billion and $21.9 billion in fiscal years 2026 through 2030, respectively. Payment of Personal Income Tax Revenues to the Authority as required by the Act is not subject to State or City appropriation. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Personal Income Tax." The term "Sales Tax Revenues" means the collections from the Sales Tax less (i) expenses of the New York State Financial Control Board and the Office of the State Deputy Comptroller (collectively, "State Oversight Retention Requirements") and (ii) State administrative costs. The term "Sales Tax" means the sales and compensating use tax imposed by the City on the sale and use of tangible personal property and services in the City. Sales Tax is imposed by the City, as authorized by the State, on most categories of property and services at a rate of

	4.5%. Sales Tax collections are not subject to City or State appropriation. Pursuant to the Act, Sales Tax Revenues will be available for the payment of the Future Tax Secured Bonds if Personal Income Tax Revenues are projected to be insufficient to provide at least 150% of the maximum annual debt service on the Authority's Outstanding Bonds. A transfer of Sales Tax Revenues to the Authority has never been required. Since the inception of the Sales Tax in fiscal year 1934, Sales Tax Revenues have increased to $10.3 billion in fiscal year 2025. Sales Tax Revenues are projected to be approximately $10.9 billion, $11.4 billion, $11.9 billion, $12.5 billion and $12.9 billion in fiscal years 2026 through 2030, respectively. Projections of Sales Tax Revenues herein reflect the impact of the New York State budget for fiscal year 2025 (the "2024-2025 Enacted State Budget"), which extended through March 31, 2028 the existing withholding of Sales Tax Revenues for payment to the New York State Agency Trust Fund to provide relief for financially distressed hospitals and nursing home facilities. The extension results in a reduction of Sales Tax Revenues of $37.5 million in fiscal year 2025, $150 million in each of fiscal years 2026 and 2027 and $112.5 million in fiscal year 2028, reflected herein. For additional information, including recent legislation which eliminates such intercept in fiscal years 2027 and 2028, see "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Sales Tax."
Enabling Legislation	The Act provides for the issuance of (i) Bonds and Notes to finance and refinance general City capital purposes and (ii) Building Aid Revenue Bonds (as defined herein) to finance and refinance portions of the City's educational facilities capital plan. The Act provides for the payment of such obligations from Revenues and the statutory and contractual covenants of the Authority, the City and the State. Future Tax Secured Bonds are secured by the Tax Revenues. Building Aid Revenue Bonds are not Future Tax Secured Bonds, are not secured by the Tax Revenues and are secured by the payment of State Building Aid (as defined herein) to the Authority.
Additional Authority Indebtedness	The Act, as amended, permits the Authority to have $30.5 billion of Future Tax Secured Bonds (including Senior Bonds and Parity Debt) outstanding as of July 1, 2025, and also permits the Authority to issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. As of April 30, 2026, the City's and the Authority's combined remaining debt-incurring power was approximately $33.3 billion. The statutory debt limits are binding on the Authority but are not covenants with Bondholders and are subject to change by legislation adopted by the State. For additional information on existing and proposed increases in the Authority's debt-incurring capacity, see "SECTION V: THE AUTHORITY—Other Authority Obligations." The Authority's contracts with its Bondholders, including limitations on Senior Bonds, coverage tests and other restrictions on the issuance of additional Bonds, are described herein and are set forth in the Indenture. Those contracts can be changed only in accordance with the provisions of the Indenture relating to amendments thereto. See "—Additional Authority Indebtedness," "SECTION V: THE

	AUTHORITY—Other Authority Obligations" and "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT." For information relating to anticipated issuance of Future Tax Secured Bonds, see "SECTION V: THE AUTHORITY—Plan of Finance." The Indenture provides that Bonds and Notes of the Authority may be issued only: (i) as Senior Bonds (or Notes in anticipation thereof) to pay or reimburse Project Capital Costs, or refund or renew such Bonds or Notes, but not to exceed $12 billion in Outstanding principal amount and subject to a $330 million limit on Quarterly Debt Service to be payable; or (ii) as Subordinate Bonds (or Notes in anticipation thereof), with Rating Confirmation; but no Series of Senior Bonds shall be authenticated and delivered without Rating Confirmation unless the amount of collections of the Tax Revenues for the twelve consecutive calendar months ended not more than two months prior to the date of issuance less the aggregate amount of operating expenses of the Authority for the current fiscal year is at least three times the amount of annual Senior Debt Service, including debt service on such Series of Bonds proposed to be issued, for each fiscal year such bonds will be Outstanding. See "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT." Parity Debt or Notes in anticipation thereof (which are subordinate to Senior Bonds and Notes) may be issued, provided that collections of the Tax Revenues for the most recent fiscal year ended at least two months prior to the date of such issuance are, for each fiscal year during which such proposed Parity Debt is to be outstanding, at least three times the sum of $1.32 billion (Covenanted Maximum Annual Debt Service for Senior Bonds) and annual debt service on Outstanding Parity Debt, together with the Series proposed to be issued. See "SECTION V: THE AUTHORITY—Other Authority Obligations."
Outstanding Authority Indebtedness	The Authority has Outstanding $59,564,345,000 of Future Tax Secured Bonds. All Bonds currently outstanding are Parity Debt, which are the only Subordinate Bonds payable from the Tax Revenues. Of such Parity Debt, $3,962,040,000 are variable rate bonds. The Authority last issued Senior Bonds in 2009, and no Senior Bonds are Outstanding. The Authority may issue Senior Bonds in the future to the extent permitted by the Act and the Indenture. The Authority expects to issue additional Future Tax Secured Bonds from time to time for general City purposes and for refunding purposes. For information relating to anticipated issuance of Future Tax Secured Bonds, see "SECTION V: THE AUTHORITY—Plan of Finance." The Authority has Outstanding $7,099,530,000 of Building Aid Revenue Bonds, which are not secured by the Tax Revenues, and may issue additional Building Aid Revenue Bonds in the future. See "SECTION V: THE AUTHORITY—Other Authority Obligations" and "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."
State and City Covenants	The Act and the Indenture contain the covenant of the State with the Bondholders (the "State Covenant") that the State shall not limit or alter the rights vested in the Authority by the Act to fulfill the terms of the Indenture, or in any way impair the rights and remedies of such holders or the security for the Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on

	behalf of such holders of the Bonds, are fully paid and discharged. The State Covenant does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Tax, but such taxes payable to the Authority will in all events continue to be so payable so long as any such taxes are imposed. The Act and the Indenture also contain the covenant of the State that in the event Personal Income Tax Revenues payable to the Authority during any fiscal year are projected by the Mayor of the City to be insufficient to provide at least 150% of maximum annual debt service on Outstanding Bonds, the State Comptroller shall pay to the Authority from Sales Tax Revenues such amount as is necessary to provide at least 150% of such maximum annual debt service on Outstanding Bonds. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Sales Tax." The State is not obligated to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority. In accordance with the Act, the City has pledged and agreed with the holders of the Bonds (the "City Covenant") that the City will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with such holders pursuant to the Act, or in any way impair the rights and remedies of such holders or the security for the Bonds until the Bonds are fully paid and discharged. Nothing contained in the Act or the Agreement restricts any right the City may have to amend, modify, repeal or otherwise alter local laws imposing or relating to the Personal Income Tax Revenues payable to the Authority so long as, after giving effect to such amendment, modification or other alteration, the amount of the Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration is not less than 150% of maximum annual debt service on Outstanding Bonds. For more information regarding the State Covenant and the City Covenant, see "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Agreements of the State and the City."
Interest and Principal.....	Interest on the Fixed Rate Bonds will accrue from their dated date at the rates set forth on the inside cover pages hereof. Interest on the Fixed Rate Bonds will be payable semiannually on May 1 and November 1, commencing November 1, 2026. The record date for payment of interest on the Fixed Rate Bonds is the fifteenth day of the calendar month immediately preceding the interest payment date. Principal of the Fixed Rate Bonds will be due as shown on the inside cover pages and herein. Principal of and interest on the Fixed Rate Bonds will be paid from the Tax Revenues on deposit in the Parity Debt Account or Redemption Account, if applicable. The Tax Revenues shall be deposited into the

	Parity Debt Account in accordance with the retention schedule as described in "Retention Procedures" below.
Mandatory Redemption of Series I Term Bonds	The Series I Bonds maturing on November 1, 2054 are term bonds subject to mandatory redemption prior to maturity as described herein. See "SECTION IV: THE FIXED RATE BONDS—Mandatory Redemption of Series I Term Bonds."
Par Optional Redemption or Mandatory Tender of Tax-Exempt Bonds	The Tax-Exempt Bonds maturing after November 1, 2036 are subject to optional redemption at par or mandatory tender at par at the option of the Authority, prior to their stated maturity dates, in whole or in part, on any date on or after November 1, 2036, as described herein. See "SECTION IV: THE FIXED RATE BONDS—Par Optional Redemption or Mandatory Tender of Tax-Exempt Bonds."
Make-Whole Optional Redemption or Mandatory Tender of Tax-Exempt Bonds	The Tax-Exempt Bonds maturing on or prior to November 1, 2036 are subject to make-whole optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date as described herein. See "SECTION IV: THE FIXED RATE BONDS—Make-Whole Optional Redemption or Mandatory Tender of Tax-Exempt Bonds."
Make-Whole Optional Redemption or Mandatory Tender of Subseries G-2 Bonds	The Subseries G-2 Bonds are subject to make-whole optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date as described herein. See "SECTION IV: THE FIXED RATE BONDS—Make-Whole Optional Redemption or Mandatory Tender of Subseries G-2 Bonds."
Form and Denomination.....	The Fixed Rate Bonds will be issued only in fully registered form registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). See "SECTION IV: THE FIXED RATE BONDS—Book-Entry Only System." The Fixed Rate Bonds will be denominated in principal amounts of $5,000 and integral multiples thereof.
Indenture	The Indenture provides for the issuance of the Bonds and Notes pursuant to the Act, including the Authority's pledge to the Trustee of the revenues, accounts and statutory and contractual covenants contained therein. The Trustee is authorized to enforce the Indenture and such covenants against the Authority, the City and the State. See "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."
Financing Agreement	The Financing Agreement, dated October 1, 1997, as amended and supplemented, between the Authority and the City (the "Agreement"), provides for the application of proceeds of the Authority's Bonds and Notes to fund capital expenditures of the City and to refund the

	Authority's Bonds and includes covenants of the City and the City's agreement to hold the Authority harmless against claims related to the Projects.
Collection Account.....	The State Comptroller is required by the Act, commencing on or before the fifteenth day of each month, to pay the Personal Income Tax Revenues on a daily basis directly to the Trustee for application in accordance with the Indenture. While the State Comptroller is required by statute to transfer the Personal Income Tax Revenues on or prior to the fifteenth day of each month, current practice of the State Comptroller is to transfer such funds commencing on the first day of each month. See "Application of Tax Revenues" below. All Tax Revenues received by the Authority shall be promptly deposited into the Tax Revenue Subaccount of the Collection Account.
Bond Account.....	The Bond Account is held by the Trustee in accordance with the terms of the Indenture. The Trustee shall deposit amounts from the Tax Revenue Subaccount of the Collection Account into the Bond Account in accordance with the Retention Procedures described below for the payment of Senior Debt Service.
Parity Debt Account.....	The Parity Debt Account is held by the Trustee in accordance with the terms of the Indenture. Following required deposits to the Bond Account for Senior Debt Service and payment of Authority operating expenses in accordance with the terms of the Indenture, the Trustee shall transfer all Tax Revenues to the Parity Debt Account in accordance with the Retention Procedures described below for the payment of debt service on Parity Debt including, among other obligations, the Fixed Rate Bonds.
Application of Tax Revenues.....	All Tax Revenues in the Tax Revenue Subaccount of the Collection Account shall be applied upon receipt by the Trustee in the following order of priority: first, to the Bond Account to pay Senior Debt Service in accordance with the Retention Procedures described in the paragraph below; second, to the Authority's operating expenses, including deposits to the Redemption Account for optional redemption, and any reserves held by the Authority for payment of operating expenses; third, pursuant to Supplemental Indentures, to the Parity Debt Account or otherwise for the benefit of holders of Parity Debt (including Bondholders of the Fixed Rate Bonds) and parties to ancillary and swap contracts, to the extent such Supplemental Indentures may require application of the Tax Revenues to pay items after payments of Senior Debt Service and operating expenses; fourth, pursuant to each Officer's Certificate making reference to this level of priority in accordance with the Indenture; and fifth, to the City as soon as available but not later than the last day of each month, excess Tax Revenues, free and clear of the lien of the Indenture.
Retention Procedures.....	On the first business day of each Collection Quarter, which commences on the first day of each August, November, February and May, the Trustee shall begin to transfer all Tax Revenues from the Tax Revenue Subaccount of the Collection Account to the Bond Account in an amount equal to one-half of the Senior Debt Service payable from the Bond Account due in the three-month period following the Collection Quarter (each such period, a "Payment Period," and the total amount due in each Payment Period is the "Quarterly Payment

	Requirement") until the Quarterly Payment Requirement is held in the Bond Account. After retention for Debt Service in the manner described above and payment of Authority operating expenses, at the beginning of each Collection Quarter, the Trustee shall begin to transfer all Tax Revenues to the Parity Debt Account, equal to one-half of Quarterly Subordinate Debt Service payable in the following Payment Period from the Parity Debt Account until the full amount of Quarterly Subordinate Debt Service for the following Payment Period is held in the Parity Debt Account. The foregoing payments shall be cumulative so that any shortage in the first month of a Collection Quarter will become part of the funding obligation in the second month of the Collection Quarter and, if necessary, the third month of the Collection Quarter. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS—Retention Procedures." The transfers and payments under the Indenture shall be appropriately adjusted by the Authority to reflect, among other things, expected Revenues, and any purchase or redemption of the Bonds, so that there will be available on each payment date the amount necessary to pay principal of and interest on the Bonds from the designated source of Revenues.
Defeasance	The Authority will have the ability to defease any Bonds under the Indenture by depositing Defeasance Collateral with a trustee to provide for payment of principal, interest and premium, if any, thereon. See "SECTION IV: THE FIXED RATE BONDS—Defeasance."
Tax Matters	In the opinion of Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to the Authority ("Co-Bond Counsel"), interest on the Fixed Rate Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City, and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes. Interest on the Subseries G-2 Bonds will be includable in the gross income of the owners thereof for federal income tax purposes. See "SECTION VII: TAX MATTERS."
Ratings	The Fixed Rate Bonds are rated "AAA" by S&P Global Ratings ("S&P") with a stable outlook, "AAA" by Fitch Ratings ("Fitch") with a stable outlook and "Aa1" by Moody's Ratings ("Moody's") with a negative outlook.
Authority Contact.....	Mr. Andrew Rothbaum Phone Number: (212) 788-5876 Email: rothbauma@omb.nyc.gov

SECTION I: INTRODUCTION

This Offering Circular of the New York City Transitional Finance Authority (the "Authority") sets forth information concerning the Authority in connection with the sale of the following Bonds by the Authority:

$1,099,400,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-1 (Tax-Exempt) (the "Subseries G-1 Bonds");

$75,085,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-2 (Taxable) (the "Subseries G-2 Bonds");

$38,715,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Series H (Tax-Exempt) (the "Series H Bonds" and, collectively with the Subseries G-1 Bonds and the Subseries G-2 Bonds, the "Refunding Bonds"); and

$900,000,000 Future Tax Secured Subordinate Bonds, Fiscal 2026 Series I (Tax-Exempt) (the "Series I Bonds" and, collectively with the Subseries G-1 Bonds and the Series H Bonds, the "Tax-Exempt Bonds").

The Refunding Bonds and the Series I Bonds are being issued as multi-modal bonds in the fixed rate mode and are collectively referred to herein as the "Fixed Rate Bonds." This Offering Circular does not describe terms specifically applicable to the Fixed Rate Bonds bearing interest at rates other than a fixed rate.

The Fixed Rate Bonds, along with other series of bonds secured by the Tax Revenues, are referred to herein as "Future Tax Secured Bonds." Future Tax Secured Bonds, together with all other series of bonds heretofore or hereafter issued under the Indenture (as defined herein), are collectively referred to as the "Bonds." The Fixed Rate Bonds will be issued as Parity Debt subordinate to Senior Debt Service and operating expenses of the Authority and on a parity with other Subordinate Bonds payable from the Tax Revenues ("Parity Debt"). Interest on and principal of the Fixed Rate Bonds are payable solely from the Tax Revenues.

The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State of New York (the "State") created by the New York City Transitional Finance Authority Act, as amended (the "Act"). The Authority was created to provide for the issuance of debt to fund a portion of the capital program of The City of New York (the "City"). In 2006, the Act was amended pursuant to Part A-3 of Chapter 58 of the Laws of New York, 2006 (the "School Financing Act") which authorizes the Authority to issue Bonds to finance a portion of the City's educational facilities capital plan ("Building Aid Revenue Bonds") and authorizes the City to assign to the Authority all or any portion of the State aid payable to the City or its school district pursuant to subdivision 6 of Section 3602 of the State Education Law, or any successor provision of State Law ("State Building Aid"). Building Aid Revenue Bonds are not secured by the Tax Revenues described below.

The Fixed Rate Bonds are being issued pursuant to the Act and the Amended and Restated Original Indenture, as restated January 25, 2024, as supplemented (the "Indenture"), by and between the Authority and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"). The Authority and the City entered into a Financing Agreement (the "Agreement"), dated October 1, 1997, as amended, supplemented and in effect from time to time, which provides for the application of the Authority's Bond proceeds to fund capital expenditures of the City and includes various covenants of the City.

The factors affecting the Authority and the Fixed Rate Bonds described throughout this Offering Circular are complex and are not intended to be described in this Introduction. This Offering Circular should be read in its entirety. A summary of certain provisions of the Indenture and the Agreement, together with certain defined terms used therein and in this Offering Circular, is contained in "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."

SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS

General

The Fixed Rate Bonds are to be issued as Parity Debt. Interest on and principal of the Fixed Rate Bonds are payable from the Tax Revenues, subordinate to payment of Senior Debt Service, including principal and interest on Senior Bonds that may be issued, and operating expenses of the Authority. See "—Application of Tax Revenues" herein.

The Act authorizes the Authority to issue debt and secure the repayment of such debt with a pledge of the Authority's right, title and interest in the Revenues of the Authority, which are required by the Act to be paid to the Authority. The majority of the Authority's Revenues are derived from the amounts payable to it from the Tax Revenues which are the only source of payment pledged to the holders of the Fixed Rate Bonds. See "—Tax Revenues" herein. Pursuant to the Act and the Indenture, the Authority has pledged the Tax Revenues to the Trustee for payment of the principal of and the interest on the Fixed Rate Bonds on a subordinate basis. The Act provides that the Authority's pledge of its Tax Revenues represents a perfected security interest on behalf of the holders of the Future Tax Secured Bonds.

There are no significant assets or sources of funds available to pay the Fixed Rate Bonds other than the Tax Revenues. The Fixed Rate Bonds will not be guaranteed by the City or the State. Consequently, the holders of the Fixed Rate Bonds must rely for repayment solely upon collection of the Tax Revenues and certain accounts held by the Trustee pursuant to the Indenture.

The Authority also derives Revenues from State Building Aid, and federal subsidies with respect to Build America Bonds and Qualified School Construction Bonds under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), but such Revenues are not pledged to the Holders of the Fixed Rate Bonds or reflected in the calculation of debt service coverage in the tables in this Offering Circular. For a description of the application of such federal subsidies under the Indenture, see "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."

The Authority's debt is not debt of the State or the City and neither the State nor the City shall be liable thereon.

The Authority is not authorized by State law to file a petition in bankruptcy pursuant to Title 11 (the "Bankruptcy Code") of the United States Code. Based on State and federal constitutional, statutory and case law and the terms of the Indenture and the Agreement, Co-Bond Counsel are of the opinion that if the debts of the City were adjusted under the Bankruptcy Code and the City or its creditors were to assert a right to the Tax Revenues equal or prior to the rights of the holders of the Future Tax Secured Bonds, such assertion would not succeed.

Tax Revenues

The Fixed Rate Bonds are payable from the Tax Revenues on a subordinate basis as described above. Personal Income Tax Revenues are the revenues collected from the Personal Income Tax less overpayments and costs of administration. The Personal Income Tax is the tax imposed by the City as authorized by the State on the income of City residents and, while applicable, on nonresident earnings in the City as described below. Current tax law does not provide for Personal Income Tax on City nonresidents. Beginning with fiscal year 2023, all references to Personal Income Tax Revenues also include revenues from the pass-through entity tax (the "PTET") as described below. For information on legislation included in the 2025-2026 Enacted State Budget related to Personal Income Taxes of low-income City residents with dependents, whose income meets certain income threshold requirements set forth in the legislation, see "—Personal Income Tax" below. Sales Tax Revenues are the revenues collected from the Sales Tax less (i) administrative expenses of the New York State Financial Control Board and the Office of the State Deputy Comptroller (the "State Oversight Retention Requirements"), and (ii) State administrative costs. The Sales Tax is the tax imposed by the City, as authorized by the State, on the sale and use of tangible personal property and services in the City. Pursuant to the Act, Sales Tax Revenues will be available for the payment of Future Tax Secured Bonds if Personal Income Tax Revenues are projected to be insufficient to provide at least 150% of the maximum annual debt service on the Authority's Outstanding Bonds. A transfer of Sales Tax Revenues to the Authority has never been required. For a description of the Personal Income Tax Revenues and the Sales Tax Revenues, including assumptions relating thereto and the expiration and reduction of certain portions thereof, see "—Personal Income Tax" and "—Sales Tax" below.

For a description of the servicing and application of the Statutory Revenues, see "—Servicing" and "—Application of Revenues" below.

Forecasts included in this Offering Circular are as set forth by the New York City Office of Management and Budget ("NYC OMB") in the City's Financial Plan for fiscal years 2026-2030, dated May 12, 2026 (the "Financial Plan"). Historical collections of the Tax Revenues for fiscal years 2011 through 2025 and forecasted collections of the Tax Revenues for fiscal years 2026 through 2030 are shown in the following table.

HISTORICAL AND FORECASTED AMOUNTS OF TAX REVENUES

Fiscal Year	Tax Revenues (in millions)	Fiscal Year	Tax Revenues (in millions)
2011	$13,217	2021	$21,615
2012	13,839	2022	25,277
2013	15,365	2023	26,713
2014	15,999	2024	25,584
2015	17,379	2025[1]	28,829
2016	18,081	2026[1][2][3]	31,405
2017	18,097	2027[1][2][3][4][5]	32,185
2018	20,893	2028[1][2][3][4][5]	33,204
2019	21,184	2029[2][3][5]	33,957
2020	21,039	2030[2][3][5]	34,838

Source: NYC OMB. Historical Tax Revenues are shown on a cash basis, other than fiscal years 2020 and 2021, which are calculated in part on an accrual basis, with $1.7 billion of Personal Income Tax Revenues accrued to fiscal year 2020, due to such Personal Income Tax Revenues being collected after the close of fiscal year 2020 as a result of the delay in the filing deadline for 2019 income tax returns from April 15, 2020 to July 15, 2020. Figures do not reflect deductions for State Oversight Retention Requirements. Beginning with fiscal year 2023, Personal Income Tax Revenues also include revenues from the PTET.

(1) Reflects the impact of the 2024-2025 Enacted State Budget which extended the withholding of Sales Tax Revenues for payment to the New York State Agency Trust Fund to provide relief for financially distressed hospitals and nursing home facilities through March 31, 2028, as described herein.

(2) Forecast.

(3) Reflects the impact of the 2025-2026 Enacted State Budget, which provides a full Personal Income Tax credit or partial credit to City residents with dependents who meet certain income threshold requirements, as described herein.

(4) Does not reflect the impact of legislation included as part of the proposed 2026-2027 Enacted State Budget (as defined herein) which eliminates the intercept described in footnote (1) above in fiscal years 2027 and 2028, which will result in increases to Sales Tax Revenues of $150 million in fiscal year 2027 and $112.5 million in fiscal year 2028. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor.

(5) Does not reflect proposed changes to the personal income tax credit for unincorporated business taxes paid, which, if enacted, would result in increased Personal Income Tax Revenues of an estimated $68 million in fiscal year 2027, $69 million in fiscal year 2028, $71 million in fiscal year 2029, and $74 million in fiscal year 2030. Does not reflect the impact of legislation included in the proposed 2026-2027 Enacted State Budget which includes the elimination of the tax on tipped wages, which is estimated to decrease personal income tax revenues by approximately $56 million in fiscal year 2027, $58 million in fiscal year 2028, $61 million in fiscal year 2029 and $64 million in fiscal year 2030. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor. For additional information, see "—Historical and Forecasted Personal Income Tax Revenues" herein.

The amount of future Tax Revenues to be collected depends upon various factors including the economic conditions in the City. The forecasts of the Tax Revenues are not intended to be guarantees of actual collections and results may vary from forecasts. Economic conditions in the City have reflected numerous cycles of growth and recession. There can be no assurance that historical data relating to economic conditions in the City are predictive of future trends or that forecasts of future economic developments will be realized. For more information regarding the economic conditions in the City, see "SECTION III: ECONOMIC AND DEMOGRAPHIC INFORMATION."

Debt Service Coverage

The Indenture includes the Quarterly Senior Debt Service Covenant which provides that the maximum Quarterly Senior Debt Service may not exceed $330 million. Annually, this would total $1.32 billion, which corresponds to the cost of debt service on $12 billion of Authority debt outstanding at an interest rate of 9% (the "Covenanted

Maximum Annual Debt Service for Senior Bonds"). See "SECTION V: THE AUTHORITY—Other Authority Obligations."

The Indenture provides that other Parity Debt may be issued, subject to Rating Confirmation, provided that collections of the Tax Revenues for the most recent fiscal year ended at least two months prior to the date of such issuance are, for each fiscal year during which such proposed Bonds are to be outstanding, at least three times the sum of $1.32 billion (Covenanted Maximum Annual Debt Service for Senior Bonds) and annual debt service on Outstanding Parity Debt including annual debt service on the Series proposed to be issued, as estimated in accordance with the Indenture.

The following table shows debt service coverage by historical Tax Revenues based on actual retention for debt service on Outstanding Senior Bonds and Parity Debt in the same year.

DEBT SERVICE COVERAGE FOR OUTSTANDING
FUTURE TAX SECURED BONDS BY HISTORICAL TAX REVENUES

Fiscal Year	Tax Revenues (in millions)[1]	Coverage[2]
2016	$18,081	9.54x
2017	18,097	8.82
2018	20,893	8.50
2019	21,184	7.30
2020	21,039	6.69
2021	21,615	7.02
2022	25,277	7.95
2023	26,713	7.37
2024	25,584	7.28
2025	28,829	7.59

(1) Source: NYC OMB. Historical Tax Revenues are shown on a cash basis, other than fiscal years 2020 and 2021, which are calculated in part on an accrual basis, with $1.7 billion of Personal Income Tax Revenues accrued to fiscal year 2020, due to such Personal Income Tax Revenues being collected after the close of fiscal year 2020 as a result of the delay in the filing deadline for 2019 income tax returns from April 15, 2020 to July 15, 2020. Figures do not reflect deductions for State Oversight Retention Requirements. Beginning with fiscal year 2023, Personal Income Tax Revenues also include revenues from the PTET.

(2) Coverage is based on total Tax Revenues received in or accrued to the fiscal year indicated divided by Tax Revenues required to be retained by the Authority in such year for debt service, calculated without giving effect to prepayments of Authority debt or debt service with moneys other than Tax Revenues.

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The following table shows projected debt service coverage by projected Tax Revenues on Future Tax Secured Bonds in fiscal years 2026 through 2030.

PROJECTED DEBT SERVICE COVERAGE
FOR FUTURE TAX SECURED BONDS BY PROJECTED TAX REVENUES

Fiscal Year	Tax Revenues (in millions)[1]	Debt Service (in millions)[2]	Coverage
2026[3][4]	$31,405	$4,351	7.22x
2027[3][4][5][6]	32,185	5,034	6.39
2028[3][4][5][6]	33,204	5,643	5.88
2029[4][6]	33,957	6,215	5.46
2030[4][6]	34,838	6,825	5.10

(1) Forecast. Source: NYC OMB. Figures do not reflect deductions for State Oversight Retention Requirements. Personal Income Tax Revenues also include revenues from the PTET.

(2) Figures are calculated based on Outstanding bonds and bonds projected to be issued as described under "SECTION V: THE AUTHORITY—Plan of Finance" assuming interest rates of 4.25% on Outstanding tax-exempt variable rate bonds and 6% on all bonds projected to be issued through 2030. Projections do not reflect the federal subsidy on Build America Bonds and Qualified School Construction Bonds. Projections are based on amounts of Tax Revenues to be retained by the Authority and are calculated without giving effect to prepayments of Authority debt or debt service with moneys other than Tax Revenues.

(3) Reflects the impact of the 2024-2025 Enacted State Budget which extended the withholding of Sales Tax Revenues for payment to the New York State Agency Trust Fund to provide relief for financially distressed hospitals and nursing home facilities through March 31, 2028, as described herein.

(4) Reflects the impact of the 2025-2026 Enacted State Budget, which provides a full Personal Income Tax credit or partial credit to City residents with dependents who meet certain income threshold requirements, as described herein.

(5) Does not reflect the impact of legislation included as part of the proposed 2026-2027 Enacted State Budget which eliminates the intercept described in footnote (3) above in fiscal years 2027 and 2028, which will result in increases to Sales Tax Revenues of $150 million in fiscal year 2027 and $112.5 million in fiscal year 2028. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor.

(6) Does not reflect proposed changes to the personal income tax credit for unincorporated business taxes paid, which, if enacted, would result in increased Personal Income Tax Revenues of an estimated $68 million in fiscal year 2027, $69 million in fiscal year 2028, $71 million in fiscal year 2029, and $74 million in fiscal year 2030. Does not reflect the impact of legislation included in the proposed 2026-2027 Enacted State Budget which includes the elimination of the tax on tipped wages, which is estimated to decrease personal income tax revenues by approximately $56 million in fiscal year 2027, $58 million in fiscal year 2028, $61 million in fiscal year 2029 and $64 million in fiscal year 2030. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor. For additional information, see "—Historical and Forecasted Personal Income Tax Revenues" herein.

Servicing

Personal Income Tax Collection

The New York State Department of Taxation and Finance collects the Personal Income Tax from employers and individual taxpayers and reports the amount of such funds to the State Comptroller, who holds such collections net of overpayments by taxpayers and administrative costs in trust for the Authority. The amount of overpayments and administrative costs paid by the State Comptroller out of gross Personal Income Tax collections has averaged 9.8% of the annual collections for fiscal years 2020 through 2025. The State Comptroller is required by the Act, commencing on or before the fifteenth day of each month, to pay the Personal Income Tax Revenues on a daily basis directly to the Trustee for application in accordance with the Indenture. While the State Comptroller is required by statute to transfer the Personal Income Tax Revenues on or prior to the fifteenth day of each month, the usual practice of the State Comptroller is to transfer such funds commencing on the first day of each month. For more information regarding the application of Statutory Revenues upon receipt by the Trustee, see "—Application of Tax Revenues" herein. Payments of the Personal Income Tax Revenues by the State Comptroller to the Authority are not subject to State or City appropriation.

Sales Tax Collection

Sales Tax is collected by vendors and service providers in the City and remitted to the New York State Department of Taxation and Finance monthly, quarterly or annually based on the volume of sales. The New York State

Department of Taxation and Finance reports the amounts of such collections to the State Comptroller. Payment of Sales Tax collections by the State Comptroller to the Authority is not subject to City or State appropriation. In the event the Mayor of the City certifies to the State Comptroller that Personal Income Tax Revenues are projected to be insufficient to provide at least 150% of maximum annual debt service on Outstanding Bonds, the Act requires the State Comptroller to pay to the Authority from Sales Tax collections available after payments of State Oversight Retention Requirements and the deduction of State administrative costs, an amount necessary to provide at least 150% of maximum annual debt service on the Authority's Outstanding Bonds. A transfer of Sales Tax Revenues to the Authority has never been required to date. In the event Personal Income Tax Revenues are projected to provide coverage of at least 150% of maximum annual debt service on the Outstanding Bonds, no Sales Tax Revenues will be paid by the State Comptroller to the Authority. See "—Agreements of the State and the City" below. The Authority has instructed the State Comptroller to pay Sales Tax Revenues directly to the Trustee, if required, for application in accordance with the Indenture. For more information regarding the application of Statutory Revenues upon receipt by the Trustee, see "—Application of Tax Revenues" below.

Personal Income Tax

For purposes of this Offering Circular the term "Personal Income Tax" means the tax imposed by the City as authorized by the State on the income of City residents and, while applicable, on nonresident earnings in the City. Current tax law does not provide for Personal Income Tax on City nonresidents. Personal Income Tax collections, net of overpayments and administrative costs required to be paid, are referred to herein as "Personal Income Tax Revenues" and are Revenues of the Authority when they are paid or payable to the Trustee.

The Personal Income Tax was originally adopted in 1966 by State legislation allowing the City to impose a tax on the income of City residents and on nonresident earnings in the City. The Personal Income Tax is composed of several components, which State laws authorize the City to impose. Some of these components have required renewals in the past and will require renewals in the future. The Act provides that nothing contained therein restricts the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Tax, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed.

In the past, various components of the Personal Income Tax have changed. Currently, the Personal Income Tax is imposed on City residents according to a schedule of rates (the "Base Rate") and is subject to an additional 14% surcharge (the "14% Surcharge") with a resulting maximum rate of 3.876%. The Base Rate and the 14% Surcharge were recently extended to December 31, 2026. At such time, unless legislation is passed that extends the Base Rate and the 14% Surcharge, a lower rate schedule (the "Reduced Base Rate") with a maximum rate of 1.48% is to become effective. The Base Rate, which was implemented in 1989 has, since such time, been scheduled to decline to the Reduced Base Rate on several occasions but such scheduled reductions did not occur because the Base Rate was extended.

The forecasts of Personal Income Tax Revenues contained herein assume the extension of the 14% Surcharge and the Base Rate beyond their current expiration. If the 14% Surcharge is not extended prior to its expiration, Personal Income Tax Revenues (and Tax Revenues) will be reduced by an estimated $1.3 billion in fiscal year 2027, $2.6 billion in fiscal year 2028, $2.6 billion in fiscal year 2029, and $2.7 billion in fiscal year 2030. In the event that both the Base Rate and the 14% Surcharge were not extended prior to their expiration and the Reduced Base Rate became effective, Personal Income Tax Revenues (and Tax Revenues) would be reduced by an estimated $6.4 billion in fiscal year 2027, $13.1 billion in fiscal year 2028, $13.2 billion in fiscal year 2029 and $13.5 billion in fiscal year 2030. In such event, the Tax Revenues would be projected to exceed annual debt service on Outstanding Bonds by an estimated $21.1 billion in fiscal year 2027, $15.3 billion in fiscal year 2028, $15.9 billion in fiscal year 2029, and $16.6 billion in fiscal year 2030.

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Personal Income Tax Revenues were approximately $130 million in fiscal year 1967. The following table shows Personal Income Tax Revenues for fiscal years 2011 through 2025 and forecasted Personal Income Tax Revenues for fiscal years 2026 through 2030.

HISTORICAL AND FORECASTED PERSONAL INCOME TAX REVENUES

Fiscal Year	Personal Income Tax Revenues (in millions)	Fiscal Year	Personal Income Tax Revenues (in millions)
2011	$ 7,626	2021	$15,093
2012	7,994	2022	16,714
2013	9,226	2023	17,181
2014	9,539	2024	15,686
2015	10,643	2025	18,483
2016	10,785	2026[1][2]	20,488
2017	11,084	2027[1][2][3]	20,803
2018	13,435	2028[1][2][3]	21,286
2019	13,367	2029[1][2][3]	21,434
2020	13,591	2030[1][2][3]	21,903

Source: NYC OMB. Historical Personal Income Tax Revenues are shown on a cash basis, other than fiscal years 2020 and 2021, which are calculated in part on an accrual basis, with $1.7 billion of Personal Income Tax Revenues accrued to fiscal year 2020, due to such Personal Income Tax Revenues being collected after the close of fiscal year 2020 as a result of the delay in the filing deadline for 2019 income tax returns from April 15, 2020 to July 15, 2020. Figures do not reflect deductions for State Oversight Retention Requirements. Beginning with fiscal year 2023, Personal Income Tax Revenues also include revenues from the PTET.

(1) Forecast.

(2) Reflects the impact of the 2025-2026 Enacted State Budget, which provides a full Personal Income Tax credit or partial credit to City residents with dependents who meet certain income threshold requirements, as described herein.

(3) Does not reflect proposed changes to the personal income tax credit for unincorporated business taxes paid, which, if enacted, would result in increased Personal Income Tax Revenues of an estimated $68 million in fiscal year 2027, $69 million in fiscal year 2028, $71 million in fiscal year 2029, and $74 million in fiscal year 2030. Does not reflect the impact of legislation included in the proposed 2026-2027 Enacted State Budget which includes the elimination of the tax on tipped wages, which is estimated to decrease personal income tax revenues by approximately $56 million in fiscal year 2027, $58 million in fiscal year 2028, $61 million in fiscal year 2029 and $64 million in fiscal year 2030. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor. For additional information, see "—Historical and Forecasted Personal Income Tax Revenues" herein.

For fiscal years 2015 through 2025, an average of approximately 70.9% of Personal Income Tax Revenues was collected through mandatory withholding by employers as a percentage of wage income paid to employees. For fiscal year 2025, $13.4 billion of the Personal Income Tax Revenues was collected through withholding. State law requires most employers to remit to the New York State Department of Taxation and Finance amounts withheld from income paid to employees within three business days of such payments. For fiscal years 2015 through 2025, approximately 29.1% of Personal Income Tax Revenues were collected through non-withholding sources. This primarily includes revenue from the PTET, installment payments, final payments and offsets, and is net of refunds. For fiscal year 2025, $2.4 billion of the Personal Income Tax Revenues was collected through the PTET.

Beginning in 2023, partners or shareholders of certain partnerships or S corporations have been able to elect to pay the PTET and receive an equivalent credit against their Personal Income Tax liabilities. The PTET is collected and paid first to the Authority in the same manner as the Personal Income Tax. The aggregate of the Personal Income Tax credits is equivalent to the PTET liability of the entities that elect to pay the PTET. Beginning in fiscal year 2023, all references to Personal Income Tax and Personal Income Tax Revenues include the PTET and revenues therefrom. The passage of Public Law No. 119–21 (enacted as "An Act to provide for reconciliation pursuant to title II of House Concurrent Resolution 14") temporarily increases and permanently extends the federal cap on state and local tax deductions. Due to this extension, PTET revenues are now expected to be collected for the foreseeable future. The option to pay the PTET is expected to be revenue neutral across fiscal years, and is reflected herein.

The 2025-2026 Enacted State Budget provides a full Personal Income Tax credit to City residents with dependents, whose income meets certain income threshold requirements. Such legislation also includes a partial Personal

Income Tax credit for those City residents with dependents, whose income is no more than $5,000 above the income thresholds set forth in the legislation. Such legislation was effective as of January 1, 2025 and has an estimated impact of reducing the Personal Income Tax Revenues by approximately $63 million, $64 million, $66 million, $67 million and $67 million in fiscal years 2026 through 2030. Such reductions are reflected herein.

The New York State budget for fiscal year 2027 (the "2026-2027 Enacted State Budget") includes legislation which eliminates income tax on up to $25,000 per year in tipped wages, for single filers earning up to $150,000 and joint filers earning up to $300,000, beginning in tax year 2026, resulting in the estimated reduction of Personal Income Tax Revenues by approximately $56 million in fiscal year 2027, $58 million in fiscal year 2028, $61 million in fiscal year 2029 and $64 million in fiscal year 2030. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor. Such reductions are not reflected herein.

Personal Income Tax Revenues herein do not reflect a proposal from the City Council to change the personal income tax credit for unincorporated business taxes paid. Any such change would require a change in local law. While the discussions with the City Council regarding the final details on a proposed change are ongoing, it is currently estimated that the proposal, if enacted, would result in increases to Personal Income Tax Revenues by $68 million in fiscal year 2027, $69 million in fiscal year 2028, $71 million in fiscal year 2029 and $74 million in fiscal year 2030.

Sales Tax

For purposes of this Offering Circular, the term "Sales Tax" means the tax on the sale and use of tangible personal property and services in the City imposed by the City. Sales Tax Revenues do not include that portion of the Sales Tax collections required for the State Oversight Retention Requirements or for State administrative costs. Sales Tax Revenues payable by the State Comptroller to the Authority are not subject to City or State appropriation. The Sales Tax is levied on a variety of economic activities including retail sales, utility and communication sales, services and manufacturing in most cases at a rate of 4.5%.

State law imposes Sales Tax on certain internet sales, which generates approximately $170 million in Sales Tax Revenues annually. Such State law also provides that Sales Tax Revenues of $170 million in State fiscal year 2020-2021, increasing by one percent each year thereafter, shall be withheld by the State Comptroller and directed to the Metropolitan Transportation Authority for improvements to the transit system. State law also provides for the withholding by the State Comptroller of Sales Tax Revenues in the amount of $250 million, $187.5 million, $150 million, $150 million and $112.5 million in fiscal years 2021 through 2025, respectively, for payment to the New York State Agency Trust Fund to provide relief for financially distressed hospitals and nursing home facilities. Sales Tax Revenues withheld under both such provisions of law are not available to the Authority and are not included in historical or projected Sales Tax Revenues herein. The 2024-2025 Enacted State Budget extended through March 31, 2028 the withholding of Sales Tax Revenues for financially distressed hospitals and nursing home facilities discussed above. The extension results in a reduction of $37.5 million in fiscal year 2025, $150 million in each of fiscal years 2026 and 2027, and $112.5 million in fiscal year 2028 and is reflected in the projected Sales Tax Revenues herein. The 2026-2027 Enacted State Budget includes legislation which eliminates the intercept for fiscal years 2027 and 2028, which will result in an increase in Sales Tax Revenues of $150 million and $112.5 million in fiscal years 2027 and 2028, respectively. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor. Such increases are not reflected herein.

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Sales Tax Revenues

The table below shows historical Sales Tax Revenues for fiscal years 2011 through 2025 and forecasted Sales Tax Revenues for fiscal years 2026 through 2030.

HISTORICAL AND FORECASTED SALES TAX REVENUES

Fiscal Year	Sales Tax Revenues (in millions)	Fiscal Year	Sales Tax Revenues (in millions)
2011	$5,591	2021	$ 6,521
2012	5,845	2022	8,563
2013	6,139	2023	9,532
2014	6,460	2024	9,898
2015	6,736	2025[3]	10,345
2016[1]	7,296	2026[2][3]	10,917
2017	7,013	2027[2][3][4]	11,382
2018	7,457	2028[2][3][4]	11,918
2019	7,817	2029[2]	12,523
2020	7,448	2030[2]	12,935

Source: NYC OMB. Historical figures are shown herein on a cash basis. Figures do not reflect deductions for State Oversight Retention Requirements.

(1) Reflects higher-than-usual audit collection of $239 million.

(2) Forecast.

(3) Reflects the impact of the 2024-2025 Enacted State Budget which extended the withholding of Sales Tax Revenues for payment to the New York State Agency Trust Fund to provide relief for financially distressed hospitals and nursing home facilities through March 31, 2028, as described herein.

(4) Does not reflect the impact of legislation included as part of the proposed 2026-2027 Enacted State Budget which eliminates the intercept described in footnote (3) above in fiscal years 2027 and 2028, which will result in increases to Sales Tax Revenues of $150 million in fiscal year 2027 and $112.5 million in fiscal year 2028. Such legislation has been passed by the New York State Assembly and Senate and has been signed by the Governor.

Application of Tax Revenues

Upon receipt of (i) Personal Income Tax Revenues and (ii) Sales Tax Revenues, if any are required to be paid to the Authority, the Trustee must deposit such amounts into the Collection Account held by the Trustee within which there is created a Tax Revenue Subaccount and a Building Aid Subaccount. Any Tax Revenues received by the Authority shall be promptly deposited into the Tax Revenue Subaccount.

All Tax Revenues in the Tax Revenue Subaccount of the Collection Account shall be applied upon receipt by the Trustee in the following order of priority: *first*, to the Bond Account to pay Senior Debt Service in accordance with the Retention Procedures described below; *second*, to the Authority's operating expenses, including deposits to the Redemption Account for optional redemption of the Senior Bonds, if any, and any reserves held by the Authority for payment of operating expenses; *third*, pursuant to Supplemental Indentures, to the Parity Debt Account or otherwise for the benefit of holders of Parity Debt and parties to ancillary and swap contracts (other than Senior Agreements), to the extent such Supplemental Indentures may require application of the Tax Revenues to pay items after payments of Senior Debt Service and operating expenses; *fourth*, pursuant to each Officer's Certificate making reference to this level of priority in accordance with the Indenture; and *fifth*, to the City as soon as available but not later than the last day of each month, excess Tax Revenues, free and clear of the lien of the Indenture.

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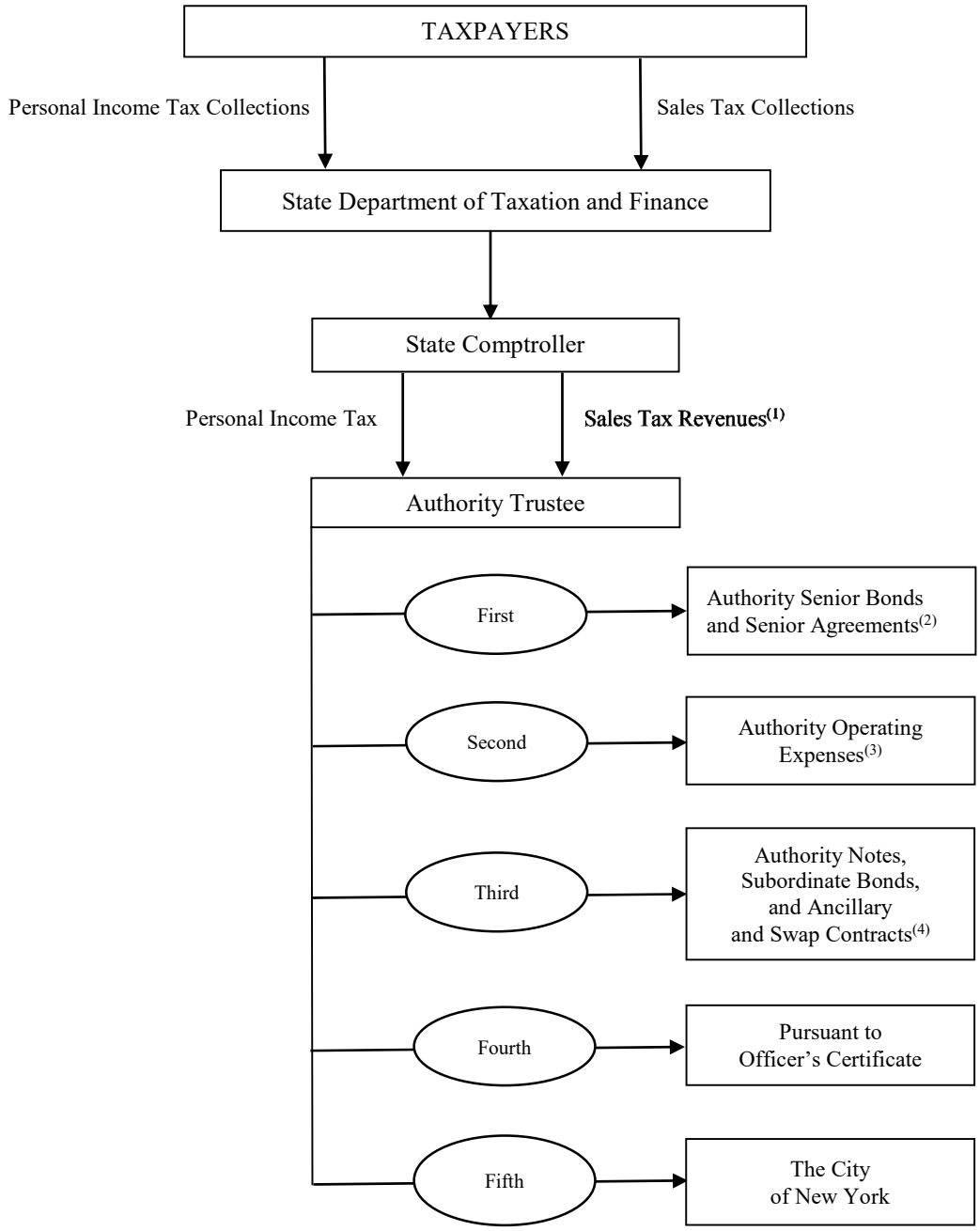
The following chart illustrates the collection and flow of the Tax Revenues under the Indenture, as described below.

SUMMARY OF COLLECTION AND APPLICATION OF TAX REVENUES



(1) Sales Tax Revenues are available to the Authority only in the event that projected Personal Income Tax Revenues are less than 150% of maximum annual debt service on Outstanding Bonds of the Authority. For further information, see "—Sales Tax."

(2) Tax Revenues will be retained by the Trustee for the payment of Senior Debt Service, in accordance with the Retention Procedures detailed below.

(3) After Tax Revenues are retained by the Trustee for the payment of Senior Debt Service, such Tax Revenues are paid to the Authority for its operating expenses.

(4) After payment of Authority operating expenses, Tax Revenues are applied for the benefit of Noteholders (for interest only), Subordinate Bondholders and parties to ancillary and swap contracts.

Retention Procedures

A quarterly retention mechanism has been adopted by the Authority to provide for payment of debt service on the Future Tax Secured Bonds.

For each three-month period commencing August, November, February and May (each such period, a "Collection Quarter"), the Trustee shall begin on the first business day of the first month of each Collection Quarter to transfer all Tax Revenues from the Tax Revenue Subaccount of the Collection Account to the Bond Account in an amount equal to one-half of Quarterly Senior Debt Service payable from the Bond Account due in the three-month period commencing November, February, May and August following such Collection Quarter (each such period, a "Payment Period"). The total amount due in each Payment Period is the "Quarterly Payment Requirement." On the first business day of the second month of each Collection Quarter the Trustee will resume or continue to transfer all Tax Revenues from the Collection Account to the Bond Account until there is on deposit in the Bond Account, or the Redemption Account, as the case may be, the Quarterly Payment Requirement. The obligations of the Trustee for payments to be made from the Tax Revenue Subaccount of the Collection Account to the Bond Account shall be cumulative so that any shortage in the first month of the Collection Quarter will become part of the funding obligations in the second month of the Collection Quarter and, if necessary, the third month of the Collection Quarter.

After all payments are made to the Bond Account, as described above, and for Authority operating expenses, money on deposit in the Collection Account will be applied in accordance with a quarterly retention method adopted by the Authority to provide for payment of debt service on Parity Debt. At the beginning of each Collection Quarter, the Trustee shall begin to transfer the Tax Revenues to the Parity Debt Account, equal to one-half of the Quarterly Subordinate Debt Service payable in the following Payment Period from the Parity Debt Account; and on the first day of the second month of each Collection Quarter, the Trustee shall resume or continue such transfers to the Parity Debt Account until the full amount of the Quarterly Subordinate Debt Service for the following Payment Period is held in the Parity Debt Account. The obligation of the Trustee for payments to be made from the Tax Revenue Subaccount of the Collection Account to the Parity Debt Account shall be cumulative so that any shortfall in the first month of the Collection Quarter will become part of the funding obligation in the second month of the Collection Quarter and, if necessary, the third month of the Collection Quarter. As soon as practicable, but not later than the last day of each month, money on deposit in the Tax Revenue Subaccount of the Collection Account will be transferred to the City free and clear of the lien of the Indenture.

The transfers and payments under the Indenture shall be appropriately adjusted by the Authority to reflect, among other things, expected Revenues, and any purchase or redemption of the Bonds, so that there will be available on each payment date the amount necessary to pay principal of and interest on the Bonds from the designated source of Revenues.

Agreements of the State and the City

In the Act, the State pledges and agrees with the holders of the Bonds that the State will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with such holders pursuant to the Act, or in any way impair the rights and remedies of such holders or the security for the Bonds until the Bonds are fully paid and discharged. The Act provides that nothing therein restricts the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Tax, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed.

In addition and in accordance with the Act, the State pledges and agrees with the holders of the Bonds, to the extent that Personal Income Tax Revenues payable to the Authority during any fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds then Outstanding, the State Comptroller shall pay to the Authority from Sales Tax Revenues such amount as is necessary to provide at least 150% of such maximum annual debt service on the Outstanding Bonds. See "—Sales Tax" above. The State is not obligated to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

In accordance with the Act, the City will pledge and agree with the holders of the Bonds that the City will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with such holders pursuant to the Act, or in any way impair the rights and remedies of such holders or the security for the Bonds until the

Bonds are fully paid and discharged. Nothing contained in the Act or the Agreement restricts any right the City may have to amend, modify, repeal or otherwise alter local laws imposing or relating to the Personal Income Tax Revenues payable to the Authority so long as, after giving effect to such amendment, modification or other alteration, the amount of the Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration is not less than 150% of maximum annual debt service on Outstanding Bonds of the Authority.

The Bonds are not a debt of either the State or the City, and neither the State nor the City is liable thereon.

The covenants of the City and the State described above shall be of no force and effect with respect to any Bond if there is on deposit in accordance with the Indenture sufficient cash or Defeasance Collateral to pay when due all principal of, applicable redemption premium, if any, and interest on such Bond.

SECTION III: ECONOMIC AND DEMOGRAPHIC INFORMATION

This section presents certain economic and demographic information about the City which may affect the Tax Revenues of the Authority. All information is presented on a calendar year basis unless otherwise indicated. The data set forth are the latest available. Sources of information are indicated in the text or immediately following the tables. Although the Authority considers the sources to be reliable, the Authority has made no independent verification of the information presented herein and does not warrant its accuracy.

New York City Economy

The City has a diversified economic base, with a substantial volume of business activity in the financial, professional services, education, healthcare, hospitality, wholesale and retail trade, information services, and technology industries, and is the location of many securities, banking, law, accounting, media, and advertising firms.

The City is a major seaport and focal point for international business. Many of the major corporations headquartered in the City are multinational in scope and have extensive foreign operations. Numerous foreign-owned companies in the United States are also headquartered in the City. These firms are found in all sectors of the City's economy, but are concentrated in trade, professional and business services, tourism, and finance. The City is the location of the headquarters of the United Nations and several affiliated organizations maintain their principal offices in the City. A large diplomatic community exists in the City to staff the missions to the United Nations and the foreign consulates.

Economic activity in the City has experienced periods of growth and recession and can be expected to experience periods of growth and recession in the future. The City experienced a recession in the early 1970s through the middle of that decade, followed by a period of expansion in the late 1970s through the late 1980s. The City fell into recession again in the early 1990s, which was followed by an expansion that lasted until 2001. The economic slowdown that began in 2001 as a result of the September 11 attack, a national economic recession, and a downturn in the securities industry came to an end in 2003. Subsequently, Wall Street activity, tourism, and the real estate market drove a broad-based economic recovery through most of 2007. The financial crisis spurred by the collapse of the housing market and subsequent Great Recession brought the expansion to a halt in 2008. By 2010, the City began to recover and enjoyed a robust 10-year economic expansion. Beginning in 2020, the City encountered significant challenges to its economy as a result of the coronavirus disease (referred to herein as "COVID-19") and the corresponding pandemic.

The reduction in business activity, travel, and tourism resulting from the COVID-19 pandemic had a severe impact on the City's retail, cultural, hospitality, and entertainment sectors, and unemployment rates throughout the City increased substantially. However, employment in the City has recovered to above pre-pandemic levels. Certain real estate sectors sustained losses as a result of the business distress caused by COVID-19 and increased numbers of employees working from home stressed the City's office market, which has been recovering slowly but steadily since early 2024. Uncertainties remain for commercial office markets as future demand may depend on decisions of major office tenants regarding density, remote work, and relocation of operations out of the City.

The United States Department of Commerce Bureau of Economic Analysis produces measures of Gross Domestic Product ("GDP") by metropolitan area. The New York metropolitan area – defined geographically as New York City; Long Island; the Lower Hudson Valley, New York; parts of Northern and Central New Jersey; and Pike County Pennsylvania – is the largest metropolitan economy in the United States.

	TOP TEN GDP BY METROPOLITAN AREA (in millions of current dollars)					GDP PER CAPITA
	2019	2020	2021	2022	2023	2023
United States (metropolitan areas)	**$19,395,789**	**$19,273,892**	**$21,297,223**	**$23,302,612**	**$24,910,942**	**$ 86,087**
New York-Newark-Jersey City, NY-NJ-PA	1,885,803	1,861,308	2,025,175	2,171,528	2,298,868	117,532
Los Angeles-Long Beach-Anaheim, CA	1,065,710	1,035,819	1,136,155	1,235,920	1,295,361	101,207
Chicago-Naperville-Elgin, IL-IN-WI	728,632	700,008	770,533	845,187	894,862	94,892
San Francisco-Oakland-Berkeley, CA	610,192	616,887	702,995	731,716	778,878	170,546
Dallas-Fort Worth-Arlington, TX	545,968	546,543	612,229	692,795	744,654	91,932
Washington-Arlington-Alexandria, DC-VA-MD-WV	572,690	573,265	618,527	664,614	714,685	111,429
Houston-The Woodlands-Sugar Land, TX	507,655	494,381	557,324	645,755	696,999	93,165
Boston-Cambridge-Newton, MA-NH	484,475	489,015	537,634	575,763	610,486	124,103
Atlanta-Sandy Springs-Alpharetta, GA	446,655	438,872	483,529	534,308	570,663	90,691
Seattle-Tacoma-Bellevue, WA	429,485	438,754	483,613	515,993	566,742	140,115

Source: U.S. Bureau of Economic Analysis

Note: As of February 2026, the U.S. Bureau of Economic Analysis discontinued the release of GDP data by metropolitan area. This table reflects the last available data.

Personal Income

From 2015 through 2024 (the most recent year for which City personal income data are available), total personal income, unadjusted for the effects of inflation, grew at a compounded annual average rate of 4.6% and 5.4% for the City and the nation, respectively. The City's total personal income per capita grew at a compounded annual average rate of 5.0% per year for the same period. In 2024, total personal income per capita in the City exceeded that of the U.S. by 27%. The following table sets forth information regarding personal income in the City and the U.S. from 2015 to 2024.

PERSONAL INCOME[(1)]

Year	Total City (in billions)	Per Capita City[(2)]	Per Capita U.S.	Per Capita City as a Percent of U.S.
2015	$522.4	$59,798	$48,062	124%
2016	547.3	62,229	48,974	127
2017	593.2	67,286	51,006	132
2018	614.3	69,597	53,311	131
2019	627.4	71,097	55,567	128
2020	650.2	74,389	59,151	126
2021	699.6	82,751	64,692	128
2022	704.7	84,336	66,298	127
2023	746.0	88,910	70,002	127
2024	785.7	92,674	73,204	127

Sources: U.S. Department of Commerce, Bureau of Economic Analysis ("BEA") and the Bureau of the Census (the "Census Bureau").

(1) In current dollars. Personal income is based on the place of residence and is measured from income, which includes wages and salaries, supplements to wages and salaries, proprietors' income, personal dividend income, personal interest income, rental income of persons and transfer payments.

(2) Personal income per capita estimates reflect Census Bureau midyear population estimates available as of February 2026.

Employment Trends

The City is a leading center for the banking and securities industry, education, healthcare, life insurance, communications, publishing, fashion design, technology, information services, hospitality, and retail fields. Over time, the City has experienced numerous business cycles. For example, from 2003 to 2008, the City added 257,600 private sector jobs (growth of 9%). From 2008 to 2009, the City lost 103,200 private sector jobs (decline of 3%). From 2009 to 2019, the City added 918,400 private sector jobs (growth of 29%). From 2019 to 2020, the City lost 496,000 private sector jobs, primarily due to the COVID-19 pandemic. From 2020 to 2025, the City added 635,800 private sector jobs (growth of 18%). All such changes are based on average annual employment levels through and including the years referenced. As of March 2026, total employment in the City was 4,812,200 compared to 4,856,000 in March 2025 (decline of 0.9%) based on data provided by the New York State Department of Labor, which are not seasonally adjusted.

The table below shows the distribution of employment in the City from 2016 to 2025.

NEW YORK CITY EMPLOYMENT DISTRIBUTION

	Average Annual Employment (in thousands)									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Goods-Producing Sectors										
Construction	147.3	152.5	158.9	161.3	138.9	141.2	143.2	143.6	142.8	137.2
Manufacturing	76.9	74.1	71.3	68.1	52.9	54.6	57.8	57.3	54.8	52.5
Service-Producing Sectors										
Trade, Transportation and Utilities	629.7	633.3	635.4	636.4	537.1	551.2	585.8	586.0	581.3	583.3
Information	199.8	207.4	213.1	220.6	207.9	221.0	238.4	224.1	224.0	219.9
Financial Activities	466.2	469.4	477.0	485.1	471.1	466.1	488.2	502.3	505.9	514.9
Professional and Business Services	708.9	726.2	746.1	772.3	711.0	722.3	786.5	795.1	796.9	796.3
Education and Health Services	930.1	963.6	1,008.3	1,055.4	1,009.8	1,045.1	1,104.8	1,172.2	1,258.7	1,271.2
Leisure and Hospitality	441.9	458.8	464.4	468.1	275.7	306.0	402.2	435.6	447.9	451.5
Other Services	190.7	192.3	193.7	195.7	162.5	168.0	176.9	178.0	177.4	176.2
Total Private	3,791.4	3,877.4	3,968.2	4,063.0	3,567.0	3,675.4	3,983.8	4,094.2	4,189.8	4,202.8
Government	592.1	594.1	594.9	598.4	597.8	585.8	586.4	592.5	604.0	614.7
Total	4,383.5	4,471.5	4,563.2	4,661.4	4,164.8	4,261.2	4,570.1	4,686.7	4,793.7	4,817.5

Note: Totals may not add up due to rounding or subsector disclosure limitations.

Source: New York State Department of Labor's Current Employment Statistics ("CES"). Data are presented using the North American Industry Classification System ("NAICS"). Not seasonally adjusted.

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Sectoral Distribution of Employment and Earnings

In 2024, the City's service-producing sectors provided approximately 4.0 million jobs and accounted for approximately 83% of total employment. Employment levels in the service-producing sectors affect the total earnings as well as the average wage per employee because employee compensation in certain sectors, such as financial activities and professional and business services, tends to be considerably higher than in most other sectors. Moreover, average wage rates in these sectors are significantly higher in the City than in the nation. In the City in 2024, the employment share for the financial activities and professional and business services sectors was approximately 27% while the earnings share for those same sectors was approximately 46%. In the nation, those same service-producing sectors accounted for approximately 20% of employment and 28% of earnings in 2024. Due to the earnings distribution in the City, sudden or large shocks in the financial markets may have a disproportionately adverse effect on the City relative to the nation.

The City's and the nation's employment and earnings by sector for 2024 are set forth in the following table.

SECTORAL DISTRIBUTION OF EMPLOYMENT AND EARNINGS IN 2024[(1)]

	Employment		Earnings[(2)]	
	City	U.S.	City	U.S.
Goods-Producing Sectors				
Mining and Logging	0.0%	0.4%	0.3%	1.4%
Construction	3.0	5.2	2.5	6.2
Manufacturing	1.1	8.1	0.9	8.6
Total Goods-Producing	4.1%	13.7%	3.6%	16.2%
Service-Producing Sectors				
Trade, Transportation and Utilities	12.1%	18.3%	9.0%	15.4%
Information	4.7	1.9	8.9	3.9
Financial Activities	10.6	5.8	25.0	9.6
Professional and Business Services	16.6	14.3	20.7	18.5
Education and Health Services	26.3	16.8	13.3	13.1
Leisure and Hospitality	9.3	10.6	5.3	5.0
Other Services	3.7	3.8	2.6	3.4
Total Service-Producing	83.3%	71.5%	84.9%	68.8%
Total Private Sector	87.4%	85.2%	88.8%	85.0%
Government	12.6%	14.8%	11.2%	15.0%

Note: Data may not add up due to rounding or subsector disclosure limitations. Data are presented using NAICS.

Sources: The employment data are sourced from the New York State Department of Labor's CES. Earnings data are sourced from the New York State Department of Labor; the U.S. Department of Labor, Bureau of Labor Statistics; and the U.S. Department of Commerce, Bureau of Economic Analysis.

(1) The sectoral distributions are obtained by dividing each industry's employment or earnings by total non-agricultural employment or earnings.

(2) Includes the sum of wage and salary disbursements, other labor income, and proprietors' income. The latest information available is 2024 data.

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Unemployment

As of March 2026, the total unemployment rate in the City was 5.7%, up from 4.9% in March 2025, based on data provided by the New York State Department of Labor, which are seasonally adjusted.

The seasonally adjusted monthly unemployment rate of the City's civilian labor force for 2024, 2025 and the first three months of 2026 is shown in the following table.

MONTHLY UNEMPLOYMENT RATE[1]

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.[2]	Nov.	Dec.
2024	4.8%	4.8%	4.9%	5.0%	5.0%	5.1%	5.1%	5.1%	5.1%	5.0%	5.0%	4.9%
2025	4.9	4.8	4.9	4.9	5.0	5.2	5.4	5.5	5.7		5.7	5.7
2026	5.7	5.8	5.7									

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

(1) Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

(2) Data were not collected in October 2025 due to the federal government shutdown.

The average annual unemployment rate of the civilian labor force of the City and of the United States, from 2016 through 2025, is shown in the following table.

ANNUAL UNEMPLOYMENT RATE[1]
(Average Annual)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
New York City.....	5.2%	4.5%	4.1%	4.0%	12.2%	10.1%	5.6%	5.0%	5.0%	5.2%
United States.....	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0	4.3

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

(1) Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

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Taxable Sales

The City is a major retail trade market with the greatest volume of retail sales of any city in the nation. The Sales Tax is levied on a variety of economic activities including retail sales, utility and communication sales, services and manufacturing. Taxable sales and purchases reflects data from the State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." The yearly data presented in this paragraph and the table below cover the period from March 1 of the year prior to the listed year through the last day of February of the listed year. Between 2016 and 2020, the total taxable sales volume growth rate averaged 4.6%, primarily due to an increase in consumption as a result of local employment gains and the local and national economic recoveries. In 2021, total taxable sales declined 23.2% primarily due to the COVID-19 pandemic, but rebounded in 2022 and grew by 17.2% in 2023. In 2024 and 2025, total taxable sales increased at an average rate of 3.9%, and 2026 taxable sales increased by 5.8%.

The following table illustrates the volume of sales and purchases subject to the Sales Tax from 2016 to 2026.

TAXABLE SALES AND PURCHASES SUBJECT TO SALES TAX
(in billions)

Year[1]	Retail[2]	Utility & Communication Sales[3]	Services[4]	Manufacturing	Other[5]	Total
2016.....	$47.8	$22.1	$51.1	$5.7	$23.2	$149.9
2017.....	48.3	22.8	53.1	6.1	25.2	155.5
2018.....	49.8	23.2	55.4	6.8	27.4	162.4
2019.....	52.1	24.1	58.5	7.1	30.5	172.3
2020.....	55.4	25.5	61.1	7.6	33.0	182.6
2021.....	48.8	26.6	31.1	7.9	25.7	140.2
2022.....	62.4	29.6	50.6	8.1	33.1	183.8
2023.....	65.9	32.0	68.2	9.1	40.5	215.7
2024.....	65.9	33.6	72.9	8.9	42.4	223.8
2025.....	66.1	33.6	77.4	9.2	46.2	232.5
2026.....	68.4	37.5	82.9	9.5	47.6	245.8

Source: State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." Totals may not add due to rounding. Data are presented using NAICS, and, for years 2023, 2024, 2025 2026, reflect the NAICS 2022 redefinitions.

(1) The yearly data are for the period from March 1 of the year prior to the listed year through the last day of February of the listed year.

(2) Retail sales include building materials, general merchandise, food, auto dealers/gas stations, apparel, furniture, eating and drinking and miscellaneous retail.

(3) Utility and Communication Sales include both residential and non-residential electric, and residential and non-residential gas and communication.

(4) Services include business services, hotel occupancy services (stays for the first 90 days), and other services (auto repair, parking and others).

(5) Other includes construction, wholesale trade, arts, entertainment and recreation, and others. Also included in Other are local tax base components of City taxable sales and purchases which include Manhattan parking services, hotel occupancy services (stays from 91 to 180 days), and miscellaneous services (credit rating and reporting services, miscellaneous personal services, and other services).

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Population

The City has been the most populous city in the United States since 1790. The City's population is larger than the combined populations of Los Angeles and Chicago, the two next most populous cities in the nation.

POPULATION OF NEW YORK CITY

Year	Total Population
1970	7,894,862
1980	7,071,639
1990	7,322,564
2000	8,008,278
2010	8,175,133
2020	8,804,190

Note: Figures do not include an undetermined number of undocumented persons.

Source: U.S. Department of Commerce, Bureau of the Census.

The United States Census Bureau estimates the City's population to be 8,584,629 as of July 2025.

SECTION IV: THE FIXED RATE BONDS

General

The Fixed Rate Bonds will be dated the date of their delivery, will bear interest at the rates and will mature on the dates as set forth on the inside cover pages of this Offering Circular unless redeemed or tendered prior to maturity if subject to redemption or tender. Interest on the Fixed Rate Bonds will be payable semiannually on May 1 and November 1, commencing November 1, 2026. All of the Fixed Rate Bonds will be issued in book-entry only form. Interest on and principal of the Fixed Rate Bonds are payable from the Tax Revenues of the Authority subordinate to the payment of Senior Debt Service and operating expenses of the Authority. See "SECTION II: SOURCES OF PAYMENT AND SECURITY FOR THE FUTURE TAX SECURED BONDS."

The Fixed Rate Bonds will be issued in denominations of $5,000 or any integral multiple thereof, and will bear interest calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Fixed Rate Bonds are being issued as multi-modal bonds in the fixed rate mode. This Offering Circular does not describe terms specifically applicable to the Fixed Rate Bonds bearing interest at rates other than a fixed rate.

Mandatory Redemption of Series I Term Bonds

The Series I Bonds maturing on November 1, 2054 are term bonds subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, without premium, on the dates and in the amounts set forth below:

November 1,	Principal Amount to be Redeemed
2052	$53,180,000
2053	56,105,000
2054†	54,205,000

† Stated maturity.

See "—Notice of Redemption or Tender; Selection of Fixed Rate Bonds to be Redeemed or Tendered" below for information on the manner of selection of the Series I Term Bonds to be redeemed as described under this subheading "Mandatory Redemption of Series I Term Bonds." See also "—Credit Against Mandatory Redemption Installments for the Fixed Rate Bonds" below for information regarding credit against any annual amount subject to mandatory

redemption of any Series I Term Bonds as described under this subheading "Mandatory Redemption of Series I Term Bonds."

Par Optional Redemption or Mandatory Tender of Tax-Exempt Bonds

The Tax-Exempt Bonds maturing after November 1, 2036 are subject to optional redemption or mandatory tender, in each case, at the option of the Authority prior to their stated maturity dates, in whole or in part, on any date on or after November 1, 2036 upon 30 days' notice, at a price of 100% of their principal amount plus accrued interest to such redemption or tender date.

See "—Notice of Redemption or Tender; Selection of Fixed Rate Bonds to be Redeemed or Tendered" below for information on the manner of selection of the Tax-Exempt Bonds to be redeemed or tendered as described under this subheading "Par Optional Redemption or Mandatory Tender of Tax-Exempt Bonds."

Make-Whole Optional Redemption or Mandatory Tender of Tax-Exempt Bonds

The Tax-Exempt Bonds maturing on or prior to November 1, 2036 are subject to optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date (the "Make-Whole Call Date"), at a make-whole price (the "Make-Whole Redemption Price") equal to the greater of:

(1) one hundred percent (100%) of the Amortized Value (as defined below) of the Tax-Exempt Bonds to be redeemed or tendered; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest on the Tax-Exempt Bonds to be redeemed or tendered from and including the Make-Whole Call Date to the maturity date of such Tax-Exempt Bonds, not including any portion of those payments of interest accrued and unpaid as of the Make-Whole Call Date, discounted to the Make-Whole Call Date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at a discount rate equal to the greater of (a) the Applicable Tax-Exempt Bond Rate (as defined below) minus 10 basis points; or (b) zero basis points;

plus, in each case, accrued interest on such Tax-Exempt Bonds to the Make-Whole Call Date.

"Amortized Value" means the product of the principal amount of the Tax-Exempt Bonds to be redeemed or tendered and the price of such Tax-Exempt Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Make-Whole Call Date, a maturity date equal to the maturity date of such Tax-Exempt Bonds and a yield equal to the yield of such Tax-Exempt Bonds as shown on the applicable inside cover pages of this Offering Circular.

"Applicable Tax-Exempt Bond Rate" means the "Interpolated AAA Yields" rate for each maturity date for the Tax-Exempt Bonds to be redeemed or tendered, as published by the Municipal Market Data ("MMD") at least five calendar days, but not more than 60 calendar days, prior to the Make-Whole Call Date of the Tax-Exempt Bonds to be redeemed or tendered, or if no such rate is established for the applicable maturity date, the "Interpolated AAA Yields" rate for the published maturities closest to the applicable maturity date.

Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of each business day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent appointed by the Authority, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody's and S&P, with a maturity date equal to the maturity date of such Tax-Exempt Bonds having characteristics (other than the ratings) most comparable to those of such Tax-Exempt Bonds in the judgment of the verification agent. The verification agent's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

The Make-Whole Redemption Price will be determined by a verification agent, investment banking firm or financial advisor (which verification agent, investment banking firm or financial advisor shall be retained by the Authority at the expense of the Authority) in order to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely on such verification agent's, investment banking firm's or financial advisor's determination of such Make-Whole Redemption Price and will bear no liability for such reliance.

See "—Notice of Redemption or Tender; Selection of Fixed Rate Bonds to be Redeemed or Tendered" below for information on the manner of selection of the Tax-Exempt Bonds to be redeemed or tendered as described under this subheading "Make-Whole Optional Redemption or Mandatory Tender of Tax-Exempt Bonds."

Make-Whole Optional Redemption or Mandatory Tender of Subseries G-2 Bonds

The Subseries G-2 Bonds are subject to optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part on any date, at a make-whole price equal to the greater of:

(1) the issue price set forth on the applicable inside cover page hereof (but not less than 100%) of the principal amount of such Subseries G-2 Bonds to be redeemed or tendered; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Subseries G-2 Bonds to be redeemed or tendered, not including any portion of those payments of interest accrued and unpaid as of the date on which such Subseries G-2 Bonds are to be redeemed or tendered, discounted to the date on which such Subseries G-2 Bonds are to be redeemed or tendered on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 7.5 basis points;

plus, in each case, accrued interest on such Subseries G-2 Bonds to be redeemed or tendered to the redemption or tender date.

"Treasury Rate" means, with respect to any redemption or tender date for a particular Subseries G-2 Bond, the yield to maturity as of such redemption or tender date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption or tender date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption or tender date to the maturity date of such Subseries G-2 Bond to be redeemed or tendered.

See "—Notice of Redemption or Tender; Selection of Fixed Rate Bonds to be Redeemed or Tendered" below for information on the manner of selection of the Subseries G-2 Bonds to be redeemed or tendered as described under this subheading "Make-Whole Optional Redemption or Mandatory Tender of Subseries G-2 Bonds."

Multi-Modal Bonds in the Fixed Rate Mode

The Fixed Rate Bonds are being issued as multi-modal bonds in the fixed rate mode. The Authority may cause a mandatory tender of the Fixed Rate Bonds at the applicable optional redemption price on any date such Bonds are subject to optional redemption, subject to the Authority's providing a source of payment therefor in accordance with the Indenture and the Act. If notice of mandatory tender has been given and funds prove insufficient, the Fixed Rate Bonds not purchased shall continue in the fixed rate mode, without change in interest rate, maturity date or other terms. Other modes to which the Fixed Rate Bonds may be converted are not described in this Offering Circular.

Notice of Redemption or Tender; Selection of Fixed Rate Bonds to be Redeemed or Tendered

On or after any redemption date, interest will cease to accrue on the Fixed Rate Bonds called for redemption. On or after any tender date, interest will cease to accrue to the former Holders on the Fixed Rate Bonds successfully tendered.

The particular series and subseries, as applicable, maturities, amounts and interest rates of the Fixed Rate Bonds to be redeemed or called for mandatory tender at the option of the Authority will be determined by the Authority in its sole discretion.

Upon receipt of notice from the Authority of its election to redeem or call for mandatory tender the Fixed Rate Bonds, the Trustee is to give notice of such redemption or tender by mail to the Holders of the Fixed Rate Bonds to be redeemed or tendered, as applicable, not less than 30 days or more than 60 days prior to the date set for redemption or tender. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, will not affect the redemption or purchase of any other Bond.

If less than all of the Tax-Exempt Bonds of a series or subseries with the same maturity and interest rate are called for prior redemption or tender, such Tax-Exempt Bonds will be selected for redemption or tender, as applicable, in accordance with DTC procedures, by lot.

If the Subseries G-2 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Subseries G-2 Bonds, if less than all of the Subseries G-2 Bonds of a maturity are called for prior redemption, the particular Subseries G-2 Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Subseries G-2 Bonds are held in book-entry form, the selection for redemption of such Subseries G-2 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, such Subseries G-2 Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

It is the Authority's intent that redemption allocations for the Subseries G-2 Bonds made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Authority nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Subseries G-2 Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of such Subseries G-2 Bonds on a pro rata pass-through distribution of principal basis as discussed above, then such Subseries G-2 Bonds will be selected for redemption, in accordance with DTC procedures, by lot. If the Subseries G-2 Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Subseries G-2 Bonds shall be allocated among the registered owners of such Subseries G-2 Bonds on a pro rata basis.

Credit Against Mandatory Redemption Installments for the Fixed Rate Bonds

The Authority may credit against any annual amount subject to mandatory redemption, the principal amount of any term bonds of a series or subseries of the same maturity and interest rate that have been defeased, purchased for cancellation or redeemed and not previously so credited. If the Authority previously credited against all or a portion of any annual amount subject to mandatory redemption prior to a mandatory redemption date, then the amount subject to mandatory redemption on such mandatory redemption date will be reduced accordingly.

Defeasance

The Fixed Rate Bonds are subject to legal defeasance in accordance with the Indenture. As a condition to legal defeasance of any of the Fixed Rate Bonds, the Authority must obtain an opinion of counsel to the effect that the owners thereof will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred. See "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT—The Indenture—Defeasance of the Indenture" and "—Legal Defeasance of Particular Bonds."

In the event that any Fixed Rate Bonds are escrowed to their maturity, the Authority expects that any such Fixed Rate Bonds that are subject to optional redemption or mandatory tender will remain subject to optional redemption or mandatory tender at the option of the Authority.

Debt Service Requirements

The following schedule sets forth, for each 12-month period ending June 30 of the years shown, the amounts required to be paid by the Authority for the payment of debt service on the Fixed Rate Bonds and all Outstanding Future Tax Secured Bonds, which consist of only Subordinate Bonds, during such period. No Senior Bonds are Outstanding. The Authority may issue Senior Bonds in the future to the extent permitted by the Act and the Indenture.

Fiscal Year	Outstanding Future Tax Secured Subordinate Bonds Debt Service[1][2][3][4]	Fixed Rate Bonds Debt Service			Total Future Tax Secured Subordinate Bonds Debt Service[1][2][4]
		Principal	Interest	Total	
2027	$4,628,958,749	$ 2,100,000	$ 94,467,260	$ 96,567,260	$4,725,526,009
2028	4,624,137,146	90,235,000	104,225,390	194,460,390	4,818,597,537
2029	4,701,815,554	90,880,000	99,949,050	190,829,050	4,892,644,604
2030	4,535,508,972	91,575,000	95,387,675	186,962,675	4,722,471,647
2031	4,531,967,660	101,270,000	90,566,550	191,836,550	4,723,804,210
2032	4,446,517,624	106,450,000	85,373,550	191,823,550	4,638,341,174
2033	4,407,150,262	111,875,000	79,915,425	191,790,425	4,598,940,687
2034	4,316,623,132	117,590,000	74,178,800	191,768,800	4,508,391,932
2035	4,243,686,378	123,595,000	68,149,175	191,744,175	4,435,430,553
2036	4,300,895,328	126,470,000	61,897,550	188,367,550	4,489,262,878
2037	4,212,842,500	130,590,000	55,471,050	186,061,050	4,398,903,550
2038	4,120,078,669	141,145,000	48,677,675	189,822,675	4,309,901,344
2039	4,089,521,635	103,860,000	42,552,550	146,412,550	4,235,934,185
2040	3,831,364,425	143,740,000	36,362,550	180,102,550	4,011,466,975
2041	3,652,175,181	29,400,000	32,034,050	61,434,050	3,713,609,231
2042	3,589,788,803	30,870,000	30,527,300	61,397,300	3,651,186,103
2043	3,367,243,116	32,415,000	28,945,175	61,360,175	3,428,603,291
2044	3,100,044,913	34,035,000	27,283,925	61,318,925	3,161,363,838
2045	2,638,390,425	35,740,000	25,539,550	61,279,550	2,699,669,975
2046	2,341,839,025	37,525,000	23,707,925	61,232,925	2,403,071,950
2047	2,071,800,656	39,400,000	21,784,800	61,184,800	2,132,985,456
2048	1,992,663,638	41,370,000	19,765,550	61,135,550	2,053,799,188
2049	1,841,012,925	43,440,000	17,645,300	61,085,300	1,902,098,225
2050	1,707,587,838	45,610,000	15,362,038	60,972,038	1,768,559,875
2051	1,544,651,956	48,005,000	12,904,644	60,909,644	1,605,561,600
2052	1,375,659,972	50,525,000	10,318,231	60,843,231	1,436,503,203
2053	1,269,301,559	53,180,000	7,529,500	60,709,500	1,330,011,059
2054	844,918,375	56,105,000	4,524,163	60,629,163	905,547,538
2055	571,146,969	54,205,000	1,490,638	55,695,638	626,842,606
2056	46,946,350				46,946,350

Note: Totals may not add due to rounding.

(1) Figures reflect estimated debt service on tax-exempt variable rate bonds calculated at an assumed interest rate of 4.25% per annum.

(2) Figures reflect Sinking Fund Requirements deposited for payment of the principal of Qualified School Construction Bonds.

(3) Figures reflect outstanding amounts as of the date of this Offering Circular.

(4) Figures exclude debt service on the Refunded Bonds to be refunded with proceeds of the Refunding Bonds and other funds of the Authority.

Use of Proceeds

The proceeds of the Series I Bonds will be used to finance general City capital expenditures. The proceeds of the Refunding Bonds, with other funds of the Authority, will be used to redeem, at or prior to maturity, the Refunded Bonds by providing for the payment of the principal, interest and redemption premium, if any, on the Refunded Bonds to the extent and to the payment dates shown in APPENDIX D. The Refunded Bonds were issued to finance or refinance general City capital expenditures. Certain expenses of the Authority incurred in connection with the issuance and sale of the Fixed Rate Bonds will be paid from the proceeds of the Fixed Rate Bonds.

Book-Entry Only System

Beneficial ownership interests in the Authority's bonds and notes (the "Securities") will be available in book-entry only form. Purchasers of beneficial ownership interests in the Securities will not receive certificates representing their interests in the Securities purchased.

DTC will act as securities depository for the Securities. References to the Securities under this caption "Book-Entry Only System" shall mean all Fixed Rate Bonds held in the United States through DTC. The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each principal amount of Securities of each series and subseries, if applicable, maturing on a specific date and bearing interest at a specific interest rate, each in the aggregate principal amount of such quantity of Security, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of redemption proceeds and principal and interest on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

THE AUTHORITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES: (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE SECURITIES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SECURITIES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SECURITIES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFERING CIRCULAR.

THE AUTHORITY AND THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE SECURITIES; (3) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE INDENTURE; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE SECURITIES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC, AND NEITHER THE UNDERWRITERS NOR THE AUTHORITY MAKES ANY REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION.

Other Information

For additional information regarding the Fixed Rate Bonds and the Indenture, see "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT."

SECTION V: THE AUTHORITY

Purpose and Operations

The Authority is a corporate governmental agency constituting a public benefit corporation and an instrumentality of the State created to issue and sell its Bonds and Notes to fund a portion of the capital program of the City, as requested by the Mayor.

The Authority does not have any significant assets or sources of funds other than the Tax Revenues and State Building Aid and amounts on deposit pursuant to the Indenture. The Bonds will not be insured or guaranteed by the City or the State. Consequently, holders of the Bonds must rely for repayment solely upon the sources of payment described herein.

The Authority is not authorized by State law to file a petition in bankruptcy.

Directors and Management

The Authority is administered by five directors, consisting of the Director of Management and Budget of the City, the Comptroller of the City, the Speaker of the City Council, the Commissioner of the Department of Finance of the City and the Commissioner of the Department of Design and Construction of the City. Three directors constitute a quorum for the transaction of business or the exercise of any power of the Authority. A favorable vote of at least three directors present at a meeting where such action is taken is necessary to approve any action, including the issuance of Bonds or Notes of the Authority or to authorize any amendatory or supplemental indenture or financing agreement of the Authority relating to such issuance. The current directors of the Authority, each of whom serves in an ex-officio capacity, are:

Sherif Soliman, Chairperson	—	Director of Management and Budget of the City
Mark Levine	—	Comptroller of the City
Julie Menin	—	Speaker of the City Council
Richard Lee	—	Commissioner of the Department of Finance of the City
Paul Ochoa	—	Commissioner of the Department of Design and Construction of the City

The following is a brief description of certain officers and staff members of the Authority:

David M. Womack, Executive Director

Mr. Womack was appointed Executive Director in 2021. He is a graduate of Yale University and received an M.B.A. from the Tuck School of Business Administration at Dartmouth College. He also serves as Deputy Director of Financing Policy and Coordination at the Office of Management and Budget of the City.

Sanna Wong-Chen, Deputy Executive Director

Ms. Wong-Chen was appointed Deputy Executive Director in 2026. Ms. Wong-Chen also serves as Associate Director of Financing Policy and Coordination for NYC OMB. Prior to joining NYC OMB in September 2016, Ms. Wong-Chen most recently served as Director of Finance at the Long Island Power Authority and prior to that as a Senior Vice President at Siebert Brandford Shank & Co., L.L.C., a public finance investment bank. Ms. Wong-Chen previously worked at NYC OMB for approximately six years, ending in 2008, where she served in several capacities. Ms. Wong-Chen received her Bachelor of Science Degree from Cornell University in 2000.

Raymond Lee, Comptroller

Mr. Lee was appointed Comptroller in 2022. He is a graduate of the New York University Stern School of Business and is a Certified Public Accountant.

Kemraj Narine, Deputy Comptroller

Mr. Narine was appointed Assistant Comptroller in 2011, and subsequently was appointed Deputy Comptroller in 2014. He is a graduate of York College of the City University of New York.

Jeffrey M. Werner, Secretary

Mr. Werner was appointed Assistant Secretary in 2013 and subsequently appointed Secretary in 2023. He is a graduate of Bowdoin College and Columbia Law School. He also serves as General Counsel at the Office of Management and Budget of the City.

Laura A. Neesley, Treasurer

Ms. Neesley was appointed Assistant Treasurer in 2014 and subsequently appointed Deputy Treasurer in 2020 and Treasurer in 2023. She is a graduate of Cornell University. She also serves as Senior Assistant Director at the Office of Management and Budget of the City.

Deborah Cohen, Assistant Secretary

Ms. Cohen was appointed Assistant Secretary in 2024. She is a graduate of the State University of New York at Buffalo and George Washington University Law School. She also serves as Deputy General Counsel at the Office of Management and Budget of the City.

Michael Moore, Assistant Secretary

Mr. Moore was appointed Assistant Secretary in 2025. Mr. Moore is a graduate of Seton Hall University and Rutgers Law School. He also serves as Chief of the Municipal Finance Division of the City Law Department.

Nameca Sharma, Accounting Manager

Ms. Sharma was appointed Accounting Manager in 2015. She is a graduate of York College of the City University of New York.

Other Authority Obligations

Assuming conditions specified in the Act and the Indenture are met and subject to the limitations described below, the Act authorizes the Authority to issue Future Tax Secured Bonds for general City capital purposes and for refunding of Future Tax Secured Bonds. The Act, as amended, permits the Authority to have $30.5 billion of Future Tax Secured Bonds (including Senior Bonds and Parity Debt) outstanding as of July 1, 2025, and also permits the Authority to issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. As of April 30, 2026, the City's and the Authority's combined remaining debt-incurring power was approximately $33.3 billion. The statutory debt limits are binding on the Authority but are not covenants with Bondholders and are subject to change by legislation adopted by the State.

The Authority's contracts with its Bondholders, including limitations on Senior Bonds, coverage tests and other restrictions on the issuance of additional Bonds, are set forth in the Indenture and summarized in "APPENDIX A—SUMMARY OF INDENTURE AND AGREEMENT." These contracts can be changed only in accordance with the provisions of the Indenture relating to the amendments thereto. For information relating to anticipated issuance of Future Tax Secured Bonds, see "—Plan of Finance."

The Authority has Outstanding $59,564,345,000 of Future Tax Secured Bonds. All Bonds currently outstanding are Parity Debt, which are the only Subordinate Bonds payable from the Tax Revenues. Of such Parity Debt, $3,962,040,000 are variable rate bonds. For further information regarding the Authority's variable rate bonds, see "APPENDIX C—VARIABLE RATE BONDS." The Authority last issued Senior Bonds in 2009, and no Senior Bonds

are Outstanding. The Authority may issue Senior Bonds in the future to the extent permitted by the Act and the Indenture. Currently, the Authority has no Senior Agreements.

The Act also authorizes the issuance of Building Aid Revenue Bonds of the Authority in an amount outstanding of up to $9.4 billion to finance portions of the City's educational facilities capital plan. Building Aid Revenue Bonds are secured by State Building Aid assigned by the City to the Authority. Building Aid Revenue Bonds are not secured by the Tax Revenues. The Authority has Outstanding $7,099,530,000 of Building Aid Revenue Bonds and may issue additional Building Aid Revenue Bonds in the future.

Plan of Finance

Following the issuance of the Fixed Rate Bonds, the Authority does not expect to issue additional Future Tax Secured Bonds in fiscal year 2026. The Authority projects that it will issue approximately $7.6 billion, $8.6 billion, $8.0 billion, and $7.8 billion during fiscal years 2027 through 2030, respectively, of Future Tax Secured Bonds for general City capital purposes. The Authority also expects to issue refunding bonds from time to time.

SECTION VI: LITIGATION

There is not now pending any litigation (i) restraining or enjoining the issuance or delivery of the Fixed Rate Bonds or questioning or affecting the validity of the Fixed Rate Bonds or the proceedings and authority under which they are issued; (ii) contesting the creation, organization or existence of the Authority, or the title of the directors or officers of the Authority to their respective offices; (iii) questioning the right of the Authority to enter into the Indenture or the Agreement and to pledge the Revenues and funds and other moneys and securities purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture; (iv) questioning or affecting the levy or collection of the Personal Income Tax and Sales Tax in any material respect, or the application of the Personal Income Tax and Sales Tax for the purposes contemplated by the Act, or the procedure thereunder; or (v) in which a final adverse decision would materially adversely affect the sources for payment of the Fixed Rate Bonds.

SECTION VII: TAX MATTERS

Fixed Rate Bonds – New York Personal Income Tax Exemption

In the respective opinions of Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, as Co-Bond Counsel to the Authority ("Co-Bond Counsel"), interest on the Fixed Rate Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

Tax-Exempt Bonds

The Authority and the City will covenant in Tax Certificates to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion from gross income of the interest on the Subseries G-1 Bonds, the Series H Bonds and the Series I Bonds (collectively, the "Tax-Exempt Bonds") for purposes of federal income taxation. In the respective opinions of Co-Bond Counsel, assuming compliance by the Authority and the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for purposes of federal income taxation. Failure by the Authority or the City to comply with such covenants may cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof retroactive to the date of issue of the Tax-Exempt Bonds. Further, Co-Bond Counsel will render no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action (including without limitation a change in the interest rate mode with respect to the Tax-Exempt Bonds) taken or not taken after the date of such opinion without the approval of Co-Bond Counsel.

In the respective opinions of Co-Bond Counsel, interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Co-Bond Counsel, as a result of ownership of the Tax-Exempt Bonds or the inclusion in certain computations of interest that is excluded from gross income.

The Code imposes a minimum tax of 15 percent on the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Tax-Exempt Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Tax-Exempt Bonds.

Each Co-Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the covenants of the Authority and the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS" or the "Service") with respect to the matters addressed in the opinion of Co-Bond Counsel, and Co-Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Tax-Exempt Bonds is commenced, under current procedures the IRS is likely to treat the Authority as the "taxpayer," and the owners of the Tax-Exempt Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Tax-Exempt Bonds, the Authority may have different or conflicting interests from the owners of the Tax-Exempt Bonds. Public awareness of any future audit of the Tax-Exempt Bonds could adversely affect the value and liquidity of the Tax-Exempt Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Co-Bond Counsel will express no opinion with respect to any federal, state, local, or foreign tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change so as to reduce or eliminate the benefit to holders of the Tax-Exempt Bonds of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

Tax Accounting Treatment of Premium on Certain Tax-Exempt Bonds

The purchase price of certain Tax-Exempt Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Tax-Exempt Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Subseries G-2 Bonds

General. The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Subseries G-2 Bonds (the "Taxable Bonds"). The discussion is based upon the Code, U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Taxable Bond by a Beneficial Owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Taxable Bonds in light of the investor's particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Taxable Bonds, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Taxable Bonds in connection with the performance of services, or persons deemed to sell Taxable Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code, and acquire such Taxable Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to Beneficial Owners of the Taxable Bonds who are United States persons within the meaning of Section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE TAXABLE BONDS.

Stated Interest and Reporting of Interest Payments. The stated interest on the Taxable Bonds will be included in the gross income, as defined in Section 61 of the Code, of the Beneficial Owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the Beneficial Owners thereof. Subject to certain exceptions, the stated interest on the Taxable Bonds will be reported to the Service. Such information will be filed each year with the Service on Form 1099 which will reflect the name, address, and taxpayer identification number ("TIN") of the Beneficial Owner. A copy of Form 1099 will be sent to each Beneficial Owner of a Taxable Bond for federal income tax purposes.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Taxable Bonds should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Taxable Bonds as well as gain on the sale of a Taxable Bond.

Backup Withholding. Under Section 3406 of the Code, a Beneficial Owner of the Taxable Bonds who is a United States person may, under certain circumstances, be subject to "backup withholding" (currently at a rate of 24 percent) on current or accrued interest on the Taxable Bonds or with respect to proceeds received from a disposition of the Taxable Bonds. This withholding applies if such Beneficial Owner of Taxable Bonds: (i) fails to furnish to the payor such Beneficial Owner's social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such Beneficial Owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and

that such Beneficial Owner is not subject to backup withholding. To establish status as an exempt person, a Beneficial Owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the Beneficial Owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. BENEFICIAL OWNERS OF THE TAXABLE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the Service.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a Beneficial Owner of the Taxable Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as "portfolio interest." Interest will be treated as portfolio interest if (i) the Beneficial Owner provides a statement to the payor certifying, under penalties of perjury, that such Beneficial Owner is not a United States person and providing the name and address of such Beneficial Owner, (ii) such interest is treated as not effectively connected with the Beneficial Owner's United States trade or business, (iii) interest payments are not made to a person within a foreign country which the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Taxable Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such Beneficial Owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such Beneficial Owner is not a bank receiving interest on the Taxable Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Taxable Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to Beneficial Owners or intermediaries who have furnished Form W-8 BEN, Form W-8 BEN-E, Form W-8 EXP, or Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to "foreign passthru payments" but no earlier than two years after the date of publication of final regulations defining the term "foreign passthru payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Taxable Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In addition, each fiduciary of a Plan ("Plan Fiduciary") must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Fixed Rate Bonds, including the role that such an investment in the Fixed Rate Bonds would play in the Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Fixed Rate Bonds, must be satisfied that such investment in the Fixed Rate Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Fixed Rate Bonds, are diversified so as to minimize the risk of large losses and that an investment in the Fixed Rate Bonds complies with the documents of the Plan and related trust, to the extent that such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Fixed Rate Bond.

SECTION VIII: RATINGS

The Fixed Rate Bonds are rated "AAA" by S&P with a stable outlook, "AAA" by Fitch with a stable outlook and "Aa1" by Moody's with a negative outlook. Such ratings reflect only the views of S&P, Fitch and Moody's from which an explanation of the significance of such ratings may be obtained. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the Rating Agency originally establishing the rating, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Fixed Rate Bonds.

SECTION IX: APPROVAL OF LEGALITY

The legality of the authorization of the Fixed Rate Bonds will be affirmed by the approving legal opinions of Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to the Authority. Reference should be made to the form of each such opinion as set forth in APPENDIX E-1 and APPENDIX E-2 hereto for the matters covered by each such opinion and the scope of each Co-Bond Counsel's engagement in relation to the issuance of the Fixed Rate Bonds.

Certain legal matters are being passed upon for the Authority by the New York City Corporation Counsel.

Hawkins Delafield & Wood LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Special Disclosure Counsel to the Authority, will pass upon certain legal matters in connection with the preparation of this Offering Circular.

Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, New York, New York, and Holley & Pearson-Farrer LLP, New York, New York, co-counsel for the Underwriters.

SECTION X: FINANCIAL ADVISORS

Public Resources Advisory Group, New York, New York, and Frasca & Associates, LLC, New York, New York, are acting as financial advisors to the Authority in connection with the issuance of the Fixed Rate Bonds.

SECTION XI: FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the years ended June 30, 2025 and 2024 included in APPENDIX B to this Offering Circular have been audited by CBIZ CPAs P.C., independent certified public accountants, as stated in their report appearing therein. CBIZ CPAs P.C., the Authority's independent auditor, has not reviewed, commented on or approved, and is not associated with, this Offering Circular. The report of CBIZ CPAs P.C. relating to the Authority's financial statements for the years ended June 30, 2025 and 2024, which is a matter of public record, is included in this Offering Circular. However, CBIZ CPAs P.C. has not performed any procedures on any financial

statements or other financial information of the Authority, including without limitation any of the information contained in this Offering Circular, since the date of such report and has not been asked to consent to the inclusion of its report in this Offering Circular.

SECTION XII: CONTINUING DISCLOSURE UNDERTAKING

To the extent that Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC") promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), requires underwriters (as defined in the Rule), including the Underwriters, to determine, as a condition to purchasing the securities, that the Authority will make such covenants, the Authority will covenant as follows:

The Authority shall provide:

(a) within 185 days after the end of each Fiscal Year, to the Electronic Municipal Market Access system ("EMMA") (http://emma.msrb.org) established by the Municipal Securities Rulemaking Board (the "MSRB"), core financial information and operating data for the prior fiscal year, including (i) the Authority's audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) material historical quantitative data on the Authority's revenues, expenditures, financial operations and indebtedness, generally of the types found under "SECTION II" and "SECTION III" herein; and

(b) in a timely manner not in excess of 10 Business Days after the occurrence of the event, to EMMA, notice of any of the following events with respect to the Fixed Rate Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;

(7) modifications to rights of security holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Fixed Rate Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Authority; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan

of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

(13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation (as defined below) of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect Holders of the Fixed Rate Bonds, if material;

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties; and

(17) failure by the Authority to comply with clause (a) above.

"Financial Obligation" means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B) but shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority will not undertake to provide any notice with respect to (1) credit enhancement if the credit enhancement is added after the primary offering of the Fixed Rate Bonds, the Authority does not apply for or participate in obtaining the enhancement and the enhancement is not described in the applicable offering circular; (2) a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, if (a) the terms, dates and amounts of redemption are set forth in detail in the applicable offering circular, (b) the only open issue is which securities will be redeemed in the case of a partial redemption, (c) notice of redemption is given to the Holders as required under the terms of the Indenture and (d) public notice of the redemption is given pursuant to Release No. 23856 of the SEC under the 1934 Act, even if the originally scheduled amounts may be reduced by prior optional redemptions or purchases; or (3) tax exemption other than pursuant to the Act or Section 103 of the Code.

No Holder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the continuing disclosure undertaking (the "Undertaking") or for any remedy for breach thereof, unless such Holder shall have filed with the Authority evidence of ownership and a written notice of and request to cure such breach, the Authority shall have refused to comply within a reasonable time and such Holder stipulates that (a) no challenge is made to the adequacy of any information provided in accordance with the Undertaking and (b) no remedy is sought other than substantial performance of the Undertaking. All Proceedings shall be instituted only as specified herein, in the federal or State courts located in the Borough of Manhattan, State and City of New York, and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

An amendment to the Undertaking may only take effect if:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted; the Undertaking, as amended, would have complied with the requirements of the Rule at the time of award of a series of bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Holders of bonds, as determined by parties unaffiliated with the Authority (such as, but without limitation, the Authority's financial advisors or Co-Bond Counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the

SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) all or any part of the Rule, as interpreted by the staff of the SEC on the date of the Undertaking ceases to be in effect for any reason, and the Authority elects that the Undertaking shall be deemed terminated or amended (as the case may be) accordingly.

For purposes of the Undertaking, a beneficial owner of a bond includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares investment power which includes the power to dispose, or to direct the disposition of, such bond, subject to certain exceptions as set forth in the Undertaking. Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

SECTION XIII: UNDERWRITING

The Fixed Rate Bonds are being purchased by the Underwriters, for whom Ramirez & Co., Inc. is acting as Lead Manager.

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Fixed Rate Bonds from the Authority, pursuant to a Contract of Purchase dated the date of this Offering Circular (the "Contract of Purchase"), at an aggregate underwriting discount of $8,489,406.85 and to make an initial public offering of the Fixed Rate Bonds at prices that are not in excess of the initial public offering prices set forth on the inside cover pages of this Offering Circular, plus accrued interest, if any. The Contract of Purchase provides that the Underwriters will purchase all of the Fixed Rate Bonds if any are purchased.

The delivery of each of the Subseries G-1 Bonds, the Subseries G-2 Bonds and the Series H Bonds is dependent upon the delivery of each other subseries and series.

The Fixed Rate Bonds may be offered and sold to certain dealers (including the other Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Authority as Underwriters) for the distribution of the Fixed Rate Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

SECTION XIV: VERIFICATION

The accuracy of (i) the mathematical computations of the adequacy of the maturing principal of and interest earned on the government obligations to be held in escrow to provide for the payment of the principal, interest and redemption premium, if any, on the Refunded Bonds identified in APPENDIX D and (ii) certain mathematical

computations supporting the conclusion that the Tax-Exempt Bonds are not "arbitrage bonds" under the Code will be verified by Precision Analytics Inc., as verification agent.

SECTION XV: LEGAL INVESTMENT

Pursuant to the Act, the Bonds and Notes of the Authority are securities in which all public officers and bodies of the State and all public corporations, municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, conservators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. Pursuant to the Act, the Bonds and Notes may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

SECTION XVI: MISCELLANEOUS

The references herein to the Act, the Indenture, the Undertaking and the Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the Act, the Indenture, the Undertaking and the Agreement for full and complete statements of such provisions. Copies of the Act, the Indenture, the Undertaking and the Agreement are available at the offices of the Trustee.

The agreements of the Authority with holders of the Bonds are fully set forth in the Indenture. Neither any advertisement of the Bonds nor this Offering Circular is to be construed as a contract with purchasers of the Fixed Rate Bonds.

The delivery of this Offering Circular has been duly authorized by the Authority.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

APPENDIX A

SUMMARY OF INDENTURE AND AGREEMENT

This summary of the Indenture and the Agreement, each as proposed to be in effect upon the delivery of the Fixed Rate Bonds, is qualified in its entirety by reference to such documents, copies of which are available from the Authority.

Definitions. The following terms, among others, are defined in the Indenture, the Assignment or the Agreement:

"**Accounts**" means the School Bond Account, the Parity Debt Account, the Collection Account, the Bond Account, the Redemption Account and such other Accounts as may be established and so designated pursuant to the Indenture.

"**Act**" means the New York City Transitional Finance Authority Act, as in effect from time to time, and as the context requires, other provisions of Chapter 16 of the laws of New York 1997, as amended, and the School Financing Act.

"**Agreement**" means the Financing Agreement dated October 1, 1997, between the Authority and the City, as amended, supplemented and in effect from time to time.

"**Alternative Revenues**" means (i) sales and compensating use taxes that the City is authorized by the State to impose and (ii) taxes imposed pursuant to §1107 of the Tax Law; and successor taxes.

The term "**ancillary contracts**" means contracts entered into pursuant to law by the Authority or for its benefit or the benefit of any of the Beneficiaries to facilitate the issuance, sale, resale, purchase, repurchase or payment of Bonds or Notes, including bond insurance, letters of credit and liquidity facilities.

"**Annual School Bond Debt Service**" means the total amount required to be paid from the School Bond Account in a Fiscal Year, based on School Bonds Outstanding and to be issued.

"**Assignment**" means the Assignment of State Aid dated October 19, 2006, as amended, and includes each further assignment of State aid by the City to the Authority pursuant to the School Financing Act.

"**Authorized Officer**" means: (i) in the case of the Authority, the Chairperson, the Executive Director, the General Counsel, the Treasurer (who shall be the chief fiscal officer for purposes of the School Financing Act), each Deputy Treasurer or Assistant Treasurer, the Secretary, each Deputy Secretary or Assistant Secretary, their successors in office, and any other person authorized to act under the Indenture by appropriate written notice to the Trustee, and (ii) in the case of the Trustee, any officer assigned to the corporate trust office, including any managing director, vice president, assistant vice president, assistant treasurer, assistant secretary or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and having direct responsibility for the administration of the Indenture, and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"**Beneficiaries**" means Bondholders and, to the extent specified in the Indenture, Noteholders and the parties to and beneficiaries of ancillary and swap contracts.

"**Bondholders**," "**Holders**," "**Noteholders**" and similar terms mean the registered owners of the Bonds and Notes from time to time as shown on the books of the Authority, and, to the extent specified by Series Resolution, the owners of bearer Bonds and Notes.

"**Bonds**" means all obligations issued by the Authority as bonds.

"**Build America Bonds**" or "**BABs**" means build America bonds under Section 54AA of the Tax Code.

"**Building Aid**" means the State school building aid described in the Assignment.

"**Building Aid Subaccount**" means the subaccount of the Collection Account so designated and held by the Trustee pursuant to the Indenture.

"**Business Day**" means, subject to the Series Resolutions, a day (a) other than a day on which commercial banks in The City of New York, New York, are required or authorized by law or executive order to close and (b) on which neither the City nor the New York Stock Exchange is closed.

"**Capital Financing Need**" means a period during which and only the extent to which the issuance of Bonds or Notes in accordance with the Act would assist the City in meeting its capital needs as determined by the Mayor pursuant to the Act.

"**Collection Quarter**" means the three months beginning each August, November, February and May.

"**Competing Claims**" include all claims to, and diversions, reductions and withholdings of, Education Aid adverse to the Authority, such as: (x) claims of (i) holders of general obligation bonds of the City issued for school purposes; and (ii) the New York City Educational Construction Fund with respect to the restoration of its debt service reserve fund relating to its outstanding bonds; and (y) State withholdings or recoveries of Education Aid for the City's failure to provide certain educational services (e.g., courses in special areas, certain number of instructional days, certain health services, services for handicapped students, administrative practices or willful disobedience of certain laws or directives) or to otherwise correct errors or omissions in apportionments of Education Aid pursuant to Subdivision 5 of Section 3604 of the Education Law, as statutorily mandated.

"**Confirmed Building Aid**" means Building Aid statutorily required to be paid to the Authority with respect to approved projects, subject to appropriation, but not to any other statutory or administrative conditions or approvals, and which shall be calculated in accordance with the State Covenant and with the building aid ratios applicable to such projects at the date of calculation.

"**Counsel**" means nationally recognized bond counsel or such other counsel as may be selected by the Authority for a specific purpose.

"**Debt Service**" or "**Senior Debt Service**" means interest, redemption premium, purchase price to the extent provided by Officer's Certificate, Sinking Fund Requirements and (without duplication) principal payments due on or on account of Outstanding Senior Bonds and (to the extent provided by Series Resolution) Notes and amounts payable from the Bond Account on Senior Agreements. Principal of Notes and termination payments on swap contracts shall be deemed Debt Service only to the extent expressly specified in the text of a Series Resolution.

"**Defeasance Collateral**" means money and (A) non-callable direct obligations of the United States of America, non-callable and non-prepayable direct federal agency obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America, non-callable direct obligations of the United States of America which have been stripped by the United States Treasury itself or by any Federal Reserve Bank (not including "CATS," "TIGRS" and "TRS" unless the Authority obtains Rating Confirmation with respect thereto) and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form, and shall exclude investments in mutual funds and unit investment trusts;

(B) obligations timely maturing and bearing interest (but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof);

(C) certificates evidencing ownership of the right to the payment of the principal of or interest on obligations described in clause (B), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee in a segregated trust account in the trust department separate from the general assets of such custodian;

(D) bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, and (ii) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (A), (B), (C) or (E) which fund may be applied only to the payment when due of such bonds or other obligations; and

(E) with respect to Bonds issued on and after (x) March 24, 2004, or reoffered on or after January 29, 2021, direct obligations of, or obligations guaranteed as to timely payment of principal and interest by, FHLMC, FNMA, or the Federal Farm Credit System and (y) August 2, 2010, or reoffered on or after January 29, 2021, all obligations described in clause (ii) of the definition of Eligible Investments.

"**Defeased Bonds**" means legally defeased Bonds or Notes and other Bonds or Notes that remain in the hands of their Holders but are no longer deemed Outstanding.

"**Education Aid**" means all State aid that may be forwarded to the Paying Agent for the benefit of the Holders of School Bonds and School Notes pursuant to §99-b of the State Finance Law.

"**Electronic Means**" means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other electronic means.

"**Eligible Investments**" means the following obligations to the extent they are legal for investment of money under the Indenture pursuant to any applicable provision of the Act:

(i) Defeasance Collateral;

(ii) direct obligations of, or obligations guaranteed as to timely payment of principal and interest by, FHLMC, FNMA, the Federal Home Loan Bank System or the Federal Farm Credit System;

(iii) demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank, if such deposits or instruments are rated A-1+ by S&P and the long-term unsecured debt obligations of the institution holding the related account has one of the two highest ratings available for such securities by Moody's;

(iv) general obligations of, or obligations guaranteed by, any state of the United States or the District of Columbia receiving one of the two highest long-term unsecured debt ratings available for such securities by Moody's and S&P;

(v) commercial or finance company paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that is rated A-1+ by S&P and in one of the two highest categories by Moody's;

(vi) repurchase obligations with respect to any security described in clause (i) or (ii) above entered into with a broker/dealer, depository institution or trust company (acting as principal) meeting the rating standards described in clause (iii) above;

(vii) securities bearing interest or sold at a discount that are issued by any corporation incorporated under the laws of the United States of America or any state thereof and rated in one of the two highest categories by Moody's and either A-1+ or in one of the two highest long-term categories by S&P at the time of such investment or contractual commitment providing for such investment; provided, however, that securities issued by any such corporation will not be Eligible Investments to the extent that investment therein would cause the then outstanding principal amount of securities issued by

such corporation that are then held to exceed 20% of the aggregate principal amount of all Eligible Investments then held;

(viii) units of taxable money market funds which funds are regulated investment companies and seek to maintain a constant net asset value per share and have been rated in one of the two highest categories by Moody's and at least AAm or AAm-G by S&P, including, if so rated, any fund which the Trustee or an affiliate of the Trustee serves as an investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee charges and collects fees and expenses (not exceeding current income) from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to the Indenture, and (c) services performed for such funds and pursuant to the Indenture may converge at any time (the Authority specifically authorizes the Trustee or an affiliate of the Trustee to charge and collect all fees and expenses from such funds for services rendered to such funds, in addition to any fees and expenses the Trustee may charge and collect for services rendered pursuant to the Indenture);

(ix) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, at the time such agreement or contract is entered into, in one of its two highest rating categories for comparable types of obligations by Moody's and S&P; or

(x) investment agreements with a corporation whose principal business is to enter into such agreements if (a) such corporation has been assigned a counterparty rating by Moody's in one of the two highest categories and S&P has rated the investment agreements of such corporation in one of the two highest categories and (b) the Authority has an option to terminate each agreement in the event that such counterparty rating is downgraded below the two highest categories by Moody's or the investment agreements of such corporation are downgraded below the two highest categories by S&P;

provided that no Eligible Investment may evidence the right to receive only interest with respect to prepayable obligations underlying such instrument or be purchased at a price greater than par if such instrument may be prepaid or called at a price less than its purchase price prior to its stated maturity.

"**Federal Subsidy**" means Revenues, paid or payable to the Authority or its assignee by the United States Treasury in respect of BABs or QSCBs pursuant to Section 6431 of the Tax Code, or such other federal subsidy as may be identified by Series Resolution.

"**FHLMC**" means the Federal Home Loan Mortgage Corporation.

"**Fiduciary**" means the Trustee, any representative of the Holders of Notes or Subordinate Bonds appointed by Series Resolution, or any Paying Agent, including each fiscal agent.

"**First Month Requirement**" means, for any account funded by Tax Revenues, one-half of Quarterly Senior Debt Service or one-half of Quarterly Subordinate Debt Service payable therefrom, plus any amount payable therefrom in the current Payment Period and any overdue Sinking Fund Requirement.

The term "**fiscal agent**" means each Paying Agent (initially the Trustee) designated by the Authority to act as registrar and transfer agent.

"**Fiscal Year**" means each 12-month period beginning July 1.

"**FNMA**" means the Federal National Mortgage Association.

"**Full Requirement**" means, for any account funded by Tax Revenues, the Quarterly Senior Debt Service or Quarterly Subordinate Debt Service payable therefrom, plus any amount payable therefrom in the current Payment Period and any overdue Sinking Fund Requirement.

"**Incremental Building Aid**" means Building Aid that is not Confirmed Building Aid.

"**Indenture**" means the Amended and Restated Original Indenture entered into as of October 1, 1997, as supplemented, and as amended and restated, between the Authority and the Trustee.

"**LFL**" means the Local Finance Law of the State, as amended from time to time.

"**Majority in Interest**" means the Holders of a majority of the Outstanding Bonds or Notes eligible to act on a matter, measured by face value at maturity unless otherwise specified in a Series Resolution.

The term "**maximum annual debt service on the Bonds**" means the greatest amount of interest, Sinking Fund Requirements and (without duplication) principal payments on Outstanding Bonds (including Subordinate Bonds and Senior Bonds but excluding Notes and ancillary and swap contracts, whether or not payments thereon are Debt Service) payable in the current or any future fiscal year.

"**Moody's**" means Moody's Investors Service; references to Moody's are effective so long as Moody's is a Rating Agency.

"**MOU**" means the Memorandum of Understanding relating to the Education Aid, dated as of October 26, 2006, among the Authority, the City, the State Comptroller and the State Education Department.

"**Net Building Aid**" means Confirmed Building Aid, net of any Competing Claims that the Authority expects to be applied against the Building Aid.

"**Notes**" means all obligations issued by the Authority as Notes under the Indenture.

"**Officer's Certificate**" means a certificate signed by an Authorized Officer of the Authority or the City.

The term "**operating expenses**" means all expenses incurred by the Authority in the administration of the Authority including but not limited to salaries, administrative expenses, insurance premiums, auditing and legal expenses, fees and expenses incurred for professional consultants and fiduciaries, payments on Notes and swap and ancillary contracts not paid as Costs or from the Bond Account, transfers to pay or service Subordinate Bonds, and all operating expenses so identified by Supplemental Indenture.

"**Outstanding**," when used to modify Bonds or Notes, refers to Bonds or Notes issued under the Indenture, excluding: (i) Bonds or Notes which have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment; (ii) Bonds or Notes which have been paid; (iii) Bonds or Notes which have become due and for the payment of which money has been duly provided; (iv) Bonds or Notes for which there has been irrevocably set aside sufficient Defeasance Collateral timely maturing and bearing interest, to pay or redeem them; and if any such Bonds or Notes are to be redeemed prior to maturity, the Authority shall have taken all action necessary to redeem such Bonds or Notes and notice of such redemption shall have been duly mailed in accordance with the Indenture or irrevocable instructions so to mail shall have been given to the Trustee; (v) Bonds and Notes the payment of which shall have been provided for pursuant to the defeasance provisions of the Indenture; and (vi) for purposes of any consent or other action to be taken by the Holders of a Majority in Interest or specified percentage of Bonds or Notes, Bonds or Notes held by or for the account of the Authority, the City or any person controlling, controlled by or under common control with either of them.

"**Parity Debt**" means Bonds or Notes payable from the Parity Debt Account.

"**Parity Debt Account**" means the Account established under the Indenture to provide for the payment of Debt Service on Parity Debt.

"**Payment Period**" means the three months following each Collection Quarter.

"**Personal Income Taxes**" means the taxes paid or payable to the Authority pursuant to §873 and §1313 of the Tax Law or a successor statute.

"**Project Capital Costs**" or "**Costs**" means (i) costs, appropriated in the capital budget of the City pursuant to Chapters 9 and 10 of the City Charter, as amended from time to time, providing for the construction, reconstruction, acquisition or installation of physical public betterments or improvements which would be classified as capital assets under generally accepted accounting principles for municipalities, or (ii) the costs of any preliminary studies, surveys, maps, plans, estimates and hearings, or (iii) incidental costs, including legal fees, printing or engraving, publication of notices, taking of title, apportionment of costs, and interest during construction, or (iv) any underwriting or other costs incurred in connection with the financing thereof, but (v) to the extent financed by School Bonds or School Notes, only School Capital Costs.

"**Projects**" means the projects identified in Exhibit A to the Agreement and all other projects, any costs of which are included in a Transitional Capital Plan pursuant to the Act, and financed, by payment or reimbursement, with the proceeds of Bonds or Notes.

"**Qualified School Construction Bonds**" or "**QSCBs**" means qualified school construction bonds under Section 54F of the Tax Code.

"**Qualified Swap**" means an ancillary or swap contract with a counterparty (i) the debt securities of which are rated in one of the two highest long-term debt rating categories by S&P or (ii) the obligations of which under the contract are either guaranteed or insured by an entity the debt securities or insurance policies of which are so rated or (iii) the debt securities of which are rated in the third highest long-term debt rating category by S&P or whose obligations are guaranteed or insured by an entity so rated, in either case the obligations of which under the contract are continuously and fully secured by Eligible Investments meeting criteria provided by S&P to the Authority and then in effect.

"**Quarterly Debt Service**" or "**Quarterly Senior Debt Service**" means, as of any date, Senior Debt Service for the following Payment Period, as certified to the Trustee by Officer's Certificate.

"**Quarterly Subordinate Debt Service**" means, as of any date, Subordinate Debt Service for the following Payment Period, as certified to the Trustee by Officer's Certificate.

"**Rating Agency**" means each nationally recognized statistical rating organization that has, at the request of the Authority, a rating in effect for the unenhanced Senior Bonds.

"**Rating Category**" means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"**Rating Confirmation**" means evidence that no Senior Bond rating in effect from a Rating Agency will be withdrawn or reduced solely as a result of an action to be taken under the Indenture.

"**Remaining Building Aid**" means the Authority's projection of the balance of Net Building Aid to be received in the current Fiscal Year, based on the latest estimates from the State and such other information as the Authority deems relevant.

"**Revenues**" means the Tax Revenues (including Alternative Revenues paid or payable to the Authority), the Building Aid and all aid, rents, fees, charges, payments and other income and receipts (other than Note or Bond proceeds) paid or payable to the Authority or the Trustee for the account of the Authority.

"**Sales Taxes**" means Alternative Revenues.

"**School Bond Account**" means the account so designated and held by the Trustee pursuant to the Indenture.

"**School Bond Rating Confirmation**" means evidence that no School Bond rating in effect at the request of the Authority from a nationally recognized statistical rating organization will be withdrawn or reduced in Rating Category solely as a result of an action to be taken under the Indenture.

"**School Bonds**" means School Obligations issued as Bonds.

"**School Capital Costs**" means Costs referred to in the School Financing Act.

"**School Financing Act**" means part A-3 of chapter 58 of the 2006 laws of New York, as it may be amended and in effect from time to time.

"**School Notes**" means School Obligations issued as Notes, which shall mature within 13 months from their date of issue.

"**School Obligations**" means bonds, notes, swaps and ancillary contracts payable from the School Bond Account.

"**Senior Agreements**" means ancillary and swap contracts to the extent that amounts are payable thereon from the Bond Account pursuant to a Series Resolution.

"**Senior Bonds**" means all Bonds issued as Senior Bonds in compliance with the provisions of the Indenture.

"**Series**" means all Notes or Bonds so identified in a Series Resolution, regardless of variations in maturity, interest rate or other provisions, and any Notes or Bonds thereafter delivered in exchange or replacement therefor.

"**Series Fiscal Year**" means each Fiscal Year in which School Bonds of a Series are scheduled to be Outstanding; in which, unless otherwise specified by Series Resolution, each payment of principal or interest shall be made on July 15 or January 15.

"**Sinking Fund**" means each Sinking Fund Subaccount under the Indenture. To the extent necessary for compliance with the Authority's tax covenants and other provisions of the Indenture and the Act, the Authorized Officers of the Authority may subdivide each such subaccount in respect of separate categories or issues of Sinking Fund Bonds.

"**Sinking Fund Bonds**" means Bonds so designated by Series Resolution that are issued pursuant to the Indenture, the Act and such provisions of the LFL as are not inappropriate to be applied to the Sinking Fund Bonds.

"**Sinking Fund Requirement**" means each annual scheduled contribution to a Sinking Fund for the redemption, at or prior to maturity, of Sinking Fund Bonds of a Series. The Authority may apply or credit against any Sinking Fund Requirement the principal amount of any Bonds to which that Sinking Fund Requirement applies (or, to the extent permitted by Series Resolution, other Bonds) that have been purchased or redeemed and not previously so applied or credited.

"**State**" means the State of New York.

"**Statutory Revenues**" means the Personal Income Taxes and the Sales Taxes.

"**Subordinate Agreements**" means ancillary and swap contracts to the extent that such contracts are not Senior Agreements.

"**Subordinate Bonds**" or "**Subordinate**" means all Bonds but Senior Bonds.

"**Subordinate Debt Service**" means interest, redemption premium, purchase price to the extent provided by Officer's Certificate, Sinking Fund Requirements and (without duplication) principal payments due on or on account of Outstanding Parity Debt issued as Bonds and interest on Parity Debt issued as Notes.

The term "**swap contract**" or "**swap**" means an interest rate exchange or similar agreement entered into by the Authority with Rating Confirmation by S&P pursuant to the Act and any appropriate provisions of the LFL that are applicable to the City and made applicable to the Authority by the Act.

"**S&P**" means S&P Global Ratings; references to S&P are effective so long as S&P is a Rating Agency.

"**Tax Code**" or "**Code**" means the Internal Revenue Code of 1986, as amended.

"**Tax-Exempt Bonds**" or "**Tax-Exempt Notes**" means all Bonds or Notes so identified in any Series Resolution.

"**Tax Revenue Subaccount**" means the subaccount of the Collection Account so designated and held by the Trustee pursuant to the Indenture.

"**Tax Revenues**" means the Personal Income Taxes and such other revenues, including Alternative Revenues (but excluding Building Aid), as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State.

"**Transitional Capital Plan**" means such plan in effect pursuant to the Act.

"**Unfunded Balance**," with respect to the Building Aid, means Annual School Bond Debt Service remaining to be paid in a Fiscal Year, plus Annual School Bond Debt Service for the following Fiscal Year, minus the amount held in the School Bond Account, but not less than zero.

"**Written Notice**," "**written notice**" or "**notice in writing**" means notice in writing which may be delivered by hand or first class mail and also means facsimile transmission. So long as the Bonds are held under a book-entry system, any notice to the registered owner may be given by Electronic Means with full force and effect.

THE INDENTURE

Directors, State and City Not Liable on Notes or Bonds. Neither the Directors of the Authority nor any person executing Notes, Bonds or other obligations of the Authority shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance thereof.

The Notes, Bonds and other obligations of the Authority shall not be a debt of either the State or the City, and neither the State nor the City shall be liable thereon, nor shall they be payable out of any funds other than those of the Authority; and the Notes and Bonds shall contain on the face thereof a statement to such effect.

Security and Pledge. Pursuant to the Act, the Authority assigns and pledges to the Trustee (a) the Revenues, (b) all rights to receive the Revenues (including the Statutory Revenues) and the proceeds of such rights, (c) all money, contract rights, general intangibles and Accounts held by the Trustee, (d) the covenants of the City and the State in the Indenture, in the Agreement, in the Assignment and in the Act, and (e) any and all other property of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security. Except as specifically provided in the Indenture, this assignment and pledge does not include: (i) the rights of the Authority pursuant to provisions for consent or other action by the Authority, notice to the Authority, indemnity or the filing of documents with the Authority, or otherwise for its benefit and not for that of the Beneficiaries, or (ii) any right or power reserved to the Authority pursuant to the Act or other law. The Authority will implement, protect and defend this pledge by all appropriate legal action, the cost thereof to be an operating expense. The preceding, and all pledges and security interests made and granted by the Authority pursuant to the Indenture, are immediately valid, binding and perfected to the full extent provided by the Act. The foregoing collateral is pledged and a security interest is therein granted, to secure the payment of Bonds, Notes, and payments in respect of Senior Agreements and Subordinate Agreements; provided, however, that the pledge and security interest granted to secure the Authority's obligation to pay Subordinate Bonds and Subordinate Agreements shall be subject and subordinate to the pledge and security interest granted to secure Debt Service, and all Revenues, including the Building Aid, shall be applied in accordance with the Indenture. The lien of such pledge and the obligation to perform the contractual provisions made by the Indenture shall have priority over any or all other obligations and liabilities of the Authority secured by the Revenues. The Authority shall not incur any obligations, except as authorized by the Indenture, secured by a lien on the Revenues or Accounts equal or prior to the lien of the Indenture.

Defeasance of the Indenture. When (a) there is held by or for the account of the Trustee Defeasance Collateral in such principal amounts, bearing interest at such rates and with such maturities as will provide sufficient funds to pay or redeem all obligations to Beneficiaries in full (to be verified by a nationally recognized firm of verification agents or independent certified public accountants), (b) if any Bonds or Notes are to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bonds or Notes and notice of such redemption shall have been duly given or irrevocable instructions to give notice shall have been given to the Trustee, and (c) all the rights of the Authority and the Trustee have been provided for, then upon written notice from the Authority to the Trustee, the Beneficiaries shall cease to be entitled to any benefit or security under the Indenture except the right to receive payment of the funds so held and other rights which by their nature cannot be satisfied prior to or simultaneously with termination of the lien, the security interests created by the Indenture (except in such funds and investments) shall terminate, and the Authority and the Trustee shall execute and deliver such instruments as may be necessary to discharge the Trustee's lien and security interests.

Legal Defeasance of Particular Bonds. If (a) any Bonds or Notes are identified as legally defeased in a Series Resolution pursuant to the Indenture, (b) there is held by or for the account of the Trustee Defeasance Collateral in such principal amounts, bearing fixed interest at such rates and with such maturities as will provide sufficient funds to pay or redeem all obligations to the Holders of such Bonds in full (to be verified by a nationally recognized firm of verification agents or independent certified public accountants), (c) the Authority has taken all action necessary to redeem any such Bonds or Notes to be redeemed prior to maturity and notice of such redemption has been duly given or irrevocable instructions to give notice have been given to the Trustee, and (d) unless otherwise specified by Series Resolution at issuance of the Bonds or Notes to be defeased, the Authority has delivered to the Trustee an opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts (if any), in the same manner and at the same times as would have been the case if such legal defeasance had not occurred, *then* the Authority's obligations under the Indenture with respect to such Bonds or Notes shall terminate, the debt represented

thereby shall be legally satisfied, and the Holders shall cease to be entitled to any benefit or security under the Indenture except the right to receive payment of the funds so held and other rights which by their nature cannot be satisfied until such Bonds or Notes are actually paid. Upon such defeasance, the funds and investments required to pay or redeem the Bonds or Notes shall be irrevocably set aside for that purpose, and money held for defeasance shall be invested only as described above and applied to the retirement of the Bonds or Notes.

Notes and Bonds of the Authority. By Series Resolution complying procedurally and in substance with the Act and the Indenture, the Authority may authorize, issue, sell and deliver (i) Bonds or (ii) Notes in anticipation thereof, from time to time in such principal amounts as the Authority shall determine to be necessary, to provide sufficient funds to meet a Capital Financing Need, including paying and reimbursing Project Capital Costs, and funding reserves to secure Notes or Bonds; and may issue Notes or Bonds to renew or refund Notes or Bonds, by exchange, purchase, redemption or payment, and establish such escrows therefor as it may determine.

Bonds and Notes may be issued only:

(i) as Senior Bonds (or Notes in anticipation thereof) to pay or reimburse Project Capital Costs or refund or renew such Bonds or Notes, but not to exceed $12 billion in Outstanding principal amount, and subject to a $330 million limit on Quarterly Debt Service to be payable, or

(ii) as Subordinate Bonds (or Notes in anticipation thereof), with Rating Confirmation; but

(iii) no Series of Senior Bonds shall be authenticated and delivered without Rating Confirmation except upon receipt by the Trustee of the following:

(w) a certificate by the Director of Management and Budget setting forth the most recent collections for the 12 consecutive calendar months ended not more than two months prior to the date of such certificate, of the Statutory Revenues, in effect at the date of issuance of such Series of Bonds, collected by the State and to be payable to the Authority; and

(x) an Officer's Certificate of the Authority setting forth

(I) the aggregate amount of Debt Service (excluding any accrued or capitalized interest), including such series of Bonds, for each Fiscal Year such Bonds will be Outstanding,

(II) the aggregate amount of operating expenses as estimated by an Authorized Officer of the Authority for the current Fiscal Year, and

(III) that the amounts set forth pursuant to clause (w) after deducting the operating expenses set forth pursuant to clause (x)(II), will be at least three times such aggregate amount set forth in clause (x)(I) for each Fiscal Year set forth pursuant to clause (x)(I).

Each interest rate on Outstanding and proposed variable-rate Bonds or Notes (if not economically fixed), shall be assumed at the maximum rate payable to investors other than parties to an ancillary contract.

The Notes and Bonds shall bear such dates and shall mature at such times as the Authority may provide pursuant to the Act. The Notes and Bonds shall bear interest at such fixed or variable rates, and shall be in such denomination, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place and be subject to such terms of redemption as the Authority may provide pursuant to the Act. The Notes and Bonds may be sold by the Authority at public or private sale pursuant to the Act.

Documents to be Delivered to Trustee. The Authority may from time to time request the authentication and delivery of a Series of Bonds or Notes by providing to the Trustee (among other things) the following:

(a) an Officer's Certificate to the effect that there is no default that will remain uncured immediately following such delivery, nor an uncured failure of the State or the City to comply with their respective agreements provided for in the Act, as in effect at the date of the Indenture; and

(b) an opinion of Counsel as to the due authorization, execution and delivery by the Authority of the Indenture and each relevant Supplemental Indenture; to the effect that the Series Resolution is in full force and effect and that the Bonds or Notes are valid and binding obligations of the Authority secured by the pledge of the Indenture; and after delivery of the first series of Bonds, to the effect that the issuance of the Bonds or Notes will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds or Tax-Exempt Notes theretofore issued (as set forth in the opinions delivered with such prior Bonds or Notes).

Ancillary and Swap Contracts. Pursuant to the Act, the Authority may enter into, amend or terminate, as it determines to be necessary or appropriate, any ancillary or swap contracts, including Senior Agreements, to facilitate the issuance, sale, resale, purchase, repurchase or payment of Bonds or Notes. The Authority may by Series Resolution provide for the payment through the Bond Account of amounts due on ancillary and swap contracts.

Bond Anticipation Notes. Whenever the Authority shall authorize the issuance of a Series of Bonds, the Authority may, by Series Resolution, authorize the issuance of Notes and renewals thereof in anticipation of such Series of Bonds. The interest on such Notes and renewals thereof may be made payable from the proceeds of such Notes, from the Bond Account, from the Parity Debt Account, from the School Bond Account or from the proceeds of renewal notes or the Series of Bonds in anticipation of which such Notes are issued. The proceeds of such renewal notes or Bonds may be pledged for the payment of the principal of or interest on such Notes, and any such pledge shall have a priority over any other pledge of such proceeds created by the Indenture. The Authority may also pledge the Revenues and, subject to the Indenture, the Accounts, to the payment of the principal of such Notes.

Parity Debt. The Authority may from time to time request the authentication and delivery of a Series of Parity Debt by providing to the Trustee (among other things) the following at the delivery of Bonds or of Notes in anticipation thereof (but not both):

(i) a certificate by the Director of Management and Budget setting forth the collections for the most recent Fiscal Year ended at least two months prior to the date of such certificate, of the Statutory Revenues collected by the State and to be payable to the Authority; and

(ii) an Officer's Certificate of the Authority setting forth (x) the sum of $1.32 billion and the aggregate amount of Subordinate Debt Service, including such Series of Bonds (assumed, at the delivery of Notes, to be issued at the Note maturity and to amortize over 30 years at an interest rate of 7%, with level debt service), for each Fiscal Year such Bonds will be Outstanding and (y) that the amounts set forth pursuant to clause (i) will be at least 3 times the sum set forth in clause (ii)(x) for each Fiscal Year set forth pursuant to clause (ii)(x).

School Bonds and School Notes. The Authority may from time to time request the authentication and delivery of a Series of School Bonds or School Notes by providing to the Trustee (among other things) the following at the delivery of such Bonds or of Notes in anticipation thereof (but not both) an Officer's Certificate setting forth:

(i) Annual School Bond Debt Service, including debt service on such Series of Bonds (assumed, at the delivery of Notes, to be issued at or prior to the Note maturity and to amortize and bear interest as specified in such Officer's Certificate) in each Series Fiscal Year, and

(ii) the Confirmed Building Aid payable in the Fiscal Year preceding each Series Fiscal Year, which shall be at least equal to the amount set forth in clause (i) for each Series Fiscal Year.

Each interest rate on Outstanding and proposed variable-rate Bonds or Notes (if not offset or economically fixed by a Qualified Swap, a liquidity account, or otherwise with School Bond Rating Confirmation), shall be assumed at the maximum rate payable to investors other than parties to an ancillary contract.

Project Capital Costs. Proceeds of the sale of the Bonds and Notes issued for capital purposes shall be promptly deposited in the Project Fund established under the Agreement to the extent set forth by Series Resolution, and applied to finance Project Capital Costs pursuant to the Act. The Authority shall transfer (i) its earnings on the Project Fund and (ii) after payment of all Costs of Issuance of a Series of Bonds, any excess amounts in the Costs of Issuance account of the Project Fund, to the Collection Account as Building Aid or Tax Revenues, or otherwise apply such earnings or excess amounts in accordance with the Tax Code pursuant to Officer's Certificate.

Federal Proceeds Subaccount. A Build America Subaccount has been established in the Project Fund, and redesignated the Federal Proceeds Subaccount. Proceeds of BABs, QSCBs and other federally subsidized Bonds shall be deposited in such subaccount and all money therein, including earnings, shall be applied in compliance with the Tax Code, the Indenture and the advice of Counsel. To the extent necessary for such compliance, the Authorized Officers of the Authority may subdivide such subaccount in respect of separate categories or issues of federally subsidized Bonds.

Limited Purpose of Indenture. The Indenture provides for the issuance and payment of the Authority's obligations and the financing and refinancing of Project Capital Costs. Except as set forth in the Agreement, the Authority, the City and the Trustee shall have no liability to each other or to the Beneficiaries for the construction, reconstruction, acquisition, installation, physical condition, ownership or operation of any Project.

Application of Revenues. Provision is made in the Act for the payment to the Authority of the Revenues, and the Authority has requested the State Comptroller to make such payments to the Collection Account to be held by the Trustee. Any Revenues received by the Authority shall be promptly deposited in the Collection Account. Two subaccounts are established in the Collection Account: the Tax Revenue Subaccount and the Building Aid Subaccount. The transfers and payments of Revenues shall be appropriately adjusted by Officer's Certificate to reflect expected Revenues, the date of issue of Notes or Bonds, any accrued or capitalized interest deposited in the Accounts, actual rates of interest, any amount needed or held in the Accounts for Debt Service or other obligations, and any purchase or redemption of Notes or Bonds, so that there will be available on each payment date the amount necessary to pay Debt Service and other obligations from the designated source of Revenues and so that accrued or capitalized interest will be applied to the installments of interest to which it is applicable.

Bond Account. A Bond Account is established with the Trustee and money shall be deposited therein as provided in the Indenture. Accrued interest received upon the sale of Notes (if so specified by Series Resolution) or Senior Bonds shall be deposited in the Bond Account. The money in the Bond Account shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of Senior Debt Service. If at any time the amount held in the Bond Account exceeds the Full Requirement, the Trustee shall transfer such excess to the Collection Account as Tax Revenues. The Trustee shall pay, or transfer money from the Bond Account to a Paying Agent in time for the Paying Agent to pay Debt Service when due in same-day funds.

Redemption Account. A Redemption Account is established with the Trustee and money shall be deposited therein as provided in the Indenture. The money and investments in such Account shall be held in trust and, except as otherwise specified in the Indenture, shall be applied by the Trustee to the redemption of Bonds and Notes. Upon direction by Officer's Certificate of the Authority, the Trustee shall apply money in the Redemption Account to the purchase of Bonds and Notes for cancellation at prices not exceeding (unless so directed by Officer's Certificate of the Authority) the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not with money required to pay Bonds or Notes for which notice of redemption has been given. Accrued interest on the purchase of Bonds and Notes may be paid from the Bond Account (if so payable under the Indenture) or as directed by Officer's Certificate of the Authority.

When money in the Redemption Account is to be applied to the redemption of Notes or Bonds, the Trustee shall pay, or transfer such money to a Paying Agent in time for the Paying Agent to pay, such Notes or Bonds when due in same-day funds.

If on any date the amount in the Bond Account is less than the amount then required to be applied to pay Debt Service then due, the Trustee shall apply the amount in the Redemption Account (other than any sum irrevocably set aside for particular Notes or Bonds no longer Outstanding) to the extent necessary to meet the deficiency.

Redemption of the Bonds and Notes. The Authority may redeem Bonds and Notes at its option in accordance with their terms and shall redeem Bonds and Notes in accordance with their terms pursuant to any mandatory redemption ("sinking fund") requirements established by Series Resolution. When Bonds or Notes are called for redemption, the accrued interest thereon shall become due on the redemption date. To the extent not otherwise provided, the Authority shall deposit with the Trustee on or prior to the redemption date a sufficient sum to pay the redemption price and accrued interest.

The Authority shall not by purchase or optional redemption cause Quarterly Debt Service to exceed $330 million unless either cash is on hand therefor, held by the Authority or in the Redemption Account, or this limit has been modified by Officer's Certificate of the Authority with Rating Confirmation.

Unless otherwise specified by Series Resolution, there shall, at the option of the Authority, be applied to or credited against any sinking fund requirement the principal amount of any such Bonds that have been defeased, purchased or redeemed and not previously so applied or credited. Defeased Bonds shall, at the option of the Authority, no longer be entitled, but may be subject, to the provisions thereof for mandatory redemption.

When Bonds or Notes are to be redeemed prior to maturity, the Trustee shall give notice in the name of the Authority, which notice shall identify the Bonds or Notes to be redeemed, state the date fixed for redemption and state that such Bonds or Notes will be redeemed at the corporate trust office of the Trustee or a Paying Agent. The notice shall further state that on such date there shall become due and payable upon each Bond or Note to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that money therefor having been deposited with the Trustee or Paying Agent, from and after such date, interest thereon shall cease to accrue. The Trustee shall give 30 days' notice by mail, or otherwise transmit the redemption notice in accordance with the Indenture and any appropriate provisions of the LFL, to the registered owners of any Bonds or Notes which are to be redeemed, at their addresses shown on the registration books of the Authority. Such notice may be waived by any Holder of Bonds or Notes to be redeemed. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, shall not affect the redemption of any other Bond or Note.

Unless otherwise specified by Series Resolution: (i) if less than all the Outstanding Bonds or Notes of like Series and maturity are to be redeemed, the particular Bonds or Notes to be redeemed shall be selected by the Trustee by such method as it shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to any authorized denominations) of the principal of Bonds or Notes of a denomination larger than the minimum authorized denomination, and (ii) the Trustee shall redeem any and all Bonds or Notes held by the provider of an ancillary contract prior to any other Bonds or Notes redeemed hereunder unless otherwise directed by Officer's Certificate of the Authority.

No Bonds or Notes may be optionally redeemed from the Building Aid Subaccount unless the Unfunded Balance is zero.

Investments. Pending its use under the Indenture, money in the Accounts may be invested by the Trustee in Eligible Investments maturing or redeemable at the option of the holder at or before the time when such money is expected to be needed and shall be so invested pursuant to written direction of the Authority if there is not then an Event of Default known to the Trustee. Investments shall be held by the Trustee in the respective Accounts and shall be sold or redeemed to the extent necessary to make payments or transfers from each Account.

Cash deposits in the Accounts shall be secured as and to the extent described in Sections 10.3 and 12 of the General Municipal Law of the State, as amended from time to time.

Except as otherwise specified, any interest realized on investments in any Account and any profit realized upon the sale or other disposition thereof shall be credited to the Collection Account. Interest realized on investments in the Building Aid Subaccount or the School Bond Account and any profits realized upon the sale or other disposition thereof shall be credited to the Building Aid Subaccount.

The Trustee may hold undivided interests in Eligible Investments for more than one Account (for which they are eligible) and may make interfund transfers in kind.

If any money is invested under the Indenture and a loss results therefrom so that there are insufficient funds to pay Debt Service or to redeem Bonds or Notes called for redemption, then the deficiency shall be timely filled from Revenues (as Debt Service if so payable under the Indenture).

Parity Debt Account. A Parity Debt Account is established with the Trustee and money shall be deposited therein as provided in the Indenture or by Officer's Certificate. The money in the Parity Debt Account shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of Parity Debt. If at any time the amount held in the Parity Debt Account exceeds the Full Requirement, the Trustee shall transfer such excess to the Collection Account as Tax Revenues. The Trustee shall pay, or transfer money from the Parity Debt Account to a Paying Agent in time for such Paying Agent to pay Parity Debt when due in same-day funds.

School Bond Account. A School Bond Account is established with the Trustee and money shall be deposited therein as provided in the Indenture or by Officer's Certificate. The money in the School Bond Account shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of School Obligations. If at any time the Unfunded Balance is zero, the Trustee shall transfer any amount in the School Bond Account to the Collection Account as Building Aid. The Trustee shall pay, or transfer money from the School Bond Account to a Paying Agent in time for such Paying Agent to pay School Obligations when due in same-day funds.

Application of Tax Revenues. (a) Provision is made in the Act for the payment to the Authority of the Tax Revenues, and the Authority has requested the State Comptroller to make such payments to the Collection Account for application under the Indenture. Any Tax Revenues received by the Authority or the Trustee shall be promptly deposited in the Tax Revenue Subaccount and shall be applied upon receipt by the Trustee, in the following order of priority: *first* to the Bond Account to pay Debt Service pursuant to the Indenture; *second* to the Authority's operating expenses, which may include deposits to the Redemption Account for optional redemption and reserves to be held by the Authority for payment of operating expenses, in such amounts as may be determined by Officer's Certificate; *third* pursuant to Supplemental Indentures for the benefit of Noteholders, Subordinate Bondholders and parties to ancillary and swap contracts, to the extent such Supplemental Indentures may require application of Tax Revenues to pay items after payment of Debt Service and operating expenses; *fourth* pursuant to an Officer's Certificate; and *fifth* daily or as soon as practicable but not later than the last day of each month, to the order of the City, free and clear of the lien of the Indenture.

(b) At the beginning of each Collection Quarter, the Trustee shall begin to transfer all Tax Revenues from the Tax Revenue Subaccount to the Bond Account and shall continue such transfers until the amount in the Bond Account is equal to the First Month Requirement. On the first day of the second month of each Collection Quarter, the Trustee shall resume or continue such transfers until the Full Requirement is held in the Bond Account. To the extent that Quarterly Debt Service includes principal, interest or premium on Bonds or Notes to be purchased or redeemed prior to maturity, such Debt Service may be paid through the Redemption Account, and the Authority may by Officer's Certificate direct the Trustee in writing to transfer Revenues thereto, rather than to the Bond Account.

(c) Pursuant to the third level of priority: at the beginning of each Collection Quarter, the Trustee shall begin to transfer all Tax Revenues to the Parity Debt Account, and shall continue such transfers until the amount in the Parity Debt Account is equal to the First Month Requirement; and on the first Business Day of the second month of each Collection Quarter, the Trustee shall resume or continue such transfers, until the Full Requirement is held in the Parity Debt Account. To the extent that Quarterly Subordinate Debt Service includes principal, interest or premium on Bonds or Notes to be purchased or redeemed prior to maturity, or Revenues are available to pay principal of Notes, such amounts may be paid through the Redemption Account or an escrow fund, and the Authority may by Officer's Certificate direct the Trustee to transfer Revenues thereto.

The Authority may by Officer's Certificate estimate interest payable at a variable rate, or treat anticipated receipts from a Qualified Swap as offsets to amounts payable.

All Revenues shall be applied to pay Debt Service and other amounts then overdue pursuant to those provisions of the Indenture summarized below under "*Application of Money*."

A Sinking Fund Subaccount is established in each of the Bond Account and the Parity Debt Account for the redemption, at or prior to maturity, of such Sinking Fund Bonds as may be made payable therefrom. Tax Revenues

shall be deposited in each Sinking Fund pursuant to the Sinking Fund Requirements specified by Series Resolution, which deposits may be adjusted to recognize early retirement of Bonds and earnings and profits on Eligible Investments in each Sinking Fund (if required by the Authority's tax covenants or directed by Officer's Certificate to be retained therein) and shall be provided for as Quarterly Senior Debt Service or Quarterly Subordinate Debt Service. Unless otherwise specified by Officer's Certificate, interest on the Sinking Fund Bonds shall be payable from the Bond Account or the Parity Debt Account (exclusive of each Sinking Fund).

Application of Building Aid. (a) Provision is made by the Act and the Assignment for the payment to the Authority of the Confirmed Building Aid and the Incremental Building Aid, and the Authority has requested the State Comptroller to make such payments to the Collection Account. Building Aid received by the Authority or the Trustee shall be promptly deposited in the Building Aid Subaccount and shall be applied by the Trustee pursuant to the Indenture, in the following order of priority, as implemented in part by provisions described below: first to the Authority's operating expenses, which may include reserves to be held by the Authority for payment of operating expenses, in such amounts as may be determined by Officer's Certificate, but excluding operating expenses properly allocable to Senior Bonds, Senior Agreements and Parity Debt; second to School Obligations; third pursuant to an Officer's Certificate; and fourth daily or as soon as practicable but not later than the last day of each month, to the order of the City, free and clear of the lien of the Indenture.

(b) Money in the Building Aid Subaccount shall be retained therein until transferred to the School Bond Account beginning the first day when the Remaining Building Aid is not more than 110% of the Unfunded Balance, and continuing until the day when the Unfunded Balance is zero; and to the order of the City, if no transfer to the School Bond Account is required.

A Sinking Fund Subaccount is established in the School Bond Account for the redemption, at or prior to maturity, of such Sinking Fund Bonds as may be made payable therefrom. Building Aid shall be deposited in such Sinking Fund pursuant to the Indenture, which deposits may be adjusted to recognize early retirement of Bonds and earnings and profits on Eligible Investments in the Sinking Fund (if required by the Authority's tax covenants or directed by Officer's Certificate to be retained therein) and shall be provided for as Annual School Bond Debt Service. Unless otherwise specified by Officer's Certificate, interest on the Sinking Fund Bonds shall be payable from the School Bond Account (exclusive of the Sinking Fund).

Application of Federal Subsidy. A Federal Subaccount and a BAB Subaccount have been established in the Collection Account, and redesignated the Federal Collection Subaccount and the Federal Bond Subaccount, respectively. The Federal Subsidy shall be deposited in the Federal Collection Subaccount and retained therein until transferred as directed by Officer's Certificate, to the Federal Bond Subaccount or, to the order of the City.

Money in the Federal Bond Subaccount shall be applied to principal of and interest on Bonds (not including Tax-Exempt Bonds unless such application is permitted by the Authority's tax covenants) or, if so directed by Officer's Certificate, paid to the order of the City.

Contract; Obligations to Beneficiaries. In consideration of the purchase and acceptance of any or all of the Bonds and Notes and ancillary and swap contracts by those who shall hold the same from time to time, the provisions of the Indenture shall be a part of the contract of the Authority with the Beneficiaries, and shall be deemed to be and shall constitute contracts among the Authority, the Trustee, the City to the extent specified in the Agreement, the Beneficiaries from time to time and, to the extent specified in the Act, the State. The pledge made in the Indenture and the covenants therein set forth to be performed by the Authority, the City and the State shall be for the equal benefit, protection and security of the Beneficiaries of the same priority. All of the Bonds or Notes or ancillary or swap contracts of the same priority, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any thereof over any other except as expressly provided pursuant to the Indenture and the Act.

The Authority shall pay when due all sums payable on the Bonds and Notes, from the Revenues and money designated in the Indenture, subject only to (i) the Act and the Indenture, and (ii) to the extent permitted by the Act and the Indenture, (x) agreements with Holders of Outstanding Bonds and Notes pledging particular collateral for the payment thereof and (y) the rights of Beneficiaries under ancillary and swap contracts. The obligation of the Authority to pay principal, interest and redemption premium, if any, to the Holders of Bonds and Notes shall be absolute and

unconditional, shall be binding and enforceable in all circumstances whatsoever, and shall not be subject to setoff, recoupment or counterclaim. The Authority shall also pay its operating expenses.

Enforcement. The Authority shall enforce or cause the Trustee to enforce by appropriate legal proceedings, each covenant, pledge or agreement made by the City or the State in the Indenture or in or pursuant to the Act for the benefit of any of the Beneficiaries, including the Assignment and the related provisions of the School Financing Act.

The Authority shall:

(1) protect and defend, as an operating expense, its and the Trustee's claim to every material portion of the Building Aid, and the Fiduciaries shall cooperate therein at the Authority's expense;

(2) with the Fiduciaries, as aforesaid, and the City pursuant to the Assignment (a) contest any Competing Claim to any material portion of the Building Aid that (i) it deems factually or legally unfounded, or (ii) is based on constitutional, statutory or regulatory ambiguity, on any provision of the Education Law, or on any action or failure to act of the City; and (b) cooperate with the Holders in filing and prosecuting any claim made by Holders under §99-b of the State Finance Law and in opposing any Competing Claim;

(3) provide the calculations contemplated by the MOU; and

(4) not agree to any modification of the MOU that is materially adverse to the Holders of the School Bonds. Without limitation, a modification that receives School Bond Rating Confirmation is not materially adverse to such Holders.

Sales Taxes. For each fiscal year of the City for which the Mayor has given a notice to the State Comptroller pursuant to the State Covenant in the Act, the Authority shall request the State Comptroller to schedule payments of Sales Taxes to the Authority, based on the Authority's projections of Personal Income Taxes and debt service, so that the Authority will receive Tax Revenues in each Collection Quarter sufficient to pay its obligations payable therefrom but in all events at least equal to the Quarterly Debt Service. Such requests shall be modified, as often as necessary, to reflect experience and revised projections.

Federal Subsidy. The Authority shall take all actions as may be required, under the Tax Code or otherwise, (1) for timely receipt of the Federal Subsidy and (2) fully to preserve, maintain, defend, protect and confirm the interest of the Trustee in the Federal Subsidy. The Authority will not take any action that will adversely affect the Trustee's ability to receive the Federal Subsidy and will promptly pay over to the Trustee any Federal Subsidy received by the Authority.

Tax Covenant. The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on Tax-Exempt Bonds and Tax-Exempt Notes shall be excludable from gross income for federal income tax purposes pursuant to §103(a) of the Tax Code; and no funds of the Authority shall at any time be used directly or indirectly to acquire securities or obligations the acquisition or holding of which would cause any Tax-Exempt Bond or Tax-Exempt Note to be an arbitrage bond as defined in such Code and any applicable Regulations issued thereunder. If and to the extent required by the Code, the Authority shall periodically, at such times as may be required to comply with the Code, pay from the Project Fund or as an operating expense the amount, if any, required by the Code to be rebated thereto or paid as a related penalty.

Accounts and Reports. (a) The Authority shall:

(1) cause to be kept books of account in which complete and accurate entries shall be made of its transactions relating to all funds and accounts under the Indenture, which books shall at all reasonable times be subject to the inspection of the City, the Trustee and the Holders of an aggregate of not less than 25% in principal amount of Bonds and Notes then Outstanding or their representatives duly authorized in writing;

(2) annually, within 185 days after the close of each fiscal year, deliver to the Trustee and each Rating Agency, a copy of its audited financial statements for such fiscal year;

(3) keep in effect at all times an accurate and current schedule of all Quarterly Debt Service to be payable during the life of then Outstanding Bonds, Notes and Senior Agreements secured by the Bond Account; of Remaining Building Aid, and of amounts payable from the Parity Debt Account and the School Bond Account; certifying for the purpose such estimates as may be necessary; and

(4) deliver to each Rating Agency a quarterly statement of cash flows, including Revenues received, transfers to the Accounts, Bonds and Notes issued, and payments of principal and interest, and an annual statement of the State's costs in administering, collecting and distributing the Tax Revenues.

(b) To implement the State Covenant, the Chairperson of the Authority shall, not less than 30 days prior to the beginning of each City fiscal year, certify to the State Comptroller, the Governor, and the Directors of the Authority a schedule of maximum annual debt service payments due on the Bonds and Notes respectively then Outstanding.

(c) The Authority shall deliver to the Trustee and each Rating Agency, not less often than quarterly, an Officer's Certificate showing (i) Revenues on a pro-forma basis for the current fiscal year and each of the two preceding fiscal years, as received, expected and adjusted as if current statutes had been in effect for the three-year period; (ii) Debt Service to be paid in the next three fiscal years; and (iii) whether such Revenues are at least 150% of such Debt Service.

Ratings. Unless otherwise specified by Series Resolution, the Authority shall pay such reasonable fees and provide such available information as may be necessary to obtain and keep in effect ratings on all the Senior Bonds and the School Bonds from at least two nationally recognized statistical rating organizations.

No Other Business. The Authority shall not engage in any line of business not contemplated by the Act.

City Covenant. The Authority includes in the Indenture the City's pledge and agreement with the Holders of the Outstanding Bonds and Notes that the City will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds and Notes until such Bonds and Notes, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. This City Covenant shall not be deemed to restrict any right the City may have to amend, modify or otherwise alter local laws imposing or relating to the Personal Income Taxes so long as, after giving effect to such amendment, modification or other alteration, the amount of Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall not be less than 150% of maximum annual debt service on the Bonds.

No Indebtedness or Funds of City. The Indenture does not constitute indebtedness of the City for purposes of §20.00 of the LFL or any constitutional or statutory limitation. The Authority's revenues are not funds of the City.

State Covenants and Tax Contract. The Authority includes in the Indenture:

(a) the State's pledge and agreement with the Holders of Outstanding Bonds and Notes that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with the Holders, or in any way impair the rights and remedies of such Holders or the security for the Bonds and Notes until such Bonds and Notes, together with the interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged;

(b) the further terms of §2799-ii of the Act to the effect that: Nothing contained in this covenant shall be deemed to restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the

Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the members of the Board of Directors of the Authority a schedule of maximum annual debt service payments due on the Bonds and Notes then Outstanding. To the extent that Personal Income Taxes payable to the Authority during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds then Outstanding, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service on the Bonds. Nothing in this covenant shall be deemed to obligate the State to make any additional payments or impose any taxes to satisfy the obligations of the Authority;

(c) subdivision 4 of §2799-tt of the Act (added by the School Financing Act) to the effect that: The State Covenant shall be fully applicable to School Bonds and School Notes and may be included in any agreement with the Holders thereof. Nothing contained in this covenant shall be deemed to restrict the right of the State to amend, modify, repeal or otherwise alter statutes relating to the Building Aid, but such Building Aid shall in all events (i) continue to be so payable, as assigned, so long as any such Building Aid is paid and (ii) continue to be calculated in accordance with the same formula used for such calculation, and otherwise on the same basis as such aid is calculated, on the date that the applicable project is approved for reimbursement;

(d) the last paragraph of §99-b of the State Finance Law (as amended by the School Financing Act) to the effect that: The State hereby covenants with the Holders of the School Bonds and School Notes that it will not repeal, revoke or rescind the provisions of this section or amend or modify the same so as to limit, impair or impede the rights and remedies granted hereby; provided, however, that nothing in this section shall be deemed or construed as requiring the State to continue the payment of aid or assistance to any city, city school district or school district or as limiting or prohibiting the State from repealing or amending any law heretofore or hereafter enacted relating to aid or assistance, the manner and time of payment or apportionment thereof, or the amount thereof; and

(e) the tax contract of the State in the Act, to the effect that: "It is hereby determined that the creation of the Authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the state of New York and is a public purpose. Accordingly, the Authority shall be regarded as performing an essential governmental function in the exercise of the powers conferred upon it by this title, and the Authority shall not be required to pay any fees, taxes, special ad valorem levies or assessments of any kind, including, but not limited to, franchise taxes, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this title, or upon or with respect to any fares, tolls, rentals, rates, charges, fees, revenues or other income received by the Authority. Any Bonds issued pursuant to this title together with the income therefrom shall at all times be exempt from taxation. The State hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the Authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the Authority issued pursuant to this title and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such bonds shall at all times be free from taxation."

Authority Acknowledgments. (a) The Authority acknowledges that the City's covenants and pledge and agreement for the benefit of the Holders, and the State Covenant and Tax Contract, constitute important security provisions of the Outstanding Bonds and Notes, and to the fullest extent permitted by applicable federal and State law, waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support the assertion by the City, the State or any other person of, any such claim to the contrary.

(b) By acknowledging that the City's covenants and pledge and agreement for the benefit of the Holders, and the State Covenant and Tax Contract, constitute important security provisions of the Bonds and Notes, the Authority also acknowledges, to the fullest extent permitted by applicable federal and State law, that, in the event of any failure or refusal by the City or the State to comply therewith, the Holders of the Bonds or Notes may have suffered monetary damages, the extent of the remedy for which may be, to the fullest extent permitted by applicable federal and State law, determined, in addition to any other remedy available at law or in equity, in the course of any action taken pursuant to the Indenture; and to the fullest extent permitted by applicable federal and State law, the Authority waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or

indirectly assert, nor in any manner directly or indirectly support the assertion by the City, the State or any other person of, any claim to the effect that no such monetary damages have been suffered.

(c) The Authority confirms that the acknowledgments and agreements summarized forth in paragraphs (a) and (b) above have been included as a result of negotiations with the underwriters of the first series of Bonds and may further acknowledge in any Series Resolution if and the extent to which any provision of the Indenture has been amended, or any provision of such Series Resolution has been included therein, as a result of the same or similar negotiations.

Rights and Duties of the Fiduciaries. The Fiduciaries shall not be required to monitor the financial condition of the Authority or the physical condition of any Project and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with them under the Indenture, except to make them available for inspection by Beneficiaries.

Upon a failure of the Authority to make a payment of Debt Service when due or a failure actually known to an Authorized Officer of the Trustee to make any other required payment within 7 days after the same becomes due and payable, the Trustee shall give written notice thereof to the Authority. The Trustee shall give notices of default when instructed to do so by the written direction of another Fiduciary or the owners of at least 25% in principal amount of the Outstanding Senior Bonds or with respect to specified events, if actually known to an Authorized Officer of the Trustee. The Trustee shall proceed under the Indenture for the benefit of the Holders in accordance with the written directions of a Majority in Interest of the Outstanding Senior Bonds. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred therein.

The Trustee shall give notices of default under the City Covenant when instructed to do so by the written direction of another Fiduciary or the owners of at least 25% in principal amount of the Outstanding School Bonds; of if the Event of Default or other event is actually known to an Authorized Officer of the Trustee. The Trustee shall proceed under the remedy provisions of the Indenture for the benefit of the Holders in accordance with the written directions of a Majority in Interest of the Outstanding School Bonds.

Upon receipt of written notice, direction or instruction and indemnity, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedy provided by the Indenture or any such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Holders, and in its actions under this sentence, the Trustee shall act for the protection of the Holders with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

Each Fiduciary shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. Each Fiduciary may rely conclusively on any notice, certificate or other document furnished to it under the Indenture and reasonably believed by it to be genuine. A Fiduciary shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under the Indenture or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by a Fiduciary is called for by the Indenture, the Fiduciary may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act.

The Authority shall, as an operating expense, indemnify and save each Fiduciary harmless against any expenses and liabilities (including reasonable legal fees and expenses) that it may incur in the exercise of its duties under the Indenture and that are not due to its negligence or bad faith. This paragraph shall survive the discharge of the Indenture or the earlier resignation or removal of such Fiduciary.

Any fees, expenses, reimbursements or other charges which any Fiduciary may be entitled to receive from the Authority, if not otherwise paid, shall be a first lien upon (but only upon) any funds held by the Trustee for payment of operating expenses.

Paying Agents. The Authority designates the Trustee a Paying Agent. The Authority may appoint additional Paying Agents, generally or for specific purposes, may discharge a Paying Agent from time to time and may appoint a successor. The Authority shall designate a successor if the Trustee ceases to serve as Paying Agent. Each Paying Agent shall be a bank or trust company eligible under the Act, and unless otherwise provided by Series Resolution, shall have a capital and surplus of not less than $50,000,000 and be registered as a transfer agent with the Securities and Exchange Commission. The Authority shall give notice of the appointment of a successor to the Trustee as Paying Agent in writing to each Beneficiary shown on the books of the Trustee. A Paying Agent may but need not be the same person as the Trustee. Unless otherwise provided by the Authority, the Trustee as Paying Agent shall act as Bond and Note registrar and transfer agent. Each Paying Agent shall act as paying agent with respect to any allotments, apportionments or payments forwarded to it by the State pursuant to §99-b of the State Finance Law.

Resignation or Removal of the Trustee. The Trustee may resign on not less than 30 days' written notice to the Authority and the Holders. The Trustee will promptly certify to the Authority that it has given written notice to all Holders and such certificate will be conclusive evidence that such notice was given as required by the Indenture. The Trustee may be removed by written notice from the Authority (if not in default) or a Majority in Interest of the Outstanding Senior Bonds to the Trustee and the Authority. Such resignation or removal shall not take effect until a successor has been appointed.

Successor Fiduciaries. Any corporation or association which succeeds to the municipal corporate trust business of a Fiduciary as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights, powers and duties thereof under the Indenture, without any further act or conveyance.

In case a Fiduciary resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of a Fiduciary or of its property is appointed, or if a public officer takes charge or control of a Fiduciary, or of its property or affairs, then such Fiduciary shall with due care terminate its activities and a successor may, or in the case of the Trustee shall, be appointed by the Authority. If no appointment of a successor Trustee is made within 45 days after the giving of written notice of resignation or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee shall be a trust company or a bank having the powers of a trust company, located in the State, having a capital and surplus of not less than $50,000,000.

No Statutory Trustee. Pursuant to the Act, the rights of the Holders of Bonds and Notes to appoint a statutory trustee are abrogated.

Fiduciaries for Notes and Subordinate Bonds. The Authority may by Series Resolution provide for the appointment of a Fiduciary (which may be the Trustee) to represent the Holders of Notes or Subordinate Bonds, having powers and duties not inconsistent with the Indenture or the Act.

Registered Owners. The enumeration of certain provisions applicable to DTC as Holder of immobilized Notes and Bonds shall not be construed in limitation of the rights of the Authority and each Fiduciary to rely upon the registration books in all circumstances and to treat the registered owners of Notes and Bonds as the owners thereof for all purposes not otherwise specifically provided for by law or in the Indenture. Notwithstanding any other provisions of the Indenture, any payment to the registered owner of a Note or Bond shall satisfy the Authority's obligations thereon to the extent of such payment.

Events of Default; Default. "Event of Default" in the Indenture means any one of the events set forth below and "default" means any Event of Default without regard to any lapse of time or notice.

(a) The Authority shall fail to pay when due any interest, principal or redemption premium on a Note or Bond.

(b) The Authority shall fail to make any other required payment to the Trustee or other Fiduciary and such failure is not remedied within 7 days after written notice thereof is given by the Trustee or other Fiduciary to the Authority.

(c) The Authority shall fail to observe or perform any of its other agreements, covenants or obligations under the Indenture and such failure is not remedied within 30 days after written notice thereof is given by the Trustee to the Authority.

(d) Specified events of insolvency or bankruptcy of the Authority.

(e) The State shall (i) amend, alter, repeal or fail to comply with the State Covenant or its tax contract in the Act as in effect on the date of issuance of the first Series of Bonds or (ii) enact a moratorium or other similar law affecting the Bonds or Notes or (iii) amend, modify, repeal or otherwise alter, in any material respect, (y) the requirement of §1313 of the Tax Law that: "The comptroller, after reserving such refund fund and such costs shall, commencing on or before the fifteenth day of each month, pay to the New York City transitional finance authority on a daily basis the balance of Personal Income Taxes" or (z) the requirement of §2799-ii of the Act that: "To the extent that the tax revenues payable to the authority under section thirteen hundred thirteen of the tax law during such fiscal year are projected by the mayor to be insufficient to meet at least one hundred fifty percent of maximum annual debt service on authority bonds then outstanding, the mayor shall so notify the state comptroller and the state comptroller shall pay to the authority from" Alternative Revenues such amount as is necessary to provide at least 150% of the maximum annual debt service on the Bonds.

(f) The State Comptroller shall fail or refuse to comply with any provision of law in effect for the benefit of the Authority.

(g) The City shall fail to observe or perform any of its agreements, covenants or obligations under the Agreement for the benefit of the Holders and such failure is not remedied within 30 days after written notice thereof is given by the Trustee to the City and the Authority or by the Authority to the Trustee and the City.

(h) Any Officer's Certificate delivered pursuant to paragraph (c) described in "*Accounts and Reports*" above shall show estimated Revenues to be less than 150% of Debt Service.

Remedies of the Trustee. If an Event of Default occurs and is continuing: (1) The Trustee may, and upon written request of the Holders of 25% in principal amount of the Senior Bonds Outstanding shall, in its own name by action or proceeding in accordance with the Civil Practice Law and Rules: (a) enforce all rights of the Holders and require the Authority or, to the extent permitted by law, the State or the City to carry out its agreements with the Holders and to perform its duties under the Act; (b) sue upon such Bonds and Notes; (c) require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds and Notes; and (d) enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds and Notes. (2) The Trustee shall, in addition, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Act or incident to the general representation of Holders in the enforcement and protection of their rights. (3) If such Event of Default is described in clause (a), (d), (e)(iii) or (h) under "*Events of Default; Default*" above, the Trustee shall (a) give written notice thereof to the Authority, the Holders, specified public officials and public bodies so stated in the Indenture, and (b) if so directed by a Majority in Interest of the Senior Bonds, and having given 30 days' notice to the Authority, declare the principal amount of all Bonds and Notes to be, and the same shall become, due and payable.

Note and Subordinate Bond Remedies. Subject to the prior application of the Accounts to pay Debt Service and to the Indenture, the Holders of Notes or Subordinate Bonds, other Beneficiaries, or a Fiduciary appointed for them, may enforce the provisions of the Indenture for their benefit by appropriate legal proceedings.

School Bond Remedies. To the extent not inconsistent with the Act or the Indenture as in effect prior to the issuance of the first Series of School Bonds: if (i) there occurs and is continuing any Event of Default, or (ii) the State shall amend, alter, repeal or fail to comply with its covenant respecting the Building Aid, or (iii) the City shall fail to observe or perform any of its agreements, covenants or obligations under the Assignment for the benefit of the Holders

and such failure is not remedied within 30 days after written notice thereof is given by the Trustee to the City and the Authority or by the Authority to the Trustee and the City, then:

(a) The Trustee may, and upon written request of the Holders of 25% in principal amount of the School Bonds Outstanding shall, in its own name by action or proceeding in accordance with the Civil Practice Law and Rules;

(1) enforce all rights of the Holders and require the Authority or, to the extent permitted by law, the State or the City to carry out its agreements with the Holders and to perform its duties under the Act;

(2) sue upon such Bonds and Notes;

(3) require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds and Notes; and

(4) enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds and Notes.

(b) The Trustee shall have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in the Act or incident to the general representation of Holders of School Bonds and School Notes in the enforcement and protection of their rights.

Individual Remedies. No one or more Holders shall by his or their action affect, disturb or prejudice the pledge created by the Indenture, or enforce any right under the Indenture, except in the manner therein provided; and all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided therein and for the equal benefit of all Beneficiaries of the same class; but nothing in the Indenture shall affect or impair the right of any Holder of any Bond or Note to enforce payment of the principal thereof, premium, if any, or interest thereon at and after the maturity thereof, or the obligation of the Authority to pay such principal, premium, if any, and interest on each of the Bonds and Notes to the respective Holders thereof at the time, place, from the source and in the manner expressed in the Indenture and in the Bonds and Notes.

Venue. The venue of every action, suit or special proceeding against the Authority shall be laid in the County of New York.

Waiver. If the Trustee determines that a default has been cured before the entry of any final judgment or decree with respect to it, the Trustee may waive the default and its consequences, by written notice to the Authority, and shall do so upon written instruction of the Holders of at least 25% in principal amount of the Outstanding Senior Bonds.

Application of Money. If available money in the Accounts is not sufficient on any day to pay all Debt Service, Subordinate Bonds and Subordinate Agreements then due or overdue, such money (subject to the payment of Bonds or Notes no longer Outstanding and to the priorities established by the Indenture) shall be applied *first* to the Trustee's fees and other costs of collecting and applying the Revenues and administering the accounts; *second* to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest which became due at the same time), and if the amount available shall not be sufficient to pay in full any installment or installments of interest or obligations with respect to Senior Agreements maturing on the same date, then to the payment thereof ratably, according to the amounts due in respect of each item of Debt Service without priority or preference of any item over any other; *third* to the payment of principal (including sinking fund installments) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due), and if the amount available shall not be sufficient to pay in full all principal, premium or obligations with respect to Senior Agreements maturing on the same date, then to the payment thereof ratably, according to the amounts due in respect of each item of Debt Service without priority or preference of any item over any other; and *fourth* to the payment of any Notes (to the extent not paid as Debt Service), Subordinate Bonds and Subordinate Agreements then due and, if the amounts available are insufficient to pay in full all such subordinated payment obligations, then to the payment thereof ratably, in accordance with the priorities established by the Indenture

but otherwise without preference or priority of any such item over any other. For this purpose, Debt Service on Senior Agreements shall be characterized in accordance with their financial terms and interest on overdue principal shall be treated as coming due on the first day of each month. Whenever money is to be applied pursuant to this provision of the Indenture, such money shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Upon the exercise of such discretion the Trustee shall fix the date (which shall be the first of a month unless it deems another date more suitable) upon which such application is to be made, and upon such date interest on the principal then provided for shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. When interest or a portion of the principal is to be paid on an overdue Bond or Note, the Trustee may require presentation of the Bond or Note for endorsement of the payment.

Supplements and Amendments. (a) The Indenture may be

(1) supplemented by delivery to the Trustee of an instrument certified by an Authorized Officer of the Authority and executed or approved by the Mayor and Comptroller to the extent, if any, required by the Act, to (A) provide for earlier or greater deposits into the Bond Account, (B) subject any property to the lien of the Indenture, (C) add to the covenants and agreements of the Authority or surrender or limit any right or power of the Authority, (D) identify particular Notes or Bonds for purposes not inconsistent with the Indenture including credit or liquidity support, remarketing, serialization and defeasance, or (E) authorize Bonds or Notes of a Series and in connection therewith determine the matters referred to in the Indenture and any other things relative to such Bonds or Notes that are not prejudicial to the Holders, or to modify or rescind any such authorization or determination at any time prior to the first authentication and delivery of such Series of Bonds or Notes; or

(2) amended by the Authority and the Trustee with the approval of the Mayor and Comptroller to the extent, if any, required by the Act, (A) to cure any ambiguity or defect, (B) to add provisions that are not prejudicial to the Holders, (C) to adopt amendments that do not take effect unless and until (i) no Bonds or Notes Outstanding prior to the adoption of such amendment remain Outstanding or (ii) such amendment is consented to by the Holders of such Bonds or Notes in accordance with the Indenture, or (D) pursuant to paragraph (b) summarized below.

(b) Except as described in the foregoing paragraph (a), the Indenture may be amended (1) only with the written consent of a Majority in Interest of the Bonds issued as Parity Debt, the School Bonds, the Senior Bonds and the Notes of each category (each acting as a separate class) to be Outstanding at the effective date thereof and affected thereby; but (2) only with the unanimous written consent of the affected Holders for any of the following purposes: (A) to extend the maturity of any Bond or Note, (B) to reduce the principal amount or interest rate of any Bond or Note, (C) to make any Bond or Note redeemable other than in accordance with its terms, (D) to create a preference or priority of any Bond or Note over any other Bond or Note of the same class or (E) to reduce the percentage of the Bonds and Notes required to be represented by the Holders giving their consent to any amendment.

(c) Any amendment of the Indenture shall be accompanied by a Counsel's Opinion to the effect that the amendment is permitted by law and does not adversely affect the exclusion of interest on the Tax-Exempt Bonds and Tax-Exempt Notes from gross income for federal income tax purposes.

In addition, provisions of the Indenture relating to the application of the Federal Subsidy may be amended in any respect that is not prejudicial to the Bondholders.

Beneficiaries. The Indenture is not intended for the benefit of and shall not be construed to create rights in parties other than the City, the Authority, the Fiduciaries, the Holders of Notes and Senior Bonds, and the other Beneficiaries to the extent specified therein.

Covenant. The Authority covenants with the Holders of the Bonds offered hereby to comply with the financing reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

THE AGREEMENT

The Agreement, including the Transitional Capital Plan attached thereto:

(i) describes by reference to the capital budget of the City and the Act the particular Projects and Costs to be financed in whole or in part by the Authority;

(ii) describes the plan for the financing of the Costs or Projects;

(iii) sets forth the method for which and by whom and the terms and conditions upon which money provided by the Authority shall be distributed to the City, which disbursements shall occur, subject to receipt by the Authority of such documentation as to the costs being reimbursed as the Authority shall reasonably require, at least monthly;

(iv) provides for the payment of such Costs by the City under such contracts as shall be awarded by the City or for the City to make a capital contribution of such proceeds as City funds to another entity for the payment or reimbursement of such Costs;

(v) requires every contract entered into by the City, or another entity receiving funds from the City, for Projects or Costs to be financed in whole or in part by the Authority to be subject to the provisions of the City Charter and other applicable laws governing contracts of the City or such entity, as the case may be; and

(vi) authorizes the Authority's assignment and pledge to the Trustee in trust for the benefit and security of the Bondholders and, to the extent specified in the Indenture, of Noteholders and the parties to ancillary and swap contracts of rights of the Authority under the Agreement.

In consideration of the mutual agreements contained in the Agreement and other good and valuable consideration, the Authority and the City agree as set forth in the Agreement for their own benefit and for the benefit of the Bondowners and other Beneficiaries under the Indenture.

City's Further Assurances. Pursuant to the Act, the City acknowledges the State's grant to the Authority and the Authority's pledge and assignment to the Trustee of, and disclaims ownership of, all subject to the terms of the Act: the City's right, title and interest in and to the Personal Income Taxes and the Sales Taxes, and all rights to receive the same and the proceeds thereof; and the City will protect and defend the Trustee's title thereto.

Separate Accounts and Records. The Authority and the City represent and covenant, each for itself, that: (a) Each of them will maintain its books, financial records and accounts (including, without limitation, inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of each such entity; each has observed and will observe all applicable corporate procedures and formalities, including, where applicable, the holding of regular periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings; and all transactions and agreements between and among the Authority, the City and the Trustee have reflected and will reflect the separate legal existence of each entity and have been and will be formally documented in writing. (b) Neither the Authority nor the City has commingled or will commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other person or entity. Each of them has conducted and will conduct all business between itself and third parties in its own name and separate and distinct from the other.

Project Fund. A Project Fund is established to be held by the Authority. Money shall be deposited therein as provided in the Indenture. The money and investments in the Project Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Authority as described below.

The Authority shall pay from the Project Fund the Costs of Issuance, including any expenses of the City in connection with the issuance of the Bonds and Notes that are approved by the Authority, and disburse funds to the

City to finance, by payment or reimbursement, Project Capital Costs. When all Costs of Issuance and Project Capital Costs have been paid or reimbursed, as evidenced by Officer's Certificates of the Authority and the City, any excess in the Project Fund shall promptly be paid to the Trustee for deposit in the Redemption Account.

The Authority and the City shall develop, and may from time to time modify, procedures for the disbursement, at least monthly, of money to the City from the Project Fund, upon terms, conditions and documentation providing for compliance with the Act, appropriate provisions of the LFL, the Transitional Capital Plan, the Agreement, the Indenture, and the advice of Counsel as to the application of proceeds of Tax-Exempt Notes and Tax-Exempt Bonds. The City shall pay Costs out of Note and Bond proceeds under such contracts as shall be awarded by the City or make a capital contribution of such proceeds as City funds to another entity for the payment or reimbursement of such Costs.

Money in the Project Fund shall be invested and reinvested in accordance with the Act. Earnings thereon shall be transferred to the Collection Account as Building Aid or Tax Revenues, or otherwise applied in accordance with the Tax Code pursuant to an Officer's Certificate.

Indemnity. The City shall indemnify the Authority and hold it harmless against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and disbursements) that the Authority incurs arising out of or in relation to any Project.

Limited Purpose of Agreement. The Agreement provides for the Authority's financing of Project Capital Costs. Except as specified in the Agreement, the Authority, the City, and the Trustee shall have no liability to each other or to the Beneficiaries for the construction, reconstruction, acquisition, installation, physical condition, ownership or operation of any Project. The specific Project Capital Costs to be paid or reimbursed by the Authority shall be determined by the City in accordance with the Act.

Covenants of the City. The City covenants with the Authority, and consents to the pledge and assignment to the Trustee of its covenants, that:

(A) The City will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on Tax-Exempt Bonds and Tax-Exempt Notes shall be excludable from gross income for federal income tax purposes pursuant to §103(a) of the Code; and no funds of the City shall at any time be used directly or indirectly to acquire securities or obligations the acquisition or holding of which would cause any Tax-Exempt Bond or Tax-Exempt Note to be an arbitrage bond as defined in the Code and any applicable Regulations issued thereunder.

(B) The City in its papers and in the statements of its officials has referred and will refer to the Authority as a separate and distinct legal entity; and the City will take no action that is inconsistent with the Agreement and that would give any creditor of the City cause to believe either that any such obligations incurred by the City would be not only the obligation of the City, but also of the Authority, or that the City were not or would not continue to remain an entity separate and distinct from the Authority.

(C) To implement the State Covenant, an Authorized Officer of the City shall, not less than 30 days prior to the beginning of each City fiscal year, and as often as he deems necessary but at least quarterly thereafter, certify to the Authority and the Trustee the Mayor's projection of Personal Income Taxes payable to the Authority each month during such fiscal year; and if the projected Personal Income Taxes are insufficient to meet at least 150% of maximum annual debt service on the Bonds, as certified by the Chairperson of the Authority pursuant to the Indenture, then (1) the Mayor shall so notify the State Comptroller, and (2) an Authorized Officer of the City shall, not less than 30 days prior to the beginning of each City fiscal year in which such projected Personal Income Taxes are insufficient to meet at least 150% of such maximum annual debt service, and as often as he deems necessary but at least quarterly thereafter, certify to the Authority and the Trustee (in addition to other required matters) the City's projection of Sales Taxes available to be paid to the Authority each month during such fiscal year.

Statutory Pledge and Agreement ("City Covenant"). The City pledges and agrees with the Holders of the Outstanding Bonds and Notes that the City will not limit or alter the rights vested in the Authority by the Act to fulfill

the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds and Notes until such Bonds and Notes, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. This pledge and agreement shall not be deemed to restrict any right the City may have to amend, modify or otherwise alter local laws imposing or relating to the Personal Income Taxes so long as, after giving effect to such amendment, modification or other alteration, the amount of Tax Revenues projected by the Mayor to be available to the Authority during each of its fiscal years following the effective date of such amendment, modification or other alteration shall be not less than 150% of maximum annual debt service on the Bonds.

Statutory Requirement. To the extent required by the Act, the City agrees that it shall require every contract entered into by the City, or another entity receiving funds from the City, for projects or costs to be financed in whole or in part by the Authority to be subject to the provisions of the City Charter and other applicable laws governing contracts of the City or such entity, as the case may be.

Transfers to City. Subject to the provisions of the Act and the Agreement, all money received by the Authority which, together with other money available for the purposes of the Indenture, exceeds the amount required for such purposes shall be transferred to the order of the City daily or as soon as practicable but not later than the last day of each month.

City Acknowledgments. (a) The City acknowledges that its covenants and pledge and agreement for the benefit of the Holders constitute important security provisions of the Bonds and Notes, and to the fullest extent permitted by applicable federal and State law, waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support any assertion of any claim to the contrary.

(b) By acknowledging that its covenants and pledge and agreement for the benefit of the Holders constitute important security provisions of the Bonds and Notes, the City also acknowledges, to the fullest extent permitted by applicable federal and State law, that, in the event of any failure or refusal by the City to comply therewith, the Holders of the Bonds or Notes may have suffered monetary damages, the extent of the remedy for which may be, to the fullest extent permitted by applicable federal and State law, determined, in addition to any other remedy available at law or in equity, in the course of any action taken pursuant to the Agreement; and to the fullest extent permitted by applicable federal and State law, the City waives any right to assert any claim to the contrary and agrees that it will neither in any manner directly or indirectly assert, nor in any manner directly or indirectly support any assertion of any claim to the effect that no such monetary damages have been suffered.

(c) The City further acknowledges that the acknowledgments and agreements described in paragraphs (a) and (b) above have been included as a result of negotiations with the underwriters of the first series of Bonds and the first Series of School Bonds and may further acknowledge if and the extent to which any provision of the Agreement has been amended, or any provision of a Series Resolution has been included therein, as a result of the same or similar negotiations.

Amendment. (A) The Agreement may be:

(1) supplemented by delivery to the Trustee of an instrument certified by an Authorized Officer of the Authority and executed or approved by the City to the extent required by the Agreement and the Act, to (a) update the Transitional Capital Plan or (b) add to the covenants and agreements of the City or the Authority for the benefit of the Holders or surrender or limit for the benefit of the Holders any right or power of the City or the Authority; or

(2) amended by the parties with notice to the Trustee but without Bondholder or Noteholder consent to (a) cure any ambiguity or defect or (b) add provisions that are not prejudicial to the Holders of the Bonds and Notes, including provisions that do not take effect unless and until (i) no Bonds or Notes Outstanding prior to the adoption of such amendment remain Outstanding or (ii) such amendment is consented to by Holders in accordance with the further provisions of the Agreement.

(B) Except as described in the foregoing paragraph (A), the Agreement may be amended only by the City and the Authority with the written consent of a Majority in Interest of the Senior Bonds, the Bonds issued as Parity Debt, the School Bonds and the Notes of each category (each acting as a separate class) to be Outstanding at the effective date thereof and affected thereby; but only with the unanimous written consent of the affected Holders to reduce the percentage of the Bonds and Notes required to be represented by the Holders giving their consent to any amendment.

(C) Any amendment of the Agreement shall be accompanied by a Counsel's opinion to the effect that the amendment is permitted by law and does not adversely affect the exclusion of interest on the Tax-Exempt Bonds and Tax-Exempt Notes from gross income for federal income tax purposes.

Beneficiaries. The Agreement is not intended for the benefit of and shall not be construed to create rights in parties other than the City, the Authority, the Fiduciaries, the Holders of Notes and Senior Bonds, and the other Beneficiaries to the extent specified in the Agreement and in the Indenture.

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APPENDIX B

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**NEW YORK CITY TRANSITIONAL
FINANCE AUTHORITY**

June 30, 2025 and 2024

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NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A COMPONENT UNIT OF THE CITY OF NEW YORK)

Financial Statements
(Together with Independent Auditors' Report)

June 30, 2025 and 2024

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of The City of New York)

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

JUNE 30, 2025 AND 2024

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CBIZ CPAs P.C.

685 Third Avenue
New York, NY 10017

P: 212.503.8800

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors
New York City Transitional Finance Authority
New York, NY

Opinions

We have audited the financial statements of the governmental activities and governmental funds of New York City Transitional Finance Authority (the "Authority"), a component unit of The City of New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and governmental funds of the Authority as of June 30, 2025 and 2024, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TSASC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

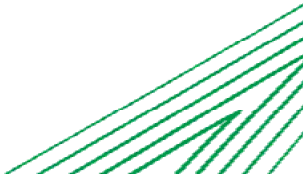
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CBIZ CPAs P.C.

New York, NY
October 2, 2025

The following is a narrative overview and analysis of the financial activities of the New York City Transitional Finance Authority (the "Authority" or "TFA") as of June 30, 2025 and 2024, and for the years then ended. It should be read in conjunction with the Authority's government-wide financial statements, governmental funds financial statements and the notes to the financial statements. The financial statements consist of four parts: (1) management's discussion and analysis (this section); (2) the government-wide financial statements; (3) the governmental funds financial statements; and (4) the notes to the financial statements.

The government-wide financial statements of the Authority, which include the statements of net position (deficit) and the statements of activities, are presented to display information about the reporting entity as a whole, in accordance with Governmental Accounting Standards Board ("GASB") standards. This is to provide the reader with a broad overview of the Authority's finances. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Authority's governmental funds financial statements (general, capital, and debt service funds) are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes susceptible to accrual, which is when it becomes both measurable and available to finance expenditures in the current fiscal period. Revenues are considered available if received within two months after the fiscal year end. Expenditures are recognized when the related liability is incurred, except for principal and interest on bonds payable and liabilities on arbitrage rebate payable, which are recognized when due.

The reconciliations of the governmental funds balance sheets to the statements of net position (deficit) and reconciliations of the governmental funds statements of revenues, expenditures and changes in fund balances to the statements of activities are presented to assist the reader in understanding the differences between government-wide and governmental funds financial statements.

Future Tax Secured Bonds

The Authority's authorizing legislation (the "Act"), as amended, currently permits the Authority to have $27.5 billion of Authority debt issued for the City of New York's (the "City") general capital purposes ("Future Tax Secured Bonds" or "FTS Bonds") outstanding as of June 30, 2025, with such amount increasing to $30.5 billion as of July 1, 2025. The Act also permits the Authority to issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. At the end of fiscal year 2025, the City's and the Authority's remaining combined debt-incurring capacity was approximately $29.1 billion.

In fiscal years 2025 and 2024, the Authority issued $7.9 billion and $6.1 billion, respectively, of new money FTS Bonds. The new money bond proceeds were used to finance the City's capital program.

Future Tax Secured Bonds (continued)

In fiscal year 2025, the Authority issued $4.9 billion of FTS Bonds to refund $5.6 billion of outstanding FTS Bonds. The refunding resulted in an accounting gain of $200 million. The Authority in effect reduced its aggregate FTS debt service by $443 million and obtained an economic benefit of $337 million.

In fiscal year 2024, the Authority issued $1.4 billion of FTS Bonds to refund $1.6 billion of outstanding FTS Bonds. The refunding resulted in an accounting gain of $66 million. The Authority in effect reduced its aggregate FTS debt service by $172 million and obtained an economic benefit of $158 million.

In fiscal year 2024, the Authority reoffered and converted $75 million of FTS Bonds between modes from index to variable rates.

As of June 30, 2025 and 2024, the Authority's outstanding subordinate FTS Bonds were $55.6 billion and $49.9 billion, respectively.

The Authority was also authorized to have outstanding up to $2.5 billion of bonds and notes to pay costs arising from the World Trade Center attack on September 11, 2001 ("Recovery Bonds"). In fiscal year 2023, the Authority retired all of its outstanding Recovery Bonds.

Build America Bonds ("BABs") and Qualified School Construction Bonds ("QSCBs") are taxable bonds that were created under the American Recovery and Reinvestment Act of 2009 ("ARRA" or "Stimulus Act") whereby the Authority receives a cash subsidy from the United States Treasury to pay related bond interest. In fiscal years 2025 and 2024, the Authority recognized subsidy payments of $17 million and $34 million on its BABs, respectively, and $48 million and $47 million on its QSCBs, respectively. Subsidy payments have been discounted due to the federal budget sequestration; the latest discount was 5.7% beginning in October 2021. The proceeds of the BABs were used to finance the City's capital expenditures and the QSCBs proceeds were used to finance the City's educational facilities.

The following summarizes the changes in debt service activity for FTS Bonds in fiscal years 2025 and 2024:

	Balance at June 30, 2024	Issued/ Converted	Retired/ Converted	Defeased	Balance at June 30, 2025	Total Interest Payments FY 2025
			(in thousands)			
Subordinate FTS Bonds:						
Parity Bonds	$ 46,869,225	$ 12,804,010	$ (1,566,910)	$ (3,715,065)	$ 54,391,260	$ 2,142,613
Build America Bonds	1,939,590	-	(67,635)	(1,843,390)	28,565	41,467
Qualified School Construction Bonds	1,137,340	-	-	-	1,137,340	51,335
Subtotal - Subordinate FTS Bonds	49,946,155	12,804,010	(1,634,545)	(5,558,455)	55,557,165	2,235,415
Total FTS Bonds Payable (par value)	$ 49,946,155	$ 12,804,010	$ (1,634,545)	$ (5,558,455)	$ 55,557,165	$ 2,235,415

Future Tax Secured Bonds (continued)

	Balance at June 30, 2023	Issued/ Converted	Retired/ Converted	Defeased	Balance at June 30, 2024	Total Interest Payments FY 2024
			(in thousands)			
Senior FTS Bonds	$ 100,000	$ -	$ -	$ (100,000)	$ -	$ 2,320
Subordinate FTS Bonds:						
Parity Bonds	42,353,665	7,647,085	(1,612,650)	(1,518,875)	46,869,225	1,865,766
Build America Bonds	2,036,020	-	(96,430)	-	1,939,590	111,541
Qualified School Construction Bonds	1,137,340	-	-	-	1,137,340	51,335
Subtotal - Subordinate FTS Bonds	45,527,025	7,647,085	(1,709,080)	(1,518,875)	49,946,155	2,028,642
Total FTS Bonds Payable (par value)	$ 45,627,025	$ 7,647,085	$ (1,709,080)	$ (1,618,875)	$ 49,946,155	$ 2,030,962

Debt service requirements to maturity for FTS Bonds at June 30, 2025, are as follows:

	SUBORDINATE		
	Principal	Interest (a)	Total
Year ending June 30,			
2026	$ 1,817,820	$ 2,452,702	$ 4,270,522
2027	2,184,830	2,381,411	4,566,241
2028	2,227,850	2,280,513	4,508,363
2029	2,261,305	2,187,380	4,448,685
2030	2,190,560	2,092,645	4,283,205
2031 to 2035	11,439,720	8,974,023	20,413,743
2036 to 2040	12,820,435	6,141,387	18,961,822
2041 to 2045	10,898,600	3,414,222	14,312,822
2046 to 2050	6,411,370	1,518,043	7,929,413
2051 to 2055	3,304,675	305,541	3,610,216
Total	$ 55,557,165	$ 31,747,867	$ 87,305,032

(a) The variable interest rates used in this table were 2.86% on tax-exempt bonds and 3.46% on index bonds.

Building Aid Revenue Bonds

The Authority is also authorized to have outstanding up to $9.4 billion of Building Aid Revenue Bonds, notes or other obligations ("BARBs"), secured by building aid from the State of New York (the "State") that is received by the Authority pursuant to an assignment with the City in fiscal year 2007 (the "Assignment"). The City assigned its building aid, which is subject to annual appropriation by the State, to the Authority for the purpose of funding costs for the City's school system's five-year educational facilities capital plans and to pay the Authority's administrative expenses.

BARBs outstanding as of June 30, 2025 and 2024 were $7.5 billion and $7.7 billion, respectively.

In fiscal years 2025 and 2024, the Authority recognized subsidy payments of $6 million and $6 million on its BABs and $10 million and $9 million on its QSCBs, respectively.

The following summarizes the changes in debt service activity for BARBs in fiscal years 2025 and 2024:

	Balance at June 30, 2024	Issued/ Converted	Retired/ Converted	Defeased	Balance at June 30, 2025	Total Interest Payments FY 2025
			(in thousands)			
Building Aid Revenue Bonds	$ 7,220,330	$ -	$ (206,280)	$ -	$ 7,014,050	$ 330,791
Build America Bonds	251,470	-	(9,700)	-	241,770	16,790
Qualified School Construction Bonds	200,000	-	-	-	200,000	9,800
Total BARBs Payable (par value)	$ 7,671,800	$ -	$ (215,980)	$ -	$ 7,455,820	$ 357,381

	Balance at June 30, 2023	Issued/ Converted	Retired/ Converted	Defeased	Balance at June 30, 2024	Total Interest Payments FY 2024
			(in thousands)			
Building Aid Revenue Bonds	$ 7,418,610	$ -	$ (198,280)	$ -	$ 7,220,330	$ 338,091
Build America Bonds	260,575	-	(9,105)	-	251,470	17,426
Qualified School Construction Bonds	200,000	-	-	-	200,000	9,800
Total BARBs Payable (par value)	$ 7,879,185	$ -	$ (207,385)	$ -	$ 7,671,800	$ 365,317

Building Aid Revenue Bonds (continued)

Debt service requirements to maturity for BARBs at June 30, 2025 are as follows:

	Principal	Interest	Total
		(in thousands)	
Year ending June 30,			
2026	$ 230,760	$ 348,529	$ 579,289
2027	404,000	334,593	738,593
2028	357,225	317,456	674,681
2029	373,550	301,511	675,061
2030	390,750	284,274	675,024
2031 to 2035	2,275,560	1,087,249	3,362,809
2036 to 2040	2,105,780	505,910	2,611,690
2041 to 2045	1,014,540	163,203	1,177,743
2046 to 2050	298,655	19,002	317,657
2051 to 2055	5,000	75	5,075
Total	$ 7,455,820	$ 3,361,802	$ 10,817,622

The Authority retains sufficient building aid revenue to service the BARBs debt and to pay its administrative expenses in accordance with the TFA's Trust Indenture ("Indenture"). Below is a table summarizing the total building aid revenues from the State, remittances to the City and the balances retained by the Authority for the fiscal years ended June 30,

	2025	2024	2023
		(in thousands)	
Building aid received from New York State	$ 1,676,097	$ 1,552,082	$ 1,487,322
Building aid remitted to New York City	(515,878)	(515,497)	(514,460)
Total retained for debt service and operating expenses	$ 1,160,219	$ 1,036,585	$ 972,862

The building aid retained by the Authority is recorded in accordance with GASB standards for an assignment of revenues treated as a collateralized borrowing (see Note 2.G in the Notes to Financial Statements for the Authority's accounting policy for recording BARBs distributions and building aid retention). Building aid retained reduced the due from the City receivable by $824 million, $1.0 billion, and $973 million in fiscal years 2025, 2024, and 2023, respectively. During fiscal year 2025, the due from the City receivable reached zero and, as a result, the remaining $336 million of building aid retained thereafter was recorded as building aid revenue.

Financial Highlights and Overall Analysis — Government-Wide Financial Statements

The following summarizes the activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues:					
Personal income tax revenue retained	$ 774,647	$ 845,190	$ 1,282,472	$ (70,543)	$ (437,282)
Building aid revenue	335,922	-	-	335,922	-
Unrestricted grants	2,343,987	2,442,576	2,166,387	(98,589)	276,189
Federal interest subsidy	80,488	95,909	104,340	(15,421)	(8,431)
Investment earnings	147,036	111,005	54,535	36,031	56,470
Other revenue	182	3	-	179	3
Total revenues	3,682,262	3,494,683	3,607,734	187,579	(113,051)
Expenses:					
Distributions to New York City for general capital program	7,868,729	6,571,019	3,940,386	1,297,710	2,630,633
Bond interest	2,166,925	1,999,436	1,829,064	167,489	170,372
Other	194,933	114,224	167,153	80,709	(52,929)
Total expenses	10,230,587	8,684,679	5,936,603	1,545,908	2,748,076
Change in net position (deficit)	(6,548,325)	(5,189,996)	(2,328,869)	(1,358,329)	(2,861,127)
Net position (deficit) - beginning of year	(58,255,413)	(53,065,417)	(50,736,548)	(5,189,996)	(2,328,869)
Net position (deficit) - end of year	$ (64,803,738)	$ (58,255,413)	$ (53,065,417)	$ (6,548,325)	$ (5,189,996)

In fiscal year 2025, the Authority recorded $336 million in building aid revenue, compared to $0 in both fiscal years 2024 and 2023, as a result of the reduction of the due from the City receivable to zero as discussed above in the Building Aid Revenue Bonds section.

In fiscal years 2025, 2024 and 2023, the Authority received unrestricted grants in the amount of $2.3 billion, $2.4 billion, and $2.2 billion, respectively. These funds were used to fund FTS Bonds' future years debt service requirements which reduced the amount of personal income tax ("PIT") retained for such purpose.

In fiscal years 2025, 2024 and 2023, the Authority earned subsidy payments on its BABs and QSCBs, which fluctuate each year due to the changes in the amount of bonds outstanding and changes on the discounted rate from federal budget sequestration.

Investment earnings are primarily determined by capital projects fund holdings, debt service fund holdings, interest rates and market value fluctuations during the fiscal year. Generally, all investments held by the Authority are expected to be held to maturity and, as such, will not realize losses on market valuations.

The amount of distributions to the City fluctuates each year depending on the capital funding needs of the City and related issuance of debt.

Interest expense fluctuated each fiscal year due to the amount of outstanding bonds and the interest rates paid on those bonds.

Financial Highlights and Overall Analysis — Government-Wide Financial Statements (continued)

Other expenses consist primarily of the Authority's administrative expenses, federal subsidies transferred to the City, and costs of issuance and fluctuate each year due to: changes in liquidity fees payments on outstanding variable debt, changes in the amount of BABs and QSCBs outstanding, and changes in the amount of new bond issuances during the year, respectively.

The following summarizes the Authority's assets, liabilities, and net position (deficits) as of June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Assets	$ 5,740,561	$ 5,941,758	$ 7,238,947	$ (201,197)	$ (1,297,189)
Liabilities:					
Current liabilities	4,106,319	3,563,007	3,950,139	543,312	(387,132)
Non-current liabilities	65,935,736	60,289,852	56,050,186	5,645,884	4,239,666
Total liabilities	70,042,055	63,852,859	60,000,325	6,189,196	3,852,534
Deferred inflows of resources	502,244	344,312	304,039	157,932	40,273
Net position (deficit):					
Restricted	530,421	61	10,322	530,360	(10,261)
Unrestricted	(65,334,159)	(58,255,474)	(53,075,739)	(7,078,685)	(5,179,735)
Total net position (deficit)	$ (64,803,738)	$ (58,255,413)	$ (53,065,417)	$ (6,548,325)	$ (5,189,996)

Total assets decreased in each fiscal year when compared to previous fiscal year primarily due to a decrease of debt service funds, a decrease in PIT receivable as of year-end, and a decrease in future State building aid due from the City, offset by an increase of unrestricted grants received.

The deferred outflows of resources and deferred inflows of resources represent the difference between removing the carrying amount of refunded bonds and the recording of the new bonds. The deferred outflows of resources fluctuate each year based on the amount of bonds refunded and the amortization scheduled.

Total liabilities increased in fiscal years 2025, 2024 and 2023 primarily due to the issuance of new bonds.

Financial Highlights and Overall Analysis — Governmental Funds Financial Statements

The Authority uses five governmental funds for reporting its activities: (1) a general fund ("GF"), (2) a building aid revenue bonds capital projects fund ("BARBs CPF"), (3) a future tax secured bonds capital projects fund ("FTS Bonds CPF"), (4) a building aid revenue bonds debt service fund ("BARBs DSF"), and (5) a future tax secured bonds debt service fund ("FTS Bonds DSF").

The following summarizes the GF activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues	$ 145,033	$ 74,395	$ 131,975	$ 70,638	$ (57,580)
Expenditures	137,848	77,241	136,758	60,607	(59,517)
Other financing sources	401	385	382	16	3
Net change in fund balances	7,586	(2,461)	(4,401)	10,047	1,940
Fund balance (deficit) - beginning of year	3,059	5,520	9,921	(2,461)	(4,401)
Fund balance (deficit) - end of year	$ 10,645	$ 3,059	$ 5,520	$ 7,586	$ (2,461)

GF revenues fluctuate each year based on the PIT retained for administrative expenses and federal interest subsidies received. Expenditures fluctuate each year for administrative expenses and the amount of federal subsidies transferred to the City.

The following summarizes the BARBs CPF activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues	$ 76	$ 1	$ 4	$ 75	$ (3)
Expenditures	-	-	-	-	-
Other financing sources (uses)	-	-	-	-	-
Net change in fund balances	76	1	4	75	(3)
Fund balance - beginning of year	5	4	-	1	4
Fund balance - end of year	$ 81	$ 5	$ 4	$ 76	$ 1

BARBs CPF revenues are interest earnings and fluctuate each year based on the amount on deposit at year-end, interest rates, and market value fluctuations.

BARBs proceeds and distributions to the City are reported as other financing sources (uses), respectively, in the governmental funds and the expenditures represent cost of issuance paid by the Authority.

Financial Highlights and Overall Analysis — Governmental Funds Financial Statements (continued)

The following summarizes the FTS Bonds CPF activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues	$ 41,709	$ 14,203	$ 8,808	$ 27,506	$ 5,395
Expenditures	7,904,378	6,601,365	3,958,196	1,303,013	2,643,169
Other financing sources (uses)	8,392,953	6,576,900	3,959,664	1,816,053	2,617,236
Net change in fund balances	530,284	(10,262)	10,276	540,546	(20,538)
Fund balance - beginning of year	56	10,318	42	(10,262)	10,276
Fund balance - end of year	$ 530,340	$ 56	$ 10,318	$ 530,284	$ (10,262)

FTS Bonds CPF revenues are mainly interest earnings and fluctuate each year based on the amount on deposit at year-end, interest rates, and market value fluctuations.

FTS Bonds CPF expenditures mainly represent the amount of bond proceeds transferred to the City and other financing sources (uses) represent proceeds from bond issuances. Expenditures and other financing sources (uses) fluctuate each year depending on the capital funding needs of the City.

The following summarizes the BARBs DSF activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues	$ 353,746	$ 18,715	$ 9,237	$ 335,031	$ 9,478
Expenditures	573,362	572,702	1,147,549	660	(574,847)
Other financing sources (uses)	244,362	533,338	1,162,043	(288,976)	(628,705)
Net change in fund balances	24,746	(20,649)	23,731	45,395	(44,380)
Fund balance - beginning of year	663,585	684,234	660,503	(20,649)	23,731
Fund balance - end of year	$ 688,331	$ 663,585	$ 684,234	$ 24,746	$ (20,649)

Revenues in the BARBs DSF fluctuate each year based on the amount on deposit at year-end, changes in interest rates and market valuation, as previously discussed. Expenditures are primarily the debt service payments on outstanding BARBs and payment of refunded bonds. In fiscal year 2023, other financing sources (uses) consisted primarily of proceeds from refunding issues and State building aid retained by the Authority.

Financial Highlights and Overall Analysis — Governmental Funds Financial Statements (continued)

The following summarizes the FTS Bonds DSF activities of the Authority for the years ended June 30,

	2025	2024	2023	Variance 2025/2024	Variance 2024/2023
			(in thousands)		
Revenues	$ 3,187,205	$ 3,349,118	$ 3,470,132	$ (161,913)	$ (121,014)
Expenditures	9,060,849	5,212,881	5,721,906	3,847,968	(509,025)
Other financing sources (uses)	5,600,399	2,051,929	2,680,808	3,548,470	(628,879)
Net change in fund balances	(273,245)	188,166	429,034	(461,411)	(240,868)
Fund balance - beginning of year	3,449,178	3,261,012	2,831,978	188,166	429,034
Fund balance - end of year	$ 3,175,933	$ 3,449,178	$ 3,261,012	$ (273,245)	$ 188,166

In fiscal years 2025, 2024 and 2023, the FTS Bonds DSF revenues primarily consisted of grants from the City and PIT retained by the Authority. The DSF revenues fluctuate each fiscal year based on the amount of unrestricted grants received from the City and PIT retained for debt service.

Expenditures are primarily the debt service payments on outstanding FTS bonds and defeasances. The expenditures fluctuate each fiscal year based on the amount of principal and interest payments as well as amounts deposited to defeasance escrows. Other financing sources (uses) consist primarily of the proceeds from refunding and reoffering of FTS Bonds and payments of refunded FTS bonds and fluctuate each year based on the size of the refunding.

Ratings

As of June 30, 2025, TFA FTS Subordinated Bonds were rated Aa1, AAA, and AAA by Moody's, S&P, and Fitch, respectively. TFA BARBs were rated Aa2, AA, and AA.

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information in this report or requests for additional financial information should be directed to:

Investor Relations
The New York City Transitional Finance Authority
255 Greenwich Street. 6th Floor
New York, NY 10007.
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NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

STATEMENTS OF NET POSITION (DEFICIT)
AS OF JUNE 30, 2025 AND 2024

	2025	2024
	(in thousands)	
ASSETS:		
Unrestricted cash and cash equivalents	$ 13,344	$ 5,246
Restricted cash and cash equivalents	1,131,459	765,351
Unrestricted investments	2,345,850	2,444,789
Restricted investments	959,299	902,713
Interest receivable	659	1,061
Due from New York City - future State building aid	-	824,297
Personal income tax receivable from New York State	1,267,539	945,752
Federal interest subsidy receivable	6,434	51,941
Other	15,977	608
Total assets	5,740,561	5,941,758
LIABILITIES:		
Personal income tax payable to New York City	1,267,539	945,752
Distribution payable to New York City for capital programs	57,272	-
Accrued expenses	3,922	3,781
Accounts payable	64	104
Accrued interest payable	774,097	744,490
Bonds payable:		
Portion due within one year	2,003,425	1,868,880
Portion due after one year	65,935,736	60,289,852
Total liabilities	70,042,055	63,852,859
DEFERRED INFLOWS OF RESOURCES:		
Unamortized deferred bond refunding costs	502,244	344,312
Total deferred inflows of resources	502,244	344,312
NET POSITION (DEFICIT):		
Restricted for capital projects	530,421	61
Unrestricted (deficit)	(65,334,159)	(58,255,474)
Total net position (deficit)	$ (64,803,738)	$ (58,255,413)

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
	(in thousands)	
REVENUES:		
Personal income tax revenue	$ 18,732,966	$ 15,453,883
Less remittances to New York City	(17,958,319)	(14,608,693)
Personal income tax revenue retained	774,647	845,190
Building aid revenue	335,922	-
Unrestricted grants	2,343,987	2,442,576
Federal interest subsidy	80,488	95,909
Investment earnings	147,036	111,005
Other revenue	182	3
Total revenues	3,682,262	3,494,683
EXPENSES:		
General and administrative expenses	19,791	19,583
Distributions to New York City for general capital program	7,868,729	6,571,019
Distributions of federal interest subsidy to New York City	118,057	57,658
Cost of debt issuance	57,085	36,983
Bond interest	2,166,925	1,999,436
Total expenses	10,230,587	8,684,679
Change in net position (deficit)	(6,548,325)	(5,189,996)
NET POSITION (DEFICIT) - beginning of year	(58,255,413)	(53,065,417)
NET POSITION (DEFICIT) - end of year	$ (64,803,738)	$ (58,255,413)

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Capital Projects: Building Aid Revenue Bonds	Capital Projects: Future Tax Secured Bonds	Debt Service: Building Aid Revenue Bonds	Debt Service: Future Tax Secured Bonds	Total Governmental Funds
			(in thousands)			
ASSETS:						
Unrestricted cash and cash equivalents	$ 13,340	$ -	$ -	$ -	$ 4	$ 13,344
Restricted cash and cash equivalents	-	81	587,779	3,897	539,702	1,131,459
Restricted investments	-	-	-	668,991	290,308	959,299
Unrestricted investments	-	-	-	-	2,345,850	2,345,850
Interest receivable	56	-	4	268	331	659
Personal income tax receivable from New York State	-	-	-	-	1,267,539	1,267,539
Other	401	-	-	15,576	-	15,977
Total assets	$ 13,797	$ 81	$ 587,783	$ 688,732	$ 4,443,734	$ 5,734,127
LIABILITIES:						
Accrued expenses payable	$ 3,088	$ -	$ 171	$ 401	$ 262	$ 3,922
Accounts payable	64	-	-	-	-	64
Distribution payable to New York City for capital programs	-	-	57,272	-	-	57,272
Personal income tax payable to New York City	-	-	-	-	213,539	213,539
Total liabilities	3,152	-	57,443	401	213,801	274,797
DEFERRED INFLOWS OF RESOURCES:						
Unavailable personal income tax revenue	-	-	-	-	1,054,000	1,054,000
Total deferred inflows of resources	-	-	-	-	1,054,000	1,054,000
FUND BALANCES:						
Restricted for:						
Capital distribution to New York City	-	81	530,340	-	-	530,421
Debt service	-	-	-	688,331	830,077	1,518,408
Unrestricted for:						
Assigned for debt service	-	-	-	-	2,345,856	2,345,856
Unassigned	10,645	-	-	-	-	10,645
Total fund balances	10,645	81	530,340	688,331	3,175,933	4,405,330
Total liabilities, deferred inflows of resources and fund balances	$ 13,797	$ 81	$ 587,783	$ 688,732	$ 4,443,734	$ 5,734,127

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2024

	General Fund	Capital Projects: Building Aid Revenue Bonds	Capital Projects: Future Tax Secured Bonds	Debt Service: Building Aid Revenue Bonds	Debt Service: Future Tax Secured Bonds	Total Governmental Funds
			(in thousands)			
ASSETS:						
Unrestricted cash and cash equivalents	$ 5,213	$ -	$ -	$ -	$ 33	$ 5,246
Restricted cash and cash equivalents	-	5	919	1,006	763,421	765,351
Restricted investments	-	-	-	662,227	240,486	902,713
Unrestricted investments	-	-	-	-	2,444,789	2,444,789
Interest receivable	36	-	4	572	449	1,061
Personal income tax receivable from New York State	-	-	-	-	945,752	945,752
Other	443	-	-	165	-	608
Total assets	$ 5,692	$ 5	$ 923	$ 663,970	$ 4,394,930	$ 5,065,520
LIABILITIES:						
Accrued expenses payable	$ 2,529	$ -	$ 867	$ 385	$ -	$ 3,781
Accounts payable	104	-	-	-	-	104
Personal income tax payable to New York City	-	-	-	-	110,752	110,752
Total liabilities	2,633	-	867	385	110,752	114,637
DEFERRED INFLOWS OF RESOURCES:						
Unavailable personal income tax revenue	-	-	-	-	835,000	835,000
Total deferred inflows of resources	-	-	-	-	835,000	835,000
FUND BALANCES:						
Restricted for:						
Capital distribution to New York City	-	5	56	-	-	61
Debt service	-	-	-	663,585	1,004,354	1,667,939
Unrestricted for:						
Assigned for debt service	-	-	-	-	2,444,824	2,444,824
Unassigned	3,059	-	-	-	-	3,059
Total fund balances	3,059	5	56	663,585	3,449,178	4,115,883
Total liabilities, deferred inflows of resources and fund balances	$ 5,692	$ 5	$ 923	$ 663,970	$ 4,394,930	$ 5,065,520

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENTS OF NET POSITION (DEFICIT) AS OF JUNE 30, 2025 AND 2024

	2025	2024
	(in thousands)	
Total fund balances - governmental funds	$ 4,405,330	$ 4,115,883
Amounts reported for governmental activities in the statements of net position (deficit) are different because:		
Bond premiums are reported as other financing sources in the governmental funds financial statements when received. However, in the statements of net position (deficit), bond premiums are reported as a component of bonds payable and amortized over the life of the bonds.	(4,926,176)	(4,540,777)
Federal interest subsidy on BABs and QSCBs is recognized when the related bond interest is reported. On the statements of net position (deficit), the amount of the subsidy applicable to the accrued bond interest is receivable as of fiscal year end. However, in the governmental funds balance sheets where no bond interest is reported as payable until due, no subsidy receivable is reported.	6,434	51,941
BARBs proceeds are reported as other financing sources in the governmental funds financial statements. However, in the statements of net position (deficit), they are reported as due from the City.	-	824,297
Some liabilities are not due and payable in the current period from financial resources available currently at year-end and are therefore not reported in the governmental funds financial statements, but are reported in the statements of net position (deficit). Those liabilities consist of:		
Bonds payable	(63,012,985)	(57,617,955)
Accrued interest payable	(774,097)	(744,490)
Costs of bond refundings are reported as expenditures in governmental funds financial statements. However, in the statements of net position (deficit), those costs and the related gain or loss are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt.	(502,244)	(344,312)
Net position (deficit) of governmental activities	$ (64,803,738)	$ (58,255,413)

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

		Capital Projects		Debt Service		
	General Fund	Building Aid Revenue Bonds	Future Tax Secured Bonds	Building Aid Revenue Bonds	Future Tax Secured Bonds	Total Governmental Funds
			(in thousands)			
REVENUES:						
Personal income tax revenue	$ 17,101	$ -	$ -	$ -	$ 18,496,865	$ 18,513,966
Less remittances to New York City	-	-	-	-	(17,739,319)	(17,739,319)
Personal income tax revenue retained	17,101	-	-	-	757,546	774,647
Building aid revenue	-	-	-	335,922	-	335,922
Unrestricted grants	-	-	-	-	2,343,987	2,343,987
Federal interest subsidy	125,995	-	-	-	-	125,995
Investment earnings	1,937	3	41,600	17,824	85,672	147,036
Other revenue	-	73	109	-	-	182
Total revenues	145,033	76	41,709	353,746	3,187,205	3,727,769
EXPENDITURES:						
Bond interest	-	-	-	357,382	2,235,415	2,592,797
Costs of debt issuance	-	-	35,649	-	21,436	57,085
Distributions to New York City for general capital program	-	-	7,868,729	-	-	7,868,729
Distributions of federal interest subsidy to New York City	118,057	-	-	-	-	118,057
Defeasance escrow	-	-	-	-	5,169,453	5,169,453
Principal amount of bonds retired	-	-	-	215,980	1,634,545	1,850,525
General and administrative expenses	19,791	-	-	-	-	19,791
Total expenditures	137,848	-	7,904,378	573,362	9,060,849	17,676,437
Excess (deficiency) of revenues over expenditures	7,185	76	(7,862,669)	(219,616)	(5,873,644)	(13,948,668)
OTHER FINANCING SOURCES (USES):						
Principal amount of bonds issued	-	-	7,850,000	-	-	7,850,000
Refunding bond proceeds	-	-	-	-	4,954,010	4,954,010
Bond premium, net of discount	-	-	573,037	-	533,098	1,106,135
Payments of refunded bonds	-	-	-	-	(496,327)	(496,327)
Transfer from New York City - building aid	-	-	-	824,297	-	824,297
Transfers in (out)	401	-	(30,084)	(579,935)	609,618	-
Total other financing sources (uses)	401	-	8,392,953	244,362	5,600,399	14,238,115
Net changes in fund balances	7,586	76	530,284	24,746	(273,245)	289,447
FUND BALANCES (DEFICIT) - beginning of year	3,059	5	56	663,585	3,449,178	4,115,883
FUND BALANCES - end of year	$ 10,645	$ 81	$ 530,340	$ 688,331	$ 3,175,933	$ 4,405,330

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Projects: Building Aid Revenue Bonds	Capital Projects: Future Tax Secured Bonds	Debt Service: Building Aid Revenue Bonds	Debt Service: Future Tax Secured Bonds	Total Governmental Funds
			(in thousands)			
REVENUES:						
Personal income tax revenue	$ 15,417	$ -	$ -	$ -	$ 15,641,466	$ 15,656,883
Less remittances to New York City	-	-	-	-	(14,811,693)	(14,811,693)
Personal income tax revenue retained	15,417	-	-	-	829,773	845,190
Unrestricted grants	-	-	-	-	2,442,576	2,442,576
Federal interest subsidy	57,658	-	-	-	-	57,658
Investment earnings	1,320	1	14,203	18,715	76,766	111,005
Other revenue	-	-	-	-	3	3
Total revenues	74,395	1	14,203	18,715	3,349,118	3,456,432
EXPENDITURES:						
Bond interest	-	-	-	365,317	2,030,962	2,396,279
Costs of debt issuance	-	-	30,346	-	6,637	36,983
Distributions to New York City for general capital program	-	-	6,571,019	-	-	6,571,019
Distributions of federal interest subsidy to New York City	57,658	-	-	-	-	57,658
Defeasance escrow	-	-	-	-	1,466,202	1,466,202
Principal amount of bonds retired	-	-	-	207,385	1,709,080	1,916,465
General and administrative expenses	19,583	-	-	-	-	19,583
Total expenditures	77,241	-	6,601,365	572,702	5,212,881	12,464,189
Excess (deficiency) of revenues over expenditures	(2,846)	1	(6,587,162)	(553,987)	(1,863,763)	(9,007,757)
OTHER FINANCING SOURCES (USES):						
Principal amount of bonds issued	-	-	6,130,000	-	-	6,130,000
Refunding bond proceeds	-	-	-	-	1,517,085	1,517,085
Bond premium, net of discount	-	-	463,063	-	188,542	651,605
Payments of refunded bonds	-	-	-	-	(172,723)	(172,723)
Transfer from New York City - building aid	-	-	-	1,036,585	-	1,036,585
Transfers in (out)	385	-	(16,163)	(503,247)	519,025	-
Total other financing sources (uses)	385	-	6,576,900	533,338	2,051,929	9,162,552
Net changes in fund balances	(2,461)	1	(10,262)	(20,649)	188,166	154,795
FUND BALANCES - beginning of year	5,520	4	10,318	684,234	3,261,012	3,961,088
FUND BALANCES - end of year	$ 3,059	$ 5	$ 56	$ 663,585	$ 3,449,178	$ 4,115,883

The accompanying notes are an integral part of these financial statements.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
(A Component Unit of the City of New York)

RECONCILIATIONS OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
	(in thousands)	
Net change in fund balances - total governmental funds	$ 289,447	$ 154,795
Amounts reported for governmental activities in the statements of activities are different because:		
Bond proceeds provide current financial resources to governmental funds financial statements but bonds issued increase long-term liabilities on the statements of net position (deficit).	(7,850,000)	(6,130,000)
Refunding bond proceeds and payments to refunded bond escrows are reported as other financing sources (uses) in the governmental funds financial statements, but increase and decrease long-term liabilities in the statements of net position (deficit).	(4,457,683)	(1,344,362)
The governmental funds financial statements report costs of bond refundings as expenditures. However, in the statements of activities, the costs of bond refundings are amortized over the shorter of the life of the bonds refunded or the life of the bonds issued to advance refund the bonds.	42,458	26,146
Payment (including defeasance) of bond principal is an expenditure in the governmental funds financial statements, but the payment reduces long-term liabilities in the statements of net position (deficit).	7,019,978	3,382,667
The governmental funds financial statements report bond premiums/discounts as other financing sources (uses). However, in the statements of activities, bond premiums/discounts are amortized over the lives of the related debt as interest expense.	(598,769)	(221,525)
Retention of building aid is reported similar to a transfer from the City, as other financing sources (uses) in the governmental funds financial statements. However, in the statements of activities, building aid retained is reported as a reduction of the amount due from New York City-future State building aid.	(824,297)	(1,036,585)
Federal interest subsidy on BABs and QSCBs is recognized when the related bond interest cost is reported. On the statements of activities, the subsidy revenue in the amount applicable to the accrued bond interest expense is accrued as of fiscal year end. However, in the governmental funds financial statements where interest expenditure is reported when due, no subsidy revenue is accrued as of year end.	(45,507)	38,251
Interest is reported on the statements of activities on the accrual basis. However, interest is reported as an expenditure in the governmental funds financial statements when the outlay of financial resources is due.	(123,952)	(59,383)
Change in net position (deficit) - governmental activities	$ (6,548,325)	$ (5,189,996)

The accompanying notes are an integral part of these financial statements.

1. Organization and Nature of Activities

The New York City Transitional Finance Authority (the "Authority" or "TFA") is a corporate governmental entity constituting a public benefit corporation and an instrumentality of the State of New York (the "State"). The Authority is governed by a Board of Directors (the "Board") of five directors, consisting of the following officials of the City of New York (the "City"): the Director of Management and Budget (who also serves as Chairperson), the Commissioner of Finance, the Commissioner of Design and Construction, the City Comptroller, and the Speaker of the City Council. Although legally separate from the City, the Authority is a financing instrumentality of the City and is included in the City's financial statements as a blended component unit, in accordance with the Governmental Accounting Standards Board ("GASB") standards.

The Authority was created by State legislation enacted in 1997 to issue and sell bonds and notes ("Future Tax Secured Bonds" or "FTS Bonds") to fund a portion of the capital program of the City, the purpose of which is to maintain, rebuild and expand the infrastructure of the City, and to pay the Authority's administrative expenses.

The Authority's original authorizing legislation (the "Act"), as amended, currently permits the Authority to have $27.5 billion of Authority debt issued for the City of New York's (the "City") general capital purposes ("Future Tax Secured Bonds" or "FTS Bonds") outstanding as of June 30, 2025, with such amount increasing to $30.5 billion as of July 1, 2025. The Act also permits the Authority to issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. At the end of fiscal year 2025, the City's and the Authority's remaining combined debt incurring capacity was approximately $29.1 billion.

In addition, State legislation enacted in April 2006 enabled the Authority to have outstanding up to $9.4 billion of Building Aid Revenue Bonds ("BARBs"), notes or other obligations for purposes of funding the City school system's costs of its five-year educational facilities capital plan and pay the Authority's administrative expenses.

The Authority does not have any employees; its affairs are administered by employees of the City and of another component unit of the City, for which the Authority pays a management fee and overhead based on its allocated share of personnel and overhead costs.

2. Summary of Significant Accounting Policies

A. The government-wide financial statements of the Authority, which include the statements of net position (deficit) and the statements of activities, are presented to display information about the reporting entity as a whole, in accordance with GASB standards. The statements of net position (deficit) and the statements of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

   The Authority's governmental funds financial statements (general, capital projects and debt service funds) are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes susceptible to accrual, which is when it

2. Summary of Significant Accounting Policies (continued)

becomes both measurable and available to finance expenditures in the current fiscal period. Revenues are considered available if received within two months after the fiscal year end. Expenditures are recognized when the related liability is incurred, except for principal and interest on bonds payable and liabilities on arbitrage rebate payable, which are recognized when due.

The Authority uses five governmental funds for reporting its activities: (1) a general fund ("GF"), (2) a building aid revenue bonds capital projects fund ("BARBs CPF"), (3) a future tax secured bonds capital projects fund ("FTS Bonds CPF"), (4) a building aid revenue bonds debt service fund ("BARBs DSF"), and (5) a future tax secured bonds debt service fund ("FTS Bonds DSF"). The two capital project funds account for resources to be transferred to the City's capital programs in satisfaction of amounts due to the City and the two debt service funds account for the accumulation of resources for payment of principal and interest on outstanding debts. The general fund accounts for and reports all financial resources not accounted for in the capital and debt service funds, including the Authority's administrative expenses.

B. The fund balances are classified as either: 1) nonspendable, 2) restricted, or 3) unrestricted. Unrestricted fund balance is further classified as: (a) committed, (b) assigned, or (c) unassigned.

Fund balance that cannot be spent because it is not in spendable form is defined as nonspendable. Resources constrained for debt service or redemption in accordance with TFA's Trust Indenture (the "Indenture") are classified as restricted on the statements of net position (deficit) and the governmental funds balance sheets.

The Board constitutes the Authority's highest level of decision-making authority and resolutions adopted by the Board that constrain fund balances for a specific purpose are accounted for and reported as committed for such purpose unless and until a subsequent resolution altering the commitment is adopted by the Board.

Fund balances which are constrained for use for a specific purpose based on the direction of any officer of the Authority duly authorized under its bond indenture to direct the movement of such funds are accounted for and reported as assigned for such purpose, unless or until a subsequent authorized action by the same or another duly authorized officer, or by the Board, is taken which removes or changes the assignment. Authorized officers allowed to assign funds are comprised of the Executive Director, Comptroller, Treasurer, Secretary, Deputy Comptroller, Assistant Secretaries and Assistant Treasurer.

When both restricted and unrestricted resources are available for use for a specific purpose, it is the Authority's policy to use restricted resources first then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use for a specific purpose, it is the Authority's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

Resources constrained for debt service or redemption in accordance with the Authority's Indenture are classified as restricted on the statements of net position (deficit) and the governmental funds balance sheets.

2. Summary of Significant Accounting Policies (continued)

C. Premiums and discounts are capitalized and amortized over the lives of the related debt using the interest method in the government-wide financial statements. The governmental funds financial statements recognize the premiums and discounts during the current period. Bond premiums and discounts are presented as additions or reductions to the face amount of the bonds payable. Bond issuance costs are recognized in the period incurred both on the government-wide and governmental funds financial statements.

D. Deferred bond refunding costs represent the accounting gain/loss incurred in a current or advance refunding of outstanding bonds and are reported as a deferred inflows/outflows of resources on the government-wide financial statements. The deferred bond refunding costs are amortized over the shorter of the remaining life of the old debt or the life of the new debt.

E. Interest expense is recognized on the accrual basis in the government-wide financial statements. Interest expenditures are recognized when bond interest is due in the governmental funds financial statements.

F. The Authority receives the City personal income taxes ("PIT"), imposed pursuant to State law and collected on behalf of the Authority by the State, to service its future tax secured debt and pay a portion of its administrative expenses. In fiscal year 2023, the Authority began to receive the City's portion of Pass-Through Entity Tax ("PTET") on certain partnerships and S corporations that elect to pay such tax and whose partners and shareholders receive a corresponding credit against their PIT liabilities. All PTET revenues received by the Authority will be treated as PIT revenues under the Indenture, and run through the flow of funds as PIT revenues. Funds for FTS Bonds debt service are required to be set aside prior to the due date of the principal and interest. PIT in excess of amounts needed to pay debt service and administrative expenses of the Authority are available to be remitted to the City. In fiscal years 2025 and 2024, the Authority received unrestricted grants for future debt service payments and reduced the amount of PIT retained for such purpose as described in Note 6.

G. The Authority receives building aid payments from the State, subject to State annual appropriation, pursuant to the assignment by the City of the building aid payments to the Authority to service its building aid revenue bonds and pay a portion of its administrative expenses. Due to the City's continuing involvement necessary for the collection of the building aid, this assignment is considered a collateralized borrowing between the City and the Authority pursuant to GASB standards. The Authority reports, on its statements of net position (deficit), a receivable (Due from New York City — future State building aid) equal to the amount of building aid revenue bonds proceeds the Authority has distributed to the City for the educational facilities capital plan. Building aid subsequently retained reduces the receivable. If there is no receivable balance, building aid retained is recorded as revenues in the statements of activities.

2. Summary of Significant Accounting Policies (continued)

On the fund financial statements, the building aid revenue bonds distributions to the City for its educational facilities capital program are reported as other financing uses. While there is a receivable balance (as described above), building aid retained by the Authority is treated as other financing sources as the amount retained is accounted for as a repayment of the amounts loaned to the City. Building aid retained while there is no receivable balance is recorded as revenues. During the years ended June 30, 2025 and 2024, the Authority retained $1.2 billion (of which $336 million was recorded as revenues after the receivable balance reached zero) and $1 billion, respectively, of State building aid to be used for the Authority's debt service and its administrative expenses.

H. To maintain the exemption from Federal income tax on interest of bonds issued by the Authority, the Authority is required to rebate amounts to the Federal government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Code requires the payment to the United States Treasury of the excess of the amount earned on all obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue, together with any earnings attributable to such excess. Construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. The Authority was not required to make an arbitrage rebate payment in fiscal years 2025 and 2024.

The Authority receives a subsidy from the United States Treasury due to the Authority's issuance of taxable Build America Bonds ("BABs") and taxable Qualified School Construction Bonds ("QSCBs") under the American Recovery and Reinvestment Act of 2009. This subsidy is recognized when the related bond interest is reported. On the statements of net position (deficit), the amount of the subsidy related to the accrued bond interest is reported as a receivable at year end, while in the governmental funds balance sheets where no bond interest is reported as payable until due, a subsidy receivable is not reported.

I. As a component unit of the City, the Authority implements new GASB standards in the same fiscal year as they are implemented by the City. The following are discussions of the standards requiring implementation in the current year and standards which may impact the Authority in future years:

- In June 2022, GASB issued Statement No. 101, *Compensated Absences,* ("GASB 101"). GASB 101 updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements for GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of GASB 101 did not have any impact on TFA's financial statements.

2. Summary of Significant Accounting Policies (continued)

- In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, ("GASB 102"). GASB 102 improves financial reporting by requiring disclosures of certain concentrations or constraints and related events that have occurred, have begun to occur, or are more than likely than not to begin to occur within 12 months of the date the financial statements are issued that make a government vulnerable to a substantial impact. The requirements for GASB 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of GASB 102 did not have an immediate impact on TFA's financial statements as there were no events that met the GASB 102 criteria for required reporting.

- In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, ("GASB 103"). GASB 103 improves components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. The requirements for GASB 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. TFA has not completed the process of evaluating GASB 103 but expects it to have an impact on the presentation of TFA's financial statements.

- In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets,* ("GASB 104"). GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and also requires additional disclosures for capital assets held for sale. The requirements for GASB 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. TFA does not expect GASB 104 to have an impact on its financial statements as TFA does not have any capital assets.

J. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Authority's management to make estimates and assumptions in determining the reported amounts of assets, deferred outflow of resources, liabilities and deferred inflow of resources, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

The Authority's cash and cash equivalents consisted of the following at June 30:

	2025	2024
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	$ 221	$ -
Cash equivalents	1,131,238	765,351
Total restricted cash and cash equivalents	1,131,459	765,351
Unrestricted cash and cash equivalents:		
Cash	250	250
Cash equivalents	13,094	4,996
Total unrestricted cash and cash equivalents	13,344	5,246
Total cash and cash equivalents	$ 1,144,803	$ 770,597

As of June 30, 2025 and 2024, the Authority's restricted cash and cash equivalents consisted of bank deposits, money market funds, and securities of government sponsored enterprises held by the Authority's Trustee in the Trustee's name.

As of June 30, 2025 and 2024, the Authority's unrestricted cash and cash equivalents consisted of bank deposits, money market funds, and securities of government sponsored enterprises held by the Authority's Trustee in the Trustee's name.

As of both June 30, 2025 and 2024, the carrying amounts and bank balances of bank deposits were $250 thousand. All balances were FDIC insured in both years.

The Authority's investments classified as cash equivalents included U.S. Government Securities that have an original maturity date of 90 days or less from the date of purchase. The Authority values those investments at fair value (see Note 4 below for a discussion of the Authority's investment policy).

4. Investments

Each account of the Authority that is held pursuant to the Indenture between the Authority and its Trustee may be invested in securities or categories of investments that are specifically enumerated as permitted investments for such account pursuant to the Indenture.

The Authority's investments, including cash equivalents, consisted of the following at June 30:

	2025	2024
	(in thousands)	
Restricted investments and cash equivalents:		
Money market funds	$ 22,515	$ 22,873
Federal Home Loan Bank discount notes (Maturing within one year)	1,082,388	1,283,363
Federal Home Loan Mortgage Corporation discount notes (Maturing within one year)	-	48,946
U.S. Treasuries (Maturing within one year)	25,076	-
U.S. Treasuries (Maturing within one to five years)	373,549	312,882
Commercial paper (Maturing within one year)	587,009	-
Total restricted investments and cash equivalents	2,090,537	1,668,064
Less: amounts reported as restricted cash equivalents	(1,131,238)	(765,351)
Total restricted investments	$ 959,299	$ 902,713
Unrestricted investments and cash equivalents:		
Money market funds	$ 13,094	$ 4,996
Federal Home Loan Bank discount notes (Maturing within one year)	2,345,850	2,444,789
Total unrestricted investments and cash equivalents	2,358,944	2,449,785
Less: amounts reported as unrestricted cash equivalents	(13,094)	(4,996)
Total unrestricted investments	$ 2,345,850	$ 2,444,789

4. Investments (continued)

Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of June 30, 2025 and 2024:

- Money Market Funds of $36 million and $28 million, respectively, are valued based on various market and industry inputs (Level 2 inputs).

- U.S. Treasury securities of $399 million and $313 million, respectively, are valued using a matrix pricing model (Level 2 inputs).

- U.S. Agencies securities of $4.0 billion and $3.8 billion, respectively, are valued using a matrix pricing model (Level 2 inputs).

Custodial Credit Risk — Is the risk that, in the event of the failure of the custodian, the Authority may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are held in the Trustee's name by the Trustee.

Credit Risk — The Authority's investments are primarily government-sponsored enterprise discount notes and treasuries.

Interest Rate Risk — Substantially all of the Authority's investments mature in one year or less. Investments with longer term maturities are not expected to be liquidated prior to maturity, thereby limiting exposure from rising interest rates.

Concentration of Credit Risk — Concentration of credit risk is the risk of loss attributed to the magnitude of TFA's investments in a single issuer (5% or more). TFA's investment policy places no limit on the amount TFA may invest in any one issuer of eligible government obligations as defined in the Indenture. As of June 30, 2025, TFA's investments were in eligible U.S. Government sponsored entities and commercial paper. These are 87% and 13% of TFA total investments, respectively.

5. Long-Term Liabilities

Debt Program

Pursuant to the New York City Transitional Finance Authority Act (the "Act"), the Authority issues FTS Bonds payable from PIT imposed by the City and, if such PIT revenues are insufficient, from sales taxes imposed by the City. The Authority is authorized to have outstanding $27.5 billion of FTS Bonds (excluding BARBs as described below) and to issue additional FTS Bonds provided that the amount of such additional FTS Bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. As of June 30, 2025, the City's and the Authority's remaining combined debt-incurring capacity was approximately $29.1 billion.

The Authority funds its debt service requirements for all FTS Bonds and its administrative expenses from PIT collected on its behalf by the State and, if necessary, sales taxes. Sales taxes are only available to the Authority if PIT revenues fall below statutorily specified debt service coverage levels. No sales tax revenues were received or required during the fiscal years ended June 30, 2025 and 2024. The Authority remits excess PIT not required for its debt service payments and its administrative expenses to the City.

In addition, the Authority is permitted to have outstanding up to $9.4 billion of BARBs or other obligations for purposes of funding the City school system's five-year educational facilities capital plan. As of June 30, 2025 and 2024, the Authority had $7.5 billion and $7.7 billion, respectively, of BARBs outstanding. The BARBs are secured by the building aid payable by the State to the City and assigned to the Authority. These State building aid payments are subject to annual appropriation by the State. BARBs are not payable from PIT revenues or sales tax revenues. However, in the event of a payment default, BARBs are payable from an intercept of State education aid otherwise payable to the City.

The Authority's Indenture includes events of default, certain of which (relating to failure to pay debt service, insolvency, State actions impacting security for the bonds and failure to meet specified coverage levels) could result in acceleration of TFA bonds if so directed by a majority in interest of Senior bondholders.

Changes in Long-term Liabilities – FTS Bonds

The Indenture permits the Authority to issue both Senior and Subordinate FTS Bonds. FTS Bonds include BABs, QSCBs, and other forms of debt obligations. Subordinate FTS Bonds outstanding as of June 30, 2025 and 2024, were $55.6 billion and $49.9 billion, respectively. Total FTS Bonds outstanding at June 30, 2025 and 2024, were $55.6 billion and $49.9 billion, respectively.

5. Long-Term Liabilities (continued)

Outstanding Authority bonds are payable from all money and securities in any of the Accounts defined in and established by the Indenture, subject to the priority of application of such money and securities to FTS Bonds and BARBs, as specified in the Indenture.

As of June 30, 2025, the interest rates on the Authority's outstanding fixed-rate FTS Bonds ranged from 2.00% to 5.50% on tax-exempt bonds and 0.57% to 5.66% on taxable bonds.

In fiscal years 2025 and 2024, the changes in FTS long-term debt were as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Due within one year
		(in thousands)			
Subordinate Bonds	$ 49,671,155	$ 12,804,010	$ (7,193,000)	$ 55,282,165	$ 1,779,640
Subordinate Bonds from Direct Borrowings	275,000	-	-	275,000	-
Total before premiums/discounts	49,946,155	12,804,010	(7,193,000)	55,557,165	1,779,640
Premiums/(discounts)(net)	3,856,090	1,106,135	(651,044)	4,311,181	-
Total FTS Debt	$ 53,802,245	$ 13,910,145	$ (7,844,044)	$ 59,868,346	$ 1,779,640

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Due within one year
		(in thousands)			
Senior Bonds	$ 100,000	$ -	$ (100,000)	$ -	$ -
Subordinate Bonds	45,177,025	7,647,085	(3,152,955)	49,671,155	1,652,900
Subordinate Bonds from Direct Borrowings	350,000	-	(75,000)	275,000	-
Total before premiums/discounts	45,627,025	7,647,085	(3,327,955)	49,946,155	1,652,900
Premiums/(discounts)(net)	3,629,507	651,605	(425,022)	3,856,090	-
Total FTS Debt	$ 49,256,532	$ 8,298,690	$ (3,752,977)	$ 53,802,245	$ 1,652,900

5. Long-Term Liabilities (continued)

Issuances - FTS

In fiscal years 2025 and 2024, the Authority issued $7.9 billion and $6.1 billion, respectively, of new money FTS Bonds. The new money bond proceeds were used to finance the City's capital program.

In fiscal year 2025, the Authority issued $4.9 billion of FTS Bonds to refund $5.6 billion of outstanding FTS Bonds. The refunding resulted in an accounting gain of $200 million. The Authority, in effect, reduced its aggregate FTS debt service by $443 million and obtained an economic benefit of $337 million.

In fiscal year 2024, the Authority issued $1.4 billion of FTS Bonds to refund $1.6 billion of outstanding FTS Bonds. The refunding resulted in an accounting gain of $66 million. The Authority, in effect, reduced its aggregate FTS debt service by $172 million and obtained an economic benefit of $158 million. In fiscal year 2024, the Authority reoffered and converted $75 million of FTS Bonds between modes from index to variable rates.

Defeasances - FTS

The bonds refunded with defeasance collateral have been removed from the financial statements as a liability of the Authority. The Authority had FTS Bonds refunded with defeasance collateral that are held in escrow accounts on deposit with the Authority's Trustee. As of June 30, 2025 and 2024, $1.2 billion and $261 million, respectively, of the Authority's defeased bonds were still outstanding.

Annual Requirements - FTS

Debt service requirements to maturity for FTS Bonds at June 30, 2025 are as follows:

	FTS Bonds			FTS Bonds from Direct Borrowings			Total	Total	Total
	Principal	Interest (a)	Total	Principal	Interest (a)	Total	Principal	Interest	Debt Service
	(in thousands)								
Year ending June 30,									
2026	$ 1,817,820	$ 2,444,661	$ 4,262,481	$ -	$ 8,041	$ 8,041	$ 1,817,820	$ 2,452,702	$ 4,270,522
2027	2,184,830	2,373,370	4,558,200	-	8,041	8,041	2,184,830	2,381,411	4,566,241
2028	2,227,850	2,272,472	4,500,322	-	8,041	8,041	2,227,850	2,280,513	4,508,363
2029	2,261,305	2,179,338	4,440,643	-	8,041	8,041	2,261,305	2,187,380	4,448,685
2030	2,190,560	2,084,604	4,275,164	-	8,041	8,041	2,190,560	2,092,645	4,283,205
2031 to 2035	11,439,720	8,933,818	20,373,538	-	40,205	40,205	11,439,720	8,974,023	20,413,743
2036 to 2040	12,806,860	6,101,480	18,908,340	13,575	39,908	53,483	12,820,435	6,141,387	18,961,822
2041 to 2045	10,637,175	3,393,463	14,030,638	261,425	20,759	282,184	10,898,600	3,414,222	14,312,822
2046 to 2050	6,411,370	1,518,043	7,929,413	-	-	-	6,411,370	1,518,043	7,929,413
2051 to 2055	3,304,675	305,541	3,610,216	-	-	-	3,304,675	305,541	3,610,216
	$ 55,282,165	$ 31,606,790	$ 86,888,955	$ 275,000	$ 141,077	$ 416,077	$ 55,557,165	$ 31,747,867	$ 87,305,032

(a) The variable interest rates used in this table were 2.86% on tax-exempt bonds and 3.46% on index bonds.

5. Long-Term Liabilities (continued)

Changes in Long-term Liabilities – BARBs

As of June 30, 2025, the interest rates on the Authority's outstanding fixed-rate BARBs ranged from 1.00% to 5.25% on tax-exempt bonds and 0.91% to 6.83% on taxable bonds.

In fiscal years 2025 and 2024, the changes in BARBs long-term debt were as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Due within one year
		(in thousands)			
Building Aid Revenue Bonds	$ 7,220,330	$ -	$ (206,280)	$ 7,014,050	$ 219,785
Build America Bonds	251,470	-	(9,700)	241,770	4,000
Qualified School Construction Bonds	200,000	-	-	200,000	-
Total before premiums/discounts	7,671,800	-	(215,980)	7,455,820	223,785
Premiums/(discounts)(net)	684,686	-	(69,692)	614,994	-
Total BARBs Debt	$ 8,356,486	$ -	$ (285,672)	$ 8,070,814	$ 223,785

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Due within one year
		(in thousands)			
Building Aid Revenue Bonds	$ 7,418,610	$ -	$ (198,280)	$ 7,220,330	$ 214,980
Build America Bonds	260,575	-	(9,105)	251,470	1,000
Qualified School Construction Bonds	200,000	-	-	200,000	-
Total before premiums/discounts	7,879,185	-	(207,385)	7,671,800	215,980
Premiums/(discounts)(net)	755,584	-	(70,898)	684,686	-
Total BARBs Debt	$ 8,634,769	$ -	$ (278,283)	$ 8,356,486	$ 215,980

5. Long-Term Liabilities (continued)

Defeasances - BARBs

The Authority had BARBs refunded with defeasance collateral that are held in escrow accounts on deposit with the Authority's Trustee. The bonds refunded with defeasance collateral have been removed from the financial statements as a liability of the Authority. As of June 30, 2025 and 2024, $108 million and $194 million of the Authority's defeased bonds, respectively, were still outstanding.

Annual Requirements - BARBs

Debt service requirements to maturity for BARBs at June 30, 2025 are as follows:

	Principal	Interest	Total
	(in thousands)		
Year ending June 30,			
2026	$ 230,760	$ 348,529	$ 579,289
2027	404,000	334,593	738,593
2028	357,225	317,456	674,681
2029	373,550	301,511	675,061
2030	390,750	284,274	675,024
2031 to 2035	2,275,560	1,087,249	3,362,809
2036 to 2040	2,105,780	505,910	2,611,690
2041 to 2045	1,014,540	163,203	1,177,743
2046 to 2050	298,655	19,002	317,657
2051 to 2055	5,000	75	5,075
Total	$ 7,455,820	$ 3,361,802	$ 10,817,622

5. Long-Term Liabilities (continued)

Variable Rate Demand Bonds – FTS

As of June 30, 2025, the Authority had 26 series of Variable Rate Demand Bonds ("VRDBs") outstanding that may be tendered at the option of their holders (see below).

Series	Outstanding Principal Amount	Provider	Expiration Date
2011A-4	$ 100,000,000	Barclays Bank PLC	April 12, 2027
2013A-4	50,000,000	JPMorgan Chase Bank, N.A.	August 10, 2026
2013A-7	111,075,000	State Street Bank and Trust Company	August 13, 2026
2013C-4	62,965,000	JPMorgan Chase Bank, N.A.	November 29, 2029
2013C-5	148,000,000	Sumitomo Mitsui Banking Corporation	November 17, 2025
2014B-3	75,000,000	Barclays Bank PLC	March 29, 2027
2014D-3	100,000,000	Mizuho Bank, Ltd.	April 15, 2027
2014D-4	100,000,000	Mizuho Bank, Ltd.	April 15, 2027
2015A-3	100,000,000	Mizuho Bank, Ltd.	July 2, 2027
2015A-4	100,000,000	Mizuho Bank, Ltd.	July 2, 2027
2015-E3	100,000,000	JPMorgan Chase Bank, N.A.	April 21, 2028
2015-E4	90,000,000	Bank of America, N.A.	April 21, 2026
2016A-4	100,000,000	Bank of America, N.A.	September 25, 2026
2016-E4	150,000,000	JPMorgan Chase Bank, N.A.	February 24, 2028
2018C-6	100,000,000	Sumitomo Mitsui Banking Corporation	May 4, 2028
2018C-7	75,000,000	TD Bank, N.A.	May 21, 2027
2019A-4	200,000,000	JPMorgan Chase Bank, N.A.	August 10, 2026
2019B-4	200,000,000	JPMorgan Chase Bank, N.A.	September 24, 2026
2019B-5	75,000,000	U.S. Bank National Association	August 20, 2027
2019C-4	150,000,000	Barclays Bank PLC	April 12, 2027
2023A-2	200,000,000	UBS AG	July 30, 2027
2023A-3	100,000,000	The Bank of New York Mellon	August 4, 2025
2025 C-3	200,000,000	Sumitomo Mitsui Banking Corporation	October 1, 2029
2024 C-4	100,000,000	Sumitomo Mitsui Banking Corporation	October 1, 2029
2025 H-2	200,000,000	TD Bank, N.A.	April 1, 2030
2025 H-3	100,000,000	Bank of America, N.A.	March 30, 2029
Total	$ 3,087,040,000		

5. Long-Term Liabilities (continued)

As of June 30, 2025 and 2024, the Authority had $3.1 billion and $2.5 billion, respectively, of VRDBs outstanding. The VRDBs are remarketed by remarketing agents on a daily or weekly basis. Interest rates determined by such remarketing agents for such periods represent the lowest rate of interest that would cause the VRDBs to have a market value equal to par. Interest rates cannot exceed 9% on tax-exempt bonds. In fiscal years 2025 and 2024, the VRDBs rates averaged 2.86% and 3.67%, respectively, on tax-exempt bonds.

The VRDBs are backed by either a Standby Bond Purchase Agreement ("SBPA") or a Letter of Credit ("LOC"), providing for the purchase of the VRDBs by a bank in the event they cannot be remarketed. In such case, the interest rate on the VRDBs would typically increase and would be determined by reference to specified index rates plus a spread (in some cases, with a minimum rate), up to a maximum rate of 25%. No VRDBs were held by such banks during the fiscal years ended June 30, 2025 or June 30, 2024. SBPAs and LOCs may be terminated by the respective banks upon the occurrence of specified events of default.

Index Bonds

As of June 30, 2025 and 2024, the Authority had $275 million and $275 million, respectively, of Index Rate Bonds outstanding, which were not publicly offered but were purchased by banks through direct placements. The Authority's Index Rate Bonds pay interest based on a specified index. Some Index Rate Bonds continue to pay interest based on such index through maturity. Other Index Rate Bonds provide for an increased rate of interest commencing on an identified step-up date if such bonds are not converted or refunded in advance of such date. Such increased rate of interest is, in some cases, 9% and, in other cases, based on a specified index rate plus a spread. In fiscal years 2025 and 2024, interest rates on the Index bonds averaged 3.46% and 4.04%, respectively.

Auction Bonds

In fiscal year 2024, the Authority refunded all outstanding auction rate bonds.

5. Long-Term Liabilities (continued)

Retention Requirements

As of June 30, 2025 and 2024, the Authority was required to hold in its debt service accounts the following:

	June 30, 2025			June 30, 2024		
	(in thousands)					
	Principal	Interest	Total	Principal	Interest	Total
Required for FTS	$ 164,185	$ 377,873	$ 542,058	$ 287,335	$ 477,609	$ 764,944
Required for BARBs	230,760	348,528	579,288	222,955	357,381	580,336
Total	$ 394,945	$ 726,401	$ 1,121,346	$ 510,290	$ 834,990	$ 1,345,280

The Authority held $2.3 billion and $2.4 billion in excess of amounts required to be retained for FTS Bonds debt service under the Indenture as of June 30, 2025 and 2024, respectively. The Authority held $10.4 million and $10.5 million in excess of amounts required to be retained for BARBs debt service under the Indenture as of June 30, 2025 and 2024, respectively.

6. Unrestricted Grants

In fiscal years 2025 and 2024, the Authority received unrestricted grants in the amount of $2.3 billion and $2.4 billion, respectively. These grants were used to fund future year's debt service requirements for FTS Bonds and reduced the amount of PIT retained for such purpose. These grants are reported as assigned for debt service in the governmental funds balance sheets.

7. Administrative Costs

The Authority's management fee, overhead, and expenditures related to carrying out the Authority's duties, including remarketing and liquidity fees not funded from bond proceeds or investment earnings, are funded from the personal income taxes, building aid revenue, and grant revenue.

8. Subsequent Events

On August 12, 2025, the Authority issued $1.7 billion of Fiscal 2026 Series A FTS Bonds, comprising $1.5 billion of Subseries A-1 tax-exempt bonds and $200 million of Subseries A-2 of tax-exempt bonds. The proceeds from Fiscal 2026 Series A will be used to finance the City's capital program.

On August 28, 2025, the Authority issued $870 million of Fiscal 2026 Series S-1 BARBs. The proceeds of the Fiscal 2026 Series S-1 BARBs were used to refund prior outstanding BARBs .

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APPENDIX C

VARIABLE RATE BONDS

The Authority expects that it will extend or replace the letters of credit or liquidity facilities listed below, or convert or refund the related bonds, prior to the respective expiration dates identified below.

Variable Rate Demand Bonds

Series	Outstanding Principal Amount	Provider	Facility Type	Expiration
2011A-4	$100,000,000	Barclays Bank PLC	SBPA[(1)]	April 12, 2027
2013A-4	50,000,000	JPMorgan Chase Bank, N.A.	SBPA	August 10, 2026
2013A-7	111,075,000	State Street Bank and Trust Company	SBPA	August 13, 2026
2013C-4	62,965,000	JPMorgan Chase Bank, N.A.	SBPA	November 29, 2029
2013C-5	148,000,000	Sumitomo Mitsui Banking Corporation	SLOC[(2)]	November 15, 2030
2014B-3	75,000,000	Barclays Bank PLC	SBPA	March 29, 2027
2014D-3	100,000,000	Mizuho Bank, Ltd.	SBPA	April 15, 2027
2014D-4	100,000,000	Mizuho Bank, Ltd.	SBPA	April 15, 2027
2015A-3	100,000,000	Mizuho Bank, Ltd.	SBPA	July 2, 2027
2015A-4	100,000,000	Mizuho Bank, Ltd.	SBPA	July 2, 2027
2015E-3	100,000,000	JPMorgan Chase Bank, N.A.	SBPA	April 21, 2028
2015E-4	90,000,000	Bank of America, N.A.	SBPA	April 19, 2030
2016A-4	100,000,000	Bank of America, N.A.	SBPA	September 25, 2026
2016E-4	150,000,000	JPMorgan Chase Bank, N.A.	SBPA	February 24, 2028
2018C-6	100,000,000	Sumitomo Mitsui Banking Corporation	SLOC	May 4, 2028
2018C-7	75,000,000	TD Bank, N.A.	SBPA	May 21, 2027
2019A-4	200,000,000	JPMorgan Chase Bank, N.A.	SBPA	August 10, 2026
2019B-4	200,000,000	JPMorgan Chase Bank, N.A.	SBPA	September 24, 2026
2019B-5	75,000,000	U.S. Bank National Association	SBPA	August 20, 2027
2019C-4	150,000,000	Barclays Bank PLC	SBPA	April 12, 2027
2023A-2	200,000,000	UBS AG	SBPA	July 30, 2027
2023A-3	100,000,000	The Bank of New York Mellon	SBPA	August 4, 2028
2025C-3	200,000,000	Sumitomo Mitsui Banking Corporation	SLOC	October 1, 2029
2025C-4	100,000,000	Sumitomo Mitsui Banking Corporation	SLOC	October 1, 2029
2025H-2	200,000,000	TD Bank, N.A.	SBPA	April 1, 2030
2025H-3	100,000,000	Bank of America, N.A	SBPA	March 30, 2029
2026A-2	200,000,000	Bank of America, N.A	SBPA	August 10, 2029
2026F-3	200,000,000	U.S. Bank National Association	SBPA	February 3, 2031
	$3,487,040,000			

Index Rate Bonds[(3)]

Series	Outstanding Principal Amount	Purchaser	Step-Up Date
2014A-4	$125,000,000	Wells Fargo	9/22/2026
2016A-5	50,000,000	RBC Capital Markets, LLC	6/26/2026
2017B-4	100,000,000	Wells Fargo	9/22/2026
2026F-4	200,000,000	Wells Fargo	2/2/2029
	$475,000,000		

(1) Standby Bond Purchase Agreement.

(2) Standby Letter of Credit.

(3) The Authority's index rate bonds consist of Future Tax Secured Bonds that were purchased by financial institutions through direct placements and were not offered to the public. Such bonds pay interest based on a specified index and provide for an increased rate of interest commencing on an identified step-up date if such bonds are not converted or refunded.

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APPENDIX D

BONDS TO BE REDEEMED

The Authority expects to redeem Bonds, at or prior to maturity, by applying the proceeds of the Refunding Bonds, with other funds of the Authority, to provide for, at or prior to maturity, the payment of the principal, interest and redemption premium, if any, on such Bonds (the "Refunded Bonds") to the extent and to the payment dates set forth below. The refunding is contingent upon the delivery of the Refunding Bonds.

The Refunded Bonds that are to be paid at maturity which are redeemable by their terms, if any, may be called for redemption at the option of the Authority if the escrow account is hereafter restructured to provide for their redemption. Any such restructuring must preserve (a) the sufficiency of the escrow account to pay the principal, interest to maturity or redemption, and any redemption premium on all the Refunded Bonds and (b) the exclusion from gross income for federal income tax purposes of interest on the Refunding Bonds and the Refunded Bonds that were issued as tax-exempt Bonds under the Code.

The Refunded Bonds are being provided for in whole or in part as indicated in the footnotes hereto.

The proceeds of the Subseries G-1 Bonds and the Series H Bonds will be applied to redeem the following Refunded Bonds:

Series	Dated Date/ Reoffered Date	Maturity	Interest Rate	Payment Date	Redemption Price	Amount
2016A-1	September 29, 2015	August 1, 2030	3%	July 13, 2026	100 %	$ 940,000 [p]
2017A-1	July 28, 2016	May 1, 2027	4	July 13, 2026	100	5,035,000 [a]
		May 1, 2028	5	July 13, 2026	100	5,000,000 [a]
		May 1, 2029	5	July 13, 2026	100	38,100,000 [a]
		May 1, 2030	4	July 13, 2026	100	38,635,000 [a]
		May 1, 2030	5	July 13, 2026	100	1,370,000 [a]
		May 1, 2031	4	July 13, 2026	100	41,615,000 [a]
		May 1, 2032	5	July 13, 2026	100	43,280,000 [a]
		May 1, 2033	5	July 13, 2026	100	45,445,000 [a]
		May 1, 2034	5	July 13, 2026	100	47,720,000 [a]
		May 1, 2035	5	July 13, 2026	100	50,105,000 [a]
		May 1, 2036	4	July 13, 2026	100	31,610,000 [a]
		May 1, 2036	5	July 13, 2026	100	21,000,000 [a]
		May 1, 2037	5	July 13, 2026	100	49,205,000 [a]
		May 1, 2040	5	July 13, 2026	100	165,615,000 [p][t]
2017B-1	September 22, 2016	August 1, 2027	5	August 1, 2026	100	5,135,000 [a]
		August 1, 2028	5	August 1, 2026	100	5,200,000 [a]
		August 1, 2029	5	August 1, 2026	100	38,090,000 [a]
		August 1, 2030	5	August 1, 2026	100	40,000,000 [a]
		August 1, 2031	5	August 1, 2026	100	41,995,000 [a]
		August 1, 2032	5	August 1, 2026	100	44,100,000 [a]
		August 1, 2033	5	August 1, 2026	100	46,300,000 [a]
		August 1, 2034	5	August 1, 2026	100	48,615,000 [a]
		August 1, 2035	4	August 1, 2026	100	51,050,000 [a]
		August 1, 2036	5	August 1, 2026	100	49,745,000 [a]
		August 1, 2037	4	August 1, 2026	100	55,670,000 [a]
		August 1, 2038	5	August 1, 2026	100	57,895,000 [a]
		August 1, 2039	4	August 1, 2026	100	15,260,000 [p]
		August 1, 2040	5	August 1, 2026	100	63,225,000 [a]
2024G-1	May 23, 2024	May 1, 2027	5	July 13, 2026	102.124	3,335,000 [a][m]
		May 1, 2028	5	July 13, 2026	104.720	32,770,000 [a][m]
2025A-1	July 30, 2024	November 1, 2026	5	July 13, 2026	100.804	13,545,000 [p][m]
2025C-1	October 1, 2024	May 1, 2028	5	July 13, 2026	104.720	35,535,000 [a][m]

See footnotes on page D-2.

Series	Dated Date/ Reoffered Date	Maturity	Interest Rate	Payment Date	Redemption Price	Amount
2025H-1	April 1, 2025	November 1, 2026	5%	July 13, 2026	100.774%	$ 460,000 (a)(m)
		November 1, 2027	5	July 13, 2026	103.299	15,835,000 (p)(m)
2026A-1	August 12, 2025	May 1, 2029	5	July 13, 2026	106.864	1,765,000 (p)(m)
2026B	October 30, 2025	May 1, 2029	5	July 13, 2026	106.864	2,315,000 (p)(m)
		May 1, 2030	5	July 13, 2026	108.938	705,000 (p)(m)

The proceeds of the Subseries G-2 Bonds will be applied to redeem the following Refunded Bonds:

Series	Dated Date/ Reoffered Date	Maturity	Interest Rate	Payment Date	Redemption Price	Amount
2019A-2	August 10, 2018	August 1, 2028	3.55%	August 1, 2028	100 %	$14,580,000 (p)
2019A-3	August 10, 2018	August 1, 2029	3.73	August 1, 2029	100	18,650,000 (p)
2024A-2	July 27, 2023	May 1, 2029	4.60	July 14, 2026	100.449	11,225,000 (a)(m)
		May 1, 2030	4.60	July 14, 2026	100.595	22,620,000 (a)(m)
2024G-2	May 23, 2024	May 1, 2030	4.83	July 14, 2026	101.740	7,245,000 (p)(m)

(p) The amount shown is being defeased and is a portion of the Bonds of this description.
(a) The amount shown is being defeased and is all of the Bonds of this description, except those, if any, that have been previously defeased.
(t) The amount shown is being credited against redemptions for the Term Bond of this description.
(m) The Bonds shown are being redeemed in accordance with their make-whole call optional redemption provision.

Fiscal 2017 Subseries A-1
Term Bond Due May 1, 2040

May 1	Amount
2038	$55,460,000
2039	60,380,000
2040	49,775,000

APPENDIX E-1

PROPOSED FORM OF NORTON ROSE FULBRIGHT US LLP OPINION

June 11, 2026

New York City Transitional Finance Authority

We have acted as Co-Bond Counsel to the New York City Transitional Finance Authority (the "Authority"), a public benefit corporation organized under the laws of the State of New York (the "State"), in the Authority's issuance of its Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-1 (the "Subseries G-1 Bonds"), Fiscal 2026 Subseries G-2 (the "Subseries G-2 Bonds"), Fiscal 2026 Series H (the "Series H Bonds") and Fiscal 2026 Series I (the "Series I Bonds" and, collectively with the Subseries G-1 Bonds, the Subseries G-2 Bonds and the Series H Bonds, the "Fixed Rate Bonds"). The Fixed Rate Bonds are being issued pursuant to Chapter 16, Laws of New York, 1997, as amended (the "Act"), to the Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented (the "Indenture"), between the Authority and The Bank of New York Mellon, as Trustee, and to a Financing Agreement dated October 1, 1997, as amended (the "Agreement"), between the Authority and The City of New York (the "City"). Terms not defined herein are used as defined in the Indenture. We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

The Fixed Rate Bonds are dated, bear interest, mature, and are subject to redemption and are secured as set forth in the Indenture. The Fixed Rate Bonds are Subordinate Bonds and Parity Debt payable from the Tax Revenues on a parity with other Parity Debt. The Authority is authorized to issue additional bonds (together with such bonds heretofore issued and the Fixed Rate Bonds, the "Bonds") on the terms and conditions set forth in the Indenture and all such Bonds shall be entitled to the benefit, protection and security of the Indenture in the order of priority set forth therein.

We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the Authority and the City and such other agreements, documents and matters as we deem necessary to render our opinions. We have not undertaken an independent investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies, the genuineness of all signatures, and the accuracy of the statements contained in such documents.

Based upon the foregoing and our examination of existing law, we are of the opinion that:

1. The Authority is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and the Agreement and to issue the Fixed Rate Bonds. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid in all respects material to the security and sources of payment for the Fixed Rate Bonds.

2. The Fixed Rate Bonds have been duly authorized, executed, and delivered by the Authority and are valid and binding obligations of the Authority payable from the Tax Revenues pledged and the other collateral provided therefor in the Indenture. The Fixed Rate Bonds do not constitute a debt of the State or the City, and neither the State nor the City shall be liable thereon, nor shall the Fixed Rate Bonds be payable out of any funds other than those of the Authority.

3. The Act validly provides for (a) the payment to the Authority (i) of the taxes so payable pursuant to §873 or §1313 of the Tax Law (the "Personal Income Taxes"), and (ii) to the extent specified in the Act, of sales and compensating use taxes that the City is authorized by the State to impose and taxes imposed by the State pursuant to §1107 of the Tax Law (the "Alternative Revenues," and to the extent so payable, with the Personal Income Taxes and such other revenues, if any, as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State, the "Tax Revenues"), (b) the Authority's pledge to the Trustee of the Tax Revenues

and all aid, rents, fees, charges, payments and other income and receipts paid or payable to the Authority or the Trustee (the "Revenues"), and (c) the application of proceeds of the Fixed Rate Bonds to purposes of the City.

4. The Personal Income Taxes are subject neither to appropriation by the City or the State, nor to prior claims in favor of other obligations or purposes of the City or the State except as specified in §873 or §1313 of the Tax Law with respect to overpayments and the State's reasonable costs in administering, collecting and distributing such taxes. Alternative Revenues consisting of sales and compensating use taxes imposed by the City, if payable to the Authority pursuant to the Act, are not subject to appropriation by the City or the State. Upon any failure of the State Legislature to make required appropriations for State debt obligations, the Tax Revenues would not constitute revenues applicable to the General Fund of the State; accordingly, Article 7, Section 16 of the State Constitution does not mandate that such money be set apart by the State Comptroller for the payment of State obligations.

5. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Authority, (b) creates the valid pledge of Tax Revenues and other collateral that it purports to create and (c) is a valid and binding agreement, enforceable in accordance with its terms, of the Authority, and to the extent specified in the Act, the State. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the taxes payable to the Authority pursuant to §873 or §1313 of the Tax Law, nor does it obligate the State to make any payments not specified in the Act or impose any taxes to satisfy the obligations of the Authority.

6. The lien of the Indenture on the Tax Revenues for the security of the Senior Bonds and other instruments to the extent specified in the Indenture is, and pursuant to the covenant of the Authority in the Indenture will be, prior to all other liens thereon. The Authority's obligation to pay Subordinate Bonds, such as the Fixed Rate Bonds, is subject to and subordinate to the pledge and security interest granted in the Indenture to secure Senior Debt Service. The pledge of Tax Revenues and other collateral made by the Authority in the Indenture is valid, binding and perfected without any physical delivery of the collateral or further act, and the lien thereof is valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of such parties' notice thereof.

7. The Agreement has been duly and lawfully authorized, executed and delivered by the Authority and the City pursuant to the Act, and is a valid and binding agreement of each of them.

8. The Authority is not eligible for protection from its creditors pursuant to Title 11 (the "Bankruptcy Code") of the United States Code. If the debts of the City were adjusted under the Bankruptcy Code, and the City or its creditors asserted a right to the Tax Revenues superior or equal to the rights of the holders of the Bonds, such assertion would not succeed.

9. No registration with, consent of, or approval by any governmental agency or commission that has not been obtained is necessary for the execution and delivery of the Fixed Rate Bonds. The adoption and compliance with all of the terms and conditions of the Indenture and the Fixed Rate Bonds, and the execution and delivery of the Fixed Rate Bonds, will not result in a violation of or be in conflict with any existing law.

10. Interest on the Fixed Rate Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

11. The Authority and the City have covenanted, in Tax Certificates dated the date hereof, to comply with certain provisions of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), relating to the exclusion from gross income of the interest on the Subseries G-1 Bonds, the Series H Bonds and the Series I Bonds (collectively, the "Tax-Exempt Bonds") for purposes of federal income taxation. Assuming compliance by the Authority and the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.

12. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Tax-Exempt Bonds or the inclusion in certain

computations (including, without limitation, those related to the alternative minimum tax on the adjusted financial statement income of certain corporations) of interest that is excluded from gross income.

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Fixed Rate Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action (including without limitation a change in the interest rate mode with respect to the Tax-Exempt Bonds) taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The rights of the holders of the Fixed Rate Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable and except as specifically stated above, and may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Very truly yours,

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APPENDIX E-2

PROPOSED FORM OF BRYANT RABBINO LLP OPINION

June 11, 2026

New York City Transitional Finance Authority

We have acted as Co-Bond Counsel to the New York City Transitional Finance Authority (the "Authority"), a public benefit corporation organized under the laws of the State of New York (the "State"), in the Authority's issuance of its Future Tax Secured Subordinate Bonds, Fiscal 2026 Subseries G-1 (the "Subseries G-1 Bonds"), Fiscal 2026 Subseries G-2 (the "Subseries G-2 Bonds"), Fiscal 2026 Series H (the "Series H Bonds") and Fiscal 2026 Series I (the "Series I Bonds" and, collectively with the Subseries G-1 Bonds, the Subseries G-2 Bonds and the Series H Bonds, the "Fixed Rate Bonds"). The Fixed Rate Bonds are being issued pursuant to Chapter 16, Laws of New York, 1997, as amended (the "Act"), to the Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented (the "Indenture"), between the Authority and The Bank of New York Mellon, as Trustee, and to a Financing Agreement dated October 1, 1997, as amended (the "Agreement"), between the Authority and The City of New York (the "City"). Terms not defined herein are used as defined in the Indenture. We assume the parties will perform their respective covenants in the Indenture and the Agreement in all material respects.

The Fixed Rate Bonds are dated, bear interest, mature, and are subject to redemption and are secured as set forth in the Indenture. The Fixed Rate Bonds are Subordinate Bonds and Parity Debt payable from the Tax Revenues on a parity with other Parity Debt. The Authority is authorized to issue additional bonds (together with such bonds heretofore issued and the Fixed Rate Bonds, the "Bonds") on the terms and conditions set forth in the Indenture and all such Bonds shall be entitled to the benefit, protection and security of the Indenture in the order of priority set forth therein.

We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the Authority and the City and such other agreements, documents and matters as we deem necessary to render our opinions. We have assumed, with your permission, that capital projects of the City to be financed or refinanced with proceeds of the Fixed Rate Bonds, and reviewed by other bond counsel for the City, have been properly designated by the City in the City's financial management system as eligible for financing or refinancing with such proceeds under applicable State law, including the Local Finance Law, and, with respect to projects to be financed or refinanced with proceeds of the Subseries G-1 Bonds, the Series H Bonds and the Series I Bonds, under the Code (as defined below). We have not undertaken an independent investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies, the genuineness of all signatures, and the accuracy of the statements contained in such documents.

Based upon the foregoing and our examination of existing law, we are of the opinion that:

1. The Authority is a public benefit corporation duly organized and existing under the laws of the State, and is authorized under the laws of the State, particularly the Act, to enter into the Indenture and the Agreement and to issue the Fixed Rate Bonds. Under the laws of the State, including the Constitution of the State, and under the Constitution of the United States, the Act is valid in all respects material to the security and sources of payment for the Fixed Rate Bonds.

2. The Fixed Rate Bonds have been duly authorized, executed, and delivered by the Authority and are valid and binding obligations of the Authority payable from the Tax Revenues pledged and the other collateral provided therefor in the Indenture. The Fixed Rate Bonds do not constitute a debt of the State or the City, and neither the State nor the City shall be liable thereon, nor shall the Fixed Rate Bonds be payable out of any funds other than those of the Authority.

3. The Act validly provides for (a) the payment to the Authority (i) of the taxes so payable pursuant to §873 or §1313 of the Tax Law (the "Personal Income Taxes"), and (ii) to the extent specified in the Act, of sales and compensating use taxes that the City is authorized by the State to impose and taxes imposed by the State pursuant to §1107 of the Tax Law (the "Alternative Revenues," and to the extent so payable, with the Personal Income Taxes and such other revenues, if any, as the Authority may derive directly from the State from taxes imposed by the City or the State and collected by the State, the "Tax Revenues"), (b) the Authority's pledge to the Trustee of the Tax Revenues and all aid, rents, fees, charges, payments and other income and receipts paid or payable to the Authority or the Trustee (the "Revenues"), and (c) the application of proceeds of the Fixed Rate Bonds to purposes of the City.

4. The Personal Income Taxes are subject neither to appropriation by the City or the State, nor to prior claims in favor of other obligations or purposes of the City or the State except as specified in §873 or §1313 of the Tax Law with respect to overpayments and the State's reasonable costs in administering, collecting and distributing such taxes. Alternative Revenues consisting of sales and compensating use taxes imposed by the City, if payable to the Authority pursuant to the Act, are not subject to appropriation by the City or the State. Upon any failure of the State Legislature to make required appropriations for State debt obligations, the Tax Revenues would not constitute revenues applicable to the General Fund of the State; accordingly, Article 7, Section 16 of the State Constitution does not mandate that such money be set apart by the State Comptroller for the payment of State obligations.

5. The Indenture (a) has been duly and lawfully authorized, executed and delivered by the Authority, (b) creates the valid pledge of Tax Revenues and other collateral that it purports to create and (c) is a valid and binding agreement, enforceable in accordance with its terms, of the Authority, and to the extent specified in the Act, the State. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the taxes payable to the Authority pursuant to §873 or §1313 of the Tax Law, nor does it obligate the State to make any payments not specified in the Act or impose any taxes to satisfy the obligations of the Authority.

6. The lien of the Indenture on the Tax Revenues for the security of the Senior Bonds and other instruments to the extent specified in the Indenture is, and pursuant to the covenant of the Authority in the Indenture will be, prior to all other liens thereon. The Authority's obligation to pay Subordinate Bonds, such as the Fixed Rate Bonds, is subject to and subordinate to the pledge and security interest granted in the Indenture to secure Senior Debt Service. The pledge of Tax Revenues and other collateral made by the Authority in the Indenture is valid, binding and perfected without any physical delivery of the collateral or further act, and the lien thereof is valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of such parties' notice thereof.

7. The Agreement has been duly and lawfully authorized, executed and delivered by the Authority and the City pursuant to the Act, and is a valid and binding agreement of each of them.

8. The Authority is not eligible for protection from its creditors pursuant to Title 11 (the "Bankruptcy Code") of the United States Code. If the debts of the City were adjusted under the Bankruptcy Code, and the City or its creditors asserted a right to the Tax Revenues superior or equal to the rights of the holders of the Bonds, such assertion would not succeed.

9. No registration with, consent of, or approval by any governmental agency or commission that has not been obtained is necessary for the execution and delivery of the Fixed Rate Bonds. The adoption and compliance with all of the terms and conditions of the Indenture and the Fixed Rate Bonds, and the execution and delivery of the Fixed Rate Bonds, will not result in a violation of or be in conflict with any existing law.

10. Interest on the Fixed Rate Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

11. The Authority and the City have covenanted, in Tax Certificates dated the date hereof, to comply with certain provisions of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), relating to the exclusion from gross income of the interest on the Subseries G-1 Bonds, the Series H Bonds and the Series I Bonds (collectively, the "Tax-Exempt Bonds") for purposes of federal income taxation. Assuming compliance by the Authority and the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.

12. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Tax-Exempt Bonds or the inclusion in certain computations (including, without limitation, those related to the alternative minimum tax on the adjusted financial statement income of certain corporations) of interest that is excluded from gross income.

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Fixed Rate Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action (including without limitation a change in the interest rate mode with respect to the Tax-Exempt Bonds) taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The rights of the holders of the Fixed Rate Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable and except as specifically stated above, and may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Yours truly,

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New York City TRANSITIONAL FINANCE AUTHORITY

$2,113,200,000
New York City Transitional Finance Authority
Future Tax Secured Subordinate Bonds

$1,174,485,000 Fiscal 2026 Series G

$1,099,400,000 Subseries G-1
(Tax-Exempt)

$75,085,000 Subseries G-2
(Taxable)

$38,715,000 Fiscal 2026 Series H (Tax-Exempt)

$900,000,000 Fiscal 2026 Series I (Tax-Exempt)

OFFERING CIRCULAR

May 28, 2026