

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

April 19, 2024

Agenda

1. Resolution: Approval of Minutes of Meeting of September 29, 2023
2. Resolution: Self-Evaluation and Review of Annual Report of the Audit Committee
3. Review of Internal Controls
4. Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

April 19, 2024

Approval of Minutes

WHEREAS, the Audit Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Audit Committee held on September 29, 2023; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 29, 2023, are hereby approved.

DRAFT
MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF
THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

September 29, 2023

A meeting of the Audit Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 29, 2023 at approximately 10:02 a.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York 10007.

The following Committee members attended, represented by their designees:

Jacques Jiha, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Thomas Foley, Commissioner of the Department of Design and Construction of the City, represented by Louann Koziol; and

Adrienne Adams, Speaker of City Council, represented by Hector German, constituting a quorum. Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority and employees of various agencies of the City and the State of New York.

The meeting was called to order by Mr. Olson, the Chairperson of the Committee.

Approval of Minutes of Prior Meeting

The first item on the agenda was the approval of the minutes of the prior meeting of the Committee which occurred on April 20, 2023. The minutes were circulated for review. There being no further discussion, upon unanimous vote, the following resolution to adopt such minutes was duly approved.

WHEREAS, the Audit Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Audit Committee held on April 20, 2023; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of April 20, 2023, are hereby approved.

Presentation by Management and Independent Auditors regarding the Audited Financial Statements of the Authority

The second item on the agenda was a presentation by the Authority’s management and independent auditors, regarding the audited annual financial statements of the Authority for the fiscal years ended June 30, 2023 and June 30, 2022. Raymond Lee, the Deputy Comptroller of the Authority, briefly described the Authority’s financial statements and associated reports, which had been provided to the Committee for review. Mr. Lee then introduced Warren Ruppel of Mayer Hoffman CPAs (“Mayer Hoffman”), the Authority’s independent auditors. Mr. Ruppel presented the draft independent audit report of the Authority, and highlighted certain items including the investment compliance report, government auditing standards, and financial controls report.

Recommend to the Board of Directors the acceptance of the Independent Auditors’ report on the Audited Financial Statements of the Authority for the fiscal years ended June 30, 2023 and June 30, 2022, and the issuance of such financial statements

The third item on the agenda was the acceptance of the independent auditors’ report on the audited financial statements of the Authority for the fiscal years ended June 30, 2022 and June 30, 2023, and the issuance of such financial statements.

Mr. Lee was present for any questions. There being no discussion, after a unanimous vote, the below resolution was adopted.

WHEREAS, the Audit Committee has met with the independent auditors of the New York City Transitional Finance Authority (the “Authority”) and has reviewed the independent auditors’

report on the audited financial statements of the Authority for the fiscal years ended June 30, 2023 and June 30, 2022 and such financial statements; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate; it is therefore

RESOLVED, that the Audit Committee recommends to the Board the acceptance of the independent auditors' report and the authorization of the release of the audited financial statements of the Authority for the fiscal years ended June 30, 2023 and June 30, 2022; provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Review and approval of Audit Committee Charter

The fourth item on the agenda was the Committee's review and approval of the Audit Committee Charter, which was circulated to the Committee for review. Mr. Olson noted that the Committee is required to conduct such a review annually, and that at present no changes were proposed to the Charter. After a unanimous vote, the below resolution was adopted.

WHEREAS, the Board of Directors (the "Board") of Transitional Finance Authority (the "Authority") originally adopted an Audit Committee Charter on October 4, 2007 and amended it on April 29, 2008, September 25, 2009 and June 20, 2011; and

WHEREAS, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Authority is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Authority; and

WHEREAS, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, finds it to be reasonable and appropriate; it is hereby

RESOLVED, that the Audit Committee hereby approves the Audit Committee Charter as attached hereto.

Review of Audit Committee Schedule of Dates

The fifth and final item on the agenda was the review of the Audit Committee Schedule of Dates. The Schedule of Dates provides a guideline for the items to be addressed at meetings of the Audit Committee. Mr. Olson noted that no changes were proposed to the schedule. This was a review item only and no vote was taken.

Adjournment

There being no further business to come before the Committee, upon unanimous vote, the meeting was adjourned.

Assistant Secretary

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

April 19, 2024

Annual Report of the Audit Committee

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year;

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable;

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Authority.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Annual Report of the Audit Committee

April 19, 2024

During calendar year 2023, the Audit Committee of the New York City Transitional Finance Authority (the “Authority”) met twice. The Audit Committee’s actions at these meetings were as follows:

On April 20, 2023:

- Conducted a self-evaluation and approved an annual report of the Committee’s activities;
- Reviewed the Authority’s internal control manual; and
- Met with the independent auditors to review the auditors’ audit plan for the fiscal year 2023 audit and several new accounting and auditing standards.

On September 29, 2023:

- Met with the independent auditors and management of the Authority to discuss the annual audited financial statements and independent auditors’ report for the fiscal years ended June 30, 2023 and June 30, 2022, and recommended to the Board of Directors of the Authority the acceptance and release of such report and financial statements; and
- Reviewed and approved the Audit Committee Charter and Schedule of Dates.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY POLICIES AND PROCEDURES MANUAL

INTERNAL CONTROLS (Amended: April 2022)

OVERVIEW

The New York City Transitional Finance Authority (“TFA”)’s internal control objectives include, but are not limited to: the safeguarding of assets (including preventing the intentional or unintentional misapplication of funds), ensuring the accuracy and reliability of accounting data and financial reporting (including ensuring proper documentation of all transactions), promoting the effectiveness and efficiency of operations and ensuring compliance with applicable laws and regulations.

Internal controls exist in each area of TFA where financial activities take place, and may be categorized as (A) controls related to funds received, held, invested and disbursed by TFA’s Trustee (as defined below) and (B) other control measures including record keeping activities. These types of controls are discussed in this internal controls manual (the “Manual”).

The control measures used by TFA are periodically reviewed by TFA managers and changed as deemed necessary, and this Manual will be reviewed annually, and, if appropriate, updated. While not part of TFA’s system of internal control, TFA is subject to audit annually by independent auditors. Any comments or recommendations pertaining to TFA’s internal controls made by the independent auditors are reviewed by management and, if the value of the expected risk reduction is expected to be greater than the additional cost, they are incorporated into TFA’s internal controls.

In accordance with the New York City (the “City”) Comptroller’s Directive 1, TFA will prepare an annual Financial Integrity Statement based upon a current Directive 1 Checklist with respect to management’s assessment of TFA’s internal control environment.

Organization

Overseen by its Board of Directors (the “Board”) and directed by its Executive Director (“ED”), TFA’s internal operations are carried out by three functional areas within the organization. While all activities of TFA require close coordination and cooperation among all units and with the New York City Office of Management and Budget (“OMB”), the following are the primary responsibilities of each:

1. Secretary’s Office – Directed by TFA’s Secretary or TFA’s General Counsel, the Secretary’s Office is responsible for all legal affairs of TFA, including providing staff support for the operations of the Board and committees of the Board,

drafting and interpretation of all contracts, agreements, and legal documents and dissemination of new or revised Board approved policies to staff.

2. Treasurer's Office – Directed by TFA's Treasurer and his or her staff, the Treasurer's Office is responsible for the finance function of TFA, including working with all parties on structuring and executing bond issuances, modeling debt service requirements, and directing the investment of TFA's funds.
3. Accounting Unit – Directed by TFA's Comptroller, Deputy Comptroller and the Accounting Manager (collectively, the "Accounting Managers" or "AM"), the Accounting Unit is responsible for maintaining accounting books and records and the preparation of financial statements and other financial reports, on-going monitoring of TFA's resources and coordination with and oversight of the Trustee (as defined below). The Accounting Unit's staffing is further comprised of:
 - a. A Unit Head ("UH") who directs and reviews the work of the APS (defined below) and reports to an AM;
 - b. An accounts payable staff ("APS") member who is responsible for entry of accounts payable vouchers and payment information, as well as approved journal entries, into TFA's electronic accounting system, which is currently Microsoft Dynamics GP (the "Accounting System") and reports to the UH and/or an AM; and
 - c. Other members of the accounting unit staff ("AUS") who are assigned to prepare journal entries, monitor account activity, and maintain schedules and analyses necessary for the preparation of year-end financial statements and other recurring and ad-hoc financial reports and reports to an AM

[Note: Throughout this Manual, when one AM is unavailable to perform a noted function on a timely basis, another AM can perform that function. When APS or AUS are unavailable to perform a noted function on a timely basis, the UH can perform that function or delegate it to another staff member who has performed no conflicting duties pertaining to that matter. Where the UH performs a staff function, review and approval will be done by an AM.]

TFA and OMB are prepared to provide uninterrupted delivery of TFA's operations in the face of business disruptions. TFA's emergency preparedness plan is designed to provide personnel, equipment and technology to operate remotely with minimal interruption.

The internal controls of TFA are applicable to the general operations of TFA as well as the two types of bonds/notes issued by TFA. The Future Tax Secured debt is secured by City personal income tax ("PIT") and by City sales tax ("Sales Tax"), if needed. The Building Aid Revenue debt is secured by the City's State building aid paid pursuant to New York State Education Law and which has been assigned to TFA by the City.

The proceeds of TFA's Future Tax Secured Bonds are used to support the general capital program of the City of New York (the "City") and the proceeds of the Building Aid Revenue Bonds are used to finance a portion of the City's five-year educational facilities plan (the general capital program of the City together with the City's five year educational facilities plan are generally known as the City's "Capital Program"). Internal

controls over the capital projects within the Capital Program and over financial transactions, accounting and reporting for the Capital Program are outside the scope of responsibility of TFA and are not included in this policies and procedures manual.

RECEIPTS

Collection of New York City Personal Income Tax

PIT is imposed pursuant to New York State (the “State”) law and collected on behalf of TFA by the State. TFA retains PIT to pay its Future Tax Secured bond debt service and to support TFA’s operating expenses. As established through the Amended and Restated Original Indenture, as Amended and as Restated December 1, 2010 (“Indenture”) between TFA and its bond holders, the Trustee bank (“Trustee”) is responsible for TFA’s Future Tax Secured receipts and disbursements. After the Trustee has retained the required amount of PIT to meet TFA’s debt service and operating expense requirements as discussed in the *Debt Service Retention* section of this Manual, the remaining PIT collected by TFA is forwarded to the City by the Trustee via bank wire. Before the start of each Collection Period, as defined in the Indenture, TFA confirms with the Trustee, via a letter signed by one of TFA’s authorized officers, the amount to be retained from PIT received during the Collection Period to cover TFA’s debt service and operating expense requirements, as well as the allocation of the retained PIT into the proper bank accounts. See *Debt Service Retention* section of this Manual.

The AUS and/or an AM reviews the daily e-mail from the New York Office of the State Comptroller (“OSC”) indicating the amount of PIT, if any, which will be wired to the Trustee on behalf of the TFA that day. If there is a remittance from the OSC, the AUS will verify that the amount was received by the Trustee and the money was deposited into the appropriate bank account or remitted to the City, as appropriate. The AUS will update the daily PIT Retention Schedule. This PIT Retention Schedule is sent to the City’s Office of the Comptroller, Bureau of Accountancy to independently confirm the daily PIT transactions, as well as to OMB’s Tax Policy Unit. Monthly, the AUS prepares the bank reconciliation and attaches the daily PIT receipt spreadsheet to the bank statement. The AM reviews and signs the bank reconciliation. In addition, the OSC sends a monthly recap of PIT Collections and AUS independently reconciles the total amount transferred for the month to the spreadsheet and bank statement. Journal entries to record PIT collections, retention and disbursement to the City are prepared as part of the monthly journal entry preparation process, as discussed in the *Financial Accounting and Reporting* section.

Collection of New York City Sales Tax

If PIT collections are projected to be insufficient to provide at least 150% of the maximum annual debt service on TFA’s outstanding bonds, then Sales Tax collections will be available for the payment of the debt service on TFA’s Future Tax Secured Bonds. The Treasurer’s Office prepares this projection and it is forwarded by May 31st

to the State Comptroller by the Secretary's Office. PIT collections have been sufficient to cover TFA's debt service requirements and to pay for its operating expenses and therefore the retention of sales tax has not been required by TFA.

If Sales Tax is to be retained by TFA, pursuant to Section 703 of the Indenture, to the extent that PIT payable to the TFA during such fiscal year is projected by the Mayor to be insufficient to meet at least 150% of the maximum annual debt service on the bonds then outstanding, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to TFA from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service on the TFA's Outstanding Bonds. The internal controls regarding the collection of Sales Tax would be similar in nature to those outlined under PIT collections.

Collection for New York State Building Aid Revenue Bonds ("BARBs")

State legislation enacted in April 2006 enables TFA to have outstanding up to \$9.4 billion of bonds, notes or other obligations for purposes of funding costs of the five-year educational facilities capital plan for the City school system. The City assigned its rights to receive the State building aid to the TFA and therefore the State electronically wires the money directly to TFA. The TFA uses these funds to service TFA's building aid revenue bonds and to pay its operating expenses. Funds for BARBs debt service are required to be retained when the projected remaining building aid to be received by TFA reaches 110% of the unfunded debt service of the next fiscal year. The Treasurer's Office will determine when to begin the required building aid retention. Building aid that is not retained is remitted to the City by the Trustee through a bank wire.

~~There may be a one or two day delay before releasing the building aid revenue to the City since, pursuant to the TFA Indenture, building aid revenue is TFA revenue and it must be available first to TFA for the debt service requirements of the Future Tax Secured Bonds issued prior to the first issuance (November 2006) of BARBs if the PIT retention requirements have not been completely met at the time of the receipt of the building aid revenue. Once the debt service requirements have been met by PIT, the building aid revenue is released. TFA Future Tax Secured Bonds issued after the initial issuance of BARBs (November 2006) have no claim on building aid revenue.~~

The Trustee is responsible for TFA's receipts and disbursements of the building aid revenue received from the State. The OMB Education Task Force obtains from the State Education Department ("SED") the amount of building aid to be received from the State in the fiscal year. Pursuant to a Memorandum of Understanding among TFA, SED and OSC, SED sends TFA a report detailing the total education aid payable for the current fiscal year, the total building aid for the fiscal year, and the upcoming education aid payment. Upon receipt of this information, the TFA Treasurer or his designee prepares a Certification that is signed by the ED, certifying to OSC and SED the amount of school building aid within each education aid payment due the City that is payable to TFA. The certification is e-mailed to the AUS and AM. The OSC will notify the TFA by e-mail one day before the funds are deposited into the TFA account. A direction letter is sent to

the Trustee with instructions of how to apply funds. On the date of receipt of school building aid, the AUS and/or an AM confirms that the Trustee has received the money and the money was deposited into the correct bank account or remitted to the City, as appropriate.

Monthly, the AUS prepares the bank reconciliation and attaches the monthly BARB receipt spreadsheet to the bank statement. The AM reviews and signs the bank reconciliation. Journal entries to record BARB collections, retention and disbursement to the City are prepared as part of the monthly journal entry preparation process, as discussed in the *Financial Accounting and Reporting* section of this Manual.

Federal Interest Subsidy on Build America Bonds (“BABs”) and Qualified School Construction Bonds (QSCBs)

In fiscal year 2010, TFA participated in the bond program under the American Recovery and Reinvestment Act of 2009 whereby TFA issued taxable Future Tax Secured bonds and is entitled to receive a Federal cash subsidy to offset the higher rate of interest on the taxable bonds. For procedures for handling the Federal subsidy,

See [\\OMBNAS02\Finpolicy\Acctg Files\Administration\Internal controls\FINAL Internal Controls and P&S\TFA Internal Controls/ Tax Compliance Procedures-TFA \(Final\) PDF.doc](#) which describes TFA’s financing program including and the requirements for the requesting and handling of the subsidy from the Federal Government. TFA’s Secretary and General Counsel (~~Scott Ulrey~~) maintains control of this document. A copy is maintained in TFA’s Internal Control folder. Periodically, check to determine if any changes have been made.

Miscellaneous Cash Receipts

While the major sources of cash for TFA are received through bank wires, there is an occasional receipt of a check.

An AUS opens all mail in the Accounting Department and distributes the mail to the appropriate person. If a check is received, the AUS gives the check to the UH, who records the receipt of the check in the Check Control Log, detailing date, amount, payer, and other relevant information. The UH gives the check to an AM who in turn gives the check to the appropriate AUS to research the reason for the receipt and thus the proper accounting, and to deposit into the appropriate bank account. Any check received by OMB or another department of TFA should be hand delivered to the UH. The UH follows the same procedures detailed above for recording the check. The check is endorsed immediately and secured in a locked area until deposit. The deposit receipt along with all supporting documentation is filed and an entry recording the cash receipt is made in the general ledger. At month end the signatory confirms that the deposit is reflected in the bank statement and in the general ledger.

Interest Income

All interest income is posted to the individual bank accounts and reported on the monthly bank statements by the financial institutions. The bank account statements are reviewed and recorded through monthly journal entries prepared by the AUS as described in the *Journal Entries* section of this Manual.

The interest earnings on the bond proceeds of the Future Tax Secured Bonds and BARBs are accumulated and retained in the respective Project Fund accounts until all proceeds have been spent by the City and the Project Fund bank account is closed, (interest earnings on BABs and QSCBs must be retained in the Project Fund and used for capital expenditures only see pages 12 and 13 of August 5, 2010 document--

[\\OMBNAS02\Finpolicy\Acctg Files\Administration\Internal controls\FINAL Internal Controls and P&S\TFA Internal Controls/ Tax Compliance Procedures-TFA \(Final\) PDF.doc](#)

TFA transfers the total interest earnings of the Project Fund to the City and records the transfer to the City as a PIT or BARB revenue transfer, indicating on the respective transfer schedules that the transfer is due to interest earnings¹. This interest transfer causes a reconciling item on the PIT and BARB year-end confirmations with the New York State and City Comptroller's Office.

Interest earnings on the Debt Service accounts are either used to fulfill TFA's debt service retention requirements if there is insufficient PIT or building aid receipts to meet the debt service requirements, or transferred to the City as PIT or building aid revenue, respectively.

Interest on the operating accounts is retained in the operating accounts and is used for TFA's operations, therefore requiring less PIT to be retained by TFA.

Debt Service Retention

The Treasurer maintains debt service models which track all debt service (for Future Tax Secured and for Building Aid Revenue Bonds) requirements for TFA. The AUS and/or an AM review the models for reasonableness and rely upon them for financial statement preparation and debt service requirements.

For fixed and variable rate debt, the retention requirements (principal, interest and operating expenses) for the collection quarter are confirmed by TFA through a letter signed by an AM to the Trustee. The Trustee reviews TFA's retention requirements to ascertain that the retention requirements generated by TFA are in agreement with the

¹ TFA recognizes interest income in its Capital Project Funds for earning on bond proceeds. The interest earnings off-set the amount of PIT or Building Aid that is retained subsequently for debt service by TFA, thus increasing the residual amount of those revenue streams for the City. In practice, however, due to the timing of the debt service retention cycles for PIT and Building Aid flowing from New York State, in many cases the cash from the interest is simply paid to the City and is characterized as being PIT or Building Aid, which achieved the same net impact as reducing subsequent retained amounts.

Trustee's independently calculated retention requirements. The AUS and/or an AM confirm that the Trustee has withheld the required amount of PIT and the money has been deposited into the correct debt service account. All debt service payments are made by the Trustee.

If TFA receives a grant from the City and the grant is used for debt service, the Treasurer will determine which debt service will be funded (tax-exempt and taxable debt service) with the grant money. This information is forwarded to the Trustee through an instructional letter signed by an AM with a breakdown of accounts and amounts to be funded. The deposits of grant funds by the Trustee are reviewed by the AUS and/or an AM to confirm deposit amounts and bank accounts are in agreement with TFA's instructions.

TFA's Future Tax Secured debt currently has two types of variable rate debt: variable rate debt that pays interest monthly and auction rate debt that pays interest weekly. Following are the internal controls for each.

1. Monthly variable rate interest payments.

The variable interest rate is obtained by an AUS on-line from the Electronic Municipal Market Access ("EMMA") website. Rates may also be obtained from the remarketing agents and/or the Bloomberg Terminal if needed. The variable interest rate is entered in an Excel tracking spreadsheet by the AUS. Interest payments are made monthly. Prior to making the interest payments, the Trustee sends their calculations detailing the amount of interest to be paid per issue. The AUS and/or an AM reviews and compares the amounts with TFA's tracking spreadsheet. Any discrepancies are resolved with the Trustee prior to payment of debt service by the Trustee. At month end, the AUS prepares the necessary journal entries as described in the *Journal Entries* section of this Manual. The AUS also upload the rates semi-annually into the City's Debt Management System (DMS).

2. Auction Rate Interest

Interest on Auction Rate bonds, if there are any outstanding, is reset every week and is determined by the market demand for the Auction Rate Bonds. The Trustee's Auction Agent Unit e-mails TFA a notice every Wednesday and Thursday reporting the results of a particular auction and the rate of interest and broker fees that will be paid the following week. This interest rate is entered into an Excel tracking spreadsheet by the AUS and/or an AM and the AUS and/or an AM independently calculate rates. All amounts are reconciled at month end, and the AUS prepares the necessary journal entries as described in the *Journal Entries* section of this Manual.

DISBURSEMENTS

Vendor Payments

In addition to checking for mathematical accuracy of all invoices, when applicable the APS compares the invoice to the order, receiving report, or contract for the correct pricing of goods and services, and verifies that no sales tax has been included in the invoice, and initials the invoice to document this review. All invoices are then approved by the TFA officer/manager with the most direct knowledge of and/or responsibility for the goods or services for which payment is to be made.

The approved invoice is entered by APS into the payable management module of TFA's Accounting System and the data entry is reviewed by AUS for accuracy of posting codes, amounts, vendor name, and other relevant information. After the invoices are reviewed and posted, the APS uses the pre-numbered company checks to generate payment, or the AUS prepares a wire/ACH payment instruction letter signed by two authorized signers.

1. Check Payments

All unused checks are kept in a locked file cabinet under the control of the AM. To confirm that there is no break in the sequential order of checks, each time a check run is generated the check register is printed detailing the numerical listing of the previous check run to confirm that there are no breaks in check order. The check register is included in the package containing the checks and supporting documentation for review and approval (see below). The check register is initialed by a check signer to indicate sequence verification, dated and filed. All checks must have two authorized signatures. The checks are placed in a windowed envelope and mailed via the mailroom operations of OMB.

2. Wire/ACH Payments

All wires/ACH are created by the APS in the online JP Morgan Access Banking program for the total voucher amount. APS reviews, signs and date the payment printout logs. The print out along with all backup are submitted to an AM for review. The AM reviews the payment support and electronically approves the online wires/ACH. All approvals are documented on the payment print out. A 2nd AM reviews, signs and releases the online payment for next day clearing. The Dynamics GP edit list is reviewed by the UH and then the APS posts in the accounting system.

The processed invoices are stamped "Paid" and the check number or Federal Funds wire/ACH number and payment date are entered on the invoice. The stamped invoices

and checks or wire/ACH payment instruction letters are presented to the authorized signers for review and signature. If a signer approved the invoice, he/she cannot sign the check. After the checks or wire/ACH payment are signed, the check stub or a copy of the wire/ACH and all supporting documentation are filed by vendor name.

All vendors must complete and sign an IRS Form W-9 (or its equivalent) and send it to the TFA Accounts Payable Department before payment can be made to the vendor. This information is used to determine if a 1099 must be issued to the vendor for payments from TFA.

1099 Preparation and Issuance

The APS prepares the IRS forms 1099 and 1096 for distribution to payees and to the IRS annually. Although there are several types of 1099 forms, TFA may use the 1099-MISC to report gross proceeds paid to attorneys and uses the 1099-NEC to report payments for services performed by non-employees.

The 1096 is used as a transmittal document when reporting 1099's to the Internal Revenue Service. The APS compiles a schedule showing all payments from January 1 to December 31st. The 1099 and 1096 are checked by the APS for accuracy before submitting to an AM for his or her review and signature. All 1099s are mailed out on or prior to January 31, and all 1096s are mailed out on or prior to February 28.

Construction Payments

The bond proceeds (Future Tax Secured and Building Aid Revenue) are maintained in separate Construction bank accounts at State Street Bank and invested by the City's Comptroller's Office ("CO") Bureau of Asset Management ("BAM") according to TFA's Investment Guidelines (See *Investment* section of this Manual). The proceeds are released upon requests of the CO's, Bureau of Accountancy ("BOA"), Capital Bonding Unit, bi-weekly for the Future Tax Secured proceeds, and as needed for the Building Aid proceeds. The BOA's transfer requests are in writing and are based upon reports generated by the City's accounting system which specifies which capital projects are to be funded by TFA. The AUS prepares a letter to BAM requesting the transfer to the City detailing the amount and includes the wire instructions for the transfer. The AM checks the amounts on the letter back to the request from the CO and signs the letter along with one other authorized signer.

Debt Service Payments

After TFA and the Trustee have agreed on the total payment of principal and interest to be made by the Trustee on the respective payment dates (See the *Debt Service Retention* section of this Manual), the Trustee makes the payments. The following business day the AUS and/or an AM reviews the bank transactions from the daily transaction report to determine that the correct amounts were transferred from TFA's bank accounts and paid.

If there are any discrepancies, the Trustee will be immediately notified by the AUS and/or an AM for a resolution of the discrepancy.

Internal Funds Transfers

Instruction letters for wire transfers among TFA's bank accounts are signed by one authorized signer except for activities for TFA's operating accounts which require two authorized signers.

The signed letters are e-mailed to the Trustee and copies are submitted with the monthly bank statements and the proposed journal entries for review by an AM.

INVESTMENTS

The universe of allowable investments for the TFA is defined in the Indenture. Additionally, TFA has Investment Guidelines adopted by the Board of Directors. All investments are to be made within the constraints imposed by the Indenture and Investment Guidelines. Based upon instructions received from the Treasurer, investment letters are prepared authorizing the Trustee or BAM, as appropriate, to invest funds on behalf of TFA. The instruction letter for the purchase, sale or rollover of investments, instructs the Trustee or BAM how the funds are to be invested including the investment vehicle and the required maturity date of the investments. The letter is signed by one authorized signer.

FINANCIAL ACCOUNTING AND REPORTING

The recording of TFA's financial transactions into the Accounting System is through vouchers for vendor payments and through journal entry for all other transactions.

Recording of Bond Issuance Costs

Bond issuance costs may either be paid directly from the bond proceeds at the time of the closing of the bond issuance or paid at a later date through the invoice process. For payments made at the closing, closing documents are forwarded to the accounting department for recording in the general ledger as part of the recording of the bond issuance. Payments requested by invoice are processed as discussed in the *Vendor Payments* section of this Manual.

Journal Entries

Journal entries are prepared by AUS to record all transactions, other than vendor payments, as part of the following monthly journal entry preparation process.

AUS reconciles the Trustee bank account statements and verifies that all transactions reported were made in accordance with TFA instruction letters for transfers between

accounts, investment of funds, and disbursements. Any discrepancies are immediately investigated and resolved with the Trustee bank. Activity in each account is summarized by AUS and the summaries are used by AUS to prepare journal entries for the month.

The AM reviews the journal entries prepared by the AUS and applies the final approval and sign-off before entry into the general ledger. The APS enters the journal entries into the general ledger. The posted journal entry is examined by the AUS for accuracy after the entries are accepted. If adjusting journal entries are required, they are reviewed and approved by an AM before entry into general ledger.

Checking Account Reconciliation

TFA's Accounting System checkbook is reconciled each month to the account statement provided by the bank. Reconciliations are generally completed within 30 days after month end. Differences, if any, are promptly investigated and resolved. The reconciliation is prepared by AUS, reviewed and approved by an AM.

All checks outstanding for 6 months are cancelled through the bank and in the accounting system. Staff attempts to contact the vendor to determine if TFA has the correct address and/or the reason for non-deposit of the check by the vendor in order to re-issue the check. Until there is a resolution as to the reissuance, only the check is cancelled with the outstanding liability remaining on TFA's books.

Fiscal Year End Closing and Financial Reporting

Shortly after fiscal year-end close, the Comptroller requests that the Secretary's Office and the Treasurer's Office contact all vendors and service providers and obtain invoices for goods and services provided through June 30th so that the expenditure is accrued and reported in the proper fiscal year. Additionally, all vendor payments made between fiscal year end and the conclusion of the annual audit are analyzed by AUS for proper treatment as an expenditure of the current or prior fiscal year.

At year end, the AUS prepare all closing schedules and analyses needed for adjusting entries, disclosures, and for auditors (including but not limited to: amortization schedules for bond issuance costs and bond premiums and discounts, bond interest payable accruals, investment income accruals, deposit and investment categorization). Where required due to technical complexity, selected schedules and analyses may be prepared by an AM.

Schedules and analyses prepared by AUS are provided to the AM along with supporting documentation for review. Schedules and analyses pertaining to deposits, investments, outstanding bonds and debt service are provided to TFA's Treasurer or his or her designee in draft form for review.

Adjusting journal entries are prepared by AUS and reviewed and approved by an AM who signs prior to entry into the Accounting System general ledger. The APS enters the

journal entry into the general ledger. The posted journal entry is examined by the AUS for accuracy after the entries are accepted.

The adjusted trial balance is reviewed by AUS to verify balances, and then exported into an Excel file for preparation of financial statements. Draft financial statements, notes and MD&A are prepared jointly by AUS and AM, for review by other members of TFA management and independent auditors.

After the conclusion of the independent audit, if any adjusting entries are needed due to the audit, they are prepared by or at the direction of the AUS and/or an AM and entered into the general ledger. Before running the general ledger close of the fiscal year, a final trial balance is run and the AUS and/or an AM reviews to ensure that all balances are in agreement with the audited financial statements. The final trial balance is initialed by the AM and retained in the fiscal year work paper files.

The AM instructs the APS to close the fiscal year which is automatically done by the Accounting System when the APS marks the appropriate field in the Accounting System. The Accounting System will automatically produce a “closing entry” which is retained in the year end files. After the closing entry has been produced the AUS and/or an AM reviews the trial balance after the close to make sure the assets, liabilities and fund balances (net assets) have been properly updated.

All trial balances, work papers, journal entries and supporting documentation are centrally filed for access by the external auditors. See the *Record Retention* section of this Manual.

OTHER CONTROL MEASURES

Bank Accounts

The opening of TFA bank accounts is authorized by an officer of TFA. For bank accounts opened at a new banking institution, the bank account application form must contain, at a minimum, the names, titles, and signatures of three authorized officers of TFA. The application states the number of signatures required for all financial transactions. The new bank account number is included on the bank account schedule maintained by the AUS.

All unneeded bank accounts are closed immediately by a letter to the bank, signed by one TFA officer.

Incumbency Certificate

Every time there is a change of an officer for TFA, a new Incumbency Certificate is prepared listing the current officers. The Incumbency Certificate is signed by the Secretary of TFA and the original sent to the Trustee bank. Similarly, new authorized signatory documents are prepared, signed, approved, and forwarded to the Trustee bank.

Computer Equipment and System Usage

TFA personnel follow the current policies and guidelines of OMB. Staff members are required to familiarize themselves with these policies and guidelines.

Overhead Allocation

TFA has entered into an Administrative Services Agreement with OMB and other financing entities at the direction of the Board which specifies how shared personal service and other than personal service costs are allocated among the entities. The OMB overhead allocation is calculated by OMB's staff. Staff members are required to familiarize themselves with this agreement.

Inventory

TFA does not own any capital assets or equipment. All equipment is owned, maintained and monitored by OMB. TFA personnel follow the current policies and guidelines of OMB. Staff members are required to familiarize themselves with these policies and guidelines.

Procurement

The Board of Directors has adopted a Policy on the Procurement of Goods and Services ("Procurement Policy"). Staff members are required to familiarize themselves with the Procurement Policy. Any changes in the Procurement Policy, as adopted by the Board of Directors, are disseminated to staff by the Secretary's Office.

Travel and Business Expense Reimbursement

The Board of Directors has adopted a Policy on Travel Allowance ("Travel Policy") and a Policy on Salary, Compensation, Reimbursements, Time and Attendance ("Reimbursement Policy"). Staff members are required to familiarize themselves with these policies. All internal control measures detailed above under *Disbursements--Vendor Payments* are followed in the issuance of a reimbursement check to an employee. Any changes in the Travel Policy or Reimbursement Policy, as adopted by the Board of Directors, are disseminated to staff by the Secretary's Office.

Personal and Real Property

The Board of Directors has adopted a Policy on the Disposition of Personal Property ("Personal Property Policy") and a Policy on the Acquisition and Disposition of Real Property ("Real Property Policy" and together with the Personal Property Policy, the

“Property Policies”). Staff members are required to familiarize themselves with these policies. Any changes in the Property Policies, as adopted by the Board of Directors, are disseminated to staff by the Secretary’s Office.

RECORD RETENTION

Documents supporting all TFA transactions recorded in the Accounting System and information on the opening and closing of all bank accounts are maintained and available for audit by various entities (i.e., independent auditors, State and City auditors, IRS). The support may be maintained in either paper or electronic form.

Bond documents (closing transcripts) are maintained by the Secretary’s Office for the life of the bonds plus three years. Arbitrage rebate reports are maintained by the TFA’s Comptroller or Deputy Comptroller for the same period.

Records reflecting the projects to which bond proceeds are applied are maintained in the City’s Financial Management System.

Procurement records pertaining to contracts and all procurements other than Small Purchases (as defined by Procurement Policy) are maintained by TFA’s contracting officer and the Secretary’s Office.

Calculations of allocated costs (management fees, rent, and overhead costs incurred by OMB and bond financing entities) are maintained by TFA’s Comptroller, Deputy Comptroller or designated staff.

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New York City Transitional Finance Authority

PRE-AUDIT COMMUNICATIONS FOR YEAR ENDING JUNE 30, 2024

APRIL 19, 2024

This report is intended solely for the information and use of the Audit Committee, Board of Directors and management of New York City Transitional Finance Authority and is not intended to be, and should not be, used by anyone other than these specified parties, unless permission is granted.



Your Engagement Leadership Team



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Engagement Leader

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Agenda

1. Required Communications to the Audit Committee

- Service Delivery Timeline
- Responsibilities: Ours and Management & Deliverables
- Our Planned Audit Approach
- Other Required Communications
- Relationship and Independence
- New Developments and Forward Considerations

2. Appendices:

- Appendix A – Engagement Letter
- Appendix B - Background on CBIZ & MHM

Service Delivery Timeline

Audit Services	2024	2023
Preliminary communications held and draft engagement letters shared	April 9, 2024	April 14, 2023
Audit scope presentation to the Audit Committee	April 19, 2024	April 20, 2023
Audit fieldwork to begin	August 19, 2024	August 15, 2023
Draft financials received from management	Mid-September 2024	Mid-September 2023
Review audit results with the Audit Committee	Late September 2024	September 29, 2023
Report issuance soon after approval by the Audit Committee and Board of Directors	By September 30, 2024	September 29, 2023

Our Responsibilities & Deliverables



Our Responsibilities

- Financial Statement Audit
 - Perform an audit in accordance with Auditing Standards Generally Accepted in the United States of America (“U.S. GAAS”) and express an opinion on the financial statements as of and for the year ended June 30, 2024.
 - We will not report on the required supplementary information, Management’s Discussion and Analysis, but will compare the information to the financial statements, and read the information for clarity and to ensure it complies with U.S. GAAP.

Deliverables

- Opinions on the financial statements
- Report on compliance with TFA’s investment guidelines
- Pre-audit communication of the audit scope
- Post-audit communication of the audit results, including:
 - Management letter - significant deficiencies or material weaknesses in internal control (if applicable)
 - Best practice recommendations regarding internal control or other matters

Responsibilities of Management



- Prepare and present the financial statements
- Make all financial records and related information available to us
- Establish and maintain a system of internal control
- Design and implement controls to **prevent** and **detect** fraud and inform us of any known and/or suspected fraud
- Record any proposed audit adjustments or confirm in the management representation letter that the effects of any unrecorded adjustments are not material
- Maintain the entity's compliance with applicable laws, regulations, grants or contracts
- Designate a qualified management-level individual to oversee any nonaudit services performed by MHM or CBIZ
- Evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern
- Provide us with a written representation letter regarding certain matters

See Engagement Letter in Appendix for full responsibility details

Our Planned Audit Approach

Entity-Wide Considerations

- Entity level controls
- Tone at the top
- Financial reporting practices and oversight
- Financial pressures and regulatory influences
- Technology practices and security
- Fraud assessment and detection
- Assessment of the design of key internal controls over certain transaction cycles and verification that such key controls have been placed into operation
- Assessment as to how the entity adapts to environmental changes such as people, systems, practices and external influences

Specific Areas of Focus

- Confirmation of cash & investments balances, including the classification of any restricted cash/investments.
- Confirmation of bonds payable and recalculation of accrued interest payable
- Compliance with debt and other agreements
- Cut-off tests related to completeness of liabilities
- Fund balance and net position accounting, including review of reconciling items between modified and full accrual basis of accounting
- Confirmation of personal income taxes collected on behalf of TFA by the State and amounts distributed by TFA to the City.
- Fair presentation of the financial statements, including note disclosures
- Our professional standards require us to incorporate an element of unpredictability into the selection of our audit procedures from year to year. We will share the results of those tests when we meet with you to discuss the results of the audit process.

Our Planned Audit Approach

Management Judgments and Accounting Estimates

1. Personal Income Tax Receivable from New York State (the “State”) (Important Judgment)

- TFA receives The City of New York’s (the “City”) personal income taxes, collected on behalf of TFA by the State, to service its future tax secured debt and pay a portion of its administrative expenses.
- We will perform procedures, including confirmation of amounts received by TFA from the State and amounts distributed by TFA to the City, to evaluate management’s calculation of personal income tax receivable at year-end, and the corresponding calculation of personal income tax payable to the City to determine if they are reasonable.

2. Due from the City – State Building Aid (Important Judgment)

- TFA receives building aid payments from the State to service its building aid revenue bonds (“BARBs”) and pay a portion of its administrative expenses.
- TFA reports in its statement of net position an amount due from the City for state building aid representing the cumulative amount it has distributed to the City for the educational facilities capital plan, net of the cumulative amount of building aid TFA has retained to be used for BARBs debt service and administrative expenses.
- We will perform procedures, including confirmation of amounts distributed by TFA to the City, to evaluate management’s calculation of the state building aid due from the City at year-end to determine if they are reasonable.

Our Planned Audit Approach

Special Factors Impacting This Year: Significant Audit Risks

Significant Audit Risks The audit risk assessment process is continuous, and as such, could result in additional significant risks identified as we perform our audit. If we identify additional significant risks, we will communicate those to you at that time.

Description of Risk	Potential Risk	Audit Response
Management Override of Controls (Significant Fraud Risk)	Misappropriation of assets/improper financial reporting	Procedures we expect to perform include the following: <ul style="list-style-type: none">Fraud risk inquiries of senior management and other employees, including inquiries related to improper or unusual journal entry activity.Retrospective review of significant accounting estimates to see if such estimates reflect bias on the part of management.Journal entry testing for validity, support and approvals.

Our Planned Audit Approach

Fraud or Likely Illegal Acts / Conflict of Interest Matters / Other Governance Issues

Our Approach to Fraud and COIs

We perform additional procedures beyond what might be required under U.S. GAAS utilizing Data Analytic tools which are tools to analyze data from the entity's general ledger, accounts payable and payroll systems searching for outliers and anomalies. These procedures are related to **reputational risks** and to identify potential **fraud risks**, even if not material. For any exceptions or anomalies noted we will corroborate to supporting documentation and make inquiries of management to ensure that the exceptions are valid. Some of the additional procedures include:

- Evaluating the controls in place for management-level employee reimbursements and credit card charges and reviewing several of these items
- Scanning the list of major vendors receiving disbursements

In addition, consideration of incentives, pressures, opportunities, and tone at the top are understood, along with:

- Evaluating of internal controls at various levels
- Evaluating COI policies and procedures for obtaining annual affirmations from Board members and senior management

Inquiries of those charged with governance, management and others regarding their knowledge or suspicion of fraud

- Is the Committee aware of any fraud, suspected fraud or allegations?
- Does the Committee have any concerns about specific exposures to fraud or accounts that may be susceptible to fraud?
- Has management discussed internal control to prevent, detect and deter material fraud with the Committee?
- Are there any other risks/areas of concern?
- Did you follow the policy pertaining to whistleblower protection? Were there any whistleblower events in the past year?
- Did you adhere to the policy pertaining to document retention and destruction?

Specific Inquiries of Governance

Other Required Communications

Significant Accounting Principles

- See Note 2 for a summary of significant accounting policies, including the basis of presentation, measurement focus, and fund balance/net position classifications.
- There are no significant changes in accounting principles expected for the year ended June 30, 2024.


Audit Adjustments

- We will discuss with you any significant audit adjustments, whether corrected or uncorrected, in the financial statements.

Internal Controls

- If any significant deficiencies or material weaknesses in internal control are identified (as defined in U.S. GAAS) these will be communicated in our Post Audit Communications with the Audit Committee. A formal letter will be issued when the financial statements are signed and issued.
- We will also provide any other observations and recommendations in our Post-Audit communication that do not meet the definition of a significant deficiency or material weakness. Typically, we refer to these as best practice comments.

Relationship and Independence



CBIZ has not been engaged to prepare tax filings or other services which would otherwise be considered a nonaudit service



No consulting services outside of routine advice relative to accounting and tax matters



No known roles of our people or their relatives in any management or oversight role

No known financial interrelationships of either the firm or its people with the Organization

New Developments & Forward Considerations

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
GASB 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62	Enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability	Changes are effective for the year ended June 30, 2024	<ul style="list-style-type: none">▪ Understand the standard▪ Model the effects▪ Review with external auditors▪ Communicate impact

New Developments & Forward Considerations (continued)

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
GASB 101, Compensated Absences	Requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or otherwise settled. Also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.	Changes are effective for the year ended June 30, 2025	<ul style="list-style-type: none">▪ GASB 101 is not anticipated to have an impact on TFA's financial statements as TFA has no employees.

New Developments & Forward Considerations (continued)

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
GASB 102, Certain Risk Disclosures	Improves financial reporting by providing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.	Changes are effective for the year ended June 30, 2025	<ul style="list-style-type: none">▪ Understand the standard▪ Model the effects<ul style="list-style-type: none">▪ Review with external auditors▪ Communicate impact

New Developments & Forward Considerations (continued)

Development	What's Changing	When Are the Changes Effective	Recommended Actions
Statement on Auditing Standard (“SAS”) 145: <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	<p>SAS No. 145 includes requirements to understand, evaluate certain aspects of, the control environment, the entity's risk assessment process, and the entity's process to monitor the system of internal control components.</p> <p>It includes revised requirements for evaluating the design and effectiveness and general information technology (IT) controls. SAS No. 145 also includes “stand back” requirements and new and revised auditor documentation requirements.</p>	<p>The new standard SAS 145 will require MHM to perform more and/or different procedures than we have in the past.</p> <p>This will require us to spend more time in certain areas on your audit and will likely require additional documentation requests.</p> <p>Beginning with the June 30, 2024 audit.</p>	<ul style="list-style-type: none"> Understand the standard Model the effects Review with external auditors Communicate impact

Appendices

Appendix A – Engagement Letter

Appendix B - Background on CBIZ & MHM

Appendix A

Engagement Letter



April XX, 2024

Phone: (516) 992-5841
Cell: (631) 235-7433
Philip.Marciano@cbiz.com

Mr. Raymond Lee, Comptroller
New York City Transitional Finance Authority
255 Greenwich Street, 7th Floor
New York, NY 10007

Re: Engagement Letter for June 30, 2024

Dear Mr. Lee:

Mayer Hoffman McCann CPAs, the New York Practice of Mayer Hoffman McCann P.C. ("MHM" or "we" or "our" or "us") is pleased to confirm our understanding of the services we are to provide for New York City Transitional Finance Authority ("TFA" or the "Corporation" or "you" or "your(s)") as of and for the year ended June 30, 2024. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants ("U.S. GAAS") and with the standards for financial audits contained in *Government Auditing Standards* ("U.S. GAGAS"), issued by the Comptroller General of the United States, and will include tests of the accounting records of TFA and other procedures we consider necessary in order to render our opinion on the fairness of presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The standards applicable to our engagement require us to perform certain tasks (some specific, some determined by our professional judgment) that are detailed more fully in the Terms and Conditions Appendix. In addition, the Terms and Conditions Appendix provides a description of our responsibility in performing an audit under U.S. GAAS and GAGAS and further clarifies the extent of management's responsibility for representation letters and independence matters as a result of restrictions on providing certain services and matters relating to hiring.

SERVICES TO BE RENDERED

1. **Report on Financial Statements** – We will audit the financial statements of the governmental activities, each major fund, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, as of June 30, 2024 and for the year then ended.

U.S. GAAP provides for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement TFA's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to TFA's RSI in accordance with U.S. GAAS. These limited procedures will consist of inquiries of management regarding 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 audit of the basic financial statements. We will 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. The MD&A is required by generally accepted accounting principles and will be subjected to certain limited procedures but will not be audited.

Mayer Hoffman McCann CPAs
The New York Practice of Mayer Hoffman McCann P.C.
An Independent CPA Firm

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New York, NY 10017

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We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a paragraph that states the report is solely to describe the scope and testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

2. **Other Reports** – We will issue the following additional report required by TFA and specified in the request for proposal, specifically:
 - a. **Report on TFA's Compliance with its Investment Guidelines** - As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform certain tests and report on TFA's compliance with its investment guidelines as of and for the year ended June 30, 2024.
3. **Management Comments** – If, during the course of our audit we become aware of significant deficiencies, material weaknesses in the internal accounting controls or ways that we believe management practices can be improved (“leading practices”), we will relate our comments to management, the Audit Committee and the Board, in the form of written comments.
4. **Progress Reports and Closing Meetings** – We will keep management up-to-date on our progress during the course of our work. Drafts of all products will be provided so that management has sufficient time to review the material and comment prior to delivery of the final products. We will conduct appropriate “closing” meetings with management.
5. **Presentation of Financial Statements** – We will present the financial statements and related materials at a meeting of the Audit Committee.

The preparation and presentation of the financial statements of the Corporation are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the Corporation and any obligations related to its accountability, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services described above, and informing us about all known or suspected fraud involving the Corporation. In turn, we will provide those charged with governance with any communications required by the professional standards.

6. **Ongoing Communications Included in Fee** – An appropriate relationship between management and the auditor is such that ongoing non-audit related communications are expected and encouraged. We include such periodic phone consultations and on-site discussions in our fee and do not charge extra for these. However, if such consultations become regular and require our research, we will bill you for our time at the rates for special projects in accordance with the Agreement by and between TFA and Marks Paneth LLP dated as of July 1, 2020 and the Assignment Agreement between TFA and MHM dated as of January 1, 2022 (the “Agreement”). Such billings would be discussed prior to a bill ever being sent to you.

MANAGEMENT'S RESPONSIBILITY

Our audit will be conducted on the basis that management or those charged with governance acknowledge and understand that they have responsibility

- a. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error including monitoring ongoing activities; and
- c. To provide us with
 - i. All financial records and related information and management is responsible for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers).
 - ii. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters;
 - iii. Additional information that we may request from management for the purpose of the audit; and
 - iv. Unrestricted access to persons with the Corporation from whom we determine it necessary to obtain audit evidence

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Corporation involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the Corporation complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

During the course of our engagement, we will request information and explanations from management regarding the Corporation. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations about the financial statements and related matters in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Corporation agrees to release our firm, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Corporation's management.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. Management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

COST OF SERVICES

Fees for this audit will be charged in accordance with the Agreement.

We request that payments for these services be in the offices of MHM no later than the following dates/events specified below:

Upon signing this letter	\$ 2,000
September 1, 2024	15,000
Upon completion of all deliverables	<u>15,000</u>
	<u>\$ 32,000</u>

Please schedule TFA's payments according to the above. Monthly statements will be sent electronically to a designated representative of TFA as a reminder.

Our audit engagement ends on the delivery of our signed audit reports. Any follow-up required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a specific letter for that service.

OTHER MATTERS

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm. The workpapers for this engagement will be retained in accordance with our firm policy, or for any additional period requested by the U.S. Government Accountability Office or other oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

The staff of TFA will provide us with the basic information required for our services including the trial balances, supporting schedules, analyses, reconciliations and other requested information that is included on the audit request list. We understand that TFA will prepare all confirmations requested, and we will be assisted in the location of invoices, vouchers, canceled checks and other documents and records, which we request.

Should you require any non-audit management advisory services, we would be happy to provide such services on an as-requested basis at our firm's hourly rates for special projects per the Agreement. See the Terms and Conditions Appendix for further discussion regarding independence issues surrounding advisory work.

We feel that our background and associations with governmental agencies will serve the best interests of TFA. We are delighted to have the opportunity to be of service and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions regarding this letter or need further information, please let us know.

If the above agrees with your understanding of the terms of our engagement, please sign this letter and PDF the entire letter to me at Philip.Marciano@cbiz.com.



Philip Marciano, CPA
Shareholder
Mayer Hoffman McCann CPAs

Enclosures

RESPONSE:

This letter correctly sets forth the understanding of New York City Transitional Finance Authority. The foregoing is in accordance with my understanding of your engagement to provide audit services. I hereby agree and accept all terms described in this letter and the accompanying Terms and Conditions Appendix.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

TERMS AND CONDITIONS APPENDIX

1. AUDIT OF THE FINANCIAL STATEMENTS:

The objectives of our audit 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 opinion, about whether the Corporation's financial statements are fairly presented, in all material respects, in conformity with US GAAP and to report on the fairness of the additional information when considered in relation to the financial statements taken as a whole. 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 US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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 financial statements.

We will also provide a report, which does not include an opinion, on internal controls related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states the report is solely to describe the scope and testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

Audit

Our audit will be conducted in accordance with US GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion.

As part of our audit, we will exercise and maintain professional judgment throughout the engagement. We will also:

- Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation.
- Obtain an understanding of the Corporation and its environment, including internal control relevant to the audit sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We will issue a written report upon completion of our audit of the Corporation's financial statements. Our report will be addressed to the Members of the Board of Directors of the Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., tests of the physical existence of inventories, direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions, etc.). We may also request written representations from the Corporation's attorneys as part of the engagement, and they may bill the Corporation for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the Corporation and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. Accordingly, we will express no such opinion. However, we will inform management and those charged with governance of internal control matters that are required to be communicated under professional standards.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The services described above do not relieve management or those charged with governance of their responsibilities.

2. FURTHER DESCRIPTION OF MANAGEMENT'S RESPONSIBILITY

Representation Letter

During the course of our engagement, we will request information and explanations from management regarding TFA's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management.

Independence Matters as a Result of Restrictions on Providing Certain Services and Hiring

Management and the Audit Committee will assist MHM in maintaining independence by having policies and procedures in place to ensure that TFA will not engage MHM or accept from MHM any service that would impair MHM's independence. All potential additional services are to be discussed with Philip Marciano of MHM and the Audit Committee.

Please be advised that the independence rules provide that an auditor will not be independent with respect to a client where the client employs a current or former partner or professional employee of the firm within a specified period of time. Accordingly, you agree not to enter into any discussion regarding employment with any current or former partner or professional employee of MHM without our permission.

3. OTHER

We shall be obligated only for work or deliverables specified in the engagement letter or the Agreement, and only for changes in such scope that are set forth in a writing duly executed by the parties hereto and thereto. To the extent all specific details of the engagement are not so documented, the parties shall work diligently and in good faith to document them at the request of either party. Unless expressly provided for, the Firm's services do not include giving testimony or appearing or participating in discovery proceedings; in administrative hearings, in court, or in other legal or regulatory inquiries or proceedings.

We understand the workpapers for this engagement are the property of MHM and constitute confidential information. However, we may be requested to make certain workpapers available to funding sources pursuant to authority given to them by law or regulation. If requested, access to such workpapers will be provided under supervision of MHM personnel and we will bill TFA for our time at our hourly rates then in effect. If access to our copies of such working papers are requested, we will provide notice to you in order to afford you with an opportunity to object to such disclosures. Furthermore, upon request, we may be required by law or regulation to provide photocopies of selected workpapers to third parties. If photocopies are requested, they will be marked as confidential. The third parties may intend, or decide, to distribute the photocopies or information contained therein to others.

MHM agrees that any (i) proprietary information about TFA or its business operations or (ii) client-identifiable information regarding a client of TFA, which is disclosed to or obtained by MHM, is confidential ("Confidential Information"). MHM shall not disclose Confidential Information to any third party for any purpose except as expressly authorized in writing by TFA or as required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards.

The audit documentation for this engagement will be retained for a minimum of seven years after the date each auditor's report is issued or for any additional period if requested by TFA. If TFA is aware that an audit finding is being contested by a third party, TFA will contact MHM in order to inform them in regards to guidance prior to destroying the audit documentation after the required document retention policy has expired.

In the event you request that MHM provide information related to the services to you, or MHM is legally required pursuant to a legal, administrative, arbitration, or similar proceeding to produce information or its personnel as witnesses with respect to the services, you shall reimburse MHM, its successors and assigns, partners and principals for any professional time and expenses (including reasonable legal fees) incurred to respond to the request, provided that MHM is not a party to the proceeding or the subject of the investigation in which the information is sought. MHM shall, to the extent legally permissible, notify you promptly of any such request.

We acknowledge your right to terminate our services at any time and you acknowledge our right to resign at any time, including but not limited to, for non-payment of fees. In either case, you acknowledge our right to payment for all compensation incurred through the date of termination or resignation, subject to your right to deduct from any such payment an amount equal to any damage sustained by you due to our breach of the Agreement, if any. Should you exercise the right to terminate our services, such termination shall be in writing and shall be effective upon delivery by mail, overnight mail, or email transmission.

In the unlikely event of a claim or controversy arising out of or relating to this engagement that are not resolved by mutual agreement, the matter shall first be submitted for good faith mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes. If the matter is not resolved by mediation within 60 days of its submission to the mediator, then and only then the matter shall be submitted for binding arbitration administered by the American Arbitration Association in accordance with its then current Professional Accounting and Related Services Dispute Resolution Rules. Judgment on any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each party shall bear their own costs and expenses from the mediation and, if necessary, the arbitration. The fees and expenses of the mediator shall be shared equally by the parties. If arbitration is necessary, then each party will be responsible for its own proportionate share of the arbitrator's fees and expenses.

The place of arbitration shall be New York, New York. The arbitration shall be governed by the laws of the State of New York. The arbitration will be conducted before a single arbitrator who is experienced in accounting and auditing matters. The arbitrator shall not have authority to award consequential, punitive or exemplary damages. Any award in an arbitration initiated under this engagement letter shall be limited to monetary damages and shall include no injunction or direction to any party other than the direction to pay a monetary amount. The award of the arbitrator shall be accompanied by a reasoned opinion. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

You agree that MHM's and its personnel's maximum liability to you and your personnel for any errors or omissions (including negligent errors and omissions) committed by MHM and/or its personnel arising out of or related to this engagement letter or the services will be limited to five times the amount actually paid for the services.

In no event shall either party be liable to the other party or its personnel for any consequential, indirect, incidental, punitive or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Except to the extent expressly provided hereto to the contrary, this engagement is between MHM and the parties listed in the engagement letter. Third-party beneficiaries are not intended.

You may not use MHM's name or trademarks without prior written consent.

No right, duty, cause of action or obligation arising out of this engagement may be assigned by you to anyone for any purpose without MHM's prior written consent, and any purported assignment or assignments made without MHM's consent shall be void.

**** END ****



Report on the Firm's System of Quality Control

September 22, 2023

To the Shareholders of Mayer Hoffman McCann P.C.
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice applicable to engagements not subject to PCAOB permanent inspection of Mayer Hoffman McCann P.C. (the firm) in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control applicable to engagements not subject to PCAOB permanent inspection for the accounting and auditing practice of Mayer Hoffman McCann P.C. in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Mayer Hoffman McCann P.C. has received a peer review rating of *pass*.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Weaver and Tidwell, L.L.P.
9311 San Pedro Avenue, Suite 1400 | San Antonio, Texas 78216
Main: 210.737.1042

CPAs AND ADVISORS | WEAVER.COM

Appendix B

Background on CBIZ & MHM

Company Overview

A National Leader in Accounting, Tax & Advisory Services

- Ranked as a Top 15 national accounting provider
- Two offices in New England including Boston, MA and Providence, RI with 250+ team members

Practice Structure

- CBIZ provides tax and consulting services. MHM (Mayer Hoffman McCann P.C.), an independent certified public accounting firm, provides financial statement audits and other attest services
- Like many other national firms, our tax and attest practices are organized as separate and independent legal entities that work seamlessly together to serve our clients



MHM National Not-for-Profit Practice Overview

Our National Not-for-Profit Practice provides unique insight, superior quality, and consistency to all not-for-profit clients across our organization. This experience, combined with our active participation in organizations that matter to you offers a deeper level of industry immersion, and thus a deeper knowledge of your organization.

3,500+
Not-for-profit
Clients Served
Nationwide

INDUSTRY EXPERTISE



Arts & Cultural
Institutions



Colleges,
Universities
& Schools



Public
Charities



Private
Foundations



Health & Welfare
Organizations



Professional &
Membership
Trade Associations



Religious
Entities



Government

MHM's Local Nonprofit, & Government Qualifications Experience

We are equally committed to meeting the needs of our tax-exempt and government entity clients.

Our Values

Mission Statement

To provide exceptional advice and solutions that help our clients achieve their goals

Vision Statement

To be recognized by our clients as the premier provider of accounting, insurance and other professional business services and by our team members as their employer of choice

Our Core Values



We do the right thing.



Our people matter.



We are dedicated to the success of our clients.



We expect to win.



We are OneCBIZ.

Keeping You Informed & Supporting Innovation

 Seminars & Webinars	 Regular Client Communications	 Proactive Implementation of New Standards	 Not-For-Profit Newsletter	 Resource Center
Complimentary virtual/in-person events designed to cover accounting, tax, business, technology and other areas of importance to our clients	Year-round communication from our team in person, by phone, through a virtual meeting, or via email	Provide templates, training, tools, and best practices as new standards are introduced	The Not-For-Profit Viewpoint Monthly newsletter covering topics that impact not-for-profit and education organizations	Inflation Resource Center Our program to provide companies with articles, podcasts, webinars, guides and more to help navigate these unprecedented times

Sign up to receive our newsletters and alerts here: bit.ly/CBIZandMHMNewsletters

Supporting Innovation with Strategic Opportunities

Commitment to Diversity & Inclusion

We work to make diversity and inclusion an essential and valued part of our culture in the following ways:



CBIZ: Firm Overview

CBIZ, a business consulting tax, and financial services provider and MHM (Mayer Hoffman McCann P.C.), a national independent CPA firm work seamlessly together to meet the needs of organizations across all sectors. With 125 offices nationwide and 5,000+ employees in major metropolitan areas and suburban cities throughout the U.S., CBIZ (NYSE: CBZ) delivers top-level financial and benefits and insurance services to organizations of all sizes, as well as individual clients, by providing national-caliber expertise combined with highly personalized service delivered at the local level.

Delivering The Services & Solutions You Need Across Multiple Industries



CBIZ is one of the Nation's Leading Providers Focused on Delivering Services

ADVISORY

- Corporate Recovery
- Cybersecurity & Risk Management
- Forensic Accounting
- Private Equity Advisory
- Public Company Readiness
- Valuation

TAX & ACCOUNTING

- Back-Office Accounting & Bookkeeping Services
- Federal Tax Planning & Incentives
- International Tax
- Private Client Services
- Tax Controversy & Compliance
- Tax Outsourcing

ASSURANCE

- Audit & Attest
- Employee Benefit Plan Audits
- SOC 1 & 2 Reports

CONSULTING SERVICES

- Employee Benefits
- Property & Casualty Insurance
- Technology Consulting

A close-up photograph of a person's hand holding a silver pen, writing on a tablet. Overlaid on the tablet is a financial chart featuring a bar graph and several line graphs in green, yellow, and blue. The background is slightly blurred, showing what appears to be an office setting.

Employee Resource Groups

In advancing diversity, equity, and inclusion (DEI), we commit to driving lasting and meaningful change within both CBIZ and the professional services industry.

- We foster an inclusive, values-based culture that treats diversity as a business imperative and strive to become an employer of choice for attracting, retaining, and advancing diverse talent.
- We have found many ways to improve over the years, including centralizing recruiting company-wide which resulted in a 25% improvement in our employment of ethnically diverse individuals.

We know our words must translate to tangible action if we want to achieve the lasting and comprehensive change we seek. It is with this goal in mind that we established the Diversity, Equity & Inclusion Task Force and other initiatives outlined on the next slide.

Employee Resource Groups

Our CBIZ Employee Resource Groups (ERGs) help team members from across CBIZ forge relationships and create connections around shared identity, attributes, and experiences.

Our current ERGs include:



Our Dedication to the Community

Community involvement is an important part of our culture and through our **CBIZ Cares** initiative we encourage all of our team members to create positive change in our community. We are actively involved in sponsorship, organizing, and planning events for our clients.



The following are a few specific ongoing examples of how we have brought our commitment to community to life:

- For over a decade, CBIZ has hosted an **Annual Food Drive** to help stock food pantries in local office communities. CBIZ employees have collected nearly 10 million pounds of food during this time.
- Through our **CBIZ Women's Advantage** program, we conduct fundraising and awareness events for Dress for Success, an organization focused on empowering women to achieve economic independence.
- The **CBIZ Green Team** was established in honor of our commitment to developing practical and actionable solutions to support sustainable environments within each of our local offices.

In addition, all members of our professional staff donate significant amounts of time in volunteer efforts to numerous not-for-profit organizations. Whether it be through service on not-for-profit boards, supporting schools, mentoring students, or assisting entrepreneurs, our team is committed to the community we serve, providing paid time off each year for volunteering.



NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

April 19, 2024

Agenda

1. Approval of Minutes of Meeting of September 29, 2023
2. Resolution: Review and Approval of Policy on the Procurement of Goods and Services

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

April 19, 2024

Approval of Minutes

WHEREAS, the Governance Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Governance Committee held on September 29, 2023; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of September 29, 2023; are hereby approved.

DRAFT
MINUTES OF THE MEETING OF
THE GOVERNANCE COMMITTEE OF
THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

September 29, 2023

A meeting of the Governance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 29, 2023 at approximately 10:10 a.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York 10007.

The following Committee members attended, represented by their designees:

Jacques Jiha, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Thomas Foley, Commissioner of the Department of Design and Construction of the City, represented by Louann Koziol; and

Adrienne Adams, Speaker of City Council, represented by Hector German, constituting a quorum. Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority and employees of various agencies of the City and the State of New York.

The meeting was called to order by Mr. Womack, the Chairperson of the Committee.

Approval of Minutes of Prior Meeting

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on April 20, 2023. There was no discussion, and upon unanimous vote, the resolution was adopted.

WHEREAS, the Governance Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Governance Committee held on April 20, 2023; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of April 20, 2023 are hereby approved.

Annual Self-Evaluation of the Governance Committee

The second item on the agenda was the self-evaluation of the Committee's functions, and a review of the Committee's actions in the previous fiscal year. A report listing the Committee's actions in the previous fiscal year was provided to the Committee for review. Mr. Womack noted that the Committee found that it was functioning in a satisfactory manner, and that the Resolution would record such opinion as well as authorize the results of the self-evaluation to be presented to the Authority's Board of Directors. There was no discussion, and upon unanimous vote, the following resolution was adopted:

WHEREAS, Section III(g) of the Governance Committee Charter requires the Governance Committee to conduct an annual self-evaluation of its functions; and

WHEREAS, the Governance Committee finds its functioning and performance to be satisfactory, effective, and in compliance with the Governance Committee Charter; it is therefore

RESOLVED, that the Governance Committee finds its functioning to be satisfactory and the Chair of the Governance Committee shall present the Committee's findings to the Board of Directors of the New York City Transitional Finance Authority.

Review of compensation and benefits

The third and final item on the agenda was a review of the Authority's compensation and benefits expenses. This was a review item only and no vote was taken. A report was provided to the Committee, stating that the Authority has no employees, and describing the total compensation that the Authority reimburses to other entities for personal services provided to the Authority. There were no questions regarding the report.

Adjournment

There being no further business to come before the Committee, on unanimous vote, the meeting was adjourned.

Assistant Secretary

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

April 19, 2024

Review of Policy on the Procurement of Goods and Services

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the New York City Transitional Finance Authority (the “Authority”) is required to establish a policy on the procurement of goods and services;

WHEREAS, the Authority adopted a consolidated Policy on the Procurement of Goods and Services (the “Policy”) on April 24, 2009 and was subsequently amended; and

WHEREAS, the Governance Committee has reviewed the Policy, as attached hereto, and found it to be reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby approves the Policy, as attached hereto.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY'S POLICY ON THE PROCUREMENT OF GOODS AND SERVICES

**Adopted April 24, 2009
and Amended May 17, 2010, September 27, 2012, September 30, 2014 and April 27,
2018**

I. INTRODUCTION

In accordance with the requirements of Section 2824(1)(e) of the Public Authorities Law, the following comprehensive guidelines (“Guidelines”) set forth the New York City Transitional Finance Authority’s (the “Authority’s”) operative policy and instructions regarding the procurement of goods and services. It is the policy of the Authority to encourage participation by minority and women-owned business enterprises in providing goods and services to the Authority

II. SELECTION CRITERIA FOR CONTRACTS FOR GOODS AND SERVICES

1. Goods and Services Costing Less Than \$20,000

For procurements of goods and services the value of which is less than \$20,000 in any single fiscal year, no competition is required except that in making purchases below this limit, the Authority staff shall ensure that the price is reasonable. Documentation of such purchases shall identify the contractor the item was purchased from, the item purchased, and the amount paid. Contracts for goods and services the value of which is less than \$20,000 in any single fiscal year shall not require approval of the Board of Directors of the Authority.

2. Letters of Credit and Liquidity Facilities

Letters of credit and liquidity facilities may be entered into by the Authority in connection with the issuance of variable rate debt. Such letters of credit and liquidity facilities should be selected by competitive process where possible, provided, however, that in the event of market conditions such as occurred in the credit markets after 2008, the Authority may enter into letters of credit and liquidity facilities, and extend the terms of or replace such letters of credit or liquidity facilities, without a competitive process, based on the Executive Director’s or Treasurer’s determination that the terms are fair and reasonable. Such Extensions and replacements shall not require specific action by the Board of Directors of the Authority.

3. All Other Goods and Services

Contracts for goods and services the value of which is \$20,000 or more in any single fiscal year are to be awarded on a competitive basis to the maximum extent possible, in accordance with the general procedures set forth below.

4. Proposals or Bids may be solicited as follows:

- i. **Requests for Proposals:** Where practicable, written requests for proposals ("RFPs") shall be issued by the Authority. RFPs shall set forth the nature of the goods or services the Authority is seeking to procure, including specifications where applicable or available, and shall solicit proposed prices, fees, charges or billing rates, where appropriate. RFPs shall contain such other information and shall request from proposers such other information as the Authority may deem necessary or desirable. RFPs shall be advertised in at least one appropriate periodical.
- ii. **Telephone or letter solicitation:** Proposals may be solicited from contractors by letter or telephone, where the Contracting Officer determines that the issuance of an RFP is impracticable or unnecessary. Where practicable, proposals should be solicited from at least three contractors.

5. Evaluation:

For personal services contracts, the technical merits of the proposals, the experience and capabilities of the proposing person or firm and any prior experience that Authority staff may have had with the proposing person or firm will be significant factors in selecting the contractor, provided that the price, fees, charges, or billing rates for performing the services are reasonable and competitive in light of such experience and capabilities. The Authority may determine not to select a person or firm where information is obtained which indicates that the person or firm is not qualified as responsive or responsible based upon such criteria as the Authority may deem appropriate for the procurement.

6. Waiver of Selection Criteria

Notwithstanding any requirement of these Guidelines, contracts may be awarded to persons or firms on a non-competitive basis, without regard to the procedures set forth above, when the Contracting Officer of the Authority determines that circumstances such as any of the following exist:

- i. In the event an emergency or other extraordinary circumstances exist which make competition impracticable or inappropriate;
- ii. Only one source for the goods or services is reasonably available;
- iii. Legal services or other specialized services are required for which a certain person or firm's expertise is unique;
- iv. Continuation of existing services or purchasing goods from a previous supplier firm is desirable for purposes of continuity or compatibility;
- v. A person or firm has superior qualifications to perform the service or provide the goods at a cost that is determined to be fair and reasonable;
- vi. Information is obtained which indicates that persons or firms which were invited to submit proposals are not qualified, responsive or responsible based upon the appropriate criteria for the project; or
- vii. In the event that the City of New York (the "City") or another governmental unit can provide or cause to be provided needed services pursuant to contracts entered into by the City or another governmental unit and the Authority determines that it is in the best interest of the Authority to avail itself of such opportunity.

If a contract is awarded pursuant to a waiver, the Board of Directors of the Authority shall be notified.

III. APPLICABILITY OF MACBRIDE FAIR EMPLOYMENT PRACTICES

With respect to contracts governed by these Guidelines, the Authority shall not contract for services with any contractor who does not agree to stipulate to the MacBride Principles Provisions for New York City Contractors pursuant to Section 6-115.1 of the Administrative Code of the City of New York as amended from time to time. A copy of such provisions, which is Appendix A to these Guidelines, shall be appended to all contracts governed by these Guidelines

APPENDIX A

MACBRIDE PRINCIPLES PROVISIONS FOR NEW YORK CITY CONTRACTORS

ARTICLE 1. MACBRIDE PRINCIPLES

Local Law No. 34 of 1991 became effective on September 10, 1991 and added section 6-115.1 to the Administrative Code of the City of New York. The local law provides for certain restrictions on City Contracts to express the opposition of the people of the City of New York to employment discrimination practices in Northern Ireland and to encourage companies doing business in Northern Ireland to promote freedom of workplace opportunity.

Pursuant to Section 6-115.1, prospective contractors for contracts to provide goods or services involving an expenditure of an amount greater than ten thousand dollars, or for construction involving an amount greater than fifteen thousand dollars, are asked to sign a rider in which they covenant and represent, as a material condition of their contract, that any business in Northern Ireland operations conducted by the contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the contractor will be conducted in accordance with the MacBride Principles of nondiscrimination in employment.

Prospective contractors are not required to agree to these conditions. However, in the case of contracts let by competitive seal bidding, whenever the lowest responsible bidder has not agreed to stipulate to the conditions set forth in this notice and another bidder who has agreed to stipulate to such conditions has submitted a bid within five percent of the lowest responsible bid for a contract to supply goods, services or construction of comparable quality, the contracting entity shall refer such bids to the Mayor, the Speaker or other officials, as appropriate, who may determine, in accordance with applicable law and rules, that it is in the best interest of the city that the contract be awarded to other than the lowest responsible bidder pursuant to Section 313(b)(2) of the City Charter.

In the case of contracts let by other than competitive sealed bidding, if a prospective contractor does not agree to these conditions, no agency, elected official or the Council shall award the contract to that bidder unless the entity seeking to use the goods, services or construction certifies in writing that the contract is necessary for the entity to perform its functions and there is no other responsible contractor who will supply goods, services or construction of comparable quality at a comparable price.

PART A

In accordance with section 6-115.1 of the Administrative Code of the City of New York, the contractor stipulates that such contractor and any individual or legal entity in which the contractor holds a ten percent or greater ownership interest and any individual

or legal entity that holds a ten percent or great ownership interest in the contractor either (a) have no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Principles, and shall permit independent monitoring of their compliance with such principles.

PART B

For purposes of this section, the following terms shall have the following meanings:

1. "MacBride Principles" shall mean those principles relating to nondiscrimination in employment and freedom of workplace opportunity which require employers doing business in Northern Ireland:

(1) increase the representation of individuals from underrepresented religious groups in the work force, including managerial, supervisory, administrative, clerical and technical jobs;

(2) take steps to promote adequate security for ~~the protection~~ the protection of employees from underrepresented religious groups both at the workplace and while traveling to and from work;

(3) ban provocative religious or political emblems from the workplace;

(4) publicly advertise all jobs openings and make special recruitment efforts to attract applicants from underrepresented religious groups;

(5) establish layoff, recall and termination procedures which do not in practice favor a particular religious group,

(6) abolish all job reservations, apprenticeship restrictions and different employment criteria which discriminate on the basis of religion;

(7) develop training programs that will prepare substantial numbers of current employees from underrepresented religious groups for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade and improve the skills of workers from under-represented religious groups;

(8) establish procedures to assess, identify and actively recruit employees from underrepresented religious groups with potential for further advancement; and

(9) appoint a senior management staff member to oversee affirmative action efforts and develop a timetable to ensure their full implementation.

ARTICLE II. ENFORCEMENT OF ARTICLE 1.

The contractor agrees that the covenants and representations in Article I above are material conditions to this contract. In the event the contracting entity receives information that the contractor who made the stipulation required by this section is in violation thereof, the contracting entity shall review such information and give the contractor an opportunity to respond. If the contracting entity finds that a violation has occurred, the entity shall have the right to declare the contractor in default and/or terminate this contract for cause and procure the supplies, services or work from another source in any manner the entity deems proper. In the event of such termination, the contractor shall pay to the entity, or the entity in its sole discretion may withhold from any amounts otherwise payable to the contractor, the difference between the contract price for the uncompleted portion of this contract and the cost to the contracting entity of completing performance of this contract either itself or by engaging another contractor or contractors. In the case of a requirements contract, the contractor shall be liable for such difference in price for the entire amount of supplies required by the contracting entity for the uncompleted term of its contract. In the case of a construction contract, the contracting entity shall also have the right to hold the contractor in partial or total default in accordance with the default provisions of this contract, and/or may seek debarment or suspension of the contractor. The rights and remedies of the entity hereunder shall be in addition to, and not in lieu of, any rights and remedies the entity has pursuant to this contract or by operation of law.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 19, 2024

Agenda

1. Resolution: Approval of Minutes of Meeting of January 25, 2024
2. Resolution: Approval of Budget
3. Resolution: Approval of Financial Advisor Contracts
4. Resolution: Approval of Mission Statement and Performance Measures and Authorization to Publish Measurement Report
5. Presentation by Audit Committee Chair regarding Audit Committee's Report and Self-Evaluation

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 19, 2024

Approval of Minutes

WHEREAS, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on January 25, 2024; it is therefore

RESOLVED, that the minutes of the meeting of January 25, 2024 be, and they hereby are, approved.

DRAFT
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

January 25, 2024

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on January 25, 2024 at approximately 2:37 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York 10007.

The following Board members attended, represented by their designees:

Jacques Jiha, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by David Womack;

Preston Niblack, Commissioner of the Department of Finance of the City, represented by Dara Jaffee;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Thomas Foley, Commissioner of the Department of Design and Construction of the City, represented by Louann Koziol; and

Adrienne Adams, Speaker of the City Council, represented by Hector German;

constituting a quorum of the Board. Rita Pasarell served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority and employees of various agencies of the City and the State of New York, who joined in-person and remotely.

The meeting was called to order by Mr. Womack, the Chairperson of the Board.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the previous meeting of the Board which occurred on November 30, 2023. Upon unanimous vote, the following

resolution to adopt such minutes was adopted.

WHEREAS, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on November 30, 2023; it is therefore

RESOLVED, that the minutes of the meeting of November 30, 2023 be, and they hereby are, approved.

Approval of the 132nd Supplemental Indenture and Series Resolution Authorizing the Issuance of Fiscal 2024 Series F Future Tax Secured Subordinate Bonds

The second item on the agenda was the approval of the One Hundred and Thirty-Second Supplemental Indenture and Series Resolution Authorizing Up to \$1,400,000,000 Future Tax Secured Bonds (the “132nd Series Resolution”)¹. Mr. Womack explained that the 132nd Series Resolution would approve the issuance of up to \$1.4 billion of the Authority’s Fiscal 2024 Series F Future Tax Secured new money bonds.

Mr. Womack noted that the 132nd Series Resolution also authorizes the approval of the Amended and Restated Original Indenture between New York City Transitional Finance Authority and The Bank of New York Mellon, as Successor Trustee. The Authority has proposed changes to its Indenture to remove references to bonds that are no longer outstanding and to make other non-material changes to reflect current practices in place.

He further noted that this action had been recommended by the Finance Committee. There being no discussion, following a unanimous vote, the 132nd Series Resolution was adopted.

Appointment of Assistant Secretary

The third and final item on the agenda was the approval of a resolution to appoint Deborah Cohen as Assistant Secretary to the Authority. Ms. Cohen’s biography was circulated

¹ Filed with the meeting minutes.

for review. There being no discussion, following a unanimous vote, the following resolution was adopted.

WHEREAS, the Board of the New York City Transitional Finance Authority (the “Authority”) is duly authorized pursuant to Section 2799-ee of the New York City Transitional Finance Authority Act to appoint such officers and employees as it may require for the performance of its duties; and

WHEREAS, the Board believes that Deborah Cohen, whose biography is attached heretofore, is highly qualified to assume the duties of Assistant Secretary; it is therefore

RESOLVED, that Deborah Cohen is hereby appointed Assistant Secretary of the Authority.

Adjournment

There being no further business to come before the Board, upon unanimous vote, the meeting was duly adjourned.

ASSISTANT SECRETARY

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 19, 2024

Approval of Authority Budget

WHEREAS, the New York City Transitional Finance Authority (the “Authority”), pursuant to Section 2801(2) of the Public Authorities Law (the “PAL”), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year;

WHEREAS, the Authority is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office together with other reports, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance; and

WHEREAS, the Board of Directors of the Authority has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

RESOLVED, that the Board of Directors of the Authority approves the budget information and financial plan as attached hereto, except that the Authority’s Comptroller may make non-material changes to the budget and financial plan as deemed necessary.

New York City Transitional Finance Authority

Fiscal Year 2025 Budget and Five-Year Plan (Cash Basis)

July 01, 2023 - June 30, 2028

(\$ in thousands)		Actual												
		Unaudited	Adopted	Modified ¹	Proposed									
		FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028						
<u>Receipts:</u>														
Operating Receipts:														
Personal Income Tax Retained	\$	1,282,472	\$	1,200,564	\$	1,057,049	\$	1,107,342	\$	4,023,187	\$	4,479,250	\$	4,905,957
Building Aid Retained		958,114		1,000,253		1,016,970		1,058,945		1,119,911		1,183,240		1,249,437
Municipal Grants		2,166,387		-		2,442,576		-		-		-		-
Federal Subsidy - BABs/QSCB		116,762		99,685		77,772		97,823		95,992		92,267		72,692
Investment Earnings		41,299		-		98,166		-		-		-		-
Sub-total		4,565,034		2,300,502		4,692,533		2,264,110		5,239,089		5,754,757		6,228,086
Bond Proceeds:														
FTS (New money & Refunding)		6,426,589		4,820,000		6,249,718		5,270,000		5,580,000		6,070,000		6,000,000
BARBs (New money & Refunding)		636,678		-		-		-		-		-		-
Sub-total		7,063,267		4,820,000		6,249,718		5,270,000		5,580,000		6,070,000		6,000,000
Total Receipts ²		11,628,301		7,120,502		10,942,251		7,534,110		10,819,089		11,824,757		12,228,086
<u>Disbursements:</u>														
Bond Proceeds - Capital outlay - FTS		3,940,386		4,817,000		4,629,065		5,267,000		5,577,000		6,067,000		5,997,000
Bond Proceeds - Capital outlay - BARBs		-		-		-		-		-		-		-
Refunding (FTS & BARBs)		3,092,652		-		1,638,926		-		-		-		-
Cost of Issuance (FTS& BARBs)		5,441		3,000		2,959		3,000		3,000		3,000		3,000
Sub-total		7,038,479		4,820,000		6,270,950		5,270,000		5,580,000		6,070,000		6,000,000
Principal payments - FTS		1,628,565		1,671,910		1,660,945		1,691,080		1,856,238		2,023,220		2,324,215
Principal payments - BARBs		191,825		207,385		207,385		215,980		223,785		310,975		341,780
Interest payments - FTS		1,828,738		2,035,601		2,028,337		2,260,285		2,493,892		2,735,714		2,968,586
Interest payments - BARBs		374,168		365,317		365,317		357,381		348,529		334,593		317,456
Sub-total		4,023,296		4,280,213		4,261,984		4,524,726		4,922,444		5,404,502		5,952,037
BAB's & QSCB's Federal Subsidy to City		116,762		99,685		77,772		97,823		95,992		92,267		72,692
Administrative (FTS & BARBs)		20,186		21,802		21,008		22,328		22,960		23,595		24,231
Total Disbursements ²		11,198,723		9,221,699		10,631,714		9,914,878		10,621,396		11,590,363		12,048,960
<u>Excess (Deficiency) of Receipts over Disbursements</u>														
	\$	429,578	\$	(2,101,198)	\$	310,537	\$	(2,380,767)	\$	197,693	\$	234,393	\$	179,126
Cash and Investment Holdings: ³														
Beginning Balance	\$	3,494,840			\$	3,924,418	\$	4,234,956	\$	1,854,189	\$	2,051,882	\$	2,286,275
Ending Balance	\$	3,924,418			\$	4,234,956	\$	1,854,189	\$	2,051,882	\$	2,286,275	\$	2,465,401

¹ Modified FY 2024 budget includes actual amounts from July 1, 2023 through February 29, 2024, and projected March 2024 through June 2024.

² Disbursements in a fiscal year may be paid with receipts from a prior year.

³ Cash Equivalent and Investments are included at cost.

New York City Transitional Finance Authority

Fiscal Year 2025 Administrative Budget (Cash Basis)

Description		Actual	Favorable vs		Actual	Projected	Proposed	
	Adopted	Disbursements	(Unfavorable)	Adopted	Disbursements	Disbursements	Modified	Proposed
	FY 2023	FY 2023	%	FY 2024	7/1/23 - 2/29/24	3/1/24 - 6/30/24	FY 2024	FY 2025
Management Fees ("Salaries & Benefits")	\$ 1,900,000	\$ 1,674,211	11.88	\$ 1,957,000	\$ -	\$ 1,957,000	\$ 1,957,000	\$ 2,016,000
Overhead ("Rent, Telephone etc')	475,000	569,124	-19.82	489,000	-	685,000	685,000	705,000
Audit Fees	30,000	32,000	-6.67	31,000	29,000	2,000	31,000	32,000
Consulting Fees	20,000	-	0.00	20,000	-	20,000	20,000	20,000
Advisor-Swap & Financial	150,000	119,950	20.03	150,000	51,398	98,603	150,000	150,000
Legal Fees	100,000	28,134	71.87	100,000	31,500	68,500	100,000	100,000
Remarketing Fees	2,059,000	2,037,318	1.05	2,200,000	1,534,599	525,428	2,060,027	2,250,000
Liquidity Fees	15,417,000	15,214,265	1.32	16,000,000	11,168,773	4,200,976	15,369,749	16,500,000
Auction Fees	1,401,000	291,534	79.19	300,000	118,131	-	118,131	-
Arbitrage Fees - Consultant	150,000	107,500	28.33	150,000	74,500	75,500	150,000	150,000
Custody Fees	5,000	5,726	-14.52	25,000	6,728	5,000	11,728	25,000
Trustee Fees	80,000	67,722	15.35	275,000	136,050	138,950	275,000	275,000
Rating Fees	50,000	31,500	37.00	75,000	47,500	2,500	50,000	75,000
Other Administrative	30,000	6,580	78.07	30,000	5,577	24,423	30,000	30,000
Total	\$ 21,867,000	\$ 20,185,563	7.69%	\$ 21,802,000	\$ 13,203,756	\$ 7,803,879	\$ 21,007,635	\$ 22,328,000

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 19, 2024

Authorization of Financial Advisor Contracts

WHEREAS, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the New York City Transitional Finance Authority Act (the “Act”), to make and execute contracts and agreements necessary and convenient to carry out its powers and functions;

WHEREAS, the Authority has completed a competitive request for proposals process for financial advisor services; and

WHEREAS, as a result of such procurement process, the Officers of the Authority have recommended the selection of Public Resources Advisory Group, Inc. (“PRAG”) to serve as Co-Financial Advisor and Frasca & Associates LLC (“Frasca”) to serve as Co-Financial Advisor; it is therefore

RESOLVED, that either of the Executive Director or Treasurer of the Authority is hereby authorized and directed to enter into agreements in the name of the Authority whereby PRAG will serve as Co-Financial Advisors to the Authority for the fees listed in Schedule I, and Frasca will serve as Co-Financial Advisor to the Authority for the fees listed in Schedule II, upon such other terms as the Executive Director or Treasurer deems reasonable and appropriate provided, however, that such agreements shall be effective July 1, 2024 through June 30, 2028 or until their earlier termination as provided therein, and further provided that such agreements may be extended at the option of the Authority without additional Board action required for two additional one-year terms ended June 30, 2029 and June 30, 2030, respectively.

Schedule I

Financial Advisor – PRAG

Position	Hourly Rate
President	\$425
Senior Managing Director	\$400
Managing Director	\$325
Vice President	\$300
Assistant Vice President	\$275
Associate	\$225

Schedule II

Financial Advisor – Frasca

Position	Hourly Rate
Senior Managing Director	\$450
Managing Director	\$450
Director	\$350
Vice President	\$300
Associate	\$200
Analyst	\$150

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 19, 2024

Approval of Mission Statement and Performance Measures and Completed Measurement Report

WHEREAS, pursuant to Section 2800 of the Public Authorities Law (the “PAL”), the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) previously adopted a Mission Statement on September 20, 2007 and such Mission Statement was subsequently amended;

WHEREAS, the Authority is required to annually review the Mission Statement and Performance Measures by which the Authority can evaluate how well it is carrying out its mission, and to publish a Measurement Report based on those Performance Measures; and

WHEREAS, the Board has reviewed the Mission Statement and Performance Measures, as amended, and the completed Measurement Report and found them to be reasonable; it is hereby

RESOLVED, that Board accepts the amended Mission Statement and Performance Measures and authorizes the completed Measurement Report to be published.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Mission Statement and Performance Measures

The New York City Transitional Finance Authority (“The Authority”) is a public benefit corporation created in 1997 pursuant to the New York City Transitional Finance Authority Act. The Authority’s purpose is to fund a portion of the capital program of the City of New York (the “City”), including a portion of the City’s five-year educational facilities capital plan, to facilitate the finance program of the City, and to conduct its activities in an efficient and cost-effective manner. The Authority’s stakeholders are its bondholders, who have purchased The Authority’s bonds and notes in reliance on the strong credit of The Authority, and the City, which depends on The Authority’s access to the capital markets to reimburse the City for its general fund expenditures for capital projects.

Date Adopted: September 20, 2007 and amended on March 2, 2011, April 9, 2013, April 7, 2014, April 27, 2017 April 30, 2019 and April 30, 2019-19, 2024

List of Performance Goals:

- Issue debt to support capital needs of the City and meet capital reimbursement requirements of the City
- Make timely payments of debt service and meet other contractual obligations
- Utilize efficient and cost-effective borrowing methods, including lowering the cost of debt through refunding and other means
- Meet continuing disclosure obligations
- Maintain communications with investors and rating agencies
- ~~The Authority will utilize bond ratings to the extent that ratings are supportive of the lowest borrowing costs, the most effective secondary market trading and positive investor relations.~~

Measurements:

- Has the Authority issued sufficient debt, when viewed in connection with City debt issuance, to support the capital needs of the City and has the Authority reimbursed the City for capital costs incurred?
 - Has the Authority paid debt service and fulfilled its other obligations related to its outstanding debt in a timely manner?
 - Has the Authority issued debt at fair and reasonable rates relative to market conditions at the time of issuance?
 - Has the Authority complied with its continuing disclosure undertakings?
 - ~~De~~Has the Authority provided timely and detailed information to assist investors and rating agencies ~~understandin~~ understanding the Authority and its credit structure?
- ~~Has the cost effectiveness of ratings has been weighed against investor expectations and the evolution of the extent of usage of ratings by issuers and the value of ratings in different contexts by investors? If it is determined to be~~

~~appropriate to eliminate some or all bond ratings for the Authority, has this recommendation been presented to the Board?~~

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the Authority?
2. Who has the power to appoint the management of the Authority?
3. If the Board appoints management, do you have a policy you follow when appointing the management of the Authority?
4. Briefly describe the role of the Board and the role of management in the implementation of the mission.
5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Measurement Report

April 19, 2024

Performance Measurements:

- Has the Authority issued sufficient debt, when viewed in connection with City debt issuance, to support the capital needs of the City and has the Authority reimbursed the City for capital costs incurred?

Yes.

- Has the Authority paid debt service and fulfilled its other obligations related to its outstanding debt in a timely manner?

Yes.

- Has the Authority issued debt at fair and reasonable rates relative to market conditions at the time of issuance?

Yes.

- Has the Authority complied with its continuing disclosure undertakings?

Yes.

- Has the Authority provided timely and detailed information to assist investors and rating agencies in understanding the Authority and its credit structure?

Yes

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes.

2. Who has the power to appoint the management of the public authority?

The Board of Directors of the Authority appoints the Officers of the Authority.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

It is the practice of the Authority that management presents proposed appointments to the Board of Directors for review and approval.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

Management handles the day-to-day operation of the Authority and presents recommendations with respect to the issuance of debt, the setting of management policies, procurements of services, financial statements and the adoption of the Authority's budget to the Board of Directors. The Board of Directors reviews and approves these items.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes.