

NEW YORK CITY HOUSING AUTHORITY

NEW YORK, NEW YORK



A Component Unit of The City of New York

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE

YEARS ENDED

DECEMBER 31, 2022 AND 2021



Lisa Bova-Hiatt
Interim Chief Executive Officer



Eva Trimble
Chief Operating Officer



Annika Lescott-Martinez
Executive Vice-President
& Chief Financial Officer



Jeffrey Lesnoy
Vice-President
and Controller



Government Finance Officers Association

Certificate of
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Reporting

Presented to

New York City Housing Authority
New York

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

New York City Housing Authority

New York, New York

Annual Comprehensive Financial Report

For the Years Ended December 31, 2022 and 2021

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Baruch Houses, Manhattan



Marble Hill Houses, Bronx



Kingsborough Houses, Brooklyn



Pomonok Houses, Queens



RIIS Houses, Manhattan



South Beach, Staten Island



LISA BOVA-HIATT
INTERIM CHIEF EXECUTIVE OFFICER

June 21, 2023

Board Members of the Authority
New York City Housing Authority
90 Church Street – 10th Floor
New York, New York 10007

The Real Estate Assessment Center (“REAC”) of the U.S. Department of Housing and Urban Development (“HUD”) requires that all public housing authorities publish, within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* by a firm of independent certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the New York City Housing Authority (the “Authority” or “NYCHA”) for the year ended December 31, 2022. The Audit and Finance Committee of the Authority’s Board reviewed and approved the statements on June 13, 2023.

This ACFR consists of management’s representations concerning the finances of the Authority. Management is responsible for the completeness and reliability of all the information presented in this report. To provide for a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect its assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the Authority’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that to the best of our knowledge and belief, this ACFR is complete and reliable in all material respects.

The Authority’s 2022 financial statements have been audited by independent public accountants, Deloitte & Touche LLP. The purpose of the independent audit is to provide reasonable assurance that the financial statements of the Authority present fairly, in all material respects, the financial position, results of operations and cash flows of the Authority.

The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Authority's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. 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.

The independent auditors issued an unmodified opinion on the Authority's financial statements for the years ended December 31, 2022 and December 31, 2021, indicating that they were fairly presented, in all material respects, in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this ACFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the independent auditors' report.

Profile of the Authority

The Authority, created in 1934, is a public benefit corporation chartered under New York State Public Housing Law. The Authority is a component unit of The City of New York.

The Authority provides affordable housing to approximately 340,000 low-and moderate-income residents in New York City living in approximately 162,000 apartments across 277 conventional public housing (Section 9) developments. Through the Section 8 Housing Choice Voucher Program, the Authority assists approximately 79,019 families in locating and renting housing in privately owned buildings, housing approximately 167,135 residents.

The Authority's basic financial statements consist of a single enterprise fund, which includes the following programs:

- Low Rent Housing Program
- Public Housing Capital Fund Program
- Section 8 Housing Choice Voucher Program
- Section 8 Rental New Construction Program
- Other Grant Programs

Refer to Note 1 to the financial statements for a description of Authority programs. For further analysis, we have also included supplemental statistical schedules which can be found following the required supplementary information.

The Authority's basic financial statements also include the following blended component units:

- NYCHA Public Housing Preservation I, LLC
- NYCHA Public Housing Preservation II, LLC (*inactive in 2022*)

Please refer to Notes 16 and 19 to the financial statements for a description and financial information relating to these component units.

HUD Agreement and Pollution Remediation

HUD declared NYCHA to be in "substantial default" of the U.S. Housing Act on January 31, 2019 following the filing of a complaint in federal court that detailed a set of findings. HUD found that NYCHA failed to follow laws and regulations concerning lead-based paint; failed to provide decent, safe, and sanitary conditions; and engaged in deceptive practices to hide the condition of NYCHA properties. As a result, NYCHA signed an agreement with HUD, the United States Attorney's Office for the Southern District of New York ("SDNY"), and The City of New York effective January 31, 2019 (the "Agreement") to remedy the physical deficiencies at NYCHA properties, ensure the Authority's compliance with federal law, and reform NYCHA's management structure. The obligations of this Agreement apply to apartment units, common areas, residential buildings, and building sites consisting of public housing owned or operated by NYCHA and receiving funding through Section 9 of the Housing Act. The Agreement appointed a Federal Monitor to oversee the Authority's compliance and to approve Action Plans that NYCHA has submitted to achieve all the requirements of the Agreement for the six pillar areas: lead, mold, heat, elevators, Public Housing Assessment System ("PHAS") inspections and apartment inspections, and pests and waste management.

NYCHA agreed to perform lead-based paint interim controls, follow lead-safe work practices mandated by HUD and the U.S. Environmental Protection Agency ("EPA"), and perform specified lead-based paint abatement activities. These requirements include all apartments and interior common areas that contain lead-based paint in the same building as those units, in addition to all exterior common areas. Timelines are subject to a phased approach over the 20-year term of the Agreement.

Effective December 1, 2021, New York City implemented a new standard for defining the presence of lead in paint, in accordance with Local Law 66 of 2019. This new standard defines lead-based paint as having 0.5 milligrams (mg) of lead per square centimeter (cm) or more, which is stricter than the prior New York City and current federal standard of 1.0mg/cm. Under the new standard, NYCHA will be required to test substantially all apartments at move-out and has initiated a program to aggressively test and abate all

apartments with children under 6 (CU6) years of age. Thereafter, NYCHA will establish an annual testing program to test any newly identified CU6 apartments.

Based on its current evaluation, NYCHA has reflected \$3.7 billion and \$3.1 billion of pollution remediation liability (lead-based paint) in 2022 and 2021, respectively (see Note 7). The primary driver of the liability increase is due to the change of lead standard to 0.5mg which resulted in an increase in the positivity assumption from 27% in 2021 to 35% in 2022.

While work streams and cash outlays will occur over the 20-year term of the Agreement, Governmental Accounting Standards Board (“GASB”) Statement No. 49 requires that the lifetime estimate of the costs be recorded upon the triggering of the obligation. Total costs are subject to variations in testing, timing of when remediation and abatement can be executed, variation in contractor costs, and other factors.

As part of the Agreement, The City of New York committed to provide \$2.2 billion in capital funds over ten years to assist NYCHA in meeting its various obligations in the Agreement, of which \$772 million has been allocated to lead abatement as per the Action Plan approved by the Federal Monitor. Such funding will be treated as a voluntary nonexchange transaction and revenues will be recognized on a cost reimbursement basis.

NYCHA is not yet in full compliance with the requirements of the Agreement and lead-based paint regulations but continues to work with the Monitor, HUD and the SDNY to improve its compliance.

Financial Results

The Authority has implemented GASB Statement No. 87 as of January 1, 2021 and accordingly has restated the financial statements for the calendar year ended December 31, 2021. GASB 87 establishes a uniform approach for lease accounting (see Note 1C and Note 17). The Authority's *Loss before Special Item and Capital Contributions* for 2022 was \$481 million, compared to a restated loss of \$263 million for 2021. The increase in the loss consisted primarily of a \$372 million increase in operating expenses, partially offset by a \$74 million increase in operating revenues and a \$79 million increase in non-operating revenues. The \$372 million increase in operating expenses largely includes a \$95 million increase in liability insurance expense, a \$78 million increase in certain employee benefits (including pension costs), a \$133 million increase in rent for lease dwellings, a \$69 million increase in maintenance and operations, a \$49 million increase in utilities cost offset partially by a reduction in Other Post Employment Benefits (“OPEB”) expense.

While the Federalization of the State and City-built developments has helped to reduce the Authority's historical budget deficits, ongoing structural operating deficits are projected to continue, primarily attributable to federal underfunding of public housing, decreased tenant rent revenues, and increased employee entitlement costs.

In 2022, the Authority recorded *Special item* costs relating to pollution remediation (lead-based paint) totaling \$721 million representing an increase of expected costs largely due to the change of lead-paint standard from 1.0mg to 0.5mg, which resulted in an increase in the positivity assumption from 27% in 2021 to 35% in 2022. In 2021, the Authority recorded *Special item* costs relating to pollution remediation totaling \$649 million representing an increase of expected costs largely due to the requirement to re-test apartment units under the new Local Law 66 standards and to include apartments previously exempted under the former New York City lead standard. Loss before Capital Contributions was \$1.202 billion and \$911 million for 2022 and 2021(restated) respectively.

Factors Affecting Financial Condition

To assess the Authority's overall financial condition, the following information contained within the Authority's financial statements should be considered in connection with an understanding of the following major factors affecting its financial condition:

Congressional Budget and HUD Policy. As a public housing authority ("PHA"), the Authority's primary source of funding is HUD. The amount of funding received from HUD is affected by Congressional housing legislation and the federal budget. The Authority continually monitors changes and trends in the Congressional budget and HUD policy and adjusts its strategy and financial planning accordingly.

Public Housing Subsidies - Operating Fund Program. HUD's Public Housing Operating Fund provides subsidies to PHAs nationwide to operate and maintain public housing in local communities. HUD calculates each PHA's eligibility for operating subsidy based on the PHA's expense levels less their formula income. In the past, appropriations have fallen short of the funding levels required to fully fund public housing operations in accordance with HUD's eligibility formula. It is also important to note that while HUD's formula takes location into account, New York City has long advocated that the system is inequitable when one considers its uniquely high construction and employment costs in comparison to authorities across the nation. In 2022, PHAs nationwide were eligible to receive \$4.7 billion in operating subsidies. The final appropriation was \$5.0 billion at 104.9 percent proration, which translates to nearly \$1.049 dollars for every dollar PHAs were eligible for based on the operating formula. This resulted in the Authority being awarded \$1.226 billion of operating subsidy during the fiscal year, a \$129 million increase from 2021.

The 2023 budget assumes an operating subsidy of \$1.209 billion. Thus far, 2023 appropriations are anticipated to be higher than projected, mainly due to higher Congressional appropriations for the Public Housing program as compared to the prior year.

Public Housing Subsidies - Capital Fund Program. The Capital Fund Program provides financial assistance in the form of grants to public housing authorities to carry out capital and management activities, including those listed in Section 9(d)(1) of the United States Housing Act of 1937. Congress provides Capital Funds through annual appropriations. The Capital Fund formula factors modernization backlog (existing modernization needs) and accrual needs in the calculation. The Capital Fund Rule went into effect on November 25,

2013 and combined the exiting Capital Fund and development regulations into a consolidated regulation. The Authority was awarded \$709 million in funding from HUD for the Public Housing Capital Fund Program in 2022, and \$751.9 million in 2023.

Section 8 Housing Choice Voucher Program. The Housing Choice Voucher (HCV) Program is a federally funded program that provides rental assistance to eligible low-income families to fund affordable housing in the private rental market. The Authority's HCV program is the largest in the United States. Nearly 25,000 property owners currently participate in the program. During 2022, the Authority received \$1.450 billion in subsidies from HUD for the Section 8 Housing Voucher Programs, representing a \$60 million increase over 2021.

Federalization of New York State and The City of New York Developments. Subsidy funding for 21 developments originally built by the State of New York and The City of New York was eliminated by the State in 1998 and by The City in 2003. A first step in addressing the funding shortfall for these 21 State- and City-built developments was taken on September 21, 2008, when the Authority received approval of its management plan for its Section 8 Voluntary Conversion Program. Through the end of 2017, the Authority converted 4,700 units in the State- and City-built developments to Section 8 funding. The American Recovery and Reinvestment Act of 2009 (ARRA) presented PHAs across the country with an opportunity to re-invest in and develop public housing units. NYCHA capitalized on this opportunity to seek funding for the 21 State- and City- built developments. NYCHA became eligible to receive approximately \$65 million in recurring annual operating and capital subsidies for nearly 12,000 units at these developments. During 2022 and 2021, the Authority received \$86 million and \$67 million, respectively, in operating subsidies for these units.

Five-Year Operating Plan. NYCHA's 2023-2027 Operating Plan includes initiatives to increase revenue, contain costs, and operate as a more efficient landlord. At the same time, however, NYCHA's portfolio presently requires more than \$40 billion to bring its buildings to a state of good repair and provide residents with the quality of life they deserve. To address the immense capital needs and reduce the operational costs of aging buildings that have not received the continual investment they need, the Authority is pursuing two significant and groundbreaking initiatives: Permanent Affordability Commitment Together (PACT) and the Public Housing Preservation Trust.

PACT. In 2018, NYCHA committed to using the PACT program to rehabilitate and preserve 62,000 apartments in its portfolio over 10 years. PACT transitions a development's funding to Project-Based Section 8 and enables the completion of long overdue major repairs and upgrades, providing residents with safe, fully renovated homes; professional property management; and enhanced services and programming – while NYCHA remains the permanent owner of the buildings and land, residents retain their rights, and residents' rent remains permanently affordable. To date, PACT has generated more than \$3.5 billion in capital funding for comprehensive apartment renovations and building infrastructure improvements for approximately 16,000 households.

Public Housing Preservation Trust. The Public Housing Preservation Trust, a State-created public agency, will also enable NYCHA to comprehensively modernize a large segment of its portfolio – 25,000 apartments initially. Authorized by the State legislature in June 2022, the Trust will improve residents’ homes through billions of dollars of capital investments while protecting residents’ rights (including affordable rent), keeping the properties fully public, and preserving a public workforce. The Trust will transform residents’ homes by expediting massive levels of rehabilitation through improved procurement processes, and the properties will receive more funding through a switch to the more reliable and valuable project-based Section 8 subsidy. Residents’ feedback, ideas, and recommendations were incorporated in the updated State legislation authorizing the Trust, and residents will continue to be engaged as partners in the creation of the Trust. In December 2022, NYCHA published the final voting procedures for the Trust in accordance with the deadlines outlined by the Trust Act.

Both PACT and the Public Housing Preservation Trust will address all compliance elements of the HUD Agreement as well as basic housing quality standards, improving the quality of life for today’s residents and the generations to come.

Physical Needs Assessment. In 2016, NYCHA engaged a consulting firm to perform a Physical Needs Assessment (“PNA”) of the complete NYCHA portfolio of buildings. The goal was to get a sound and thorough understanding of the existing conditions of NYCHA buildings and grounds. The PNA concluded that the total projected cost of all needs - repair and replacement - over the next five years is \$31.8 billion. This amount continues to grow with inflationary and construction escalation factors. The bulk of this need is due to the aging NYCHA portfolio; the average age of a NYCHA building is roughly 60 years, and 70 percent of the portfolio was built prior to 1970. NYCHA anticipates releasing an updated PNA in 2023. Under current accounting rules, there is no requirement to record or disclose the costs of such deferred maintenance within the financial statements.

General Economic conditions in New York City. The COVID-19 pandemic resulted in the closure of all non-essential businesses within New York State in addition to social distancing and other restrictive measures beginning March 2020. While many, but not all, of such restrictions were gradually lifted during the second half of 2020, the pandemic caused a lasting and disproportionate impact on the local New York City economy with the service, hospitality, and tourism sectors especially hard hit. The New York City seasonally adjusted unemployment rate in December 2019 was 4.0%, peaking at 21.4% in May 2020. Unemployment rates steadily improved over time, dropping to 12.6% in December 2020, 8.0% in December 2021, 5.1% in December 2022 and 5.4% in April 2023. However, the New York City unemployment rate is still well above the pre-pandemic levels.

In addition, New York City inflation rates (as measured by the Consumer Price Index on a twelve-month basis) have significantly increased over the last 2+ years from 1.6% at December 2020 to 4.4% at December 2021 to 6.3% at December 2022, partially declining to 3.7% at April 2023.

The Federal Reserve has raised its benchmark interest rate seven times in 2022 and three additional times through May 2023, totaling a 5% increase in interest rates. Such rates have had impact on interest incurred on mortgages, credit card debt and other type of consumer and business loans.

Specific Economic conditions in New York City impacting Rental Revenue. Rent provides a significant portion of the Authority’s income. After review of the household composition, income, assets, and expenses, the Authority sets a household’s rent at either 30 percent of the household’s adjusted gross income or the flat rent, whichever is lower. Adjusted gross income is the household’s gross income plus the cash value of assets minus any exclusions and allowable deductions. In comparison, flat rent is set at 80 percent of Fair Market Rent (FMR) and is based on rent charged for similar units in the private, non-subsidized rental market. The COVID-19 pandemic had a direct impact on tenant’s ability to pay rent, disproportionately affecting low-income families. While unemployment rates have greatly improved since the pandemic peak, unemployment rates in December 2022 and April 2023 were still significantly higher than before the pandemic. Large increases in inflation and interest rates also impacted the ability for low-income families to make rent payments, even if employed. 2022 rental revenue, net of \$25 million provision for bad debts, was \$966 million. The 2022 provision for bad debts includes the one-time benefit of an expected \$116 million recovery through the Emergency Rental Assistance Program (“ERAP”). Rent collection challenges persist into 2023. 2021 rental revenue, net of \$142 million provision for bad debts, was \$897 million. This compares to a pre-pandemic baseline in 2019 where rental revenue, net of \$29 million provision for bad debts, was \$1.033 billion.

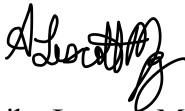
On January 15, 2022, the eviction moratorium was lifted, and the Authority re-started certain collection activities, which were previously placed on hold. The Authority updated and revised certain procedures (such as the availability of payment plans, simplifying interim recertification requirements, and centralizing eviction on the basis of nonpayment of rent function in the Law Department) to support better rent collection. In addition, NYCHA has prioritized nonpayment eviction proceedings for households with the highest amounts of arrears and pre- pandemic arrears. NYCHA has also restarted termination of tenancy proceedings for households with several overdue annual recertifications and a history of chronic rent delinquency. However, the systemic issues in the economy affecting NYCHA’s tenants and the backlog in the courts continue to provide serious challenges in improving rent collections.

In addition, the recently passed New York State budget provides funding for the review and processing of Emergency Rental Assistance Program (ERAP) applications submitted by NYCHA households. Approximately 33,000 households submitted \$128 million worth of applications for rent arrears assistance from the State. We are working with our State partners to ensure the expeditious review of the applications and payment to NYCHA for the outstanding eligible arrears. It is important to note that with the payment of the ERAP covered arrears, also comes eviction protections equal to the number of months of rental arrears paid, regardless of whether the tenant’s entire arrears balance was covered by ERAP funding.

GFOA. The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Authority for its Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended December 31, 2021. This was the nineteenth consecutive year that the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR that demonstrates a constructive “spirit of full disclosure.” This report must satisfy both generally accepted accounting principles and applicable legal requirements. A copy of the 2021 *Certificate of Achievement for Excellence in Financial Reporting* can be found at the front of this ACFR.

The Authority completed its financial statements for the year ended December 31, 2022, and its auditors expressed an unmodified opinion in accordance with Generally Accepted Auditing Standards established by the American Institute of Certified Public Accountants (“AICPA”) and Government Auditing Standards, subject to Board approval on June 29, 2023. The Single Audit will be issued within the deadlines established by the Uniform Guidance issued by the Office of Management and Budget. The timely and quality issuance of its audited financial statements has once again afforded the Authority the opportunity to compete for the Government Finance Officers Association’s *Certificate of Achievement for Excellence in Financial Reporting*. We believe that the current ACFR continues to meet the Certificate of Achievement Program’s rigorous requirements.

Respectfully submitted,



Annika Lescott-Martinez
Executive Vice President and Chief Financial Officer



Wagner Houses, Manhattan



Eastchester Gardens, Bronx



Castle Hill Houses, Bronx



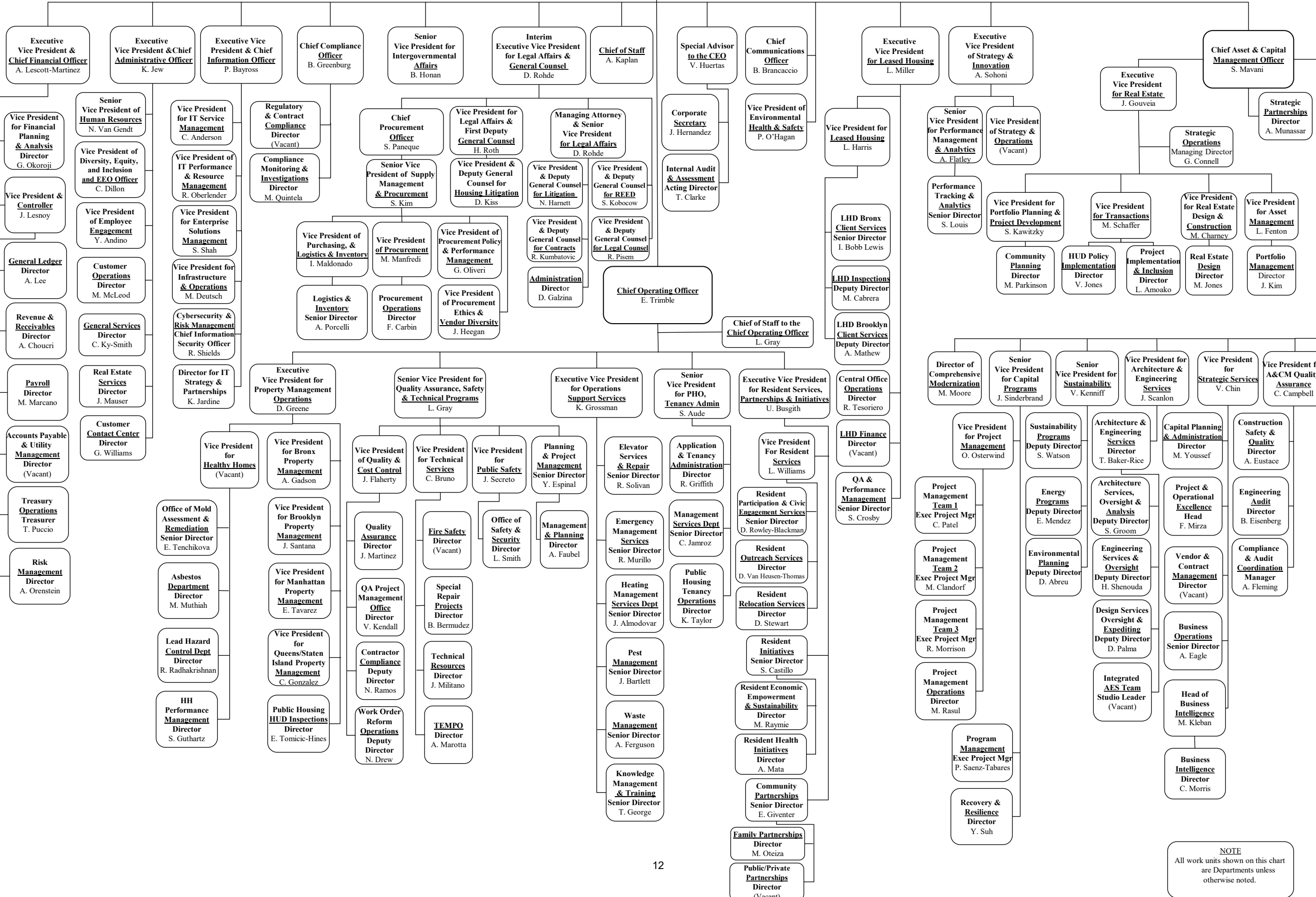
Douglas Houses, Manhattan



NEW YORK CITY HOUSING AUTHORITY ORGANIZATION CHART

Effective May 1, 2023

Interim Chief Executive Officer
L. Bova-Hiatt



NOTE
All work units shown on this chart are Departments unless otherwise noted.

NEW YORK CITY HOUSING AUTHORITY
LIST OF PRINCIPAL OFFICIALS
June 21, 2023

NAME	TITLE
NYCHA BOARD	
Victor A. Gonzalez.....	Vice Chair /Board Member
Raymond Miller.....	Board Member
James McKoy.....	Board Member
Paula Gavin.....	Board Member
Magalie D. Austin.....	Board Member
Emma Wolfe.....	Board Member
SENIOR MANAGEMENT	
Lisa Bova-Hiatt.....	Interim Chief Executive Officer
Eva Trimble.....	Chief Operating Officer
Annika Lescott Martinez.....	Executive Vice-President and Chief Financial Officer
Kerri Jew.....	Executive Vice-President and Chief Administrative Officer
David Rohde.....	Interim Executive Vice President for Legal Affairs and General Counsel
Arvind Sohoni.....	Executive Vice President of Strategy and Innovation
Keith Grossman.....	Executive Vice President for Operations Support Services
Patti Bayross.....	Executive Vice-President and Chief Information Officer
Daniel Greene.....	Executive Vice-President for Property Management Operations
Lakesha Miller.....	Executive Vice-President for Leased Housing
Ukah Busgith.....	Executive Vice-President Resident Services, Partnerships, and Initiatives
Shaan Mavani.....	Chief Asset and Capital Management Officer
Johnathan Gouveia.....	Executive Vice-President for Real Estate Development
Barbara Brancaccio.....	Chief Communications Officer
Brad Greenburg.....	Chief Compliance Officer

**NEW YORK CITY HOUSING AUTHORITY
LIST OF PRINCIPAL OFFICIALS (continued)
June 21, 2023**

NAME	TITLE
Andrew Kaplan.....	Chief of Staff
Vilma Huertas.....	Special Advisor to the CEO
Jeffrey Lesnoy.....	Vice-President and Controller

FINANCIAL **SECTION**

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Audit Committee
of the New York City Housing Authority

Opinion

We have audited the financial statements of the New York City Housing Authority (the "Authority"), a component unit of The City of New York, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matters

As discussed in Note 1A to the financial statements, the Authority is a component unit of The City of New York. The Authority requires significant subsidies from and has material transactions with The City of New York, New York State, and the United States Department of Housing and Urban Development. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87, *Leases*, resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios, Schedule of the Authority's Contributions to the New York City Employees' Retirement System (NYCERS), and Schedule of the Authority's Proportionate Share of the Net Pension Liability of NYCERS be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

June 21, 2023

**MANGEMENT'S
DISCUSSION
AND ANALYSIS
(UNAUDITED)**

NEW YORK CITY HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

The following is a narrative overview and analysis of the Authority's financial activities for the years ended December 31, 2022, and 2021. It should be read in conjunction with the transmittal letter at the beginning of this report, the Authority's financial statements following this section and the notes to the financial statements.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The **Statements of Net Position** present the Authority's *assets, deferred outflows, liabilities, and deferred inflows* at the end of the year. *Net position* is the difference between (a) assets and deferred outflows and (b) liabilities and deferred inflows. Over time, increases or decreases in *Net Position* is a useful indicator as to whether the Authority's financial health is improving or deteriorating.

The **Statements of Revenues, Expenses, and Changes in Net Position** report the Authority's operating results and how its Net Position changed during the year. All Revenues, Expenses, and Changes in Net Position are reported on an *accrual basis* of accounting, which reports events as they occur, rather than when cash changes hands (*cash basis* of accounting).

The **Statements of Cash Flows** report how the Authority's cash and cash equivalents increased or decreased during the year. The statements report how cash and cash equivalents were provided by and used in the Authority's operating, non-capital financing, capital, and related financing, and investing activities. The Authority uses the direct method of presenting cash flows, which includes a reconciliation of operating income or loss to cash flows related to operating activities.

The **Notes to the Financial Statements** are an integral part of the financial statements, disclosing information which is essential to a full understanding of the statements.

REQUIRED SUPPLEMENTARY AND STATISTICAL INFORMATION

The **Required Supplementary Information** presents information regarding: (1) the Authority's changes in total OPEB Liability and related ratios; (2) the Authority's contributions to the New York City Employees' Retirement System ("NYCERS"), and (3) the Authority's proportionate share of the Net Pension Liability of NYCERS.

The **Statistical Section** provides information on the Authority's overall economic condition. The major categories presented are: (1) financial trends; (2) revenue capacity; (3) debt capacity; (4) demographic and economic information; and (5) operating information.

FINANCIAL HIGHLIGHTS AND ANALYSIS

The Authority has implemented GASB Statement No. 87 as of January 1, 2021 which establishes a uniform approach for lease accounting (see Note 1C and Note 17). As a result, the Authority has restated the financial statements for the calendar year ended December 31, 2021 with a reduction to net position of \$23 million to a restated net position of \$ 1.599 billion. The Authority's *Loss before special item and capital contributions* for 2022 was \$481 million compared to a loss of \$263 million in 2021. This \$218 million unfavorable variance includes a \$372 million unfavorable variance in *Operating expenses, partially offset by a* \$74 million favorable variance in *Operating revenues* and a \$78 million favorable variance in *Non-Operating Revenues, net*.

The *Special item* cost of \$721 million in 2022 represents an increase of expected cost for lead-based paint remediation and abatement due to the increase in positive lead findings from 27% of apartment units in 2021 to 35% of the apartment units in 2022. This increase in positivity is due to the implementation of new standards set for measuring lead by The City of New York. (see Note 7). While workstreams and cash outlays will occur over the 20-year term of the agreement, GASB Statement No. 49 requires that the lifetime estimate of the costs be recorded upon the triggering of the obligation. Total costs are subject to variations in testing, timing of when remediation and abatement can be executed, variation and inflation in contractor costs, and other microeconomic and macroeconomic factors. Costs recorded do not include components that are not reasonably estimable such as exterior building surfaces, fences, and soil where the Authority does not have reliable information to reasonably estimate lead findings and related costs at this time.

The \$74 million increase in *Operating revenues* represents an increase of \$68 million in *Tenant revenue* and a \$7 million increase in *Other income*. The increase in tenant revenue can primarily be attributed to a revision of previously recorded allowance for doubtful accounts resulting from a change of estimate of rent recoveries through the Emergency Rental Assistance Program ("ERAP"). Partially offsetting tenant revenue was the impact of PACT transactions (Note 15) which resulted in a reduction of apartment units and related rent collections in 2022.

The increase of \$372 million in *Operating expenses* is primarily driven by an increase in general and administrative expense of \$213 million. This increase is mainly attributed to an increase in liability insurance expense and an increase in pension cost due to changes in pension plan investment income (see Note 12). Additionally, there was a \$133 million increase for *Rent for lease dwellings* which was largely offset by an increase in Section 8 Housing Assistant Program subsidy (refer to Note 14). Maintenance and operations expense increased by \$69 million and utilities costs rose by \$49 million. The above increases were partially offset by a \$99 million decrease in *OPEB expense* primarily resulting from a change in the discount rate assumption from 2.25% in 2021 to 4.31% in 2022 (see Note 12).

The \$78 million favorable variance in *Non-operating revenues, net*, primarily includes a \$130 million increase in *Subsidies and grants* (see Note 14) and a \$29 million unfavorable variance for *Change in fair value of investments*. The growth in *Subsidies and grants* (see Note 14) is primarily driven by an increase of \$60 million Section 8 Housing Assistant Payments and an increase of \$113 million of Public Housing Subsidy, an increase of \$89 million in City of New York subsidy, partially offset by \$57 million of CARES Act funding in 2021 with no corresponding funding in 2022. The unfavorable variance in *Change in fair value of investment* of \$29 million, was primarily due to the 4.25% increase by the Federal Reserve in interest rates during 2022. The Authority's long-term investment portfolio is comprised of government sponsored agency bonds, and the fair market value will decrease when interest rates increase.

Summary of Net Position (\$ in thousands)

	2022	2021 (Restated)	2020
Current and other assets	\$ 2,697,085	\$ 2,873,632	\$ 3,037,426
Capital assets, net	9,757,244	9,405,217	8,191,131
Total Assets	12,454,329	12,278,849	11,228,557
Deferred Outflows of Resources	707,340	741,368	1,008,189
Current liabilities	1,611,473	1,387,512	1,547,700
Non-current liabilities	9,316,324	8,956,357	8,488,260
Total Liabilities	10,927,797	10,343,869	10,035,960
Deferred Inflows of Resources	1,030,910	1,077,071	448,243
Net investment in capital assets	8,073,733	7,918,922	7,504,162
Restricted for housing assistance payments	11,914	40,102	-
Unrestricted deficit	(6,882,685)	(6,359,747)	(5,751,619)
Total Net Position	\$ 1,202,962	\$ 1,599,277	\$ 1,752,543

December 31, 2022 vs. December 31, 2021(Restated) (\$ in thousands)

- The Authority's *Net Position* decreased by \$396,315 from the prior year, comprised of *Loss before capital contributions* of \$1,202,465 partially offset by *Capital Contributions* of \$806,150.
- The *Loss before Capital contributions* of \$1,202,465 includes a *Special Item* of \$721,235, representing an increase of future expected costs to be incurred on lead paint remediation and abatement efforts. (see Note 7)
- The decrease of \$176,547 in *Current and other assets* mainly consist of a decline in cash and cash equivalent and claims payable collectively by \$202,358 and a reduction in Restricted cash of \$82,846. Additionally, there is a decrease in subsidies receivable of \$48,259. This decrease is partially offset by an increase of \$218,974 in Accounts receivable, net of which approximately half of the increase is due to reversal of allowance for doubtful accounts on tenants receivable as a result of the expected recovery from ERAP.
- The increase of \$352,027 in *Capital assets, net* represents the current year additions of \$820,336 less Depreciation and Amortization expense of \$466,146, net of the \$2,163 capital assets retired (see Note 6).
- The decrease of \$34,028 in *Deferred Outflows of Resources* from \$741,368 to \$707,340 is primarily comprised of decreases of \$179,419 in deferred amount on OPEB, largely due to changes in the discount rate assumption, and increase of \$139,933 on pensions, primarily due to differences between the expected and actual earnings and changes in assumptions.
- The increase of \$223,961 in *Current liabilities* is mainly driven by an increase of \$59,423 in the Pollution remediation liability in addition to the first-time recognition of a current OPEB liability for \$92,379.
- *Non-current liabilities* increase by \$359,967 primarily comprised of an increase of \$514,111 in the Pension Liability, and an increase of \$560,229 in long term pollution remediation obligations and partially offset by a decrease of \$672,483 of the non-current OPEB liability. The Pension liability increase is largely due to differences between expected and actual earnings on the 2022 investment income within the pension plan. The OPEB liability decreased primarily due to a change in discount rate assumption from 2.25% to 4.31% (see Note 12). The pollution remediation obligations were increased due to \$721,235 expected incremental remediation and abatement costs as a result of higher lead positivity rates in compliance with new standards established under The City of New York's Local Law 66. (see Note 7). As a result of this change in standard, positive lead assumptions increased from 27% of apartment units in 2021 to 35% in 2022.
- The *Deferred Inflows of Resources* decrease of \$46,161 to \$1,030,910 is comprised of increases in deferred inflow amounts of \$417,421 on OPEB, due primarily to changes in assumptions, and decrease in deferred

inflow on pensions of \$460,297 due primarily to net differences between projected and actual earnings on pension plan investments.

December 31, 2021(Restated) vs. December 31, 2020 * (\$ in thousands)

- The Authority's *Net Position* decreased by \$153,266 from the prior year, comprised of *Loss before capital contributions* of \$911,148 partially offset by *Capital Contributions* of \$757,882.
- The *Loss before Capital contributions* of \$911,148 includes a *Special Item* of \$648,590, representing an increase of future expected costs to be incurred on lead paint remediation and abatement efforts. (see Note 7)
- The \$163,794 decrease in *Current and other assets* is comprised primarily of a decrease in Restricted cash of \$125,80, a decrease of \$42,855 in Accounts receivable, net from various governmental agencies, a decrease of \$22,506 of certain Notes and loans receivable, partially offset by an increase of \$26,081 Lease receivables resulting from the restatement of calendar year December 31, 2021 per adoption of GASB 87.
- The increase of \$1,214,086 in *Capital assets, net* represents the current year additions of \$1,684,890. Among these additions, \$866,740 can be attributed to the recognition of lease assets following the implementation of GASB 87 in 2022. The increase in additions is offset by a net depreciation and amortization expense of \$462,981, and the retirement of capital assets amounting to \$7,823 (see Note 6).
- The decrease of \$266,821 in *Deferred Outflows of Resources* from \$1,008,189 to \$741,368 is primarily comprised of decreases of \$196,606 in deferred amount on OPEB, largely due to changes in the discount rate assumption, and \$67,536 in deferred amount on pensions, due primarily to net differences between projected and actual earnings on pension plan investments and partially due to differences between expected and actual experience.
- The \$160,188 decrease in *Current liabilities* primarily represents decreases of \$170,884 in unearned revenues, primarily from the Federal Emergency Management Agency ("FEMA"), and \$32,649 in pollution remediation obligation, partially offset by an increase of \$20,045 current lease liabilities resulting from the GASB 87 restatement and a \$23,300 increase in other current liabilities.
- *Non-current liabilities* increased by \$468,097 primarily driven by an increase of \$824,138 in Lease Liability and an increase of \$605,404 in long term pollution remediation obligations. This is partially offset by a decrease of \$640,937 in the Pension Liability, and a decrease of \$295,224 of OPEB liability. The increase in Lease Liability is a direct result of the adoption of GASB 87 in 2022 (see Note 17). The pollution remediation obligations were increased due to \$648,590 expected incremental remediation and abatement cost as a result of new standards under Local Law 66. (see Note 7). The Pension liability decrease is largely due to an increase in 2021 investment income within the pension plan. The OPEB liability decreased primarily due to a change in discount rate assumption from 1.93% to 2.25% (see Note 12).
- The *Deferred Inflows of Resources* increase of \$628,828 to \$1,077,071 is comprised of increases in deferred inflow amounts of \$215,627 on OPEB, due primarily to changes in assumptions, and \$387,982 on pensions, due primarily to net differences between projected and actual earnings on pension plan investments and partially to differences between expected and actual experience. Deferred inflows of resources also increased by \$25,219 due to recognition of lease receivables resulting from the adoption of GASB 87.

* GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparable with 2020.

Summary of Revenues, Expenses, and Changes in Net Position (\$ in thousands)

	2022	2021 (Restated)	2020*
OPERATING REVENUES:			
Tenant revenue, net	\$ 989,273	\$ 921,655	\$ 967,456
Other income	72,708	65,844	69,690
Total Operating Revenues	<u>1,061,981</u>	<u>987,499</u>	<u>1,037,146</u>
OPERATING EXPENSES:			
Rent for leased dwellings	1,338,836	1,205,650	1,139,219
Maintenance and operations	1,083,181	1,014,124	924,486
General and administrative	1,033,416	820,829	967,123
Utilities	629,754	580,958	547,483
Depreciation and Amortization	466,146	462,981	401,588
OPEB expense	104,716	203,728	257,391
Protective services	42,853	39,610	37,799
Tenant services	36,263	35,677	27,678
Total Operating Expenses	<u>4,735,165</u>	<u>4,363,557</u>	<u>4,302,767</u>
OPERATING LOSS	(3,673,184)	(3,376,058)	(3,265,621)
NON-OPERATING REVENUES (EXPENSES):			
Subsidies and grants	3,251,824	3,122,095	2,722,702
Investment income	15,999	26,467	15,401
Gain (Loss) on real estate transactions	21,442	39,192	56,960
Change in fair value of investments	(42,134)	(13,320)	1,200
Interest expense	(55,631)	(61,327)	(35,955)
Other	454	393	-
Total Non-Operating Revenues, Net	<u>3,191,954</u>	<u>3,113,500</u>	<u>2,760,308</u>
LOSS BEFORE SPECIAL ITEM AND CAPITAL CONTRIBUTIONS	(481,230)	(262,558)	(505,313)
SPECIAL ITEM:			
Pollution remediation costs (gain) - lead based paint	721,235	648,590	(200,881)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,202,465)	(911,148)	(304,432)
CAPITAL CONTRIBUTIONS	<u>806,150</u>	<u>757,882</u>	<u>949,982</u>
CHANGE IN NET POSITION	(396,315)	(153,266)	645,550
NET POSITION, BEGINNING OF YEAR	<u>1,599,277</u>	<u>1,752,543</u>	<u>1,106,993</u>
NET POSITION, END OF YEAR	<u>\$ 1,202,962</u>	<u>\$ 1,599,277</u>	<u>\$ 1,752,543</u>

***GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparable with 2020**

2022 vs. 2021(Restated) (\$ in thousands)

- The *Operating Loss* for the Authority increased \$297,126 from \$3,376,058 in 2021 to \$3,673,184, due to an increase of \$371,608 in *Operating Expenses* and offset by an increase of \$74,482 in *Operating Revenues*.
- The \$371,608 increase in *Operating Expenses* is led by increases of \$212,587 in General and Administrative expenses, primarily representing an increase in liability insurance due to adjustment increase and increase pension cost due to changes in pension plan investment income (see Note 12). Additionally, there was a \$133,186 increase for Rent for leased Dwellings, due to higher Housing Assistant Program (“HAP”) payments per voucher unit and an increase in voucher units. In addition, there was an increase of \$69,057 in Maintenance and Operations and an increase of Utilities costs of \$48,796. The above increases were partially offset by a \$99,012 decrease in OPEB expense (see Note 12) due to a change in discount rate assumption from 2.25% to 4.31%.
- The \$74,482 increase in *Operating Revenues* is comprised of \$67,618 increase in *Tenant revenue* and a \$6,864 increase in *Other income*. The increase in tenant revenue can primarily be attributed to a revision of previously recorded allowance for doubtful accounts resulting from a change of estimate of rent recoveries through the Emergency Rental Assistance Program (“ERAP”). Such tenant revenue increase was partially offset by PACT transactions (Note 15) which resulted in a reduction of apartment units and related rent collections in 2022.
- *Non-operating revenues, net* increased by \$78,454, primarily representing a \$129,729 increase in *Subsidies and grants* (Note 14) and a \$28,814 decrease in *Change in fair value of investments*. The increase in Subsidies and grants primarily included \$59,908 from Section 8 housing assistant programs, \$112,995 from Public housing subsidy, and amounts from The City of New York, partially offset by elimination of CARES Act program after 2021. The \$28,814 decline in *fair value of investments* is largely due to the 4.25% interest rate increase by the Federal Reserve. The Authority’s long-term investment portfolio is comprised of government sponsored agency bonds, and the fair market value will decrease when interest rates increase.
- The \$721,235 *Special item* in 2022 represents an increase of expected costs for lead-based paint incremental remediation and abatement costs. These costs are directly related to the adjustment in the lead positivity rate resulting from new Local Law 66 standard set in The City of New York. As a result of this standard change, lead positivity rates increased from 27% of apartment units in 2021 to 35% in 2022. In 2021, the *Special item* of \$649 million represented an increase of expected remediation and abatement costs from the inclusion of former exempted apartments and incremental testing costs as a result of new standards under Local Law 66 (see Note 7) less reductions in apartment units subject to PACT transactions (see Note 15). While workstreams and cash outlays will occur over the 20-year term of the agreement, GASB Statement No. 49 requires that the lifetime estimate of the costs be recorded upon the triggering of the obligation.
- *Capital Contributions* increased \$48,268 to \$806,150 in 2022. The current year contributions are primarily comprised of \$228,022 from the Federal Emergency Management Agency (“FEMA”), \$301,935 from the Department of Housing and Urban Development “Capital Fund Program”, and \$180,031 from The City of New York.

2021 (Restated) vs. 2020* (\$ in thousands)

- The *Operating Loss* for the Authority increased \$110,437 from \$3,265,621 in 2020 to \$3,376,058, due to an increase of \$60,790 in *Operating Expenses* and a decrease of \$49,647 in *Operating Revenues*.
- The \$60,790 increase in *Operating Expenses* is led by increases of \$89,638 in Maintenance and Operations, primarily salaries, \$66,431 in Rent for leased Dwellings, due to higher Housing Assistant Program (“HAP”) payments per voucher unit and an increase in voucher units, and \$61,393 in depreciation and amortization expense, due largely to \$42,410 restatement in 2021 relating to GASB 87 (see Note 17). Utilities costs increased by \$33,475. The above increases were partially offset by a \$146,294 decrease in General and Administrative expenses, primarily representing a decrease in pension costs (see Note 12) due to a favorable return on pension plan investments along with a \$53,663 decrease in OPEB expense (see Note 12) due to a change in discount rate assumption from 1.93% to 2.25% and due to a \$42,609 restatement of rent and other expense in 2021 relating to GASB 87.
- The \$49,647 decrease in *Operating Revenues* is comprised of \$45,801 decrease in *Tenant revenue* and a \$3,846 decrease in *Other income*. The high unemployment rate and reduction in wages effecting our tenants during the COVID-19 pandemic, along with federal and local eviction moratoriums, was the most significant factor impacting rent collections and *Tenant revenue*. In addition, PACT transactions (Note 15) in 2020, reduced the number of apartment units and related rent collections in 2021. The decrease in *Other income* is primarily due to a decline in developer fees.
- *Non-operating revenues, net* increased by \$353,192, primarily representing a \$399,393 increase in *Subsidies and grants* (Note 14) offset by a \$25,372 increase in *Interest expense* and a \$17,768 decrease in *Gain on real estate transactions*. The increase in Subsidies and grants primarily included \$127,740 from Section 8 housing assistant programs, \$124,567 from public housing subsidy, \$101,418 from The City of New York subsidies, \$91,500 from Federal capital funds used for operating purposes, offset by a \$73,152 reduction in CARES Act funds. The increase in *Interest expense* is primarily due the adoption of GASB 87 for which \$28,571 was reflected in 2021 as part of the restatement. The \$17,768 decline in *Gain on Real Estate Transactions* is largely due to a \$24,850 gain on the sale of Ingersoll land and development rights in 2020.
- The \$648,590 *Special item* in 2021 represents an increase of expected costs for incremental remediation and abatement costs from the inclusion of former exempted apartments and incremental testing costs as a result of new standards under Local Law 66, (see Note 7) less reductions in apartment units from PACT transactions (see Note 15). In 2020, the *Special item* of \$201 million represented a reduction of expected costs for lead-based paint remediation and abatement activities due to positive lead results and reductions in apartment units as a result of PACT transactions. While workstreams and cash outlays will occur over the 20-year term of the agreement, GASB Statement No. 49 requires that the lifetime estimate of the costs be recorded upon the triggering of the obligation.
- *Capital Contributions* decreased \$192,100 to \$757,882 in 2021. The current year contributions are primarily comprised of \$330,676 from the Federal Emergency Management Agency (“FEMA”), \$266,236 from the Department of Housing and Urban Development “Capital Fund Program”, and \$114,592 from The City of New York. The decline in 2021 is largely a result of a \$92,401 decrease in the Capital Fund Program, a \$76,335 decrease for the FEMA programs, partially offset by an increase from The City of New York of \$10,526.

*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparable with 2020.

Revenues and Expenses on a Gross Basis (\$ in thousands)

The following table shows revenues and expenses on a gross basis. Non-operating revenues are included in total program revenues and non-operating expenses are included in total program expenses. The components of this table are explained in the commentary following the Summary of Revenues, Expenses, and Changes in Net Position.

	2022	2021 (Restated)	2020 *
Program Revenues:			
Subsidies and grants	\$ 3,251,824	\$ 3,122,095	\$ 2,722,702
Operating revenues	1,061,981	987,499	1,037,146
Investment income	15,999	26,467	15,401
Gain on real estate transactions	21,442	39,192	56,960
Change in fair value of investments	-	-	1,200
Other	454	393	-
Total Program Revenues	<u>4,351,700</u>	<u>4,175,646</u>	<u>3,833,409</u>
Program Expenses:			
Operating expenses	4,735,165	4,363,557	4,302,767
Loss on real estate transactions	-	-	-
Interest expense	55,631	61,327	35,955
Change in fair value of investments	42,134	13,320	-
Total Program Expenses	<u>4,832,930</u>	<u>4,438,204</u>	<u>4,338,722</u>
Loss before Special Item and Capital Contributions	(481,230)	(262,558)	(505,313)
Special Item:			
Pollution remediation costs (gain) - lead based paint	721,235	648,590	(200,881)
Loss before Capital Contributions	(1,202,465)	(911,148)	(304,432)
Capital Contributions	<u>806,150</u>	<u>757,882</u>	<u>949,982</u>
Change in Net Position	(396,315)	(153,266)	645,550
Net Position, Beginning of Year	1,599,277	1,752,543	1,106,993
Net Position, End of Year	<u>\$ 1,202,962</u>	<u>\$ 1,599,277</u>	<u>\$ 1,752,543</u>

*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparable with 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets, net and the debt related to capital assets as of the three years ended December 31 are as follows:

Net Investment in Capital Assets (\$ in thousands)

	2022	2021 (Restated)	2020*
Land	\$ 687,510	\$ 687,961	\$ 687,961
Construction in progress	2,576,136	2,739,201	2,398,739
Buildings	3,131,813	3,139,583	3,144,746
Building improvements	11,758,311	10,852,401	10,490,175
Facilities and other improvements	539,409	531,581	516,723
Furniture and equipment	1,059,755	1,027,132	992,986
Leasehold improvements	144,054	138,140	115,051
Right to Use Assets-Buildings	852,412	852,412	-
Right to Use Assets-Equipment	14,328	14,328	-
Total Capital Assets	20,763,728	19,982,739	18,346,381
Less accumulated depreciation and amortization	11,006,484	10,577,522	10,155,250
Capital Assets, net	9,757,244	9,405,217	8,191,131
Less related debt	1,683,511	1,486,295	686,969
Net Investment in Capital Assets	\$ 8,073,733	\$ 7,918,922	\$ 7,504,162

*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparable with 2020.

For additional information on Capital Assets and Long-Term Debt see Note 6 and Note 10, respectively.

Currently Known Facts and Conditions

The Authority is aware of the following facts and conditions that are expected to have an impact on its future financial position or results of operations.

- Elevated inflation (Consumer price index as measured on a twelve-month basis) continues in the New York City metropolitan area, although trending down from 6.3% as of April 2022 to 3.7% as of May 2023. This is likely to cause Operating expenses and Capital Expenditures to continue to increase as well as causing incremental costs to be incurred relating to the Pollution Remediation Obligations.
- In an effort to reduce inflation and moderate economic activity, the Federal Reserve Bank increased benchmark federal funds rate seven times in 2022 totaling a 4.25% increase. In addition, the Federal Reserve increased rates three additional times through May 2023, totaling an additional 0.75% increase. Increases to interest rates, independent of other valuation variables that may change, may cause the Claims Payable and OPEB Liability to decrease and may impact Investment Income and Change in Fair value of investments. Interest rate increases may also impact the valuation of new or modified lease related transactions. Interest rate increases are not expected to have a significant impact on Interest expense as all existing Long-term debt has fixed interest rates. However, new debt and loans issued in 2022 going forward will be impacted by higher interest rates.
- The S&P 500 has continued to be volatile since December 31, 2021, which could potentially have a significant impact on the Pension Liability in terms of Investment Losses.
- Continued global turmoil in terms of supply chain obstacles, albeit improved, and the war in Ukraine could have additional but unpredictable impact on the Authority's future financial position or results of operations.

BASIC FINANCIAL STATEMENTS

NEW YORK CITY HOUSING AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021 (Restated)
	(\$ in Thousands)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 140,172	\$ 383,702
Accounts receivable, net	1,096,548	877,574
Investments	90,893	88,735
Prepaid expenses	112,805	105,584
Inventories, net	9,306	8,409
Notes, loans and lease receivables, net	3,206	3,176
Total current assets	<u>1,452,930</u>	<u>1,467,180</u>
NON-CURRENT ASSETS:		
Land and construction in progress	3,263,646	3,427,162
Other capital assets, net of depreciation	6,493,598	5,978,055
Cash for claims payable	122,886	81,714
Investments for claims payable	357,061	426,349
Restricted cash and cash equivalents	544,197	627,043
Restricted investments	29,061	29,824
Subsidies receivable	-	48,259
Notes, loans and lease receivables, net	190,950	193,263
Total non-current assets	<u>11,001,399</u>	<u>10,811,669</u>
Total assets	<u>12,454,329</u>	<u>12,278,849</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	7,872	588
Deferred amount on asset retirement obligations	5,702	7,528
Deferred amount on OPEB	401,910	581,329
Deferred amount on pensions	291,856	151,923
Total deferred outflows of resources	<u>707,340</u>	<u>741,368</u>
CURRENT LIABILITIES:		
Accounts payable	196,801	192,266
Accrued liabilities	442,485	438,732
Claims payable	109,822	95,925
Current portion of long-term debt	56,195	50,577
Accrued leave time	84,698	83,164
Pollution remediation obligations	324,698	265,275
OPEB liability	92,379	-
Unearned revenues and other current liabilities	304,395	261,573
Total current liabilities	<u>1,611,473</u>	<u>1,387,512</u>
NON-CURRENT LIABILITIES:		
Long-term debt	612,892	655,495
Claims payable	574,288	508,063
Unearned revenue	360,605	393,571
Accrued leave time	108,791	117,180
Net pension liability	786,625	272,514
OPEB liability	2,504,827	3,177,310
Lease liability	803,170	824,138
Asset retirement obligations	74,417	77,682
Pollution remediation obligations	3,484,145	2,923,916
Other liabilities	6,564	6,488
Total non-current liabilities	<u>9,316,324</u>	<u>8,956,357</u>
Total liabilities	<u>10,927,797</u>	<u>10,343,869</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred amount on OPEB	922,259	504,838
Deferred amount on Leases	21,934	25,219
Deferred amount on pensions	86,717	547,014
Total deferred inflows of resources	<u>1,030,910</u>	<u>1,077,071</u>
NET POSITION:		
Net investment in capital assets	8,073,733	7,918,922
Restricted for housing assistance payments	11,914	40,102
Unrestricted deficit	<u>(6,882,685)</u>	<u>(6,359,747)</u>
TOTAL NET POSITION	<u>\$ 1,202,962</u>	<u>\$ 1,599,277</u>

See notes to the financial statements.

NEW YORK CITY HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021 (Restated)
	(\$ in Thousands)	
OPERATING REVENUES:		
Tenant revenue, net	\$ 989,273	\$ 921,655
Other income	<u>72,708</u>	<u>65,844</u>
Total operating revenues	<u>1,061,981</u>	<u>987,499</u>
OPERATING EXPENSES:		
Rent for leased dwellings	1,338,836	1,205,650
Maintenance and operations	1,083,181	1,014,124
General and administrative	1,033,416	820,829
Utilities	629,754	580,958
Depreciation and Amortization	466,146	462,981
OPEB	104,716	203,728
Protective services	42,853	39,610
Tenant services	<u>36,263</u>	<u>35,677</u>
Total operating expenses	<u>4,735,165</u>	<u>4,363,557</u>
OPERATING LOSS	<u>(3,673,184)</u>	<u>(3,376,058)</u>
NON-OPERATING REVENUES (EXPENSES):		
Subsidies and grants	3,251,824	3,122,095
Investment income	15,999	26,467
Gain on real estate transactions	21,442	39,192
Change in fair value of investments	(42,134)	(13,320)
Interest expense	(55,631)	(61,327)
Other	<u>454</u>	<u>393</u>
Total non-operating revenues, net	<u>3,191,954</u>	<u>3,113,500</u>
LOSS BEFORE SPECIAL ITEM AND CAPITAL CONTRIBUTIONS	(481,230)	(262,558)
SPECIAL ITEM:		
Pollution remediation costs (gain) - lead based paint	<u>721,235</u>	<u>648,590</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,202,465)	(911,148)
CAPITAL CONTRIBUTIONS	<u>806,150</u>	<u>757,882</u>
CHANGE IN NET POSITION	(396,315)	(153,266)
NET POSITION, BEGINNING OF YEAR	<u>1,599,277</u>	<u>1,752,543</u>
NET POSITION, END OF YEAR	<u>\$ 1,202,962</u>	<u>\$ 1,599,277</u>

See notes to the financial statements.

NEW YORK CITY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021 Restated</u>
	(\$ in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from tenants	\$ 869,807	\$ 915,727
Other operating receipts	66,911	73,342
Cash payments to employees	(1,445,271)	(1,422,180)
Cash payments for other operating expenses	<u>(2,860,271)</u>	<u>(2,554,904)</u>
Net cash used in operating activities	<u>(3,368,824)</u>	<u>(2,988,015)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Subsidies and grants received	3,156,560	3,154,377
Other	<u>454</u>	<u>393</u>
Net cash provided by non-capital financing activities	<u>3,157,014</u>	<u>3,154,770</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributions for capital	872,272	586,196
Proceeds from the sale of long term debt	398,265	366
Proceeds from real estate transactions	9,384	73,559
Development and modernization costs	(876,128)	(825,336)
Principal payments on long-term debt	(428,587)	(66,047)
Interest payments on long-term debt	(45,278)	(35,423)
Notes and Loans Receivable, net	(510)	22,506
Receipts from leases	3,653	3,728
Payments of leases	<u>(48,001)</u>	<u>(47,587)</u>
Net cash (used in) provided by capital and related financing activities	<u>(114,930)</u>	<u>(288,038)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	-	(58,000)
Proceeds from sale and maturities of investment securities	25,758	56,117
Interest on investments	<u>15,778</u>	<u>25,968</u>
Net cash provided by investing activities	<u>41,536</u>	<u>24,085</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(285,204)</u>	<u>(97,198)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR:		
Cash and cash equivalents, including cash for claims payable	465,416	436,813
Restricted cash and cash equivalents	<u>627,043</u>	<u>752,844</u>
Total cash and cash equivalents, beginning of year	<u>1,092,459</u>	<u>1,189,657</u>
CASH AND CASH EQUIVALENTS, END OF YEAR:		
Cash and cash equivalents, including cash for claim payable	263,058	465,416
Restricted cash and cash equivalents	<u>544,197</u>	<u>627,043</u>
Total cash and cash equivalents, end of year	<u>\$ 807,255</u>	<u>\$ 1,092,459</u>

See notes to the financial statements.

(continued on the following page)

NEW YORK CITY HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021 Restated
	(\$ in Thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
OPERATING LOSS	\$ (3,673,184)	\$ (3,376,058)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and Amortization	466,146	462,981
(Increase) decrease in assets and deferred outflows:		
Tenants accounts receivable	(115,399)	(137,449)
Accounts receivable - other, net of interest	(8,211)	9,949
Prepaid expenses	(7,260)	(695)
Inventories, net	(897)	631
Leases receivable & allowance for receivables - GASB 87	(1,001)	(28,818)
Deferred amount on Leases for receivables GASB 87	(3,285)	25,219
Deferred outflows on pensions	(139,933)	67,536
Deferred outflows on OPEB	181,245	198,834
Increase (decrease) in allowance for doubtful accounts - tenants	(3,110)	131,892
Increase (decrease) in allowance for doubtful accounts - other, net of non-capital financing activities	1,008	(43)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable	4,536	3,806
Accrued liabilities, net of interest and capital items	65,404	42,724
Claims payable	80,122	23,198
Accrued leave time	(6,855)	3,940
Unearned revenues and other current liabilities, net of prepaid subsidy and current portion of Section 8 Recap unearned revenue	5,491	985
Net pension liability	514,111	(640,937)
OPEB liability-non-current	(672,483)	(295,224)
OPEB liability-current	92,379	
Asset retirement obligation	(3,265)	(5,192)
Pollution remediation obligations - Lead based paint	(110,983)	(98,257)
Pollution remediation obligations - Other	9,400	22,422
Other non-current liabilities	76	(3,068)
Deferred inflows on OPEB	417,421	215,627
Deferred inflows on pensions	(460,297)	387,982
Total adjustments	<u>304,360</u>	<u>388,043</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (3,368,824)</u>	<u>\$ (2,988,015)</u>
SUPPLEMENTAL DISCLOSURES OF NON CASH ACTIVITIES:		
Investing activities:		
Unrealized (loss) gain on investments	\$ (42,132)	\$ (13,320)
Capital and related financing activities:		
Amortization of deferred amount on refunding	7,284	(451)
Amortization of bond premium	6,662	2,211
Special Item: pollution remediation costs (gain) - lead based paint	721,235	648,590
Lease liability	(20,045)	844,183
Interest expense for leases	27,995	28,571
Interest Income from leases	729	819

NEW YORK CITY HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The New York City Housing Authority (the “Authority”), created in 1934, is a public benefit corporation chartered under New York State Public Housing Law. The Authority develops, constructs, manages and maintains affordable housing for eligible low-income families in the five boroughs of New York City. At December 31, 2022, the Authority maintained 277 housing developments encompassing approximately 162,000 total units, housing over 330,000 residents. The Authority also operates a leased housing program, which provides housing assistance payments to approximately 79,019 families, housing approximately 167,135 residents.

Substantial operating losses result from the costs of essential services that the Authority provides exceeding revenues. To meet the funding requirements of these operating losses, the Authority receives subsidies from: (a) the federal government, primarily the U.S. Department of Housing and Urban Development (“HUD”), in the form of annual grants for operating assistance, debt service payments, contributions for capital and reimbursement of expenditures incurred for certain federal housing programs; (b) New York State in the form of debt service and capital payments; and (c) The City of New York in the form of subsidies and capital payments. Subsidies are established through budgetary procedures, which establish amounts to be funded by the grantor agencies.

The Authority maintains its accounting records by program. The following programs are operated by the Authority:

Federal Programs - The Authority receives federal financial assistance from HUD in the form of annual contributions for debt service and operating subsidies for public housing developments, as well as rent subsidies for the Section 8 Housing Choice Voucher Program (“HCVP”). In addition, assistance is received under HUD’s Public and Indian Housing Development Programs, Capital Fund Program, and other programs.

Funds received are used to provide maintenance, operating, and administrative services to federally aided low rent public housing developments. HCVP funds are used to reimburse private landlords for their participation in providing housing for low-income families at reduced rents. The funds cover the differential between the reduced rents charged to tenants and prevailing fair market rates based on rent reasonableness. Debt service fund contributions provide for the payment of principal and interest on outstanding debt as it matures. Contributions for capital provide for modernization and development costs.

New York State and The City of New York Programs - The Authority receives financial assistance from New York State (the “State”) in the form of annual contributions for debt service and capital. The Authority also receives financial assistance from The City in the form of subsidies and contributions for capital.

Other Programs - The Authority receives funding for other programs from HUD, Federal Emergency Management Agency (“FEMA”), the State, and The City for several other grant programs.

B. Reporting Entity

The Authority is a component unit of The City of New York, based upon criteria for defining the *reporting entity* as identified and described in the Governmental Accounting Standards Board’s (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*.

The Authority’s operations include two blended component units which are included in the Authority’s basic financial statements, in compliance with GASB 61 *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*. These are legally separate entities with the same governing body as the Authority for which the Authority has operational responsibility and are controlled by the Authority. There is a financial benefit/burden relationship between the Authority and the component units since the Authority is responsible for providing operating and capital subsidies to the component units. The blended component units include:

- NYCHA Public Housing Preservation I, LLC
- NYCHA Public Housing Preservation II, LLC

Additional information relating to these blended component units can be found in Note 19 to the financial statements. NYCHA Public Housing Preservation I, LLC (“LLC I”) and NYCHA Public Housing Preservation II, LLC (“LLC II”). LLC II was inactive in 2022. LLC I issued stand-alone financial reports for both 2021 and 2022, while LLC II only issued a stand-alone financial report for 2021. These reports can be obtained from The New York City Housing Authority, 90 Church Street, New York, New York, 10007.

C. Basis of Accounting

The Authority’s financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the GASB, using the economic resources measurement focus and the accrual basis of accounting wherein revenues are recognized when earned, and expenses are recognized when the liability is incurred.

The Authority’s primary source of nonexchange revenue relates to subsidies and grants. Subsidies and grants revenue is recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Authority applies Governmental Accounting Standards Board (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”) Section P80, Proprietary Accounting and Financial Reporting*.

Recently Adopted Accounting Standards

GASB Statement No. 87 (“GASB 87”), *Leases*. The Statement establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability at present value and an intangible right-to-use lease asset (a capital asset), and a lease receivable and deferred inflow of resources, respectively. The new lease standard also requires enhanced disclosure which include a general description of the leasing arrangement and the aggregated amount of resource inflows and outflows recognized from lease contracts. For each qualifying long-term lease, the discount rate used is NYCHA’s incremental borrowing rate for similar classes of leases since there are no stated interest rates implicit in the leases. (See Note 17 for additional information.)

The requirements of this Statement are effective for reporting fiscal years beginning after June 15, 2021. The Authority adopted this Statement in 2022 and has restated its financials for 2021.

GASB Statement No. 91 (“GASB 91”), *Conduit Debt Obligations*. The primary objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice with respect to these obligations. This Statement achieves this objective by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer.

The Authority has made minor wording enhancements to its debt disclosures to further clarify its obligations due to GASB 91. The implementation of this GASB is primarily applicable to other entities that issue debt on behalf of third-party obligors.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Authority adopted this Statement in December of 2022.

GASB Statement No. 92 (“GASB 92”), *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, none of which are applicable to the Authority.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Authority adopted this Statement in December of 2022.

GASB Statement No. 93 (“GASB 93”), *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of IBOR (interbank offered rate). Since none of the Authority’s agreements are tied to IBOR, there is no impact to NYCHA’s financial statements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Authority adopted this Statement in December of 2022.

GASB Statement No. 97 (“GASB 97”), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) modify the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans) and (3) establish accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

The Authority’s component units have governing boards. The Authority’s component units do not have Section 457 deferred compensation plans that meet the definition of a pension plan. Therefore, there is no impact to the Authority. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Authority adopted this Statement in December of 2022.

GASB Statement No. 99 (“GASB 99”), *Omnibus 2022*. Most of this Statement is effective in 2023 or 2024. However, the following requirements are effective upon issuance in April 2022:

- The use of LIBOR
- Accounting for Supplemental Nutrition Assistance Program (SNAP) distributions
- Disclosures of nonmonetary transactions
- Pledges of future revenues by pledging governments
- Clarification of provisions in Statement No 34 and terminology updates relate to Statements No 53 and 63.

The above GASB 99 provisions effective in 2022 do not have a material impact on the Authority’s financial statements. Only those provisions that are effective in 2022 were adopted in the Authority’s 2022 financial statements.

Accounting Standards Issued But Not Yet Adopted

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Authority upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Calendar Year
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023/2024 (partial)
100	<i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i>	2024
101	<i>Compensated Absences</i>	2024

D. Use of Management's Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. In addition, they affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

E. Cash and Cash Equivalents

Cash includes amounts on deposit with financial institutions, including bank accounts and certificates of deposit. The Authority considers investments in repurchase agreements and investments with a maturity of less than 90 days of purchase date as cash equivalents. The Authority considers cash and cash equivalents held for the repayment of the non-current portion of Claims payable to be non-current assets.

F. Accounts Receivable and Subsidies Receivable

Accounts Receivable include amounts expected to be received within one year from tenants and various governmental agencies. Subsidies Receivables include amounts from governmental agencies not expected to be received within one year. Tenants Receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for uncollectable accounts is established to provide for tenant accounts which may not be collected in the future for any reason. The Authority recognizes both Account Receivable and Subsidies Receivables from HUD and other governmental agencies for amounts earned and billed but not received and for amounts earned but unbilled as of year-end.

G. Notes, Loans and Lease Receivable

Notes and loans receivable are recorded based on the principal amount indicated in the underlying note agreement and include accrued interest where applicable. Lease Receivable are recorded at present value using the interest rate implicit in the lease agreement when available. In cases, where interest rate is not implicit in the lease agreement, the Authority uses its incremental borrowing rate for similar classes of leases (see notes 1C and 17) as its discount rate. An allowance is established where there is uncertainty regarding the collection of the notes, loans or lease balances.

H. Investments

Investments are carried at fair value. Income from investments is recognized on the accrual basis. Realized gains or losses on sales of investment securities are accounted for using the specific identification method. The Authority combines realized and unrealized gains and losses on investments on the Statement of Revenues, Expenses and Changes in Net Position. Certain investments are classified as restricted based on underlying agreements.

I. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end which will benefit future operations.

J. Inventories

Inventories consist of materials and supplies at the central warehouses, and fuel oil. Materials and supplies are valued using the *average moving cost* method on a first in – first out basis. Fuel oil is valued

using *weighted average cost*. Materials and supplies are expensed when shipped from central warehouses to the developments. The Authority maintains an allowance for obsolete inventory.

K. Capital Assets

Capital assets include land, structures and equipment recorded at cost and is comprised of initial development costs, property betterments and additions, modernization program costs and right to use leased assets. With the exception of land and right to use assets, the Authority depreciates these assets over their estimated useful lives once placed in service. Land is not depreciated. Right to use assets are amortized over the shorter of the respective lease term or the useful life of the underlying asset. The straight-line method of depreciation/amortization is used, under normal operating conditions. The Capitalization Policy is as follows:

Capital Asset Category	Capitalization Threshold	Useful Life-Years
Buildings	\$50,000	40
Building Improvements	\$50,000	25
Leasehold Improvements	\$50,000	Up to 15
Facilities & Other Improvements	\$50,000	10
Computer Software	\$50,000	5
Telecommunication Equipment	\$50,000	5
Computer Hardware	\$5,000	5
Furniture and Equipment	\$5,000	5 to 10
Ranges and Refrigerators	All	10
Right to Use Assets-Buildings	\$500,000	Shorter of lease term or useful life of asset
Right to Use Assets-Equipment	\$500,000	Shorter of lease term or useful life of asset

L. Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. The Authority recognizes a liability for wages and fringe benefits relating to expired collective bargaining agreements based on its best estimate of such future payments. These estimates are based on prior patterns and the current status of negotiations among other factors.

M. Claims Payable

The Authority recognizes a liability for general liability and workers' compensation claims based upon an estimate of all probable losses incurred, both reported and not reported. The liability for these claims is reported in the Statement of Net Position at a discounted amount.

N. Accrued Leave Time

Accumulated unpaid leave time is accrued at the estimated amounts of future benefits attributable to services already rendered.

O. Unearned Revenue

The Authority's unearned revenue includes the prepayment of rent by residents and the receipt of governmental program funding where certain eligibility requirements have not been met. In addition, purchase price and lease payments received on Real Estate transactions are being reflected in Unearned Revenue and are recognized over the shorter of the lease term, when the Purchase Option can be exercised or the fifteen-year low-income housing tax credit compliance period.

P. Lease Liability

The Authority recognizes a lease liability measured at the present value of payments expected to be made over the lease term using the interest rate implicit in the lease agreement when available. In cases, where interest rate is not implicit in the lease agreement, the Authority uses its incremental borrowing rate for similar classes of leases (see notes 1C and 17) as its discount rate.

Q. Premium Amortization

The Authority amortizes debt premium amounts over the life of the bonds using the *effective interest rate through maturity* methodology.

R. Deferred Outflows and Inflows of Resources

The Authority reports deferred outflows of resources in the *Statement of Financial Position* in a separate section following Assets and deferred inflows of resources in a separate section following liabilities. Gains and losses in connection with advanced refunding of debt are recorded as either a deferred outflow (loss) or as a deferred inflow (gain) of resources and amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt. Pension contributions made to NYCERS subsequent to the actuarial measurement date and prior to the Authority's fiscal year-end are reported as deferred outflows of resources. The net differences between projected and actual earnings on pension plan investments, changes in assumptions for pensions and OPEB, and differences in expected and actual experience for pensions and OPEB are recorded as either a deferred outflow or as a deferred inflow. Section 8 Housing Choice Voucher Subsidies received prior to the funding period are reported as deferred inflow of resources. Deferred outflows are recognized on asset retirement obligations. Deferred inflow of resources on leases receivable are recorded pursuant to GASB 87 and amortized on a straight-line basis over the lease terms (see notes 1C and 17).

S. Use of Restricted Net Position

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

T. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for rent and services provided including developer fees. Its operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies other revenues and expenses as non-operating.

U. Capital Contributions

Capital Contributions are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant requirements.

V. Taxes

The Authority is a public benefit corporation chartered under the New York State Public Housing Law and as such is exempt from income taxes and certain other Federal, state and local taxes.

W. Other Postemployment Benefits

The Authority's Total OPEB Liability, deferred outflow of resources and deferred inflows of resources, and expenses associated with the Authority's requirement to contribute to the New York City Health Benefits Program is calculated based on an amount that is actuarially determined (see Note 12).

X. Net Pension Liability

The Authority's proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the Authority's requirement to contribute to the New York City Employees' Retirement System ("NYCERS") have been determined on the same basis as they are reported by NYCERS.

2. DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2022, the Authority's fiscal and non-fiscal deposits, including its component units, had a carrying amount of \$807,255,000 and a bank balance of \$799,925,000. These deposits were insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation ("FDIC"). Tenant security deposits totaling \$39,500,000 are restricted deposits, and they are fully insured by the FDIC. All other deposits in excess of FDIC coverage were fully collateralized, with the collateral being held in segregated custodial accounts in the Authority's name. Collateral coverage is monitored and maintained daily. Collateral is comprised of U.S Treasury notes and bonds in addition to other U.S. governmental agency securities approved under the HUD guidelines.

2. DEPOSITS AND INVESTMENTS

Deposits (continued)

Deposits were comprised of the following at December 31, 2022 and 2021 (\$ in thousands):

<u>Unrestricted</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
FDIC insured	\$ 1,298	\$ 1,339
Collateralized	<u>256,972</u>	<u>465,093</u>
Subtotal	<u>258,270</u>	<u>466,432</u>
<u>Restricted</u>		
FDIC insured	40,421	41,449
Collateralized	<u>501,234</u>	<u>584,491</u>
Subtotal	<u>541,655</u>	<u>625,940</u>
Total Deposits	<u>\$ 799,925</u>	<u>\$ 1,092,372</u>

At December 31, 2022, unrestricted deposits totaling \$258,270,000 included \$38,627,000 of operating balances for both LLC I and LLC II and replacement reserves for LLC I. The remaining balances totaling \$219,643,000 are eligible for working capital and future liabilities of the Authority and its component units, including self-insurance programs. The Authority's unrestricted deposits are held at various banks in interest-bearing accounts and demand deposit accounts (DDA) without interest.

At December 31, 2022, restricted deposits totaling \$541,655,000 included funds held in depository accounts on behalf of Sandy Recovery, escrow funds for real estate transactions, escrow funds for several Energy Performance Contracts, escrow funds for vendor retention, Certificates of Deposit for tenant security, and HUD subsidies for tenant participation activity to be used by resident councils for the residents. The Certificates of Deposits for tenant security will be maturing on March 31, 2023 and will be reinvested for one year through March 31, 2024. The liability related to these deposits is included in unearned revenues and other current liabilities.

Investments

In accordance with GASB Statement No. 72 ("GASB 72), Fair Value Measurement and Application, NYCHA discloses its investments at fair value. The Authority invests only in securities that fall under GASB's Level 2 fair value grouping (there are 3 levels in total), as there are comparable and observable traded securities that can be used to accurately value the Authority's portfolio of securities. As of December 31, 2022, and 2021, all of the Authority's long-term investment holdings were in U.S. Governmental agency securities and GASB 72 requires their fair value be based on similar bonds that are being traded.

2. DEPOSITS AND INVESTMENTS

Unrestricted Investments

The Authority's investment policies comply with HUD's guidelines. These policies restrict the Authority's investments to obligations of the U.S. Treasury, U.S. Government agencies, and their instrumentalities. All investments are held in a secured custody account in the name of the Authority. All investments are publicly traded, and the fair value was based on published quoted values. Accrued interest receivable on unrestricted investments was \$401,000 and \$408,000 at December 31, 2022 and 2021.

Unrestricted investments stated at fair value, consist of the following at December 31, 2022 and 2021 (\$ in thousands):

<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
U.S. Government Agency Securities	\$ 447,954	\$ 515,084

Cash equivalents include investments in repurchase agreements. At December 31, 2022, the Authority held \$60,200,000 in repurchase agreements. At December 31, 2021, the Authority held no repurchase agreements.

The maturities of the Authority's unrestricted investments at December 31, 2022 and 2021 are as follows (\$ in thousands):

Security Type	As of December 31, 2022				As of December 31, 2021			
	Total	<1 year	1 - 5 years	>5 years	Total	<1 year	1 - 5 years	>5 years
U.S. Govt Agency Securities	<u>\$ 447,954</u>	<u>\$ 43,569</u>	<u>\$ 355,202</u>	<u>\$ 49,183</u>	<u>\$ 515,084</u>	<u>\$ 24,970</u>	<u>\$ 336,478</u>	<u>\$ 153,636</u>

At December 31, 2022 and 2021, the Authority's weighted average term to maturity for unrestricted investments is 3.17 years and 4.01 years, respectively. The Authority determines maturity levels based upon current available interest rates, expectations for future rates and the appropriate amount of liquidity needed for operations. While HUD's policy limits the maturities of investments held by housing authorities to three years, the Authority has received a HUD waiver to invest long-term reserves up to seven years.

The U.S. Government Agency security balance is comprised of obligations issued by the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, Federal Farm Credit Bank and the Federal National Mortgage Association. At December 31, 2022 and 2021, the fair value of the Authority's long-term investments was \$447,954,000 and \$515,084,000, respectively, and these amounts are designated to fund the Authority's self-insurance programs.

2. DEPOSITS AND INVESTMENTS

Restricted Investments

At December 31, 2022 and 2021, NYCHA's total restricted investments had a fair value of \$29,061,000 and \$40,301,000, respectively. These funds were held in trust supporting loans from NYCHDC from bond proceeds from the Series 2022 A and Series 2013 A & B Capital Fund Financing Program Bonds. On December 31, 2022, the restricted total was comprised of \$29,048,000 in restricted investments, and \$13,000 in restricted cash equivalents. On December 31, 2021, the restricted total was comprised of \$29,824,000 in restricted investments and \$10,477,000 in restricted cash equivalents.

The \$29,048,000 in restricted investments held on December 31, 2022, represent debt service reserves for the 2022 A Capital Fund Financing Program Bonds. Similarly, the \$29,824,000 in restricted investments held on December 31, 2021, represented debt service reserves for the 2013 A & B Capital Fund Financing Program Bonds. Accrued interest receivable on restricted investments, including the tenant certificate of deposits was \$752,000 and \$520,000 at December 31, 2022 and 2021.

Restricted investments stated at fair value, consisted of the following at December 31, 2021 and 2020 (\$ in thousands):

Restricted	2022	2021
Forward Delivery Agreement (debt service reserves)	\$ 29,048	\$ 29,824
Repurchase Agreements	13	10,477
Total Restricted investments, including cash equivalents	29,061	40,301
Less amount reported as restricted cash equivalents	13	10,477
Total Restricted investments (not including cash equivalents)	<u>\$ 29,048</u>	<u>\$ 29,824</u>

The maturities of the Authority restricted investments at December 31, 2021 and 2020 were as follows (\$ in thousands):

Security Type	As of December 31, 2022				As of December 31, 2021			
	Total	<1 year	1 - 5 years	>5 years	Total	<1 year	1 - 5 years	>5 years
Forward Delivery Agreement	\$ 29,048	\$ -	\$ -	\$ 29,048	\$ 29,824	\$ -	\$ -	\$ 29,824

At December 31, 2022 and 2021, the Authority's weighted average term to maturity for restricted investments was 10.51 years and 11.51 years, respectively. The Fiscal Agents determine maturity levels based upon current available interest rates, expectations for future rates and the appropriate amount of liquidity needed for NYCHA's operations.

2. DEPOSITS AND INVESTMENTS

Investment Policy and Risks

Policies governing investments: The Authority has adopted the HUD investment policy outlined in HUD Notice PIH-2002-13 (HA), as its formal investment policy. In accordance with its Annual Contributions Contract (the “ACC”) with HUD, the Authority is required to comply with this HUD Notice. These guidelines require the Authority to deposit funds in accordance with the terms of a General Depository Agreement, which must be in a form approved by HUD and executed between the Authority and its depository institutions, and restricts the Authority’s investments to HUD–authorized securities, such as those issued by the U.S. Treasury, U.S. Government agencies and their instrumentalities, and requires that all investments be held in a segregated custodial account in the name of the Authority. Similarly, the bond proceeds that remain in Trust supporting loans from NYC HDC are invested in accordance with the investment policy of NYC HDC, which are very similar.

The Authority’s investment strategy involves consideration of the basic risks of fixed-income investing, including interest rate risk, market risk, credit risk, and concentration risk. In managing these risks, the primary factors considered are safety of principal, yield, liquidity, maturity, and administrative costs.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Authority’s investment portfolio. In accordance with the Authority’s investment policy, interest rate risk is mitigated by holding the securities in the Authority’s portfolio until maturity, except when a reinvestment strategy may be appropriate. As an additional manner of minimizing interest rate risk, the securities of the Authority’s fixed income portfolio have historically only had fixed coupon rates, and therefore the cash flows will not fluctuate with changes in interest rates.

Credit Risk: It is the Authority’s policy to limit its investments to HUD-authorized investments issued by the U.S. Government, by a U.S. Government agency, or by a Government-sponsored agency. The Authority’s policy is to invest primarily in Governmental agency and U.S. Treasury securities which are AA+ and Aaa rated by Standard and Poor’s (“S&P”) or Moody’s, or to place balances in fully collateralized money market deposit accounts and interest-bearing bank accounts at banks rated A or better by Moody’s or S&P. As of December 31, 2022, each of the agency securities that were in the NYCHA investment portfolio had bond ratings ranging between Aa2 and Aaa for Moodys and ranging between AA and AA+ for S&P. Depository bank accounts maintaining federal funds are fully collateralized, in excess of FDIC insurance, with Treasury and/or Governmental agency securities.

Concentration Risk: The Authority strives to invest in only AA+ and Aaa rated Governmental Agency and/or U.S. Treasury securities. Therefore, the Authority’s policy does not place a limit on investments with any one issuer. The Authority’s cash deposits are maintained in fully collateralized money market deposit accounts and fully collateralized interest-bearing and non-interest bearing (if required) bank accounts. Consequently, the Authority does not limit deposits to any one bank. Nonetheless, the Authority strives to diversify holdings in investments, cash and cash equivalents, whenever possible, to further minimize any potential concentration risk.

2. DEPOSITS AND INVESTMENTS

Investment Policy and Risks (continued)

Custodial credit risk: The Authority maintains a perfected security interest in the collateral held on its behalf by its custodial agents. Custodial credit risk is the risk that the Authority will not be able to recover its collateral held by a third-party custodian, in the event that the custodian defaults. The Authority has no custodial credit risk due to the Authority's perfected security interest in its collateral in a segregated custodian account, which is registered in the Authority's name. The Authority's policy requires that all securities shall be maintained in a third-party custodian account and the manner of collateralization shall provide the Authority with a continuing perfected security interest in the collateral for the full term of the deposit, in accordance with applicable laws and Federal regulations. Such collateral shall, at all times, have a market value at least equal to the amount of deposits secured. The collateral includes US Treasury notes and bonds and other US governmental agency securities approved under HUD guidelines.

3. ACCOUNTS AND SUBSIDIES RECEIVABLE

Accounts Receivable

Accounts receivable at December 31, 2022 and 2021 are comprised of the following (\$ in thousands):

	<u>2022</u>	<u>2021 (Restated)</u>
U.S. Department of Housing and Urban Development	\$ 137,627	\$ 117,426
Federal Emergency Management Agency	463,232	444,236
Due from The City of New York	249,498	165,707
Community Development Block Grant	23,052	50,153
Due from other government agencies	54,321	56,672
Tenants accounts receivable	438,640	323,241
Other	30,475	22,504
Total accounts receivable	1,396,845	1,179,939
Less allowance for uncollectable accounts	300,297	302,365
Accounts receivable, net	<u>\$ 1,096,548</u>	<u>\$ 877,574</u>

Accrued interest receivable on investments of \$1,167,000 and \$928,000 at December 31, 2022 and 2021, respectively, is included in Other.

The allowance for uncollectable accounts at December 31, 2022 and 2021 consists of the following (\$ in thousands):

	<u>2022</u>	<u>2021 (Restated)</u>
Tenants accounts receivable	\$ 284,607	\$ 287,716
Other	15,690	14,649
Total allowance for uncollectable accounts	<u>\$ 300,297</u>	<u>\$ 302,365</u>

The provision for bad debts related to tenant revenue is \$24,490,000 and \$141,975,000 for 2022 and 2021, respectively, reflected in tenant revenue, net on the Statements of Revenues, Expenses, and Changes in Net Position.

Subsidies Receivable

Subsidies receivable at December 31, 2022 and 2021 is comprised of the following (\$ in thousands):

	<u>2022</u>	<u>2021</u>
Community Development Block Grant	\$ -	\$ 6,259
The City of New York	-	42,000
Total subsidies receivable	<u>\$ -</u>	<u>\$ 48,259</u>

4. NOTES, LOANS, AND LEASE RECEIVABLE

Notes, Loans, and Lease Receivable at December 31, 2022 and 2021 are comprised of the following (\$ in thousands):

	<u>2022</u>	<u>2021 (Restated)</u>
Ocean Bay	\$ 247,759	\$ 230,723
Williamsburg	138,051	132,109
Betances	97,263	92,848
Harlem River	67,636	-
Manhattan Bundle	51,728	51,115
Linden	51,640	49,416
Bushwick	43,423	42,337
Twin Parks West	43,354	43,421
Randolph	41,471	41,321
Boulevard	37,286	35,208
Hope Gardens	33,189	33,044
Lease Receivable (includes \$36 accrued interest)	23,668	26,525
Other (under \$20,000)	<u>73,717</u>	<u>73,388</u>
Total Notes, Loans, and Lease Receivable	950,185	851,455
Less allowance for uncollectable accounts	<u>756,029</u>	<u>655,016</u>
Notes, Loans, and Lease Receivable, net	194,156	196,439
Less Current portion	<u>3,206</u>	<u>3,176</u>
Notes, Loans, and Lease Receivable - non-current portion	<u>\$ 190,950</u>	<u>\$ 193,263</u>

5. INVENTORIES

Inventories at December 31, 2022 and 2021 are summarized as follows (\$ in thousands):

	<u>2022</u>	<u>2021</u>
Supplies inventory	\$ 5,782	\$ 6,082
Allowance for obsolete inventory	<u>(464)</u>	<u>(479)</u>
Supplies inventory (net)	5,318	5,603
Fuel oil inventory	<u>3,988</u>	<u>2,806</u>
Total inventories, net	<u>\$ 9,306</u>	<u>\$ 8,409</u>

6. CAPITAL ASSETS, NET

A summary of the changes in capital assets, net, which is comprised of land, structures and equipment, is as follows:

Summary of Changes in Capital Assets, Net (\$ in thousands)

Description	January 1, 2022	Additions/ Transfers In	Deletions/ Transfers Out	December 31, 2022
Capital Assets not being depreciated:				
Land	\$ 687,961	\$ -	\$ (451)	\$ 687,510
Construction in progress	2,739,201	820,336	(983,401)	2,576,136
Total Capital Assets not being depreciated	<u>3,427,162</u>	<u>820,336</u>	<u>(983,852)</u>	<u>3,263,646</u>
Capital Assets being depreciated and amortized:				
Buildings	3,139,583	-	(7,770)	3,131,813
Building improvements	10,852,401	932,408	(26,498)	11,758,311
Facilities and other improvements	531,581	11,263	(3,435)	539,409
Furniture and equipment	1,027,132	33,816	(1,193)	1,059,755
Leasehold improvements	138,140	5,914	-	144,054
Right to use assets-Buildings	852,412	-	-	852,412
Right to use assets-Equipment	14,328	-	-	14,328
Total Capital Assets being depreciated and amortized	<u>16,555,577</u>	<u>983,401</u>	<u>(38,896)</u>	<u>17,500,082</u>
Less Accumulated Depreciation and Amortization:				
Buildings	2,983,568	19,767	(7,770)	2,995,565
Building improvements	6,088,595	348,812	(24,786)	6,412,621
Facilities and other improvements	477,920	9,555	(3,435)	484,040
Furniture and equipment	875,174	42,323	(1,193)	916,304
Leasehold improvements	109,855	3,279	-	113,134
Right to use assets-Buildings	37,605	37,605	-	75,210
Right to use assets-Equipment	4,805	4,805	-	9,610
Total Accumulated Depreciation and Amortization	<u>10,577,522</u>	<u>466,146</u>	<u>(37,184)</u>	<u>11,006,484</u>
Total Capital Assets being depreciated and amortized, Net	<u>5,978,055</u>	<u>517,255</u>	<u>(1,712)</u>	<u>6,493,598</u>
Capital Assets, Net	<u>\$ 9,405,217</u>	<u>\$ 1,337,591</u>	<u>\$ (985,564)</u>	<u>\$ 9,757,244</u>

6. CAPITAL ASSETS, NET (continued)

Summary of Changes in Capital Assets, Net (\$ in thousands)

Description	January 1, 2021 (restated)	Additions/ Transfers In (restated)	Deletions/ Transfers Out (restated)	December 31, 2021 (restated)
Capital Assets not being depreciated:				
Land	\$ 687,961	\$ -	\$ -	\$ 687,961
Construction in progress	2,398,739	818,150	(477,688)	2,739,201
Total Capital Assets not being depreciated	3,086,700	818,150	(477,688)	3,427,162
Capital Assets being depreciated and amortized:				
Buildings	3,144,746	-	(5,163)	3,139,583
Building improvements	10,490,175	403,483	(41,257)	10,852,401
Facilities and other improvements	516,723	15,656	(798)	531,581
Furniture and equipment	992,986	35,460	(1,314)	1,027,132
Leasehold improvements	115,051	23,089	-	138,140
Right to use assets-Buildings	852,412	-	-	852,412
Right to use assets-Equipment	14,328	-	-	14,328
Total Capital Assets being depreciated and amortized	16,126,421	477,688	(48,532)	16,555,577
Less Accumulated Depreciation and Amortization:				
Buildings	2,968,139	20,592	(5,163)	2,983,568
Building improvements	5,787,175	334,858	(33,438)	6,088,595
Facilities and other improvements	471,189	7,529	(798)	477,920
Furniture and equipment	822,549	53,935	(1,310)	875,174
Leasehold improvements	106,198	3,657	-	109,855
Right to use assets-Buildings	-	37,605	-	37,605
Right to use assets-Equipment	-	4,805	-	4,805
Total Accumulated Depreciation and Amortization	10,155,250	462,981	(40,709)	10,577,522
Total Capital Assets being depreciated and amortized, Net	5,971,171	14,707	(7,823)	5,978,055
Capital Assets, Net	\$ 9,057,871	\$ 832,857	\$ (485,511)	\$ 9,405,217

7. POLLUTION REMEDIATION OBLIGATIONS

The Authority accounts for its pollution remediation obligations (“PRO”) in accordance with GASB Statement No. 49 (“GASB 49”) Accounting and Financial Reporting for Pollution Remediation Obligations. As a result, the Authority has recorded in the statements of net position a PRO liability in the amount \$3,808,843,000 and \$3,189,191,000 as of December 31, 2022 and 2021, respectively, the high majority of which relates to lead paint abatement and remediation costs.

The Authority has separated its pollution remediation obligations into four groups: lead based paint, oil spills, asbestos, and mold.

Lead Based Paint

Lead-based paint presents a threat to the health of residents and workers. Per HUD regulations (24CFR Part 35) an annual lead visual assessment is required of all target housing built prior to 1978, unless such housing is exempt pursuant to those regulations. New York City Local Law 1 (NYC Admin. Code section 27-2056) required landlords of buildings built before 1960 (or built between 1960 and 1978 if known to have lead-based paint) to take certain actions to prevent lead poisoning in children under 6 years old, including conducting annual inspections, remediating or abating any chipped or peeling paint, and completely removing lead-based paint from certain building components upon vacancy of an apartment. Local Law 1 and current federal standard defines lead-based paint as having 1.0 milligrams (mg) of lead per square centimeter (cm) or more. Effective December 1, 2021, New York City implemented a new standard for defining the presence of lead in paint, in accordance with Local Law 66 of 2019. This new standard defines lead-based paint as having 0.5 mg of lead per square cm or more, which is stricter than both the prior New York City and the current federal standard. Under the new standard, the Authority will be required to re-test substantially all apartments including approximately 33,000 apartments which were previously exempted from testing.

The Authority has entered contracts with third parties to perform x-ray fluorescence (XRF) tests and lab analysis of paint chips to better survey the portfolio for positive lead-based paint components. Such initial contracts were arranged for using the 1.0 mg standard as consistent with Local Law 1 and the current federal standard. For the year ended December 31, 2021, the Authority considered XRF test results at the 1.0 mg standard and estimated that 27% of the target units would have positive lead findings and would be subject to further remediation and abatement workstreams.

During 2022, the Authority began the retesting process at the 0.5 mg standard and is estimating that 35% of the target units have positive lead findings and will be subject to further remediation and abatement workstreams. However, as only 19% of the apartment units have been tested to date, actual positivity rate may differ from the 35% estimate which could cause a significant variation in the cost estimates.

In 2022, additional lead-based paint related costs of \$721,235,410 were classified as a Special item on the Statements of Revenues, Expenses and Changes in Net Position representing an increase of expected costs. The 2022 Special item primarily includes increased costs of \$764,537,999 relating to the adjustment in the positivity rate, net of changes in estimates for abatement and XRF testing unit costs, less reduction in apartment units from PACT transactions (Note 15) which closed in 2022 and other miscellaneous factors.

7. POLLUTION REMEDIATION OBLIGATIONS

Lead Based Paint (continued)

In 2021, additional lead-based paint related costs of \$648,589,986 were classified as a Special item on the Statements of Revenues, Expenses, and Changes in Net Position representing an increase of expected costs. The 2021 Special item includes incremental remediation and abatement costs from the inclusion of former exempted apartments and incremental testing costs as a result of new standards under Local Law 66, less reductions in apartment units from PACT transactions (Note 15) which closed in 2021, less reduction in costs due to a decrease in positive lead results compared to 2020.

NYCHA has classified the lead-based paint costs as a Special item as it meets the criteria of being infrequent, although not unusual for a housing authority, and is within management's control to abate. The infrequent criteria have been triggered as this is the first time in close to ninety years since NYCHA's inception, where a comprehensive plan to lead abatement has been implemented. The Authority's PRO is measured based on the expected costs of future activities.

As per Paragraph 11 of GASB Statement No. 49, an obligating event is one that triggers the potential recognition of a pollution remediation liability. Such obligating event may occur when the government is compelled to take action because of imminent danger to public health, when the government commences remediation efforts or when the government is named by a regulator as a potentially responsible party. All three of these obligating events have been triggered. On January 31, 2019, NYCHA entered into an agreement with HUD, the United States Attorney's Office for the Southern District of New York ("SDNY"), and The City of New York (the "Agreement"). Among many requirements within, NYCHA agreed to perform lead-based paint interim controls ("remediation"), follow lead-safe work practices mandated by HUD and the United States Environmental Protection Agency (EPA), and perform specified lead-based paint abatement activities. Per the Agreement, among other things, NYCHA is required to perform annual visual assessments, control lead-based paint hazards identified by the visual assessments (until abatement is performed), abate lead in all apartments and interior common areas that contain lead-based paint in the same building as those units within 20 years, and abate lead in exterior common areas at a timeline to be determined. NYCHA must also provide a certification every six months describing its compliance with certain EPA and HUD regulations.

Under Local Law 66, NYCHA has presumed the presence of lead-based paint in target housing built prior to 1978 unless the unit is exempt due to negative lead findings of an inspection. Of the total 173,000 units in the NYCHA portfolio as of December 31, 2019, the target housing consisted of approximately 167,000 units and associated common areas. The total units decreased by 4,300, 5,200 and 700 units respectively in 2020, 2021 and 2022 as a result of PACT transactions, causing a relative decrease in the target housing for testing. As a result, the target housing as of December 31, 2022 and December 31, 2021 was 157,000 units and 158,000 units respectively.

7. POLLUTION REMEDIATION OBLIGATIONS

Lead Based Paint (continued)

The estimation of costs is consistent with the timelines set in the Agreement in which 50% of all units and interior common areas in the same building as those units are abated within 10 years of the effective date, 75% are abated within 15 years of the effective date, and 100% are abated within 20 years of the effective date. All above milestones are subject to Force Majeure circumstances that may arise. Total costs are subject to variations in actual results of XRF tests versus estimates, timing of when remediation and abatement can be executed, inflation and differences in contractor costs, and other microeconomic and macroeconomic factors.

The \$3,714,589,000 and \$3,104,337,000 liabilities, as of December 31, 2022 and 2021 respectively, includes management's estimates to remediate and abate lead in target apartment units, interior common space of buildings, community centers and playgrounds. The estimate of the liability does not include cost components that are not reasonably estimable as per GASB Statement No. 49 (paragraph 26). Such components not deemed estimable include exterior building surfaces, fences, and soil where the Authority does not have reliable information to reasonably estimate lead findings and related costs at this time.

For the years ended December 31, 2022 and December 31, 2021, the Authority made payments relating to lead-based paint remediation and abatement activities of \$110,983,000 and \$98,257,000 respectively.

As part of the Agreement entered into with HUD referenced in above paragraph, The City of New York is required to provide \$2,200,000,000 of financial support to NYCHA over a ten-year period in order to assist the Authority in meeting its obligations under the Agreement. Such commitments are supported by an Action Plan approved on May 8, 2021 by the Federal Monitor which identifies projects and related spending plans including \$ 771,817,611 dedicated to Lead Abatement projects. The City of New York has issued a Certificate to Proceed (#73168) as authorization to reimburse NYCHA for \$144,485,494 of lead abatement work over the City's fiscal years ending June 30,2023 and June 30,2024. Such funding will be treated as a voluntary nonexchange transaction and revenues will be recognized on a cost reimbursement basis.

7. POLLUTION REMEDIATION OBLIGATIONS

Oil Spills

To comply with NYS Department of Environmental Conservation (“DEC”) rules and regulations, the Authority is continuing a program started in 1992 to remediate contaminated soil related to fuel storage tanks on the Authority property as required.

As of December 31, 2022, and 2021, the number of open active fuel oil spills on record with DEC was 21 and 24, respectively. The spills are categorized by the Authority as either Class A spills which are pending closure, Class B spills which require further investigation or Class C spills which have been investigated and have a remedial plan in place. The number of open active fuel oil spills is:

Description of Oil Spills	2022	2021
Pending closure	2	3
Require further investigation	6	7
Have been investigated and have a remedial plan in place	13	14
Total number of spills on record with the DEC	21	24

In connection with petroleum bulk storage remediation, the Authority’s liability was \$3,194,000 and \$3,389,000 as of December 31, 2022 and 2021, respectively, as shown below, which represents the remaining estimated cost to close the Class A spills, investigate the Class B spills, and remediate and re-investigate the Class C spills.

Liability to Remediate Oil Spills (\$ in thousands)

Description of Oil Spills	2022	2021
Pending closure	\$ 35	\$ 13
Require further investigation	370	342
Have been investigated and have a remedial plan in place	2,789	3,034
Total Liability to Remediate Oil Spills	\$ 3,194	\$ 3,389

The Authority has estimated the remaining cost of outlays and time to remediate the Class C spills based on an evaluation of each oil spill. Using that data, the liability was measured using the expected cash flow technique. The Authority has not recognized any clean-up remediation activity liabilities for Class B spills since those costs are not reasonably estimable. The Authority does not expect any recoveries related to fuel oil spills.

Asbestos Remediation

During the course of building rehabilitation and modernization, the exposure of lead-based paint or asbestos presents a threat to the health of residents and workers. Upon commencement of the rehabilitation and modernization projects these hazards are identified and remediated, and the remediation costs are expensed. As of December 31, 2022 and 2021, commitments related to the remediation of asbestos portions of active contracts were \$48,291,000 and \$53,587,000, respectively.

A portion of building rehabilitation and modernization outlays are reimbursable from HUD through its Capital Fund Program.

7. POLLUTION REMEDIATION OBLIGATIONS

Mold Remediation

Based on a 2018 settlement agreement, the Authority is required to complete mold repairs in no more than fifteen (15) days after a mold or excessive moisture condition is detected or reported. There were approximately 21,000 and 23,800 open work orders for mold as of December 31, 2022 and 2021. The estimated cost to remediate these mold conditions was \$42,769,000 and \$27,878,000, respectively.

Summary

The Authority's total pollution remediation obligations for 2022 and 2021 are summarized as follows (\$ in thousands):

Description	TOTAL	Lead Based Paint	Oil Spills	Asbestos	Mold
Liability at December 31, 2020	\$ 2,616,436	\$ 2,554,004	\$ 3,715	\$ 36,541	\$ 22,176
Current year costs	694,908	648,590	934	24,684	20,700
Payments made during the year	(122,153)	(98,257)	(1,260)	(7,638)	(14,998)
Liability at December 31, 2021	3,189,191	3,104,337	3,389	53,587	27,878
Current year costs	793,640	721,235	1,302	31,608	39,495
Payments made during the year	(173,987)	(110,983)	(1,497)	(36,904)	(24,604)
Liability at December 31, 2022	\$ 3,808,843	\$ 3,714,589	\$ 3,194	\$ 48,291	\$ 42,769

The above liability is subject to change due to price increases or reductions, changes in technology, or changes in applicable laws or regulations.

8. ASSET RETIREMENT OBLIGATIONS

The Department of Environmental Protection ("DEP") regulations require certain activities to be followed in connection with the retirement of fuel oil tanks. As of December 31, 2022, and 2021, the Authority had 271 and 280 fuel oil tanks, respectively, that are expected to be retired within the next five years. The estimated cost to retire these tanks is \$74,417,000 and \$77,682,000 at December 31, 2022 and 2021, respectively. This expense is being recognized over the useful life of the assets. The remaining useful life of the fuel oil tanks range from 1 to 18 years.

Amounts reported as Deferred Outflows of Resources of \$5,702,000 as of December 31, 2022, will be recognized in Repair and Maintenance expense as follows (\$ in thousands):

<u>Year</u>	<u>Total</u>
2023	1,543
2024	1,292
2025	886
2026	576
2027	475
2028-2032	882
2033-2037	42
2038	6
Total	<u>\$ 5,702</u>

9. CLAIMS PAYABLE

General Liability - The Authority maintains a self-insurance program to provide for all claims arising from injuries to persons other than employees. The Authority has insurance to cover all liabilities in excess of a self-insured retention. From January 1, 2021 through December 31, 2022, the Authority's insurance coverage was \$100,000,000 per occurrence and \$100,000,000 in the aggregate, with a self-insured retention of \$5,000,000 per occurrence. For the period of January 1, 2021 through December 31, 2022, the Authority also retains \$10,000,000 or 50% of the \$20,000,000 layer in excess of its \$5,000,000 self-insured retention. The self-insured retention for Employee Benefits Liability limit (a component of the General Liability program) was \$5,000,000 per occurrence for the period of January 1, 2021 through December 31, 2022. In addition, contractors performing work for the Authority are required to carry liability insurance protecting the contractor and the Authority.

The general liability program is primarily funded based upon an amount which is actuarially determined and charged to individual developments. In addition, a liability is established based upon an estimate of all probable losses, including an estimate of losses incurred but not yet reported. At December 31, 2022 and 2021, the total undiscounted liability for such claims was \$402,428,000 and \$291,106,000, respectively.

At December 31, 2022 and 2021, the liability for these claims was reported at discounted amounts of \$388,038,000 and \$285,980,000 using a discount rate of 1.00 percent and 0.50 percent, respectively. Payments made for claims amounted to \$64,864,000 and \$37,198,000 for the years ended December 31, 2022 and 2021, respectively.

Workers' Compensation – The Authority maintains a self-insurance program for workers' compensation claims. The workers' compensation program is primarily funded based upon an amount which is actuarially determined and charged to individual developments. At December 31, 2022 and 2021, the total undiscounted liability for such claims was \$341,364,000 and \$345,344,000, respectively.

At December 31, 2022 and 2021, these amounts were reported at discounted amounts of \$296,072,000 using a discount rate of 1.75 percent and \$318,008,000 using a discount rate of 1.00 percent, respectively. Payments made for claims amounted to \$47,260,000 and \$42,566,000 for the years ended December 31, 2022 and 2021, respectively.

9. CLAIMS PAYABLE (continued)

The Authority's total claims payable for 2022 and 2021 are summarized as follows (\$ in thousands):

Summary of Claims Payable (\$ in thousands)

Description	TOTAL	General Liability	Workers' Comp.
Claim Reserve at December 31, 2020	\$ 580,790	260,256	320,534
Losses incurred during the year	102,962	62,922	40,040
Losses paid during the year	(79,764)	(37,198)	(42,566)
Claim Reserve at December 31, 2021	603,988	285,980	318,008
Losses incurred during the year	192,246	166,922	25,324
Losses paid during the year	(112,124)	(64,864)	(47,260)
Claim Reserve at December 31, 2022	\$ 684,110	\$ 388,038	\$ 296,072

The claim reserves are reported by management at the 75 percent confidence level for 2022 and 2021. The Authority classifies the estimated claims that will be paid out in the next year as a current liability and the balance as a non-current liability, as shown below as of December 31, 2022 and 2021 (\$ in thousands):

Description	Total		General Liability		Workers' Comp.	
	2022	2021	2022	2021	2022	2021
Current	\$ 109,822	\$ 95,925	\$ 66,230	\$ 52,594	\$ 43,592	\$ 43,331
Non-current	574,288	508,063	321,808	233,386	252,480	274,677
Total	\$ 684,110	\$ 603,988	\$ 388,038	\$ 285,980	\$ 296,072	\$ 318,008

10. LONG - TERM DEBT

HDC Loans

On April 12, 2022, New York City Housing Development Corporation ("NYCHDC") issued Series 2022 A Capital Fund Financing Program ("CFFP") bonds, for a principal amount of \$398,265,000, as federally taxable obligations, to provide a portion of the funds to advance refund and defease the tax-exempt Series 2013 A & B bonds. The proceeds of the Series 2022 A bonds, were loaned by NYCHDC to the Authority, as were the proceeds of the Series 2013 A & B bonds. The 2022 A bond proceeds were used to fund an escrow account for the refunding of the Series 2013 A & B bonds maturing between 2023 and 2033.

The total debt service of the new Series 2022 A bonds will range between a high of \$59 million to a low of \$38 million annually. The Series 2022 A Bonds were issued as serial bonds with varying maturities and have a maximum term to maturity of 11 years, which is the same as the prior Series 2013 A & B Bonds. The interest rates of the Series 2022 A bonds range between 2.32% to 4.10%, with a true interest cost of 3.81% for the bonds, versus the prior issue's true interest cost of 4.22%.

10. LONG - TERM DEBT

HDC Loans (continued)

While this bond refinancing did not generate new funds for capital improvements, the Series 2022 A bonds were issued with the primary goals of lowering the borrowing costs, and to refinance the bonds as taxable debt so that the Authority could eliminate the IRS private-activity limitations that existed with the tax-exempt Series 2013 Bonds. This refinancing facilitates the Authority's plans to complete the necessary conversions of apartments from public housing funding to Section 8 project-based vouchers.

Prior to the new loan agreement with the Series 2022 A bond proceeds, the Authority had a similar Series 2013 A & B Loan Agreement with NYCHDC for \$701 million of proceeds that were loaned to them under the Capital Fund Grant Revenue Bond Program since September 10, 2013. These bonds were issued at a weighted average interest rate of 4.8% and the interest rates of the bonds ranged from 3.0% to 5.25% per annum.

The Series 2013 A bonds proceeds were issued at a weighted average rate of 4.4% and were used together with other available funds from the prior Series 2005 A bond issuance as an advance refund of the remaining balance of the pre-existing Series 2005 A bonds and to defease the existing debt. The bond proceeds of the new Series 2013 A bonds were deposited into trust accounts with an escrow agent to provide for all remaining debt service payments on the Series 2005 A bonds, which were fully paid in July 2005. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$10,388,000. This difference, a deferred amount on refunding, is being amortized through the year 2025 using the effective-interest method. The Authority completed the advance refunding to reduce total debt service payments over 11 years by \$7.0 million and to obtain an economic gain of \$2.9 million.

The Series 2013 B bond proceeds were issued with a weighted average rate of 5.0% to fund acquisition, construction or rehabilitation, and to make capital improvement at 34 Authority developments. Capital improvements primarily include "building envelope" work on roofs, brickwork, and windows, etc. The proceeds of these bonds that have been loaned to the Authority by HDC were placed in escrow accounts with the Trustee banks. The capital improvements for this program were completed and on June 7, 2017, the Authority made its final draw of the loan proceeds. Pursuant to GASB 91, HDC is considered the issuer of the debt. The Authority is considered the third-party obligor and has made all of the disclosures required.

Certificates of Indebtedness

The State of New York has loaned the Authority funds to finance the construction of State-aided developments from proceeds of State Housing Bonds. The Authority has acknowledged its indebtedness for such loans by issuance of Certificates of Indebtedness. Debt service payments were made from funds provided by the State of New York. State Guaranteed Certificates of Indebtedness Outstanding through December 1, 2022 were bearing interest from 3.5% to 4.75% per annum. All of the bonds in the State of New York Housing Bond portfolio were to mature on or before July 15, 2024, but the State of New York paid off all of the bonds in full as of December 1, 2022.

10. LONG - TERM DEBT (continued)

Mortgage Loans

As part of the Authority's March 16, 2010, mixed-finance transaction (see Note 16), HDC issued bonds totaling \$477,455,000. The bonds issued by HDC were comprised of seven different series as follows: \$23,590,000 2009 Series L-1, \$68,000,000 2009 Series L-2, \$150,000,000 2010 Series B (Bridge Bonds), \$140,000,000 2011 Series A (Bridge Bonds), \$25,325,000 2010 Series A-1, \$3,000,000 2010 Series A-2 (Fixed-Rate Taxable Bonds), and \$67,540,000 2012 Series A (Index Floating Rate).

The bond proceeds were used to provide financing in the form of seven series of mortgage loans to LLC I and LLC II. The loan agreements that were issued from the bond proceeds from 2009 Series L-2, 2010 Series B, 2011 Series A, 2012 Series A, 2010 Series A-1, and 2010 Series A-2 were all paid in full as of December 31, 2021. One series of loan agreements issued from the bond proceeds from the 2009 Series L-1 was still outstanding as of December 31, 2022. This loan converted from a construction loan to a permanent loan in September 2013 and it paid principal and interest monthly.

For LLC I, the proceeds from the mortgage issued in connection with the \$23,590,000 2009 Series L-1 Bonds, bearing interest of 6.30% per annum, were used to finance the acquisition of the developments. These mortgage loans are secured by the net operating income of the respective development's Section 8 rental revenue.

The LLC II financing structure for rehabilitation provided private activity bond proceeds from a long-term bond issue of \$25,325,000 2010 Series A-1 Bonds, bearing interest of 5.10% per annum. Similarly, acquisition funds were provided from the proceeds of the \$3,000,000 2010 Series A-2 Bonds, bearing interest of 5.10% per annum. These mortgage loans were secured by the net operating income of the respective development's Section 8 rental revenue. In December 2021, prepayments totaling \$10,316,000 were made to NYCHDC against the 2010 Series A-1 Bond Loan Agreement and \$1,336,000 were made to NYCHDC against the 2020 Series A-2 Bond Loan Agreement.

Both the 2010 A-1 and the 2010 A-2 Loan Agreements with NYCHDC were paid in full and had a zero balance as of December 28, 2022.

2013 Equipment Lease/Purchase Agreement

In January 2013, the Authority entered into a 13-year Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp ("BAPCC") in the amount of \$18,046,000 to finance an Energy Performance Contract ("EPC") bearing interest of 1.98% per annum. This financing agreement and EPC have enabled the Authority to upgrade boilers, instantaneous water heaters, apartment temperature sensors, and upgrade computerized heating automated systems at (6) developments, and upgrade apartment convectors at one of these six developments. The Equipment Lease/Purchase Agreement with BAPCC will mature in 2026. Since one development, Hope Gardens, was removed from this EPC in July 2019 due to a RAD/PACT conversion, the current EPC plan provides HUD-sponsored EPC funding for projects at 5 developments, which were previously earmarked to be funded with Federal Capital subsidies, thereby enabling the Authority to use its Federal Capital funds for other critical capital improvements pursuant to the Authority's Five-Year Capital Plan.

10. LONG - TERM DEBT (continued)

2016 Equipment Lease/Purchase Agreement for Ameresco A

In December 2016, the Authority entered into a 20-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$51,548,000 to finance an Energy Performance Contract (“EPC”) bearing interest of 3.27% per annum. This financing agreement and EPC will enable the Authority to upgrade common area and apartment lighting at sixteen (16) developments and to replace a boiler plant and upgrade a comprehensive heating system at one development. The Equipment Lease/Purchase Agreement with BAPCC will mature in June 2036. This EPC plan provides HUD-sponsored EPC funding at these 16 developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority’s Five-Year Capital Plan.

2017 Equipment Lease/Purchase Agreement for Sandy-A

In December 2017, the Authority entered into a 20-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$43,000,000 to finance an Energy Performance Contract (“EPC”) bearing interest of 3.6178% per annum. This financing agreement and EPC will enable the Authority to upgrade common area and apartment lighting at eighteen (18) developments and heating controls at 17 developments. The Equipment Lease/Purchase Agreement with BAPCC will mature in December 2037. This EPC plan provides HUD-sponsored EPC funding at these 18 developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority’s Five-Year Capital Plan.

2017 Equipment Lease/Purchase Agreement for Brooklyn Queens Demand Management (“BQDM”)

In December 2017, the Authority entered into a 20-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$60,133,000 to finance an Energy Performance Contract (“EPC”) bearing interest of 3.6178% per annum. This financing agreement and EPC was approved by HUD to upgrade common area and apartment lighting, and apartment heating controls at twenty-three (23) developments. On 12/28/2021 two (2) developments (Fiorentino Plaza and Williamsburg) were removed from the EPC due to RAD/PACT conversions. The Equipment Lease/Purchase Agreement with BAPCC will mature in December 2037. This EPC plan provides HUD-sponsored EPC funding at the remaining 21 developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority’s Five-Year Capital Plan.

2018 Equipment Lease/Purchase Agreement for Ameresco B (EPC007)

In August 2018, the Authority entered into a 20-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$79,462,000 to finance an Energy Performance Contract (“EPC”) bearing interest of 4.75% per annum. This financing agreement and EPC have enabled the Authority to fund energy conservation work to upgrade common area and apartment lighting, and apartment heating

controls at fifteen (15) developments. The Equipment Lease/Purchase Agreement with BAPCC will mature in July 2038. This EPC plan provides HUD-sponsored EPC funding at these 15 developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority’s Five-Year Capital Plan.

10. LONG - TERM DEBT (continued)

2020 Equipment Lease/Purchase Agreement for Ameresco A-2 (EPC008)

In November 2020, the Authority entered into an 18-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$23,299,000 to finance an Energy Performance Contract (“EPC”) bearing interest of 3.404% per annum, which was the extension of the Ameresco A EPC entered in 2016. This financing agreement and EPC will include the installation of apartment temperature sensors at seven (7) developments and upgrade common area and apartment lighting at one (1) development. The Equipment Lease/Purchase Agreement with BAPCC will mature in June 2038. This EPC plan provides HUD-sponsored EPC funding at these seven (7) developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority’s Five-Year Capital Plan.

10. LONG - TERM DEBT (continued)

The tables that follow provide information about the change in long term debt over the past two years for the Authority and its blended component units (\$ in thousands):

Description of Long Term Debt	Jan. 1, 2022	Proceeds	Payments & Amortization	Dec. 31, 2022	Due Within One Year
<u>Bonds:</u>					
State Guaranteed Certificates of Indebtedness Outstanding (State Program) three issues remaining bearing interest of 3.5% to 3.75% per annum maturing annually through July 2024.	\$ 2,717	-	\$ (2,717)	\$ -	\$ -
State Guaranteed Certificates of Indebtedness Outstanding (incorporated into the Federal Housing Program), three issues remaining bearing interest of 3.5% to 4.75% per annum, maturing annually through July 2024.	424	-	(424)	-	-
<u>Loans Funded by:</u>					
HDC Capital Fund Program Revenue Bonds, Series 2013 A (\$185,785,000); Loan Agreement with an interest rate of 3.0% to 5.0% per annum, defeased April 2022.	74,845	-	(74,845)	-	-
HDC Capital Fund Program Revenue Bonds, Series 2013 B-1 (\$348,130,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, defeased April 2022.	218,220	-	(218,220)	-	-
HDC Capital Fund Program Revenue Bonds, Series 2013 B-2 (\$122,170,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, defeased April 2022.	122,170	-	(122,170)	-	-
HDC Capital Fund Program Revenue Bonds, Series 2022 A (\$398,265,000); Loan Agreement with an interest rate of 2.3% to 4.1% per annum, maturing annually through Jan 2033.	-	398,265	-	398,265	45,015
Loan Payable - 2013 Equipment Lease/Purchase Agreement; with BAPCC for Energy Performance Contract (\$18,045,580) at an interest rate of 1.98% per annum, maturing January 19, 2026.	6,826	-	(1,451)	5,375	1,516
Loan Payable - 2016 Equipment Lease/Purchase Agreement; (Ameresco A) with BAPCC for Energy Performance Contract (\$51,548,356) at an interest rate of 3.27% per annum, maturing June 28, 2036.	48,009	-	(2,095)	45,914	2,245
Loan Payable - 2017 Equipment Lease/Purchase Agreement; (BQDM); with BAPCC for Energy Performance Contract (\$60,132,977.75) at an interest rate of 3.6178% per annum, maturing December 15, 2037.	54,556	-	(1,958)	52,598	2,114
Loan Payable - 2017 Equipment Lease/Purchase Agreement; (SANDY A); with BAPCC for Energy Performance Contract (\$43,000,000) at an interest rate of 3.6178% per annum, maturing December 22, 2037.	43,566	-	(1,556)	42,010	1,680
Loan Payable - 2018 Equipment Lease/Purchase Agreement; (Ameresco B); with BAPCC for Energy Performance Contract (\$79,461,775.81) at an interest rate of 4.75% per annum, maturing July 1, 2038.	83,582	-	(2,410)	81,172	2,664
Loan Payable - 2020 Equipment Lease/Purchase Agreement; (Amoresco A-2); with BAPCC for Energy Performance Contract (\$23,298,752.13) at an interest rate of 3.404% per annum, maturing June 28, 2038.	23,773	-	(282)	23,491	471
HDC 2009 Series L-1 Bonds (\$23,590,000); Permanent Mortgage Loan at an interest rate of 6.3% per annum, maturing November 2043; secured by mortgage.	20,722	-	(460)	20,262	490
Long Term Debt (before Premium)	699,410	398,265	(428,588)	669,087	56,195
Add Premium on HDC Revenue Bond Loan Agreements	6,662	-	(6,662)	-	-
TOTAL LONG TERM DEBT	\$ 706,072	\$ 398,265	\$ (435,250)	\$ 669,087	\$ 56,195

10. LONG - TERM DEBT (continued)

The tables that follow provide information about the change in long term debt over the past two years for the Authority and its blended component units (\$ in thousands):

Description of Long Term Debt	Jan. 1, 2021	Proceeds	Payments & Amortization	Dec. 31, 2021	Due Within One Year
Bonds:					
State Guaranteed Certificates of Indebtedness Outstanding (State Program) three issues remaining bearing interest of 3.5% to 3.75% per annum maturing annually through July 2024.	\$ 4,178	-	\$ (1,461)	\$ 2,717	\$ 1,462
State Guaranteed Certificates of Indebtedness Outstanding (incorporated into the Federal Housing Program), three issues remaining bearing interest of 3.5% to 4.75% per annum, maturing annually through July 2024.	668	-	(244)	424	244
Loans Funded by:					
HDC Capital Fund Program Revenue Bonds, Series 2013 A (\$185,785,000); Loan Agreement with an interest rate of 3.0% to 5.0% per annum, maturing annually through July 2025.	91,465	-	(16,620)	74,845	17,400
HDC Capital Fund Program Revenue Bonds, Series 2013 B-1 (\$348,130,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, maturing annually through July 2033.	238,460	-	(20,240)	218,220	16,260
HDC Capital Fund Program Revenue Bonds, Series 2013 B-2 (\$122,170,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, maturing annually through July 2032.	122,170	-	-	122,170	5,000
Loan Payable - 2013 Equipment Lease/Purchase Agreement; with BAPCC for Energy Performance Contract (\$18,045,580) at an interest rate of 1.98% per annum, maturing January 19, 2026.	8,215	-	(1,389)	6,826	1,451
Loan Payable - 2016 Equipment Lease/Purchase Agreement; (Ameresco A) with BAPCC for Energy Performance Contract (\$51,548,356) at an interest rate of 3.27% per annum, maturing June 28, 2036.	49,962	-	(1,953)	48,009	2,096
Loan Payable - 2017 Equipment Lease/Purchase Agreement; (BQDM); with BAPCC for Energy Performance Contract (\$60,132,977.75) at an interest rate of 3.6178% per annum, maturing December 15, 2037.	62,747	-	(8,191)	54,556	1,958
Loan Payable - 2017 Equipment Lease/Purchase Agreement; (SANDY A); with BAPCC for Energy Performance Contract (\$43,000,000) at an interest rate of 3.6178% per annum, maturing December 22, 2037.	45,003	-	(1,437)	43,566	1,555
Loan Payable - 2018 Equipment Lease/Purchase Agreement; (Ameresco B); with BAPCC for Energy Performance Contract (\$79,461,775.81) at an interest rate of 4.75% per annum, maturing July 1, 2038.	85,751	-	(2,169)	83,582	2,410
Loan Payable - 2020 Equipment Lease/Purchase Agreement; (Amoresco A-2); with BAPCC for Energy Performance Contract (\$23,298,752.13) at an interest rate of 3.404% per annum, maturing June 28, 2038.	23,407	366	-	23,773	281
HDC 2009 Series L-1 Bonds (\$23,590,000); Permanent Mortgage Loan at an interest rate of 6.3% per annum, maturing November 2043; secured by mortgage.	21,154	-	(432)	20,722	460
HDC 2010 Series A-1 Bonds (\$25,325,000); Permanent Mortgage Loan at an interest rate of 5.1% per annum, maturing November 2041; secured by mortgage.	10,545	-	(10,545)	-	-
HDC 2010 Series A-2 Bonds (\$3,000,000); Permanent Mortgage Loan at an interest rate of 5.1% per annum, maturing May 2041; secured by mortgage.	1,366	-	(1,366)	-	-
Long Term Debt (before Premium)	765,091	366	(66,047)	699,410	50,577
Add Premium on HDC Revenue Bond Loan Agreements	8,873	-	(2,211)	6,662	-
TOTAL LONG TERM DEBT	\$ 773,964	\$ 366	\$ (68,258)	\$ 706,072	\$ 50,577

10. LONG - TERM DEBT (continued)

In December 2021, prepayments totaling \$6,370,000 were made for the Fiorentino Plaza and Williamsburg developments to the 2017 BQDM Equipment Lease/Purchase Agreement.

In December 2021, prepayments totaling \$10,316,000 were made for the Boulevard and Linden developments to the HDC 2010 Series A-1 Bond Loan Agreement. As of December 28, 2021, this loan was paid in full and had a zero balance.

In December 2021, prepayments totaling \$1,336,000 were made for the Boulevard and Linden developments to the HDC 2010 Series A-2 Bond Loan Agreement. As of December 28, 2021, this loan was paid in full and had a zero balance.

In April 2022, prepayments totaling \$415,235,000 were made to HDC for the Series 2013 A & B Loan Agreements. As of December 31, 2022, this loan was paid in full and had a zero balance.

In December 2022, prepayments totaling \$1,435,000 were made by New York State to prepay the outstanding State Guaranteed Certificates of Indebtedness. As of December 31, 2022, all of the Certificates of Indebtedness were paid in full and had a zero balance.

Pledged Revenue

CFFP Series 2022 A Loan Agreement and Series 2013A & B Loan Agreements – As security for the Series 2022 A Loan Agreement with HDC, as well as the Series 2013 A & B Loan Agreements that it replaced on April 12, 2023, the Authority pledged future HUD Capital Fund Program grant revenue to service the Authority's loans payable to HDC. With HUD's approval, the Authority pledged as sole security for the debt, a portion of its annual appropriation from HUD. The debt is payable with pledged revenue through 2033. The Authority has committed to appropriate capital contributions of the Capital Fund Program in amounts sufficient to cover the scheduled principal and interest requirements of the debt. For the Series 2013 A & B Loan Agreement, total principal and interest paid in 2021 was \$59,585,000 and the loan was paid off in full on April 12, 2022, bringing the outstanding balance of principal and interest as of December 31, 2022 to zero. For the Series 2022 A Loan Agreement, the total principal and interest paid in 2022 by the Authority was \$59,585,000. As of December 31, 2022, total principal and interest remaining on the Series 2022 A Loan Agreement are \$398,265,000 and \$77,899,000, respectively, with annual debt service ranging from \$58,067,000 in the coming year 2023 to \$37,769,000 in the final year 2033.

2013 Equipment Lease/Purchase Agreement - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2026. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 and 2021, by the Authority was \$1,579,000 and \$1,544,000, respectively. As of December 31, 2022, total principal and interest remaining on the Equipment Lease/Purchase Agreement are \$5,375,000 and \$212,000, with annual debt service ranging from \$1,615,000 in the coming year 2023 to \$743,000 in the final year 2026.

10. LONG TERM DEBT (continued)

2016 Equipment Lease/Purchase Agreement for Ameresco A - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2036. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 and 2021, by the Authority was \$3,649,000 and \$3,571,000, respectively. As of December 31, 2022, total principal and interest remaining on the Equipment Lease/Purchase Agreement are \$45,914,000 and \$11,853,000, with annual debt service payments ranging from \$3,728,000 in the coming year 2023 to \$2,439,000 in the final year 2036.

2017 Equipment Lease/Purchase Agreement for Sandy A - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2037. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 and 2021, by the Authority was \$3,118,000 and \$3,052,000 respectively. As of December 31, 2022, total principal and interest remaining on the Equipment Lease/Purchase Agreement are \$42,010,000 and \$13,568,000, with annual debt service payments ranging from \$3,185,000 in the coming year 2023 to \$4,271,000 in the final year 2037.

2017 Equipment Lease/Purchase Agreement for BQDM - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2037. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 and 2021 by the Authority was \$3,915,000 and \$10,451,000, respectively. As of December 31, 2022, total principal and interest remaining on the Equipment Lease/Purchase Agreement are \$52,598,000 and \$16,926,000, with annual debt service payments ranging from \$3,998,000 in the coming year 2023 to \$5,067,000 in the final year 2037.

2018 Equipment Lease/Purchase Agreement for Ameresco B (EPC007) - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2038. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 by the Authority was \$6,352,000. As of December 31, 2022, total principal and interest remaining on the Equipment

10. LONG-TERM DEBT (continued)

Lease/Purchase Agreement are \$81,172,000 and \$36,762,000, with annual debt service payments ranging from \$6,490,000 in the coming year 2023 to \$4,420,000 in the final year 2038.

2020 Equipment Lease/Purchase Agreement for Ameresco A-2 (EPC008) - As security for the Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, the Authority pledged HUD Operating Subsidy revenue to service the loan debt. With HUD's approval, the Authority pledged as security, a portion of its annual appropriation from HUD that consists of HUD Financial Incentive Payments. The loan is payable with pledged revenue through 2038. The Authority has committed to appropriate HUD Operating Subsidy revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt. Total principal and interest paid in 2022 by the Authority was \$1,089,000. As of December 31, 2022, total principal and interest remaining on the Equipment Lease/Purchase Agreement are \$23,492,000 and \$9,376,000, with annual debt service payments ranging from \$1,267,000 in the coming year 2023 to \$3,380,000 in the final year 2038. During the construction period and prior to beginning debt service payments, interest was added to the principal of the loan. In 2021, the Authority added \$366,000 in interest to this loan and in 2022, the Authority began making debt service payments for this loan.

Pledged Assets

As of December 31, 2022, the Authority had six (6) Equipment Lease/Purchase Agreements with Banc of America Public Capital Corp. supporting energy performance contracts. Of the six Equipment Lease/Purchase Agreements, restricted bank balances remained in five (5) escrow account. These balances totaled \$62,499,000 and were pledged as collateral for the 5 leases together with all the related equipment which totaled \$216,828,000 for these EPCs. In addition, the Authority has two (2) loan agreements outstanding with HDC. As of December 31, 2022, the restricted cash and investment balances that were held in debt service reserve accounts and serving as collateral for the two loans totaled \$29,061,000.

Combined Debt of the Authority

During 2022, the Authority made principal payments on its outstanding long-term debt totaling \$428,587,000, which included the payoff of the Series 2013 A & B Loan Agreement to HDC. In 2021, the Authority made principal payments on its outstanding long-term debt totaling \$66,047,000. Interest rates on outstanding debt range from 1.98 percent to 6.30 percent.

10. LONG-TERM DEBT (continued)

Future principal and interest payments of all the Authority's outstanding long-term debt (excluding amortized bond premium) on December 31, 2022 are payable as follows (\$ in thousands):

	<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current portion	2023	\$ 56,195	\$ 23,907	\$ 80,102
Long-term portion:				
	2024	58,230	22,321	80,551
	2025	60,432	20,473	80,905
	2026	41,333	18,767	60,100
	2027	42,499	17,293	59,793
	2028-2032	245,614	60,220	305,834
	2033-2037	148,708	17,913	166,621
	2038-2042	14,796	1,767	16,563
	2043-2045	<u>1,280</u>	<u>34</u>	<u>1,314</u>
Total long-term portion		<u>612,892</u>	<u>158,786</u>	<u>771,679</u>
Total payments		<u>\$ 669,087</u>	<u>\$ 182,693</u>	<u>\$ 851,781</u>

11. ACCRUED LEAVE TIME

Accumulated unpaid leave time is accrued at estimated amounts of future benefits attributable to services already rendered. The liability for compensated absences is calculated for all active employees and is based upon the leave time policy of the Authority, of which two of the major policy factors are retirement eligibility requirements and number of unused leave days eligible for payment.

The liability is comprised of three components: (1) liability for unused leave time (days and hours), (2) liability for bonus retirement leave for employees currently eligible to retire, and (3) liability for bonus retirement leave for employees not currently eligible to retire.

The liability for those employees who are retirement eligible is classified as a current liability, while the liability of those employees not currently eligible to retire is classified as a long-term liability.

11. ACCRUED LEAVE TIME (continued)

The changes in accrued leave time for the years ending December 31, 2022 and 2021 are as follows:

Summary of Accrued Leave Time (\$ in thousands)

Description of Liability	Dec. 31, 2020	Increases	Decreases	Dec. 31, 2021	Increases	Decreases	Dec. 31, 2022
Unused leave time	\$ 99,821	\$ 17,661	\$ (15,257)	\$ 102,225	\$ 16,647	\$ (19,715)	\$ 99,157
Bonus:							
Retirement eligible	37,748	3,016	(21,602)	19,162	7,108	(6,830)	\$ 19,440
Not retirement eligible	44,878	23,631	(3,790)	64,719	9,473	(13,050)	\$ 61,142
Total Bonus	82,626	26,647	(25,392)	83,881	16,581	(19,880)	80,582
Subtotal	182,447	44,308	(40,649)	186,106	33,228	(39,595)	179,739
Employer FICA	13,957	1,910	(1,629)	14,238	1,782	(2,270)	13,750
Leave Time Liability	\$ 196,404	\$ 46,218	\$ (42,278)	\$ 200,344	\$ 35,010	\$ (41,865)	\$ 193,489

The current and long-term portions of leave time liability as of December 31, 2022 and 2021 are as follows (\$ in thousands):

Description of Liability	2022	2021
Current portion	\$ 84,698	\$ 83,164
Long-term portion	108,791	117,180
Total accrued leave time	\$ 193,489	\$ 200,344

12. EMPLOYEE BENEFITS

Deferred Compensation Plan

The Authority does not have its own Deferred Compensation Plan. The Authority's employees participate in The City of New York Deferred Compensation Plan, which offers a 457 Plan, a 401(k) Plan, and a Roth 401(k) Plan, through payroll deductions. Employees may choose to make pre-tax contributions and/or Roth (after-tax) contributions in the 457 Plan. The plan allows employees to save regularly, in certain cases, with before-tax dollars while deferring federal, state and local income taxes. The pre-tax contributions will remain tax deferred until withdrawn through plan benefit payments.

12. EMPLOYEE BENEFITS

Voluntary Defined Contribution program

On October 1, 2020, The City of New York began to offer a Voluntary Defined Contribution program which is a retirement plan alternative to the City's existing pension systems. All unrepresented employees hired into or appointed to a permanent full-time and/or part-time position on or after July 1, 2013, with an estimated annualized full-time salary of at least \$75,000 are eligible to join. The number of NYCHA employees joining this plan in 2021 and 2022 was immaterial.

Pension Plan

The Authority follows the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes financial reporting standards for state and local governments for pensions (see Note 1).

Plan Description. Authority employees are members of the New York City Employees' Retirement System, a multiple employer, cost-sharing, public employee retirement system. NYCERS provides retirement, as well as death and disability benefits. The NYCERS plan combines the features of a defined benefit pension plan with those of a defined contribution pension plan but is considered a defined benefit plan for financial reporting purposes. NYCERS administers the New York City Employees Retirement System qualified pension plan.

NYCERS issues a stand-alone financial report, which is included in The City of New York Comprehensive Annual Financial Report as a pension trust fund. This financial report may be obtained from the New York City Employees' Retirement System, 335 Adams Street, Suite 2300, Brooklyn, N.Y. 11201-3724, or from the website of NYCERS at <http://nycers.org>.

All persons holding permanent civil service positions in the competitive or labor class are required to become members of the system six months after their date of appointment but may voluntarily elect to join the system prior to their mandated membership date. All other eligible employees have the option of joining the system upon appointment or anytime thereafter.

Tier 1 - All members who joined prior to July 1, 1973.

Tier 2 - All members who joined on or after July 1, 1973 and before July 27, 1976.

Tier 3 - Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012.

12. EMPLOYEE BENEFITS

Pension Plan (continued)

Tier 4 - All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.

Tier 6 – Members who joined on or after April 1, 2012.

The 63/10 Retirement Plan (“Tier 6 Basic Plan”) changed the vesting period from five years of credited service to ten years of credited service.

NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements, which are non-job-related disabilities, and Accident Disability Retirements, which are job-related disabilities, to participants generally based on salary, length of service, and member Tiers. The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service, currently 1.2% to 1.7%, of final salary. The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage, currently 0.7% to 1.53%, of final salary.

Funding Policy. Benefit and contribution provisions, which are contingent upon the time at which the employee last entered qualifying service, salary, and length of credited service, are established by State law and may be amended only by the State Legislature. The plan has contributory and non-contributory requirements, with retirement age of 55 or older depending upon when an employee last entered qualifying service, except for employees in physically taxing titles and those who can retire at age 50 with proper service.

Employees entering qualifying service on or before June 30, 1976 are enrolled in a non-contributory plan. Employees entering qualifying service after June 30, 1976, but before June 29, 1995, are enrolled in a plan which required a 3 percent contribution of their salary. This 3 percent required contribution was eliminated for employees who reached 10 years of service, effective October 1, 2000. Employees entering qualifying service after June 28, 1995 are enrolled in a plan which requires a 4.85 percent contribution of their salary, or a 6.83 percent contribution for physically taxing positions.

Under the Tier 6 Basic Plan, employees who joined NYCERS between April 1, 2012 and March 31, 2013 are required to contribute 3 percent of gross wages. On April 1, 2013 a new contribution structure took effect which ranges from 3 percent to 6 percent dependent upon annual wages earned during the “plan year”. The Authority’s contributions for the years ended December 31, 2022 and 2021 were \$156,998,139 and \$165,405,000 respectively. The Authority’s contractually required contributions for the years ended December 31, 2022 and 2021 as a percentage of covered payroll were 16.18% and 17.57%, respectively.

12. EMPLOYEE BENEFITS

Pension Plan (continued)

Net Pension Liability. As of December 31, 2022, and 2021, the Authority reported a liability of \$786,625,000 and \$272,514,000, respectively, for its proportionate share of NYCERS's net pension liability, as calculated by the New York City Office of the Actuary. The net pension liability was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2021 and June 30, 2020, respectively. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022 and 2021 the Authority's proportion of net pension liability was 4.345% and 4.249%, respectively. For the years ended December 31, 2022 and 2021, the Authority recognized pension expense of \$70,880,000 and (\$20,013,000), respectively. At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (\$ in thousands):

Deferred Outflows of Resources - 2022		Deferred Inflows of Resources - 2022	
Change of assumptions	\$ 129	Change in assumptions	\$ 25,163
Difference between expected and actual experience	68,228	Difference between expected and actual experience	17,290
Net difference between projected and actual earnings on pension plan investments	143,765	Net difference between projected and actual earnings on pension plan investments	
Total contributions subsequent to the measurement date	79,734	Changes in proportion and differences between contributions subsequent to the measurement date	44,264
Total	\$ 291,856	Total	\$ 86,717

Deferred Outflows of Resources - 2021		Deferred Inflows of Resources - 2021	
Change of assumptions	\$ 252	Change in assumptions	\$ 33,807
Difference between expected and actual experience	69,951	Difference between expected and actual experience	31,524
Net difference between projected and actual earnings on pension plan investments		Net difference between projected and actual earnings on pension plan investments	399,911
Total contributions subsequent to the measurement date	81,720	Changes in proportion and differences between contributions subsequent to the measurement date	81,772
Total	\$ 151,923	Total	\$ 547,014

12. EMPLOYEE BENEFITS

Pension Plan (continued)

Deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date of \$79,734,000 will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (\$ in thousands):

Year	Total
2023	(2,667)
2024	11,843
2025	(957)
2026	112,523
2027	4,663
Total	\$ 125,405

Actuarial Methods and Assumptions. The total pension liability in the June 30, 2021 and June 30, 2020 actuarial valuations used, respectively, by the Authority in 2022 and in 2021 were both determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

12. EMPLOYEE BENEFITS

Pension Plan (continued)

In June 2019, Bolton, Inc. issued their actuarial experience study report for the four-year and ten-year periods ended June 30, 2017. Based, in part, on this report, the Actuary proposed and the Boards of Trustees of the NYCERS adopted changes in actuarial assumptions including a change to Mortality Improvement Scale MP-2018 beginning in Fiscal Year 2019.

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rates of Return
Public Markets:		
U.S. Public Market Equities	27.0%	7.0%
Developed Public Market Equities	12.0%	7.2%
Emerging Public Market Equities	5.0%	9.0%
Fixed Income	30.5%	2.5%
Private Markets (Alternative Investments):		
Private Equity	8.0%	11.3%
Private Real Estate	7.5%	6.7%
Infrastructure	4.0%	6.0%
Opportunistic Fixed Income	6.0%	7.4%
Total	100.0%	

The City has determined its long-term expected rate of return on investments to be 7.00%. This is based upon an expected real rate of return of 7.0% and a long-term Consumer Price Inflation assumption of 2.5% per year, which is reduced by investment related expenses.

Discount Rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, the NYCERS fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active NYCERS members. Therefore, the long-term expected rate of return on NYCERS investments was applied to all periods of projected payments to determine the total pension liability.

12. EMPLOYEE BENEFITS

Pension Plan (continued)

The following presents the Authority’s proportionate share of the net pension liability as of December 31, 2022 and 2021, calculated using the discount rate of 7%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6%) or one-percentage point higher (8%) than the current rate (\$ in thousands):

NYCHA's proportionate share of the net pension liability	1% decrease (6%)	Discount rate (7%)	1% increase (8%)
2022	\$ 1,251,785	\$ 786,625	\$ 393,728
2021	\$ 715,046	\$ 272,514	\$ (102,946)

The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; investments are reported at fair value.

Other Postemployment Benefits

The Authority follows the provisions of GASB Statement No. 75 (“GASB 75”), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented in 2017 (see Note 2). GASB 75 replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employee Plans*.

Plan Description. The Authority is a component unit of The City and a member of the New York City Health Benefits Program. The New York City Health Benefits Program (the “Plan”), administered by The City of New York, is a single-employer defined benefit healthcare plan which provides OPEB to eligible retirees and beneficiaries. Retirees are eligible to participate if they have at least 10 years of credited service as a member of the NYCERS (5 years of credited service if employed on or before December 31, 2001) and receives a pension check from NYCERS. OPEB includes health insurance, Medicare Part B reimbursements, and welfare fund contributions.

Funding Policy. The Administrative Code of The City of New York (“ACNY”) defines OPEB to include Health Insurance and Medicare Part B reimbursements; Welfare Benefits stem from the Authority’s many collective bargaining agreements. The Authority is not required by law or contractual agreement to provide funding for OPEB other than the pay-as-you go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. For the calendar years ended December 31, 2022 and 2021, the Authority paid \$88.0 million and \$86.7 million, respectively, to the Plan. Based on current practice, (the Substantive Plan which is derived from ACNY), the Authority pays the full cost of basic coverage for non-Medicare-eligible/Medicare-eligible retiree participants. The costs of these benchmark plans are reflected in the annual June 30th actuarial.

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

valuations by using age-adjusted premium amounts. Plan retiree participants who opt for other basic or enhanced coverage must contribute 100% of the incremental costs above the premiums for the benchmark plans. The Authority also reimburses covered employees 100% of the Medicare Part B premium rate applicable to a given year. The Authority pays per capita contributions to the welfare funds the amounts of which are based on negotiated contract provisions. There is no retiree contribution to the welfare funds.

Census Data. The following table presents the NYCHA census data used in the June 30, 2021 and June 30, 2020 OPEB valuations which were used to measure the Total OPEB Liability at December 31, 2022 and December 31, 2021, respectively.

Status	Number of Participants	
	June 30, 2021	June 30, 2020
Active	8,946	8,896
Inactives	-	-
Deferred Vested	1,575	1,501
Retired	<u>9,317</u>	<u>9,270</u>
Total	<u>19,838</u>	<u>19,667</u>

Total OPEB Liability. The Entry Age Actuarial Cost Method used in the current OPEB actuarial valuation is unchanged from the prior actuarial valuation.

Under this method, the Actuarial Present Value (“APV”) of Benefits (“APVB”) of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The employer portion of this APVB allocated to a valuation year is the Employer Normal Cost. The portion of this APVB not provided for at a valuation date by the APV of Future Employer Normal Costs is the Total OPEB Liability.

Increases (decreases) in liabilities due to benefit changes, actuarial assumption changes and /or actuarial method changes are also explicitly identified and amortized in the annual expense.

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Changes in Total OPEB Liability. Changes in the Authority's Total OPEB Liability for the years ended December 31, 2022 and December 31, 2021 are as follows (\$ in thousands)

Description	Total OPEB Liability	
	2022	2021
Total OPEB Liability at the Beginning of the Year	\$ 3,177,310	\$ 3,472,534
Changes for the Year:		
Service Cost	137,029	142,952
Interest	73,421	68,783
Differences between Expected and Actual Experience	19,083	(74,417)
Change in Assumptions	(706,657)	(328,822)
Contributions - Employer	(87,980)	(86,720)
Implicit Rate Subsidy	(15,000)	(17,000)
Net Changes	(580,104)	(295,224)
Total OPEB Liability at the End of the Year	\$ 2,597,206	\$ 3,177,310

The OPEB liability consist of current liability of \$92,379 and non-current liability of \$2,504,827 at December 31, 2022.

Sensitivity Analysis. The following presents the Total OPEB Liability of the Authority, as well as what the Authority's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the discount rates of 4.31% and 2.25% used to measure the Total OPEB Liability at December 31, 2022 and December 31, 2021, respectively (\$ in thousands):

1% decrease (3.31%)	Discount rate (4.31%) 2022	1% increase (5.31%)
\$ 2,918,329	\$ 2,597,206	\$ 2,326,658
1% decrease (1.25%)	Discount rate (2.25%) 2021	1% increase (3.25%)
\$ 3,613,854	\$ 3,177,310	\$ 2,812,381

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

The following presents the total OPEB Liability of the Authority, as well as what the Authority's total OPEB Liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (\$ in thousands):

1% decrease	Current healthcare cost trend rates	1% increase
2022	2022	2022
\$ 2,238,664	\$ 2,597,206	\$ 3,046,895
2021	2021	2021
\$ 2,684,565	\$ 3,177,310	\$ 3,811,613

OPEB Expense. The OPEB expense recognized by the Authority for the years ended December 31, 2022 and 2021 are \$104,716,000 and \$203,728,000, respectively. This OPEB decrease was primarily due to the recognition of change in discount rate assumption from 2.25% in 2021 to 4.31% in 2022. The total gain related to this change was \$706,657,000 which will be amortized to OPEB expense over a 5.5-year period. The expense amount recognized as a gain in 2022 is \$129,424,000.

Deferred Outflows of Resources and Deferred Inflows of Resources. Deferred outflows of resources and deferred inflows of resources by source reported by the Authority at December 31, 2022 and December 31, 2021, respectively, are as follows (\$ in thousands):

Deferred Outflows of Resources - 2022		Deferred Inflows of Resources - 2022	
Difference between expected and actual experience	\$ 145,999	Difference between expected and actual experience	\$ 55,462
Changes in assumptions	<u>255,911</u>	Changes in assumptions	<u>866,797</u>
Total	<u>\$ 401,910</u>	Total	<u>\$ 922,259</u>
Deferred Outflows of Resources - 2021		Deferred Inflows of Resources - 2021	
Difference between expected and actual experience	\$ 212,224	Difference between expected and actual experience	\$ 82,675
Changes in assumptions	<u>369,105</u>	Changes in assumptions	<u>422,163</u>
Total	<u>\$ 581,329</u>	Total	<u>\$ 504,838</u>

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Amounts reported as Deferred Outflows of Resources of \$401,910,000 and Deferred Inflows of Resources of \$922,259,000 related to OPEB as of December 31, 2022 will be recognized in OPEB Expense as follows (\$ in thousands):

Year	Total
2023	\$ (78,339)
2024	(74,425)
2025	(163,068)
2026	(146,589)
2027	(57,927)
Total	\$ (520,349)

Funding Status and Funding Progress. As of December 31, 2022, the most recent roll-forward actuarial valuation date, the Plan was not funded. The total discounted OPEB liability for benefits was \$2,597,206,000, all of which is unfunded. There were no assets accumulated in a trust. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The determined actuarial valuations of OPEB incorporated the use of demographic and salary increase assumptions among others as reflected below. Amounts determined regarding the funded status and the annual expense of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the net OPEB liability and related ratios shown in the RSI section immediately following the notes to financial statements presents GASB Statement No. 75 results of OPEB valuations for Fiscal Years 2022 and 2021.

Actuarial Methods and Assumptions. The actuarial assumptions used in the 2022 and the 2021 OPEB valuations are a combination of those used in the NYCERS pension actuarial valuations and those specific to the OPEB valuations.

These assumptions are generally unchanged from the previous valuation except as noted below.

The OPEB-specific actuarial assumptions primarily used in the Fiscal Year 2022 and Fiscal Year 2021 OPEB actuarial valuations of the Plan are as follows:

<i>Valuation Date</i>	June 30, 2021 and June 30, 2020
<i>Measurement Date</i>	December 31, 2022 and December 31, 2021
<i>Discount Rate</i>	4.31% ⁽¹⁾ per annum for the December 31, 2022 measurement date 2.25% ⁽¹⁾ per annum for the December 31, 2021 measurement date
<i>Actuarial Cost Method</i>	Entry Age Normal cost method, level percent of pay calculated on an individual basis.

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Per-Capita Claims Costs EBCBS and GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

⁽¹⁾The valuation discount rate is updated to 4.31% for results of the December 31, 2022, Measurement Date. Results as of the December 31, 2021, Measurement Date are presented at 2.25%. These discount rates represent the S&P Municipal Bond 20-year High Grade Index as of each of those dates.

Initial monthly premium rates used in the valuation are as follows:

Plan	Monthly Rates FY 2022	Monthly Rates FY 2021
HIP HMO		
Non-Medicare		
Single	\$ 819.68	\$ 776.01
Family	2,008.22	1,901.23
Medicare	190.47	181.58
GHI/EBCBS:		
Non-Medicare		
Single	\$ 854.44	\$ 775.66
Family	2,242.05	2,035.61
Medicare	201.80	194.14
Others:		
Non-Medicare Single	\$ 1,242.93 (A)	\$ 1,160.34 (A)
Non-Medicare Family	3,440.67 (A)	2,701.42 (A)
Medicare Single	291.71 (A)	291.83 (A)
Medicare Family	580.41 (A)	576.92 (A)

(A) Other HMO premiums represent the total premium for medical (not prescription drug) coverage including retiree contributions.

Additionally, the individual monthly rates at age 65 used in the valuations are shown below:

Plan	Monthly Rates @ Age 65 FY 2022	Monthly Rates @ Age 65 FY 2021
HIP HMO		
Non-Medicare	\$ 1,734.61	\$ 1,748.12
Medicare	190.47	181.58
GHI/EBCBS		
Non-Medicare	\$ 1,833.91	\$ 1,784.57
Medicare	192.08	191.63
Other HMOs	Varies by system	Varies by system

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Welfare Funds

The Welfare Fund Contribution reported as of the valuation date, June 30, 2021 and June 30, 2020, respectively, (including any reported retroactive amounts) was used as the per capita cost for valuation purposes.

Reported annual contribution amounts for the last two years are shown in the Fiscal Year 2021 GASB 74/75 report in Section VII, Tables VII-b to VII-f. Welfare Fund Rates are based on actual reported Union Welfare Fund code for current retirees. Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table.

	<u>Annual Rate</u>	
	<u>2022</u>	<u>2021</u>
NYCERS	\$ 1,858	\$ 1,894
BERS	1,907	1,932

Medicare Part B Premiums

<u>Calendar Year</u>	<u>Monthly Premium</u>
2017	\$ 113.63
2018	125.85
2019	134.43
2020	143.21
2021	146.97
2022	167.82

* Reflected only in the FY 2022 valuation

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2022. Due to limited cost-of living adjustment in Social Security benefits for Calendar Years 2021 and 2022, some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Medicare Part B Premiums(continued)

For the 2022 OPEB actuarial valuation the annual premium used was \$1,888.80 which is equal to 12 times an average of the Calendar Year 2021 and 2022 monthly premiums shown.

For Calendar Year 2022, the monthly premium of \$167.82 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$170.10 for Calendar Year 2022, representing the proportion of the Medicare population that will pay the announced amount.

For the 2021 OPEB actuarial valuation the annual premium used was \$1,741.11, which is equal to 12 times an average of the Calendar Year 2020 and 2021 monthly premiums shown.

For the Calendar Year 2021, the monthly premium of \$146.97 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$148.50 for Calendar Year 2021, representing the approximate percentage of the Medicare population that will pay the announced amount.

Medicare Part B Reimbursement Assumption

90% of Medicare participants are assumed to claim reimbursement; based on historical data (unchanged from last year).

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Health Care Cost
Trend Rate (HCCTR)

No changes were made to the Medicare Part B premium, Welfare Fund contributions, or medical trends for the Fiscal Year 2022 valuation.

HCCTR ASSUMPTIONS - 2022				
Fiscal Year Ending	Pre-Medicare Plans	Medicare Plans	Medicare Part B Premium	Welfare Fund Contributions
2022	6.50%	4.90%	5.29% (1)	3.50%
2023	6.25%	4.80%	5.00%	3.50%
2024	6.00%	4.80%	5.00%	3.50%
2025	5.75%	4.70%	5.00%	3.50%
2026	5.50%	4.70%	5.00%	3.50%
2027	5.25%	4.60%	5.00%	3.50%
2028	5.00%	4.60%	5.00%	3.50%
2029	4.75%	4.50%	5.00%	3.50%
2030 and Later	4.50%	4.50%	5.00%	3.50%

(1) Medicare Part B Premium reflects actual calendar year premium for the first 6 months of FY22 (July 2022 to December 2022) and 5% trend for the remaining 6 months.

Health Care Cost
Trend Rate (HCCTR)

The pre-Medicare and Medicare plan trends were developed for FY2022 using health trend information from various sources, including City premium trend experience for HIP HMO and GHI/EBCBS, public sector benchmark survey for other large plan sponsors, the Medicare Trustees' Report, and the Society of Actuaries Getzen model.

In recent years Medicare Part B premium increases have averaged between 4% and 6%, ignoring the impact of the hold harmless provision. These increases can be attributable to factors such as the increasing prices of health care services, high cost of new technologies, and increasing utilization. While the Medicare trustees project the Part B premium will remain flat for 2023, beyond that point they expect the increases to average 5.4% out to 2031. These increases do not account for the hold harmless provision which may mitigate them somewhat.

Historical negotiated increase rates for the larger Welfare Funds have averaged below 2% in recent years, which is lower than the anticipated trend on the underlying costs of benefits provided by these funds. However, the Authority periodically makes one-time lump sum

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Health Care Cost

Trend Rate (HCCTR)

contributions to the Welfare Funds. For these reasons the Welfare Fund contribution trend was assumed to be 3.5%.

Participation Rates

Based on recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on patterns of elections of Medicare-eligible retirees.

For current retirees who appear to be eligible for health coverage but have not made an election (non-filers), the valuation reflects single GHI/EBCBS coverage and Part B premium benefits only, to approximate the obligation if these individuals were to file for coverage. For future retirees, the portion assumed not to file for future benefits, and therefore valued similarly, are as follows:

	<u>2022</u>	<u>2021</u>
NYCERS (NYCHA)	13%	13%
BERS	15%	12%

This non-filer group also includes some participants who do not qualify for coverage because they were working less than 20 hours a week at termination.

Participation Rates

Detailed assumptions for future Program retirees are presented below:

Benefits:	<u>NYCERS-NYCHA</u>	<u>BERS</u>
<u>Pre-Medicare</u>		
GHI/EBCBS	70%	70%
HIP HMO	24%	16%
Other HMO	2%	2%
Waiver	4%	12%
<u>Medicare</u>		
GHI	75%	80%
HIP HMO	16%	13%
Other HMO	5%	2%
Waiver	4%	5%
<u>Post-Medicare Migration</u>		
Other HMO to GHI	0%	0%
HIP HMO to GHI	33%	20%
Pre-Med. Waiver		
** to GHI @ 65	0%	60%
** to HIP @ 65	0%	0%

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Demographic Assumptions The actuarial assumptions used in the 2022 and the 2021 OPEB valuations are a combination of those used in the NYCERS pension actuarial valuations and those specific to the OPEB valuations.

Cadillac Tax The high-cost plan excise tax (“Cadillac Tax”) was repealed effective December 20, 2019. This repeal has been reflected in the December 31, 2020 liability.

AOP (Actives Off Payroll) Liabilities Active members off payroll is no longer treated as a separate status as of June 30, 2020. Those on a known short-term leave of absence are treated as active, and the remaining members are included as inactive members entitled to but not yet receiving benefits if they have met the OPEB vesting requirement. Otherwise, they are not included in the evaluation.

Medicare Advantage Plan Announcement

In July 2021, The City announced a change in Medicare Advantage plans, designed during negotiations between The City and the Municipal Labor Committee. These change in plans were initially expected to take effect on January 1, 2022 with an opt-out period prior to that date. In October 2021, a judge placed a temporary injunction to delay the implementation which would make the January 1, 2022 timeline impossible to meet. Subsequently, in December 2021 the judge made a ruling that The City could implement the new plan on April 1, 2022. However, prior to April 1, 2022, a judge ruled that The City must continue to offer the current Medicare plan at no cost for an indeterminate period of time. In March 2022, after the court ruling, The City notified employees that the NYC Medicare Advantage Plus Plan was not being implemented on April 1, 2022 and that all retirees will remain in their current plans until further notice.

On March 21, 2023, The City announced that it will discontinue the GHI/EBCBS Senior Care Plan and all other retiree health plans. The health plans offered will be the Aetna Medicare Advantage PPO Plan and the HIP VIP Plan. On September 1, 2023, all Medicare-eligible retirees and Medicare-eligible dependents, with the exception of HIP VIP members, will be automatically enrolled in the Aetna Medicare Advantage PPO Plan. Retirees who do not wish to be enrolled in the Aetna Medicare Advantage PPO Plan can opt out and enroll in HIP VIP. This change in plan is expected to yield significant savings to The City and to the Authority and is expected to reduce the OPEB liability beginning in 2023. This plan implementation has determined to be an unrecognized subsequent event. Estimations for impact on the 2023 OPEB liability is subject to many variables and cannot be projected at this early stage. Given the prior challenges and stays issued by the courts relating to earlier attempts to implement a Medicare Advantage Plan, it is possible that this plan change may be delayed, modified, or canceled.

12. EMPLOYEE BENEFITS

Other Postemployment Benefits (continued)

Per GASB 75 Implementation Guidance, the projection of benefit payments should include all types and levels of postemployment benefits provided under the substantive plan. The substantive plan includes the benefits as they are understood by the employer and employees. As the court ruled that key provisions of the proposed plan are unlawful to implement, the plan changes announced in July 2021 are not considered to be a substantive plan as of December 31, 2022. As a result, no adjustment to the OPEB liability is reflected within the December 31, 2022 financial statements relating to the proposed plan changes.

13. OPERATING REVENUES

Operating revenues include tenant revenue, net and other income and are comprised of the following for the years ended December 31, 2022 and 2021 are (\$ in thousands):

<u>DESCRIPTION</u>	<u>2022</u>	<u>2021</u>
Tenant revenue, net:		
Rental revenue, net	\$ 966,113	\$ 897,105
Other	<u>23,160</u>	<u>24,550</u>
Total tenant revenue, net	<u>989,273</u>	<u>921,655</u>
Other income:		
Developer fees	14,023	13,781
Insurance and benefits reimbursements	22,874	19,296
Commercial and community center revenue	10,795	11,836
Sub-let income	1,603	1,621
Energy rebates	1,554	3,478
Bad debt recovery	157	6,338
Section 8 income	898	596
Other	<u>20,804</u>	<u>9,027</u>
Total other income	<u>72,708</u>	<u>65,973</u>
Total operating revenues	<u>\$ 1,061,981</u>	<u>\$ 987,628</u>

14. SUBSIDIES AND GRANTS

Subsidies include operating subsidies to fund all the Authority's programs, as well as to fund interest on outstanding debt. Subsidies to fund operations are received periodically and recorded when due. Grants are awarded by the federal, state or city governments to provide funding for administration and program operations. Subsidies and grants for the years ended December 31, 2022 and 2021 are as follows (\$ in thousands):

DESCRIPTION	2022	2021
Section 8 Housing Assistance Programs	\$ 1,449,763	\$ 1,389,855
Public Housing Subsidy	1,211,267	1,098,272
Public Housing CARES Act funding	-	29,776
Section 8 CARES Act funding	-	27,193
City of New York Subsidies	319,653	254,120
Federal Capital Funds used for operating purposes	238,844	280,676
FEMA	33,515	36,050
Other	(1,218)	6,153
Total subsidies and grants	<u>\$ 3,251,824</u>	<u>\$ 3,122,095</u>

The Authority participates in a number of programs, funding for which is provided by Federal, State and City agencies. These grant programs are subject to financial and compliance audits by the grantors or their representatives.

15. REAL ESTATE TRANSACTIONS

The Authority has been actively forming public-private partnerships to reinvest in and rehabilitate NYCHA’s developments. Among the largest programs is the Permanent Affordability Commitment Together (PACT) initiative, which centers on the conversion of apartments from public housing funding to Section 8 project- based vouchers. Such conversion will allow NYCHA and its development partners to finance necessary building repairs and operational improvements while preserving long term affordability, maintaining strong resident rights, and stabilizing developments by placing them on a more solid financial footing. Significant transactions are disclosed below.

Harlem River PACT

In February 2022, the Authority entered into a real estate transaction termed Harlem River PACT structured as a 99-year lease. The Authority received \$646,000 at closing and a Purchase Money Note (“Note”) of \$34,091,000. The Note bears 3.50% compounded interest per annum and matures on the later of: (a) the fortieth anniversary of the closing date and (b) six months after the maturity of other notes on the transaction. The Note is payable by the developer from available cash flow as defined on the transaction. In addition, the Authority extended a loan (“Loan”) of \$31,950,000 to the developer. Due to the uncertainty of collection, the Authority has reflected a 100% allowance against the full amount of the Note and Loan.

Initial lease payments, other cash received at closing in the form of debt repayments and any future cash received against the notes will be recognized using the straight-line method over a 40-year period based on the Authority’s Purchase Option on each transaction. Since these potential future payments will be based on future performance, they are contingent and excluded from GASB 87 as a variable payment. (see note 17).

Brooklyn PACT 8

In December 2021, the Authority entered into a real estate transaction termed Brooklyn Bundle PACT transaction, round 8 (“PACT 8”). This transaction consists of three separate groupings with three separate set of agreements structured as 99-year leases. The developments groupings are as follows:

- Group 1: Boulevard Houses, Belmont-Sutter and Florentino Plaza
- Group 2: Pennsylvania Ave-Wortman Ave and Linden
- Group 3: Williamsburg

Actual payments received on the transactions included, but was not limited to the following:

	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Total</u>
Initial lease payment Incl. debt repayment	16,204,264	11,825,371	5,077,864	33,107,499
Developer fees paid at closing	7,882,108	-	-	7,882,108

15. REAL ESTATE TRANSACTIONS (continued)

Brooklyn PACT 8 continued

Developer fees for Group 1 will be amortized over a two-year period through the estimated Conversion date in 2023. For Group 2, the deferred Developer Fee totaling \$21,074,743 will be earned at certain benchmarks which are projected to be met starting 2025 through the final certificate of occupancy. For Group 3, NYCHA's expected share of the deferred Developer Fee is \$29,150,000 and is expected to be received and earned in 2025 and 2026.

The following Notes were issued to the Authority:

Group 1 - A Purchase Money Note in the amount of \$35,191,039 with a forty-year maturity. The Note bears interest compounded at 5.9% per annum. The Note is payable from Developer "Cash Flow" as defined.

Group 2 - A Purchase Money Note in the amount of \$49,397,813 with a maturity term of 40 years. The interest on the note is compounded at 4.5% per annum. The Note is payable from Developer "Cash Flow" as defined.

Group 3 - A Purchase Money Note was issued in the amount of \$132,059,305 with a maturity term of 44 years. The interest (simple) on the note is at 4.5% per annum. The Note is payable from Developer "Cash Flow" as defined.

Due to the significant uncertainty of collection, 100% allowance for doubtful accounts was recorded in relation to these Notes.

Initial lease payments, other cash received at closing in the form of debt repayments and any future cash received against the notes will be recognized using the straight-line method over a 40-year period based on the Authority's Purchase Option on each transaction. Since these potential future payments will be based on future performance, they are contingent and excluded from GASB 87 as a variable payment. (see note 17).

Total unearned revenue for the PACT 8 transactions was \$33,107,499 as of December 31, 2021.

Total unearned revenue for developer fees relating to the PACT 8 transactions was \$7,882,000 as of December 31, 2021.

Triborough/Section 8 transaction

On December 23, 2014, the Authority completed a transaction, referred to as "Section 8 Recap". The balance of the Note as of December 31, 2020 was \$45,807,195. On July 15, 2021 NYCHA sold the Note to Triborough L+M Workforce Note Holdings LLC. NYCHA received \$41,725,175 as full payment against the remaining balance of the seller note. An allowance for doubtful accounts for the seller's note had been fully provided for. Accordingly, the amount received will be recognized over the fifteen-year compliance period retroactively beginning as of the of December 23, 2014, the date of the initial transaction. The balance of the note amount of \$4,082,000 was forgiven and was written off against the allowance. Interest of \$15,755,923 received in 2021 was recognized in full in 2021.

15. REAL ESTATE TRANSACTIONS (continued)

In addition to the interest, the Authority recognized revenue of \$19,727,864 and \$36,479,749 in 2022 and 2021, respectively. Total unearned revenue for Triborough was \$137,661,829 and \$157,389,693 as of December 31, 2022, and 2021, respectively.

16. RELATED PARTY TRANSACTIONS

Mixed-Finance Transactions

On March 16, 2010, the Authority closed two mixed-finance transactions in which 21 NYCHA developments, comprising 20,139 housing units, were sold to two newly-created, limited liability companies. Thirteen developments, containing 14,465 dwelling units, were sold to NYCHA Public Housing Preservation I, LLC, in which NYCHA I Housing Development Fund Corporation, a component unit of NYCHA, is the sole managing member and has a 0.01% membership interest in LLC I. LLC I is a Low Income Housing Tax Credit LLC. Eight developments, containing 5,674 dwelling units, were sold to NYCHA Public Housing Preservation II, in which NYCHA II Housing Development Fund Corporation, a component unit of NYCHA, is the sole managing member and has a 100% membership interest in LLC II as of December 31, 2021 and 2020 respectively.

The LLCs were created in connection with the mixed-finance transactions and are considered blended component units for financial reporting purposes. The Authority served as developer and continues to be the property manager for both LLCs.

The total acquisition price for the developments sold to LLC I was \$590,250,000. The total acquisition price for the developments sold to LLC II was \$3,000,000. The two mixed-finance transactions were structured and closed in a manner which allowed the Authority to utilize financing opportunities available under the provisions of the American Recovery and Reinvestment Act of 2009 (“ARRA”) in order to qualify for certain federal funding. The Authority provided additional loans to the LLC’s in terms of a Sellers Note and various series of Loans to enable them to carry out rehabilitation work at the developments and to provide a source of funding to redeem the Bridge Bonds which were issued at closing. The aggregate value of the NYCHA loans are reflected as Notes Payable within the Condensed Combining Statement of Net Position (see Note 19). In addition, permanent loans due from LLC I and LLC II to HDC are reflected as Long-Term Debt within Note 10.

At the time of the closing, NYCHA qualified to receive an annual allocation of HUD federal operating and capital funding for a portion of the dwelling units. Additional HUD federal operating subsidies for 2022 and 2021 were \$86,339,000 and \$67,069,000, respectively.

In September 2013, NYCHA converted the remaining construction-period financing for both LLC I and LLC II from construction loans to permanent loans due to HDC.

Responsibilities and Obligations – NYCHA has certain responsibilities and obligations under separate agreements with the LLCs including (i) continuing to manage the operations of the developments; (ii) served as developer for the rehabilitation work at the developments; (iii) providing operating and capital subsidies to the LLCs; and (iv) providing operating deficit and completion guarantees. The operating deficit guarantee will terminate if specified operating income conditions are met.

16. RELATED PARTY TRANSACTIONS

Mixed-Finance Transactions (continued)

NYCHA has retained the right to reacquire the developments of LLC I in the future. The right of first refusal terminates fifteen (15) years after the first day following the expiration of the final year of the tax credit period with respect to each development.

The Authority terminated the ground leases with LLC II relating to two developments during 2021, four developments during 2020 and two developments during 2018. As a result, the ownership of the properties and the permanent loans with HDC were transferred to the Authority as part of the PACT transactions (see Note 15) while the outstanding NYCHA loans were cancelled. As of December 31, 2021, none of the original eight developments remain at LLC II. LLC II was inactive during 2022 and the Authority is evaluating the dissolution of LLC II in the near term.

The City of New York

As described in Note 1A, the Authority is a component unit of The City of New York. As of December 31, 2022, and 2021, the Authority had receivables due from The City in the amount of \$249,498,000 and \$207,707,000, respectively which includes \$42,000,000 of subsidies receivable for 2021 (see Note 3). During 2022 and 2021, The City provided operating subsidies and grants to the Authority of \$319,653,000 and \$254,120,000, respectively. In addition, during 2022 and 2021, The City provided \$180,031,000 and \$114,592,000, respectively, in capital contributions to NYCHA to fund modernization costs.

The City also provides certain services to the Authority. The total cost for these services, most of which is for the cost of water, was \$182,392,000 and \$181,219,000, respectively, for 2022 and 2021. At December 31, 2022 and 2021, the Authority had amounts due to The City for services of \$1,866,000 and \$1,874,000, respectively. Pursuant to a Cooperation Agreement dated July 1, 2015, The City has waived acceptance of payments in lieu of taxes from the Authority beginning January 1, 2015 through June 30, 2025.

17. LEASES

As described in Note 1C, the Authority has implemented Statement No. 87, Leases, as of January 1, 2021. GASB 87 defines a lease as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The Authority's qualifying leases from a lessee perspective primarily involves the rental of building office space in addition to certain equipment leases. The Authority recognizes a lease liability measured at the present value of payments expected to be made over the remaining lease term using the interest rate implicit in the lease agreement when available. In cases, where interest rate is not implicit in the lease agreement, the Authority uses its incremental borrowing rate for similar classes of leases (see notes 1C and 17) as its discount rate. The lease expiration dates for building office space ranges from 2026 to 2050. The lease expiration dates for equipment leases are in 2023. The incremental borrowing rate used to discount remaining lease payments ranged from 2.23% to 3.41% depending on the lease tenor.

The Authority's qualifying leases from a lessor perspective primarily consist of renting storefront space to commercial tenants. The Authority recognizes a lease receivable measured at the present value of payments to be made over the remaining lease term. The present value is determined using a discount rate commensurate with the Authority's incremental borrowing rate for similar classes of leases. The lease expiration dates from a lessor perspective range from 2023 to 2037. The incremental borrowing rate used to discount remaining lease payment range from 2.41% to 5.79%.

Public Housing leases to residential tenants are considered short term and are not subject to GASB 87.

In both 2022 and 2021, the Authority as both a lessee and a lessor had no variable payment clauses. It did not incur expenses related to its leasing activities, including costs associated with residual value guarantees, penalties for lease termination, or losses from impairment. Additionally, there were no agreements that included sale-leaseback and lease-leaseback transactions.

Additional disclosures of the Authority's implementation with respect to Statement No. 87 are included in Note 6 Capital Assets, Net.

17. LEASES (continued)

The Authority has implemented Statement No. 87 as of January 1, 2021 and accordingly has restated the financial statements for the calendar year ended December 31, 2021. The adoption of this statement resulted in a reduction of \$22,704,000 in net position as of December 31, 2021. There was no cumulative effect due to the restatement. The effect on the individual financial statements was as follows:

STATEMENT OF NET POSITION			
(\$ in Thousands)			
	2021	GASB 87 adjustments	2021 (restated)
CURRENT ASSETS:			
Accounts receivable, net	\$ 877,746	\$ (172)	\$ 877,574
Prepaid expenses	109,125	(3,541)	105,584
Notes, Loans and Leases receivable, net	-	3,176	3,176
NON-CURRENT ASSETS:			
Other capital assets, net of depreciation and amortization	5,153,725	824,330	5,978,055
Notes, Loans and Leases receivable, net	170,358	22,905	193,263
CURRENT LIABILITIES:			
Unearned revenues and other current liabilities	241,528	20,045	261,573
NON-CURRENT LIABILITIES:			
Lease Liability	-	824,138	824,138
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on Leases	-	25,219	25,219
NET POSITION:			
Net investment in capital assets	7,938,775	(19,853)	7,918,922
Unrestricted deficit	(6,356,896)	(2,851)	(6,359,747)

17. LEASES (continued)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
(\$ in Thousands)			
	2021	GASB 87 adjustments	2021 (restated)
OPERATING REVENUES:			
Other income	\$ 65,973	\$ (129)	\$ 65,844
OPERATING EXPENSES:			
Maintenance and operations	1,019,102	(4,978)	1,014,124
General and administrative	863,438	(42,609)	820,829
Depreciation and amortization	420,571	42,410	462,981
NON-OPERATING REVENUES (EXPENSES):			
Investment income	25,648	819	26,467
Interest expense	(32,756)	(28,571)	(61,327)

STATEMENTS OF CASH FLOWS			
(\$ in Thousands)			
	2021	GASB 87 adjustments	2021 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other operating receipts	\$ 77,070	\$ (3,728)	\$ 73,342
Cash payments for other operating expenses	(2,602,491)	47,587	(2,554,904)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Receipts from leases		3,728	3,728
Payments of leases		(47,587)	(47,587)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
OPERATING LOSS	(3,381,106)	5,048	(3,376,058)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation & Amortization	\$ 420,571	\$ 42,410	\$ 462,981
Leases receivable & allowance for receivable - GASB 87	-	(28,818)	(28,818)
Deferred amount on Leases for receivable - GASB 87	-	25,219	25,219
SUPPLEMENTAL DISCLOSURES OF NON CASH ACTIVITIES:			
Capital and Related Financing activities:			
Lease liability		\$ 844,183	\$ 844,183
Interest expense for leases		28,571	28,571
Interest income from leases		819	819

17. LEASES (continued)

As of December 31, 2022, the Authority had minimum principal and interest payment requirements for its leasing liability activities as follows:

	Liability Beginning Balance	Total Principal	Total Interest	Total Payment	Liability Ending Balance
	(in thousands)				
Calendar year ending Balance December 31:					
2023	\$ 824,138	\$ 20,968	\$ 27,386	\$ 48,354	\$ 803,170
Current Lease Liability		20,968	27,386	48,354	
2024	803,170	17,936	26,795	44,731	785,233
2025	785,233	21,508	26,161	47,669	763,725
2026	763,725	21,124	25,468	46,592	742,601
2027	742,601	22,015	24,768	46,783	720,586
2028-2032	720,586	121,250	112,117	233,367	599,336
2033-2037	599,336	158,083	89,368	247,451	441,253
2038-2042	441,253	191,085	59,180	250,265	250,168
2043-2047	250,168	161,364	27,950	189,315	88,804
2048-2050	88,804	88,804	4,275	93,079	-
Lease Liability Non-Current		803,170	396,082	1,199,252	
Lease liability		\$ 824,138	\$ 423,468	\$ 1,247,606	

As of December 31, 2022, the Authority had minimum principal and interest lease receivable payments for its Lessor activities as follows:

	Receivable Beginning Balance	Total Principal	Total Interest	Total Payment	Receivable Ending Balance
	(in thousands)				
Calendar year ending December 31					
2023	\$ 23,632	\$ 3,225	\$ 705	\$ 3,930	\$ 20,407
2024	20,407	2,908	581	3,489	17,499
2025	17,499	2,079	521	2,600	15,420
2026	15,420	2,234	462	2,696	13,186
2027	13,186	2,226	393	2,619	10,960
2028-2032	10,960	7,539	1,120	8,659	3,421
2033-2037	3,421	3,421	250	3,671	-
Lease Receivable	\$ 23,632	\$ 4,032	\$ 4,032	\$ 27,664	

As the Lessor, the total amount of lease revenue, interest revenue, and other lease related revenues recognized in the current and prior reporting period from leases are \$4,289,947 and \$4,379,477 respectively.

18. COMMITMENTS AND CONTINGENCIES

Pending Litigation - The Authority is a defendant in a number of lawsuits arising from claims for personal injury, property damage, breach of contract, civil rights, and personnel matters. Management believes that the ultimate resolution of these matters will not have a material adverse impact on the financial position of the Authority.

Obligations under Purchase Commitments – The Authority is involved in modernization and other contracted programs. At December 31, 2022, outstanding obligations under purchase commitments were approximately \$2,130,648,000 compared to \$2,107,418,000, at December 31, 2021.

19. CONDENSED COMBINING INFORMATION

The following are Condensed Combining Statements of Net Position as of December 31, 2022 and 2021, Condensed Combining Statements of Revenues, Expenses and Changes in Net Position for the Years Ended December 31, 2022 and 2021, and Condensed Combining Statements of Cash Flows for the Years Ended December 31, 2022 and 2021, for the Authority and its component units, the LLCs.

New York City Housing Authority
Condensed Combining Statement of Net Position
December 31, 2022
(\$ in Thousands)

	NYCHA	LLC I	LLC II	Eliminations	Total
<u>ASSETS</u>					
Current assets	\$ 1,384,746	\$ 52,115	\$ 20,452	\$ (4,383)	\$ 1,452,930
Capital assets, net	9,447,916	339,260	-	(29,932)	9,757,244
Restricted assets	573,258	-	-	-	573,258
Notes, loans and leases receivable	984,939	-	-	(793,989)	190,950
Other assets	479,947	-	-	-	479,947
TOTAL ASSETS	<u>12,870,806</u>	<u>391,375</u>	<u>20,452</u>	<u>(828,304)</u>	<u>12,454,329</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>707,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,340</u>
<u>LIABILITIES</u>					
Current liabilities	1,578,286	36,136	1,434	(4,383)	1,611,473
Long-term debt	593,120	19,772	-	-	612,892
Notes payable	-	793,989	-	(793,989)	-
Pension liability	786,625	-	-	-	786,625
OPEB liability	2,504,827	-	-	-	2,504,827
Pollution remediation obligations - LT	3,170,316	313,829	-	-	3,484,145
Lease liability	803,170	-	-	-	803,170
Other liabilities	1,124,665	-	-	-	1,124,665
TOTAL LIABILITIES	<u>10,561,009</u>	<u>1,163,726</u>	<u>1,434</u>	<u>(798,372)</u>	<u>10,927,797</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,030,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,910</u>
Net investment in capital assets	7,900,196	(244,839)	-	418,376	8,073,733
Restricted for housing assistance payments	11,914	-	-	-	11,914
Unrestricted deficit	(5,925,883)	(527,512)	19,018	(448,308)	(6,882,685)
TOTAL NET POSITION	<u>\$ 1,986,227</u>	<u>\$ (772,351)</u>	<u>\$ 19,018</u>	<u>\$ (29,932)</u>	<u>\$ 1,202,962</u>

19. CONDENSED COMBINING INFORMATION (continued)

**New York City Housing Authority
Condensed Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2022
(\$ in Thousands)**

	NYCHA	LLC I	LLC II	Eliminations	Total
Operating Revenues	\$ 973,441	\$ 88,521	\$ 19	\$ -	\$ 1,061,981
Operating Expenses	<u>4,596,045</u>	<u>233,091</u>	<u>(122)</u>	<u>(93,849)</u>	<u>4,735,165</u>
Operating Loss	(3,622,604)	(144,570)	141	93,849	(3,673,184)
Non-Operating Revenues (expenses), net	<u>3,180,275</u>	<u>98,345</u>	<u>346</u>	<u>(87,012)</u>	<u>3,191,954</u>
Loss Before Special Item and					
Capital Contributions	(442,329)	(46,225)	487	6,837	(481,230)
Special Item (a)	<u>652,630</u>	<u>68,605</u>	<u>-</u>	<u>-</u>	<u>721,235</u>
Income(Loss) Before Capital Contributions	(1,094,959)	(114,830)	487	6,837	(1,202,465)
Capital Contributions	<u>800,297</u>	<u>10,564</u>	<u>-</u>	<u>(4,711)</u>	<u>806,150</u>
Change in Net Position	(294,662)	(104,266)	487	2,126	(396,315)
Net Position - Beginning (restated)	<u>2,280,889</u>	<u>(668,085)</u>	<u>18,531</u>	<u>(32,058)</u>	<u>1,599,277</u>
Net Position - Ending	<u>\$ 1,986,227</u>	<u>\$ (772,351)</u>	<u>\$ 19,018</u>	<u>\$ (29,932)</u>	<u>\$ 1,202,962</u>

(a) Pollution remediation costs - lead based paint

19. CONDENSED COMBINING INFORMATION (continued)

**New York City Housing Authority
Condensed Combining Statement of Cash Flows
For the Year Ended December 31, 2022
(\$ in Thousands)**

	NYCHA	LLC I	LLC II	Eliminations	Total
Net cash provided (used) by					
Operating activities	\$ (3,326,028)	\$ (135,149)	\$ (1,496)	\$ 93,849	\$ (3,368,824)
Non-capital financing activities	3,131,272	112,754		(87,012)	3,157,014
Capital and related financing activities	(104,213)	(3,880)	-	(6,837)	(114,930)
Investing activities	<u>41,020</u>	<u>516</u>	<u>-</u>	<u>-</u>	<u>41,536</u>
Net increase (decrease)	(257,949)	(25,759)	(1,496)	-	(285,204)
Beginning cash and cash equivalents	<u>1,025,530</u>	<u>55,071</u>	<u>11,858</u>	<u>-</u>	<u>1,092,459</u>
Ending cash and cash equivalents	<u>\$ 767,581</u>	<u>\$ 29,312</u>	<u>\$ 10,362</u>	<u>\$ -</u>	<u>\$ 807,255</u>

19. CONDENSED COMBINING INFORMATION (continued)

New York City Housing Authority
Condensed Combining Statement of Net Position
December 31, 2021 (Restated)
(\$ in Thousands)

	NYCHA	LLC I	LLC II	Eliminations	Total
<u>ASSETS</u>					
Current assets	\$ 1,383,637	\$ 64,824	\$ 18,719	\$ -	\$ 1,467,180
Capital assets, net	9,084,166	353,109	-	(32,058)	9,405,217
Restricted assets	656,867	-	-	-	656,867
Notes, loans and lease receivable	973,770	-	-	(780,507)	193,263
Other assets	<u>556,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>556,322</u>
TOTAL ASSETS	<u>12,654,762</u>	<u>417,933</u>	<u>18,719</u>	<u>(812,565)</u>	<u>12,278,849</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>741,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>741,368</u>
<u>LIABILITIES</u>					
Current liabilities	1,362,183	25,141	188	-	1,387,512
Long-term debt	635,233	20,262	-	-	655,495
Notes payable	-	780,507	-	(780,507)	-
Pension liability	272,514	-	-	-	272,514
OPEB liability	3,177,310	-	-	-	3,177,310
Pollution remediation obligations - LT	2,663,808	260,108	-	-	2,923,916
Lease Liability	824,138	-	-	-	824,138
Other liabilities	<u>1,102,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102,984</u>
TOTAL LIABILITIES	<u>10,038,170</u>	<u>1,086,018</u>	<u>188</u>	<u>(780,507)</u>	<u>10,343,869</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,077,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,077,071</u>
Net investment in capital assets	7,731,996	(231,450)	-	418,376	7,918,922
Restricted for housing assistance payments	40,102	-	-	-	40,102
Unrestricted deficit	<u>(5,488,358)</u>	<u>(436,635)</u>	<u>18,531</u>	<u>(450,434)</u>	<u>(6,359,747)</u>
TOTAL NET POSITION	<u>\$ 2,280,889</u>	<u>\$ (668,085)</u>	<u>\$ 18,531</u>	<u>\$ (32,058)</u>	<u>\$ 1,599,277</u>

19. CONDENSED COMBINING INFORMATION (continued)

New York City Housing Authority
Condensed Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021 (Restated)
(\$ in Thousands)

	NYCHA	LLC I	LLC II	Eliminations	Total
Operating Revenues	\$ 887,070	\$ 77,453	\$ 22,976	\$ -	\$ 987,499
Operating Expenses	<u>4,192,184</u>	<u>217,781</u>	<u>39,348</u>	<u>(85,756)</u>	<u>4,363,557</u>
Operating Loss	(3,305,114)	(140,328)	(16,372)	85,756	(3,376,058)
Non-Operating Revenues (expenses), net	<u>3,110,740</u>	<u>85,457</u>	<u>(3,779)</u>	<u>(78,918)</u>	<u>3,113,500</u>
Loss Before Special Item and					
Capital Contributions	(194,374)	(54,871)	(20,151)	6,838	(262,558)
Special Item (a)	<u>648,875</u>	<u>59,299</u>	<u>(59,584)</u>	<u>-</u>	<u>648,590</u>
Income(Loss) Before Capital Contributions	(843,249)	(114,170)	39,433	6,838	(911,148)
Capital Contributions	<u>756,911</u>	<u>5,683</u>	<u>-</u>	<u>(4,712)</u>	<u>757,882</u>
Change in Net Position	(86,338)	(108,487)	39,433	2,126	(153,266)
Net Position - Beginning	<u>2,367,227</u>	<u>(559,598)</u>	<u>(20,902)</u>	<u>(34,184)</u>	<u>1,752,543</u>
Net Position - Ending	<u>\$ 2,280,889</u>	<u>\$ (668,085)</u>	<u>\$ 18,531</u>	<u>\$ (32,058)</u>	<u>\$ 1,599,277</u>

(a) Pollution remediation costs - lead based paint

New York City Housing Authority
Condensed Combining Statement of Cash Flows
For the Year Ended December 31, 2021 (Restated)
(\$ in Thousands)

	NYCHA	LLC I	LLC II	Eliminations	Total
Net cash provided (used) by					
Operating activities	\$ (2,930,094)	\$ (124,054)	\$ (19,623)	\$ 85,756	\$ (2,988,015)
Non-capital financing activities	3,111,906	100,311	21,471	(78,918)	3,154,770
Capital and related financing activities	(275,816)	(4,530)	(854)	(6,838)	(288,038)
Investing activities	<u>24,070</u>	<u>27</u>	<u>(12)</u>	<u>-</u>	<u>24,085</u>
Net increase (decrease)	(69,934)	(28,246)	982	-	(97,198)
Beginning cash and cash equivalents	<u>1,095,675</u>	<u>83,106</u>	<u>10,876</u>	<u>-</u>	<u>1,189,657</u>
Ending cash and cash equivalents	<u>\$ 1,025,741</u>	<u>\$ 54,860</u>	<u>\$ 11,858</u>	<u>\$ -</u>	<u>\$ 1,092,459</u>

20. HUD AGREEMENT

The Secretary of the U.S. Department of Housing and Urban Development (“HUD”) found NYCHA in “substantial default” of the U.S. Housing Act on January 31, 2019 following a federal lawsuit. HUD found that NYCHA failed to follow laws and regulations concerning lead paint; failed to provide decent, safe and sanitary conditions; and engaged in deceptive practices to hide the condition of NYCHA properties.

NYCHA signed an agreement with HUD, the United States Attorney’s Office for the Southern District of New York (“SDNY”), and The City of New York effective January 31, 2019 (the “Agreement”) to remedy the physical deficiencies at NYCHA properties, ensure the Authority’s compliance with federal law, and reform NYCHA’s management structure. The obligations of this agreement apply to apartment units, common areas, residential buildings, and building sites consisting of public housing owned or operated by NYCHA and receiving funding through Section 9 of the Housing Act. The Agreement appointed a federal Monitor to oversee the Authority’s compliance. The Agreement also requires NYCHA to prepare Action Plans, to be approved by the Monitor, setting forth policies and practices to be adopted and specific actions to be taken by NYCHA to achieve all the requirements of the Agreement for the six pillar areas: lead, mold, heat, elevators, PHAS inspections, and pests. No federal fines were assessed on NYCHA as it relates to this agreement. As part of the agreement, The City of New York committed to provide \$2.2 billion in capital funds over ten years to assist NYCHA in meeting the obligations in the Agreement. NYCHA is not yet in full compliance with the requirements of the Agreement and lead-based paint regulations but continues to work with the Monitor to improve its compliance.

21. SUBSEQUENT EVENTS

The Authority’s management has evaluated subsequent events through June 21, 2023, the date the financial statements were available to be issued and have identified the following subsequent events.

PACT transaction (Audobon Houses, Bethune Gardens, Marshall Plaza)

On January 10, 2023, the Authority entered into a PACT real estate transaction with third party developers that will fund comprehensive repairs for over five hundred apartment units at Audobon Houses, Bethune Gardens and Marshall Plaza. This transaction has been structured as a 99-year lease. At closing, the Authority received \$1,847,393 to make debt repayments on the properties along with \$638,000 for rent arrears. In addition, the Authority received a Purchase Money Note (“Note” of \$19,000,000. The Note bears 3.84% compounded interest per annum and matures on the later of: (a) the fortieth anniversary of the closing date and (b) six months after the maturity of other notes on the transaction. The Note is payable by the developer from available cash flow as defined in the transaction. Due to the uncertainty of collection, the Authority is currently contemplating a 100% allowance against the full amount of the Note. This transaction has been reflected as a non-recognized subsequent event for which no adjustment to the financial statements is required

2023 Equipment Lease/Purchase Agreement Equipment Schedule No. 6

On January 26, 2023, the Authority entered into a 19-year Equipment Lease/Purchase Agreement with BAPCC in the amount of \$50,473,178 to finance an Energy Performance Contract (“EPC”) bearing interest of 4.584% per annum. This financing agreement and EPC will include the installation of boiler plant upgrades, air source heat pumps, ventilation upgrades, water conservation, apartment lighting,

21. SUBSEQUENT EVENTS (continued)

2023 Equipment Lease/Purchase Agreement Equipment Schedule No. 6

common area lighting and other upgrades at three (3) developments. The Equipment Lease/Purchase Agreement with BAPCC will mature in July 2042. This EPC plan provides HUD-sponsored EPC funding at these three (3) developments, thereby enabling the Authority to use its Federal Capital funds for other capital improvements pursuant to the Authority's Five-Year Capital Plan. This transaction has been reflected as a non-recognized subsequent event for which no adjustment to the financial statements is required.

2023 Banking Crisis

In March 2023, three small to mid-sized U.S. banks failed, triggering a sharp decline in global bank stock prices and swift action by regulators to prevent potential global contagion. In the period leading up to the 2023 banking crisis, many banks within the U.S. had invested their required reserves in U.S. Treasury securities, which had been paying low interest rates for several years. As the Federal Reserve began raising interest rates in 2022, bond prices declined, decreasing the market value of banks capital reserves and causing unrealized losses.

Silvergate Bank announced it would wind-down on March 8, 2023. Silvergate's deposits were primarily that of cryptocurrency-related firms and such accounts generally exceeded the \$250,000 insurance limit covered by the Federal Deposit Insurance Corporation ("FDIC"). In the wake of the bankruptcy of FTX, the company that formerly operated a cryptocurrency exchange, there was a bank run on deposits. Silvergate did not have sufficient cash-on-hand to satisfy the deposit withdrawals and had to sell its assets at a steep loss leading to the decision to wind-down.

Silicon Valley Bank ("SVB") was placed under receivership of FDIC on March 10, 2023. A significant portion of the deposits held at SVB were from the technology sector, which experienced large growth during the COVID-19 pandemic. SVB's deposits generally exceeded the \$250,000 FDIC insurance limit. In 2021, SVB purchased long-term Treasury bonds to capitalize on the increased deposits, at a time when bond yields were at their lowest point. As interest rates increased beginning in 2022, the market value of SVB's Treasury bonds decreased significantly. Higher interest rates also raised borrowing costs throughout the economy and some SVB clients started withdrawing deposits from SVB to meet their liquidity needs. In order for SVB to meet its liquidity needs, SVB announced on March 8 that it had sold over \$21 billion worth of securities, borrowed \$15 billion, and would hold an emergency sale of some of its treasury stock to raise \$2 billion. This announcement, coupled with warnings from prominent Silicon Valley investors, caused a bank run as customers withdrew \$42 billion funds by the following day ultimately triggering SVB's placement under FDIC receivership.

Signature Bank was closed by state and federal regulators on March 12, 2023. On March 19, the New York Community Bank (NYCB) agreed to purchase around \$38.4 billion in Signature's assets for \$2.7 billion. As a result of this deal, forty Signature branches were rebranded to Flagstar Bank, one of NYCB's subsidiaries. Signature Bank initially focused on a high-net worth clientele but in 2018, Signature Bank transitioned its focus to growing its market share in the cryptocurrency industry. Signature's deposits generally exceeded the \$250,000 FDIC insured limit. As cryptocurrency prices dropped significantly in 2022, particularly due to the collapse of the cryptocurrency exchange FTX, depositors withdrew \$89 billion of deposits from Signature Bank by end of 2022. Following the failures of Silvergate and Silicon

21. SUBSEQUENT EVENTS (continued)

2023 Banking Crisis

Valley Bank, the increased concerns about Signature's exposure to cryptocurrency triggered a multi-billion bank run on March 10, 2023, leading to regulators closing Signature Bank.

In response to the bank failures of March 2023, the federal government took extraordinary measures to mitigate fallout across the banking sector. On March 12, the Federal Reserve created the Bank Term Funding Program (BTFP), an emergency lending program providing loans of up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions that pledge U.S. Treasuries and other qualifying assets as collateral. The program is designed to provide liquidity to financial institutions, following the collapse of the three bank failures, and to reduce the risks associated with current unrealized losses as interest rates are increased by the Federal Reserve.

On May 1, 2023, First Republic Bank was seized by California Department of Financial Protection and Innovation who appointed the FDIC as receiver after which substantially all of the bank's assets were sold to JPMorgan Chase.

The Authority did not maintain any deposits or have any exposure to Silvergate Bank, Silicon Valley Bank or First Republic Bank as of December 31, 2022, and through the date of this report. The Authority did maintain \$58.7 million of deposits at Signature Bank as of December 31, 2022 reflected in Restricted cash and cash equivalents within the Statement of Net Position. In January 2023, the Authority opened an additional escrow account, bringing the total funds on deposit at Signature Bank to \$106.6 million at May 31, 2023. The Authority maintains a perfected security interest in all of its deposits at Signature Bank, as well as at all other banks it holds deposits, with collateral securities such as U.S. Treasury Notes and Bonds and other US Governmental Agency securities.

The Authority's collateral levels are monitored regularly by the Authority, as well as by its banks. While the Authority's deposits are not currently at risk, the decision was made to transfer the deposit balances from Flagstar Bank (formerly Signature Bank) to Santander Bank. This transfer was made to Santander Bank on June 13, 2023.

The above disclosure relating to the banking crisis has been reflected as a non-recognized subsequent event for which no adjustment to the financial statements is required.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

(UNAUDITED)

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios as of December 31, (\$ in thousands)

(UNAUDITED)

	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability							
Service Cost	\$ 137,029	\$ 142,952	\$ 101,429	\$ 97,836	\$ 116,663	\$ 99,842	\$ 129,183
Interest	73,421	68,783	93,563	94,828	85,032	86,759	84,197
Differences between Expected and Actual Experience	19,083	(74,417)	(20,992)	417,892	48,400	(68,103)	-
Change in Assumptions	(706,657)	(328,822)	578,488	(221,694)	(176,030)	42,001	(186,804)
Contributions - Employer	(87,980)	(86,720)	(80,330)	(94,814)	(61,714)	(68,963)	(74,740)
Implicit Rate Subsidy	(15,000)	(17,000)	(16,000)	(16,000)	(13,000)	(13,000)	(13,000)
Other Changes (see Note A)	-	-	-	(23,902)	-	-	-
Net Changes in total OPEB Liability	(580,104)	(295,224)	656,158	254,146	(649)	78,536	(61,164)
Total OPEB Liability - Beginning of Year	<u>3,177,310</u>	<u>3,472,534</u>	<u>2,816,376</u>	<u>2,562,230</u>	<u>2,562,879</u>	<u>2,484,343</u>	<u>2,545,507</u>
Total OPEB Liability - End of the Year	<u>\$ 2,597,206</u>	<u>\$ 3,177,310</u>	<u>\$ 3,472,534</u>	<u>\$ 2,816,376</u>	<u>\$ 2,562,230</u>	<u>\$ 2,562,879</u>	<u>\$ 2,484,343</u>
Covered-Employee Payroll (see Note B)	\$ 663,113	\$ 637,288	\$ 617,109	\$ 627,221	\$ 635,505	\$ 655,005	\$ 645,980
Total OPEB Liability as a percentage of covered-employee payroll	391.7%	498.6%	562.7%	449.0%	403.2%	391.3%	384.6%
Discount Rate used to measure Total OPEB Liability	4.31%	2.25%	1.93%	3.26%	3.64%	3.16%	3.71%

Note A: Repeal of Cadillac tax

Note B: : Measure of payroll: "Covered-employee payroll", since NYCHA's contributions are not based on a measure of pay.

This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
TO THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM (NYCERS)
(\$ in thousands)**

(UNAUDITED)

	For the Years Ended December 31,							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$156,998	\$165,405	\$164,262	\$163,186	\$164,165	\$165,240	\$174,207	\$159,206
Contributions in relation to the contractually required contribution	\$156,998	\$165,405	\$164,262	\$163,186	\$164,165	\$165,240	\$174,207	\$159,206
Contribution Deficiency	-	-	-	-	-	-	-	-
Authority covered payroll (Note A)	\$970,574	\$941,534	\$925,039	\$815,689	\$767,872	\$751,506	\$762,086	\$789,540
Contributions as percentage of covered payroll	16.18%	17.57%	17.76%	20.01%	21.38%	21.99%	22.86%	20.17%

Note A: NYCHA's covered payroll for the twelve (12) months ending December 31st. "Covered Payroll" is being used since NYCHA is guidelines for employers who provide pensions through pension plans that are administered through trusts or equivalent arrangements.

This Schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF NYCERS (\$ in thousands)

(UNAUDITED)

	For the Years Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
NYCHA's proportion of the net pension liability	4.34%	4.25%	4.33%	4.44%	4.89%	4.97%	5.00%	5.07%	5.02%
NYCHA's proportionate share of the net pension liability	\$786,625	\$272,514	\$913,451	\$822,109	\$894,818	\$1,032,725	\$1,214,112	\$1,026,612	\$904,747
NYCHA's covered payroll (Note A)	\$977,279	\$902,326	\$861,731	\$773,136	\$769,239	\$762,853	\$807,349	\$718,664	\$762,114
NYCHA's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	80.49%	30.20%	106.00%	106.33%	116.33%	135.38%	150.38%	142.85%	118.72%
Plan fiduciary net position as a percentage of the total pension liability	81.28%	93.14%	76.93%	78.84%	78.80%	74.80%	69.57%	73.13%	71.41%

Note A: NYCHA's covered payroll for the twelve (12) months ending June 30th

**STATISTICAL
SECTION
(UNAUDITED)**



Redfern Houses, Queens



LaGuardia Houses, Manhattan

New York City Housing Authority

STATISTICAL SECTION (UNAUDITED)

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health. The following are the categories of the schedules that are included in this Section:

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

This schedule contains information to help the reader assess the Authority's most significant revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

SCHEDULES OF FINANCIAL TRENDS

NEW YORK CITY HOUSING AUTHORITY
COMPARATIVE OPERATING AND NON-OPERATING REVENUES AND EXPENSES
(\$ in thousands)

	2022	*2021 (Restated)	2020	2019	2018	2017	2016	2015	2014	2013
OPERATING REVENUE:										
Tenant revenue, net	\$ 989,273	\$ 921,655	\$ 967,456	\$ 1,058,488	\$ 1,070,022	\$ 1,051,628	\$ 1,041,574	\$ 990,524	\$ 956,815	\$ 919,973
Other income	72,708	65,844	69,690	75,762	36,751	56,766	45,744	45,749	48,964	48,917
Total operating revenue	\$ 1,061,981	\$ 987,499	\$ 1,037,146	\$ 1,134,250	\$ 1,106,773	\$ 1,108,394	\$ 1,087,318	\$ 1,036,273	\$ 1,005,779	\$ 968,890
OPERATING EXPENSES:										
Rent for leased dwellings	\$ 1,338,836	\$ 1,205,650	\$ 1,139,219	\$ 1,061,638	\$ 1,006,991	\$ 987,017	\$ 940,722	\$ 946,968	\$ 966,100	\$ 964,451
Maintenance and operations	1,083,181	1,014,124	924,486	875,510	875,431	673,678	707,929	619,594	650,957	565,197
General and administrative	1,033,416	820,829	967,123	949,768	890,679	838,400	847,573	810,374	837,617	848,730
Utilities	629,754	580,958	547,483	541,747	582,405	554,542	534,797	575,017	594,579	590,007
Depreciation and amortization	466,146	462,981	401,588	371,713	366,632	370,938	357,611	344,377	367,176	345,481
OPEB Expense	104,716	203,728	257,391	127,536	129,110	136,767	168,061	(97,357)	18,508	161,308
Protective services	42,853	39,610	37,799	24,635	29,833	22,353	24,640	22,904	20,161	71,162
Tenant services	36,263	35,677	27,678	19,219	17,389	18,164	19,307	22,618	25,966	33,133
Total operating expenses	\$ 4,735,165	\$ 4,363,557	\$ 4,302,767	\$ 3,971,766	\$ 3,898,470	\$ 3,601,859	\$ 3,600,640	\$ 3,244,495	\$ 3,481,064	\$ 3,579,469
OPERATING LOSS	(3,673,184)	(3,376,058)	(3,265,621)	(2,837,516)	(2,791,697)	(2,493,465)	(2,513,322)	(2,208,222)	(2,475,285)	(2,610,579)
NON-OPERATING REVENUES (EXPENSES):										
Subsidies and grants	\$ 3,251,824	\$ 3,122,095	\$ 2,722,702	\$ 2,517,894	\$ 2,387,205	\$ 2,154,174	\$ 2,124,415	\$ 2,213,763	\$ 2,135,245	\$ 2,010,903
Investment income	15,999	26,467	15,401	36,165	25,811	16,080	25,231	10,249	7,668	4,517
Gain (Loss) on real estate transactions	21,442	39,192	56,960	(146,483)	14,898	22,397	28,730	12,579	384	13,258
Change in fair value of investments	(42,134)	(13,320)	1,200	13,318	(3,304)	(745)	(3,131)	(3,700)	(553)	(167)
Interest expense	(55,631)	(61,327)	(35,955)	(34,777)	(32,794)	(30,184)	(29,354)	(30,264)	(30,754)	(26,271)
Insurance recoveries	-	-	-	-	131,972	809	6,701	45,027	45,361	122,319
other	454	393	-	-	-	-	-	-	-	-
Total non-operating revenues, net	\$ 3,191,954	\$ 3,113,500	\$ 2,760,308	\$ 2,386,117	\$ 2,523,788	\$ 2,162,531	\$ 2,152,592	\$ 2,247,654	\$ 2,157,351	\$ 2,124,559
SPECIAL ITEM - Pollution Remediation costs (gain) - lead based paint	\$ 721,235	\$ 648,590	\$ (200,881)	\$ 2,751,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CAPITAL CONTRIBUTIONS	\$ 806,150	\$ 757,882	\$ 949,982	\$ 878,901	\$ 820,368	\$ 686,619	\$ 640,887	\$ 433,505	\$ 330,548	\$ 504,226
CHANGE IN NET POSITION	\$ (396,315)	\$ (153,266)	\$ 645,550	\$ (2,323,789)	\$ 552,459	\$ 355,685	\$ 280,157	\$ 472,937	\$ 12,614	\$ 18,206

* 2021 (Restated) - GASB 87 Lease Accounting

Source: Annual Financial Statements

NEW YORK CITY HOUSING AUTHORITY
NET POSITION BY CATEGORY
(\$ In thousands)

<u>CATEGORY</u>	2022	*2021 (Restated)	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 8,073,733	\$ 7,918,922	\$ 7,504,162	\$ 6,897,324	\$ 6,450,404	\$ 5,995,349	\$ 5,692,787	\$ 5,407,064	\$ 5,308,896	\$ 5,371,385
Restricted	11,914	40,102	-	-	-	-	-	-	-	-
Unrestricted (Deficit)	<u>(6,882,685)</u>	<u>(6,359,747)</u>	<u>(5,751,619)</u>	<u>(5,790,331)</u>	<u>(3,019,622)</u>	<u>(3,117,026)</u>	<u>(3,117,424)</u>	<u>(3,255,974)</u>	<u>(3,630,743)</u>	<u>(3,705,846)</u>
TOTAL NET POSITION	<u>\$ 1,202,962</u>	<u>\$ 1,599,277</u>	<u>\$ 1,752,543</u>	<u>\$ 1,106,993</u>	<u>\$ 3,430,782</u>	<u>\$ 2,878,323</u>	<u>\$ 2,575,363</u>	<u>\$ 2,151,090</u>	<u>\$ 1,678,153</u>	<u>\$ 1,665,539</u>

* 2021 (Restated) - GASB 87 Lease Accounting

SOURCE: Annual Financial Statements

NEW YORK CITY HOUSING AUTHORITY
CAPITAL ASSETS BY CATEGORY
(\$ in thousands)

CATEGORY	2022	*2021 (Restated)	2020	2019	2018	2017	2016	2015	2014	2013
Land	\$ 687,510	\$ 687,961	\$ 687,961	\$ 687,958	\$ 687,507	\$ 689,847	\$ 689,847	\$ 689,847	\$ 689,847	\$ 689,847
Buildings	3,131,977	3,139,754	3,144,927	3,144,991	3,146,646	3,173,419	3,178,668	3,181,654	3,181,655	3,196,901
Building improvements	14,269,325	13,523,845	12,787,740	11,803,789	11,035,969	10,288,303	9,694,139	9,056,789	8,436,033	8,127,997
Facilities and other improvements	552,386	554,757	550,785	534,203	515,617	501,133	494,724	488,892	479,726	475,253
Furniture and equipment	1,110,691	1,069,788	1,040,833	1,008,675	965,607	936,064	893,387	861,623	834,716	795,199
Leasehold improvements	145,099	139,894	134,135	116,638	114,081	113,153	113,153	113,153	113,153	113,069
Right to use assets-Buildings	852,412	852,412	-	-	-	-	-	-	-	-
Right to use assets-Equipments	14,328	14,328	-	-	-	-	-	-	-	-
Total Capital Assets	20,763,728	19,982,739	18,346,381	17,296,254	16,465,427	15,701,919	15,063,918	14,391,958	13,735,130	13,398,266
Less Accumulated Depreciation & Amortization:										
Buildings	2,995,565	2,983,568	2,968,139	2,946,966	2,926,183	2,930,106	2,911,809	2,890,698	2,865,379	2,852,796
Building improvements	6,412,621	6,088,595	5,787,175	5,478,199	5,184,028	4,914,618	4,625,164	4,367,515	4,104,980	3,835,281
Facilities and other improvements	484,040	477,920	471,189	462,861	455,043	448,081	441,235	434,416	426,647	417,144
Furniture and equipment	916,304	875,174	822,549	782,753	756,904	728,275	703,388	673,779	630,443	590,810
Leasehold improvements	113,134	109,855	106,198	104,791	102,487	99,094	95,748	92,299	87,692	81,538
Right to use assets-Buildings	75,210	37,605	-	-	-	-	-	-	-	-
Right to use assets-Equipments	9,610	4,805	-	-	-	-	-	-	-	-
Total Accumulated Depreciation & Amortization	11,006,484	10,577,522	10,155,250	9,775,570	9,424,645	9,120,174	8,777,344	8,458,707	8,115,141	7,777,569
Net Capital Assets	9,757,244	9,405,217	8,191,131	7,520,684	7,040,782	6,581,745	6,286,574	5,933,251	5,619,989	5,620,697
Related Debt	1,683,511	1,486,295	686,969	623,360	590,378	586,396	593,787	526,187	311,093	249,312
Net Investment in Capital Assets	\$ 8,073,733	\$ 7,918,922	\$ 7,504,162	\$ 6,897,324	\$ 6,450,404	\$ 5,995,349	\$ 5,692,787	\$ 5,407,064	\$ 5,308,896	\$ 5,371,385

* 2021 (Restated) - GASB 87 Lease Accounting

Capital assets are not classified as *being depreciated* and *not being depreciated* since construction in progress is not shown as a separate category, but rather classified over the categories to which it belongs.

Source: Annual Financial Statements

SCHEDULE OF REVENUE CAPACITY

NEW YORK CITY HOUSING AUTHORITY
REVENUES ON A GROSS BASIS
(\$ in thousands)

DESCRIPTION	2022	*2021 (Restated)	2020	2019	2018	2017	2016	2015	2014	2013
Revenues (Gross):										
Subsidies and Grants	\$ 3,251,824	\$ 3,122,095	\$ 2,722,702	\$ 2,517,894	\$ 2,387,205	\$ 2,154,174	\$ 2,124,415	\$ 2,213,763	\$ 2,135,245	\$ 2,010,903
Operating Revenues	1,061,981	987,499	1,037,146	1,134,250	1,106,773	1,108,394	1,087,318	1,036,273	1,005,779	968,890
Investment Income	15,999	26,467	15,401	36,165	25,811	16,080	25,231	10,249	7,668	4,517
Gain on sales of capital assets and real estate transactions	21,442	39,192	56,960	-	14,898	22,397	28,730	12,579	384	13,258
Insurance recoveries	-	-	-	-	131,972	809	6,701	45,027	45,361	122,319
Change in fair value of investments	-	-	1,200	13,318	-	-	-	-	-	-
Other	454	393	-	-	-	-	-	-	-	-
Total Revenues	\$ 4,351,700	\$ 4,175,646	\$ 3,833,409	\$ 3,701,627	\$ 3,666,659	\$ 3,301,854	\$ 3,272,395	\$ 3,317,891	\$ 3,194,437	\$ 3,119,887

* 2021 (Restated) - GASB 87 Lease Accounting

Negative change in fair value of investments is not reported as revenues--only when positive

Source: Annual Financial Statements

SCHEDULE OF DEBT CAPACITY

NEW YORK CITY HOUSING AUTHORITY

LONG TERM DEBT

(\$ in thousands, except per capita)

Description of Long Term Debt	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bonds:										
State Guaranteed Certificates of Indebtedness Outstanding (State Program) three issues remaining bearing interest from 3.5% to 3.75%, per annum maturing annually through July 2024.	\$ -	\$ 2,717	\$ 4,178	\$ 5,640	\$ 7,102	\$ 8,564	\$ 10,789	\$ 13,014	\$ 15,927	\$ 18,840
State Guaranteed Certificates of Indebtedness Outstanding (incorporated into the Federal Housing Program), three issues remaining bearing interest from 3.5% to 4.75% per annum, maturing annually through July 2024.	-	424	668	911	1,155	1,399	1,642	1,886	2,218	2,550
Loans Funded by:										
HDC Capital Fund Program Revenue Bonds, Series 2013 A (\$185,785,000); Loan Agreement with an interest rate of 3.0% to 5.0% per annum, defeased April 2022.	-	74,845	91,465	107,305	122,400	136,815	150,555	163,790	176,630	185,785
HDC Capital Fund Program Revenue Bonds, Series 2013 B-1 (\$348,130,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, defeased April 2022.	-	218,220	238,460	257,725	276,070	293,535	310,160	325,985	341,190	348,130
HDC Capital Fund Program Revenue Bonds, Series 2013 B-2 (\$122,170,000); Loan Agreement with an interest rate of 5.0% to 5.25% per annum, defeased April 2022.	-	122,170	122,170	122,170	122,170	122,170	122,170	122,170	122,170	122,170
HDC Capital Fund Program Revenue Bonds, Series 2022 A(\$398,265,000); Loan Agreement with an interest rate of 2.3% to 4.1% per annum, maturing annually through Jan 2033.	398,265	-	-	-	-	-	-	-	-	-
2013 Equipment Lease/Purchase Agreement; with BAPCC for Energy Performance Contract (\$18,045,580) at an interest rate of 1.98% per annum, maturing January 19, 2026.	5,375	6,826	8,215	9,542	12,420	13,812	15,140	16,408	17,265	17,736
2016 Equipment Lease/Purchase Agreement; (Ameresco A) with BAPCC for Energy Performance Contract (\$51,548,356) at an interest rate of 3.27% per annum, maturing June 28, 2036.	45,914	48,009	49,962	51,779	53,389	53,247	51,548	-	-	-
2016 Multi-draw term loan facility; with NY Green Bank (\$11,000,000) at rate of 3.5% per annum on the used portion and at 0.50% per annum on the unused portion, paid off on December 18, 2017.	-	-	-	-	-	-	94	-	-	-
2017 Equipment Lease/Purchase Agreement; (BQDM); with BAPCC for Energy Performance Contract (\$60,132,977.75) at an interest rate of 3.6178% per annum, maturing December 15, 2037.	52,598	54,556	62,747	64,603	62,328	60,133	-	-	-	-
2017 Equipment Lease/Purchase Agreement; (SANDY A); with BAPCC for Energy Performance Contract (\$43,000,000) at an interest rate of 3.6178% per annum, maturing December 22, 2037.	42,010	43,566	45,003	46,197	44,570	43,000	-	-	-	-
2018 Equipment Lease/Purchase Agreement; (Ameresco B); with BAPCC for Energy Performance Contract (\$79,461,775.81) at an interest rate of 4.75% per annum, maturing July 1, 2038.	81,172	83,582	85,751	82,647	79,462	-	-	-	-	-

NEW YORK CITY HOUSING AUTHORITY

LONG TERM DEBT

(\$ in thousands, except per capita)

Description of Long Term Debt	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Loans Funded by: (continued)										
2020 Equipment Lease/Purchase Agreement; (Amoresco A-2); with BAPCC for Energy Performance Contract (\$23,298,752.13) at an interest rate of 3.404% per annum, maturing June 28, 2038.	23,491	23,773	23,407	-	-	-	-	-	-	-
HDC 2009 Series L-1 Bonds (\$23,590,000); Permanent Mortgage Loan at an interest rate of 6.3% per annum, maturing November 2043; secured by mortgage.	20,262	20,722	21,154	21,559	21,940	22,298	22,634	22,949	23,245	23,523
HDC 2010 Series A-1 Bonds (\$25,325,000); Permanent Mortgage Loan at an interest rate of 5.1% per annum, maturing November 2041; secured by mortgage.	-	-	10,545	19,606	20,086	23,389	23,883	24,352	24,798	25,222
HDC 2010 Series A-2 Bonds (\$3,000,000); Permanent Mortgage Loan at an interest rate of 5.1% per annum, maturing May 2041; secured by mortgage.	-	-	1,366	2,308	2,365	2,770	2,829	2,885	2,938	2,988
Long Term Debt (before Premium)	\$ 669,087	\$ 699,410	\$ 765,091	\$ 791,992	\$ 825,457	\$ 781,132	\$ 711,444	\$ 693,439	\$ 726,381	\$ 746,944
Add Premium on HDC Revenue Bond Loan Agreements	-	6,662	8,873	11,611	14,972	19,035	23,898	29,603	35,974	42,637
TOTAL LONG TERM DEBT	\$ 669,087	\$ 706,072	\$ 773,964	\$ 803,603	\$ 840,429	\$ 800,167	\$ 735,342	\$ 723,042	\$ 762,355	\$ 789,581
Less current portion	56,195	50,577	47,193	43,975	39,130	36,647	35,145	33,637	32,942	20,563
LONG TERM DEBT, NET	\$ 612,892	\$ 655,495	\$ 726,771	\$ 759,628	\$ 801,299	\$ 763,520	\$ 700,197	\$ 689,405	\$ 729,413	\$ 769,018
Percentage of Personal Income	16.95%	18.35%	19.20%	18.86%	19.68%	18.83%	17.34%	17.49%	18.74%	19.42%
Per Capita	\$ 2,027	\$ 2,077	\$ 2,158	\$ 2,197	\$ 2,205	\$ 2,040	\$ 1,854	\$ 1,805	\$ 1,901	\$ 1,959

Note A

See Note 10 on Long Term Debt for more details

Note B

Percentage of Personal Income and Per Capita calculations are based on total long term debt using demographic information for NYCHA's residents (see NYCHA's Demographic and Economic Statistics-Ten Year Trend).

Source: Annual Comprehensive Financial Report

NEW YORK CITY HOUSING AUTHORITY
PLEDGED REVENUE COVERAGE
(\$ in thousands)

**Description: Equipment Purchase/Lease Agreement
with Bank of America for Energy Performance Contract**

<u>Year</u>	<u>Source of Revenue</u>	<u>Net Available Revenues</u>	<u>Principal and Interest Requirements</u>	<u>Coverage Ratio</u>
2013	HUD Operating Subsidy	\$ 407	\$ 407	1.0
2014	HUD Operating Subsidy	\$ 819	\$ 819	1.0
2015	HUD Operating Subsidy	\$ 1,197	\$ 1,197	1.0
2016	HUD Operating Subsidy	\$ 1,586	\$ 1,586	1.0
2017	HUD Operating Subsidy	\$ 1,622	\$ 1,622	1.0
2018	HUD Operating Subsidy	\$ 3,273	\$ 3,273	1.0
2019	HUD Operating Subsidy	\$ 6,460	\$ 6,460	1.0
2020	HUD Operating Subsidy	\$ 14,963	\$ 14,963	1.0
2021	HUD Operating Subsidy	\$ 24,837	\$ 24,837	1.0
2022	HUD Operating Subsidy	\$ 19,702	\$ 19,702	1.0

Notes:

1. Net Available Revenues represent the annual debt service for the current year. The Authority has committed to appropriate HUD Operating revenue in amounts sufficient to cover the scheduled principal and interest requirements of the debt.
2. Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

NEW YORK CITY HOUSING AUTHORITY
PLEDGED REVENUE COVERAGE
(\$ in thousands)

Description of Loan Financed by: NYC Housing Development (HDC)
Capital Fund Revenue Bonds 2013 A and 2013 B Defeased by Series 2022 A in April 2022

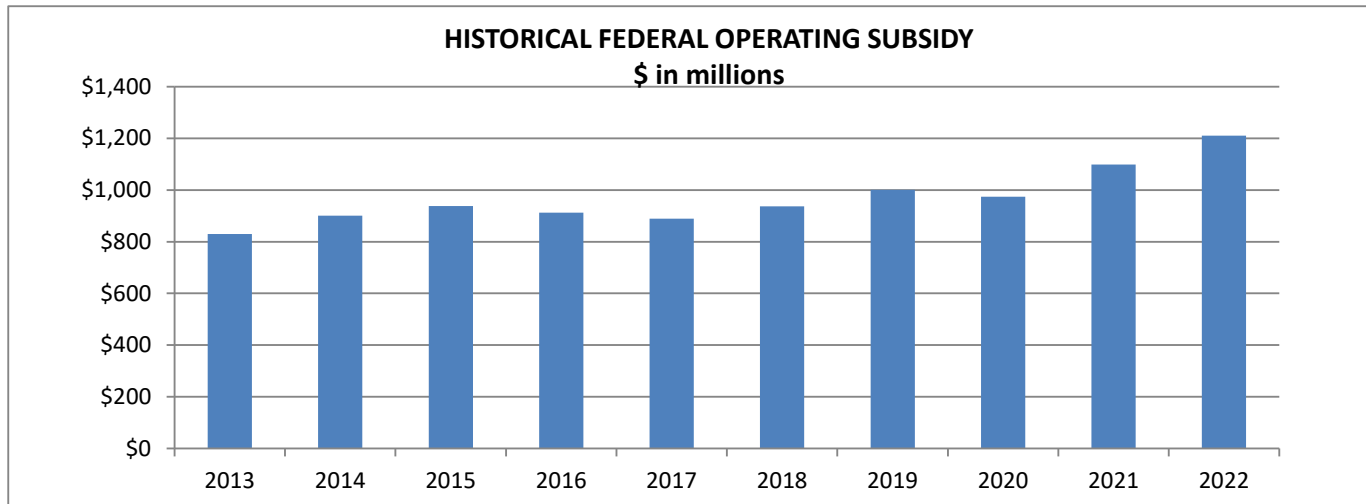
<u>Year</u>	<u>Source of Revenue</u>	<u>Net Available Revenues</u>	<u>Principal and Interest Requirements</u>	<u>Coverage Ratio</u>
2014	Capital Fund 2014	\$ 98,746	\$ 41,655	2.4
2015	Capital Fund 2015	\$ 102,119	\$ 59,343	1.7
2016	Capital Fund 2016	\$ 106,244	\$ 59,517	1.8
2017	Capital Fund 2017	\$ 115,442	\$ 59,529	1.9
2018	Capital Fund 2018	\$ 176,082	\$ 59,544	3.0
2019	Capital Fund 2019	\$ 183,917	\$ 59,559	3.1
2020	Capital Fund 2020	\$ 195,004	\$ 59,565	3.3
2021	Capital Fund 2021	\$ 200,424	\$ 59,585	3.4
2022	Capital Fund 2022	\$ 236,251	\$ 53,072	4.5

Notes:

1. Net Available Revenues represent 33 1/3 percent of the Capital Fund grant, which is the maximum amount available for principal and interest requirements.
2. Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.
3. The 2013 Series A bond proceeds were used in part to defease the remaining debt on the 2005 A bonds in September of 2013.
4. The 2022 A Series bond proceeds were used to defease the remaining debt on the 2013 Series A & B in April 2022.
5. Data before 2014 is not available and therefore only 9 years of activity is displayed.

**NEW YORK CITY HOUSING AUTHORITY
HISTORICAL FEDERAL OPERATING SUBSIDY
(\$ in millions)**

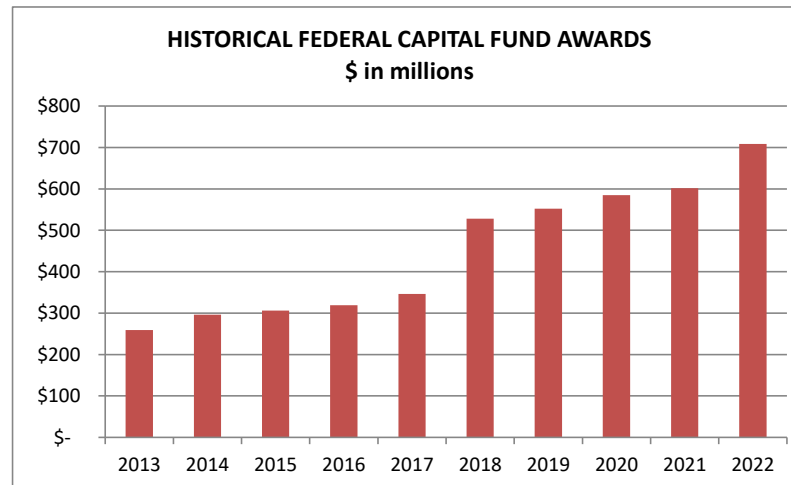
<u>Year</u>	<u>Congressional Appropriation</u>	<u>NYCHA Funding</u>
2013	\$ 4,054	\$ 830
2014	\$ 4,400	\$ 901
2015	\$ 4,440	\$ 938
2016	\$ 4,500	\$ 912
2017	\$ 4,400	\$ 890
2018	\$ 4,550	\$ 937
2019	\$ 4,653	\$ 1,001
2020	\$ 4,549	\$ 974
2021	\$ 4,839	\$ 1,098
2022	\$ 5,038	\$ 1,211



Source: New York City Housing Authority, Finance Planning and Analysis Department

**NEW YORK CITY HOUSING AUTHORITY
HISTORICAL FEDERAL CAPITAL FUND AWARDS**
(\$ in millions)

Capital Fund Grant Year	Congressional Appropriation	NYCHA Funding
2013	\$ 2,070	\$ 259
2014	\$ 1,875	\$ 296
2015	\$ 1,925	\$ 306
2016	\$ 1,900	\$ 319
2017	\$ 1,942	\$ 346
2018	\$ 2,750	\$ 528
2019	\$ 2,775	\$ 552
2020	\$ 2,869	\$ 585
2021	\$ 2,765	\$ 601
2022	\$ 3,200	\$ 709



Source: New York City Housing Authority, Finance Planning Analysis Department

**SCHEDULES OF
DEMOGRAPHIC
AND
ECONOMIC
INFORMATION**

**NEW YORK CITY HOUSING AUTHORITY
RESIDENT DEMOGRAPHICS - OPERATING PROGRAMS**

ALL PROGRAMS February 2023	TOTAL	
NUMBER OF FAMILIES	154,202	
POPULATION*	330,118	
AVERAGE FAMILY SIZE	2.1	
AVERAGE TENURE IN PUBLIC HOUSING	25.4	
<hr/>		
AVERAGE FAMILY ANNUAL INCOME	\$ 25,605	
AVERAGE MONTHLY RENT	\$ 557	
<hr/>		
		Percentage of Population
NUMBER OF SENIOR RESIDENTS (AGE 62 OR MORE):	77,801	23.6%
NUMBER OF SINGLE SENIOR RESIDENTS (AGE 62 OR MORE):	38,996	11.8%
NUMBER OF MINORS UNDER 18:	81,240	24.6%
<hr/>		
		Percentage of Households
NUMBER OF WORKING FAMILIES:	64,924	42.1%
NUMBER OF FAMILIES RECEIVING PUBLIC ASSISTANCE:	22,625	14.7%
NUMBER OF SINGLE PARENT FAMILIES WITH MINORS UNDER 18:	33,029	21.4%
NUMBER OF SENIOR (AGE 62 OR MORE) HEAD OF HOUSEHOLDS:	65,794	42.7%
HOUSEHOLDS BELOW POVERTY LEVEL*	83,298	55.0%

*As of 4/1/2023

Source: New York City Housing Authority, the Performance Tracking and Analytics Department

*2023 Poverty Guidelines from Department of Health & Human Services
(<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>)

NEW YORK CITY HOUSING AUTHORITY

RESIDENT DEMOGRAPHICS - HOUSING CHOICE VOUCHER PROGRAM

AS OF FEBRUARY 1, 2023

BOROUGH						
	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Total*
NUMBER OF HOUSEHOLDS	38,898	32,560	12,060	8,780	1,961	94,259
NUMBER OF HOUSEHOLDS PERCENTAGE	41.27%	34.55%	12.79%	9.31%	2.08%	100%

RACE and ETHNICITY							
	Unknown	American Indian/ Native Alaskan	Asian/ Native Hawaiian/ Other Pacific Islander	Black	Hispanic	White	Total
NUMBER OF HOUSEHOLDS	11	448	2,576	29,291	48,599	13,334	94,259
NUMBER OF HOUSEHOLDS PERCENTAGE	0.01%	0.47%	2.73%	31.08%	51.56%	14.15%	100%

APARTMENT SIZE (NUMBER OF BEDROOMS)								
	Unknown	0	1	2	3	4	5 or more	Total
NUMBER OF HOUSEHOLDS	0	5,823	28,599	34,814	20,435	3,655	933	94,259
NUMBER OF HOUSEHOLDS PERCENTAGE	0.00%	6.18%	30.34%	36.93%	21.68%	3.88%	0.99%	100.00%

*The number of households reported (94,259) does not include 1,369 households located outside NYC who are utilizing portability vouchers.
 Source: New York City Housing Authority, Performance Tracking and Analytics Department

Demographic and Economic Statistics - Ten Year Trend

POPULATION - TEN YEAR TREND

2012 - 2021

Year	United States	Percentage Change from Prior Period	City of New York	Percentage Change from Prior Period
2012	314,344,331	0.89%	8,346,715	0.89%
2013	316,735,375	0.76	8,396,207	0.59
2014	319,270,047	0.80	8,433,867	0.45
2015	321,829,327	0.80	8,463,157	0.35
2016	324,367,742	0.79	8,468,954	0.07
2017	326,623,063	0.70	8,437,695	(0.37)
2018	328,542,157	0.59	8,396,614	(0.49)
2019	330,233,102	0.51	8,342,925	(0.64)
2020.....	331,501,080	0.38	8,253,213	(1.08)
2021.....	331,893,745	0.12	8,467,513	2.60

POPULATION OF NEW YORK CITY BY BOROUGH

	2021*	2020	2010	2000	1990	1980
Bronx	1,424,948	1,401,142	1,386,929	1,334,319	1,207,053	1,168,403
Brooklyn	2,641,052	2,538,934	2,509,954	2,467,006	2,303,679	2,233,786
Manhattan	1,576,876	1,611,989	1,589,041	1,540,547	1,487,073	1,428,371
Queens	2,331,143	2,225,821	2,234,574	2,230,501	1,957,281	1,894,296
Staten Island	493,494	475,327	469,607	445,235	380,564	353,021
Total	<u>8,467,513</u>	<u>8,253,213</u>	<u>8,190,105</u>	<u>8,017,608</u>	<u>7,335,650</u>	<u>7,077,877</u>
Percentage Increase (Decrease) from Prior Decade	2.6%	0.8%	2.2%	9.3%	3.6%	(10.4%)

Source: Comptroller's Report for Fiscal 2022, Bureau of Economic Analysis and U.S. Census Bureau

* Figures as of July 2021

Demographic and Economic Statistics - Ten Year Trend

2012 - 2021

Year	Personal Income (in thousands)			Per Capita Personal Income (in thousands)		
	United States	City of New York	New York City as a Percentage of United States	United States	City of New York	New York City as a Percentage of United States
2012	\$14,003,346,000	\$470,435,048	3 %	\$44,548	\$56,360	127 %
2013	14,189,228,000	483,343,993	3	44,798	57,568	129
2014	14,969,527,000	507,872,971	3	46,887	60,217	128
2015	15,681,233,000	531,902,101	3	48,725	62,850	129
2016	16,092,713,000	557,532,518	3	49,613	65,832	133
2017	16,845,028,000	603,167,672	4	51,573	71,482	139
2018	17,681,159,000	624,522,718	4	53,817	74,375	138
2019	18,402,004,000	642,638,479	3	55,724	77,027	138
2020	19,607,447,000	677,563,225	3	59,147	82,099	139
2021.....	21,056,622,000	N/A	N/A	63,444	N/A	N/A

Source: Comptroller's Report for Fiscal 2022, Bureau of Economic Analysis N/A: Not Available

New York City Housing Authority

Demographic and Economic Statistics - Ten Year Trend

POPULATION - TEN YEAR TREND 2013 - 2022

<u>Year</u>	<u>NYCHA</u>	<u>Change from Prior Period</u>
2013	403,120	(0.15) %
2014	401,093	(0.50) %
2015	400,474	(0.15) %
2016	396,581	(0.97) %
2017	392,259	(1.09) %
2018	381,159	(2.83) %
2019	365,806	(4.03) %
2020	358,675	(1.95) %
2021	339,900	(5.23) %
2022	330,118	(2.88) %

New York City Housing Authority

Demographic and Economic Statistics - Ten Year Trend

2013 - 2022

Personal Income (in thousands)

<u>Year</u>	<u>NYCHA</u>
2013	4,064,839
2014	4,068,376
2015	4,133,013
2016	4,241,327
2017	4,248,457
2018	4,269,695
2019	4,259,891
2020	4,030,964
2021	3,847,446
2022	3,948,342

City of New York - Persons Receiving Public Assistance - Ten Year Trend

**2013- 2022
Average Annual Recipients**

<u>Year</u>	<u>Public Assistance</u> (in thousands)	<u>SSI (a)</u>
2013	357	425,034
2014	337	402,529
2015	360	398,856
2016	370	394,680
2017	364	388,629
2018	356	381,373
2019	332	374,695
2020	378	359,226
2021	371	NA
2022	425	NA

(a) The Social Security Income ("SSI") data is for December of each year.
N/A: Not Available

Sources: Comptroller's Report for Fiscal 2022, The City of New York, Human Resources Administration and the U.S. Social Security Administration.

**New York City Housing Authority
Persons Receiving Public Assistance - Ten Year Trend**

**2013- 2022
Number of Public Assistance Families**

<u>Year</u>	<u>Public Assistance</u>
2013	20,055
2014	20,379
2015	21,214
2016	22,710
2017	23,077
2018	22,146
2019	20,856
2020	21,037
2021	20,554
2022	22,625

Source: New York City Housing Authority, Performance Tracking and Analytics Department

Nonagricultural Wage and Salary Employment - Ten Year Trend

2013–2022

(Average Annual Employment in thousands)

	2022 (b)	2021	2020	2019	2018	2017	2016	2015	2014	2013
Private Employment:										
Services (a).....	2,626	2,453	2,368	2,712	2,625	2,549	2,471	2,398	2,308	2,214
Wholesale Trade.....	127	123	122	141	142	143	144	145	143	141
Retail Trade.....	303	293	287	349	351	352	351	353	351	340
Manufacturing.....	57	54	53	68	71	74	77	79	77	77
Financial Activities.....	467	465	471	485	477	469	466	459	449	437
Transportation, Warehousing and Utilities.....	144	135	128	147	143	139	135	132	126	123
Construction.....	137	141	139	161	159	153	147	139	129	122
Total Private Employment.....	3,861	3,664	3,568	4,063	3,968	3,878	3,791	3,704	3,583	3,454
Government.....	575	574	586	587	585	585	584	580	573	571
Total.....	<u>4,436</u>	<u>4,238</u>	<u>4,154</u>	<u>4,650</u>	<u>4,553</u>	<u>4,463</u>	<u>4,375</u>	<u>4,284</u>	<u>4,157</u>	<u>4,025</u>
Percentage Increase (Decrease) from Prior Year	4.7%(b)	2.0%	(10.7%)	2.1%	2.0%	2.0%	2.1%	3.1%	3.3%	2.5%

(a) Includes rounding adjustment.

(b) Six months average.

Notes: This schedule is provided in lieu of a schedule of principal employees because it provides more meaningful information. Other than the City of New York, no single employer employs more than 2 percent of total nonagricultural employees.

Data are not seasonally adjusted.

Source: Comptroller's Report for Fiscal Year 2022, New York State Department of Labor, Division of Research and Statistics.

Employment Status of the Resident Population - Ten Year Trend

2012-2021

	Civilian Labor Force (in thousands)		Unemployment Rate	
	New York City <u>Employed</u>	New York City <u>Unemployed(a)</u>	New York <u>City</u>	United <u>States</u>
2012	3,642	379	9.4 %	8.1 %
2013	3,707	358	8.8	7.4
2014	3,802	289	7.1	6.2
2015	3,861	228	5.6	5.3
2016	3,877	210	5.1	4.9
2017	4,105	194	4.5	4.4
2018	4,108	176	4.1	3.9
2019	4,134	165	3.8	3.7
2020	3,596	509	12.4	8.1
2021	3,645	398	9.9	5.4

(a) Unemployed persons are all civilians who had no employment during the survey week, were available for work, except for temporarily illness, and had made efforts to find employment some time during the prior four weeks. This includes persons who were waiting to be recalled to a job from which they were laid off or were waiting to report to a new job within 30 days.

Note: Employment and unemployment information is not seasonally adjusted.

Sources: Comptroller's Report for Fiscal 2022, U.S. Department of Labor, Bureau of Labor Statistics, and Office of the Comptroller, Fiscal and Budget Studies.

SCHEDULES OF OPERATING INFORMATION

**NEW YORK CITY HOUSING AUTHORITY
SUMMARY OF PUBLIC HOUSING DEVELOPMENTS**

DEVELOPMENT DATA	DEVELOPMENTS IN FULL OPERATION				
	FEDERAL	LLC I	Total Federal and LLC 1	PACT/RAD	TOTAL**
NUMBER OF DEVELOPMENTS	264	13	277	58	335
NUMBER OF CURRENT APARTMENTS ***	146,326	14,426	160,752		160,752
NUMBER OF SECTION 8 TRANSITION APARTMENTS	-	2,693	2,693		2,693
TOTAL NUMBER OF APARTMENTS ****	147,667	14,476	162,143	15,426	177,569
RESIDENTIAL BUILDING	1,951	155	2,106	305	2,411
NON-RESIDENTIAL BUILDING	92	8	100	14	114
POPULATION* PUBLIC HOUSING	308,802	24,946	333,748		333,748
POPULATION* SECTION 8 TRANSITION	-	6,152	6,152		6,152
TOTAL POPULATION*	308,802	31,098	339,900	29,789	369,689

* Population as of March 2022

** Does not include Lavanburg Houses and PSS Grandparent Family Apartments

*** Current Apartments are units which are occupied as well as vacant available

**** Total Number of Apartments includes units which are occupied, vacant available, as well as units that are off the rent rolls or vacant unavailable

Source: New York City Housing Authority, Performance Tracking and Analytics Department

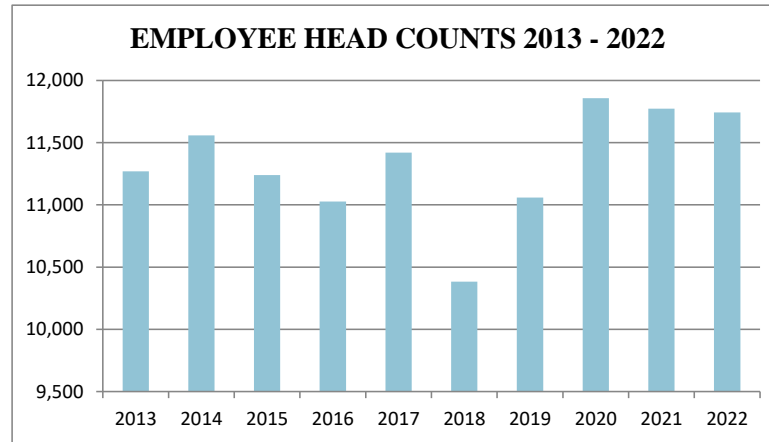
NEW YORK CITY HOUSING AUTHORITY
LEASE COMMITMENTS
(\$ in thousands)

<u>LESSOR</u>	<u>YEAR OF EXPIRATION</u>	<u>ANNUAL RENTAL 2022</u>	<u>FUTURE MINIMUM ANNUAL RENTS</u>	<u>FACILITY</u>
IPG LIC 49TH Ave Lower Floor Unit's Property Owner LLC (formerly LIC 73 Owner, LLC)	2050	\$ 16,862	\$ 704,436	Office Building
90 Church Street Limited Partnership	2044	12,899	372,580	Office Building
250 Broadway Associates	2039	6,114	119,724	Office Building
Fordham Renaissance Associates	2030	2,788	21,128	Office Building
Atara Vanderbilt LLC	2030	2,446	18,667	Office Building
Hutch Metro Center I LLC	2026	1,952	6,182	Office Building
Other	2023	4,979	4,889	Equipment
TOTAL		<u>\$ 48,040</u>	<u>\$ 1,247,606</u>	

Source: New York City Housing Authority, Financial Accounting and Reporting Services Department

**NEW YORK CITY HOUSING AUTHORITY
EMPLOYEE HEAD COUNTS 2013 - 2022**

Year	Full Time	Part Time	Total
2013	11,107	162	11,269
2014	11,401	158	11,559
2015	11,079	160	11,239
2016	10,624	403	11,027
2017	10,976	444	11,420
2018	10,287	97	10,384
2019	10,973	86	11,059
2020	11,797	60	11,857
2021	11,684	89	11,773
2022	11,706	38	11,744



Note: Includes only employees who are active and receiving bi-weekly pay.

Source: New York City Housing Authority
Department of Human Resources