

**BOSTON HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2019**

**BOSTON HOUSING AUTHORITY  
TABLE OF CONTENTS  
YEAR ENDED MARCH 31, 2019**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION BUSINESS-TYPE ACTIVITIES</b>	<b>11</b>
<b>BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT</b>	<b>12</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –     BUSINESS-TYPE ACTIVITIES</b>	<b>13</b>
<b>STATEMENT OF OPERATIONS – DISCRETELY PRESENTED COMPONENT UNIT</b>	<b>14</b>
<b>STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES</b>	<b>15</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>16</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS – BOSTON RETIREMENT     SYSTEM</b>	<b>45</b>
<b>SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION     LIABILITY – BOSTON RETIREMENT SYSTEM</b>	<b>46</b>
<b>SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS</b>	<b>47</b>
<b>SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND     RELATED RATIOS</b>	<b>48</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE BALANCE SHEET</b>	<b>50</b>
<b>SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND     EXPENSES</b>	<b>54</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	<b>61</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>63</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>65</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>66</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>67</b>



## 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, 2019, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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, 2019, 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.

### **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 4-10, the Schedule of Authority's Pension Contributions – Boston Retirement System on page 45, the Schedule of Authority's Proportionate Share of the Net Pension Liability – Boston Retirement System on page 46, Schedule of Authority's OPEB Contributions on page 47 and the Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios on page 48 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. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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.

Administrator  
Boston Housing Authority

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
December 23, 2019

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2019**

**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 component units 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 plus deferred outflows of resources minus liabilities plus deferred inflows of resources 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 which 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, 2019**

**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, 2019 (FY 2019) and the fiscal year ended March 31, 2018 (FY 2018). 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 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.

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

The schedule below shows comparative statement of net position data from FY 2019 and FY 2018 for the primary government.

***Condensed Comparative Statement of Net Position***

	2019	2018	Net Change	Variance
Cash and Investments	\$ 162,571,376	\$ 123,412,945	\$ 39,158,431	31.73%
Other Current Assets	10,713,400	14,910,619	(4,197,219)	-28.15%
Capital Assets	271,683,593	301,646,477	(29,962,884)	-9.93%
Other Noncurrent Assets	<u>297,742,509</u>	<u>276,255,847</u>	<u>21,486,662</u>	7.78%
<b>Total Assets</b>	<u>742,710,878</u>	<u>716,225,888</u>	<u>26,484,990</u>	3.70%
<b>Total Deferred Outflows of Resources</b>	<u>31,683,784</u>	<u>12,369,882</u>	<u>19,313,902</u>	156.14%
<b>Total Assets and Deferred Outflows</b>	<u>\$ 774,394,662</u>	<u>\$ 728,595,770</u>	<u>\$ 45,798,892</u>	6.29%
Current Liabilities	\$ 82,038,101	\$ 49,355,571	32,682,530	66.22%
Noncurrent Liabilities	<u>401,706,345</u>	<u>381,132,082</u>	<u>20,574,263</u>	5.40%
<b>Total Liabilities</b>	<u>483,744,446</u>	<u>430,487,653</u>	<u>53,256,793</u>	12.37%
<b>Total Deferred Inflows of Resources</b>	<u>18,805,056</u>	<u>25,300,258</u>	<u>(6,495,202)</u>	-25.67%
Net Position:				
Net Investment in Capital Assets	138,389,415	162,770,222	(24,380,807)	-14.98%
Restricted Net Position	23,756,170	22,674,197	1,081,973	4.77%
Unrestricted Net Position	<u>109,699,575</u>	<u>87,363,440</u>	<u>22,336,135</u>	25.57%
<b>Total Net Position</b>	<u>271,845,160</u>	<u>272,807,859</u>	<u>(962,699)</u>	-0.35%
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 774,394,662</u>	<u>\$ 728,595,770</u>	<u>\$ 45,798,892</u>	6.29%

**Total assets** increased by \$26.5 million or 3.70%, from FY 2018. The significant changes in asset categories that resulted in this net increase are discussed below.

- Cash, cash equivalents and investments realized a net increase of \$39.2 million. The most significant reason for this increase is due to \$35.0 million in grant funds received from the City of Boston during FY 2019, most of which were not spent as of March 31, 2019. In addition, the Authority earned approximately \$2.3 million in investment income.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2019**

- Other current assets decreased by \$4.2 million. The decrease is primarily the result of receipt of \$2.1 million in Housing Choice Voucher funds from HUD that were earned in the prior year and changes in the allowance methodology during the fiscal year.
- Net capital assets decreased by \$30.0 million. This decrease is mainly due to an offset between current year additions of \$8.1 million, annual depreciation expense of \$36.5 million and the disposals of West Newton and Camden.
- Other noncurrent assets increased by \$21.5 million due mainly to an increase in notes receivable related to the Orient Heights, West Newton, Rutland Apartments, Camden, and Whittier developments in the State and Local program.
- Deferred outflows of resources increased by \$19.3 million. This increase is primarily due to an increase of \$4.7 million related to changes in assumptions for the OPEB liability and a net increase of \$14.6 million related to differences between projected and actual earnings for the pension liability.

**Total liabilities** increased in FY2019 by \$53.3 million or 12.37%. The significant changes in liability categories that resulted in this net decrease are discussed below.

- Current liabilities increased by \$32.7 million. The most significant reason for this increase is the \$35 million grant received from the City of Boston to use for the Orient Heights Phase 2 and Old Colony Phase 3 redevelopments. The majority of the grant funds were not expended as of March 31, 2019 and were therefore included in unearned revenue.
- Noncurrent liabilities increased by \$20.6 million. The main reasons for the increase were an increase in pension liability of \$21.4 million, an increase in OPEB liability of \$7.5 million and an offsetting decrease in long-term debt of \$6.9 million.
- Deferred inflows of resources decreased by \$6.5 million due to changes in the Authority's proportionate share of the pension liability, differences between actual and expected earnings on the pension plan investments and differences between actual and expected experience for the pension plan.

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 plus deferred inflows equal "net position." Using this formula, the increase from FY 2018 to FY 2019 in total assets of \$26.5 million, the increase in deferred outflows of resources of \$19.3 million, the increase in total liabilities of \$53.3 million and the decrease in deferred inflows of \$6.5 million from FY2018 to FY 2019 equals the decrease in net position of \$1.0 million.

To conclude this section, some selected liquidity and debt ratios are shown. Cash and investments and current assets showed decreases between FY 2018 and FY 2019 resulting in decreases in the current and cash ratios.

	<u>2019</u>	<u>2018</u>
Current Ratio	2.11	2.80
Cash Ratio	1.98	3.75
Cash Ratio (Excluding Restricted Cash and Related Current Portion of Debt)	1.37	3.46
Debt to Equity	52%	62%
Debt Ratio	65%	60%
Capitalization Ratio	34%	35%



**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2019**

**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 FY 2019, the BHA had total operating revenue of \$422.1 million, total operating expenses of \$436.5 million, and total nonoperating revenues (net of nonoperating expenses) of \$13.4 million. The result is a \$1.0 million decrease reported as "change in net position" for FY 2019 on the statement of revenues, expenses, and changes in net position.

***Comparative Statement of Revenues and Expenses***

	2019	2018	Net Change	Variance
Total Tenant Revenue	\$ 55,172,524	52,510,614	\$ 2,661,910	5.07%
HUD Operating Subsidies and Grants	303,704,500	276,017,780	27,686,720	10.03%
Other Governmental Grants	51,310,726	40,764,895	10,545,831	25.87%
Other Revenue	11,945,953	17,331,747	(5,385,794)	-31.07%
Total Operating Revenue	<u>422,133,703</u>	<u>386,625,036</u>	<u>35,508,667</u>	9.18%
Administration	56,538,274	44,466,900	12,071,374	27.15%
Tenant Services	3,561,982	2,527,456	1,034,526	40.93%
Utilities	39,154,798	36,546,396	2,608,402	7.14%
Maintenance and Operations	55,611,413	52,861,113	2,750,300	5.20%
Protective Services	6,594,721	7,340,426	(745,705)	-10.16%
Insurance	3,831,067	3,553,176	277,891	7.82%
Payment in Lieu of Taxes	66,660	460,029	(393,369)	-85.51%
Housing Assistance Payments	222,395,541	205,924,584	16,470,957	8.00%
Other General Expenses	10,116,351	4,809,953	5,306,398	110.32%
Bad Debt	2,105,005	1,441,970	663,035	45.98%
Depreciation	36,529,609	38,386,882	(1,857,273)	-4.84%
Total Operating Expenses	<u>436,505,421</u>	<u>398,318,885</u>	<u>38,186,536</u>	9.59%
Total Operating Loss	(14,371,718)	(11,693,849)	(2,677,869)	22.90%
Capital Grants	19,338,624	9,475,643	9,862,981	104.09%
Investment Income - Unrestricted	2,127,659	576,682	1,550,977	268.95%
Investment Income - Restricted	223,014	93,563	129,451	138.36%
Interest Expense	(7,223,906)	(7,669,969)	446,063	-5.82%
Loss on Sale of Capital Assets	(747,002)	-	(747,002)	100.00%
Casualty Losses	(309,370)	(419,252)	109,882	-26.21%
Total Nonoperating Revenues	<u>13,409,019</u>	<u>2,056,667</u>	<u>11,352,352</u>	551.98%
Change in Net Position	(962,699)	(9,637,182)	8,674,483	-90.01%
Net Position - Beginning of Year	<u>272,807,859</u>	<u>282,445,041</u>	<u>(9,637,182)</u>	-3.41%
Net Position - End of Year	<u>\$ 271,845,160</u>	<u>\$ 272,807,859</u>	<u>\$ (962,699)</u>	-0.35%

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2019**

**Total operating revenue** increased by \$35.5 million in FY 2019 from FY 2018. Significant factors included:

- \$2.7 million increase in tenant revenues. The increase in tenant revenues is due mainly to increase in unit rents.
- \$27.7 million increase in subsidies and grants from the US Department of Housing and Urban Development (HUD) due primarily to an increase in the Housing Choice Voucher Program funding of \$18.9 million and increases in the Low Rent Public Housing Program of \$9.7 million.
- \$10.5 million increase in other governmental grants due to additional funding in State and Local for the Orient Heights Redevelopment.

**Total operating expense:** Total operating expense increased by \$38.2 million from FY 2018 to FY2019. This increase is accounted for in the following programs and categories:

- Administration expense increased by \$12.1 million. This increase in FY 2019 is primarily due to a 2% increase in Salaries and an increase in fringe benefits.
- Housing assistance payments increased by \$16.5 million due to an increase in the per unit assistance payment amount.
- Other general expense increased by \$5.3 million due primarily to the increase in pension and OPEB expense.

**Total net nonoperating revenues and expenses:** Total net nonoperating revenues and expenses increased by \$13.4 million

- Capital grants increased by \$9.9 million from FY 2018 to FY 2019 due to the new Choice Neighborhoods Implementation grant from HUD.

**BOSTON HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2019**

**CAPITAL ACTIVITY**

In FY 2019 the Authority expended funds from several sources on capital improvement projects. Funding of \$9.9 million for the federal developments was received under the Federal Capital Fund Program and \$9.4 million was received under the Federal Choice Neighborhoods Implementation grant.

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, 2019 the Authority had \$140.9 million in long-term debt, including the current portion of \$8.3 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. In addition to the bonds, the Authority has two loans from Massachusetts Housing Finance Agency related to Heritage and Lower Mills along with a new loan for the Whittier development. These bonds and loans 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 10,613 public housing units scattered throughout the City of Boston, with 8,517 of these units funded by HUD and 2,096 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, 2019**

**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 2019 was increased from 94.74% of eligibility in calendar year 2018 to 97.26% in calendar year 2019. 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 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 Director of Financial Operations.

**BOSTON HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION – BUSINESS-TYPE ACTIVITIES**  
**MARCH 31, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents - Unrestricted	\$ 100,792,778
Cash and Cash Equivalents - Restricted	61,577,694
Investments - Restricted	200,904
Accounts Receivable, Net	8,365,340
Notes, Loans, and Mortgages Receivable - Current	260,000
Accrued Interest Receivable	51,820
Prepaid Expenses and Other Assets	1,386,298
Inventories	<u>649,942</u>
Total Current Assets	<u>173,284,776</u>

**NONCURRENT ASSETS**

Capital Assets, Net of Accumulated Depreciation	271,683,593
Notes, Loans, and Mortgages Receivable - Net of Current	297,581,690
Other Noncurrent Assets	<u>160,819</u>
Total Noncurrent Assets	<u>569,426,102</u>

Total Assets	<u>742,710,878</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Employer-Related OPEB Activities	4,675,542
Employer-Related Pension Activities	<u>27,008,242</u>
Total Deferred Outflows of Resources	<u>31,683,784</u>

<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 774,394,662</u></b>
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable - Operating	\$ 1,574,022
Accounts Payable - HUD	2,665,798
Accounts Payable - Other Government	13,301,214
Accrued Liabilities	14,687,618
Accrued Interest Payable	2,379,085
Accrued Compensated Absences - Current Portion	692,435
Unearned Revenues	37,047,696
Other Current Liabilities	1,370,264
Current Portion of Long-Term Debt	<u>8,319,969</u>
Total Current Liabilities	<u>82,038,101</u>

**NONCURRENT LIABILITIES**

Long-Term Debt, Net of Current Portion	132,584,209
Accrued Compensated Absences, Net of Current Portion	6,733,470
Net Pension Liability	99,966,097
Net OPEB Liability	156,289,325
Noncurrent Liabilities - Other	<u>6,133,244</u>
Total Noncurrent Liabilities	<u>401,706,345</u>

Total Liabilities	483,744,446
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**DEFERRED INFLOWS OF RESOURCES**

Deferred Pension Expense	18,805,056
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**NET POSITION**

Net Investment in Capital Assets	138,389,415
Restricted	23,756,170
Unrestricted	<u>109,699,575</u>
Total Net Position	<u>271,845,160</u>

<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b><u>\$ 774,394,662</u></b>
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See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNIT  
DECEMBER 31, 2018**

<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	18,053
Tenant Deposits Held in Trust		85,111
Tenant Accounts Receivable		13,181
Prepaid Expenses		17,948
Restricted Deposits and Funded Reserves		2,984,852
Rental Property, Net		<u>20,811,301</u>
Total Assets		<u><u>\$ 23,930,446</u></u>
<b>LIABILITIES AND PARTNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Mortgage Bond Payable, Net	\$	7,405,470
Notes Payable		14,391,700
Accrued Interest		2,079,981
Accounts Payable		15,117
Accrued Operating Expenses		52,483
Tenant Security Deposits Held in Trust		84,250
Due to Related Party		300,000
Deferred Revenue		<u>5,842</u>
Total Liabilities		24,334,843
<b>PARTNERS' EQUITY</b>		<u>(404,397)</u>
Total Liabilities and Partners' Equity		<u><u>\$ 23,930,446</u></u>

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, 2019**

**OPERATING REVENUES**

Tenant Rental Revenue, Net	\$ 55,172,524
HUD Operating Grants	303,704,500
Other Governmental Grants	51,310,726
Other Revenue	11,945,953
Total Operating Revenues	<u>422,133,703</u>

**OPERATING EXPENSES**

Administrative	56,538,274
Tenant Services	3,561,982
Utilities	39,154,798
Maintenance	55,611,413
Protective Services	6,594,721
Insurance Premiums	3,831,067
Payments in Lieu of Taxes	66,660
Housing Assistance Payments	222,395,541
Other General Expenses	10,116,351
Bad Debt	2,105,005
Depreciation	36,529,609
Total Operating Expenses	<u>436,505,421</u>

**NET OPERATING LOSS**

(14,371,718)

**NONOPERATING REVENUES (EXPENSES)**

Investment Income - Unrestricted	2,127,659
Investment Income - Restricted	223,014
Loss on Sale of Capital Assets	(747,002)
Interest Expense	(7,223,906)
Casualty Losses	(309,370)
Total Nonoperating Revenues (Expenses)	<u>(5,929,605)</u>

**LOSS BEFORE CAPITAL GRANTS AND TRANSFERS**

(20,301,323)

Capital Grants

19,338,624

**DECREASE IN NET POSITION**

(962,699)

Net Position - Beginning of Year

272,807,859

**NET POSITION - END OF YEAR**

\$ 271,845,160

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
STATEMENT OF OPERATIONS – DISCRETELY PRESENTED COMPONENT UNIT  
YEAR ENDED DECEMBER 31, 2018**

**REVENUES**

Gross Rental Income	\$ 990,237
Less Vacancies and Concessions	<u>(35,603)</u>
Effective Rental Income	954,634

Interest	7,507
BHA Subsidy	839,064
Miscellaneous Tenant Fees	<u>1,087</u>
Total Revenues	1,802,292

**OPERATING EXPENSES**

Administrative	226,861
Utilities	195,221
Operating and Maintenance	420,929
Taxes and Insurance	172,043
Interest	<u>567,733</u>
Total Operating Expenses	<u>1,582,787</u>

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

219,505

**DEPRECIATION**

(808,340)

**OTHER EXPENSES**

Program Oversight Fee	<u>(75,000)</u>
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**NET LOSS**

(663,835)

Partners' Equity - Beginning of the Year

259,438

**PARTNERS' EQUITY - END OF YEAR**

\$ (404,397)



**BOSTON HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES**  
**YEAR ENDED MARCH 31, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 58,510,154
HUD and Other Governmental Grants	420,889,831
Cash Received from Other Sources	10,583,138
Payments to Suppliers for Operations	(29,408,534)
Payments for Housing Operations and Tenant Services	(70,041,411)
Housing Assistance Payments	(222,395,541)
Payments to Employees	(74,149,823)
Net Cash Provided by Operating Activities	<u>93,987,814</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net Change in Investments	7,966,817
Issuance of Notes Receivables	(55,529,200)
Repayment of Notes Receivables	682,907
Interest Received	2,350,673
Net Cash Used by Investing Activities	<u>(44,528,803)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants	19,338,624
Acquisition of Capital Assets	(8,063,017)
Loss on Sale of Capital Assets	749,290
Casualty Losses	(309,370)
Repayment of Long-Term Debt	(7,939,539)
Additions to Long-Term Debt	1,114,155
Payment of Interest	(7,223,906)
Net Cash Used by Capital and Related Financing Activities	<u>(2,333,763)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	47,125,248
Cash and Cash Equivalents - Beginning of Year	<u>115,245,224</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 162,370,472</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Net Operating Loss	\$ (14,371,718)
Adjustment to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	36,529,609
Bond Premium	(130,190)
Provision for Bad Debt	2,105,005
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable	33,894,099
Prepaid Expenses	1,264,475
Inventories	293,271
Accounts Payable	(7,681,801)
Accounts Payable - HUD	1,489,429
Accounts Payable - Government	(1,932,361)
Accrued Interest Payable	(167,960)
Accrued Liabilities	7,135,068
Unearned Revenue	32,423,438
Accrued Compensated Absences	(186,661)
Other Current Liabilities	232,904
Net Deferred Outflow / Inflow of Resources - Pension	(21,133,562)
Net Pension Liability	21,363,644
Net Deferred Outflow of Resources - OPEB	(4,675,542)
Net OPEB Liability	7,536,667
Net Cash Provided by Operating Activities	<u>\$ 93,987,814</u>

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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, 2019, the Authority maintains 63 developments encompassing approximately 10,085 federally funded units and 2,200 state funded units. The Authority also has a leased housing program which provides housing assistance for approximately 15,200 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.

The following entities, based on the criteria above, are presented as blended component units as the Authority concluded that each of the entities are 100% controlled by the Authority.

- 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, 2019**

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

**Organization and Reporting Entity (Continued)**

Based on the criteria above, West Broadway Redevelopment Limited Partnership is presented as a discrete component unit. 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 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, 2019**

**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

**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.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

**Capital Assets (Continued)**

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, 2019**

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

**Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments 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 and OPEB.

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.

**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, 2019**

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

**Net Position Classifications (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 restricted 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.

**NOTE 2 CASH AND INVESTMENTS**

The following cash, cash equivalents and investments held by the Authority as of March 31, 2019 are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Cash	\$ 162,370,472
Guaranteed Investment Contracts	200,904
	<u>\$ 162,571,376</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.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

*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, 2019, 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	\$ 162,370,472	\$ 162,370,472	\$ -
Investments:			
Guaranteed Investment Contracts	200,904	-	200,904
Total	<u>\$ 162,571,376</u>	<u>\$ 162,370,472</u>	<u>\$ 200,904</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.

*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, 2019, the Authority's cash and investments carrying amount is \$162,571,376 with a bank balance of \$167,527,882. All deposits were fully collateralized as of March 31, 2019 with the exception of \$4,047,274 which is related to LMHC, HHC and WBRC.



**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

**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 \$7,548,370 are valued using quoted market prices (Level 1).

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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 Government Restricted Cash</u>	<u>Primary Government Restricted Investments</u>	<u>Discrete Component Unit Restricted Cash</u>
Family Self-Sufficiency/ State LEAP Program	\$ 908,527	\$ 908,527	\$ -	\$ -
Orchard Park Redevelopment Agreement	2,288,478	2,288,478	-	-
Old Colony Redevelopment Agreement	3,569,716	3,569,716	-	-
Capital Revenue Bonds Project Fund	10,393,046	10,393,046	-	-
West Broadway Redevelopment Agreement	886,652	685,748	200,904	-
Heritage Housing Corporation Agreement	2,590,642	2,590,642	-	-
Lower Mills Housing Corporation Agreement	1,144,384	1,144,384	-	-
Washington Beech Endowment Trust	416,964	416,964	-	-
Mary Ellen Property ale	50,000	50,000	-	-
52 Chauncy Street Funds	1,264,534	1,264,534	-	-
Winthrop Square Parking Garage Proceeds	34,881,138	34,881,138	-	-
Mainstream Vouchers - Due to HUD	479,437	479,437	-	-
ESCO Bond	1,433,046	1,433,046	-	-
Unearned Revenue	1,372,653	1,372,653	-	-
Restricted for Liabilities	99,381	99,381	-	-
West Broadway LP Reserves	2,984,852	-	-	2,984,852
West Broadway LP Tenant Deposits	85,111	-	-	85,111
Total	<u>\$ 64,848,561</u>	<u>\$ 61,577,694</u>	<u>\$ 200,904</u>	<u>\$ 3,069,963</u>

**Discrete Component Unit**

The discrete component unit cash balance as of December 31, 2018 included \$18,053 in unrestricted cash, \$85,111 restricted for tenant deposits and \$2,984,852 restricted for operating, insurance, Authority, Bond Fund or Replacement reserves. All amounts were invested in interest bearing checking accounts as of December 31, 2018.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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	\$ 361,751
HUD	898,874
Other Governments	859,218
Fraud Recovery	2,987,787
Overpayments to Landlords	1,180,758
Private Management Companies	1,244,307
Other	1,767,955
Tenants	4,603,834
Total	13,904,484
Less: Allowance	(5,539,144)
Net Accounts Receivable	\$ 8,365,340

**NOTE 4 CAPITAL ASSETS**

Capital assets are comprised of the following at March 31, 2019:

**Capital Assets – Primary Government**

	Balance April 1, 2018	Additions	Deletions	Transfers and Adjustments	Balance March 31, 2019
Land	\$ 75,512,907	\$ -	\$ (20,509)	\$ -	\$ 75,492,398
Buildings	1,353,140,457	2,131,922	(18,541,451)	17,091,220	1,353,822,148
Furniture, Equipment, and Machinery	6,965,847	335,010	(2,149,009)	28,046	5,179,894
Infrastructure	59,489	9,968	(31,443)	(28,046)	9,968
Construction in Progress	19,343,315	5,586,117	-	(17,091,220)	7,838,212
	1,455,022,015	8,063,017	(20,742,412)	-	1,442,342,620
Less: Accumulated Depreciation:					
Buildings	(1,147,306,805)	(36,253,845)	17,209,308	-	(1,166,351,342)
Furniture, Equipment, and Machinery	(6,068,733)	(275,764)	2,036,811	-	(4,307,685)
	(1,153,375,538)	(36,529,609)	19,246,119	-	(1,170,659,027)
Total	\$ 301,646,477	\$ (28,466,592)	\$ (1,496,293)	\$ -	\$ 271,683,593

**Capital Assets – Discrete Component Unit**

	Balance January 1, 2018	Additions	Deletions	Transfers	Balance December 31, 2018
Land	\$ 870,045	\$ -	\$ -	\$ -	\$ 870,045
Buildings	30,604,325	-	-	-	30,604,325
Furniture, Fixtures, and Equipment	467,312	-	-	-	467,312
Construction in Progress	-	-	-	-	-
	31,941,682	-	-	-	31,941,682
Less: Accumulated Depreciation:					
Total	(10,322,041)	(808,340)	-	-	(11,130,381)
Total	\$ 21,619,641	\$ (808,340)	\$ -	\$ -	\$ 20,811,301

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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, 2019**

**NOTE 5 LOANS RECEIVABLE (CONTINUED)**

Borrower	Interest Rate	Amount	Due Date	Accrued Interest
Harbor Point	3.00%	\$ 8,700,000	12/31/2041	\$ 5,542,922
Long-Glen Rental LLC	AFR/4.68%	1,850,000	02/28/2046	1,633,904
Trinity East Boston LP	0.10%	6,500,000	09/24/2033	92,114
Trinity East Boston LP	0.10%	9,082,234	09/24/2033	132,992
Trinity East Boston II LP	AFR/4.87%	4,959,056	09/24/2033	4,729,759
Trinity East Boston III LP	4.70%	4,856,085	04/19/2055	4,209,532
Trinity East Boston IV	2.00%	6,914,496	04/19/2055	1,943,760
Trinity East Boston IV	2.00%	4,931,926	04/19/2055	1,499,916
<b>Total Trinity East</b>		<b>37,243,797</b>		<b>12,608,073</b>
West Broadway Redevelopment	1.00%	3,570,000	12/23/2043	525,226
West Broadway Redevelopment	1.00%	10,821,700	12/23/2043	1,582,021
West Broadway Redevelopment	5.28%	7,602,412	12/01/2035	500,346
<b>Total West Broadway</b>		<b>21,994,112</b>		<b>2,607,593</b>
Trinity Franklin Hill Limited Partnership	0.10%	6,968,058	12/31/2059	60,975
Trinity Franklin Hill Limited Partnership	5.20%	3,640,739	03/13/2057	2,973,158
Trinity Franklin Hill Limited Partnership	5.2% - 6.85%	1,271,428	04/25/2057	67,091
<b>Total Trinity Franklin Hill</b>		<b>11,880,225</b>		<b>3,101,224</b>
Trinity Washington Beech Phase One LP	AFR/3.88%	196,327	06/10/2049	88,176
Trinity Washington Beech Phase One LP	0.10%	4,407,763	06/10/2049	42,237
Trinity Washington Beech Phase One LP	0.10%	9,751,330	06/10/2049	93,513
<b>Total Trinity Washington Beech Phase 1</b>		<b>14,355,420</b>		<b>223,926</b>
Trinity Washington Beech Phase Two LP	2.70%	750,000	09/30/2057	188,591
Trinity Washington Beech Phase Two LP	2.70%	2,602,537	09/30/2052	599,411
Trinity Washington Beech Phase Two LP	0.50%	4,406,053	09/30/2057	163,642
Trinity Washington Beech Phase Two LP	2.70%	2,175,082	09/30/2052	506,026
Trinity Washington Beech Phase Two LP	0.50%	2,399,267	09/30/2057	88,428
<b>Total Trinity Washington Beech Phase 2</b>		<b>12,332,939</b>		<b>1,546,098</b>
Old Colony Phase One LP	0.00%	17,921,182	9/14/2054	N/A
Old Colony Phase Two LP	0.00%	8,300,312	5/19/2058	N/A
<b>Total Old Colony</b>		<b>26,221,494</b>		N/A
Trinity Orient Heights	2.85%	22,000,000	11/23/2068	446,119
Trinity Orient Heights	2.85%	10,725,000	9/14/2054	620,173
Trinity Orient Heights	1.00%	4,980,512	11/9/2065	16,183
<b>Total Trinity Orient Heights</b>		<b>37,705,512</b>		<b>1,082,475</b>
Mission Main Phase One L.P.	0.10%	52,838,077	01/01/2040	982,966
Mission Main Phase One L.P.	AFR	2,320,531	01/01/2040	5,132,745
Mission Main Phase One L.P.	4.25%	6,741,479	01/01/2040	7,708,904
Mission Main Phase One L.P.	AFR	1,505,091	11/01/2040	2,715,972
Mission Main Phase One L.P.	4.25%	4,844,346	11/01/2040	5,308,247
<b>Total Mission Main</b>		<b>68,249,524</b>		<b>21,848,834</b>

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 5 LOANS RECEIVABLE (CONTINUED)**

Borrower	Interest Rate	Amount	Due Date	Accrued Interest
Madison Trinity LP Phase I	6.77%	\$ 4,427,930	9/30/2036	\$ 17,610,754
Madison Trinity LP Phase I	0.10%	4,591,805	9/30/2036	104,453
Madison Trinity LP Phase II	6.55%	138,000	09/15/2037	1,724,414
Madison Trinity Phase II	0.10%	4,342,350	09/15/2037	92,646
Madison Trinity Phase II	0.10%	3,962,000	09/15/2037	84,310
Orchard Park Offsite Phase 1	AFR	3,725,458	11/16/2038	7,935,213
Orchard Park Offsite Phase 1	0.10%	3,050,000	11/16/2038	60,004
Orchard Park Offsite Phase 1	0.01%	1,762,000	11/16/2038	2,366
Orchard Park Offsite Company LLC	0.01%	4,086,237	11/16/2038	5,508
Adams Orchard LP	0.10%	950,000	12/28/2038	19,463
Adams Orchard LP	0.10%	2,046,964	12/28/2038	41,388
Adams Orchard LP	0.10%	4,225,000	12/28/2038	84,499
Adams Orchard LP	5.25%	5,964,928	12/28/2038	9,259,870
<b>Total Orchard Park</b>		<b>43,272,672</b>		<b>37,024,888</b>
West Newton Rutland Apartments PH1	3.15%	25,088,332	1/25/2068	136,854
Trinity Washington Beech Phase Two LP	0.01%	6,175,000	09/30/2057	52,479
Franklin Hill Unpaid Development Fees	N/A	2,071,324	N/A	N/A
Franklin Hill Unpaid Ground Lease	N/A	4,534,651	4/30/2106 & 4/30/2107	1,537,353
Washington Beech Unpaid Ground Lease	N/A	3,103,190	6/11/2108 & 9/30/2109	482,010
Camden Redevelopment	3.31%	600,000	12/18/2063	N/A
Whittier 1A-4	2.00%	4,087,829	3/27/2060	22,864
Whittier 1A-9	0.00%	2,182,908	3/27/2021	N/A
Madison Melnea Cass	6.50%	956,000	3/15/2060	30,342
West Newton Unpaid Ground Lease	N/A	10,950	N/A	N/A
Total		332,615,879		89,481,839
Allowance for Collectability		(34,774,189)		(89,481,839)
<b>Total Loans Receivable - Primary Government</b>		<b>\$ 297,841,690</b>		<b>\$ -</b>

**NOTE 6 LONG-TERM LIABILITIES**

**Primary Government**

	April 1, 2018	Additions	Deletions	March 31, 2019	Current Portion
Capital Debt:					
Project and Refunding Bond 2010	\$ 4,215,000	\$ -	\$ (250,000)	\$ 3,965,000	\$ 265,000
West Broadway Redevelopment Bond	7,855,000	-	(245,000)	7,610,000	260,000
CFP Revenue Bonds Series 2008	57,420,000	-	(4,305,000)	53,115,000	4,265,000
Build America Bonds Series 2010	49,765,000	-	(2,815,000)	46,950,000	3,190,000
MHFA Heritage Housing Corp	18,958,016	-	(223,966)	18,734,050	234,515
MHFA Lower Mills Housing Corp	8,518,238	-	(100,573)	8,417,665	105,454
Whittier Preservation of Affordable Housing, LLC	-	1,114,155	-	1,114,155	-
Bond Premium	1,128,499	-	(130,190)	998,309	-
Other Long-Term Liabilities:					
Accrued Pension and OPEB Liabilities	227,355,110	28,900,311	-	256,255,421	-
Accrued Compensated Absences	7,612,566	-	(186,661)	7,425,905	692,435
Retention and Other Noncurrent Liabilities	6,285,386	-	(152,142)	6,133,244	-
Total	<u>\$ 389,112,815</u>	<u>\$ 30,014,466</u>	<u>\$ (8,408,532)</u>	<u>\$ 410,718,749</u>	<u>\$ 9,012,404</u>

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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, 2019 is \$3,965,000. The interest rate on Series A was 4.17% and on Series B was 6.22% and accrued unpaid interest totals \$90,972.

**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, 2019 is \$7,610,000, and accrued unpaid interest totals \$133,936.

**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, 2019 is \$53,115,000, and accrued unpaid interest totals \$1,262,904.

**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, 2019 is \$46,950,000, and accrued unpaid interest totals \$779,659.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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 balances outstanding on the mortgages at March 31, 2019 are \$8,417,665 and \$18,734,050, respectively. Accrued unpaid interest for the year ended March 31, 2019 amounted to \$34,098 and \$73,654, respectively.

**Preservation of Affordable Housing LLC (POAH):** In March 2019, the BHA obtained a loan from Preservation of Affordable Housing, LLC. The loan shall mature and the entire unpaid principal balance, and any accrued and unpaid interest thereon, shall be due and payable on the earlier to occur of (i) the date on which BHA enters into a ground lease for the redevelopment of Whittier Phase 2 with an affiliate of POAH, or (ii) March 1, 2021 (maturity date). Interest on the unpaid principal advances of this note shall accrue at the rate of 4.16% per annum, compounded annually. As of March 31, 2019, the principal outstanding on the note is \$1,114,155 and accrued unpaid interest for the year ended March 31, 2019 amounted to \$3,862.

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>
2020	\$ 8,319,969	\$ 7,317,569	\$ (1,021,837)	14,615,701
2021	8,680,284	6,946,956	(982,811)	14,644,429
2022	7,968,061	6,404,496	(940,688)	13,431,869
2023	8,385,800	6,017,336	(841,521)	13,561,615
2024	8,844,377	5,577,863	(3,219,229)	11,203,011
2025-2029	52,142,997	20,179,761	(993,394)	71,329,364
2030-2034	23,769,444	8,746,566	-	32,516,010
2035-2039	5,597,072	4,393,660	-	9,990,732
2040-2044	4,733,050	3,248,210	-	7,981,260
2045-2049	5,970,573	2,010,687	-	7,981,260
2050-2053	5,494,243	506,239	-	6,000,482
Total	<u>\$ 139,905,870</u>	<u>\$ 71,349,343</u>	<u>\$ (7,999,480)</u>	<u>\$ 203,255,733</u>



**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

**Discretely Presented Component Units**

	January 1, 2018	Additions	Principal Payments	December 31, 2018
Capital Debt:				
BHA 1st Mortgage Loan	\$ 7,843,299	\$ -	\$ (245,000)	\$ 7,598,299
BHA State Capital Assistance Loan	10,821,700	-	-	10,821,700
BHA/City Loan	3,570,000	-	-	3,570,000
Unamortized Deferred Financing Costs	(201,902)	-	9,073	(192,829)
Total	<u>\$ 22,033,097</u>	<u>\$ -</u>	<u>\$ (235,927)</u>	<u>\$ 21,797,170</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, 2018. Interest expense for the year ended December 31, 2018 totaled \$414,744 and the outstanding principal balance at that date was \$7,598,299.

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, 2018 were \$659,744.

**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, 2018, accrued and unpaid interest totaled \$1,428,586 and interest expense incurred for the year ended December 31, 2018 was \$108,217.

**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, 2018, accrued and unpaid interest totaled \$506,027 and interest expense incurred for the year ended December 31, 2018 was \$35,700.

<u>Discretely Presented Component Units</u>	<u>Principal</u>
2019	\$ 260,000
2020	275,000
2021	290,000
2022	305,000
2023	320,000
Thereafter	20,539,999
Total	<u>\$ 21,989,999</u>

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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.

**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, 2019 was \$12,369,882.

**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, 2018).

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 7 PENSION PLAN (CONTINUED)**

**Benefits Provisions (Continued)**

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.

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, 2018. These valuations used the following actuarial assumptions, applied to all periods included in the measurement:

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 7 PENSION PLAN (CONTINUED)**

**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, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	23%	6.16%
International Developed Markets Equity	17	6.69
Emerging Markets Equity	8	9.47
Core Fixed Income	16	1.89
High Yield Fixed Income	10	4.00
Real Estate	10	4.58
Hedge Fund, GTAA, Risk Parity	9	3.68
Private Equity	7	10.00

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% 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.

**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 Discount</u>	<u>1% Increase</u>
Net Pension Liability (System)	\$ 2,762,619,719	\$ 1,997,406,131	\$ 1,350,078,113
Net Pension Liability (Authority)	138,262,038	99,966,097	67,567,950

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 7 PENSION PLAN (CONTINUED)**

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

At March 31, 2019, the Authority reported a liability of \$99,966,097 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, 2018, 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 2018 relative to the total contributions of all participating employers for that fiscal year. At December 31, 2018, the Authority's proportion was 5.0%.

For the year ended March 31, 2019, the Authority recognized pension expense of \$10,823,756. At March 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 19,991,486	\$ 8,196,880
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	7,016,756	1,532,916
Changes in Proportionate Share	-	9,075,260
Contributions Made Subsequent to Measurement Date	-	-
Total	<u>\$ 27,008,242</u>	<u>\$ 18,805,056</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>
2020	\$ 5,810,649
2021	2,190,301
2022	2,274,361
2023	7,760,828
2024	(9,832,953)
Total	<u>\$ 8,203,186</u>

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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 \$156,289,325 was measured as of March 31, 2019, and was determined by an actuarial valuation as of April 1, 2017, which has been rolled forward to the March 31, 2019 measurement date.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

**Actuarial Methods and Assumptions**

The total OPEB liability in the June 6, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date	June 6, 2018	
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	
Discount Rate	3.50% 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**

	<u>Total OPEB Liability</u>
Balance at March 31, 2018	\$ 148,752,658
Service Cost	1,921,771
Interest on Total OPEB Liability	5,301,095
Changes in Assumptions	5,100,591
Benefit Payments	<u>(4,786,790)</u>
Net Changes	<u>7,536,667</u>
Balance at March 31, 2019	<u><u>\$ 156,289,325</u></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 3.50 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease <u>(2.50)%</u>	Current Discount <u>(3.50)%</u>	1% Increase <u>(4.50)%</u>
Total OPEB Liability	\$ 186,248,822	\$ 156,289,325	\$ 133,414,808

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 130,586,009	\$ 156,289,325	\$ 191,019,134

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

For the year ended March 31, 2019, the Authority recognized OPEB expense of \$7,647,915. At March 31, 2019, the Authority reported \$4,675,542 of deferred outflows of resources related to OPEB due to changes in assumptions. That amount will be recognized in OPEB expense as follows:

Year Ending March 31.	Amount
2020	\$ 425,049
2021	425,049
2022	425,049
2023	425,049
2024	425,049
Total Thereafter	2,550,297



**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**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, 2019. The buildings and improvements at the Developments secure the notes.

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

Tenant	Term (Years)	Lease Expiration	Income Recognized in FY 2019	Annual Payment	Rate on Accrued Balance
Mission Main Phase One L.P.	99	12/31/2097	\$ 213,784	Contingent *	N/A
Mission Main Phase Two L.P.	99	12/31/2099	18,264	Contingent *	N/A
Mission Main Phase Three L.P.	99	12/31/2099	23,628	Contingent *	N/A
Orchard Park Phase One and Two	75	9/15/2072	-	Contingent *	N/A
Orchard Park Phase Three	75	9/1/2073	-	Contingent *	N/A
Orchard Park Offsite Phase One	99	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	\$ 67,000	0.00%
Harbor Point L.P.	99	11/26/2085	-	None **	N/A
Trinity Franklin Hill L.P. - Phase One A	99	3/13/2106	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	3/13/2106	48,000	48,000	5.25%
Trinity Franklin Hill L.P. - Phase Two B	99	4/30/2107	56,000	56,000	4.46%
Trinity Washington Beech - Phase One A	99	6/11/2108	70,000	70,000	1.00%
Trinity Washington Beech - Phase One B	99	6/11/2108	100,000	100,000	1.00%
Trinity Washington Beech - Phase Two A	99	9/30/2109	105,840	105,840	4.03%
Trinity Washington Beech - Phase Two B	99	9/30/2109	164,160	164,160	4.03%
Old Colony Phase One L.P.	99	9/15/2109	-	None	N/A
Old Colony Phase Two A L.P.	99	10/17/2111	-	None	N/A
Old Colony Phase Two B L.P.	99	10/17/2111	-	None	N/A
Old Colony Phase Two C LP	99	5/19/2113	-	None	N/A
Old Colony Phase Three A4 LP	99	8/7/2118	-	None	N/A
Old Colony Phase Three A9 LP	99	8/7/2118	-	None	N/A
Trinity Orient Heights Phase One	99	11/23/2115	99	None	N/A
Trinity Orient Heights - Phase Two	99	10/31/2117	-	None	N/A
West Concord L.P.	99	12/31/2102	-	None	N/A
Lower Mills Housing Corporation	99	5/31/2110	-	Contingent ***	N/A
Heritage Housing Corporation	99	5/31/2110	-	Contingent ***	N/A
Whittier 1A-4 Preservation Associates LP	99	3/27/2117	-	None	N/A
Whittier 1A-9 Preservation Associates LP	99	3/27/2117	-	None	N/A
West Newton Rutland LLC	99	1/25/2118	10,950	10,950	N/A
Amory Street Partners LLC	99	12/28/2117	-	None	N/A
BC Camden Limited Partnership	99	12/18/2117	-	None	N/A
Total			<u>\$ 1,257,725</u>	<u>\$ 1,001,950</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, 2019. In addition, annual payments are payable from surplus cash flow as defined in the ground leases.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 10 RISK MANAGEMENT**

The Authority, with HUD approval, has elected to self-insure its risks for general liability claims. As of March 31, 2019, 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 Fiscal Year	Interest and Provision for Estimates and Losses	Claim Payments	End of Fiscal Year
2019	\$ 2,156,506	\$ -	\$ -	\$ 2,156,506
2018	2,156,506	-	-	2,156,506
2017	2,181,090	40,479	(40,479)	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, 2019.

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.

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 for several projects. As of March 31, 2019, these amounts totaled \$33,531,718.

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

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

	Boston Housing Capital Investment Corporation	Boston Housing Development Corporation	Mission Main Revitalization Corporation	Boston/Mt. Pleasant Development Corporation	Franklin Hill Revitalization Corporation	Maverick Revitalization Corporation	West Broadway Housing Corporation	Boston Public Housing Corporation	Orchard Park Revitalization Corporation	Old Colony Revitalization Corporation	Wash/Beech Revitalization Corporation	Lower Mills Housing Corporation	Heritage Homes Housing Corporation	Primary Government	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>															
Cash and Investments	\$ -	\$ -	\$ 1,491,572	\$ -	\$ 1,284,470	\$ (18,723)	\$ (26,033)	\$ 14,119	\$ (26,064)	\$ 2,606,424	\$ 2,164,552	\$ 1,591,855	\$ 2,798,677	\$ 88,911,929	\$ 100,792,778
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	416,964	1,144,384	2,590,642	57,626,608	61,778,598	61,778,598
Other Current Assets	-	-	-	-	-	-	-	-	-	441	-	352,783	512,516	9,847,660	10,713,400
Interprogram - Due from	185,965	-	755,144	-	286,709	35	-	(20,115)	8,035	191,355	477,090	(419,484)	221,543	(1,686,277)	-
Noncurrent Assets	111,522,196	-	-	-	5,785,975	-	-	6,175,000	-	3,103,190	-	14,903	21,255	171,119,990	297,742,509
Capital Assets:	942,021	-	1,542,291	-	1,142,934	1,018,617	-	-	4,903,602	987,804	687,061	10,338,824	22,451,663	227,668,776	271,683,593
Deferred Outflows	-	-	-	-	-	-	-	(5,441)	-	-	-	41,148	1,368	31,646,709	31,683,784
Total Assets and Deferred Outflows	112,650,182	-	3,789,007	-	8,500,088	999,929	(26,033)	6,163,563	4,885,573	3,786,024	6,848,857	13,064,413	28,597,664	585,135,395	774,394,662
<b>LIABILITIES AND DEFERRED INFLOWS</b>															
Current Liabilities	-	-	-	-	-	-	-	21,153	-	-	6,978	749,715	2,575,431	78,684,824	82,038,101
Interprogram - Due to	15	289	-	60	-	-	(35)	-	-	-	-	-	-	(329)	-
Noncurrent Liabilities	-	-	-	-	-	-	-	-	-	-	-	9,149,091	18,624,244	373,933,010	401,706,345
Deferred Inflows	-	-	-	-	-	-	-	7,053	-	-	-	-	-	18,798,003	18,805,056
Total Liabilities and Deferred Inflows	15	289	-	60	-	-	(35)	28,206	-	-	6,978	9,898,806	21,199,675	471,415,508	502,549,502
<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	1,921,158	3,717,615	121,526,312	138,389,415
Restricted	-	-	-	-	-	-	-	-	-	-	416,964	1,144,573	2,590,869	19,603,764	23,756,170
Unrestricted	111,708,146	(289)	2,246,716	(60)	7,357,154	(18,688)	(25,998)	6,135,357	(18,029)	2,798,220	5,737,854	99,876	1,089,505	(27,410,189)	109,639,575
Total Net Position	112,650,182	(289)	3,789,007	(60)	8,500,088	999,929	(25,998)	6,135,357	4,885,573	3,786,024	6,841,879	3,165,607	7,397,989	113,719,887	271,845,160
Total Liabilities, Deferred Inflows and Net Position	\$ 112,650,182	\$ -	\$ 3,789,007	\$ -	\$ 8,500,088	\$ 999,929	\$ (26,033)	\$ 6,163,563	\$ 4,885,573	\$ 3,786,024	\$ 6,848,857	\$ 13,064,413	\$ 28,597,664	\$ 585,135,395	\$ 774,394,662

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Boston Housing Capital Investment Corporation	Boston Housing Development Corporation	Mission Main Revitalization Corporation	Boston/Mt. Pleasant Development Corporation	Franklin Hill Revitalization Corporation	Maverick Revitalization Corporation	West Broadway Housing Corporation	Boston Public Housing Corporation	Orchard Park Revitalization Corporation	Old Colony Revitalization Corporation	Wash/Beech Revitalization Corporation	Lower Mills Housing Corporation	Heritage Homes Housing Corporation	Primary Government	Total
<b>OPERATING REVENUES</b>															
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,854,036	\$ 4,311,328	\$ 48,007,160	\$ 55,172,524
Other Revenue	92,598	-	255,676	-	484,000	-	-	89,816	-	-	440,000	2,236,608	267,535	363,094,946	366,961,179
Total Operating Revenues	92,598	-	255,676	-	484,000	-	-	89,816	-	-	440,000	5,090,644	4,578,863	411,102,106	422,133,703
<b>OPERATING EXPENSES</b>															
Administrative	-	-	-	-	186	-	-	8,992	-	-	-	200,805	538,930	55,789,361	56,538,274
Tenant Services	-	-	-	-	-	-	-	91,487	-	-	60,979	55,923	65,299	3,288,294	3,561,982
Utilities	-	-	-	-	-	-	-	-	-	-	-	312,431	934,051	37,908,316	39,154,798
Ordinary Maintenance and Operations	-	-	-	-	20	-	-	-	-	-	-	778,022	877,341	60,550,751	62,206,134
General Expenses	(20)	-	2,980	-	2,980	2,980	480	3,067	2,980	2,980	2,980	662,561	1,595,363	13,839,752	16,119,083
Depreciation	-	-	-	-	-	-	-	-	-	-	-	337,102	670,393	35,522,114	36,529,609
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	222,395,541	222,395,541
Total Operating Expenses	(20)	-	2,980	-	3,186	2,980	480	103,546	2,980	2,980	63,959	2,346,844	4,681,377	429,294,129	436,505,421
Operating Income (Loss)	92,618	-	252,696	-	480,814	(2,980)	(480)	(13,730)	(2,980)	(2,980)	376,041	2,743,800	(102,514)	(18,192,023)	(14,371,718)
Total Nonoperating Revenues (Expenses)	-	-	(44)	-	-	-	-	-	-	-	-	35,028	57,149	(6,021,738)	(5,929,605)
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	19,338,624	19,338,624
Change in Net Position	92,618	-	252,652	-	480,814	(2,980)	(480)	(13,730)	(2,980)	(2,980)	376,041	2,778,828	(45,365)	(4,875,137)	(962,699)
Total Net Position, Beginning of Year, As Restated	112,557,549	(289)	3,536,355	(60)	8,019,274	1,002,909	(25,518)	6,149,087	4,888,553	3,789,004	6,465,838	386,779	7,443,354	118,595,024	272,807,859
Total Net Position, End of Year	\$ 112,650,167	\$ (289)	\$ 3,789,007	\$ (60)	\$ 8,500,088	\$ 999,929	\$ (25,998)	\$ 6,135,357	\$ 4,885,573	\$ 3,786,024	\$ 6,841,879	\$ 3,165,607	\$ 7,397,989	\$ 113,719,887	\$ 271,845,160

**BOSTON HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019**

**NOTE 12 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)**

	Boston Housing Capital Investment Corporation	Boston Housing Development Corporation	Mission Main Revitalization Corporation	Boston/Mt. Pleasant Development Corporation	Franklin Hill Revitalization Corporation	Maverick Revitalization Corporation	West Broadway Housing Corporation	Boston Public Housing Corporation	Orchard Park Revitalization Corporation	Old Colony Revitalization Corporation	Wash/Beech Revitalization Corporation	Lower Mills Housing Corporation	Heritage Homes Housing Corporation	Primary Government	Total
<b>NET CASH PROVIDED (USED) BY</b>															
Operating Activities	\$ 92,618	\$ -	\$ 255,676	\$ -	\$ 94,978	\$ (18,723)	\$ (26,033)	\$ 3	\$ (26,064)	\$ (6,444)	\$ 157,180	\$ 1,077,749	\$ 1,508,460	\$ 90,878,414	\$ 93,987,814
Capital and Related Financing Activities	-	-	-	-	-	-	-	-	-	-	-	(24,140)	(424,110)	(1,885,513)	(2,333,763)
Investing Activities	(92,618)	-	-	-	-	-	-	-	-	-	-	(165,577)	(286,328)	(43,984,280)	(44,528,803)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	-	255,676	-	94,978	(18,723)	(26,033)	3	(26,064)	(6,444)	157,180	888,032	798,022	45,008,621	47,125,248
Cash and Cash Equivalents - Beginning of Year	-	-	1,235,896	-	1,189,492	-	-	14,116	-	2,612,868	2,007,372	703,823	2,000,655	105,481,002	115,245,224
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,491,572</b>	<b>\$ -</b>	<b>\$ 1,284,470</b>	<b>\$ (18,723)</b>	<b>\$ (26,033)</b>	<b>\$ 14,119</b>	<b>\$ (26,064)</b>	<b>\$ 2,606,424</b>	<b>\$ 2,164,552</b>	<b>\$ 1,591,855</b>	<b>\$ 2,798,677</b>	<b>\$ 150,489,623</b>	<b>\$ 162,370,472</b>
Ending cash check	-	-	1,491,572	-	1,284,470	(18,723)	(26,033)	14,119	(26,064)	2,606,424	2,164,552	1,591,855	2,798,677	150,489,623	162,370,472

**REQUIRED SUPPLEMENTARY INFORMATION**

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS  
BOSTON RETIREMENT SYSTEM  
YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 12,369,882	\$ 11,615,622	\$ 11,794,855	\$ 11,587,611
Contributions in Relation to the Actuarially Determined Contribution	<u>12,369,882</u>	<u>11,615,622</u>	<u>11,794,855</u>	<u>11,587,611</u>
Contribution Deficiency (Excess)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 45,855,315</u>	<u>\$ 46,922,877</u>	<u>\$ 42,190,564</u>	<u>\$ 37,390,539</u>
Contributions as a Percentage of Covered Payroll	<u>27%</u>	<u>25%</u>	<u>28%</u>	<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 four years of information are presented. The full trend information will be accumulated over the next six years.

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
BOSTON RETIREMENT SYSTEM  
YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the Net Pension Liability	5.00%	5.10%	5.13%	5.30%
Proportionate Share of the Net Pension Liability	\$ 99,966,097	\$ 78,602,453	\$ 91,747,156	\$ 104,255,320
Covered Payroll	\$ 45,855,315	\$ 46,922,877	\$ 42,190,564	\$ 37,390,539
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	218%	168%	217%	279%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58%	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 four years of information are presented. The full trend information will be accumulated over the next six years.



**BOSTON HOUSING AUTHORITY  
SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS  
YEAR ENDED MARCH 31, 2019**

	2019	2018
Contractually Required Contribution	\$ 4,786,790	\$ 4,809,786
Contributions in Relation to the Contractually Required Contribution	4,786,790	4,809,786
Contribution Deficiency (Excess)	\$ -	
 Covered Payroll	 \$ 42,190,564	 \$ 42,190,564
 Contributions as a Percentage of Covered- Employee Payroll	 11%	 11%

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 two years of information is presented. The full trend information will be accumulated over the next ten years.

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND  
RELATED RATIOS  
YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
Proportion of the total OPEB Liability	100.00%	100.00%
Proportionate Share of the OPEB Liability	\$ 156,289,325	\$ 148,752,658
Covered Payroll	\$ 42,190,564	\$ 42,190,564
Proportionate Share of the OPEB Liability as a Percentage of its Covered Payroll	370%	353%

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 2018; therefore, only two years of information are presented. The full trend information will be accumulated over the next eight years.

## **SUPPLEMENTARY INFORMATION**

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2019**

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	93.113 BRE	Other Fed Program
<b>CURRENT ASSETS</b>												
Cash:												
111	Unrestricted	\$ 35,681,714	\$ -	\$ -	\$ 5,912,792	\$ -	\$ 4,289,302	\$ -	\$ -	\$ 337,393	\$ -	\$ -
112	Restricted - modernization and development	11,894,074	-	-	-	-	-	-	-	-	-	-
113	Other restricted	6,766,272	-	-	1,123,230	-	-	-	-	-	-	-
114	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	76,497	-	-	-	-	-	-	-
100	Total cash	<u>54,342,060</u>	<u>-</u>	<u>-</u>	<u>7,112,519</u>	<u>-</u>	<u>4,289,302</u>	<u>-</u>	<u>-</u>	<u>337,393</u>	<u>-</u>	<u>-</u>
Accounts and notes receivable:												
121	PHA Projects	-	-	-	361,751	-	-	-	-	-	-	-
122	HUD other projects	745,527	-	22,620	-	-	15,125	-	-	-	-	18,454
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	1,336,050	-	-	1,647,715	-	8,816	-	-	-	-	33,459
126	Tenants	3,421,753	-	-	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(1,545,003)	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	(86,271)	-	-	(2,055,928)	-	(3,197)	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	2,987,787	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(1,232,625)	-	-	-	-	-	-	-
129	Accrued interest receivable	31,881	-	-	-	-	8,884	-	-	732	-	-
120	Total receivables, net of allowances for uncollectibles	<u>3,903,937</u>	<u>-</u>	<u>22,620</u>	<u>1,708,700</u>	<u>-</u>	<u>29,628</u>	<u>-</u>	<u>-</u>	<u>732</u>	<u>-</u>	<u>51,913</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	540,792	-	285	7,044	-	450	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	10,700,622	59,589	-	-	12,704	-	-	1,641,435	-	-	49,308
150	Total current assets	<u>69,487,411</u>	<u>59,589</u>	<u>22,905</u>	<u>8,828,263</u>	<u>12,704</u>	<u>4,319,380</u>	<u>-</u>	<u>1,641,435</u>	<u>338,125</u>	<u>-</u>	<u>101,221</u>
<b>NONCURRENT ASSETS</b>												
Fixed assets:												
161	Land	47,385,884	-	-	-	-	-	-	-	-	-	-
162	Buildings	995,808,646	-	-	-	-	-	-	-	-	-	-
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,583,808	-	-	337,135	-	-	-	-	-	-	-
166	Accumulated depreciation	(871,034,655)	-	-	(337,135)	-	-	-	-	-	-	-
167	Construction in progress	7,809,588	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>181,553,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
171	Notes, loans and mortgages receivable -noncurrent	100,129,724	-	-	-	-	-	-	2,493,673	-	-	-
174	Other assets	123,896	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>281,806,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,493,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
200	Deferred Outflow of Resources	15,199,604	-	10,090	4,879,373	-	107,373	-	-	-	-	-
290	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 366,493,906</u>	<u>\$ 59,589</u>	<u>\$ 32,995</u>	<u>\$ 13,707,636</u>	<u>\$ 12,704</u>	<u>\$ 4,426,753</u>	<u>\$ -</u>	<u>\$ 4,135,108</u>	<u>\$ 338,125</u>	<u>\$ -</u>	<u>\$ 101,221</u>

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2019**

Line Item#	Accounts Description	14.879										Discrete Component Unit
		2 State/Local	14.889 Choice Neighborhoods	14.896 FSS	Mainstream Vouchers	14.895 Jobs Plus Pilot Initiative	14.856 S8 Mod Rehab	Blended Component Unit	COCC	Elimination	Total Entity	
<b>CURRENT ASSETS</b>												
Cash:												
111	Unrestricted	\$ 36,727,605	\$ -	\$ -	\$ -	\$ -	\$ 4,231,056	\$ 11,880,433	\$ 1,732,483	\$ -	\$ 100,792,778	\$ 18,053
112	Restricted - modernization and development	36,831,420	-	-	-	-	-	3,735,026	-	-	52,460,520	-
113	Other restricted	235,942	-	-	-	-	18,416	417,380	-	-	8,561,240	2,984,852
114	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	85,111
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	479,437	-	-	-	-	-	555,934	-
100	Total cash	<u>73,794,967</u>	<u>-</u>	<u>-</u>	<u>479,437</u>	<u>-</u>	<u>4,249,472</u>	<u>16,032,839</u>	<u>1,732,483</u>	<u>-</u>	<u>162,370,472</u>	<u>3,088,016</u>
Accounts and notes receivable:												
121	PHA Projects	-	-	-	-	-	-	-	-	-	361,751	-
122	HUD other projects	-	67,531	14,904	-	14,713	-	-	-	-	898,874	-
124	Other government	859,218	-	-	-	-	-	-	-	-	859,218	-
125	Miscellaneous	860,636	-	-	-	-	2,676	-	303,668	-	4,193,020	-
126	Tenants	695,648	-	-	-	-	-	486,433	-	-	4,603,834	13,181
126.1	Allowance for doubtful accounts - tenants	(289,743)	-	-	-	-	-	(242,612)	-	-	(2,077,358)	-
126.2	Allowance for doubtful accounts - other	(82,854)	-	-	-	-	(911)	-	-	-	(2,229,161)	-
127	Notes, loans, & mortgages receivable - current	260,000	-	-	-	-	-	-	-	-	260,000	-
128	Fraud Recovery	-	-	-	-	-	-	-	-	-	2,987,787	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	(1,232,625)	-
129	Accrued interest receivable	2,158	-	-	-	-	7,724	441	-	-	51,820	-
120	Total receivables, net of allowances for uncollectibles	<u>2,305,063</u>	<u>67,531</u>	<u>14,904</u>	<u>-</u>	<u>14,713</u>	<u>9,489</u>	<u>244,262</u>	<u>303,668</u>	<u>-</u>	<u>8,677,160</u>	<u>13,181</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	200,904	-	-	-	-	-	-	-	-	200,904	-
142	Prepaid expenses and other assets	174,386	-	-	-	2,120	249	621,478	39,494	-	1,386,298	17,948
143	Inventories	39,690	-	-	-	-	-	-	610,252	-	649,942	-
144	Inter-program - due from	-	-	-	-	-	78,164	1,686,277	7,264,651	(21,492,750)	-	-
150	Total current assets	<u>76,515,010</u>	<u>67,531</u>	<u>14,904</u>	<u>479,437</u>	<u>16,833</u>	<u>4,337,374</u>	<u>18,584,856</u>	<u>9,950,548</u>	<u>(21,492,750)</u>	<u>173,284,776</u>	<u>3,119,145</u>
<b>NONCURRENT ASSETS</b>												
Fixed assets:												
161	Land	9,713,382	-	-	-	-	-	11,224,330	7,168,802	-	75,492,398	870,045
162	Buildings	276,269,400	-	-	-	-	-	81,739,105	4,997	-	1,353,822,148	30,604,325
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	467,312
164	Furniture, equipment & mach - admin.	254,414	-	-	-	-	-	-	3,004,537	-	5,179,894	-
166	Accumulated depreciation	(247,657,181)	-	-	-	-	-	(48,987,210)	(2,642,846)	-	(1,170,659,027)	(11,130,381)
167	Construction in progress	-	-	-	-	-	-	28,624	-	-	7,838,212	-
168	Infrastructure	-	-	-	-	-	-	9,968	-	-	9,968	-
160	Total fixed assets, net of accumulated depreciation	<u>38,580,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,014,817</u>	<u>7,535,490</u>	<u>-</u>	<u>271,683,593</u>	<u>20,811,301</u>
171	Notes, loans and mortgages receivable - noncurrent	59,671,932	-	-	-	-	-	126,586,361	8,700,000	-	297,581,690	-
174	Other assets	765	-	-	-	-	-	36,158	-	-	160,819	-
180	Total noncurrent assets	<u>98,252,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,637,336</u>	<u>16,235,490</u>	<u>-</u>	<u>569,426,102</u>	<u>20,811,301</u>
200	Deferred Outflow of Resources	2,033,557	-	-	-	-	79,367	37,075	9,337,345	-	31,683,784	-
290	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 176,801,279</u>	<u>\$ 67,531</u>	<u>\$ 14,904</u>	<u>\$ 479,437</u>	<u>\$ 16,833</u>	<u>\$ 4,416,741</u>	<u>\$ 189,259,267</u>	<u>\$ 35,523,383</u>	<u>\$ (21,492,750)</u>	<u>\$ 774,394,662</u>	<u>\$ 23,930,446</u>

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2019**

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	93.113 BRE	Other Fed Program
<b>CURRENT LIABILITIES</b>												
312	Accounts payable <= 90 days	\$ 831,209	\$ -	\$ 6,801	\$ 219,375	\$ -	\$ 5,072	\$ -	\$ -	\$ -	\$ -	\$ 159
321	Accrued wage/payroll taxes payable	552,597	-	-	128,805	-	2,433	-	-	-	-	-
322	Accrued compensated absences - current	315,810	-	-	62,322	-	-	-	-	-	-	-
325	Accrued interest payable	2,046,427	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD	458,231	-	-	-	-	265,962	-	12,213	-	-	-
333	Accounts Payable - Other Government	393,369	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-
342	Unearned revenues	593,030	-	-	693,225	-	-	-	-	-	-	-
343	Current portion of LT debt - capital projects	7,455,000	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt- Operating	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	410,989	-	-	76,497	-	-	-	-	-	-	-
346	Other liabilities	7,067,919	-	6,399	363,855	-	35,966	-	-	-	-	1,019
347	Interprogram - due to	15,362,955	-	9,705	589,378	-	29,422	3,261	-	21,466	12,619	-
310	Total current liabilities	<u>35,487,536</u>	<u>-</u>	<u>22,905</u>	<u>2,133,457</u>	<u>-</u>	<u>338,855</u>	<u>3,261</u>	<u>12,213</u>	<u>21,466</u>	<u>12,619</u>	<u>1,178</u>
<b>NONCURRENT LIABILITIES</b>												
351	Long-term debt, net of current - capital	94,722,464	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	2,314,049	-	-	430,005	-	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	3,219,006	-	-	681,144	-	12,279	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	121,162,411	-	-	37,000,734	-	955,779	-	-	-	-	-
350	Total noncurrent liabilities	<u>221,417,930</u>	<u>-</u>	<u>-</u>	<u>38,111,883</u>	<u>-</u>	<u>968,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
300	Total liabilities	<u>256,905,466</u>	<u>-</u>	<u>22,905</u>	<u>40,245,340</u>	<u>-</u>	<u>1,306,913</u>	<u>3,261</u>	<u>12,213</u>	<u>21,466</u>	<u>12,619</u>	<u>1,178</u>
400	Deferred Inflow of Resources	8,750,211	-	-	2,563,802	-	82,327	-	-	-	-	-
	Total Liabilities & Deferred Inflow of Resources	<u>265,655,677</u>	<u>-</u>	<u>22,905</u>	<u>42,809,142</u>	<u>-</u>	<u>1,389,240</u>	<u>3,261</u>	<u>12,213</u>	<u>21,466</u>	<u>12,619</u>	<u>1,178</u>
<b>NET POSITION</b>												
508.4	Net investment in capital assets	79,375,807	-	-	-	-	-	-	-	-	-	-
511.4	Restricted net position	18,067,316	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted net position	3,395,106	59,589	10,090	(29,101,506)	12,704	3,037,513	(3,261)	4,122,895	316,659	(12,619)	100,043
513	Total net position	<u>100,838,229</u>	<u>59,589</u>	<u>10,090</u>	<u>(29,101,506)</u>	<u>12,704</u>	<u>3,037,513</u>	<u>(3,261)</u>	<u>4,122,895</u>	<u>316,659</u>	<u>(12,619)</u>	<u>100,043</u>
600	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 366,493,906</u>	<u>\$ 59,589</u>	<u>\$ 32,995</u>	<u>\$ 13,707,636</u>	<u>\$ 12,704</u>	<u>\$ 4,426,753</u>	<u>\$ -</u>	<u>\$ 4,135,108</u>	<u>\$ 338,125</u>	<u>\$ -</u>	<u>\$ 101,221</u>

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE BALANCE SHEET  
YEAR ENDED MARCH 31, 2019**

Line Item#	Accounts Description	14.879		14.895 Jobs		14.856 S8 Mod Rehab	Blended Component Unit	COCC	Elimination	Total Entity	Discrete Component Unit	
		14.889 Choice Neighborhoods	14.896 FSS	14.879 Mainstream Vouchers	14.895 Jobs Plus Pilot Initiative							
<b>CURRENT LIABILITIES</b>												
312	Accounts payable <= 90 days	\$ 232,692	\$ 5,990	\$ 3,495	\$ -	\$ -	\$ 2,853	\$ 18,911	\$ 247,465	\$ -	\$ 1,574,022	\$ 15,117
321	Accrued wage/payroll taxes payable	153,919	-	-	-	-	1,371	14,338	183,547	-	1,037,010	-
322	Accrued compensated absences - current	99,568	-	-	-	-	-	2,592	212,143	-	692,435	-
325	Accrued interest payable	224,908	-	-	-	-	-	107,750	-	-	2,379,085	2,079,981
331	Accounts payable - HUD	-	-	-	479,437	-	1,449,955	-	-	-	2,665,798	-
333	Accounts Payable - Other Government	12,907,845	-	-	-	-	-	-	-	-	13,301,214	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	84,250
342	Unearned revenues	35,530,914	-	-	-	-	18,416	212,111	-	-	37,047,696	5,842
343	Current portion of LT debt - capital projects	265,000	-	-	-	-	-	339,969	-	-	8,059,969	260,000
344	Current portion of LT debt - operating	260,000	-	-	-	-	-	-	-	-	260,000	-
345	Other current liabilities	427,761	-	-	-	-	-	159,198	295,819	-	1,370,264	52,483
346	Other liabilities	2,669,950	8,922	6,588	-	-	16,904	2,510,771	962,315	-	13,650,608	-
347	Interprogram - due to	5,292,573	137,412	4,821	-	-	16,833	11,911	329	65	(21,492,750)	-
310	Total current liabilities	<u>58,065,130</u>	<u>152,324</u>	<u>14,904</u>	<u>479,437</u>	<u>16,833</u>	<u>1,501,410</u>	<u>3,365,969</u>	<u>1,901,354</u>	<u>(21,492,750)</u>	<u>82,038,101</u>	<u>2,497,673</u>
<b>NONCURRENT LIABILITIES</b>												
351	Long-term debt, net of current - capital	3,700,000	-	-	-	-	-	26,811,745	-	-	125,234,209	21,537,170
352	Long-term debt, net of current - operating	7,350,000	-	-	-	-	-	-	-	-	7,350,000	-
353	Noncurrent liabilities - other	3,287,856	-	-	-	-	-	841	100,493	-	6,133,244	300,000
354	Accrued compensated absences - noncurrent	736,592	-	-	-	-	6,898	68,599	2,008,952	-	6,733,470	-
357	Accrued Pension and OPEB Liabilities	32,322,507	-	-	-	-	536,839	879,785	63,397,367	-	256,255,422	-
350	Total noncurrent liabilities	<u>47,396,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,737</u>	<u>27,760,970</u>	<u>65,506,812</u>	<u>-</u>	<u>401,706,345</u>	<u>21,837,170</u>
300	Total liabilities	<u>105,462,085</u>	<u>152,324</u>	<u>14,904</u>	<u>479,437</u>	<u>16,833</u>	<u>2,045,147</u>	<u>31,126,939</u>	<u>67,408,166</u>	<u>(21,492,750)</u>	<u>483,744,446</u>	<u>24,334,843</u>
400	Deferred Inflow of Resources	<u>3,460,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,191</u>	<u>7,053</u>	<u>3,895,356</u>	<u>-</u>	<u>18,805,056</u>	<u>-</u>
	Total Liabilities and Deferred Inflow of Resources	<u>108,922,201</u>	<u>152,324</u>	<u>14,904</u>	<u>479,437</u>	<u>16,833</u>	<u>2,091,338</u>	<u>31,133,992</u>	<u>71,303,522</u>	<u>(21,492,750)</u>	<u>502,549,502</u>	<u>24,334,843</u>
<b>NET POSITION</b>												
508.4	Net investment in capital assets	34,615,015	-	-	-	-	-	16,863,103	7,535,490	-	138,389,415	-
511.4	Restricted net position	1,536,448	-	-	-	-	-	4,152,406	-	-	23,756,170	-
512.4	Unrestricted net position	<u>31,727,615</u>	<u>(84,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325,403</u>	<u>137,109,766</u>	<u>(43,315,629)</u>	<u>-</u>	<u>109,699,575</u>	<u>(404,397)</u>
513	Total net position	<u>67,879,078</u>	<u>(84,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325,403</u>	<u>158,125,275</u>	<u>(35,780,139)</u>	<u>-</u>	<u>271,845,160</u>	<u>(404,397)</u>
600	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 176,801,279</u>	<u>\$ 67,531</u>	<u>\$ 14,904</u>	<u>\$ 479,437</u>	<u>\$ 16,833</u>	<u>\$ 4,416,741</u>	<u>\$ 189,259,267</u>	<u>\$ 35,523,383</u>	<u>\$ (21,492,750)</u>	<u>\$ 774,394,662</u>	<u>\$ 23,930,446</u>

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

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	93.113 BRE	Other Fed Program
<b>REVENUE</b>												
70300	Net tenant rental revenue	\$ 36,836,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	1,546,164	-	-	-	-	-	-	-	-	-	-
70500	Total tenant revenue	38,382,335	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA operating grants	72,886,291	-	282,642	221,442,337	-	4,194,172	-	-	-	-	77,199
70610	Capital grants	9,977,524	-	-	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	1,524,422	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	1,958,156	-	-	-	-	10,570	-	-	872	-	-
71400	Fraud recovery	-	-	-	1,232,625	-	-	-	-	-	-	-
71500	Other revenue	2,028,893	-	-	2,003,294	-	34,069	-	96	-	-	77,254
71600	Gain or loss on sale of capital assets	88,487	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	134,603	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	126,980,711	-	282,642	224,678,256	-	4,238,811	-	96	872	-	154,453
<b>EXPENSES</b>												
Administrative:												
91100	Administrative salaries	6,938,713	-	-	6,762,431	-	123,994	-	-	-	-	40,307
91200	Auditing fees	107,092	-	-	65,585	-	2,571	-	-	-	-	-
91300	Management fee	10,435,199	-	7,508	1,571,636	-	73,968	-	-	-	-	-
91310	Bookkeeping fee	741,048	-	-	982,272	-	46,242	-	-	-	-	-
91400	Advertising	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - admin	3,088,480	-	-	3,406,091	-	70,704	-	-	-	-	15,547
91600	Office expense	-	-	-	-	-	-	-	-	-	-	-
91700	Legal expense	221,701	-	5,424	120,821	-	3,962	-	-	-	-	-
91800	Travel	9,693	-	159,088	50,829	-	8	-	-	-	-	3,978
91900	Other	1,519,339	-	96,549	1,037,938	-	79,934	-	-	-	-	32,490
91000	Total administrative	23,061,265	-	268,569	13,997,603	-	401,383	-	-	-	-	92,322
92000	Asset Management Fee	446,328	-	-	-	-	-	-	-	-	-	-
Tenant services:												
92100	Salaries	477,948	-	14,073	-	-	-	-	-	-	-	5,185
92200	Relocation costs	350,295	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	26,050	-	-	-	-	-	-	-	-	-	128
92400	Other	347,042	-	-	40,515	-	-	-	-	-	-	-
92500	Total tenant services	1,201,335	-	14,073	40,515	-	-	-	-	-	-	5,313
Utilities:												
93100	Water	4,280,036	-	-	-	-	-	-	-	-	-	-
93200	Electricity	12,732,893	-	-	-	-	-	-	-	-	-	-
93300	Gas	5,314,803	-	-	-	-	-	-	-	-	-	-
93400	Fuel	1,978	-	-	-	-	-	-	-	-	-	-
93600	Sewer	6,336,458	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
93000	Total utilities	28,666,168	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operations:												
94100	Labor	17,105,877	-	-	-	-	-	-	-	-	-	-
94200	Materials and other	4,246,474	-	-	26,352	-	722	-	-	-	-	-
94300	Contracts	13,765,377	-	-	11,139	-	90	-	-	-	-	-
94500	Employee benefits contribution	6,943,530	-	-	-	-	-	-	-	-	-	3
94000	Total ordinary maintenance & operations	42,061,258	-	-	37,491	-	812	-	-	-	-	3



**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

Line Item#	Accounts Description	14.889 Choice		14.879	14.895 Jobs	14.856 S8 Mod	Blended	COCC	Elimination	Total Entity	Discrete Component Unit	
		2 State/Local	Neighborhoods	14.896 FSS	Mainstream Vouchers	Plus Pilot Initiative	Rehab					Component Unit
<b>REVENUE</b>												
70300	Net tenant rental revenue	\$ 9,599,943	\$ -	\$ -	\$ -	\$ -	\$ 1,651,787	\$ 7,791	\$ -	\$ 48,095,692	\$ 954,634	
70400	Tenant revenue - other	17,091	-	-	-	-	5,513,577	-	-	7,076,832	-	
70500	Total tenant revenue	9,617,034	-	-	-	-	7,165,364	7,791	-	55,172,524	954,634	
70600	HUD PHA operating grants	-	1,489,329	211,835	-	809,793	2,310,902	-	-	303,704,500	-	
70610	Capital grants	-	9,361,100	-	-	-	-	-	-	19,338,624	-	
70710	Management fee	-	-	-	-	-	-	13,851,930	(13,851,930)	-	-	
70720	Asset Management fee	-	-	-	-	-	-	446,328	(446,328)	-	-	
70730	Bookkeeping fee	-	-	-	-	-	-	2,083,236	(2,083,236)	-	-	
70750	Other Service Fees	-	-	-	-	-	-	243,166	(243,166)	-	-	
70800	Other governmental grants	49,626,867	-	-	-	-	159,437	-	-	51,310,726	-	
71100	Investment income - unrestricted	14,514	-	-	-	-	9,188	133,936	423	2,127,659	7,507	
71400	Fraud recovery	-	-	-	-	-	-	-	-	1,232,625	-	
71500	Other revenue	4,454,220	-	-	-	-	1,307	3,614,195	897,521	10,713,328	840,151	
71600	Gain or loss on sale of capital assets	(835,489)	-	-	-	-	-	-	-	(747,002)	-	
72000	Investment Income - Restricted	32,785	-	-	-	-	55,626	-	-	223,014	-	
70000	Total revenue	62,909,931	10,850,429	211,835	-	809,793	2,321,397	11,128,558	17,530,395	(19,022,181)	443,075,998	1,802,292
<b>EXPENSES</b>												
Administrative:												
91100	Administrative salaries	2,483,584	-	-	-	-	70,064	225,793	9,314,680	-	25,959,566	100,873
91200	Auditing fees	40,445	-	-	-	-	1,319	69,119	21,498	-	307,629	22,862
91300	Management fee	2,374,679	-	-	-	-	39,588	135,862	-	(13,851,930)	786,510	63,042
91310	Bookkeeping fee	288,939	-	-	-	-	24,747	-	-	(2,083,236)	12	-
91400	Advertising	-	-	-	-	-	-	-	-	-	-	1,901
91500	Employee benefit contributions - admin	1,161,153	-	-	-	-	39,799	59,524	4,402,286	-	12,243,584	-
91600	Office expense	-	-	-	-	-	-	-	12	-	12	23,344
91700	Legal expense	632,939	30,316	-	-	-	2,037	27,224	469,566	-	1,513,990	9,587
91800	Travel	11,014	-	-	-	5,257	3	1,970	49,354	-	291,194	-
91900	Other	517,504	10,392,428	-	-	51,983	45,211	229,421	2,573,667	(1,140,687)	15,435,777	5,252
91000	Total administrative	7,510,257	10,422,744	-	-	57,240	222,768	748,913	16,831,063	(17,075,853)	56,538,274	226,861
92000	Asset Management Fee	-	-	-	-	-	-	82	-	(446,328)	82	-
Tenant services:												
92100	Salaries	62,928	-	130,019	-	117,868	-	54,274	23,968	-	886,263	-
92200	Relocation costs	319,047	-	-	-	-	-	-	-	-	669,342	-
92300	Employee benefit contributions	3,919	-	81,816	-	5,350	-	306	-	-	117,569	-
92400	Other	632,246	-	-	-	629,335	-	219,108	20,480	-	1,888,726	-
92500	Total tenant services	1,018,140	-	211,835	-	752,553	-	273,688	44,448	-	3,561,900	-
Utilities:												
93100	Water	1,489,626	-	-	-	-	-	181,636	-	-	5,951,298	166,432
93200	Electricity	3,548,154	-	-	-	-	-	582,213	-	-	16,863,260	26,492
93300	Gas	1,384,587	-	-	-	-	-	229,569	69	-	6,929,028	2,297
93400	Fuel	545,624	-	-	-	-	-	13	-	-	547,615	-
93600	Sewer	2,006,147	-	-	-	-	-	253,051	39,720	-	8,635,376	-
93800	Other utilities expense	228,221	-	-	-	-	-	-	-	-	228,221	-
93000	Total utilities	9,202,359	-	-	-	-	-	1,246,482	39,789	-	39,154,798	195,221
Ordinary maintenance & operations:												
94100	Labor	5,140,788	-	-	-	-	-	424,213	-	-	22,670,878	154,607
94200	Materials and other	1,345,965	-	-	-	-	398	220,573	73,854	-	5,914,338	149,483
94300	Contracts	1,791,234	-	-	-	-	-	253,432	12,266	-	15,833,538	116,839
94500	Employee benefits contribution	1,830,298	-	-	-	-	-	229,768	90	-	9,003,689	-
94000	Total ordinary maintenance & operations	10,108,285	-	-	-	-	398	1,127,986	86,210	-	53,422,443	420,929

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

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	93.113 BRE	Other Fed Program
<b>EXPENSES (Continued)</b>												
Protective services:												
95100	Labor	\$ 4,167,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Other contract costs	60,713	-	-	-	-	-	-	-	-	-	-
95300	Other	25,484	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	1,704,212	-	-	-	-	-	-	-	-	-	-
95000	Total protective services	5,958,079	-	-	-	-	-	-	-	-	-	-
96110	Property insurance	1,253,414	-	-	-	-	-	-	-	-	-	-
96120	Liability insurance	112,409	-	-	6,340	-	155	-	-	-	-	-
96130	Workmen's Compensation	816,223	-	-	209,715	-	4,005	-	-	-	-	1,461
96140	All other insurance	229,454	-	-	31,544	-	14	-	-	-	-	-
96100	Total insurance premiums	2,411,500	-	-	247,599	-	4,174	-	-	-	-	1,461
General expenses:												
96200	Other general expenses	2,440,246	-	-	690,137	-	44,860	-	-	-	-	-
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	1,051,445	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	74,925	-	-	522,939	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	208	-	-	-	-	-	-	-
96000	Total general expenses	3,566,616	-	-	1,213,284	-	44,860	-	-	-	-	-
96710	Interest of mortgage payable	5,726,662	-	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	5,726,662	-	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	113,099,211	-	282,642	15,536,492	-	451,229	-	-	-	-	99,099
97000	Excess of operating revenue over operating expenses	13,881,500	-	-	209,141,764	-	3,787,582	-	96	872	-	55,354
97100	Extraordinary maintenance	162,695	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	193,401	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	2,269	-	-	207,489,151	-	3,498,558	-	-	-	-	-
97350	HAP Portability-in	-	-	-	1,852,791	-	-	-	-	-	-	-
97400	Depreciation expense	28,505,215	-	-	-	-	-	-	-	-	-	-
97500	Fraud Losses	-	-	-	1,675,605	-	-	-	-	-	-	-
90000	Total expenses	141,962,791	-	282,642	226,554,039	-	3,949,787	-	-	-	-	99,099
Other financing sources (uses):												
10010	Operating transfer in	4,350,295	-	-	-	-	-	-	-	-	-	-
10020	Operating transfer out	(4,350,295)	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ (14,982,080)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,875,783)</b>	<b>\$ -</b>	<b>\$ 289,024</b>	<b>\$ -</b>	<b>\$ 96</b>	<b>\$ 872</b>	<b>\$ -</b>	<b>\$ 55,354</b>

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

Line Item#	Accounts Description	14.889 Choice 2 State/Local Neighborhoods	14.896 FSS	14.879 Mainstream Vouchers	14.895 Jobs Plus Pilot Initiative	14.856 S8 Mod Rehab	Blended Component Unit	COCC	Elimination	Total Entity	Discrete Component Unit	
<b>EXPENSES (Continued)</b>												
Protective services:												
95100	Labor	\$ 79,836	\$ -	\$ -	\$ -	\$ -	\$ 200,832	\$ -	\$ -	\$ 4,448,338	\$ -	
95200	Other contract costs	22,530	-	-	-	-	309,034	-	-	392,277	-	
95300	Other	3,875	-	-	-	-	255	10	-	29,624	-	
95500	Employee benefit contributions	-	-	-	-	-	17,276	2,994	-	1,724,482	-	
95000	Total protective services	106,241	-	-	-	-	527,397	3,004	-	6,594,721	-	
96110	Property insurance	233,213	-	-	-	-	40,351	897	-	1,527,875	-	
96120	Liability insurance	59,572	-	-	-	86	69,101	20,168	-	267,831	-	
96130	Workmen's Compensation	208,064	-	-	-	2,254	22,854	291,686	-	1,556,262	-	
96140	All other insurance	77,589	-	-	-	6	93,860	46,632	-	479,099	172,043	
96100	Total insurance premiums	578,438	-	-	-	2,346	226,166	359,383	-	3,831,067	172,043	
General expenses:												
96200	Other general expenses	431,986	-	-	-	7,085	579,914	5,745,848	(1,500,000)	8,440,076	75,000	
96300	Payment in lieu of taxes	66,660	-	-	-	-	-	-	-	66,660	-	
96400	Bad debt - tenant rents	255,237	-	-	-	-	200,337	122	-	1,507,141	-	
96600	Bad debt - other	-	-	-	-	-	-	-	-	597,864	-	
	Severance Expense	88	-	-	-	-	-	374	-	670	-	
96000	Total general expenses	753,971	-	-	-	7,085	780,251	5,746,344	(1,500,000)	10,612,411	75,000	
96710	Interest of mortgage payable	224,414	-	-	-	-	1,271,717	-	-	7,222,793	414,744	
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	152,989	
96730	Amortization of Bond Issue Costs	-	-	-	-	-	1,113	-	-	1,113	808,340	
96700	Total interest expense and amortization	224,414	-	-	-	-	1,272,830	-	-	7,223,906	1,376,073	
96900	Total operating expenses	29,502,105	10,422,744	211,835	-	809,793	232,597	6,203,795	23,110,241	(19,022,181)	180,939,602	2,466,127
97000	Excess of operating revenue over operating expenses	33,407,826	427,685	-	-	-	2,088,800	4,924,763	(5,579,846)	-	262,136,396	(663,835)
97100	Extraordinary maintenance	2,026,231	-	-	-	-	44	-	-	2,188,970	-	
97200	Casualty Losses- Non-capitalized	111,185	-	-	-	-	4,784	-	-	309,370	-	
97300	Housing assistance payments	7,480,498	-	-	-	-	2,072,274	-	-	220,542,750	-	
97350	HAP Portability-in	-	-	-	-	-	-	-	-	1,852,791	-	
97400	Depreciation expense	6,881,832	-	-	-	-	1,007,495	135,067	-	36,529,609	-	
97500	Fraud Losses	-	-	-	-	-	-	-	-	1,675,605	-	
90000	Total expenses	46,001,851	10,422,744	211,835	-	809,793	2,304,871	7,216,118	23,245,308	(19,022,181)	444,038,697	2,466,127
Other financing sources (uses):												
10010	Operating transfer in	-	-	-	-	-	-	-	-	4,350,295	-	
10020	Operating transfer out	-	-	-	-	-	-	-	-	(4,350,295)	-	
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	\$ 16,908,080	\$ 427,685	\$ -	\$ -	\$ -	\$ 16,526	\$ 3,912,440	\$ (5,714,913)	\$ -	\$ (962,699)	\$ (663,835)

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

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	93.113 BRE	Other Fed Program
<b>Memo Account Information</b>												
11020	Required annual debt principal payments	\$ 4,265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	115,820,309	59,589	10,090	(27,225,723)	12,704	2,748,489	(3,261)	3,610,321	315,787	(12,619)	44,689
11040	Prior period adjustments, equity transfers correction	-	-	-	-	-	-	-	512,478	-	-	-
11170	Administrative fee equity	-	-	-	(29,101,506)	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	121,019	-	-	174,918	-	5,616	-	-	-	-	-
11210	Number of unit months leased	116,613	-	-	159,125	-	4,804	-	-	-	-	-
11270	Excess cash	4,119,061	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	5,712,524	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt services payments	6,796,934	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

**BOSTON HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSES  
YEAR ENDED MARCH 31, 2019**

Line Item#	Accounts Description	2 State/Local	14.889 Choice Neighborhoods	14.896 FSS	14.879 Mainstream Vouchers	14.895 Jobs Plus Pilot Initiative	14.856 S8 Mod Rehab	Blended Component Unit	COCC	Elimination	Total Entity	Discrete Component Unit
<b>Memo Account Information</b>												
11020	Required annual debt principal payments	\$ 495,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,541	\$ -	\$ -	5,084,541	\$ -
11030	Beginning equity	50,970,998	-	-	-	-	2,308,877	154,212,835	(30,065,226)	-	272,807,859	259,438
	Prior period adjustments, equity transfers											
11040	correction	-	(512,478)	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	(29,101,506)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	26,512	-	-	-	-	1,923	5,628	-	-	335,616	-
11210	Number of unit months leased	24,884	-	-	-	-	1,570	5,188	-	-	312,184	-
11270	Excess cash	-	-	-	-	-	-	-	-	-	4,119,061	-
11620	Building purchases	-	-	-	-	-	-	-	-	-	5,712,524	-
13510	CFFP debt services payments	-	-	-	-	-	-	-	-	-	6,796,934	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

**SINGLE AUDIT REPORT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Administrator  
Boston Housing Authority  
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Boston Housing Authority (the Authority), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 23, 2019. The audit of the discretely presented component unit was not performed in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component unit.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 23, 2019





## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Administrator  
Boston Housing Authority  
Boston, Massachusetts

### **Report on Compliance for Each Major Federal Program**

We have audited Boston Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2019. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of a discretely presented component unit which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended March 31, 2019.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2019.

**Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 23, 2019

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED MARCH 31, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	-	\$ -	\$ 226,554,039
<b>Total Housing Choice Vouchers Cluster</b>				<b>226,554,039</b>
Section 8 Moderate Rehabilitation	14.856	-	-	2,304,871
Section 8 Moderate Rehabilitation/Single Room Occupancy	14.249	-	-	3,949,787
<b>Total Section 8 Project Based Cluster</b>				<b>6,254,658</b>
Capital Fund Program	14.872	-	-	19,750,980
Public and Indian Housing	14.850	-	-	63,112,835
Housing Finance Agencies (HFA) Risk Sharing Program	14.188	-	-	27,476,254
Resident Opportunity and Supportive Services	14.870	-	-	282,642
Family Self Sufficiency Program	14.896	-	-	211,835
Jobs Plus Pilot Initiative	14.895	-	-	809,793
Choice Neighborhoods Implementation Grant	14.889	-	-	10,422,744
<b>Total Department of Housing and Urban Development</b>				<b>354,875,780</b>
<b>Department of Health and Human Services</b>				
Pass-through City of Boston				
Boston Race and Ethnicity Approaches to Community Health	93.738	-	-	77,199
<b>Total Department of Health and Human Services</b>				<b>77,199</b>
<b>Total Federal Financial Awards</b>				<b>\$ 354,952,979</b>

**BOSTON HOUSING AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
MARCH 31, 2019**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the activity of all federal award programs of Boston Housing Authority (the Authority) under programs of the federal government for the year ended March 31, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial positions, changes in net position, or cash flows of the Authority.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 CAPITAL FUND PROGRAM AND URBAN REVITALIZATION PROGRAM**

Capital Fund Program (CFDA No. 14.872) and Demolition and Revitalization of Severely Distressed Public Housing (CFDA No. 14.866) disbursements are presented as notes receivable and/or additions to property, plant and equipment in the Authority's basic financial statements.

**NOTE 4 OUTSTANDING LOANS**

Lower Mills Housing Corporation (LMHC) and Heritage Housing Corporation (HHC) are blended component units in the Authority's financial statements. These component units have co-insured loans guaranteed by the Department of Housing and Urban Development, under the HFA Risk Sharing Program, CFDA No. 14.188, amounting to \$8,417,665 for LMHC and \$18,734,050 for HHC as of March 31, 2019.

**NOTE 5 INDIRECT COSTS**

The Authority did not elect to use the 10% de minimis cost rate for indirect costs as allowed under the Uniform Guidance.

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2019**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

**Identification of Major Federal Programs**

CFDA Number(s)	Name of Federal Program or Cluster
14.871	Housing Choice Voucher Program
14.889	Choice Neighborhoods Implementation Grant
14.249/856	Section 8 Project Based Cluster

Dollar threshold used to determine Type A programs: \$3,000,000

Auditee qualify as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

**BOSTON HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2019**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).