

THE POWER



OF HOUSING

2013 ANNUAL REPORT FINANCIALS



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

STATEMENTS OF NET POSITION

At October 31, 2013 (with comparative summarized financial information as of October 31, 2012) (in thousands)

| | Discretely Presented Component Units | | | Total | |
|---|---|--|--|----------------------|----------------------|
| | New York City Housing Development Corporation | New York City Housing Assistance Corporation | New York City Residential Mortgage Insurance Corporation | | |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents (note 3) | \$ 701,635 | \$ - | \$ - | \$ 701,635 | \$ 604,649 |
| Investments (note 3) | 107,841 | - | - | 107,841 | 208,850 |
| Receivables: | | | | | |
| Mortgage loans (note 4) | 125,208 | 169 | - | 125,377 | 99,523 |
| Accrued interest | 23,776 | 22 | - | 23,798 | 27,785 |
| Notes (note 5) | 16,450 | - | - | 16,450 | 12,330 |
| Other (note 7) | 57,114 | - | - | 57,114 | 64,541 |
| Total Receivables | 222,548 | 191 | - | 222,739 | 204,179 |
| Other assets | 13 | - | - | 13 | 46 |
| Total Current Assets | 1,032,037 | 191 | - | 1,032,228 | 1,017,724 |
| Noncurrent Assets: | | | | | |
| Restricted cash and cash equivalents (note 3) | 1,031,522 | 3,142 | 2,658 | 1,037,322 | 694,969 |
| Restricted investments (note 3) | 1,071,335 | 6,537 | 85,659 | 1,163,531 | 1,004,420 |
| Purpose investments (note 2C) | 149,365 | - | - | 149,365 | 154,044 |
| Mortgage loans (note 4) | 391,643 | - | - | 391,643 | 485,644 |
| Restricted receivables: | | | | | |
| Mortgage loans (note 4) | 8,253,433 | 29,663 | - | 8,283,096 | 7,960,908 |
| Loan participation receivable - The City of NY (note 6) | 761,982 | - | - | 761,982 | 764,068 |
| Accrued interest | 2,200 | 2,525 | - | 4,725 | 3,496 |
| Notes (note 5) | 254,013 | - | - | 254,013 | 266,338 |
| Other (note 7) | 10,325 | - | 8 | 10,333 | 266 |
| Total restricted receivables | 9,281,953 | 32,188 | 8 | 9,314,149 | 8,995,076 |
| Primary government/component unit receivable (payable) | 2,567 | (2,548) | (19) | - | - |
| Capital assets | 1,336 | - | - | 1,336 | 1,647 |
| Other assets (note 8) | 9,769 | - | - | 9,769 | 10,010 |
| Total Noncurrent Assets | 11,939,490 | 39,319 | 88,306 | 12,067,115 | 11,345,810 |
| Total Assets | \$ 12,971,527 | \$ 39,510 | \$ 88,306 | \$ 13,099,343 | \$ 12,363,534 |
| Deferred Outflows of Resources | | | | | |
| Interest rate cap (note 9) | 1,944 | - | - | 1,944 | 1,586 |
| Deferred loss on early retirement of debt (note 9) | 8,881 | - | - | 8,881 | - |
| Total Deferred Outflows of Resources | \$ 10,825 | \$ - | \$ - | \$ 10,825 | \$ 1,586 |

[Click here to see accompanying notes to the basic financial statements](#)

STATEMENTS OF NET POSITION (continued)

At October 31, 2013 (with comparative summarized financial information as of October 31, 2012) (in thousands)

| | <u>Discretely Presented Component Units</u> | | | <u>Total</u> | |
|--|--|---|---|----------------------|----------------------|
| | New York City Housing Development Corporation | New York City Housing Assistance Corporation | New York City Residential Mortgage Insurance Corporation | 2013 | 2012 |
| LIABILITIES AND NET POSITION | | | | | |
| Current Liabilities: | | | | | |
| Bonds payable (net) (note 10) | \$ 344,830 | \$ - | \$ - | \$ 344,830 | \$ 392,369 |
| Accrued interest payable | 73,295 | - | - | 73,295 | 71,220 |
| Payable to mortgagors | 119,090 | - | - | 119,090 | 103,218 |
| Restricted earnings on investments | 12,851 | 40 | - | 12,891 | 9,773 |
| Accounts and other payables | 98,841 | - | - | 98,841 | 230,909 |
| Total Current Liabilities | 648,907 | 40 | - | 648,947 | 807,489 |
| Noncurrent Liabilities: | | | | | |
| Bonds payable (net) (note 10) | 9,161,544 | - | - | 9,161,544 | 8,412,956 |
| Payable to The City of New York: | | | | | |
| Loan participation agreement (note 12) | 761,982 | - | - | 761,982 | 764,068 |
| Other | 285,071 | 38,725 | - | 323,796 | 269,970 |
| Payable to mortgagors | 389,469 | 503 | - | 389,972 | 400,766 |
| OPEB liability (note 14) | 5,539 | - | - | 5,539 | 7,792 |
| Unearned revenues, amounts received in advance and other | 64,696 | - | - | 64,696 | 37,928 |
| Due to the United States Government (note 15) | 6 | - | - | 6 | 16 |
| Total Noncurrent Liabilities | 10,668,307 | 39,228 | - | 10,707,535 | 9,893,496 |
| Total Liabilities | 11,317,214 | 39,268 | - | 11,356,482 | 10,700,985 |
| Net Position: | | | | | |
| Restricted for bond obligations (note 19) | 1,015,914 | 242 | - | 1,016,156 | 836,248 |
| Restricted for insurance requirement and others | - | - | 49,621 | 49,621 | 49,038 |
| Unrestricted (note 19) | 649,224 | - | 38,685 | 687,909 | 778,849 |
| Total Net Position | 1,665,138 | 242 | 88,306 | 1,753,686 | 1,664,135 |
| Total Liabilities and Net Position | \$ 12,982,352 | \$ 39,510 | \$ 88,306 | \$ 13,110,168 | \$ 12,365,120 |

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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended October 31, 2013 (with comparative summarized financial information for the year ended October 31, 2012) (in thousands)

| | Discretely Presented Component Units | | | Total | |
|--|--|---|--|---------------------|---------------------|
| | New York City Housing Development Corporation | New York City Housing Assistance Corporation | New York City Residential Mortgage Insurance Corporation | 2013 | 2012 |
| OPERATING REVENUES | | | | | |
| Interest on loans (note 4) | \$ 213,927 | \$ - | \$ - | \$ 213,927 | \$ 203,793 |
| Fees and charges (note 7) | 48,674 | - | 2,203 | 50,877 | 56,746 |
| Income on loan participation interests (note 6) | 895 | - | - | 895 | 2,266 |
| Other | 4,129 | - | - | 4,129 | 2,433 |
| Total Operating Revenues | 267,625 | - | 2,203 | 269,828 | 265,238 |
| OPERATING EXPENSES | | | | | |
| Interest and amortization of bond premium and discount (note 10) | 166,871 | - | - | 166,871 | 159,196 |
| Salaries and related expenses (note 13) | 22,660 | - | - | 22,660 | 21,604 |
| Trustees' and other fees | 9,260 | - | - | 9,260 | 7,443 |
| Bond issuance costs | 12,787 | - | - | 12,787 | 9,462 |
| Corporate operating expenses (note 11) | 6,178 | - | - | 6,178 | 5,346 |
| Total Operating Expenses | 217,756 | - | - | 217,756 | 203,051 |
| Operating Income | 49,869 | - | 2,203 | 52,072 | 62,187 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Earnings on investments (note 3) | 27,359 | - | 2,699 | 30,058 | 27,246 |
| Unrealized gains (losses) on investments | (28,030) | (190) | (7,735) | (35,955) | 2,135 |
| Loss on early retirement of debt, net | (126) | - | - | (126) | - |
| Other non-operating revenues, net (note 7) | 43,502 | - | - | 43,502 | 44,136 |
| Payments to REMIC Subsidiary from HDC (note 1) | (10,000) | - | 10,000 | - | - |
| Payments from REMIC Subsidiary to HDC | 467 | - | (467) | - | - |
| Total Non-operating Revenues, net | 33,172 | (190) | 4,497 | 37,479 | 73,517 |
| Change in Net Position | 83,041 | (190) | 6,700 | 89,551 | 135,704 |
| Total net position - beginning of year | 1,582,097 | 432 | 81,606 | 1,664,135 | 1,528,431 |
| Total Net Position - End of Year | \$ 1,665,138 | \$ 242 | \$ 88,306 | \$ 1,753,686 | \$ 1,664,135 |

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STATEMENTS OF CASH FLOWS

Years ended October 31, 2013 and 2012 (in thousands)

| | New York City Housing Development Corporation | |
|--|--|---------------------|
| | 2013 | 2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Mortgage loan repayments | \$ 770,294 | \$ 838,857 |
| Note repayments | 227,929 | 25,933 |
| Receipts from fees and charges | 62,087 | 19,417 |
| Mortgage escrow receipts | 144,541 | 128,620 |
| Reserve for replacement receipts | 31,865 | 44,932 |
| Mortgage loan advances | (854,955) | (1,104,437) |
| Note advances | (222,956) | - |
| Escrow disbursements | (109,012) | (93,127) |
| Reserve for replacement disbursements | (41,964) | (37,820) |
| Payments to employees | (20,772) | (19,767) |
| Payments to suppliers for corporate operating expenses | (5,541) | (5,249) |
| Project contributions and funds received from NYC | 75,157 | 112,391 |
| Advances and other payments for NYC | (82,373) | (84,677) |
| Bond cost of issuance | (12,787) | (367) |
| Other receipts | 306,045 | 363,619 |
| Other payments | (360,612) | (335,273) |
| Net Cash (Used in) Operating Activities | (93,054) | (146,948) |
| CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES | | |
| Proceeds from sale of bonds | 1,821,895 | 1,228,486 |
| Retirement of bonds | (1,107,179) | (916,191) |
| Interest paid | (166,326) | (156,574) |
| Grant proceeds from BPCA | 46,143 | 37,015 |
| Payments to component units | (2,182) | 1,250 |
| Net Cash Provided by Non Capital Financing Activities | 592,351 | 193,986 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of capital assets | (387) | (642) |
| Net Cash (Used in) Capital and Related Financing Activities | (387) | (642) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of investments | 13,137,823 | 13,820,041 |
| Purchase of investments | (13,220,992) | (13,877,049) |
| Interest and dividends collected | 25,153 | 23,881 |
| Net Cash (Used in) Investing Activities | (58,016) | (33,127) |
| Increase in cash and cash equivalents | 440,894 | 13,269 |
| Cash and cash equivalents at beginning of year | 1,292,263 | 1,278,994 |
| Cash and Cash Equivalents at End of Year | \$ 1,733,157 | \$ 1,292,263 |

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STATEMENTS OF CASH FLOWS (continued)

Years ended October 31, 2013 and 2012 (in thousands)

| | New York City Housing Development Corporation | |
|--|--|---------------------|
| | <u>2013</u> | <u>2012</u> |
| Reconciliation of Operating Income to Net Cash Used in Operating Activities: | | |
| Operating Income | \$ 49,869 | \$ 60,385 |
| Adjustments to reconcile operating income to net cash used in operating activities: | | |
| Depreciation expenses | 698 | 316 |
| Amortization of bond discount and premium | (1,469) | (3,674) |
| Amortization of deferred loss on early retirement of debt | 77 | - |
| Net cash provided by non-operating activities | 166,326 | 156,574 |
| Changes in Assets and Liabilities: | | |
| Mortgage loans | (249,048) | (450,217) |
| Accrued interest receivable | 1,084 | 562 |
| Notes receivables | 827 | 11,730 |
| Other receivables | 7,038 | 58,997 |
| Primary government/component unit receivable (payable) | 2,049 | (106,763) |
| Other assets | (9,283) | 988 |
| Payable to The City of New York | 48,806 | 178,046 |
| Payable to mortgagors | 5,342 | 32,356 |
| Accounts and other payables | (145,639) | (106,781) |
| Due to the United States Government | (5) | 4 |
| Restricted earnings on investments | 1,224 | (1,209) |
| Unearned revenues, amounts received in advance and other liabilities | 26,939 | 16,625 |
| Accrued interest payable | 2,111 | 5,113 |
| Net Cash Used in Operating Activities | \$ (93,054) | \$ (146,948) |
| Non Cash Investing Activities: | | |
| (Decrease) increase in fair value of investments | \$ (28,030) | \$ 1,859 |

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NEW YORK CITY
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CORPORATION

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