

**BOSTON HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

**BOSTON HOUSING AUTHORITY  
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YEAR ENDED MARCH 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

Administrator  
Boston Housing Authority  
Boston, Massachusetts

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

We have audited the accompanying financial statements of the business type activities and the discretely presented component unit of the Boston Housing Authority (the Authority), as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of West Broadway Redevelopment Limited Partnership which represents 100% of the assets, partners' equity, and revenues of the discretely presented component unit. Those statements, which were prepared in accordance with the Accounting Standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Authority, as of March 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

During fiscal year ended March 31, 2018, the Authority adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this Standard, the Authority reported a restatement for the change in accounting principle (see Note 1). Our opinion is not modified with respect to that matter.

As discussed in Note 1 to the financial statements, a correction of an error was made to restate beginning net position related to overstated liabilities in prior years. Our opinion is not modified with respect to that matter.

As discussed in Note 1 to the financial statements, the Authority changed reporting of the component units from the previous treatment in the prior year of discretely presented component units to blended component units in 2018. Our opinion is not modified with respect to that matter.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-12, the Schedule of Authority's Contributions – Boston Retirement System on page 50, the Schedule of the Authority's Proportionate Share of the Net Pension Liability – Boston Retirement System on page 51 and the Schedule of Changes to the Authority's Total OPEB Liability and Related Ratios on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements

Administrator  
Boston Housing Authority

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
April 3, 2019

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Boston Housing Authority's (the Authority or BHA) financial statements are those of a special-purpose government engaged only in business-type activities, also known as the enterprise model, and are prepared on the accrual basis of accounting. As such, it is similar to a commercial entity's presentation of financial statements in that the Authority-wide financial statements are appropriately reported in single columnar format, providing both long-term and short-term information about the BHA's overall financial status.

The BHA's accounting records are organized and maintained by individual programs and reported collectively as business-type activities, including a component units fund comprised of separate legal entities of which the BHA is the sole member. The component units are presented blended in the financial statements.

The financial statements included in this report are:

- **Statement of net position** – reports the Authority's current financial resources, capital assets and other noncurrent assets, current financial obligations, and long-term debt obligations. It is presented in the format where assets minus liabilities equal net position. Assets are presented in order of liquidity and are classified as Current (convertible into cash within one year) and Noncurrent. Current liabilities are obligations that should be satisfied within one year and liabilities that do not meet this expectation are classified as Noncurrent. This statement is designed to represent the net position, net of liabilities, for the entire Authority and is reported in three categories:
  - **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
  - **Restricted** – Consists of net position restricted to specific uses either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
  - **Unrestricted** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets." In instances where unrestricted or restricted resources are available to fund expenditures, the Authority will initially use unrestricted assets.
- **Statement of revenues, expenses and changes in net position** – reports the Authority's operating revenues, such as rental income and subsidy, and operating expenses, such as administrative, utilities and maintenance, and depreciation, and nonoperating revenues and expenses such as capital grants, investment income, and interest expense. The focus of this statement is the change in net position, which is similar to net income or loss.
- **Statement of cash flows** – reports the net cash provided by or used by operating activities, investing, and from capital and related financing activities.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

The financial statements also include notes that provide more detailed and explanatory information and are an integral part of the financial statements.

The following sections examining the statement of net position and the statement of revenues, expenses, and changes in net position will highlight the changes between the fiscal year ended March 31, 2018 (FY 2018) and the fiscal year ended March 31, 2017 (FY 2017). In looking at the causes for these changes only items of significant importance will be noted. There may be other minor, immaterial fluctuations in the other accounts associated with each line item and it should be assumed that any variation between the line item change and any amounts specifically noted and discussed would be explained by the net result of these minor fluctuations occurring in the various applicable programs.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**ANALYSIS OF AUTHORITY WIDE NET POSITION (STATEMENT OF NET POSITION)**

The schedule below shows comparative balance sheet data from FY 2018 and FY 2017 for the primary government.

*Condensed Comparative Statement of Net Position*

|  | 2018                  | 2017                  | Net Change            | Variance |
|--|-----------------------|-----------------------|-----------------------|----------|
| Cash and Investments   | \$ 123,412,945        | \$ 110,817,763        | \$ 12,595,182         | 11.37%   |
| Other Current Assets   | 14,910,619            | 11,260,793            | 3,649,826             | 32.41%   |
| Capital Assets   | 301,646,477           | 331,469,058           | (29,822,581)          | -9.00%   |
| Other Noncurrent Assets  | 276,255,847           | 263,486,841           | 12,769,006            | 4.85%    |
| <b>Total Assets</b>  | <u>716,225,888</u>    | <u>717,034,455</u>    | <u>(808,567)</u>      | -0.11%   |
| <b>Total Deferred Outflows of Resources</b>                      | <u>12,369,882</u>     | <u>16,807,599</u>     | <u>(4,437,717)</u>    | -26.40%  |
| <b>Total Assets and Deferred Outflows</b>                        | <u>\$ 728,595,770</u> | <u>\$ 733,842,054</u> | <u>\$ (5,246,284)</u> | -0.71%   |
| Current Liabilities  | \$ 49,355,571         | \$ 29,543,106         | 19,812,465            | 67.06%   |
| Noncurrent Liabilities   | 381,132,082           | 318,270,574           | 62,861,508            | 19.75%   |
| <b>Total Liabilities</b>   | <u>430,487,653</u>    | <u>347,813,680</u>    | <u>82,673,973</u>     | 23.77%   |
| <b>Total Deferred Inflows of Resources</b>                       | <u>25,300,258</u>     | <u>25,240,254</u>     | <u>60,004</u>         | 0.24%    |
| Net Position:  |                       |                       |                       |          |
| Net Investment in Capital Assets                                 | 162,770,222           | 181,767,094           | (18,996,872)          | -10.45%  |
| Restricted Net Position  | 22,674,197            | 23,710,812            | (1,036,615)           | -4.37%   |
| Unrestricted Net Position  | 87,363,440            | 155,310,214           | (67,946,774)          | -43.75%  |
| <b>Total Net Position</b>  | <u>272,807,859</u>    | <u>360,788,120</u>    | <u>(87,980,261)</u>   | -24.39%  |
| <b>Total Liabilities, Deferred Inflows,<br/>and Net Position</b> | <u>\$ 728,595,770</u> | <u>\$ 733,842,054</u> | <u>\$ (5,246,284)</u> | -0.71%   |

**Total assets** decreased by \$0.8 million or 0.11%, from FY 2017. The significant changes in asset categories that resulted in this net decrease are discussed below.

- Cash, cash equivalents and investments realized a net increase of \$12.6 million. Significant increases include a \$10.5 million increase in State Operating Program subsidy which is set aside for redevelopment of Orient Heights, a \$1.2 million increase due to increases in federal operating subsidies and tenant rents, and an \$800,000 increase in funding to the Leased Housing Mod Rehab program.
- Other current assets increased by \$3.6 million. The increase is primarily the result of an increase of miscellaneous accounts receivable and unearned revenue in the Housing Choice Voucher Program from landlords, tenants, and other housing authorities.
- Net capital assets decreased by \$29.8 million. This decrease is mainly due to an offset between current year additions of \$8.6 million and annual depreciation expense of \$38.4 million.
- Other noncurrent assets increased by \$12.8 million due mainly to an increase in notes receivable related to the Orient Heights Redevelopment in the State and Local program.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**ANALYSIS OF AUTHORITY WIDE NET POSITION (STATEMENT OF NET POSITION)  
(CONTINUED)**

**Total liabilities** increased in FY2018 by \$82.7 million or 23.77%. The significant changes in liability categories that resulted in this net decrease are discussed below.

- Current liabilities increased by \$19.8 million. There were two primary reasons for this variance; first DHCD over funded operating subsidy in the amount of \$10.5 million. There was \$1.7 million of unearned revenue in the Housing Choice Voucher program due to an over advance of subsidy. Accounts payable of approximately \$8.4 million dollars was booked at year end from utilities, group insurance and other vendor payments. There was a \$1.8 million increase in accrued interest payable. A \$500,000 payable to the HUD Mod Rehab Program, as well as additional payable to Long Term Debt.
- Noncurrent liabilities increased by \$62.9 million. The main reason for the increase was an increase in Accrued Pension and OPEB liabilities due to GASB 75 implementation.

As previously stated above in the MD&A section "Overview of the Financial Statements," the statement of net position is presented in the format where assets plus deferred outflows minus liabilities and deferred inflows equal "net position." Using this formula, the decrease from FY2017 to FY2018 in total assets of \$0.8 million, the decrease in deferred outflows of resources of \$4.4 million, the increase in total liabilities of \$82.7 million and the increase in deferred inflows of \$60,000 from FY2017 to FY2018 equals the decrease in net position of \$88.0 million.

To conclude this section, some selected liquidity and debt ratios are shown. Cash and investments and current assets showed decreases between FY 2017 and FY 2018 resulting in decreases in the current and cash ratios.

|   | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| Current Ratio   | 2.80        | 4.13        |
| Cash Ratio  | 2.33        | 3.75        |
| Cash Ratio (Excluding Restricted Cash and<br>Related Current Portion of Debt) | 2.36        | 3.46        |
| Debt to Equity  | 54%         | 62%         |
| Debt Ratio  | 60%         | 49%         |
| Capitalization Ratio  | 36%         | 37%         |

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**ANALYSIS OF AUTHORITY WIDE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The major sections of the statement of revenues, expenses, and changes in net position for the primary government, discussed more fully below, show that in FY2018, the BHA had total operating revenue of \$386.6 million, total operating expenses of \$398.3 million, and total nonoperating revenues (net of nonoperating expenses) of \$2.1 million. The result is a \$9.6 million decrease reported as "change in net position" for FY2018 on the statement of revenues, expenses, and changes in net position.

*Comparative Statement of Revenues and Expenses*

|   | 2018                  | 2017                  | Net Change             | Variance |
|---|-----------------------|-----------------------|------------------------|----------|
| Total Tenant Revenue                          | \$ 52,510,614         | 50,462,614            | \$ 2,048,000           | 4.06%    |
| HUD Operating Subsidiaries and Grants         | 276,017,780           | 278,890,725           | (2,872,945)            | -1.03%   |
| Other Governmental Grants                     | 40,764,895            | 36,007,952            | 4,756,943              | 13.21%   |
| Other Revenue                                 | 17,331,747            | 16,109,715            | 1,222,032              | 7.59%    |
| Total Operating Revenue                       | <u>386,625,036</u>    | <u>381,471,006</u>    | 5,154,030              | 1.35%    |
| Administration                                | 44,466,900            | 42,352,700            | 2,114,200              | 4.99%    |
| Tenant Services                               | 2,527,456             | 2,206,881             | 320,575                | 14.53%   |
| Utilities                                     | 36,546,396            | 36,577,091            | (30,695)               | -0.08%   |
| Maintenance and Operations                    | 52,861,113            | 49,740,853            | 3,120,260              | 6.27%    |
| Protective Services                           | 7,340,426             | 6,761,884             | 578,542                | 8.56%    |
| Insurance                                     | 3,553,176             | 4,001,699             | (448,523)              | -11.21%  |
| Payment in Lieu of Taxes                      | 460,029               | 66,660                | 393,369                | 590.11%  |
| Housing Assistance Payments                   | 205,924,584           | 198,428,444           | 7,496,140              | 3.78%    |
| Other General Expenses                        | 6,251,923             | 10,542,639            | (4,290,716)            | -40.70%  |
| Depreciation                                  | 38,386,882            | 38,456,859            | (69,977)               | -0.18%   |
| Total Operating Expenses                      | <u>398,318,885</u>    | <u>389,135,710</u>    | 9,183,175              | 2.36%    |
| Total Operating Loss                          | (11,693,849)          | (7,664,704)           | (4,029,145)            | 52.57%   |
| Capital Grants                                | 9,475,643             | 9,116,205             | 359,438                | 3.94%    |
| Investment Income - Unrestricted              | 576,682               | 1,656,494             | (1,079,812)            | -65.19%  |
| Investment Income - Restricted                | 93,563                | 40,033                | 53,530                 | 133.71%  |
| Interest Expense                              | (7,669,969)           | (7,998,586)           | 328,617                | -4.11%   |
| Disposition of Property                       | -                     | (633,850)             | 633,850                | -100.00% |
| Casualty Losses                               | (419,252)             | (366,815)             | (52,437)               | 14.30%   |
| Total Nonoperating Revenues                   | <u>2,056,667</u>      | <u>1,813,481</u>      | 243,186                | 13.41%   |
| Change in Net Position                        | (9,637,182)           | (5,851,223)           | (3,785,959)            | 64.70%   |
| Net Position - Beginning of Year, As Restated | <u>282,445,041</u>    | <u>366,639,343</u>    | <u>(84,194,302)</u>    | -22.96%  |
| Net Position - End of Year                    | <u>\$ 272,807,859</u> | <u>\$ 360,788,120</u> | <u>\$ (87,980,261)</u> | -24.39%  |

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**ANALYSIS OF AUTHORITY WIDE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**

**Total operating revenue** increased by \$5.2 million in FY 2018 from FY 2017. Significant factors included:

- \$2.0 million increase in tenant revenues. The increase in tenant revenues is due mainly to the transfer of the discretely presented component units to the business-type activities.
- \$2.9 million decrease in subsidies and grants from the US Department of Housing and Urban Development (HUD) due primarily to a decrease in federal Capital Funds for Operating purposes.
- \$4.8 million increase in other governmental grants due to additional funding in State and Local for the Orient Heights Redevelopment.
- \$1.2 million increase in other revenue primarily due to increase from a workers compensation reimbursement and increased Capital management fees.

**Total operating expense:** Total operating expense increased by \$9.2 million from FY2017 to FY2018. This increase is accounted for in the following programs and categories:

- Administration expense increased by \$2.1 million. This increase in FY2018 is primarily due to a 2% increase in Salaries and an increase in fringe benefits.
- Maintenance and Operations increased by \$3.1 million. This increase is due to a 2% increase in maintenance wages along with an increase in work performed at our elderly housing sites.
- Housing assistance payments increased by \$7.5 million due to an increase in the number of units leased as well as an increase in the per unit assistance payment amount.
- Other general expense decreased by \$4.3 million due primarily to the decrease in pension expense.

**Total nonoperating revenues and expenses:** Total nonoperating revenues and expenses increased by \$0.2 million

- Investment income decreased by \$1.1 million due to the collection of accrued interest on the Harbor Point Note.
- Capital grants remained relatively consistent in FY2018 compared to FY2017.
- Interest expense decreased \$328,617 in FY2018 due to the decrease in total outstanding debt, as principal payments are made each year.
- There was no loss on disposition of property in FY2018.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**ANALYSIS OF AUTHORITY WIDE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**

**CAPITAL ACTIVITY**

In FY 2018 the Authority expended funds from several sources on capital improvement projects. Funding of \$9.5 million for the federal developments was received under the Federal Capital Fund Program. Approximately \$3.3 million was expended in State Modernization funds. An additional \$12.8 million was expended in State High Leverage Asset Preservation Program, (HILAPP) capital funds. Capital funds derive from the proceeds of debt issued by the state and is allocated based on need.

In order to ensure that capital dollars are spent to the greatest possible advantage, the Authority has a Capital Construction department dedicated to the assessment of capital needs at the developments, advising BHA decision-makers of suggested priorities, and planning and implementing approved capital projects. Formal capital plans and needs assessments are submitted to HUD and Department of Housing and Community Development (DHCD) and these agencies render approval to the capital plans at the respective federal and state developments. A summary of capital activity is included in Note 4 of the financial statements.

**LONG-TERM DEBT**

At March 31, 2018 the Authority had \$141.0 million in long-term debt net of the current portion of \$6.9 million. This figure represents four bonds, each issued for a specific purpose. Each bond is secured by individual assets and none of the debt encumbers the combined assets of the Authority. Other than repayments, there was no debt activity in FY2018. These bonds are discussed in greater detail in Note 6 to the financial statements.

The debt to equity, debt, and capitalization ratios presented above are in the acceptable range for a property management enterprise. The Authority's current Standard and Poor's issuer credit rating is A+/Stable.

**BUDGET HIGHLIGHTS**

The Administrator of the BHA approves all of the Authority's budgets including the Federal Low-Rent and State Public Housing operating budgets. Capital Budgets, Leased Housing budgets, COCC budgets and other grant budgets. The Administrator is appointed by the Mayor of the City of Boston and is empowered to manage and control the Authority under Massachusetts law, Chapter 88 of the Acts of 1989, approved May 23, 1989. The budget is an administrative management tool used by the Authority and is not considered a legally adopted budget. Accordingly, the budget is not presented as required supplementary information to the financial statements.

The Authority's Conventional Public Housing Operating Program supports the maintenance and management of approximately 12,665 public housing units scattered throughout the City of Boston, with 10,335 of these units funded by HUD and 2,330 units funded by DHCD. The Administrator of the BHA approves the Authority's Federal Low-Rent and State Public Housing operating budgets. The Administrator is appointed by the Mayor of the City of Boston and is empowered to manage and control the Authority under Massachusetts's law, Chapter 88 of the Acts of 1989, approved May 23, 1989.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

Revenues under the Authority's Federal Low-Rent Operating Program in BHA FY2018 totaled approximately \$95.0 million against a total revenue budget of \$93.8 million. The positive variance in revenue of \$1.2 million was due to higher than expected rental income of \$862,000 and a workers compensation reimbursement of \$489,000. These increases were offset by lower than anticipated other income.

Total federal operating program expenses, excluding depreciation and amortization, were approximately \$95.2 million against a budget of \$97.2 million. Total expenses were \$2.8 million or 3% lower than budgeted. Lower than anticipated fringe benefit, insurance and utility expense were the primary factors for this variance.

State Consolidated Public Housing program total revenue was \$24.8 million against a budget of \$26.6 million or 7% less than budgeted. Lower utility cost accounted for most of the variance. The State DHCD funds actual utility cost in determining total funding. Utility costs were lower than budgeted so subsidy was lower than budgeted.

State Consolidated public housing program total expenses, excluding depreciation, were approximately \$22.8 million against a budget of \$25.4 million or 10% less than budgeted. Utility expense was approximately \$1.8 million less than budgeted. Materials and supplies, extraordinary maintenance, and betterments and additions were additional expense items that came in less than budgeted.

The Authority's Federal Leased Housing Program administrative budget generated revenue of approximately \$14.9 million against a budget of \$14.9 million. Total expenses were \$12.6 million against a budget of \$14.6 million. Administrative salaries and fringe benefits expenses were less than budgeted as vacant positions were held open. Management fees also came in lower than anticipated positions.

The COCC generated approximately \$15.2 million of income from management fees from the federal and state operating, capital and leased housing programs against a budget of \$15.4 million. Federal management fees and other income accounted for this variance.

Federal congressional budget appropriations funded the federal low-rent operating program nation-wide at 93.10% of operating subsidy eligibility for calendar year 2017. This resulted in the BHA receiving approximately \$4.3 million less than it was eligible to receive under the HUD funding formula.

The federal operating program ended the year with a slight net deficit of approximately \$147,000, excluding amortization and depreciation.

The State DHCD funded the state operating program nonutility budgets in BHA Fiscal Year 2018 at 3% greater than the previous year. The state operating program generated net income of approximately \$2 million in FY2018.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2018**

**CONDITIONS AFFECTING ONGOING OPERATIONS AND FINANCIAL POSITION**

Significant economic factors impacting budget and strategic planning of the Authority are as follows:

- Congressional appropriation to HUD
- Appropriations of the state legislature to the DHCD
- State bond rating and the ability of the state to issue debt to provide capital improvement funds
- Collective bargaining negotiations and agreements
- Local economic trends, including employment trends affecting residents' income and resulting rental income, as well as local market rents affecting the HCVP program
- Interest rates, affecting both funds investment and debt financing
- The bond and tax credit market as they affect the Authority's ability to finance property redevelopment
- Significant fluctuation in the cost of utilities and materials and supplies
- Significant fluctuation in the cost of employer-paid employee benefits, particularly health insurance, workers' compensation, unemployment benefits
- Significant fluctuation in the cost of property and other insurance

The Authority anticipates that the continuing focus of Congress and the federal government to curtail spending and reduce debt will mean continued reductions to operating, capital and housing assistance payments subsidy for the federal program in the foreseeable future. Federal operating subsidy for calendar year 2018 was increased from 93.10% of eligibility in calendar year 2017 to 94.74% in calendar year 2018. However, this amount is still significantly less than 100% of eligibility. HUD has determined that 100% of eligibility is the amount needed to properly administer a Public Housing Authority yet Congress continues to underfund that amount. The state operating nonutility expense level was level funded for BHA FY2018 but increased funding by 3% in BHA FY2019.

The Authority continues to pursue smaller social service grants and partnerships with city agencies and institutions in order to augment its resources and provide programs and services to its residents and clients that it couldn't do otherwise given the current fiscal climate.

**REQUESTS FOR INFORMATION**

This report is intended to provide an overview of the Authority's financial condition. Questions concerning any of the information in this report or requests for additional information should be addressed to the Boston Housing Authority, 52 Chauncy Street, Boston, MA 02111 and to the attention of the Deputy Administrator of Finance and Administration.

**BOSTON HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES**  
**MARCH 31, 2018**

**ASSETS**

**CURRENT ASSETS**

|  |                    |
|--|--------------------|
| Cash and Cash Equivalents - Unrestricted         | \$ 92,343,591      |
| Cash and Cash Equivalents - Restricted           | 22,901,633         |
| Investments - Unrestricted                       | 7,960,349          |
| Investments - Restricted                         | 207,372            |
| Accounts Receivable, Net                         | 11,976,057         |
| Notes, Loans, and Mortgages Receivable - Current | 546,969            |
| Accrued Interest Receivable                      | 19,942             |
| Prepaid Expenses and Other Assets                | 1,424,438          |
| Inventories                                      | <u>943,213</u>     |
| Total Current Assets                             | <u>138,323,564</u> |

**NONCURRENT ASSETS**

|                                     |                        |
|-------------------------------------|------------------------|
| Capital Assets:                     |                        |
| Land                                | 75,512,907             |
| Construction in Progress            | 19,343,315             |
| Buildings                           | 1,353,199,946          |
| Furniture, Equipment, and Machinery | 6,965,847              |
| Accumulated Depreciation            | <u>(1,153,375,538)</u> |
| Total Capital Assets                | <u>301,646,477</u>     |

Other Noncurrent Assets:

|   |                    |
|---|--------------------|
| Notes, Loans, and Mortgages Receivable - Net of Current | 274,868,693        |
| Other Noncurrent Assets                                 | <u>1,387,154</u>   |
| Total Other Assets                                      | <u>276,255,847</u> |

|              |                    |
|--------------|--------------------|
| Total Assets | <u>716,225,888</u> |
|--------------|--------------------|

**DEFERRED OUTFLOWS OF RESOURCES**

|                                     |                   |
|-------------------------------------|-------------------|
| Employer-Related Pension Activities | <u>12,369,882</u> |
|-------------------------------------|-------------------|

|  |                              |
|--|------------------------------|
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b> | <u><u>\$ 728,595,770</u></u> |
|--|------------------------------|

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION – BUSINESS-TYPE ACTIVITIES (CONTINUED)**  
**MARCH 31, 2018**

| <b>LIABILITIES</b>   | <u>Government</u>            |
|--|------------------------------|
| <b>CURRENT LIABILITIES</b>   |                              |
| Accounts Payable - Operating   | \$ 9,255,823                 |
| Accounts Payable - HUD   | 1,176,369                    |
| Accounts Payable - Other Government                                      | 15,233,575                   |
| Accrued Liabilities  | 7,552,550                    |
| Accrued Interest Payable   | 2,547,045                    |
| Accrued Compensated Absences - Current Portion                           | 1,116,193                    |
| Unearned Revenues  | 4,624,258                    |
| Other Current Liabilities  | 985,218                      |
| Current Portion of Long-Term Debt  | 6,864,540                    |
| Total Current Liabilities  | <u>49,355,571</u>            |
| <b>NONCURRENT LIABILITIES</b>  |                              |
| Long-Term Debt, Net of Current Portion                                   | 140,995,212                  |
| Accrued Compensated Absences, Net of Current Portion                     | 6,496,373                    |
| Net Pension Liability  | 78,602,453                   |
| Total OPEB Liability   | 148,752,658                  |
| Noncurrent Liabilities - Other   | 6,285,386                    |
| Total Noncurrent Liabilities   | <u>381,132,082</u>           |
| Total Liabilities  | 430,487,653                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                              |
| Deferred Pension Expense   | 25,300,258                   |
| <b>NET POSITION</b>  |                              |
| Net Investment in Capital Assets   | 162,770,222                  |
| Restricted   | 22,674,197                   |
| Unrestricted   | 87,363,440                   |
| Total Net Position   | <u>272,807,859</u>           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b> | <u><u>\$ 728,595,770</u></u> |

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT  
DECEMBER 31, 2017**

| <b>ASSETS</b>                           |           |                          |
|---|-----------|--------------------------|
| <b>ASSETS</b>                           |           |                          |
| Cash and Cash Equivalents               | \$        | 34,224                   |
| Tenant Deposits Held in Trust           |           | 87,050                   |
| Tenant Accounts Receivable              |           | 10,089                   |
| Prepaid Expenses and Other Assets       |           | 32,689                   |
| Restricted Deposits and Funded Reserves |           | 2,968,334                |
| Rental Property, Net                    |           | <u>21,619,641</u>        |
| Total Assets                            | <b>\$</b> | <b><u>24,752,027</u></b> |
| <b>LIABILITIES AND PARTNERS' EQUITY</b> |           |                          |
| <b>LIABILITIES</b>                      |           |                          |
| Mortgage Bond Payable, Net              | \$        | 7,641,397                |
| Notes Payable                           |           | 14,391,700               |
| Accrued Interest                        |           | 1,936,064                |
| Accounts Payable                        |           | 83,824                   |
| Accrued Operating Expenses              |           | 51,266                   |
| Tenant Security Deposits Held in Trust  |           | 86,727                   |
| Due to Related Party                    |           | 300,000                  |
| Deferred Revenue                        |           | <u>1,611</u>             |
| Total Liabilities                       |           | 24,492,589               |
| <b>PARTNERS' EQUITY</b>                 |           |                          |
|   |           | <u>259,438</u>           |
| Total Liabilities and Partners' Equity  | <b>\$</b> | <b><u>24,752,027</u></b> |

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –  
BUSINESS-TYPE ACTIVITIES  
YEAR ENDED MARCH 31, 2018**

**OPERATING REVENUES**

|                            |                    |
|----------------------------|--------------------|
| Tenant Rental Revenue, Net | \$ 52,510,614      |
| HUD Operating Grants       | 276,017,780        |
| Other Governmental Grants  | 40,764,895         |
| Other Revenue              | 17,331,747         |
| Total Operating Revenues   | <u>386,625,036</u> |

**OPERATING EXPENSES**

|                             |                    |
|-----------------------------|--------------------|
| Administrative              | 44,466,900         |
| Tenant Services             | 2,527,456          |
| Utilities                   | 36,546,396         |
| Maintenance                 | 52,861,113         |
| Protective Services         | 7,340,426          |
| Insurance Premiums          | 3,553,176          |
| Payment in Lieu of Taxes    | 460,029            |
| Housing Assistance Payments | 205,924,584        |
| Other General Expenses      | 6,251,923          |
| Depreciation                | 38,386,882         |
| Total Operating Expenses    | <u>398,318,885</u> |

**NET OPERATING LOSS** (11,693,849)

**NONOPERATING REVENUES (EXPENSES)**

|  |                    |
|--|--------------------|
| Investment Income - Unrestricted       | 576,682            |
| Investment Income - Restricted         | 93,563             |
| Interest Expense                       | (7,669,969)        |
| Casualty Losses                        | (419,252)          |
| Total Nonoperating Revenues (Expenses) | <u>(7,418,976)</u> |

**LOSS BEFORE CAPITAL GRANTS AND TRANSFERS** (19,112,825)

|                |           |
|----------------|-----------|
| Capital Grants | 9,475,643 |
|----------------|-----------|

**DECREASE IN NET POSITION** (9,637,182)

|   |                    |
|---|--------------------|
| Net Position - Beginning of Year, As Restated | <u>282,445,041</u> |
|---|--------------------|

**NET POSITION - END OF YEAR** \$ 272,807,859

**BOSTON HOUSING AUTHORITY  
STATEMENT OF OPERATIONS – DISCRETELY PRESENTED COMPONENT UNIT  
YEAR ENDED DECEMBER 31, 2017**

**REVENUES**

|                                |                 |
|--------------------------------|-----------------|
| Gross Rental Income            | \$ 1,015,972    |
| Less Vacancies and Concessions | <u>(86,322)</u> |
| Effective Rental Income        | 929,650         |

|                |                  |
|----------------|------------------|
| Interest       | 3,792            |
| BHA Subsidy    | 838,362          |
| Miscellaneous  | <u>2,196</u>     |
| Total Revenues | <u>1,774,000</u> |

**OPERATING EXPENSES**

|                           |                  |
|---------------------------|------------------|
| Administrative            | 247,512          |
| Utilities                 | 185,710          |
| Operating and Maintenance | 481,760          |
| Taxes and Insurance       | 160,128          |
| Interest                  | <u>598,105</u>   |
| Total Expenses            | <u>1,673,215</u> |

**INCOME FROM OPERATING BEFORE DEPRECIATION  
AND OTHER EXPENSES**

100,785

**DEPRECIATION**

(807,645)

**OTHER EXPENSES**

|                       |                 |
|-----------------------|-----------------|
| Program Oversight Fee | <u>(75,000)</u> |
|-----------------------|-----------------|

**NET LOSS**

(781,860)

Partners' Equity - Beginning of the Year

155,316,259

Transfers to Primary Government

(155,316,259)

Transfer In of West Broadway Redevelopment L.P.

1,041,298

**PARTNERS' EQUITY - END OF YEAR**

\$ 259,438

**BOSTON HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES  
YEAR ENDED MARCH 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                   |
|---|-------------------|
| Receipts from Customers                             | \$ 55,180,093     |
| HUD and Other Governmental Grants                   | 329,050,694       |
| Cash Received from Other Sources                    | 15,967,198        |
| Payments to Suppliers for Operations                | (17,260,223)      |
| Payments for Housing Operations and Tenant Services | (53,588,550)      |
| Housing Assistance Payments                         | (205,924,584)     |
| Payments to Employees                               | (84,638,188)      |
| Net Cash Provided by Operating Activities           | <u>38,786,440</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |                   |
|---|-------------------|
| Net Change in Investments                 | 22,936,873        |
| Issuance of Notes Receivables             | (12,902,913)      |
| Repayment of Notes Receivables            | 1,209,092         |
| Interest Received                         | 670,245           |
| Net Cash Provided by Investing Activities | <u>11,913,297</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |                     |
|---|---------------------|
| Capital Grants  | 9,475,643           |
| Acquisition of Capital Assets                             | (8,564,291)         |
| Casualty Losses   | (419,252)           |
| Repayment of Long-Term Debt                               | (7,989,813)         |
| Payment of Interest                                       | (7,669,969)         |
| Net Cash Used by Capital and Related Financing Activities | <u>(15,167,682)</u> |

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

35,532,055

Cash and Cash Equivalents - Beginning of Year

79,713,169

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 115,245,224

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES (CONTINUED)**  
**YEAR ENDED MARCH 31, 2018**

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

|   |                      |
|---|----------------------|
| Net Operating Loss                                      | \$ (11,693,849)      |
| Adjustment to Reconcile Operating Loss to Net Cash      |                      |
| Provided by Operating Activities:                       |                      |
| Depreciation  | 38,386,882           |
| Bond Premium  | (137,040)            |
| Provision for Bad Debt                                  | 1,441,970            |
| Effects of Changes in Operating Assets and Liabilities: |                      |
| Accounts Receivable                                     | (5,581,741)          |
| Prepaid Expenses  | (1,516,973)          |
| Inventories   | (407,630)            |
| Accounts Payable  | 9,166,825            |
| Accounts Payable - HUD                                  | 533,917              |
| Accounts Payable - Government                           | 13,826,721           |
| Accrued Interest Payable                                | (133,786)            |
| Accrued Liabilities                                     | (4,702,384)          |
| Unearned Revenue  | 3,489,122            |
| Accrued Compensated Absences                            | (1,350,786)          |
| Other Current Liabilities                               | 3,784,583            |
| Net Deferred Outflow / Inflow of Resources - Pension    | 4,497,721            |
| Net Pension Liability                                   | (77,659,936)         |
| Total OPEB Liability                                    | 66,842,824           |
| Net Cash Provided by Operating Activities               | <u>\$ 38,786,440</u> |

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Reporting Entity**

The Boston Housing Authority (the BHA or Authority) is a public instrumentality organized under laws of the Commonwealth of Massachusetts (the Commonwealth). The Authority is governed by an Administrator who is appointed by the Mayor of the City of Boston. The Authority develops and operates low-rent housing programs in Boston, Massachusetts. At March 31, 2018, the Authority maintains 63 developments encompassing approximately 10,300 federally funded units and 2,300 state funded units. The Authority also has a leased housing program which provides housing assistance for approximately 15,000 units.

In determining how to define the reporting entity, management has considered all potential component units of the BHA. Component units are legally separate entities for which the BHA is financially accountable or are other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The decision to include a component unit in the reporting entity using the blending method or by discrete presentation was made by applying the criteria set forth in Sections 2100 and 2600 of the Government Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting.

In 2017, the following entities were treated as discretely presented component units. As of March 31, 2018, the Authority made a change in the reporting entity, based on the criteria above, that the entities described below should be presented as blended component units. The change was the result of concluding that each of the entities are 100% controlled by the Authority. The change in reporting entity resulted in a \$155,316,259 restatement of beginning net position.

- Boston Housing Capital Investment Corporation (BHCIC)
- Boston Housing Development Corporation (BHDC)
- Mission Main Revitalization Corporation (MMRC)
- Boston Mt. Pleasant Development Corporation (MPDC)
- Franklin Hill Revitalization Corporation (FHRC)
- Maverick Revitalization Corporation (MRC)
- West Broadway Housing Corporation (WBHC)
- Boston Public Housing Corporation (BPHC)
- Orchard Park Revitalization Corporation (OPRC)
- Old Colony Revitalization Corporation (OCRC)
- Washington Beech Revitalization Corporation (WBRC)
- Lower Mills Housing Corporation (LMHC)
- Heritage Housing Corporation (HHC)

The blended component units were established to provide financing and hold title to land related to the improvements for certain mixed-financed and mixed-income housing developments. Certain blended component units were created primarily to allow the Authority to compete for grants for which it could not do so directly.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Organization and Reporting Entity (Continued)**

As of March 31, 2018, the Authority determined, based on the criteria above that West Broadway Redevelopment Limited Partnership should be presented as a discrete component unit in 2018. West Broadway Housing Corporation (a blended component unit of the Authority) is the general partner with a 0.01% interest. The purpose of the Partnership is to develop, own and operate a 133 unit rental housing project, of which 113 of those units will be rented to tenants in accordance with the low income housing tax credit program. The Partnership has a December 31 year end and separate financial statements for the Partnership can be obtained from the Authority. The Partnership follows the Financial Accounting Standards Board (FASB) pronouncements and has not been converted for purposes of these financial statements.

**Basis of Presentation**

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a special purpose governmental entity created to provide low rent housing and engages only in business-type activities and, therefore, presents only the financial statements required for an enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The activities of the Authority are recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when obligations are incurred or when benefits are received.

The Authority's financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Authority's principal operating revenues are charges to tenants for providing housing and related services, and subsidies from federal and state agencies for these same services. Operating expenses for programs include the cost of sales and services, administrative expenses, and depreciation on capital assets. Nonroutine maintenance expenses are expensed as operating is incurred. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The GASB defines the basic financial statements of a business type activity as the: statement of net position, statement of revenues, expenses and changes in net position, and the statement of cash flows. These basic financial statements are supplemented by a management's discussion and analysis as required supplemental information. The statement of net position is presented to illustrate both the current and noncurrent balances of each asset and liability. All revenues and expenses are classified as either operating or nonoperating activities in the statement of revenues, expenses and changes in net position.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Control**

The Administrator of the BHA approves all the Authority's budgets including the Federal Low-Rent and State Public Housing operating budgets, Capital Budgets, Leased Housing budgets, Central Office Cost Center budgets and other grant budgets. The Administrator is appointed by the Mayor of the City of Boston and is empowered to manage and control the Authority under Massachusetts law, Chapter 88 of the Acts of 1989, approved May 23, 1989. The budget is an administrative management tool used by the Authority and is not considered a legally adopted budget. Accordingly, the budget is not presented as required supplementary information to the financial statements.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority's policy is to treat all highly liquid investments with original maturities of three months or less when purchased as cash equivalents.

**Investments**

Investments consist of U.S. Government obligations that have a remaining maturity at time of purchase of one year or less, are carried at amortized cost which approximates fair value, and held to maturity. Restricted investments consist of a guaranteed investment contract that is reported at contract value. Contract value represents contributions made under the contract plus accrued interest.

**Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Authority reviews the collectability of all accounts receivable on a periodic basis and provides for losses on accounts receivable using the allowance method based on the history of past write-offs, collections, and current credit conditions.

**Interfund Account**

Transactions between asset management projects that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund due from/to in the accompanying combining statement of net position. All significant interfund accounts and transactions have been eliminated

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Land, building, improvements, and equipment are recorded at historical cost. Donated assets are recorded at acquisition value at the date of the donation. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. The Authority provides for depreciation by use of the straight-line method. Depreciation is intended to distribute the cost of depreciable properties over the estimated useful life.

All buildings, improvements, and equipment are depreciated over the following lives:

|                          |             |
|--------------------------|-------------|
| Buildings                | 40 Years    |
| Building Improvements    | 10 Years    |
| Administrative Equipment | 3 – 7 Years |

Construction in progress represents costs incurred on open development projects or on major capital improvement projects. The Authority recognizes capital costs of the Capital Fund Programs as construction in progress on the accompanying statement of net position until such time as the assets are placed in service and transferred to the applicable fund on a development-by-development basis.

**Compensated Absences**

Employees are granted vacation time in varying amounts. In addition, certain employees earn compensatory time. Upon retirement, termination or death, certain employees are paid out for unused vacation (subject to certain limitations) and compensatory time at their then current rates of pay. Accordingly, the Authority recognizes an expense and accrued liability for compensated absences as earned by employees. The amount of vacation costs and compensatory time which is not currently payable is recorded as a noncurrent liability. The total amount due is calculated based on the unused days earned times the current rate of pay.

**Revenues**

The Authority receives funding from the United States Department of Housing and Urban Development (HUD) and the Commonwealth of Massachusetts Department of Housing and Community Development (DHCD) in the form of operating subsidies and grants for capital improvements. Grants for capital improvements are reported as capital grants. Operating subsidies and grants are recognized as revenue when eligibility requirements are met.

**Tenant Rental Revenue**

Rents from tenants are recognized as rentals become due. Rental payments received in advance are reflected as unearned revenue.

**Unearned Revenues**

The Authority reports unearned revenues on its statement of net position. Unearned revenues arise when resources are received before the Authority has met the eligibility requirements, such as when grant money is received before the qualifying expenditure is made. In the subsequent period, when the Authority has met the eligibility requirements, the liability for unearned revenue is removed from the statement of net position, and the revenue is recognized.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods used by the pension plan for preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. Investments are measured at fair value.

**Other Post Employment Benefits (OPEB)**

In addition to providing pension benefits and as more fully described in Note 8, the Authority provides health insurance coverage for current and future retirees and their spouses.

**Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pensions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow until that time. For the Authority, deferred inflows of resources are reported for pensions and non-exchange revenue received before the resources are required to be used.

**Tax Matters**

The Authority, as an instrumentality of the Commonwealth of Massachusetts, is exempt from federal and state taxes under Internal Revenue Code (IRC) Section 115 and, therefore, is not required to file federal and state income tax returns.

BHCIC, LMHC, and HHC receive the same tax treatment as the Authority. WBHC is a for-profit membership corporation, with BHA as its sole member. BPHC, BHDC, OPRC, MRC, FHRC, MMRC, and WBRC are nonprofit organizations described under IRC Section 501(c)(3) and are generally exempt from income taxes under the provisions of IRC Section 501(a). OCRC is in the process of filing with the IRS for 501(c)(3) exempt status.

**Net Position Classifications**

Net position is reported in three components in accordance with GASB 34:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted – Consists of net position restricted to specific uses either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” In instances where unrestricted or restricted resources are available to fund expenditures, the Authority will initially use unrestricted assets.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncements, Correction of an Error and Change in Reporting Entity**

In fiscal year 2018, the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Authority is now required to record a liability for future postemployment benefits other than pension benefits in excess of accumulated plan contributions. The cumulative effect of the accounting change in connection with the implementation of GASB No. 75 was a reduction in net position of \$81,909,834 as of April 1, 2017.

As a result of audit procedures, it was discovered that unsupported liabilities had not been adjusted for several years and should be written off. The total of all these accounts results in a \$3,562,164 correction of the error to net position as of April 1, 2017.

Management changed the reporting entity by including components previously reported as discretely presented component units in FY 2017 to being presented as blended components.

|   |                              |
|---|------------------------------|
| Net Position April 1, 2017, as Previously Stated                      | \$ 205,476,452               |
| Cumulative Effect of GASB No. 75, Total OPEB Liability                | (81,909,834)                 |
| Correction of Error of Overstatement of Liabilities in the Prior Year | 3,562,164                    |
| Change in Reporting Entity  | <u>155,316,259</u>           |
| Net Position April 1, 2017, as Restated                               | <u><u>\$ 282,445,041</u></u> |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 2 CASH AND INVESTMENTS**

The following cash, cash equivalents and investments held by the Authority as of March 31, 2018 are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

|                                 |                       |
|---------------------------------|-----------------------|
| Cash                            | \$ 106,558,299        |
| Money Market Funds              | 8,686,925             |
| U.S. Treasuries                 | 7,960,349             |
| Guaranteed Investment Contracts | 207,372               |
|                                 | <u>\$ 123,412,945</u> |

*Investment Policy:* The Authority's Cash Management and Investment Policy (the Policy) is based on mandatory regulations prescribed by HUD and DHCD. These regulations place certain limitations on the nature of deposits and investments available to the Authority. As a means of managing its exposure that an issuer of a debt security will not fulfill its obligations, the Authority follows HUD's credit risk requirements by investing in authorized securities with certain credit risk ratings and maturities.

*Interest Rate Risk:* This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority manages its exposure to interest rate risk by investing operating funds primarily in short term investments. Investments consist principally of U.S. Government treasury bills that have a remaining maturity at the time of purchase of one year or less.

As of March 31, 2018, the fair value and maturities for these assets were as follows:

|                                 | Value                 | Maturities (in Years) |                   |
|---------------------------------|-----------------------|-----------------------|-------------------|
|                                 |                       | Less Than 1           | More Than 15      |
| Cash and Cash Equivalents:      |                       |                       |                   |
| Cash                            | \$ 106,558,299        | \$ 106,558,299        | \$ -              |
| Money Market Funds              | 8,686,925             | 8,686,925             | -                 |
| Investments:                    |                       |                       |                   |
| U.S. Treasuries                 | 7,960,349             | 7,960,349             | -                 |
| Guaranteed Investment Contracts | 207,372               | -                     | 207,372           |
| Total                           | <u>\$ 123,412,945</u> | <u>\$ 123,205,573</u> | <u>\$ 207,372</u> |

*Credit Risk:* This is the risk that the Authority's investments will be negatively impacted due to the default of the Authority's investments. According to the Policy, investments must be prime quality and rated no less than A by either Moody's, Standard and Poor's, or Fitch. The Authority's investments are not subject to credit risk as they are U.S. Treasury Bills which are explicitly backed by the U.S. government. The Policy limits the Authority's foreign currency risk by excluding foreign investments as an investment option.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

*Concentration of Credit Risk:* Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain prescribed levels without collateralization by the financial institutions involved.

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its cash or investments that are in the possession of the counterparty. To mitigate this risk, the Authority uses one bank (the Primary Bank) for the majority of its deposits and investments. The Primary Bank is required to execute the HUD-mandated General Depository Agreement (Form HUD-51999) (the Agreement). A key provision of the Agreement is the collateralization of all the Authority's deposits and investments with U.S. government securities which are held by a third party.

At March 31, 2018, the Authority's cash and investments carrying amount is \$123,412,945 with a bank balance of \$128,602,704. All deposits were fully collateralized as of March 31, 2018 with the exception of \$2,552,184 which is related to LMHC, HHC and WBRC.

**Investments**

Investments can be made in securities or repurchase agreements issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of less than one year from the date of purchase. The Authority primarily invests in U.S. Treasury Bills with a maturity date of less than one year, with overnight repurchase agreements and guaranteed investment contracts held by bond trustees. The treasury bills are in the Authority's name and held by the Primary Bank. All of the Authority's Primary Bank investments are covered by the Agreement. The Authority also has a guaranteed investment contract, measured at contract value. The contract value represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses. In accordance with GASB No. 72, these investments are measured at such contract value outside of the fair value hierarchy.

*Fair Value Measurements:* The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Money market accounts and guaranteed investment contracts are recorded at amortized cost or contract value, thus are not included within the fair value hierarchy established by generally accepted accounting principles. U.S. Treasuries totaling \$7,960,349 are valued using quoted market prices (Level 1).

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Restricted Funds**

The Authority maintains funds that are restricted in use either by contractual agreement or at the specific direction of HUD. Some of these restricted funds are held by third-party trustees. These restricted funds are available for disbursement for their intended uses. These restricted funds are as follows:

| <u>Description</u>                        | <u>Total</u>         | <u>Primary<br/>Government<br/>Restricted<br/>Cash</u> | <u>Primary<br/>Government<br/>Restricted<br/>Investments</u> | <u>Discrete<br/>Component<br/>Units<br/>Restricted<br/>Cash</u> |
|---|----------------------|---|--|---|
| Family Self-Sufficiency Program           | \$ 728,288           | \$ 728,288  | \$ -   | \$ -  |
| Orchard Park Redevelopment Agreement      | 2,257,291            | 2,257,291   | -  | -   |
| Old Colony Redevelopment Agreement        | 3,613,069            | 3,613,069   | -  | -   |
| Capital Revenue Bonds Project Fund        | 10,953,787           | 10,953,787  | -  | -   |
| West Broadway Redevelopment Agreement     | 886,671              | 679,299   | 207,372  | -   |
| Heritage Housing Corporation Agreement    | 2,313,965            | 2,313,965   | -  | -   |
| Lower Mills Housing Corporation Agreement | 979,378              | 979,378   | -  | -   |
| Washington Beech Endowment Trust          | 607,216              | 607,216   | -  | -   |
| 52 Chauncy Street Funds                   | 1,007,575            | 1,007,575   | -  | -   |
| West Broadway LP Reserves                 | -                    | -   | -  | 2,968,334   |
| West Broadway LP Tenant Deposits          | -                    | -   | -  | 87,050  |
| Total                                     | <u>\$ 23,347,240</u> | <u>\$ 23,139,868</u>                                  | <u>\$ 207,372</u>  | <u>\$ 3,055,384</u>   |

**Discrete Component Unit**

The discrete component unit cash balance as of December 31, 2017 included \$34,224 in unrestricted cash, \$87,050 restricted for tenant deposits and \$2,968,334 restricted for operating, insurance, Authority, Bond Fund or Replacement reserves. All amounts were invested in interest bearing checking accounts as of December 31, 2017.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable consists of grants and loans due from HUD and other governments, other PHA's under the portability program, tenant rents receivable and amounts due from others.

|  |                             |
|--|-----------------------------|
| Other PHA's - Portability                          | \$ 663,099                  |
| HUD  | 2,554,491                   |
| Other Governments                                  | 1,055,411                   |
| Tenant Repayment Agreements & Other Tenant Charges | 3,500,730                   |
| Ground Lease and Rent Receivable                   | 527,000                     |
| Overpayments to Landlords                          | 862,912                     |
| Private Management Companies                       | 920,332                     |
| Cell Tower   | 19,152                      |
| Other  | 906,348                     |
| Tenants  | 4,016,095                   |
| Total  | <u>15,025,570</u>           |
| Less: Allowance                                    | (3,049,513)                 |
| Net Accounts Receivable                            | <u><u>\$ 11,976,057</u></u> |

**NOTE 4 CAPITAL ASSETS**

Capital assets are comprised of the following at March 31, 2018:

**Capital Assets – Primary Government**

|                                     | Balance<br>April 1, 2017     | Additions                     | Transfers          | Balance<br>March 31, 2018    |
|-------------------------------------|------------------------------|-------------------------------|--------------------|------------------------------|
| Land                                | \$ 74,759,540                | \$ 753,367                    | \$ -               | \$ 75,512,907                |
| Buildings                           | 1,329,255,996                | 7,506,690                     | 16,377,771         | 1,353,140,457                |
| Furniture, Equipment, and Machinery | 20,636,790                   | 244,745                       | (13,915,688)       | 6,965,847                    |
| Infrastructure                      | -                            | 59,489                        | -                  | 59,489                       |
| Construction in Progress            | 21,805,398                   | -                             | (2,462,083)        | 19,343,315                   |
|                                     | <u>1,446,457,724</u>         | <u>8,564,291</u>              | <u>-</u>           | <u>1,455,022,015</u>         |
| Less: Accumulated Depreciation:     |                              |                               |                    |                              |
| Buildings                           | (1,109,192,387)              | (38,114,418)                  | -                  | (1,147,306,805)              |
| Furniture, Equipment, and Machinery | (5,796,269)                  | (272,464)                     | -                  | (6,068,733)                  |
|                                     | <u>(1,114,988,656)</u>       | <u>(38,386,882)</u>           | <u>-</u>           | <u>(1,153,375,538)</u>       |
| Total                               | <u><u>\$ 331,469,068</u></u> | <u><u>\$ (29,822,591)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 301,646,477</u></u> |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Capital Assets – Discrete Component Unit**

|                                    | Balance              |                     |             | Balance  |                      |
|------------------------------------|----------------------|---------------------|-------------|----------|----------------------|
|                                    | January 1, 2017      | Additions           | Deletions   | -        | December 31, 2017    |
| Land                               | \$ 854,567           | \$ 15,478           | \$ -        | -        | \$ 870,045           |
| Buildings                          | 30,604,325           | -                   | -           | -        | 30,604,325           |
| Furniture, Fixtures, and Equipment | 467,312              | -                   | -           | -        | 467,312              |
| Construction in Progress           | -                    | -                   | -           | -        | -                    |
|                                    | <u>31,926,204</u>    | <u>15,478</u>       | <u>-</u>    | <u>-</u> | <u>31,941,682</u>    |
| Less: Accumulated Depreciation:    | (9,514,396)          | (807,645)           | -           | -        | (10,322,041)         |
| Total                              | <u>\$ 22,411,808</u> | <u>\$ (792,167)</u> | <u>\$ -</u> | <u>-</u> | <u>\$ 21,619,641</u> |

As of March 31, 2018, the Authority has committed approximately \$3,799,724 of additional funds to construction contracts related to these development projects. The construction projects are expected to be completed at various times ranging from April 2018 to October 2022.

**NOTE 5 LOANS RECEIVABLE**

**Initiatives through Component Units**

In accordance with HUD's HOPE VI grant program, the BHA and its component units have entered into a series of agreements such as note agreements, ground lease agreements and development and design service agreements with several private, unrelated entities for the development of mixed-financed, mixed-income housing, including replacement of public housing units.

These agreements are entered into and require the BHA to provide partial financing through loans and future assistance to preserve the affordable housing initiatives as outlined in its amended annual contribution contracts with HUD. The agreements also require the private entities to provide equity participation for which they receive allocations of low-income housing tax credits.

It is management's policy to fully reserve all accrued interest on notes receivable related to these initiatives. All principal and interest is due at the maturity date.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 5 LOANS RECEIVABLE (CONTINUED)**

| Borrower                                      | Interest<br>Rate | Amount            | Due Date   | Accrued<br>Interest |
|---|------------------|-------------------|------------|---------------------|
| Harbor Point                                  | 3.00%            | \$ 8,700,000      | 12/31/2041 | \$ 6,942,525        |
| Long-Glen Rental LLC                          | AFR/4.68%        | 1,850,000         | 02/28/2046 | 1,466,392           |
| Trinity East Boston LP                        | 0.10%            | 6,500,000         | 09/24/2033 | 85,632              |
| Trinity East Boston LP                        | 0.10%            | 9,082,234         | 09/24/2033 | 123,910             |
| Trinity East Boston II LP                     | AFR*/4.87%       | 4,959,056         | 09/24/2033 | 4,275,945           |
| Trinity East Boston III LP                    | 4.70%            | 4,856,085         | 04/19/2055 | 3,802,575           |
| Trinity East Boston IV                        | 2.00%            | 6,914,496         | 04/19/2055 | 1,770,069           |
| Trinity East Boston IV                        | 2.00%            | 4,931,926         | 04/19/2055 | 1,373,801           |
| <b>Total Trinity East</b>                     |                  | <b>37,243,797</b> |            | <b>11,431,932</b>   |
| West Broadway Redevelopment                   | 1.00%            | 3,570,000         | 12/23/2043 | 484,121             |
| West Broadway Redevelopment                   | 1.00%            | 10,821,700        | 12/23/2043 | 1,459,212           |
| West Broadway Redevelopment                   | 5.28%            | 7,866,831         | 12/01/2035 | 522,411             |
| <b>Total West Broadway</b>                    |                  | <b>22,258,531</b> |            | <b>2,465,744</b>    |
| Trinity Franklin Hill Limited Partnership     | 0.10%            | 6,256,406         | 12/31/2059 | 54,664              |
| Trinity Franklin Hill Limited Partnership     | 5.20%            | 3,640,739         | 03/13/2057 | 2,643,234           |
| Trinity Franklin Hill Limited Partnership     | 5.2% - 6.85%     | 1,271,428         | 04/25/2057 | 67,091              |
| <b>Total Trinity Franklin Hill</b>            |                  | <b>11,168,573</b> |            | <b>2,764,989</b>    |
| Trinity Washington Beech Phase One LP         | AFR/3.88%        | 196,327           | 06/10/2049 | 77,578              |
| Trinity Washington Beech Phase One LP         | 0.10%            | 4,407,763         | 06/10/2049 | 37,804              |
| Trinity Washington Beech Phase One LP         | 0.10%            | 9,751,330         | 06/10/2049 | 83,678              |
| <b>Total Trinity Washington Beech Phase 1</b> |                  | <b>14,355,420</b> |            | <b>199,060</b>      |
| Trinity Washington Beech Phase Two LP         | 2.70%            | 750,000           | 09/30/2057 | 163,861             |
| Trinity Washington Beech Phase Two LP         | 2.70%            | 2,602,537         | 09/30/2052 | 515,231             |
| Trinity Washington Beech Phase Two LP         | 0.50%            | 4,406,053         | 09/30/2057 | 140,907             |
| Trinity Washington Beech Phase Two LP         | 2.70%            | 2,175,082         | 09/30/2052 | 435,727             |
| Trinity Washington Beech Phase Two LP         | 0.50%            | 2,399,267         | 09/30/2057 | 76,051              |
| <b>Total Trinity Washington Beech Phase 2</b> |                  | <b>12,332,939</b> |            | <b>1,331,777</b>    |
| Old Colony Phase One LP                       | 0.00%            | 18,029,988        | 9/14/2054  | N/A                 |
| Old Colony Phase Two LP                       | 0.00%            | 8,443,327         | 5/19/2058  | N/A                 |
| <b>Total Old Colony</b>                       |                  | <b>26,473,315</b> |            | <b>N/A</b>          |
| Trinity Orient Heights                        | 2.85%            | 6,047,136         | 11/23/2068 | 57,110              |
| Trinity Orient Heights                        | 2.85%            | 10,725,000        | 9/14/2054  | 305,795             |
| <b>Total Trinity Orient Heights</b>           |                  | <b>16,772,136</b> |            | <b>362,905</b>      |
| Mission Main Phase One L.P.                   | 0.10%            | 52,838,077        | 01/01/2040 | 929,199             |
| Mission Main Phase One L.P.                   | AFR              | 2,320,531         | 01/01/2040 | 4,717,680           |
| Mission Main Phase One L.P.                   | 4.25%            | 6,741,479         | 01/01/2040 | 7,119,800           |
| Mission Main Phase One L.P.                   | AFR              | 1,505,091         | 11/01/2040 | 2,526,546           |
| Mission Main Phase One L.P.                   | 4.25%            | 4,844,346         | 11/01/2040 | 4,894,352           |
| <b>Total Mission Main</b>                     |                  | <b>68,249,524</b> |            | <b>20,187,577</b>   |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 5 LOANS RECEIVABLE (CONTINUED)**

| Borrower   | Interest<br>Rate | Amount                | Due Date              | Accrued<br>Interest |
|--|------------------|-----------------------|-----------------------|---------------------|
| Madison Trinity LP Phase I                         | 6.77%            | \$ 4,427,930          | 9/30/2036             | \$ 16,213,340       |
| Madison Trinity LP Phase I                         | 0.10%            | 4,591,805             | 9/30/2036             | 99,761              |
| Madison Trinity LP Phase II                        | 6.55%            | 138,000               | 09/15/2037            | 1,609,925           |
| Madison Trinity Phase II                           | 0.10%            | 4,342,350             | 09/15/2037            | 88,215              |
| Madison Trinity Phase II                           | 0.10%            | 3,962,000             | 09/15/2037            | 80,268              |
| Orchard Park Offsite Phase 1                       | AFR              | 3,725,458             | 11/16/2038            | 7,292,855           |
| Orchard Park Offsite Phase 1                       | 0.10%            | 3,050,000             | 11/16/2038            | 56,897              |
| Orchard Park Offsite Phase 1                       | 0.01%            | 1,762,000             | 11/16/2038            | 2,189               |
| Orchard Park Offsite Company LLC                   | 0.01%            | 4,086,237             | 11/16/2038            | 5,099               |
| Adams Orchard LP                                   | 0.10%            | 950,000               | 12/28/2038            | 18,495              |
| Adams Orchard LP                                   | 0.10%            | 2,046,964             | 12/28/2038            | 39,302              |
| Adams Orchard LP                                   | 0.10%            | 4,225,000             | 12/28/2038            | 80,194              |
| Adams Orchard LP                                   | 5.25%            | 5,964,928             | 12/28/2038            | 8,500,438           |
| <b>Total Orchard Park</b>                          |                  | <b>43,272,672</b>     |                       | <b>34,086,978</b>   |
| Trinity Washington Beech Phase Two LP              | 0.01%            | 6,175,000             | 09/30/2057            | 46,304              |
| Franklin Hill Unpaid Development Fees              | N/A              | 2,071,324             | N/A                   | N/A                 |
| Franklin Hill Unpaid Ground Lease                  | N/A              | 4,141,749             | 4/30/2106 & 4/30/2107 | 1,255,018           |
| Washington Beech Unpaid Ground Lease               | N/A              | 2,823,419             | 6/11/2108 & 9/30/2109 | 405,543             |
| Total  |                  | 277,888,399           |                       | 82,946,744          |
| Allowance for Collectability                       |                  | (2,472,737)           |                       | (82,946,744)        |
| <b>Total Loans Receivable - Primary Government</b> |                  | <b>\$ 275,415,662</b> |                       | <b>\$ -</b>         |

**NOTE 6 LONG-TERM LIABILITIES**

**Primary Government**

|  | Weighted<br>Avg Int Rate<br>3/31/2018 | April 1,<br>2017      | Additions            | Deletions             | March 31,<br>2018     | Current<br>Portion  |
|--|---------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|---------------------|
| Capital Debt:                              |                                       |                       |                      |                       |                       |                     |
| Project and Refunding Bond 2010            | 5.36%                                 | \$ 4,455,000          | \$ -                 | \$ (240,000)          | \$ 4,215,000          | \$ 250,000          |
| West Broadway Redevelopment Bond           | 5.28%                                 | 8,090,000             | -                    | (235,000)             | 7,855,000             | 245,000             |
| CFP Revenue Bonds Series 2008              | 4.25%                                 | 61,480,000            | -                    | (4,060,000)           | 57,420,000            | 4,100,000           |
| Build America Bonds Series 2010            | 4.98%                                 | 52,910,000            | -                    | (3,145,000)           | 49,765,000            | 1,945,000           |
| MHFA Heritage Housing Corp                 | 4.61%                                 | 19,171,912            | -                    | (213,896)             | 18,958,016            | 223,967             |
| MHFA Lower Mills Housing Corp              | 4.75%                                 | 8,614,155             | -                    | (95,917)              | 8,518,238             | 100,573             |
| Bond Premium                               |                                       | 1,265,539             | -                    | (137,040)             | 1,128,499             | -                   |
| Other Long-Term Liabilities:               |                                       |                       |                      |                       |                       |                     |
| Accrued Pension and OPEB Liabilities       | N/A                                   | 156,262,753           | 71,092,357           | -                     | 227,355,110           | -                   |
| Accrued Compensated Absences               | N/A                                   | 8,963,352             | -                    | (1,350,786)           | 7,612,566             | 1,116,193           |
| Retention and Other Noncurrent Liabilities | N/A                                   | 6,438,928             | -                    | (153,542)             | 6,285,386             | -                   |
| Total                                      |                                       | <u>\$ 327,651,639</u> | <u>\$ 71,092,357</u> | <u>\$ (9,631,181)</u> | <u>\$ 389,112,815</u> | <u>\$ 7,980,733</u> |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**Primary Government (Continued)**

**Project and Refunding Bonds 2010:** In October of 2010 the BHA refunded its Series 2005 Project and Refunding bonds. The new 2010 bond was issued in two series (A and B) and was purchased in its entirety by Bank of America. Series A, in the amount of \$3,140,000, is tax exempt and was used to refund the remaining Series 2005 principal which was paid off early. Series B, in the amount of \$2,585,000, a taxable Build America Bond (BAB) issue, was used for capital improvements at the BHA's 52 Chauncy Street headquarters. Under the BAB program, 35% of the Series B interest will be subsidized by the U.S. Treasury. The bonds are secured by the property. Payments of principal are due annually on November 1 and interest is due semi-annually on November 1 and May 1 of each year with serial maturities through 2030. The principal balance outstanding on the bonds at March 31, 2018 is \$4,215,000. The interest rate on Series A was 4.17% and on Series B was 6.22% and accrued interest totals \$95,316.

**West Broadway Redevelopment Bond:** Included in capital debt is a bond payable in the original amount of \$10,000,000, which was used to fund acquisition and rehabilitation at the West Broadway development. The bonds are secured by the property and interest accrues on the bond at a rate of 5.28% per annum. Payments of principal and interest are due on December 1 of each year beginning in 2006 with serial maturities through 2036. Interest is due semi-annually. The principal balance outstanding on the bond at March 31, 2018 is \$7,855,000, and accrued unpaid interest totals \$138,248.

**Capital Fund Program (CFP) Revenue Bonds Series 2008:** On April 1, 2008, the BHA issued CFP Revenue Bonds Series 2008 in the original amount of \$78,550,000 with a premium of \$2,320,185. The proceeds were used to address capital needs in several developments in the BHA's federal portfolio. The debt service on the bonds will come from future annual allocations of CFP funds. The bonds are secured by all revenues with respect to Capital Grants funds, subject to annual appropriations by the U.S. Government, and all moneys and securities held by the Trustee under the terms of the Bond Indenture. Interest rates vary from 3.50% to 5.00% per annum. Payments of interest are due on April and October 1 of each year beginning in 2008, and payments of principal are due annually on April 1 beginning in 2012 with serial maturities through 2029. The premium is amortized on the effective interest method over the term of the bonds. The principal balance outstanding on the bond at March 31, 2018 is \$57,420,000, and accrued unpaid interest totals \$1,360,579.

**Build America Bonds (BAB) Series 2010:** In March of 2010, the BHA issued \$59,005,000 in taxable municipal Build America Bonds. The bonds are classified as \$53,005,000 in Series 2010A and \$6,000,000 in Series 2010B. These bonds, part of the American Recovery and Reinvestment Act, provide a federal government subsidy of 33% towards the interest expense of the issuer. The bonds were used for the acquisition and installation of certain energy efficiency upgrades and equipment at various BHA facilities. The bonds are secured by the energy efficiency upgrades and equipment. The Custodial Receipts are payable solely from the Rental Payments received with respect to the Lease Purchase Agreement, together with the Direct Payment Subsidies, as defined in the Bond Agreement. Interest on the bonds accrues at 2.95% – 7.15% per annum. Payments of principal and interest are due on July 1st and January 1st of each year beginning in 2010 with serial maturities through 2033. The principal balance outstanding on the bond at March 31, 2018 is \$49,765,000, and accrued and unpaid interest totals \$845,152.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**Primary Government (Continued)**

**Massachusetts Housing Financing Agency (MHFA):** In May of 2011, the BHA obtained two mortgages through MHFA to use towards the capital needs of the developments of LMHC and HHC. The loans for LMHC and HHC total \$9,000,000 and \$19,500,000, respectively. Interest on the loans for LMHC and HHC accrue at 4.75% and 4.61%, respectively, and are secured by the properties. Funds totaling \$8,790,078 for LMHC and \$19,593,639 for HHC were drawn from MHFA. Principal payments and interest are due monthly based on a 40-year amortization period. The principal balance outstanding on the mortgages at March 31, 2018 is \$8,518,238 and \$18,958,016, respectively. Interest accrued for the year ended March 31, 2018 amounted to \$34,098 and \$73,652, respectively.

Scheduled principal, interest, and subsidy repayments on the capital debt are as follows:

| <u>Primary Government</u> | <u>Principal</u>      | <u>Interest</u>      | <u>Subsidy</u>        | <u>Total</u>          |
|---------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| 2019                      | \$ 6,864,540          | \$ 7,806,642         | \$ (1,057,362)        | \$ 13,613,820         |
| 2020                      | 7,254,969             | 7,464,778            | (1,021,837)           | 13,697,910            |
| 2021                      | 7,666,129             | 7,089,132            | (982,811)             | 13,772,450            |
| 2022                      | 8,083,061             | 6,540,772            | (940,688)             | 13,683,145            |
| 2023                      | 8,500,800             | 6,146,841            | (894,240)             | 13,753,401            |
| 2024-2028                 | 54,040,980            | 24,872,485           | (4,060,751)           | 74,852,714            |
| 2029-2033                 | 31,334,444            | 9,323,686            | (993,394)             | 39,664,736            |
| 2034-2038                 | 5,966,770             | 4,689,890            | -                     | 10,656,660            |
| 2039-2043                 | 4,518,210             | 3,463,050            | -                     | 7,981,260             |
| 2044-2048                 | 5,699,554             | 2,281,706            | -                     | 7,981,260             |
| 2049-2053                 | 6,801,797             | 794,936              | -                     | 7,596,733             |
| Total                     | <u>\$ 146,731,254</u> | <u>\$ 80,473,918</u> | <u>\$ (9,951,083)</u> | <u>\$ 217,254,089</u> |

**Discretely Presented Component Units**

|                                      | <u>Interest<br/>Rate</u> | <u>January 1,<br/>2017</u> | <u>Additions</u> | <u>Principal<br/>Payments</u> | <u>December 31,<br/>2017</u> |
|--------------------------------------|--------------------------|----------------------------|------------------|-------------------------------|------------------------------|
| Capital Debt:                        |                          |                            |                  |                               |                              |
| BHA 1st Mortgage Loan                | 5.28%                    | \$ 8,078,299               | \$ -             | \$ (235,000)                  | \$ 7,843,299                 |
| BHA State Capital Assistance Loan    | 1.00%                    | 10,821,700                 | -                | -                             | 10,821,700                   |
| BHA/City Loan                        | 1.00%                    | 3,570,000                  | -                | -                             | 3,570,000                    |
| Unamortized Deferred Financing Costs |                          | (210,974)                  | -                | 9,072                         | (201,902)                    |
| Total                                |                          | <u>\$ 22,259,025</u>       | <u>\$ -</u>      | <u>\$ (225,928)</u>           | <u>\$ 22,033,097</u>         |

**BHA 1<sup>st</sup> Mortgage Loan:** Permanent financing has been provided in the form of a \$10,000,000 Authority First Mortgage Loan from the BHA bearing interest at 5.28%, compounded annually, and is secured by the Property. The BHA funded this loan through the issuance of tax exempt bonds. From December 23, 2003 until November 30, 2006, payments of interest only were due and payable semi-annually, on December 1 and June 1. After December 1, 2006, payments of principal and interest shall be due and payable on December 1 in accordance with Schedule A of the Authority First Mortgage Loan Agreement. The entire outstanding principal balance together with all accrued but unpaid interest is due and payable in full on December 1, 2035. Accrued interest totaled \$37,151 as of December 31, 2017. Interest expense for the year ended December 31, 2017 totaled \$427,152 and the outstanding principal balance at that date was \$7,843,299.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**Discretely Presented Component Units (Continued)**

Under the Regulatory and Operating Agreement, the BHA has agreed to provide certain subsidy payments to the Partnership in exchange for the covenants and agreements for the Partnership to maintain the property as low income rental housing. Such subsidy payments will be funded by the Massachusetts Department of Housing and Community Development (DHCD) and will be utilized to pay debt service under this mortgage. Subsidies received for the year ended December 31, 2017 were \$662,152.

**State Capital Assistance Loan:** The BHA has provided a State Capital Assistance Loan in the amount of \$10,821,700. The loan bears interest at 1.00% per annum, compounded annually, and will mature on December 23, 2043, when all principal and interest will become due. The loan is secured by the property. As of December 31, 2017, accrued and unpaid interest totaled \$1,428,586 and interest expense incurred for the year ended December 31, 2017 was \$121,290.

**BHA/City Loan:** The BHA has provided a City Loan in the amount of \$3,570,000. The loan bears interest at 1.00% per annum, compounded annually, and will mature on December 23, 2043, when all principal and interest will become due. The loan is secured by the property. As of December 31, 2017, accrued and unpaid interest totaled \$470,327 and interest expense incurred for the year ended December 31, 2017 was \$40,591.

| <u>Discretely Presented Component Units</u> | <u>Principal</u>            |
|---|-----------------------------|
| 2018  | \$ 245,000                  |
| 2019  | 260,000                     |
| 2020  | 275,000                     |
| 2021  | 290,000                     |
| 2022  | 305,000                     |
| Thereafter                                  | <u>20,859,999</u>           |
| Total                                       | <u><u>\$ 22,234,999</u></u> |

**NOTE 7 PENSION PLAN**

**Plan Description**

All full-time employees of the Authority are eligible to participate in the State-Boston Retirement System (the "System" or "Plan"), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Massachusetts General Law (M.G.L.). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the Plan, regardless of the status of the employer's payment of its pension obligation to the Plan. The Plan provides retirement benefits, death benefits, and disability benefits to Plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the State-Boston Retirement System, Boston City Hall, Room 816, Boston, Massachusetts 02201.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 PENSION PLAN (CONTINUED)**

**Contributions**

Contributions are set by the Commonwealth. Participating employers are required to pay into the System their share of the remaining actuarially determined contribution and plan administration costs, which are apportioned among the participating employers based on an actuarial computation.

As a condition of participation, employees are required to contribute 5% of their salary if hired prior to January 1, 1975; 7% if hired after January 1, 1975, and before January 1, 1984; 8% if hired after January 1, 1984, and before July 1, 1996; and 9% if hired after July 1, 1996. Employees hired after January 1, 1979, contribute an additional 2% of earnings in excess of \$30,000 per year. Overtime and certain additional earnings are not subject to these assessments and are not considered in the determination of final average salary.

The Authority's required and actual contribution to the System for the year ended March 31, 2018 was \$11,615,622.

**Benefits Provisions**

Plan provisions are set by Statute of the Commonwealth. Participation in the System is mandatory for all permanent, full-time, and certain part-time employees immediately upon the commencement of employment. Participants who resign from employment or are receiving workers' compensation benefits and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. In addition, those participants who resign voluntarily with less than ten years of service are entitled to receive 3% per year interest; all others receive interest that has accrued on their cumulative deductions at the regular rate (0.10% at December 31, 2017).

Employees with ten or more years of service having attained age 55 are entitled to pension benefits; an earlier retirement is allowed upon completion of 20 years of service. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest consecutive three-year average annual rate of regular compensation (highest consecutive five-year average for those members who join the System on or after April 2, 2012). Benefit payments are based upon a participant's age, length of creditable service, regular compensation, and group classification. Participants become vested after ten years of creditable service. Effective July 1, 1998, the Statute of the Commonwealth assigned the authority to establish and amend benefit provision and grant cost-of-living increases for the Plan to the Boston Retirement System.

If a member in service dies due to causes unrelated to his or her job, the surviving spouse and/or surviving dependent children may receive retirement allowance benefits, either in a lump sum or in the form of an annuity, based on the length of service, contributions, and age. In the event there are no spouse and/or dependent children named, other beneficiaries may be entitled to a lump-sum distribution. Participants who become permanently and totally disabled from further duty may be eligible to receive accidental or ordinary disability retirement benefits.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 PENSION PLAN (CONTINUED)**

**Benefits Provisions (Continued)**

Accidental disability is provided to members with incapacitation resulting from a work related injury or hazard. Generally, annual pension benefits are provided based on 72% of the annual rate of regular compensation a member earned while an active employee on date of injury or average annual rate of regular compensation. Ordinary disability is available to any member whose permanent incapacitation is not work-related and has attained the age of 55 (or actual age of over 55) based on the amount of creditable service actually earned. Limits are placed on how much a disability employee can earn from other sources while collecting a disability retirement pension.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2017. These valuations used the following actuarial assumptions, applied to all periods included in the measurement:

**Long-Term Expected Rate of Return**

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, for each major asset class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table:

| <u>Asset Class</u>                     | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|--|------------------------------|---|
| Domestic Equity                        | 25%                          | 6.15%   |
| International Developed Markets Equity | 16                           | 7.11  |
| Emerging Markets Equity                | 11                           | 9.41  |
| Core Fixed Income                      | 11                           | 1.68  |
| High Yield Fixed Income                | 13                           | 4.13  |
| Real Estate                            | 10                           | 4.90  |
| Hedge Fund, GTAA, Risk Parity          | 7                            | 3.94  |
| Private Equity                         | 7                            | 10.28   |

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75% for the System. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the System contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 PENSION PLAN (CONTINUED)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the System and the Authority, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

|                                   | <u>1% Decrease</u> | <u>Current<br/>Discount</u> | <u>1% Increase</u> |
|-----------------------------------|--------------------|-----------------------------|--------------------|
| Net Pension Liability (System)    | \$ 2,290,649,789   | \$ 1,543,171,012            | \$ 911,388,861     |
| Net Pension Liability (Authority) | 116,675,787        | 78,602,453                  | 46,422,204         |

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At March 31, 2018, the Authority reported a liability of \$78,602,453 for its proportionate share of the net pension liability related to its participation in the System. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on its share of contributions to the System for calendar year 2017 relative to the total contributions of all participating employers for that fiscal year. At December 31, 2017, the Authority's proportion was 5.1%.

For the year ended March 31, 2018, the Authority recognized a recovery of \$8,646,982. At March 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | \$ -  | \$ 5,687,269                                 |
| Differences Between Expected and Actual Experience                               | -   | 5,980,860                                    |
| Changes of Assumptions   | 8,984,425                                     | 2,340,159                                    |
| Changes in Proportionate Share   | -   | 11,291,970                                   |
| Contributions Made Subsequent to Measurement Date                                | 3,385,457                                     | -  |
| Total  | <u>\$ 12,369,882</u>                          | <u>\$ 25,300,258</u>                         |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended March 31:

| <u>Year Ending March 31,</u> | <u>Amount</u>          |
|------------------------------|------------------------|
| 2019                         | \$ 1,150,161           |
| 2020                         | (218,791)              |
| 2021                         | (3,903,392)            |
| 2022                         | (3,817,840)            |
| 2023                         | (9,525,971)            |
| Total                        | <u>\$ (16,315,833)</u> |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT**

**Plan Description**

The Authority participates in a single-employer defined benefit Other Postemployment Benefit (OPEB) plan that is used to provide postemployment benefits. Employees who have Authority-sponsored health coverage in force as of their termination date and meet certain age and length of service requirements may be eligible for the Authority's retiree health care coverage plan. The benefits, benefit levels, employee contributions and employer contributions are governed by, and can be amended by, the Commonwealth of Massachusetts Group Insurance Commission. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided**

Medical coverage, including prescription drugs as part of the medical plan, is offered to pre-65 and post-65 retirees through the Commonwealth of Massachusetts Group Insurance Commission on a fully insured basis. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to the plan design and contribution rates must be accomplished through the collective bargaining process (for union employees) or Administrator policy decisions (for nonunion employees). In addition, life insurance is provided for retirees only up to \$5,000 benefit through The Hartford (excludes Survivors). The contribution requirements of the plan members and the Authority are established and may be amended by the Authority. Retiree contribution rates vary by date of hire and date of retirement. Contributions are based on a percentage of premium and are the same for employee and family coverage. Below is a summary of retiree contribution percentages:

| <u>Category</u>   | <u>Retiree Contribution</u> |
|---|-----------------------------|
| Retired before 7/2/1994   | 10%                         |
| Retired on or after 7/2/1994 and filed for retirement before 10/2/2009    | 15%                         |
| Filed for retirement on or after 10/2/2009 and hired before 7/1/2003      | 20%                         |
| Filed for retirement on or after 10/2/2009 and hired on or after 7/1/2003 | 25%                         |
| Survivors   | 10%                         |

The Authority currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis.

**Employees Covered by Benefit Terms**

At March 31, 2018, the following employees were covered by the benefit terms:

|   |              |
|---|--------------|
| Inactive plan members or beneficiaries currently receiving benefits | 692          |
| Active plan members   | 584          |
| Total Plan Members  | <u>1,276</u> |

**Total OPEB Liability**

The Authority's total OPEB liability of \$148,752,658 was measured as of March 31, 2018, and was determined by an actuarial valuation as of April 1, 2017, which has been rolled forward to the March 31, 2018 measurement date.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT (CONTINUED)**

**Actuarial Methods and Assumptions**

The total OPEB liability in the April 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

|                              |   |          |
|------------------------------|---|----------|
| Valuation Date               | April 1, 2017   |          |
| Actuarial Cost Method        | Entry Age Normal, Level Percentage of Payroll   |          |
| Discount Rate                | 3.70% based on average of three 20-year bond indices  |          |
| Municipal Bond Rate Basis    | Bond Buyers GO 20 Year Municipal Bond Index, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years  |          |
| Expected Return on Assets    | N/A   |          |
| Mortality                    | RP-2014 Healthy Male and Female tables based on Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvement using Projection Scale AA for 3.25 years, plus 15 years additional mortality improvement. |          |
| Health Care Cost Trend Rates | Initial   | Ultimate |
| Pre-65                       | 8.00%   | 5.00%    |
| Post-65                      | 8.00%   | 5.00%    |

**Changes in the Total OPEB Liability**

|                                  |                         |
|----------------------------------|-------------------------|
|                                  | Total OPEB<br>Liability |
| Balance at March 31, 2017        | \$ 146,425,067          |
| Service Cost                     | 1,808,631               |
| Interest on Total OPEB Liability | 5,328,746               |
| Benefit Payments                 | (4,809,786)             |
| Net Changes                      | 2,327,591               |
| Balance at March 31, 2018        | <u>\$ 148,752,658</u>   |

*Sensitivity of the Authority's total OPEB liability to changes in the discount rate*

The following presents the Authority's total OPEB liability calculated using the discount rate of 3.70 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.70 percent) or 1-percentage-point higher (4.70 percent) than the current discount rate:

|                      |                        |                             |                        |
|----------------------|------------------------|-----------------------------|------------------------|
|                      | 1% Decrease<br>(2.70)% | Current Discount<br>(3.70)% | 1% Increase<br>(4.70)% |
| Total OPEB Liability | \$ 177,362,289         | \$ 148,752,658              | \$ 126,927,308         |

**BOSTON HOUSING AUTHORITY  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFIT (CONTINUED)**

*Sensitivity of the Authority's total OPEB liability to changes in the healthcare cost trend rates*

The following presents the Authority's total OPEB liability as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | <u>1% Decrease</u> | <u>Healthcare Cost<br/>Trend Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|---------------------------------------|--------------------|
| Total OPEB Liability | \$ 125,561,660     | \$ 148,752,658                        | \$ 179,877,596     |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended March 31, 2018, the Authority recognized OPEB expense of \$7,137,377. At March 31, 2018, the Authority did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 DEVELOPMENT INITIATIVES**

Principal payments, based upon funds advanced under the loans are due on the outstanding notes receivable as follows for the year ending March 31, 2018:

The buildings and improvements at the Developments secure the notes.

**Summary of Annual Ground Leases Related to Development Initiatives**

| Tenant                                   | Term<br>(Years) | Lease<br>Expiration | Income<br>Recognized<br>in FY 2018 | Annual<br>Payment | Rate on<br>Accrued<br>Balance |
|--|-----------------|---------------------|------------------------------------|-------------------|-------------------------------|
| Mission Main Phase One L.P.              | 99              | 12/31/2097          | \$ -                               | Contingent *      | N/A                           |
| Mission Main Phase Two L.P.              | 99              | 12/31/2099          | -                                  | Contingent *      | N/A                           |
| Mission Main Phase Three L.P.            | 99              | 12/31/2099          | -                                  | Contingent *      | N/A                           |
| Orchard Park Phase One and Two           | 75              | 12/31/2071          | -                                  | Contingent *      | N/A                           |
| Orchard Park Phase Three                 | 75              | 12/31/2073          | -                                  | Contingent *      | N/A                           |
| Orchard Park Offsite Phase One           | 100             | 12/31/2097          | -                                  | None              | N/A                           |
| Trinity East Boston L.P.                 | 99              | 09/24/2102          | -                                  | None              | N/A                           |
| Trinity East Boston Three L.P.           | 99              | 04/19/2104          | -                                  | None              | N/A                           |
| Trinity East Boston Four L.P.            | 99              | 04/19/2104          | -                                  | None              | N/A                           |
| West Broadway Redevelopment              | 99              | 12/31/2102          | -                                  | \$ 67,000         | 0.00%                         |
| Harbor Point L.P.                        | 99              | 11/26/2085          | -                                  | None **           | N/A                           |
| Trinity Franklin Hill L.P. - Phase One A | 99              | 04/30/2106          | 180,000                            | 180,000           | 5.25%                         |
| Trinity Franklin Hill L.P. - Phase Two A | 99              | 04/30/2107          | 200,000                            | 200,000           | 4.46%                         |
| Trinity Franklin Hill L.P. - Phase One B | 99              | 04/30/2106          | -                                  | 48,000            | 5.25%                         |
| Trinity Franklin Hill L.P. - Phase Two B | 99              | 04/30/2107          | 56,000                             | 56,000            | 4.46%                         |
| Trinity Washington Beech - Phase One A   | 99              | 06/11/2108          | 70,000                             | 70,000            | 1.00%                         |
| Trinity Washington Beech - Phase One B   | 99              | 06/11/2108          | 100,000                            | 100,000           | 1.00%                         |
| Trinity Washington Beech - Phase Two A   | 99              | 09/30/2109          | 105,840                            | 105,840           | 4.03%                         |
| Trinity Washington Beech - Phase Two B   | 99              | 09/30/2109          | 164,160                            | 164,160           | 4.03%                         |
| Old Colony Phase One L.P.                | 99              | 09/15/2109          | -                                  | None              | N/A                           |
| West Concord L.P.                        | 99              | 12/31/2102          | -                                  | None              | N/A                           |
| Lower Mills Housing Corporation          | 99              | 05/31/2110          | 420,000                            | Contingent ***    | N/A                           |
| Heritage Housing Corporation             | 99              | 05/31/2110          | 1,698,053                          | Contingent ***    | N/A                           |
| Total                                    |                 |                     | <u>\$ 2,994,053</u>                | <u>\$ 991,000</u> |                               |

\* Remaining future ground lease payments are dependent upon effective gross income, as defined, at the projects and are not expected to be significant to the Authority's operations.

\*\* Additional future rent payments are contingent upon defined net cash flow.

\*\*\* The ground leases of Lower Mills and Heritage require a one-time base payment of \$279,857 and \$304,000, respectively, of which \$139,929 and \$304,000, respectively, has been received as of March 31, 2018. In addition, annual payments are payable from surplus cash flow as defined in the ground leases.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 DEVELOPMENT INITIATIVES (CONTINUED)**

**Developer Fees**

Through several of the redevelopment agreements, the Authority is entitled to developer and oversight fees upon completion of certain benchmarks throughout the projects or as a reimbursement for development fees paid on behalf of the projects. For the year ending March 31, 2018, the Authority earned \$0, in developer and oversight fees, which is included in other operating revenue in the accompanying statement of revenues, expenses, and changes in net position.

**NOTE 10 RISK MANAGEMENT**

The Authority, with HUD approval, has elected to self-insure its risks for general liability claims. As of March 31, 2018, the Authority accrued a liability of \$2,156,506 (included in noncurrent liabilities - other) based upon the actuarial analysis for claims incurred that have not been settled or reported.

Changes in the self-insured liability are as follows:

|      | Beginning of<br>Fiscal Year | Interest and<br>Provision for<br>Estimates and<br>Losses | Claim<br>Payments | End of Fiscal<br>Year |
|------|-----------------------------|--|-------------------|-----------------------|
| 2018 | \$ 2,156,506                | \$ -   | \$ -              | \$ 2,156,506          |
| 2017 | 2,181,090                   | 40,479   | (40,479)          | 2,181,090             |
| 2016 | 2,181,090                   | 95,911   | (95,911)          | 2,181,090             |

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

The Authority receives significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and operating subsidies. Disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims would not have a material adverse impact on the overall financial position of the Authority at March 31, 2018.

The Authority is a defendant in a number of lawsuits arising from claims for personal injury, property damage, breach of contract, and personnel grievance matters. Management believes the resolution of these matters will not have a material impact on the Authority's operations.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

In relation to West Broadway Redevelopment Limited Partnership, the Authority (as Guarantor) unconditionally guarantees to the investor-limited partner, the due and punctual performance by the general partner and developer of all their obligations under the partnership agreement and the development agreement. Such obligations are limited to \$1,000,000 under the guaranty. In addition, the maximum amount to be advanced by the Authority, during the time period defined in the guaranty, to the general partner with respect to obligations of the Partnership to discharge operating expenses is limited to \$250,000. The Partnership also agrees to pay to the BHA an annual Program Oversight Fee in the amount of \$75,000. In the event that any amounts are owed by the Authority under this guaranty, the Program Oversight Fee owed to the Authority by the Partnership shall be deemed to be paid to the Authority. Such amounts shall then be used to satisfy the obligations of the Authority under this guaranty.

The Authority has entered into notes receivable agreements for amounts which have not yet been disbursed. As of March 31, 2018, these amounts totaled \$15,952,864 related to Trinity Orient Heights.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

|  | Boston Housing<br>Capital Investment<br>Corporation | Boston Housing<br>Development | Mission Main<br>Revitalize Corp | Boston<br>Mt. Pleasant<br>HDC | Franklin Hill<br>Revitalize Corp | Maverick<br>Revitalize Corp | West Broadway<br>Housing Corp | Boston Public<br>Housing Corp | Orchard Park<br>Revitalize Corp | Old Colony<br>Revitalize Corp | Wash/Beech<br>Revitalize Corp | Lower Mills<br>Housing Corp | Heritage Homes<br>Housing Corp | Primary<br>Government | Total          |
|--|---|-------------------------------|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------|----------------|
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                  |   |                               |                                 |                               |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                |
| Cash and Investments                                 | \$ -  | \$ -                          | \$ 1,235,896                    | \$ -                          | \$ 1,189,492                     | \$ -                        | \$ -                          | \$ 14,116                     | \$ -                            | \$ 2,612,868                  | \$ 2,007,372                  | \$ 703,823                  | \$ 2,000,655                   | \$ 90,539,718         | \$ 100,303,940 |
| Restricted Cash and Investments                      | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | 607,216                       | 979,378                       | 2,313,965                   | 19,208,446                     | 23,109,005            | 23,109,005     |
| Other Current Assets                                 | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | 441                           | 239,090                       | 405,967                     | 14,265,121                     | 14,910,619            |                |
| Interprogram - Due from                              | 93,810  | -                             | 758,168                         | -                             | 295,726                          | -                           | -                             | 170,988                       | 8,000                           | 191,320                       | 481,632                       | 778,592                     | 284,148                        | (3,062,384)           | -              |
| Noncurrent Assets                                    | 111,522,196   | -                             | -                               | -                             | 5,393,073                        | -                           | -                             | 6,175,000                     | -                               | -                             | 2,823,419                     | 278,258                     | 989,235                        | 149,074,666           | 276,255,847    |
| Capital Assets:                                      | 942,021   | -                             | 1,542,291                       | -                             | 1,142,934                        | 1,018,617                   | -                             | -                             | 4,903,602                       | 987,804                       | 687,061                       | 10,675,355                  | 23,114,475                     | 256,632,317           | 301,646,477    |
| Deferred Outflows                                    | -   | -                             | -                               | -                             | -                                | -                           | -                             | (6,446)                       | -                               | -                             | -                             | 159,736                     | 31,761                         | 12,184,831            | 12,369,882     |
| Total Assets and Deferred Outflows                   | 112,558,027   | -                             | 3,536,355                       | -                             | 8,021,225                        | 1,018,617                   | -                             | 6,353,658                     | 4,911,602                       | 3,792,433                     | 6,606,700                     | 13,814,232                  | 29,140,206                     | 538,842,715           | 728,595,770    |
| <b>LIABILITIES AND DEFERRED INFLOWS</b>              |   |                               |                                 |                               |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                |
| Current Liabilities                                  | -   | -                             | -                               | -                             | -                                | -                           | -                             | 5,545                         | -                               | -                             | -                             | 338,766                     | 809,908                        | 48,201,352            | 49,355,571     |
| Interprogram - Due to                                | 478   | 289                           | -                               | 60                            | 1,951                            | 15,708                      | 25,518                        | 205,426                       | 23,049                          | 3,428                         | 140,864                       | 1,541,643                   | 1,676,650                      | (3,635,064)           | -              |
| Noncurrent Liabilities                               | -   | -                             | -                               | -                             | -                                | -                           | -                             | (13,900)                      | -                               | -                             | -                             | 11,309,696                  | 19,164,689                     | 350,671,597           | 381,132,082    |
| Deferred Inflows                                     | -   | -                             | -                               | -                             | -                                | -                           | -                             | 7,499                         | -                               | -                             | -                             | 237,348                     | 45,605                         | 25,009,806            | 25,300,258     |
| Total Liabilities and Deferred Inflows               | 478   | 289                           | -                               | 60                            | 1,951                            | 15,708                      | 25,518                        | 204,570                       | 23,049                          | 3,428                         | 140,864                       | 13,427,453                  | 21,696,852                     | 420,247,691           | 455,787,911    |
| <b>NET POSITION</b>                                  |   |                               |                                 |                               |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                |
| Net Investment in Capital Assets                     | 942,021   | -                             | 1,542,291                       | -                             | 1,142,934                        | 1,018,617                   | -                             | -                             | 4,903,602                       | 987,804                       | 687,061                       | 2,157,116                   | 4,156,460                      | 145,232,316           | 162,770,222    |
| Restricted   | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | -                             | -                             | 979,567                     | 2,314,192                      | 19,380,438            | 22,674,197     |
| Unrestricted   | 111,615,528   | (289)                         | 1,994,064                       | (60)                          | 6,876,340                        | (15,708)                    | (25,518)                      | 6,149,088                     | (15,049)                        | 2,801,201                     | 5,778,775                     | (2,748,904)                 | 972,702                        | (46,017,730)          | 87,363,440     |
| Total Net Position                                   | 112,557,549   | (289)                         | 3,536,355                       | (60)                          | 8,019,274                        | 1,002,909                   | (25,518)                      | 6,149,088                     | 4,888,553                       | 3,789,005                     | 6,465,836                     | 386,779                     | 7,443,354                      | 118,595,024           | 272,807,859    |
| Total Liabilities, Deferred Inflows and Net Position | \$ 112,558,027                                      | \$ -                          | \$ 3,536,355                    | \$ -                          | \$ 8,021,225                     | \$ 1,018,617                | \$ -                          | \$ 6,353,658                  | \$ 4,911,602                    | \$ 3,792,433                  | \$ 6,606,700                  | \$ 13,814,232               | \$ 29,140,206                  | \$ 538,842,715        | \$ 728,595,770 |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

|   | Boston Housing<br>Capital Investment<br>Corporation | Boston Housing<br>Development | Mission Main<br>Revitalize Corp | Boston<br>Mt. Pleasant<br>HDC | Franklin Hill<br>Revitalize Corp | Maverick<br>Revitalize Corp | West Broadway<br>Housing Corp | Boston Public<br>Housing Corp | Orchard Park<br>Revitalize Corp | Old Colony<br>Revitalize Corp | Wash/Beech<br>Revitalize Corp | Lower Mills<br>Housing Corp | Heritage Homes<br>Housing Corp | Primary<br>Government | Total          |
|---|---|-------------------------------|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------|----------------|
| <b>OPERATING REVENUES</b>                             |   |                               |                                 |                               |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                |
| Tenant Revenue  | \$ -  | \$ -                          | \$ -                            | \$ -                          | \$ -                             | \$ -                        | \$ -                          | \$ -                          | \$ -                            | \$ -                          | \$ -                          | \$ 2,304,882                | \$ 4,039,175                   | \$ 46,166,557         | \$ 52,510,614  |
| Other Revenue   | 93,810  | -                             | 280,350                         | -                             | 509,661                          | -                           | -                             | 83,689                        | -                               | -                             | 440,000                       | 138,721                     | 126,087                        | 332,442,104           | 334,114,422    |
| Total Operating Revenues                              | 93,810  | -                             | 280,350                         | -                             | 509,661                          | -                           | -                             | 83,689                        | -                               | -                             | 440,000                       | 2,443,603                   | 4,165,262                      | 378,608,661           | 386,625,036    |
| <b>OPERATING EXPENSES</b>                             |   |                               |                                 |                               |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                |
| Administrative  | -   | -                             | 3,414                           | -                             | 3,433                            | 3,414                       | -                             | 46,746                        | 3,414                           | 3,414                         | 3,416                         | 167,632                     | 502,664                        | 43,729,353            | 44,466,900     |
| Tenant Services                                       | -   | -                             | -                               | -                             | -                                | -                           | -                             | 68,499                        | -                               | -                             | 81,878                        | 90,089                      | 66,293                         | 2,220,697             | 2,527,456      |
| Utilities   | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | -                             | -                             | 256,476                     | 769,866                        | 35,520,054            | 36,546,396     |
| Ordinary Maintenance and Operations                   | -   | -                             | -                               | -                             | 47                               | -                           | -                             | 7,500                         | -                               | 81                            | 85                            | 628,386                     | 577,880                        | 58,987,560            | 60,201,539     |
| General Expenses                                      | 15  | -                             | 417                             | -                             | 15                               | 15                          | 515                           | 15                            | 15                              | 15                            | -                             | 2,020,309                   | 1,575,275                      | 6,668,522             | 10,265,128     |
| Depreciation  | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | -                             | -                             | 341,698                     | 720,105                        | 37,325,079            | 38,386,882     |
| Housing Assistance Payments                           | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | -                             | -                             | -                           | -                              | 205,924,584           | 205,924,584    |
| Total Operating Expenses                              | 15  | -                             | 3,831                           | -                             | 3,495                            | 3,429                       | 515                           | 122,760                       | 3,429                           | 3,510                         | 85,379                        | 3,504,590                   | 4,212,083                      | 390,375,849           | 398,318,885    |
| Operating Income (Loss)                               | 93,795  | -                             | 276,519                         | -                             | 506,166                          | (3,429)                     | (515)                         | (39,071)                      | (3,429)                         | (3,510)                       | 354,621                       | (1,060,987)                 | (46,821)                       | (11,767,188)          | (11,693,849)   |
| Total Nonoperating Revenues (Expenses)                | -   | -                             | -                               | -                             | 2,066                            | -                           | -                             | 2                             | -                               | 17,676                        | 6,197                         | (394,464)                   | (847,254)                      | (6,203,199)           | (7,418,976)    |
| Capital Grants  | -   | -                             | -                               | -                             | -                                | -                           | -                             | -                             | -                               | -                             | -                             | -                           | -                              | 9,475,643             | 9,475,643      |
| Change in Net Position                                | 93,795  | -                             | 276,519                         | -                             | 508,232                          | (3,429)                     | (515)                         | (39,069)                      | (3,429)                         | 14,166                        | 360,818                       | (1,455,451)                 | (894,075)                      | (8,494,744)           | (9,637,182)    |
| Total Net Position, Beginning of Year,<br>As Restated | 112,463,754   | (289)                         | 3,259,836                       | (60)                          | 7,511,042                        | 1,006,338                   | (25,003)                      | 6,188,157                     | 4,891,982                       | 3,774,839                     | 6,105,018                     | 1,842,230                   | 8,337,429                      | 127,089,768           | 282,445,041    |
| Total Net Position, End of Year                       | \$ 112,557,549                                      | \$ (289)                      | \$ 3,536,355                    | \$ (60)                       | \$ 8,019,274                     | \$ 1,002,909                | \$ (25,518)                   | \$ 6,149,088                  | \$ 4,888,553                    | \$ 3,789,005                  | \$ 6,465,836                  | \$ 386,779                  | \$ 7,443,354                   | \$ 118,595,024        | \$ 272,807,859 |

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018**

**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

|   | Boston Housing<br>Capital Investment<br>Corporation | Boston Housing<br>Development | Mission Main<br>Revitalize Corp | Boston<br>Mt. Pleasant | Franklin Hill<br>Revitalize Corp | Maverick<br>Revitalize Corp | West Broadway<br>Housing Corp | Boston Public<br>Housing Corp | Orchard Park<br>Revitalize Corp | Old Colony<br>Revitalize Corp | Wash/Beech<br>Revitalize Corp | Lower Mills<br>Housing Corp | Heritage Homes<br>Housing Corp | Primary<br>Government | Total                 |
|---|---|-------------------------------|---------------------------------|------------------------|----------------------------------|-----------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------|-----------------------|-----------------------|
| <b>NET CASH PROVIDED (USED) BY</b>                              |   |                               |                                 |                        |                                  |                             |                               |                               |                                 |                               |                               |                             |                                |                       |                       |
| Operating Activities  | \$ (93,810)   | \$ -                          | \$ 280,350                      | \$ -                   | \$ 418,310                       | \$ -                        | \$ -                          | \$ 2                          | \$ -                            | \$ (859)                      | \$ 962,356                    | \$ 656,517                  | \$ 316,384                     | \$ 36,247,190         | \$ 38,786,440         |
| Noncapital Financing Activities                                 | -   | -                             | -                               | -                      | -                                | -                           | -                             | -                             | -                               | -                             | -                             | (165,753)                   | (12,927)                       | 178,680               | -                     |
| Capital and Related Financing Activities                        | -   | -                             | -                               | -                      | -                                | -                           | -                             | -                             | -                               | -                             | -                             | -                           | -                              | (15,167,682)          | (15,167,682)          |
| Investing Activities  | 93,810  | -                             | -                               | -                      | 2,066                            | -                           | -                             | -                             | -                               | 17,676                        | (241,581)                     | (29,128)                    | (61,578)                       | 12,132,032            | 11,913,297            |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b> | -   | -                             | 280,350                         | -                      | 420,376                          | -                           | -                             | 2                             | -                               | 16,817                        | 720,775                       | 461,636                     | 241,879                        | 33,390,220            | 35,532,055            |
| Cash and Cash Equivalents - Beginning of Year                   | -   | -                             | 955,546                         | -                      | 769,116                          | -                           | -                             | 14,114                        | -                               | 2,596,051                     | 1,286,597                     | 242,187                     | 1,758,776                      | 72,090,782            | 79,713,169            |
| <b>CASH AND CASH EQUIVALENTS -<br/>END OF YEAR</b>              | <b>\$ -</b>   | <b>\$ -</b>                   | <b>\$ 1,235,896</b>             | <b>\$ -</b>            | <b>\$ 1,189,492</b>              | <b>\$ -</b>                 | <b>\$ -</b>                   | <b>\$ 14,116</b>              | <b>\$ -</b>                     | <b>\$ 2,612,868</b>           | <b>\$ 2,007,372</b>           | <b>\$ 703,823</b>           | <b>\$ 2,000,655</b>            | <b>\$ 105,481,002</b> | <b>\$ 115,245,224</b> |

**REQUIRED SUPPLEMENTARY INFORMATION**

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS  
BOSTON RETIREMENT SYSTEM  
YEAR ENDED MARCH 31, 2018**

|   | <u>2018</u>              | <u>2017</u>              | <u>2016</u>              |
|---|--------------------------|--------------------------|--------------------------|
| Actuarially Determined Contribution                                     | \$ 11,615,622            | \$ 11,794,855            | \$ 11,587,611            |
| Contributions in Relation to the Actuarially<br>Determined Contribution | <u>11,615,622</u>        | <u>11,794,855</u>        | <u>11,587,611</u>        |
| Contribution Deficiency (Excess)  | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ -</u>              |
| <br>Covered Payroll   | <br><u>\$ 46,922,877</u> | <br><u>\$ 42,190,564</u> | <br><u>\$ 37,390,539</u> |
| <br>Contributions as a Percentage of Covered Payroll                    | <br><u>25%</u>           | <br><u>28%</u>           | <br><u>31%</u>           |

Note: GASB Statement No. 68 requires this schedule to be presented for a 10-year period. The Authority adopted GASB Statement No. 68 during fiscal year 2016; therefore, only three years of information are presented. The full trend information will be accumulated over the next seven years.

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
BOSTON RETIREMENT SYSTEM  
YEAR ENDED MARCH 31, 2018**

|  | <u>2018</u>   | <u>2017</u>   | <u>2016</u>    |
|--|---------------|---------------|----------------|
| Proportion of the Net Pension Liability  | 5.10%         | 5.13%         | 5.30%          |
| Proportionate Share of the Net Pension Liability   | \$ 78,602,453 | \$ 91,747,156 | \$ 104,255,320 |
| Covered Payroll  | \$ 46,922,877 | \$ 42,190,564 | \$ 37,390,539  |
| Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 168%          | 217%          | 279%           |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability              | 63%           | 58%           | 56%            |

Note: GASB Statement No. 68 requires this schedule to be presented for a 10-year period. The Authority adopted GASB Statement No. 68 during fiscal year 2016; therefore, only three years of information are presented. The full trend information will be accumulated over the next seven years.

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
YEAR ENDED MARCH 31, 2018**

|   |        | 2018            |
|---|--------|-----------------|
| <u>Total OPEB Liability</u>                             |        |                 |
| Service Cost  | \$     | 1,808,631       |
| Interest  |        | 5,328,746       |
| Benefit Payments  |        | (4,809,786)     |
| Net Change in Total Pension Liability                   |        | 2,327,591       |
| <br>Total OPEB Liability - Beginning                    |        | <br>146,425,067 |
| Total OPEB Liability - Ending                           | \$     | 148,752,658     |
| <br>Covered Payroll                                     | <br>\$ | <br>42,190,564  |
| Total OPEB Liability as a Percentage of Covered Payroll |        | 352.6%          |

Note: GASB Statement No.75 requires this schedule to be presented for a 10-year period. The Authority adopted GASB Statement No. 75 during fiscal year 2018; therefore, only fiscal year 2018 is presented. The full trend information will be accumulated over the next ten years.

## **SUPPLEMENTARY INFORMATION**

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2018**

| Line Item#                     | Accounts Description                                    | Project Total         | 93.135 CFR       | 14.870 ROSS       | 14.871 HCVP          | 93.121 ODD       | 14.249 Sect 8<br>Rehab SRO | 93.393 CCPR | 14.866 HOPE VI      | 14.182 Sect 8<br>NC/SR |
|--------------------------------|---|-----------------------|------------------|-------------------|----------------------|------------------|----------------------------|-------------|---------------------|------------------------|
| <b>CURRENT ASSETS</b>          |   |                       |                  |                   |                      |                  |                            |             |                     |                        |
| Cash:                          |   |                       |                  |                   |                      |                  |                            |             |                     |                        |
| 111                            | Unrestricted  | \$ 31,223,192         | \$ -             | \$ 126            | \$ 4,416,662         | \$ -             | \$ 3,086,401               | \$ -        | \$ -                | \$ 252,018             |
| 112                            | Restricted - modernization and development              | 10,747,563            | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 113                            | Other restricted  | 6,065,014             | -                | -                 | 227,436              | -                | -                          | -           | -                   | -                      |
| 114                            | Tenant security deposits                                | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 100                            | Total cash  | <u>48,035,769</u>     | <u>-</u>         | <u>126</u>        | <u>4,644,098</u>     | <u>-</u>         | <u>3,086,401</u>           | <u>-</u>    | <u>-</u>            | <u>252,018</u>         |
| Accounts and notes receivable: |   |                       |                  |                   |                      |                  |                            |             |                     |                        |
| 121                            | PHA Projects  | -                     | -                | -                 | 663,099              | -                | -                          | -           | -                   | -                      |
| 122                            | HUD other projects                                      | 268,836               | -                | 102,070           | 2,165,131            | -                | -                          | -           | -                   | -                      |
| 124                            | Other government  | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 125                            | Miscellaneous   | 1,100,663             | -                | -                 | 4,363,642            | -                | 11,287                     | -           | -                   | 178                    |
| 126                            | Tenants   | 3,173,169             | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 126.1                          | Allowance for doubtful accounts - tenants               | (1,406,125)           | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 126.2                          | Allowance for doubtful accounts - other                 | -                     | -                | -                 | (1,177,285)          | -                | (3,197)                    | -           | -                   | -                      |
| 127                            | Notes, loans, & mortgages receivable - current          | -                     | -                | -                 | -                    | -                | -                          | -           | 301,969             | -                      |
| 129                            | Accrued interest receivable                             | -                     | -                | -                 | -                    | -                | 8,885                      | -           | -                   | 734                    |
| 120                            | Total receivables, net of allowances for uncollectibles | <u>3,136,543</u>      | <u>-</u>         | <u>102,070</u>    | <u>6,014,587</u>     | <u>-</u>         | <u>16,975</u>              | <u>-</u>    | <u>301,969</u>      | <u>912</u>             |
| 131                            | Investments - unrestricted                              | 5,980,979             | -                | -                 | -                    | -                | 1,014,085                  | -           | -                   | 83,729                 |
| 132                            | Investments - restricted                                | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 142                            | Prepaid expenses and other assets                       | 567,618               | -                | -                 | 35,479               | -                | 1,086                      | -           | 100                 | -                      |
| 143                            | Inventories   | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 144                            | Inter-program - due from                                | <u>25,246,412</u>     | <u>59,589</u>    | <u>7,688</u>      | <u>347,589</u>       | <u>12,704</u>    | <u>23,463</u>              | <u>-</u>    | <u>1,090,942</u>    | <u>-</u>               |
| 150                            | Total current assets                                    | <u>82,967,321</u>     | <u>59,589</u>    | <u>109,884</u>    | <u>11,041,753</u>    | <u>12,704</u>    | <u>4,142,010</u>           | <u>-</u>    | <u>1,393,011</u>    | <u>336,659</u>         |
| <b>NONCURRENT ASSETS</b>       |   |                       |                  |                   |                      |                  |                            |             |                     |                        |
| Fixed assets:                  |   |                       |                  |                   |                      |                  |                            |             |                     |                        |
| 161                            | Land  | 47,406,393            | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 162                            | Buildings   | 992,993,692           | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 163                            | Furniture, equipment & mach - dwellings                 | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 164                            | Furniture, equipment & mach - admin.                    | 2,188,007             | -                | -                 | 462,887              | -                | -                          | -           | -                   | -                      |
| 166                            | Accumulated depreciation                                | (856,900,846)         | -                | -                 | (462,887)            | -                | -                          | -           | -                   | -                      |
| 167                            | Construction in progress                                | 19,314,946            | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 168                            | Infrastructure  | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 160                            | Total fixed assets, net of accumulated depreciation     | <u>205,002,192</u>    | <u>-</u>         | <u>-</u>          | <u>-</u>             | <u>-</u>         | <u>-</u>                   | <u>-</u>    | <u>-</u>            | <u>-</u>               |
| 171                            | Notes, loans and mortgages receivable -noncurrent       | 99,618,775            | -                | -                 | -                    | -                | -                          | -           | 2,233,722           | -                      |
| 174                            | Other assets  | 118,896               | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 176                            | Investments in Joint Ventures                           | -                     | -                | -                 | -                    | -                | -                          | -           | -                   | -                      |
| 180                            | Total noncurrent assets                                 | <u>304,739,863</u>    | <u>-</u>         | <u>-</u>          | <u>-</u>             | <u>-</u>         | <u>-</u>                   | <u>-</u>    | <u>2,233,722</u>    | <u>-</u>               |
| 200                            | Deferred Outflow of Resources                           | <u>5,944,871</u>      | <u>-</u>         | <u>10,090</u>     | <u>1,868,768</u>     | <u>-</u>         | <u>48,621</u>              | <u>-</u>    | <u>-</u>            | <u>-</u>               |
| 290                            | <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>  | <u>\$ 393,652,055</u> | <u>\$ 59,589</u> | <u>\$ 119,974</u> | <u>\$ 12,910,521</u> | <u>\$ 12,704</u> | <u>\$ 4,190,631</u>        | <u>\$ -</u> | <u>\$ 3,626,733</u> | <u>\$ 336,659</u>      |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2018**

| Line Item#                     | Accounts Description                                    | 93.113 BRE | Other Fed Program | 2 State/Local  | 14.856 S8 Mod Rehab | Blended Component Unit | COCC          | Elimination     | Total Entity    | Discrete Component Unit |
|--------------------------------|---|------------|-------------------|----------------|---------------------|------------------------|---------------|-----------------|-----------------|-------------------------|
| <b>CURRENT ASSETS</b>          |   |            |                   |                |                     |                        |               |                 |                 |                         |
| Cash:                          |   |            |                   |                |                     |                        |               |                 |                 |                         |
| 111                            | Unrestricted  | \$ -       | \$ -              | \$ 37,612,611  | \$ 2,653,427        | \$ 9,763,806           | \$ 3,335,348  | \$ -            | \$ 92,343,591   | \$ 34,224               |
| 112                            | Restricted - modernization and development              | -          | -                 | 1,806,629      | -                   | 3,293,343              | -             | -               | 15,847,535      | -                       |
| 113                            | Other restricted  | -          | -                 | 154,016        | -                   | 607,632                | -             | -               | 7,054,098       | 2,968,334               |
| 114                            | Tenant security deposits                                | -          | -                 | -              | -                   | -                      | -             | -               | -               | 87,050                  |
| 100                            | Total cash  | -          | -                 | 39,573,256     | 2,653,427           | 13,664,781             | 3,335,348     | -               | 115,245,224     | 3,089,608               |
| Accounts and notes receivable: |   |            |                   |                |                     |                        |               |                 |                 |                         |
| 121                            | PHA Projects  | -          | -                 | -              | -                   | -                      | -             | -               | 663,099         | -                       |
| 122                            | HUD other projects                                      | -          | 18,454            | -              | -                   | -                      | -             | -               | 2,554,491       | -                       |
| 124                            | Other government  | -          | -                 | 1,055,411      | -                   | -                      | -             | -               | 1,055,411       | -                       |
| 125                            | Miscellaneous   | -          | 33,459            | 891,218        | 15,377              | 16,980                 | 303,670       | -               | 6,736,474       | -                       |
| 126                            | Tenants   | -          | -                 | 516,539        | -                   | 326,387                | -             | -               | 4,016,095       | 10,089                  |
| 126.1                          | Allowance for doubtful accounts - tenants               | -          | -                 | (246,700)      | -                   | (215,295)              | -             | -               | (1,868,120)     | -                       |
| 126.2                          | Allowance for doubtful accounts - other                 | -          | -                 | -              | (911)               | -                      | -             | -               | (1,181,393)     | -                       |
| 127                            | Notes, loans, & mortgages receivable - current          | -          | -                 | 245,000        | -                   | -                      | -             | -               | 546,969         | -                       |
| 129                            | Accrued interest receivable                             | -          | -                 | 2,158          | 7,724               | 441                    | -             | -               | 19,942          | -                       |
| 120                            | Total receivables, net of allowances for uncollectibles | -          | 51,913            | 2,463,626      | 22,190              | 128,513                | 303,670       | -               | 12,542,968      | 10,089                  |
| 131                            | Investments - unrestricted                              | -          | -                 | -              | 881,556             | -                      | -             | -               | 7,960,349       | -                       |
| 132                            | Investments - restricted                                | -          | -                 | 207,372        | -                   | -                      | -             | -               | 207,372         | -                       |
| 142                            | Prepaid expenses and other assets                       | -          | -                 | 166,841        | 610                 | 516,985                | 135,719       | -               | 1,424,438       | 32,689                  |
| 143                            | Inventories   | -          | -                 | 11,792         | -                   | -                      | 931,421       | -               | 943,213         | -                       |
| 144                            | Inter-program - due from                                | -          | 331               | 219,291        | 14,604              | 3,062,384              | 8,158,042     | (38,243,039)    | -               | -                       |
| 150                            | Total current assets                                    | -          | 52,244            | 42,642,178     | 3,572,387           | 17,372,663             | 12,864,200    | (38,243,039)    | 138,323,564     | 3,132,386               |
| <b>NONCURRENT ASSETS</b>       |   |            |                   |                |                     |                        |               |                 |                 |                         |
| Fixed assets:                  |   |            |                   |                |                     |                        |               |                 |                 |                         |
| 161                            | Land  | -          | -                 | 9,713,382      | -                   | 11,224,330             | 7,168,802     | -               | 75,512,907      | 870,045                 |
| 162                            | Buildings   | -          | -                 | 278,402,660    | -                   | 81,739,108             | 4,997         | -               | 1,353,140,457   | 30,604,325              |
| 163                            | Furniture, equipment & mach - dwellings                 | -          | -                 | -              | -                   | -                      | -             | -               | -               | 467,312                 |
| 164                            | Furniture, equipment & mach - admin.                    | -          | -                 | 692,019        | -                   | -                      | 3,622,934     | -               | 6,965,847       | -                       |
| 166                            | Accumulated depreciation                                | -          | -                 | (244,745,374)  | -                   | (47,977,647)           | (3,288,784)   | -               | (1,153,375,538) | (10,322,041)            |
| 167                            | Construction in progress                                | -          | -                 | -              | -                   | 28,369                 | -             | -               | 19,343,315      | -                       |
| 168                            | Infrastructure  | -          | -                 | -              | -                   | -                      | 59,489        | -               | 59,489          | -                       |
| 160                            | Total fixed assets, net of accumulated depreciation     | -          | -                 | 44,062,687     | -                   | 45,014,160             | 7,567,438     | -               | 301,646,477     | 21,619,641              |
| 171                            | Notes, loans and mortgages receivable -noncurrent       | -          | -                 | 38,402,508     | -                   | 125,913,688            | 8,700,000     | -               | 274,868,693     | -                       |
| 174                            | Other assets  | -          | -                 | 765            | -                   | 1,267,493              | -             | -               | 1,387,154       | -                       |
| 176                            | Investments in Joint Ventures                           | -          | -                 | -              | -                   | -                      | -             | -               | -               | -                       |
| 180                            | Total noncurrent assets                                 | -          | -                 | 82,465,960     | -                   | 172,195,341            | 16,267,438    | -               | 577,902,324     | 21,619,641              |
| 200                            | Deferred Outflow of Resources                           | -          | -                 | 1,251,442      | 46,316              | 185,051                | 3,014,723     | -               | 12,369,882      | -                       |
| 290                            | <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>  | \$ -       | \$ 52,244         | \$ 126,359,580 | \$ 3,618,703        | \$ 189,753,055         | \$ 32,146,361 | \$ (38,243,039) | \$ 728,595,770  | \$ 24,752,027           |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2018**

| Line Item#                    | Accounts Description  | Project Total         | 93.135 CFR       | 14.870 ROSS       | 14.871 HCVP          | 93.121 ODD       | 14.249 Sect 8<br>Rehab SRO | 93.393 CCPR    | 14.866 HOPE<br>VI   | 14.182 Sect 8<br>NC/SR |
|-------------------------------|---|-----------------------|------------------|-------------------|----------------------|------------------|----------------------------|----------------|---------------------|------------------------|
| <b>CURRENT LIABILITIES</b>    |   |                       |                  |                   |                      |                  |                            |                |                     |                        |
| 311                           | Bank Overdraft  | \$ -                  | \$ -             | \$ -              | \$ -                 | \$ -             | \$ -                       | \$ -           | \$ -                | \$ -                   |
| 312                           | Accounts payable <= 90 days                                 | 5,914,644             | -                | 22,242            | 640,536              | -                | 15,294                     | -              | 4,199               | -                      |
| 321                           | Accrued wage/payroll taxes payable                          | 525,390               | -                | 7,688             | 122,858              | -                | 2,377                      | -              | -                   | -                      |
| 322                           | Accrued compensated absences - current                      | 527,443               | -                | -                 | 127,251              | -                | 2,555                      | -              | -                   | -                      |
| 325                           | Accrued interest payable                                    | 2,205,731             | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 331                           | Accounts payable - HUD                                      | -                     | -                | -                 | -                    | -                | 439,184                    | -              | 12,213              | -                      |
| 333                           | Accounts Payable - Other Government                         | 393,370               | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 341                           | Tenant security deposits                                    | -                     | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 342                           | Unearned revenues   | 2,214,838             | -                | -                 | 1,717,197            | -                | -                          | -              | -                   | -                      |
| 343                           | Current portion of LT debt - capital projects               | 6,045,000             | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 344                           | Current portion of LT debt- Operating                       | -                     | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 345                           | Other current liabilities                                   | 408,372               | -                | -                 | 33,380               | -                | -                          | -              | -                   | -                      |
| 346                           | Other liabilities   | 4,464,159             | -                | -                 | 48,798               | -                | 5,547                      | -              | -                   | -                      |
| 347                           | Interprogram - due to                                       | 28,933,171            | -                | 79,954            | 691,536              | -                | -                          | 3,261          | -                   | 20,872                 |
| 310                           | Total current liabilities                                   | <u>51,632,118</u>     | <u>-</u>         | <u>109,884</u>    | <u>3,381,556</u>     | <u>-</u>         | <u>464,957</u>             | <u>3,261</u>   | <u>16,412</u>       | <u>20,872</u>          |
| <b>NONCURRENT LIABILITIES</b> |   |                       |                  |                   |                      |                  |                            |                |                     |                        |
| 351                           | Long-term debt, net of current - capital                    | 101,140,001           | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 352                           | Long-term debt, net of current - operating                  | 1,128,497             | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 353                           | Noncurrent liabilities - other                              | 2,176,804             | -                | -                 | 227,436              | -                | -                          | -              | -                   | -                      |
| 354                           | Accrued compensated absences - noncurrent                   | 3,075,809             | -                | -                 | 617,221              | -                | 10,396                     | -              | -                   | -                      |
| 357                           | Accrued Pension and OPEB Liabilities                        | 106,815,966           | -                | -                 | 32,333,773           | -                | 864,704                    | -              | -                   | -                      |
| 350                           | Total noncurrent liabilities                                | <u>214,337,077</u>    | <u>-</u>         | <u>-</u>          | <u>33,178,430</u>    | <u>-</u>         | <u>875,100</u>             | <u>-</u>       | <u>-</u>            | <u>-</u>               |
| 300                           | Total liabilities   | <u>265,969,195</u>    | <u>-</u>         | <u>109,884</u>    | <u>36,559,986</u>    | <u>-</u>         | <u>1,340,057</u>           | <u>3,261</u>   | <u>16,412</u>       | <u>20,872</u>          |
| 400                           | Deferred Inflow of Resources                                | <u>11,862,551</u>     | <u>-</u>         | <u>-</u>          | <u>3,576,258</u>     | <u>-</u>         | <u>102,085</u>             | <u>-</u>       | <u>-</u>            | <u>-</u>               |
|                               | Total Liabilities & Deferred Inflow of Resources            | <u>277,831,746</u>    | <u>-</u>         | <u>109,884</u>    | <u>40,136,244</u>    | <u>-</u>         | <u>1,442,142</u>           | <u>3,261</u>   | <u>16,412</u>       | <u>20,872</u>          |
| <b>NET POSITION</b>           |   |                       |                  |                   |                      |                  |                            |                |                     |                        |
| 508.4                         | Net investment in capital assets                            | 97,817,191            | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 511.4                         | Restricted net position                                     | 16,812,577            | -                | -                 | -                    | -                | -                          | -              | -                   | -                      |
| 512.4                         | Unrestricted net position                                   | <u>1,190,541</u>      | <u>59,589</u>    | <u>10,090</u>     | <u>(27,225,723)</u>  | <u>12,704</u>    | <u>2,748,489</u>           | <u>(3,261)</u> | <u>3,610,321</u>    | <u>315,787</u>         |
| 513                           | Total net position  | <u>115,820,309</u>    | <u>59,589</u>    | <u>10,090</u>     | <u>(27,225,723)</u>  | <u>12,704</u>    | <u>2,748,489</u>           | <u>(3,261)</u> | <u>3,610,321</u>    | <u>315,787</u>         |
| 600                           | <b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b> | <u>\$ 393,652,055</u> | <u>\$ 59,589</u> | <u>\$ 119,974</u> | <u>\$ 12,910,521</u> | <u>\$ 12,704</u> | <u>\$ 4,190,631</u>        | <u>\$ -</u>    | <u>\$ 3,626,733</u> | <u>\$ 336,659</u>      |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2018**

| Line<br>Item#                 | Accounts Description  | 93.113 BRE | Other Fed<br>Program | 14.856 S8 Mod<br>2 State/Local | Blended Component<br>Rehab | Unit           | COCC          | Elimination     | Total Entity   | Discrete<br>Component Unit |
|-------------------------------|---|------------|----------------------|--------------------------------|----------------------------|----------------|---------------|-----------------|----------------|----------------------------|
| <b>CURRENT LIABILITIES</b>    |   |            |                      |                                |                            |                |               |                 |                |                            |
| 311                           | Bank Overdraft  | \$ -       | \$ -                 | \$ -                           | \$ -                       | \$ -           | \$ -          | \$ -            | \$ -           | \$ -                       |
| 312                           | Accounts payable <= 90 days                                     | -          | 3,667                | 1,249,569                      | 8,894                      | 458,582        | 938,196       | -               | 9,255,823      | 83,824                     |
| 321                           | Accrued wage/payroll taxes payable                              | -          | 1,539                | 136,274                        | 1,341                      | -              | 169,169       | -               | 966,636        | -                          |
| 322                           | Accrued compensated absences - current                          | -          | 1,539                | 164,000                        | 1,341                      | 12,575         | 279,489       | -               | 1,116,193      | -                          |
| 325                           | Accrued interest payable  | -          | -                    | 233,564                        | -                          | 107,750        | -             | -               | 2,547,045      | 1,936,064                  |
| 331                           | Accounts payable - HUD  | -          | -                    | -                              | 724,972                    | -              | -             | -               | 1,176,369      | -                          |
| 333                           | Accounts Payable - Other Government                             | -          | -                    | 14,840,205                     | -                          | -              | -             | -               | 15,233,575     | -                          |
| 341                           | Tenant security deposits  | -          | -                    | -                              | -                          | -              | -             | -               | -              | 86,727                     |
| 342                           | Unearned revenues   | -          | -                    | 673,295                        | 18,416                     | -              | 512           | -               | 4,624,258      | 1,611                      |
| 343                           | Current portion of LT debt - capital projects                   | -          | -                    | 250,000                        | -                          | 324,540        | -             | -               | 6,619,540      | 245,000                    |
| 344                           | Current portion of LT debt - operating                          | -          | -                    | 245,000                        | -                          | -              | -             | -               | 245,000        | -                          |
| 345                           | Other current liabilities                                       | -          | -                    | 412,908                        | -                          | 3,913          | 126,645       | -               | 985,218        | 51,266                     |
| 346                           | Other liabilities   | -          | 172                  | 1,610,917                      | 712                        | 246,859        | 208,750       | -               | 6,585,914      | -                          |
| 347                           | Interprogram - due to   | 12,619     | -                    | 4,853,135                      | 5,388                      | 3,635,064      | 8,039         | (38,243,039)    | -              | -                          |
| 310                           | Total current liabilities                                       | 12,619     | 6,917                | 24,668,867                     | 761,064                    | 4,789,283      | 1,730,800     | (38,243,039)    | 49,355,571     | 2,404,492                  |
| <b>NONCURRENT LIABILITIES</b> |   |            |                      |                                |                            |                |               |                 |                |                            |
| 351                           | Long-term debt, net of current - capital                        | -          | -                    | 3,965,000                      | -                          | 27,151,714     | -             | -               | 132,256,715    | 21,788,097                 |
| 352                           | Long-term debt, net of current - operating                      | -          | -                    | 7,610,000                      | -                          | -              | -             | -               | 8,738,497      | -                          |
| 353                           | Noncurrent liabilities - other                                  | -          | -                    | 2,413,956                      | -                          | 1,366,697      | 100,493       | -               | 6,285,386      | 300,000                    |
| 354                           | Accrued compensated absences - noncurrent                       | -          | 638                  | 690,155                        | 5,854                      | 92,324         | 2,003,976     | -               | 6,496,373      | -                          |
| 357                           | Accrued Pension and OPEB Liabilities                            | -          | -                    | 32,483,809                     | 485,602                    | 1,849,750      | 52,521,507    | -               | 227,355,111    | -                          |
| 350                           | Total noncurrent liabilities                                    | -          | 638                  | 47,162,920                     | 491,456                    | 30,460,485     | 54,625,976    | -               | 381,132,082    | 22,088,097                 |
| 300                           | Total liabilities   | 12,619     | 7,555                | 71,831,787                     | 1,252,520                  | 35,249,768     | 56,356,776    | (38,243,039)    | 430,487,653    | 24,492,589                 |
| 400                           | Deferred Inflow of Resources                                    | -          | -                    | 3,556,795                      | 57,306                     | 290,452        | 5,854,811     | -               | 25,300,258     | -                          |
|                               | Total Liabilities and Deferred Inflow of Resources              | 12,619     | 7,555                | 75,388,582                     | 1,309,826                  | 35,540,220     | 62,211,587    | (38,243,039)    | 455,787,911    | 24,492,589                 |
| <b>NET POSITION</b>           |   |            |                      |                                |                            |                |               |                 |                |                            |
| 508.4                         | Net investment in capital assets                                | -          | -                    | 39,847,687                     | -                          | 17,537,906     | 7,567,438     | -               | 162,770,222    | -                          |
| 511.4                         | Restricted net position   | -          | -                    | 1,960,645                      | -                          | 3,900,975      | -             | -               | 22,674,197     | -                          |
| 512.4                         | Unrestricted net position                                       | (12,619)   | 44,689               | 9,162,666                      | 2,308,877                  | 132,773,954    | (37,632,664)  | -               | 87,363,440     | 259,438                    |
| 513                           | Total net position  | (12,619)   | 44,689               | 50,970,998                     | 2,308,877                  | 154,212,835    | (30,065,226)  | -               | 272,807,859    | 259,438                    |
| 600                           | <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS AND NET POSITION</b> | \$ -       | \$ 52,244            | \$ 126,359,580                 | \$ 3,618,703               | \$ 189,753,055 | \$ 32,146,361 | \$ (38,243,039) | \$ 728,595,770 | \$ 24,752,027              |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line Item#                         | Accounts Description                    | Project Total      | 93.135 CFR | 14.870 ROSS    | 14.871 HCVP        | 93.121 ODD | 14.249 Sect 8 Rehab SRO | 93.393 CCPR | 14.866 HOPE VI   | 14.182 Sect 8 NC/SR |
|------------------------------------|---|--------------------|------------|----------------|--------------------|------------|-------------------------|-------------|------------------|---------------------|
| <b>REVENUE</b>                     |   |                    |            |                |                    |            |                         |             |                  |                     |
| 70300                              | Net tenant rental revenue               | \$ 36,331,617      | \$ -       | \$ -           | \$ -               | \$ -       | \$ -                    | \$ -        | \$ -             | \$ -                |
| 70400                              | Tenant revenue - other                  | 210,547            | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70500                              | Total tenant revenue                    | <u>36,542,164</u>  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70600                              | HUD PHA operating grants                | 63,196,444         | -          | 879,610        | 202,544,817        | -          | 4,134,709               | -           | 1,186,698        | -                   |
| 706.10                             | Capital grants                          | 9,475,643          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70710                              | Management fee                          | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70720                              | Asset Management fee                    | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70730                              | Bookkeeping fee                         | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70750                              | Other fees                              | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70800                              | Other governmental grants               | 1,126,914          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 71100                              | Investment income - unrestricted        | 337,234            | -          | -              | -                  | -          | 16,351                  | -           | -                | 1,779               |
| 71400                              | Fraud recovery                          | -                  | -          | -              | 1,227,509          | -          | -                       | -           | -                | -                   |
| 71500                              | Other revenue                           | 6,532,611          | -          | 53,851         | 3,479,160          | -          | 32,456                  | -           | -                | -                   |
| 72000                              | Investment Income - Restricted          | 75,431             | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 70000                              | Total revenue                           | <u>117,286,441</u> | -          | <u>933,461</u> | <u>207,251,486</u> | -          | <u>4,183,516</u>        | -           | <u>1,186,698</u> | <u>1,779</u>        |
| <b>EXPENSES</b>                    |   |                    |            |                |                    |            |                         |             |                  |                     |
| Administrative:                    |   |                    |            |                |                    |            |                         |             |                  |                     |
| 91100                              | Administrative salaries                 | 6,436,982          | -          | -              | 6,609,157          | -          | 146,917                 | -           | -                | -                   |
| 91200                              | Auditing fees                           | 93,859             | -          | -              | 73,983             | -          | 2,900                   | -           | -                | -                   |
| 91300                              | Management fee                          | 9,115,295          | -          | 700            | 1,437,868          | -          | 68,544                  | -           | -                | -                   |
| 91310                              | Bookkeeping fee                         | 753,594            | -          | -              | 898,668            | -          | 42,840                  | -           | -                | -                   |
| 91400                              | Advertising                             | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 91500                              | Employee benefit contributions - admin  | 3,178,566          | -          | -              | 3,491,673          | -          | 83,854                  | -           | -                | -                   |
| 91600                              | Office expense                          | 545                | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 91700                              | Legal expense                           | 226,399            | -          | 59,443         | 101,932            | -          | 3,977                   | -           | 54,577           | -                   |
| 91800                              | Travel                                  | 4,144              | -          | 6,434          | 43,893             | -          | 11                      | -           | -                | -                   |
| 91900                              | Other                                   | 1,483,652          | -          | 41,371         | 858,758            | -          | 39,889                  | -           | 1,213,995        | -                   |
|                                    | Total administrative                    | <u>21,293,036</u>  | -          | <u>107,948</u> | <u>13,515,932</u>  | -          | <u>388,932</u>          | -           | <u>1,268,572</u> | -                   |
| 92000                              | Asset Management Fee                    | 408,732            | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| Tenant services:                   |   |                    |            |                |                    |            |                         |             |                  |                     |
| 92100                              | Salaries                                | 95,445             | -          | 470,639        | -                  | -          | -                       | -           | -                | -                   |
| 92200                              | Relocation costs                        | 57,861             | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 92300                              | Employee benefit contributions          | 15,582             | -          | 183,926        | -                  | -          | -                       | -           | -                | -                   |
| 92400                              | Other                                   | 449,196            | -          | 117,097        | 23,514             | -          | -                       | -           | -                | -                   |
|                                    | Total tenant services                   | <u>618,084</u>     | -          | <u>771,662</u> | <u>23,514</u>      | -          | -                       | -           | -                | -                   |
| Utilities:                         |   |                    |            |                |                    |            |                         |             |                  |                     |
| 93100                              | Water                                   | 3,852,845          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 93200                              | Electricity                             | 11,086,161         | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 93300                              | Gas                                     | 6,032,417          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 93400                              | Fuel                                    | 721                | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 93600                              | Sewer                                   | 5,558,029          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| 93800                              | Other utilities expense                 | -                  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
|                                    | Total utilities                         | <u>26,530,173</u>  | -          | -              | -                  | -          | -                       | -           | -                | -                   |
| Ordinary maintenance & operations: |   |                    |            |                |                    |            |                         |             |                  |                     |
| 94100                              | Labor                                   | 16,777,302         | -          | -              | 4,393              | -          | -                       | -           | -                | -                   |
| 94200                              | Materials and other                     | 4,188,520          | -          | -              | 4,259              | -          | 45                      | -           | -                | -                   |
| 94300                              | Contracts                               | 12,064,895         | -          | -              | 6,681              | -          | -                       | -           | -                | -                   |
| 94500                              | Employee benefits contribution          | 7,559,859          | -          | -              | -                  | -          | -                       | -           | -                | -                   |
|                                    | Total ordinary maintenance & operations | <u>40,590,576</u>  | -          | -              | <u>15,333</u>      | -          | <u>45</u>               | -           | -                | -                   |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line Item#                         | Accounts Description                    | 93.113 BRE | Other Fed Program | 2 State/Local | 14.856 S8 Mod Rehab | Blended Component Unit | COCC       | Elimination  | Total Entity  | Discrete Component Unit |
|------------------------------------|---|------------|-------------------|---------------|---------------------|------------------------|------------|--------------|---------------|-------------------------|
| <b>REVENUE</b>                     |   |            |                   |               |                     |                        |            |              |               |                         |
| 70300                              | Net tenant rental revenue               | \$ -       | \$ -              | \$ 9,571,401  | \$ -                | \$ 1,628,849           | \$ 10,274  | \$ -         | \$ 47,542,141 | \$ 929,650              |
| 70400                              | Tenant revenue - other                  | -          | -                 | 42,718        | -                   | 4,715,208              | -          | -            | 4,968,473     | -                       |
| 70500                              | Total tenant revenue                    | -          | -                 | 9,614,119     | -                   | 6,344,057              | 10,274     | -            | 52,510,614    | 929,650                 |
| 70600                              | HUD PHA operating grants                | -          | 342,325           | -             | 3,581,213           | 151,964                | -          | -            | 276,017,780   | -                       |
| 706.10                             | Capital grants                          | -          | -                 | -             | -                   | -                      | -          | -            | 9,475,643     | -                       |
| 70710                              | Management fee                          | -          | -                 | -             | -                   | -                      | 12,405,764 | (12,405,764) | -             | -                       |
| 70720                              | Asset Management fee                    | -          | -                 | -             | -                   | -                      | 408,732    | (408,732)    | -             | -                       |
| 70730                              | Bookkeeping fee                         | -          | -                 | -             | -                   | -                      | 1,987,420  | (1,987,420)  | -             | -                       |
| 70750                              | Other Service Fees                      | -          | -                 | -             | -                   | -                      | 247,008    | (247,008)    | -             | -                       |
| 70800                              | Other governmental grants               | -          | -                 | 39,637,981    | -                   | -                      | -          | -            | 40,764,895    | -                       |
| 71100                              | Investment income - unrestricted        | -          | -                 | 41,037        | 14,354              | 165,591                | 336        | -            | 576,682       | 3,792                   |
| 71400                              | Fraud recovery                          | -          | -                 | -             | -                   | -                      | -          | -            | 1,227,509     | -                       |
| 71500                              | Other revenue                           | -          | 1,966             | 3,837,827     | 18,249              | 1,426,544              | 4,403,970  | (3,682,396)  | 16,104,238    | 840,558                 |
| 72000                              | Investment Income - Restricted          | -          | -                 | 18,132        | -                   | -                      | -          | -            | 93,563        | -                       |
| 70000                              | Total revenue                           | -          | 344,291           | 53,149,096    | 3,613,816           | 8,088,156              | 19,463,504 | (18,731,320) | 396,770,924   | 1,774,000               |
| <b>EXPENSES</b>                    |   |            |                   |               |                     |                        |            |              |               |                         |
| Administrative:                    |   |            |                   |               |                     |                        |            |              |               |                         |
| 91100                              | Administrative salaries                 | -          | 96,979            | 2,381,916     | 83,000              | 221,553                | 8,717,915  | -            | 24,694,419    | 126,893                 |
| 91200                              | Auditing fees                           | -          | -                 | 26,316        | 1,490               | 6,871                  | 17,220     | -            | 222,639       | 16,000                  |
| 91300                              | Management fee                          | -          | -                 | 2,337,537     | 36,720              | 140,286                | -          | (12,377,209) | 759,741       | 63,048                  |
| 91310                              | Bookkeeping fee                         | -          | -                 | 269,378       | 22,950              | -                      | -          | (1,987,420)  | 10            | -                       |
| 91400                              | Advertising                             | -          | -                 | -             | -                   | -                      | -          | -            | -             | 2,082                   |
| 91500                              | Employee benefit contributions - admin  | -          | 37,430            | 1,181,207     | 47,153              | 50,566                 | 4,509,266  | -            | 12,579,715    | -                       |
| 91600                              | Office expense                          | -          | -                 | 44            | -                   | 138                    | -          | -            | 727           | 23,814                  |
| 91700                              | Legal expense                           | -          | -                 | 113,638       | 2,044               | 19,450                 | 483,085    | -            | 1,064,545     | 5,859                   |
| 91800                              | Travel                                  | -          | 610               | 8,076         | 6                   | 1,146                  | 50,608     | -            | 114,928       | -                       |
| 91900                              | Other                                   | -          | 44,750            | 469,292       | 22,552              | 297,534                | 2,333,946  | (1,775,563)  | 5,030,176     | 9,816                   |
|                                    | Total administrative                    | -          | 179,769           | 6,787,404     | 215,915             | 737,544                | 16,112,040 | (16,140,192) | 44,466,900    | 247,512                 |
| 92000                              | Asset Management Fee                    | -          | -                 | -             | -                   | -                      | -          | (408,732)    | -             | -                       |
| Tenant services:                   |   |            |                   |               |                     |                        |            |              |               |                         |
| 92100                              | Salaries                                | -          | 26,950            | 61,253        | -                   | 48,230                 | -          | -            | 702,517       | -                       |
| 92200                              | Relocation costs                        | -          | -                 | 118,349       | -                   | -                      | -          | -            | 176,210       | -                       |
| 92300                              | Employee benefit contributions          | -          | 3,992             | 7,007         | -                   | 67                     | -          | -            | 210,574       | -                       |
| 92400                              | Other                                   | -          | -                 | 576,183       | -                   | 258,462                | 13,703     | -            | 1,438,155     | -                       |
|                                    | Total tenant services                   | -          | 30,942            | 762,792       | -                   | 306,759                | 13,703     | -            | 2,527,456     | -                       |
| Utilities:                         |   |            |                   |               |                     |                        |            |              |               |                         |
| 93100                              | Water                                   | -          | -                 | 1,416,992     | -                   | 129,720                | -          | -            | 5,399,557     | 161,164                 |
| 93200                              | Electricity                             | -          | -                 | 2,802,771     | -                   | 604,562                | -          | -            | 14,493,494    | 21,516                  |
| 93300                              | Gas                                     | -          | -                 | 2,373,566     | -                   | 111,954                | 1,128      | -            | 8,519,065     | 3,030                   |
| 93400                              | Fuel                                    | -          | -                 | 475,430       | -                   | 5                      | -          | -            | 476,156       | -                       |
| 93600                              | Sewer                                   | -          | -                 | 1,919,994     | -                   | 180,101                | -          | -            | 7,658,124     | -                       |
| 93800                              | Other utilities expense                 | -          | -                 | -             | -                   | -                      | -          | -            | -             | -                       |
|                                    | Total utilities                         | -          | -                 | 8,988,753     | -                   | 1,026,342              | 1,128      | -            | 36,546,396    | 185,710                 |
| Ordinary maintenance & operations: |   |            |                   |               |                     |                        |            |              |               |                         |
| 94100                              | Labor                                   | -          | 340               | 5,079,792     | -                   | 496,868                | 60,257     | -            | 22,418,952    | 186,546                 |
| 94200                              | Materials and other                     | -          | -                 | 1,210,194     | 26                  | 196,367                | 53,399     | -            | 5,652,810     | 144,136                 |
| 94300                              | Contracts                               | -          | -                 | 1,385,933     | 453                 | 304,812                | 51,974     | -            | 13,814,748    | 151,078                 |
| 94500                              | Employee benefits contribution          | -          | 120               | 2,027,217     | -                   | 215,917                | 375        | -            | 9,803,488     | -                       |
|                                    | Total ordinary maintenance & operations | -          | 460               | 9,703,136     | 479                 | 1,213,964              | 166,005    | -            | 51,689,998    | 481,760                 |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line Item#                      | Accounts Description  | Project Total          | 93.135 CFR  | 14.870 ROSS      | 14.871 HCVP       | 93.121 ODD  | 14.249 Sect 8<br>Rehab SRO | 93.393 CCPR | 14.866 HOPE<br>VI  | 14.182 Sect 8<br>NC/SR |
|---------------------------------|---|------------------------|-------------|------------------|-------------------|-------------|----------------------------|-------------|--------------------|------------------------|
| <b>EXPENSES (Continued)</b>     |   |                        |             |                  |                   |             |                            |             |                    |                        |
| Protective services:            |   |                        |             |                  |                   |             |                            |             |                    |                        |
| 95100                           | Labor   | \$ 3,672,824           | \$ -        | \$ -             | \$ -              | \$ -        | \$ -                       | \$ -        | \$ -               | \$ -                   |
| 95200                           | Other contract costs  | 54,599                 | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 95300                           | Other   | 58,079                 | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 95500                           | Employee benefit contributions                              | 1,416,827              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 95000                           | Total protective services                                   | 5,202,329              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96110                           | Property insurance  | 1,068,983              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96120                           | Liability insurance   | 111,201                | -           | -                | 6,237             | -           | 243                        | -           | -                  | -                      |
| 96130                           | Workmen's Compensation                                      | 758,280                | -           | -                | 201,135           | -           | 4,984                      | -           | -                  | -                      |
| 96140                           | All other insurance   | 157,073                | -           | -                | 5,201             | -           | 101                        | -           | -                  | -                      |
| 96100                           | Total insurance premiums                                    | 2,095,537              | -           | -                | 212,573           | -           | 5,328                      | -           | -                  | -                      |
| General expenses:               |   |                        |             |                  |                   |             |                            |             |                    |                        |
| 96200                           | Other general expenses                                      | 1,408,089              | -           | 43,761           | 687,680           | -           | 7,920                      | -           | -                  | -                      |
| 96210                           | Compensated absences  | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96300                           | Payment in lieu of taxes                                    | 393,369                | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96400                           | Bad debt - tenant rents                                     | 1,291,068              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96600                           | Bad debt - other  | 15,898                 | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96000                           | Total general expenses                                      | 3,108,424              | -           | 43,761           | 687,680           | -           | 7,920                      | -           | -                  | -                      |
| 96710                           | Interest of mortgage payable                                | 6,147,815              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96720                           | Interest on notes payable                                   | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96730                           | Amortization of Bond Issue Costs                            | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96700                           | Total interest expense and amortization                     | 6,147,815              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 96900                           | Total operating expenses                                    | 105,994,706            | -           | 923,371          | 14,455,032        | -           | 402,225                    | -           | 1,268,572          | -                      |
| 97000                           | Excess of operating revenue over operating expenses         | 11,291,735             | -           | 10,090           | 192,796,454       | -           | 3,781,291                  | -           | (81,874)           | 1,779                  |
| 97100                           | Extraordinary maintenance                                   | 311,924                | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 97200                           | Casualty Losses- Non-capitalized                            | 409,096                | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 97300                           | Housing assistance payments                                 | -                      | -           | -                | 190,439,371       | -           | 3,443,932                  | -           | -                  | -                      |
| 97350                           | HAP Portability-in  | -                      | -           | -                | 1,757,085         | -           | -                          | -           | -                  | -                      |
| 97400                           | Depreciation expense  | 29,937,248             | -           | -                | 4,230             | -           | -                          | -           | -                  | -                      |
| 97500                           | Fraud Losses  | -                      | -           | -                | 198,503           | -           | -                          | -           | -                  | -                      |
| 90000                           | Total expenses  | 136,652,974            | -           | 923,371          | 206,854,221       | -           | 3,846,157                  | -           | 1,268,572          | -                      |
| Other financing sources (uses): |   |                        |             |                  |                   |             |                            |             |                    |                        |
| 10010                           | Operating transfer in                                       | 2,079,522              | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10020                           | Operating transfer out                                      | (2,079,522)            | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10080                           | Special items (net gain/loss)                               | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10091                           | Inter Project Excess Cash Transfer In                       | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10092                           | Inter Project Excess Cash Transfer Out                      | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10100                           | Total other financing sources (uses)                        | -                      | -           | -                | -                 | -           | -                          | -           | -                  | -                      |
| 10000                           | <b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b> | <b>\$ (19,366,533)</b> | <b>\$ -</b> | <b>\$ 10,090</b> | <b>\$ 397,265</b> | <b>\$ -</b> | <b>\$ 337,359</b>          | <b>\$ -</b> | <b>\$ (81,874)</b> | <b>\$ 1,779</b>        |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line Item#                      | Accounts Description  | 93.113 BRE | Other Fed Program | 2 State/Local | 14.856 S8 Mod Rehab | Blended Component Unit | COCC         | Elimination  | Total Entity   | Discrete Component Unit |
|---------------------------------|---|------------|-------------------|---------------|---------------------|------------------------|--------------|--------------|----------------|-------------------------|
| <b>EXPENSES (Continued)</b>     |   |            |                   |               |                     |                        |              |              |                |                         |
| Protective services:            |   |            |                   |               |                     |                        |              |              |                |                         |
| 95100                           | Labor   | \$ -       | \$ -              | \$ 602,727    | \$ -                | \$ 147,952             | \$ -         | \$ -         | \$ 4,423,503   | \$ -                    |
| 95200                           | Other contract costs  | -          | -                 | 428,071       | -                   | 304,938                | -            | -            | 787,608        | -                       |
| 95300                           | Other   | -          | -                 | 9,743         | -                   | 821                    | -            | -            | 68,643         | -                       |
| 95500                           | Employee benefit contributions                              | -          | -                 | 637,157       | -                   | 6,115                  | 573          | -            | 2,060,672      | -                       |
| 95000                           | Total protective services                                   | -          | -                 | 1,677,698     | -                   | 459,826                | 573          | -            | 7,340,426      | -                       |
| 96110                           | Property insurance  | -          | -                 | 278,799       | -                   | 34,198                 | 7,189        | -            | 1,389,169      | -                       |
| 96120                           | Liability insurance   | -          | -                 | 41,708        | 134                 | 82,890                 | 14,959       | -            | 257,372        | -                       |
| 96130                           | Workmen's Compensation                                      | -          | 3,922             | 250,976       | 2,807               | 24,122                 | 275,854      | -            | 1,522,080      | -                       |
| 96140                           | All other insurance   | -          | -                 | 66,500        | 54                  | 125,108                | 30,518       | -            | 384,555        | 160,128                 |
| 96100                           | Total insurance premiums                                    | -          | 3,922             | 637,983       | 2,995               | 266,318                | 328,520      | -            | 3,553,176      | 160,128                 |
| General expenses:               |   |            |                   |               |                     |                        |              |              |                |                         |
| 96200                           | Other general expenses                                      | -          | -                 | 1,526,139     | 4,454               | 2,866,556              | 175,076      | (2,182,396)  | 4,537,279      | 75,000                  |
| 96210                           | Compensated absences  | -          | -                 | -             | -                   | -                      | 74,171       | -            | 74,171         | -                       |
| 96300                           | Payment in lieu of taxes                                    | -          | -                 | 66,660        | -                   | -                      | -            | -            | 460,029        | -                       |
| 96400                           | Bad debt - tenant rents                                     | -          | -                 | 133,577       | -                   | -                      | 74           | -            | 1,424,719      | -                       |
| 96600                           | Bad debt - other  | -          | -                 | 1,353         | -                   | -                      | -            | -            | 17,251         | -                       |
| 96000                           | Total general expenses                                      | -          | -                 | 1,727,729     | 4,454               | 2,866,556              | 249,321      | (2,182,396)  | 6,513,449      | 75,000                  |
| 96710                           | Interest of mortgage payable                                | -          | -                 | 234,596       | -                   | 1,286,445              | -            | -            | 7,668,856      | 427,152                 |
| 96720                           | Interest on notes payable                                   | -          | -                 | -             | -                   | -                      | -            | -            | -              | 170,953                 |
| 96730                           | Amortization of Bond Issue Costs                            | -          | -                 | -             | -                   | 1,113                  | -            | -            | 1,113          | 807,645                 |
| 96700                           | Total interest expense and amortization                     | -          | -                 | 234,596       | -                   | 1,287,558              | -            | -            | 7,669,969      | 1,405,750               |
| 96900                           | Total operating expenses                                    | -          | 215,093           | 30,520,091    | 223,843             | 8,164,867              | 16,871,290   | (18,731,320) | 160,307,770    | 2,555,860               |
| 97000                           | Excess of operating revenue over operating expenses         | -          | 129,198           | 22,629,005    | 3,389,973           | (76,711)               | 2,592,214    | -            | 236,463,154    | (781,860)               |
| 97100                           | Extraordinary maintenance                                   | -          | -                 | 851,868       | -                   | 3,896                  | 3,427        | -            | 1,171,115      | -                       |
| 97200                           | Casualty Losses- Non-capitalized                            | -          | -                 | 5,170         | -                   | 28                     | 4,958        | -            | 419,252        | -                       |
| 97300                           | Housing assistance payments                                 | -          | -                 | 7,055,407     | 3,228,789           | -                      | -            | -            | 204,167,499    | -                       |
| 97350                           | HAP Portability-in  | -          | -                 | -             | -                   | -                      | -            | -            | 1,757,085      | -                       |
| 97400                           | Depreciation expense  | -          | -                 | 7,277,871     | -                   | 1,061,803              | 105,730      | -            | 38,386,882     | -                       |
| 97500                           | Fraud Losses  | -          | -                 | -             | -                   | -                      | -            | -            | 198,503        | -                       |
| 90000                           | Total expenses  | -          | 215,093           | 45,710,407    | 3,452,632           | 9,230,594              | 16,985,405   | (18,731,320) | 406,408,106    | 2,555,860               |
| Other financing sources (uses): |   |            |                   |               |                     |                        |              |              |                |                         |
| 10010                           | Operating transfer in                                       | -          | -                 | -             | -                   | -                      | -            | (2,079,522)  | -              | -                       |
| 10020                           | Operating transfer out                                      | -          | -                 | -             | -                   | -                      | -            | 2,079,522    | -              | -                       |
| 10080                           | Special items (net gain/loss)                               | -          | -                 | -             | -                   | -                      | -            | -            | -              | -                       |
| 10091                           | Inter Project Excess Cash Transfer In                       | -          | -                 | -             | -                   | -                      | -            | -            | -              | -                       |
| 10092                           | Inter Project Excess Cash Transfer Out                      | -          | -                 | -             | -                   | -                      | -            | -            | -              | -                       |
| 10100                           | Total other financing sources (uses)                        | -          | -                 | -             | -                   | -                      | -            | -            | -              | -                       |
| 10000                           | <b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b> | \$ -       | \$ 129,198        | \$ 7,438,689  | \$ 161,184          | \$ (1,142,438)         | \$ 2,478,099 | \$ -         | \$ (9,637,182) | \$ (781,860)            |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line<br>Item#                   | Accounts Description                                  | Project Total | 93.135 CFR | 14.870 ROSS | 14.871 HCVP  | 93.121 ODD | 14.249 Sect 8<br>Rehab SRO | 93.393 CCPR | 14.866 HOPE<br>VI | 14.182 Sect 8<br>NC/SR |
|---------------------------------|---|---------------|------------|-------------|--------------|------------|----------------------------|-------------|-------------------|------------------------|
| <b>Memo Account Information</b> |   |               |            |             |              |            |                            |             |                   |                        |
| 11020                           | Required annual debt principal payments               | \$ 4,100,000  | \$ -       | \$ -        | \$ -         | \$ -       | \$ -                       | \$ -        | \$ -              | \$ -                   |
| 11030                           | Beginning equity                                      | 172,814,639   | 59,589     | -           | (16,055,393) | 12,704     | 2,677,129                  | (3,261)     | 3,692,195         | 314,008                |
| 11040                           | Prior period adjustments, equity transfers correction | (37,627,797)  | -          | -           | (11,567,595) | -          | (265,999)                  | -           | -                 | -                      |
| 11170                           | Administrative fee equity                             | -             | -          | -           | (27,225,723) | -          | -                          | -           | -                 | -                      |
| 11180                           | Housing assistance payments equity                    | -             | -          | -           | -            | -          | -                          | -           | -                 | -                      |
| 11190                           | Unit months available                                 | 122,255       | -          | -           | 173,859      | -          | 5,712                      | -           | -                 | -                      |
| 11210                           | Number of unit months leased                          | 119,415       | -          | -           | 157,287      | -          | 4,807                      | -           | -                 | -                      |
| 11270                           | Excess cash   | 6,120,576     | -          | -           | -            | -          | -                          | -           | -                 | -                      |
| 11620                           | Building purchases                                    | 9,475,643     | -          | -           | -            | -          | -                          | -           | -                 | -                      |
| 13510                           | CFFP debt services payments                           | 6,824,745     | -          | -           | -            | -          | -                          | -           | -                 | -                      |
| 13901                           | Replacement Housing Factor Funds                      | -             | -          | -           | -            | -          | -                          | -           | -                 | -                      |

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2018**

| Line<br>Item#                   | Accounts Description                       | 93.113 BRE | Other Fed<br>Program | 2 State/Local | 14.856 S8 Mod<br>Rehab | Blended<br>Component Unit | COCC         | Elimination | Total Entity | Discrete<br>Component Unit |
|---------------------------------|--|------------|----------------------|---------------|------------------------|---------------------------|--------------|-------------|--------------|----------------------------|
| <b>Memo Account Information</b> |  |            |                      |               |                        |                           |              |             |              |                            |
| 11020                           | Required annual debt principal payments    | \$ -       | \$ -                 | \$ -          | \$ -                   | \$ 4,100,000              | \$ -         | \$ -        | \$ 8,200,000 | \$ -                       |
| 11030                           | Beginning equity                           | (12,619)   | (84,509)             | 54,171,070    | 2,298,489              | -                         | (14,407,589) | -           | 205,476,452  | 155,316,259                |
|                                 | Prior period adjustments, equity transfers |            |                      |               |                        |                           |              |             |              |                            |
| 11040                           | correction                                 | -          | -                    | (10,638,761)  | (150,796)              | 155,355,273               | (18,135,736) | -           | 76,968,589   | (154,274,961)              |
| 11170                           | Administrative fee equity                  | -          | -                    | -             | -                      | -                         | -            | -           | (27,225,723) | -                          |
| 11180                           | Housing assistance payments equity         | -          | -                    | -             | -                      | -                         | -            | -           | -            | -                          |
| 11190                           | Unit months available                      | -          | -                    | 26,742        | 3,024                  | 5,628                     | -            | -           | 337,220      | -                          |
| 11210                           | Number of unit months leased               | -          | -                    | 26,237        | 2,558                  | 5,308                     | -            | -           | 315,612      | -                          |
| 11270                           | Excess cash                                | -          | -                    | -             | -                      | -                         | -            | -           | 6,120,576    | -                          |
| 11620                           | Building purchases                         | -          | -                    | -             | -                      | -                         | -            | -           | 9,475,643    | -                          |
| 13510                           | CFFP debt services payments                | -          | -                    | -             | -                      | -                         | -            | -           | 6,824,745    | -                          |
| 13901                           | Replacement Housing Factor Funds           | -          | -                    | -             | -                      | -                         | -            | -           | -            | -                          |