

New York State
Housing Finance Agency
(A Component Unit of the State of New York)

HFA

Financial Statements

Fiscal Year

2017

New York State Housing Finance Agency
(A Component Unit of the State of New York)

Financial Statements

Fiscal Years Ended October 31, 2017 and 2016

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PROJECT STATISTICS

As of October 31, 2017

MORTGAGE AND OTHER LOANS FOR HOUSING PROJECTS

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Affordable Housing Revenue Bond				
100 Chenango Place Apartments	Broome	143	\$ 6,050,000	\$ 700,000
13 State Street Apartments	Schenectady	61	8,600,000	-
188 Warburton Avenue	Westchester	51	13,400,000	1,200,000
2240 Washington Avenue Residence	Bronx	80	14,250,000	200,000
2264 Morris Avenue	Bronx	93	23,530,000	-
3361 Third Avenue Apartments	Bronx	62	10,450,000	-
625 West 140th Street Apartments	New York	114	21,700,000	4,000,658
6469 Broadway	Bronx	85	13,200,000	-
774 West Main Street Apartments	Monroe	113	22,800,000	9,600,000 *
Abraham Lincoln Apartments	Monroe	69	3,950,000	921,832
Abyssinian Towers	New York	100	11,700,000	-
Adams Court	Nassau	84	9,130,000	2,853,429
Amsterdam Senior Housing	Montgomery	68	4,680,000	1,235,910
AP Lofts	Erie	146	20,730,000	-
Artsbridge Senior Apartments aka HDFC	Bronx	61	13,650,000	-
Artspace Patchogue Apartments	Suffolk	45	9,100,000	1,884,823
Ashfield Apartments	Albany	51	11,250,000	-
Asteri Utica	Oneida	49	5,360,000	-
Bay Park I Apartments	Kings	332	29,840,000	-
Bay Park II Apartments	Kings	334	29,995,000	-
Bedell Terrace Apartments	Nassau	245	22,390,000	6,013,033 *
Bella and Temple	Orange	160	18,465,000	-
Birches at Chambers	Ulster	67	7,600,000	-
Birches at Esopus	Ulster	81	8,600,000	2,299,585
Boston Road Apartments	Bronx	154	23,900,000	-
Braco-Linwood Preservation	Erie	295	26,450,000	-
Bridleside Apartments	Westchester	64	14,630,000	-
Brighton Towers	Onondaga	595	22,000,000	6,088,633
Bronx Park Phase I aka Twin Parks SE	Bronx	408	34,295,000	-
Bronx Park Phase II aka Twin Parks SW	Bronx	534	49,070,000	-
Bronx Park Phase III aka Twin Parks NW	Bronx	331	24,675,000	-
Brookdale Village	Queens	547	13,590,000	-
Buena Vista	Westchester	452	51,555,000	7,777,607
Burnside Walton	Bronx	88	15,900,000	644,473
CABS Senior Housing	Kings	110	12,835,000	-
CAMBA Gardens Phase II	Kings	292	49,350,000	-
Canaan House	New York	145	19,215,000	-
Capital District Apartments	Albany & Schenectady	581	56,100,000	-
Caring Communities	Kings	236	28,700,000	-
Catherine Street	Onondaga	50	8,550,000	-
Cedar Avenue Apts	Bronx	106	26,900,000	3,268,308
Cedars of Chili Apartments	Monroe	320	27,700,000	9,036,845
Century Sunrise	Broome	104	16,700,000	-
Children's Village Residence	Westchester	112	1,580,000	3,000,000
Clinton-Mohawk Apartments	Oneida	140	5,460,000	871,540
Clinton Plaza Apartments	Onondaga	305	18,800,000	7,783,246
Colon Plaza Apartments	New York	55	8,300,000	2,418,070
Colonial Square Apartments	Montgomery	199	8,500,000	3,280,213
Concern MacDougal Apartments	Kings	65	13,465,000	-
Concern Middle Island Apartments	Suffolk	122	25,750,000	-
Conifer Village at Cayuga Meadows Apartments	Tompkins	68	7,300,000	-
Cornerstone Pointe	Monroe	66	7,270,000	-
Cornerstone Senior Apartments	Kings	150	13,750,000	-
Cornerstone - Unity Park I Townhomes	Niagra	84	8,500,000	8,575,679
Creek Bend	Erie	129	6,870,000	4,750,000
Creston Avenue Residence	Bronx	65	11,400,000	-
Crossroads at Baldwin	Putnam & Westchester	64	12,200,000	-
David E. Podell House	New York	49	5,770,000	-
DePaul Schenectady	Schenectady	51	8,800,000	-
DePaul Trolley Station Apartments	Ontario	48	7,500,000	-
DePaul Upper Falls	Monroe	150	23,000,000	-

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
East 162nd Street	Bronx	125	\$ 29,000,000	\$ -
East House aka Alexander St	Monroe	60	8,560,000	-
Elizabeth Square	Tioga	75	4,550,000	-
Enclave on 5th Apartments	Westchester	39	5,225,000	-
Evergreen Lofts Supportive Apartments	Erie	56	8,300,000	-
Farmington Senior Apartments	Ontario	88	6,650,000	6,558,095 *
F.I.G.H.T. Village Apartments	Monroe	246	11,705,000	2,832,921
Fountain Avenue	Kings	266	45,000,000	-
Fox Hill Apartments	Richmond	362	44,000,000	-
Gananda Senior Apartments	Wayne	62	4,300,000	1,993,396
Genesis Neighborhood Plaza II	Kings	98	17,500,000	4,057,801
Golden Park Apartments	Sullivan	126	11,200,000	2,359,369
Goodwin Himrod Apartments	Kings	160	17,200,000	3,310,835
Grant Park Apartments	Westchester	100	22,500,000	-
Greater Hempstead Apartments	Nassau	99	18,250,000	-
Greenacres Apartments	Chautauqua	101	4,550,000	-
Harris Park Preservation	Monroe	114	4,440,000	-
Heritage Gardens	Monroe	82	8,000,000	-
Highland Meadows Senior Residence	Dutchess	68	12,050,000	2,318,000
Historic Pastures	Albany	246	7,450,000	-
HKBBE	Jefferson	252	18,450,000	-
Hornell Community Apartments	Steuben	147	8,450,000	-
Hudson Arthouse	Rensselaer	80	10,000,000	-
Hughes House Apartments	Bronx	55	11,050,000	-
John Crawford Apartments	Sullivan	96	4,375,000	-
Kennedy Plaza Towers Apartments	Oneida	204	5,520,000	-
Kingsbridge Heights	Bronx	135	35,500,000	6,013,033
La Central	Bronx	160	33,130,000	-
La Porte Apartments	Westchester	158	30,000,000	2,819,529
Lake Ravine Apartments	Monroe	111	7,240,000	870,000
Leggett Avenue Apartments	Kings/Bronx	320	55,000,000	-
Lofts at University Heights Apartments	Erie	44	7,900,000	-
Loguen Homes	Onondaga	28	3,800,000	1,036,693
Los Sures Housing for the Elderly	Kings	55	6,850,000	-
Ludlow Commons Senior Apartments	Westchester	70	13,050,000	1,458,200
Madison Plaza Apartments	Oneida	127	5,415,000	-
Maple Court Apartments	Jefferson	92	6,500,000	-
Marcus Garvey	Kings	623	39,955,000	-
Maria Isabel Apartments	Bronx	98	13,300,000	-
Marien Heim	Kings	181	15,970,000	-
Marine Terrace Apartments	Queens	442	99,000,000	-
Mariner Tower Apartments	Erie	292	20,700,000	2,662,316
Marion Ave	Bronx	99	21,395,000	-
Meadows at Middle Settlement	Oneida	93	13,000,000	-
Michaelangelo	Bronx	492	82,565,000	-
Michelsen and Mills III	Monroe, Clinton, Delaware and Oswego	58	9,500,000	978,128
Mills At High Falls	Monroe	67	8,600,000	-
Montcalm Apartments	Warren	227	8,765,000	-
Moxey A. Rigby	Nassau	100	36,670,000	-
Newport Gardens Apartments	Kings	239	23,870,000	-
Norwood Terrace	Bronx	114	17,500,000	640,000
NY Rural Preservation	Saratoga and Washington	218	11,000,000	1,663,059
O'Neil Apartments	Rensselaer	122	6,400,000	1,865,845
Oak Creek Town Houses Project	Cayuga	149	7,900,000	3,583,005
Ogden Heights Senior Apartments	Monroe	89	6,790,000	5,270,000 *
Ohav Sholom Apartments	Albany	209	15,610,000	1,501,500
Old Brookside II	Ontario	88	6,500,000	-
Owego Gardens Apartments	Tioga	61	6,300,000	-
Packet Boat Landing	Niagara	60	8,750,000	-
Park Drive Manor I Apartments	Oneida	102	5,100,000	3,136,100
Parkside Commons	Onondaga	393	14,830,000	8,666,796 *
Pine Harbor Apartments (Harborview)	Erie	208	11,470,000	4,770,000 *
Pine Street Homes	Rockland	28	3,120,000	744,746
Pinnacle Place Apartments	Monroe	407	17,790,000	210,678
Pond View Homes	Nassau	52	9,990,000	-
Public School 6 Apartments	Westchester	120	31,100,000	1,200,000

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Ridgeview Special Needs Apartments	Monroe	64	\$ 5,300,000	\$ 2,022,343
River Park Towers Apartments	Bronx	1,650	157,500,000	9,988,517
Roosevelt Residence	Oneida	50	8,210,000	-
Ruland Road / Highland Green Apartments	Suffolk	117	22,720,000	1,750,000
Rutland Road Apartments	Kings	436	49,460,000	-
Savanna Hall Apts.	New York	72	13,250,000	-
Selfhelp Kissena Apartments	Queens	424	21,900,000	5,820,000 *
Seven Greens Apartments	Ulster	124	13,700,000	5,496,022
Skyline Gardens Apts.	Albany	188	17,390,000	-
Smith Woodward Apartments	Kings	140	10,815,000	2,587,500
Sodus and Williamson II Rural Development	Wayne	96	3,900,000	-
Spa Apartments	Ontario	109	8,095,000	2,060,883
St. Augustine Apartments	Bronx	111	26,200,000	-
St. Barnabas Wellness Care and Affordable Housing Apartments	Bronx	313	71,700,000	-
St. Joseph's Preservation	Chemung	66	4,200,000	-
St. Philips Senior Apartments	New York	200	22,615,000	1,840,000
St. Simon's Terrace	Monroe	256	7,800,000	5,195,373
Stonewood Village Apartments	Monroe	188	15,500,000	6,533,905 *
Stuypark Apartments	Kings	102	12,665,000	-
Surf 21 Apartments	Kings	222	34,635,000	-
Surf Vets Place	Kings	134	34,350,000	-
Surrey Carlton Apartments	Rockland	175	20,270,000	1,857,538
The Grand	Bronx	135	32,600,000	-
The Hamilton	Monroe	203	9,900,000	2,192,870
The Gardens at Town Center Apartments	Monroe	175	15,500,000	-
The Lace Factory Apartments	Ulster	55	9,000,000	6,013,033
The Mews at Baldwin Place	Westchester	75	11,000,000	-
The Modern Apartments	Westchester	80	15,150,000	-
The Orenstein Building Apartments	New York	127	27,400,000	-
Theodore Fremd Senior Apartments	Westchester	40	8,000,000	-
Tres Puentes Senior Apartments	Bronx	175	57,670,000	-
Tri Veterans Housing	Monroe	516	30,460,000	5,135,193
Valley Vista Apartments	Onondaga	123	8,450,000	4,200,000
Via Vyse	Bronx	120	23,500,000	-
VOA Cobblestone Place Webster	Monroe	60	5,800,000	320,000
Warburton Dorado	Westchester	188	17,355,000	-
Washington Avenue Apartments	Bronx	118	18,200,000	-
Webster Avenue Supportive Housing Residence	Bronx	170	30,520,000	-
Wesley Hall	Westchester	118	9,545,000	3,827,442
West Middle School	Cayuga	59	10,370,000	-
Westfall Heights Apartments	Monroe	101	5,650,000	500,329
WIH Preservation	Wayne	113	5,010,000	1,330,000
Wilbur Fay Apartments	Oswego	95	13,725,000	649,457
Wilcox Lane Apartments	Ontario	119	3,140,000	1,613,170
Willoughby Court Apartments	Kings	266	23,445,000	-
Winbrook Phase I Apartments	Westchester	103	25,000,000	1,000,000
Wincoram Commons II	Suffolk	77	13,500,000	-
Woodlands and Barkley Apartments	Sullivan	111	6,500,000	2,169,290
Woodstock Manor Apartments	Westchester	60	6,550,000	582,200
Wyandanch Apartments	Suffolk	86	24,250,000	1,805,596
Yonkers Apartments	Westchester	129	19,260,000	1,595,000
Total		29,200	\$ 3,251,475,000	\$ 239,009,590

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

Affordable Housing Revenue Bond - NIBP

25 State Street Apartments	Westchester	50	\$ 8,760,000	\$ 4,058,924
Albany Gardens Apartments aka CAMBA	Kings	209	34,060,000	-
Bradmar Village	Chautauqua	99	8,320,000	2,206,084
Burt Farms II Apartments	Orange	50	3,350,000	-
Ennis Francis House	New York	219	38,565,000	-
Erie Harbor Apartments	Monroe	131	18,390,000	3,103,136
Fairway Richmond	Richmond	217	23,500,000	-
Gateway Gardens Villas	Suffolk	40	6,000,000	-

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Grote Street Apartments	Bronx	249	\$ 22,270,000	\$ 759,905
HANAC Senior Apartments	Queens	99	12,100,000	-
Heritage Homes Apartments	Westchester	130	18,390,000	3,063,735
James Street Apartments	Onondaga	82	8,775,000	892,281
Liberty Green III Apartments	Orange	83	7,870,000	3,735,905
Machackemach Village Apartments	Orange	50	2,310,000	-
Monteagle	Niagara	149	5,720,000	1,986,386
North Country Rural Preservation Apartments	St. Lawrence, Franklin and Jeffers	254	14,390,000	-
Phillips Village II	Monroe	497	27,050,000	2,049,538
Pine Town Apartments	Nassau	130	19,650,000	-
Radisson Lysabder Greenway Apartments	Onondaga	207	12,790,000	-
Roundtop Commons Apartments	Westchester	92	15,500,000	1,501,233
Spring Valley Apartments	Rockland	55	8,400,000	1,446,013
The Highlands Apartments (Geneseo)	Livingston	89	4,950,000	-
Towpath Senior	Wayne	97	5,430,000	1,056,097
Twin Oaks Apartments	Nassau	94	15,610,000	3,400,000
Twin Parks Apartments	Bronx	274	25,550,000	-
Village Square Apartments	Steuben	74	3,450,000	356,364
Wartberg Marie Heins Residence (Friedrichs Supportive)	Westchester	61	8,600,000	538,997
Warburton Riverview Apartments	Westchester	92	16,200,000	2,822,641
Total		3,873	\$ 395,950,000	\$ 32,977,239

Multi-Family Housing Revenue

(Secured Mortgage Program)

244 North Main Street	Spring Valley	95	\$ 4,400,000	\$ -
Airmont Gardens Apartments	Airmont	140	12,000,000	6,013,033
Berkeley Square Apartments	Wappingers Falls	150	9,500,000	-
Cannon Street Senior Apartments	Poughkeepsie	40	3,350,000	295,360
Community Re-Entry Project	Middletown	26	1,000,000	187,397
Crotona Estates Apartments	Bronx	56	3,845,000	50,352
Division Street Multi-Family Housing	Hastings-on-Hudso	14	2,600,000	350,000
Evergreen Hills Apartment	Macedon	72	1,700,000	-
Extra Place Apartments	Manhattan	42	6,225,000	-
Framark Place Apartments	Victor	50	2,750,000	1,331,907
Friendship House Apartments	Cortland	101	2,840,000	-
Golden Age Apartments	Norwich	100	2,800,000	-
Highland Avenue Senior Apartments	Yonkers	88	10,370,000	2,318,000
Horizons at Fishkill Apartments	Fishkill	90	6,975,000	2,250,000
Kensico Terrace Apartments	White Plains	42	7,080,000	1,048,060
Meadow Ridge Apartments	Beacon	54	4,600,000	769,796
Nathan Hale Senior Village Housing	Lynbrook	126	5,745,000	-
North Street Y Senior Apartments	Buffalo	64	3,900,000	1,415,000
Park Drive Manor II Apartments	Rome	168	6,640,000	-
Patchogue Senior Apartments I	East Patchogue	87	6,415,000	700,000
Senior Horizons at Silver Lake	Wallkill	85	4,500,000	830,000
Stuyvesant Hotel Conversion Project	Kingston	40	1,245,000	-
Sycamore Crest Apartments	Spring Valley	96	7,000,000	2,200,000
Tall Oaks Apartments	Middletown	150	5,930,000	-
Tiffany Gardens Apartments	Bronx	105	9,880,000	875,430
Walnut Hill Apartments	Haverstraw	180	10,030,000	-
Washington Apartments Housing	Buffalo	82	4,165,000	2,390,209
Watergate II Apartments Housing	Buffalo	195	7,800,000	-
Webster Place Apartments	Bronx	69	6,500,000	1,538,575
Woodland Place Apartments	Lancaster	86	3,500,000	800,000
Total		2,693	\$ 165,285,000	\$ 25,363,119

Secured Loan Program

8 East 102nd Street Apartments	Manhattan	232	\$ 143,700,000	\$ -
10 Barclay Street Housing	Manhattan	396	135,000,000	-
10 Liberty Street Housing	Manhattan	287	95,000,000	-
100 Maiden Lane Housing	Manhattan	336	98,000,000	-
101 West End Avenue Housing	Manhattan	507	126,000,000	-
11th Street	Queens	59	21,000,000	-
111 East 172nd Street Apartments	Bronx	126	25,400,000	-
111 Nassau Street	Manhattan	168	71,500,000	-
125 Metropolitan Avenue	Brooklyn	75	46,700,000	-
125 West 31st Street Housing	Manhattan	459	176,800,000	-

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
149 Kent Avenue	Brooklyn	164	\$ 88,000,000	\$ -
15 Hudson Yards	Manhattan	106	80,000,000	-
150 East 44th Street Housing	Manhattan	361	110,000,000	-
1500 Lexington Avenue Housing	Manhattan	211	50,000,000	-
158 East 126th Street Apartments	Manhattan	233	87,000,000	-
160 Madison Avenue	Manhattan	318	210,000,000	-
160 West 62nd Street	Manhattan	339	260,000,000	-
175 West 60th Street	Manhattan	257	165,000,000	-
188 Ludlow Street Housing	Manhattan	243	83,000,000	-
19 India Street	Brooklyn	140	37,000,000	-
20 River Terrace Housing	Manhattan	293	116,500,000	-
210 Livingston Street Apartments	Brooklyn	368	158,000,000	-
2180 Broadway Housing	Manhattan	181	123,620,000	-
222 East 44th Street	Manhattan	429	251,200,000	-
229 Cherry Street	Manhattan	205	47,000,000	-
240 East 39th Street Housing	Manhattan	466	119,000,000	-
25 Washington Street Housing	Brooklyn	106	19,700,000	-
250 West 50th Street Housing	Manhattan	550	118,900,000	-
250 West 93rd Street Housing	Manhattan	143	66,800,000	-
29 Flatbush Avenue Housing	Brooklyn	327	140,000,000	-
325 Kent Avenue	Brooklyn	522	180,000,000	-
33 Bond Street	Brooklyn	713	250,000,000	-
316 Eleventh Avenue Housing	Manhattan	369	224,100,000	-
320 West 38th Street	Manhattan	569	260,000,000	-
330 Riverdale Avenue Apartments	Yonkers	153	28,700,000	6,387,089
330 West 39th Street Housing	Manhattan	199	65,000,000	-
345 East 94th Street Housing	Manhattan	208	103,800,000	\$ 6,013,033
350 West 43rd Street Housing	Manhattan	321	113,000,000	-
360 West 43rd Street Housing	Manhattan	256	82,000,000	-
363 West 30th Street Housing	Manhattan	77	17,700,000	-
43-25 Hunter Street	Queens	974	297,000,000	-
435 East 13th Street Apartments	Manhattan	114	62,700,000	-
455 West 37th Street Housing	Manhattan	394	168,000,000	-
44th Drive Apartments	Queens	105	34,015,000	-
505 West 37th Street Housing	Manhattan	835	454,000,000	-
509 West 38th Street	Manhattan	225	104,000,000	-
525 West 52nd Street	Manhattan	392	200,000,000	-
55 West 25th Street Housing	Manhattan	407	173,300,000	-
555 Tenth Avenue	Manhattan	598	325,000,000	-
572 11th Ave	Manhattan	164	103,000,000	-
600 West 42nd Street Housing	Manhattan	1,169	609,000,000	-
605 West 42nd Street	Manhattan	1,174	550,000,000	-
606 West 57th Street	Manhattan	1,028	280,000,000	-
625 West 57th Street	Manhattan	567	407,000,000	-
626 Flatbush Avenue Housing	Brooklyn	254	71,265,000	-
66 West 38th Street Housing	Manhattan	374	119,700,000	-
7 West 21st Street	Manhattan	289	182,000,000	-
750 Sixth Avenue Housing	Manhattan	301	76,600,000	-
79 Avenue D	Manhattan	110	52,800,000	-
80 Dekalb Avenue	Brooklyn	365	263,326,840	-
810 Fulton Ave	Kings	363	125,000,000	-
855 Sixth Avenue	Manhattan	300	187,000,000	-
88 Leonard Street Housing	Manhattan	352	277,000,000	-
900 Eighth Avenue Apartments Housing	Manhattan	393	135,000,000	-
Admiral Halsey Senior Apartments Housing Rental	Poughkeepsie	119	6,650,000	3,920,000
Archstone Westbury Apartments Housing	Westbury	396	85,200,000	-
Avalon Bowery Place I Housing	Manhattan	206	93,800,000	-
Baisley Park Housing	Queens	212	18,800,000	-
BAM South	Brooklyn	379	168,000,000	-
Biltmore Tower Housing	Manhattan	464	145,000,000	-
Blue Heron	Saratoga	82	10,250,000	-
Chappaqua Commons	Westchester	64	11,470,000	2,119,640
Chelsea Apartments Housing	Manhattan	269	104,000,000	-
Chelsea Arms Housing	Manhattan	98	18,000,000	-
Clinton Green North Housing	Manhattan	339	147,000,000	-
Clinton Green South Housing	Manhattan	288	121,500,000	-
Clinton Park Housing	Manhattan	222	70,000,000	-
Clinton Park Phase II	Manhattan	480	145,000,007	-

Development	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
College Arms Apartments	Mount Pleasant	164	\$ 11,390,000	\$ -
Copiague Commons	Suffolk	90	17,455,000	-
Dock Street Apartments Housing	Brooklyn	289	100,500,000	-
East 84th Street Housing	Manhattan	180	60,000,000	-
Gateway at New Cassel Housing	North Hempstead	57	9,500,000	-
Gotham West Housing	Manhattan	1,237	520,000,000	-
Grace Towers Housing	Westchester	133	19,900,000	-
Hemlock Ridge Apartments	Sullivan	60	9,000,000	-
Historic Front Street Housing	Manhattan	96	46,300,000	-
Horizons at Wawayanda Housing	Orange	107	12,100,000	-
Jackson Avenue	Queens	98	32,800,000	-
Maestro West	Manhattan	375	165,000,000	-
Manhattan West Residential	Manhattan	845	479,000,000	-
Navy Pier Court	Staten Island	571	23,700,000	-
New Settlement Apartments	Bronx	893	86,000,000	-
North End Avenue Housing	Manhattan	253	102,200,000	-
Ocean Bay	Queens	1,395	213,250,000	-
Parkledge Apartments Housing	Yonkers	311	39,000,000	4,386,283
Prospect Plaza Apartments Housing	Brooklyn	151	23,300,000	-
Related - 205 East 92nd Street	Manhattan	186	220,000,000	-
Related - 42th Street & 10th Avenue	Manhattan	590	350,000,000	-
Related - Capitol Green Apartments Housing	Albany	308	16,500,000	-
Related - Caroline Apartments	Manhattan	126	16,900,000	-
Related - Clarkston Maplewood Gardens	Rockland	51	4,085,000	-
Related - East 39th Street Housing	Manhattan	254	75,500,000	-
Related - McCarthy Manor Apartments Housing	Syracuse	176	6,800,000	-
Related - Ocean Park Apartments Housing	Queens	602	39,000,000	-
Related - Overlook Apartments	Middletown	100	5,400,000	-
Related - Taconic West 17th Street Housing	Manhattan	288	126,000,000	-
Related - Tribeca Green Housing	Manhattan	274	110,000,000	-
Related - Warren Knolls Apartments Housing	Haverstraw	97	6,700,000	-
Related - West 20th Street Housing	Manhattan	254	88,000,000	-
Related - West 23rd Street Housing	Manhattan	313	110,000,000	-
Related - West 30th Street Housing	Manhattan	385	230,200,000	-
Related - West Haverstraw Senior Citizen Apartments Housing	West Haverstraw	100	6,700,000	-
Related - Weyant Green Apartments Housing	Highfalls	51	3,800,000	785,000
Remeeder Houses	Brooklyn	260	18,900,000	-
Reverend Polite Avenue Apartments Housing	Bronx	161	16,000,000	-
Rip Van Winkle House Housing	Poughkeepsie	179	11,500,000	-
Riverside Center 1	Manhattan	486	56,035,000	-
Riverside Center 2 Housing	Manhattan	616	275,000,000	-
Riverside Center III	Manhattan	216	12,785,000	-
Riverside Center IV	Manhattan	167	12,785,000	-
Saville Housing	Manhattan	229	55,000,000	-
Sea Park East Housing	Brooklyn	332	18,700,000	-
Sea Park West Housing	Brooklyn	362	22,900,000	-
Shore Hill	Brooklyn	559	39,000,000	-
South Cove Plaza Housing	Manhattan	208	34,900,000	-
St. Philips Housing	Manhattan	260	16,250,000	740,000
Talleyrand Crescent Housing	Tarrytown	300	36,500,000	-
Terrace Gardens Housing	Richmond	198	27,020,000	-
The Helena Housing	Manhattan	597	143,000,000	-
The Victory Housing	Manhattan	417	139,000,000	-
Theatre Row Tower Housing	Manhattan	264	74,800,000	-
Tower 31 Housing	Manhattan	283	93,800,000	-
Tribeca Landing Housing	Manhattan	340	64,400,000	-
Tribeca Park Housing	Manhattan	396	84,000,000	-
Tri-Senior Housing	Brooklyn	203	15,200,000	-
Union Square South Housing	Manhattan	240	49,000,000	-
West 37th Street Housing	Manhattan	207	94,500,000	-
West Village Apartments	Tompkins	235	9,700,000	4,889,222
Worth Street Housing	Manhattan	330	113,900,000	-
Total		45,842	\$ 15,916,051,847	\$ 10,800,505

Project	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Housing Project Bonds				
Simeon DeWitt Apartments	Oswego	130	\$ 4,180,000	-
Towpath Towers	Fulton	121	3,490,000	-
Total		251	\$ 7,670,000	-
Housing Project Mortgage Revenue				
Baptist Manor	Buffalo	128	\$ 3,785,000	\$ 1,079,700
Clinton Plaza	Syracuse	305	8,495,000	-
Fort Schuyler House	Bronx	143	4,005,000	-
Mayfield Apartments	Potsdam	153	3,705,000	925,000
Regina Pacis	Brooklyn	167	5,615,000	-
Total		896	\$ 25,605,000	\$ 2,004,700
Multi-Family FHA-Insured Housing				
Diamond Rock	Troy	81	\$ 2,397,500	-
FHA-Insured Multi-Family Housing				
Cedarwood Towers	Rochester	206	\$ 8,010,000	\$ -
Jonas Bronck Apartments	Bronx	215	4,470,000	675,000
Senior Horizons at Newburgh	Newburgh	70	3,290,000	400,000
The Mill at Saugerties	Saugerties	90	1,000,000	595,433
Total		581	\$ 16,770,000	\$ 1,670,433
Multi-Family Housing Revenue (Fannie Mae-Backed)				
Jefferson Woods Apartments	Yorktown	90	\$ 3,169,097	-
Transitional Housing Project Revenue				
Children's Rescue Fund	Bronx	65	\$ 10,660,000	-
Taxable Mortgage Initiative				
Bronx Care	Bronx	52	\$ -	\$ 1,050,000
Old Brookside I Apartments	Ontario	64	1,347,748	1,392,000
Prospect Heights Apartments	Nassau	50	3,158,000	-
Village Green Apartments	Glens Falls	136	1,795,000	1,935,871
Westview Apartments	Saratoga	105	633,750	633,750
Total		407	\$ 6,934,498	\$ 5,011,621
Subsidy Loans/ Other Subordinate Loans - No Agency				
First Mortgage				
753 Classon	Brooklyn	139	\$	1,000,000
902 Liberty Avenue	Brooklyn	47		1,400,000
Allen By the Bay Senior Housing	Queens	65		1,146,601
Baptist Manor II	Buffalo	128		5,724,760
Baptist Manor II - IRP	Buffalo	128		348,491
Bayshore Apartments	Onondaga	186		2,743,762
Birches at Esopus				2,299,585
Brighton Towers	Brooklyn	600		1,210,000
Bloomfield Meadows Apartments	Bloomfield	24		220,000
Bristow-Stebbins Apartments	Bronx	80		994,236
Carnes McKinney Apartments	Bronx	111		275,000
Champlain Family Housing	Rouses Point	56		125,000
Concourse Flatiron Apartments	Bronx	44		731,247
Croton Heights Apartments	Westchester	60		900,000
Fairport Apartments	Fairport	105		625,000
Greene Park Arms	Brooklyn	84		560,000
Hegeman Residence Apartments	Brooklyn	161		910,209
Hotel Seneca	Geneva	51		524,566
Howard Beach Senior Apartments	Queens	96		4,188,000
Inwood Heights	Manhattan	207		1,500,000
Lakeview Family Homes	Buffalo	154		1,000,000
Lakeview Senior Homes	Buffalo	138		2,300,000
Lisle Avenue	Broome	8		238,018
McGraw House	Ithaca	106		2,900,000
Pastures Preservation	Albany	101		512,826
Rochester Manor	Brooklyn	96		40,114
Rolling Green Estates	Syracuse	394		1,305,500
Shiloh Senior Housing Apartments	Westchester	40		35,871
Spring Manor Apartments	Poughkeepsie	88		1,406,588

Project	Location	No. of Apts.	Mortgage Commitment	Subsidy Loan Commitment
Springbrook Village	Ulster	122		4,591,318
St. Mary's Commons Senior Apartments	Buffalo	100		1,119,709
St. Michaels Windmill Apartments	Suffolk	40		334,819
Sutter Houses	Brooklyn	120		48,117
The Northfield Apartments Housing	Perinton	69		2,190,511
Trinity Towers	Buffalo	88		1,412,000
Waterville Schoolhouse Apartments	Waterville	56		102,527
Woodcreek Apartments	Rome	192		5,680,350
Woodrow Wilson Homes	Montgomery	100		5,363,235
Total		4,384	\$	58,007,960

Agri-Business Child Development Day Care Center Facilities Pilot Program

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

Bush Gardens	Erie	154	\$	2,600,000	-
Champion Homes, Inc.	Onondaga	172		2,650,000	-
Cobblestone Creek/Clarkson Estates, Inc.	Monroe	27		420,000	-
Creek and Pines MHP	Saratoga	149		3,400,000	-
Green Acres MHP	Steuben	94		1,599,244	-
Greenhurst Village, Inc.	Jamestown	79		1,415,680	-
Hidden Brooks Estates V	Dutchess	115		1,444,045	-
Hidden Meadows Cooperative Corp.	Geneseo	100		1,573,100	-
Lakeville Estates	Livingston	50		1,599,200	-
Maple Ridge/Greenridge Cooperative Community Corporation	Monroe	76		1,293,000	-
Meadow Valley	Otsego	54		600,000	-
Ogden Lane Cooperative Corp.	Ulster	15		361,890	-
Parkview Community, Inc.	Suffolk	47		1,620,400	-
Ridley Road	Erie	8		118,750	-
Three Mile Harbor Mobile Home Park, Inc.	Suffolk	16		500,000	-
Venture Lake Estates	Hyde Park	44		2,000,000	-
Total		1,200	\$	23,195,309	-

Project	Location	Type of Facility	Estimated Cost
Mortgage Loans for Community Mental Health Services and Mental Retardation Services Projects			
Brooklyn Rehabilitation Campus	Kings	Mental Retardation	\$ 4,266,000
The Charles A. Mastronardi Center for Mental Retardation	Kings	Mental Retardation	421,000
Jefferson County A.R.C. Training Center	Jefferson	Mental Retardation	651,000
Rehabilitation Services Center of United Cerebral Palsy of Queens	Queens	Mental Health and Retardation	789,306
Steinberg Vocational Training Center	Nassau	Mental Retardation	1,371,000
Total			\$ 7,498,306

Project	Location	No. of Apts.	Mortgage Commitment
Mortgage Loans for Youth Facilities Projects			
Edenwald Residential Child Care Facility	Westchester	96	\$ 7,453,499
Queens Daughters Day Care Center	Westchester	145	832,000
Wyandanch Day Care Center	Suffolk	170	911,000
Total		411	\$ 9,196,499

SUMMARY OF FINANCING AND REPAYMENT

Long-Term Financing and Debt Service Repayments

(cumulative through October 31, 2017)

Program	Number of Issues	Total Amount Issued	Debt Service Repayments	
			Principal	Interest
(\$ in thousands)				
Bonds				
General Housing Loan	7	\$ 385,729	\$ 385,729	\$ 381,558
Non-Profit Housing Project	7	636,200	636,200	1,126,714
Urban Rental Housing	5	514,835	514,835	653,817
Revenue Bonds (Section 8 Assisted)				
Insured Mortgages	3	18,320	18,320	18,057
Revenue Bonds (Section 8 Assisted)				
Non-Insured Mortgages	6	50,360	50,360	36,266
Insured Mortgage Multi-Family				
Revenue Housing	4	87,235	87,235	111,496
Insured Multi-Family Mortgage				
Revenue Housing	2	94,600	94,600	95,359
Multi-Family Insured Mortgage				
Revenue Housing	6	54,325	54,325	62,737
Insured Multi-Family Mortgage Housing Revenue	5	188,970	188,970	127,944
FHA-Insured Multi-Family Housing Revenue	10	51,015	47,675	48,440
Multi-Family FHA-Insured Mortgage Housing Revenue	2	20,035	17,910	14,749
Fulton Manor FHA-Insured Mortgage Revenue	1	11,480	11,480	6,662
Housing Project Bonds	16	122,545	121,440	188,308
Secured Loan Rental Housing	570	18,185,073	4,339,011	2,687,662
Housing Project Mortgage Revenue	1	484,540	484,105	503,611
Affordable Housing Revenue	48	3,316,365	814,345	247,945
Affordable Housing Revenue				
(Federal New Issue Bond Program)	9	545,295	311,140	47,252
Revenue Bonds (Secured by				
HUD Section 236 Payments)	1	64,996	64,996	50,010
Hospital and Nursing Home Project	6	822,965	822,965	943,076
Hospital and Health Care Project Revenue	1	42,090	42,090	11,540
Nursing Home and Health Care Project Revenue	1	190,080	190,080	71,874
State University Construction	43	3,628,295	3,628,295	2,334,445
Special Obligation (State University)	3	179,330	179,330	—
Mental Hygiene Improvement	9	705,000	705,000	541,943
Health Facilities	4	508,385	508,385	492,095
Health Facilities Revenue	3	556,325	556,325	274,436
Special Obligation (Health Facilities)	2	228,405	228,405	—
Service Contract Revenue	43	2,498,831	2,412,426	947,775
State Personal Income Tax Revenue	15	1,199,355	1,094,715	355,135
House New York Revenue Bonds	1	46,440	46,440	846
Total Bonds	834	\$ 35,437,419	\$ 18,657,132	\$ 12,381,752
Long-Term Notes				
The Mount Sinai Hospital Project	1	\$ 41,490	\$ 41,490	\$ 32,195
State Funds				
Community Related and Other Loan Programs	5	\$ 31,814	\$ 31,814	\$ 23,542
Equity Loan	1	193	193	7
Total State Funds	6	\$ 32,007	\$ 32,007	\$ 23,549
Grand Total	841	\$ 35,510,916	\$ 18,730,629	\$ 12,437,496

COMPARATIVE HIGHLIGHTS 2013-2017

Year Ended October 31,	2017	2016	2015	2014	2013
(in millions)					
Assets and Bond Indebtedness					
Loan Receivables	\$ 15,714	14,134	12,464	11,280	10,594
Total Assets	\$ 18,219	16,786	14,878	13,665	12,118
Bond and Note Indebtedness	\$ 16,781	15,448	13,753	12,673	11,280

RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the New York State Housing Finance Agency (the “Agency”), for the fiscal years ended October 31, 2017 and 2016, are the responsibility of management. The financial statements were prepared in accordance with U.S. generally accepted accounting principles.

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

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

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


RuthAnne Visnauskas
President/Chief Executive Officer


Sheila Robinson
Senior Vice President/Chief Financial Officer

January 25, 2018



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Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the New York State Housing Finance Agency (the Agency), a component unit of the State of New York, as of and for the years ended October 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of October 31, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis, the Schedule of Funding Progress – Postretirement Healthcare Plan, the Schedule of Contributions to the NYSLRS, and the Schedule of the New York State Housing Finance Agency's Proportionate Share of the NYSLRS Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated January 25, 2018 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Ernst + Young LLP

January 25, 2018

NEW YORK STATE HOUSING FINANCE AGENCY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEARS ENDED OCTOBER 31, 2017 AND 2016

Overview of the Financial Statements

The following is a narrative overview of the financial performance of the New York State Housing Finance Agency (the "Agency") for the fiscal years ended October 31, 2017 ("fiscal 2017") and October 31, 2016 ("fiscal 2016") with selected comparative information for the fiscal year ended October 31, 2015 ("fiscal 2015"). Please read this analysis in conjunction with the financial statements.

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

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

Management's Discussion and Analysis

- This section of the Agency's financial statements, Management's Discussion and Analysis (the "MD&A"), presents an overview of the Agency's financial performance during fiscal 2017 and fiscal 2016. It provides a discussion of financial highlights and an assessment of how the Agency's financial position has changed from the past years. It identifies the factors that, in management's view, significantly affected the Agency's overall financial position. It may contain opinions, assumptions or conclusions by the Agency's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements and other information described below.

The Financial Statements

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

The Notes to the Financial Statements

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

Required Supplementary Information (“RSI”)

- The RSI schedules present information regarding the Agency’s (1) progress in funding its obligation to provide postemployment benefits other than pensions to its employees, (2) Schedule of Contributions to the New York State and Local Retirement System (“NYSLRS”) Pension Plan and (3) Schedule of the Proportionate Share of the NYSLRS Net Pension Liability.

Supplementary Information

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

Background

The Agency was created as a public benefit corporation in 1960, under Article III of the Private Housing Finance Law, to finance low and moderate income housing, primarily through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. Since its inception, the Agency has issued over \$26.4 billion in bonds to finance low and moderate income housing. The Agency administers finance programs which, combined with other federal, state, and local resources, benefit the families and communities of New York State (the “State”).

During its 57 year history, the Agency’s mandate has been legislatively expanded to allow for the financing of housing which meets a variety of needs of the people of New York. As a result, the Agency is authorized to issue bonds to reimburse the State for appropriated expenditures for various housing capital programs.

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

Bond Issuances and Mortgage Financings - Fiscal 2017

During fiscal 2017, the Agency issued bonds totaling \$1,090.5 million to finance 34 new projects that contain 7,166 housing units, of which 85% or 6,126 are set aside for low income households.

Details are as follows:

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Authorized to be Issued
<u>PROJECTS FINANCED UNDER PUBLICLY OFFERED INDIVIDUAL REVENUE BOND RESOLUTIONS</u>				
572 11th Avenue	164	46	\$ 103,000,000	\$ 103,000,000
<u>PROJECTS FINANCED UNDER THE AFFORDABLE HOUSING REVENUE BOND RESOLUTION*</u>				
AP Lofts at Larkinville	147	146	\$ 20,730,000	\$ 20,800,000
Asteri Utica	49	49	5,360,000	5,365,000
Buena Vista	454	452	51,555,000	51,555,000
Capital District Apartments	584	581	56,100,000	56,100,000
Century Sunrise	105	104	16,700,000	16,700,000
CNYS Catherine Street Development	50	50	8,550,000	8,640,000
Cornerstone Pointe Apartments	66	66	7,270,000	7,300,000
Crossroads at Baldwin Place	64	62	12,200,000	12,265,000
Elizabeth Square	75	75	4,550,000	4,570,000
Fountain Avenue Building A2	267	266	45,000,000	45,125,000
Heritage Gardens	83	82	8,000,000	8,030,000
HKBBE Apartments	262	257	18,450,000	18,535,000
Kingsbridge Heights Apartments	136	135	35,500,000	35,615,000
La Central Supportive	161	160	33,130,000	33,210,000
Marion Avenue	100	99	21,395,000	21,535,000
Meadows at Middle Settlement	93	93	13,000,000	13,000,000
Michelangelo Apartments	494	492	82,565,000	82,565,000
Moxey A. Rigby Apartments	101	100	36,670,000	36,850,000
Packet Boat Landing/DePaul Aero	60	60	8,750,000	8,810,000
Roosevelt Residences	50	50	8,210,000	8,225,000
Savanna Hall	73	72	13,250,000	13,370,000
Skyline Gardens Apartments	189	188	17,390,000	17,460,000
Temple Hill II & Bella Vista I	162	160	18,465,000	18,540,000
The Grand	138	135	32,600,000	32,690,000
Upper Falls Square	150	150	23,000,000	23,190,000
Via Vyse Avenue	121	120	23,500,000	23,570,000
West Middle School	59	59	10,370,000	10,425,000
SUBTOTAL	<u>4,293</u>	<u>4,263</u>	<u>632,260,000</u>	<u>634,040,000</u>

Bond Issuances and Mortgage Financings - Fiscal 2017 (continued)

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Authorized to be Issued
<u>PROJECTS FINANCED AS DIRECT PURCHASES OR PRIVATE PLACEMENTS</u>				
810 Fulton Street	363	73	\$ 125,000,000	\$ 125,000,000
Blue Heron Trail 1 Apartments	82	82	10,250,000	10,250,000
Ocean Bay Apartments	1,395	1,393	213,250,000	213,250,000
Riverside Center 1	486	156	168,856,583 **	2,500,000
Riverside Center 3	216	64	257,177,849 **	1,250,000
Riverside Center 4	167	49	514,608,729 **	1,250,000
SUBTOTAL	<u>2,709</u>	<u>1,817</u>	<u>1,289,143,161</u>	<u>353,500,000</u>
GRAND TOTAL	<u>7,166</u>	<u>6,126</u>	<u>\$ 2,024,403,161</u>	<u>\$ 1,090,540,000</u>

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

** In connection with the making of the mortgage loan for this project, the amount shown includes the funds to be available from additional bonds anticipated to be issued in fiscal year 2018 by the Agency.

During fiscal 2017, the Agency was authorized to issue an additional \$811.85 million in bonds to finance 15 projects under a multi-year program.

Project Name	Additional Bonds as Authorized Under Multi- Year Programs
149 Kent Avenue Apartments	\$ 4,715,000
222 East 44th Street	53,535,000
229 Cherry Street	11,535,000
325 Kent Avenue	1,885,000
33 Bond Street	185,000,000
43-25 Hunter Street	179,000,000
44th Drive Apartments	44,400,000
572 11th Avenue	111,900,000
605 West 42nd Street*	20,000,000
606 West 57th Street	11,000,000
88 Leonard Street*	13,000,000
Riverside Center 1	13,080,000
Riverside Center 3	103,000,000
Riverside Center 4	35,300,000
The Victory*	24,500,000
	<u>\$ 811,850,000</u>

The Agency issued a total of \$1.16 billion in bonds which refunded bonds that have previously been issued. Each of the new bond series were privately placed with a private institution.

Project Name	Amount
125 West 31st Street	\$ 176,800,000
150 East 44th Street	97,800,000
605 West 42nd Street	539,000,000
80 DeKalb Apartments	104,000,000
88 Leonard Street	132,000,000
The Victory	114,500,000
	<u>\$ 1,164,100,000</u>

The Agency issued \$65.8 million in bonds to refund debt instruments previously issued. These projects were refunded into the Agency's Affordable Housing Revenue Bonds Resolution and were privately placed with a private institution.

Project Name	Amount
Harris Park Apartments	\$ 4,440,000
Historic Pastures Mansions	7,490,000
Marcus Garvey Apartments	37,900,000
Marien Heim Towers	15,970,000
	<u>\$ 65,800,000</u>

*The bonds issued for these projects were issued in connection with the respective refunding listed above.

Bond Issuances and Mortgage Financings - Fiscal 2016

During fiscal 2016, the Agency issued bonds totaling \$1,225.8 million to finance 39 new projects that contain 7,544 housing units, of which 85% or 6,377 are set aside for low income households.

Details are as follows:

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Authorized to be Issued
<u>PROJECTS FINANCED UNDER INDIVIDUAL REVENUE BOND RESOLUTIONS</u>				
19 India Street	140	140	\$ 290,000,000 *	\$ 37,000,000
SUBTOTAL	<u>140</u>	<u>140</u>	<u>290,000,000</u>	<u>37,000,000</u>
<u>PROJECTS FINANCED UNDER THE AFFORDABLE HOUSING REVENUE BOND RESOLUTION**</u>				
100 Chenango Place Apartments	144	143	\$ 6,050,000	\$ 6,085,000
13 State Street Apartments	61	61	8,600,000	8,615,000
2264 Morris Avenue Apartments	94	93	23,530,000	23,675,000
Alexander Street Apartments	60	60	8,560,000	8,640,000
Ashfield Apartments	121	120	11,250,000	11,295,000
Clinton Plaza Apartments	305	305	18,800,000	18,960,000
Conifer Village at Cayuga Meadows Apartments	68	68	7,300,000	7,325,000
East 162nd Street Court	126	125	29,000,000	29,080,000
Fox Hill Apartments	364	362	44,000,000	44,000,000
Golden Park Apartments	126	126	11,200,000	11,235,000
Highland Meadows Senior Residence	68	68	12,050,000	12,100,000
Hornell Community Apartments	147	147	8,450,000	8,465,000
Joseph L. Allen Apartments	51	51	8,800,000	8,865,000
Leggett Avenue Portfolio	324	320	55,000,000	55,000,000
Lofts at University Heights Apartments	44	44	7,900,000	7,905,000
Ludlow Commons Senior Apartments	71	70	13,050,000	13,050,000
Marine Terrace Apartments	497	495	99,000,000	99,000,000
Newport Gardens Apartments	240	239	23,870,000	23,870,000
Rutland Road Apartments	438	402	49,460,000	49,460,000
Seven Greens Apartments	149	148	13,700,000	13,790,000
Sodus Williamson II Rural Development	96	95	3,900,000	3,915,000
St. Barnabas Wellness Care and Affordable	314	313	71,700,000	71,905,000
Surf 21 Apartments	224	222	34,635,000	34,835,000
Surf Vets Place	135	134	34,350,000	34,590,000
Theodore Fremd Senior Apartments	41	40	8,000,000	8,020,000
Tres Puentes Senior Apartments	175	175	57,670,000	57,920,000
Valley Vista Apartments	124	123	8,450,000	8,465,000
Webster Avenue Supportive Housing Residence	171	170	30,520,000	30,690,000
SUBTOTAL	<u>4,778</u>	<u>4,719</u>	<u>708,795,000</u>	<u>710,755,000</u>

Bond Issuances and Mortgage Financings - Fiscal 2016 (continued)

Project Name	Total Units	Affordable Units	Mortgage Amount	Bonds Authorized to be Issued
<u>PROJECTS FINANCED AS DIRECT PURCHASES OR PRIVATE PLACEMENTS</u>				
111 East 172nd Street Apartments	126	125	\$ 25,400,000	\$ 25,400,000
15 Hudson Yards Apartments	106	106	80,000,000	*** 10,000,000
158 East 126th Street Apartments	233	47	87,000,000	* 13,000,000
210 Livingston Street Apartments	368	74	158,000,000	158,000,000
325 Kent Avenue Apartments	522	104	180,000,000	*** 41,200,000
435 East 13th Street Apartments	114	23	62,700,000	62,700,000
79 Avenue D	110	22	52,800,000	52,800,000
Chappaqua Commons	64	38	11,470,000	11,470,000
Copiague Commons	90	89	17,455,000	17,455,000
New Settlement Apartments	893	890	86,000,000	86,000,000
SUBTOTAL	<u>2,626</u>	<u>1,518</u>	<u>760,825,000</u>	<u>478,025,000</u>
GRAND TOTAL	<u>7,544</u>	<u>6,377</u>	<u>\$ 1,759,620,000</u>	<u>\$ 1,225,780,000</u>

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

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

*** In connection with the making of the mortgage loan for this project, the amount shown includes the funds to be available from additional bonds anticipated to be issued in fiscal year 2017 and/or 2018 by the Agency.

During fiscal 2016, the Agency was authorized to issue an additional \$1.282 billion in bonds to finance 14 projects under a multi-year program.

Project Name	Additional Bonds as Authorized Under Multi- Year Programs
15 Hudson Yards	\$ 28,000,000
222 East 44th Street	113,300,000
325 Kent Avenue	50,000,000
33 Bond Street	35,000,000
345 East 94th Street*	10,900,000
43-25 Hunter Street	135,000,000
525 West 52nd Street	130,000,000
555 Tenth Avenue	140,000,000
605 West 42nd Street	80,000,000
606 West 57th Street	71,000,000
625 West 57th Street	107,000,000
7 West 21st Street	57,000,000
BAM South	100,000,000
Manhattan West	224,500,000
	<u>\$ 1,281,700,000</u>

The Agency issued \$43.6 million in bonds to refund a Series of bonds previously issued. This series was privately placed with a private institution.

Project Name	Amount
345 East 94th Street	\$ 43,600,000

*The bonds issued for these projects were issued in connection with the respective refunding listed above.

Condensed Financial Information

NEW YORK STATE HOUSING FINANCE AGENCY

Statements of Net Position (in thousands)

	October 31,			% Change	
	2017	2016	2015	2017-2016	2016-2015
Assets:					
Cash	\$ 268,633	\$ 331,113	\$ 224,293	(19%)	48%
Mortgage loans receivable - net	15,713,871	14,134,407	12,464,031	11%	13%
Investments including accrued interest receivable	2,162,416	2,254,695	2,175,760	(4%)	4%
Other assets	74,524	65,533	14,195	14%	362%
Total assets	18,219,444	16,785,748	14,878,279	9%	13%
Deferred outflows of resources:					
Accumulated decrease in fair value of hedging derivatives	18,369	27,552	29,072	(33%)	(5%)
Deferred outflows relating to pension	1,840	3,829	391	(52%)	879%
Total deferred outflows of resources	20,209	31,381	29,463	(36%)	7%
Liabilities:					
Bonds payable and other debt obligations	16,780,581	15,448,200	13,753,259	9%	12%
Derivative instruments - interest rate swaps	18,369	27,552	29,072	(33%)	(5%)
Interest payable	60,553	44,802	34,979	35%	28%
Accounts payable and other	17,806	14,826	8,445	20%	76%
Amounts received in advance and other	437,017	469,256	348,925	(7%)	34%
Other postemployment benefits	48,407	47,112	45,859	3%	3%
Total liabilities	17,362,733	16,051,748	14,220,539	8%	13%
Deferred inflows of resources:					
Gain on defeasance - net	789	1,306	927	(40%)	41%
Deferred inflows relating to pension	348	456	—	(24%)	N/A
Total deferred inflows of resources	1,137	1,762	927	(35%)	90%
Net position	\$ 875,783	\$ 763,619	\$ 686,276	15%	11%

Assets

Mortgage Loans Receivable - Net

Mortgage loans receivable – net increased by approximately \$1.579 billion, or 11% from \$14.134 billion (84% of total assets) at October 31, 2016 to \$15.714 billion (86% of total assets) at October 31, 2017. This compares with an increase of approximately \$1.670 billion, or 13% from \$12.464 billion (84% of total assets) at October 31, 2015 to \$14.134 billion (84% of total assets) at October 31, 2016. The increase in each period was a result of increased lending activity.

Cash and Investments

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

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

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

Primarily as a result of fluctuations in the amount of bond proceeds remaining on deposit, investments (including accrued interest receivable thereon) decreased from \$2.255 billion at October 31, 2016 to \$2.162 billion at October 31, 2017, a decrease of approximately \$93 million, or 4%, as compared with an increase from \$2.176 billion at October 31, 2015 to \$2.255 billion at October 31, 2016, an increase of approximately \$79 million, or 4%.

Other Assets

Other assets increased from \$65.5 million at October 31, 2016 to \$74.5 million at October 31, 2017, an increase of approximately \$9.0 million, or 14%. The increase was primarily a result of an increase in interest due on mortgages and increased funds committed by the State to fund subsidy loans.

This compares with the increase from \$14.2 million at October 31, 2015 to \$65.5 million at October 31, 2016, an increase of approximately \$51.3 million, or 362%, which was primarily attributable to 2016 funds committed by the State to fund subsidy loans.

Deferred Outflows of Resources

The Agency has entered into various interest rate swap contracts in order to manage risk associated with interest on its State Revenue Bond Program portfolio. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* ("GASB No. 53"), the Agency recognizes the fair value of all derivative instruments as either an asset or liability on its statements of net position with the offsetting gains or losses recognized in earnings or as either deferred inflows or outflows, if deemed an effective hedge (see note 10). For fiscal 2017, 2016 and 2015, all of the Agency's interest rate swaps were determined to be effective hedges. Therefore, the Agency recorded the decrease in the fair value of these interest rate swaps as a liability along with a corresponding deferred outflow of resources.

Due to the increase in interest rates, the liability position of the interest rate swaps decreased from approximately \$27.6 million at October 31, 2016 to \$18.4 million at October 31, 2017, a decrease of approximately \$9.2 million, or 33%. This compares with a decrease from approximately \$29.1 million at October 31, 2015 to \$27.6 million at October 31, 2016, a decrease of approximately \$1.5 million, or 5%.

Liabilities

Bonds Payable and Other Debt Obligations

At approximately 97% of total liabilities in fiscal 2017 and at approximately 96% of total liabilities in fiscal 2016 and at approximately 97% of total liabilities in fiscal 2015, bonds payable and other debt obligations comprise the largest component of liabilities over the aforementioned periods. Funds generated by the sale of bonds are used to fund mortgage loans. The payments due on mortgage loans receivable, together with interest earnings, are used to fund the debt service payments due on bonds payable and other debt obligations.

Bonds payable and other debt obligations increased from \$15.448 billion at October 31, 2016 to \$16.781 billion at October 31, 2017, an increase of approximately \$1.333 billion, or 9%. This was a result of the activity during fiscal 2017 in which bonds were issued in the amount of approximately \$2.723 billion and retired or redeemed, in the amount of approximately \$1.215 billion. This compares with the increase from \$13.753 billion at October 31, 2015 to \$15.448 billion at October 31, 2016, an increase of approximately \$1.695 billion, or 12%.

Interest Payable

Primarily as a result of continued bond issuance activity and the continued rise in interest rates, interest payable increased from \$44.8 million at October 31, 2016 to \$60.6 million at October 31, 2017, an increase of approximately \$15.8 million, or 35%. This compares with the increase from \$35.0 million at October 31, 2015 to \$44.8 million at October 31, 2016, an increase of approximately \$9.8 million, or 28%.

Accounts Payable and Other

Accounts payable and other increased from \$14.8 million in fiscal 2016 to \$17.8 million in fiscal 2017, an increase of approximately \$3.0 million, or 20%, primarily as a result of a delay in the payment of certain funds due to the State and a decline in the net pension liability, from \$3.9 million in fiscal 2016 to \$2.3 million in fiscal 2017, a decrease of approximately \$1.6 million, or 41%. This compares with the increase from \$8.4 million in fiscal 2015 to \$14.8 million in fiscal 2016, an increase of approximately \$6.4 million, or 76%.

Amounts Received in Advance and Other

Amounts received in advance and other decreased from \$469.3 million in fiscal 2016 to \$437.0 million in fiscal 2017, a decrease of approximately \$32.3 million, or 7%. The decrease was primarily due to the release of funds on deposit held as principal reserve funds, as instructed by Fannie Mae for bond restructure. This compares with the increase from \$348.9 million in fiscal 2015 to \$469.3 million in fiscal 2016, an increase of approximately \$120.4 million, or 34%. The increase was primarily a result of funds received from the State held at October 31, 2016, to be advanced as subsidy loans, principal reserve fund payments received from projects to fund bond redemptions and advance mortgage payments received from borrowers.

Other Postemployment Benefits

The Agency provides certain group health care benefits to eligible retirees (and for eligible dependents and survivors of such retirees). The balance in other postemployment benefits represents the accumulated unfunded actuarial liability required to pay the cost of retiree health care benefits. An actuarial calculation is performed on a bi-annual basis and is rolled forward to the next fiscal year. The biannual calculation performed in 2016 was rolled over to 2017. The accumulated amount of other postemployment benefits increased from \$47.1 million in fiscal 2016 to \$48.4 million in fiscal 2017, an increase of approximately \$1.3 million, or 3%, as a result of the roll forward. This compares with an increase from \$45.9 million in fiscal 2015 to \$47.1 million in fiscal 2016, an increase of approximately \$1.2 million, or 3%, as a result of the change in the discount rate from 3.25% to 3.00%, along with changes in projected and actual health care premiums (see note 11 for detail).

NEW YORK STATE HOUSING FINANCE AGENCY

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

	Fiscal Year Ended October 31,			% Change	
	2017	2016	2015	2017-2016	2016-2015
Operating revenues:					
Interest on mortgage loans	\$ 301,970	\$ 198,184	\$ 134,214	52%	48%
Investment income	12,890	7,585	4,368	70%	74%
Fees, charges and other	77,368	66,696	58,341	16%	14%
Recoveries	7,937	6,716	6,033	18%	11%
Total operating revenues	<u>400,165</u>	<u>279,181</u>	<u>202,956</u>	43%	38%
Operating expenses:					
Interest expense	270,711	168,468	106,772	61%	58%
Earnings on investments credited to mortgagors	4,945	2,320	502	113%	362%
Other postemployment benefits	1,497	2,148	3,594	(30%)	(40%)
General expenses	23,366	21,919	15,962	7%	37%
Cost of issuance and other financial expenses	2,708	3,767	3,269	(28%)	15%
Supervising agency fee	10,238	10,474	10,294	(2%)	2%
Allowances for losses on loans	76,377	40,097	21,085	90%	90%
Total operating expenses	<u>389,842</u>	<u>249,193</u>	<u>161,478</u>	56%	54%
Non-operating revenues (expenses):					
Net transfers from Agencies of the State of New York	92,023	44,727	41,180	106%	9%
Federal grant revenue	5,946	5,290	6,017	12%	(12%)
Federal grant expense	(5,946)	(5,290)	(6,017)	12%	(12%)
Reserve funds received from mortgagors	5,761	2,628	5,390	119%	(51%)
Gain on Extinguishment of debt	4,057	—	—	N/A	N/A
Net non-operating revenues	<u>101,841</u>	<u>47,355</u>	<u>46,570</u>	115%	2%
Net position:					
Increase in net position	<u>112,164</u>	<u>77,343</u>	<u>88,048</u>	45%	(12%)
Total net position - beginning of fiscal year (as previously stated)	763,619	686,276	599,218	11%	15%
Cumulative effect of implementing GASB No. 68	—	—	(990)	N/A	N/A
Total net position - beginning of fiscal year (as restated)	<u>763,619</u>	<u>686,276</u>	<u>598,228</u>	11%	15%
Total net position - end of fiscal year	<u>\$ 875,783</u>	<u>\$ 763,619</u>	<u>\$ 686,276</u>	15%	11%

Operating revenues

Interest on Mortgage Loans

Interest on mortgage loans increased from \$198.2 million in fiscal 2016 to \$302.0 million in fiscal 2017, an increase of approximately \$103.8 million, or 52%, as compared with an increase from \$134.2 million in fiscal 2015 to \$198.2 million in fiscal 2016, an increase of approximately \$64.0 million, or 48%. The increases were the result of increased lending activity and the continued rise in interest rates. Interest on mortgage loans represents the Agency's primary source of funds available to pay interest expense due on bonds payable.

Investment Income

Primarily as a result of the fluctuations in interest rates on invested funds and additional investments held due to the timing of bond sales and the timing of the advance of mortgage funds, investment income increased from \$7.6 million in fiscal 2016 to \$12.9 million in fiscal 2017, an increase of approximately \$5.3 million, or 70%. This compares with an increase from \$4.4 million in fiscal 2015 to \$7.6 million in fiscal 2016, an increase of approximately \$3.2 million, or 74%.

Fees, Charges and Other

Fees, charges and other represent revenues earned from borrowers relating to outstanding mortgage loans, in addition to charges for tax credit monitoring and mortgage origination fees. It also includes various one time payments due to the Agency, including public purpose fees due under certain conditions, in accordance with the terms of various regulatory agreements. Primarily as a result of increased mortgage lending, fees, charges and other increased from \$66.7 million in fiscal 2016 to \$77.4 million in fiscal 2017, an increase of approximately \$10.7 million, or 16%. This compares with an increase from \$58.3 million in fiscal 2015 to \$66.7 million in fiscal 2016, an increase of approximately \$8.4 million, or 14%.

Recoveries

Recoveries represent payments received relating to mortgages for which an allowance had previously been established. Primarily as a result of the refinancings of certain mortgages in the Mitchell Lama mortgage portfolio and other mortgage loan payoffs throughout the periods, the Agency received recovery amounts relating to loans for which an allowance had been established in fiscal 2016 and 2015. Recoveries increased from \$6.7 million in 2016 to \$7.9 million in fiscal 2017, an increase of approximately \$1.2 million, or 18%. This compares with the increase from \$6.0 million in 2015 to \$6.7 million in fiscal 2016, an increase of approximately \$700 thousand, or 11%. The amounts fluctuate due to the volume and specific components of various refinancings and other loan payoffs.

Operating expenses

Interest Expense

Interest expense increased from \$168.5 million in fiscal 2016 to \$270.7 million in fiscal 2017, an increase of approximately \$102.2 million, or 61%. This compares with an increase from \$106.8 million in fiscal 2015 to \$168.5 million in fiscal 2016, an increase of approximately \$61.7 million, or 58%. The increase in interest expense from fiscal 2015 to fiscal 2016 and from fiscal 2016 to fiscal 2017 is primarily due to the increase in outstanding bonds and the rise in interest rates.

Earnings on Investments Credited to Mortgagors

During the construction period, certain mortgages are credited with the earnings on unadvanced bond proceeds held in the construction financing accounts and the capitalized interest accounts. Fluctuations result from the timing of the granting of credits to mortgagors and interest earned on investments during the period. Earnings on investments credited to mortgagors increased from \$2.3 million in fiscal 2016 to \$4.9 million in fiscal 2017, representing an increase of approximately \$2.6 million, or 113%. This compares with an increase from \$500 thousand in fiscal 2015 to \$2.3 million in fiscal 2016, representing an increase of approximately \$1.8 million, or 362%.

General Expenses

General expenses include certain administrative expenses in addition to other financial expenses. General expenses increased from \$21.9 million in fiscal 2016 to \$23.4 million in fiscal 2017, an increase of approximately \$1.5 million, or 7%, as compared with an increase from \$16.0 million in fiscal 2015 to \$21.9 million in fiscal 2016, an increase of approximately \$5.9 million, or 37%. The changes were primarily the result of fluctuations due to increases in staffing and other personnel services expenses relating to the Governor's housing plan initiative.

Cost of Issuance and Other Financial Expenses

Cost of issuance and other financial expenses represent the following: cost of issuance expenses associated with issuing bonds, letter of credit fees and remarketing fees. Cost of issuance and other financial expenses decreased from \$3.8 million in fiscal 2016 to \$2.7 million in fiscal 2017, a decrease of approximately \$1.1 million, or 28% as a result of decreased arbitrage costs incurred in fiscal 2017. This compares with an increase from \$3.3 million in fiscal 2015 to \$3.8 million in fiscal 2016, an increase of approximately \$500 thousand, or 15%.

Supervising Agency Fee

Supervising Agency Fee includes amounts due to the State and certain State agencies, including the New York State Division of Housing and Community Renewal ("DHCR"). Supervising Agency Fees amounts due to the State decreased by approximately \$300 thousand, or 2% from \$10.5 million in fiscal 2016 to \$10.2 million in fiscal 2017. This compares with an increase from \$10.3 million in fiscal 2015 to \$10.5 million in fiscal 2015, an increase of approximately \$200 thousand, or 2%. The fee has remained the same throughout the period. However, as approved by the Agency's Board of Directors, certain senior staff members on the Agency's payroll perform job duties for DHCR.

Allowance for Losses on Loans

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

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

Allowance for losses on loans increased from \$40.1 million in fiscal 2016 to \$76.4 million in fiscal 2017, an increase of approximately \$36.3 million, or 90%. This compares with an increase from \$21.1 million in fiscal 2015 to \$40.1 million in fiscal 2016, an increase of approximately \$19.0 million, or 90%. Each year's increase primarily relates to the increased use of Agency funds to finance subsidy loans and the restructuring of certain Mitchell Lama first mortgage loans to subordinate debt.

Non-operating revenues (expenses)

Net Transfers from Agencies of the State of New York

Net Transfers from Agencies of the State of New York increased from \$44.7 million in fiscal 2016 to \$92.0 million in fiscal 2017, an increase of approximately \$47.3 million, or 106%. This compares with an increase from \$41.2 million in fiscal 2015 to \$44.7 million in fiscal 2016, an increase of approximately \$3.5 million, or 9%. The increases represent the increased receipt of funds from state sources, received by the Agency to fund subsidy loans.

In addition, during fiscal 2017, 2016 and 2015, the Agency transferred \$1.8 million, \$1.0 million and \$6.8 million, respectively, to its subsidiary The Affordable Housing Corporation ("AHC") in order to contribute to the cost of its administrative salaries and direct expenses.

Federal Grants

Federal Grants represent funds received from the federal government which are then remitted to various housing developments. Federal Grants increased from \$5.3 million in fiscal 2016 to \$5.9 million in fiscal 2017, an increase of approximately \$600 thousand, or 12%. This compares with a decrease from \$6.0 million in fiscal 2015 to \$5.3 million in fiscal 2016, a decrease of approximately \$700 thousand, or 12%. Federal Grants represent Housing Assistance Payments received from the U.S. Department of Housing and Urban Development to subsidize a portion of the rent paid by eligible tenants in two housing projects. The amounts vary based on the eligible tenant's family income during the period.

Gain on Extinguishment of Debt

Gain on extinguishment of debt increased from \$0 in fiscal 2015 and 2016 to \$4.1 million in fiscal 2017 as a result of the write-off of the bond premium relating to the State Personal Income Tax Revenue Bonds: 2007 Series C, 2008 Series B and 2009 Series A which were refunded in fiscal 2017.

New York State Housing Finance Agency

(A Component Unit of the State of New York)

STATEMENTS OF NET POSITION

(in thousands)

	October 31,	
	2017	2016
Assets		
Current Assets:		
Cash held principally by Trustee and Depository - Restricted	\$ 256,230	\$ 322,470
Cash held principally by Trustee and Depository - Unrestricted	12,403	8,643
Investments - Restricted	1,853,159	1,974,332
Investments - Unrestricted	238,877	209,150
Accrued interest receivable on investments	3,557	2,206
Mortgage loans and other loans - net	255,131	446,038
Interest receivable and other	67,173	63,249
Total current assets	2,686,530	3,026,088
Non-current Assets:		
Investments - Restricted	20,217	32,276
Investments - Unrestricted	46,606	36,731
Mortgage loans and other loans - net	15,458,740	13,688,369
Capital assets - internal use software	7,351	2,284
Total non-current assets	15,532,914	13,759,660
Total assets	18,219,444	16,785,748
Deferred outflows of resources		
Accumulated decrease in fair value of hedging derivatives	18,369	27,552
Deferred outflows relating to pension	1,840	3,829
Total deferred outflows of resources	20,209	31,381
Liabilities		
Current Liabilities:		
Bonds payable and other debt obligations	158,031	338,840
Funds received from mortgagors	38,994	33,712
Accounts payable and other	15,515	10,976
Interest payable	60,553	44,802
Funds received from governmental entities	84,295	73,227
Earnings restricted to project development	9,193	4,269
Amounts received in advance and other	301,919	302,020
Total current liabilities	668,500	807,846
Non-current Liabilities:		
Bonds payable and other debt obligations (net)	16,622,550	15,109,360
Derivative instrument - interest rate swaps	18,369	27,552
Unearned revenues, amounts received in advance and other	2,616	56,028
Other postemployment benefits	48,407	47,112
Net pension liability	2,291	3,850
Total non-current liabilities	16,694,233	15,243,902
Total liabilities	17,362,733	16,051,748
Deferred inflows of resources		
Gain on defeasance - net	789	1,306
Deferred intflows relating to pension	348	456
Total deferred inflows of resources	1,137	1,762
Net position		
Restricted for bond and other obligations	631,661	574,028
Unrestricted	244,122	189,591
Total net position	\$ 875,783	\$ 763,619

See notes to financial statements.

New York State Housing Finance Agency

(A Component Unit of the State of New York)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in thousands)

	Fiscal Year Ended October 31,	
	2017	2016
Operating revenues		
Interest on mortgage loans	\$ 301,970	\$ 198,184
Fees, charges and other	77,368	66,696
Investment income	13,343	7,401
Unrealized (loss) gain on investments held	(453)	184
Recoveries	7,937	6,716
Total operating revenues	400,165	279,181
Operating expenses		
Interest	270,711	168,468
Earnings on investments and other funds credited to mortgagors and lessees	4,945	2,320
Other postemployment benefits	1,497	2,148
General expenses	23,366	21,919
Other financial expenses	2,708	3,767
Supervising agency fee	10,238	10,474
Allowance for losses on loans	76,377	40,097
Total operating expenses	389,842	249,193
Operating income	10,323	29,988
Non-operating revenues (expenses)		
Transfers from Agencies of New York State	94,099	45,744
Transfers to Agencies of New York State	(2,076)	(1,017)
Federal grant revenue	5,946	5,290
Federal grant expense	(5,946)	(5,290)
Reserve funds received from mortgagors	5,761	2,628
Gain on extinguishment of debt	4,057	—
Net non-operating revenues	101,841	47,355
Increase in net position	112,164	77,343
Total net position - beginning of fiscal year	763,619	686,276
Total net position - end of fiscal year	\$ 875,783	\$ 763,619

See notes to financial statements.

New York State Housing Finance Agency

(A Component Unit of the State of New York)

STATEMENTS OF CASH FLOWS

(in thousands)

	Fiscal Year Ended October 31,	
	2017	2016
Cash flows from operating activities		
Interest on loans	\$ 279,247	\$ 198,193
Fees, charges and other	77,368	66,694
Operating expenses	(35,990)	(37,194)
Principal payments on mortgage loans	1,660,600	727,448
Mortgage loans advanced	(3,309,018)	(2,439,197)
Funds received from mortgagors	66,592	86,865
Funds returned to mortgagors	(93,973)	(26,396)
Funds received from governmental entities	112,974	62,023
Distribution of funds received from governmental entities	(7,795)	(886)
Recoveries and other	(26)	456
Net cash used in operating activities	(1,250,021)	(1,361,994)
Cash flows from non-capital financing activities		
Interest payments	(256,451)	(159,015)
Issuance of bonds	2,530,409	2,284,254
Retirement and redemption of bonds	(1,196,506)	(586,176)
Federal grant revenue	5,946	5,290
Federal grant expense	(5,946)	(5,290)
Net cash provided by non-capital financing activities	1,077,452	1,539,063
Cash flows from investing activities		
Investment income	16,915	7,857
Proceeds from sales or maturities of investments	10,514,431	7,651,574
Purchases of investments	(10,421,256)	(7,729,681)
Net cash provided by (used in) investing activities	110,090	(70,250)
Net (decrease) increase in cash	(62,479)	106,819
Cash at beginning of fiscal year	331,112	224,293
Cash at end of fiscal year	\$ 268,633	\$ 331,112
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$ 10,323	\$ 29,988
Adjustments to reconcile operating loss to net cash used in operating activities:		
Interest Expense	270,711	168,468
Investment Income	(12,890)	(7,399)
Allowance for losses on loans	76,377	40,097
Other	29,602	(6,344)
Changes in assets and liabilities - net:		
Mortgage loan receivables	(1,648,418)	(1,711,749)
Interest receivable and other	(22,723)	69
Accounts and other payables	(35,746)	3,270
Funds received from mortgagors	82,743	121,606
Net cash used in operating activities	\$ (1,250,021)	\$ (1,361,994)
Non-cash investing activities		
Unrealized (loss) gain on investments held	\$ (453)	\$ 184

See notes to financial statements.

NEW YORK STATE HOUSING FINANCE AGENCY

(A COMPONENT UNIT OF THE STATE OF NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEARS ENDED OCTOBER 31, 2017 AND 2016

NOTE 1 – THE AGENCY

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

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

The Agency finances most of its activities through the issuance of bonds. As of October 31, 2017, the Agency is authorized to issue bonds up to the amount of approximately \$26.78 billion (approximately \$24.28 billion as of October 31, 2016) to finance housing projects. Additionally, as of October 31, 2017, the Agency is authorized to issue Service Contract Obligation Revenue Bonds, Service Contract Revenue Bonds and Personal Income Tax Revenue Bonds in the amount of approximately \$5.38 billion (approximately \$4.70 billion as of October 31, 2016).

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- M. **USE OF ESTIMATES:** The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts and disclosures included in the Agency's financial statements during the reporting periods. Actual amounts could differ from these estimates.
- N. **ALLOWANCE FOR POTENTIAL LOSSES ON LOANS:** An allowance has been established for possible uncollectible mortgage loans and accrued interest (see note 3). Annually, the allowance is reviewed for reasonableness. Provisions for uncollectible receivables are recorded when it has been determined that a probable loss has occurred.
- O. **NET POSITION:** The Agency's Net Position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources. It consists largely of mortgage loans and investments. The Agency's net position is categorized as follows:
- Restricted Net Position: Represents assets that have been restricted in use in accordance with the terms of bond indentures, grant awards, agreements or by State law, reduced by the outstanding balance of any debt that is attributable to those assets. This includes mortgage loan assets, bond proceeds and reserve funds that are pledged to bondholders and funds held pursuant to contractual obligations with New York State.
- Unrestricted Net Position: Represent assets that do not meet the definition of restricted.
- P. **REFUNDING OF DEBT:** Gains or losses in connection with advanced refundings are recorded as either a deferred inflow (gain) or deferred outflow (loss) of resources and amortized as an adjustment to interest expense over the original life of the refunded bonds or the life of the refunding bonds, whichever is shorter.
- Q. **DERIVATIVE INSTRUMENTS:** The Agency has entered into various interest rate swap contracts in order to manage the risks associated with interest due on its State Revenue Bond Program portfolio. The Agency recognizes the fair value of all derivative instruments as either an asset or liability on its statements of net position with the offsetting gains or losses recognized in earnings or as either deferred inflows or outflows if deemed an effective hedge.
- R. **CAPITAL ASSETS – INTERNAL USE SOFTWARE:** Expenditures for the purchase, development or licensing of computer software having a cost greater than \$500 thousand are capitalized and amortized on a straight-line basis, generally over the license term (if applicable) or the estimated useful life of the software.
- S. **RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS:** In March 2016, GASB issued Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73* ("GASB No. 82"). The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this statement are effective for fiscal years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

beginning after June 15, 2017. The adoption of this standard had an impact on the Agency's required supplementary information only.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14* ("GASB No. 80"). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The provisions of this statement are effective for fiscal years beginning after June 15, 2016. The adoption of this standard did have an impact on the Agency's financial statements.

- T. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED: In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"). The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Agency is currently evaluating the impact this standard will have on its financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017* ("GASB No. 85"). The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits ("OPEB")). The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Agency is currently evaluating the impact this standard will have on its financial statements.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* ("GASB No. 86"). The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Agency is currently evaluating the impact this standard will have on its financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2017, GASB issued Statement No. 87, *Leases* (“GASB No. 87”). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The provisions of this statement are effective for fiscal years beginning after December 15, 2019. The Agency is currently evaluating the impact this standard will have on its financial statements.

NOTE 3 – RECEIVABLES

MORTGAGE LOANS

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

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

The Agency had outstanding, under various loan programs, mortgage loans receivable (net of the allowances for potential losses on loans) in the amounts of \$15.714 billion and \$14.134 billion at October 31, 2017 and 2016, respectively. The allowances for potential loan losses amounted to \$668.5 million and \$517.4 million at October 31, 2017 and 2016, respectively as described below.

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

SUBORDINATE MORTGAGE LOANS

Subordinate mortgage loans are not secured by credit enhancement and their terms require payments which are deferred until other obligations are satisfied. Subordinate loans are made in the form of subsidy mortgage loans and are recorded as mortgage loans receivable. Therefore, an allowance is established for the full amount of such loans not making current payments. As of October 31, 2017, subsidy loans were outstanding in the amount of \$395.8 million, with an allowance established in the amount of \$393.5 million. As of October 31, 2016, subsidy loans were outstanding in the amount of \$312.2 million, with an allowance established in the amount of \$312.2 million.

In addition, subordinate loans were issued in connection with the refinancing of certain Mitchell Lama loans. Those loans are fully reserved against and amounted to \$266.9 million and \$163.9 million as of October 31, 2017 and 2016, respectively.

OTHER PROGRAMS

Allowances have been established in certain other programs in the amount \$8.1 million as of fiscal 2017 and fiscal 2016.

NOTE 4 – DEPOSITS AND INVESTMENTS

The Agency may become exposed to custodial credit risk in the event of bank failure which may result in deposits being encumbered and not available when needed. To mitigate this risk, Agency guidelines and policies establish a minimum capitalization of \$50.0 million for banks and \$250.0 million for trustees; ratings requirements of at least within the second highest rating category without regard to gradations by Moody's Investor Services or Standard & Poor's for banks and at least within the third highest ratings category without regards to gradations by Moody's Investor Services and Standard & Poor's for trustees. Certain deposits held in HFA's bank accounts are insured by federal depository insurance and certain are collateralized with securities held by custodian banks. At October 31, 2017, the Agency's cash held by the New York State Department of Taxation and Finance and in depository institutions, amounted to \$1.084 billion (\$331.1 million at October 31, 2016). The uninsured cash balances were primarily amounts temporarily held by trustees and paying agents pending debt service payments, disbursements or investments.

CREDIT RISK

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

DIVERSIFICATION STANDARDS

The Agency's investments, other than securities, shall be diversified among banks, but no more than 35% of the Agency's total invested funds may be invested with any single such institution, and investments with any single institution shall not exceed 20% of that institution's capital. These standards may be waived by the Agency's Chairman or the President and Chief Executive Officer. At October 31, 2017 and 2016, there was no single investment that exceeded 20% of the Agency's funds and no more than 35% of the Agency's total invested funds were invested with any single such institution.

INTEREST RATE RISK

Interest rate risk is minimal due to the short term duration of the Agency's investments in the other than collateralized investment agreements category. Rates on collateralized investments are linked to interest rates on applicable bonds so that interest rate risk is minimal. Securities purchased from revenues are invested in U.S. Treasury Obligations with maturities as close as practicable to the next debt service payment date or date of usage, typically six months or less. See note 5 for investment detail by maturity.

The fair value of investments excluding accrued interest as of October 31, 2017 and October 31, 2016 is as follows:

	<u>2017</u>	<u>2016</u>
	(in thousands)	
Investment Type:		
Collateralized Investment Agreements	\$ 14,650	\$ 33,750
U.S. Treasury Obligations	2,139,464	2,212,089
Other	4,745	6,650
Total	<u>\$ 2,158,859</u>	<u>\$ 2,252,489</u>

NOTE 5 – MATURITY OF INVESTMENTS

As of October 31, 2017, the Agency had the following investments and maturities in two categories: Restricted Funds and Unrestricted Funds.

Values below are at fair value excluding accrued interest as of October 31, 2017:

	Investment Maturities (In Years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
	(in thousands)				
Restricted Funds:					
Collateralized Investment Agreements	\$ 14,650	\$ —	14,650	—	—
Repurchase Agreements	199,348	199,348	—	—	—
U.S. Treasury Bills	1,498,583	1,498,583	—	—	—
U.S. Discount Notes	110,686	110,686	—	—	—
U.S. Treasury Bonds	934	309	—	224	401
U.S. Treasury Strips	42,436	42,430	—	6	—
Government Agencies	4,745	114	4,631	—	—
	<u>1,871,382</u>	<u>1,851,470</u>	<u>19,281</u>	<u>230</u>	<u>401</u>
Unrestricted:					
U.S. Treasury Bills	161,868	161,868	—	—	—
U.S. Treasury Bonds	247	38	209	—	—
U.S. Treasury Notes	82,661	35,961	46,700	—	—
U.S. Treasury Strips	42,701	42,699	—	2	—
	<u>287,477</u>	<u>240,566</u>	<u>46,909</u>	<u>2</u>	<u>—</u>
Grand Total:					
Collateralized Investment Agreements	14,650	—	14,650	—	—
Repurchase Agreements	199,348	199,348	—	—	—
U.S. Treasury Bills	1,660,451	1,660,451	—	—	—
U.S. Discount Notes	110,686	110,686	—	—	—
U.S. Treasury Bonds	1,181	347	209	224	401
U.S. Treasury Notes	82,661	35,961	46,700	—	—
U.S. Treasury Strips	85,137	85,129	—	8	—
Government Agencies	4,745	114	4,631	—	—
	<u>\$ 2,158,859</u>	<u>\$ 2,092,036</u>	<u>\$ 66,190</u>	<u>\$ 232</u>	<u>\$ 401</u>

NOTE 6 – FAIR VALUE MEASUREMENT

In February 2015, GASB issued Statement No. 72. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The Agency categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. The hierarchy is based on the evaluation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency had the following recurring fair value measurements as of October 31, 2017 and 2016:

Investment and Derivative Instruments Measured at Fair Value

	<u>October 31, 2017</u>		<u>October 31, 2016</u>	
	Amount	Level	Amount	Level
	(\$ in thousands)			
U.S. Treasury Bills	\$ 1,660,451	2	\$ 1,936,808	2
U.S. Discount Notes	110,686	2	—	—
U.S. Treasury Bonds	1,181	2	1,730	2
U.S. Treasury Notes	82,661	2	82,610	2
U.S. Treasury Strips	85,137	2	82,941	2
Government Agencies	4,745	2	6,650	2
Total	<u>\$ 1,944,861</u>		<u>\$ 2,110,739</u>	
Interest Rate Swaps	<u>\$ (18,369)</u>	2	<u>\$ (27,552)</u>	2

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates. As of October 31, 2017 and 2016, collateralized investment agreements and repurchase agreements were held in the amounts of \$213,998 and \$141,750, respectively, and are valued at amortized cost.

NOTE 7 – BOND INDEBTEDNESS AND OTHER DEBT OBLIGATIONS

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

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

NOTE 7 – BOND INDEBTEDNESS AND OTHER DEBT OBLIGATIONS (continued)

sufficient funds to meet their respective mortgage payments as well as to meet the operating and maintenance costs of the applicable projects.

At October 31, 2017 and 2016, the total debt service reserve requirements were \$36.0 million and \$34.1 million, respectively. The Agency has sufficient funds on deposit within the debt service reserve funds to fully satisfy these requirements. In addition, as of October 31, 2017 and 2016, the Agency has funded the amount of approximately \$8.0 million and \$1.1 million, respectively, in a dedicated Risk Sharing account which is included in the FHA-Insured Multi-Family Housing Revenue Bond Program. This deposit is required by an agreement with HUD.

Included in the bond indebtedness of the Secured Loan Rental Housing Bond Program, the Service Contract Revenue Bonds Program, and the State Personal Income Tax Revenue Bond Program are variable debt as of October 31, 2017 and 2016.

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

Secured Loan Rental Housing - \$13.7 billion and \$12.6 billion at October 31, 2017 and 2016, respectively;
Service Contract Revenue - \$81.2 million and \$104.2 million at October 31, 2017 and 2016, respectively;
State Personal Income Tax Revenue - \$80.0 million at October 31, 2017 and 2016.

The variable rate demand bonds are subject to purchase on the demand of the holder, at a price equal to par plus accrued interest, on seven days notice and delivery of the bonds to the respective tender agents. For each variable rate financing, there is a remarketing agent which is authorized to use its best effort to sell the repurchased bonds at par and a liquidity provider in the form of an irrevocable letter of credit or credit instrument, issued by a major bank, or government sponsored entity, on behalf of the project being financed. The letters of credit are valid with termination dates ranging from January 31, 2018 to May 6, 2049. The tender agent/trustee is entitled to draw on the liquidity facility in an amount sufficient to pay the par value of and accrued interest on bonds delivered to it in the event bonds are not remarketed to, or monies are not received from, a new bondholder in a timely manner.

As of October 31, 2017, the Agency had 14 separate funding loan agreements (“Agreements”) with Citibank N.A. (“Citibank”) to finance mortgage loans under its Secured Loan Program. Under the Agreements, Citibank provides the Agency funds which the Agency then advances as loan proceeds to the projects. This is also referred to as “Back to Back” loan restructuring. This debt obligation is subject to private activity bond volume cap. At October 31, 2017 and 2016, the aggregate principal amount outstanding under this program was \$410.8 million and \$331.9 million, respectively.

In fiscal year 2017, the Agency entered into a new financing agreement with the Federal Financing Bank (“FFB”) for selling beneficial ownership interests in mortgage loans originated by the Agency and insured with the Federal Housing Authority (“FHA”)/HFA Risk Sharing mortgage insurance. This federal initiative reduces costs of the capital for affordable housing. The Agency has sold beneficial ownership interest in its mortgage to FFB. Beneficial ownership interest in mortgage loans that the Agency sells to the FFB are evidenced by certificates of participation from the Agency. The participation proceeds are recorded as payable to the FFB and included in Bonds Payable and Other Debt Obligations on the Statements of Net Position. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the schedule mortgage principal payments. The FFB Loan Participation Certificate Payable balance as of October 31, 2017 was \$2.3 million.

NOTE 7 – BOND INDEBTEDNESS AND OTHER DEBT OBLIGATIONS (continued)

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

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

The principal amount outstanding for bond obligations defeased were as follows:

Projects or Bond Issues Defeased	Fiscal Year Defeased	Principal Amount Remaining of Obligations Defeased	
		October 31, 2017	October 31, 2016
(\$ in thousands)			
North Shore University Hospital - 1970 Series A, 1974 Series A 1977 Series A	1983	\$ 809	\$ 2,444
Wesley Nursing Home - 1971 Series A and 1977 Series A	1984	37	92
Crouse Irving Memorial Hospital - 1972 Series A and 1977 Series A	1985	376	1,026
Community Memorial Hospital - 1971 Series A and 1977 Series A	1985	20	50
Saint Luke's Nursing Home - 1974 Series A and 1977 Series A	1992	19	64
Downtown Nursing Home - 1974 Series A and 1977 Series A	1992	14	49
St. Johnland Nursing Home - 1974 Series A and 1977 Series A	1994	5	25
Brookdale Hospital - 1974 Series A and 1977 Series A	1995	95	385
State Personal Income Tax Revenue Bonds - various series	2016	—	109,885
State Personal Income Tax Revenue Bonds - various series	2017	81,895	—
TOTAL		\$ 83,270	\$ 114,020

NOTE 8 - SUMMARY OF BOND INDEBTEDNESS

Fiscal Year Ended October 31, 2017

(in thousands)

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017	Final Maturity Date
Mortgage Programs:						
Housing Project Bonds-7.75% to 8%	\$ 8,380	1,680	—	575	1,105	2019
Nursing Home and Health Care Project Revenue Bonds-3.60% to 5.15%	190,080	440	—	440	—	2016
Secured Loan Rental Housing Bonds- 1.10% to 9%	15,427,517	12,820,460	1,813,597	782,530	13,851,527	2050
Housing Project Mortgage Revenue Bonds- 3.60% to 6.125%	484,540	695	—	260	435	2020
Affordable Housing Revenue Bonds- 0.15% to 6.80%	3,294,725	2,039,140	699,840	236,960	2,502,020	2054
Affordable Housing Revenue Bonds- (Federal New Issue Bond Program) - ("NIBP") 2009 Series 1 2.47% to 3.68%	259,460	234,035	—	4,410	229,625	2044
New Issues: 0.30% to 3.80%	51,980	5,510	—	980	4,530	2022
Total Mortgage Programs	19,716,682	15,101,960	2,513,437	1,026,155	16,589,242	
Other Programs:						
State Revenue Bond Programs - 1.35% to 5.35%	588,000	344,425	—	153,380	191,045	2039
Total Other Programs	588,000	344,425	—	153,380	191,045	
Total Bond Indebtedness	20,304,682	15,446,385	2,513,437	1,179,535	16,780,287	
Unamortized Bond Premium	—	1,815	—	1,521	294	
Total Net Bond Indebtedness	\$ 20,304,682	15,448,200	2,513,437	1,181,056	16,780,581	

NOTE 9 - DEBT SERVICE REQUIREMENTS

(in thousands)

		Housing Project Bonds	Affordable Housing Revenue Bonds	Affordable Housing Revenue Bonds (NIBP)	Secured Loan Rental Housing Bonds (and Other)*	Housing Project Mortgage Revenue Bonds	SCOR/ State Revenue/ Personal Income/Bond Programs**	Total
Principal:								
Fiscal Year ending October 31,								
2018	\$	620	109,360	5,375	5,156	285	37,235	158,031
2019		485	189,850	5,555	4,653	150	39,880	240,573
2020		—	315,220	5,820	4,730	—	29,030	354,800
2021		—	153,310	6,045	4,821	—	7,500	171,676
2022		—	258,440	31,805	6,071	—	18,700	315,016
Five years ending October 31,								
2027		—	224,725	38,000	77,210	—	44,000	383,935
2032		—	286,740	46,220	874,117	—	14,700	1,221,777
2037		—	357,735	56,750	2,252,523	—	—	2,667,008
2042		—	356,300	38,585	3,283,835	—	—	3,678,720
2047		—	241,770	—	2,573,904	135,108	—	2,950,782
* 2052		—	8,570	—	4,480,770	148,629	—	4,637,969
	\$	1,105	2,502,020	234,155	13,567,790	284,172	191,045	16,780,287
Interest expense:								
Fiscal Year ending October 31,								
2018	\$	76	75,950	6,599	1,334,310	15,413	19,759	1,452,107
2019		26	74,810	6,443	1,363,562	15,396	16,172	1,476,409
2020		—	71,673	6,279	1,363,315	15,391	12,701	1,469,359
2021		—	67,439	6,105	1,363,072	15,391	9,876	1,461,883
2022		—	310,165	27,815	1,364,075	76,953	43,860	1,822,868
Five years ending October 31,								
2027		—	274,357	22,943	6,791,937	76,953	23,736	7,189,926
2032		—	226,148	17,068	6,605,391	76,953	1,776	6,927,336
2037		—	161,261	9,910	5,749,017	76,953	—	5,997,141
2042		—	87,530	2,056	4,476,885	76,953	—	4,643,424
2047		—	19,329	—	2,900,196	60,141	—	2,979,666
* 2052		—	562	—	911,052	22,837	—	934,451
	\$	102	1,369,224	105,218	34,222,812	529,334	127,880	36,354,570
Total debt service requirements:								
Fiscal Year ending October 31,								
2018	\$	696	185,310	11,974	1,339,466	15,698	56,994	1,610,138
2019		511	264,660	11,998	1,368,215	15,546	56,052	1,716,982
2020		—	386,893	12,099	1,368,045	15,391	41,731	1,824,159
2021		—	220,749	12,150	1,367,893	15,391	17,376	1,633,559
2022		—	568,605	59,620	1,370,146	76,953	62,560	2,137,884
Five years ending October 31,								
2027		—	499,082	60,943	6,869,147	76,953	67,736	7,573,861
2032		—	512,888	63,288	7,479,508	76,953	16,476	8,149,113
2037		—	518,996	66,660	8,001,540	76,953	—	8,664,149
2042		—	443,830	40,641	7,760,720	76,953	—	8,322,144
2047		—	261,099	—	5,474,100	195,249	—	5,930,448
* 2052		—	9,132	—	5,391,822	171,466	—	5,572,420
	\$	1,207	3,871,244	339,373	47,790,602	813,506	318,925	53,134,857

*Final maturity date

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

NOTE 10 – INTEREST RATE EXCHANGE AGREEMENTS (SWAPS)

The Agency has entered into three negotiated swaps as part of its risk management program, serving to increase financial flexibility and reduce interest costs. These swaps were entered into with two financial institutions, J.P. Morgan Chase and Bear Stearns, now one entity – J.P. Morgan Chase (the Counterparty) for a total notional principal of \$161,150,000. Together the maturity and amortization of these swaps correspond to the maturity and amortization of the underlying Service Contract Revenue Refunding Bonds (SCR) 2003 Series L and M and the State Personal Income Tax Revenue Bonds (Economic Development and Housing) (PIT) 2005 Series C.

The fair value balances and notional amounts of derivative instruments outstanding at October 31, 2017, classified by type, and the changes in fair value of such derivative instruments are as follows:

	Changes in fair value		Fair value at October 31, 2017		Notional
	Classification	Amount	Classification	Amount	
Cash flow hedge	Deferred outflow	\$9,182,941	Debt	(\$18,369,092)	\$161,150,000

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

OBJECTIVE AND TERMS OF HEDGING DERIVATIVE INSTRUMENTS

The following table displays the objective and terms of the Agency's hedging derivative instruments outstanding at October 31, 2017, along with the credit rating of the associated counterparty:

Type	Objective	Terms				Fair value	Counterparty: J.P.Morgan Credit Rating
		Notional Amount	Effective Date	Maturity Date	Fixed rate paid		
Synthetic fixed rate swap	Hedge of changes in cash flows of SCR	(1)\$40,575,000	8/28/2003	9/15/2021	3.660%	(\$1,968,438)	Moody's: Aa3
	2003 Series L (1) and M (2) bonds and	(2)\$40,575,000	8/28/2003	9/15/2021	3.656%	(\$1,964,994)	S&P: A+
	PIT 2005 Series C (3) bonds.*	(3)\$80,000,000	3/10/2005	3/15/2033	3.336%	(\$14,435,660)	Fitch: AA-

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

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

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

NOTE 10 – INTEREST RATE EXCHANGE AGREEMENTS (SWAPS) (continued)

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

BASIS RISK: The Agency is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Agency on these hedging derivative instruments are based on a rate other than interest rates the Agency pays on its hedged variable-rate debt, which is remarketed every 30 days. As of October 31, 2017, the weighted-average interest rate on the Agency’s hedged variable-rate debt is 0.9178 percent, while the applicable 65% percent of LIBOR rate is 0.8053 percent.

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

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

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

The table that follows represents debt service payments relating to the Agency’s hedged derivative instrument payments and debt. As of October 31, 2017, the debt service requirements of the Agency’s hedged variable rate debt and net receipts or payments on associated derivative instruments for the period hedged are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for the term of the respective swaps. As these rates vary, interest payments on variable-rate bonds and net receipts or payments on the hedging derivative instruments will vary.

Year Ended	Fixed Interest			
October 31,	Principal	Interest	Rate Swaps, net	Total
(in thousands)				
2018	\$ 24,300	\$ 1,424	\$ 4,169	\$ 29,893
2019	25,400	1,199	3,468	30,067
2020	26,550	964	2,737	30,251
2021	7,500	757	2,096	10,353
2022	800	710	1,953	3,463
2023-2027	26,100	3,173	8,728	38,001
2028-2032	45,500	1,412	3,883	50,795
2033-2037	5,000	23	63	5,086
TOTAL	\$ 161,150	\$ 9,662	\$ 27,097	\$ 197,909

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Retiree contributions towards the cost of the benefits are determined depending on a number of factors, including hire date, years of service, and/or retirement date. GASB Statement No. 45 requires the valuation must be calculated at least biennially. The most recent biennial valuation was calculated with a valuation date of November 1, 2015 and was used as the basis for the determination of costs for the years ended October 31, 2017 and 2016. The total number of Agency and AHC retirees and surviving spouses receiving OPEB from the Agency as of November 1, 2015 was 69.

The Agency elected to record the entire amount of the net OPEB obligation in the fiscal year ended October 31, 2006. The Agency also elected not to fund the net OPEB obligation more rapidly than on a pay-as-you-go basis. The net OPEB obligation relating to postemployment benefits is in the approximate amounts of \$48.4 million and \$47.1 million as of October 31, 2017 and 2016, respectively.

The Agency is not required by law or contractual agreement to provide funding for other postemployment benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. During the fiscal years ended October 31, 2017 and 2016, the Agency paid \$995 thousand and \$895 thousand, respectively.

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

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

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The following table shows the elements of the Agency’s annual OPEB cost for the year, the amount actually paid, and changes in the Agency’s net OPEB obligation to the plan for the years ended October 31, 2017 and 2016:

	2017	2016
	(in thousands)	
Annual required contribution (ARC)	\$ 6,400	\$ 6,148
Interest on net OPEB obligation	1,413	1,376
Adjustment to ARC	(5,523)	(5,376)
Annual OPEB cost	2,290	2,148
Payments made	(995)	(895)
Increase in net OPEB obligation	1,295	1,253
Net OPEB obligation—beginning of year	47,112	45,859
Net OPEB obligation—end of year	<u>\$ 48,407</u>	<u>\$ 47,112</u>

The Agency’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended October 31, 2017, October 31, 2016 and October 31, 2015 are as follow:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid (\$ in thousands)	Net OPEB Obligation
10/31/2017	\$2,290	43.41%	\$48,407
10/31/2016	\$2,148	41.67%	\$47,112
10/31/2015	\$3,594	23.87%	\$45,859

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The OPEB-specific actuarial assumptions used in the Agency’s November 1, 2015 OPEB actuarial valuations were based on the projected unit credit method (as its actuarial cost method), a 3.00% per annum discount rate and that retiree contributions are assumed to increase at the same rates as incurred claims.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

These premiums are further adjusted to reflect the difference in healthcare costs by age in developing plan liabilities.

Monthly premium rates are shown in the following table:

Monthly Rate Effective as of October 31, 2017

Eligible-Medicare	<u>Basic</u>
Single	\$722.61
Family	\$1,813.90

2017 Medicare Part B premiums are assumed to increase by Part B trend rates. No retiree is assumed to have income in excess of the threshold which would result in increasing Part B premiums above 25% of Medicare Part B costs.

Health Care Cost Trend Rate (HCCTR). Covered medical expenses are assumed to increase by the following percentages which incorporate potential excise taxes due to the Affordable Care Act:

HCCTR Assumptions

<u>Year Ending</u>	<u>Rate</u>	<u>Year Ending</u>	<u>Rate</u>
2016	6.2%	2030	5.2%
2017	6.1%	2035	6.0%
2018	5.9%	2040	5.8%
2019	5.6%	2050	5.2%
2020	5.4%	2060	5.0%
2025	5.0%	2080	4.1%

Mortality rates listed below are those recommended by the actuary:

<u>Age</u>	<u>Male</u>	<u>Female</u>
60	0.643%	0.575%
65	1.086%	0.961%
70	1.770%	1.553%
75	3.062%	2.492%
80	5.536%	4.129%
85	9.968%	7.076%

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

NOTE 12 – PENSION PLANS

NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM

PLAN DESCRIPTION & BENEFITS PROVIDED

The Agency, together with its subsidiary AHC, participate in the New York State and Local Employees' Retirement System ("ERS") which together with the New York State and Local Police and Fire Retirement System ("PFRS") is collectively referred to as New York State and Local Retirement System ("NYSLRS"). These are cost-sharing multiple-employer retirement systems. The NYSLRS provides retirement benefits as well as death and disability benefits. The net position of the NYSLRS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the NYSLRS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. NYSLRS benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the NYSLRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The NYSLRS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The amount the Agency is billed by NYSLRS for pension costs also include pension costs relating to AHC. As a result, the Agency's deferred amount for pensions and net pension liability includes the portion relating to AHC. The service agreement between the Agency and AHC provides for an allocation of these costs to AHC, representing its share of these amounts.

EMPLOYEE CONTRIBUTIONS

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the system uses a tier concept, ranging from Tier 1 to 6, to distinguish these groups. Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Employee contributions for employees of the Agency and AHC for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Year 2017	\$140,488
Year 2016	\$120,414
Year 2015	\$90,196

NOTE 12 – PENSION PLANS (continued)

- Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:
 - For State fiscal year (“SFY”) 2004-05, the amount in excess of 7 percent of employees’ covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
 - For SFY 2005-06, the amount in excess of 9.5 percent of employees’ covered pensionable salaries.
 - For SFY 2007-08, the amount in excess of 10.5 percent of employees’ covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the NYSLRS’s fiscal years ending March 31, 2005 through 2008. The Agency has made all required payments on a current basis.

PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At October 31, 2017 and 2016, the Agency reported a liability of approximately \$2.291 million and \$3.850 million respectively for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017 and 2016 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2017 and 2016, the Agency’s proportion was 0.0243816% and 0.0239870% respectively.

For the years ended October 31, 2017 and 2016, the Agency recognized pension expense of approximately \$1,497,326 and \$1,515,216 respectively. At October 31, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$57,409	\$347,893
Changes of Assumptions	782,671	—
Net difference between projected and actual earnings on pension plan investments	457,595	—
Changes in proportion and differences between contributions and proportionate share of contributions	542,175	—
Total	\$1,839,850	\$347,893

NOTE 12 – PENSION PLANS (continued)

There were no amounts reported as deferred outflows of resources related to pensions resulting from the Agency's contributions subsequent to the measurement date. The cumulative net amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended October 31:

2018	\$618,649
2019	\$618,649
2020	\$516,692
2021	(\$262,033)

ACTUARIAL ASSUMPTIONS

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuations for NYSLRS used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation rate	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS, indexed by service
Investment rate of return, including inflation	7.0% compounded annually, net of investment expenses
Cost of living adjustments	1.3% annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 – March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014

NOTE 12 – PENSION PLANS (continued)

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 return, net of 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 weighting 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36%	4.55%
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies*	2	4.00
Opportunistic Portfolio	3	5.89
Real Asset	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.50%

- * Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

DISCOUNT RATE

The discount rate used to calculate the total pension liability as of March 31, 2017 and 2016 was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the NYSLRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12 – PENSION PLANS (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the collective net pension liability of participating employers calculated using a discount rate assumption of 7.0%, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate (in thousands):

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1%</u> <u>Increase</u>
		(in thousands)	
October 31, 2017	6.0%	7.0%	8.0%
Agency's proportionate share of the pension liability	\$7,317	\$2,291	(\$1,958)
October 31, 2016	6.0%	7.0%	8.0%
Agency's proportionate share of the pension liability	\$8,681	\$3,850	(\$232)

DEFERRED COMPENSATION PLAN

Some employees of the Agency have elected to participate in the State's deferred compensation plan in accordance with Internal Revenue Code Section 457. Agency employees contributed \$282 thousand and \$277 thousand during fiscal 2017 and fiscal 2016, respectively.

NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION PROGRAM

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

Beginning July 1, 2013, all non-union employees hired on or after July 1, 2013 with an annual salary of \$75,000 or more were given the option of joining the VDC program. The VDC Program provides benefits that are based on contributions made by both the Agency and the participant. Employee contribution rates range from 4.5% to 6%, dependent upon annual salary. The employer contribution rate is 8% of gross income. All contributions and any subsequent earnings are to be held by the Agency in a segregated account and credited to the individual accounts for each plan participant. Employees vest after one year of service, at which time their entire account balance is transferred to an investment firm of their choosing within the VDC Program. The amount owed to participants upon retirement is based solely on the account balance at the time of withdrawal. Employees may irrevocably choose either the New York State and Local Employees' Retirement System or the VDC Program, but not both. As of October 31, 2017, there were no Agency employees enrolled in the VDC Program.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

LOANS

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

As of October 31, 2017 and 2016, the Agency held undistributed bond proceeds which will be used to fund its outstanding loan commitments in the amounts of \$2.26 billion and \$2.86 billion, respectively.

OFFICE LEASES

The Agency is obligated under leases for office locations in the City of New York (the “City”) and Buffalo. The Agency and the State of New York Mortgage Agency (“SONYMA”) entered into an operating lease for office space in the City which commenced in fiscal year 1994 for a term of fifteen years. The lease was renewed during the fiscal year ended October 31, 2007, effective January 1, 2009 for a term of ten years, and expires on January 31, 2019.

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

Rental expense for all office locations for both fiscal years ended October 31, 2017 and October 31, 2016 was \$2.9 million and \$2.8 million, respectively, net of allocations to certain State-related agencies. As of October 31, 2017, the pro rata share of future minimum lease payments, for which the Agency is responsible under the non-cancelable operating leases is as follows:

Year	(in thousands)
2018	2,366
2019 (three months)	591
Future minimum lease commitments	\$2,957

LITIGATION

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

RISK MANAGEMENT

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

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to October 31, 2017 and 2016, a total of \$607.9 million and \$246.9 million, respectively, of bonds were issued to finance various housing projects in the course of the Agency's normal business activities.

*Required
Supplemental
Schedules*

New York State Housing Finance Agency

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS - POSTRETIREMENT HEALTHCARE PLAN

(in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	Ratio of UAAL to Covered Payroll
	(A)	(B)	(C=B-A)	(A/C)	(D)	(C/D)
November 1, 2015	—	\$40,099	\$40,099	—	\$7,811	513%
November 1, 2013	—	\$45,752	\$45,752	—	\$6,798	673%
November 1, 2011	—	\$47,012	\$47,012	—	\$7,639	615%

New York State Housing Finance Agency

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS TO THE NYSLRS LAST 10 FISCAL YEARS

	2017	2016	2015	2014	2013
	(\$ in thousands)				
Contractually required contribution	\$ 1,175	1,400	1,400	1,200	1,300
Contributions in relation to the contractually required contribution	1,175	1,400	1,400	1,200	1,300
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll	\$ 7,909	7,811	7,700	7,200	6,600
Contributions as a percentage of covered payroll	15%	18%	18%	17%	20%

	2012	2011	2010	2009	2008
	(\$ in thousands)				
Contractually required contribution	\$ 1,500	975	577	490	599
Contributions in relation to the contractually required contribution	1,500	975	577	490	599
Contribution deficiency (excess)	\$ —	—	—	—	—
Covered payroll	\$ 7,000	7,700	8,100	7,800	7,400
Contributions as a percentage of covered payroll	21%	13%	7%	6%	8%

New York State Housing Finance Agency

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE NEW YORK STATE HOUSING FINANCE

AGENCY'S PROPORTIONATE SHARE OF THE NYSLRS

NET PENSION LIABILITY

OCTOBER 31, 2017, 2016 AND 2015

	2017	2016	2015
The Agency's portion of the net pension liability	.0243816%	.0239870%	.0219085%
The Agency's proportionate share of the net pension liability	\$ 2,291,000	\$ 3,850,000	\$ 740,000
The Agency's covered payroll	\$ 7,909,000	\$ 7,811,000	\$ 7,681,000
The Agency's proportionate share of the net pension liability as a percentage as a percentage of its covered payroll	29.0%	49.3%	9.6%
Plan fiduciary net position as a percentage of the total pension liability	94.7%	90.7%	97.9%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Supplementary Section

New York State Housing Finance Agency

(A Component Unit of the State of New York)

SCHEDULES OF NET POSITION

October 31, 2017

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Housing Project Mortgage Revenue Program
Assets					
Current Assets:					
Cash held principally by Trustee and Depository - Restricted	\$ 74,434	4,526	28,698	750	783
Cash held principally by Trustee and Depository - Unrestricted	—	—	—	—	2
Investments - Restricted	811,955	25,963	833,543	323	42,833
Investments - Unrestricted	—	—	—	—	881
Accrued interest receivable on investments	756	4	761	—	512
Mortgage loans and other loans - net	184,517	5,180	25,635	595	920
Interest receivable and other	6,453	454	17,443	3	—
Total current assets	1,078,115	36,127	906,080	1,671	45,931
Non-current Assets:					
Investments - Restricted	—	—	943	—	14,650
Investments - Unrestricted	—	—	—	—	—
Mortgage loans and other loans - net	1,779,857	226,263	13,280,577	140	464
Capital assets - internal use software	—	—	—	—	—
Total non-current assets	1,779,857	226,263	13,281,520	140	15,114
Total assets	2,857,972	262,390	14,187,600	1,811	61,045
Deferred outflows of resources					
Accumulated decrease in fair value of hedging derivatives	—	—	—	—	—
Deferred outflows relating to pension	—	—	—	—	—
Total deferred outflows of resources	—	—	—	—	—
Liabilities					
Current Liabilities:					
Bonds payable and other debt obligations	109,360	5,375	5,156	620	285
Funds received from mortgagors	8,575	18	2,064	—	74
Accounts payable and other	—	—	—	—	—
Interest payable	38,325	3,318	18,655	—	13
Advances from (to) other programs	21	—	—	—	—
Funds received from governmental entities	—	—	6,877	—	—
Earnings restricted to project development	5,321	256	686	—	43
Amounts received in advance and other	29,560	528	270,555	—	—
Total current liabilities	191,162	9,495	303,993	620	415
Non-current Liabilities:					
Bonds payable and other debt obligations (net)	2,392,660	228,780	13,846,371	485	150
Derivative instrument - interest rate swaps	—	—	—	—	—
Unearned revenues, amounts received in advance and other	—	—	1,889	—	—
Other postemployment benefits	—	—	—	—	—
Net pension liability	—	—	—	—	—
Total non-current liabilities	2,392,660	228,780	13,848,260	485	150
Total liabilities	2,583,822	238,275	14,152,253	1,105	565
Deferred inflows of resources					
(Loss) gain on defeasance - net	—	—	—	—	(91)
Deferred intflows relating to pension	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	(91)
Net position					
Restricted for bond and other obligations	274,150	24,115	35,347	706	59,186
Unrestricted	—	—	—	—	1,385
Total net position (deficit)	\$ 274,150	24,115	35,347	706	60,571

Supplemental Schedule I

Other Programs	Programs without Bond Financing		Total
	Mortgage and Other Programs	Agency Operating Funds	
State Revenue Bond Programs	Project Improvement and Other Programs		
66	117,654	29,319	256,230
—	—	12,401	12,403
661	137,881	—	1,853,159
—	—	237,996	238,877
—	523	1,001	3,557
37,335	949	—	255,131
244	39,203	3,373	67,173
38,306	296,210	284,090	2,686,530
—	4,624	—	20,217
—	—	46,606	46,606
153,710	17,595	134	15,458,740
—	—	7,351	7,351
153,710	22,219	54,091	15,532,914
192,016	318,429	338,181	18,219,444
18,369	—	—	18,369
—	—	1,840	1,840
18,369	—	1,840	20,209
37,235	—	—	158,031
—	86	28,177	38,994
—	47	15,468	15,515
242	—	—	60,553
—	348	(369)	—
—	75,309	2,109	84,295
1	2,760	126	9,193
1,276	—	—	301,919
38,754	78,550	45,511	668,500
154,104	—	—	16,622,550
18,369	—	—	18,369
—	—	727	2,616
—	—	48,407	48,407
—	—	2,291	2,291
172,473	—	51,425	16,694,233
211,227	78,550	96,936	17,362,733
880	—	—	789
—	—	348	348
880	—	348	1,137
(1,722)	239,871	8	631,661
—	8	242,729	244,122
(1,722)	239,879	242,737	875,783

New York State Housing Finance Agency

(A Component Unit of the State of New York)

SCHEDULES OF PROGRAM REVENUES, EXPENSES

AND CHANGES IN NET POSITION

Fiscal Year Ended October 31, 2017

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Nursing Home and Health Care Project Program
Operating revenues					
Interest on mortgage loans	\$ 97,070	9,281	187,804	92	(1)
Fees, charges and other	—	—	2	38	—
Investment income	1,467	29	6,734	5	540
Unrealized (loss) gain on investments held	(21)	—	(208)	—	—
Recoveries	7,424	—	—	—	—
Total operating revenues	105,940	9,310	194,332	135	539
Operating expenses					
Interest	71,639	6,673	186,887	56	—
Earnings on investments and other funds credited to mortgagors and lessees	4	—	4,941	—	—
Other postemployment benefits	—	—	—	—	—
General expenses	210	—	—	—	11
Other financial expenses	34	2	12	—	3
Supervising agency fee	—	—	—	—	—
Allowance for losses on loans	16,043	—	—	—	—
Total operating expenses	87,930	6,675	191,840	56	14
Operating income (loss)	18,010	2,635	2,492	79	525
Non-operating revenues (expenses)					
Transfers from Agencies of New York State	—	—	—	—	—
Transfers to Agencies of New York State	—	—	—	—	—
Federal grant revenue	—	—	—	—	—
Federal grant expense	—	—	—	—	—
Reserve funds received from mortgagors	5,175	388	198	—	—
Transfers between programs	1,450	—	(1,205)	2	(51,354)
(Loss) gain on extinguishment of debt	—	—	(333)	—	—
Net non-operating revenues (expenses)	6,625	388	(1,340)	2	(51,354)
Increase (Decrease) in net position	24,635	3,023	1,152	81	(50,829)
Total net position (deficit) - beginning of fiscal year	249,515	21,092	34,195	625	50,829
Total net position (deficit) - end of fiscal year	\$ 274,150	24,115	35,347	706	—

Supplemental Schedule II

Programs with Bond Financing		Programs without Bond Financing			Total
Motgage Programs	Other Program	Mortgage and Other Programs		Agency Operating Funds	
		Community Related and Other Loan Programs	Project Improvement and Other Programs		
377	5,910	16	1,421	—	301,970
67	1,245	—	6,317	69,699	77,368
1,318	12	24	1,041	2,173	13,343
(4)	—	(2)	177	(395)	(453)
110	—	—	403	—	7,937
1,868	7,167	38	9,359	71,477	400,165
61	5,395	—	—	—	270,711
—	—	—	—	—	4,945
—	—	—	—	1,497	1,497
—	—	—	—	23,145	23,366
—	874	—	238	1,545	2,708
—	—	—	—	10,238	10,238
—	—	—	60,334	—	76,377
61	6,269	—	60,572	36,425	389,842
1,807	898	38	(51,213)	35,052	10,323
—	—	—	94,099	—	94,099
—	—	—	—	(2,076)	(2,076)
—	—	—	5,946	—	5,946
—	—	—	(5,946)	—	(5,946)
—	—	—	—	—	5,761
(18)	(586)	(21,895)	52,526	21,080	—
—	4,390	—	—	—	4,057
(18)	3,804	(21,895)	146,625	19,004	101,841
1,789	4,702	(21,857)	95,412	54,056	112,164
58,782	(6,424)	21,857	144,467	188,681	763,619
60,571	(1,722)	—	239,879	242,737	875,783

New York State Housing Finance Agency

(A Component Unit of the State of New York)

SCHEDULES OF PROGRAM CASH FLOWS

Fiscal Year Ended October 31, 2017

(in thousands)

	Programs with Bond Financing				
	Mortgage Programs				
	Affordable Housing Program	Affordable Housing Program (NIBP)	Secured Loan Rental Housing Program (and Other)	Moral Obligation Housing Programs	Nursing Home and Health Care Project Program
Cash flows from operating activities					
Interest on loans	\$ 93,128	9,173	181,123	92	177
Fees, charges and other	—	—	2	38	—
Operating (expenses) revenues	(244)	—	(13)	—	(15)
Principal payments on mortgage loans	250,296	4,876	1,252,348	550	—
Mortgage loans advanced	(623,574)	—	(2,621,702)	—	—
Funds received from mortgagors	20,889	—	9,110	—	—
Funds returned to mortgagors	(421)	—	(77,667)	—	(166)
Funds received from governmental entities	—	—	6,890	—	—
Distribution of funds received from governmental entities	—	—	—	—	—
Recoveries and other	1,358	388	(1,533)	4	(51,354)
Net cash (used in) provided by operating activities	(258,568)	14,437	(1,251,442)	684	(51,358)
Cash flows from non-capital financing activities					
Interest payments	(61,217)	(6,748)	(180,721)	(123)	(11)
Issuance of bonds	700,485	—	1,829,924	—	—
Retirement and redemption of bonds	(237,605)	(5,390)	(798,856)	(575)	(440)
Federal grant revenue	—	—	—	—	—
Federal grant expense	—	—	—	—	—
Net cash provided by (used in) non-capital financing activities	401,663	(12,138)	850,347	(698)	(451)
Cash flows from investing activities					
Investment income	4,859	189	6,910	5	542
Proceeds from sales or maturities of investments	3,498,404	59,058	5,632,562	1,431	53,508
Purchases of investments	(3,733,773)	(67,099)	(5,290,548)	(1,045)	(2,712)
Net cash (used in) provided by non-capital financing activities	(230,510)	(7,852)	348,924	391	51,338
Net (decrease) increase in cash	(87,415)	(5,553)	(52,171)	377	(471)
Cash at beginning of fiscal year	161,849	10,079	80,869	373	471
Cash at end of fiscal year	\$ 74,434	4,526	28,698	750	—
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:					
Operating income (loss)	\$ 18,010	2,635	2,492	79	525
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:					
Interest expense	71,639	6,673	186,887	56	—
Investment income	(1,446)	(29)	(6,526)	(5)	(540)
Allowance for losses on loans	16,043	—	—	—	—
Other	(6,066)	390	(1,521)	4	(51,340)
Changes in assets and liabilities - net:					
Mortgage loan receivables	(373,278)	4,876	(1,369,354)	550	—
Interest receivable and other	(3,942)	(108)	(6,681)	—	178
Accounts and other payables	—	—	(13)	—	(15)
Funds received from (to) mortgagors	20,472	—	(56,726)	—	(166)
Net cash (used in) provided by operating activities	\$ (258,568)	14,437	(1,251,442)	684	(51,358)
Non-cash investing activities					
Unrealized (gain) loss on investments held	\$ (21)	—	(208)	—	—

Supplemental Schedule III

Programs with Bond Financing		Programs without Bond Financing			Total
Mortgage Programs	Other Program	Mortgage and Other Programs		Agency Operating Funds	
Housing Project Mortgage Revenue Program	State Revenue Bond Programs	Community Related and Other Loan Programs	Project Improvement and Other Programs		
(3,057)	10,428	19	(11,836)	—	279,247
67	1,245	—	6,317	69,699	77,368
(1)	(874)	—	(238)	(34,605)	(35,990)
893	150,373	11	1,253	—	1,660,600
—	—	—	(63,742)	—	(3,309,018)
3,546	8,972	—	16,162	7,913	66,592
—	(8,589)	—	(13)	(7,117)	(93,973)
—	—	—	106,084	—	112,974
—	—	—	(7,795)	—	(7,795)
(19)	(587)	(21,893)	52,528	21,082	(26)
1,429	160,968	(21,863)	98,720	56,972	(1,250,021)
(39)	(7,592)	—	—	—	(256,451)
—	—	—	—	—	2,530,409
(260)	(153,380)	—	—	—	(1,196,506)
—	—	—	5,946	—	5,946
—	—	—	(5,946)	—	(5,946)
(299)	(160,972)	—	—	—	1,077,452
1,338	12	41	1,262	1,757	16,915
171,557	74,052	22,577	595,243	406,039	10,514,431
(173,952)	(74,013)	(1,829)	(622,577)	(453,708)	(10,421,256)
(1,057)	51	20,789	(26,072)	(45,912)	110,090
73	47	(1,074)	72,648	11,060	(62,479)
712	19	1,074	45,006	30,660	331,112
785	66	—	117,654	41,720	268,633
1,807	898	38	(51,213)	35,052	10,323
61	5,395	—	—	—	270,711
(1,314)	(12)	(22)	(1,218)	(1,778)	(12,890)
—	—	—	60,334	—	76,377
(129)	287	(21,893)	52,363	57,507	29,602
893	150,373	11	(62,489)	—	(1,648,418)
(3,434)	4,518	3	(13,257)	—	(22,723)
(1)	(874)	—	(238)	(34,605)	(35,746)
3,546	383	—	114,438	796	82,743
1,429	160,968	(21,863)	98,720	56,972	(1,250,021)
(4)	—	(2)	177	(395)	(453)

BOND INDEBTEDNESS AND OTHER DEBT OBLIGATIONS

Supplemental Schedule IV

(in thousands)

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Housing Project Bonds:					
Simeon DeWitt Apartments, 8% — 1978, maturing in varying semi-annual installments to 2018	\$ 4,565	850	—	320	530
Towpath Towers, 8% — 1978, maturing in varying semi-annual installments to 2019	3,815	830	—	255	575
	8,380	1,680	—	575	1,105
Secured Loan Rental Housing Bonds and Other:					
FHA-Insured Multi-Family Mortgage Housing 6.57% - 1998 Series A	1,045	755	—	755	—
5.15% to 5.30% — 1998 Series B, maturing in varying semi-annual installments to 2039	3,400	2,745	—	60	2,685
1% to 4.70% — 2003 Series A	8,290	5,470	—	5,470	—
1.25% to 4.95% — 2003 Series B, maturing in varying semi-annual installments to 2033	4,700	860	—	205	655
	17,435	9,830	—	6,490	3,340
Multi-Family FHA Insured Mortgage Housing Revenue Bonds 6.79% — 1998 Series A (Federally Taxable), maturing in varying semi-annual installments to 2039	2,540	2,165	—	40	2,125
	2,540	2,165	—	40	2,125
FFB Loan - Housing Revenue Debt Obligation 3.83% - maturing in 2047 <i>**Financing agreement with the Federal Financing Bank - "FFB"(see note 7).</i>	2,283	—	2,283	—	2,283
Multi-Family Housing Revenue Bonds (Fannie Mae-Backed Program) 4.60% to 6.85% — 1994 Series A, maturing in varying semi-annual installments to 2019	1,405	840	—	215	625
Children's Rescue Fund Housing Revenue Bonds 6.25% to 7.625% — 1991 Series A, maturing in varying semi-annual installments to 2018	11,020	1,445	—	870	575
Multi-Family Housing Revenue Bonds (Secured Mortgage Program) 7.95% to 9% — 1994 Series B (Federally Taxable), maturing in varying annual installments to 2026	12,220	1,080	—	75	1,005
3.65% to 5.35% — 1999 Series A, maturing in varying annual installments to 2031	7,565	5,090	—	230	4,860
varying annual installments to 2032	5,755	4,215	—	160	4,055
4.65% to 6.30% — 1999 Series J, maturing in varying annual installments to 2032	3,960	2,900	—	110	2,790
4.05% to 5.60% — 2001 Series A, maturing in varying annual installments to 2033	2,150	1,580	—	60	1,520
3% to 5.40% — 2001 Series G, maturing in varying annual installments to 2034	10,465	7,800	—	280	7,520
5% to 5.65% — 2001 Series K, maturing in varying annual installments to 2034	3,795	2,950	—	95	2,855
4.90% to 5.375% — 2002 Series A, maturing in varying annual installments to 2035	6,640	5,110	—	170	4,940
4.50% to 5.375% — 2002 Series C, maturing in varying annual installments to 2034	3,170	2,415	—	85	2,330
5.375% — 2002 Series D, maturing in varying annual installments to 2034	1,600	320	—	10	310
1.75% to 5.10% — 2004 Series B refunding, maturing in varying semi-annual installments to 2027	32,245	3,100	—	315	2,785

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Walnut Hill Apartments Multi-Family Housing Revenue Bonds 1.10% to 5% — 2003 Series A, maturing in varying semi-annual installments to 2040	10,030	5,910	—	425	5,485
Watergate II Apartments Multi-Family Housing Revenue Bonds 1.10% to 4.90% — 2004 Series A, maturing in varying semi-annual installments to 2045	7,800	4,845	—	140	4,705
Framark Place Apartments Multi-Family Housing Revenue Bonds 5.20% to 5.35% — 2004 Series A, maturing in varying semi-annual installments to 2036	1,800	1,440	—	45	1,395
Washington Apartments Multi-Family Housing Revenue Bonds 4.50% to 5.15% — 2004 Series A, maturing in varying semi-annual installments to 2036	2,695	2,130	—	70	2,060
Nathan Hale Senior Village Multi-Family Housing Revenue Bonds 1.15% to 4.60% — 2004 Series A, maturing in varying semi-annual installments to 2039	5,745	3,305	—	120	3,185
Horizons at Fishkill Apartments Multi-Family Housing Revenue Bonds 4.10% to 5% — 2004 Series A, maturing in varying semi-annual installments to 2036	5,975	4,805	—	150	4,655
Extra Place Apartments Multi-Family Housing Revenue Bonds 4.25% to 5% — 2004 Series A, maturing in varying semi-annual installments to 2037	3,310	2,080	—	130	1,950
Tall Oaks Apartments Multi-Family Housing Revenue Bonds 4.15% to 4.95% — 2004 Series A, maturing in varying semi-annual installments to 2036	5,930	2,690	—	120	2,570
East 84th Street Housing Revenue Bonds variable rate demand — 1995 Series A , maturing in 2028	61,200	60,000	—	—	60,000
Union Square South Housing Revenue Bonds variable rate demand — 1996 Series A , maturing in 2024	50,000	49,000	—	—	49,000
250 West 50th Street Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	103,500	100,500	—	—	100,500
Tribeca Landing Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	59,000	53,700	—	1,700	52,000
240 East 39th Street Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2030	119,000	117,200	—	3,200	114,000
345 East 94th Street Housing Revenue Bonds variable rate demand — 2016 Series A, maturing in 2030	43,600	43,600	—	—	43,600
variable rate demand — 2016 Series B, (Federally Taxable), maturing in 2030	10,900	10,900	—	250	10,650
Tribeca Park Housing Revenue Bonds variable rate demand — 1997 Series A, maturing in 2029	82,000	77,500	—	—	77,500
variable rate demand — 1997 Series B (Federally Taxable), maturing in 2029	2,000	2,000	—	—	2,000
variable rate demand — 2000 Series A, (Federally Taxable), maturing in 2029	3,500	700	—	700	—
Chelsea Arms Housing Revenue Bonds variable rate demand — 1998 Series A	18,000	18,000	—	18,000	—

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
750 Sixth Avenue Housing Revenue Bonds					
variable rate demand — 1998 Series A, maturing in 2031	39,500	39,500	—	—	39,500
variable rate demand — 1999 Series A, maturing in 2031	28,500	28,500	—	—	28,500
variable rate demand — 2000 Series A, maturing in 2031	2,600	2,600	—	—	2,600
Talleyrand Crescent Housing Revenue Bonds					
variable rate demand — 1999 Series A, maturing in 2028	36,500	35,000	—	—	35,000
101 West End Avenue Housing Revenue Bonds					
variable rate demand — 1998 Series A, maturing in 2031	43,000	43,000	—	—	43,000
variable rate demand — 1999 Series A, maturing in 2031	62,000	62,000	—	—	62,000
variable rate demand — 2000 Series A, maturing in 2031	21,000	20,500	—	3,200	17,300
South Cove Plaza Housing Revenue Bonds					
variable rate demand — 1999 Series A, maturing in 2030	32,000	32,000	—	—	32,000
Related-East 39th Street Housing Revenue Bonds					
variable rate demand — 1999 Series A, maturing in 2032	33,700	33,700	—	—	33,700
variable rate demand — 2000 Series A, maturing in 2032	36,300	36,300	—	—	36,300
150 East 44th Street Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2032	90,000	87,000	—	87,000	—
variable rate demand — 2001 Series A, maturing in 2032	13,000	11,000	—	11,000	—
variable rate demand — 2017 Series A, maturing in 2032	-	-	97,800	—	97,800
Theatre Row Tower Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2032	50,000	50,000	—	—	50,000
variable rate demand — 2001 Series A, maturing in 2032	10,000	10,000	—	—	10,000
variable rate demand — 2002 Series A, maturing in 2032	14,800	14,800	—	—	14,800
363 West 30th Street Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2032	17,000	17,000	—	—	17,000
66 West 38th Street Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2033	7,000	7,000	—	—	7,000
variable rate demand — 2000 Series B (Federally Taxable), maturing in 2033	31,000	8,500	—	2,600	5,900
variable rate demand — 2001 Series A, maturing in 2033	36,000	36,000	—	—	36,000
variable rate demand — 2002 Series A, maturing in 2033	46,800	46,800	—	—	46,800
350 West 43rd Street Housing Revenue Bonds					
variable rate demand — 2001 Series A, maturing in 2034	26,000	26,000	—	—	26,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2002 Series A, maturing in 2034	60,000	60,000	—	—	60,000
variable rate demand — 2004 Series A, maturing in 2034	23,000	11,900	—	1,800	10,100
Related-West 20th Street Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2033	29,000	29,000	—	—	29,000
variable rate demand — 2000 Series B (Federally Taxable), maturing in 2033	8,000	3,000	—	—	3,000
variable rate demand — 2001 Series A, maturing in 2033	51,000	51,000	—	—	51,000
Saville Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2035	55,000	55,000	—	—	55,000
Related-West 23rd Street Housing Revenue Bonds					
variable rate demand — 2001 Series A, maturing in 2033	26,000	26,000	—	—	26,000
variable rate demand — 2001 Series B (Federally Taxable), maturing in 2033	27,500	8,000	—	—	8,000
variable rate demand — 2002 Series A, maturing in 2033	73,000	73,000	—	—	73,000
The Victory Housing Revenue Bonds					
variable rate demand — 2000 Series A, maturing in 2033	16,000	16,000	—	16,000	—
variable rate demand — 2001 Series A, maturing in 2033	44,000	44,000	—	44,000	—
variable rate demand — 2002 Series A, maturing in 2033	29,000	29,000	—	29,000	—
variable rate demand — 2004 Series A, maturing in 2033	25,500	25,500	—	25,500	—
variable rate demand — 2017 Series A, maturing in 2033	—	—	114,500	—	114,500
variable rate demand — 2017 Series B, maturing in 2033	—	—	24,500	500	24,000
Worth Street Housing Revenue Bonds					
variable rate demand — 2001 Series A, maturing in 2033	51,000	51,000	—	—	51,000
variable rate demand — 2001 Series B (Federally Taxable), maturing in 2033	27,900	8,200	—	2,400	5,800
variable rate demand — 2002 Series A, maturing in 2033	39,200	37,000	—	—	37,000
360 West 43rd Street Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2033	33,700	33,700	—	—	33,700
variable rate demand — 2003 Series A, maturing in 2033	45,300	43,300	—	10,500	32,800
900 Eighth Avenue Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2035	93,100	89,500	—	—	89,500
1500 Lexington Avenue Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2034	38,000	38,000	—	—	38,000
variable rate demand — 2004 Series A, maturing in 2034	5,000	5,000	—	800	4,200

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Biltmore Tower Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2034	72,000	72,000	—	—	72,000
variable rate demand — 2003 Series A, maturing in 2034	43,300	43,300	—	—	43,300
20 River Terrace Housing Revenue Bonds					
variable rate demand — 2002 Series A, maturing in 2035	100,000	100,000	—	—	100,000
variable rate demand — 2004 Series A, maturing in 2034	1,500	1,500	—	—	1,500
10 Liberty Street Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2035	95,000	95,000	—	—	95,000
Parkledge Apartments Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2035	39,000	32,800	—	700	32,100
Chelsea Apartments Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2036	95,500	95,500	—	—	95,500
Historic Front Street Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2036	46,300	46,300	—	—	46,300
The Helena Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2036	42,000	42,000	—	—	42,000
variable rate demand — 2004 Series A, maturing in 2036	101,000	101,000	—	—	101,000
Related-Tribeca Green Housing Revenue Bonds					
variable rate demand — 2003 Series A, maturing in 2036	109,200	103,800	—	—	103,800
variable rate demand — 2003 Series B (Federally Taxable), maturing in 2036	800	800	—	—	800
100 Maiden Lane Housing Revenue Bonds					
variable rate demand — 2004 Series A, maturing in 2037	95,000	95,000	—	—	95,000
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2037	3,000	1,600	—	800	800
North End Avenue Housing Revenue Bonds					
variable rate demand — 2004 Series A, maturing in 2036	98,800	98,800	—	—	98,800
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2036	3,400	3,400	—	300	3,100
Sea Park East Housing Revenue Bonds					
variable rate demand — 2004 Series A, maturing in 2036	18,700	13,300	—	—	13,300
Sea Park West Housing Revenue Bonds					
variable rate demand — 2004 Series A, maturing in 2036	22,900	14,100	—	—	14,100
Archstone Westbury Housing Revenue Bonds					
variable rate demand — 2004 Series A, maturing in 2036	62,200	62,200	—	—	62,200
variable rate demand — 2004 Series B (Federally Taxable), maturing in 2036	15,800	10,755	—	1,285	9,470
4.57% — 2012 Series A (Federally Taxable), maturing in 2036	7,200	7,200	—	—	7,200

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Rip Van Winkle House Housing Revenue Bonds variable rate demand — 2004 Series A, maturing in 2034	11,500	10,700	—	—	10,700
10 Barclay Street Housing Revenue Bonds variable rate demand — 2004 Series A, maturing in 2037	135,000	135,000	—	—	135,000
Reverend Polite Avenue Apartments Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2036	16,000	7,435	—	—	7,435
125 West 31st Street Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2038	176,800	176,800	—	—	176,800
Clinton Green North Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2038	100,000	100,000	—	—	100,000
variable rate demand — 2006 Series A, maturing in 2038	47,000	47,000	—	—	47,000
Clinton Green South Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2038	75,000	75,000	—	—	75,000
variable rate demand — 2006 Series A, maturing in 2038	46,500	46,500	—	—	46,500
Related-Ocean Park Apartments Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2035	28,400	28,400	—	—	28,400
250 West 93rd Street Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2038	61,500	60,400	—	—	60,400
variable rate demand — 2005 Series B (Federally Taxable), maturing in 2038	5,300	5,000	—	300	4,700
variable rate demand — 2007 Series A (Federally Taxable), maturing in 2038	1,100	1,100	—	—	1,100
Tower 31 Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2036	83,800	83,800	—	—	83,800
variable rate demand — 2005 Series B (Federally Taxable)	2,000	400	—	400	—
88 Leonard Street Housing Revenue Bonds variable rate demand — 2005 Series A (Federally Taxable)	112,500	112,500	—	112,500	112,500
variable rate demand — 2005 Series B (Federally Taxable)	7,500	7,500	—	7,500	7,500
variable rate demand — 2007 Series A (Federally Taxable)	12,000	12,000	—	12,000	-
variable rate demand — 2017 Series A (Federally Taxable), maturing in 2037	112,500	—	112,500	—	112,500
variable rate demand — 2017 Series B (Federally Taxable), maturing in 2037	32,500	—	32,500	155	32,345
Tiffany Gardens Multi-Family Housing Revenue Bonds 4.50% to 5.125% — 2005 Series A, maturing in varying semi-annual installments to 2037	5,550	4,630	—	130	4,500
Friendship House Apartments Multi-Family Housing Revenue Bonds 5.10% — 2005 Series A, maturing in varying semi-annual installments to 2041	2,840	2,460	—	50	2,410

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
55 West 25th Street Housing Revenue Bonds variable rate demand — 2005 Series A, maturing in 2038	164,500	164,500	—	—	164,500
188 Ludlow Street Housing Revenue Bonds variable rate demand — 2006 Series A, maturing in 2038	83,000	83,000	—	—	83,000
Division Street Multi-Family Housing Revenue Bonds 5% to 5.10% — 2006 Series A, maturing in varying semi-annual installments to 2038	1,525	1,290	—	35	1,255
Gateway to New Cassel Housing Revenue Bonds variable rate demand — 2006 Series A, maturing in 2039	9,500	5,700	—	—	5,700
Golden Age Apartments Multi-Family Housing Revenue Bonds 5% — 2006 Series A, maturing in varying semi-annual installments to 2037	2,800	1,805	—	50	1,755
Related - Taconic West 17th Street Housing Revenue Bonds variable rate demand — 2009 Series A, maturing in 2039	126,000	126,000	—	—	126,000
Crotona Estates Apartments Multi-Family Housing Revenue Bonds 4.95% — 2006 Series A, maturing in varying semi-annual installments to 2038	2,760	2,080	—	60	2,020
Related - Capitol Green Apartments Housing Revenue Bonds variable rate demand — 2006 Series A, maturing in 2036	10,900	10,900	—	—	10,900
3.45% to 4.375% — 2006 Series B, maturing in varying semi-annual installments to 2017	5,600	805	—	710	95
Avalon Bowery Place I Housing Revenue Bonds variable rate demand — 2010 Series A, maturing in 2037	93,800	93,800	—	—	93,800
St. Philip's Housing Revenue Bonds 4.05% to 4.65% — 2006 Series A, maturing in varying semi-annual installments to 2038	16,250	11,520	—	420	11,100
Kensico Terrace Apartments Multi-Family Housing Revenue Bonds 4.35% to 4.90% — 2006 Series A, maturing in varying semi-annual installments to 2038	4,130	3,475	—	95	3,380
Admiral Halsey Senior Apartments Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2037	6,650	2,550	—	300	2,250
Related - Weyant Green Apartments Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2037	3,800	3,800	—	—	3,800
Related - McCarthy Manor Apartments Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2037	6,800	6,800	—	—	6,800
600 West 42nd Street Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2041	268,000	249,335	—	—	249,335
variable rate demand — 2008 Series A, maturing in 2041	100,000	100,000	—	200	99,800
variable rate demand — 2009 Series A, maturing in 2041	108,000	119,975	—	—	119,975
316 Eleventh Avenue Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2041	152,000	152,000	—	—	152,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2007 Series B (Federally Taxable), maturing in 2041	39,500	6,900	—	—	6,900
variable rate demand — 2009 Series A, maturing in 2041	32,600	32,600	—	—	32,600
455 West 37th Street Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2041	136,000	136,000	—	—	136,000
variable rate demand — 2007 Series B (Federally Taxable), maturing in 2041	32,000	8,700	—	700	8,000
Related - Warren Knolls Apartments Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2037	6,700	6,700	—	—	6,700
Related - West Haverstraw Senior Citizens Apartments Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2037	6,700	6,700	—	—	6,700
Prospect Plaza Apartments Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2039	23,300	8,000	—	—	8,000
Horizons at Wawayanda Housing Revenue Bonds					
5.15% — 2007 Series A, maturing in varying semi-annual installments to 2040	8,600	7,790	—	145	7,645
Park Drive Manor II Apartments Multi-Family Housing Revenue Bonds					
4.85% — 2007 Series A, maturing in varying semi-annual installments to 2038	3,980	3,365	—	90	3,275
Highland Avenue Senior Apartments Multi-Family Housing Revenue Bonds					
4.70% to 5% — 2007 Series A, maturing in varying semi-annual installments to 2039	6,920	6,035	—	150	5,885
North Street Y Senior Apartments Multi-Family Housing Revenue Bonds					
5.05% — 2007 Series A, maturing in varying semi-annual installments to 2039	2,100	1,845	—	40	1,805
Cannon Street Senior Apartments Multi-Family Housing Revenue Bonds					
5.30% — 2007 Series A, maturing in varying semi-annual installments to 2039	1,860	1,625	—	40	1,585
Related - 42nd and 10th Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2041	166,100	166,100	—	—	166,100
variable rate demand — 2008 Series A, maturing in 2041	81,000	81,000	—	—	81,000
variable rate demand — 2010 Series A, maturing in 2041	102,900	72,900	—	—	72,900
Tri-Senior Development Housing Revenue Bonds					
5.10% to 5.40% — 2007 Series A, maturing in varying semi-annual installments to 2042	14,700	13,125	—	240	12,885
Related - Overlook Apartments Housing Revenue Bonds					
variable rate demand — 2007 Series A, maturing in 2037	5,400	4,500	—	—	4,500
Remeeder Houses Apartments Housing Revenue Bonds					
variable rate demand — 2007 Series A maturing in 2039	18,900	15,500	—	15,500	—

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Grace Towers Housing Revenue Bonds variable rate demand — 2007 Series A, maturing in 2040	19,900	11,530	—	—	11,530
Baisley Park Gardens Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2039	18,800	17,300	—	300	17,000
Related - Caroline Apartments Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2043	16,900	16,900	—	—	16,900
West 37th Street Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2042	18,900	18,900	—	—	18,900
variable rate demand — 2008 Series B (Federally Taxable), maturing in 2042	31,500	8,600	—	1,000	7,600
variable rate demand — 2009 Series A, maturing in 2042	25,200	25,200	—	—	25,200
variable rate demand — 2009 Series B, maturing in 2042	30,900	30,900	—	—	30,900
West Village Apartments Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2039	9,700	6,000	—	100	5,900
330 Riverdale Avenue Apartments Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2041	28,700	14,200	—	—	14,200
320 West 38th Street Housing Revenue Bonds variable rate demand — 2014 Series A, maturing in 2042	225,000	243,000	—	—	243,000
variable rate demand — 2014 Series B-1, maturing in 2042	35,000	17,000	—	—	17,000
Shore Hill Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2045	39,000	19,500	—	—	19,500
505 West 37th Street Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2042	95,600	95,600	—	—	95,600
variable rate demand — 2008 Series B (Federally Taxable), maturing in 2042	138,000	58,400	—	—	58,400
variable rate demand — 2009 Series A, maturing in 2042	100,800	100,800	—	—	100,800
variable rate demand — 2009 Series B, maturing in 2042	119,600	119,600	—	—	119,600
College Arms Apartments Housing Revenue Bonds variable rate demand — 2008 Series A, maturing in 2048	11,390	10,590	—	100	10,490
80 DeKalb Avenue Housing Revenue Bonds variable rate demand — 2008 Series A maturing in 2042	32,850	5,090	—	5,090	5,090
variable rate demand — 2009 Series A maturing in 2042	43,800	43,800	—	43,800	43,800
variable rate demand — 2009 Series B maturing in 2042	55,110	55,110	—	55,110	55,110
variable rate demand — 2017 Series A 1/2, maturing in 2042	—	—	104,000	—	104,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Related - Clarkstown Maplewood Gardens					
Housing Revenue Bonds					
variable rate demand — 2009 Series A, maturing in 2049	4,085	4,085	—	—	4,085
8 East 102nd Street Housing Revenue Bonds					
variable rate demand — 2010 Series A, maturing in 2044	135,690	135,690	—	—	135,690
variable rate demand — 2010 Series B (Federally Taxable), maturing in 2044	8,010	8,010	—	—	8,010
330 West 39th Street Housing Revenue Bonds					
variable rate demand — 2010 Series A, maturing in 2044	65,000	64,500	—	—	64,500
Clinton Park Housing Revenue Bonds					
variable rate demand — 2010 Series A, maturing in 2044	70,000	70,000	—	—	70,000
25 Washington Street Housing Revenue Bonds					
variable rate demand — 2010 Series A, maturing in 2044	19,700	17,500	—	—	17,500
29 Flatbush Avenue Housing Revenue Bonds					
variable rate demand — 2010 Series A, maturing in 2044	90,000	90,000	—	—	90,000
variable rate demand — 2015 Series A, maturing in 2044	9,000	9,000	—	—	9,000
variable rate demand — 2015 Series B, (Federally Taxable), maturing in 2044	41,000	40,800	—	500	40,300
2180 Broadway Housing Revenue Bonds					
variable rate demand — 2011 Series A, maturing in 2044	96,300	96,300	—	—	96,300
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	27,320	27,320	—	—	27,320
Gotham West Housing Revenue Bonds					
variable rate demand — 2011 Series A-1, maturing in 2045	133,000	133,000	—	—	133,000
variable rate demand — 2011 Series A-2, maturing in 2045	67,000	67,000	—	—	67,000
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2045	20,000	15,500	—	3,750	11,750
variable rate demand — 2012 Series A-1, maturing in 2045	173,000	173,000	—	—	173,000
variable rate demand — 2012 Series A-2, maturing in 2045	87,000	87,000	—	—	87,000
variable rate demand — 2013 Series A (Federally Taxable) maturing in 2012	40,000	40,000	—	—	40,000
160 West 62nd Street Housing Revenue Bonds					
variable rate demand — 2011 Series A-1, maturing in 2044	155,000	155,000	—	—	155,000
variable rate demand — 2011 Series A-2, maturing in 2044	80,000	80,000	—	—	80,000
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	25,000	25,000	—	1,000	24,000
Clinton Park Phase II Housing Revenue Bonds					
variable rate demand — 2011 Series A-1, maturing in 2049	83,000	83,000	—	—	83,000
variable rate demand — 2011 Series A-2, maturing in 2049	42,000	42,000	—	—	42,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2049	20,000	20,000	—	—	20,000
111 Nassau Street Housing Revenue Bonds					
variable rate demand — 2011 Series A, maturing in 2044	65,240	65,240	—	—	65,240
variable rate demand — 2011 Series B (Federally Taxable), maturing in 2044	6,260	4,660	—	1,200	3,460
Related West 30th Street Housing Revenue Bonds					
variable rate demand — 2012 Series A-1, maturing in 2045	73,000	73,000	—	—	73,000
variable rate demand — 2012 Series A-2, maturing in 2045	37,000	37,000	—	—	37,000
variable rate demand — 2013 Series A maturing in 2045	53,200	53,200	—	—	53,200
variable rate demand — 2015 Series A maturing in 2045	41,800	41,800	—	—	41,800
175 West 60th Street Housing Revenue Bonds					
variable rate demand — 2012 Series A-1, maturing in 2046	40,000	40,000	—	—	40,000
variable rate demand — 2012 Series A-2, maturing in 2046	20,000	20,000	—	—	20,000
variable rate demand — 2013 Series A-1, maturing in 2046	33,000	33,000	—	—	33,000
variable rate demand — 2013 Series A-2, maturing in 2046	17,000	17,000	—	—	17,000
variable rate demand — 2014 Series A-1, maturing in 2046	27,000	27,000	—	—	27,000
variable rate demand — 2014 Series A-2, maturing in 2046	13,000	13,000	—	—	13,000
variable rate demand — 2014 Series B, (Federally Taxable), maturing in 2046	15,000	15,000	—	—	15,000
Jackson Avenue Apartments Housing Revenue Bonds					
variable rate demand — 2012 Series A, maturing in 2044	27,335	27,335	—	235	27,100
variable rate demand — 2012 Series B maturing in 2044	325	95	—	95	—
variable rate demand — 2015 Series A (Federally Taxable) maturing in 2044	5,140	4,910	—	—	4,910
11th Street Apartments Housing Revenue Bonds					
variable rate demand — 2012 Series A, maturing in 2044	21,000	18,145	—	215	17,930
variable rate demand — 2015 Series A, (Federally Taxable) maturing in 2044	2,745	2,540	—	—	2,540
Dock Street Apartments Housing Revenue Bonds					
variable rate demand — 2012 Series A, maturing in 2046	34,700	34,700	—	—	34,700
variable rate demand — 2013 Series B, maturing in 2046	65,800	65,800	—	—	65,800
626 Flatbush Avenue Apartments Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2046	40,000	39,961	39	—	40,000
variable rate demand — 2013 Series B, (Federally Taxable) maturing in 2046	10,940	10,924	10	120	10,814
variable rate demand — 2014 Series A, maturing in 2046	20,325	16,921	3,404	—	20,325

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Riverside Center 2 Housing Revenue Bonds					
variable rate demand — 2012 Series A, maturing in 2046	25,000	25,000	—	—	25,000
variable rate demand — 2013 Series A-1, maturing in 2046	41,200	41,200	—	—	41,200
variable rate demand — 2013 Series A-2, maturing in 2046	57,000	57,000	—	—	57,000
variable rate demand — 2013 Series A-3, maturing in 2046	65,800	65,800	—	—	65,800
variable rate demand — 2015 Series A-1, maturing in 2046	60,000	60,000	—	—	60,000
variable rate demand — 2015 Series A-2, maturing in 2046	26,000	26,000	—	—	26,000
44th Drive Apartments Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2043	24,500	23,769	731	110	24,390
variable rate demand — 2014 Series A, maturing in 2043	4,020	4,020	—	—	4,020
variable rate demand — 2017 Series A, maturing in 2043	4,715	—	4,715	—	4,715
149 Kent Avenue Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2047	59,075	52,506	6,569	—	59,075
variable rate demand — 2013 Series B, maturing in 2047	4,400	107	4,293	815	3,585
variable rate demand — 2015 Series A, maturing in 2047	14,445	11,445	—	—	11,445
variable rate demand - 2016 Series A, maturing in 2047	—	—	3,080	—	3,080
variable rate demand - 2017A maturing in 2047	10,000	—	10,000	—	10,000
Terrace Gardens Housing Revenue Bonds					
5.34% — 2013 A, maturing in varying semi-annual installments to 2043	27,020	26,260	—	360	25,900
855 Sixth Avenue Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2047	112,000	112,000	—	—	112,000
variable rate demand — 2014 Series A, maturing in 2047	40,000	40,000	—	—	40,000
variable rate demand — 2015 Series A, maturing in 2047	35,000	35,000	—	—	35,000
Maestro West Chelsea Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2047	50,000	50,000	—	—	50,000
variable rate demand — 2014 Series A, maturing in 2047	70,000	70,000	—	—	70,000
variable rate demand — 2015 Series A, maturing in 2047	15,000	15,000	—	—	15,000
variable rate demand — 2015 Series B, (Federally Taxable) maturing in 2047	30,000	30,000	—	—	30,000
160 Madison Avenue Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2046	111,445	111,445	—	—	111,445
variable rate demand — 2013 Series B, (Federally Taxable) maturing in 2046	30,000	30,000	—	—	30,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2014 Series A, maturing in 2046	68,555	68,555	—	—	68,555
Related 205 East 92nd Street Housing Revenue Bonds					
variable rate demand — 2013 Series A, maturing in 2047	40,000	40,000	—	—	40,000
variable rate demand — 2014 Series A, maturing in 2047	80,000	80,000	—	—	80,000
605 West 42nd Street Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2048	84,000	84,000	—	—	84,000
variable rate demand — 2014 Series B, (Federally Taxable) maturing in 2048	375,000	375,000	—	—	375,000
variable rate demand — 2015 Series A, maturing in 2048	80,000	80,000	—	—	80,000
variable rate demand — 2017 Series A, maturing in 2048	11,000	—	11,000	—	11,000
606 West 57th Street Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2049	30,000	30,000	—	—	30,000
variable rate demand — 2016 Series A, maturing in 2049	71,000	71,000	—	—	71,000
variable rate demand - 2017 Series A, (Federally Taxable) maturing in 2049	179,000	—	179,000	—	179,000
625 West 57th Street Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2048	30,000	30,000	—	—	30,000
variable rate demand — 2015 Series A-1, maturing in 2049	170,000	170,000	—	—	170,000
variable rate demand — 2015 Series A-2, maturing in 2049	100,000	100,000	—	—	100,000
variable rate demand — 2016 Series A, (Federally Taxable) maturing in 2049	107,000	107,000	—	—	107,000
Navy Pier Court Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2048	23,700	23,700	—	—	23,700
33 Bond Street Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2049	30,000	30,000	—	—	30,000
variable rate demand — 2016 Series A, maturing in 2049	35,000	35,000	—	—	35,000
variable rate demand - 2017 Series A, (Federally Taxable) maturing in 2049	185,000	—	185,000	—	185,000
BAM South Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2048	30,500	30,500	—	—	30,500
variable rate demand — 2014 Series B, (Federally Taxable) maturing in 2048	37,500	37,500	—	—	37,500
variable rate demand — 2015 Series A, (Federally Taxable) maturing in 2048	100,000	100,000	—	—	100,000
Manhattan West Residential Housing Revenue Bonds					
variable rate demand — 2014 Series A, maturing in 2049	50,000	50,000	—	—	50,000
variable rate demand — 2014 Series B, (Federally Taxable) maturing in 2049	34,000	34,000	—	—	34,000

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2015 Series A, maturing in 2049	37,500	37,500	—	—	37,500
variable rate demand — 2015 Series B-1, (Federally Taxable) maturing in 2049	50,000	50,000	—	—	50,000
variable rate demand — 2015 Series B-2, (Federally Taxable) maturing in 2049	50,000	50,000	—	—	50,000
variable rate demand — 2016 Series A, maturing in 2049	30,000	30,000	—	—	30,000
variable rate demand — 2016 Series B-1, (Federally Taxable) maturing in 2049	100,000	100,000	—	—	100,000
variable rate demand — 2016 Series B-2, (Federally Taxable) maturing in 2049	94,500	94,500	—	—	94,500
555 Tenth Avenue Housing Revenue Bonds					
variable rate demand — 2015 Series A, maturing in 2049	65,000	65,000	—	—	65,000
variable rate demand — 2015 Series B, (Federally Taxable) maturing in 2049	120,000	120,000	—	—	120,000
variable rate demand — 2016 Series A, (Federally Taxable) maturing in 2049	140,000	140,000	—	—	140,000
222 East 44th Street Housing Revenue Bonds					
variable rate demand — 2015 Series A, maturing in 2050	26,000	26,000	—	—	26,000
variable rate demand — 2016 Series A, maturing in 2050	23,300	23,300	—	—	23,300
variable rate demand — 2016 Series B, maturing in 2050	90,000	90,000	—	—	90,000
variable rate demand - 2017 Series A, (Federally Taxable) maturing in 2050	111,900	—	111,900	—	111,900
509 West 38th Street Housing Revenue Bonds					
variable rate demand — 2015 Series A, maturing in 2048	25,200	25,200	—	25,200	—
variable rate demand — 2015 Series B, maturing in 2048	78,800	42,783	35,429	78,212	—
125 Metropolitan Avenue Housing Revenue Bonds					
variable rate demand — 2015 Series A, maturing in 2050	8,000	8,000	—	—	8,000
variable rate demand — 2015 Series B, maturing in 2050	38,700	10,558	19,137	—	29,695
525 West 52nd Street Housing Revenue Bonds					
variable rate demand — 2015 Series A-1, maturing in 2050	4,250	4,250	—	—	4,250
variable rate demand — 2015 Series A-2, maturing in 2050	3,250	3,250	—	—	3,250
variable rate demand — 2015 Series A-3, maturing in 2050	2,500	2,500	—	—	2,500
variable rate demand — 2015 Series B-1, (Federally Taxable) maturing in 2050	25,500	12,506	10,339	—	22,845
variable rate demand — 2015 Series B-2, (Federally Taxable) maturing in 2050	19,500	9,563	7,906	—	17,469
variable rate demand — 2015 Series B-3, (Federally Taxable) maturing in 2050	15,000	7,357	6,081	—	13,438
variable rate demand — 2016 Series A-1, maturing in 2050	23,588	23,588	—	—	23,588
variable rate demand — 2016 Series A-2, maturing in 2050	18,038	18,038	—	—	18,038

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2016 Series A-3, maturing in 2050	13,875	13,875	—	—	13,875
variable rate demand — 2016 Series B-1, (Federally Taxable) maturing in 2050	31,662	250	22,018	—	22,268
variable rate demand — 2016 Series B-2, (Federally Taxable) maturing in 2050	24,212	191	16,837	—	17,028
variable rate demand — 2016 Series B-3, (Federally Taxable) maturing in 2050	18,625	147	12,951	—	13,098
7 West 21st Street Housing Revenue Bonds					
variable rate demand — 2015 Series A-1, maturing in 2050	2,747	2,747	—	—	2,747
variable rate demand — 2015 Series A-2, maturing in 2050	1,126	1,126	—	—	1,126
variable rate demand — 2015 Series A-3, maturing in 2050	1,126	1,126	—	—	1,126
variable rate demand — 2015 Series B-1, (Federally Taxable) maturing in 2050	65,934	57,820	8,114	—	65,934
variable rate demand — 2015 Series B-2, (Federally Taxable) maturing in 2050	27,033	23,706	3,327	—	27,033
variable rate demand — 2015 Series B-3, (Federally Taxable) maturing in 2050	27,033	23,706	3,327	—	27,033
variable rate demand — 2016 Series A-1, maturing in 2050	17,253	17,253	—	—	17,253
variable rate demand — 2016 Series A-2, maturing in 2050	7,074	7,074	—	—	7,074
variable rate demand — 2016 Series A-3, maturing in 2050	7,074	7,074	—	—	7,074
variable rate demand — 2016 Series B-1, maturing in 2050	14,066	250	9,304	—	9,554
variable rate demand — 2016 Series B-2, maturing in 2050	5,767	102	3,815	—	3,917
variable rate demand — 2016 Series B-3, maturing in 2050	5,767	102	3,815	—	3,917
43-25 Hunter Street Housing Revenue Bonds					
variable rate demand — 2015 Series A-1, maturing in 2050	2,037	2,037	—	—	2,037
variable rate demand — 2015 Series A-2, maturing in 2050	1,574	1,574	—	—	1,574
variable rate demand — 2015 Series A-3, maturing in 2050	1,389	1,389	—	—	1,389
variable rate demand — 2015 Series B-1, maturing in 2050	34,630	10,761	23,869	—	34,630
variable rate demand — 2015 Series B-2, maturing in 2050	26,759	8,315	18,444	—	26,759
variable rate demand — 2015 Series B-3, maturing in 2050	23,611	7,337	16,274	—	23,611
variable rate demand — 2016 Series A-1, maturing in 2050	26,481	19,771	6,710	—	26,481
variable rate demand — 2016 Series A-2, maturing in 2050	20,463	15,278	5,185	—	20,463
variable rate demand — 2016 Series A-3, maturing in 2050	18,056	13,481	4,575	—	18,056
variable rate demand — 2016 Series B-1, maturing in 2050	28,519	41	10,318	—	10,359

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2016 Series B-2, maturing in 2050	22,037	31	7,974	—	8,005
variable rate demand — 2016 Series B-3, maturing in 2050	19,444	28	7,036	—	7,064
variable rate demand — 2017 Series A-1, maturing in 2050	4,074	—	3,697	—	3,697
variable rate demand — 2017 Series A-2, maturing in 2050	3,148	—	2,858	—	2,858
variable rate demand — 2017 Series A-3, maturing in 2050	2,778	—	2,522	—	2,522
variable rate demand — 2017 Series B-1, maturing in 2050	4,074	—	41	—	41
variable rate demand — 2017 Series B-2, maturing in 2050	3,148	—	31	—	31
variable rate demand — 2017 Series B-3, maturing in 2050	2,778	—	28	—	28
229 Cherry Street Housing Revenue Bonds					
variable rate demand — 2015 Series A, maturing in 2050	11,700	11,700	—	—	11,700
variable rate demand — 2017 Series A, maturing in 2020	50,000	—	35,300	—	35,300
79 Avenue D Housing Revenue Bonds					
variable rate demand — 2016 Series A, maturing in 2050	7,475	7,475	—	—	7,475
variable rate demand — 2016 Series B, maturing in 2050 (Federally Taxable)	45,325	488	20,162	—	20,650
158 East 126th Street Housing Revenue Bonds					
variable rate demand — 2016 Series A, maturing in 2031	13,000	13,000	—	—	13,000
19 India Street Housing Revenue Bonds					
variable rate demand — 2016 Series A, maturing in 2051	37,000	37,000	—	—	37,000
435 East 13th Street Housing Revenue Bonds					
variable rate demand — 2016 Series A, maturing in 2050	12,200	1,655	10,545	—	12,200
variable rate demand — 2016 Series B, maturing in 2050	50,500	100	12,425	—	12,525
325 Kent Avenue Housing Revenue Bonds					
variable rate demand — 2015 Series A-1, maturing in 2050	14,878	10,144	—	—	10,144
variable rate demand — 2015 Series A-2, maturing in 2050	14,878	10,144	—	—	10,144
variable rate demand — 2015 Series A-3, maturing in 2050	11,445	7,803	—	—	7,803
variable rate demand — 2016 Series A-1, maturing in 2050	18,056	18,055	—	—	18,055
variable rate demand — 2016 Series A-2, maturing in 2050	18,056	18,056	—	—	18,056
variable rate demand — 2016 Series A-3, maturing in 2050	13,889	13,889	—	—	13,889
variable rate demand — 2017 Series A-1, maturing in 2050	16,033	—	16,033	—	16,033
variable rate demand — 2017 Series A-2, maturing in 2050	16,033	—	16,033	—	16,033

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand — 2017 Series A-3, maturing in 2050	12,333	—	12,333	—	12,333
210 Livingston Street Housing Revenue Bonds					
variable rate demand — 2015 Series A-1, maturing in 2050	16,637	8,556	8,082	—	16,638
variable rate demand — 2015 Series A-2, maturing in 2050	6,398	3,290	3,108	—	6,398
variable rate demand — 2015 Series A-3, maturing in 2050	10,665	5,484	5,180	—	10,664
variable rate demand — 2015 Series B-1, maturing in 2050	61,366	274	31,420	—	31,694
variable rate demand — 2015 Series B-2, maturing in 2050	23,598	105	12,082	—	12,187
variable rate demand — 2015 Series B-3, maturing in 2050	39,336	176	20,141	—	20,317
810 Fulton Street Housing Revenue Bonds					
variable rate demand - 2017 Series A1, maturing in 2050	16,500	—	5,250	—	5,250
variable rate demand - 2017 Series A2, maturing in 2050	11,000	—	3,500	—	3,500
variable rate demand - 2017 Series B1, maturing in 2050	58,500	—	150	—	150
variable rate demand - 2017 Series B2, maturing in 2050	39,000	—	100	—	100
Riverside Center 1 Housing Revenue Bonds					
variable rate demand - 2016 Series A-1, maturing in 2051	909	—	909	—	909
variable rate demand - 2016 Series A-2, maturing in 2051	909	—	909	—	909
variable rate demand - 2016 Series A-3, maturing in 2051	682	—	682	—	682
variable rate demand - 2017 Series A-1, maturing in 2051	19,467	—	3,998	—	3,998
variable rate demand - 2017 Series A-2, maturing in 2051	19,467	—	3,997	—	3,997
variable rate demand - 2017 Series A-3, maturing in 2051	14,600	—	2,998	—	2,998
Riverside Center 3 Housing Revenue Bonds					
variable rate demand - 2016 Series A-1, maturing in 2051	455	—	455	—	455
variable rate demand - 2016 Series A-2, maturing in 2051	455	—	455	—	455
variable rate demand - 2016 Series A-3, maturing in 2051	341	—	341	—	341
variable rate demand - 2017 Series A-1, maturing in 2051	4,195	—	892	—	892
variable rate demand - 2017 Series A-2, maturing in 2051	4,195	—	892	—	892
variable rate demand - 2017 Series A-3, maturing in 2051	3,146	—	669	—	669
Riverside Center 4 Housing Revenue Bonds					
variable rate demand - 2016 Series A-1, maturing in 2051	455	—	455	—	455
variable rate demand - 2016 Series A-2, maturing in 2051	455	—	455	—	455

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
variable rate demand - 2016 Series A-3, maturing in 2051	341	—	341	—	341
variable rate demand - 2017 Series A-1, maturing in 2051	4,195	—	250	—	250
variable rate demand - 2017 Series A-2, maturing in 2051	4,195	—	250	—	250
variable rate demand - 2017 Series A-3, maturing in 2051	3,146	—	188	—	188
572 11th Avenue Housing Revenue Bonds					
variable rate demand - 2017 Series A, (Federally Taxable) maturing in 2049	103,000	—	103,000	—	103,000
Back to Back Debt Obligations*:					
Harris Park Housing Revenue Debt Obligation variable rate demand — maturing in 2017	7,090	7,090	—	7,090	—
Hemlock Ridge Apartments Housing Revenue Debt Obligation variable rate demand — maturing in 2017	9,000	8,822	157	—	8,979
Historic Pastures Housing Revenue Debt Obligation variable rate demand — maturing in 2017	19,700	19,191	509	19,700	—
Marcus Garvey Apartments Housing Revenue Debt Obligation variable rate demand — maturing in 2017	90,855	87,804	668	88,472	—
Marien Heim Housing Revenue Debt Obligation variable rate demand — maturing in 2017	27,000	24,564	1,942	26,506	—
Chappaqua Commons Housing Revenue Debt Obligation variable rate demand — maturing in 2019	3,370	1,118	819	—	1,937
variable rate demand — maturing in 2019	8,100	8,100	—	—	8,100
15 Hudson Yards Housing Revenue Debt Obligation variable rate demand — 2015 — maturing in 2021	10,000	10,000	—	—	10,000
variable rate demand — 2016 — maturing in 2021	28,000	55	27,945	—	28,000
111 East 172nd Street Housing Revenue Debt Obligation variable rate demand — maturing in 2019	25,400	20,350	—	—	20,350
Copiague Commons Housing Revenue Debt Obligation variable rate demand — maturing in 2018	17,455	9,140	6,912	—	16,052
New Settlement Apartments Housing Revenue Debt Obligation variable rate demand — maturing in 2019	86,000	29,439	40,000	—	69,439
Blue Heron Trail Housing Revenue Debt Obligation variable rate demand - maturing in 2020	10,250	—	10,250	—	10,250
Ocean Bay Housing Revenue Debt Obligation variable rate demand - maturing in 2020	213,250	—	110,629	—	110,629
<i>*Back to Back debt obligations (see note 7).</i>					
Total Secured Loan Rental Housing Bonds and Other	15,427,517	12,820,460	1,813,597	782,530	13,851,527
Housing Project Mortgage Revenue Bonds:					
3.60% to 6.125% — 1996 Series A Refunding, maturing in varying semi-annual installments to 2020	484,540	695	—	260	435
	484,540	695	—	260	435
Affordable Housing Bonds:					
Affordable Housing Revenue Bonds					
3.65% to 5.25% — 2007 Series A, maturing in varying semi-annual installments to 2038	11,805	8,275	—	195	8,080
3.60% to 5.45% — 2007 Series B, maturing in varying semi-annual installments to 2045	81,570	32,775	—	735	32,040
2.375% to 5.45% — 2008 Series A, maturing in varying semi-annual installments to 2040	14,880	5,905	—	110	5,795
3.30% to 5.00% — 2008 Series B, maturing in varying semi-annual installments to 2045	23,000	8,365	—	460	7,905

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
5.00% — 2008 Series C, maturing in varying semi-annual installments to 2045	15,515	9,095	—	590	8,505
2.15% to 6.80% — 2008 Series D, maturing in varying semi-annual installments to 2041	53,740	14,305	—	345	13,960
1.80% to 5.25% — 2009 Series A, maturing in varying semi-annual installments to 2041	53,680	34,875	—	720	34,155
0.70% to 5.00% — 2009 Series B, maturing in varying semi-annual installments to 2045	80,525	59,180	—	1,130	58,050
1.10% to 4.95% — 2009 Series C, maturing in varying semi-annual installments to 2041	35,590	14,990	—	290	14,700
0.45% to 5.20% — 2009 Series D, maturing in varying semi-annual installments to 2045	70,795	34,845	—	895	33,950
0.50% to 5.00% — 2010 Series A, maturing in varying semi-annual installments to 2042	45,800	29,500	—	655	28,845
0.40% to 4.875% — 2010 Series B, maturing in varying semi-annual installments to 2042	24,600	14,985	—	340	14,645
2.625% to 5.25% — 2010 Series C, maturing in varying semi-annual installments to 2042	3,140	2,250	—	125	2,125
0.55% to 5.20% — 2011 Series B, maturing in varying semi-annual installments to 2042	16,545	4,350	—	75	4,275
0.55% to 4.875% — 2011 Series D, maturing in varying semi-annual installments to 2042	14,630	8,330	—	185	8,145
0.75% to 4.13% — 2012 Series A, maturing in 2044	22,795	16,405	—	285	16,120
0.25% to 4.00% — 2012 Series B, maturing in varying semi-annual installments to 2047	45,500	37,480	—	725	36,755
0.25% to 3.85% — 2012 Series C, maturing in varying semi-annual installments to 2044	50,355	38,075	—	540	37,535
0.70% to 3.60% — 2012 Series D, maturing in varying semi-annual installments to 2045	23,685	5,270	—	90	5,180
0.33% to 3.75% — 2012 Series E, maturing in varying semi-annual installments to 2050	157,500	108,640	—	4,095	104,545
0.40% to 4.10% — 2012 Series F, maturing in varying semi-annual installments to 2048	91,500	61,175	—	1,150	60,025
0.30% to 4.65% - 2013 Series A, maturing in varying semi-annual installments to 2046	61,600	23,975	—	5,625	18,350
0.80% to 5.20% — 2013 Series B, maturing in varying semi-annual installments to 2046	36,085	20,340	—	285	20,055
0.625% to 5.10% — 2013 Series C, maturing in varying semi-annual installments to 2045	21,955	13,090	—	180	12,910
0.850% to 5.05% — 2013 Series D, maturing in varying semi-annual installments to 2046	54,305	49,275	—	32,030	17,245
0.15% to 5.05% — 2013 Series E, maturing in varying semi-annual installments to 2049	125,940	79,775	—	17,190	62,585
0.45% to 4.125% — 2014 Series A, maturing in varying semi-annual installments to 2046	26,495	20,460	—	6,170	14,290
0.30% to 4.5% — 2014 Series B, maturing in varying semi-annual installments to 2046	127,800	127,130	—	55,970	71,160
0.40% to 4.00% — 2014 Series C, maturing in varying semi-annual installments to 2046	41,905	22,860	—	485	22,375
0.80% — 2014 Series D, maturing in 2017	13,650	13,650	—	—	13,650
0.20% to 3.875% — 2014 Series E, maturing in varying semi-annual installments to 2046	55,170	39,095	—	21,730	17,365

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
0.20% to 3.90% — 2014 Series F, maturing in varying semi-annual installments to 2047	68,470	62,485	—	15,915	46,570
0.200% to 4.000% — 2014 Series G, maturing in varying semi-annual installments to 2047	101,830	100,540	—	18,475	82,065
0.50% to 4.20% — 2015 Series A, maturing in varying semi-annual installments to 2050	33,090	30,620	—	455	30,165
0.35% to 4.25% — 2015 Series B, maturing in varying semi-annual installments to 2050	59,835	58,225	—	1,950	56,275
0.30% to 4.15% — 2015 Series C, maturing in varying semi-annual installments to 2048	92,790	92,475	—	13,940	78,535
0.50% to 3.95% — 2015 Series D, maturing in varying semi-annual installments to 2047	26,060	25,880	—	16,750	9,130
0.80% to 4.10% — 2015 Series E maturing in varying semi-annual installments to 2048	53,880	53,880	—	9,500	44,380
1.20% — 2015 Series F maturing in varying semi-annual installments to 2018	13,050	13,050	—	150	12,900
1.10% to 3.95% — 2015 Series G maturing in varying semi-annual installments to 2048	50,245	50,245	—	—	50,245
0.40% to 3.80% — 2016 Series A maturing in varying semi-annual installments to 2051	68,420	67,860	—	1,790	66,070
0.95% to 3.55% — 2016 Series B maturing in varying semi-annual installments to 2049	105,215	105,215	—	—	105,215
0.60% to 3.375% — 2016 Series C maturing in varying semi-annual installments to 2049	302,690	302,690	—	2,770	299,920
0.50% to 3.20% — 2016 Series D maturing in varying semi-annual installments to 2046	55,000	55,000	—	385	54,615
0.80% to 3.45% — 2016 Series E maturing in varying semi-annual installments to 2049	62,255	62,255	—	—	62,255
1.00% to 3.60% — 2016 Series F maturing in varying semi-annual installments to 2049	53,450	—	53,450	—	53,450
Harris Park - 2016 Series G maturing in varying semi-annual installments to 2046	4,440	—	4,440	35	4,405
1.75% to 4.20% — 2016 Series H (Climate Bond Certified/Green Bonds) maturing in varying semi-annual installments to 2049	45,125	—	45,125	—	45,125
0.90% to 4.15% — 2016 Series I maturing in varying semi-annual installments to 2047	56,920	—	56,920	640	56,280
Marcus Garvey — 2016 Series J maturing in varying semi-annual installments to 2046	37,900	—	37,900	665	37,235
1.50% to 4.10% — 2017 Series A (Climate Bond Certified/Green Bonds) maturing in varying semi-annual installments to 2049	53,995	—	53,995	—	53,995
1.00% to 4.20% — 2017 Series B maturing in varying semi-annual installments to 2052	66,525	—	66,525	125	66,400
Historic Pastures — 2017 Series C maturing in varying semi-annual installments to 2046	7,490	—	7,490	15	7,475
1.10% to 4.20% — 2017 Series D (Climate Bond Certified/Green Bonds) maturing in varying semi-annual installments to 2049	56,285	—	56,285	—	56,285
0.90% to 4.25% — 2017 Series E maturing in varying semi-annual installments to 2051	99,265	—	99,265	—	99,265
1.20% to 3.95% — 2017 Series F maturing in varying semi-annual installments to 2050	65,680	—	65,680	—	65,680
Marien Heim — 2017 Series G maturing in varying semi-annual installments to	15,970	—	15,970	—	15,970
1.10% to 3.70 % — 2017 Series H (Climate Bond Certified/Green Bonds) maturing in varying semi-annual installments to 2049	78,420	—	78,420	—	78,420

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
1.05% to 3.70% — 2017 Series I maturing in varying semi-annual installments to 2049	17,460	—	17,460	—	17,460
1.15% to 3.65% — 2017 Series J maturing in varying semi-annual installments to 2050	40,915	—	40,915	—	40,915
	3,294,725	2,039,140	699,840	236,960	2,502,020
Affordable Housing Revenue Bonds					
(Federal New Issue Bond Program "NIBP")					
Conversions:					
3.16% — 2009 Series I, Subseries A, conversion: maturing in varying annual installments to 2043	47,660	37,720	—	840	36,880
3.16% — 2009 Series I, Subseries B, conversion: maturing in 2043	45,080	41,580	—	1,010	40,570
3.68% — 2009 Series I, Subseries C, conversion: maturing in 2044	24,760	23,080	—	370	22,710
2.47% — 2009 Series I, Subseries D, conversion: maturing in varying semi-annual installments to 2043	22,260	22,125	—	—	22,125
2.47% — 2009 Series I, Subseries E, conversion: maturing in varying semi-annual installments to 2043	21,320	20,090	—	420	19,670
2.47% — 2009 Series I, Subseries F, conversion: maturing in varying semi-annual installments to 2044	98,380	89,440	—	1,770	87,670
New Issues:					
0.55% to 3.80% — 2011 Series 2, maturing in varying semi-annual installments to 2022	16,470	5,290	—	760	4,530
0.30% to 1.70% — 2011 Series 4, maturing in varying semi-annual installments to 2016	35,510	220	—	220	—
	311,440	239,545	—	5,390	234,155
Total Affordable Housing Bonds	3,606,165	2,278,685	699,840	242,350	2,736,175
State Revenue Bond Programs:					
Service Contract Revenue Bonds					
variable rate demand — 2003 Series L Refunding, maturing in varying semi-annual installments to 2021	88,750	52,075	—	11,500	40,575
variable rate demand — 2003 Series M-1 Refunding, maturing in varying semi-annual installments to 2021	63,750	37,410	—	11,500	25,910
variable rate demand — 2003 Series M-2 Refunding, maturing in varying semi-annual installments to 2021	25,000	14,665	—	—	14,665
	177,500	104,150	—	23,000	81,150
Consolidated Service Contract Revenue Bonds					
2% to 5% — 2011 Series A Refunding, maturing in varying semi-annual installments to 2020	71,165	17,615	—	12,360	5,255
	71,165	17,615	—	12,360	5,255
State Personal Income Tax Revenue Bonds (Economic Development and Housing)					
variable rate demand — 2005 Series C, maturing in varying semi-annual installments to 2033	80,000	80,000	—	—	80,000
4% to 5% — 2007 Series C (Federally Taxable), maturing in varying semi-annual installments to 2021	19,220	17,560	—	17,560	—
3.05% to 5.35% — 2008 Series B (Federally Taxable), maturing in varying annual installments to 2017	40,115	4,890	—	4,890	—
1.75% to 5% — 2009 Series A, maturing in varying annual installments to 2039	96,990	84,055	—	84,055	—
1.943% to 4.911% — 2009 Series B (Federally Taxable), maturing in varying annual installments to 2019	103,010	36,155	—	11,515	24,640
	339,335	222,660	—	118,020	104,640
Total State Revenue Bond Programs	588,000	344,425	—	153,380	191,045

	Original Face Amount	Balance October 31, 2016	Issued	Retired/ Principal Payments	Balance October 31, 2017
Nursing Home and Health Care Project Revenue Bonds					
3.60% to 5.15% – 1998 Series A, maturing in varying annual installments to 2016	190,080	440	—	440	—
Total Bond Indebtedness and Other Debt Obligations	20,304,682	15,446,385	2,513,437	1,179,535	16,780,287
Unamortized Bond Premium	-	1,815	—	1,521	294
Total Net Bond Indebtedness and Other Debt Obligations	\$ 20,304,682	15,448,200	2,513,437	1,181,056	16,780,581



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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New York State Housing Finance Agency (the Agency), a component unit of the State of New York, which comprise the statement of net position as of October 31, 2017, and the related statements of revenues and expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 25, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ernst + Young LLP

January 25, 2018