



**Homes and  
Community Renewal**

**2014**

**Fiscal Year  
Statutory Report**

**New York State Housing Finance Agency**

New York State Housing Finance Agency

Financial Statements

Fiscal Years Ended October 31, 2014 and 2013

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New York State Housing Finance Agency

PROJECT STATISTICS

As of October 31, 2014

**MORTGAGE AND OTHER LOANS FOR HOUSING PROJECTS**

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
<b>Affordable Housing Revenue Bond</b>				
188 Warburton Avenue	Westchester	51	\$ 13,400,000	\$ -
2240 Washington Avenue Residence	Bronx	80	14,250,000	200,000
3361 Third Avenue Apartments	Bronx	62	10,450,000	-
625 West 140th Street Apartments	New York	114	21,700,000	4,000,658
6469 Broadway	Bronx	85	13,200,000	-
774 West Main Street Apartments	Monroe	113	22,800,000	9,600,000 *
Abraham Lincoln Apartments	Monroe	69	3,950,000	921,832
Abyssinian Towers	New York	100	11,700,000	-
Adams Court	Nassau	84	9,130,000	2,853,429
Amsterdam Senior Housing	Montgomery	68	4,680,000	1,220,000
Artsbridge Senior Apartments	Bronx	61	13,650,000	750,000
Artspace Patchogue Apartments	Suffolk	45	9,100,000	1,884,823
Bayshore Apartments	Onondaga	186	7,900,000	2,992,500
Bedell Terrace Apartments	Nassau	245	22,390,000	6,013,033 *
Birches at Chambers	Ulster	67	7,600,000	2,826,312
Birches at Esopus	Ulster	81	8,600,000	2,299,585
Boston Road Apartments	Bronx	154	23,900,000	-
Braco-Linwood Preservation	Erie	295	26,450,000	2,700,000
Bridleside Apartments	Westchester	64	14,630,000	-
Brighton Towers	Onondaga	595	22,000,000	5,900,000
Bronx Park Phase I	Bronx	408	34,295,000	12,073,943
Bronx Park Phase II	Bronx	534	49,070,000	-
Bronx Park Phase III	Bronx	331	24,675,000	-
Brookdale Village	Queens	547	13,590,000	1,308,307
Brookside II Apartments	Ontario	88	6,500,000	2,762,271
Burnside Walton	Bronx	88	15,900,000	720,000
CABS Senior Housing	Kings	110	12,835,000	-
Calkins Corner Seniors	Monroe	60	9,000,000	-
CAMBA Gardens Phase II	Kings	292	49,350,000	-
Caring Communities	Kings	236	28,700,000	-
Cedar Avenue Apts	Bronx	106	26,900,000	3,268,308
Children's Village Residence	Westchester	112	1,580,000	3,000,000
Clinton-Mohawk Apartments	Oneida	140	5,460,000	871,540
Colon Plaza Apartments	New York	55	8,300,000	2,418,070
Colonial Square Apartments	Montgomery	199	8,500,000	3,100,000
Concern MacDougal Apartments	Kings	65	13,465,000	-
Cornerstone Senior Apartments	Kings	150	13,750,000	-
Cornerstone - Unity Park I Townhomes	Niagra	84	8,500,000	8,618,765
Creek Bend	Erie	129	6,870,000	4,750,000
Creston Avenue Residence	Bronx	65	11,400,000	-
David E. Podell House	New York	49	5,770,000	-
Enclave on 5th Apartments	Westchester	39	5,225,000	-
Farmington Senior Apartments	Ontario	88	6,650,000	6,558,095 *
F.I.G.H.T. Village Apartments	Monroe	246	11,705,000	2,886,374
Gananda Senior Apartments	Wayne	62	4,300,000	1,993,396
Genesis Neighborhood Plaza II	Kings	98	17,500,000	4,057,801
Goodwin Himrod Apartments	Kings	160	17,200,000	3,310,835
Grant Park Apartments	Westchester	100	22,500,000	6,400,000 *
Greater Hempstead Apartments	Nassau	99	18,250,000	-
Greenacres Apartments	Chautauqua	101	4,550,000	-
Hudson Arthouse	Rensselaer	80	10,000,000	-
Hughes House Apartments	Bronx	55	11,050,000	-
John Crawford Apartments	Sullivan	96	4,375,000	-
Loguen Homes	Onondaga	28	3,800,000	1,036,693
Los Sures Housing for the Elderly	Kings	55	6,850,000	-
Madison Plaza Apartments	Oneida	127	5,415,000	5,368,171 *

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Mariner Tower Apartments	Erie	292	\$ 20,700,000	\$ 2,800,000
Michelsen and Mills III	Monroe, Clinton, Delaware and Oswego	58	9,500,000	-
Mills At High Falls	Monroe	67	8,600,000	2,743,656
Montcalm Apartments	Warren	227	8,765,000	-
Norwood Terrace	Bronx	114	17,500,000	640,000
NY Rural Preservation	Saratoga and Washington	218	11,000,000	2,350,000
O'Neil Apartments	Rensselaer	122	6,400,000	1,700,000
Oak Creek Town Houses Project	Cayuga	149	7,900,000	-
Ogden Heights Senior Apartments	Monroe	89	6,790,000	5,270,000 *
Park Drive Manor I Apartments	Oneida	102	5,100,000	3,136,100
Parkside Commons	Onondaga	393	14,830,000	8,666,796 *
Pine Harbor Apartments (Harborview)	Erie	208	11,470,000	4,770,000 *
Pine Street Homes	Rockland	28	3,120,000	744,745
Pinnacle Place Apartments	Monroe	407	17,790,000	200,000
Public School 6 Apartments	Westchester	120	31,100,000	1,200,000
Ridgeview Special Needs Apartments	Monroe	64	5,300,000	2,022,343
River Park Towers Apartments	Bronx	1,650	157,500,000	8,500,000
Selfhelp Kissena Apartments	Queens	424	21,900,000	5,820,000 *
St. Joseph's Preservation	Chemung	66	4,200,000	-
St. Philips Senior Apartments	New York	200	22,615,000	3,966,997
St. Simon's Terrace	Monroe	256	7,800,000	5,195,373
Stonewood Village Apartments	Monroe	188	15,500,000	6,533,905 *
Surrey Carlton Apartments	Rockland	175	20,270,000	1,725,000
The Hamilton	Monroe	203	9,900,000	2,192,870
The Gardens at Town Center Apartments	Monroe	175	15,500,000	1,800,000
The Lace Factory Apartments	Ulster	55	9,000,000	3,900,000
The Mews at Baldwin Place	Westchester	75	11,000,000	430,000
The Orenstein Building Apartments	New York	127	27,400,000	-
Tri Veterans Housing	Monroe	516	30,460,000	5,135,193
Washington Avenue Apartments	Bronx	118	18,200,000	2,256,217
Wesley Hall	Westchester	118	9,545,000	3,827,442
Westfall Heights Apartments	Monroe	101	5,650,000	500,329
Wilcox Lane Apartments	Ontario	120	3,140,000	2,164,757
Willoughby Court Apartments	Kings	266	23,445,000	-
Winbrook Phase I Apartments	Westchester	103	25,000,000	3,000,000
Wincoram Commons II	Suffolk	77	13,500,000	-
Woodlands and Barkley Apartments	Sullivan	111	6,500,000	2,169,290
Woodstock Manor Apartments	Westchester	60	6,550,000	582,200
Wyandanch Apartments	Suffolk	86	24,250,000	-
Yonkers Apartments	Westchester	129	19,260,000	1,595,000
<b>Total</b>		<b>15,958</b>	<b>\$ 1,479,210,000</b>	<b>\$ 216,202,954</b>

\* The subsidy loan commitment for these loans was funded through a onetime federal program - the Tax Credit Assistance Program ("TCAP") - authorized by the American Recovery and Reinvestment Act of 2009, through which funds were made available to assist affordable housing developments.

#### Affordable Housing Revenue Bond - NIBP

25 State Street Apartments	Westchester	50	\$ 8,760,000	\$ 2,853,028
Bradmar Village	Chautauqua	99	8,320,000	2,140,000
Burt Farms II Apartments	Orange	50	3,350,000	-
CAMBA Gardens Apartments	Kings	209	34,060,000	-
Ennis Francis House	New York	219	38,565,000	-
Erie Harbor Apartments	Monroe	131	18,390,000	3,103,480
Fairway Richmond	Richmond	217	23,500,000	-
Gateway Gardens Villas	Suffolk	40	6,000,000	-
Geneseo Highlands Apartments	Livingston	89	4,950,000	-
Grote Street Apartments	Bronx	249	22,270,000	831,005
HANAC Senior Apartments	Queens	99	12,100,000	-
Heritage Homes Apartments	Westchester	130	18,390,000	3,063,735
James Street Apartments	Onondaga	82	8,775,000	850,000
Kennedy Plaza Tower Apartments	Oneida	204	10,780,000	-
Liberty Green III Apartments	Orange	83	7,870,000	3,735,905

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Machackemach Village Apartments	Orange	50	\$ 2,310,000	\$ -
Monteagle	Niagara	149	5,720,000	1,986,386
North Country Rural Preservation Apartments	St. Lawrence, Franklin and Jefferson	254	14,390,000	-
Phillips Village II	Monroe	497	27,050,000	2,750,538
Pine Town Apartments	Nassau	130	19,650,000	-
Radisson Lysabder Greenway Apartments	Onondaga	207	12,790,000	2,990,000
Roundtop Commons Apartments	Westchester	92	15,500,000	1,501,233
Spring Valley Apartments	Rockland	55	8,400,000	1,446,013
Towpath Senior	Wayne	97	5,430,000	1,056,097
Twin Oaks Apartments	Nassau	94	15,610,000	3,400,000
Twin Parks Apartments	Bronx	274	25,550,000	-
Village Square Apartments	Steuben	74	3,450,000	362,000
Wartberg Marie Heins Residence (Friedrichs Supportive)	Westchester	61	8,600,000	500,000
Warburton Riverview Apartments	Westchester	92	16,200,000	2,822,641
		<b>4,077</b>	<b>\$ 406,730,000</b>	<b>\$ 35,392,061</b>

### Multi-Family Housing Revenue

#### (Secured Mortgage Program)

244 North Main Street	Spring Valley	95	\$ 4,400,000	\$ -
Airmont Gardens Apartments	Airmont	140	12,000,000	1,201,183
Berkeley Square Apartments	Wappingers Falls	150	9,500,000	-
Brookview Gardens	Deer Park	208	14,400,000	1,638,561
Community Re-Entry Project	Middletown	26	1,000,000	189,500
Evergreen Hills Apartment	Macedon	72	1,700,000	-
Meadow Ridge Apartments	Beacon	54	4,600,000	769,796
Patchogue Senior Apartments I	East Patchogue	87	6,415,000	700,000
Senior Horizons at Silver Lake	Wallkill	85	4,500,000	830,000
Stuyvesant Hotel Conversion Project	Kingston	40	1,245,000	-
Sycamore Crest Apartments	Spring Valley	96	7,000,000	2,200,000
Webster Place Apartments	Bronx	69	6,500,000	1,538,575
Woodland Place Apartments	Lancaster	86	3,500,000	800,000
<b>Total</b>		<b>1,208</b>	<b>\$ 76,760,000</b>	<b>\$ 9,867,615</b>

#### Secured Loan Program

8 East 102nd Street Apartments	Manhattan	232	\$ 143,700,000	\$ -
10 Barclay Street Housing	Manhattan	396	135,000,000	-
10 Liberty Street Housing	Manhattan	287	95,000,000	-
11th Street	Queens	59	21,000,000	-
100 Maiden Lane Housing	Manhattan	336	98,000,000	-
101 West End Avenue Housing	Manhattan	507	126,000,000	-
111 Nassau Street	Manhattan	168	71,500,000	-
125 West 31st Street Housing	Manhattan	459	176,800,000	-
149 Kent Avenue	Brooklyn	164	78,000,000	-
150 East 44th Street Housing	Manhattan	361	110,000,000	-
1500 Lexington Avenue Housing	Manhattan	211	50,000,000	-
1501 Lexington Avenue Housing	Manhattan	160	35,600,000	-
160 Madison Avenue	Manhattan	318	210,000,000	-
160 West 62nd Street	Manhattan	339	260,000,000	-
175 West 60th Street	Manhattan	257	165,000,000	-
188 Ludlow Street Housing	Manhattan	243	83,000,000	-
2180 Broadway Housing	Manhattan	181	123,620,000	-
20 River Terrace Housing	Manhattan	293	116,500,000	-
240 East 39th Street Housing	Manhattan	466	119,000,000	-
25 Washington Street Housing	Brooklyn	106	19,700,000	-
250 West 50th Street Housing	Manhattan	550	118,900,000	-
250 West 93rd Street Housing	Manhattan	143	66,800,000	-
29 Flatbush Avenue Housing	Brooklyn	327	90,000,000	-
316 Eleventh Avenue Housing	Manhattan	369	224,100,000	-
320 West 38th Street	Manhattan	569	260,000,000	-
330 Riverdale Avenue Apartments	Yonkers	153	28,700,000	6,387,089
330 West 39th Street Housing	Manhattan	199	65,000,000	-

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
345 East 94th Street Housing	Manhattan	208	\$ 49,300,000	\$ -
350 West 43rd Street Housing	Manhattan	321	113,000,000	-
360 West 43rd Street Housing	Manhattan	256	82,000,000	-
363 West 30th Street Housing	Manhattan	77	17,700,000	-
388 Bridge Street	Brooklyn	234	86,000,000 †	-
455 West 37th Street Housing	Manhattan	394	168,000,000	-
44th Drive Apartments	Queens	105	24,500,000	-
505 West 37th Street Housing	Manhattan	835	454,000,000	-
55 West 25th Street Housing	Manhattan	407	173,300,000	-
600 West 42nd Street Housing	Manhattan	1,169	609,000,000	-
605 West 42nd Street	Manhattan	1,174	459,000,000	-
606 West 57th Street	Manhattan	1,028	30,000,000	-
625 West 57th Street	Manhattan	567	407,000,000	-
626 Flatbush Avenue Housing	Brooklyn	254	71,265,000	-
66 West 38th Street Housing	Manhattan	374	119,700,000	-
750 Sixth Avenue Housing	Manhattan	301	76,600,000	-
80 Dekalb Avenue	Brooklyn	365	159,260,000	-
855 Sixth Avenue	Manhattan	300	187,000,000 †	-
88 Leonard Street Housing	Manhattan	352	132,000,000	-
900 Eighth Avenue Apartments Housing	Manhattan	393	135,000,000	-
Admiral Halsey Senior Apartments Housing Rental	Poughkeepsie	119	6,650,000	3,920,000
Archstone Westbury Apartments Housing	Westbury	396	85,200,000	-
Avalon Bowery Place I Housing	Manhattan	206	93,800,000	-
Avalon Chrystie Place I Housing	Manhattan	361	117,000,000	-
Baisley Park Housing	Queens	212	18,800,000	-
Biltmore Tower Housing	Manhattan	464	145,000,000	-
Cannon Street Senior Apartments	Poughkeepsie	40	3,350,000	295,360
Chelsea Apartments Housing	Manhattan	269	104,000,000	-
Chelsea Arms Housing	Manhattan	98	18,000,000	-
Clinton Green North Housing	Manhattan	339	147,000,000	-
Clinton Green South Housing	Manhattan	288	121,500,000	-
Clinton Park Housing	Manhattan	222	70,000,000	-
Clinton Park Phase II	Manhattan	480	145,000,000	-
College Arms Apartments	Mount Pleasant	164	11,390,000	-
Crotona Estates Apartments	Bronx	56	3,845,000	93,021
Division Street Multi-Family Housing	Hastings-on-Hudso	14	2,600,000	350,000
Dock Street Apartments Housing	Brooklyn	289	100,500,000	-
East 84th Street Housing	Manhattan	180	60,000,000	-
Extra Place Apartments	Manhattan	42	6,225,000	-
Framark Place Apartments	Victor	50	2,750,000	1,331,907
Friendship House Apartments	Cortland	101	2,840,000	-
Gateway at New Cassel Housing	North Hempstead	57	9,500,000	2,213,559
Golden Age Apartments	Norwich	100	2,800,000	-
Gotham West Housing	Manhattan	1,237	520,000,000	-
Grace Towers Housing	Westchester	133	19,900,000	4,542,967
Highland Avenue Senior Apartments	Yonkers	88	10,370,000	2,318,000
Historic Front Street Housing	Manhattan	96	46,300,000	-
Horizons at Fishkill Apartments	Fishkill	90	6,975,000	2,250,000
Horizons at Wawayanda Housing	Orange	107	12,100,000	4,102,275
Jackson Avenue	Queens	98	32,380,000	-
Keeler Park Apartments Housing	Rochester	525	17,900,000	-
Kensico Terrace Apartments	White Plains	42	7,080,000	1,048,060
Kew Gardens Hills Housing	Queens	388	87,000,000	-
Maestro West	Manhattan	375	165,000,000	-
Nathan Hale Senior Village Housing	Lynbrook	126	5,745,000	-
Navy Pier Court	Staten Island	571	23,700,000 †	-
Normandie Court II	Manhattan	383	56,100,000	-
North End Avenue Housing	Manhattan	253	102,200,000	-
North Street Y Senior Apartments	Buffalo	64	3,900,000	1,415,000
Park Drive Manor II Apartments	Rome	168	6,640,000	-
Parkledge Apartments Housing	Yonkers	311	39,000,000	-
Prospect Plaza Apartments Housing	Brooklyn	151	23,300,000	4,386,283

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Related - 205 East 92nd Street	Manhattan	186	\$ 120,000,000 †	-
Related - 42th Street & 10th Avenue	Manhattan	590	350,000,000	-
Related - Capitol Green Apartments Housing	Albany	308	16,500,000	-
Related - Caroline Apartments	Manhattan	126	16,900,000	-
Related - Clarkston Maplewood Gardens	Rockland	51	4,085,000	-
Related - East 39th Street Housing	Manhattan	254	75,500,000	-
Related - McCarthy Manor Apartments Housing	Syracuse	176	6,800,000	-
Related - Ocean Park Apartments Housing	Queens	602	39,000,000	-
Related - Overlook Apartments	Middletown	100	5,400,000	-
Related - Taconic West 17th Street Housing	Manhattan	288	126,000,000	-
Related - Tribeca Green Housing	Manhattan	274	110,000,000	-
Related - Warren Knolls Apartments Housing	Haverstraw	97	6,700,000	-
Related - West 20th Street Housing	Manhattan	254	88,000,000	-
Related - West 23rd Street Housing	Manhattan	313	110,000,000	-
Related - West 29th Street Housing	Manhattan	139	45,000,000	-
Related - West 30th Street Housing	Manhattan	385	188,400,000 †	-
Related - West Haverstraw Senior Citizen Apartments Housing	West Haverstraw	100	6,700,000	-
Related - Weyant Green Apartments Housing	Highfalls	51	3,800,000	785,000
Remeeder Houses	Brooklyn	260	18,900,000	-
Reverend Polite Avenue Apartments Housing	Bronx	161	16,000,000	-
Rip Van Winkle House Housing	Poughkeepsie	179	11,500,000	-
Riverside Center 2 Housing	Manhattan	616	275,000,000	-
Saville Housing	Manhattan	229	55,000,000	-
Sea Park East Housing	Brooklyn	332	18,700,000	-
Sea Park West Housing	Brooklyn	362	22,900,000	-
Shore Hill	Brooklyn	559	39,000,000	-
South Cove Plaza Housing	Manhattan	208	34,900,000	-
St. Philips Housing	Manhattan	260	16,250,000	740,000
Tall Oaks Apartments	Middletown	150	5,930,000	-
Talleyrand Crescent Housing	Tarrytown	300	36,500,000	-
Terrace Gardens Housing	Richmond	198	27,020,000	-
The Helena Housing	Manhattan	597	143,000,000	-
The Northfield Apartments Housing	Perinton	69	4,990,000	2,190,511
The Victory Housing	Manhattan	417	120,000,000	-
Theatre Row Tower Housing	Manhattan	264	74,800,000	-
Tiffany Gardens Apartments	Bronx	105	9,880,000	875,430
Tower 31 Housing	Manhattan	283	93,800,000	-
Tribeca Landing Housing	Manhattan	340	64,400,000	-
Tribeca Park Housing	Manhattan	396	84,000,000	-
Tri-Senior Housing	Brooklyn	203	15,200,000	-
Union Square South Housing	Manhattan	240	49,000,000	-
Walnut Hill Apartments	Haverstraw	180	10,030,000	-
Washington Apartments Housing	Buffalo	82	4,165,000	2,390,209
Watergate II Apartments Housing	Buffalo	195	7,800,000	-
West 33rd Street Housing	Manhattan	168	50,700,000	-
West 37th Street Housing	Manhattan	207	94,500,000	-
West Village Apartments	Tompkins	235	9,700,000	5,152,914
Worth Street Housing	Manhattan	330	113,900,000	-
<b>Total</b>		<b>39,139</b>	<b>\$ 11,954,135,000</b>	<b>\$ 46,787,585</b>
† In connection with the making of the mortgage loan for the projects, the amount shown excludes amounts to be advanced from mortgage participations.				
<b>Non-Profit Housing Program</b>				
Findlay House	Bronx	227	\$ 1,145,000	-
<b>Housing Project Bonds</b>				
Simeon DeWitt Apartments	Oswego	130	\$ 4,180,000	-
Towpath Towers	Fulton	121	3,490,000	-
<b>Total</b>		<b>251</b>	<b>\$ 7,670,000</b>	<b>-</b>

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
<b>Housing Project Mortgage Revenue</b>				
Baptist Manor	Buffalo	128	\$ 3,785,000	
Clinton Plaza	Syracuse	305	8,495,000	
Fort Schuyler House	Bronx	143	4,005,000	
Mayfield Apartments	Potsdam	153	3,705,000	
Regina Pacis	Brooklyn	167	5,615,000	
Stuypark House	Brooklyn	103	3,605,000	
<b>Total</b>		<b>999</b>	<b>\$ 29,210,000</b>	
<b>Multi-Family FHA-Insured Housing</b>				
Diamond Rock	Troy	81	\$ 2,397,500	
<b>FHA-Insured Multi-Family Housing</b>				
Cedarwood Towers	Rochester	206	\$ 8,010,000	\$ -
Jonas Bronck Apartments	Bronx	215	4,470,000	675,000
Senior Horizons at Newburgh	Newburgh	70	3,290,000	400,000
Terrace Pines Apartments	Ballston	192	4,800,000	-
The Mill at Saugerties	Saugerties	90	1,000,000	595,433
<b>Total</b>		<b>773</b>	<b>\$ 21,570,000</b>	<b>\$ 1,670,433</b>
<b>Multi-Family Housing Revenue (Fannie Mae-Backed)</b>				
Jefferson Woods Apartments	Yorktown	90	\$ 3,169,097	-
<b>Transitional Housing Project Revenue</b>				
Children's Rescue Fund	Bronx	65	\$ 10,660,000	-
<b>Taxable Mortgage Initiative</b>				
Bronx Care	Bronx	52	\$ -	\$ 1,050,000
Forrest Pointe Apartments	East Greenbush	104	-	2,600,000
Old Brookside I Apartments	Ontario	64	1,347,748	1,392,000
Prospect Heights Apartments	Nassau	50	3,158,000	-
Village Green Apartments	Glens Falls	136	3,430,000	1,935,871
Westview Apartments	Saratoga	105	3,650,000	633,750
<b>Total</b>		<b>511</b>	<b>\$ 11,585,748</b>	<b>\$ 7,611,621</b>
<b>Subsidy Loans/ Other Subordinate Loans - No Agency</b>				
<b>First Mortgage</b>				
902 Liberty Avenue	Brooklyn	47	\$	1,400,000
Allen By the Bay Senior Housing	Queens	65		1,146,601
Andrews House Project	Manhattan	146		581,000
Brighton Towers	Brooklyn	600		1,210,000
Bloomfield Meadows Apartments	Bloomfield	24		400,000
Bristow-Stebbins Apartments	Bronx	80		994,236
Carnes McKinney Apartments	Bronx	111		275,000
Champlain Family Housing	Rouses Point	56		125,000
Concourse Flatiron Apartments	Bronx	44		835,000
Croton Heights Apartments	Westchester	60		900,000
Dorothy Ross Friedman Residence	Manhattan	97		2,246,000
Fairport Apartments	Fairport	105		625,000
Greene Park Arms	Brooklyn	84		560,000
Hegeman Residence Apartments	Brooklyn	161		910,209
Hotel Seneca	Geneva	51		635,000
Howard Beach Senior Apartments	Queens	96		4,188,000
Inwood Heights	Manhattan	207		1,500,000
Lakeview Family Homes	Buffalo	154		1,000,000
Lakeview Senior Homes	Buffalo	138		2,300,000
Lisle Avenue	Broome	8		238,018
Marien-Heim Towers	Brooklyn	182		200,000
McGraw House	Ithaca	106		2,900,000
Pastures Preservation	Albany	101		512,826
Rochester Manor	Brooklyn	96		60,960
Rolling Green Estates	Syracuse	394		1,305,500



Project	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Shiloh Senior Housing Apartments	Westchester	40	\$	35,871
Spring Manor Apartments	Poughkeepsie	88		1,406,588
St. Mary's Commons Senior Apartments	Buffalo	100		1,119,709
St. Michaels Windmill Apartments	Suffolk	40		334,819
Sutter Houses	Brooklyn	120		88,000
Trinity Towers	Buffalo	88		1,412,000
Waterville Schoolhouse Apartments	Waterville	56		115,000
Woodbrook Houses	Cayuga	150		2,349,715
Woodcreek Apartments	Rome	192		5,680,350
Woodrow Wilson Homes	Montgomery	100		5,363,235
<b>Total</b>		<b>974</b>	<b>\$</b>	<b>44,953,637</b>

**Agri-Business Child Development Day Care Center Facilities Pilot Program**

Grace's Place	Orleans	90	\$	1,000,000
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**Manufactured Home Cooperative Fund Program**

Bush Gardens	Erie	154	\$	2,600,000
Champion Homes, Inc.	Onondaga	172		2,650,000
Cobblestone Creek/Clarkson Estates, Inc.	Monroe	27		420,000
Greenhurst Village, Inc.	Jamestown	79		1,415,680
Hidden Brooks Estates V	Dutchess	115		1,444,045
Hidden Meadows Cooperative Corp.	Geneseo	100		1,573,100
Maple Ridge/Greenridge Cooperative Community Corporation	Monroe	76		1,293,000
Meadow Valley	Otsego	54		600,000
Ogden Lane Cooperative Corp.	Ulster	15		361,890
Parkview Community, Inc.	Suffolk	47		1,620,400
Ridley Road	Erie	8		118,750
Three Mile Harbor Mobile Home Park, Inc.	Suffolk	16		500,000
Venture Lake Estates	Hyde Park	44		2,000,000
<b>Total</b>		<b>907</b>	<b>\$</b>	<b>16,596,865</b>

**MORTGAGE LOANS FOR NURSING HOME PROJECTS**

**Nursing Home and Health Care**

Bezalel	Queens	120	\$	3,515,000
CABS	Kings	160		6,055,000
Gloversville Extended Care	Fulton	84		2,315,000
Greater Harlem Health Related	Manhattan	200		7,625,000
<b>Total</b>		<b>564</b>	<b>\$</b>	<b>19,510,000</b>

**COMMUNITY RELATED FACILITIES**

Project	Location	Type of Facility	Estimated Cost
<b>Mortgage Loans for Community Mental Health Services and Mental Retardation Services Projects</b>			
Brooklyn Rehabilitation Campus	Kings	Mental Retardation	\$ 4,266,000
The Charles A. Mastronardi Center for Mental Retardation	Kings	Mental Retardation	421,000
Jefferson County A.R.C. Training Center	Jefferson	Mental Retardation	661,199
Rehabilitation Services Center of United Cerebral Palsy of Queens	Queens	Mental Health and Retardation	789,306
Steinberg Vocational Training Center	Nassau	Mental Retardation	1,371,000
<b>Total</b>			<b>\$ 7,508,505</b>

Project	Location	No. of Apts.	Mortgage Commitment
<b>Mortgage Loans for Youth Facilities Projects</b>			
Edenwald Residential Child Care Facility	Westchester	96	\$ 7,193,734
Mount Vernon Day Care Center	Westchester	140	675,000
Queens Daughters Day Care Center	Westchester	145	832,000
Wyandanch Day Care Center	Suffolk	170	911,000
<b>Total</b>		<b>551</b>	<b>\$ 9,611,734</b>

# SUMMARY OF FINANCING AND REPAYMENT

## Long-Term Financing and Debt Service Repayments

(cumulative through October 31, 2014)

Program	Number of Issues	Total Amount Issued	Debt Service Repayments	
			Principal	Interest
(\$ in thousands)				
<b>Bonds</b>				
General Housing Loan	7	\$ 385,729	\$ 385,729	\$ 381,558
Non-Profit Housing Project	7	636,200	632,120	1,126,331
Urban Rental Housing	5	514,835	514,835	653,817
Revenue Bonds (Section 8 Assisted)				
Insured Mortgages	3	18,320	18,320	18,057
Revenue Bonds (Section 8 Assisted)				
Non-Insured Mortgages	6	50,360	50,360	36,266
Insured Mortgage Multi-Family				
Revenue Housing	4	87,235	87,235	111,496
Insured Multi-Family Mortgage				
Revenue Housing	2	94,600	94,600	95,359
Multi-Family Insured Mortgage				
Revenue Housing	6	54,325	54,325	62,737
Insured Multi-Family Mortgage Housing Revenue	5	188,970	188,970	127,944
FHA-Insured Multi-Family Housing Revenue	10	51,015	36,405	41,367
Multi-Family FHA-Insured Mortgage Housing Revenue	2	20,035	17,800	13,761
Fulton Manor FHA-Insured Mortgage Revenue	1	11,480	11,480	6,662
Housing Project Bonds	16	122,545	119,840	188,019
Secured Loan Rental Housing	379	13,465,102	3,112,373	2,383,249
Housing Project Mortgage Revenue	1	484,540	479,220	503,363
Affordable Housing Revenue	34	1,524,255	300,225	102,970
Affordable Housing Revenue				
(Federal New Issue Bond Program)	9	545,295	260,352	25,710
Revenue Bonds (Secured by				
HUD Section 236 Payments)	1	64,996	64,996	50,010
Hospital and Nursing Home Project	6	822,965	822,965	943,076
Hospital and Health Care Project Revenue	1	42,090	42,090	11,540
Nursing Home and Health Care Project Revenue	1	190,080	186,580	71,693
State University Construction	43	3,628,295	3,628,295	2,334,445
Special Obligation (State University)	3	179,330	179,330	—
Mental Hygiene Improvement	9	705,000	705,000	541,943
Health Facilities	4	508,385	508,385	492,095
Health Facilities Revenue	3	556,325	556,325	274,436
Special Obligation (Health Facilities)	2	228,405	228,405	—
Service Contract Revenue	43	2,536,331	2,335,671	943,167
State Personal Income Tax Revenue	15	1,161,855	632,410	315,167
House New York Revenue Bonds	1	46,440	9,420	408
<b>Total Bonds</b>	<b>629</b>	<b>\$ 28,925,338</b>	<b>\$ 16,264,061</b>	<b>\$ 11,856,646</b>
<b>Long-Term Notes</b>				
The Mount Sinai Hospital Project	1	\$ 41,490	\$ 41,490	\$ 32,195
<b>State Funds</b>				
Community Related and Other Loan Programs	5	\$ 31,814	\$ 31,814	\$ 23,542
Equity Loan	1	193	193	7
<b>Total State Funds</b>	<b>6</b>	<b>\$ 32,007</b>	<b>\$ 32,007</b>	<b>\$ 23,549</b>
<b>Grand Total</b>	<b>636</b>	<b>\$ 28,998,835</b>	<b>\$ 16,337,558</b>	<b>\$ 11,912,390</b>

## COMPARATIVE HIGHLIGHTS 2010-2014

Year Ended October 31,	2014	2013	2012	2011	2010
(in millions)					
<b>Assets and Bond Indebtedness</b>					
Loan Receivables	\$ 111,305	10,594	9,270	9,270	8,870
Total Assets	\$ 13,665	12,118	10,861	10,861	10,426
Bond and Note Indebtedness	\$ 12,673	11,280	10,156	10,156	9,737

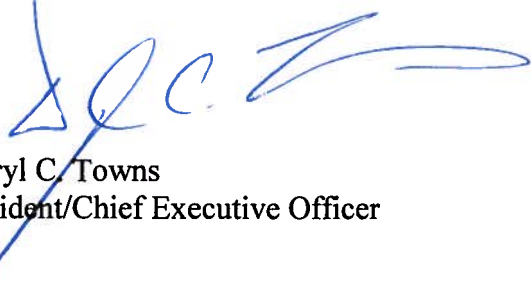
# **RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of the New York State Housing Finance Agency (the "Agency"), for the fiscal years ended October 31, 2014 and 2013, are the responsibility of management. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Agency maintains a system of internal control. The objectives of an internal control system are to provide reasonable assurance as to the protection of, and accountability for, assets; compliance with applicable laws and regulations; proper authorization and recording of transactions; and the reliability of financial records for preparing financial statements. The system of internal control is subject to periodic review by management and the internal audit staff.

The Agency's annual financial statements have been audited by Ernst & Young LLP, independent auditors appointed by the Members of the Agency. Management has made available to Ernst & Young LLP all the financial records and related data of the Agency and has provided access to all the minutes of the meetings of the Members of the Agency. The independent auditors periodically meet with the Members of the Agency.

The independent auditors conducted their audit in accordance with 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 of America. Those standards require that they plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. The audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, the independent auditors do not express an opinion on the effectiveness of the Agency's internal control over financial reporting. The audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The independent auditors' unmodified report expresses that the financial statements are presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.



Darryl C. Towns  
President/Chief Executive Officer



Sheila Robinson  
Senior Vice President/Chief Financial Officer

January 29, 2015



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## Report of Independent Auditors

Management and Members of the Board  
New York State Housing Finance Agency  
New York, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the New York State Housing Finance Agency (the Agency), a component unit of the State of New York, as of and for the years ended October 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of October 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that Management's Discussion and Analysis and the schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 auditing standards generally accepted in the United States, 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.

### **Supplementary and Other Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Supplementary Section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Supplementary Section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated January 29, 2015, on our consideration of the Agency'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 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 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 Agency's internal control over financial reporting and compliance.

*Ernst + Young LLP*

January 29, 2015

# NEW YORK STATE HOUSING FINANCE AGENCY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FISCAL YEARS ENDED OCTOBER 31, 2014 AND 2013

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#### Overview of the Financial Statements

The following is a narrative overview of the financial performance of the New York State Housing Finance Agency (the "Agency") for the fiscal years ended October 31, 2014 ("fiscal 2014") and October 31, 2013 ("fiscal 2013") with selected comparative information for the fiscal year ended October 31, 2012 ("fiscal 2012"). Please read this analysis in conjunction with the financial statements.

The annual financial statements consist of five parts: (1) management's discussion and analysis (this section); (2) the financial statements; (3) the notes to the financial statements; (4) required supplementary information and (5) the supplemental schedules that report programs of the Agency individually.

The Agency's financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

#### Management's Discussion and Analysis

- This section of the Agency's financial statements, Management's Discussion and Analysis (the "MD&A"), presents an overview of the Agency's financial performance during fiscal 2014 and fiscal 2013. It provides a discussion of financial highlights and an assessment of how the Agency's financial position has changed from the past years. It identifies the factors that, in management's view, significantly affected the Agency's overall financial position. It may contain opinions, assumptions or conclusions by the Agency's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements and other information described below.

#### The Financial Statements

- The "Statement of Net Position" provides information about the liquidity and solvency of the Agency by indicating the assets, deferred inflows and outflows, liabilities and net position.
- The "Statement of Revenues, Expenses and Changes in Net Position" accounts for all of the current year's revenues and expenses in order to measure the success of the Agency's operations over the past year. It can be used to determine how the Agency has funded its costs. By presenting the financial performance of the Agency, the change in net position is similar to net profit or loss for a business.
- The "Statement of Cash Flows" is presented on the direct method of reporting. It provides information about the Agency's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. Cash collections and payments are presented in this statement to arrive at the net increases or decreases in cash for each year.

#### The Notes to the Financial Statements

- The notes provide information that is essential to understanding the financial statements, such as the Agency's accounting methods and policies as well as providing information about the content of the financial statements.
- Details include contractual obligations, future commitments and contingencies of the Agency.
- Information is given regarding any other events or developing situations that could materially affect the Agency's financial position.

## **Required Supplementary Information (“RSI”)**

- The RSI presents the information regarding the Agency’s progress in funding its obligation to provide postemployment benefits other than pensions to its employees.

## **Supplementary Information**

- Presentations of the Agency’s financial information by program are listed in accordance with the requirements of the various bond resolutions.

## **Background**

The Agency was created as a public benefit corporation in 1960, under Article III of the Private Housing Finance Law, to finance low and moderate income housing, primarily through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. Since its inception, the Agency has issued over \$19.7 billion in bonds to finance low and moderate income housing. The Agency administers finance programs which, combined with other federal, state, and local resources, benefit the families and communities of New York State (the “State”).

During its 54 year history, the Agency’s mandate has been legislatively expanded to allow for the financing of housing which meets a variety of needs of the people of New York. As a result, the Agency is authorized to issue bonds to reimburse the State for appropriated expenditures for various housing capital programs.

The Agency and its corporate existence shall continue until terminated by law; provided, however that no such law shall take effect so long as the Agency has bonds, notes or other obligations outstanding.



## Financial Markets

The Agency operated in 2014 in a market continuing to recover from the great recession, with some notable signs of stability. The equity markets, consumer spending and employment all exhibited increases this year. At the same time treasury yields declined during the year, especially at the long end with 10 year and 30 year bonds declining by 83 and 117 bps respectively, the largest decline in ten years.

The municipal bond market was much improved from the prior year. Supply in the first half of the year was down significantly but issuance by year end totaled \$334 billion, up from the prior year and approximately 87% of the ten year average. Housing bonds continue to play a diminished role in the market, accounting for only 3.43% of total issuance. Credit concerns, so prevalent in 2013, also abated with Detroit, MI and Stockton, CA obtaining approval of their plans to exit bankruptcy, increased funding of pension obligations and state and local budgets improving. Also in contrast to 2013, investor demand increased with mutual fund assets up a net \$21 billion. As with the treasury market referenced above, municipal yields trended downward during the year, particularly at the long end with 30 year MMD ending at 2.86%, for a 134 basis point drop. Tax-exempt short terms rates also stayed near historic lows with SIFMA averaging .05%, compared to the already low ten year average of 1.29%.

Multifamily housing continued to be the bright spot in the housing market; nationally, multifamily housing starts were up approximately 15%. Rents in most markets continued their trend upward. That was also the case in New York City—although rents are increasing at a slower pace than they had several years ago. According to REIS, the average New York City asking rent in the 3<sup>rd</sup> quarter of 2014 was \$3,282 and the vacancy rate was 2.7%. Land and construction prices have increased significantly, making rental housing, especially affordable rental housing, difficult to achieve. In stronger New York City markets condo development far outpaces rental development. The New York Building Congress estimates that construction spending will total \$10.2 billion in 2014, up from \$6.8 billion the previous year. The impending expiration of the 421A tax abatement program in 2015 spurred stronger than usual demand from 80/20 developers in 2014; it is likely demand may abate in this sector until after that program is extended.

The dynamics in most upstate markets are considerably different, without the population growth or significant new construction activity seen in the downstate area. Therefore, much of the Agency's focus upstate is on the preservation of existing affordable housing, new construction projects linked to community development efforts or the adaptive reuse of non-residential buildings.

Commercial banks actively pursued construction lending opportunities in 2014. The Agency worked with a wide range of credit enhancement providers and private placement purchasers including two new participants: The Bank of China and Citizens Bank.

The Agency's bond offerings continued to benefit from strong investor interest and its group of Community Reinvestment Act ("CRA") motivated buyers who actively participate in the Agency's bond sales. This interest has complemented retail investor demand and has helped the Agency continue to achieve strong positive reception for its bond offerings.

## Bond Issuances and Mortgage Financings - Fiscal 2014

During fiscal 2014, the Agency issued bonds totaling \$1,653.4 million to finance 32 new projects that contain 9,076 housing units, of which 57% or 5,161 are set aside for low income households.

Details are as follows:

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Issued
<b>PROJECTS FINANCED UNDER INDIVIDUAL REVENUE BOND RESOLUTIONS</b>				
149 Kent Avenue	164	33	\$ 78,000,000 *	\$ 63,475,000
160 Madison Avenue	318	64	210,000,000	210,000,000
605 West 42nd Street	1,174	235	539,000,000 *	459,000,000
606 West 57th Street	1,028	226	380,000,000 *	30,000,000
625 West 57th Street	709	142	407,000,000 *	30,000,000
855 Sixth Avenue	375	75	260,000,000 *	152,000,000
Maestro West Chelsea	375	75	165,000,000 *	120,000,000
Navy Pier Court	571	115	100,000,000 †	23,700,000
Related 205 East 92nd Street	186	47	220,000,000 *	120,000,000
SUBTOTAL	<u>4,900</u>	<u>1,012</u>	<u>2,359,000,000</u>	<u>1,208,175,000</u>
<b>PROJECTS FINANCED UNDER THE AFFORDABLE HOUSING REVENUE BOND RESOLUTION**</b>				
188 Warburton Avenue Apartments	51	51	\$ 13,400,000	\$ 13,450,000
6469 Broadway Apartments	85	85	13,200,000	13,240,000
ArtsBridge Senior Apartments	61	61	13,650,000	13,650,000
Braco-Linwood Preservation	295	295	26,450,000	26,655,000
Brighton Towers	595	595	22,000,000	22,160,000
Bronx Park Phase I	408	408	34,295,000	34,295,000
Bronx Park Phase II	534	534	49,070,000	49,070,000
Bronx Park Phase III	331	331	24,675,000	24,675,000
Burnside Walton Apartments	88	88	15,900,000	15,945,000
CABS Senior Housing	110	110	12,835,000	12,910,000
CAMBA Gardens Phase II	292	292	49,350,000	49,545,000
Caring Communities	236	233	28,700,000	28,840,000
Cornerstone-Unity Park I Townhomes	84	84	8,500,000	8,510,000
Hudson Art House Lofts	80	80	10,000,000	10,050,000
Michelsen & Mills III	58	58	9,500,000	9,510,000
New York Rural Preservation	218	218	11,000,000	11,045,000
Norwood Terrace	114	114	17,500,000	17,530,000
Oak Creek Town Homes	149	149	7,900,000	7,935,000
St. Joseph's Preservation	66	66	4,200,000	4,205,000
The Lace Factory Apartments	55	55	9,000,000	9,020,000
Winbrook Phase I Apartments	103	103	25,000,000	25,095,000
Wincoram Commons II	77	77	13,500,000	13,585,000
Wyandanch Apartments	86	62	24,250,000	24,345,000
SUBTOTAL	<u>4,176</u>	<u>4,149</u>	<u>443,875,000</u>	<u>445,265,000</u>
<b>GRAND TOTAL</b>	<u><b>9,076</b></u>	<u><b>5,161</b></u>	<u><b>\$ 2,802,875,000</b></u>	<u><b>\$ 1,653,440,000</b></u>

\* In connection with the making of the mortgage loan for these projects, the amount shown includes the funds to be available from additional bonds anticipated to be issued in fiscal year 2015, 2016 and/or 2017 by the Agency.

\*\* The amount shown as "Bonds Issued" under this resolution includes the allocable portion of a debt service reserve fund.

† In connection with the making of the mortgage loan for this project, the amount shown includes the mortgage participation amount.

The Agency issued an additional \$252.1 million in bonds to finance four projects under a multi-year program.

Project Name	Bonds Issued Under Multi- Year Programs
Riverside Center 2	\$ 122,800,000
175 West 60th Street	105,000,000
44th Drive Apartments	4,020,000
626 Flatbush Avenue	20,325,000
	<u>\$ 252,145,000</u>

The Agency issued \$260.0 million in bonds to refund a Series of bonds previously issued. This series was privately placed with Wells Fargo.

Project Name	Amount
320 West 38th Street	\$ 260,000,000
	<u>\$ 260,000,000</u>

The Agency privately placed 2 projects totaling \$325.0 million with Wells Fargo.

Project Name	Amount
330 West 39th Street	\$ 65,000,000
160 West 62nd Street	260,000,000
	<u>\$ 325,000,000</u>

## Bond Issuances and Mortgage Financings - Fiscal 2013

During fiscal 2013, the Agency issued bonds totaling \$968.3 million to finance 27 new projects that contain 5,919 housing units, of which 83% or 4,905 are set aside for low income households.

Details are as follows:

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Issued
<b><u>PROJECTS FINANCED UNDER INDIVIDUAL REVENUE BOND RESOLUTIONS</u></b>				
44th Drive Apartments	105	21	\$ 28,520,000 *	\$ 24,500,000
626 Flatbush Avenue Housing	254	51	71,265,000 *	50,940,000
Dock Street Apartments Housing	289	51	103,200,000 *	103,200,000
Related West 29th Street	139	139	45,000,000	45,000,000
Riverside Center 2 Apartments	616	127	275,000,000 *	275,000,000
Terrace Gardens Housing	198	198	27,020,000	27,020,000
SUBTOTAL	<u>1,601</u>	<u>587</u>	<u>550,005,000</u>	<u>525,660,000</u>
<b><u>PROJECTS FINANCED UNDER THE AFFORDABLE HOUSING REVENUE BOND RESOLUTION**</u></b>				
3361 Third Avenue Apartments	62	62	\$ 10,450,000	\$ 10,485,000
Abraham Lincoln Apartments	69	69	3,950,000	3,975,000
Amsterdam Senior Housing	68	68	4,680,000	4,710,000
Boston Road Apartments	154	154	23,900,000	23,960,000
Bridleside Apartments	64	64	14,630,000	14,685,000
Calkins Corner Seniors	60	60	9,000,000	9,000,000
Colonial Square Apartments	199	199	8,500,000	8,570,000
Cornerstone Senior Apartments	150	150	13,750,000	13,855,000
Creston Avenue Residence	65	65	11,400,000	11,430,000
Enclave on 5th Apartments	39	39	5,225,000	5,255,000
Greater Hempstead	99	99	18,250,000	18,340,000
Los Sures Housing for the Elderly	55	55	6,850,000	6,905,000
Mariner Tower Apartments	292	292	20,700,000	20,820,000
O'Neil Apartments	122	122	6,400,000	6,455,000
Pinnacle Place Apartments	407	407	17,790,000	17,995,000
Public School 6 Apartments	120	120	31,100,000	31,185,000
River Park Tower Apartments	1,650	1,650	157,500,000	157,500,000
The Gardens At Town Center Apartments	175	175	15,500,000	15,635,000
The Mews at Baldwin Place Phase II	75	75	11,000,000	11,075,000
The Orenstein Building Apartments	127	127	27,400,000	27,400,000
Willoughby Court Apartments	266	266	23,445,000	23,445,000
SUBTOTAL	<u>4,318</u>	<u>4,318</u>	<u>441,420,000</u>	<u>442,680,000</u>
<b>GRAND TOTAL</b>	<b><u>5,919</u></b>	<b><u>4,905</u></b>	<b><u>\$ 991,425,000</u></b>	<b><u>\$ 968,340,000</u></b>

\* In connection with the making of the mortgage loan for these projects, the amount shown includes the funds to be available from additional bonds anticipated to be issued in fiscal year 2013 and 2014 by the Agency.

\*\* The amount shown as "Bonds Issued" under this resolution includes the allocable portion of a debt service reserve fund.

The Agency issued an additional \$102.2 million in bonds to finance one project under a multi-year program and one project under a Revenue Bond Resolution previously issued:

Project Name	Bonds Issued Under Multi- Year Programs
Related West 30th Street	\$ 53,200,000
Gotham West	40,000,000
175 West 60th Street	9,000,000
	<u>\$ 102,200,000</u>

The Agency issued an additional \$46.4 million in bonds to fund the acquisition of the Mitchell Lama portfolio of mortgages and loans previously held by the Empire State Development Corporation (“ESD”).

The Agency had five credit substitutions whereby the short term letters of credit were substituted with either Freddie Mac or Helaba Bank, N.A. credit enhancement:

Project Name	Amount
Related 42nd & 10th Avenue	\$ 320,000,000
80 Dekalb Avenue	104,000,000
455 West 37th Street	144,700,000
505 West 37th Street	374,400,000
Clinton Park I	70,000,000
	<u>\$ 1,013,100,000</u>

## Condensed Financial Information

### NEW YORK STATE HOUSING FINANCE AGENCY

#### Statements of Net Position (in thousands)

	October 31,			% Change	
	2014	2013	2012	2014-2013	2013-2012
<b>Assets:</b>					
Cash	\$ 176,531	\$ 156,082	\$ 127,114	13%	23%
Mortgage loans receivable - net	11,280,185	10,594,239	9,840,951	6%	8%
Investments including accrued interest receivable	2,131,908	1,333,281	1,541,266	60%	(13%)
Other assets	51,978	34,138	18,323	52%	86%
<b>Total assets</b>	<b>13,640,602</b>	<b>12,117,740</b>	<b>11,527,654</b>	<b>13%</b>	<b>5%</b>
<b>Deferred outflows of resources:</b>					
Accumulated decrease in fair value of hedging derivatives	29,386	30,964	46,140	(5%)	(33%)
<b>Liabilities:</b>					
Bonds payable	12,673,215	11,280,031	10,801,562	12%	4%
Derivative instruments - interest rate swaps	29,386	30,964	46,140	(5%)	(33%)
Interest payable	31,089	27,033	24,903	15%	9%
Accounts payable	9,507	8,677	7,291	10%	19%
Amounts received in advance and other	283,592	236,499	226,747	20%	4%
Postemployment retirement benefits	43,123	40,472	36,617	7%	11%
<b>Total liabilities</b>	<b>13,069,912</b>	<b>11,623,676</b>	<b>11,143,260</b>	<b>12%</b>	<b>4%</b>
<b>Deferred inflows of resources:</b>					
Gain on defeasance - net	858	790	721	9%	10%
<b>Net position</b>	<b>\$ 599,218</b>	<b>\$ 524,238</b>	<b>\$ 429,813</b>	<b>14%</b>	<b>22%</b>

## Assets

### Mortgage Loans Receivable

As a result of continued strong lending activity, mortgage loans receivable increased by approximately \$685.9 million, or 6% from \$10.6 billion (87% of total assets) at October 31, 2013 to \$11.3 billion (83% of total assets) at October 31, 2014. This compares with an increase of approximately \$753 million, or 8% from \$9.8 billion (85% of total assets) at October 31, 2012 to \$10.6 billion (87% of total assets) at October 31, 2013 which resulted from strong lending activity and the acquisition of the State's aging Mitchell Lama mortgage portfolio in June 2013 (see note 3).

Mortgage loans receivable are presented net of the allowance for losses on loans related to: subordinate loans in the amounts of \$265.1 million, \$228.7 million and \$206.8 million at October 31, 2014, 2013 and 2012, respectively, and the allowance related to the acquisition of the Mitchell Lama mortgage portfolio, in fiscal 2013, in the amount of \$32.4 million at October 31, 2014 (\$47.6 million at October 31, 2013) and other programs in the amounts of \$7.8 million, \$8.2 million and \$8.8 million at October 31, 2014, 2013 and 2012, respectively.

### Cash and Investments

Restricted cash and investments are held principally by a bond trustee or a depository. These funds are held for the following purposes:

- Bond proceeds held to fund construction loans for projects with mortgage commitments remaining to be funded. Such funds are invested until disbursed to borrowers and constitute the largest portion of restricted investments held.
- As reserves for debt held under the specific requirements of bond resolutions.
- To fund debt service on bonds when such payments are due.
- Funds received from governmental entities to be disbursed to projects on whose behalf such funds were received.
- Escrow and reserve funds held for the benefit of the projects on whose behalf such funds were remitted.
- Funds available to be advanced for subsidy loans.

Unrestricted cash and investments are held principally by a bond trustee or a depository in the form of cash and investments. These assets are held to fund the operating costs of the Agency. When unrestricted funds are committed to be advanced as subsidy loans, the funds are transferred to restricted assets.

Primarily as a result of an increase in bond proceeds remaining on deposit at October 31, 2014, investments (including accrued interest receivable thereon) increased from \$1.3 billion in fiscal 2013 to \$2.1 billion in fiscal 2014, an increase of approximately \$799 million, or 60%, as compared with a decrease from \$1.5 billion in fiscal 2012 to \$1.3 billion in fiscal 2013, a decrease of approximately \$208 million, or 13%.

### Deferred Outflows of Resources

The Agency has entered into various derivative instruments contracts ("interest rate swaps") in order to manage risks associated with interest on its State Revenue Bond Program bond portfolio. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB No. 53"), the Agency recognizes the fair value of all derivative instruments as either an asset or liability on its statements of net position with the offsetting gains or losses recognized in earnings or as either

deferred inflows or outflows, if deemed an effective hedge (see note 9). For fiscal 2014, 2013 and 2012, all of the Agency's interest rate swaps were determined to be effective hedges. Therefore, the Agency recorded the amount of the fair values of these interest rate swaps along with a corresponding deferred outflow of resources.

Due to the continued rise in interest rates on interest rate swaps, the fair value of the interest rate swaps increased from \$31.0 million in fiscal 2013 to \$29.4 million in fiscal 2014, an increase of approximately \$1.6 million, or 5%, as compared with an increase in fair value from \$46.1 million in fiscal 2012 to \$31.0 million in fiscal 2013, an increase of approximately \$15.1 million, or 33%.

### **Other Assets**

Other assets increased from \$34.1 million at October 31, 2013 to \$52.0 million at October 31, 2014, an increase of approximately \$17.9 million, or 52%. This compares with the increase from \$18.3 million in fiscal 2012 to \$34.1 million in fiscal 2013, an increase of approximately \$15.8 million, or 86%.

The increases in fiscal 2014 and 2013 were primarily a result of a component of the Current Enacted Budget of the State (2014-2015 and 2013-2014), requiring certain transfers of moneys from the State of New York Mortgage Agency ("SONYMA") to other entities of the State, including the Agency. The amount of \$32.5 million transferred on November 18, 2014 is included in receivables within Other Assets as of October 31, 2014. The amount of \$17.5 million transferred on November 14, 2013 is included in receivables within Other Assets as of October 31, 2013. Such funds are used to rehabilitate certain housing projects in the Mitchell Lama mortgage portfolio.

### **Liabilities**

#### **Bonds Payable**

At approximately 97% of total liabilities in fiscal 2014, 2013 and 2012, bonds payable comprise the largest component of liabilities over the aforementioned periods. Funds generated by the sale of bonds are used to fund mortgage loans. The payments due on mortgage loans receivable, together with interest earnings, are used to fund the debt service payments due on bonds payable.

Bonds payable increased from \$11.3 billion at October 31, 2013 to \$12.7 billion at October 31, 2014, an increase of approximately \$1.4 billion, or 12%. This was a result of the activity during fiscal 2014 in which bonds were issued in the amount of approximately \$2.1 billion and retired or redeemed, in the amount of approximately \$731 million. This compares with the increase from \$10.8 billion in fiscal 2012 to \$11.3 billion in fiscal 2013 an increase of approximately \$500 million, or 4%.

#### **Interest Payable**

Primarily as a result of continued bond issuance activity and a slight rise in interest rates, interest payable increased from \$27.0 million at October 31, 2013 to \$31.1 million at October 31, 2014, an increase of approximately \$4.1 million, or 15%. This compares with the increase from \$24.9 million at October 31, 2012 to \$27.0 million at October 31, 2013, an increase of approximately \$2.1 million, or 9%.



## **Accounts Payable**

Accounts payable vary from year to year based on the timing of invoices received and the timing of payment on such invoices. Accounts payable increased from \$8.7 million in fiscal 2013 to \$9.5 million in fiscal 2014, an increase of approximately \$800 thousand, or 10%. This compares with the increase from \$7.3 million in fiscal 2012 to \$8.7 million in fiscal 2013, an increase of approximately \$1.4 million, or 19%.

## **Amounts Received in Advance and Other**

Amounts Received in Advance and Other increased from \$236.5 million in fiscal 2013 to \$283.6 million in fiscal 2014, an increase of approximately \$47.1 million, or 20%. This compares with the increase from \$226.7 million in fiscal 2012 to \$236.5 million in fiscal 2013, an increase of approximately \$9.8 million, or 4%. The increase in fiscal years 2014 and 2013 are primarily a result of amounts received from projects to fund bond redemptions, principal reserve fund payments and advance mortgage payments.

## **Postemployment Retirement Benefits**

The Agency provides certain group health care benefits to eligible retirees (and for eligible dependents and survivors of such retirees). The balance in postemployment retirement benefits represent the accumulated unfunded actuarial liability required to pay the cost to retirees. The accumulated amount of postemployment retirement benefits increased from \$40.5 million in fiscal 2013 to \$43.1 million in fiscal 2014, an increase of approximately \$2.6 million, or 7%. This compares with an increase from \$36.6 million in fiscal 2012 to \$40.5 million in fiscal 2013, an increase of approximately \$3.9 million, or 11%. The increase in fiscal 2014 is primarily due to lower the New York State Health Insurance Program ("NYSHIP") premiums and decreases in projected NYSHIP premiums, offset slightly by a change in the discount rate from 3.5% to 3.25%.

## NEW YORK STATE HOUSING FINANCE AGENCY

### Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	Fiscal Year Ended October 31,			% Change	
	2014	2013	2012	2014-2013	2013-2012
Operating revenues:					
Interest on mortgage loans	\$ 119,563	\$ 114,159	\$ 104,976	5%	9%
Investment income	3,543	4,549	5,971	(22%)	(24%)
Fees, charges and other	46,717	38,360	36,918	22%	4%
Recoveries	20,529	5,838	4,201	252%	39%
Total operating revenues	<u>190,352</u>	<u>162,906</u>	<u>152,066</u>	17%	7%
Operating expenses:					
Interest expense	93,046	94,308	93,768	(1%)	1%
Earnings on investments credited					
to mortgagors	593	1,483	1,348	(60%)	10%
Postemployment retirement benefits	3,477	4,651	4,568	(25%)	—
General expenses	19,481	16,342	15,774	19%	4%
Cost of issuance and other					
financial expenses	3,150	4,538	3,048	(31%)	49%
Unrealized (gain) loss on investments held	(14)	1,199	2,179	(101%)	(45%)
Supervising agency fee	11,082	10,531	10,130	5%	4%
Expenses related to federal and					
state grants	10,535	15,491	15,619	(32%)	(1%)
Allowances for losses on loans	19,531	69,380	27,697	(72%)	150%
Total operating expenses	<u>160,881</u>	<u>217,923</u>	<u>174,131</u>	(26%)	25%
Non-operating revenues (expenses):					
Transfers from Agencies of the					
State of New York	32,000	130,122	—	(75%)	N/A
Federal and state grants	10,535	15,491	15,619	(32%)	(1%)
Reserve funds received from					
(disbursed to) mortgagors	2,974	3,829	(394)	(22%)	1,072%
Net non-operating revenues	<u>45,509</u>	<u>149,442</u>	<u>15,225</u>	(70%)	882%
Net position:					
Increase (decrease) in net position	74,980	94,425	(6,840)	(21%)	1,480%
Total net position - beginning of fiscal year	524,238	429,813	436,653	22%	(2%)
Total net position - end of fiscal year	<u>\$ 599,218</u>	<u>\$ 524,238</u>	<u>\$ 429,813</u>	14%	22%

"—" indicates a percentage of less than 1%

## **Operating revenues**

### **Interest on Mortgage Loans**

Interest on mortgage loans increased from \$114.2 million in fiscal 2013 to \$119.6 million in fiscal 2014, an increase of approximately \$5.4 million, or 5%, as compared with an increase from \$105.0 million in fiscal 2012 to \$114.2 million in fiscal 2013, an increase of approximately \$9.2 million, or 9%. The increases were the result of strong lending activity and a slight rise in interest rates. Interest on mortgage loans represents the Agency's primary source of funds available to pay interest expense due on bonds payable.

### **Investment Income**

Primarily as a result of the fluctuations in interest rates, timing of bond sales and timing of the advance of mortgage funds, investment income decreased from \$4.5 million in fiscal 2013 to \$3.5 million in fiscal 2014, a decrease of approximately \$1.0 million, or 22%. This compares with a decrease from \$6.0 million in fiscal 2012 to \$4.5 million in fiscal 2013, a decrease of approximately \$1.5 million, or 24%.

### **Fees, Charges and Other**

Fees, charges and other represent monthly fees and charges payments due on mortgage loans, mortgage origination fees and other servicing fees. It also includes various one time payments due to the Agency, including public purpose fees due under certain conditions, in accordance with the terms of various Regulatory Agreements. As a result of increased mortgage closings and strong mortgage lending; fees, charges and other increased from \$38.4 million in fiscal 2013 to \$46.7 million in fiscal 2014, an increase of approximately \$8.3 million, or 22%. This compares with an increase from \$36.9 million in fiscal 2012 to \$38.4 million in fiscal 2013, an increase of approximately \$1.5 million, or 4%.

### **Recoveries**

Recoveries represent payments received relating to mortgages for which an allowance had previously been established. Primarily as a result of the refinancings of certain mortgages in the Mitchell Lama mortgage portfolio, the Agency received recovery amounts relating to loans for which an allowance had been established. Therefore, recoveries increased from \$5.8 million in 2013 to \$20.5 million in fiscal 2014, an increase of approximately \$14.7 million, or 252%. This compares with the increase from \$4.2 million in 2012 to \$5.8 million in fiscal 2013, an increase of approximately \$1.6 million, or 39%.

## **Operating expenses**

### **Earnings on Investments Credited to Mortgagors**

During the construction period, certain mortgages are credited with the earnings on unadvanced bond proceeds held in the construction financing accounts and the capitalized interest accounts. Fluctuations result from the timing of the granting of credits to mortgagors and interest earned on investments during the period. Earnings on investments credited to mortgagors decreased from \$1.5 million in fiscal 2013 to \$600 thousand in fiscal 2014, representing a decrease of approximately \$900 thousand, or 60%. This compares with an increase from \$1.3 million in fiscal 2012 to \$1.5 million in fiscal 2013, an increase of approximately \$200 thousand, or 10%.

## **General Expenses**

General expenses include certain administrative expenses in addition to other financial expenses. General expenses increased from \$16.3 million in fiscal 2013 to \$19.5 million in fiscal 2014, an increase of approximately \$3.2 million, or 19%, as compared with an increase from \$15.8 million in fiscal 2012 to \$16.3 million in fiscal 2013, an increase of approximately \$500 thousand, or 4%. The variations were primarily the result of salary fluctuations, other personal services costs and increased legal expenses.

## **Cost of Issuance and Other Financial Expenses**

Cost of issuance and other financial expenses represent the following: cost of issuance expenses, letter of credit fees and remarketing fees. Cost of issuance and other financial expenses decreased from \$4.5 million in fiscal 2013 to \$3.2 million in fiscal 2014, a decrease of approximately \$1.3 million, or 31%. This compares with an increase from \$3.0 million in fiscal 2012 to \$4.5 million in fiscal 2013, an increase of approximately \$1.5 million, or 49%. The fluctuations primarily relate to the cost of issuance of the House New York Revenue Bonds issued in fiscal 2013.

## **Unrealized (gain) loss on Investments Held**

The unrealized (gain) loss on investments held varied from a loss of \$1.2 million in fiscal 2013 to a gain of approximately \$14 thousand in fiscal 2014, an increase of approximately \$1.2 million, or 101%. This compares with a decline from \$2.2 million in fiscal 2012 to \$1.2 million in fiscal 2013, a decrease of approximately \$1.0 million, or 45%. The fluctuations were a result of the liquidation and, or maturity of certain high yielding investments held at a gain during fiscal 2013, combined with market conditions.

## **Supervising Agency Fee and Other Payments to the State**

Supervising Agency Fees and other payments to the State are paid by the Agency to the State and certain State agencies, including the New York State Division of Housing and Community Renewal ("DHCR"). Supervising Agency Fee and other payments to the State increased by approximately \$600 thousand, or 5% from \$10.5 million in fiscal 2013 to \$11.1 million in fiscal 2014. This compares with an increase from \$10.1 million in fiscal 2012 to \$10.5 million in fiscal 2013, an increase of approximately \$400 thousand, or 4%.

## **Allowance for Losses on Loans**

On an annual basis, the Agency analyzes certain Mortgage loan receivable balances to determine their collectability. A determination is made by management to establish or adjust the Allowance for losses on loans previously established based on this analysis.

Included in the Allowance for losses on loans are mortgage advances made by the Agency using Agency funds which have been made available for making subsidy loans. Such loans are made in the form of subordinate mortgage loans and are recorded as mortgage loans receivable. The balance of such loans is included in the allowance for losses on loans because they are not secured by credit enhancement and their terms require scheduled payments which are deferred until other obligations are satisfied. Therefore, an allowance is established for the full amount of each of these subsidy loans. When payments are made relating to subsidy mortgages, the amount received is recorded as Recovery Income.

Allowance for Losses on loans decreased from \$69.4 million in fiscal 2013 to \$19.5 million in fiscal 2014, a decrease of approximately \$49.9 million, or 72%. This compares with an increase from \$27.7 million in fiscal 2012 to \$69.4 million in fiscal 2013, an increase of approximately \$41.7 million, or 150%. The fluctuations primarily relate to the acquisition of the Mitchell Lama mortgage portfolio from the New York State Urban Development Corporation, doing business as Empire State Development, in fiscal 2013. An allowance was established relating to this portfolio in the amount of \$47.6 million as of October 31, 2013 (\$32.4 million as of October 31, 2014).

### **Non-operating revenues (expenses)**

#### **Transfers from Agencies of the State of New York**

In fiscal 2014, the amount of \$32 million represents the commitment by SONYMA to transfer the said amount to the Agency. The funds were transferred on November 18, 2014 to the Agency. In fiscal 2013, the amount of \$130.1 million was comprised of two items: commitment by SONYMA to transfer the amount of \$17.6 million to the Agency by March, 2014 which was made in November, 2013 and a gain recognized on the acquisition of the Mitchell Lama mortgage portfolio from ESD in the amount of \$112.5 million.

#### **Federal and State Grants**

Federal and State Grants represent funds received from the federal government and the State which are then remitted to various housing developments. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, revenue is recorded as non-operating and the related expense is recorded as an operating expense.

Federal and State Grants decreased from \$15.5 million in fiscal 2013 to \$10.5 million in fiscal 2014, a decrease of approximately \$5.0 million, or 32%. This compares with a decrease from \$15.6 million in fiscal 2012 to \$15.5 million in fiscal 2013, a decrease of approximately \$100 thousand, or 1%. The declines are a result of reduced expenditures under the Neighborhood Stabilization Program ("NSP") which is expected to close out in fiscal 2015.

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# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## STATEMENTS OF NET POSITION

(in thousands)

	October 31,	
	2014	2013
<b>Assets</b>		
Current Assets:		
Cash held principally by Trustee and Depository - Restricted	\$ 170,471	\$ 152,854
Cash held principally by Trustee and Depository - Unrestricted	6,060	3,228
Investments - Restricted	1,883,457	1,122,055
Investments - Unrestricted	120,500	127,019
Accrued interest receivable on investments	1,943	1,315
Mortgage loans and other loans - net	169,074	202,643
Interest receivable and other	47,614	30,206
<b>Total current assets</b>	<b>2,399,119</b>	<b>1,639,320</b>
Non-current Assets:		
Investments - Restricted	64,497	40,590
Investments - Unrestricted	61,511	42,302
Mortgage loans and other loans - net	11,111,111	10,391,596
Interest receivable and other	4,364	3,932
<b>Total non-current assets</b>	<b>11,241,483</b>	<b>10,478,420</b>
<b>Total assets</b>	<b>13,640,602</b>	<b>12,117,740</b>
<b>Deferred outflows of resources</b>		
Accumulated decrease in fair value of hedging derivatives	29,386	30,964
<b>Liabilities</b>		
Current Liabilities:		
Bonds payable	1,433,158	635,091
Funds received from mortgagors	29,404	25,164
Accounts payable	9,507	8,677
Interest payable	31,089	27,033
Funds received from governmental entities	14,504	14,693
Earnings restricted to project development	3,318	3,336
Amounts received in advance and other	203,616	167,968
<b>Total current liabilities</b>	<b>1,724,596</b>	<b>881,962</b>
Non-current Liabilities:		
Bonds payable including unamortized bond premium and discount	11,240,057	10,644,940
Derivative instrument - interest rate swaps	29,386	30,964
Unearned revenues, amounts received in advance and other	32,750	25,338
Postemployment retirement benefits	43,123	40,472
<b>Total non-current liabilities</b>	<b>11,345,316</b>	<b>10,741,714</b>
<b>Total liabilities</b>	<b>13,069,912</b>	<b>11,623,676</b>
<b>Deferred inflows of resources</b>		
Gain on defeasance - net	858	790
<b>Net position</b>		
Restricted for bond and other obligations	470,687	418,043
Unrestricted	128,531	106,195
<b>Total net position</b>	<b>\$ 599,218</b>	<b>\$ 524,238</b>

See notes to financial statements.

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in thousands)

	Fiscal Year Ended	
	2014	2013
<b>Operating revenues</b>		
Interest on mortgage loans	\$ 119,563	\$ 114,159
Fees, charges and other	46,717	38,360
Investment income	3,543	4,549
Recoveries	20,529	5,838
<b>Total operating revenues</b>	<b>190,352</b>	<b>162,906</b>
<b>Operating expenses</b>		
Interest	93,046	94,308
Earnings on investments and other funds credited to mortgagors and lessees	593	1,483
Postemployment retirement benefits	3,477	4,651
General expenses	19,481	16,342
Other financial expenses	3,150	4,538
Unrealized (gain) loss on investments held	(14)	1,199
Supervising agency fee	11,082	10,531
Expenses related to federal and state grants	10,535	15,491
Allowance for losses on loans	19,531	69,380
<b>Total operating expenses</b>	<b>160,881</b>	<b>217,923</b>
<b>Operating income (loss)</b>	<b>29,471</b>	<b>(55,017)</b>
<b>Non-operating revenues</b>		
Transfers from Agencies of New York State	32,000	130,122
Federal and state grants	10,535	15,491
Reserve funds received from mortgagors	2,974	3,829
<b>Net non-operating revenues</b>	<b>45,509</b>	<b>149,442</b>
<b>Increase in net position</b>	<b>74,980</b>	<b>94,425</b>
<b>Total net position - beginning of fiscal year</b>	<b>524,238</b>	<b>429,813</b>
<b>Total net position - end of fiscal year</b>	<b>\$ 599,218</b>	<b>\$ 524,238</b>

See notes to financial statements.

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## STATEMENTS OF CASH FLOWS

(in thousands)

	Fiscal Year Ended October 31,	
	2014	2013
<b>Cash flows from operating activities</b>		
Interest on loans	\$ 118,664	\$ 114,306
Fees, charges and other	46,717	38,361
Operating expenses	(38,429)	(34,822)
Principal payments on mortgage loans	732,857	392,826
Mortgage loans advanced	(1,464,223)	(1,103,820)
Funds received from mortgagors	110,144	66,779
Funds returned to mortgagors and lessees	(33,795)	(45,466)
Distribution of funds received from governmental entities	(190)	(5,831)
Payments and other	39,553	8,730
Expenditures related to Federal and State Grants	(10,535)	(15,491)
<b>Net cash used in operating activities</b>	<b>(499,237)</b>	<b>(584,428)</b>
<b>Cash flows from non-capital financing activities</b>		
Interest payments	(91,064)	(94,575)
Issuance of bonds	2,127,788	871,184
Retirement and redemption of bonds	(732,675)	(390,165)
Federal and State Grants	10,535	15,491
<b>Net cash provided by non-capital financing activities</b>	<b>1,314,584</b>	<b>401,935</b>
<b>Cash flows from investing activities</b>		
Investment income	4,125	4,988
Proceeds from sales or maturities of investments	5,539,540	6,922,812
Purchases of investments	(6,338,563)	(6,716,339)
<b>Net cash (used in) provided by investing activities</b>	<b>(794,898)</b>	<b>211,461</b>
Net increase in cash	20,449	28,968
Cash at beginning of fiscal year	156,082	127,114
<b>Cash at end of fiscal year</b>	<b>\$ 176,531</b>	<b>\$ 156,082</b>
<b>Reconciliation of operating gain (loss) to net cash used in operating activities:</b>		
Operating income (loss)	\$ 29,471	\$ (55,017)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Interest Expense	93,046	94,308
Investment Income	3,543	4,549
Allowance for losses on loans	19,531	69,380
Other	20,914	(6,309)
Changes in assets and liabilities - net:		
Mortgage loan receivables	(731,366)	(711,043)
Accounts and other payables	830	2,313
Funds received from mortgagors and governmental entities	64,794	17,391
<b>Net cash used in operating activities</b>	<b>\$ (499,237)</b>	<b>\$ (584,428)</b>
<b>Non-cash investing activities</b>		
Unrealized (gain) loss on investments held	\$ (14)	1,199

See notes to financial statements.



# NEW YORK STATE HOUSING FINANCE AGENCY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

## NOTES TO THE FINANCIAL STATEMENTS

### FISCAL YEARS ENDED OCTOBER 31, 2014 AND 2013

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#### NOTE 1 – THE AGENCY

The New York State Housing Finance Agency (“Agency”), a component unit of the State of New York (“State”), is a corporate governmental agency constituted as a public benefit corporation under the provisions of the State Private Housing Finance Law. The Agency is empowered to finance or contract for the financing of the construction, acquisition or refinancing of loans for: (a) housing units for sale or rent to low and moderate income persons, families, and senior citizens, (b) municipal health facilities, (c) non-profit health care facilities, (d) community related facilities and (e) to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs. The Agency is also empowered, through its Capital Grant Low Rent Assistance Program, to provide rental housing to low and middle income persons or families. Additionally, the Agency participates in the federal government’s housing assistance programs, principally those established by Section 236 of the National Housing Act and Section 8 of the U.S. Housing Act of 1937. These federal programs provide interest reduction and rental assistance subsidies, respectively, to eligible projects and tenants.

The Agency administers the State’s Housing Project Repair and Infrastructure Trust Fund Programs. The Housing Project Repair Program is to be used to correct construction-related and energy, health and safety problems or deficiencies at Mitchell-Lama housing projects that are at current economic rent or that enter into mortgage modification agreements with the Agency. The Infrastructure Trust Fund Programs provide grants for the development of affordable housing throughout New York State.

The Agency finances most of its activities through the issuance of bonds. As of October 31, 2014, the Agency is authorized to issue bonds up to the amount of approximately \$18.78 billion (approximately \$17.28 billion as of October 31, 2013) to finance housing projects. Additionally, as of October 31, 2014, the Agency is authorized to issue Service Contract Obligation Revenue Bonds, Service Contract Revenue Bonds and Personal Income Tax Revenue Bonds in the amount of approximately \$2.99 billion (approximately \$2.84 billion as of October 31, 2013).

In accordance with section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards, the Agency’s financial statements are included in the State of New York’s annual financial statements as a component unit of the State.

The Private Housing Finance Law, as amended in 1985, established the New York State Housing Trust Fund Corporation (“HTFC”) and the New York State Affordable Housing Corporation (“AHC”), both public benefit corporations, as subsidiary corporations of the Agency. In addition, as amended through 1990, such law established the New York State Homeless Housing and Assistance Corporation (“HHAC”). The Agency does not have financial accountability for these corporations; accordingly, they are not component units of the Agency in accordance with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 61 (GASB Statement No. 61), *Financial Reporting Entity: Omnibus*. Therefore, the financial activities of these corporations are not included in the accompanying financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **BASIS OF ACCOUNTING:** The Agency utilizes the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (“GASB”).
- B. **INVESTMENTS:** Investments, other than collateralized investment agreements, are recorded at fair value, which are based on quoted market prices or matrix pricing for securities that are not traded actively. Collateralized investment agreements are reported at cost plus accrued interest. For the purpose of financial statement presentation, the Agency does not consider any of its investments to be cash equivalents.
- C. **INTEREST AND INVESTMENT REVENUE:** Interest and investment revenue is accrued and recognized as revenue when earned.
- D. **FEES, CHARGES AND OTHER REVENUE:** Servicing fees, mortgage origination fees, commitment fees and other fees due to the Agency, are recognized as revenue in the period in which they are earned.
- E. **ADMINISTRATIVE EXPENSES:** Administrative and other expenses are recognized as expense in the period incurred.
- F. **INTERAGENCY SERVICES:** The Agency has agreements with related public benefit corporations to provide managerial, administrative and financial functions for these organizations. Pursuant to these agreements, the Agency’s general expenses are allocated to reflect the services utilized by each of the respective related public benefit corporations. The Agency is reimbursed for such expenses, to the extent the related public benefit corporation have funds available.
- G. **COSTS OF ISSUANCE EXPENSE:** The costs of issuing bonds are expensed in the period incurred.
- H. **FEDERAL GRANTS:** Grants received from the Federal government are recognized as non-operating revenue when eligibility requirements are met.
- I. **ACCRUED VACATION BENEFITS:** Vacation benefits are recorded in the period earned.
- J. **BOND PREMIUM:** Bond premium is amortized over the life of the related bonds using the effective interest method.
- K. **RESTRICTED ASSETS:** The assets governed by bond or note resolutions are restricted. Cash and investments included in restricted fund accounts are held by trustee banks. Additionally, restricted assets include funds available to be advanced as subsidy loans which were committed but not yet disbursed.
- L. **USE OF NET POSITION:** When both restricted and unrestricted resources are available for a particular restricted use, it is the Agency’s policy to use restricted resources first, and then unrestricted as needed.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. USE OF ESTIMATES: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures included in the Agency's financial statements during the reporting periods. Actual amounts could differ from these estimates.

N. ALLOWANCE FOR POTENTIAL LOSSES ON LOANS: An allowance has been established for possible uncollectible mortgage loans and accrued interest (see Note 3). Annually, the allowance is reviewed for reasonableness. Provisions for uncollectible receivables are recorded when it has been determined that a probable loss has occurred.

O. NET POSITION: The Agency's Net Position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources. It consists largely of mortgage loans and investments. The Agency's net position is categorized as follows:

Restricted Net Position: Represents assets that have been restricted in use in accordance with the terms of bond indentures, grant awards, agreements or by State law, reduced by the outstanding balance of any debt that is attributable to those assets. This includes mortgage loan assets, bond proceeds and reserve funds that are pledged to bondholders and funds held pursuant to contractual obligations with New York State.

Unrestricted Net Position: Represent assets that do not meet the definition of restricted.

P. REFUNDING OF DEBT: Gains or losses in connection with advanced refundings are recorded as either a deferred outflows (loss) or deferred inflows (gain) of resources and amortized as an adjustment to interest expense over the original life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

Q. DERIVATIVE INSTRUMENTS: The Agency has entered into various interest rate swap contracts in order to manage the risks associated with interest due on its State Revenue Bond Program bond portfolio. The Agency recognizes the fair value of all derivative instruments as either an asset or liability on its statements of net position with the offsetting gains or losses recognized in earnings or as either deferred inflows or outflows if deemed an effective hedge.

R. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS: In March 2012, GASB issued Statement No. 66, *Technical Corrections–2012*. The objective of this Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements–Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The implementation of this standard did not have an impact on the Agency's financial statements.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans*. The objective of this Statement is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013 and will not impact the Agency's financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees* (“GASB No. 70”). The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive non-exchange financial guarantees. The provisions of this Statement are effective for fiscal reporting periods beginning after June 15, 2013. The implementation of this standard did not have an impact on the Agency’s financial statements.

- S. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED: In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Agency will be required to record a liability and expense equal to its proportionate share of the collective net position liability and expense for the New York State and Local Employees’ Retirement System cost sharing plan. The Agency is currently evaluating the impact of GASB No. 68 on its financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB No. 69”). The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The Agency does not anticipate that the implementation of this standard will have an impact on the Agency’s financial statements.

- T. RECLASSIFICATIONS: Certain reclassifications have been made to prior year balances in order to conform to current year presentation.

## NOTE 3 – RECEIVABLES

### MORTGAGE LOAN

Mortgage loans, which are financed by long-term indebtedness, are collectible through monthly payments. The Agency's bond resolutions, with respect to such mortgages, generally require among other provisions that:

- A. The Agency's mortgage is a first mortgage lien on the real property of the project;
- B. The mortgage loan shall not exceed the then established project cost or, for certain programs, a certain percentage thereof; and
- C. Mortgage repayments, together with other available monies, shall be sufficient to pay debt service on the bonds issued to finance the mortgage.

The Agency had outstanding, under various loan programs, mortgage loans receivable (net of the allowances for potential losses on loans) in the amounts of \$11.28 billion and \$10.59 billion at October 31, 2014 and 2013, respectively. The allowances for potential loan losses amounted to \$305.3 million and \$281.6 million at October 31, 2014 and 2013, respectively as described below.

While the New York State Division of Housing and Community Renewal ("DHCR") is required to set rental schedules for certain of the housing projects financed by the Agency at rates sufficient to meet current operating costs, including debt service and required reserves, mortgagors of certain projects (as described below) have experienced difficulty in collecting increased rents. The failure of a project to generate sufficient revenues may result in the inability of the mortgagor to meet its mortgage repayments, required reserves and, in certain cases, real estate taxes. The failure of a mortgagor to pay its real estate taxes could result in the Agency's mortgage lien being extinguished in foreclosure unless the Agency is able to apply its own funds or State appropriations to cure the default.

The collection of mortgage loans made to nursing homes is dependent on the ability of each facility to generate sufficient funds to service its debt, which in turn, is predicated on its ability to obtain Medicare, Medicaid, Blue Cross or managed care reimbursement rate increases to offset increasing operating costs. Federal and State agencies have certain limitations on such reimbursement rates.

### MITCHELL LAMA MORTGAGE PORTFOLIO

On June 5, 2013 the Agency issued House New York Revenue Bonds (the "bonds") in the amount of \$46.4 million (\$37.0 million remained outstanding as of October 31, 2014). Such bonds were issued in connection with the assignment, effective June 1, 2013, by the New York State Urban Development Corporation, doing business as Empire State Development ("ESD"), to the Agency of certain notes receivable (the "Notes"), mortgages (the "Mortgages") and interest reduction payment contracts (the "IRP Contracts") entered into with the Secretary of Housing and Urban Development ("HUD"). Proceeds of the Bonds in the amount of \$45.3 million were used to finance the acquisition price (the "Acquisition Price") that was paid to ESD as consideration for the assignment by ESD of the Notes, Mortgages and IRP Contracts. The remainder of the bond proceeds in the amount of \$1.1 million was used to fund the Cost of Issuance Account. Payment of the principal and interest on the Bonds are payable solely from payments received or receivable by the Agency pursuant to the IRP Contracts (the "Revenues") and are secured by the Notes, Mortgages, and IRP Contracts.

### **NOTE 3 – RECEIVABLES (continued)**

Since the bonds are secured by the future IRP payments due from HUD, and the Agency has determined that other mortgage payments due from mortgagors are uncertain and cannot be reasonably valued, the Agency has valued the mortgages at the future value of the IRP payments in the amount of \$110.3 million as of June 1, 2013 (the date of the acquisition), resulting in the establishment of an allowance in the amount of \$47.6 million. The net balance of the mortgage loan receivable relating to the acquired loans was \$91.8 million as of October 31, 2014 (\$105.1 million as of October 31, 2013).

#### **SUBORDINATE MORTGAGE LOANS**

Subsidy loans are not secured by credit enhancement and their terms require payments which are deferred until other obligations are satisfied. Subsidy loans are made in the form of subordinate mortgage loans and are recorded as mortgage loans receivable. Therefore, an allowance is established for the full amount of the subordinate loans (including subsidy loans) not making current payments. As of October 31, 2014, subsidy mortgage loans were outstanding in the amount of \$269.2 million, with an allowance established in the amount of \$265.1 million. As of October 31, 2013, subsidy loans were outstanding in the amount of \$228.7 million, with an allowance established in the amount of \$225.8 million.

#### **OTHER PROGRAMS**

Allowances have been established in certain other programs in the amounts of \$7.8 million as of fiscal 2014 and \$8.2 million as of fiscal 2013.

## NOTE 4 – DEPOSITS AND INVESTMENTS

At October 31, 2014, the Agency's cash held by institutions, either with the New York State Department of Taxation and Finance or in depository institutions, was fully collateralized by securities held with a trustee in the Agency's name and amounted to \$175.8 million (\$155.1 million at October 31, 2013). Uncollateralized and uninsured cash held by paying agents and depositories amounted to \$720 thousand (\$1.0 million at October 31, 2013).

### CREDIT RISK

Investment guidelines and policies are designed to protect principal by limiting credit risk. Therefore, the Agency has a formal investment policy which governs the investment of all Agency monies. The Agency investment guidelines require that all bond proceeds and revenues can only be invested in securities [defined as (i) bonds, debentures or other obligations issued by the Federal National Mortgage Association; (ii) obligations the principal of and interest on which are guaranteed by the United States of America; (iii) obligations of the United States of America; (iv) obligations the principal of and interest on which are guaranteed by the State; (v) obligations of the State; (vi) obligations of any agency of the United States of America; (vii) obligations of any agency of the State; and (viii) obligations the principal of and interest on which are guaranteed by an agency of instrumentality of the United States of America; provided, however, that notwithstanding anything to the contrary herein, the Agency shall not be authorized to invest in Securities set forth in clauses (i), (vi) and (vii) hereof, unless specifically authorized under authority of Section 98 of the State Finance Law]; Collateralized Investment Agreements; Repurchase Agreements; and obligations which the Comptroller is authorized to invest in under Section 98 of the State Finance Law. Securities are only purchased from Primary Dealers and Broker/Dealers approved by the CFO and are delivered to the applicable Custodian/Trustee who records the interest of the Agency. Collateralized Investment Agreements may only be entered into with institutions rated at least within the second highest rating category without regard to gradations within such category by Moody's Investors Service or Standard & Poor's. Collateralized Investment Agreements are collateralized at a minimum of 103% of the principal amount of the agreement and marked to market bi-weekly. Short-term repurchase agreements may only be entered into with primary dealers with whom the Agency has executed a Security Industry Financial Market Association (SIFMA) repurchase agreement, and are collateralized at a minimum of 100% of principal. The collateral consists of United States government obligations, other securities the principal of and interest on which are guaranteed by the United States, Government National Mortgage Association obligations and obligations of agencies and instrumentalities of the Congress of the United States. The collateral shall be delivered to the Trustee/Custodian and held for the benefit of the Agency. Agency funds are invested in accordance with the investment guidelines approved annually by the Agency's board, which are in compliance with the New York State Comptroller's Investment Guidelines.

All of the above investments that are securities are in registered form, and are held by agents of the Agency or by the trustee under the applicable bond resolution, in the Agency's name. The agents or their custodians take possession of the securities.

### DIVERSIFICATION STANDARDS

The Agency's investments, other than Securities, shall be diversified among banks but not more than 35% of the Agency's total invested funds were invested with any single such institution, and investments with any single institution shall not exceed 20% of that institution's capital. These standards may be waived by the Agency's Chairman or the President and Chief Executive Officer. At October 31, 2014 and 2013, there was no single investment that exceeded 20% of the Agency's funds and not more than 35% of the Agency's total invested funds were invested with any single such institution.

**NOTE 4 – DEPOSITS AND INVESTMENTS (continued)**

**INTEREST RATE RISK**

Interest rate risk is minimal due to the short term duration of the Agency's investments in the other than collateralized investment agreements category. Rates on collateralized investments are linked to interest rates on applicable bonds so that interest rate risk is minimal. Securities purchased from revenues are invested in U.S. Treasury Obligations with maturities as close as practicable to the next debt service payment date or date of usage, typically six months and under.

The fair value of investments excluding accrued interest as of October 31, 2014 and October 31, 2013 is as follows:

	<u>2014</u>	<u>2013</u>
	(in thousands)	
Investment Type		
Collateralized Investment Agreements	\$ 33,750	\$ 37,950
U.S. Treasury Obligations	2,090,685	1,292,263
Other	5,530	1,753
Total	<u>\$ 2,129,965</u>	<u>\$ 1,331,966</u>

(See Note 5 for investment detail by maturity)



## NOTE 5 – MATURITY OF INVESTMENTS

As of October 31, 2014, the Agency had the following investments and maturities in two categories: Restricted Funds and Unrestricted Funds.

Values below are at Fair Value excluding accrued interest as of October 31, 2014:

	Investment Maturities (In Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
	(in thousands)				
<b>Restricted Funds:</b>					
Collateralized Investment Agreements	\$ 33,750	\$ —	19,100	14,650	—
U.S. Treasury Bills	1,760,799	1,760,799	—	—	—
U.S. Treasury Bonds	1,583	449	—	126	1,008
U.S. Treasury Notes	141,875	117,612	24,263	—	—
U.S. Treasury Strips	4,417	4,402	—	—	15
Government Agencies	5,530	195	—	—	5,335
	<u>1,947,954</u>	<u>1,883,457</u>	<u>43,363</u>	<u>14,776</u>	<u>6,358</u>
<b>Unrestricted:</b>					
U.S. Treasury Bills	36,841	36,841	—	—	—
U.S. Treasury Bonds	323	69	—	254	—
U.S. Treasury Notes	30,545	34	30,511	—	—
U.S. Treasury Strips	114,302	83,556	30,743	—	3
	<u>182,011</u>	<u>120,500</u>	<u>61,254</u>	<u>254</u>	<u>3</u>
<b>Grand Total:</b>					
Collateralized Investment Agreements	33,750	—	19,100	14,650	—
U.S. Treasury Bills	1,797,640	1,797,640	—	—	—
U.S. Treasury Bonds	1,906	518	—	380	1,008
U.S. Treasury Notes	172,420	117,646	54,774	—	—
U.S. Treasury Strips	118,719	87,958	30,743	—	18
Government Agencies	5,530	195	—	—	5,335
	<u>\$ 2,129,965</u>	<u>\$ 2,003,957</u>	<u>\$ 104,617</u>	<u>\$ 15,030</u>	<u>\$ 6,361</u>

## NOTE 6 – BOND INDEBTEDNESS

The Agency has obtained construction and/or long-term financing for all applicable projects within all programs. The issuance of debt for the financing of projects by the Agency is subject to the approval of the New York State Public Authorities Control Board. Bonds are issued under various bond resolutions adopted by the Agency to permanently finance and/or provide financing during the construction period for qualified projects.

Substantially all of the assets of each bond program of the Agency are pledged as collateral for the payment of principal and interest on bond indebtedness only of that program. The obligations of the Agency are not obligations of the State, and the State is not liable for such obligations. The ability of the Agency to meet the debt service requirements on the bonds issued to finance mortgage loans is dependent upon the ability of the mortgagors in such programs to generate sufficient funds to meet their respective mortgage payments as well as to meet the operating and maintenance costs of the applicable projects.

At October 31, 2014 and 2013, the total debt service reserve requirements were \$31.2 million and \$36.0 million, respectively. The Agency has sufficient funds on deposit within the debt service reserve funds to fully satisfy these requirements. In addition, as of both October 31, 2014 and 2013, included in the FHA-Insured Multi-Family Housing Revenue Bond Program, the Agency has funded the amount of approximately \$1.1 million in a dedicated Risk Sharing account. This deposit is required by agreement with HUD.

Bonded debt previously issued by the Agency for the Non-Profit Housing, the Housing Project Bonds Programs, and the Hospital and Health Care Project Revenue Bond Program together totaling \$6.8 million and \$10.6 million in outstanding bonds as of October 31, 2014 and 2013, respectively is classified as “moral obligation” debt. Moral obligation debt is not a debt or a liability of the State. Rather, in the event of a deficiency in the debt service and capital reserve funds established by bond resolutions, the State is obliged to consider, annually, providing funds to restore such reserve funds to the required level. The State is not legally required to provide such funding.

Included in the bond indebtedness of the Secured Loan Rental Housing Bond Program, the Service Contract Revenue Bonds Program, and the State Personal Income Tax Revenue Bond Program are variable debt as of October 31, 2014 and 2013.

The balance of the variable rate bonds outstanding are as follows:

- Secured Loan Rental Housing - \$10.2 billion and \$8.9 billion at October 31, 2014 and 2013, respectively;
- Service Contract Revenue - \$163.2 million and \$200.0 million at October 31, 2014 and 2013, respectively;
- State Personal Income Tax Revenue - \$80.0 million at October 31, 2014 and 2013.

The variable rate demand bonds are subject to purchase on the demand of the holder, at a price equal to par plus accrued interest, on seven days notice and delivery of the bonds to the respective tender agents. For each variable rate financing, there is a remarketing agent which is authorized to use its best effort to sell the repurchased bonds at par and a liquidity provider in the form of an irrevocable letter of credit or credit instrument, issued by a major bank, or government sponsored entity, on behalf of the project being financed. The letters of credit are valid with maturity dates ranging from December 13, 2014 to May 6, 2049. The tender agent/trustee is entitled to draw on the liquidity facility in an amount sufficient to pay the par value of and accrued interest on bonds delivered to it in the event bonds are not remarketed to, or monies are not received from, a new bondholder in a timely manner.

**NOTE 6 – BOND INDEBTEDNESS (continued)**

The Agency classifies such bonds with a maturity in excess of one year as long term debt in accordance with GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Governments*. For certain variable rate bonds, Fannie Mae and Freddie Mac credit enhancements have been substituted for letters of credit.

Defeasances were accomplished by placing in irrevocable trustee escrow accounts, cash and amounts invested in U.S. Treasury obligations that will generate funds sufficient to meet future payments of all interest, principal and call premiums, if applicable, on the defeased bonds. Accordingly, the defeased bonds and related assets placed in the irrevocable escrow accounts are not included in the Agency’s financial statements since the Agency has legally satisfied its obligations with respect thereto, in accordance with GASB Statement No. 23.

The principal amount outstanding for bond obligations defeased with respect to the Hospital and Nursing Home Program, State University Construction Program, State Personal Income Tax Revenue Bonds (Economic Development and Housing) Program and the Secured Loan Rental Housing Programs were as follows:

Projects or Bond Issues Defeased	Fiscal Year Defeased	Principal Amount Remaining of Obligations Defeased	
		2014	2013
		October 31, (\$ in thousands)	
St. Camillus Nursing Home - 1970 Series A and 1974 Series A	1982	\$—	\$30
North Shore University Hospital - 1970 Series A, 1974 Series A 1977 Series A	1983	5,399	6,779
Wesley Nursing Home - 1971 Series A and 1977 Series A	1984	197	332
Crouse Irving Memorial Hospital - 1972 Series A and 1977 Series A	1985	3,115	4,160
Community Memorial Hospital - 1971 Series A and 1977 Series A	1985	95	120
St. Joseph's Hospital Health Center - 1972 Series A and 1977 Series A	1986	1,088	3,868
Eger Nursing Home - 1972 Series A and 1977 Series A	1989	—	580
Saint Luke's Nursing Home - 1974 Series A and 1977 Series A	1992	258	433
Charles T. Sitrin Nursing Home - 1974 Series A	1992	137	292
Downtown Nursing Home - 1974 Series A and 1977 Series A	1992	206	346
Millard-Fillmore Hospital - 1972 Series A	1993	1,174	2,604
St. Johnland Nursing Home - 1974 Series A and 1977 Series A	1994	435	795
Adirondack Tri-County Nursing Home - 1974 Series A	1994	65	140
Brookdale Hospital - 1974 Series A and 1977 Series A	1995	1,675	2,790
Consolation Nursing Home - 1974 Series A	1996	275	625
Goodman Gardens Nursing Home - 1974 Series A	1996	175	395
The Martin Luther King Jr. Nursing Home - 1974 Series A	1996	115	305
Teresian Nursing Home - 1972 Series A	1997	100	365
Loretto Rest Nursing Home - 1974 Series A	1997	465	1,210
State Personal Income Tax Revenue Bonds - 2003 Series A	2006	—	4,750
State Personal Income Tax Revenue Bonds - various series	2007	—	8,300
State Personal Income Tax Revenue Bonds - various series	2013	20,615	33,355
State Personal Income Tax Revenue Bonds - various series	2014	39,085	—
<b>TOTAL</b>		<b>\$74,674</b>	<b>\$72,574</b>

## NOTE 7 - SUMMARY OF BOND INDEBTEDNESS

Fiscal Year Ended October 31, 2014

(in thousands)

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014	Final Maturity Date
<b>Mortgage Programs:</b>						
Non-Profit Housing Project Bonds-5.80% to 8.40%	\$ 186,085	7,470	—	3,390	4,080	2014
Housing Project Bonds-7.75% to 8%	8,380	3,160	—	455	2,705	2019
House New York Revenue Bonds 0.35% to 1.80%	46,440	46,440	—	9,420	37,020	2018
Hospital and Health Care Project Revenue Bonds- 3.60% to 5.15%	42,090	10	—	10	—	2016
Nursing Home and Health Care Project Revenue Bonds-3.60% to 5.15%	190,080	8,650	—	5,150	3,500	2016
FHA-Insured Multi-Family Mortgage Housing Revenue Bonds-1% to 8.45%	22,450	15,420	—	810	14,610	2043
Multi-Family FHA-Insured Mortgage Housing Revenue Bonds-6.79%	2,540	2,265	—	30	2,235	2039
Secured Loan Rental Housing Bonds- 1.10% to 9%	11,519,735	9,178,814	1,680,353	506,440	10,352,727	2049
Housing Project Mortgage Revenue Bonds- 3.60% to 6.125%	484,540	7,240	—	1,920	5,320	2020
Affordable Housing Revenue Bonds- 0.15% to 6.80%	1,502,055	813,950	445,265	35,185	1,224,030	2050
Affordable Housing Revenue Bonds- (Federal New Issue Bond Program) - ("NIBP") 2009 Series 1 2.47% to 3.68%	259,460	214,387	—	7,800	206,587	2051
New Issues: 0.30% to 3.80%	149,465	116,113	—	37,755	78,358	2022
<b>Total Mortgage Programs</b>	<b>14,413,320</b>	<b>10,413,919</b>	<b>2,125,618</b>	<b>608,365</b>	<b>11,931,172</b>	
<b>Other Programs:</b>						
State Revenue Bond Programs - 1.35% to 5.35%	1,180,500	852,245	—	122,140	730,105	2033
<b>Total Other Programs</b>	<b>1,180,500</b>	<b>852,245</b>	<b>—</b>	<b>122,140</b>	<b>730,105</b>	
<b>Total Bond Indebtedness</b>	<b>15,593,820</b>	<b>11,266,164</b>	<b>2,125,618</b>	<b>730,505</b>	<b>12,661,277</b>	
Unamortized Bond Premium	—	13,867			11,938	
<b>Total Net Bond Indebtedness</b>	<b>\$ 15,593,820</b>	<b>11,280,031</b>			<b>12,673,215</b>	

**NOTE 8 - DEBT SERVICE REQUIREMENTS**  
(in thousands)

	Non-Profit Housing Project Bonds	Housing Project Bonds	Affordable Housing Revenue Bonds	Affordable Housing Revenue Bonds (NIBP)	House New York Revenue Bonds
<b>Principal:</b>					
Fiscal Year ending October 31,					
2015	\$ 1,855	495	38,055	30,480	665
2016	490	530	53,600	5,990	995
2017	530	575	258,680	5,780	1,065
2018	585	620	112,750	5,800	1,155
2019	620	485	18,155	5,995	990
Five years ending October 31,					
2024	—	—	98,870	32,210	450
2029	—	—	102,970	36,195	—
2034	—	—	127,330	43,935	—
2039	—	—	162,930	53,605	—
2044	—	—	155,930	56,735	—
2049	—	—	78,855	8,220	—
2054	—	—	15,730	—	—
2059 (final year)	—	—	175	—	—
	<b>\$ 4,080</b>	<b>2,705</b>	<b>1,224,030</b>	<b>284,945</b>	<b>5,320</b>
<b>Interest expense:</b>					
Fiscal Year ending October 31,					
2015	\$ 249	207	35,830	7,719	320
2016	166	166	36,478	7,163	270
2017	123	123	35,263	7,003	208
2018	77	76	33,013	6,841	142
2019	26	26	31,833	6,673	70
Five years ending October 31,					
2024	—	—	150,905	30,558	13
2029	—	—	132,545	25,751	—
2034	—	—	108,777	20,154	—
2039	—	—	76,682	13,347	—
2044	—	—	38,122	5,134	—
2049	—	—	10,713	101	—
2054	—	—	1,455	—	—
2059 (final year)	—	—	4	—	—
	<b>\$ 641</b>	<b>598</b>	<b>691,620</b>	<b>130,444</b>	<b>1,023</b>
<b>Total debt service requirements:</b>					
Fiscal Year ending October 31,					
2015	\$ 2,104	702	73,885	38,199	985
2016	656	696	90,078	13,153	1,265
2017	653	698	293,943	12,783	1,273
2018	662	696	145,763	12,641	1,297
2019	646	511	49,988	12,668	1,060
Five years ending October 31,					
2024	—	—	249,775	62,768	463
2029	—	—	235,515	61,946	—
2034	—	—	236,107	64,089	—
2039	—	—	239,612	66,952	—
2044	—	—	194,052	61,869	—
2049	—	—	89,568	8,321	—
2054	—	—	17,185	—	—
2059 (final year)	—	—	179	—	—
	<b>\$ 4,721</b>	<b>3,303</b>	<b>1,915,650</b>	<b>415,389</b>	<b>6,343</b>

\*Final maturity date

Nursing Home And Health Care Project Revenue Bonds	Secured Loan Rental Housing Bonds (and Other)*	Housing Project Mortgage Revenue Bonds	SCOR/ State Revenue/ Personal Income/Bond Programs**	Total
1,685	9,291	10,360	61,815	154,701
950	9,795	8,955	55,775	137,080
865	8,035	8,285	63,645	347,460
—	6,805	6,760	52,450	186,925
—	6,250	2,660	52,725	87,880
—	81,565	—	103,000	316,095
—	228,555	—	113,635	481,355
—	1,759,815	—	157,060	2,088,140
—	2,671,240	—	70,000	2,957,775
—	2,331,755	—	—	2,544,420
—	3,111,466	—	—	3,198,541
—	145,000	—	—	160,730
—	—	—	—	175
<b>3,500</b>	<b>10,369,572</b>	<b>37,020</b>	<b>730,105</b>	<b>12,661,277</b>
137	1,195,886	380	50,405	1,291,132
69	1,231,340	316	46,098	1,322,067
22	1,230,857	234	41,857	1,315,691
—	1,230,437	128	37,066	1,307,780
—	1,230,080	24	32,773	1,301,505
—	6,145,457	—	123,346	6,450,279
—	6,102,504	—	92,719	6,353,519
—	5,603,005	—	43,180	5,775,116
—	4,294,820	—	7,209	4,392,058
—	2,709,878	—	—	2,753,134
—	869,636	—	—	880,450
—	8,700	—	—	10,155
—	—	—	—	4
<b>228</b>	<b>31,852,600</b>	<b>1,082</b>	<b>474,653</b>	<b>33,152,889</b>
1,822	1,205,177	10,740	112,220	1,445,833
1,019	1,241,135	9,271	101,873	1,459,147
887	1,238,892	8,519	105,502	1,663,151
—	1,237,242	6,888	89,516	1,494,705
—	1,236,330	2,684	85,498	1,389,385
—	6,227,022	—	226,346	6,766,374
—	6,331,059	—	206,354	6,834,874
—	7,362,820	—	200,240	7,863,256
—	6,966,060	—	77,209	7,349,833
—	5,041,633	—	—	5,297,554
—	3,981,102	—	—	4,078,991
—	153,700	—	—	170,885
—	—	—	—	179
<b>3,728</b>	<b>42,222,172</b>	<b>38,102</b>	<b>1,204,758</b>	<b>45,814,166</b>

\*\*Interest rate on variable rate demand bonds in these programs are set by the Remarketing Agent and the Broker Dealer. The maximum interest rate as defined in respective bond resolutions cannot exceed 15%.

## NOTE 9 – INTEREST RATE EXCHANGE AGREEMENTS (SWAPS)

The Agency has entered into three negotiated swaps as part of its risk management program, serving to increase financial flexibility and reduce interest costs. These swaps were entered into with two financial institutions, J.P. Morgan Chase and Bear Stearns, now one entity – J.P. Morgan Chase (the Counterparty) for a total notional principal of \$217,550,000. Together the maturity and amortization of these swaps correspond to the maturity and amortization of the underlying Service Contract Revenue Refunding Bonds (SCR) 2003 Series L and M and the State Personal Income Tax Revenue Bonds (Economic Development and Housing) (PIT) 2005 Series C.

The fair value balances and notional amounts of derivative instruments outstanding at October 31, 2014, classified by type, and the changes in fair value of such derivative instruments are as follows:

	Changes in fair value		Fair value at October 31, 2014		Notional
	Classification	Amount	Classification	Amount	
Cash flow hedge	Deferred outflow	\$1,578,008	Debt	(\$29,386,117)	\$217,550,000

The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the LIBOR swap curve correctly anticipate future spot LIBOR interest rates. These payments are then discounted using the spot rates implied by the current LIBOR swap curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

### OBJECTIVE AND TERMS OF HEDGING DERIVATIVE INSTRUMENTS

The following table displays the objective and terms of the Agency's hedging derivative instruments outstanding at October 31, 2014, along with the credit rating of the associated counterparty:

Type	Objective	Terms				Fair value	Counterparty: J.P.Morgan Credit Rating
		Notional Amount	Effective Date	Maturity Date	Fixed rate paid		
Synthetic fixed rate swap	Hedge of changes in cash flows of SCR 2003 Series L (1) and M (2) bonds and PIT 2005 Series C (3) bonds.*	(1)\$68,775,000	8/28/2003	9/15/2021	3.656%	(\$6,914,156)	Moody's: Aa3 S&P: A+ Fitch: A+
		(2)\$68,775,000	8/28/2003	9/15/2021	3.660%	(\$6,924,136)	
		(3)\$80,000,000	3/10/2005	3/15/2033	3.336%	(\$15,547,825)	

\*The variable rate payment received is 65% of one month LIBOR received on all hedges.

**CREDIT RISK:** The Agency is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Agency's policy to require counterparty collateral posting provisions in its non-exchange-traded hedging derivative instruments. These terms require full collateralization of the fair value of hedging derivative instruments in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating not be within the two highest investment grade categories by at least one nationally recognized statistical rating agency or the rating by any nationally recognized statistical rating agency fall below the three highest investment grade rating categories. The Agency has never been required to access collateral.

It is the Agency's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

## NOTE 9 – INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (continued)

**INTEREST RATE RISK:** The Agency is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swap, as LIBOR decreases, the Agency’s net payment on the swap increases.

**BASIS RISK:** The Agency is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Agency on these hedging derivative instruments are based on a rate other than interest rates the Agency pays on its hedged variable-rate debt, which is remarketed every 30 days. As of October 31, 2014, the weighted-average interest rate on the Agency’s hedged variable-rate debt is 0.0518 percent, while the applicable 65% percent of LIBOR rate is 0.0997 percent.

**TERMINATION RISK:** The Agency or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the Agency would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

**ROLLOVER RISK:** The Agency is exposed to rollover risk on hedging derivative instruments should a termination event occur prior to the maturity of the hedged debt.

The Agency’s potential risks on these swap agreements are reduced due to financing agreements in place, obligating the State to pay the Agency, subject to annual appropriation, all amounts due under the swap agreements.

The table that follows represents debt service payments relating to the Agency’s hedged derivative instrument payments and debt. As of October 31, 2014, the debt service requirements of the Agency’s hedged variable rate debt and net receipts or payments on associated derivative instruments for the period hedged are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for the term of the respective swaps. As these rates vary, interest payments on variable-rate bonds and net receipts or payments on the hedging derivative instruments will vary.

Year Ended October 31,	Principal	Interest	Fixed Interest Rate Swaps, net	Total
(in thousands)				
2015	\$ 11,200	\$ 113	\$ 7,476	\$ 18,789
2016	22,200	104	6,889	29,193
2017	23,000	92	6,092	29,184
2018	24,300	80	5,264	29,644
2019	25,400	67	4,389	29,856
2020-2024	38,550	209	13,571	52,330
2025-2029	39,600	141	9,099	48,840
2030-2033	33,300	34	2,191	35,525
<b>TOTAL</b>	<b>\$ 217,550</b>	<b>\$ 840</b>	<b>\$ 54,971</b>	<b>\$ 273,361</b>



## **NOTE 10 – RETIREMENT BENEFITS**

### **STATE EMPLOYEES' RETIREMENT SYSTEM**

The Agency participates in the New York State and Local Employees' Retirement System (the "System") which is a cost sharing multiple employer public employee retirement system offering a wide range of plans and benefits which are related to years of service and final average salary, and provide for death and disability benefits and for optional methods of benefit payments. Obligations of participating employers and employees to contribute, and benefits payable to employees, are governed by the System and social security laws. The laws provide that all participating employers in the System are jointly and severally liable for any actuarial unfunded amounts. The Agency is billed annually for contributions.

The financial report of the System can be obtained from:

Office of the State Comptroller  
New York State and Local Retirement System  
110 State Street  
Albany, NY 12244-0001

Generally, all employees, except certain part-time and temporary employees, participate in the System. The System is contributory for a minimum of the first ten years at rates ranging from 3% to 6% of their salary. Employee contributions are deducted from employees' compensation for remittance to the System.

The covered payroll for the fiscal years ended October 31, 2014, 2013 and 2012 was \$2.9 million, \$3.0 million and \$3.2 million, respectively.

Based upon the actuarially determined contribution requirements, the Agency contributed 100% of its required portion in the amounts of \$1.2 million in fiscal 2014 and \$1.3 million in fiscal 2013.

Changes in benefit provisions and actuarial assumptions did not have a material effect on contributions during fiscal 2014 and 2013.

### **DEFERRED COMPENSATION**

Some employees of the Agency have elected to participate in the State's deferred compensation plan in accordance with Internal Revenue Code Section 457. Agency employees contributed \$259,753 and \$265,068 during fiscal 2014 and fiscal 2013, respectively.

### **NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION PROGRAM**

In March 2012, Chapter 18 of the Laws of 2012 was signed into law and allows Agency employees that meet certain requirements, to participate in the State University of New York ("SUNY") optional retirement plan called the NYS Voluntary Defined Contribution Plan ("VDC Program").

Beginning July 1, 2013, all non-union employees hired on or after July 1, 2013 with an annual salary of \$75,000 or more were given the option of joining the VDC program. The VDC Program provides benefits that are based on contributions made by both the Agency and the participant. Employee contribution rates range from 4.5% to 6%, dependent upon annual salary. The employer contribution rate is 8% of gross income. All contributions and any

## NOTE 10 – RETIREMENT BENEFITS (continued)

each plan participant. Employees vest after one year of service, at which time their entire account balance is transferred to an investment firm of their choosing within the VDC Program. The amount owed to participants upon retirement is based solely on the account balance at the time of withdrawal. Employees may choose either the New York State and Local Employees' Retirement System or the VDC Program, but not both.

As of October 31, 2014, there were no Agency employees enrolled in the VDC Program.

### OTHER POSTEMPLOYMENT BENEFITS

The Agency is a participating employer in the New York State Health Insurance Program ("NYSHIP"), which is administered by the State of New York as a multiple employer agent defined benefit plan. Under the plan as participated in by the Agency, eligible retired employees receive health care benefits with employees paying 25% of dependent coverage costs and 10% of individual employee costs. The Agency's plan complies with the NYSHIP benefit provisions. In addition, as provided for in Civil Service Law Section 167, the Agency applies the value of accrued sick leave of employees who retire out of service to the retiree's share of costs for health benefits.

The Agency provides certain group health care, death benefits and reimbursement of Medicare Part B premium for retirees (and for eligible dependents and survivors of retirees). Contributions towards part of the costs of these benefits are required of the retirees.

Retiree contributions towards the cost of the benefit are determined depending on a number of factors, including hire date, years of service, and/or retirement date. GASB Statement No. 45 requires the valuation must be calculated at least biennially. The most recent biennial valuation was calculated with a valuation date of November 1, 2013 and was used as the basis for the determination of costs for the year ended October 31, 2014. The total number of retirees and surviving spouses receiving OPEB from the Agency as of November 1, 2013 was 67.

The Agency elected to record the entire amount of the net OPEB obligation in the fiscal year ended October 31, 2006. The Agency also elected not to fund the net OPEB obligation more rapidly than on a pay-as-you-go basis. The net OPEB obligation relating to postemployment benefits is in the approximate amounts of \$43.1 million and \$40.5 million as of October 31, 2014 and 2013, respectively.

The Agency is not required by law or contractual agreement to provide funding for other postemployment benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. During the fiscal years ended October 31, 2014 and 2013, the Agency paid \$826 thousand and \$796 thousand, respectively.

*Annual OPEB Cost and Net OPEB Obligation:* The Agency's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount that was actuarially determined by using the Projected Unit Credit Method (one of the actuarial cost methods in accordance with the parameters of GASB Statement No. 45).

The Agency is billed by NYSHIP for health care costs and also the health care costs relating to AHC. As a result, the Agency's actuarial valuation includes AHC's obligation for these benefits. Also the Agency's annual OPEB cost and net OPEB obligation includes the portion relating to AHC. The service agreement between the Agency and AHC provides for an allocation of these costs to AHC, representing its share of the billed amount.

**NOTE 10 – RETIREMENT BENEFITS (continued)**

The Agency is a participating employer in NYSHIP, the Agency does not issue a separate stand-alone financial report regarding postemployment retirement benefits. The NYSHIP financial report can be obtained from:

NYS Department of Civil Service  
 Employee Benefits Division  
 Alfred E. Smith Office Building  
 Albany, NY 12239

The portion of the Actuarial Present Value allocated to a valuation year is called the Normal Cost. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term perspective. The Agency uses a level dollar amount and an amortization period of ten years on an open basis.

The following table shows the elements of the Agency’s annual OPEB cost for the year, the amount actually paid, and changes in the Agency’s net OPEB obligation to the plan for the years ended October 31, 2014 and 2013:

	2014	2013
	(in thousands)	
Annual required contribution (ARC)	\$ 6,967	\$ 7,772
Interest on net OPEB obligation	1,315	1,282
Adjustment to ARC	(4,805)	(4,403)
Annual OPEB cost	3,477	4,651
Payments made	(826)	(796)
Increase in net OPEB obligation	2,651	3,855
Net OPEB obligation—beginning of year	40,472	36,617
Net OPEB obligation—end of year	\$ 43,123	\$ 40,472

The Agency’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended October 31, 2014, October 31, 2013 and October 31, 2012 are as follow:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid (\$ in thousands)	Net OPEB Obligation
10/31/2014	\$3,477	23.76%	\$43,123
10/31/2013	\$4,651	17.10%	\$40,472
10/31/2012	\$4,568	16.00%	\$36,617

*Actuarial Methods and Assumptions:* Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The OPEB-specific actuarial assumptions used in the Agency’s November 1, 2013 OPEB actuarial valuations were based on the projected unit credit method (as its actuarial cost method), a 3.25% (3.50% for November 1, 2011) per annum discount rate and that retiree contributions are assumed to increase at the same rates as incurred claims.

**NOTE 10 – RETIREMENT BENEFITS (continued)**

The premium rate is used for retirees and dependents with basic medical coverage.

Initial monthly premium rates are shown in the following table:

Monthly Rate Effective as of October 31, 2014

Eligible-Medicare	Basic
Single	\$617.51
Family	\$1,499.61

2009 Medicare Part B premiums are assumed to increase by Part B trend rates. No retiree is assumed to have income in excess of the threshold which would result in increasing Part B premiums above 25% of Medicare Part B costs.

*Health Care Cost Trend Rate (HCCTR)*. Covered medical expenses are assumed to increase by the following percentages:

HCCTR Assumptions

<u>Year Ending</u>	<u>Rate</u>	<u>Year Ending</u>	<u>Rate</u>
2014	6.7%	2028	7.5%
2015	6.2%	2033	7.0%
2016	5.8%	2038	6.4%
2017	6.0%	2043	6.0%
2018	6.0%	2048	5.7%
2023	6.4%	2088	4.5%

Mortality rates listed below are those recommended by the actuary:

<u>Age</u>	<u>Male</u>	<u>Female</u>
60	00.665%	00.581%
65	01.117%	00.971%
70	01.824%	01.569%
75	03.150%	02.532%
80	05.648%	04.187%
85	10.109%	07.162%

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## NOTE 11 – COMMITMENTS AND CONTINGENCIES

### LOANS

The Agency originates commitments to lend mortgage funds to borrowers in the normal course of business to meet the financing needs of developers providing affordable housing in the State of New York. Commitments to advance such funds are contractual obligations to lend to developers so long as all established contractual conditions are satisfied.

As of October 31, 2014, the Agency had total outstanding commitments in the amount of \$1.6 billion.

### OFFICE LEASES

The Agency is obligated under leases for office locations in the City of New York (the “City”) and Buffalo. The Agency and the State of New York Mortgage Agency (“SONYMA”) entered into an operating lease for office space in the City which commenced in fiscal year 1994 for a term of fifteen years. The lease was renewed during the fiscal year ended October 31, 2007, effective January 1, 2009 for a term of ten years, and expires on December 31, 2018.

The lease for the office location in the City obligates the Agency to pay for escalations in excess of the minimum annual rental (ranging from \$2.4 million to \$4.7 million) based on operating expenses and real estate taxes. The Agency bears approximately 50% of the minimum annual lease payments under this lease with the balance to be paid by SONYMA with whom the Agency shares the leased space.

Rental expense for all office locations for the fiscal years ended October 31, 2014 and October 31, 2013 was \$2.6 million and \$2.5 million, respectively, net of allocations to certain State-related agencies. As of October 31, 2014, the future minimum lease payments, which includes the Agency’s pro rata share of the annual payments for the office space leases, under the non-cancelable operating leases are as follows:

	(in thousands)
2015	\$2,364
2016	2,366
2017	2,366
2018	2,366
2019 (two months)	394
Future minimum lease commitments	\$9,856

## LITIGATION

In the ordinary course of business, the Agency is party to various administrative and legal proceedings. While the ultimate outcome of these matters cannot presently be determined, it is the Agency's opinion that the resolution of these matters will not have a material effect on its financial condition.

## RISK MANAGEMENT

The Agency is subject to normal risks associated with its operations, including property damage, general liability and crime. Such risks are managed through the purchase of commercial insurance. There have been no decreases in coverage in the last three years.

## NOTE 12 – SUBSEQUENT EVENTS

Subsequent to October 31, 2014, a total of \$352.3 million of bonds were issued to finance various housing projects in the course of the Agency's normal business activities.

**\*\*\*\***

*Required  
Supplemental  
Schedule*

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS -

### POSTRETIREMENT HEALTHCARE PLAN

OCTOBER 31, 2014 AND 2013

(in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	Ratio of UAAL to Covered Payroll
	(A)	(B)	(C=B-A)	(A/C)	(D)	(C/D)
November 1, 2013	—	\$45,752	\$45,752	—	\$6,798	673%
November 1, 2011	—	\$47,012	\$47,012	—	\$7,639	615%
November 1, 2009	—	\$28,069	\$28,069	—	\$8,630	325%



# *Supplementary Section*

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## SCHEDULES OF NET POSITION

October 31, 2014

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Nursing Home and Health Care Project Program
<b>Assets</b>					
Current Assets:					
Cash held principally by Trustee and Depository - Restricted	\$ 58,254	10,017	63,679	2,878	2,237
Cash held principally by Trustee and Depository - Unrestricted	—	—	—	2	—
Investments - Restricted	403,466	8,314	1,294,069	19,059	29,114
Investments - Unrestricted	—	—	—	—	—
Accrued interest receivable on investments	356	—	454	—	539
Mortgage loans and other loans - net	40,313	29,805	22,192	470	395
Interest receivable and other	2,262	347	1,536	3	—
<b>Total current assets</b>	<b>504,651</b>	<b>48,483</b>	<b>1,381,930</b>	<b>22,412</b>	<b>32,285</b>
Non-current Assets:					
Investments - Restricted	22,597	—	1,149	—	20,135
Investments - Unrestricted	—	—	—	—	—
Mortgage loans and other loans - net	837,275	250,929	9,247,928	1,925	283
Interest receivable and other	2	—	—	322	543
<b>Total non-current assets</b>	<b>859,874</b>	<b>250,929</b>	<b>9,249,077</b>	<b>2,247</b>	<b>20,961</b>
<b>Total assets</b>	<b>1,364,525</b>	<b>299,412</b>	<b>10,631,007</b>	<b>24,659</b>	<b>53,246</b>
<b>Deferred outflows of resources</b>					
Accumulated decrease in fair value of hedging derivatives	—	—	—	—	—
<b>Liabilities</b>					
Current Liabilities:					
Bonds payable	38,055	284,945	1,037,448	2,100	1,685
Funds received from mortgagors	2,202	51	2,243	—	—
Accounts payable	—	—	—	—	—
Interest payable	17,774	3,877	4,391	280	90
Advances (to) from other programs	—	(15)	—	280	84
Funds received from governmental entities	—	—	—	—	—
Earnings restricted to project development	371	63	505	—	—
Amounts received in advance and other	6,641	561	194,076	—	—
<b>Total current liabilities</b>	<b>65,043</b>	<b>289,482</b>	<b>1,238,663</b>	<b>2,660</b>	<b>1,859</b>
Non-current Liabilities:					
Bonds and notes	1,185,975	—	9,332,124	4,685	1,815
Derivative instrument - interest rate swaps	—	—	—	—	—
Unearned revenues, amounts received in advance and other	—	—	30,458	—	152
Postemployment retirement benefits	—	—	—	—	—
<b>Total non-current liabilities</b>	<b>1,185,975</b>	<b>—</b>	<b>9,362,582</b>	<b>4,685</b>	<b>1,967</b>
<b>Total liabilities</b>	<b>1,251,018</b>	<b>289,482</b>	<b>10,601,245</b>	<b>7,345</b>	<b>3,826</b>
<b>Deferred inflows of resources</b>					
(Loss) gain on defeasance - net	—	—	—	—	(319)
<b>Net position</b>					
Restricted for bond and other obligations	113,507	9,930	29,762	18,105	49,739
Unrestricted	—	—	—	(791)	—
<b>Total net position (deficit)</b>	<b>\$ 113,507</b>	<b>9,930</b>	<b>29,762</b>	<b>17,314</b>	<b>49,739</b>

**Supplemental Schedule I**

Programs with Bond Financing			Programs without Bond Financing			Total
Mortgage Programs		Other Programs	Mortgage and Other Programs		Agency Operating Funds	
House New York Revenue Bond Program	Housing Project Mortgage Revenue Program	State Revenue Bond Programs	Community Related and Other Loan Programs	Project Improvement and Other Programs		
9,680	1,325	58	590	6,282	15,471	170,471
—	447	—	198	—	5,413	6,060
39,189	29,946	630	13,889	45,781	—	1,883,457
—	—	—	7,986	—	112,514	120,500
—	532	—	7	6	49	1,943
11,030	1,634	61,815	952	468	—	169,074
642	—	4,295	4	32,034	6,491	47,614
<b>60,541</b>	<b>33,884</b>	<b>66,798</b>	<b>23,626</b>	<b>84,571</b>	<b>139,938</b>	<b>2,399,119</b>
—	20,616	—	—	—	—	64,497
—	—	—	—	—	61,511	61,511
80,788	7,246	665,283	4,275	15,179	—	11,111,111
345	—	—	1,951	—	1,201	4,364
<b>81,133</b>	<b>27,862</b>	<b>665,283</b>	<b>6,226</b>	<b>15,179</b>	<b>62,712</b>	<b>11,241,483</b>
<b>141,674</b>	<b>61,746</b>	<b>732,081</b>	<b>29,852</b>	<b>99,750</b>	<b>202,650</b>	<b>13,640,602</b>
—	—	29,386	—	—	—	29,386
5,410	1,700	61,815	—	—	—	1,433,158
1,008	182	—	—	3,952	19,766	29,404
—	—	—	—	47	9,460	9,507
197	184	4,294	—	2	—	31,089
145	52	—	91	348	(985)	—
—	—	—	—	12,396	2,108	14,504
3	93	—	—	2,283	—	3,318
1,138	—	460	—	740	—	203,616
<b>7,901</b>	<b>2,211</b>	<b>66,569</b>	<b>91</b>	<b>19,768</b>	<b>30,349</b>	<b>1,724,596</b>
31,610	3,620	680,228	—	—	—	11,240,057
—	—	29,386	—	—	—	29,386
—	—	—	1,137	22	981	32,750
—	—	—	—	—	43,123	43,123
<b>31,610</b>	<b>3,620</b>	<b>709,614</b>	<b>1,137</b>	<b>22</b>	<b>44,104</b>	<b>11,345,316</b>
<b>39,511</b>	<b>5,831</b>	<b>776,183</b>	<b>1,228</b>	<b>19,790</b>	<b>74,453</b>	<b>13,069,912</b>
—	(182)	1,359	—	—	—	858
102,163	54,763	(16,075)	28,836	79,957	—	470,687
—	1,334	—	(212)	3	128,197	128,531
<b>102,163</b>	<b>56,097</b>	<b>(16,075)</b>	<b>28,624</b>	<b>79,960</b>	<b>128,197</b>	<b>599,218</b>

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## SCHEDULES OF PROGRAM REVENUES, EXPENSES

### AND CHANGES IN NET POSITION

Fiscal Year Ended October 31, 2014

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Hospital and Health Care (Moral Obligation) Program
<b>Operating revenues</b>					
Interest on mortgage loans	\$ 42,641	10,865	24,645	511	—
Fees, charges and other	—	—	3	85	—
Investment income	165	5	790	6	(1)
Recoveries	—	—	—	—	—
<b>Total operating revenues</b>	<b>42,806</b>	<b>10,870</b>	<b>25,438</b>	<b>602</b>	<b>(1)</b>
<b>Operating expenses</b>					
Interest	33,237	8,094	24,522	639	—
Earnings on investments and other funds credited to mortgagors and lessees	4	1	538	—	—
Postemployment retirement benefits	—	—	—	—	—
General expenses	—	—	—	298	—
Other financial expenses	18	—	34	477	—
Unrealized loss (gain) on investments held	10	—	(18)	(1)	—
Supervising agency fee	—	—	—	122	—
Expenses related to federal and state grants	—	—	—	—	—
Allowance for losses on loans	8,645	—	—	—	—
<b>Total operating expenses</b>	<b>41,914</b>	<b>8,095</b>	<b>25,076</b>	<b>1,535</b>	<b>0</b>
<b>Operating income (loss)</b>	<b>892</b>	<b>2,775</b>	<b>362</b>	<b>(933)</b>	<b>(1)</b>
<b>Non-operating revenues (expenses)</b>					
Transfers from Agencies of New York State	—	—	—	—	—
Federal and state grants	—	—	—	—	—
Reserve funds received from (returned to) mortgagors	2,837	726	(590)	—	—
Transfers between programs	1,930	(1,930)	(28)	—	(16,055)
<b>Net non-operating revenues (expenses)</b>	<b>4,767</b>	<b>(1,204)</b>	<b>(618)</b>	<b>—</b>	<b>(16,055)</b>
<b>Increase (Decrease) in net position</b>	<b>5,659</b>	<b>1,571</b>	<b>(256)</b>	<b>(933)</b>	<b>(16,056)</b>
<b>Total net position (deficit) - beginning of fiscal year</b>	<b>107,848</b>	<b>8,359</b>	<b>30,018</b>	<b>18,247</b>	<b>16,056</b>
<b>Total net position (deficit) - end of fiscal year</b>	<b>\$ 113,507</b>	<b>9,930</b>	<b>29,762</b>	<b>17,314</b>	<b>—</b>

*Supplemental Schedule II*

Programs with Bond Financing			Programs without Bond Financing				Total
Mortgage Programs		Other Program	Mortgage and Other Programs		Agency Operating Funds		
Nursing Home and Health Care Project Program	House New York Revenue Bond Program	Housing Project Mortgage Revenue Program	State Revenue Bond Programs	Community Related and Other Loan Programs	Project Improvement and Other Programs		
298	11,664	826	27,417	205	491	—	119,563
182	—	146	2,872	42	2,119	41,268	46,717
1,097	14	1,042	—	19	33	373	3,543
138	19,396	500	—	—	495	—	20,529
<b>1,715</b>	<b>31,074</b>	<b>2,514</b>	<b>30,289</b>	<b>266</b>	<b>3,138</b>	<b>41,641</b>	<b>190,352</b>
311	422	389	25,432	—	—	—	93,046
50	—	—	—	—	—	—	593
—	—	—	—	—	—	3,477	3,477
1,022	218	645	—	202	19	17,077	19,481
4	12	(53)	1,721	—	280	657	3,150
8	—	(8)	—	60	2	(67)	(14)
436	—	274	—	87	—	10,163	11,082
—	—	—	—	—	10,535	—	10,535
—	(2,900)	3,903	—	—	9,883	—	19,531
<b>1,831</b>	<b>(2,248)</b>	<b>5,150</b>	<b>27,153</b>	<b>349</b>	<b>20,719</b>	<b>31,307</b>	<b>160,881</b>
<b>(116)</b>	<b>33,322</b>	<b>(2,636)</b>	<b>3,136</b>	<b>(83)</b>	<b>(17,581)</b>	<b>10,334</b>	<b>29,471</b>
—	—	—	—	—	32,000	—	32,000
—	—	—	—	—	10,535	—	10,535
—	—	—	—	—	1	—	2,974
—	—	(500)	(1,153)	(1,770)	2,060	17,446	—
—	—	(500)	(1,153)	(1,770)	44,596	17,446	45,509
(116)	33,322	(3,136)	1,983	(1,853)	27,015	27,780	74,980
49,855	68,841	59,233	(18,058)	30,477	52,945	100,417	524,238
<b>49,739</b>	<b>102,163</b>	<b>56,097</b>	<b>(16,075)</b>	<b>28,624</b>	<b>79,960</b>	<b>128,197</b>	<b>599,218</b>

# New York State Housing Finance Agency

(A Component Unit of the State of New York)

## SCHEDULES OF PROGRAM CASH FLOWS

Fiscal Year Ended October 31, 2014

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Hospital and Health Care (Moral Obligation) Program
<b>Cash flows from operating activities</b>					
Interest on loans	\$ 41,820	11,155	23,840	512	—
Fees, charges and other	—	—	3	85	—
Operating expenses	(18)	—	(32)	(899)	—
Principal payments on mortgage loans	35,933	40,541	507,872	3,680	—
Mortgage loans advanced	(317,768)	(8,517)	(1,120,580)	—	—
Funds received from mortgagors	3,730	899	67,584	—	—
Funds returned to mortgagors	172	(244)	(4,333)	—	(16)
Distribution of funds received from governmental entities	—	—	—	—	—
Payments and other	1,930	(1,946)	(28)	(253)	(16,100)
Expenditures related to Federal and State Grants	—	—	—	—	—
<b>Net cash (used in) provided by operating activities</b>	<b>(234,201)</b>	<b>41,888</b>	<b>(525,674)</b>	<b>3,125</b>	<b>(16,116)</b>
<b>Cash flows from non-capital financing activities</b>					
Interest payments	(28,369)	(8,482)	(24,224)	(674)	—
Issuance of bonds	444,470	—	1,683,318	—	—
Retirement and redemption of bonds	(34,390)	(45,555)	(510,245)	(3,845)	(10)
Federal and State Grants	—	—	—	—	—
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>381,711</b>	<b>(54,037)</b>	<b>1,148,849</b>	<b>(4,519)</b>	<b>(10)</b>
<b>Cash flows from investing activities</b>					
Investment income (loss)	1,025	(7)	349	7	119
Proceeds from sales or maturities of investments	1,242,591	54,115	3,549,106	37,878	80,365
Purchases of investments	(1,385,505)	(46,729)	(4,165,341)	(38,359)	(64,394)
<b>Net cash (used in) provided by non-capital financing activities</b>	<b>(141,889)</b>	<b>7,379</b>	<b>(615,886)</b>	<b>(474)</b>	<b>16,090</b>
Net increase (decrease) in cash	5,621	(4,770)	7,289	(1,868)	(36)
Cash at beginning of fiscal year	52,633	14,787	56,390	4,748	36
<b>Cash at end of fiscal year</b>	<b>\$ 58,254</b>	<b>10,017</b>	<b>63,679</b>	<b>2,880</b>	<b>—</b>
<b>Reconciliation of operating gain (loss) to net cash (used in) provided by operating activities:</b>					
Operating income (loss)	\$ 892	2,775	362	(933)	(1)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:					
Interest expense	33,237	8,094	24,522	639	—
Investment income (loss)	165	5	790	6	(1)
Allowance for losses on loans	8,645	—	—	—	—
Other	793	(1,665)	(1,891)	(267)	(16,098)
Changes in assets and liabilities - net:					
Mortgage loan receivables	(281,835)	32,024	(612,708)	3,680	—
Accounts and other payables	—	—	—	—	—
Funds received from mortgagors and governmental entities	3,902	655	63,251	—	(16)
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (234,201)</b>	<b>41,888</b>	<b>(525,674)</b>	<b>3,125</b>	<b>(16,116)</b>
<b>Non-cash investing activities</b>					
Unrealized loss (gain) on investments held	\$ 10	—	(18)	(1)	—

Supplemental Schedule III

Programs with Bond Financing			Programs without Bond Financing				Total
Mortgage Programs		Other Program	Mortgage and Other Programs		Agency Operating Funds	Total	
Nursing Home and Health Care Project Program	House New York Revenue Bond Program	Housing Project Mortgage Revenue Program	State Revenue Bond Programs	Community Related and Other Loan Programs	Project Improvement and Other Programs		
(62)	11,735	801	27,918	449	496	—	118,664
182	—	146	2,872	42	2,119	41,268	46,717
(1,494)	(231)	(881)	(1,721)	(254)	(299)	(32,600)	(38,429)
3,344	15,628	1,793	122,140	645	1,281	—	732,857
—	—	(3,903)	—	—	(13,455)	—	(1,464,223)
(560)	27	—	9,188	7	3,833	25,436	110,144
(51)	(795)	(2)	(9,130)	—	—	(19,396)	(33,795)
—	—	—	—	—	(190)	—	(190)
—	19,736	—	(1,153)	(176)	20,098	17,445	39,553
—	—	—	—	—	(10,535)	—	(10,535)
<b>1,359</b>	<b>46,100</b>	<b>(2,046)</b>	<b>150,114</b>	<b>713</b>	<b>3,348</b>	<b>32,153</b>	<b>(499,237)</b>
(594)	(408)	(395)	(27,918)	—	—	—	(91,064)
—	—	—	—	—	—	—	2,127,788
(5,150)	(9,420)	(1,920)	(122,140)	—	—	—	(732,675)
—	—	—	—	—	10,535	—	10,535
<b>(5,744)</b>	<b>(9,828)</b>	<b>(2,315)</b>	<b>(150,058)</b>	<b>—</b>	<b>10,535</b>	<b>—</b>	<b>1,314,584</b>
1,090	16	1,043	—	12	55	416	4,125
82,748	91,418	117,161	3,383	31,708	113,883	135,184	5,539,540
(81,152)	(120,323)	(114,908)	(3,422)	(31,999)	(123,787)	(162,644)	(6,338,563)
<b>2,686</b>	<b>(28,889)</b>	<b>3,296</b>	<b>(39)</b>	<b>(279)</b>	<b>(9,849)</b>	<b>(27,044)</b>	<b>(794,898)</b>
(1,699)	7,383	(1,065)	17	434	4,034	5,109	20,449
3,936	2,297	2,837	41	354	2,248	15,775	156,082
<b>2,237</b>	<b>9,680</b>	<b>1,772</b>	<b>58</b>	<b>788</b>	<b>6,282</b>	<b>20,884</b>	<b>176,531</b>
(116)	33,322	(2,636)	3,136	(83)	(17,581)	10,334	29,471
311	422	389	25,432	—	—	—	93,046
1,097	14	1,042	—	19	33	373	3,543
—	(2,900)	3,903	—	—	9,883	—	19,531
(2,666)	382	(2,632)	(652)	125	30,079	15,406	20,914
3,344	15,628	(2,110)	122,140	645	(12,174)	—	(731,366)
—	—	—	—	—	—	830	830
(611)	(768)	(2)	58	7	(6,892)	5,210	64,794
<b>1,359</b>	<b>46,100</b>	<b>(2,046)</b>	<b>150,114</b>	<b>713</b>	<b>3,348</b>	<b>32,153</b>	<b>(499,237)</b>
8	—	(8)	—	60	2	(67)	(14)

# BOND INDEBTEDNESS

(in thousands)

Supplemental Schedule IV

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Non-Profit Housing Project Bonds:</b>					
5.80% to 7.50% — 1973 Series A, maturing in varying annual installments to 2014	\$ 136,500	4,365	—	2,975	1,390
8.40% — 1979 Series A, maturing in varying annual installments to 2014	49,585	3,105	—	415	2,690
	<b>186,085</b>	<b>7,470</b>	<b>—</b>	<b>3,390</b>	<b>4,080</b>
<b>Housing Project Bonds:</b>					
Simeon DeWitt Apartments, 8% — 1978, maturing in varying semi-annual installments to 2018	4,565	1,670	—	250	1,420
Towpath Towers, 8% — 1978, maturing in varying semi-annual installments to 2019	3,815	1,490	—	205	1,285
	<b>8,380</b>	<b>3,160</b>	<b>—</b>	<b>455</b>	<b>2,705</b>
<b>House New York Revenue Bonds</b>					
0.35% to 1.80% — Series 2013 (Federally Taxable) maturing in varying semi-annual installments to 2018	46,440	46,440	—	9,420	37,020
	<b>46,440</b>	<b>46,440</b>	<b>—</b>	<b>9,420</b>	<b>37,020</b>
<b>Secured Loan Rental Housing Bonds and Other:</b>					
6.40% — 1996 Series A, maturing in varying semi-annual installments to 2027	2,515	2,515	—	—	2,515
7.65% to 8.45% — 1996 Series B (Federally Taxable), maturing in varying semi-annual installments to 2020	2,500	1,325	—	140	1,185
6.57% — 1998 Series A (Federally Taxable), maturing in varying semi-annual installments to 2030	1,045	840	—	25	815
5.15% to 5.30% — 1998 Series B, maturing in varying semi-annual installments to 2039	3,400	2,910	—	50	2,860
1% to 4.70% — 2003 Series A, maturing in varying semi-annual installments to 2043	8,290	5,920	—	255	5,665
1.25% to 4.95% — 2003 Series B, maturing in varying semi-annual installments to 2033	4,700	1,910	—	340	1,570
	<b>22,450</b>	<b>15,420</b>	<b>—</b>	<b>810</b>	<b>14,610</b>
<b>Multi-Family FHA Insured Mortgage Housing Revenue Bonds</b>					
6.79% — 1998 Series A (Federally Taxable), maturing in varying semi-annual installments to 2039	2,540	2,265	—	30	2,235
	<b>2,540</b>	<b>2,265</b>	<b>—</b>	<b>30</b>	<b>2,235</b>
<b>Multi-Family Housing Revenue Bonds (Fannie Mae-Backed Program)</b>					
4.60% to 6.85% — 1994 Series A, maturing in varying semi-annual installments to 2019	11,405	1,405	—	170	1,235
<b>Normandie Court II Multi-Family Housing Revenue Bonds</b>					
variable rate demand — 1999 Series A, maturing in 2029	40,500	32,000	—	1,000	31,000
<b>Children's Rescue Fund Housing Revenue Bonds</b>					
6.25% to 7.625% — 1991 Series A, maturing in varying semi-annual installments to 2018	11,020	3,690	—	695	2,995
<b>Multi-Family Housing Revenue Bonds (Secured Mortgage Program)</b>					
7.95% to 9% — 1994 Series B (Federally Taxable), maturing in varying annual installments to 2026	12,220	1,270	—	60	1,210
4% to 5.50% — 1998 Series B	3,685	2,655	—	2,655	—
6.72% to 6.82% — 1998 Series C (Federally Taxable)	3,545	2,695	—	2,695	—
3.65% to 5.35% — 1999 Series A, maturing in varying annual installments to 2031	7,565	5,720	—	200	5,520
varying annual installments to 2032	5,755	4,645	—	135	4,510
4.65% to 6.30% — 1999 Series J, maturing in varying annual installments to 2032	3,960	3,195	—	90	3,105



	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
4.05% to 5.60% — 2001 Series A, maturing in varying annual installments to 2033	2,150	1,735	—	50	1,685
3.75% to 5.45% — 2001 Series C, maturing in varying annual installments to 2033	12,400	9,990	—	290	9,700
3% to 5.40% — 2001 Series G, maturing in varying annual installments to 2034	10,465	8,560	—	240	8,320
5% to 5.65% — 2001 Series K, maturing in varying annual installments to 2034	3,795	3,205	—	80	3,125
4.90% to 5.375% — 2002 Series A, maturing in varying annual installments to 2035	6,640	5,580	—	150	5,430
4.50% to 5.375% — 2002 Series C, maturing in varying annual installments to 2034	3,170	2,635	—	70	2,565
5.375% — 2002 Series D, maturing in varying annual installments to 2034	1,600	350	—	10	340
2% to 5.30% — 2004 Series A refunding	4,090	3,055	—	3,055	—
1.75% to 5.10% — 2004 Series B refunding, maturing in varying semi-annual installments to 2027	32,245	21,955	—	18,255	3,700
4.46% to 5.96% — 2004 Series C refunding (Federally Taxable)	2,350	1,290	—	1,290	—
<b>Walnut Hill Apartments Multi-Family Housing Revenue Bonds</b>					
1.10% to 5% — 2003 Series A, maturing in varying semi-annual installments to 2040	10,030	7,065	—	360	6,705
<b>Watergate II Apartments Multi-Family Housing Revenue Bonds</b>					
1.10% to 4.90% — 2004 Series A, maturing in varying semi-annual installments to 2045	7,800	5,290	—	185	5,105
<b>Framark Place Apartments Multi-Family Housing Revenue Bonds</b>					
5.20% to 5.35% — 2004 Series A, maturing in varying semi-annual installments to 2036	1,800	1,560	—	40	1,520
<b>The Northfield Apartments Multi-Family Housing Revenue Bonds</b>					
4.30% to 5.20% — 2004 Series A, maturing in varying semi-annual installments to 2036	4,990	4,340	—	105	4,235
<b>Washington Apartments Multi-Family Housing Revenue Bonds</b>					
4.50% to 5.15% — 2004 Series A, maturing in varying semi-annual installments to 2036	2,695	2,315	—	60	2,255
<b>Keeler Park Apartments Housing Revenue Bonds</b>					
1.20% to 5.05% — 2003 Series A, maturing in varying semi-annual installments to 2033	17,900	11,955	—	710	11,245
<b>Nathan Hale Senior Village Multi-Family Housing Revenue Bonds</b>					
1.15% to 4.60% — 2004 Series A, maturing in varying semi-annual installments to 2039	5,745	3,985	—	220	3,765
<b>Horizons at Fishkill Apartments Multi-Family Housing Revenue Bonds</b>					
4.10% to 5% — 2004 Series A, maturing in varying semi-annual installments to 2036	5,975	5,210	—	130	5,080
<b>Extra Place Apartments Multi-Family Housing Revenue Bonds</b>					
4.25% to 5% — 2004 Series A, maturing in varying semi-annual installments to 2037	3,310	2,515	—	140	2,375
<b>Tall Oaks Apartments Multi-Family Housing Revenue Bonds</b>					
4.15% to 4.95% — 2004 Series A, maturing in varying semi-annual installments to 2036	5,930	3,705	—	325	3,380
<b>East 84th Street Housing Revenue Bonds</b>					
variable rate demand — 1995 Series A , maturing in 2028	61,200	60,000	—	—	60,000
<b>Union Square South Housing Revenue Bonds</b>					
variable rate demand — 1996 Series A , maturing in 2024	50,000	49,000	—	—	49,000

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
250 West 50th Street Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	103,500	100,500	—	—	100,500
Tribeca Landing Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	59,000	54,800	—	—	54,800
240 East 39th Street Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2030	119,000	119,000	—	—	119,000
345 East 94th Street Housing Revenue Bonds variable rate demand — 1998 Series A, maturing in 2030	29,000	28,700	—	—	28,700
variable rate demand — 1999 Series A, maturing in 2030	17,100	14,900	—	—	14,900
Tribeca Park Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	82,000	77,500	—	—	77,500
variable rate demand — 1997 Series B (Federally Taxable), maturing in 2029	2,000	2,000	—	—	2,000
variable rate demand — 2000 Series A, (Federally Taxable), maturing in 2029	3,500	2,200	—	400	1,800
70 Battery Place Housing Revenue Bonds variable rate demand — 1998 Series A	10,000	10,000	—	10,000	—
variable rate demand — 1999 Series A	24,800	23,300	—	23,300	—
Chelsea Arms Housing Revenue Bonds variable rate demand — 1998 Series A, maturing in 2031	18,000	18,000	—	—	18,000
750 Sixth Avenue Housing Revenue Bonds variable rate demand — 1998 Series A, maturing in 2031	39,500	39,500	—	—	39,500
variable rate demand — 1999 Series A, maturing in 2031	28,500	28,500	—	—	28,500
variable rate demand — 2000 Series A, maturing in 2031	2,600	2,600	—	—	2,600
Talleyrand Crescent Housing Revenue Bonds variable rate demand — 1999 Series A, maturing in 2028	36,500	35,000	—	—	35,000
101 West End Avenue Housing Revenue Bonds variable rate demand — 1998 Series A, maturing in 2031	43,000	43,000	—	—	43,000
variable rate demand — 1999 Series A, maturing in 2031	62,000	62,000	—	—	62,000
variable rate demand — 2000 Series A, maturing in 2031	21,000	21,000	—	—	21,000
South Cove Plaza Housing Revenue Bonds variable rate demand — 1999 Series A, maturing in 2030	32,000	32,000	—	—	32,000
Related-East 39th Street Housing Revenue Bonds variable rate demand — 1999 Series A, maturing in 2032	33,700	33,700	—	—	33,700
variable rate demand — 2000 Series A, maturing in 2032	36,300	36,300	—	—	36,300
150 East 44th Street Housing Revenue Bonds variable rate demand — 2000 Series A, maturing in 2032	90,000	87,000	—	—	87,000
variable rate demand — 2001 Series A, maturing in 2032	13,000	11,000	—	—	11,000

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>1501 Lexington Avenue Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2032	30,600	30,600	—	—	30,600
<b>Theatre Row Tower Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2032	50,000	50,000	—	—	50,000
variable rate demand — 2001 Series A, maturing in 2032	10,000	10,000	—	—	10,000
variable rate demand — 2002 Series A, maturing in 2032	14,800	14,800	—	—	14,800
<b>363 West 30th Street Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2032	17,000	17,000	—	—	17,000
<b>66 West 38th Street Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2033	7,000	7,000	—	—	7,000
variable rate demand — 2000 Series B (Federally Taxable), maturing in 2033	31,000	15,000	—	2,000	13,000
variable rate demand — 2001 Series A, maturing in 2033	36,000	36,000	—	—	36,000
variable rate demand — 2002 Series A, maturing in 2033	46,800	46,800	—	—	46,800
<b>350 West 43rd Street Housing Revenue Bonds</b>					
variable rate demand — 2001 Series A, maturing in 2034	26,000	26,000	—	—	26,000
variable rate demand — 2002 Series A, maturing in 2034	60,000	60,000	—	—	60,000
variable rate demand — 2004 Series A, maturing in 2034	23,000	16,500	—	1,400	15,100
<b>Related-West 20th Street Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2033	29,000	29,000	—	—	29,000
variable rate demand — 2000 Series B (Federally Taxable), maturing in 2033	8,000	3,000	—	—	3,000
variable rate demand — 2001 Series A, maturing in 2033	51,000	51,000	—	—	51,000
<b>Saville Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2035	55,000	55,000	—	—	55,000
<b>Related-West 23rd Street Housing Revenue Bonds</b>					
variable rate demand — 2001 Series A, maturing in 2033	26,000	26,000	—	—	26,000
variable rate demand — 2001 Series B (Federally Taxable), maturing in 2033	27,500	8,000	—	—	8,000
variable rate demand — 2002 Series A, maturing in 2033	73,000	73,000	—	—	73,000
<b>The Victory Housing Revenue Bonds</b>					
variable rate demand — 2000 Series A, maturing in 2033	16,000	16,000	—	—	16,000
variable rate demand — 2001 Series A, maturing in 2033	44,000	44,000	—	—	44,000
variable rate demand — 2002 Series A, maturing in 2033	29,000	29,000	—	—	29,000
variable rate demand — 2004 Series A, maturing in 2033	25,500	25,500	—	—	25,500

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Worth Street Housing Revenue Bonds</b>					
variable rate demand — 2001 Series A, maturing in 2033	51,000	51,000	—	—	51,000
variable rate demand — 2001 Series B (Federally Taxable), maturing in 2033	27,900	14,400	—	1,900	12,500
variable rate demand — 2002 Series A, maturing in 2033	39,200	37,000	—	—	37,000
<b>360 West 43rd Street Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2033	33,700	33,700	—	—	33,700
variable rate demand — 2003 Series A, maturing in 2033	45,300	43,300	—	—	43,300
<b>900 Eighth Avenue Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2035	93,100	89,500	—	—	89,500
<b>1500 Lexington Avenue Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2034	38,000	38,000	—	—	38,000
variable rate demand — 2004 Series A, maturing in 2034	5,000	5,000	—	—	5,000
<b>Biltmore Tower Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2034	72,000	72,000	—	—	72,000
variable rate demand — 2002 Series B (Federally Taxable)	36,000	900	—	900	—
variable rate demand — 2003 Series A, maturing in 2034	43,300	43,300	—	—	43,300
<b>20 River Terrace Housing Revenue Bonds</b>					
variable rate demand — 2002 Series A, maturing in 2035	100,000	100,000	—	—	100,000
variable rate demand — 2004 Series A, maturing in 2034	1,500	1,500	—	—	1,500
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2034	15,000	3,900	—	1,700	2,200
<b>West 33rd Street Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	43,100	43,100	—	—	43,100
variable rate demand — 2003 Series B (Federally Taxable), maturing in 2036	7,600	3,500	—	700	2,800
<b>10 Liberty Street Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2035	95,000	95,000	—	—	95,000
<b>Kew Gardens Hills Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	72,000	72,000	—	—	72,000
variable rate demand — 2006 Series A, maturing in 2036	15,000	15,000	—	—	15,000
<b>Parkledge Apartments Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2035	39,000	34,600	—	600	34,000
<b>Chelsea Apartments Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	95,500	95,500	—	—	95,500
<b>Historic Front Street Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	46,300	46,300	—	—	46,300

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>The Helena Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	42,000	42,000	—	—	42,000
variable rate demand — 2004 Series A, maturing in 2036	101,000	101,000	—	—	101,000
<b>Avalon Chrystie Place I Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A	58,500	58,500	—	58,500	—
variable rate demand — 2004 Series B	58,500	58,500	—	58,500	—
<b>Related-Tribeca Green Housing Revenue Bonds</b>					
variable rate demand — 2003 Series A, maturing in 2036	109,200	103,800	—	—	103,800
variable rate demand — 2003 Series B (Federally Taxable), maturing in 2036	800	800	—	—	800
<b>100 Maiden Lane Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2037	95,000	95,000	—	—	95,000
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2037	3,000	3,000	—	—	3,000
<b>North End Avenue Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2036	98,800	98,800	—	—	98,800
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2036	3,400	3,400	—	—	3,400
<b>Sea Park East Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2036	18,700	13,800	—	500	13,300
<b>Sea Park West Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2036	22,900	15,500	—	1,100	14,400
<b>Archstone Westbury Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2036	62,200	62,200	—	—	62,200
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2036	15,800	14,240	—	1,105	13,135
4.57% — 2012 Series A (Federally Taxable), maturing in 2036	7,200	7,200	—	—	7,200
<b>Rip Van Winkle House Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2034	11,500	10,700	—	—	10,700
<b>10 Barclay Street Housing Revenue Bonds</b>					
variable rate demand — 2004 Series A, maturing in 2037	135,000	135,000	—	—	135,000
<b>Reverend Polite Avenue Apartments Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2036	16,000	7,435	—	—	7,435
<b>125 West 31st Street Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2038	176,800	176,800	—	—	176,800
<b>Clinton Green North Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2038	100,000	100,000	—	—	100,000
variable rate demand — 2006 Series A, maturing in 2038	47,000	47,000	—	—	47,000
<b>Clinton Green South Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2038	75,000	75,000	—	—	75,000

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
variable rate demand — 2006 Series A, maturing in 2038	46,500	46,500	—	—	46,500
<b>Related-Ocean Park Apartments Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2035	28,400	28,400	—	—	28,400
2.20% to 4.25% — 2005 Series B, maturing in varying semi-annual installments to 2016	10,600	3,765	—	1,165	2,600
<b>250 West 93rd Street Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2038	61,500	60,400	—	—	60,400
variable rate demand — 2005 Series B (Federally Taxable), maturing in 2038	5,300	5,300	—	—	5,300
variable rate demand — 2007 Series A (Federally Taxable), maturing in 2038	1,100	1,100	—	—	1,100
<b>Tower 31 Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2036	83,800	83,800	—	—	83,800
variable rate demand — 2005 Series B (Federally Taxable), maturing in 2036	2,000	2,000	—	—	2,000
variable rate demand — 2006 Series A (Federally Taxable), maturing in 2036	8,000	2,300	—	1,200	1,100
<b>88 Leonard Street Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2037	112,500	112,500	—	—	112,500
variable rate demand — 2005 Series B (Federally Taxable), maturing in 2037	7,500	7,500	—	—	7,500
variable rate demand — 2007 Series A (Federally Taxable), maturing in 2037	12,000	12,000	—	—	12,000
<b>Tiffany Gardens Multi-Family Housing Revenue Bonds</b>					
4.50% to 5.125% — 2005 Series A, maturing in varying semi-annual installments to 2037	5,550	4,980	—	110	4,870
<b>Friendship House Apartments Multi-Family Housing Revenue Bonds</b>					
5.10% — 2005 Series A, maturing in varying semi-annual installments to 2041	2,840	2,600	—	40	2,560
<b>55 West 25th Street Housing Revenue Bonds</b>					
variable rate demand — 2005 Series A, maturing in 2038	164,500	164,500	—	—	164,500
variable rate demand — 2005 Series B,(Federally Taxable)	8,800	600	—	600	—
<b>188 Ludlow Street Housing Revenue Bonds</b>					
variable rate demand — 2006 Series A, maturing in 2038	83,000	83,000	—	—	83,000
<b>Division Street Multi-Family Housing Revenue Bonds</b>					
5% to 5.10% — 2006 Series A, maturing in varying semi-annual installments to 2038	1,525	1,380	—	30	1,350
<b>Gateway to New Cassel Housing Revenue Bonds</b>					
variable rate demand — 2006 Series A, maturing in 2039	9,500	6,000	—	200	5,800
<b>Golden Age Apartments Multi-Family Housing Revenue Bonds</b>					
5% — 2006 Series A, maturing in varying semi-annual installments to 2037	2,800	2,165	—	115	2,050
<b>Related - Taconic West 17th Street Housing Revenue Bonds</b>					
variable rate demand — 2009 Series A, maturing in 2039	126,000	126,000	—	—	126,000
<b>Crotona Estates Apartments Multi-Family Housing Revenue Bonds</b>					
4.95% — 2006 Series A, maturing in varying semi-annual installments to 2038	2,760	2,280	—	90	2,190

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Related - Capitol Green Apartments Housing Revenue Bonds</b>					
variable rate demand — 2006 Series A, maturing in 2036	10,900	10,900	—	—	10,900
3.45% to 4.375% — 2006 Series B, maturing in varying semi-annual installments to 2017	5,600	2,665	—	580	2,085
<b>Avalon Bowery Place I Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2037	93,800	93,800	—	—	93,800
<b>St. Philip's Housing Revenue Bonds</b>					
4.05% to 4.65% — 2006 Series A, maturing in varying semi-annual installments to 2038	16,250	13,355	—	585	12,770
<b>Kensico Terrace Apartments Multi-Family Housing Revenue Bonds</b>					
4.35% to 4.90% — 2006 Series A, maturing in varying semi-annual installments to 2038	4,130	3,735	—	80	3,655
<b>Admiral Halsey Senior Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2037	6,650	3,150	—	200	2,950
<b>Related - Weyant Green Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2037	3,800	3,800	—	—	3,800
<b>Related - McCarthy Manor Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2037	6,800	6,800	—	—	6,800
<b>600 West 42nd Street Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2041	268,000	249,335	—	—	249,335
variable rate demand — 2008 Series A, maturing in 2041	100,000	100,000	—	—	100,000
variable rate demand — 2009 Series A, maturing in 2041	108,000	119,975	—	—	119,975
<b>316 Eleventh Avenue Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2041	152,000	152,000	—	—	152,000
variable rate demand — 2007 Series B (Federally Taxable), maturing in 2041	39,500	6,900	—	—	6,900
variable rate demand — 2009 Series A, maturing in 2041	32,600	32,600	—	—	32,600
<b>455 West 37th Street Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2041	136,000	136,000	—	—	136,000
variable rate demand — 2007 Series B (Federally Taxable), maturing in 2041	32,000	8,700	—	—	8,700
<b>Related - Warren Knolls Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2037	6,700	6,700	—	—	6,700
<b>Related - West Haverstraw Senior Citizens Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2037	6,700	6,700	—	—	6,700
<b>Prospect Plaza Apartments Housing Revenue Bonds</b>					
variable rate demand — 2007 Series A, maturing in 2039	23,300	8,000	—	—	8,000
<b>Horizons at Wawayanda Housing Revenue Bonds</b>					
5.15% — 2007 Series A, maturing in varying semi-annual installments to 2040	8,600	8,180	—	120	8,060

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
Park Drive Manor II Apartments Multi-Family Housing Revenue Bonds 4.85% – 2007 Series A, maturing in varying semi-annual installments to 2038	3,980	3,620	—	80	3,540
Highland Avenue Senior Apartments Multi-Family Housing Revenue Bonds 4.70% to 5% – 2007 Series A, maturing in varying semi-annual installments to 2039	6,920	6,440	—	130	6,310
North Street Y Senior Apartments Multi-Family Housing Revenue Bonds 5.05% – 2007 Series A, maturing in varying semi-annual installments to 2039	2,100	1,965	—	40	1,925
Cannon Street Senior Apartments Multi-Family Housing Revenue Bonds 5.30% – 2007 Series A, maturing in varying semi-annual installments to 2039	1,860	1,730	—	35	1,695
Related - 42nd and 10th Housing Revenue Bonds variable rate demand – 2007 Series A, maturing in 2041	166,100	166,100	—	—	166,100
variable rate demand – 2008 Series A, maturing in 2041	81,000	81,000	—	—	81,000
variable rate demand – 2010 Series A, maturing in 2041	102,900	72,900	—	—	72,900
Tri-Senior Development Housing Revenue Bonds 5.10% to 5.40% – 2007 Series A, maturing in varying semi-annual installments to 2042	14,700	13,765	—	205	13,560
Related - Overlook Apartments Housing Revenue Bonds variable rate demand – 2007 Series A, maturing in 2037	5,400	4,500	—	—	4,500
Remeeder Houses Apartments Housing Revenue Bonds variable rate demand – 2007 Series A, maturing in 2039	18,900	17,100	—	500	16,600
Grace Towers Housing Revenue Bonds variable rate demand – 2007 Series A, maturing in 2040	19,900	11,530	—	—	11,530
Baisley Park Gardens Housing Revenue Bonds variable rate demand – 2008 Series A, maturing in 2039	18,800	18,100	—	300	17,800
Related - Caroline Apartments Housing Revenue Bonds variable rate demand – 2008 Series A, maturing in 2043	16,900	16,900	—	—	16,900
West 37th Street Housing Revenue Bonds variable rate demand – 2008 Series A, maturing in 2042	18,900	18,900	—	—	18,900
variable rate demand – 2008 Series B (Federally Taxable), maturing in 2042	31,500	11,400	—	900	10,500
variable rate demand – 2009 Series A, maturing in 2042	25,200	25,200	—	—	25,200
variable rate demand – 2009 Series B, maturing in 2042	30,900	30,900	—	—	30,900
West Village Apartments Housing Revenue Bonds variable rate demand – 2008 Series A, maturing in 2039	9,700	6,500	—	300	6,200
330 Riverdale Avenue Apartments Housing Revenue Bonds variable rate demand – 2008 Series A, maturing in 2041	28,700	14,200	—	—	14,200



	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>320 West 38th Street Housing Revenue Bonds</b>					
variable rate demand — 2008 Series A	74,500	74,500	—	74,500	—
variable rate demand — 2009 Series A	119,500	119,500	—	119,500	—
variable rate demand — 2009 Series B	106,000	106,000	—	106,000	—
variable rate demand — 2014 Series A, maturing in 2042	225,000	—	225,000	—	225,000
variable rate demand — 2014 Series B-1, maturing in 2042	35,000	—	35,000	—	35,000
<b>Shore Hill Housing Revenue Bonds</b>					
variable rate demand — 2008 Series A, maturing in 2045	39,000	19,500	—	—	19,500
<b>505 West 37th Street Housing Revenue Bonds</b>					
variable rate demand — 2008 Series A, maturing in 2042	95,600	95,600	—	—	95,600
variable rate demand — 2008 Series B (Federally Taxable), maturing in 2042	138,000	58,400	—	—	58,400
variable rate demand — 2009 Series A, maturing in 2042	100,800	100,800	—	—	100,800
variable rate demand — 2009 Series B, maturing in 2042	119,600	119,600	—	—	119,600
<b>College Arms Apartments Housing Revenue Bonds</b>					
variable rate demand — 2008 Series A, maturing in 2048	11,390	10,990	—	100	10,890
<b>80 DeKalb Avenue Housing Revenue Bonds</b>					
variable rate demand — 2008 Series A, maturing in 2042	32,850	5,090	—	—	5,090
variable rate demand — 2009 Series A, maturing in 2042	43,800	43,800	—	—	43,800
variable rate demand — 2009 Series B, maturing in 2042	55,110	55,110	—	—	55,110
<b>Related - Clarkstown Maplewood Gardens Housing Revenue Bonds</b>					
variable rate demand — 2009 Series A, maturing in 2049	4,085	4,085	—	—	4,085
<b>8 East 102nd Street Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2044	95,630	135,690	—	—	135,690
variable rate demand — 2010 Series B (Federally Taxable), maturing in 2044	8,010	8,010	—	—	8,010
<b>330 West 39th Street Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2044	65,000	65,000	—	250	64,750
<b>Clinton Park Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2044	70,000	70,000	—	—	70,000
<b>25 Washington Street Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2044	19,700	19,700	—	2,200	17,500
<b>29 Flatbush Avenue Housing Revenue Bonds</b>					
variable rate demand — 2010 Series A, maturing in 2044	90,000	90,000	—	—	90,000
<b>2180 Broadway Housing Revenue Bonds</b>					
variable rate demand — 2011 Series A, maturing in 2044	96,300	96,300	—	—	96,300
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	27,320	27,320	—	—	27,320

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Gotham West Housing Revenue Bonds</b>					
variable rate demand — 2011 Series A-1, maturing in 2045	133,000	133,000	—	—	133,000
variable rate demand — 2011 Series A-2, maturing in 2045	67,000	67,000	—	—	67,000
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2045	20,000	20,000	—	—	20,000
variable rate demand — 2012 Series A-1, maturing in 2045	173,000	173,000	—	—	173,000
variable rate demand — 2012 Series A-2, maturing in 2045	87,000	87,000	—	—	87,000
variable rate demand — 2013 Series A (Federally Taxable) maturing in 2012	40,000	40,000	—	—	40,000
<b>160 West 62nd Street Housing Revenue Bonds</b>					
variable rate demand — 2011 Series A-1, maturing in 2044	155,000	155,000	—	—	155,000
variable rate demand — 2011 Series A-2, maturing in 2044	80,000	80,000	—	—	80,000
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	25,000	25,000	—	—	25,000
<b>Clinton Park Phase II Housing Revenue Bonds</b>					
variable rate demand — 2011 Series A-1, maturing in 2049	83,000	83,000	—	—	83,000
variable rate demand — 2011 Series A-2, maturing in 2049	42,000	42,000	—	—	42,000
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2049	20,000	20,000	—	—	20,000
<b>111 Nassau Street Housing Revenue Bonds</b>					
variable rate demand — 2011 Series A, maturing in 2044	65,240	65,240	—	—	65,240
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	6,260	6,260	—	—	6,260
<b>Related West 30th Street Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A-1, maturing in 2045	73,000	73,000	—	—	73,000
variable rate demand — 2012 Series A-2, maturing in 2045	37,000	37,000	—	—	37,000
variable rate demand — 2013 Series A maturing in 2045	53,200	53,200	—	—	53,200
<b>388 Bridge Street Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2046	86,000	86,000	—	—	86,000
<b>175 West 60th Street Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A-1, maturing in 2046	40,000	40,000	—	—	40,000
variable rate demand — 2012 Series A-2, maturing in 2046	20,000	20,000	—	—	20,000
variable rate demand — 2013 Series A-1, maturing in 2046	33,000	—	33,000	—	33,000
variable rate demand — 2013 Series A-2, maturing in 2046	17,000	—	17,000	—	17,000
variable rate demand — 2014 Series A-1, maturing in 2046	27,000	—	27,000	—	27,000
variable rate demand — 2014 Series A-2, maturing in 2046	13,000	—	13,000	—	13,000
variable rate demand — 2014 Series B, (Federally Taxable), maturing in 2046	15,000	—	15,000	—	15,000

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Jackson Avenue Apartments Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2044	27,335	13,270	10,630	—	23,900
variable rate demand — 2012 Series B maturing in 2044	325	325	—	—	325
<b>11th Street Apartments Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2044	21,000	10,095	5,488	—	15,583
<b>Dock Street Apartments Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2046	34,700	34,700	—	—	34,700
variable rate demand — 2013 Series B, maturing in 2046	65,800	65,800	—	—	65,800
<b>626 Flatbush Avenue Apartments Housing Revenue Bonds</b>					
variable rate demand — 2013 Series A, maturing in 2046	40,000	13,305	4,166	—	17,471
variable rate demand — 2013 Series B, (Federally Taxable) maturing in 2046	10,940	835	5,274	—	6,109
variable rate demand — 2014 Series A, maturing in 2046	20,325	—	4,510	—	4,510
<b>Riverside Center 2 Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2046	25,000	25,000	—	—	25,000
variable rate demand — 2013 Series A-1, maturing in 2046	41,200	41,200	—	—	41,200
variable rate demand — 2013 Series A-2, maturing in 2046	57,000	—	57,000	—	57,000
variable rate demand — 2013 Series A-3, maturing in 2046	65,800	—	65,800	—	65,800
<b>44th Drive Apartments Housing Revenue Bonds</b>					
variable rate demand — 2013 Series A, maturing in 2043	24,500	4,009	3,470	—	7,479
variable rate demand — 2014 Series A, maturing in 2043	4,020	—	3,050	—	3,050
<b>149 Kent Avenue Housing Revenue Bonds</b>					
variable rate demand- 2013 Series , maturing in 20437	59,075	—	11,265	—	11,265
<b>Related West 29th Street Housing Revenue Bonds</b>					
variable rate demand — 2012 Series A, maturing in 2045	45,000	45,000	—	—	45,000
<b>Terrace Gardens Housing Revenue Bonds</b>					
5.34% — 2013 A, maturing in varying semi-annual installments to 2043	27,020	27,020	—	215	26,805
<b>855 Sixth Avenue Housing Revenue Bonds</b>					
variable rate demand — 2013 Series A, maturing in 2047	112,000	—	112,000	—	112,000
variable rate demand — 2014 Series A, maturing in 2047	40,000	—	40,000	—	40,000
<b>Maestro West Chelsea Housing Revenue Bonds</b>					
variable rate demand — 2013 Series A, maturing in 2047	50,000	—	50,000	—	50,000
variable rate demand — 2014 Series A, maturing in 2047	70,000	—	70,000	—	70,000
<b>160 Madison Avenue Housing Revenue Bonds</b>					
variable rate demand- 2013 Series A, maturing in 2046	111,445	—	111,445	—	111,445

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
variable rate demand — 2013 Series B, (Federally Taxable) maturing in 2046	30,000	—	30,000	—	30,000
variable rate demand- 2014 Series A, maturing in 2046	68,555	—	68,555	—	68,555
<b>Related 205 East 92nd Street Housing Revenue Bonds</b>					
variable rate demand- 2013 Series A, maturing in 2047	40,000	—	40,000	—	40,000
variable rate demand- 2014 Series A, maturing in 2047	80,000	—	80,000	—	80,000
<b>605 West 42nd Street Housing Revenue Bonds</b>					
variable rate demand- 2014 Series A, maturing in 2048	84,000	—	84,000	—	84,000
variable rate demand- 2014 Series B, (Federally Taxable) maturing in 2048	375,000	—	375,000	—	375,000
<b>606 West 57th Street HRB</b>					
variable rate demand- 2014 Series A, maturing in 2048	30,000	—	30,000	—	30,000
<b>625 West 57th Street HRB</b>					
variable rate demand- 2014 Series A, maturing in 2048	30,000	—	30,000	—	30,000
<b>Navy Pier Court Housing Revenue Bonds</b>					
variable rate demand- 2014 Series A, maturing in 2048	23,700	—	23,700	—	23,700
<b>Total Secured Loan Rental Housing Bonds and Other</b>	<b>11,544,725</b>	<b>9,196,499</b>	<b>1,680,353</b>	<b>507,280</b>	<b>10,369,572</b>
<b>Housing Project Mortgage Revenue Bonds:</b>					
3.60% to 6.125% — 1996 Series A Refunding, maturing in varying semi-annual installments to 2020	484,540	7,240	—	1,920	5,320
	<b>484,540</b>	<b>7,240</b>	<b>—</b>	<b>1,920</b>	<b>5,320</b>
<b>Affordable Housing Bonds:</b>					
<b>Affordable Housing Revenue Bonds</b>					
3.65% to 5.25% — 2007 Series A, maturing in varying semi-annual installments to 2038	11,805	8,815	—	170	8,645
3.60% to 5.45% — 2007 Series B, maturing in varying semi-annual installments to 2045	81,570	34,820	—	655	34,165
2.375% to 5.45% — 2008 Series A, maturing in varying semi-annual installments to 2040	14,880	6,220	—	100	6,120
3.30% to 5.00% — 2008 Series B, maturing in varying semi-annual installments to 2045	23,000	11,055	—	900	10,155
5.00% — 2008 Series C, maturing in varying semi-annual installments to 2045	15,515	12,025	—	935	11,090
2.15% to 6.80% — 2008 Series D, maturing in varying semi-annual installments to 2041	53,740	15,530	—	385	15,145
1.80% to 5.25% — 2009 Series A, maturing in varying semi-annual installments to 2041	53,680	36,935	—	660	36,275
0.70% to 5.00% — 2009 Series B, maturing in varying semi-annual installments to 2045	80,525	62,710	—	1,195	61,515
1.10% to 4.95% — 2009 Series C, maturing in varying semi-annual installments to 2041	35,590	15,710	—	240	15,470
0.45% to 5.20% — 2009 Series D, maturing in varying semi-annual installments to 2045	70,795	37,735	—	965	36,770
0.50% to 5.00% — 2010 Series A, maturing in varying semi-annual installments to 2042	45,800	31,200	—	435	30,765
0.40% to 4.875% — 2010 Series B, maturing in varying semi-annual installments to 2042	24,600	15,975	—	325	15,650
2.625% to 5.25% — 2010 Series C, maturing in varying semi-annual installments to 2042	3,140	2,790	—	180	2,610

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
0.55% to 5.20% — 2011 Series B, maturing in varying semi-annual installments to 2042	16,545	4,550	—	60	4,490
0.55% to 4.875% — 2011 Series D, maturing in varying semi-annual installments to 2042	14,630	8,860	—	175	8,685
0.75% to 4.13% — 2012 Series A, maturing in 2044	22,795	22,675	—	5,615	17,060
0.25% to 4.00% — 2012 Series B, maturing in varying semi-annual installments to 2047	45,500	45,355	—	6,450	38,905
0.25% to 3.85% — 2012 Series C, maturing in varying semi-annual installments to 2044	50,355	50,285	—	1,730	48,555
0.70% to 3.60% — 2012 Series D, maturing in varying semi-annual installments to 2045	23,685	23,685	—	9,000	14,685
0.33% to 3.75% — 2012 Series E, maturing in varying semi-annual installments to 2050	157,500	156,185	—	3,160	153,025
0.40% to 4.10% — 2012 Series F, maturing in varying semi-annual installments to 2048	91,500	91,195	—	790	90,405
0.30% to 4.65% - 2013 Series A, maturing in varying semi-annual installments to 2046	61,600	61,600	—	265	61,335
0.80% to 5.20% — 2013 Series B, maturing in varying semi-annual installments to 2046	36,085	36,085	—	—	36,085
0.625% to 5.10% — 2013 Series C, maturing in varying semi-annual installments to 2045	21,955	21,955	—	—	21,955
0.850% to 5.05% — 2013 Series D, maturing in varying semi-annual installments to 2046	54,305	—	54,305	—	54,305
0.15% to 5.05% — 2013 Series E, maturing in varying semi-annual installments to 2049	125,940	—	125,940	795	125,145
0.45% to 4.125% — 2014 Series A, maturing in varying semi-annual installments to 2046	26,495	—	26,495	—	26,495
0.30% to 4.5% — 2014 Series B, maturing in varying semi-annual installments to 2046	127,800	—	127,800	—	127,800
0.40% to 4.00% — 2014 Series C, maturing in varying semi-annual installments to 2046	41,905	—	41,905	—	41,905
.80% — 2014 Series D, maturing in 2017	13,650	—	13,650	—	13,650
0.75% to 3.875% — 2014 Series E, maturing in varying semi-annual installments to 2046	55,170	—	55,170	—	55,170
	<b>1,502,055</b>	<b>813,950</b>	<b>445,265</b>	<b>35,185</b>	<b>1,224,030</b>
<b>Affordable Housing Revenue Bonds</b>					
<b>(Federal New Issue Bond Program "NIBP")</b>					
Conversions:					
3.16% — 2009 Series 1, Subseries A, conversion: maturing in varying annual installments to 2043	47,660	23,530	—	933	22,597
3.16% — 2009 Series 1, Subseries B, conversion: maturing in 2043	45,080	31,918	—	1,248	30,670
3.68% — 2009 Series 1, Subseries C, conversion: maturing in 2044	24,760	24,499	—	180	24,319
2.47% — 2009 Series 1, Subseries D, conversion: maturing in varying semi-annual installments to 2043	22,260	18,613	—	217	18,396
2.47% — 2009 Series 1, Subseries E, conversion: maturing in varying semi-annual installments to 2043	21,320	19,632	—	336	19,296
2.47% — 2009 Series 1, Subseries F, conversion: maturing in varying semi-annual installments to 2044	98,380	96,195	—	4,886	91,309
New Issues:					
0.50% to 1.375% — 2010 Series 1, maturing in varying semi-annual installments to 2013	32,135	23,435	—	622	22,813
1.25% to 1.95% — 2010 Series 2, maturing in varying annual installments to 2014	30,460	17,582	—	4,742	12,840

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
1.85% — 2011 Series 1, maturing in 2015	29,000	28,681	—	19,120	9,561
0.55% to 3.80% — 2011 Series 2, maturing in varying semi-annual installments to 2022	16,470	12,742	—	2,253	10,489
0.375% to 1.625% — 2011 Series 3, maturing in varying semi-annual installments to 2015	5,890	2,618	—	964	1,654
0.30% to 1.70% — 2011 Series 4, maturing in varying semi-annual installments to 2016	35,510	31,055	—	10,054	21,001
	<b>408,925</b>	<b>330,500</b>	<b>—</b>	<b>45,555</b>	<b>284,945</b>
<b>Total Affordable Housing Bonds</b>	<b>1,910,980</b>	<b>1,144,450</b>	<b>445,265</b>	<b>80,740</b>	<b>1,508,975</b>
<b>State Revenue Bond Programs:</b>					
Service Contract Revenue Bonds					
variable rate demand — 2003 Series L Refunding, maturing in varying semi-annual installments to 2021	88,750	78,950	—	10,175	68,775
variable rate demand — 2003 Series M-1 Refunding, maturing in varying semi-annual installments to 2021	63,750	56,710	—	7,305	49,405
variable rate demand — 2003 Series M-2 Refunding, maturing in varying semi-annual installments to 2021	25,000	22,240	—	2,870	19,370
	<b>177,500</b>	<b>157,900</b>	<b>—</b>	<b>20,350</b>	<b>137,550</b>
Consolidated Service Contract Revenue Bonds					
2% to 5% — 2011 Series A Refunding, maturing in varying semi-annual installments to 2020	71,165	42,095	—	16,485	25,610
	<b>71,165</b>	<b>42,095</b>	<b>—</b>	<b>16,485</b>	<b>25,610</b>
State Personal Income Tax Revenue Bonds (Economic Development and Housing)					
4.60% to 5.25% — 2004 Series A, maturing in varying semi-annual installments to 2034	54,085	28,295	—	—	28,295
1.35% to 4.79% — 2004 Series B (Federally Taxable)	56,655	6,705	—	6,705	—
4% to 5% — 2005 Series A, maturing in varying semi-annual installments to 2034	57,215	36,600	—	21,695	14,905
3.58% to 4.88% — 2005 Series B (Federally Taxable), maturing in varying annual installments to 2015	34,985	8,290	—	4,045	4,245
variable rate demand — 2005 Series C, maturing in varying semi-annual installments to 2033	80,000	80,000	—	—	80,000
3.75% to 5% — 2006 Series A, maturing in varying semi-annual installments to 2036	47,525	47,525	—	17,390	30,135
5.04% to 5.22% — 2006 Series B (Federally Taxable), maturing in varying annual installments to 2015	83,435	20,320	—	9,895	10,425
3.625% to 5% — 2006 Series C, maturing in varying semi-annual installments to 2019	31,945	31,845	—	4,060	27,785
5% — 2007 Series A, maturing in varying semi-annual installments to 2037	71,075	71,075	—	—	71,075
4.957% to 5.167% — 2007 Series B (Federally Taxable), maturing in varying annual installments to 2016	45,695	16,160	—	5,115	11,045
4% to 5% — 2007 Series C (Federally Taxable), maturing in varying semi-annual installments to 2021	19,220	19,220	—	—	19,220
4% to 5% — 2008 Series A, maturing in varying annual installments to 2038	109,885	109,885	—	—	109,885
3.05% to 5.35% — 2008 Series B (Federally Taxable), maturing in varying annual installments to 2017	40,115	18,120	—	4,185	13,935
1.75% to 5% — 2009 Series A, maturing in varying annual installments to 2039	96,990	90,135	—	1,960	88,175
1.943% to 4.911% — 2009 Series B (Federally Taxable), maturing in varying annual installments to 2019	103,010	68,075	—	10,255	57,820
	<b>931,835</b>	<b>652,250</b>	<b>—</b>	<b>85,305</b>	<b>566,945</b>
<b>Total State Revenue Bond Programs</b>	<b>1,180,500</b>	<b>852,245</b>	<b>—</b>	<b>122,140</b>	<b>730,105</b>

	Original Face Amount	Balance October 31, 2013	Issued	Retired/ Principal Payments	Balance October 31, 2014
<b>Hospital and Health Care Project Revenue Bonds</b>					
3.60% to 5.15% – 1998 Series A	42,090	10	–	10	–
<b>Nursing Home and Health Care Project Revenue Bonds</b>					
3.60% to 5.15% – 1998 Series A, maturing in varying annual installments to 2016	190,080	8,650	–	5,150	3,500
<b>Total Bond Indebtedness</b>	<b>15,593,820</b>	<b>11,266,164</b>	<b>2,125,618</b>	<b>730,505</b>	<b>12,661,277</b>
Unamortized Bond Premium	–	13,867	–	–	11,938
<b>Total Net Bond Indebtedness</b>	<b>\$ 15,593,820</b>	<b>11,280,031</b>	<b>2,125,618</b>	<b>730,505</b>	<b>12,673,215</b>

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## Report of Independent Auditors 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*

Management and Directors of the Board  
New York State Housing Finance Agency  
New York, New York

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New York State Housing Finance Agency (the Agency), a component unit of the State of New York, which comprise the statement of net position as of October 31, 2014, and the related statements of revenues and expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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. 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 may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the entity'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.

*Ernst + Young LLP*

January 29, 2015