

SINGLE AUDIT REPORT AND ACCOMPANYING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New York City Housing Development Corporation
Year Ended October 31, 2014
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

New York City Housing Development Corporation

Single Audit Report and Accompanying Schedule of Expenditures of Federal Awards

October 31, 2014

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I. Financial Section

Report of Independent Auditors

Management and the Members of the
New York City Housing Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the New York City Housing Development Corporation (the “Corporation”), a component unit of the City of New York, as of and for the year ended October 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation’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 opinions on these financial statements based on our audit. We conducted our audit 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 audit 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Corporation as of October 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Adoption of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions"

As discussed in Note 2 to the financial statements, the Corporation changed its method for accounting and financial reporting of pensions as a result of the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective November 1, 2012. Our opinions are not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2013 is consistent, in all material respects, with the audited financial statements and the GASB 68 restatement discussed in Note 2, from which it has been derived.

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis, the Schedule of Funding Progress for the Retiree Healthcare Plan, the Schedule of the Corporation's Proportionate Share of the Net Pension Liability and the Schedule of the Corporation's Contributions, 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 audit 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. The 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated January 26, 2015 on our consideration of the Corporation'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 Corporation's internal control over financial reporting and compliance.

Ernst + Young LLP

January 26, 2015

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Management's Discussion and Analysis
Year Ended October 31, 2014

INTRODUCTION

The New York City Housing Development Corporation ("HDC" or the "Corporation") is a State public benefit corporation created pursuant to Article XII of the New York State Private Housing Finance Law that finances affordable housing in New York City. HDC issues tax-exempt and taxable debt and uses the proceeds along with other monies of the Corporation to make loans to finance new residential construction and the rehabilitation of existing multi-family housing. HDC, which is financially self-supporting, also lends its own internally-generated funds for these purposes. All of these activities are reported in the financial statements under the heading "Housing Development Corporation."

HDC currently has two active subsidiaries that are discretely presented as component units in the financial statements. The New York City Residential Mortgage Insurance Corporation ("REMIC") insures residential mortgages in New York City. The New York City Housing Assistance Corporation ("HAC") made mortgage loans for affordable housing in the 1980s. Presently, it provides rental subsidy assistance to a small number of residential developments.

The Corporation's annual financial report consists of three parts: *management's discussion and analysis* (this section), the basic *financial statements (statements of net position)*, and *required supplementary information* which includes the schedule of funding progress and follows directly after the notes to the financial statements.

This section of the Corporation's annual financial report presents our discussion and analysis of the Corporation's financial performance during the fiscal year that ended on October 31, 2014. This period is also referred to as Fiscal Year 2014. Data is presented for the primary governmental entity HDC only. Reported amounts have been rounded to facilitate reading.

FINANCIAL HIGHLIGHTS

- In Fiscal Year 2014, the Corporation had a significant increase in Net Position, reduced its debt liability, and laid out the foundation for the Mayor's new housing initiative announced in May 2014.
- Twenty-two series of bonds were issued during the fiscal year for a total of \$1.08 billion. The new money raised will be used to create and preserve affordable housing. In addition, the Corporation entered into a new debt obligation with Citibank N.A. for financing a mortgage loan in the amount of \$12.8 million.
- Total assets of \$12.97 billion increased by \$2.2 million or 0.02% from 2013 as a result of mortgage prepayments and borrowing activities noted above.
- Total liabilities of \$10.99 billion decreased by \$330.9 million or 2.92% from 2013 as a result of unscheduled mortgage prepayments and related bond redemptions in excess of new issuances.
- Total net position of \$1.98 billion increased by \$332.7 million or 20.14% from 2013 due to normal operating activities, non-operating revenue of grant income and the benefit received from a loan participation securitization.

- Net income of \$172.6 million increased by \$89.3 million or 107.17% from 2013 due to normal operating activities and non-operating revenue from grant income.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Corporation is a self-supporting entity and follows enterprise fund reporting. An enterprise fund reports activity that is financed with debt that is secured solely by a pledge of the net revenue from that activity as well as activity that is not supported by taxes or similar revenues. HDC's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting matches revenues and expenses to the time period in which they are earned or attributable, respectively, which may differ from the period in which the associated cash is received or expended.

Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. While detailed sub-fund information is not presented in the Corporation's financial statements, separate accounts are maintained for each bond issue and component unit, as well as the Corporation's general operating fund, known as the Corporate Services Fund. These sub-funds permit HDC to control and manage money for particular purposes and to demonstrate that the Corporation is properly using specific resources. In addition, HDC also services construction and permanent loans on behalf of New York City's Department of Housing Preservation and Development ("HPD").

HDC's Assets, Deferred Outflows & Inflows and Liabilities

The statement of net position presents the Corporation's assets, deferred outflows, liabilities, deferred inflows, and net position as of October 31, 2014. The following table represents the changes in the primary entity, HDC's, net position between October 31, 2014 and 2013 Restated and should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2014	2013 as restated	Change	Percent Change
Assets				
Cash and Investments	\$3,130,503	\$2,912,333	\$218,170	7.49%
Mortgage Loans	8,779,509	8,770,284	9,225	0.11
Other	1,063,736	1,288,910	(225,174)	(17.47)
Total Assets	\$12,973,748	\$12,971,527	\$ 2,221	0.02%
Deferred Outflows	\$12,335	\$10,825	\$1,510	13.95%
Liabilities				
Bonds Payable (net)	\$9,240,273	\$9,506,374	\$ (266,101)	(2.80%)
Payable to New York City	868,967	1,047,053	(178,086)	(17.01)
Other	889,509	776,246	113,263	14.59
Total Liabilities	\$10,998,749	\$11,329,673	\$ (330,924)	(2.92%)
Deferred Inflows	\$2,794	\$861	\$1,933	224.51%
Net Position				
Restricted for bond obligations	\$1,117,269	\$1,015,914	\$101,355	9.98%
Unrestricted	867,271	635,904	231,367	36.38
Total Net Position	\$1,984,540	\$1,651,818	\$332,722	20.14%

Assets of the Corporation consist largely of the following: mortgage loans; cash and investments from bond proceeds, debt service and other reserves; funds designated for various housing programs; and other assets, which include participation interests in cash flows from pools of mortgage loans, and housing-related notes receivable and purpose investments. Total assets increased by 0.02% or \$2.2 million from 2013, as a result of some large mortgage prepayments. The Corporation also used cash and investment assets to make unscheduled bond redemptions during Fiscal Year 2014. In the prior fiscal year, total assets increased \$733.4 million or 5.99%.

As noted above, the change in total assets in 2014 was due primarily to unscheduled mortgage prepayments, the Corporation's debt issuance and other financing activities. When HDC sells bonds, the bond proceeds are an investment asset until converted to a loan asset once disbursed. The asset value is generally offset by the related bond liability.

Deferred outflows consist primarily of the loss incurred on the early retirement of debt due to an in-substance defeasance in 2013 and interest rate caps purchased to mitigate the Corporation's exposure to its variable rate bonds in its General Resolution. In fiscal year 2014, the Corporation purchased another interest rate cap to cover the variable rate portion of the 2014 Series B bonds issued in May 2014. (See Note 9: "Deferred Outflow of Resources").

Liabilities of the Corporation can be grouped into three main categories. The largest is HDC bonds outstanding, which totaled almost \$9.24 billion at October 31, 2014. The second largest category is "Payable to New York City" (the "City"). This includes construction loan funds administered on behalf of HPD and other assets which will ultimately revert to the City pursuant to various loan participation and other agreements. These include loan assets which are currently held by HDC and pledged to pay HDC bonds, but transfer to the City when the related bonds are retired. The last category, "Other", includes payable to mortgagors, accounts and other payables, debt obligation payable, loan participation payable, and unearned revenue received in advance. Payable to mortgagors are funds held and administered by HDC but are the property of others, such as escrows held by HDC in the course of its loan servicing functions. Accounts and other payables mainly consist of funds held by HDC in escrow to retire certain bonds, and payables to other entities as part of a participation loan agreement for short-term loan funding. Debt obligation and loan participation payables consist of a loan funding agreement with Citibank and a certificate of participation with the Federal Financing Bank, a subsidiary of the United States Department of the Treasury ("FFB"). Unearned revenue occurs when HDC receives certain prepaid fee income as cash, which will be earned over the appropriate time period. This unearned revenue is shown as a liability.

Total liabilities of the Corporation were \$10.99 billion at October 31, 2014. Liabilities decreased by \$330.9 million or 2.92% from the prior year, principally as a result of bond redemptions in excess of issuances, and reductions in the payable to New York City. The bonds payable decreased by a net of \$266.1 million or 2.80%. There was a net \$178.1 million decrease in the Payable to the City as a whole. Four separate transactions primarily impacted this payable during the year. First, the Corporation re-securitized a City loan portfolio on May 1, 2014 that otherwise would have been returned to the city on that date. HDC retained the proceeds of the bond issuance, which caused a net decrease of \$163.4 million in the value of the City's residual interest in the portfolio. Second, there was a decrease of \$27.8 million in the administration of construction and permanent loans on behalf of the City (HPD). Third, a decrease of \$1.4 million

in Mitchell Lama and other City loan participation due to prepayments. Lastly, there was an increase of \$14.5 million of mortgages assigned to the Corporation via a purchase and sale agreement with HPD under its preservation program. “Other” liabilities primarily include accounts and other payables, payable to mortgagors, debt obligation and loan participation payable, and unearned revenue. Other liabilities increased by a net of \$113.3 million or 14.59%. This increase was mainly due to the new loan participation agreement signed with the FFB in October 2014 for \$72 million, and \$1.2 million in other debt obligations payable. Payable to mortgagors increased by a net of \$39.1 million due to funds held in escrows by HDC for its loan servicing function. Accounts and Other Payables decreased by a net of \$8.8 million due to payments made on construction loan participations between the Corporation and other entities. Unearned revenue increased by a net of \$12.5 million due to construction financing fees, bond financing fees, prepaid debt service and a fee received for a guaranty agreement described in the footnotes. During fiscal year 2014, the Corporation adopted Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions* effective November 1, 2012. The Corporation recorded a Net Pension Liability of \$9.7 million as of October 31, 2014, a decrease of \$2.7 million from the \$12.5 million recorded at October 31, 2013 as restated.

Net position of the Corporation is the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources, and totaled \$1.98 billion for the Corporation as of October 31, 2014. This represents an increase of \$332.7 million or 20.14% over the same period in the prior year. In 2013, total net position increased by \$83 million or 5.31%. The growth in the Corporation’s net position of \$332.7 million in 2014 includes \$129.7 from normal operating activities, \$42.8 million from non-operating revenues, and \$160.2 million from the loan participation securitization. Net Position for 2013 was restated as a result of a \$13.6 million charge from the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in reporting a Net Pension Liability for prior years. A further discussion of this increase of revenues in excess of expenses is described below.

Net position is classified as restricted or unrestricted assets, with restricted assets being committed by law or contract to specific purposes. HDC’s most significant restricted assets include debt service reserves for HDC bond issues and undisbursed bond proceeds held prior to construction advances. Unrestricted assets may be classified as designated or undesignated. Designated assets are those allocated by action or policy for specific purposes determined by HDC’s Members, such as rating agency reserves (to support the Corporation’s general obligation rating), specific housing loan programs to which the Corporation has committed resources under the Mayor’s New Housing Program, and working capital. Virtually all of the Corporation’s net position is either restricted or designated.

HDC's Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Net Position presents revenues recognized in and expenses attributed to the fiscal year ended October 31, 2014. The table below summarizes the primary entity, HDC's, revenues and expenses and presents comparative data. It should be read in conjunction with the financial statements. (Dollar amounts are in thousands):

	2014	2013 as restated	Change	Percent Change
Revenues				
Interest on Loans and Participation Interests	\$247,223	\$214,822	\$32,401	15.08%
Fees and Charges	49,244	48,674	570	1.17%
Other Operating Revenues	26,774	4,129	22,645	548.44%
Earnings on Investments	24,258	27,359	(3,101)	(11.33)%
Unrealized Gain (Loss) on Investments	11,662	(28,030)	39,692	(141.61)%
Other Non-Operating Revenues	43,285	43,969	(684)	(1.56)%
Total Revenues	\$402,446	\$310,923	\$91,523	29.44%
Expenses				
Bond Interest	\$184,819	\$166,871	\$17,948	10.76%
Operating Expenses	45,067	50,633	(5,566)	(10.99)%
Non-Operating Expenses	-	10,126	(10,126)	(100.00)%
Total Expenses	\$229,886	\$227,630	2,256	0.99%
Income before Special Item	\$172,560	\$83,293	\$89,267	107.17%
Loan Participation Securitization	160,162	-	160,162	100.00%
Change in Net Position	332,722	83,293	249,429	299.46%
Net Position, Beginning of year	1,651,818	1,568,525	83,293	5.31%
Net Position, End of Year	\$1,984,540	\$1,651,818	\$332,722	20.14%

Revenues of the Corporation are classified as operating and non-operating. Interest income from mortgage and other loan-related interest represents the Corporation's major source of operating revenue, which also includes various loan and bond program fees such as commitment, financing, mortgage insurance and servicing fees. The Corporation's non-operating revenues consist mostly of earnings on investments including purpose investments and revenues from grant income. Investment income accrues to the benefit of the program for which the underlying sources of funds are utilized. Also reported separately as part of non-operating revenues (expenses) is the amount of unrealized appreciation or (depreciation) on investments reported by the Corporation during the year.

HDC's expenses are also classified as operating and non-operating. Operating expenses consist primarily of interest on bonds, which accounted for 80.40% of operating expenses in Fiscal Year 2014. Other operating expenses include corporate operating expenses (salaries, overhead, and depreciation) and fees. Non-operating expenses are relatively minor and consist largely of amortization of the capitalized value of a purchased cash flow.

HDC's change in net position for Fiscal Year 2014 was positively or negatively affected as described below:

- Interest on loans increased by \$10.2 million or 4.75% as a result of the Corporation's financing activities during the year. Income on Participation Interest increased by \$22.2 million in total due to the prepayments of loans in the Mitchell-Lama programs during the year. In 2013, interest on loans increased by \$10.1 million or 4.97% from the previous year.
- Fees and charges increased \$0.6 million from a year ago. In 2013 there was a \$6.3 million decrease in fees and charges.
- As required by GASB No. 31, the Corporation annually records a fair value adjustment relating to its investment portfolio. This adjustment records any appreciation or (depreciation) in the value of the portfolio on a quarterly basis. The fair value adjustment for fiscal year 2014 was a net unrealized appreciation of \$11.7 million recovering from a sharp drop in price of some long term investment securities a year ago. In 2013, the unrealized depreciation of the fair market value on the investment portfolio was \$29.9 million.
- Earnings on investments decreased by \$3.1 million or 11.33% mainly due to lower interest rates on money markets and other short term investments. In 2013, earnings on investments increased by \$2.7 million or 11.09% from the previous year.
- Interest expense increased from \$166.9 million in 2013 to \$184.8 million in 2014 or 10.76%, due to bond issuance activities during the year. In 2013, interest expense increased by \$7.7 million or 4.82% from the previous year.
- Other operating expenses decreased by \$5.6 million or 10.99%, mainly due to a decrease of \$4.7 million in bond related operating charges. There was also a decrease of \$0.9 million in salary related expenses. In 2013, other operating expenses increased by \$7.0 million or 16.03% from the previous year.
- Other non-operating expenses decreased by \$10.1 million mainly related to distributions to REMIC in 2013.
- As a result of the factors noted above, the Corporation's growth in net position resulting from revenues in excess of expenses amounted to \$172.6 million, an increase of \$89.3 million from the \$83.3 million excess in 2013.

DEBT ADMINISTRATION

At year-end, the Corporation had approximately \$9.2 billion of bond principal outstanding, net of discount and premium, a decrease of 2.80% over the prior year. The following table summarizes the changes in bonds payable between October 31, 2013 and October 31, 2014. (Dollar amounts are in thousands):

	2014	2013	Percentage decrease FY 2013 to 2014
Bonds Payable	\$9,240,273	\$9,506,374	(2.80)%

In Fiscal Year 2014, all variable rate demand obligations (“VRDO”) bond series were successfully remarketed, and there were no bonds that were tendered and became Bank Bonds.

During Fiscal Year 2014, the Corporation adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* effective November 1, 2012. The Corporation is a participating employer in the New York City Employees’ Retirement System (“NYCERS”), a cost-sharing multi-employer plan. In connection with the implementation of this new standard, the Corporation recorded a net pension liability as calculated by the New York City Office of the Actuary (“NYCOA”). Net Position as of October 31, 2013 was restated to reflect the required adjustments. (See Note 2 (G) “Summary of Significant Accounting Policies”).

During Fiscal Year 2014, in further support of its affordable housing mission, the Corporation entered into a new Debt Obligation with Citibank N.A. in the amount of \$12.8 million to finance a mortgage loan for a residential development in the Harlem section of Manhattan. As of October 31, 2014, \$1.2 million was drawn down on this debt.

NEW BUSINESS

During Fiscal Year 2014, the Corporation issued 22 new taxable and tax-exempt bond series totaling \$1.08 billion. Included in this total were 18 series of Housing Revenue Bond Program bonds totaling \$960.6 million, three series of Multi-Family Mortgage Revenue Bonds totaling \$81.7 million, and one series of Pass-Thru Revenue Bonds for \$34.6 million. The Corporation also made low interest loans from its net position. Subsequent to October 31, 2014, HDC issued additional bond series and debt obligations totaling \$1.382 billion. (See Note 20: “Subsequent Events”.)

CONTACTING THE CORPORATION’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Corporation’s finances and to demonstrate the Corporation’s accountability for the resources at its disposal. If you have questions about this report or need additional financial information, contact the Public Information Officer, New York City Housing Development Corporation, 110 William Street, New York, NY 10038. The Corporation also maintains information at www.nychdc.com.

New York City Housing Development Corporation

Statements of Net Position

At October 31, 2014 (with comparative summarized financial information as of October 31, 2013) (in thousands)

	Discretely Presented Component Units					
	New York City			Total		
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2014	2013	(as restated)
Assets						
Current Assets:						
Cash and cash equivalents (note 3)	\$ 570,451	\$ -	\$ -	\$ 570,451	\$ 701,635	
Investments (note 3)	323,658	-	-	323,658	107,841	
Receivables:						
Mortgage loans (note 4)	623,576	1,700	-	625,276	125,377	
Accrued interest	25,502	258	-	25,760	23,798	
Notes (note 5)	28,410	-	-	28,410	16,450	
Other (note 7)	47,332	-	-	47,332	57,114	
Total Receivables	724,820	1,958	-	726,778	222,739	
Other assets	14	-	-	14	13	
Total Current Assets	1,618,943	1,958	-	1,620,901	1,032,228	
Noncurrent Assets:						
Restricted cash and cash equivalents (note 3)	1,327,283	2,584	8,701	1,338,568	1,037,322	
Restricted investments (note 3)	909,111	2,774	90,229	1,002,114	1,163,531	
Purpose investments (note 2)	31,697	-	-	31,697	149,365	
Mortgage loans (note 4)	444,013	-	-	444,013	391,643	
Restricted receivables:						
Mortgage loans (note 4)	7,639,900	27,963	-	7,667,863	8,283,096	
Mortgage loan participation - Federal Financing Bank (note 4)	72,020	-	-	72,020	-	
Loan participation receivable - The City of NY (note 6)	631,047	-	-	631,047	761,982	
Accrued interest	5,167	2,289	-	7,456	4,725	
Notes (note 5)	257,880	-	-	257,880	254,013	
Other (note 7)	23,301	-	13	23,314	10,333	
Total restricted receivables	8,629,315	30,252	13	8,659,580	9,314,149	
Primary government/component unit receivable (payable)	2,567	(2,548)	(19)	-	-	
Capital assets	1,344	-	-	1,344	1,336	
Other assets (note 8)	9,475	-	-	9,475	9,769	
Total Noncurrent Assets	11,354,805	33,062	98,924	11,486,791	12,067,115	
Total Assets	\$ 12,973,748	\$ 35,020	\$ 98,924	\$ 13,107,692	\$ 13,099,343	

Deferred Outflows of Resources

Interest rate caps (note 9)	3,674	-	-	3,674	1,944	
Deferred loss on early retirement of debt (note 9)	8,311	-	-	8,311	8,881	
Pension contribution after measurement date	350	-	-	350	-	
Total Deferred Outflows of Resources	\$ 12,335	\$ -	\$ -	\$ 12,335	\$ 10,825	

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Statements of Net Position (continued)

At October 31, 2014 (with comparative summarized financial information as of October 31, 2013) (in thousands)

	Discretely Presented Component Units				
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	Total	
				2014	2013
					(as restated)
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities:					
Bonds payable (net) (note 10)	\$ 834,981	\$ -	\$ -	\$ 834,981	\$ 344,830
Accrued interest payable	78,077	-	-	78,077	73,295
Payable to mortgagors	130,903	-	-	130,903	119,090
Restricted earnings on investments	14,726	41	-	14,767	12,891
Accounts and other payables	81,718	-	-	81,718	98,841
Total Current Liabilities	1,140,405	41	-	1,140,446	648,947
Noncurrent Liabilities:					
Bonds and debt obligations payable:					
Bonds payable (net) (note 10)	8,405,292	-	-	8,405,292	9,161,544
Debt obligations payable	1,198	-	-	1,198	-
Loan participation payable to Federal Financing Bank	72,020	-	-	72,020	-
Payable to The City of New York:					
Loan participation agreement (note 12)	631,047	-	-	631,047	761,982
Other	237,920	34,364	-	272,284	323,796
Payable to mortgagors	416,759	503	-	417,262	389,972
Net pension liabilities (note 13)	9,730	-	-	9,730	12,459
OPEB liability (note 14)	7,196	-	-	7,196	5,539
Unearned revenues, amounts received in advance and other liabilities	77,173	-	-	77,173	64,696
Due to the United States Government (note 15)	9	-	-	9	6
Total Noncurrent Liabilities	9,858,344	34,867	-	9,893,211	10,719,994
Total Liabilities	10,998,749	34,908	-	11,033,657	11,368,941
Deferred inflows from pensions	2,794	-	-	2,794	861
Total Deferred Inflows of Resources	\$ 2,794	\$ -	\$ -	\$ 2,794	\$ 861
Net Position:					
Restricted for bond obligations (note 19)	1,117,269	112	-	1,117,381	1,016,156
Restricted for insurance requirement and others	-	-	52,921	52,921	49,621
Unrestricted (note 19)	867,271	-	46,003	913,274	674,589
Total Net Position	1,984,540	112	98,924	2,083,576	1,740,366
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,986,083	\$ 35,020	\$ 98,924	\$ 13,120,027	\$ 13,110,168

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Statements of Revenues, Expenses and Changes in Net Position

New York City
Housing Development
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2014 Financial Statements

Year ended October 31, 2014 (with comparative summarized financial information for the year ended October 31, 2013) (in thousands)

	Discretely Presented Component Units			Total	
	New York City Housing Development Corporation	New York City Housing Assistance Corporation	New York City Residential Mortgage Insurance Corporation	2014	2013
(as restated)					
Operating Revenues					
Interest on loans (note 4)	\$ 224,094	\$ -	\$ -	\$ 224,094	\$ 213,927
Fees and charges (note 7)	49,244	-	2,902	52,146	50,877
Income on loan participation interests (note 6)	23,129	-	-	23,129	895
Other	26,774	-	-	26,774	4,129
Total Operating Revenues	323,241	-	2,902	326,143	269,828
Operating Expenses					
Interest and amortization of bond premium and discount(note 10)	184,819	-	-	184,819	166,871
Salaries and related expenses (note 13)	21,562	-	-	21,562	22,408
Trustees' and other fees	9,401	-	-	9,401	9,260
Bond issuance costs	7,917	-	-	7,917	12,787
Corporate operating expenses (note 11)	6,187	-	-	6,187	6,178
Total Operating Expenses	229,886	-	-	229,886	217,504
Operating Income	93,355	-	2,902	96,257	52,324
Non-operating Revenues (Expenses)					
Earnings on investments (note 3)	24,258	-	2,507	26,765	30,058
Unrealized gains (losses) on investments	11,662	(130)	5,683	17,215	(35,955)
Loss on early retirement of debt, net	-	-	-	-	(126)
Other non-operating revenues, net (note 7)	42,811	-	-	42,811	43,502
Payments from REMIC Subsidiary to HDC	474	-	(474)	-	-
Total Non-operating Revenues, net	79,205	(130)	7,716	86,791	37,479
Income (Loss) before Special Item	172,560	(130)	10,618	183,048	89,803
Loan participation agreement securitization	160,162	-	-	160,162	-
Change in Net Position	332,722	(130)	10,618	343,210	89,803
Total net position - beginning of year as previously stated	1,651,818	242	88,306	1,740,366	1,664,135
GASB 68 and 71 Restatements (note 2) (as adjusted)	-	-	-	-	(13,572)
Total net position - beginning of year	1,651,818	242	88,306	1,740,366	1,650,563
Total Net Position - End of Year	\$ 1,984,540	\$ 112	\$ 98,924	\$ 2,083,576	\$ 1,740,366

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Statements of Cash Flows

Years ended October 31, 2014 and 2013 (in thousands)

	2014	2013
		(as restated)
Cash Flows From Operating Activities		
Mortgage loan repayments	\$ 1,129,021	\$ 770,294
Note repayments	44,900	227,929
Receipts from fees and charges	48,557	62,087
Mortgage escrow receipts	161,969	144,541
Reserve for replacement receipts	32,669	31,865
Mortgage loan advances	(806,694)	(854,955)
Note advances	(35,315)	(222,956)
Escrow disbursements	(124,516)	(109,012)
Reserve for replacement disbursements	(27,370)	(41,964)
Payments to employees	(21,818)	(20,772)
Payments to suppliers for corporate operating expenses	(5,795)	(5,541)
Project contributions and funds received from NYC	86,018	75,157
Advances and other payments for NYC	(101,283)	(82,373)
Bond cost of issuance	(8,942)	(12,787)
Other receipts	494,405	306,045
Other payments	(479,969)	(360,612)
Net Cash Provided by (Used in) Operating Activities	385,837	(93,054)
Cash Flows From Non Capital Financing Activities		
Proceeds from sale of bonds	1,076,846	1,821,895
Proceeds from loan participation - FFB	72,020	-
Proceeds from debt obligations	1,198	-
Retirement of bonds	(1,339,099)	(1,107,179)
Interest paid	(182,577)	(166,326)
Grant proceeds from BPCA	45,795	46,143
Payments to component units	(2,299)	(2,182)
Net Cash (Used in) Provided by Non Capital Financing Activities	(328,116)	592,351
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(428)	(387)
Net Cash Used in Capital and Related Financing Activities	(428)	(387)
Cash Flows From Investing Activities		
Sale of investments	11,159,988	13,137,823
Purchase of investments	(11,082,949)	(13,220,992)
Interest and dividends collected	30,245	25,153
Net Cash Provided by (Used in) Investing Activities	107,284	(58,016)
Increase in cash and cash equivalents	164,577	440,894
Cash and cash equivalents at beginning of year	1,733,157	1,292,263
Cash and Cash Equivalents at End of Year	\$ 1,897,734	\$ 1,733,157

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Statements of Cash Flows (continued)

Years ended October 31, 2014 and 2013 (in thousands)

	2014	2013
		(as restated)
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Operating Income	\$ 93,355	\$ 50,121
Adjustments to reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation expenses	421	698
Amortization of bond discount and premium	(3,848)	(1,469)
Amortization of deferred loss on early retirement of debt	570	77
Net cash provided by non-operating activities	182,577	166,326
Changes in Assets and Liabilities:		
Mortgage loans	96,657	(249,048)
Accrued interest receivable	7,677	1,084
Notes receivables	(15,827)	827
Other receivables	7,272	7,038
Primary government/component unit receivable	2,773	2,049
Other assets	(5,327)	(9,283)
Payable to The City of New York	(16,015)	48,806
Payable to mortgagors	37,599	5,342
Accounts and other payables	(18,086)	(146,752)
Due to the United States Government	-	(5)
Restricted earnings on investments	(1,236)	1,224
Unearned revenues, amounts received in advance and other liabilities	12,493	27,800
Accrued interest payable	4,782	2,111
Net Cash Provided by (Used in) Operating Activities	\$ 385,837	\$ (93,054)
Non Cash Investing Activities:		
Increase (decrease) in fair value of investments	\$ 11,662	\$ (28,030)
Non Capital Financing Activities:		
Loan participation securitization	\$ 160,162	\$ -

See accompanying notes to the basic financial statements.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Note 1: Organization

The New York City Housing Development Corporation (the “Corporation” or “HDC”) is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”). The Corporation is also a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the “Code”). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law (the “Act”) of the State and is to continue in existence for at least as long as bonds, notes or other obligations of the Corporation are outstanding.

The Corporation was created to encourage the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. The Corporation finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. The bonds, notes and debt obligations of the Corporation are not debts of either the State or The City of New York (the “City”).

Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, the Corporation’s financial statements are included in the City’s financial statements as a component unit for financial reporting purposes.

Primary Government Entity

For the purpose of these financial statements, the Corporation is the primary government entity. Financial activity in HDC’s bond and loan programs and in its Corporate Services Fund are aggregated and reported in the financial statements under Housing Development Corporation. The Corporation sells bonds, administers bond proceeds and manages bond revenues and repayments in accordance with bond resolutions adopted by its Board Members (See Note 10: “Bonds Payable”). Bond proceeds are used to make loans and provide for related costs and reserves, and loan repayments are applied to pay principal and interest on the related bonds (See Note 4: “Mortgage Loans”; Note 5: “Notes Receivable”; and Note 6: “Loan Participation Receivable for The City of New York”). Corporation resources that are not pledged under or governed by a bond resolution are managed in the Corporate Services Fund. This fund accounts for (1) fees and earnings transferred from the bond and loan programs; (2) fees earned on loans serviced for HDC and for the City; (3) tax credit monitoring fees; (4) income from Corporate Services Fund investments; (5) grant revenues; (6) payments of the Corporation’s operating expenses; and (7) loan assets made with corporate funds.

The Corporation currently has two active subsidiaries that are reported as Discretely Presented Component Units in the financial statements and two inactive subsidiaries.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

The New York City Housing Assistance Corporation (“HAC”) and the New York City Residential Mortgage Insurance Corporation (“REMIC”) represent active subsidiaries and together with the Housing New York Corporation (“HNYC”) and the Real Estate Owned Corporation comprise the reporting entity. HAC and REMIC have been included in the Corporation’s financial statements as discretely presented component units of HDC. All of these entities have been reported as component units because HDC’s Members comprise all or a controlling majority of the Board for each entity and HDC’s staff provides all services for each entity.

Discretely Presented Component Units

(A) New York City Housing Assistance Corporation

HAC is a public benefit corporation established pursuant to Section 654-b of the Act as a subsidiary of the Corporation.

HAC is empowered to receive monies from any source, including, but not limited to, the Corporation, the City or the State, for the purpose of assisting rental developments to maintain rentals affordable to low and moderate-income persons for whom the ordinary operation of private enterprise cannot supply safe, sanitary and affordable housing accommodations. In order to accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments. As a subsidiary of HDC, HAC’s functions are administered by the Corporation and its Board Members substantially overlap with HDC’s Board Members, so it is reported as a discretely presented component unit in HDC’s financial statements.

(B) New York City Residential Mortgage Insurance Corporation

REMIC is a public benefit corporation established pursuant to Section 654-d of the Act as a subsidiary of HDC. REMIC is the successor entity to the New York City Rehabilitation Mortgage Insurance Corporation (“Old REMIC”), which was dissolved on January 27, 1993. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods which are blighted, are becoming blighted or may become blighted, to discourage divestment and encourage the investment of mortgage capital in such neighborhoods and to provide safe, sanitary and affordable housing accommodations to persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations.

REMIC is required to maintain three reserves. The Housing Insurance Fund can be used as a revolving fund solely for the payment of liabilities arising from housing insurance contracts issued by REMIC. The Housing Insurance Fund requirement as of any particular date is established by statute and must be in an amount equal to the aggregate of (i) one hundred percent of the insured amounts due and payable pursuant to housing insurance contracts, plus (ii) twenty percent of the insured amounts under housing insurance contracts other than insured amounts which are due and payable pursuant to (i) above, plus

New York City Housing Development Corporation

Notes to the Financial Statements

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(iii) twenty percent of the amounts to be insured under REMIC's commitments to insure. The Housing Insurance Fund requirement at October 31, 2014 is \$52,887,000.

REMIC must also maintain a Mortgage Insurance Fund which shall be used solely for the payment of liabilities arising from mortgage insurance contracts of the Old REMIC. The Mortgage Insurance Fund requirement at October 31, 2014 is \$34,000, which constitutes one hundred percent of Old REMIC's insured mortgage loans.

Any income or interest earned on these two reserves in excess of their respective requirements is transferred at least annually to the Premium Reserve Fund. The Premium Reserve Fund must also be maintained to provide for the payment of REMIC's liabilities arising from its operations, including liabilities arising from housing and mortgage insurance contracts. REMIC also maintains an Operating Fund for operation purposes. As a component unit of HDC, REMIC functions are administered by the Corporation. The Premium Reserve Fund and Operating Fund have a combined balance of \$45,478,000 at October 31, 2014. REMIC is a component unit because HDC's Members comprise a controlling majority of the Board and HDC's staff provides all services for REMIC.

Blended Component Unit

(C) Real Estate Owned Corporation

The NYC HDC Real Estate Owned Corporation ("REO Subsidiary Corporation") was established under Section 654-a of the Act on September 20, 2004. The REO Subsidiary Corporation has the power to hold property whenever, in the sole discretion of the Corporation, it has become necessary to acquire a project in the case of sale under foreclosure or in lieu of foreclosure to effectuate the purposes of the Act. There was no activity undertaken by this subsidiary during fiscal year 2014. The REO Subsidiary Corporation is treated as a blended component unit of HDC.

Inactive Subsidiary

(D) Housing New York Corporation

The Housing New York Corporation is a public benefit corporation established pursuant to Section 654-c of the Act as a subsidiary of the Corporation. Authorization for the funding of the Housing New York Program ended on July 1, 1995. Consequently, HNYC can no longer issue bonds or notes to fund the Housing New York Program.

Upon repayment of all of the outstanding HNYC bonds on November 3, 2003, HNYC became an inactive subsidiary of the Corporation and its remaining funds were transferred out of HNYC. However, HNYC is not expected to be dissolved.

Note 2: Summary of Significant Accounting Policies

The Corporation follows the principles of fund accounting, with a sub-fund for each bond series, for the Corporate Services Fund, and for each component unit. Each fund's assets, liabilities and net position

New York City Housing Development Corporation

Notes to the Financial Statements

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are accounted for as separate entities and follow enterprise fund reporting. Certain individual funds are aggregated into larger categories for the purpose of financial reporting. The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. In its accounting and financial reporting, the Corporation follows the pronouncements of the GASB.

Other significant accounting policies are:

A. Revenue and Expense Recognition

The Corporation's operating revenues consist of earnings on loans and loan participation interests, fees and charges associated with both financing and servicing mortgages and loans, and other revenues that are received to cover the costs of raising capital. All other revenue, which is primarily investment income and grant revenue are considered non-operating. Revenues are recognized when earned.

Operating expenses include bonding costs, expenses for administering the various bond resolutions, personnel expenses, corporate operating expenses, bond issuance and financing costs, and depreciation expense. The Corporation reports all other expenses, including distributions of first mortgage earnings to the City in connection with loan participations and the payment, if necessary, of mortgage loan principal receipts on bond payments, as non-operating expenses. Expenses are recognized as incurred.

Virtually all resources are either restricted or designated. Net position has been restricted in accordance with terms of an award, agreement or by state law. Designated assets are committed for specific purposes pursuant to HDC policy and/or Board directives. (Please see Note 19: "Net Position" for more detailed information.)

B. Cash Equivalents and Investments

Short-term bank deposits and investments with stated maturities of 90 days or less are reported as Cash and Cash Equivalents. All investments are reported at fair value, except for investment agreements. The Corporation's investment agreements, which can take the form of open time deposits or fixed repurchase agreements, are reported at an amount equal to principal and accrued interest.

Generally Accepted Accounting Principles ("GAAP") generally require that restricted assets be reported as non-current assets. In the case of cash equivalents and investments, this treatment generally causes restricted investments with maturities less than one year to be reported as non-current. However, to more accurately report the alignment of HDC's current liability for payment of bond principal and interest with funds available to satisfy these liabilities, HDC has included in Current Assets the cash, cash equivalents and investments held as of October 31, 2014 to cover \$401,287,000 for payment of bond principal and interest due in the following year.

C. Purpose Investments

As part of its financing activities, HDC has made three housing development loans that are secured by GNMA certificates rather than mortgages on the related properties. The GNMA certificates provide

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Notes to the Financial Statements

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payments at such times and in such amounts as to fully repay the respective HDC loans, and are the only source of repayment for these loans. The GNMA certificates are treated under U.S. Treasury regulations as acquired program obligations. The GNMA certificates are classified in the financial statements as purpose investments and identified separately from other investments and restricted investments in the financial statements. However, interest earned on the GNMA certificates is included in investment income.

It is the Corporation's policy to record GNMA certificates at amortized cost, which amounted to \$31,697,000 and \$149,365,000, at October 31, 2014 and October 31, 2013, respectively. The fair value of these purpose investments amounted to \$32,352,000 and \$152,031,000, at October 31, 2014 and at October 31, 2013, respectively.

D. Earnings on Investments

Investment earnings on monies held for the City, project reserves for replacement and certain other project escrows are not reported as revenues; rather, they are reported as payable to the City or payable to mortgagors, respectively.

E. Allowance for Credit Losses

HDC's loans are underwritten according to standards the Corporation believes prudent and are closely monitored for payment and for management of the associated housing developments. In addition, many of the Corporation's mortgages have credit enhancements through letters of credit, mortgage insurance and other supports. As such, HDC believes that the likelihood of experiencing material credit losses relating to its bonded mortgage programs is unlikely. Management has determined that current charges against income are not required.

F. Summarized Financial Information

The financial statements include summarized comparative information as of and for the year ended October 31, 2013 in total but not by reporting unit. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended October 31, 2013 (which are available from the Corporation and on its website).

G. Recent and Upcoming Accounting Pronouncements

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans* ("GASB 67"). 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. Since this standard impacts the financial reporting of pension plans, this standard did not have an impact on the Corporation's financial statements.

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In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (“GASB 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 Corporation contributes to the New York City Employees’ Retirement System (“NYCERS”), an employer participating cost-sharing multi-employer plan. The City of New York has implemented GASB 68 for its fiscal year ended June 30, 2014. As the Corporation is a component unit of the City, HDC is required to implement GASB 68 in its current fiscal year ending October 31, 2014 and beginning net position for the earliest period presented.

The implementation of GASB 68 resulted in the Corporation reporting a Net Pension Liability as of fiscal year 2013. The Corporation’s Net Position as of October 31, 2012 and the Corporation’s Statement of Revenues, and Expenses and Changes in Net Position for October 31, 2013 have been restated to reflect the required adjustments.

As a result, the following restatements have been made to the Corporation’s financial statements.
(in thousands)

	As Previously Reported	Adjustment	Restated
<u>As of November 1, 2012</u>			
Net Position	\$ 1,664,135	(13,572)	1,650,563
<u>For the year ended October 31, 2013</u>			
Salaries and related expenses	22,660	(252)	22,408
Operating Expenses	217,756	(252)	217,504
Operating Income	52,072	252	52,324
Change in Net Position	89,551	252	89,803
<u>As of October 31, 2013</u>			
Net Pension Liability	0	12,459	12,459
Deferred Inflows of Resources:			
Difference between projected and actual earnings on pension plan investments	0	861	861
Net Position	\$ 1,753,686	(13,320)	1,740,366

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB 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 government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The Corporation does not anticipate that the implementation of this standard will have an impact on its financial statements.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (“GASB 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 nonexchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The implementation of this standard did not have an impact on the Corporation’s financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* (“GASB 71”). The objective of this Statement is to address an issue regarding application of the transition provisions of GASB 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This Statement amends GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of GASB 71 are required to be applied simultaneously with the provisions of GASB 68. As a result, GASB 71 has been implemented in conjunction with GASB 68 in these financial statements.

H. Reclassifications

Certain fiscal year 2013 balances have been reclassified in order to conform to the current year presentation.

Note 3: Investments and Deposits

The Corporation is authorized to engage in investment activity pursuant to the Act and the Corporation’s respective bond resolutions. Investment policies are set for the Corporation by the Members of the Corporation on an annual basis, through the annual adoption of written investment guidelines. Investments are reviewed on a periodic basis by the Corporation’s Audit Committee. Day-to-day investment decisions are made by the Corporation’s Investment Committee. The Corporation principally invests in securities of the United States and its agencies, open time deposits (“OTDs”) in the form of investment agreements, demand accounts, and repurchase agreements. In fiscal year 2014, HDC continued investing in taxable municipal bonds of New York State and New York City, consistent with the Corporation’s statute and Investment Guidelines. The Corporation did not enter into any reverse repurchase agreements during the year ended October 31, 2014. Management of the Corporation is not aware of any violations of any provisions of the foregoing policies.

All securities, other than securities held by the respective trustees for the benefit of the bondholders, were held by the Corporation or its agents in the Corporation’s name. Bond program investments are held by the trustee of the applicable program. All investment transactions are recorded on a delivery basis.

New York City Housing Development Corporation

Notes to the Financial Statements

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All investment transactions are recorded on the trade date. Investments, other than purpose investments, at October 31, 2014, were as follows:

Investment Type (in thousands)	Investment Maturities at October 31, 2014 (in Years)				
	2014	Less than 1	1-5	6-10	More than 10
Money Market and NOW Accounts	\$1,730,087	1,730,087	—	—	—
FHLMC Bonds	340,790	—	152,470	122,364	65,956
U.S. Treasury (Bonds, Notes, Bills)	223,807	219,570	—	4,237	—
FHLB Bonds	203,432	107,845	20,227	28,028	47,332
FNMA Bonds	140,724	—	16,004	100,530	24,190
Fixed Repurchase Agreements	139,472	139,472	—	—	—
Term Repurchase Agreements	118,257	3,650	108,477	—	6,130
Federal Farm Credit Bonds	90,355	—	41,828	36,156	12,371
Open Time Deposits	67,459	17,199	3,703	—	46,557
NYS/NYC Municipal Bonds *	62,286	22,498	11,719	—	28,069
Farmer MAC Bonds	8,627	—	—	8,627	—
Total	\$3,125,296	2,240,321	354,428	299,942	230,605
Less amounts classified as cash equivalents	(1,892,527)	(1,892,527)	—	—	—
Total investments	\$1,232,769	347,794	354,428	299,942	230,605

*Note: Primarily taxable VRDO instruments which can be put weekly.

In addition to the investments identified above, as of October 31, 2014 and 2013, the Corporation held \$5,207,000 and \$2,284,000, respectively, uninvested as cash in various trust and escrow accounts.

As required by GASB No. 31 the Corporation has recorded a fair value adjustment in its investment portfolio. In fiscal year 2013, the Corporation had recorded a net depreciation of its investment portfolio of \$28,030,000. Since then, the fair value of the investment portfolio has regained a significant portion of the net depreciation recorded in the prior year. As a result, the Corporation recorded a net appreciation of \$11,662,000 for fiscal year 2014.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Corporation's Investment Guidelines charge the Investment Committee with "...determining appropriate investment instruments...based on...length of time funds are available for investment purposes..." among other factors. Thus, maturities are matched to the Corporation's liquidity needs.

Credit Risk: The Corporation's investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished by making decisions based on a review of ratings, collateral, and diversification requirements that vary according to the type of investment.

As of October 31, 2014, investments in Federal National Mortgage Association ("FNMA" or "Fannie Mae"), Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac") and Federal Home Loan Bank ("FHLB") were rated by Standard & Poor's and/or Moody's Investors Service (Fannie Mae, Freddie Mac, FHLB, Farmer MAC and Federal Farm Credit Bank are collectively referred to as "Agency"). These ratings were AA+ and A-1+ by Standard & Poor's, and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively. Investments in Fannie Mae, Freddie Mac and FHLB

New York City Housing Development Corporation

Notes to the Financial Statements

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are implicitly guaranteed by the U.S. government. They carry ratings equivalent to the credit ratings for the U.S. government. Some investments were not rated by Fitch Ratings. Of the investments that were rated by Fitch Ratings, they carried ratings from AAA to BBB+. Money market accounts are not rated; however, the providers are rated and they are backed by either collateral held or letters of credit provided by third parties.

Ratings for investments in NYS/NYC municipal bonds are based on each issuer's rating for its general obligation debt. The issuers' ratings carried a range from AAA to AA by Standard & Poor's, Aa1 to Aa2 by Moody's, and AAA to AA by Fitch Ratings Service. Money Market, Open Time Deposits and Repurchase Agreements in the form of OTDs are not rated; however, the providers are rated.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Corporation, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Corporation.

The Corporation manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation, and accordingly, the Corporation was not exposed to custodial credit risk on its investment securities.

As of October 31, 2014, open time deposits in the amount of \$30,093,000, repurchase agreements in the amount of \$257,730,000 and demand accounts in the amount of \$1,730,087,000 were collateralized by high quality instruments such as U.S. Treasury Notes, U.S. Treasury Bills, and Agency investments and Letters of Credits held by the Corporation's agent in the name of the Corporation. A portion of collateral supporting the demand accounts were in the form of FHLB letters of credit. All such investments are not subject to custodial credit risk.

For deposits, custodial credit risk is the risk that in the event of a bank failure the Corporation's deposit may not be returned to it. HDC bank deposits amounted to \$11,864,000 at October 31, 2014, of which \$10,863,000 was uninsured by Federal Deposit Insurance Corporation ("FDIC") and uncollateralized. Correspondingly, \$4,265,000 was secured in trust accounts, which are protected under state law and \$7,599,000 was held in Demand Deposit Accounts ("DDA"). HDC limits its deposits to highly rated institutions, and such deposits are either in trust accounts or partially insured through the FDIC. The maximum coverage of \$250,000 is available to depositors under the FDIC's general deposit insurance rules. All of the Corporation's funds held in the DDA are subject to this provision.

Concentration of Credit Risk: The Corporation reviews its credit concentration monthly. The Corporation's Credit Risk unit monitors concentration risk amongst issuers and reports to the members of the Corporation's Audit Committee.

New York City Housing Development Corporation

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The following table shows issuers that represent 5% or more of total investments at October 31, 2014 (\$ in thousands):

Issuer	Dollar Amount	Percentage
NY Community Bank*	\$592,316	18.95%
Signature Bank*	553,632	17.71
FHLMC	340,790	10.90
JP Morgan Chase	210,695	6.74
FHLB	203,433	6.51

*Note: Covered by FHLB securities and/or FHLB letter of credit collateral held at FHLB as the Corporation's collateral agent.

Note 4: Mortgage Loans

The Corporation had outstanding, under various loan programs, mortgage loans of \$8,779,509,000 and \$8,770,284,000 as of October 31, 2014 and 2013, respectively. These amounts represent the portion of mortgage loans for which the Corporation has advanced monies. The portion of mortgage loans that has not yet been advanced is recorded as investments and this amounted to \$1,337,573,000 and \$1,366,713,000 at October 31, 2014 and October 31, 2013, respectively. (See Note 16: "Commitments".)

Changes in Mortgage Loans

The changes in Mortgage Loans are as follows:

Mortgage loans outstanding at October 31, 2012	\$8,516,076,000
Mortgage Advances	961,324,000
Principal Collections	(707,133,000)
Discount/Premium Amortized	17,000
Mortgage loans outstanding at October 31, 2013	8,770,284,000
Mortgage Advances	852,232,000
Principal Collections	(843,038,000)
Discount/Premium Amortized	31,000
Mortgage loans outstanding at October 31, 2014	\$8,779,509,000

(A) New York City Housing Development Corporation

(i) The HDC mortgage loans listed above were originally repayable over terms of 9 to 50 years and bear interest at rates from 0.02% to 10.36% per annum. Almost all mortgage loans receivable are collateralized by first or second mortgages on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals of such housing sponsors. The table above does not include loans which are not secured by mortgages, which include a military housing loan and a loan to the New York City Housing Authority ("NYCHA"), each of which are secured by notes (See Note 5: "Notes Receivable"), and loans secured by GNMA certificates (See Note 2C: "Purpose Investments"). Of the total HDC mortgages including those that are in the Mitchell-Lama programs held as of October 31, 2014, 78% are first mortgages and 22% are subordinate loans.

New York City Housing Development Corporation

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(ii) In Fiscal Year 2014, the Corporation entered into a new financing agreement with the Federal Financing Bank (“FFB”) for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured with mortgage insurance provided by the Federal Housing Administration (“FHA”) pursuant to a risk sharing agreement between FHA and the Corporation. The Corporation was selected to be the first housing finance agency to participate in this new Federal initiative to reduce the costs of capital for affordable housing.

On October 30, 2014, the Corporation sold a beneficial ownership interest in its mortgage regarding the Arverne View Apartments (“a.k.a. Ocean Village”) originated by the Corporation and converted to a permanent loan with FHA mortgage insurance on October 15, 2014. At closing, the Corporation received \$72,020,000 of participation proceeds representing the outstanding balance of the Arverne View Apartments Mortgage. The Corporation will act as servicer of the loan and will receive the monthly mortgage payments from the borrower as per the schedule of the Certificate of Participation. The monthly loan principal and interest payment will be remitted to FFB as per the schedule of the Certificate of Participation.

(B) Housing Assistance Corporation

The Housing Assistance Corporation financed construction and capitalized interest costs for eight affordable housing projects during the period of 1986 to 1990. These loans, funded by the City, accrue interest at the rate of 0-1% per annum. There were five loans remaining and the total outstanding loan balance was \$29,663,000 and \$29,832,000 at October 31, 2014 and October 31, 2013, respectively.

Note 5: Notes Receivable

HDC has loans outstanding that are secured by notes and pledged revenues. Military Housing Notes Receivable of \$45,610,000 was received in connection with the 2004 Series A Class I & II Military Housing Revenue Bond (Fort Hamilton LLC Project) issuance. The notes are secured by pledged revenues of the development under a Master Trust Indenture. The interest rate on the mortgage loan is a blended rate of 6.32% which is equal to the bond interest rate. The interest on the mortgage is collected semi-annually on the debt service date.

During fiscal year 2013, notes receivable from NYCHA received in connection with the Corporation’s 2005 Series A Capital Fund Program Revenue Bonds were replaced upon the issuance of the Corporation’s 2013 Series A Capital Fund Program Revenue Bonds. As of October 31, 2014 the outstanding NYCHA Notes Receivable relating to the 2013 Series A Bonds was \$190,243,000.

In addition to the NYCHA Notes Receivable of the 2013 Series A Bonds, the Corporation also agreed to provide additional funds for a second note from NYCHA for the purpose of modernizing and making capital improvements at NYCHA projects across the City. The Corporation issued the 2013 Series B Capital Fund Program Revenue Bonds for this purpose. As of October 31, 2014, the outstanding NYCHA Notes Receivable relating to the 2013 Series B Bonds was \$50,437,000.

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The 2013 Series A and B Notes Receivables are secured by a first priority pledge of NYCHA's Capital Grant money provided by the United States Department of Housing and Urban Development ("HUD").

Note 6: Loan Participation Receivable for The City of New York

In fiscal year 2002, the Corporation acquired interests in two real estate mortgage investment trusts in connection with its housing activities. In addition, the Corporation entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans.

In each of fiscal years 2002 and 2003, HDC used bond proceeds from its Multi-Family Housing Revenue Bonds, 2002 Series D (the "2002 Series D Bonds"), and Multi-Family Housing Revenue Bonds, 2003 Series D (the "2003 Series D Bonds"), to purchase a subordinated position in a 100% participation interest in a portion of the cash flows from a pool of mortgage loans the City had previously securitized in 1996. This pool is known as the Sheridan Trust II and HDC's purchased asset is the Sheridan Trust II Class B Certificate. Upon completion of the 2003 transaction, HDC's participation interest covered all of the City's cash flows from the Sheridan Trust II. In September 2005, the senior lien interests were satisfied and HDC became the primary beneficiary of Sheridan Trust II. At that time, therefore, the loan asset was added to HDC's statement of net position and was valued at its principal amount.

In 2006, the Corporation issued its Multi-Family Housing Revenue Bonds, 2006 Series A, which refinanced its 2002 Series D and 2003 Series D Bonds. In May, 2014, the 2006 Series A bonds were fully redeemed. Simultaneously, the Corporation issued the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 (collectively, the "2014 Series B Bonds") to re-securitize the remaining underlining loan portfolio, which included the Sheridan Trust II Class B Certificate. At that time, the Sheridan Trust II had a balance of \$57,372,000. The Sheridan Trust II, along with the other remaining underlining loans under the 2006 Series A Bonds totaling \$246,698,000, were transferred to the 2014 Series B Bonds.

The proceeds of the 2014 Series B Bonds in an amount of \$150,000,000 plus the remaining funds in the 2006 Series A Revenue Fund in an amount of \$10,162,000 were transferred to the Corporation's general account, the Corporate Services Fund, pursuant to an agreement with the City.

As of October 31, 2014, the balance in the Sheridan Trust II was \$51,688,000. This balance is included under "Loan Participation Receivable – The City of New York" which totaled to \$631,047,000 at October 31, 2014. This total balance represents the excess face amount of collateral over the related bonds. In each case, the "Loan Participation Receivable - The City of New York" are pledged to the associated bonds but revert to the City when such bonds are retired. (See Note 12: "Payable to The City of New York".)

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Note 7: Other Receivables

Other Receivables of \$70,633,000 represent mortgage related fees, servicing fees receivable and Corporate Services Fund loans not secured by mortgages on the properties, bond interest receivable from HUD, interest and servicing fees receivable on HPD loans serviced (but not owned) by HDC, and 421-A grant funds due to be received from the Battery Park City Authority (“BPCA”).

On March 29, 2010, The City of New York entered into a grant agreement with BPCA whereby the City is to receive funds from BPCA that exceed BPCA’s operating expenses over the next seven years. This amount was anticipated to be \$400,000,000. The City designated HPD and the Corporation to each receive \$200,000,000 of these funds to further the purpose of creating additional affordable housing in New York City.

On April 20, 2011, the Corporation entered into a “421-A Fund Agreement” with The City of New York which further details the roles and responsibilities of the Corporation and HPD related to the use and reporting of the BPCA funds. The funds are intended to be used by HDC and HPD to address the availability of affordable housing in the City with priority given to the fifteen sub-borough areas with the highest percentage of households below the poverty line according to the most recent United States census bureau data.

On April 4, 2014, the Corporation received the fourth grant installment of \$45,795,000 from BPCA. On October 31, 2014, the Corporation also recognized a fifth grant revenue installment in the amount of \$42,803,000, which is expected to be received in fiscal year 2015.

Note 8: Other Non Current Assets

On June 27, 2011, a trust created by the City was dissolved and the Corporation and the City entered into the 2011 Participation Agreement. The trust when created consisted of a pledge of the income from Interest Reduction Payment Contracts (“Section 236 Contracts”) from HUD on 32 developments. Under the 2011 Participation Agreement, the Corporation holds a 100% participation interest in the second mortgages and related Section 236 Contracts on the remaining nine properties. The Corporation paid the City \$10,266,000 as the purchase price, which represents the discounted value of the future cash flows (monthly interest reduction payments).

The “2012 Participation Interest”, described further in Note 12, relates to other assets and was recorded as other assets and will be amortized over the period until 2025. During fiscal year 2014, \$294,000 was amortized and was recorded as a non-operating expense. The unamortized value of the 2012 Participation Interest was \$9,475,000 at October 31, 2014.

Note 9: Deferred Outflow of Resources

Interest rate caps are used to mitigate the Corporation’s exposure to rising interest rates on its variable rate debt. On May 1, 2014, the Corporation issued the 2014 Series B Bonds to refinance the 2006 Series A Bonds. On October 27, 2014, the Corporation purchased a new interest rate cap covering an amount of \$50,000,000 in bonds from PNC Bank for \$2,690,000 which will be effective from November 1,

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2014 to initially cover the 2014 Series B-2 Bonds (but may cover other floating rate debt of the Corporation). At October 31, 2014, the value of the interest rate cap was \$2,690,000.

The remaining amount of the 2006 Series A interest rate cap was transferred to 2008 Series K to cover the variable rate debt in the Open Resolution. At October 31, 2014, the value of this interest rate cap from Goldman Sachs Group, Inc./Mitsubishi was \$984,000.

On September 10, 2013, the 2005 Series A Capital Fund Program Revenue Bonds (NYCHA) were retired through an in-substance defeasance and incurred a loss in the amount of \$8,958,000 which will be amortized over the life of the related bonds. At October 31, 2014, the balance of the unamortized deferred loss on early retirement of debt was \$8,311,000.

In Fiscal Year 2014, the Corporation adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Statement requires that if a participating employer makes a contribution to the plan after the measurement date the amount should be reported as a deferred outflow of resources. At October 31, 2014, the balance in "Pension Contribution After Measurement Date" was \$350,000.

Note 10: Bonds Payable

The Corporation's authority to issue bonds and notes for any corporate purpose is limited by the Act to the extent that (i) the aggregate principal amount outstanding may not exceed \$11.25 billion, exclusive of refunding bonds or notes, and (ii) the maximum Capital Reserve Fund requirement may not exceed \$85 million. No bonds are currently subject to the Capital Reserve Fund requirement. These limits may be changed from time to time through State legislation. During the year ended October 31, 2014, the limit on the aggregate principal amount outstanding remains unchanged at \$11.25 billion.

Bond Programs

The Corporation issues bonds and notes to fund mortgage loans for multi-family residential developments under the bond programs described below. As of October 31, 2014, the Corporation had bonds outstanding in the aggregate principal amount of \$9,199,557,000. All of the bonds are separately secured, except for the bonds issued under the General Resolution which are equally and ratably secured by the assets pledged under the General Resolution (See "*C. Housing Revenue Bond Program*" below). None of the bonds under the bond programs described in "*A. Multi-Family Mortgage Revenue Bond Program*", "*B. Military Housing Revenue Bond Program*", "*D. Liberty Bond Program*", "*E. Capital Fund Revenue Bond Program*" and, "*F. Multi-Family Housing Pass-Through Revenue Bond Program*" provide security under the General Resolution, and none of the bonds under these programs is secured by the General Resolution.

A. Multi-Family Program. The Corporation established its Multi-Family Program to develop privately-owned multi-family housing, all or a portion of which is reserved for low income tenants. The following describes the Corporation's activities under its Multi-Family Program.

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(1) Rental Projects; Fannie Mae or Freddie Mac Enhanced: The Corporation has issued tax-exempt and/or taxable bonds which either (i) are secured by mortgage loan payments, which payments are secured by obligations of Fannie Mae under various collateral agreements, (ii) are secured by a Direct Pay Credit Enhancement Instrument issued by Fannie Mae or (iii) are secured by a Direct Pay Credit Enhancement Agreement with Federal Home Loan Mortgage Corporation (“Freddie Mac”).

(2) Rental Projects; Letter of Credit Enhanced: The Corporation has issued tax-exempt and/or taxable bonds to finance a number of mixed income projects and entirely low income projects, which bonds are secured by letters of credit issued by investment-grade rated commercial lending institutions.

(3) Residential Housing; Credit Enhanced: The Corporation has issued bonds to provide financing for residential facilities for hospital staff and for post-secondary students, faculty and staff which bonds are secured by letters of credit issued by investment-grade rated institutions.

(4) Rental Projects; Not Rated: The Corporation has issued bonds and obligations to provide financing for rental projects, which bonds and obligations are not rated by a rating agency and were not publicly offered.

B. Military Housing Revenue Bond Program. Under this program, the Corporation has issued taxable obligations in order to fund a portion of the cost of the design, demolition, renovation, construction and operation of housing units in residential family housing areas located at Fort Hamilton.

C. Housing Revenue Bond Program. Under its Housing Revenue Bond Program, the Corporation may issue bonds payable solely from and secured by the assets held under its General Resolution which include a pool of mortgage loans, some of which are construction loans (which pool contains FHA-insured mortgage loans, REMIC-insured mortgage loans, State of New York Mortgage Agency (“SONYMA”) insured mortgage loans, GNMA mortgage-backed securities, other mortgage loans and participation interests in mortgage loans), the revenues received on account of all such loans and securities, and other assets pledged under such resolution and any supplemental resolution for a particular series of bonds. Certain of the projects, which secure a portion of the mortgage loans, receive the benefits of subsidy payments.

D. Liberty Bond Program. In accordance with Section 301 of the Job Creation and Worker Assistance Act of 2002, the Corporation has issued tax-exempt and taxable bonds, each secured by a letter of credit to finance the development of multi-family housing within an area of lower Manhattan designated in such legislation as the “Liberty Zone”.

E. Capital Fund Revenue Bond Program. Under this program, the Corporation has issued tax-exempt obligations in order to assist the New York City Housing Authority with the execution of a multi-year construction initiative that addressed critical capital improvement needs of their aging housing portfolio.

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F. Pass-Through Revenue Bond Program. Under this program, the Corporation has issued bonds to finance loans evidenced by a note and secured by a mortgage of privately owned multi-family housing. All repayments and prepayments derived from the associated mortgage loans, including a payment of insurance, if any, are passed through to the bondholder to redeem the bonds on a monthly basis.

Changes in Bonds Payable:

The summary of changes in Bonds Payable was as follows:

Bonds Payable outstanding at October 31, 2012	\$8,805,325,000
Bonds Issued	1,777,180,000
Bond Principal Retired	(1,111,999,000)
Net Premium/Discount on Bonds Payable	35,868,000
Bonds Payable outstanding at October 31, 2013	\$9,506,374,000
Bonds Issued	1,076,846,000
Bond Principal Retired	(1,339,099,000)
Net Premium/Discount on Bonds Payable	(3,848,000)
Bonds Payable outstanding at October 31, 2014	\$9,240,273,000

Details of changes in HDC bonds payable for the year ended October 31, 2014 were as follows:

Description of Bonds as Issued	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
<i>(in thousands)</i>					
<i>(variable rates cover fiscal year 2014)</i>					

MULTI-FAMILY MORTGAGE REVENUE BOND PROGRAM:

Multi-Family Rental Housing Revenue Bonds
– Rental Projects; Fannie Mae or Freddie
Mac Enhanced

1997 Series A Related-Carnegie Park Project –0.11% to 0.11% Variable Rate Bonds due upon demand through 2019.....	\$ 66,800	—	(66,800)	—	—
1997 Series A (AMT) Related-Tribeca Tower Project –0.03% to 0.13% Variable Rate Bonds due upon demand through 2019.....	55,000	—	—	55,000	—
1998 Series A (AMT) 100 Jane Street Development – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2028...	16,450	—	(500)	15,950	—
1998 Series A (AMT) One Columbus Place Project –0.03% to 0.12% Variable Rate Bonds due upon demand through 2028.....	142,300	—	—	142,300	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
1999 Series A (AMT) West 43rd Street Project – 0.08% to 0.08% Variable Rate Bonds due upon demand through 2029.....	51,900	—	(51,900)	—	—
1999 Series A (AMT) Brittany Development Project – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2029.....	57,000	—	(700)	56,300	100
2000 Series A (AMT) Related West 89 th Street Development – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2029.....	53,000	—	—	53,000	—
2001 Series A Queenswood Refunding – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2031.....	10,800	—	—	10,800	—
2001 Series A (AMT) Related Lyric Development –0.03% to 0.12% Variable Rate Bonds due upon demand through 2031.....	85,000	—	—	85,000	—
2001 Series B (Federally Taxable) Related Lyric Development – 0.06% to 0.12% Variable Rate Bonds due upon demand through 2031.....	4,000	—	—	4,000	—
2002 Series A James Tower Development – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2032.....	19,515	—	(405)	19,110	—
2002 Series A (AMT) The Foundry – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2032.....	55,100	—	—	55,100	—
2003 Series A (AMT) Related-Sierra Development –0.03% to 0.12% Variable Rate Bonds due upon demand through 2033.....	56,000	—	—	56,000	—
2004 Series A (AMT) West End Towers – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2034.....	135,000	—	(135,000)	—	—
2004 Series A (AMT) Related-Westport Development – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2034...	110,000	—	—	110,000	—

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October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2004 Series B (Federally Taxable) Related – Westport Development—0.06% to 0.11% Variable Rate Bonds due upon demand through 2034.....	13,800	—	—	13,800	—
2005 Series A Royal Charter Properties – 0.02% to 0.11% Variable Rate Bonds due upon demand through 2035.....	89,200	—	—	89,200	—
2005 Series A (AMT) Atlantic Court Apartments – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2035.....	83,700	—	—	83,700	—
2005 Series B (Federally Taxable) Atlantic Court Apartments – 0.06% to 0.11% Variable Rate Bonds due upon demand through 2035...	14,300	—	(1,200)	13,100	—
2005 Series A (AMT) The Nicole Development –0.03% to 0.12% Variable Rate Bonds due upon demand through 2035.....	54,600	—	—	54,600	—
2005 Series B (Federally Taxable) The Nicole Development – 0.06% to 0.12% Variable Rate Bonds due upon demand through 2035..	6,400	—	(700)	5,700	900
2005 Series B (AMT) Progress of People Development – 3.50% to 4.95% Term Bonds maturing in varying installments through 2036.....	48,980	—	(1,055)	47,925	1,115
2006 Series A (AMT) Rivereast Apartments – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2036.....	50,000	—	—	50,000	—
2006 Series B (Federally Taxable) Rivereast Apartments – 0.11% to 0.14% Variable Rate Bonds due upon demand through 2036.....	4,000	—	(700)	3,300	—
2006 Series A (AMT) Seaview Towers – 3.70% to 4.75% Serial & Term Bonds maturing in varying installments through 2039.....	20,330	—	(1,105)	19,225	1,165
2007 Series A (AMT) Ocean Gate Development – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2040.....	8,445	—	—	8,445	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2007 Series B (AMT) Ocean Gate Development – 4.80% to 5.35% Term Bonds maturing in varying installments through in 2025.....	12,290	—	(730)	11,560	770
2007 Series A (AMT) West 61 st Street Apartments –0.03% to 0.13% Variable Rate Bonds due upon demand through 2037.....	54,000	—	—	54,000	—
2007 Series B (Federally Taxable) West 61 st Street Apartments- 5.63% Fixed Rate Term Bonds due 2019.....	8,615	—	(1,200)	7,415	1,280
2007 Series A (AMT) 155 West 21 st Street Apartments – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2037	37,900	—	—	37,900	—
2007 Series B (Federally Taxable) 155 West 21 st Street Apartments – 0.07% to 0.12% Variable Rate Bonds due upon demand through 2037.....	12,500	—	(500)	12,000	300
2008 Series A (AMT) Linden Plaza – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2043.....	66,785	—	(1,535)	65,250	1,615
2009 Series A Gateways Apartments – 2.65% to 4.5% Term Bonds due upon demand through 2025.....	21,380	—	(240)	21,140	255
2009 Series A The Balton – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2049.....	29,750	—	—	29,750	—
2009 Series A Lexington Courts – 0.02% to 0.22% Variable Rate Bonds due upon demand through 2039.....	22,800	—	(900)	21,900	—
2012 Series A 1133 Manhattan Avenue Development – 0.02% to 0.13% Variable Rate Bonds due upon demand through 2046.	46,000	—	—	46,000	—
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Fannie Mae or Freddie Mac Enhanced</i>					
2001 Series A (AMT) West 48th Street – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2034.....	20,000	—	—	20,000	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2002 Series A (AMT) First Avenue Development – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2035..	44,000	—	—	44,000	—
2004 Series A (AMT) Aldus Street Apartments – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2037.....	8,100	—	—	8,100	—
2004 Series A (AMT) 941 Hoe Avenue Apartments – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2037.....	6,660	—	—	6,660	—
2004 Series A (AMT) Peter Cintron Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2037.....	7,840	—	—	7,840	—
2004 Series A (AMT) State Renaissance Court—0.03% to 0.12% Variable Rate Bonds due upon demand through 2037.....	35,200	—	—	35,200	—
2004 Series A (AMT) Louis Nine Boulevard Apartments — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2037.....	7,300	—	—	7,300	—
2004 Series A (AMT) Courtlandt Avenue Apartments — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2037.....	7,905	—	—	7,905	—
2004 Series A (AMT) Ogden Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038.....	4,760	—	—	4,760	—
2004 Series A (AMT) Nagle Courtyard Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038...	4,200	—	—	4,200	—
2005 Series A (AMT) Morris Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038.....	14,700	—	—	14,700	—
2005 Series A (AMT) Vyse Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038.....	4,335	—	—	4,335	—
2005 Series A (AMT) 33 West Tremont Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038.....	3,490	—	—	3,490	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2005 Series A (AMT) Ogden Avenue Apartments II — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2038...	2,500	—	—	2,500	—
2005 Series A (AMT) White Plains Courtyard Apartments — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2038.....	4,900	—	—	4,900	—
2005 Series A (AMT) Highbridge Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039.....	13,600	—	—	13,600	—
2005 Series A (AMT) 89 Murray Street Development — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039...	49,800	—	—	49,800	—
2005 Series A (AMT) 270 East Burnside Avenue Apartments — 0.02% to 0.13% Variable Rate Bonds due upon demand through 2039.....	6,400	—	—	6,400	—
2006 Series A (AMT) Reverend Ruben Diaz Gardens Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2038.....	6,400	—	—	6,400	—
2006 Series A (AMT) Villa Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039.....	5,990	—	—	5,990	—
2006 Series A (AMT) Bathgate Avenue Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039.....	4,435	—	—	4,435	—
2006 Series A (AMT) Spring Creek Apartments I & II — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—
2006 Series A (AMT) Linden Boulevard Apartments — 3.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2039.....	13,180	—	(230)	12,950	245
2006 Series A (AMT) Markham Garden Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2040.....	16,000	—	—	16,000	—

New York City Housing Development Corporation

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Description of Bonds as Issued (in thousands) (variable rates cover fiscal year 2014)	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2008 Series A 245 East 124 th Street – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2046.....	35,400	—	—	35,400	—
2008 Series A Bruckner by the Bridge – 0.02% to 0.12% Variable Rate Bonds due upon demand through 2048.....	36,800	—	—	36,800	—
2008 Series A Hewitt House Apartments — 0.04% to 0.14% Variable Rate Bonds due upon demand through 2048.....	4,100	—	—	4,100	—
2010 Series A Eliot Chelsea Development — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2043.....	40,750	—	—	40,750	—
2011 Series A (AMT) West 26 th Street Development – 0.03% to 0.11% Variable Rate Bond due upon demand through 2041....	28,700	—	—	28,700	—
2011 Series B West 26 th Street Development – 0.02% to 0.10% Variable Rate Bonds due upon demand through 2045.....	8,470	—	—	8,470	—
2012 Series A West 26 th Street Development – 0.02% to 0.10% Variable Rate Bonds due upon demand through 2045.....	41,530	—	—	41,530	—
<i>Multi-Family Mortgage Revenue Bonds – Rental Projects; Letter of Credit Enhanced</i>					
2003 Series A (AMT) Related-Upper East — 0.05% to 0.20% Variable Rate Bonds due upon demand through 2036.....	67,000	—	—	67,000	—
2003 Series B (Federally Taxable) Related- Upper East—0.18% to 0.30% Variable Rate Bonds due upon demand through 2036.....	3,000	—	—	3,000	—
2004 Series A (AMT) Manhattan Court Development— 0.04% to 0.13% Variable Rate Bonds due upon demand through 2036...	17,500	—	—	17,500	—
2004 Series A (AMT) East 165 th Street Development — 0.04% to 0.13% Variable Rate Bonds due upon demand through 2036...	7,665	—	—	7,665	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2004 Series A (AMT) Parkview Apartments —0.06% to 0.16% Variable Rate Bonds due upon demand through 2036.....	5,935	—	—	5,935	—
2004 Series A (AMT) Thessalonica Court Apartments —0.05% to 0.14% Variable Rate Bonds due upon demand through 2036.....	17,500	—	(400)	17,100	—
2004 Series A (AMT) Brookhaven Apartments —0.05% to 0.14% Variable Rate Bonds due upon demand through 2036.....	8,200	—	(200)	8,000	—
2004 Series A Marseilles Apartments — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2034.....	11,625	—	(200)	11,425	—
2005 Series A (AMT) 2007 LaFontaine Avenue Apartments —0.04% to 0.13% Variable Rate Bonds due upon demand through 2037.....	3,825	—	—	3,825	—
2005 Series A (AMT) La Casa del Sol Apartments —0.05% to 0.14% Variable Rate Bonds due upon demand through 2037.....	4,750	—	(100)	4,650	100
2005 Series A (AMT) 15 East Clarke Place Apartments —0.04% to 0.15% Variable Rate Bonds due upon demand through 2037.....	5,430	—	—	5,430	—
2005 Series A (AMT) Urban Horizons II Development — 0.05% to 0.14% Variable Rate Bonds due upon demand through 2038...	5,565	—	(100)	5,465	—
2005 Series A (AMT) 1090 Franklin Avenue Apartments — 0.04% to 0.13% Variable Rate Bonds due upon demand through 2037.....	2,320	—	—	2,320	—
2005 Series A (AMT) Parkview II Apartments —0.04% to 0.13% Variable Rate Bonds due upon demand through 2037.....	4,255	—	—	4,255	—
2005 Series A (AMT) Grace Towers Development —0.05% to 0.14% Variable Rate Bonds due upon demand through 2037...	10,400	—	(300)	10,100	—
2006 Series A (AMT) Granville Payne Apartments —0.04% to 0.13% Variable Rate Bonds due upon demand through 2039.....	5,560	—	—	5,560	—

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Description of Bonds as Issued (in thousands) (variable rates cover fiscal year 2014)	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2006 Series A (AMT) Target V Apartments — 0.05% to 0.14% Variable Rate Bonds due upon demand through 2038.....	6,700	—	(100)	6,600	—
2006 Series A (AMT) Beacon Mews Development —0.05% to 0.17% Variable Rate Bonds due upon demand through 2039...	23,500	—	—	23,500	—
2006 Series A (AMT) Granite Terrace Apartments – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2038.....	4,060	—	—	4,060	—
2006 Series A (AMT) Intervale Gardens Apartments – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2038.....	3,115	—	—	3,115	—
2006 Series A (AMT) 500 East 165 th Street Apartments – 0.03% to 0.12% Variable Rate Bonds due upon demand through 2039.....	7,255	—	—	7,255	—
2006 Series A (AMT) 1405 Fifth Avenue Apartments – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2039.....	14,190	—	—	14,190	—
2007 Series A (AMT) 550 East 170 th Street Apartments – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2042.....	5,500	—	—	5,500	—
2007 Series A (AMT) Susan’s Court – 0.03% to 0.13% Variable Rate Bonds due upon demand through 2039.....	24,000	—	—	24,000	—
2007 Series A (AMT) The Dorado Apartments – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2040.....	3,470	—	—	3,470	—
2007 Series A (AMT) The Plaza – 0.04% to 0.13% Variable Rate Bonds due upon demand through 2039.....	11,500	—	(200)	11,300	—
2007 Series A (AMT) Boricua Village Apartments Site A-2 – 0.06% to 0.20% Variable Rate Bonds due upon demand through 2042.....	4,250	—	—	4,250	—
2007 Series A (AMT) Boricua Village Apartments Site C – 0.06% to 0.20% Variable Rate Bonds due upon demand through 2042.....	6,665	—	—	6,665	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2007 Series A (AMT) Cook Street Apartments – 0.03% to 0.14% Variable Rate Bonds due upon demand through 2040.....	4,580	—	(100)	4,480	—
2008 Series A (AMT) Las Casas Development –0.07% to 0.17% Variable Rate Bonds due upon demand through 2040.....	19,200	—	—	19,200	—
2008 Series A Sons of Italy Apartments — 0.04% to 0.14% Variable Rate Bonds due upon demand through 2048.....	7,570	—	—	7,570	—
2009 Series A-1 (Federally Taxable) Beekman Tower— 0.18% to 0.40% Variable Rate Bonds due upon demand through 2048...	123,350	—	—	123,350	123,350
2009 Series A-2 (Federally Taxable) Beekman Tower— 0.22% to 0.40% Variable Rate Bonds due upon demand through 2048...	61,700	—	—	61,700	61,700
2010 Series A-1 (Federally Taxable) Beekman Tower— 0.15% to 0.40% Variable Rate Bonds due upon demand through 2048..	76,200	—	—	76,200	76,200
2010 Series A-2 (Federally Taxable) Beekman Tower— 0.22% to 0.40% Variable Rate Bonds due upon demand through 2048..	73,850	—	—	73,850	73,850
2010 Series A 101 Avenue D Apartments — 0.03% to 0.15% Variable Rate Bonds due upon demand through 2043.....	25,000	—	—	25,000	—
2012 Series A 461 Dean Street Development— 0.02% to 0.12% Variable Rate Bonds due upon demand through 2046..	45,000	—	—	45,000	—
2013 Series A 50 th Avenue Development — 0.02% to 0.10% Variable Rate Bonds due upon demand through 2048.....	62,250	—	—	62,250	—
2013 Series B 50 th Avenue Development — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2048.....	74,710	—	—	74,710	—

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October 31, 2014

Description of Bonds as Issued (in thousands) (variable rates cover fiscal year 2014)	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
<i>Residential Revenue Bonds – Residential Housing; Letter of Credit Enhanced</i>					
1993 Series A Montefiore Medical Center— 0.02% to 0.13% Variable Rate Term Bonds maturing in varying installments through 2030.....	6,600	—	(200)	6,400	200
2009 Series A Queens College Residence — 0.20% to 0.40% Variable Rate Bonds due upon demand through 2043.....	67,965	—	(67,965)	—	—
2012 Series A College of Staten Island Residences — 2.00% to 4.15% Fixed Rate Serial and Term Bonds due 2046.....	65,800	—	—	65,800	—
2012 Series B College of Staten Island Residences (Federally Taxable) — 1.39% to 2.44% Fixed Rate Serial Bonds due 2017...	2,000	—	(420)	1,580	735
<i>Multi-Family Mortgage Revenue Bonds Rental Projects; Not Rated</i>					
2011 Series A West 26 th Street Development — 2.26% to 2.26% Index Floating Rate Bonds due upon demand through 2044 (secured by MPA by Citibank).....	1,300	—	(1,300)	—	—
2007 Series A Queens Family Courthouse Apartments – 1.78% to 1.87% Variable Rate Bonds due upon demand through 2047.....	40,000	—	—	40,000	—
2013 Series A Borden Avenue Development – 2.23% to 2.32% Variable Rate Bonds due upon demand through 2048.....	66	4,930	—	4,996	—
2013 Series B Borden Avenue Development - 2.23% to 2.32% Variable Rate Bonds due upon demand through 2044.....	13,875	—	—	13,875	—
2013 Series C Borden Avenue Development – 2.23% to 2.32% Variable Rate Bonds due upon demand through 2048.....	809	14,505	—	15,314	—
2013 Series A 250 Ashland Development – 1.98% to 2.07% Variable Rate Bonds due upon demand through 2022.....	—	250	—	250	—

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2013 Series A City Point-Tower One – 1.28% to 1.37% Variable Rate Bonds due upon demand through 2046.....	—	49,330	—	49,330	—
2014 Series A City Point-Tower One – 1.28% to 1.37% Variable Rate Bonds due upon demand through 2044.....	—	12,670	—	12,670	—
Total Multi-Family Mortgage Revenue Bonds	3,201,645	81,685	(336,985)	2,946,345	343,880

MILITARY HOUSING REVENUE BOND PROGRAM:

2004 Series A (Federally Taxable) Class I & II Fort Hamilton Housing LLC Project— 5.60% to 6.72% Term Bonds maturing in varying installments through 2049.....	45,965	—	(355)	45,610	365
Total Military Housing Revenue Bond Program	45,965	—	(355)	45,610	365

HOUSING REVENUE BOND PROGRAM:

*Multi-Family Housing Revenue Bonds
Under the Corporation's General Resolution,
assets pledged to bondholders include a pool
of mortgage loans.*

1998 Series A (Federally Taxable — 6.84% Term Bonds maturing in varying installments through 2030.....	100	—	—	100	—
1998 Series B — 3.75% to 5.25% Serial and Term Bonds maturing in varying installments through 2031.....	100	—	—	100	—
1999 Series A-1 (Federally Taxable) — 5.83% to 6.06% Term Bonds maturing in varying installments through 2022	9,985	—	(800)	9,185	900
1999 Series B-2 (Federally Taxable) — 6.83% to 7.32% Term Bonds maturing in varying installments through 2022	17,400	—	(1,600)	15,800	15,800
1999 Series C (AMT) — 4.40% to 5.70% Serial and Term Bonds maturing in varying installments through 2031.....	115	—	—	115	—

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October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
1999 Series E — 4.40% to 6.25% Serial and Term Bonds maturing in varying installments through 2036.....	100	—	—	100	—
2002 Series A (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2034.....	150	—	—	150	—
2002 Series B (AMT) — 2.20% to 5.50% Serial and Term Bonds maturing in varying installments through 2032.....	150	—	—	150	—
2002 Series C (Federally Taxable) — 0.38% to 0.41% Variable Rate Term Bonds maturing in varying installments through 2034.....	43,510	—	(915)	42,595	985
2003 Series B-2 (AMT) — 2.00% to 4.60% Serial and Term bonds maturing in varying installments through 2036.....	24,435	—	(24,335)	100	—
2003 Series E-2 (AMT) — 2.25% to 5.05% Serial and Term Bonds maturing in varying installments through 2036.....	25,855	—	(25,755)	100	—
2004 Series A — 1.85% to 5.25% Serial and Term Bonds maturing through 2030.....	117,215	—	(117,215)	—	—
2004 Series B-2 (AMT) — 2.00% to 5.30% Serial and Term Bonds maturing in varying installments through 2036.....	19,835	—	(19,835)	—	—
2004 Series C-2 (Federally Taxable) — 5.52% to 6.34% Term Bonds maturing in varying installments through 2036.....	44,145	—	(44,145)	—	—
2004 Series E-1— 4.95% Term Bonds maturing in varying installments through 2033.....	39,595	—	—	39,595	39,595
2004 Series E-2 (Federally Taxable) — 5.75% Term Bonds maturing in varying installments through 2024.....	8,980	—	—	8,980	8,980
2004 Series F (Federally Taxable) — 3.68% to 5.70% Serial and Term Bonds maturing in varying installments through 2035.....	19,970	—	(2,620)	17,350	17,350

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October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2004 Series G (Federally Taxable) — 5.63% Term Bonds maturing in varying installments through 2029.....	10,085	—	(90)	9,995	9,995
2004 Series H (AMT) — 2.70% to 5.25% Serial and Term Bonds maturing in varying installments through 2046.....	8,715	—	(110)	8,605	8,605
2004 Series I-2 (AMT) — 2.50% to 5.20% Serial and Term Bonds maturing in varying installments through 2038.....	23,280	—	(520)	22,760	22,760
2004 Series J (Federally Taxable) — 2.95% to 5.70% Serial and Term Bonds maturing in varying installments through 2036.....	19,445	—	(1,165)	18,280	18,280
2005 Series A-1 — 4.50% to 4.60% Term Bonds maturing in 2027 and 2035, respectively.....	9,735	—	—	9,735	—
2005 Series C (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2037.....	3,940	—	(95)	3,845	100
2005 Series D (AMT) — 3.10% to 4.80% Serial and Term Bonds maturing in varying installments through 2047.....	5,450	—	(70)	5,380	70
2005 Series E (AMT) — 2.90% to 4.75% Serial and Term Bonds maturing in varying installments through 2035.....	2,600	—	(220)	2,380	235
2005 Series F-1 — 4.65% to 4.75% Term Bonds maturing in 2025 and 2035, respectively.....	65,410	—	—	65,410	—
2005 Series F-2 (Federally Taxable) — 4.66% to 5.43% Term Bonds maturing in 2010 and 2017, respectively.....	35,705	—	(7,530)	28,175	7,950
2005 Series G — 3.35% to 4.35% Serial and Term Bonds maturing in varying installments through 2018.....	2,480	—	(410)	2,070	425
2005 Series J-1 — 4.65% to 4.85% Term Bonds maturing in 2036.....	20,495	—	—	20,495	—
2005 Series K (AMT) — 3.60% to 5.00% Serial and Term Bonds maturing in 2037.....	11,750	—	(215)	11,535	230

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2005 Series L (AMT) — 3.85% to 5.05% Serial and Term Bonds maturing in 2039.....	12,090	—	(225)	11,865	235
2006 Series A (Federally Taxable) — 6.42% Term Bonds maturing in 2027.....	31,215	—	(31,215)	—	—
2006 Series B (AMT) — 5.35% Term Bonds due on demand through 2049.....	30,000	—	(615)	29,385	650
2006 Series C (AMT) — 4.05% to 5.13% Serial and Term Bonds maturing in varying installments through 2040.....	36,970	—	(595)	36,375	625
2006 Series D-1 — 4.95% Term Bonds maturing in 2036.....	2,510	—	—	2,510	—
2006 Series G-1 (AMT) — 3.80% to 4.88% Serial and Term Bonds maturing in 2039.....	24,080	—	(440)	23,640	460
2006 Series H-1 (AMT) — 3.85% to 4.70% Serial and Term Bonds maturing in 2040.....	24,175	—	(440)	23,735	465
2006 Series I (Federally Taxable) — 5.33% to 5.96% Term Bonds maturing in varying installments through 2040.....	6,480	—	(105)	6,375	105
2006 Series J-1— 1.01% to 1.03% Index Floating Rate Term Bonds due 2046.....	100,000	—	—	100,000	—
2006 Series J-2-A (AMT) — 3.95% to 4.85% Serial and Term Bonds maturing in varying installments through 2040.....	10,545	—	(185)	10,360	200
2006 Series J-2-C (AMT) — 4.40% to 5.20% Serial and Terms Bonds maturing in varying installments through 2040.....	17,345	—	(310)	17,035	320
2007 Series A (Federally Taxable) — 5.26% to 5.52% Term Bonds maturing in 2041.....	25,045	—	(350)	24,695	375
2007 Series B-1 (AMT) — 4.40% to 5.25% Serial and Term Bonds maturing in varying installments through 2045	33,585	—	(545)	33,040	575
2007 Series C (Federally Taxable) — 6.02% to 6.56% Term Bonds maturing in 2040.....	5,210	—	(75)	5,135	75

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2007 Series D (Federally Taxable) – 5.95% Terms Bonds maturing in 2039.....	26,770	—	(435)	26,335	455
2007 Series E-1 (AMT) – 3.90% to 5.45% Serial and Term Bonds maturing in varying installments through 2040.....	23,320	—	(385)	22,935	405
2008 Series A-1-A (AMT) — 5.00% to 5.45% Fixed Rate Term Bonds due 2046.....	15,665	—	—	15,665	—
2008 A-2 (AMT) – 4.35% to 5.00% Fixed Rate Serial Bonds maturing in varying installments through 2018.....	3,405	—	(270)	3,135	560
2008 Series C-2 (Federally Taxable) – 3.55% to 5.69% Serial & Term Bonds maturing in varying installments through 2018.....	4,830	—	(790)	4,040	845
2008 Series E (Federally Taxable) – 0.38% to 0.41% Index Floating Rate Terms Bonds maturing in 2037.....	94,740	—	(1,425)	93,315	1,540
2008 Series F (Federally Taxable) – 0.38% to 0.41% Index Floating Rate Term Bonds maturing in 2041.....	77,020	—	(935)	76,085	1,000
2008 Series H-1 (AMT) – 4.50% to 5.50% Serial and Term Bonds maturing in varying installments through 2028.....	8,060	—	(330)	7,730	355
2008 Series H-2-A (AMT) — 5.00% to 5.35% Fixed Rate Term Bonds due 2041.....	14,540	—	—	14,540	—
2008 Series J (Federally Taxable) — 0.84% to 0.85% Index Floating Rate Term Bonds due 2043.....	34,180	—	(145)	34,035	155
2008 Series K (Federally Taxable) — 0.84% to 0.85% Index Floating Rate Term Bonds due 2043.....	96,590	—	(2,185)	94,405	2,340
2008 Series L— 2.25% to 6.50% Fixed Rate Serial and Term Bonds due 2028.....	4,440	—	(280)	4,160	300
2008 Series M— 3.15% to 6.88% Fixed Rate Serial and Term Bonds due 2038.....	29,350	—	(640)	28,710	670

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2009 Series A— 2.00% to 4.20% Term Bonds maturing in varying installments through 2019.....	3,410	—	(470)	2,940	490
2009 Series C-1— 2.50% to 5.70% Serial and Term Bonds due 2046.....	113,200	—	(1,425)	111,775	1,490
2009 Series F— 1.95% to 4.85% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	5,820	—	(100)	5,720	100
2009 Series H-2— 0.2% Fixed Rate Term Bonds mandatory tender due Jun 2014.....	26,570	—	(26,570)	—	—
2009 Series I-1 (Federally Taxable) — 5.63% to 6.42% Fixed Rate Term Bonds maturing in varying installments through 2039.....	50,000	—	—	50,000	—
2009 Series I-2 (Federally Taxable) — 0.71% to 0.72% Index Floating Rate Term Bonds due 2039.....	25,000	—	—	25,000	—
2009 Series J — 0.70% to 4.80% Fixed Rate Serial and Term Bonds maturing in varying installments through 2036.....	23,185	—	(820)	22,365	850
2009 Series K — 1.95% to 4.95% Fixed Rate Serial and Term Bonds due 2039.....	74,280	—	(1,250)	73,030	1,300
2009 Series L-1 — 1.65% to 4.95% Fixed Rate Serial and Term Bonds due 2043.....	23,590	—	(175)	23,415	360
2009 Series M — 1.85% to 5.15% Fixed Rate Serial and Term Bonds due 2045.....	30,845	—	(140)	30,705	150
2010 Series A-1 — 3.35% to 4.90% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	25,325	—	—	25,325	—
2010 Series A-2 (Federally Taxable) — 3.67% to 4.97% Fixed Rate Term Bonds maturing in varying installments through 2019.....	3,000	—	(240)	2,760	505
2010 Series C — 1.50% to 4.95% Fixed Rate Serial and Term Bonds due 2047.....	14,715	—	(200)	14,515	200
2010 Series D-1-A — 1.60% to 5.00% Fixed Rate Serial and Term Bonds due 2042.....	32,485	—	(525)	31,960	530

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Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2010 Series E — 0.80% to 3.85% Fixed Rate Serial and Term Bonds due 2019.....	5,165	—	(720)	4,445	745
2010 Series F — 1.70% to 4.75% Fixed Rate Serial and Term Bonds due 2030.....	4,130	—	(200)	3,930	200
2010 Series G — 0.40% to 4.75% Fixed Rate Serial and Term Bonds maturing in varying installments through 2041.....	45,325	—	(2,190)	43,135	2,235
2010 Series H (Federally Taxable) — 0.77% to 0.78% Variable Rate Term Bonds due 2040.....	66,895	—	(2,745)	64,150	2,910
2010 Series I— 2.05% Fixed Rate Serial Bonds due Nov 2014.....	8,115	—	(8,115)	—	—
2010 Series J-1— 0.75% to 5.00% Fixed Rate Serial Bonds due 2022.....	19,545	—	(1,680)	17,865	1,820
2010 Series J-2— 1.15% to 2.15% Fixed Rate Term Bonds due Nov 2014.....	22,790	—	(22,790)	—	—
2010 Series K-1— 2.05% to 5.25% Fixed Rate Serial and Term Bonds due 2032.....	5,165	—	(60)	5,105	120
2010 Series K-2 — 2.05% Fixed Rate Term Bonds due Nov 2014.....	23,175	—	(23,175)	—	—
2010 Series L-1 — 2.35% to 5.00% Fixed Rate Serial and Term Bonds due 2026.....	12,620	—	—	12,620	—
2010 Series L-2-A — 2.70% Fixed Rate Term Bonds due 2015.....	12,400	—	(12,400)	—	—
2010 Series L-2-B — 1.90% Fixed Rate Term Bonds due 2015.....	37,600	—	(11,465)	26,135	—
2010 Series N— 0.60% to 4.25% Fixed Rate Serial Bonds due 2021.....	4,485	—	(555)	3,930	565
2011 Series B-1— 0.50% to 3.65% Fixed Rate Serial and Term Bonds due 2018.....	4,035	—	(725)	3,310	1,235
2011 Series C — 2.25% to 4.50% Fixed Rate Serial and Term Bonds due 2022.....	1,980	—	—	1,980	100

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2011 Series D — 0.28% to 3.37% Fixed Rate Serial and Term Bonds due 2020.....	17,265	—	(13,435)	3,830	545
2011 Series E — 1.40% to 4.93% Fixed Rate Serial and Term Bonds due 2036.....	52,050	—	(35,375)	16,675	—
2011 Series F-1 (Federally Taxable) — 0.29% to 3.47% Fixed Rate Serial Bonds due 2018.....	23,435	—	(3,740)	19,695	4,160
2011 Series F-2 (Federally Taxable) — 0.71% to 0.72% Index Floating Rate Term Bonds due 2040.....	56,460	—	—	56,460	—
2011 Series F-3 (Federally Taxable) — 0.71% to 0.72% Index Floating Rate Term Bonds due 2040.....	12,540	—	—	12,540	—
2011 Series G-1 — 2.50% Fixed Rate Term Bonds due 2015.....	63,630	—	(31,715)	31,915	—
2011 Series G-2-A — 0.35% to 3.10% Fixed Rate Serial and Term Bonds due 2021.....	37,165	—	(11,985)	25,180	3,155
2011 Series G-2-B — 1.39% Fixed Rate Term Bonds due 2017.....	5,965	—	(1,435)	4,530	1,455
2011 Series G-3 — 1.32% Fixed Rate Term Bonds due 2015.....	22,180	—	(9,200)	12,980	12,980
2011 Series H-1 — 2.50% Fixed Rate Term Bonds due 2015.....	6,035	—	(6,035)	—	—
2011 Series H-2-A — 1.10% to 4.40% Fixed Rate Serial and Term Bonds due 2031.....	22,890	—	—	22,890	1,045
2011 Series H-2-B — 4.00% to 4.40% Fixed Rate Term Bonds due 2031.....	15,970	—	—	15,970	—
2011 Series H-3-A — 1.32% Fixed Rate Term Bonds due 2015.....	8,620	—	—	8,620	8,620
2011 Series H-3-B — 2.51% Fixed Rate Term Bonds due 2022.....	11,685	—	(380)	11,305	1,200
2011 Series J-1 — 4.00% to 4.80% Fixed Rate Term Bonds due 2044.....	38,345	—	—	38,345	—

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2011 Series J-2 — 1.55% to 2.55% Fixed Rate Term Bonds due 2022.....	25,450	—	(15,480)	9,970	345
2011 Series J-3 — 1.65% Fixed Rate Term Bonds due 2015.....	16,940	—	—	16,940	—
2011 Series J-4 — 1.20% to 1.65% Fixed Rate Term Bonds due 2015.....	21,580	—	(3,080)	18,500	—
2012 Series A — 1.16% to 1.16% Index Floating Rate Term Bonds due 2014.....	42,585	—	(42,585)	—	—
2012 Series B (Federally Taxable) — 0.66% to 3.93% Fixed Rate Serial Bonds due 2025...	40,155	—	(2,840)	37,315	2,870
2012 Series C — 0.22% Fixed Rate Term Bonds due 2014.....	6,615	—	(6,615)	—	—
2012 Series D-1-A — 0.80% to 4.30% Fixed Rate Serial and Term Bonds due 2045.....	48,725	—	—	48,725	45
2012 Series D-1-B — 0.35% to 4.30% Fixed Rate Serial and Term Bonds due 2045.....	85,180	—	(595)	84,585	1,620
2012 Series D-2-A — 0.90% to 1.15% Fixed Rate Term Bonds due 2015.....	71,855	—	(26,510)	45,345	—
2012 Series D-2-B — 0.90% to 1.15% Fixed Rate Term Bonds due 2015.....	17,780	—	(2,780)	15,000	—
2012 Series D-2-C — 0.90% to 1.15% Fixed Rate Term bonds due 2015.....	25,000	—	(7,000)	18,000	—
2012 Series E (Federally Taxable) — 0.34% to 4.40% Fixed Rate Serial and Term Bonds due 2032.....	70,765	—	(2,810)	67,955	2,885
2012 Series F — 0.80% to 3.90% Fixed Rate Serial and Term Bonds due 2045.....	80,330	—	—	80,330	—
2012 Series G — 0.95% to 3.90% Fixed Rate Serial and Term Bonds due 2045.....	31,960	—	—	31,960	—
2012 Series H — 0.25% to 1.60% Fixed Rate Serial Bonds due 2018.....	20,540	—	(11,215)	9,325	3,000
2012 Series I (Federally Taxable) — 0.40% to 4.49% Fixed Rate Serial and Term Bonds due 2044.....	86,435	—	(5,690)	80,745	7,065

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2012 Series J — 1.05% Fixed Rate Term Bonds due 2015.....	31,600	—	(31,600)	—	—
2012 Series K-1-A — 0.45% to 4.00% Fixed Rate Serial and Term Bonds due 2045.....	155,750	—	(200)	155,550	200
2012 Series K-1-B — 0.80% Fixed Rate Term Bonds due 2015.....	12,855	—	—	12,855	—
2012 Series K-2 — 0.02% to 0.10% Variable Rate Term Bonds due 2016.....	20,765	—	—	20,765	—
2012 Series L-1— 1.80% to 3.90% Fixed Rate Serial and Term Bonds due 2042.....	12,390	—	—	12,390	—
2012 Series L-2-A — 0.30% to 4.00% Fixed Rate Serial and Term Bonds due 2044.....	102,645	—	(455)	102,190	470
2012 Series L-2-B (AMT) — 2.30% to 3.60% Fixed Rate Serial and Term Bonds due 2026..	2,060	—	—	2,060	—
2012 Series M-1-A — 1.15% Fixed Rate Term Bonds due 2017.....	19,830	—	—	19,830	—
2012 Series M-1-B — 1.15% Fixed Rate Term Bonds due 2017.....	4,000	—	—	4,000	—
2012 Series M-2 — 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047.....	9,745	—	—	9,745	—
2012 Series M-3 — 1.40% to 4.65% Fixed Rate Serial and Term Bonds due 2047.....	10,525	—	—	10,525	—
2012 Series M-4 — 0.20% Fixed Rate Term Bonds due 2014.....	1,500	—	(1,500)	—	—
2013 Series A-1— 0.35% to 5.20% Fixed Rate Serial and Term Bonds due 2045.....	55,855	—	(19,355)	36,500	2,410
2013 Series A-2 — 4.88% to 5.20% Fixed Rate Term Bonds due 2045.....	16,165	—	(16,165)	—	—
2013 Series B-1-A — 1.10% to 4.60% Fixed Rate Term Bonds due 2045.....	131,880	—	—	131,880	—
2013 Series B-1-B — 0.35% to 4.60% Fixed Rate Serial and Term Bonds due 2045.....	74,700	—	(300)	74,400	590

New York City Housing Development Corporation
Notes to the Financial Statements
October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2013 Series B-1-C — 1.10% Fixed Rate Term Bonds due 2016.....	1,125	—	—	1,125	—
2013 Series B-2 — 0.02% to 0.10% Variable Rate Term Bonds due 2018.....	7,500	—	—	7,500	—
2013 Series B-3 — 0.02% to 0.10% Variable Rate Term Bonds due 2018.....	24,000	—	—	24,000	—
2013 Series B-4 — 0.02% to 0.10% Variable Rate Term Bonds due 2018.....	17,610	—	—	17,610	—
2013 Series C — 0.20% Fixed Rate Term Bonds due 2014.....	57,230	—	(57,230)	—	—
2013 Series D-1 (Federally Taxable) – 0.70% to 3.78% Fixed Rate Serial and Term Bonds due 2028.....	40,135	—	—	40,135	1,835
2013 Series D-2 (Federally Taxable) – 0.88% to 0.89 Index Floating Rate Term Bonds due 2038.....	55,000	—	—	55,000	—
2013 Series E-1-A – 0.25% to 4.90% Fixed Rate Serial and Term Bonds due 2038.....	—	118,660	—	118,660	140
2013 Series E-1-B – 0.75% to 4.95% Fixed Rate Term Bonds due 2043.....	—	57,060	—	57,060	—
2013 Series E-1-C – 0.75% to 4.95% Fixed Rate Term Bonds due 2046.....	—	78,025	—	78,025	—
2013 Series E-2 – 0.03% to 0.12% Variable Rate Term Bonds due 2018.....	—	32,670	—	32,670	—
2013 Series E-3 – 0.03% to 0.12% Variable Rate Term Bonds due 2018.....	—	19,520	—	19,520	—
2013 Series F-1 – 1.25% to 4.50% Fixed Rate Serial and Term Bonds due 2047.....	—	29,080	—	29,080	—
2013 Series F-2 – 1.25% Fixed Rate Term Bonds due 2017.....	—	4,210	—	4,210	—
2013 Series F-3 – 1.00% Fixed Rate Term Bonds due 2017.....	—	9,205	—	9,205	—
2014 Series A – 0.20% to 4.35% Fixed Rate Serial and Term Bonds due 2044.....	—	8,170	—	8,170	410

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued (in thousands) (variable rates cover fiscal year 2014)	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2014 Series B-1 (Federally Taxable) – 0.25% to 3.69% Fixed Rate Serial Bonds due 2024...	—	100,000	—	100,000	8,980
2014 Series B-2 (Federally Taxable) – 0.72% to 0.73% Variable Rate Bonds due upon demand through 2033.....	—	50,000	—	50,000	—
2014 Series C-1-A – 0.70% to 4.30% Fixed Rate Serial and Term Bonds due 2047.....	—	162,345	—	162,345	—
2014 Series C-1-B – 0.40% to 1.25% Fixed Rate Term Bonds due 2018.....	—	62,705	—	62,705	—
2014 Series C-1-C – 1.10% to 4.00% Fixed Rate Serial and Term Bonds due 2047.....	—	30,500	—	30,500	—
2014 Series C-2 - 0.03% to 0.07% Variable Rate Bonds due upon demand through 2019...	—	35,840	—	35,840	—
2014 Series C-3 – 0.03% to 0.07% Variable Rate Bonds due upon demand through 2019...	—	13,000	—	13,000	—
2014 Series D-1 (Federally Taxable) – 0.40% to 4.10% Fixed Rate Serial and Term Bonds due 2027.....	—	38,000	—	38,000	2,135
2014 Series D-2 (Federally Taxable) – 0.72% to 0.73% Variable Rate Bonds due upon demand through 2037.....	—	38,000	—	38,000	—
2014 Series E – 2.90% to 3.75% Fixed Rate Serial and Term Bonds due 2035.....	—	39,595	—	39,595	—
2014 Series F – 0.11% Fixed Rate Term Bonds due 2046.....	—	34,015	—	34,015	—
<i>Multi-Family Secured Mortgage Revenue Bonds</i>					
2005 Series A-1 (Federally Taxable) Secured Mortgage Revenue Bonds — 5.65% Term Bonds due 2031.....	5,810	—	(60)	5,750	70
2005 Series A-2 (Federally Taxable) Secured Mortgage Revenue Bonds — 6.32% Term Bonds due 2037.....	4,155	—	(80)	4,075	80

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2005 Series B (Federally Taxable) Secured Mortgage Revenue Bonds— 6.35% Term Bonds due 2038.....	3,230	—	(55)	3,175	60
2011 Series A (Federally Taxable) Secured Mortgage Revenue Bonds — 1.26% to 4.78% Fixed Rate Serial and Term Bonds due 2026.....	47,815	—	(3,510)	44,305	3,380
2013 Series A (Federally Taxable) Secured Mortgage Revenue Bonds — 0.48% to 5.34% Fixed Rate Serial and Term Bonds due 2035.....	44,940	—	(1,100)	43,840	2,360
<i>Federal New Issue Bond Program (NIBP)</i>					
2009 Series 1-2 HRB (NIBP) — 3.16% Fixed Rate Term Bonds due 2043	89,600	—	—	89,600	—
2009 Series 1-3-A HRB (NIBP) — 3.70% Fixed Rate Term Bonds due 2043.....	19,120	—	—	19,120	—
2009 Series 1-3-B HRB (NIBP) (AMT) — 3.70% Fixed Rate Term Bonds due 2031	8,120	—	—	8,120	—
2009 Series 1-4 HRB (NIBP) — 3.68% Fixed Rate Term Bonds due 2051	14,990	—	—	14,990	—
2009 Series 1-5-A HRB (NIBP) — 2.47% Fixed Rate Term Bonds due 2048.....	158,800	—	—	158,800	—
2009 Series 1-5-B HRB (NIBP) (AMT) — 2.47% Fixed Rate Term Bonds due 2041.....	31,930	—	—	31,930	—
2009 Series 2-3 HRB (NIBP) — 3.70% Fixed Rate Term Bonds due 2043	2,650	—	(50)	2,600	50
2009 Series 2-4-A HRB (NIBP) — 3.68% Fixed Rate Term Bonds due 2044.....	1,560	—	(1,560)	—	—
2009 Series 2-5 HRB (NIBP) — 2.47% Fixed Rate Term Bonds due 2048.....	40,760	—	(1,540)	39,220	1,600
Total Housing Revenue Bond Program	4,532,215	960,600	(784,560)	4,708,255	256,635

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued <i>(in thousands)</i> <i>(variable rates cover fiscal year 2014)</i>	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
<u>LIBERTY BOND PROGRAM:</u>					
<i>Multi-Family Mortgage Revenue Bonds</i>					
2005 Series A 90 Washington Street — 0.02% to 0.12% Variable Rate Bonds due upon demand through 2035.....	74,800	—	—	74,800	—
2005 Series A The Crest— 0.04% to 0.15% Variable Rate Bonds due upon demand through 2036.....	132,500	—	—	132,500	—
2005 Series B (Federally Taxable) The Crest— 0.07% to 0.16% Variable Rate Bonds due upon demand through 2036.....	7,400	—	(1,100)	6,300	1,300
2006 Series A 90 West Street — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2036.....	104,000	—	—	104,000	—
2006 Series B (Federally Taxable) 90 West Street — 0.07% to 0.11% Variable Rate Bonds due upon demand through 2036.....	8,000	—	—	8,000	—
2006 Series A - 2 Gold Street — 0.03% to 0.13% Variable Rate Bonds due upon demand through 2036.....	162,000	—	—	162,000	—
2006 Series B (Federally Taxable) - 2 Gold Street — 0.03% to 0.11% Variable Rate Bonds due upon demand through 2036.....	46,400	—	(1,900)	44,500	—
2006 Series A - 20 Exchange Place — 0.15% to 0.15% Variable Rate Bonds due upon demand through 2039.....	66,400	—	(66,400)	—	—
2006 Series B (Federally Taxable) 20 Exchange Place— 0.15% to 0.15% Variable Rate Bonds due upon demand through 2039.	131,100	—	(131,100)	—	—
2006 Series A 201 Pearl Street — 0.03% to 0.12% Variable Rate Bonds due upon demand through 2041.....	65,000	—	—	65,000	—
2006 Series B (Federally Taxable) 201 Pearl Street — 0.07% to 0.11% Variable Rate Bonds upon demand through 2041.....	24,400	—	(400)	24,000	—

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Description of Bonds as Issued (in thousands) (variable rates cover fiscal year 2014)	Balance at Oct. 31, 2013	Issued	Retired	Balance at Oct. 31, 2014	Amount Due Within 1 Year
2008 Series A Beekman Tower – 0.08% to 0.33% Variable Rate Bonds due upon demand through 2048.....	203,900	—	—	203,900	203,900
Total Liberty Bond Program	1,025,900	—	(200,900)	825,000	205,200

CAPITAL FUND PROGRAM REVENUE BONDS (New York City Housing Authority ("NYCHA"))

2013 Series A Capital Fund Program—2.00% to 5.00% Serial Bonds maturing in varying installments through 2025.....	185,785	—	(9,155)	176,630	12,840
2013 Series B-1 Capital Fund Program— 2.00% to 5.25% Serial Bonds maturing in varying installments through 2033.....	348,130	—	(6,940)	341,190	15,205
2013 Series B-2 Capital Fund Program— 5.00% to 5.25% Serial Bonds maturing in varying installments through 2032.....	122,170	—	—	122,170	—
Total Capital Fund Program Revenue Bonds	656,085	—	(16,095)	639,990	28,045

Pass-Through Revenue Bond Program

2014 Series A (Federally Taxable) – 3.05% Fixed Rate Serial Bonds due 2036.....	—	34,561	(204)	34,357	856
Total Pass-Through Revenue Bond Program	—	34,561	(204)	34,357	856

Total Bonds Payable Prior to Net Premium (Discount) on Bonds Payable	\$9,461,810	1,076,846	(1,339,099)	9,199,557	834,981
Net Premium (Discount) on Bonds Payable	44,564	—	(3,848)	40,716	—
Total Bonds Payable (Net)	\$9,506,374	1,076,846	(1,342,947)	9,240,273	834,981

Interest on the Corporation's variable rate debt is based on the Securities Industry and Financial Markets Association ("SIFMA") rate and is reset daily and weekly.

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Bonds issued in Fiscal Year 2014

(A) New York City Housing Development Corporation

On December 19, 2013, six Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$348,430,000. The fixed rate 2013 Series E-1-A Bonds were issued in the amount of \$118,660,000, the fixed rate 2013 Series E-1-B Bonds were issued in the amount of \$57,060,000, the fixed rate 2013 Series E-1-C Bonds were issued in the amount of \$78,025,000, the variable rate 2013 Series E-2 Bonds were issued in the amount of \$32,670,000, the variable rate 2013 Series E-3 Bonds were issued in the amount of \$19,520,000, and the term rate 2013 Series F Bonds were issued in the amount of \$42,495,000. The 2013 Bonds were issued and combined with other available monies to finance mortgage loans for the construction or acquisition and rehabilitation of certain developments and to refund certain outstanding bonds of the Corporation.

On December 20, 2013, the Corporation committed to issue the variable rate Multi-Family Mortgage Revenue Bonds, 2013 Series A (250 Ashland Development) in the form of a draw down bond in an amount totaling \$33,000,000. As of October 31, 2014, the total amount of bonds issued to date was \$250,000. The Bonds were issued to finance a mortgage loan for the purpose of paying a portion of the costs of acquiring and constructing a multi-family rental housing development located in the borough of Brooklyn, New York, and to pay certain other related costs.

On December 23, 2013, the variable rate Multi-Family Mortgage Revenue Bonds, 2013 Series A (City Point – Tower One) were issued in the amount of \$49,330,000 to finance a portion of a mortgage loan for the purpose of paying a portion of the costs of acquiring and constructing a multi-family rental housing development located in the borough of Brooklyn, New York, and to pay certain other related costs.

On February 28, 2014, the variable rate Multi-Family Mortgage Revenue Bonds, 2014 Series A (City Point – Tower One) were issued in the amount of \$12,670,000 to finance a portion of a mortgage loan for the purpose of paying a portion of the costs of acquiring and constructing a multi-family rental housing development located in the borough of Brooklyn, New York, and to pay certain other related costs.

On May 01, 2014, three Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$158,170,000. The fixed rate 2014 Series A Bonds were issued in the amount of \$8,170,000, the fixed rate 2014 Series B-1 (Federally Taxable) Bonds were issued in the amount of \$100,000,000, and the index floating rate 2014 Series B-2 (Federally Taxable) Bonds were issued in the amount of \$50,000,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance corporate purposes of the Corporation.

On June 26, 2014, four Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$273,890,000. The fixed rate 2014 Series C-1-A Bonds were issued in the amount of \$162,345,000, the fixed rate 2014 Series C-1-B Bonds were issued in the amount of \$62,705,000, the variable rate 2014 Series C-2 Bonds were issued in the amount of \$35,840,000 and the variable rate 2014 Series C-3 Bonds

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Notes to the Financial Statements

October 31, 2014

were issued in the amount of \$13,000,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance corporate purposes of the Corporation.

On June 26, 2014, the fixed rate Multi-Family Housing Pass-Through Revenue Bonds, 2014 Series A (Federally Taxable) were issued in the amount of \$34,561,047 to finance the acquisition of seven permanent loans currently pledged to the Corporation's Open Resolution.

On July 17, 2014, two Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$76,000,000. The fixed rate 2014 Series D-1 (Federally Taxable) Bonds were issued in the amount of \$38,000,000, and the index floating rate 2014 Series D-2 (Federally Taxable) Bonds were issued in the amount of \$38,000,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to finance corporate purposes of the Corporation.

On September 24, 2014, three Multi-Family Housing Revenue Bonds series were issued in the amount totaling \$104,110,000. The fixed rate 2014 Series C-1-C Bonds were issued in the amount of \$30,500,000, the fixed rate 2014 Series E Bonds were issued in the amount of \$39,595,000, and the term rate 2014 Series F Bonds were issued in the amount of \$34,015,000. The 2014 Bonds were issued and combined with other available monies to finance construction and permanent mortgage loans for certain developments and to refund certain outstanding bonds of the Corporation.

All the bonds listed above are subject to regular redemption and certain issues are also subject to special redemption provisions as well. The parameters under which the redemptions may occur are set forth in the respective bond resolutions.

In fiscal year 2013, the Corporation committed to issue two draw-down bonds in the amount totaling \$51,165,000, under the variable rate Multi-Family Mortgage Revenue Bonds 2013 Series A and 2013 Series C (Borden Avenue Development). In fiscal year 2014, the Corporation had drawn down an additional \$4,930,000 and \$14,505,000 from 2013 Series A bonds and 2013 Series C bonds, respectively. As of October 31, 2014, the balance for the drawn down bonds for both series totaled \$20,310,000.

In fiscal year 2010, as part of the Housing Finance Agency ("HFA") initiative using authority provided to the U.S. Department of the Treasury ("Treasury") pursuant to the Housing and Economic Recovery Act of 2008 ("HERA") to help expand resources to provide affordable mortgages for low and middle income households, and to support the development and rehabilitation of affordable housing units, the Corporation was allocated \$500,000,000 by Treasury to issue bonds under the New Issue Bond Program ("NIBP"). HDC has issued two programs under the NIBP. The variable rate 2009 Housing Revenue Bonds Series 1 (Federally Taxable) Bonds were issued in the amount of \$415,000,000 and the 2009 Housing Revenue Bonds Series 2 (Federally Taxable) Bonds were issued in the amount of \$85,000,000 on December 23, 2009. During the period between June 2010 and December 2011, all the principal amount of the 2009 Series 1 (NIBP) Bonds and the 2009 Series 2 (NIBP) Bonds were converted to fixed rate tax exempt bonds. These bonds were designated as the "Converted Bonds". As of October 31, 2014, a portion of the NIBP Converted Bonds in the amount of \$130,800,000 were redeemed. On June 27,

New York City Housing Development Corporation

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2013 a portion of the NIBP Converted Bonds, relating to the 2009 Series 2-4-A Multi-Family Housing Revenue Bonds, amounting to \$4,820,000, were defeased by the Corporation.

On July 1, 2014, the Corporation entered into a Funding Loan Agreement with Citibank, N.A. (the “Multi-Family Housing Revenue Debt Obligations - Harlem Dowling”). The proceeds in the amount of \$12,850,000 were committed to finance the acquisition and construction, and to pay certain other related costs of a multi-family rental housing development located in the borough of Manhattan, New York. The total obligation outstanding as of October 31, 2014 was \$1,198,000.

In fiscal year 2014, the Corporation entered into a new financing agreement with the FFB for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured with FHA/HFA Risk Sharing mortgage insurance. The Corporation was selected to be the first housing finance agency to participate in this new federal initiative to reduce costs of capital for affordable housing. On October 30, 2014, the Corporation sold a beneficial ownership interest in a mortgage for the Arverne View Apartments (“a.k.a. Ocean Village”) in the amount of \$72,020,000. The participation proceeds were recorded as payable to the FFB. The monthly mortgage payments from the borrower will be used to repay the interest to FFB and principal payments will reflect the schedule mortgage principal payments. (See Note 4: “Mortgage Loans”.)

Since fiscal year 2006, the Corporation has either defeased or retired several series of bonds through in-substance defeasances whereby assets were placed in an irrevocable trust that is used exclusively to service the future debt requirement. In fiscal year 2013, the Corporation retired two additional bond series through in-substance defeasances. In fiscal year 2014, all outstanding bonds of the 2009 Series 2-4-A Multi-Family Housing Revenue Bonds, the 2003 Series C Multi-Family Housing Revenue Bonds and the 2004 Series D Multi-Family Housing Revenue Bonds totaling \$24,330,000 in principal were called and fully redeemed by the escrow agent. The table below lists all the series as well as the amount outstanding as of October 31, 2014. These bonds are held with an escrow agent.

Detail of Defeased Bonds outstanding as of October 31, 2014:

Bond Issue	Date Defeased	Amount Defeased	Bonds Outstanding 10/31/14
2004 Series E-2 Multi-Family Housing Revenue Bond	October 24, 2006	19,720,000	19,720,000
2005 A Capital Fund Program	September 10, 2013	201,985,000	189,370,000
Total		\$221,705,000	\$209,090,000

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Future Debt Service:

Required debt payments by the Corporation for the next five years and thereafter are as follows:

Year Ending October 31, (in thousands)	Principal	Interest	Total
2015.....	\$834,981	177,855	1,012,836
2016.....	429,151	170,467	599,618
2017.....	336,812	163,363	500,175
2018.....	429,423	157,055	586,478
2019.....	275,175	150,225	425,400
2020 - 2024.....	878,002	670,570	1,548,572
2025 - 2029.....	1,045,544	516,364	1,561,908
2030 - 2034.....	1,215,456	365,442	1,580,898
2035 - 2039.....	2,120,257	229,583	2,349,840
2040 - 2044.....	918,035	101,290	1,019,325
2045 - 2049.....	715,860	20,192	736,052
2050 - 2054.....	861	56	917
Total	\$ 9,199,557	2,722,462	11,922,019

Changes in Long Term Liabilities:

Long term liability activities for the year ended October 31, 2014, are as follows:

Descriptions	Balance at Oct. 31, 2013	Additions	Deductions	Balance at Oct. 31, 2014	Due Within 1 Year
(in thousands)					
Bonds Payable, (net) as restated	\$9,506,374	1,076,846	(1,342,947)	9,240,273	834,981
Debt Obligations	—	1,198	—	1,198	—
Payable to FFB – Loan Participation	—	72,020	—	72,020	—
Payable to The City of New York	1,047,053	478,601	(656,687)	868,967	—
Payable to Mortgagors & Restricted Earnings on Investments	521,410	797,586	(756,608)	562,388	145,629
Others	242,377	311,685	(300,159)	253,903	159,795
Total Long Term Liabilities	\$11,317,214	2,737,936	(3,056,401)	10,998,749	1,140,405

Note 11: Consultant's Fees

The fees paid by the Corporation for legal, accounting and consulting services in fiscal year 2014 for HDC include \$50,585 to Bay Area Economics; \$18,030 to Hawkins, Delafield & Wood; \$4,387 to Seyfarth Shaw LLP; \$2,554 to Epstein, Becker & Green, PC. Auditing fees of \$218,000 were paid to Ernst & Young LLP.

The Corporation paid consulting fees in the amount of \$272,240 to R Square Inc.; \$141,210 to Quest America, Inc.; \$32,976 to Carlton Architecture PC; \$32,000 to Cristo Rey New York High School; \$30,900 to Eugene W. Yee; \$25,868 to Buck Consultant LLC; \$22,500 to Bartley & Dick

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Advertising/Design; \$22,139 to Profit Solutions Associate, Inc.; \$12,242 to Kevin Joseph Laccone; \$6,900 to Enid Harlow and \$2,400 to Insurance Advisors, LLC.

In addition, the Corporation paid legal, accounting and consulting fees for services provided in connection with bond financings which have been reimbursed either from bond proceeds or from project developers. Fees of \$1,127,328 to Hawkins, Delafield & Wood; \$41,000 to Mohanty Gargiulo, LLC; \$35,000 to Nixon Peabody LLP; \$34,000 to Ballard Spahr LLP; \$30,000 to Caine Mitter & Associates, Inc.; \$17,500 to Arent Fox; \$16,000 to Hinckley Allen; \$10,270 to HLX Financial Holdings, LLC; \$8,159 to Patter Anderson Corroon; \$5,500 to Carter Ledyard & Milburn LLP; \$4,000 to Buchanan Ingersoll & Rooney, PC and \$1,919 to Hessel, Aluisse and Neun, PC.

Note 12: Payable to The City of New York

(A) New York City Housing Development Corporation

Since fiscal year 2002, the Corporation has entered into various agreements with the City whereby HDC sold bonds and used the bond proceeds to purchase from the City interests in various mortgage loans and pools of mortgage loans. Additionally, starting from fiscal year 2005 and 2006 and onward, HDC originated second mortgage loans in which it sold a residual interest to the City. Cash flow derived from these loan interests is pledged to the repayment of the related HDC bonds. At such time as these HDC bonds are retired, ownership of the associated loan interests transfers to the City. The excess of such interest over the amount of the related bonds, which totaled \$631,047,000 as of October 31, 2014 is reported in the Corporation's statement of net position as "Loan participation receivable - The City of NY" in the Noncurrent Assets section and "Payable to The City of New York: Loan participation agreement" in the Noncurrent Liabilities section. The related details are described in the next three paragraphs.

In May, 2014, 2006 Series A bonds were fully redeemed. Simultaneously, the Corporation issued the Multi-Family Housing Revenue Bonds, 2014 Series B-1 and 2014 Series B-2 collectively, the ("2014 Series B Bonds") to re-securitize the remaining underlining loan portfolio in 2006 Series A (See Note 6: "Loan Participation Receivable for The City of New York"). As of October 31, 2014, the Corporation's payable to the City relating to the 2014 Series B Bonds was \$101,344,000.

The Corporation has completed numerous transactions as part of its Mitchell-Lama Restructuring Program, an affordable housing preservation program. The following Multi-Family Housing Revenue Bonds were issued prior to the current fiscal year as part of the Mitchell Lama Restructuring Program: 2004 Series D, 2004 Series E-1, 2004 Series E-2, 2005 Series A-1, 2005 Series A-2, 2005 Series F-1, 2005 Series F-2, 2005 Series J-1, 2005 Series J-2, 2006 Series D-1, 2006 Series D-2, 2008 Series C-1, 2008 Series C-2, 2008 Series G-1, 2008 Series G-2, 2008 Series J, 2008 Series L, 2010 Series G, and a portion of 2010 Series H, 2011 Series F-1, 2011 Series F-2, 2012 Series G, 2012 Series H, 2012 Series I, 2012 Series J, 2013 Series A and 2014 Series E were issued as Mitchell-Lama Restructuring Bonds. Under this program the Corporation has funded various new first and second mortgage loans as well as the acquisition of participation interests in City-owned second mortgages and associated cash flows. As long as any Mitchell-Lama Restructuring Bonds are outstanding, all cash flows from the purchased interests must be applied to debt service on such bonds. Once all such bonds are retired, HDC's

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participation interests revert to the City. HDC also has sold to the City a residual interest in the second mortgage loans the Corporation originated. These loans also transfer to the City when the Mitchell-Lama Restructuring Bonds are retired. As of October 31, 2014, the Corporation's payable to the City under the Mitchell-Lama Restructuring Bonds program was \$529,703,000.

During Fiscal Year 2013, the Corporation entered into several loan participation agreements with the City through its Department of Housing Preservation and Development ("HPD"). In each case the Corporation made available to the mortgagors new mortgage loans, the proceeds of which were used for the acquisition or rehabilitation of existing properties, with the HDC mortgage holding the first position lien on the properties. The existing HPD loans were assigned to the Corporation, via a Purchase and Sale agreement, where the Corporation purchased the existing loans from the City and the City purchased a residual interest in the HDC Loans. In Fiscal Year 2014, the Corporation was assigned additional HPD loans via Purchase and Sales Agreement. As of October 31, 2014, the participation mortgage loan underlying the Participation Interest had an aggregate outstanding principal balance of \$138,202,000.

In 2009, HPD and HDC entered into a Memorandum of Understanding ("MOU"), which provides for the granting of funds by HPD to HDC pursuant to Section 661 of the Act, to make subordinate loans for affordable housing. At October 31, 2014, the total related payable to the City relating to this MOU was \$38,595,000.

The Corporation also administers construction loans on behalf of HPD, using funds provided by HPD. All such funds are the property of HPD and thus are reported as due to the City in the Corporation's financial statements. At October 31, 2014, the total related payable to the City was \$61,123,000.

On April 20, 2011, the Corporation entered into a "421-Fund Agreement" with HPD as presented in "Note 7: Other Receivables". HDC will record funding pursuant to the 421-A Fund Agreement as funds received from the City and will be reported as payable to the City. As of October 31, 2014 the Corporation did not receive any of HPD's 421-A funds.

(B) Housing Assistance Corporation

Funding for HAC was received through the City in 1985. All of HAC's assets, after repayment of HDC advances to HAC and if unused for HAC purposes, will revert back to the City. At October 31, 2014, total resources payable to the City amounted to \$34,364,000. The resources held for the City are primarily the mortgage loans described in Note 4, "Mortgage Loans," and the investments held to fund tenant assistance payments.

Since fiscal year 2009, the Corporation has transferred funds to HAC in monthly increments in an original amount not to exceed \$5,000,000 in the aggregate to provide funds for the tenant assistance ("TAC") payments for the Ruppert/Yorkville project pursuant to an agreement made by the City for the benefit of such residents. On March 10, 2011 the Corporation's Members approved an additional \$5,000,000 for Ruppert/Yorkville tenant assistance. The total debt to HDC is not to exceed \$10,000,000. On February 15, 2013, the last portion of approved TAC funds were transferred to HAC and advanced to its projects. Since then, HAC has repaid \$3,500,000 to HDC. As of October 31, 2014, the remaining HAC obligations to HDC were \$6,500,000. HAC is obligated to repay the Corporation for all funds

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advanced by HDC, without interest, at such time as funds become available to HAC.

Note 13: Retirement Programs

(A) NYCERS

The Corporation is a participating employer in NYCERS, a cost-sharing multi-employer plan, of which 111 current employees of the Corporation are members. NYCERS provides defined benefit pension benefits to 187,000 active municipal employees and 135,000 pensioners through \$55 billion in assets. City employees who receive permanent appointment to a competitive position and have completed six months of service are required to participate in NYCERS, and all other employees such as HDC employees are eligible, but not required, to participate in NYCERS. NYCERS provides three main types of retirement benefits: service retirements, ordinary disability retirements (non-job related disabilities) and accident disability retirements (job-related disabilities) to members who are in different “tiers.” The members’ tier is determined by the date of membership. Subject to certain conditions, members generally become fully vested as to benefits upon completion of five years of service. Employees may be required to contribute a percentage of their salary to the pension plan based on their tier, determined by their date of membership in the plan. Annual pension benefits can be calculated as a percentage of final average salary times number of years of service and changes with the number of years of membership within the plan.

Contribution requirements of the active employees and the participating New York City agencies are established and may be amended by the NYCERS Board. Employees’ contributions are determined by their tier and number of years of service. They may range between 0.00% and 7.46% of their annual pay. Statutorily-required contributions to NYCERS, determined by the New York City Office of the Actuary in accordance with State statutes and City laws, are funded by the employer within the appropriate fiscal year.

Copies of NYCERS’ financial statements can be obtained by writing to 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3751.

The implementation of GASB 68 resulted in the Corporation reporting a Net Pension Liability for fiscal year 2013. The Statement required that the Corporation recognize a Net Pension Liability for the difference between the present value of projected benefits for past service known as the Total Pension Liability (“TPL”) and the restricted resources held in trust for the payment of pension benefits, known as the Plan Fiduciary Net Position (“PFNP”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of NYCERS and additions to/deductions from NYCERS’ fiduciary net position have been determined on the same basis as they are reported by NYCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term. Investments are recorded at fair value.

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As of October 31, 2014 and 2013, the Corporation reported a liability of \$9,730,000 and \$12,459,000, respectively, for its proportionate share of NYCERS' net pension liability. The net pension liability was measured as of June 30, 2014 and June 30, 2013 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined. At June 30, 2014 and 2013, the Corporation's proportion was .054%.

At October 31, 2014 and 2013 the Corporation reported \$2,794,000 and \$861,000, respectively, as deferred inflow of resources from the accumulated net difference between projected and actual earnings on NYCERS investments, which will be recognized in expense as follows:

2015	\$ (752,000)
2016	(752,000)
2017	(752,000)
2018	(538,000)

Deferred outflows of resources, amounting to \$350,000 at October 31, 2014 related to pensions resulting from the Corporation's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year end October 31, 2015.

The Corporation recorded pension expense for fiscal years ending October 31, 2014 and 2013 in the amounts of \$886,000 and \$1,469,000, respectively.

Actuarial assumptions

The total pension liability in the June 30, 2012 actuarial valuation used by the Corporation for the initial adoption GASB 68 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7% per annum, net of investment expenses
Salary Increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.
Cost-of-Living Adjustments	1.5% and 2.5% for certain tiers

Mortality tables for service and disability pensioners were developed from an experience study of NYCERS. The mortality tables for beneficiaries were developed from an experience review. For more detail see the reports entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on or After July 1, 2011," also known as "Silver Books." Electronic versions of the Silver Books are available on the New York City Office of the Actuary website (www.nyc.gov/actuary) under Pension Information.

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Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems (“NYCRS”) are conducted every two years.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Arithmetic Basis	Expected Rate of Return
U.S. Equity	56.50%	31.40%	4.09%
U.S. Fixed Income	33.50%	2.70%	0.90%
Alternatives	10.00%	4.00%	0.40%
Total	100.0%		5.39%

Management has determined its expected rate of return on investments to be 7%. This is based upon an expected real rate of return from investments of 5.39% and a long-term Consumer Price Inflation assumption of 2.5% per year, which is offset by investment related expenses.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2014 and June 30, 2013, respectively, was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current tier for each member and that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, the NYCERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active NYCERS members. Therefore, the long-term expected rate of return on NYCERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The following presents the Corporation's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6%) or one-percentage-point higher (8%) than the current rate (in thousands).

	1% decrease (6%)	Discount rate (7%)	1% increase (8%)
HDC's proportionate share of the net pension liability	\$14,035	\$9,730	\$5,736

(B) Tax Sheltered Annuity Plan

The Corporation also offers its employees the option of participating in a Tax Sheltered Annuity Plan managed by Wells Fargo Bank, N.A. as an alternate or supplemental retirement plan under Section 403(b) of the Internal Revenue Code. The Internal Revenue Service has approved the Corporation as an entity which can provide this type of plan to its employees. The majority of the Corporation's employees participate in this plan.

Note 14: Postemployment Benefits Other Than Pensions

The Corporation sponsors a single employer defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. The Corporation does not issue a publicly available financial report for the plan.

Benefit provisions for the plan are established and amended by actions taken by the Corporation's Members and there is no statutory requirement for HDC to continue this plan for future HDC employees. The plan is currently a non-contributory plan with all payments for plan benefits being funded by HDC on a pay-as-you-go-basis.

HDC follows the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement establishes guidelines for reporting costs associated with "other postemployment benefits" ("OPEB"). HDC's annual OPEB cost for the plan is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes interest of \$67,000 on the net OPEB obligation.

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HDC's annual OPEB cost for the current year and the related information for the plan are as follows (dollar amounts in thousands):

Annual required contribution	\$1,657
Contributions made	—
Increase in net OPEB obligation	1,657
Net OPEB obligation—beginning of year	5,539
Net OPEB obligation—end of year	\$7,196

HDC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
10/31/14	\$1,657	0%	\$7,196
10/31/13	\$1,747	228.96%	\$5,539
10/31/12	\$2,033	199.23%	\$7,792

As of October 31, 2014, the actuarial accrued liability for benefits was \$23,844,000. The covered payroll (annual payroll of active employees covered by the plan) was \$14,594,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 163%. Actual benefit payments made during Fiscal Year 2014 amounted to \$48,802.

The actuarial valuation date was October 31, 2012. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between HDC and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the October 31, 2008 actuarial valuation, the frozen entry age actuarial cost method was used. For the October 31, 2010 and October 31, 2012 actuarial valuations, the Corporation used the entry age normal cost method. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9.5% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period is 21 years.

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On October 29, 2012, the Corporation established an irrevocable trust that was funded with an initial contribution in the amount of \$4,000,000 to provide for the payment of retirees postemployment medical benefits. On June 12, 2013, an additional \$4,000,000 was contributed to the trust by the Corporation. At October 31, 2014, the book value and fair market value of the investment trust fund were \$8,292,000 and \$7,966,000, respectively. As of October 31, 2014, the unfunded actuarial liability was \$7,196,000.

Note 15: Due to the United States Government – Non Current Liabilities

In order to maintain the exemption from federal income tax of interest on bonds issued subsequent to January 1, 1986, the Corporation established a separate fund, the Rebate Fund, into which amounts required to be rebated to the Federal Government pursuant to Section 148 of the Code are deposited. In general, the Code requires the payment to the Treasury of the excess of the amount earned on all non-purpose obligations over the amount that would have been earned if the gross proceeds of the issue were invested at a rate equal to the yield on the issue. Project or construction funds, debt service funds or any other funds or accounts funded with proceeds of such bonds, including earnings, or pledged to or expected to be used to pay interest on such bonds are subject to this requirement. Issues with respect to which all gross proceeds are expended for the governmental purpose of the issue within the required time period after the date of issue and debt service funds with annual gross earnings of less than \$100,000 are exempt from this requirement. Payment is to be made after the end of the fifth bond year and after every fifth bond year thereafter, and within 60 days after retirement of the bonds. As of October 31, 2014, HDC had set aside \$1,442,000 to make future rebate payments when due.

Note 16: Commitments

(A) New York City Housing Development Corporation

(i.) The Corporation is committed under one operating lease for office space for minimum annual rentals for the next five years and thereafter as follows:

Year Ending October 31,	
2015.....	\$1,810,000
2016.....	1,801,000
2017.....	1,801,000
2018.....	2,047,000
2019.....	2,047,000
2020—2022.....	6,311,000
Total	\$15,817,000

For fiscal year 2014, the Corporation's rental expense including escalation, taxes and operating costs amounted to \$2,225,000 and utility expense amounted to \$271,000.

(ii.) The Corporation's practice is to close loans only when all the funds committed to be advanced have been made available through bond proceeds or a reservation of corporate funds. Funds are invested prior to being advanced, as described in Note 3: "Investments and Deposits", and are reported as restricted assets.

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(iii.) The portion of closed construction loans that had not yet been advanced as of October 31, 2014 is as follows:

<u>Programs:</u>	
Multi-Family Bond Programs	
Housing Revenue	\$633,593,000
Liberty Bond	3,850,000
New Housing Opportunity Program (New HOP)	223,409,000
NYCHA	440,988,000
Corporate Services Fund Loans	117,521,000
421-A Housing Trust Fund	46,951,000
501 C (3)	195,000
Unadvanced Construction Loans (closed loans)	<u>\$1,466,507,000</u>

As of October 31, 2014, the Corporation had executed commitment letters for several loans that had not yet closed in the amount totaling \$39,210,000.

(iv.) The Corporation has made a programmatic funding commitment in support of the City's housing initiatives. HDC has reserved funds to fulfill these commitments, but the timing and amount of remaining loan closings cannot be determined. The programmatic commitment is as follows:

- The Corporation entered into a MOU with HPD dated as of May 5, 2004 that outlines the Corporation's obligations to purchase participations totaling up to \$55,632,000 in affordable housing loans for various HPD programs during fiscal years 2004 to 2006, and HPD's commitment to purchase these loans extend back to that period with accrued interest in 2007 and 2008. As of October 31, 2014, loans totaling \$27,208,000 had been closed and \$27,208,000 had been advanced. The Corporation's commitment to purchase loans under the MOU has expired. Out of the total loans advanced through FY 2014, \$9,992,000 in loans were assigned back to HPD after repayment to HDC of the same amount.

(B) New York City Residential Mortgage Insurance Corporation

As of October 31, 2014, REMIC insured loans with a coverage amount totaling \$196,509,000 and had outstanding commitments to insure loans with a maximum insurance coverage amount of \$67,929,000.

Note 17: Financial Guaranties

(A) NYCHA Tax Credit Guaranty

On April 2, 2012, the Corporation entered into a Guaranty Agreement with Citibank, N.A. ("Citibank") to guaranty the yield on Citibank's investment in the Low Income Housing Tax Credit ("LIHTC") created pursuant to the New York City Housing Authority Tax Credit Transaction ("NYCHA Tax Credit Transaction"). In return, the Corporation received \$16.0 million as a guaranty fee from Citibank, less fees and expenses of \$929,000 incurred under this agreement.

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On July 15, 2013, Citibank transferred 100% of its rights under the guaranty agreement to Wells Fargo Holdings (“Wells Fargo”). As of that date the Guaranty agreement between Citibank and HDC was terminated and a new agreement was signed between HDC and Wells Fargo. As a condition of Citibank selling its rights under the guaranty agreement, the Corporation received an additional \$8 million of Guaranty fee from Wells Fargo, less fees and expenses of \$320,000 incurred under this agreement.

Under the Guaranty Agreement between HDC and Wells Fargo the Corporation agreed to guaranty a minimum rate of return on Wells Fargo’s tax credit investment in the NYCHA I Housing Development Fund Corporation through a 15 year compliance period. The minimum rate of return is equal to an annual effective rate of 4.50% on an after tax basis return on its tax credit investment over the 15 year compliance period. During the compliance period, from time to time NYCHA LLC-I will determine if the total benefits allocated or paid to Wells Fargo through such date, together with the tax benefits projected to be received by Wells Fargo thereafter through the coverage period termination date, are sufficient to keep Wells Fargo on track to achieve the minimum return. If it is determined that Wells Fargo is not on track to achieve the minimum return through the coverage period termination date, the Corporation shall have the option, but not the obligation, subject to a cap amount of \$96,000,000, to make a payment to Wells Fargo under the guaranty agreement in an amount equal to the optional minimum return deficiency amount.

The NYCHA Tax Credit transaction required the establishment and funding of several project reserves and guaranties in order to ensure timely completion of rehabilitation, which has in fact proceeded on time and within budget. As of October 31, 2014, the Corporation has designated the unamortized amount of \$22,751,000, less fees and expenses, as a financial guaranty reserve. (See Note 18: “Contingencies”.) The likelihood that HDC has to pay out under this guaranty decreases with the passage of time. This is because the rehabs are progressing as scheduled plus the availability of funding streams from Tax Credit investors during the rehab period. HDC will recognize the guaranty fee on a straight line basis over the covered period which is 15 years.

(B) Co-op City Guaranty

On November 28, 2012, the Corporation entered into a Credit Support Agreement with Wells Fargo Bank National Association (“Wells Fargo Bank”), HUD and SONYMA. Wells Fargo Bank agreed to make a mortgage in the amount of \$621,500,000 to a Mitchell Lama cooperative housing development named Co-op City in the Bronx, New York. As a precondition of endorsing the loan for insurance, HUD acting through FHA required SONYMA and HDC each to provide a portion of top-loss guaranty on the loan. Pursuant to the agreement between HDC and HUD, HDC agreed to provide \$15,000,000 as a guaranteed amount to Wells Fargo Bank in the event of a default by the cooperative. The Corporation agreed to fund the full amount of the top-loss guaranty in a segregated designated account for the duration of the HDC top-loss guaranty. As of October 31, 2014, the Corporation has designated \$15,000,000 as a financial guaranty reserve. (See Note 18: “Contingencies”.)

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(C) Community Preservation Corporation Guaranty

On November 18, 2013, the Corporation's Members authorized the Corporation to purchase a subordinate participation in the two or more of Citibank, N.A. Revolving Credit Facilities (each a "Revolving Credit Facility" and collectively "the Revolver") to Special Purpose Entities (each an "SPE") to be created by the Community Preservation Corporation ("CPC") in an amount not to exceed \$20 million. HDC's exposure will be limited to 10% of each mortgage loan, and \$20 million overall. The purpose of this agreement is to provide financing for the CPC SPEs to facilitate the origination, or acquisition of, or participation in mortgage loans for the construction, rehabilitation, and refinancing of multi-family rental properties located in the City's low and moderate income communities. In addition, this subordinate participation replaced the Limited Guaranty to CPC Funding SPE 1, LLC and the Corporation will not participate in a separate Citibank arranged working capital facility for CPC which was approved by the Corporation's Members on April 9, 2012. As of October 31, 2014, the Corporation had funded \$5,838,172 of the \$20 million participation. (See Note 18: "Contingencies".) The Corporation has designated \$2,000,000 as a loan participation reserve.

(D) Preserving City Neighborhoods Guaranty

On September 18, 2013, the Corporation's Members authorized HDC to provide a limited guaranty to the New York City Acquisition Fund LLC ("NYAF") on behalf of qualified nonprofit organizations partnering with Preserving City Neighborhoods ("PCN"). The HDC guaranty will be equal to a 25% loss on acquisition loans up to maximum exposure of \$5 million. HPD will work together with PCN to develop a pipeline with a particular focus on smaller buildings of fewer than 30 residential units that have historically not generated interest in the open market. (See Note 18: "Contingencies".) As of October 31, 2014, the Corporation has designated \$2,250,000 as a financial guaranty reserve.

(E) Federal Housing Administration Risk Sharing Program

In November 2011, the Corporation entered into an amended risk sharing agreement with HUD. HDC is participating in the Risk Sharing Program in order to obtain 100% insurance on certain loans made by HDC for affordable multifamily housing. The risk sharing allocation between HDC and HUD will be on a project by project basis and take effect when the loan converts to permanent financing. In fiscal year 2014, one project, Kent Village, participated in this risk sharing program.

In October 2014, the Corporation entered into a second risk-sharing agreement with HUD, which largely mirrors the terms of the existing amended Risk-Sharing Agreement. The Corporation entered into the second agreement in connection with the FFB financing program (previously described), which requires loans purchased by the FFB to have FHA risk-sharing mortgage insurance. In fiscal year 2014, one project, Arverne View Apartments ("a.k.a. Ocean Village") participated in this risk sharing program.

HDC has established a guaranty reserve equal to 20% of its pro rata risk sharing obligation to FHA if there is a loss on a mortgage loan.

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As of October 31, 2014, HDC has designated a total of \$8,135,000 as financial guaranty reserve under the FHA risk-sharing mortgage insurance program as follows:

Project	Conversion to Permanent Date	Permanent Mortgage Loan Amount Insured	FHA Risk-Sharing Ratio: HUD/HDC %	Established Reserves
Kent Village	May 1, 2014	\$46,660,000	90/10	\$ 933,000
Arverne View	October 31, 2014	72,020,000	50/50	7,202,000
Total		\$118,680,000		\$ 8,135,000

Note 18: Contingencies

In the normal conduct of the Corporation's business, it is involved in litigation matters. In the opinion of management and the Corporation's legal counsel, the ultimate disposition of such litigation should not have a material adverse effect on the financial position of the Corporation.

As discussed in Note 17 above, the Corporation entered into several guaranty agreements with various entities for certain project financings. These guaranties required the establishment and funding of reserves to mitigate the risk in the likelihood that payment was required.

The reserves are summarized in the chart below:

Financial Guaranties	At October 31, 2014 Reserve Amounts
NYCHA Tax Credit Guaranty	\$22,751,000
Co-op City Guaranty	15,000,000
Community Preservation Corporation Guaranty	2,000,000
Preserving City Neighborhoods Guaranty	2,250,000
FHA Risk Sharing	8,135,000
Total	\$50,136,000

Note 19: Net Position

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

- Restricted Net Position are net assets that have been restricted in use in accordance with the terms of an award, agreement or by State law. This includes net assets restricted by bond resolutions, contractual obligations with HPD and HUD, and REMIC reserves that are required by statute, among other items (see chart below).
- Unrestricted Net Position are the remaining net position, which can be further categorized as Designated or Undesignated. Designated Net Position is not governed by statute or contract but is committed for specific purposes pursuant to HDC policy and/or Member directives. Designated Net

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

Position includes funds and assets committed to various housing initiatives, reserves to maintain HDC's credit ratings, and working capital.

Changes in Net Position

The changes in Net Position are as follows:

	Restricted	Unrestricted	Total
Net position at October 31, 2012 (as restated)	\$835,816,000	732,709,000	1,568,525,000
Income	86,626,000	(3,333,000)	83,293,000
Transfers	93,472,000	(93,472,000)	—
Net position at October 31, 2013 (as restated)	\$1,015,914,000	635,904,000	1,651,818,000
Income	131,980,000	40,580,000	172,560,000
Loan participation agreement securitization	—	160,162,000	160,162,000
Transfers	(30,625,000)	30,625,000	—
Net position at October 31, 2014	\$1,117,269,000	867,271,000	1,984,540,000

Summary of Restricted Position	2014	2013
Multi-Family Bond Programs	\$921,907,000	845,981,000
421-A Housing Trust Fund	187,031,000	168,334,000
Corporate Debt Service Reserve 2014 Series B1 and B2 Bonds	7,353,000	499,000
Claim Payment Fund for 223(f) Program	978,000	1,100,000
Total Restricted Net Position	\$1,117,269,000	\$1,015,914,000

Of the total Unrestricted Net Position listed below, \$457,910,000 is for existing mortgages and other loans. An additional \$255,361,000 has been designated by the Members of the Corporation for future mortgage advances pursuant to housing programs established by the Corporation. The Corporation also has \$1,344,000 in capital assets.

Summary of Unrestricted Net Position	2014	2013
		(as restated)
Designated Position:		
Existing Mortgages	\$457,910,000	\$324,841,000
Housing Programs and Commitments	255,361,000	167,751,000
Working Capital	21,020,000	20,046,000
Rating Agency Reserve Requirement	81,500,000	80,000,000
Financial Guaranty Reserves (Note 17)	50,136,000	41,930,000
Total Designated Net Position	865,927,000	634,568,000
Undesignated Position:		
Capital Assets	1,344,000	1,336,000
Total Undesignated Net Position	1,344,000	1,336,000
Total Unrestricted Net Position	\$867,271,000	\$635,904,000

New York City Housing Development Corporation

Notes to the Financial Statements

October 31, 2014

In fiscal year 2014, net position transferred from restricted to unrestricted was a net amount of \$30,625,000. The amount represents excess in the Open Resolution as well as the transfer of mortgage loans originated with corporate reserves into the Open Resolution as a result of securitizations. In fiscal year 2013, \$93,472,000 was transferred from unrestricted to restricted as noted above.

As had previously been described in Note 6: “Loan Participation Receivable for The City of New York”, a total amount of \$160,162,000 funds from 2006 Series A Bonds and 2014 Series B Bonds were transferred to the Corporation’s general account. This amount is reported as a “Special Item” for financial reporting purposes and is designated as an unrestricted fund balance for future housing program in support of the Mayor’s Housing Plan.

Note 20: Subsequent Events

Subsequent to October 31, 2014, a total of \$1,381,959,000 of bonds and debt obligations were issued in the course of the Corporation’s normal business activities.

<u>Bond Type</u>	<u>Issued Amount</u>
Housing Revenue Bonds	\$ 474,465,000
Pass-Through Revenue Bonds	589,246,000
Capital Fund Program Revenue Bonds (NYCHA)	235,000,000
Debt Obligations	83,248,000
<u>Total</u>	<u>\$ 1,381,959,000</u>

On November 1, 2014, \$19,720,000 of defeased bonds of the 2004 Series E-2 Multi-Family Housing Revenue Bonds were fully redeemed.

Required Supplementary Information

New York City Housing Development Corporation

Required Supplementary Information

October 31, 2014

Schedule 1:

The following schedule is being presented to provide information on the funding progress of the OPEB Plan.

Schedule of Funding Progress For the Retiree Healthcare Plan (\$ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
10-31-2012	\$4,001	\$16,146	\$12,145	24.8%	\$13,371	90.8%
10-31-2010	0	\$16,374	\$16,374	0%	\$12,484	131.2%
10-31-2008	0	\$17,050	\$17,050	0%	\$11,260	151.0%

For the October 31, 2008 actuarial valuation, the frozen entry age actuarial cost method was used. For the October 31, 2010 and October 31, 2012 actuarial valuations, the Corporation used the entry age normal cost method. The actuarial assumptions included a 4% discount rate, 3% wage inflation rate and an annual healthcare cost trend rate of 9.5% grading down to an ultimate rate of 5%. The unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. The remaining amortization period was 21 years.

New York City Housing Development Corporation

Required Supplementary Information

October 31, 2014

Schedule 2:

The following schedules 2a & 2b are being presented to provide information on the Corporation's proportionate share of the Net Pension Liability and the Corporation's contributions.

(2a) Schedule of the Corporation's Proportionate Share of the Net Pension Liability

	2014	2013
HDC's proportion of the net pension liability	0.054%	0.054%
HDC's proportionate share of the net pension liability	\$ 9,730,403	\$ 12,459,533
HDC's covered-employee payroll	9,938,413	10,919,865
HDC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98%	114%
Plan fiduciary net position as a percentage of the total pension liability	75.32%	67.22%

(2b) Schedule of the Corporation's Contributions (\$ in thousands)

	2014	2013
Contractually required contribution	\$ 1,682	\$ 1,645
Contributions in relation to the contractually required contribution	\$ 1,682	\$ 1,645
Contribution deficiency (excess)	\$ -	\$ -
HDC covered-employee payroll	\$ 9,938	\$ 10,920
Contributions as a percentage of covered-employee payroll	17%	15%

II. Government Auditing Standards Section

**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 the Members of the
New York City Housing Development Corporation

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 business-type activities and the discretely presented component units of the New York City Housing Development Corporation (the Corporation), a component unit of the City of New York, which comprise the statement of net position as of October 31, 2014, and the related statements of revenues, 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 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 26, 2015

III. OMB Circular A-133 Section

New York City Housing Development Corporation

Schedule of Expenditures of Federal Awards

Year Ended October 31, 2014

	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Interest Reduction Payments – Rental and Cooperative Housing for Lower-Income Families (Federal Direct)	14.103	\$ 29,455,617
 Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (Passed through the New York City Department of Housing Preservation and Development)	 14.269	 2,757,395
Total expenditures of federal awards		<u><u>\$ 32,213,012</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

New York City Housing Development Corporation

Notes to Schedule of Expenditures of Federal Awards

October 31, 2014

1. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (“SEFA”) presents the financial activity of the federally assisted programs of the New York City Housing Development Corporation as of and for the year ended October 31, 2014. The schedule is prepared on the cash basis of accounting.

2. Interest Reduction Payments Program

Disbursements reported under the Interest Reduction Payments program (CFDA #14.103) fall under one of two project categories: those insured under Section 223(f) of the General Housing Act and those that are uninsured under General Housing subsidiary projects.

3. Hurricane Sandy Community Development Block Grant Disaster Recovery Grants

The City of New York, through the New York City Department of Housing Preservation and Development (“HPD”), applied for and was awarded funds from the United States Department of Housing and Urban Development (“HUD”) under the Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (“CDBG-DR”) program. On October 29, 2013, the Corporation executed a subrecipient agreement with HPD in which the Corporation is responsible for implementing and administering a portion of the Multi-Family Rehabilitation Loan Program (the “Program”). The Program is intended to lend CDBG-DR funds to eligible owners of eligible buildings for eligible work under CDBG-DR and Program regulations.

The below table summarizes the loan commitments and loans receivable at October 31, 2014. Loan commitments are not included in the SEFA until funds are advanced to the borrower.

Property	Loans Receivable November 1, 2013	Loan Advances	Loans Receivable October 31, 2014	Remaining Loan Commitment	Total
Sam Burt	\$ —	\$ 1,121,876	\$ 1,121,876	\$ —	\$ 1,121,876
334 Beach 54 th Street	—	424,790	424,790	326,000	750,790
Metro East 99 th Street	—	327,448	327,448	272,552	600,000
9501 Rockaway Blvd	—	251,260	251,260	545,331	796,591
Total	\$ —	\$ 2,125,374	\$ 2,125,374	\$ 1,143,883	\$ 3,269,257

New York City Housing Development Corporation

Notes to Schedule of Expenditures of Federal Awards (continued)

3. Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (continued)

Pursuant to the Agreement with HPD, the Corporation may be reimbursed for general administrative costs incurred in conjunction with the program. This amount cannot exceed 5% of HDC's CDBG-DR budget of \$60,000,000, or \$3,000,000, over the life of the agreement. Expenditures on the SEFA include \$632,021 of general administrative costs already incurred by the Corporation, which were drawn from HPD during the year ended October 31, 2014.

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Management and the Members of the
New York City Housing Development Corporation

Report on Compliance for Each Major Federal Program

We have audited the New York City Housing Development Corporation's (the Corporation) compliance with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended October 31, 2014. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2014.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Ernst & Young LLP

January 26, 2015

New York City Housing Development Corporation
Schedule of Findings and Questioned Costs (continued)

Year Ended October 31, 2014

Part II – Financial Statement Findings Section

None noted.

New York City Housing Development Corporation
Schedule of Findings and Questioned Costs (continued)

Year Ended October 31, 2014

Part III – Federal Awards Findings and Questioned Costs

None noted.

New York City Housing Development Corporation

Summary Schedule of Prior Audit Findings

Years Ended October 31, 2014 and 2013

There were no prior findings.

About EY

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