

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

October 1, 2025

Agenda

1. Resolution: Approval of Minutes of Meeting of April 30, 2025
2. Presentation by management and independent auditors regarding the audited annual financial statements of the Authority
3. Resolution: 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, 2025 and June 30, 2024 and the issuance of such financial statements.
4. Resolution: Review and Approval of the Audit Committee Charter
5. Review of Audit Committee Schedule of Dates



New York City Transitional Finance Authority

AUDIT RESULTS FOR YEAR ENDED JUNE 30, 2025

OCTOBER 1, 2025



Your Engagement Leadership Team



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Other Audit Members:

Jessy Ruiz, Senior

David Ainaahmanesh, Associate

Agenda



- Service Delivery Timeline
- Audit Results
- Major Estimates and Judgments
- Appendix:
 - Management's Representations
 - Draft Financial Statements
 - Draft *Government Auditing Standards* Reports
 - Draft Management Letter
 - Draft Investment Compliance Report
- 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	September 18, 2025	September 20, 2024
Review audit results with the Audit Committee	October 1, 2025	October 2, 2024
Report issuance soon after approval by the Audit Committee and Board of Directors	October 2, 2025	October 3, 2024

Audit Results

Matter	Conclusion
Opinions on Financial Statements and Footnotes	■ We are in the process our evidence gathering process for us to provide reasonable assurance that the financial statements are free from material misstatement whether caused by error or fraud. ■ We will be prepared to issue our auditor's report that includes our opinions 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") subject to the following open items: ■ Finalization of testing and completion of review over certain audit areas ■ Review of the draft financial statements and audit documentation by an independent Engagement Quality Reviewer ■ Approval by the Committee ■ Receipt of the signed management representation letter ■ We expect there will be no deviations in the proposed audit report, meaning this report is considered "clean" or "unmodified."

Audit Results



Matter	Conclusion
Other Matters	▪ No instances of fraud or illegal acts were noted. ▪ No material uncertainties were noted. ▪ No significant changes were required to our planned audit strategy or areas of risk of significant risk of material misstatement discussed in our planning communication.

Audit Results

Matter	Conclusion
Required Supplemental Information	▪ With respect to the required supplementary information (management's discussion and analysis) accompanying the basic financial statements, we have applied certain limited procedures including: ▪ Making inquiries of management about the methods of preparing the information. ▪ Comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. ▪ We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Audit Results



Matter	Conclusion
Reporting under Government Auditing Standards	▪ No instances of noncompliance or other matters identified and reported. ▪ No matters relative to internal controls identified and reported from our consideration of controls over financial reporting assessed during the audit.
Reporting on Investment Compliance	▪ In connection with our audit, nothing came to our attention that caused us to believe that the Organization had not complied, in all material respects, with the terms, covenants, provisions or conditions of its Investment Guidelines insofar as they relate to financial and accounting matters.

Audit Results

Changes in Accounting Policies

- None that had an impact on the financial statements.

Significant Unusual Transactions

- None noted.

Alternative Accounting Policies

- No alternative accounting policies were discussed with management.

We consider management's communications with those charged with governance to be in line with best practices.

Our responsibilities were covered in our planning meeting with the Audit Committee at the start of the audit process

Audit Results

Matter	Conclusion
Auditor Detected Adjustments and Recorded	None
Waived Adjustments not Recorded	None
Financial Statement Disclosures	The disclosures are neutral, consistent, and clear.
Other Information in Documents Containing Audited Financial Statements	We are not aware of other documents that contain the audited financial statements that require work on our part. If the Organization plans to publish an annual report, or like document, we have informed management of the requirement of us performing a consistency read prior to this information being posted or published.
Conflict of Interest and Related Party Matters	None
Disagreements with Management	None
Management Consultations with Other Accountants	None per management
Auditor Consultations Outside Engagement Team	None
Issues Discussed Prior to Our Retention	None
Significant Difficulties Encountered	None

Major Management's Estimates & Judgments

Certain aspects of accounting are more qualitative and thus require more judgment and estimation by management. The following items represent the more significant qualitative areas:

Management's Estimates & Judgments	Audit Results
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. At fiscal year-end, TFA recognizes a receivable for the estimated personal income tax receivable from the State, as well as a liability for personal income tax payable to the City. ■ As part of our audit procedures, we have confirmed the personal income tax payments received by TFA from the State and amounts distributed to the City and have evaluated management's estimate of the personal income tax receivable and payable and found the amounts to be reasonable.

Major Management's Estimates & Judgments

Certain aspects of accounting are more qualitative and thus require more judgment and estimation by management. The following items represent the more significant qualitative areas:

Management's Estimates & Judgments	Audit Results
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 (a receivable) equal to the cumulative amount of BARBs proceeds distributed to the City for the educational facilities capital plan, net of the cumulative amounts of building aid revenues TFA has retained to pay BARBs debt service and administrative expenses. ■ We have performed audit 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 and have determined the estimate to be reasonable.

Questions and Discussion

Appendix

Draft Management Representation Letter

October XX, 2025

CBIZ CPAs P.C.
685 Third Avenue
New York, NY 10017

This representation letter is provided in connection with your audits of the financial statements of the New York City Transitional Finance Authority (the "Authority"), which comprise the respective financial position of the governmental activities and governmental funds as of June 30, 2025 and 2024 and the respective changes in financial position for the years then ended, and the related notes to the financial statements (collectively, the "financial statements") for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The representations in this letter, whether or not explicitly so indicated, are made with reference to material matters. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 21, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the required supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all financial information required by U.S. GAAP to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.
- 10) The Authority and its affiliates have not held a material amount of investments in CBIZ, Inc. during the period of engagement.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, meeting minutes and other matters.
 - b) Additional information that you have requested from us for the purpose of the audits.
 - c) Unrestricted access to persons at the Authority from whom you determined it necessary to obtain audit evidence.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of any related parties and all the related party relationships and transactions of which we are aware, if any.

Government—specific

- 19) We have made available to you all financial records and related data.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 24) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
- 25) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 26) We have followed all applicable laws and regulations in adopting, approving and amending budgets.
- 27) The financial statements properly classify all funds and activities.
- 28) Components of net position (restricted and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 29) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 30) We are responsible for making the fair value measurements and disclosures included in the financial statements in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), including determining the fair value of investments for which a readily determinable fair value does not exist, using the inputs described in Level 2 and Level 3 of the fair value hierarchy. As part of fulfilling this responsibility, we have established an accounting and financial reporting process for determining the fair value measurements and disclosures, in accordance with the fair value techniques included in GASB 72, considered the appropriateness of valuation methods, adequately supported any significant assumptions used and ensured that the presentation and disclosure of the fair value measurements are in accordance with U.S. GAAP, including the disclosure requirements of GASB 72. We believe the assumptions and methods used by us are in accordance with the definition of fair value in GASB 72 and the disclosures adequately describe the level of the inputs used in the fair value measurement, in accordance with the fair value hierarchy in GASB 72.
- 31) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 32) We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 33) Management has informed us of all documents that may comprise other information that it expects to issue, including as applicable an annual report.

- 34) The final version of the document(s) to be included in the annual report will be provided to you as soon as available, and prior to the issuance of the annual report.
- 35) We have provided to you our evaluation of the Authority's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.

Signature: _____

Printed Name: David Womack

Title: President

Signature: _____

Printed Name: Raymond Lee

Title: Comptroller

DRAFT

Draft Financial Statements



NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A COMPONENT UNIT OF THE CITY OF NEW YORK)

**Financial Statements
(Together with Independent Auditors' Report)**

June 30, 2025 and 2024

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

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

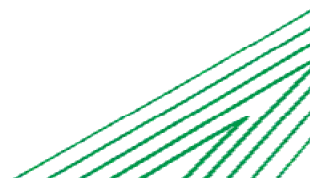
Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

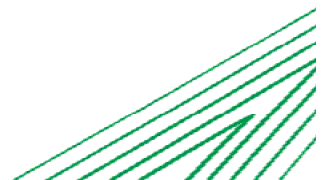


Required Supplementary Information

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

New York, NY
September XX, 2025

DRAFT - Subject to Material Change 9-30-25



NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited)

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

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

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

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

Future Tax Secured Bonds

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Future Tax Secured Bonds (continued)

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

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

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Future Tax Secured Bonds (continued)

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Building Aid Revenue Bonds

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Building Aid Revenue Bonds (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	(in thousands)		
Year ending June 30,			
2026	\$ 230,760	\$ 348,529	\$ 579,289
2027	404,000	334,593	738,593
2028	357,225	317,456	674,681
2029	373,550	301,511	675,061
2030	390,750	284,274	675,024
2031 to 2035	2,275,560	1,087,249	3,362,809
2036 to 2040	2,105,780	505,910	2,611,690
2041 to 2045	1,014,540	163,203	1,177,743
2046 to 2050	298,655	19,002	317,658
2051 to 2055	5,000	75	5,075
Total	<u>\$ 7,455,820</u>	<u>\$ 3,361,801</u>	<u>\$ 10,817,622</u>

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Financial Highlights and Overall Analysis — Government-Wide Financial Statements

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

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

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

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

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

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

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

Financial Highlights and Overall Analysis — Governmental Funds Financial Statements

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

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

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

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

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

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

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

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024 (unaudited) (continued)

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

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

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

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

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

Ratings

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

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

Investor Relations
The New York City Transitional Finance Authority
255 Greenwich Street, 6th Floor
New York, NY 10007.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS BALANCE SHEET AS OF JUNE 30, 2025

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

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

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

GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2024

		Capital Projects		Debt Service		
	General Fund	Building Aid Revenue Bonds	Future Tax Secured Bonds	Building Aid Revenue Bonds	Future Tax Secured Bonds	Total Governmental Funds

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS

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

	Capital Projects			Debt Service		
	General Fund	Building Aid Revenue Bonds	Future Tax Secured Bonds	Building Aid Revenue Bonds	Future Tax Secured Bonds	Total Governmental Funds

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

GOVERNMENTAL FUNDS

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

		Capital Projects		Debt Service		
	General Fund	Building Aid Revenue Bonds	Future Tax Secured Bonds	Building Aid Revenue Bonds	Future Tax Secured Bonds	Total Governmental Funds

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

1. Organization and Nature of Activities

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

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

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

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

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

2. Summary of Significant Accounting Policies

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

2. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

2. Summary of Significant Accounting Policies (continued)

- C. Premiums and discounts are capitalized and amortized over the lives of the related debt using the interest method in the government-wide financial statements. The governmental funds financial statements recognize the premiums and discounts during the current period. Bond premiums and discounts are presented as additions or reductions to the face amount of the bonds payable. Bond issuance costs are recognized in the period incurred both on the government-wide and governmental funds financial statements.
- D. Deferred bond refunding costs represent the accounting gain/loss incurred in a current or advance refunding of outstanding bonds and are reported as a deferred inflows/outflows of resources on the government-wide financial statements. The deferred bond refunding costs are amortized over the shorter of the remaining life of the old debt or the life of the new debt.
- E. Interest expense is recognized on the accrual basis in the government-wide financial statements. Interest expenditures are recognized when bond interest is due in the governmental funds financial statements.
- F. The Authority receives the City personal income taxes ("PIT"), imposed pursuant to State law and collected on behalf of the Authority by the State, to service its future tax secured debt and pay a portion of its administrative expenses. In fiscal year 2023, the Authority began to receive the City's portion of Pass-Through Entity Tax ("PTET") on certain partnerships and S corporations that elect to pay such tax and whose partners and shareholders receive a corresponding credit against their PIT liabilities. All PTET revenues received by the Authority will be treated as PIT revenues under the Indenture, and run through the flow of funds as PIT revenues. Funds for FTS Bonds debt service are required to be set aside prior to the due date of the principal and interest. PIT in excess of amounts needed to pay debt service and administrative expenses of the Authority are available to be remitted to the City. In fiscal years 2025 and 2024, the Authority received unrestricted grants for future debt service payments and reduced the amount of PIT retained for such purpose as described in Note 6.
- G. The Authority receives building aid payments by the State, subject to State annual appropriation, pursuant to the assignment by the City of the building aid payments to the Authority to service its building aid revenue bonds and pay a portion of its administrative expenses. Due to the City's continuing involvement necessary for the collection of the building aid, this assignment is considered a collateralized borrowing between the City and the Authority pursuant to GASB standards. The Authority reports, on its statements of net position (deficit), a receivable (Due from New York City — future State building aid) equal to the amount of proceeds the Authority has distributed to the City for the educational facilities capital plan. Building aid subsequently retained reduces the receivable. If there is no receivable balance, building aid retained is recorded as revenues in the statements of activities.

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

balance reached zero) and \$1 billion, respectively, of State building aid to be used for the Authority's debt service and its administrative expenses.

2. Summary of Significant Accounting Policies (continued)

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

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

- I. As a component unit of the City, the Authority implements new GASB standards in the same fiscal year as they are implemented by the City. The following are discussions of the standards requiring implementation in the current year and standards which may impact the Authority in future years:
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*, ("GASB 101"). GASB 101 updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements for GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of GASB 101 did not have any impact on TFA's financial statements.
 - In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, ("GASB 102"). GASB 102 improves financial reporting by requiring disclosures of certain concentrations or constraints and related events that have occurred, have begun to occur, or are more than likely than not to begin to occur within 12 months of the date the financial statements are issued that make a government vulnerable to a substantial impact. The requirements for GASB 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The implementation of GASB 102 did not have an immediate impact on TFA's financial statements as there were no events that met the GASB 102 criteria for required reporting.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

2. Summary of Significant Accounting Policies (continued)

- In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, (“GASB 103”). GASB 103 improves components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing accountability. The requirements for GASB 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. TFA has not completed the process of evaluating GASB 103 but expects it to have an impact on the presentation of TFA’s financial statements.
 - In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, (“GASB 104”). GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures and also requires additional disclosures for capital assets held for sale. The requirements for GASB 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. TFA does not expect GASB 104 to have an impact on its financial statements as TFA does not have any capital assets.
- J. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Authority’s management to make estimates and assumptions in determining the reported amounts of assets, deferred outflow of resources, liabilities and deferred inflow of resources, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

3. Cash and Cash Equivalents

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

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

4. Investments

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

4. Investments (continued)

Fair Value Hierarchy

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

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

- Money Market Funds of \$36 million and \$28 million, respectively, are valued based on various market and industry inputs (Level 2 inputs).
- U.S. Treasury securities of \$399 million and \$313 million, respectively, are valued using a matrix pricing model (Level 2 inputs).
- U.S. Agencies securities of \$4.0 billion and \$3.8 billion, respectively, are valued using a matrix pricing model (Level 2 inputs).

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

5. Long-Term Liabilities

Debt Program

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

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

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

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

Changes in Long-term Liabilities – FTS Bonds

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

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

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

Issuances - FTS

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

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

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

Defeasances - FTS

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

Annual Requirements - FTS

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

	FTS Bonds			FTS Bonds from Direct Borrowings			Total	Total	Total
	Principal	Interest (a)	Total	Principal	Interest (a)	Total	Principal	Interest	Debt Service
	(in thousands)								
Year ending June 30,									
2026	\$ 1,817,820	\$ 2,444,661	\$ 4,262,481	\$ -	\$ 8,041	\$ 8,041	\$ 1,817,820	\$ 2,452,702	\$ 4,270,522
2027	2,184,830	2,373,370	4,558,200	-	8,041	8,041	2,184,830	2,381,411	4,566,241
2028	2,227,850	2,272,472	4,500,322	-	8,041	8,041	2,227,850	2,280,513	4,508,363
2029	2,261,305	2,179,338	4,440,643	-	8,041	8,041	2,261,305	2,187,379	4,448,684
2030	2,190,560	2,084,604	4,275,164	-	8,041	8,041	2,190,560	2,092,645	4,283,205
2031 to 2035	11,439,720	8,933,818	20,373,538	-	40,205	40,205	11,439,720	8,974,023	20,413,743
2036 to 2040	12,806,860	6,101,480	18,908,340	13,575	39,908	53,483	12,820,435	6,141,388	18,961,823
2041 to 2045	10,637,175	3,393,463	14,030,638	261,425	20,759	282,184	10,898,600	3,414,222	14,312,822
2046 to 2050	6,411,370	1,518,043	7,929,413	-	-	-	6,411,370	1,518,043	7,929,413
2051 to 2055	3,304,675	305,541	3,610,216	-	-	-	3,304,675	305,541	3,610,216
	\$ 55,282,165	\$ 31,606,790	\$ 86,888,955	\$ 275,000	\$ 141,077	\$ 416,077	\$ 55,557,165	\$ 31,747,867	\$ 87,305,032

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

Changes in Long-term Liabilities – BARBs

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

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

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

Defeasances - BARBs

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

Annual Requirements - BARBs

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	(in thousands)		
Year ending June 30,			
2026	\$ 230,760	\$ 348,529	\$ 579,289
2027	404,000	334,593	738,593
2028	357,225	317,456	674,681
2029	373,550	301,511	675,061
2030	390,750	284,274	675,024
2031 to 2035	2,275,560	1,087,249	3,362,809
2036 to 2040	2,105,780	505,910	2,611,690
2041 to 2045	1,014,540	163,203	1,177,743
2046 to 2050	298,655	19,002	317,658
2051 to 2055	5,000	75	5,075
Total	<u>\$ 7,455,820</u>	<u>\$ 3,361,801</u>	<u>\$ 10,817,622</u>

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

Variable Rate Demand Bonds – FTS

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

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

As of June 30, 2025 and 2024, the Authority had \$3.1 billion and \$2.5 billion, respectively, of VRDBs outstanding. The VRDBs are remarketed by remarketing agents on a daily or weekly basis. Interest rates determined by such remarketing agents for such periods represent the lowest rate of interest that would cause the VRDBs to have a market value equal to par. Interest rates cannot exceed 9% on tax-exempt bonds. In fiscal years 2025 and 2024, the VRDBs rates averaged 2.86% and 3.67%, respectively, on tax-exempt bonds.

The VRDBs are backed by either a Standby Bond Purchase Agreement (“SBPA”) or a Letter of Credit (“LOC”), providing for the purchase of the VRDBs by a bank in the event they cannot be remarketed. In such case, the interest rate on the VRDBs would typically increase and would be determined by reference to specified index rates plus a spread (in some cases, with a minimum rate), up to a maximum rate of 25%. No VRDBs were held by such banks during the fiscal years ended June 30, 2025 or June 30, 2024. SBPAs and LOCs may be terminated by the respective banks upon the occurrence of specified events of default.

Index Bonds

As of June 30, 2025 and 2024, the Authority had \$275 million and \$275 million, respectively, of Index Rate Bonds outstanding, which were not publicly offered but were purchased by banks through direct placements. The Authority’s Index Rate Bonds pay interest based on a specified index. Some Index Rate Bonds continue to pay interest based on such index through maturity. Other Index Rate Bonds provide for an increased rate of interest commencing on an identified step-up date if such bonds are not converted or refunded in advance of such date. Such increased rate of interest is, in some cases, 9% and, in other cases, based on a specified index rate plus a spread. In fiscal years 2025 and 2024, interest rates on the Index bonds averaged 3.46% and 4.04%, respectively.

Auction Bonds

In fiscal year 2024, the Authority refunded all outstanding auction rate bonds.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

(A Component Unit of the City of New York)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

5. Long-Term Liabilities (continued)

Retention Requirements

As of June 30, 2025 and 2024, the Authority was required to hold in its debt service accounts the following:

	June 30, 2025			June 30, 2024		
	(in thousands)					
	Principal	Interest	Total	Principal	Interest	Total
Required for FTS	\$ 164,185	\$ 377,873	\$ 542,058	\$ 287,335	\$ 477,609	\$ 764,944
Required for BARBs	230,760	348,528	579,288	222,955	357,381	580,336
Total	\$ 394,945	\$ 726,401	\$ 1,121,346	\$ 510,290	\$ 834,990	\$ 1,345,280

The Authority held \$2.3 billion and \$2.4 billion in excess of amounts required to be retained for FTS Bonds debt service under the Indenture as of June 30, 2025 and 2024, respectively. The Authority held \$10.4 million and \$10.5 million in excess of amounts required to be retained for BARBs debt service under the Indenture as of June 30, 2025 and 2024, respectively.

6. Unrestricted Grants

In fiscal years 2025 and 2024, the Authority received unrestricted grants in the amount of \$2.3 billion and \$2.4 billion, respectively. These grants were used to fund future year's debt service requirements for FTS Bonds and reduced the amount of PIT retained for such purpose. These grants are reported as assigned for debt service in the governmental funds balance sheets.

7. Administrative Costs

The Authority's management fee, overhead, and expenditures related to carrying out the Authority's duties, including remarketing and liquidity fees not funded from bond proceeds or investment earnings, are funded from the personal income taxes, building aid revenue, and grant revenue.

8. Subsequent Events

On August 12, 2025, the Authority issued \$1.7 billion of Fiscal 2026 Series A FTS Bonds, comprising \$1.5 billion of Subseries A-1 tax-exempt bonds and \$200 million of Subseries A-2 of tax-exempt bonds. The proceeds from Fiscal 2026 Series A will be used to finance the City's capital program.

On August 28, 2025, the Authority issued \$870 million of Fiscal 2026 Series S-1 BARBs. The proceeds of the Fiscal 2026 Series S-1 BARBs were used to refund prior outstanding BARBs .

Draft *Government Auditing Standards Reports*



**New York City Transitional Finance Authority
(A Component Unit of The City of New York)**

**Financial Statements
(Together with Independent Auditors' Report)**

June 30, 2025 and 2024

and

**Reports in Accordance with
*Government Auditing Standards***

June 30, 2025

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

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

JUNE 30, 2025 AND 2024

and

Reports in Accordance with *Government Auditing Standards*

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audits of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

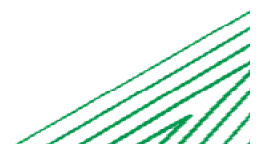
Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

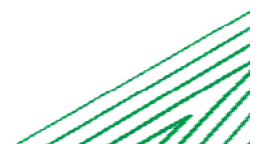
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

New York, NY
October XX, 2025

DRAFT - Subject to Material Changes
CPL 2025-25



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and governmental funds of New York City Transitional Finance Authority (the "Authority"), a component unit of The City of New York, as of and for the year ended June 30, 2025 as listed in the table of contents, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October XX, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

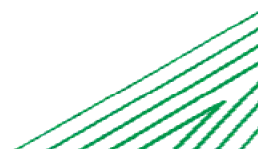
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

New York, NY
October XX, 2025

DRAFT - Subject to Material Change 9-25-25



Draft Management Letter

September XX, 2025

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

In planning and performing our audit of the financial statements New York City Transitional Finance Authority (the "Authority"), a component unit of The City of New York, as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Sincerely,

CBIZ CPAs P.C.



Draft Investment Compliance Report

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and governmental funds of New York City Transitional Finance Authority (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October XX, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Guidelines, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with its Investment Guidelines, insofar as they relate to accounting matters.

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

October XX, 2025
New York, NY

DRAFT - Subject to Material Change



Executive Session



NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

October1, 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 April 30, 2025; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of April 30, 2025, are hereby approved.

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

April 30, 2025

A meeting of the Audit Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on April 30, 2025 at approximately 4:30 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;

Brad Lander, Comptroller of the City, represented by Michael Stern; and

Preston Niblack, Commissioner of the Department of Finance of the City, represented by Dara Jaffee, constituting a quorum. Tyler Prime 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 October 2, 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 October 2, 2024; it is therefore

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

Self-Evaluation and Review of Annual Report of the Audit Committee

The second item on the agenda was a resolution approving a self-evaluation of the Audit Committee, and authorization to provide the results of the self-evaluation to the Board of Directors. Mr. Stern explained that a report outlining the Committee's actions during calendar year 2024 was circulated to the Committee for their review. Mr. Stern noted that the proposed resolution would express the Committee's belief that it is functioning in a satisfactory manner consistent with its Charter and would authorize the Chairperson to present these findings to the Board of Directors. There was no further discussion, and, upon unanimous vote, the following resolution was approved.

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 Report¹ of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Authority.

Review of Internal Controls

The third item on the agenda was the annual review of the Authority's Internal Controls

¹ Filed with the meeting minutes.

Manual, a copy of which was in the materials provided to the Committee members. Mr. Stern explained that pursuant to the Audit Committee Charter, Section III(h), the Committee must annually review the Internal Controls Manual. He noted that changes were proposed to the Internal Controls Manual, which changes had been circulated to the Committee. He further explained that the Authority's Comptroller, Raymond Lee, was present to answer questions. This was a review item only, and no vote was taken.

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

The fourth item on the agenda was the recommendation to the Board of Directors that the Board retain CBIZ CPAs P.C. ("CBIZ") to serve as independent auditor for the Authority for Fiscal Years 2025, 2026, 2027 and 2028, with an optional extension for Fiscal Year 2029, for the rates listed in the proposed resolution, following the Authority having issued a competitive request for proposals for these services. The resolution recommends that the Board of Directors approve the Authority entering into the agreement. There was no further discussion, and, upon unanimous vote, the following resolution was approved.

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:

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

Presentation of Audit Plan Including Discussion of New Accounting and Auditing Standards

The fifth and final item on the agenda was the presentation by the Authority's independent auditor, CBIZ. Mr. Stern introduced Daniel McElwee and James Wilkinson, representatives of CBIZ. Mr. McElwee then referred to the firm's Annual Pre-Audit Presentation for the Fiscal Year

Ending June 30, 2025, which was distributed to the Committee members prior to the meeting. Mr. McElwee led the Committee through the required accounting communications and discussed the contents of such presentation. Mr. McElwee asked if any Committee members had any knowledge of or suspicion of fraud or activities to report in connection with the Corporation's whistleblower policy. No Committee members reported having any such knowledge or information. 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.

SECRETARY

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

October 1, 2025

Financial Statements

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, 2025 and June 30, 2024 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, 2025 and June 30, 2024; 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.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Meeting

October 1, 2025

Annual Review and Approval of the Audit Committee Charter

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.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Charter

This Audit Committee Charter was adopted by the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) on September 20, 2007 and amended on April 29, 2008, September 25, 2009 and June 20, 2011.

I. Purpose

The purpose of the Audit Committee (the “Committee”) is to review current best practices with respect to the management of funds, financial reporting, audit processes, and internal control, and to oversee the implementation of such practices.

II. Committee Membership

- a. The Audit Committee shall be comprised of the following:
 - i. The Commissioner of the Department of Finance of the City of New York
 - ii. The Comptroller of the City of New York
 - iii. The Commissioner of the Department of Design and Construction of the City of New York
 - iv. Speaker of the City Council of the City of New York
 - v. Director of Management and Budget of the City
- b. The members shall serve until their resignation, retirement or until their successor shall be appointed.
- c. The Board shall select a Chairperson from among the Committee’s members.

III. Committee Powers and Responsibility

The Committee, to the extent it deems necessary or appropriate, shall:

- a. Recommend to the Board the appointment and retention of the Authority’s independent auditors, including the terms of engagement. The Authority’s independent auditors shall be prohibited from providing non-audit services

unless they have received previous written approval from the Committee. Non-audit services include tasks that are properly the responsibility of management and directly support the Authority's operations, such as bookkeeping or other services related to the preparation of entries into accounting records or financial statements of the Authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, internal control procedure design and implementation, and other tasks that may involve performing management functions or making management decisions.

- b. Annually review the Authority's independent auditors' audit plan.
- c. Evaluate and oversee the Authority's independent auditors.
- d. Review the Authority's audited financial statements and auditors' reports and, when appropriate, recommend to the Board the acceptance and issuance of the Authority's audited financial statements and auditors' reports.
- e. Review auditors' communications and, if necessary, present to the Board.
- f. Review the management letter and the Authority's formal written response to the management letter, which outlines corrective actions taken with respect to comments contained in the management letter.
- g. Review complaints and concerns regarding accounting, internal controls or auditing matters.
- h. Recommend to the Board a policy on internal controls, oversee its implementation and review such policy annually.
- i. Review annual Agency Financial Integrity Compliance Statement to be sent to the Comptroller of the City of New York each year, which includes a self-assessment, report on and attestation to the adequacy of the Authority's internal controls.
- j. Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with this charter and present such evaluation to the Board.
- k. At least annually report its activities and findings to the Board, including an annual report to be prepared no later than October 30. This annual report details the activities and decisions of the Committee for the prior calendar year and is sent to the Comptroller of the City of New York.
- l. Review significant accounting and reporting issues and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- m. Meet with the independent auditors to discuss any significant issues that may have surfaced during the course of the audit.
- n. Conduct or authorize investigations into any matters within its scope of responsibility.
- o. Seek any information it requires from Authority employees and employees of other corporations or public authorities who provide services to the Authority, all of whom should be directed by the Board to cooperate with Committee requests.

- p. Meet with Authority staff, independent auditors and/or outside counsel, as necessary.
- q. Upon the affirmative vote of at least three Committee members, enter into contracts with legal counsel or financial experts, subject to the Authority's procurement guidelines and approval by the Board. The name of any financial expert retained by the Committee shall be disclosed in the annual report of the Authority. Any such financial expert should have (1) an understanding of generally accepted accounting principals and financial statements; (2) experience in preparing or auditing financial statements; (3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; (4) experience with internal accounting controls; and (5) an understanding of audit committee functions.
- r. Obtain any information and training needed to enhance the Committee members' understanding of the role of the independent auditors, the risk of management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- s. Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Governance Committee.
- t. Make such recommendations to the Board related to internal controls, preparation of the annual financial statements, or the independent audit of the Authority as the Committee deems appropriate.
- u. Develop a schedule of dates, which shall be reviewed annually, by which the requirements of this Charter shall be carried out.

IV. Committee Meetings

The Committee will meet as often as it deems necessary or appropriate, but no less than twice a year, with at least one meeting each year with the Authority's independent auditors to review and discuss the independent auditors' audit plan and one meeting with the Authority's independent auditors to review the audited financial statements and management letter of the Authority. Meetings may be called at any time by the Chairperson of the Committee and shall be called by the Chairperson at the request of two members of the Committee. When meeting to discuss the financial statements of the Authority, the Committee shall have the opportunity both to meet with the independent auditors outside the presence of the Authority's management and to meet with the Authority's management outside the presence of the independent auditors. Notice of meetings shall be given in the same manner as notices of Board meetings as provided in the Authority's By-Laws. The presence of a majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of Committee meetings shall be recorded and kept with the minute books of the Authority; provided, however that no minutes shall be recorded for portions of

meetings held in executive session unless action is taken in such executive session.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Audit Committee Schedule

Adopted February 4, 2008

Amended January 12, 2009, February 22, 2010, September 27, 2012 and September 26, 2013

April/May

1. Review the management letter and the formal written response to the management letter, which outlines corrective actions taken with respect to comments contained in the management letter (if applicable).
2. Evaluate the Authority's independent auditors and, as applicable, either decide on plan of retention or procurement of new independent auditors, or authorize management to enter into an engagement letter with existing auditors.
3. Conduct an annual self-evaluation of Committee's performance, including its effectiveness and compliance with its charter and present such evaluation to the Board.
4. At least annually report the Committee's activities and findings to the Board, including 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.
5. Recommend to the Board a policy on internal controls, oversee its implementation and review such policy annually.
6. Review significant accounting and reporting issues and recent professional and regulatory pronouncements, and understand their impact on the financial statements (to be done by presentation of the auditors).
7. If applicable, recommend to the Board the appointment and retention of independent auditors, including terms of engagement.
8. Review audit plan.

September/October

1. Review the Authority's audited financial statements and auditors' reports and, when appropriate, recommend to the Board the acceptance of the and auditors' reports and issuance of the Authority's audited financial statements

2. Review auditors' communications and, if necessary, present to the Board.
3. Meet with the independent audit firm to discuss any significant issues that may have surfaced during the course of the audit.
4. Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board.
5. Annually review this schedule of dates, by which the requirements of the Charter shall be carried out.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

October 1, 2025

Agenda

1. Resolution: Approval of Minutes of Meeting April 30, 2025
2. Resolution: Self-evaluation and discussion of presentation to Board of Directors
3. Review of compensation and benefits

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

October 1, 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 April 30, 2025; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of April 30, 2025 are hereby approved.

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

April 30, 2025

A meeting of the Governance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on April 30, 2025 at approximately 4:35 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;

Brad Lander, Comptroller of the City, represented by Michael Stern; and

Preston Niblack, Commissioner of the Department of Finance of the City, represented by Dara Jaffee, constituting a quorum. Tyler Prime 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 prior minutes of the meeting of the Committee which occurred on October 2, 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 October 2, 2024; it is therefore

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

Recommendation to Board – Approval of Policy on the Procurement of Goods and Services

The second and final item on the agenda was the review and approval of the Authority's Policy on the Procurement of Goods and Services. Mr. Stern noted that the Committee is required to annually review the Authority's Policy on the Procurement of Goods and Services, and that no changes were proposed to the Policy. There being no discussion, upon unanimous vote, the below resolution was approved.

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 recommends that the Board of Directors adopt the Policy with no changes, as attached hereto.

Adjournment

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

SECRETARY

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

October 1, 2025

Annual Self-Evaluation of the Governance Committee

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.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Report of the Governance Committee

October 1, 2025

During fiscal year 2025, the Governance Committee of the New York City Transitional Finance Authority (the “Authority”) met twice. The Governance Committee’s actions at this meeting were as follows:

- On October 2, 2024:
 - Conducted a self-evaluation of the Committee’s functions;
 - Approved an annual report of the Committee’s findings for presentation to the Board of Directors; and
 - Reviewed the amounts that the Authority reimburses to other entities for personal services provided to the Authority.
- On April 30, 2025:
 - Recommended to the Board of Directors approval of Policy on the Procurement of Goods and Services.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Governance Committee Meeting

October 1, 2025

Compensation and Benefits

The Authority has no employees. Operations of the Authority are carried out by staff of both the New York City Municipal Water Finance Authority (“NYW”) and the Office of Management and Budget of the City of New York (“OMB”). In fiscal year 2025, the Authority reimbursed NYW and OMB an aggregate of \$2,021,658 which includes \$1,355,709 salary and \$665,949 in fringe benefits, representing work performed by 32 employees of either OMB or NYW. Such reimbursement is derived from a pro rata allocation of each employee's compensation based on the time spent by such employee on work of the Authority.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Finance Committee Meeting

October 1, 2025

Agenda

1. Resolution: Approval of Minutes of Meeting of August 14, 2025
2. Resolution: Recommendation to the Board of Directors - Approval of 143rd Series Resolution Authorizing the Issuance of Fiscal 2026 Series B Future Tax Secured Bonds

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Finance Committee Meeting

October 1, 2025

Approval of Minutes

WHEREAS, the Finance Committee has reviewed the minutes of its meeting held on August 14, 2025 it is therefore

RESOLVED, that the minutes of the meeting of August 14, 2025 be, and they hereby are, approved.

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

August 14, 2025

A meeting of the Finance Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on August 14, 2025, at approximately 11:00 a.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 Michael Stern;

Tom Foley, Commissioner of the Department of Design and Construction of the City, represented by Dekran Arakelian; and

Adrienne Adams, Speaker of the City Council, represented by Hector German;
constituting a quorum of the Committee. Daniel Rabbani 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

The first item on the agenda was the approval of the minutes of the previous meeting of the Committee which occurred on July 17, 2025. There being no further discussion, the following resolution was adopted by unanimous vote:

WHEREAS, the Finance Committee has reviewed the minutes of its meeting held on

April 30, 2025 it is therefore

RESOLVED, that the minutes of the meeting July 17, 2025 be, and they hereby are, approved.

Recommendation to the Board of Directors for Approval of the 142nd Series Resolution Authorizing the Issuance of Fiscal 2026 Series S-1, S-2 and S-3 Building Aid Revenue Bonds

The second and final item on the agenda was a recommendation to the Board of Directors that it approve the One Hundred and Forty-Second Series Resolution Authorizing Up To \$1,600,000,000 of Building Aid Revenue Bonds (the “142nd Series Resolution”). Mr. Stern noted that the 142nd Series Resolution would authorize the issuance of up to \$1.6 billion of Fiscal 2026 Series S-1, S-2 and S-3 Building Aid Revenue Bonds. Mr. Stern explained that the Authority expects to issue up to \$1.36 billion of Building Aid Revenue Bonds, but has built a cushion to accommodate for fluctuating market conditions. Mr. Stern then provided the details of the issuance, including the expected and maximum true interest costs of each subseries, the expected pricing dates, the underwriter, the expected present value savings and the closing date. There being no further discussion, the following resolution was adopted by unanimous vote:

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 142nd Series Resolution Authorizing the Issuance of Fiscal 2026 Series S-1, S-2 and S-3 Building Aid Revenue 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 142nd Series Resolution Authorizing the Issuance of Fiscal 2026 Series S-1, S-2 and S-3 Building Aid Revenue Bonds.

Adjournment

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

SECRETARY

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Finance Committee Meeting

October 1, 2025

Recommendation to the Board of Directors - Approval of 143rd Series Resolution Authorizing the Issuance of Fiscal 2026 Series B 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 143rd Series Resolution Authorizing the Issuance of Fiscal 2026 Series B 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 143rd Series Resolution Authorizing the Issuance of Fiscal 2026 Series B Future Tax Secured Bonds.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Agenda

1. Approval of Minutes of Meeting of August 14, 2025
2. Resolution: Acceptance of the independent auditors' report on the audited financial statements for the fiscal years ended June 30, 2025 and June 30, 2024 and authorization to release such financial statements
3. Resolution: Approval of 143rd Series Resolution Authorizing the Issuance of Fiscal 2026 Series B Future Tax Secured Bonds
4. Resolution: Ratification and Approval of Co-Bond & Co-Disclosure Counsel Agreements
5. Resolution: Approval of Mission Statement and Performance Measures and Authorization to Publish Measurement Report
6. Resolution: Approval of Investment Guidelines
7. Resolution: Approval of Investment Report
8. Resolution: Approval of Financially Responsible Parties List
9. Presentation by Governance Committee Chair

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 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 August 14, 2025; it is therefore

RESOLVED, that the minutes of the meeting of August 14, 2025 be, and they hereby are, approved.

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

August 14, 2025

A meeting of the Board of Directors (the “Board”) of the New York City Transitional Finance Authority (the “Authority”) was held on August 14, 2025 at approximately 11:03 a.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 Michael Stern; and

Tom Foley, Commissioner of the Department of Design and Construction of the City, represented by Dekran Arakelian; and

Adrienne Adams, Speaker of the City Council, represented by Hector German;
constituting a quorum of the Board. Daniel Rabbani 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 July 17, 2025. Upon unanimous vote, the following resolution to adopt such minutes was adopted.

WHEREAS, the Board of Directors of the New York City Transitional Finance Authority has reviewed the minutes of its meeting held on July 17, 2025; it is therefore

RESOLVED, that the minutes of the meeting of July 17, 2025 be, and they hereby are, approved.

Approval of the 142nd Series Resolution Authorizing the Issuance of Fiscal 2026 Series S-1, S-2 and S-3 Building Aid Revenue Bonds

The second item on the agenda was the approval of the One Hundred and Forty-First Series Resolution Authorizing Up to \$1,600,000,000 Building Aid Revenue Bonds (the “142nd Series Resolution”)¹. Mr. Womack explained that the 142nd Series Resolution would approve the issuance of up to \$1.6 billion of the Authority’s Fiscal 2026 S-1, S-2 and S-3 Building Aid Revenue Bonds.

He further noted that this action had been recommended by the Finance Committee. There being no discussion, following a unanimous vote, the 142nd Series Resolution was adopted.

Adjournment

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

SECRETARY

¹ Filed with the meeting minutes.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Financial Statements

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, 2025 and June 30, 2024 and such financial statements; and

WHEREAS, the Audit Committee believes the independent auditors’ report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors’ report and authorize the release of the financial statements; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors’ report on the audited financial statements of the Authority for the fiscal years ended June 30, 2025 and June 30, 2024 and authorizes the release of such audited financial statements, 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.

ONE HUNDRED AND FORTY-THIRD SERIES RESOLUTION
AUTHORIZING UP TO
\$1,700,000,000 FUTURE TAX SECURED BONDS

of the

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Dated October 1, 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 Forty-Third Series Resolution (“143rd 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 October [10], 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.

“141st Series Resolution” means the Authority’s One Hundred and Forty-First Series Resolution Authorizing up to \$2,000,000,000 Future Tax Secured Bonds dated July 17, 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 \$1,700,000,000, (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 maximum set forth below and (c) the interest rate on Multi-Modal Bonds shall never exceed 25%.

<u>Category</u>	<u>Max. TIC</u>
Series B Tax-Exempt	_____6.00%

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 2026 Series B”, 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 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 141st 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 141st Series Resolution.

Issuance of the New Bonds of Fiscal 2026 Series B 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 October 30, 2025

Authorized Officer

[Signature Page for 143rd Series Resolution]

**Chairperson's Final Determinations With Respect to
Future Tax Secured Subordinate Bonds,
Fiscal 2026 Series B**

**\$__00,000,000
Tax-Exempt Bonds**

Due May 1,	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
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2045		
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2047		
2048		

The New Bonds shall be issued and secured as Parity Debt pursuant to Section 307 of the Original Indenture.

The true interest cost to the Authority of the New Bonds is ____%, which does not exceed the 6.00% maximum permitted by this Series Resolution.

Interest on the New Bonds will be paid on May 1 and November 1, commencing [May 1, 2026].

The New Bonds are sold pursuant to the Contract of Purchase, dated October [23], 2025, between the Authority and the Underwriters named therein.

The remaining issuance authority under this Series Resolution is \$____,000,000.

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 2026 SERIES B
MULTI-MODAL BOND**

[] PER CENTUM (%) PER ANNUM

DUE: [MAY 1], _____

DATED: OCTOBER 30, 2025

CUSIP: 64972J

REGISTERED OWNER: CEDE & CO.

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

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 October 30, 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 May 1 and November 1 of each year, beginning [May 1, 2026], 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 \$____,000,000 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 Series maturing [May 1, 20__] 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:

<u>May 1,</u>	<u>Principal Amount to be Redeemed</u>
---------------	--

* Stated Maturity.

The bonds of this Series maturing [May 1, 20__] 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:

May 1, **Principal Amount to be**
Redeemed

* Stated Maturity.

The bonds of this Series maturing [May 1, 20____] 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:

May 1, **Principal Amount to be**
Redeemed

* Stated Maturity.

The Authority may credit against any annual amount subject to mandatory redemption, the principal amount of any Series B 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 Series maturing on or 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 Series 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 October [23], 2025 relating to the Bonds.

“Applicable Tax-Exempt Bond Rate” means the “Interpolated AAA Yields” rate for each maturity date for 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 Series 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 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 Series, 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 Series 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 Series are entitled to the benefit of covenants in the Indenture relating to Federal income taxation.

The bonds of this Series 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 30th day of October, 2025.

NEW YORK CITY TRANSITIONAL
FINANCE AUTHORITY

ATTEST:

BY _____
EXECUTIVE DIRECTOR

SECRETARY

CERTIFICATE OF AUTHENTICATION

This bond is one of the Fiscal 2026 Series B Bonds described in and issued in accordance with the Indenture, including the 143rd Series Resolution.

THE BANK OF NEW YORK MELLON,
as Trustee

Authorized Officer

Date of Authentication: October 30, 2025

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting
October 1, 2025

Ratification and Approval of Co-Bond & Co-Disclosure Counsel Agreements

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

WHEREAS, in conjunction with the City of New York, and other bond financing entities, the Authority conducted a competitive procurement process for bond counsel and disclosure counsel services;

WHEREAS, following that procurement process, with respect to the Authority’s Future Tax Secured Bonds, the Selection Committee have recommended the retention of Norton Rose Fulbright (“Norton Rose”) and Bryant Rabbino LLP (“Bryant Rabbino”) to serve as co-bond counsel and Hawkins Delafield & Wood LLP (“Hawkins”) and D. Seaton and Associates, P.A., P.C. (“D. Seaton”) to serve as the Authority’s co-disclosure counsel based on the quality of their proposals and the reasonableness of their fees;

WHEREAS, with respect to the Authority’s Building Aid Revenue Bonds (“BARBs”) the Selection Committee have recommended the retention of Katten Muchin Rosenman LLP (“Katten”) and Bryant Rabbino to serve as co-bond counsel and Hawkins and Pearlman & Miranda, LLC (“Pearlman”) to serve as co-disclosure counsel based on the quality of their proposals and the reasonableness of their fees; and

WHEREAS, the Board of Directors, having reviewed the fee proposals for such firms provided herein, find such recommendation to be reasonable and appropriate; it is therefore

RESOLVED, that, with respect to the Authority’s Future Tax Secured Bonds, the Board of Directors of the Authority hereby ratifies and approves the retention of Norton Rose and Bryant Rabbino to serve as co-bond counsel to the Authority for its Future Tax Secured Bonds for the fees listed below in Schedule I, and the retention of Hawkins and D. Seaton to serve as co-disclosure counsel to the Authority for its Future Tax Secured Bonds for the fees listed below in Schedule II, for the period from September 1, 2025 through August 31, 2029, with optional renewals available, at the sole discretion of the Authority without additional approval from the Board of Directors required for the period from September 1, 2029 through August 31, 2032, provided such agreements shall contain such other terms and conditions not inconsistent with the foregoing which the Authority’s General Counsel, Executive Director or other Authorized Officer of the Authority shall deem necessary, desirable or appropriate and hereby authorizes and directs the Authority’s General Counsel, Executive Director or other Authorized Officer of the Authority to enter into such agreements; and it is

FURTHER RESOLVED, that, with respect to the Authority's Building Aid Revenue Bonds, the Board of Directors of the Authority hereby ratifies and approves the retention of Katten and Bryant Rabbino to serve as co-bond counsel to the Authority for its BARBs transactions for the fees listed below in Schedule III, and the retention of Hawkins and Pearlman to serve as co-disclosure counsel to the Authority for its BARBs transactions for the fees listed below in Schedule IV, for the period from September 1, 2025 through August 31, 2029, with optional renewals available, at the sole discretion of the Authority without additional approval from the Board of Directors required for the period from September 1, 2029 through August 31, 2032, provided such agreements shall contain such other terms and conditions not inconsistent with the foregoing which the Authority's General Counsel, Executive Director or other Authorized Officer of the Authority shall deem necessary, desirable or appropriate and hereby authorizes and directs the Authority's General Counsel, Executive Director or other Authorized Officer of the Authority to enter into such agreements.

Schedule I

Co-Bond Counsel for Future Tax Secured Bonds – Norton Rose

Transaction Type	Initial Term from 9/1/25- 8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
New Money Bonds or Notes	\$265,000	\$291,500
Refunding Bonds	\$305,000	\$335,500
Combined New Money and Refunding transaction	\$325,000	\$357,500
Standalone fixed-to-fixed reoffering	\$310,000	\$341,000
New money variable rate wrap with an offering circular or Direct Purchase	\$23,000	\$25,300
Conversion or Substitution of one series with an Offering Circular, or one series fixed-to-fixed reoffering in combination with another issuance	\$46,000	\$50,600
Conversion or Substitution of two or more series with an Offering Circular, or two or more series fixed-to-fixed reoffering in combination with another issuance (max fee)	\$81,000	\$89,100
Swap Transaction	\$35,000	\$38,500
Substitution or extension, with an opinion or other amendments, but without an offering circular	\$17,000	\$18,700
Tender	\$50,000	\$55,000
IRS Audit – initial inquiry and document request	\$12,000	\$13,200
IRS Audit – subsequent document requests	\$9,000	\$9,900
International Blue Sky	\$8,000	\$8,800

Co-Bond Counsel for Future Tax Secured Bonds – Bryant Rabbino

Transaction Type	Initial Term from 9/1/25- 8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
New Money and/or Refunding Transaction	\$66,000	\$72,600
Standalone fixed-to-fixed reoffering	\$66,000	\$72,600
New money variable rate wrap with an offering circular or Direct Purchase	\$6,000	\$7,000
Conversion or Substitution of one series with an Offering Circular, or one series fixed-to-fixed reoffering in combination with another issuance	\$6,000	\$7,000
Conversion or Substitution of two series with an Offering Circular, or series fixed-to-fixed reoffering in combination with another issuance	\$12,000	\$14,000
Conversion or Substitution of three series with an Offering Circular, or three series fixed-to-fixed reoffering in	\$17,000	\$20,000

combination with another issuance		
Conversion or Substitution of four or more series with an Offering Circular, or four or more series fixed-to-fixed reoffering in combination with another issuance (max fee)	\$23,000	\$26,500
Tender	\$8,000	\$8,000

Schedule II

Co-Disclosure counsel for Future Tax Secured Bonds – Hawkins

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
Bond or Note Issue – when acting as Lead Disclosure Counsel	\$85,000	\$90,000
Bond or Note Issue – when acting as Non-Lead Disclosure Counsel	\$65,000	\$65,000
Fixed Rate mode conversion with a wrap per series/not to exceed	\$25,000/\$45,000	\$25,000/\$45,000
Variable rate issuance with a wrap per series/not to exceed	\$35,000/\$45,000	\$35,000/\$45,000
Tender Fees	\$35,000	\$35,000
International Blue Sky Fees	\$8,000	\$8,800

Co-Disclosure counsel for Future Tax Secured Bonds – D. Seaton

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
Bond or Note Issue – when acting as Lead Disclosure Counsel	\$65,000	\$65,000
Bond or Note Issue – when acting as Non-Lead Disclosure Counsel	\$40,000	\$44,000
Fixed Rate mode conversion with a wrap per series/not to exceed	\$5,000/\$10,000	\$5,000/\$10,000
Variable rate issuance with a wrap per series/not to exceed	\$10,000/20,000	\$10,000/20,000

Schedule III

Co-Bond Counsel for BARBs – Katten

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
New Money Bonds or Notes	\$170,000	\$187,000
Refunding Bonds and/or Fixed-to-Fixed Reoffering	\$180,000	\$198,000
New Money & Refunding Combined	\$190,000	\$209,000
Wrap or Direct Placement in conjunction with another transaction	\$23,5000	\$25,850
Tender Fees	\$20,000	\$22,000
IRS Audit per Tax Issue (initial inquiry and document request)	\$15,000	\$16,500
Subsequent IRS document requests	\$10,000	\$11,000
International Blue Sky Fees	\$8,000	\$8,800

Co-Bond Counsel for BARBs – Bryant Rabbino

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
New Money and/or Refunding Transaction	\$66,000	\$72,600
Standalone fixed-to-fixed reoffering	\$66,000	\$72,600
Wrap or Direct Placement in conjunction with another transaction	\$6,000	\$7,000
Tender Fees	\$8,000	\$8,000

Schedule IV
Co-Disclosure counsel for BARBs – Hawkins

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
Bond or Note Issue	\$85,000	\$90,000
Tender Fees	\$35,000	\$35,000
International Blue Sky Fees	\$8,000	\$8,800

Co-Disclosure counsel for BARBS – Pearlman

Transaction Type	Initial Term from 9/1/25-8/31/29	Optional Renewal Term from 9/1/29- 8/31/32
Bond or Note Issue	\$40,000	\$44,000

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Approval of Mission Statement and Performance Measures and Completed Measurement Report

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

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

WHEREAS, the Board has reviewed the Mission Statement and Performance Measures and the completed Measurement Report and finds them to be reasonable and accurate; it is therefore

RESOLVED, that Board accepts the Authority’s Mission Statement and Performance Measures, as attached hereto, and authorizes the completed Measurement Report to be published on the Corporation’s website and submitted to the Authorities Budget Office.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Mission Statement and Performance Measures

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

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

List of Performance Goals:

- Issue debt to support capital needs of the City and meet capital reimbursement requirements of the City
- Make timely payments of debt service and meet other contractual obligations
- Utilize efficient and cost-effective borrowing methods, including lowering the cost of debt through refunding and other means
- Meet continuing disclosure obligations
- Maintain communications with investors and rating agencies

Measurements:

- Has the Authority issued sufficient debt, when viewed in connection with City debt issuance, to support the capital needs of the City and has the Authority reimbursed the City for capital costs incurred?
- Has the Authority paid debt service and fulfilled its other obligations related to its outstanding debt in a timely manner?
- Has the Authority issued debt at fair and reasonable rates relative to market conditions at the time of issuance?
- Has the Authority complied with its continuing disclosure undertakings?
- Has the Authority provided timely and detailed information to assist investors and rating agencies in understanding the Authority and its credit structure?

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Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the Authority?
2. Who has the power to appoint the management of the Authority?

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

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Measurement Report October 1, 2025

Performance Measurements:

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

Yes.

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

Yes.

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

Yes.

- Has the Authority complied with its continuing disclosure undertakings?

Yes.

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

Yes

Additional questions:

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

Yes.

2. Who has the power to appoint the management of the Authority?

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

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

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

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

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

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

Yes.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Approval of Investment Guidelines

WHEREAS, the New York City Transitional Finance Authority (the “Authority”), adopted Investment Guidelines on November 18, 2008 to establish policies for the investment of its funds and subsequently amended those Guidelines;

WHEREAS, the Authority is required annually to review its Investment Guidelines;
and

WHEREAS, the Board of Directors has reviewed the Investment Guidelines, and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.

New York City Transitional Finance Authority Investment Guidelines

Adopted November 18, 1998
Amended June 25, 2001 and
Amended August 1, 2001 and
Amended March 14, 2005 and
Amended March 16, 2009
Amended September 26, 2013 and
Amended September 28, 2018
Further Amended October 2, 2024

I. Purpose

- A. Adoption. These investment guidelines (the “Guidelines”) are adopted by the Board of Directors of the New York City Transitional Finance Authority (the "Authority"), pursuant to Section 2925 of the Public Authorities Law of the State of New York.
- B. Scope. These Guidelines specify the policies and procedures relating to the investment, monitoring and reporting of funds of the Authority. For purposes of these Guidelines, funds of the Authority are all moneys and other financial resources available for investment by the Authority on its own behalf or on behalf of any other entity or individual. All such moneys shall be invested at all times to the fullest extent practicable, and in accordance with the requirements and restrictions set forth in these Guidelines.
- C. Review and Amendment. These Guidelines shall be reviewed and approved by the Board of Directors annually and may be amended by the Board of Directors from time to time.

II. Permitted Obligations

- A. Indenture Accounts. Pursuant to Section 505(a) of the Indenture, dated as of October 1, 1997, by and between the Authority and The Bank of New York Mellon, as successor trustee, as restated January 25, 2024, as supplemented (the

"Indenture"),* the School Bond Account, the Parity Debt Account, the Collection Account, the Bond Account, the Redemption Account (collectively, the "Indenture Accounts") may be invested in any Eligible Investments. Terms used but not defined herein shall have the same meaning as assigned to them in the Indenture.

- B. Other Funds. Pursuant to Section 403 of the Indenture, other funds of the Authority, including but not limited to money in the Project Fund and money held by the Authority for the payment of operating expenses, may be invested in (i) Project Fund Investments, (ii) obligations of municipal corporations, public benefit corporations and local development corporations of the State, or (iii) investments permitted by Section 165.00 of the LFL or Section 2799-ee.8 of the Act or these Guidelines as they may be amended from time to time.

III. Conditions of Investment

- A. Maturities: All investments shall mature or be redeemable at the option of the holder no later than such times as shall be necessary to provide moneys needed for payments to be made from any fund or account in which such investments are held.

B. Diversification

1. Indenture Accounts. No more than the greater of \$15 million or 50% of the amounts on deposit in the Indenture Accounts (determined at the time of investment) shall be invested in either Commercial Paper of a single issuer or Investment Agreements with a single provider.
2. Project Fund. Except for Project Fund Repurchase Agreements, U.S. Obligations and U.S. Agency Obligations, no more than the greater of \$15 million or 35% (determined at the time of investment) of the investments made from the Project Fund may be invested in securities of a single issuer.

- C. Payment for Securities. Payment for investments shall be made only upon receipt of the securities purchased. In the case of book entry form securities, payment may be made only when the custodian's account at the Federal Reserve Bank is credited for the purchased securities.

*Unless otherwise indicated, all capitalized terms shall have the meanings set forth in the Indenture.

D. Custodial Arrangements.

1. All securities held by any depository designated by the Authority in bearer or book-entry form (the "Custodial Bank") are held solely as agent to the Trustee or (in the case of the Project Fund or funds held by the Authority for the payment of operating expenses) the Authority. Any securities held in registered form shall be registered in the name of the Authority or the Trustee. Payment for purchases is not to be released until the purchased securities are received by the Custodial Bank.
2. The Custodial Bank will, upon instructions of the Trustee or (in the case of the Project Fund) the Authority, release to the Treasurer of the Authority all purchased securities including those subject to repurchase. This will permit the Authority to sell such securities, if necessary.

F. Standards and Qualifications. The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

1. Brokers, Agents, Dealers
 - a. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
 - b. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").
2. Investment Advisors: any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.
3. Investment Bankers: firms retained by the Authority to serve as senior managing underwriters for negotiated sales must be registered with the SEC.
4. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000,000.

G. Contracts. The Authority shall not be required to enter into written contracts for the purchase of investments, with the exception of repurchase agreements, investment agreements or guaranteed investment contracts described in paragraphs (vi), (ix) and (x) under the definition of Eligible Investments in the Indenture.

IV. Reports

A. Quarterly. The Executive Director shall prepare and deliver to the Board of Directors once for each quarter of the Authority's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually.

1. Audit. The Authority's independent auditors shall conduct an annual audit of the Authority's investments for each fiscal year of the Authority, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
2. Investment Report. Annually, the Executive Director shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
 - a. The Investment Guidelines and amendments thereto since the last report;
 - b. An explanation of the Guidelines and any amendments made since the last report;
 - c. The independent audit report required by Subsection (1) above;
 - d. The investment income record of the Authority for the fiscal year; and
 - e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Authority since the last report. The Investment Report shall be submitted to the New York State Department of Audit and Control, and to the Mayor and Comptroller of the City of New York. Copies of the annual report shall also be made available to the public upon reasonable request.

V. Applicability

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Approval of Investment Report

WHEREAS, the New York City Transitional Finance Authority (the “Authority”), pursuant to the Authority’s Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

New York City Transitional Finance Authority Fiscal Year 2025 Investment Report

I. Investment Guidelines (See Schedule 1)

II. Explanation of the Investment Guidelines

The New York City Transitional Finance Authority (the “Authority”) originally adopted Investment Guidelines on November 18, 1998, with subsequent amendments of June 25, 2001, August 1, 2001, March 14, 2005, March 16, 2009, September 26, 2013, September 28, 2018, and October 2, 2024. The Investment Guidelines specify the policies and procedures relating to the investment, monitoring and reporting of funds of the Authority. For purposes of the Investment Guidelines, funds of the Authority are all moneys and other financial resources available for investment by the Authority on its own behalf or on behalf of any other entity or individual. All such moneys shall be invested at all times to the fullest extent practicable, and in accordance with the requirements and restrictions set forth in the Investment Guidelines.

III. Results of the annual independent audit (See Schedule 2)

IV. Investment Income of record of the Authority (See Schedule 3)

V. List of total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment services to the Authority (See Schedule 3)

SCHEDULE 1

New York City Transitional Finance Authority Investment Guidelines

Adopted November 18, 1998
Amended June 25, 2001 and
Amended August 1, 2001 and
Amended March 14, 2005 and
Amended March 16, 2009
Amended September 26, 2013 and
Amended September 28, 2018
Further Amended October 2, 2024

I. Purpose

- A. Adoption. These investment guidelines (the “Guidelines”) are adopted by the Board of Directors of the New York City Transitional Finance Authority (the "Authority"), pursuant to Section 2925 of the Public Authorities Law of the State of New York.
- B. Scope. These Guidelines specify the policies and procedures relating to the investment, monitoring and reporting of funds of the Authority. For purposes of these Guidelines, funds of the Authority are all moneys and other financial resources available for investment by the Authority on its own behalf or on behalf of any other entity or individual. All such moneys shall be invested at all times to the fullest extent practicable, and in accordance with the requirements and restrictions set forth in these Guidelines.
- C. Review and Amendment. These Guidelines shall be reviewed and approved by the Board of Directors annually and may be amended by the Board of Directors from time to time.

II. Permitted Obligations

- A. Indenture Accounts. Pursuant to Section 505(a) of the Indenture, dated as of October 1, 1997, by and between the Authority and The Bank of New York Mellon, as successor trustee, as restated January 25, 2024, as supplemented (the

"Indenture"),* the School Bond Account, the Parity Debt Account, the Collection Account, the Bond Account, the Redemption Account (collectively, the "Indenture Accounts") may be invested in any Eligible Investments. Terms used but not defined herein shall have the same meaning as assigned to them in the Indenture.

- B. Other Funds. Pursuant to Section 403 of the Indenture, other funds of the Authority, including but not limited to money in the Project Fund and money held by the Authority for the payment of operating expenses, may be invested in (i) Project Fund Investments, (ii) obligations of municipal corporations, public benefit corporations and local development corporations of the State, or (iii) investments permitted by Section 165.00 of the LFL or Section 2799-ee.8 of the Act or these Guidelines as they may be amended from time to time.

III. Conditions of Investment

- A. Maturities: All investments shall mature or be redeemable at the option of the holder no later than such times as shall be necessary to provide moneys needed for payments to be made from any fund or account in which such investments are held.

B. Diversification

1. Indenture Accounts. No more than the greater of \$15 million or 50% of the amounts on deposit in the Indenture Accounts (determined at the time of investment) shall be invested in either Commercial Paper of a single issuer or Investment Agreements with a single provider.
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- C. Payment for Securities. Payment for investments shall be made only upon receipt of the securities purchased. In the case of book entry form securities, payment may be made only when the custodian's account at the Federal Reserve Bank is credited for the purchased securities.

*Unless otherwise indicated, all capitalized terms shall have the meanings set forth in the Indenture.

D. Custodial Arrangements.

1. All securities held by any depository designated by the Authority in bearer or book-entry form (the "Custodial Bank") are held solely as agent to the Trustee or (in the case of the Project Fund or funds held by the Authority for the payment of operating expenses) the Authority. Any securities held in registered form shall be registered in the name of the Authority or the Trustee. Payment for purchases is not to be released until the purchased securities are received by the Custodial Bank.
2. The Custodial Bank will, upon instructions of the Trustee or (in the case of the Project Fund) the Authority, release to the Treasurer of the Authority all purchased securities including those subject to repurchase. This will permit the Authority to sell such securities, if necessary.

F. Standards and Qualifications. The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

1. Brokers, Agents, Dealers
 - a. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
 - b. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").
2. Investment Advisors: any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.
3. Investment Bankers: firms retained by the Authority to serve as senior managing underwriters for negotiated sales must be registered with the SEC.
4. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000,000.

G. Contracts. The Authority shall not be required to enter into written contracts for the purchase of investments, with the exception of repurchase agreements, investment agreements or guaranteed investment contracts described in paragraphs (vi), (ix) and (x) under the definition of Eligible Investments in the Indenture.

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A. Quarterly. The Executive Director shall prepare and deliver to the Board of Directors once for each quarter of the Authority's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually.

1. Audit. The Authority's independent auditors shall conduct an annual audit of the Authority's investments for each fiscal year of the Authority, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
2. Investment Report. Annually, the Executive Director shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
 - a. The Investment Guidelines and amendments thereto since the last report;
 - b. An explanation of the Guidelines and any amendments made since the last report;
 - c. The independent audit report required by Subsection (1) above;
 - d. The investment income record of the Authority for the fiscal year; and
 - e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Authority since the last report. The Investment Report shall be submitted to the New York State Department of Audit and Control, and to the Mayor and Comptroller of the City of New York. Copies of the annual report shall also be made available to the public upon reasonable request.

V. Applicability

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

SCHEDULE 2

New York City Transitional Finance Authority

Results of the Annual Independent Audit

[to be provided]

SCHEDULE 3

New York City Transitional Finance Authority
Annual Investment Report
As of and for the year ended June 30, 2025

Investment Income for FY 2025 (accrual basis) \$ 147,035,336

Investment Fees for FY 2025:

The Bank of New York \$ 372,622

Cash Equivalent and Investment by Funds

<u>Fund</u>	<u>Fair Value</u>
Debt Service	\$ 3,848,478,700
Capital Project	587,009,858
Cost Of Issuance	903,259
Operating	13,090,055
Cash Equivalent and Investment	\$ 4,449,481,872
Cash	\$ 470,513
Total Cash, Cash Equivalents and Investments	\$ 4,449,952,386

Cash Equivalent and Investment by Security Types

<u>Description</u>	<u>Fair Value</u>	<u>Maturities in Years</u>	
		<u>Less than 1</u>	<u>1 to 5</u>
Government Money Market	\$ 35,608,739	\$ 35,608,739	\$ -
Federal Home Loan Bank Discount Notes	\$ 3,428,238,422	\$ 3,428,238,422	\$ -
Commercial Paper	\$ 587,009,858	\$ 587,009,858	\$ -
United States Treasuries	\$ 398,624,854	\$ 25,075,936	\$ 373,548,918
Cash Equivalent and Investment	\$ 4,449,481,872	\$ 4,075,932,955	\$ 373,548,918
Cash	\$ 470,513		
Total Cash, Cash Equivalents and Investments	\$ 4,449,952,386	\$ 4,075,932,955	\$ 373,548,918

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

Board of Directors Meeting

October 1, 2025

Approval of List of Financially Responsible Insurers and Liquidity Agreement and Letter of Credit Providers

WHEREAS, in accordance with Section 2799-gg(2) of the New York City Transitional Finance Authority Act (the “Act”), the Authority expects from time to time to obtain credit or liquidity facilities and insurance facilities relating to bonds issued by the Authority; and

WHEREAS, the Board of Directors is required to make a determination that the parties to such agreements which will provide credit or liquidity support or insurance to the Authority’s bonds are “financially responsible parties” in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law; and

WHEREAS, the Board has determined that a credit or liquidity provider meeting the criteria set forth below shall be deemed to be a financially responsible party in compliance with Section 2799-gg(2) of the Act, it is therefore

RESOLVED, that the financial institutions listed on Schedule I hereto shall be deemed to be financially responsible parties in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law, with which the Authority expects it may, and its Officers are hereby authorized to, enter into agreements to provide credit or liquidity support or insurance during the next 12 months, provided that such repurchase obligation shall not exceed \$2 billion with respect to any single financial institution listed on Schedule I hereto except as otherwise provided therein; and

FURTHER RESOLVED, that a financial institution not listed on Schedule I but otherwise meeting the following criteria shall be deemed to be a financially responsible party in accordance with paragraph a and paragraphs c through g of Section 168.00 of the Local Finance Law, provided that such repurchase obligation shall not exceed \$1 billion with respect to such financial institution and:

- With respect to institutions providing letters of credit or insurance in connection with bonds, long-term credit ratings of such financial institution are provided by at least two of Standard & Poor’s Rating Services, Fitch, Inc., and Moody’s Investor’s Service, or their successors, and the long-term credit ratings of such financial institution are AA- or above by each of Standard & Poor’s Ratings Services and Fitch, Inc, or their successors, and Aa3 or above by Moody’s Investor’s Service, Inc., or its successor;

- With respect to institutions providing liquidity facilities, the short-term credit ratings of such financial institution are provided by at least two of Standard & Poor's Rating Services, Fitch, Inc., and Moody's Investor's Service, or their successors, and the short-term credit rating of such financial institution is A-1 or above by Standard & Poor's Ratings Services, or its successor, F1 by Fitch, Inc., or its successor, and P-1 by Moody's Investor's Services, Inc., or its successor; and
- In each case, such financial institution shall have capital of at least \$500 million dollars.

SCHEDULE I ¹

LIST OF FINANCIALLY RESPONSIBLE INSTITUTIONS WITH WHICH THE AUTHORITY EXPECTS IT MAY ENTER INTO CREDIT, LIQUIDITY OR INSURANCE FACILITIES DURING THE NEXT 12 MONTHS

Updated 10/1/25

Bank of America, N.A.
Bank of New York Mellon
Barclays Bank, PLC
BMO ~~Harris~~-Bank N.A.
~~Citibank, N.A.~~
JPMorgan Chase Bank, N.A.
Mizuho Bank, Ltd.
Morgan Stanley Bank, N.A.
~~MUFG Bank, Ltd~~
PNC Bank, National Association
Royal Bank of Canada
State Street Bank and Trust Company
Sumitomo Mitsui Banking Corporation
TD Bank, N.A.
Truist Bank
~~UBS AG U.S. Bank, N.A.~~
U.S. Bancorp
Wells Fargo Bank, N.A.

¹ Certain financial institutions were included in the Authority's determination of Financial Responsible Parties during previous periods. Agreements entered into pursuant to such previous authorizations may continue.