

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Audit Committee Meeting**

**April 30, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of October 2, 2024
2. Resolution: Self-Evaluation and Review of Annual Report of the Audit Committee
3. Review of Internal Controls
4. Resolution: Recommendation to the Board of Directors to Approve Agreement with Independent Auditor
5. 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 30, 2025

## 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 October 2, 2024; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of October 2, 2024, are hereby approved.

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

October 2, 2024

A meeting of the Audit Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on October 2, 2024 at approximately 2:40 p.m., conducted at 255 Greenwich Street, Room 6-SE1, 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;

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

Brad Lander, Comptroller of the City, represented by Michael Stern; 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, who joined in-person and remotely. The meeting was called to order by Mr. Stern, 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 19, 2024. 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 19, 2024; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of April 19, 2024, 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, 2024 and June 30, 2023. Raymond Lee, the Comptroller of the Authority, mentioned there were certain material changes made to the annual financial statements from a draft previously circulated to the board on pages 4, 22, and 30, and explained the nature of such changes. He then briefly described the Authority's financial statements and associated reports, which had been provided to the Committee for review. Mr. Lee then introduced John D'Amico and Daniel McElwee of CBIZ CPAs, the Authority's independent auditors. Mr. D'Amico and Mr. McElwee 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, 2024 and June 30, 2023, 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, 2024 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, 2024 and June 30, 2023 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, 2024 and June 30, 2023; 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. Stern 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;

**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. Stern 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.

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SECRETARY

# NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

## Audit Committee Meeting

April 30, 2025

### 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 30, 2025

During calendar year 2024, 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 19, 2024:

- 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 2024 audit and several new accounting and auditing standards.

On October 2, 2024:

- 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, 2024 and June 30, 2023, 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 20252022)

### OVERVIEW

The New York City Transitional Finance ~~Authority's~~ 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, once every four years, TFA prepares a~~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. ~~The Unit's Accounting Staff are 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 various accounting tasks, including preparing payments, preparing entry of accounts payable vouchers and payment information, as well as approved journal entries, monitoring account activity, entering payments and journal entries into TFA's electronic accounting system, which is currently Microsoft Dynamics GP (the "Accounting System, and maintaining") and reports to the UH and/or an AM; and~~

~~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 and non-financial reports, and reports to an AM~~

~~[Note:~~ Throughout this Manual, when one Accounting Manager ~~AM~~ is unavailable to perform a noted function on a timely basis, another Accounting Manager ~~AM~~ can perform that function. When one Accounting Staff ~~is APS or AUS are~~ unavailable to perform a noted function on a timely basis, another Accounting Staff or an Accounting Manager ~~the UH~~ can perform that function or delegate it to another Accounting Staff ~~staff member~~ who has performed no conflicting duties pertaining to that matter. Where an Accounting Manager ~~the UH~~ performs a staff function, review and approval will be done by another Accounting Manager. In summary, regardless of the availability of staff members usually tasked with performing or reviewing specific functions, all functions that require review will be performed by one person and reviewed by another. ~~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"), which includes pass-through entity taxes ("PTET"). 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 ("Building Aid Revenue") 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 Manual. ~~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 January 25, 2024, 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 the *Debt Service Retention* section of this Manual.

The Accounting Unit~~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 Accounting Staff~~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 Accounting StaffAUS 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 Accounting StaffAUS prepares the bank reconciliation and attaches the daily PIT receipt spreadsheet to the bank statement. The Accounting ManagerAM reviews and signs the bank reconciliation. In addition, the OSC sends a monthly recap of PIT Collections, and the Accounting StaffAUS 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 31<sup>st</sup> 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~~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 Revenue~~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 BARBs~~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 Revenue~~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 Revenue~~aid~~ that is not retained is remitted to the City by the Trustee through a bank wire.

The Trustee is responsible for TFA's receipts and disbursements of the Building Aid Revenue~~building aid revenue~~ received from the State. The OMB Education Task Force obtains from the State Education Department ("SED") the amount of Building Aid Revenue~~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 Revenue~~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 Executive Director~~ED~~, certifying to OSC and SED the amount of school Building Aid Revenue~~building aid~~ within each education aid payment due the City that is payable to TFA. The certification is e-mailed to the Accounting Unit~~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 ~~on~~<sup>of</sup> how to apply funds. On the date of receipt of school Building Aid Revenue~~building aid~~, the Accounting Unit~~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 Accounting Staff~~AUS~~ prepares the bank reconciliation and attaches the monthly building aid~~BARB~~ receipt spreadsheet to the bank statement. The Accounting Manager~~AM~~ reviews and signs the bank reconciliation. Journal entries to record Building Aid Revenue~~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.

### 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 Accounting Unit reviews 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 Accounting Manager to the Trustee. The Trustee reviews TFA's retention requirements to ascertain that the retention requirements generated by TFA agree with the Trustee's independently calculated retention requirements. The Accounting Unit confirms 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 instruction letter signed by an Accounting Manager with a breakdown of accounts and amounts to be funded. The deposits of grant funds by the Trustee are reviewed by the

Accounting Unit to confirm deposit amounts and bank accounts agree with TFA's instructions.

## **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 the Tax Compliance Procedures document

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 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 Accounting StaffAUS as described in the *Journal Entries* section of this Manual. At year end, the Accounting



Staff will prepare journal entries to record the fair market value adjustments for financial reporting purposes.

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. Except for BABs and QSCBs, (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 Building Aid Revenue~~BARB revenue~~ transfer, indicating on the respective transfer schedules that the transfer is due to interest earnings<sup>1</sup>. This interest transfer causes a reconciling item on the PIT and Building Aid Revenue~~BARB~~ year-end confirmations with the New York State and City Comptroller's Office. 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 the Tax Compliance Procedures document).

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 Revenue~~building aid receipts~~ to meet the debt service requirements; or transferred to the City as PIT or Building Aid Revenue~~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 Trustee's independently calculated retention requirements. The AUS and/or an AM~~

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<sup>1</sup> 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 Revenue 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 Revenue 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 Revenue, which ~~achieves~~achieved the same net impact as reducing subsequent retained amounts.

~~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.~~

### **Miscellaneous Cash Receipts**

TFA may receive cash from sources other than the ones listed previously. These receipts may come as check receipts or wire/ACH receipts.

#### **1. Check Receipts**

When a check is received, receipt is recorded in the Check Control Log by the Accounting Staff responsible for the log, detailing the date, amount, payer, and other relevant information. The Accounting Staff then gives the check to an Accounting Manager, who in turn gives the check to the appropriate Accounting Staff to research the reason for the receipt and to determine the proper accounting for the receipt. Any checks received by OMB or another department of TFA are delivered to the Accounting Staff responsible for the Check Control Log. The Accounting Staff follows the same procedures detailed above for recording the check. Checks are endorsed immediately and secured in a locked area until deposit.

The deposit receipt along with all supporting documentation is filed and a journal entry recording the cash receipt is made in the Accounting System. At month end, an Accounting Manager confirms the deposit is reflected in the bank statement and in the Accounting System.

#### **2. Wire/ACH Receipts**

When a miscellaneous wire/ACH is received, the Accounting Staff researches the reason for the receipt to determine the proper accounting for the receipt. Once a determination is made, a journal entry recording the cash receipt is made in the Accounting System.

### **DISBURSEMENTS**

#### **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 Accounting Staff 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 Accounting Unit for a resolution of the discrepancy.

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 the Accounting Staff from the Bloomberg Terminal. Rates may also be obtained from the remarketing agents and/or online~~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 Accounting Staff. ~~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 Accounting Unit~~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 Accounting Staff~~AUS~~ prepares the necessary journal entries as described in the *Journal Entries* section of this Manual. The Accounting Staff~~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 Accounting Staff~~AUS and/or an AM~~ and the Accounting Staff~~AUS and/or an AM~~ independently ~~calculates~~calculate rates. All amounts are reconciled at month end, and the Accounting Staff~~AUS~~ prepares the necessary journal entries as described in the *Journal Entries* section of this Manual.

## DISBURSEMENTS

### **Vendor Payments**

~~All invoices are routed for review and approval to the TFA officer/manager (or his or her designee) 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. In addition to checking for mathematical accuracy of all invoices, when applicable, the reviewer compares the invoices to the orders, reviews the receiving reports or contracts for the correct pricing of goods and services, and verifies that no sales tax has been included in the invoices.~~

~~After an~~The approved invoice is approved by the applicable officer/manager, it is entered by ~~the Accounting Staff~~APS into ~~the payable management module of~~ TFA's Accounting System. A digital copy of the invoice is also attached in the Accounting System. To release and post invoices in the Accounting System, the system requires Accounting Staff request approval from an Accounting Manager. After ~~approving the data entry is reviewed by AUS for accuracy of posting codes, amounts, vendor name, and releasing the invoices,~~ the Accounting Staff posts the invoices.

~~other relevant information.~~ After the invoices are reviewed and posted, the ~~Accounting Staff~~APS uses ~~the~~ pre-numbered company checks to generate payment, ~~or the AUS prepares a wire/ACH payment in the JPMorgan Chase Access banking portal, or pays using the company purchasing card administered instruction letter signed by the New York City Municipal Water Finance Authority two authorized signers.~~

#### **1. Check Payments**

All unused checks are kept in a locked file cabinet under the control of ~~an Accounting Manager~~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. ~~All invoices paid by checks are entered into the Accounting System, which generates the check details for printing. The checks are presented to the authorized check signers along with the check register for review and signature. (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

For most vendor payments, All-wires/ACH are created by the Accounting StaffAPS in the online JP Morgan Access Banking portalprogram for the total voucher amount. An Accounting ManagerAPS 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 second Accounting Manager2<sup>nd</sup> AM reviews, signs and electronically releases the online payment.

For vendor payments paid from bond proceeds (i.e., bond issuance costs), the Accounting Staff prepares instruction letters to the Trustee with payment instructions. The instruction letters are for next day clearing. The Dynamics GP edit list is reviewed and signed by two TFA authorized signers the UH and emailed to the Trustee.

## 3. Purchasing Card Payments

Vendor invoices may be paid usingthen the New York City Municipal Water Finance Authority (“WFA”) purchasing card if other forms of electronic payment are not readily available. All uses of APS posts in the NYW purchasing card require requestors to submit to the Accounting Managers a completed *Purchasing Card Expense Authorization Form* along with any required documentation. The form must be approved by the requestor’s supervisor who must also be an officer of TFA. If the requestor’s supervisor is not an officer is not an officer of TFA, approval must be obtained from an officer who does not report to the requestor. Payments above \$1,000 require a secondary approval from the Executive Director, Treasurer, or Secretary. Receipts must be sent to the Accounting Unit immediately after purchase or as soon as receipts are available. TFA may make transfers from its operating account to settle purchasing card balances directly attributable to TFA’s use of the NYW purchasing card.

In parallel with or following all payments, the Accounting Staff enters payment journals in TFA’s accounting system to record the payments and close previously entered and approved invoices. Payment journals must be reviewed and approved by an Accounting Manager before they can be posted to the Accounting System.-

Supporting documentation must be electronically attached to the invoice records and payment journals in the accounting system. For invoice records, at a minimum, the approved invoice should be attached. For payment journals, digital copies of the wire/ACH templates from the banking portal and digital copies of the approval history from the banking portal should be attached. If payments were made through the Trustee via instruction letters, the instruction letters should be attached to the payment journals.

~~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**

~~All vendors must complete and sign an~~ The APS prepares the IRS Form W-9 (or its equivalent) and send it to the Accounting Unit before payment can be made to the vendor. This information is used to determine if any Forms forms 1099 must be issued to the vendor and 1096 for payments from TFA made during each calendar year.

Starting with calendar year 2023 reporting, TFA is required to submit Forms 1099 electronically to the distribution to payees and to the IRS. Recipient (payee) copies of Forms 1099 may continue to be mailed to recipients or transmitted electronically with the recipients’ permission.

~~annually.~~ Although there are several types of 1099 forms, TFA generally uses only ~~may use~~ the Form 1099-MISC to report gross proceeds paid to attorneys and Form ~~uses the~~ 1099-NEC ~~for to report~~ payments to entities for services performed by non-employees.

To prepare the Forms 1099, an Accounting Staff  
~~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 31 of the year, by category, for all disbursements to vendors. The Accounting Staff then enters the disbursement information for each vendor31st. The 1099 and form type into the IRS Information Return Intake System (“IRIS”). PDFs of each Form 1099 are then generated by the IRIS system for each vendor and form type. Prior to mailing to recipients, the Forms 10991096 are checked by the Accounting StaffAPS for accuracy before being submittedsubmitting to an Accounting ManagerAM for his or her review.

While deadlines to distribute Forms 1099 to recipients and e-filing with the IRS depends and signature. All 1099s are mailed out on the form type, most of TFA’s Forms 1099 (specifically, Form 1099-NEC) are due to recipients by or prior to January 31. Similarly, e-filing with the IRS is also generally due by 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 Comptroller's Office~~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 Accounting Staff~~AUS~~ prepares a letter to BAM requesting the transfer to the City detailing the amount and includes the wire instructions for the transfer. The Accounting Manager~~AM~~ checks the amounts on the letter back to the request from the BOA~~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 Accounting Manager.  
~~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 purchase invoices and payment journals~~vouchers~~ for vendor payments and through journal ~~entries~~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 the Accounting Staff~~AUS~~ to record all transactions, other than vendor payments, as part of the following monthly journal entry preparation process.

Each month, the Accounting Staff~~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 the Accounting Staff~~AUS~~ and the summaries are used by ~~AUS~~ to prepare journal entries for the month.

The entries are reviewed by the Accounting Manager who approves and signs~~AM reviews the journal entries, prepared by the AUS and applies the final approval and sign-off before entry into the general ledger.~~ The Accounting Staff then~~APS~~ enters the journal entries into the Accounting System. To post the general ledger. ~~The posted journal entries in the Accounting System, entry is examined by the system requires Accounting Staff request approval from an Accounting Manager. After an Accounting Manager approves AUS for accuracy after the entries, Accounting Staff posts the journal entries and verifies that they were posted accurately in the general ledger and subledgers, as applicable. are accepted.~~ If adjusting journal entries are required, they are reviewed and approved by an Accounting Manager.

After posting, the new trial balance is reviewed by the Accounting Staff to verify that the amounts agree with the transaction summaries and bank statements used to prepare the journal entries~~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 the Accounting Staff and AUS, reviewed and approved by an Accounting ManagerAM.

~~Except in extraordinary circumstances, All~~ checks outstanding for six (6) months are cancelled through the bank and in the Accounting System. ~~The Accounting accounting system.~~ Staff will attemptattempts 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 resulting inas-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 30<sup>th</sup> 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 the Accounting StaffAUS for proper treatment as an expenditure of the current or prior fiscal year.

At year-end, the Accounting Unit preparesAUS prepare all closing schedules and analyses needed for adjusting entries, for 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, selectselected schedules and analyses may be prepared by an Accounting ManagerAM.

Schedules and analyses prepared by the Accounting StaffAUS are provided to an Accounting Managerthe 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, and posted under the same process as monthly 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 (see the Journal Entries section of this Manual) are accepted.~~

The adjusted trial balance is reviewed by the Accounting StaffAUS to verify balances, and then exported into an Excel file for preparation of financial statements. Draft financial statements, notes, and management's discussion and analysisMD&A are prepared jointly by Accounting Staff and an Accounting ManagerAUS 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 Accounting Staff~~direction of the AUS and reviewed/or an Accounting Manager, who approves~~AM and signs prior to the entry entered into the Accounting System.~~general ledger. Before running the general ledger close process in~~of the Accounting System~~fiscal year, a final trial balance is run, and the Accounting Staff verifies~~AUS and/or an AM reviews to ensure~~ that all balances agree~~are in agreement~~ with the audited financial statements. The final trial balance is approved~~initiated~~ by an Accounting Manager~~the AM~~ and retained in the fiscal year-end work paper files.

An Accounting Manager~~The AM~~ instructs the Accounting Staff~~APS~~ to close the fiscal year, which is ~~automatically~~ done by the Accounting System when the close process is run.~~APS marks the appropriate field in the Accounting System.~~ The Accounting System will automatically produce a “closing entries” ~~that must be entry~~” which is retained in the year-end files. After the closing entries have~~entry has~~ been generated, reviewed and approved by~~produced the AUS and/or an Accounting Manager, and posted, the Accounting Staff~~AM reviews the trial balance after the close and verifies that~~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**

When a new bank account is needed, the Treasurer, Comptroller, or their respective designee will send an e-mail request to the Trustee (for Trustee bank accounts) or to the Comptroller’s Office BAM (for Project Fund accounts), along with supporting documentation requested by the Trustee or BAM. After opening the new account, the Trustee or BAM will confirm the number and name of the account via e-mail to the Treasurer and the Accounting Staff. Subsequently, the Accounting Staff will add the new account to the bank account schedule.

~~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 TFA 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 the Accounting Unit, with assistance and information provided by OMB as needed. ~~Staff 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 Accounting Unit ~~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 the bond financing entities) are maintained by the Accounting Unit ~~TFA’s Comptroller, Deputy Comptroller or designated staff~~.

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# NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

## Audit Committee Meeting

April 30, 2025

### Recommendation to the Board of Directors to Approve Agreement with Independent Auditor

**WHEREAS**, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the Act, to retain or employ auditors;

**WHEREAS**, pursuant to Section III(a) of the Audit Committee Charter, the Committee is authorized to recommend to the Board of Directors of the Authority the appointment and retention of the Authority’s independent auditors;

**WHEREAS**, following a competitive request for proposals process, Staff of the Authority have recommended the retention of CBIZ CPAs P.C. (“CBIZ”) to serve as independent auditors to the Authority; it is therefore

**RESOLVED**, that Audit Committee recommends that the Board of Directors authorize the Executive Director, Secretary, Treasurer or other authorized Officer to enter into an agreement with CBIZ to serve as independent auditor for the Authority’s financial statements for the fiscal years ending June 30, 2025, 2026, 2027 and 2028, with a one one-year extension at the discretion of the Authority to conduct the audit of the Authority’s financial statements for the fiscal year ending June 30, 2029, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the Executive Director, Secretary, Treasurer or other authorized Officer shall deem necessary, and which agreement shall provide for compensation not to exceed the following rates:

Audit:

Fiscal Year	Fixed Fee
2025	\$34,500
2026	\$35,235
2027	\$35,970
2028	\$36,706
2029*	\$37,440

\* At the discretion of the Authority.

Hourly Rates for Special Projects:

<b>Position</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Shareholder & Managing Director	\$575	\$605	\$635	\$670	\$700
Senior Manager	\$350	\$370	\$390	\$405	\$425
Manager	\$300	\$315	\$330	\$350	\$370
Senior Associate	\$250	\$265	\$275	\$290	\$305
Associate	\$200	\$210	\$220	\$230	\$245



# New York City Transitional Finance Authority

**AUDIT AND OTHER SERVICES PLANNING MEETING FOR YEAR ENDING JUNE 30, 2025**

APRIL 30, 2025

*This report is intended solely for the information and use of the Audit Committee, Board of Directors, Members 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 Shareholder

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Advisory Shareholder

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Senior Manager

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# Agenda

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- Audit Planning Communications
  - Service Delivery Timeline
  - Responsibilities
  - Deliverables
  - Special Factors Impacting This Year
  - Our Planned Audit Approach
  - Relationship and Independence
  - New Developments and Forward Considerations
- Appendices:
  - Appendix A - Background on CBIZ
  - Appendix B – Draft Engagement Letter
- Executive Session

# Service Delivery Timeline

Audit Services	2025	2024
Preliminary communications held and draft engagement letters shared	April 23, 2025	April 9, 2024
Audit scope presentation to the Audit Committee	April 30, 2025	April 19, 2024
Audit fieldwork to begin	Mid-August 2025	August 19, 2024
Draft financials received from management	Mid-September 2025	September 20, 2024
Review audit results with the Audit Committee	Late September 2025	October 2, 2024
Report issuance soon after approval by the Audit Committee and Board of Directors	By September 30, 2025	October 3, 2024



# Our Responsibilities

## Financial Statement Audit

- To obtain evidence to provide reasonable assurance that the financial statements are free of material misstatement whether caused by error or fraud.
- To issue an auditor's report that includes an opinion that the financial statements are fairly stated in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S.GAAP).
  - Reasonable assurance is a high level of assurance, but not absolute assurance in detection of material misstatement. Material misstatements are items that would influence users of the financial statements.
  - This process entails an understanding of the Organization and its environment including internal controls to assess the risk of material misstatement and to design tests responsive to those risk to allow support for our opinion
  - This process entails assessing accounting policies and estimates including disclosures to result in fair presentation
  - Based on the audit evidence, we will conclude relative to the ability of the entity to continue as a going concern for a reasonable period of time
  - We will communicate significant matters related to the audit
- We will not report on the required supplementary information, including 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.

*See Engagement Letter in Appendix for full responsibility details*

# Our Responsibilities



## Investment Compliance

We will also issue a report on the Organization's compliance with its investment guidelines – as part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform certain tests and report on the Organization's compliance with its investment guidelines as of and for the year ended June 30, 2025.

*See Engagement Letter in Appendix for full responsibility details.*

# Responsibilities of Management

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- Making all management decisions and performing all management functions
- Preparing and presenting the financial statements in conformity with U.S. GAAP
- Access to and accuracy of financial records and related information
- Selecting and applying accounting policies
- Safeguarding of all assets
- Adjusting the financial statements to correct material misstatements
- Establishing and maintaining internal controls and monitoring ongoing activities
- Designing and implementing programs and controls to prevent and detect fraud and informing us of any known and/or suspected fraud
- Evaluating going concern considerations
- Complying with all applicable laws and regulations, contracts, agreements, and grants
- Preparing the required supplementary information
- Providing us with a written representation letter regarding certain matters
- Tracking the status of audit findings and recommendations

*See Engagement Letter in Appendix for full responsibility details*

# Responsibilities of Those Charged With Governance



- Overseeing the financial reporting process
- Overseeing the strategic direction of the Organization
- Appointing the auditors, including overseeing our work
- Informing us of all known or suspected fraud involving the Organization
- Resolving disagreements between management and the audit team

*See Engagement Letter in Appendix for full responsibility details*

# Deliverables



## Engagement Deliverables

- Issuance of opinions on the financial statements
- Issuance of a report on the Organization's compliance with its investment guidelines
- Issuance of a report under *Government Auditing Standards*
- A summary communication document regarding the results of the audit of the Organization with our feedback and insights

# Our Planned Audit Approach



- We will gain an understanding of the Organization's environment, including internal control, for purpose of:
  - Assessing risk of material misstatement of the financial statements
  - Designing the nature, timing and extent of further audit procedures
  
- Material misstatements may result from:
  - Management override of controls
  - Errors
  - Fraudulent financial reporting
  - Misappropriation of assets
  - Violations of laws or governmental regulations

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



# Our Planned Audit Approach

## Management Judgments and Accounting Estimates

### 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.

### 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



## Other Considerations

- The use of technology is now routine to aid in the rigor of the audit process.
- Audits are a combination of risk assessments, random samples, targeted inspection of inherently riskier transactions and transactions of greater interest given data analytics and other factors.
- We will use technology to select journal entries for testing with a focus on validity and support on what we consider to be potential unusual items within that data set.

# Our Planned Audit Approach

## Fraud Related Procedures

### Our Approach

- Questionnaires to key employees regarding fraud matters
- Oral inquiries with certain members of the management team and those charged with governance
- Consideration of incentives, pressures, opportunities, and attitudes/tone at the top
- Understanding of internal controls at various levels
- Follow-up on noted matters, considering the effect on the audit plan

### Inquiries of Governance

- Are you aware of any fraud, suspected fraud or allegations?
- Are you aware of any potential conflicts of interest or related party transactions?
- Do you 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?
- Is there actual or potential litigation, claims, or assessments that may give rise to a contingency where an accrual or disclosure would be required
- Are there any other risks/areas of concern?

# Our Planned Audit Approach: Unpredictability + Other Procedures

We perform additional procedures beyond what might be required under U.S. GAAS utilizing Data Analytics tools which are tools to analyze data from the Organization'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 exceptions are valid. Some of the additional procedures may include:

- Scanning the list of major vendors receiving disbursements
- Unpredictability testing – Not disclosed but discussed that our audit always considers certain procedures

**Are there any other additional procedures that the committee members would like to see performed during the current year audit?**

# Special Factors Impacting This Year



- New accounting standards effective this year are not anticipated to have a material impact on the financial statements. Refer to the next slide for details of new accounting pronouncements.
- A full update of standards effective and pending is at [www.gasb.org](http://www.gasb.org) and we urge management to review and confirm no applicable items of material impact.
- We've shared most current industry updates herein and will review pending, proposed and other future developments during our exit meeting communication, if applicable.

# Special Factors Impacting This Year

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
<b>GASB 101, Compensated Absences</b>	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"><li>No impact is anticipated as TFA has no employees.</li></ul>

# Special Factors Impacting This Year

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
<b>GASB 102, Certain Risk Disclosures</b>	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"><li>▪ Understand the standard</li><li>▪ Model the effects<ul style="list-style-type: none"><li>▪ Review with external auditors</li></ul></li><li>▪ Communicate impact</li></ul>

# Special Factors Impacting This Year

Development	What's Changing?	When Are the Changes Effective?	Recommended Actions
<b>GASB 103, Financial Reporting Model Improvements</b>	Seeks to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability	Fiscal years beginning after June 15, 2025 (i.e., FY 2026).	<ul style="list-style-type: none"> <li>▪ Understand the standard</li> <li>▪ Model the effects                             <ul style="list-style-type: none"> <li>▪ Review with external auditors</li> <li>▪ Communicate impact</li> </ul> </li> </ul>
<b>GASB 104, Disclosure of Certain Capital Assets</b>	Requires certain types of capital assets to be disclosed separately in the capital assets note disclosure. The Statement also required additional disclosures for capital assets held for sale and for such assets to be evaluated each reporting period.	Fiscal years beginning after June 15, 2025 (i.e., FY 2026).	<ul style="list-style-type: none"> <li>▪ No impact is anticipated as TFA has no capital assets.</li> </ul>



# Relationship and Independence



No non-audit services that would impair independence



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

# Appendices

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- Appendix A - Background on CBIZ
- Appendix B – Draft Engagement Letter

# CBIZ CPAs 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.

6K

Not-For-Profit  
Clients  
Served  
Nationwide

**CBIZ CPAs Local  
Not-for-Profit & Government  
Qualifications Experience**

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

## Industry Expertise



Arts &  
Cultural  
Institutions



Colleges  
Universities  
& Schools



Public  
Charities



Private  
Foundations



Health &  
Welfare  
Organizations



Professional  
&  
Membership  
Trade  
Associations








Religious  
Entities



Government

# How We Seek to Add Value

 <b>Seminars &amp; Webinars</b>	 <b>Regular Client Communications</b>	 <b>Proactive Implementation of New Standards</b>	 <b>Not-For-Profit Newsletter</b>	 <b>Resource Center</b>
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	<b>The Not-For-Profit Viewpoint</b> Monthly newsletter covering topics that impact not-for-profit and education organizations	<b>Inflation Resource Center</b> Our program to provide companies with articles, podcasts, webinars, guides and more to help navigate these unprecedented times

## Supporting Innovation and Mitigating Risks:

In addition to our capable attest, audit, tax compliance and related tax advisory services, we can assist with other business services when they fit with our core engagement as follows:

- Cybersecurity and Information Technology
- Compensation Advisory, Executive Search and Benefits Cost Savings Opportunities
- AI Planning, Management and Administration
- State Privacy Legislation Compliance
- Insurance and Risk Management
- Accounting and Business Advisory
- Investment Advisory

CBIZ is a business consulting, tax, and financial services provider that works closely with CBIZ CPAs P.C., an independent CPA firm that provides audit, review, and attest services. CBIZ and CBIZ CPAs P.C. are members of Kreston Global, an international network of independent accounting firms. In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

# How We Embrace Our People

**We strive to strengthen our culture to enable a feeling of belonging for all team members in a variety of ways, including:**

## Diversity & Inclusion Task Force

Leaders from across the company tasked with accelerating our efforts nationally, using a three pronged-approach:  
**Retention, Recruitment, Awareness & Education**



### CEO ACTION FOR DIVERSITY & INCLUSION

The largest CEO-driven business commitment to diversity and inclusion within the workplace



### TRAINING, LEARNING & DEVELOPMENT

New and enhanced D&I training, and integration of D&I into existing learning and development programs



### EMPLOYEE RESOURCE GROUPS



### EMPLOYEE BENEFITS

Domestic partner benefits, flexible work arrangements, paid parental leave, expecting parents' programs, childcare resources, etc. to attract and retain a diverse workforce



### RECENT IMPACT

Since 2020, our hiring of professionals from underrepresented ethnicities has **increased by 59%**. Also, in 2022, **51% of hires were female.**



**BIPOC**  
CBIZ



**CBIZ PRIDE**



**CBIZ WOMEN'S ADVANTAGE**



**CBIZ YOUNG PROFESSIONALS**

April XX, 2025

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

Dear Mr. Lee

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide New York City Transitional Finance Authority (the “Client”, “Entity”, “you,” or “your”). This letter constitutes the entire agreement between the Entity and CBIZ CPAs P.C. (“CBIZ CPAs,” “Firm,” “we,” “us,” or “our”) regarding the services described herein.

### **ENGAGEMENT OBJECTIVES AND OUR RESPONSIBILITIES**

We will audit the financial statements of the governmental activities and each major fund, which collectively comprise the Entity’s basic financial statements, as of June 30, 2025 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Client’s basic financial statements as listed in the table of contents.

Our audit will be conducted with the objectives of our expressing an opinion on each opinion unit.

The objectives of our audit of the financial statements 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. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. 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 auditing standards generally accepted in the United States of America (“GAAS”) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



Accounting principles generally accepted in the United States of America (“U.S. GAAP”) as promulgated by the Governmental Accounting Standards Board (“GASB”) require that certain information, such as management’s discussion and analysis (“MD&A”), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 the Client’s required supplementary information (“RSI”) in accordance with GAAS. These limited procedures will consist of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management’s Discussion and Analysis

We will also issue a report on the Entity’s compliance with its investment guidelines – as part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform certain tests and report on the Entity’s compliance with its investment guidelines as of and for the year ended June 30, 2025.

### **Auditor Responsibilities**

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we will exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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.
2. Obtain an understanding of the system of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

3. 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.
4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Client's basic financial statements. Our report will be addressed to the governing body of the Client. 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 opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **MANAGEMENT'S RESPONSIBILITIES**

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

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;



2. For the design, implementation, and maintenance of an effective system of internal control over the financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
4. For adjusting the financial statements to correct material misstatements and 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 current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
5. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
6. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
7. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
8. For the accuracy and completeness of all information provided;
9. For the evaluation of the effectiveness of the entity's internal control over financial reporting using suitable and available criteria;
10. For providing us with management's written assessment about the effectiveness of the entity's internal control over financial reporting;
11. For supporting management's assessment about the effectiveness of the entity's internal control over financial reporting with sufficient evaluations and documentation (e.g., policy or accounting manuals, narrative memoranda, flowcharts, decision tables, procedural write-ups, or completed questionnaires)
12. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
13. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

Management is responsible for all management decisions and performing all management functions including critical judgments and conclusions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any financial statement preparation services, assistance with the preparation of the Data Collection Form, bookkeeping services, tax services, or other services we or our associated company CBIZ, Inc. (or its related entities (collectively with CBIZ, Inc., “CBIZ”)) provides.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years’ engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors’ report to the date the financial statements are issued.

### **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity’s significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management’s consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

## **ENGAGEMENT FEES**

We will complete the aforementioned services for the year ended June 30, 2025 for a fixed fee of \$34,500.

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

Upon signing this letter	\$ 2,000
September 1, 2025	16,000
Issuance of financial statements	<u>16,500</u>
	<u>\$ 34,500</u>

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality, and completeness of the Client's records and, where applicable, upon the Client's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Client employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.). Circumstances – including but not limited to those such as those listed in Appendix A – may arise during the engagement that may cause delay or significantly affect our fees. CBIZ CPAs shall not be responsible for any consequences.

## **DISPUTE RESOLUTION PROCEDURE (MEDIATION AND ARBITRATION) AND GOVERNING LAW**

*Any dispute arising out of or relating to this engagement, or breach thereof, shall first be submitted for mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediator shall be selected by agreement of the parties; if the parties cannot agree on a mediator, a mediator shall be appointed by the AAA. The mediation shall be treated as a settlement discussion and shall be confidential. The mediator may not testify for any party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each party shall bear its own costs in the mediation, and the fees and expenses of the mediator shall be shared equally by the parties. No other proceeding shall be commenced prior to 60 days after the parties' first appearance before the mediator.*

*If a dispute has not been resolved within 60 days after the written initiation of the mediation, the dispute shall be settled by arbitration administered by the AAA under its*

*Accounting and Related Services Arbitration Rules (the "Rules"). In the event of a conflict between the Rules and this Agreement, this Agreement shall control. The arbitration shall be conducted before a panel of three arbitrators, selected by application of the rules of the AAA, or by mutual agreement of the parties, except that all arbitrators shall be lawyers or former judges. Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery. The arbitration panel shall issue its final award in a written and reasoned decision to be provided to each party. The arbitration panel shall have no authority to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction. All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content, or result of the arbitration only as expressly provided by the Rules. The award reached as a result of the arbitration will be binding on the parties, and judgment on the award may be entered in any court having jurisdiction.*

*The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Client and our relationship with you shall be governed by the laws of the State of New York (without giving effect to its choice of law principles).*

#### **LIMITATION OF LIABILITY**

*Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ CPAs and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ CPAs pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ CPAs. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ CPAs or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.*

*No action, regardless of form, arising out of the services under this agreement may be brought by you more than one year after the date the last services are provided under this agreement.*

*The Client hereby indemnifies CBIZ CPAs and its shareholders and other professionals, and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of the Client's management, regardless of whether such person was acting in the Client's interest. This indemnification will survive completion or termination of this agreement.*

## **OTHER MATTERS**

### **Auditors' Report and Reproduction**

We will issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to those charged with governance. 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, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

Except to the extent prohibited by law, if you intend to publish or otherwise reproduce the financial statements and/or make reference to our Firm, you agree that the Client's management will provide us with a draft for our review and approval before disclosure, inclusion or incorporation by reference of any of our reports or the reference to CBIZ CPAs before such document or information is published, printed or distributed. You also agree to provide us with the final reproduced material for our approval before it is distributed. In addition, to avoid unnecessary delay or misunderstanding, you agree to provide us timely notice of your intention to issue any such document. Our fees for any additional procedures or services we require to provide approval to you would be in addition to those fees discussed above. Notwithstanding the foregoing, you may distribute the financial statements "as is," without our written consent; provided such financial statements are not inserted in any other document or are not altered or revised in any manner, including without limitation, the alteration, addition or removal of data or information to or from such financial statements.

With regard to the electronic dissemination of the Client's financial statements, including financial statements published electronically on the Client's website, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

### **Background Checks**

As a matter of our Firm policy, we perform background checks on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures, and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention.

### **Independence and Our Personnel**

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. These services are being provided under the AICPA and Government Accountability Office (GAO) independence standards. If the Client becomes subject to Public Company Accounting Oversight Board (“PCAOB”) or Securities and Exchange Commission (“SEC”) independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA and *Government Auditing Standards* may have impaired our past or may impair our future independence under the PCAOB and SEC standards. CBIZ CPAs’ acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

In addition, we will periodically reevaluate our independence as part of our customary client continuance process or more frequently, should circumstances arise that may require us to investigate whether our independence may have been impaired in which case we may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including, changes in senior management or the Board, or entities that may have preexisting relationships with CBIZ or CBIZ CPAs or conflicts that could affect our independence.

Any discussions that the Client has with personnel of CBIZ CPAs or CBIZ regarding potential employment with the Client could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure our independence on this engagement. Any additional costs incurred due to these procedures will be billed at our standard hourly rates.

Furthermore, we strive to maintain a staff of quality, trained professionals. In recognition of the investment we have made to recruit and develop our personnel, solely to the extent not prohibited by law, you agree to not solicit any of our employees involved in this engagement at any time while we are performing services for you or within one year thereafter; irrespective of whether they’ve worked on your account or not. However, this limitation shall not apply to employment via a general solicitation or open job posting which is not directed towards the employee or CBIZ CPAs.

#### **Access to Working Papers; Confidentiality**

Our workpapers and files for this engagement are the property of CBIZ CPAs. If we receive a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, we will, unless prohibited by law, provide written notice to the Client of such demand or request. The Client shall reimburse CBIZ CPAs for our time at standard rates and reasonable expenses (including reasonable attorneys’ fees and expenses) incurred in responding to such demands or requests.



Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. CBIZ CPAs will treat the Client's confidential information in accordance with applicable professional standards. The Client acknowledges and agrees that we may disclose confidential information as directed by the Client or as permitted by law, rule, regulation, professional standards or guidelines, or the terms of this engagement letter. The Client authorizes CBIZ CPAs to use email and other electronic methods to transmit and receive information, including confidential information, related to this engagement. CBIZ CPAs will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

In performing our engagement, we will utilize professional and administrative staff who are employed by or otherwise associated with CBIZ or other entities. These individuals will be under the direct control and supervision of CBIZ CPAs, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and CBIZ CPAs has contractual agreements requiring confidential treatment of all client information.

In addition, the Client agrees that we may provide CBIZ with access to the Client's accounting, financial, and other records in our possession so that CBIZ can provide the Client with any services it has engaged them to perform.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ CPAs makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that CBIZ CPAs is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

### **Termination**

Our engagement ends on the earlier of termination or resignation (including without limitation, our declining to issue a report or other work product) or CBIZ CPAs' delivery of our report. We acknowledge your right to terminate our services at any time, and you acknowledge our right to terminate our services and this agreement and resign at any time in our sole and absolute discretion, subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees. All terms which by their nature are reasonably intended to survive will survive termination, resignation or expiration.

### **Agreement**

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If it is determined that any provision of this letter is unenforceable, all other provisions shall remain in full force and effect. This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. The Client may not assign or transfer this agreement, or any rights, licenses, obligations, claims or proceeds from claims arising out of or in any way relating to this agreement, any services provided hereunder, or any fees for services to anyone, by operation of law or otherwise without CBIZ CPAs' prior written consent and any assignment without consent shall be void and invalid. CBIZ CPAs may assign this agreement, including all the rights and benefits hereunder, to any affiliate or acquirer of or successor to its business, or purchaser of all or substantially all of its assets, stock or interests or in the event of a reorganization or restructuring, and by your signature hereto, you consent to such assignment and the transfer of the Client's files and information.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Client and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and consents to enter into and perform this Agreement and the obligations herein for and on behalf of the NYC School Construction Authority.

If you agree with the terms of our engagement, as described in this letter, please affix your e-signature and return the letter to us via DocuSign and we will return a fully executed letter to you.

In accordance with the requirements of *Government Auditing Standards*, our latest external peer review report of our Firm is available upon request.

Very truly yours,

James Wilkinson, CPA, CITP  
CBIZ CPAs P.C.

**ACCEPTED**

This letter correctly sets forth the agreement of New York City Transitional Finance Authority.



By \_\_\_\_\_  
Raymond Lee, Comptroller

Date \_\_\_\_\_

DRAFT

## APPENDIX A

### Circumstances Affecting Timing and Fee Estimate

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by CBIZ CPAs in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, CBIZ CPAs may incur significant unanticipated costs.
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to CBIZ CPAs (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). CBIZ CPAs will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
  - a. New accounting issues that require an unusual amount of time to resolve.
  - b. Changes or transactions that occur prior to the issuance of our report.
  - c. Changes in the Client's accounting personnel, their responsibilities, or their availability.
  - d. Changes in auditing requirements set by regulators.
5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by CBIZ CPAs. All invoices, contracts and other documents which we will identify for the Client, are not located by the accounting personnel or made ready for our easy access.
6. A significant level of proposed audit adjustments is identified during our audit.
7. Changes in audit scope caused by events that are beyond our control.
8. Untimely payment of our invoices as they are rendered.



## 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](http://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

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# Executive Session

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# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Governance Committee Meeting**

**April 30, 2025**

### Agenda

1. Approval of Minutes of Meeting of October 2, 2024
2. Resolution: Review and Approval of Policy on the Procurement of Goods and Services

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Governance Committee Meeting**

**April 30, 2025**

### **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 October 2, 2024; it is therefore

**RESOLVED**, that the minutes of the Governance Committee meeting of October 2, 2024; are hereby approved.

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

October 2, 2024

A meeting of the Governance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on October 2, 2024 at approximately 2:54 p.m., conducted at 255 Greenwich Street, Room 6-SE1, 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;

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

Brad Lander, Comptroller of the City, represented by Michael Stern; 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, who joined in-person and remotely. 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 prior minutes of the meeting of the Committee which occurred on April 19, 2024. The minutes were circulated for the review of the Committee. There being no further discussion, upon unanimous vote, the following resolution to adopt such minutes was duly approved.

**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 19, 2024; it is therefore

**RESOLVED**, that the minutes of the Governance Committee meeting of April 19, 2024 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, upon unanimous vote,  
the meeting was adjourned.

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SECRETARY

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Governance Committee Meeting**

**April 30, 2025**

### 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 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**

## **Finance Committee Meeting**

**April 30, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of March 10, 2025
2. Resolution: Recommendation to the Board of Directors - Approval of 140<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series I, J & K Future Tax Secured Bonds

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Finance Committee Meeting**

**April 30, 2025**

### Approval of Minutes

**WHEREAS**, the Finance Committee has reviewed the minutes of its meeting held on March 10, 2025 it is therefore

**RESOLVED**, that the minutes of the meeting of March 10, 2025 be, and they hereby are, approved.

**MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF  
THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

March 10, 2025

A meeting of the Finance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on March 10, 2025 at approximately 4:31 p.m., conducted at 255 Greenwich Street, Room 6-M4, 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;

Preston Niblack, Commissioner 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 Rachel Laiserin; and

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

constituting a quorum of the Committee. 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, who joined in-person and remotely. The meeting was called to order by Mr. Olson, the Chairperson of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the previous meeting of the Committee which occurred on February 4, 2025. There being no discussion and following a unanimous vote, the following resolution was adopted:

**WHEREAS**, the Finance Committee has reviewed the minutes of its meeting held on February 4, 2025 it is therefore

**RESOLVED**, that the minutes of the meeting of February 4, 2025 be, and they hereby are, approved.

Approval of the 139<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series H Future Tax Secured Bonds

The second and final item on the agenda was the approval of the One Hundred and Thirty-Ninth Series Resolution Authorizing Up to \$2,000,000,000 Future Tax Secured Bonds (the “139<sup>th</sup> Series Resolution”)<sup>1</sup>. Mr. Olson noted that the 138<sup>th</sup> Series Resolution would authorize the issuance of up to \$2.0 billion of the Authority’s Fiscal 2025 Series H Future Tax Secured Bonds. Mr. Olson explained that the Authority expects to issue up to \$1.5 billion of tax-exempt fixed rate bonds and \$300 million of new money variable rate demand bonds, but has built a cushion to accommodate for fluctuating market conditions.

There being no further discussion and following a unanimous vote, the following resolution was adopted:

**WHEREAS**, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Transitional Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Authority’s Board of Directors (the “Board”); and

**WHEREAS**, the Finance Committee has received and reviewed the 139<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series H Future Tax Secured Bonds and deems it to be reasonable and prudent; it is therefore

**RESOLVED**, that the Finance Committee recommends to the Board the approval of the 139<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series H Future Tax Secured Bonds.

Adjournment

There being no further business to come before the Committee, upon unanimous vote,

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<sup>1</sup> Filed with the meeting minutes.

the meeting was duly adjourned.

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SECRETARY

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Finance Committee Meeting**

**April 30, 2025**

### Recommendation to the Board of Directors - Approval of the 140<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series I, J & K Future Tax Secured Bonds

**WHEREAS**, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Transitional Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Authority’s Board of Directors (the “Board”); and

**WHEREAS**, the Finance Committee has received and reviewed the 140<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series I, J & K Future Tax Secured Bonds and deems it to be reasonable and prudent; it is therefore

**RESOLVED**, that the Finance Committee recommends to the Board the approval of the 140<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series I, J & K Future Tax Secured Bonds.

ONE HUNDRED AND FORTIETH SERIES RESOLUTION  
AUTHORIZING UP TO  
\$2,000,000,000 FUTURE TAX SECURED BONDS

of the

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Dated April 30, 2025

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BE IT RESOLVED by the Directors of the New York City Transitional Finance Authority, as follows:

## ARTICLE I

### DEFINITIONS AND AUTHORITY

Section 1.1 Definitions. Terms used herein and not otherwise defined shall have the respective meanings given or referred to in the Amended and Restated Original Indenture, as restated January 25, 2024, as amended and supplemented, between the Authority and the Trustee (the “Indenture”).

The following terms shall have the following meanings in this One Hundred and Fortieth Series Resolution (“140<sup>th</sup> Series Resolution” or this “Series Resolution”) unless the context otherwise requires:

“Authorized Officers” means the Chairperson and other Authorized Officers of the Authority, and each of them.

“Multi-Modal Bonds” means the bonds so described in Schedule I to Exhibit C attached hereto, as in effect from time to time.

“New Bond Instruments” means the Preliminary Offering Circular dated on or about May 6, 2025, and such offering circulars, underwriting agreements, notices of sale, placement agreements, continuing covenant agreements, standby agreements, and other documents, agreements, renewals and replacements thereof as may be necessary or desirable to effectuate Article II hereof from time to time.

“New Bonds” means the Authority’s Future Tax Secured Bonds hereby authorized to be issued.

“139<sup>th</sup> Series Resolution” means the Authority’s One Hundred and Thirty-Ninth Series Resolution Authorizing up to \$2,000,000,000 Future Tax Secured Bonds dated March 10, 2025.

Section 1.2 Authority for this Series Resolution. This Series Resolution is adopted pursuant to the Act and to the Original Indenture, particularly Section 1101(a)(1) thereof.

## ARTICLE II

### THE NEW BONDS

Section 2.1 Bond Terms. Pursuant to the Indenture and the Act, one or more Series of Bonds are hereby authorized to be issued in the aggregate principal amount, with maturities and maturity dates, bearing interest at the rates, subject to such optional and mandatory redemption provisions and containing such other terms and conditions, including priority, amortization, sinking funds, federal subsidy, federal tax status, application of proceeds for payment of Project Capital Costs or for refunding of Outstanding Bonds and the use of liquidity support or credit enhancement, as the Chairperson shall determine, provided that (a) the aggregate principal amount

of the New Bonds shall not exceed \$2,000,000,000, (b) the true interest cost of fixed-rate New Bonds (including Multi-Modal Bonds issued in the Fixed Rate Mode) to the Authority shall not exceed the maximums set forth below and (c) the interest rate on Multi-Modal Bonds shall never exceed 25%.

<u>Category</u>	<u>Max. TIC</u>
Subseries I-1 Tax-Exempt	<input type="checkbox"/> %
Subseries I-2 Taxable	<input type="checkbox"/> %
Subseries J-1 Tax-Exempt	<input type="checkbox"/> %
Subseries J-2 Taxable	<input type="checkbox"/> %
Subseries K-1 Tax-Exempt	<input type="checkbox"/> %
Subseries K-2 Taxable	<input type="checkbox"/> %

The New Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title “Future Tax Secured Subordinate Bonds, Fiscal 2025 Series I, Subseries I-  ”, “Future Tax Secured Subordinate Bonds, Fiscal 2025 Series J, Subseries J-  ” and “Future Tax Secured Subordinate Bonds, Fiscal 2025 Series K, Subseries K-  ”, or such other title as the Chairperson may determine. The determinations of the Chairperson shall be set forth in the completed Exhibits hereto and conclusively evidenced by an Officer’s Certificate and by execution and delivery of each Series of New Bonds.

Section 2.2 Application of Proceeds. Upon receipt of the proceeds of the New Bonds, the Authority and the City shall apply such proceeds to refund Bonds identified by the Chairperson or to pay Project Capital Costs and Costs of Issuance in accordance with the Act, the Agreement, the Indenture and the federal tax status of each Series or Subseries or other portion of the New Bonds.

Section 2.3 Statutory Determinations and Recommendations. The Mayor has determined that a Capital Financing Need exists, pursuant to the Act the Mayor has requested that the Authority provide financing therefor, and the Authority hereby approves that such need exists. The Authority has determined that issuance of the New Bonds is appropriate and the Mayor and Comptroller have recommended (a) the arrangements herein authorized for the issuance and sale of the New Bonds and (b) the prices, interest rates, maturities and other terms and conditions herein provided for the issuance of the New Bonds.

Section 2.4 No Provision for Capitalized or Accrued Interest. Pursuant to Section 502(a) of the Original Indenture, no provision for capitalized or accrued interest on the New Bonds shall be made in the Accounts.

Section 2.5 New Bond Instruments; Findings. The Authorized Officers are hereby authorized to execute and deliver, and to authorize the distribution of, the New Bond Instruments with such changes therein as such person may approve, such approval to be conclusively evidenced by the distribution or execution and delivery thereof. Unless otherwise determined by the Chairperson, the New Bonds shall be Multi-Modal Bonds. Multi-Modal Bonds shall be subject to Exhibit C to the 139<sup>th</sup> Series Resolution, as modified and completed by the Authorized Officers, upon the sale of the New Bonds and attached hereto thereafter. In conformance with paragraphs

(a) and (c) of Section 54.90 and paragraphs (c) through (g) of Section 168.00 of the LFL, each to the extent applicable, the Directors deem the terms of the Multi-Modal Bonds, the New Bond Instruments and other agreements and instruments related thereto to be reasonable and appropriate agreements with financially responsible parties to facilitate the issuance, sale, resale, repurchase and payment of the Multi-Modal Bonds as variable-rate bonds. Subject to the statutory and contractual conditions to the issuance of refunding Bonds, the Directors authorize, and the Authorized Officers shall cause to be issued, Bonds refunding the Multi-Modal Bonds to the extent required by each New Bond Instrument; and by their approval of the issuance of the New Bonds, the Mayor and Comptroller so recommend. All preparatory actions previously taken by the Authorized Officers are hereby ratified.

Section 2.6 Covenants. Unless otherwise determined by the Chairperson, the New Bonds shall include the covenants of the Authority to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

### **ARTICLE III**

#### **MISCELLANEOUS**

Section 3.1 Effective Date and Transmittal; Counterparts. With respect to each Series of New Bonds, this Series Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by an Authorized Officer of the Authority and executed by the Mayor and the Comptroller of the City. The Chairperson and the Executive Director and other officers of the Authority, each acting alone, are hereby authorized on behalf of the Authority to transmit this Series Resolution to the Mayor and the Comptroller of the City for their approval, with such changes herein as the Chairperson may approve, subject to Section 2.01 hereof, such approval to be conclusively evidenced by the Mayor's and Comptroller's execution hereof in accordance with this Series Resolution and the Authority's execution and delivery of the New Bonds. This Series Resolution may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; and such counterparts shall together constitute but one and the same instrument.

Section 3.2 Limitation of Prior Authority. No further Bonds shall be issued under the 139<sup>th</sup> Series Resolution.

Issuance of the New Bonds of Fiscal 2025 Series I, Series J and Series K is approved:

---

Deputy Director of Management and Budget

---

Deputy Comptroller for Public Finance

Approved as to Form:

---

Acting Corporation Counsel

Certified as in full force and effect on April 30, 2025

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Authorized Officer

[Signature Page for 140<sup>th</sup> Series Resolution ]

**Chairperson's Final Determinations With Respect to  
Future Tax Secured Subordinate Bonds,  
Fiscal 2025 Series I, Series J and Series K**

\$ \_\_\_\_\_  
**Subseries I-1 Tax-Exempt Bonds**

<b>Due</b>	<b>Principal</b>	<b>Interest</b>
<b>[_____] 1,</b>	<b>Amount</b>	<b>Rate</b>
_____	_____	_____

\$ \_\_\_\_\_ % Fiscal 2025 Subseries I-1 Term Bonds due [\_\_\_\_\_] 1, 20\_\_

\$ \_\_\_\_\_  
**Subseries I-2 Taxable Bonds**

<b>Due</b>	<b>Principal</b>	<b>Interest</b>
<b>[_____] 1,</b>	<b>Amount</b>	<b>Rate</b>
_____	_____	_____

\$ \_\_\_\_\_  
**Subseries J-1 Tax-Exempt Bonds**

<b>Due</b> [ ] 1,	<b>Principal</b> <b>Amount</b>	<b>Interest</b> <b>Rate</b>
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\$ \_\_\_\_\_ % Fiscal 2025 Subseries J-1 Term Bonds due [ ] 1, 20\_\_

\$ \_\_\_\_\_  
**Subseries J-2 Taxable Bonds**

<b>Due</b> [ ] 1,	<b>Principal</b> <b>Amount</b>	<b>Interest</b> <b>Rate</b>
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\$ \_\_\_\_\_  
**Subseries K-1 Tax-Exempt Bonds**

<b>Due</b> [ ] 1,	<b>Principal</b> <b>Amount</b>	<b>Interest</b> <b>Rate</b>

\$ \_\_\_\_\_ % Fiscal 2025 Subseries K-1 Term Bonds due [ ] 1, 20\_\_

\$ \_\_\_\_\_  
**Subseries K-2 Taxable Bonds**

<b>Due</b> [ ] 1,	<b>Principal</b> <b>Amount</b>	<b>Interest</b> <b>Rate</b>

The New Bonds shall be issued and secured as Parity Debt pursuant to Section 307 of the Original Indenture. The Bonds to be refunded are identified in Appendix D to the Offering Circular dated [\_\_\_\_], 2025. The Tax-Exempt Bonds to be legally defeased are as identified in Exhibit D herein.

The true interest cost to the Authority of the Subseries I-1 Tax-Exempt New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

The true interest cost to the Authority of the Subseries I-2 Taxable New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

The true interest cost to the Authority of the Subseries J-1 Tax-Exempt New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

The true interest cost to the Authority of the Subseries J-2 Taxable New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

The true interest cost to the Authority of the Subseries K-1 Tax-Exempt New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

The true interest cost to the Authority of the Subseries K-2 Taxable New Bonds is [\_\_\_\_]%, which does not exceed the [\_\_\_\_]% maximum permitted by this Series Resolution.

Interest on the New Bonds will be paid on [\_\_\_\_] 1 and [\_\_\_\_] 1, commencing [\_\_\_\_] 1, 2025.

The New Bonds are sold pursuant to the Contract of Purchase, dated [\_\_\_\_], 2025, between the Authority and the Underwriters named therein.

The remaining issuance authority under this Series Resolution is \$[\_\_\_\_].

For further terms, see Exhibits B and C and Schedule I to Exhibit C, attached hereto.



**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY  
FUTURE TAX SECURED SUBORDINATE BONDS  
FISCAL 2025 SERIES I  
SUBSERIES I-1**

**[ ] PER CENTUM ( % ) PER ANNUM**

**DUE: [ ] 1, \_\_\_\_\_**

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)**

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Authority (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

The bonds of this Subseries maturing [\_\_\_\_] 1, 20\_\_ and bearing interest at a rate of \_\_% are term bonds subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, without premium, on the dates and in the amounts set forth below:

[____] 1,	<b><u>Principal Amount to be</u></b>
	<b><u>Redeemed</u></b>
	\$

\*

\_\_\_\_\_  
\* Stated Maturity.

The Authority may credit against any annual amount subject to mandatory redemption, the principal amount of any Subseries I-1 Term Bonds of the same maturity and interest rate that have been defeased, purchased for cancellation or redeemed and not previously so credited.

The bonds of this Subseries maturing after [ ] are subject to optional redemption or mandatory tender, in each case, at the option of the Authority prior to their stated maturity dates, in whole or in part, on any date on or after [ ] upon 30 days' notice, at a price of 100% of their principal amount plus accrued interest to such redemption or tender date.

The bonds of this Subseries maturing on or prior to [ ] are subject to optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date (the "Make-Whole Call Date"), at a make-whole price (the "Make-Whole Redemption Price") equal to the greater of:

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

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

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

"Amortized Value" means the product of the principal amount of the Bonds to be redeemed or tendered and the price of such Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Make-Whole Call Date, a maturity date equal to the maturity date of such Bonds and a yield equal to the yield of such Bonds as shown on the inside cover page of the Offering Circular dated [ ], 2025 relating to the Bonds.

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

Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of each business day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent appointed by the Authority, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category

by Moody's and S&P, with a maturity date equal to the maturity date of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the verification agent. The verification agent's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

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

The Authority may cause a mandatory tender of this bond on any date such bond is subject to optional redemption at the applicable optional redemption price by giving 10 days' (30 days' in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority's providing a source of payment therefor in accordance with the Indenture and the Act.

In the event that the bonds of this Subseries are defeased to their maturity, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Authority may redeem or cause the mandatory tender of subseries, amounts, maturities and interest rates of bonds that are subject to optional redemption in its sole discretion. If less than all of the Outstanding bonds of this Subseries, maturity, amount and interest rate are to be called for redemption or mandatorily tendered, such bonds shall be selected by lot or another method reasonably acceptable to the Trustee.

The bonds of this Subseries shall be redeemable upon the giving of notice, identifying such bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

The bonds of this Subseries are entitled to the benefit of covenants in the Indenture relating to Federal income taxation.

The bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series I, Subseries I-1 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

**FUTURE TAX SECURED SUBORDINATE BONDS**

**FISCAL 2025 SERIES I**

**SUBSERIES I-2**

**(FEDERALLY TAXABLE)**

**[ ] PER CENTUM ( %) PER ANNUM**

**DUE:** [ ] 1, \_\_\_\_

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:** \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.



This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other Paying Agent as may hereafter be designated by the Authority.

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

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

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

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

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

If the Bonds of this Subseries are subject to multiple optional redemption provisions resulting in different redemption prices, the Bonds of this Subseries will be redeemed at the lowest applicable redemption price.

The Authority may cause a mandatory tender of this bond on any date at the applicable optional redemption price by giving 10 days’ (30 days’ in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority’s providing a source of payment therefor in accordance with the Indenture and the Act.

The Authority may redeem or cause the mandatory tender of amounts, maturities and interest rates of Bonds that are subject to optional redemption in its sole discretion. If less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, such Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The Bonds of this Subseries shall be redeemable upon the giving of notice, identifying such Bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the Bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

In the event that the Bonds of this Subseries are defeased to their maturity in the future, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the Bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series I, Subseries I-2 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY  
FUTURE TAX SECURED SUBORDINATE BONDS  
FISCAL 2025 SERIES J  
SUBSERIES J-1**

**[ ] PER CENTUM ( % ) PER ANNUM**

**DUE: [ ] 1, \_\_\_\_\_**

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)**

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Authority (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

The bonds of this Subseries maturing [\_\_\_\_\_] 1, 20\_\_ and bearing interest at a rate of \_\_% are term bonds subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, without premium, on the dates and in the amounts set forth below:

[_____] 1,	<b><u>Principal Amount to be</u></b>
	<b><u>Redeemed</u></b>
	\$

\*

\_\_\_\_\_  
\* Stated Maturity.



The Authority may credit against any annual amount subject to mandatory redemption, the principal amount of any Subseries J-1 Term Bonds of the same maturity and interest rate that have been defeased, purchased for cancellation or redeemed and not previously so credited.

The bonds of this Subseries maturing after [ ] are subject to optional redemption or mandatory tender, in each case, at the option of the Authority prior to their stated maturity dates, in whole or in part, on any date on or after [ ] upon 30 days' notice, at a price of 100% of their principal amount plus accrued interest to such redemption or tender date.

The bonds of this Subseries maturing on or prior to [ ] are subject to optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date (the "Make-Whole Call Date"), at a make-whole price (the "Make-Whole Redemption Price") equal to the greater of:

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

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

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

"Amortized Value" means the product of the principal amount of the Bonds to be redeemed or tendered and the price of such Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Make-Whole Call Date, a maturity date equal to the maturity date of such Bonds and a yield equal to the yield of such Bonds as shown on the inside cover page of the Offering Circular dated [ ], 2025 relating to the Bonds.

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

Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of each business day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent appointed by the Authority, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category

by Moody's and S&P, with a maturity date equal to the maturity date of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the verification agent. The verification agent's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

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

The Authority may cause a mandatory tender of this bond on any date such bond is subject to optional redemption at the applicable optional redemption price by giving 10 days' (30 days' in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority's providing a source of payment therefor in accordance with the Indenture and the Act.

In the event that the bonds of this Subseries are defeased to their maturity, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Authority may redeem or cause the mandatory tender of subseries, amounts, maturities and interest rates of bonds that are subject to optional redemption in its sole discretion. If less than all of the Outstanding bonds of this Subseries, maturity, amount and interest rate are to be called for redemption or mandatorily tendered, such bonds shall be selected by lot or another method reasonably acceptable to the Trustee.

The bonds of this Subseries shall be redeemable upon the giving of notice, identifying such bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

The bonds of this Subseries are entitled to the benefit of covenants in the Indenture relating to Federal income taxation.

The bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series J, Subseries J-1 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

**FUTURE TAX SECURED SUBORDINATE BONDS**

**FISCAL 2025 SERIES J**

**SUBSERIES J-2**

**(FEDERALLY TAXABLE)**

**[ ] PER CENTUM ( %) PER ANNUM**

**DUE:** [ ] 1, \_\_\_\_

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:** \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other Paying Agent as may hereafter be designated by the Authority.

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

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

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

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

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

If the Bonds of this Subseries are subject to multiple optional redemption provisions resulting in different redemption prices, the Bonds of this Subseries will be redeemed at the lowest applicable redemption price.

The Authority may cause a mandatory tender of this bond on any date at the applicable optional redemption price by giving 10 days’ (30 days’ in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority’s providing a source of payment therefor in accordance with the Indenture and the Act.

The Authority may redeem or cause the mandatory tender of amounts, maturities and interest rates of Bonds that are subject to optional redemption in its sole discretion. If less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, such Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The Bonds of this Subseries shall be redeemable upon the giving of notice, identifying such Bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the Bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

In the event that the Bonds of this Subseries are defeased to their maturity in the future, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.



The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the Bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series J, Subseries J-2 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY  
FUTURE TAX SECURED SUBORDINATE BONDS  
FISCAL 2025 SERIES K  
SUBSERIES K-1**

**[ ] PER CENTUM ( % ) PER ANNUM**

**DUE: [ ] 1, \_\_\_\_\_**

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)**

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other paying agent as may hereafter be designated by the Authority (in either case, the “Paying Agent”).

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

The bonds of this Subseries maturing [\_\_\_\_\_] 1, 20\_\_ and bearing interest at a rate of \_\_% are term bonds subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, without premium, on the dates and in the amounts set forth below:

[_____] 1,	<b><u>Principal Amount to be Redeemed</u></b>
	\$

\*

\_\_\_\_\_  
\* Stated Maturity.

The Authority may credit against any annual amount subject to mandatory redemption, the principal amount of any Subseries K-1 Term Bonds of the same maturity and interest rate that have been defeased, purchased for cancellation or redeemed and not previously so credited.

The bonds of this Subseries maturing after [ ] are subject to optional redemption or mandatory tender, in each case, at the option of the Authority prior to their stated maturity dates, in whole or in part, on any date on or after [ ] upon 30 days' notice, at a price of 100% of their principal amount plus accrued interest to such redemption or tender date.

The bonds of this Subseries maturing on or prior to [ ] are subject to optional redemption or mandatory tender prior to their stated maturity dates at the option of the Authority, in whole or in part, on any date (the "Make-Whole Call Date"), at a make-whole price (the "Make-Whole Redemption Price") equal to the greater of:

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

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

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

"Amortized Value" means the product of the principal amount of the Bonds to be redeemed or tendered and the price of such Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Make-Whole Call Date, a maturity date equal to the maturity date of such Bonds and a yield equal to the yield of such Bonds as shown on the inside cover page of the Offering Circular dated [ ], 2025 relating to the Bonds.

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

Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of each business day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent appointed by the Authority, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category

by Moody's and S&P, with a maturity date equal to the maturity date of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the verification agent. The verification agent's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

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

The Authority may cause a mandatory tender of this bond on any date such bond is subject to optional redemption at the applicable optional redemption price by giving 10 days' (30 days' in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority's providing a source of payment therefor in accordance with the Indenture and the Act.

In the event that the bonds of this Subseries are defeased to their maturity, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Authority may redeem or cause the mandatory tender of subseries, amounts, maturities and interest rates of bonds that are subject to optional redemption in its sole discretion. If less than all of the Outstanding bonds of this Subseries, maturity, amount and interest rate are to be called for redemption or mandatorily tendered, such bonds shall be selected by lot or another method reasonably acceptable to the Trustee.

The bonds of this Subseries shall be redeemable upon the giving of notice, identifying such bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

The bonds of this Subseries are entitled to the benefit of covenants in the Indenture relating to Federal income taxation.

The bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.



**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series K, Subseries K-1 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

**REGISTERED  
NUMBER**

**REGISTERED  
\$**

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

**FUTURE TAX SECURED SUBORDINATE BONDS**

**FISCAL 2025 SERIES J**

**SUBSERIES J-2**

**(FEDERALLY TAXABLE)**

**[ ] PER CENTUM ( %) PER ANNUM**

**DUE:** [ ] 1, \_\_\_\_

**DATED: MAY 29, 2025**

**CUSIP: 64972J**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:** \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

**THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY** (the “Authority”), a public benefit corporation of the State of New York (the “State”), for value received promises to pay to the registered owner of this bond, on the maturity date set forth above, the principal amount set forth above and to pay interest on such principal amount at the rate of interest set forth above from May 29, 2025, or from the most recent payment date to which interest has been paid, but if the date of authentication of this bond is after the fifteenth day of the calendar month immediately preceding an interest payment date, interest will be paid from such interest payment date. Interest at such rate will be paid on [ ] 1 and [ ] 1 of each year, beginning [ ] 1, 2025, and upon redemption or mandatory tender at or prior to maturity, as set forth herein, by wire transfer, at the discretion of the Authority, or by check mailed to the address of the registered owner hereof as shown on the registration books of the Authority as maintained by The Bank of New York Mellon, as trustee (the “Trustee”), as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

This bond shall not be a debt of either the State or The City of New York (the “City”), and neither the State nor the City shall be liable hereon, nor shall it be payable out of any funds other than those of the Authority.

Principal of this bond and applicable redemption premium, if any, are payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of public and private debts, upon presentation and surrender of this bond when due and payable at the office of the Trustee or of such other Paying Agent as may hereafter be designated by the Authority.

All money paid to the Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any bond that remains unclaimed at the end of two years after such principal, redemption premium, if any, or interest shall have become due and payable will be paid to the Authority, and the holder of such bond shall thereafter look only to the Authority for payment.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon has been dated and manually signed by the Trustee.

This bond is a Multi-Modal Bond, constitutes Parity Debt secured on a parity with the Authority’s other Parity Debt, and is one of a Series of Bonds representing a borrowing of \$[\_\_\_\_\_] under chapter 16, laws of New York, 1997, as amended, and pursuant to an Amended and Restated Original Indenture, as restated January 25, 2024, and as supplemented, between the Authority and the Trustee (the “Indenture”). Reference is made to the Indenture for a description of the funds pledged and for the provisions with respect to the incurring of indebtedness on a parity with the Senior Bonds and to the rights, limitations of rights, duties, obligations and immunities of the Authority, the City, the State, the Trustee and the Bondholders, including restrictions on the rights of the Bondholders to bring suit. Definitions given or referred to in the Indenture are incorporated herein by this reference. The Indenture (including the terms of this bond) may be amended to the extent and in the manner provided therein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution and laws of the State.

In the Act, the State has made a pledge and agreement with the Holders of the Outstanding Bonds that the State will not limit or alter the rights vested in the Authority by the Act to fulfill the terms of any agreements made with such Holders pursuant to the Act, or in any way impair the rights and remedies of such Holders or the security for such Bonds until such Bonds, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully paid and discharged. The Act does not restrict the right of the State to amend, modify, repeal or otherwise alter statutes imposing or relating to the Personal Income Taxes, but such taxes payable to the Authority shall in all events continue to be so payable so long as any such taxes are imposed. Not less than 30 days prior to the beginning of each City fiscal year, the Chairperson of the Authority shall certify to the State Comptroller, the Governor, and the Directors of the

Authority a schedule of maximum annual debt service on the Bonds and Notes. To the extent that the Personal Income Taxes during such fiscal year are projected by the Mayor to be insufficient to meet at least 150% of maximum annual debt service on the Bonds, the Mayor shall so notify the State Comptroller and the State Comptroller shall pay to the Authority from Sales Taxes such amount as is necessary to provide at least 150% of such maximum annual debt service. The Act does not obligate the State to make any additional payments or impose any taxes to satisfy the debt service obligations of the Authority.

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

The Authority has covenanted with the Holders of the Outstanding Bonds of this Series to comply with the financial reporting requirements of, and to limit its issuance of bond anticipation notes as required by, the Act as in effect from time to time.

The State has covenanted with the purchasers and with all subsequent Holders and transferees of the Bonds, in consideration of the acceptance of payment for the Bonds, that the Bonds and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation.

Neither the Directors of the Authority nor any person executing this bond shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance hereof.

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

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

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

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

If the Bonds of this Subseries are subject to multiple optional redemption provisions resulting in different redemption prices, the Bonds of this Subseries will be redeemed at the lowest applicable redemption price.

The Authority may cause a mandatory tender of this bond on any date at the applicable optional redemption price by giving 10 days’ (30 days’ in the Fixed Rate Mode) Written Notice to the Holder, subject to the Authority’s providing a source of payment therefor in accordance with the Indenture and the Act.

The Authority may redeem or cause the mandatory tender of amounts, maturities and interest rates of Bonds that are subject to optional redemption in its sole discretion. If less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, such Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The Bonds of this Subseries shall be redeemable upon the giving of notice, identifying such Bonds or portions thereof to be redeemed, by mailing or transmitting such notice to the registered owners thereof at their respective addresses shown on the registration books maintained by the Trustee at least 30 days and not more than 60 days prior to the date set for redemption. If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof to be redeemed shall become due and payable at the redemption price on the redemption date designated in the notice of redemption, and interest thereon shall cease to accrue from and after the designated redemption date. Failure to mail or transmit any such notice to any registered owner or any defect in any notice so mailed or transmitted shall not affect the validity of the proceedings for redemption of the Bonds of other registered owners. If this bond is redeemed in part, upon surrender hereof, the Authority shall cause to be delivered to the registered owner a bond in like form in the principal amount equal to that part of this bond not being redeemed.

In the event that the Bonds of this Subseries are defeased to their maturity in the future, the Authority expects that such Bonds will remain subject to optional redemption by the Authority.

The Bonds of this Subseries are issuable only in fully registered form in the denomination (maturity value) of \$5,000 or any integral multiple thereof or as specified in the Indenture, and may not be converted into bearer bonds.

The Authority, the Trustee and each Paying Agent may treat the registered owner as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary. This bond is transferable by the registered owner hereof in accordance with the Indenture and the Act.

Upon the direction of the Authority, the Multi-Modal Bonds may be Converted pursuant to the Indenture.

Reference is made to the Indenture for the further terms of the Bonds, to all of which the Holder of this bond is conclusively deemed to assent. Terms defined in the Indenture are used herein as so defined. The Indenture is available for inspection at the office of the Trustee during business hours.

The respective covenants of the Authority, the City and the State with respect hereto shall be fully discharged and of no further force and effect at such time as this bond, together with interest thereon, shall have been paid in full at maturity, or shall have otherwise been refunded, redeemed, defeased or discharged.

**IN WITNESS WHEREOF**, the NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY has caused this bond to be executed in its name by its Executive Director and attested by its Secretary by their facsimile signatures and its seal or a facsimile thereof to be impressed or imprinted hereon, all as of the 29<sup>th</sup> day of May, 2025.

NEW YORK CITY TRANSITIONAL  
FINANCE AUTHORITY

ATTEST:

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

SECRETARY

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Fiscal 2025 Series K, Subseries K-2 Bonds described in and issued in accordance with the Indenture, including the 140<sup>th</sup> Series Resolution.

THE BANK OF NEW YORK MELLON,  
as Trustee

\_\_\_\_\_  
Authorized Officer

Date of Authentication: May 29, 2025

# **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

## **Board of Directors Meeting**

**April 30, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of March 10, 2025
2. Resolution: Approval of 140<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series I, J & K Future Tax Secured Bonds
3. Resolution: Approval of Budget
4. Resolution: Approval of Independent Auditor Agreement
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 30, 2025

## 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 March 10, 2025; it is therefore

**RESOLVED**, that the minutes of the meeting of March 10, 2025 be, and they hereby are, approved.

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

March 10, 2025

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on March 10, 2025 at approximately 4:35 p.m., conducted at 255 Greenwich Street, Room 6-M4, 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 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 Rachel Laiserin; and

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

constituting a quorum of the Board. 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, 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 February 4, 2025. There being no discussion and following a unanimous vote, the following resolution was adopted:

**WHEREAS**, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on February 4, 2025; it is therefore

**RESOLVED**, that the minutes of the meeting of February 4, 2025 be, and they hereby are, approved.

Approval of the 139<sup>th</sup> Series Resolution Authorizing the Issuance of Fiscal 2025 Series H Future Tax Secured Bonds

The second and final item on the agenda was the approval of the One Hundred and Thirty-Ninth Series Resolution Authorizing Up to \$2,000,000,000 Future Tax Secured Bonds (the “139<sup>th</sup> Series Resolution”)<sup>1</sup>. Mr. Womack explained that the 139<sup>th</sup> Series Resolution would approve the issuance of up to \$2.0 billion of the Authority’s Fiscal 2025 Series H Future Tax Secured bonds.

He further noted that this action had been recommended by the Finance Committee. There being no discussion, following a unanimous vote, the 139<sup>th</sup> Series Resolution was adopted.

Appointment of Assistant Secretary

The third and final item on the agenda was the approval of a resolution to appoint Michael Moore as Assistant Secretary to the Authority. The Authority’s former Assistant Secretary, Al Rodriguez, retired at the end of February. Mr. Moore’s biography was circulated for review.<sup>2</sup> 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 Michael Moore, whose biography is attached heretofore, is highly qualified to assume the duties of Assistant Secretary; it is therefore

**RESOLVED**, that Michael Moore is hereby appointed Assistant Secretary of the

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<sup>1</sup> Filed with the meeting minutes.

<sup>2</sup> Filed with the meeting minutes.

Authority.

Adjournment

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

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SECRETARY

# NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

April 30, 2025

## 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 2026 Budget and Five-Year Plan (Cash Basis)

July 01, 2024 - June 30, 2025

(\$ in thousands)		Actual												
		Unaudited	Adopted	Modified <sup>1</sup>	Proposed									
		FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029						
<b><u>Receipts:</u></b>														
Operating Receipts:														
Personal Income Tax Retained	\$	845,189	\$	1,107,342	\$	896,852	\$	1,676,236	\$	4,546,965	\$	5,060,240	\$	5,496,091
Building Aid Retained		1,055,868		1,058,945		1,159,973		1,159,973		1,183,240		1,249,437		1,318,216
Municipal Grants		2,442,576		-		2,343,987		-		-		-		-
Federal Subsidy - BABs/QSCB		57,658		97,823		117,650		63,226		60,549		42,233		38,578
Investment Earnings		105,449		-		124,457		-		-		-		-
Sub-total		4,506,743		2,264,110		4,642,919		2,899,434		5,790,754		6,351,910		6,852,885
Bond Proceeds:														
FTS (New money & Refunding)		8,266,293		5,270,000		12,293,373		6,260,000		7,030,000		7,430,000		7,790,000
BARBs (New money & Refunding)		-		-		-		-		-		-		-
Sub-total		8,266,293		5,270,000		12,293,373		6,260,000		7,030,000		7,430,000		7,790,000
Total Receipts <sup>2</sup>		12,773,036		7,534,110		16,936,292		9,159,434		12,820,754		13,781,910		14,642,885
<b><u>Disbursements:</u></b>														
Bond Proceeds - Capital outlay - FTS		6,571,019		5,267,000		7,415,082		6,256,500		7,026,500		7,426,500		7,786,500
Bond Proceeds - Capital outlay - BARBs		-		-		-		-		-		-		-
Refunding (FTS & BARBs)		1,638,926		-		5,066,305		-		-		-		-
Cost of Issuance (FTS& BARBs)		3,929		3,000		5,530		3,500		3,500		3,500		3,500
Sub-total		8,213,874		5,270,000		12,486,917		6,260,000		7,030,000		7,430,000		7,790,000
Principal payments - FTS		1,709,080		1,691,080		1,661,410		1,817,965		1,980,530		2,234,826		2,533,662
Principal payments - BARBs		207,385		215,980		215,980		223,785		310,975		341,780		345,365
Interest payments - FTS		2,030,962		2,260,285		2,238,786		2,559,373		2,842,854		3,139,682		3,459,047
Interest payments - BARBs		365,317		357,381		357,381		348,529		334,593		317,456		301,511
Sub-total		4,312,744		4,524,726		4,473,557		4,949,652		5,468,952		6,033,744		6,639,585
BAB's & QSCB's Federal Subsidy to City		57,658		97,823		117,650		63,226		60,549		42,233		38,578
Administrative (FTS & BARBs)		19,933		22,328		20,230		20,953		21,504		22,054		22,604
Total Disbursements <sup>2</sup>		12,604,209		9,914,878		17,098,354		11,293,830		12,581,005		13,528,031		14,490,766
<b><u>Excess (Deficiency) of Receipts over Disbursements</u></b>														
	\$	168,827	\$	(2,380,767)	\$	(162,062)	\$	(2,134,396)	\$	239,749	\$	253,879	\$	152,119
<b>Cash and Investment Holdings:</b> <sup>3</sup>														
Beginning Balance	\$	3,924,418			\$	4,093,245	\$	3,931,183	\$	1,796,787	\$	2,036,535	\$	2,290,414
Ending Balance	\$	4,093,245			\$	3,931,183	\$	1,796,787	\$	2,036,535	\$	2,290,414	\$	2,442,533

<sup>1</sup> Modified FY 2025 budget includes actual amounts from July 1, 2024 through February 28, 2025, and projected March 2025 through June 2025.

<sup>2</sup> Disbursements in a fiscal year may be paid with receipts from a prior year.

<sup>3</sup> Cash Equivalent and Investments are included at cost.

New York City Transitional Finance Authority

Fiscal Year 2026 Administrative Budget (Cash Basis)

Description	Actual			Favorable vs	Actual			Projected	Proposed	Proposed
	Adopted	Disbursements	(Unfavorable)	Adopted	Disbursements	Disbursements	Modified			
	FY 2024	FY 2024	%	FY 2025	7/1/24 - 2/28/25	3/1/25 - 6/30/25	FY 2025			
Management Fees ("Salaries & Benefits")	\$ 1,957,000	\$ 2,070,463	-5.80	\$ 2,016,000	\$ (101)	\$ 2,123,101	\$ 2,123,000	\$ 2,228,000		
Overhead ("Rent, Telephone etc')	685,000	514,693	24.86	705,000	-	588,000	588,000	617,000		
Audit Fees	31,000	31,000	0.00	32,000	30,000	2,000	32,000	33,000		
Consulting Fees	20,000	-	0.00	20,000	-	20,000	20,000	20,000		
Advisor-Swap & Financial	150,000	80,058	46.63	150,000	67,805	82,195	150,000	150,000		
Legal Fees	100,000	191,875	-91.88	100,000	(27,500)	70,000	42,500	100,000		
Remarketing Fees	2,060,027	2,029,354	1.49	2,250,000	1,577,826	525,428	2,103,254	2,250,000		
Liquidity Fees	15,369,749	14,527,901	5.48	16,500,000	10,428,073	4,200,976	14,629,049	15,000,000		
Auction Fees	118,131	118,131	0.00	-	-	-	-	-		
Arbitrage Fees - Consultant	150,000	97,500	35.00	150,000	53,550	96,450	150,000	150,000		
Custody Fees	11,728	8,882	24.27	25,000	7,260	5,000	12,260	25,000		
Trustee Fees	275,000	192,050	30.16	275,000	129,540	145,460	275,000	275,000		
Rating Fees	50,000	59,500	-19.00	75,000	51,300	23,700	75,000	75,000		
Other Administrative	30,000	11,255	62.48	30,000	4,598	25,402	30,000	30,000		
Total	\$ 21,007,635	\$ 19,932,662	5.12%	\$ 22,328,000	\$ 12,322,352	\$ 7,907,712	\$ 20,230,064	\$ 20,953,000		

# NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

## Board of Directors Meeting

April 30, 2025

### Approval of Independent Auditor Agreement

**WHEREAS**, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the Act, to retain or employ auditors;

**WHEREAS**, following a competitive request for proposals, staff of the Authority have recommended the retention of CBIZ CPAs P.C. (“CBIZ”) to serve as independent auditors to the Authority; and

**WHEREAS**, the Audit Committee has recommended that the Board of Directors authorize the retention of CBIZ; it is therefore

**RESOLVED**, that the Board hereby authorizes the Executive Director, Secretary, Treasurer or other authorized Officer to enter into an agreement with CBIZ to serve as independent auditor for the Authority’s financial statements for the fiscal years ending June 30, 2025, 2026, 2027 and 2028, with a one one-year extension at the discretion of the Authority to conduct the audit of the Authority’s financial statements for the fiscal year ending June 30, 2029, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the Executive Director, Secretary, Treasurer or other authorized Officer deem necessary, and which agreement shall provide for compensation not to exceed the following rates:

Audit:

Fiscal Year	Fixed Fee
2025	\$34,500
2026	\$35,235
2027	\$35,970
2028	\$36,706
2029*	\$37,440

\* At the discretion of the Authority.

Hourly Rates for Special Projects:

Position	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Shareholder & Managing Director	\$575	\$605	\$635	\$670	\$700



Senior Manager	\$350	\$370	\$390	\$405	\$425
Manager	\$300	\$315	\$330	\$350	\$370
Senior Associate	\$250	\$265	\$275	\$290	\$305
Associate	\$200	\$210	\$220	\$230	\$245