

BOSTON HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED MARCH 31, 2020



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**BOSTON HOUSING AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Administrator
Boston Housing Authority
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities and the discretely presented component unit of the Boston Housing Authority (the Authority), as of and for the year ended March 31, 2020, 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, 2020, 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 to 10, the schedule of authority's pension contributions–Boston retirement system on page 41, the schedule of authority's proportionate share of the net pension liability–Boston retirement system on page 42, schedule of authority's OPEB contributions on page 43 and the schedule of changes in the authority's total OPEB liability and related ratios on page 44 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 March 8, 2021, 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
March 8, 2021

**BOSTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020**

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
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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, 2020 (FY 2020) and the fiscal year ended March 31, 2019 (FY 2019). 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 2020 and FY 2019 for the primary government.

Condensed Comparative Statement of Net Position

	2020	2019	Net Change	Variance
Cash and Investments	\$ 140,282,412	\$ 162,571,376	\$ (22,288,964)	-13.71%
Other Current Assets	11,087,276	10,713,400	373,876	3.49%
Capital Assets	244,946,688	271,683,593	(26,736,905)	-9.84%
Other Noncurrent Assets	308,984,243	297,742,509	11,241,734	3.78%
Total Assets	<u>705,300,619</u>	<u>742,710,878</u>	<u>(37,410,259)</u>	-5.04%
Total Deferred Outflows of Resources	<u>41,951,888</u>	<u>31,683,784</u>	<u>10,268,104</u>	32.41%
Total Assets and Deferred Outflows	<u>\$ 747,252,507</u>	<u>\$ 774,394,662</u>	<u>\$ (27,142,155)</u>	-3.50%
Current Liabilities	\$ 58,906,195	\$ 82,038,101	(23,131,906)	-28.20%
Noncurrent Liabilities	407,453,844	401,706,345	5,747,499	1.43%
Total Liabilities	<u>466,360,039</u>	<u>483,744,446</u>	<u>(17,384,407)</u>	-3.59%
Total Deferred Inflows of Resources	<u>16,910,474</u>	<u>18,805,056</u>	<u>(1,894,582)</u>	-10.07%
Net Position:				
Net Investment in Capital Assets	112,443,986	138,389,415	(25,945,429)	-18.75%
Restricted Net Position	20,450,008	23,756,170	(3,306,162)	-13.92%
Unrestricted Net Position	131,088,000	109,699,575	21,388,425	19.50%
Total Net Position	<u>263,981,994</u>	<u>271,845,160</u>	<u>(7,863,166)</u>	-2.89%
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 747,252,507</u>	<u>\$ 774,394,662</u>	<u>\$ (27,142,155)</u>	-3.50%

Total assets decreased by \$37.4 million or 5.04%, from FY 2019. The significant changes in asset categories that resulted in this net decrease are discussed below.

- Cash, cash equivalents and investments realized a net decrease of \$22.3 million. The most significant reason for this decrease relates cash used by investing activities that was driven primarily by the issuance of notes receivables.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020**

- Net capital assets decreased by \$26.7 million. This decrease is mainly due to an offset between current year additions of \$9.4 million and the annual depreciation expense of \$35.9 million.
- Other noncurrent assets increased by \$11.2 million due mainly to an increase in notes receivable related to Trinity Orient Heights Phase Two LP and Old Colony within the State and Local program, net current year collections and provisions for allowances based on an analysis of collectability.
- Deferred outflows of resources increased by \$10.3 million. This increase is primarily due to an increase of \$12.4 million related to changes in assumptions for the OPEB liability, driven by an updated actuarial valuation.

Total liabilities decreased in FY2020 by \$17.4 million or 3.59%. The significant changes in liability categories that resulted in this net decrease are discussed below.

- Current liabilities decreased by \$23.1 million. The most significant reason for this decrease is related to the use of a portion of a \$35 million grant received from the City of Boston to use for the Orient Heights Phase 2 and Old Colony Phase 3 redevelopments that was reported as unearned revenue as of March 31, 2019. Additionally, there was a decrease in accounts payable – other government primarily due to a decrease in amounts due to the Department of Housing and Community Development in connection with state-subsidized properties.
- Noncurrent liabilities increased by \$5.7 million. The main reasons for the increase were an increase in OPEB liability of \$14.7 million due to an updated actuarial valuation, offset by a decrease in long-term debt of \$8.8 million.
- Deferred inflows of resources decreased by \$1.9 million due to an updated actuarial valuation for the Authority's 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 decrease from FY 2019 to FY 2020 in total assets of \$37.4 million, the increase in deferred outflows of resources of \$10.3 million, the decrease in total liabilities of \$17.4 million and the decrease in deferred inflows of \$1.9 million from FY2019 to FY 2020 equals the decrease in net position of \$7.9 million.

To conclude this section, some selected liquidity and debt ratios are shown. Liabilities decreased at a faster rate than cash and investments and current assets between FY 2019 and FY 2020 resulting in increases in the current and cash ratios.

	<u>2020</u>	<u>2019</u>
Current Ratio	2.57	2.11
Cash Ratio	2.38	1.98
Cash Ratio (Excluding Restricted Cash and Related Current Portion of Debt)	1.89	1.37
Debt to Equity	50%	52%
Debt Ratio	66%	65%
Capitalization Ratio	33%	34%

**BOSTON HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020**

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 2020, the BHA had total operating revenue of \$456.4 million, total operating expenses of \$484.8 million, and total nonoperating revenues (net of nonoperating expenses) of \$20.5 million. The result is a \$7.9 million decrease reported as "change in net position" for FY 2020 on the statement of revenues, expenses, and changes in net position.

Comparative Statement of Revenues and Expenses

	2020	2019	Net Change	Variance
Total Tenant Revenue	\$ 54,521,432	55,172,524	\$ (651,092)	-1.18%
HUD Operating Subsidies and Grants	324,948,780	303,704,500	21,244,280	7.00%
Other Governmental Grants	56,486,926	51,310,726	5,176,200	10.09%
Other Revenue	20,477,050	11,945,953	8,531,097	71.41%
Total Operating Revenue	<u>456,434,188</u>	<u>422,133,703</u>	<u>34,300,485</u>	8.13%
Administration	46,018,805	56,538,274	(10,519,469)	-18.61%
Tenant Services	4,016,707	3,561,982	454,725	12.77%
Utilities	37,648,928	39,154,798	(1,505,870)	-3.85%
Maintenance and Operations	72,036,475	55,611,413	16,425,062	29.54%
Protective Services	6,809,644	6,594,721	214,923	3.26%
Insurance	5,582,194	3,831,067	1,751,127	45.71%
Payments in Lieu of Taxes	4,256,544	66,660	4,189,884	6285.45%
Housing Assistance Payments	242,029,437	222,395,541	19,633,896	8.83%
Other General Expenses	21,881,791	10,116,351	11,765,440	116.30%
Bad Debt	8,579,400	2,105,005	6,474,395	307.57%
Depreciation	35,906,227	36,529,609	(623,382)	-1.71%
Total Operating Expenses	<u>484,766,152</u>	<u>436,505,421</u>	<u>48,260,731</u>	11.06%
Total Operating Loss	(28,331,964)	(14,371,718)	(13,960,246)	97.14%
Capital Grants	24,982,923	19,338,624	5,644,299	29.19%
Investment Income - Unrestricted	2,794,005	2,127,659	666,346	31.32%
Investment Income - Restricted	232,060	223,014	9,046	4.06%
Interest Expense	(6,849,942)	(7,223,906)	373,964	-5.18%
Loss on Sale of Capital Assets	(188,427)	(747,002)	558,575	100.00%
Casualty Losses	(501,821)	(309,370)	(192,451)	62.21%
Total Nonoperating Revenues	<u>20,468,798</u>	<u>13,409,019</u>	<u>7,059,779</u>	52.65%
Change in Net Position	(7,863,166)	(962,699)	(6,900,467)	716.78%
Net Position - Beginning of Year	<u>271,845,160</u>	<u>272,807,859</u>	<u>(962,699)</u>	-0.35%
Net Position - End of Year	<u>\$ 263,981,994</u>	<u>\$ 271,845,160</u>	<u>\$ (7,863,166)</u>	-2.89%

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Total operating revenue increased by \$34.3 million in FY 2020 from FY 2019. Significant factors included:

- \$21.2 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 \$17.1 million and increases in the Low Rent Public Housing Program of \$4.2 million.
- \$5.2 million increase in other governmental grants primarily due to the utilization of grant funds received from the City of Boston in the prior fiscal year.
- An \$8.5 million increase in other revenue. Due to the nature of other revenue, we do not expect consistency. The increase was due to various factors, including increased funding and write-offs of previously recorded liabilities that are no longer obligations of the Authority.

Total operating expense: Total operating expense increased by \$48.3 million from FY 2019 to FY2020. This increase is accounted for in the following programs and categories:

- Administration decreased by \$10.5 million. This decrease was due to the reclassification of the pass-through of Choice Neighborhoods Implementation (CNI) funds to maintenance and operations, net an increase in salaries and benefits as a result of fiscal year Cost of Living Adjustments.
- Maintenance and operations expense increased by \$16.4 million. This increase in FY 2020 is primarily due to the reclassification of the pass-through of CNI funds from administration.
- Housing assistance payments increased by \$19.6 million due to an increase in units leased and an increase in the per unit assistance payment amount.
- Other general expense increased by \$11.8 million due primarily to pension, OPEB, and compensated absence expenses.

Total net nonoperating revenues and expenses: Total net nonoperating revenues and expenses increased by \$7.1 million

- Capital grants increased by \$5.6 million from FY 2019 to FY 2020 due to an increase in CNI grant funds utilization of \$7.8 million, net a decrease in Capital Fund program funds utilization of \$2.2 million. The use of these funds are driven by current year capital activity.

CAPITAL ACTIVITY

In FY 2020 the Authority expended funds from several sources on capital improvement projects. 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2020**

LONG-TERM DEBT

At March 31, 2020 the Authority had \$132.5 million in long-term debt, including the current portion of \$8.7 million. This is a \$8.4 million net decrease in comparison to the March 31, 2019 outstanding debt balance of \$140.9 million. The March 31, 2020 balance is the result of current year payments of \$8.3 million, net current year additions and bond premium amortization of \$51,397 and \$132,907, respectively.

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 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 AA-/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 9,844 public housing units scattered throughout the City of Boston, with 7,794 of these units funded by HUD and 2,050 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.

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

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- 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 2020 was increased from 97.26% of eligibility in calendar year 2019 to 112% in calendar year 2020. Although this amount is more than 100% eligibility, it includes \$9.9 million in CARES Act additional subsidy to support public housing residents during the pandemic. The additional CARES Act funds cannot be used to address the amount of underfunding that has happened with the Public Housing program in recent years.

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.

COVID-19

In March of 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Although tenant collections may decrease in fiscal year 2021, we expect an increase in federal funding in connection with the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law on March 27, 2020. This Act (and its subsequent amendments) includes expanded unemployment benefits, payroll tax adjustments, small business loans, corporate assistance and increased funding for several key federal departments, including the Department of Housing and Urban Development (HUD). HUD will receive an additional \$2.4 billion and will provide organizations like Boston Housing Authority with funding to cover the additional costs incurred in order to prepare, prevent, and respond to COVID-19 as a supplement to traditional program funding.

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 AND
DISCRETELY PRESENTED COMPONENT UNIT
MARCH 31, 2020 AND DECEMBER 31, 2019, RESPECTIVELY

ASSETS	<u>Business-Type Activities</u>	<u>Discretely Presented Component Unit</u>
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 94,859,044	\$ 103,943
Cash and Cash Equivalents - Restricted	45,423,368	3,141,787
Accounts Receivable, Net	8,420,226	10,117
Notes, Loans, and Mortgages Receivable - Current	275,000	-
Accrued Interest Receivable	51,822	-
Prepaid Expenses and Other Assets	1,781,918	16,175
Inventories	558,310	-
Total Current Assets	<u>151,369,688</u>	<u>3,272,022</u>
NONCURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation	244,946,688	20,002,960
Notes, Loans, and Mortgages Receivable - Net of Current	308,949,198	-
Other Noncurrent Assets	35,045	183,757
Total Noncurrent Assets	<u>553,930,931</u>	<u>20,186,717</u>
Total Assets	<u>705,300,619</u>	<u>23,458,739</u>
DEFERRED OUTFLOWS OF RESOURCES		
Employer-Related OPEB Activities	13,744,854	-
Employer-Related Pension Activities	28,207,034	-
Total Deferred Outflows of Resources	<u>41,951,888</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 747,252,507</u>	<u>\$ 23,458,739</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable - Operating	\$ 1,249,606	\$ 22,084
Accounts Payable - HUD	1,070,660	-
Accounts Payable - Other Government	5,606,802	-
Accrued Liabilities	14,882,896	-
Accrued Interest Payable	1,052,698	2,223,898
Accrued Compensated Absences - Current Portion	650,465	-
Unearned Revenues	24,921,031	6,605
Other Current Liabilities	738,973	124,799
Current Portion of Long-Term Debt	8,733,064	275,000
Total Current Liabilities	<u>58,906,195</u>	<u>2,652,386</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Portion	123,769,638	21,454,999
Accrued Compensated Absences, Net of Current Portion	6,855,070	-
Net Pension Liability	94,870,824	-
Net OPEB Liability	171,004,354	-
Noncurrent Liabilities - Other	10,953,958	300,000
Total Noncurrent Liabilities	<u>407,453,844</u>	<u>21,754,999</u>
Total Liabilities	466,360,039	24,407,385
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Expense	16,910,474	-
NET POSITION		
Net Investment in Capital Assets	112,443,986	454,117
Restricted	20,450,008	501
Unrestricted	131,088,000	(1,403,264)
Total Net Position	<u>263,981,994</u>	<u>(948,646)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 747,252,507</u>	<u>\$ 23,458,739</u>

See accompanying Notes to Financial Statements.

BOSTON HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION–
BUSINESS-TYPE ACTIVITIES AND DISCRETELY PRESENTED COMPONENT UNIT
YEARS ENDED MARCH 31, 2020 AND DECEMBER 31, 2019, RESPECTIVELY

	<u>Business-Type Activities</u>	<u>Discretely Presented Component Unit</u>
OPERATING REVENUES		
Tenant Rental Revenue, Net	\$ 54,521,432	\$ 1,056,381
HUD Operating Grants	324,948,780	-
Other Governmental Grants	56,486,926	-
Other Revenue	<u>20,477,050</u>	<u>868,861</u>
Total Operating Revenues	456,434,188	1,925,242
OPERATING EXPENSES		
Administrative	46,018,805	240,117
Tenant Services	4,016,707	-
Utilities	37,648,928	192,196
Maintenance	72,036,475	444,592
Protective Services	6,809,644	-
Insurance Premiums	5,582,194	190,956
Payments in Lieu of Taxes	4,256,544	-
Housing Assistance Payments	242,029,437	-
Other General Expenses	21,881,791	75,000
Bad Debt	8,579,400	-
Depreciation	<u>35,906,227</u>	<u>808,341</u>
Total Operating Expenses	<u>484,766,152</u>	<u>1,951,202</u>
NET OPERATING LOSS	(28,331,964)	(25,960)
NONOPERATING REVENUES (EXPENSES)		
Investment Income - Unrestricted	2,794,005	36,508
Investment Income - Restricted	232,060	-
Loss on Sale of Capital Assets	(188,427)	-
Interest Expense	(6,849,942)	(554,797)
Casualty Losses	<u>(501,821)</u>	<u>-</u>
Total Nonoperating Expenses, Net	<u>(4,514,125)</u>	<u>(518,289)</u>
LOSS BEFORE CAPITAL GRANTS AND TRANSFERS	(32,846,089)	(544,249)
Capital Grants	24,982,923	-
DECREASE IN NET POSITION	(7,863,166)	(544,249)
Net Position - Beginning of Year	<u>271,845,160</u>	<u>(404,397)</u>
NET POSITION - END OF YEAR	<u>\$ 263,981,994</u>	<u>\$ (948,646)</u>

See accompanying Notes to Financial Statements.

BOSTON HOUSING AUTHORITY
STATEMENT OF CASH FLOWS—BUSINESS-TYPE ACTIVITIES
YEAR ENDED MARCH 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 63,100,832
HUD and Other Governmental Grants	370,891,050
Cash Received from Other Sources	20,344,148
Payments to Suppliers for Operations	(37,020,627)
Payments for Housing Operations and Tenant Services	(87,482,908)
Housing Assistance Payments	(242,029,437)
Payments to Employees	(81,732,188)
Net Cash Provided by Operating Activities	<u>6,070,870</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net Change in Investments	200,904
Issuance of Notes Receivables	(33,578,561)
Repayment of Notes Receivables	2,690,206
Interest Received	3,026,065
Net Cash Used by Investing Activities	<u>(27,661,386)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants	24,982,923
Acquisition of Capital Assets	(9,387,724)
Proceeds from Sale of Capital Assets	29,975
Casualty Losses	(501,821)
Repayment of Long-Term Debt	(8,319,971)
Additions to Long-Term Debt	51,397
Payment of Interest	(7,352,323)
Net Cash Used by Capital and Related Financing Activities	<u>(497,544)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

(22,088,060)

Cash and Cash Equivalents - Beginning of Year

162,370,472

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 140,282,412

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Loss	\$ (28,331,964)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	35,906,227
Bond Premium	(132,902)
Provision for Bad Debt	8,579,400
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable	10,871,559
Prepaid Expenses	(269,846)
Inventories	91,632
Accounts Payable	(324,416)
Accounts Payable - HUD	(1,595,138)
Accounts Payable - Government	(7,694,412)
Accrued Interest Payable	(824,006)
Accrued Liabilities	195,278
Unearned Revenue	(12,126,665)
Accrued Compensated Absences	79,630
Other Current Liabilities	4,189,423
Net Deferred Outflow / Inflow of Resources - Pension	(3,093,374)
Net Pension Liability	(5,095,273)
Net Deferred Outflow of Resources - OPEB	(9,069,312)
Net OPEB Liability	14,715,029
Net Cash Provided by Operating Activities	<u>\$ 6,070,870</u>

See accompanying Notes to Financial Statements.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2020, 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, 2020**

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 accounting principles generally accepted in the United States of America (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, 2020**

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.

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.

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

Buildings	40 Years
Building Improvements	10 Years
Administrative Equipment	3 to 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.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 CASH EQUIVALENTS

At March 31, 2020, cash and cash equivalents consisted of the following:

	Carrying Amount	Bank Balance
Checking and Savings Accounts	\$ 140,274,684	\$ 153,430,814
Petty Cash	7,728	-
Total Cash and Cash Equivalents	\$ 140,282,412	\$ 153,430,814

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.

All deposits were fully collateralized as of March 31, 2020 with the exception of \$4,643,546 which is related to LMHC and HHC, legally separate entities that are blended component units of the Authority.

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. As of fiscal year-end, the Authority had no investments.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS (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:

Description	Total	Primary Government Restricted Cash	Discrete Component Unit Restricted Cash
Family Self-Sufficiency/State LEAP Program	\$ 841,568	\$ 841,568	\$ -
Orchard Park Redevelopment Agreement	2,329,111	2,329,111	-
Old Colony Redevelopment Agreement	3,562,682	3,562,682	-
Capital Revenue Bonds Project Fund	4,945,319	4,945,319	-
West Broadway Bond	194,040	194,040	-
West Broadway Redevelopment Agreement	678,605	678,605	-
Heritage Housing Corporation Agreement	2,951,291	2,951,291	-
Lower Mills Housing Corporation Agreement	1,325,754	1,325,754	-
Washington Beech Endowment Trust	420,632	420,632	-
Mary Ellen Property Sale	50,000	50,000	-
52 Chauncy Street Funds	1,216,013	1,216,013	-
Winthrop Square Parking Garage Proceeds	22,161,664	22,161,664	-
Donations Account	1,891,728	1,891,728	-
ESCO Bond	1,309,721	1,309,721	-
Unearned Revenue	1,202,908	1,202,908	-
Restricted for Liabilities	322,332	322,332	-
West Broadway LP Reserves	3,053,928	-	3,053,928
West Broadway LP Tenant Deposits	87,859	-	87,859
Sale of Clippership Parcel	20,000	20,000	-
Total	<u>\$ 48,545,155</u>	<u>\$ 45,423,368</u>	<u>\$ 3,141,787</u>

Discrete Component Unit

The discrete component unit cash balance as of December 31, 2019 included \$103,943 in unrestricted cash, \$87,859 restricted for tenant security deposits and \$3,053,928 restricted for operating, insurance, Authority, bond fund and replacement reserves. All amounts were invested in interest bearing checking accounts as of December 31, 2019.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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	\$ 150,772
HUD	990,924
Other Governments	99,610
Fraud Recovery	3,467,710
Overpayments to Landlords	1,425,636
Other	2,780,483
Tenants	5,357,274
Total	14,272,409
Less: Allowance	(5,852,183)
Net Accounts Receivable	\$ 8,420,226

NOTE 4 CAPITAL ASSETS

Capital assets are comprised of the following at March 31, 2020:

Capital Assets – Business-Type Activities

	Balance April 1, 2019	Additions	Deletions	Transfers and Adjustments	Balance March 31, 2020
Land	\$ 75,492,398	\$ -	\$ (208,434)	\$ -	\$ 75,283,964
Buildings	1,353,822,148	818,675	-	5,504,924	1,360,145,747
Furniture, Equipment, and Machinery	5,179,894	288,051	-	-	5,467,945
Infrastructure	9,968	-	-	(9,968)	-
Construction in Progress	7,838,212	8,280,998	-	(5,504,924)	10,614,286
	1,442,342,620	9,387,724	(208,434)	(9,968)	1,451,511,942
Less: Accumulated Depreciation:					
Buildings	(1,166,351,342)	(35,630,416)	-	10,027	(1,201,971,731)
Furniture, Equipment, and Machinery	(4,307,685)	(275,811)	-	(10,027)	(4,593,523)
	(1,170,659,027)	(35,906,227)	-	-	(1,206,565,254)
Total	\$ 271,683,593	\$ (26,518,503)	\$ (208,434)	\$ (9,968)	\$ 244,946,688

Capital Assets – Discrete Component Unit

	Balance January 1, 2019	Additions	Deletions	Transfers	Balance December 31, 2019
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	(11,130,381)	(808,341)	-	-	(11,938,722)
Total	\$ 20,811,301	\$ (808,341)	\$ -	\$ -	\$ 20,002,960

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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.

<u>Borrower</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Due Date</u>	<u>Accrued Interest</u>
Harbor Point	3.00%	\$ 8,700,000	12/31/2041	\$ 4,323,410
Long-Glen Rental LLC	AFR/4.68%	1,850,000	02/28/2046	1,809,880
Trinity East Boston LP	0.10%	6,500,000	09/24/2033	98,614
Trinity East Boston LP	0.10%	9,082,234	09/24/2033	142,099
Trinity East Boston II LP	AFR/4.87%	4,959,056	09/24/2033	5,207,213
Trinity East Boston III LP	4.70%	4,856,085	04/19/2055	4,636,783
Trinity East Boston IV	2.00%	6,914,496	04/19/2055	2,121,411
Trinity East Boston IV	2.00%	4,931,926	04/19/2055	1,628,905
Total Trinity East		37,243,797		13,835,025
West Broadway Redevelopment	1.00%	3,570,000	12/23/2043	293,968
West Broadway Redevelopment	1.00%	10,821,700	12/23/2043	1,706,058
West Broadway Redevelopment	5.28%	7,330,226	12/01/2035	488,160
Total West Broadway		21,721,926		2,488,186
Trinity Franklin Hill Limited Partnership	0.10%	6,951,509	12/31/2059	68,011
Trinity Franklin Hill Limited Partnership	5.20%	3,640,739	03/13/2057	3,321,382
Trinity Franklin Hill Limited Partnership	5.2% - 6.85%	1,271,428	04/25/2057	1,441,425
Total Trinity Franklin Hill		11,863,676		4,830,818
Trinity Washington Beech Phase One LP	AFR/3.88%	196,327	06/10/2049	99,215
Trinity Washington Beech Phase One LP	0.10%	4,407,763	06/10/2049	46,687
Trinity Washington Beech Phase One LP	0.10%	9,751,330	06/10/2049	103,385
Total Trinity Washington Beech Phase 1		14,355,420		249,287
Trinity Washington Beech Phase Two LP	2.70%	750,000	09/30/2057	214,061
Trinity Washington Beech Phase Two LP	2.70%	2,602,537	09/30/2052	686,100
Trinity Washington Beech Phase Two LP	0.50%	4,406,053	09/30/2057	186,553
Trinity Washington Beech Phase Two LP	2.70%	2,175,082	09/30/2052	578,416
Trinity Washington Beech Phase Two LP	0.50%	2,399,267	09/30/2057	100,900
Total Trinity Washington Beech Phase 2		12,332,939		1,766,031

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 5 LOANS RECEIVABLE (CONTINUED)

<u>Borrower</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Due Date</u>	<u>Accrued Interest</u>
Old Colony Phase One LP	0.00%	\$ 17,739,960	9/14/2054	N/A
Old Colony Phase Two LP	0.00%	8,127,994	5/19/2058	N/A
Old Colony Phase Three A4	0.00%	6,650,971	8/8/2063	N/A
Old Colony Phase Three A9	0.00%	70,760	8/8/2063	N/A
Total Old Colony		32,589,685		N/A
Trinity Orient Heights	2.85%	22,000,000	11/23/2068	\$ 1,085,833
Trinity Orient Heights	2.85%	10,725,000	9/14/2054	943,510
Trinity Orient Heights	1.00%	24,581,971	11/9/2065	16,183
Total Trinity Orient Heights		57,306,971		2,045,526
Mission Main Phase One L.P.	0.10%	52,838,077	01/01/2040	1,036,787
Mission Main Phase One L.P.	AFR	2,320,531	01/01/2040	5,548,699
Mission Main Phase One L.P.	4.25%	6,741,479	01/01/2040	8,323,046
Mission Main Phase One L.P.	AFR	1,505,091	11/01/2040	2,923,230
Mission Main Phase One L.P.	4.25%	4,844,346	11/01/2040	5,739,732
Total Mission Main		68,249,524		23,571,494
Madison Trinity LP Phase I	6.77%	4,427,930	9/30/2036	19,102,772
Madison Trinity LP Phase I	0.10%	4,591,805	9/30/2036	109,149
Madison Trinity LP Phase II	6.55%	138,000	09/15/2037	1,846,402
Madison Trinity Phase II	0.10%	4,342,350	09/15/2037	97,080
Madison Trinity Phase II	0.10%	3,962,000	09/15/2037	88,357
Total Madison Trinity		17,462,085		21,243,760
Orchard Park Offsite Phase 1	AFR	3,725,458	11/16/2038	8,594,228
Orchard Park Offsite Phase 1	0.10%	3,050,000	11/16/2038	63,114
Orchard Park Offsite Phase 1	0.01%	1,762,000	11/16/2038	2,542
Orchard Park Offsite Company LLC	0.01%	4,086,237	11/16/2038	5,917
Total Orchard Park		12,623,695		8,665,801
Adams Orchard LP	0.10%	950,000	12/28/2038	20,433
Adams Orchard LP	0.10%	2,046,964	12/28/2038	43,477
Adams Orchard LP	0.10%	4,225,000	12/28/2038	88,808
Adams Orchard LP	5.25%	5,964,928	12/28/2038	10,059,172
Total Adams Orchard		13,186,892		10,211,890
Whittier 1A-4	2.00%	4,131,823	3/27/2060	105,983
Whittier 1A-9	0.00%	6,000,000	3/27/2021**	N/A
Total Whittier		10,131,823		105,983
West Newton Rutland Apartments PH1	3.15%	25,088,332	1/25/2068	417,181
Trinity Washington Beech Phase Two LP	0.01%	6,175,000	09/30/2057	5,867
Franklin Hill Unpaid Ground Lease	N/A	4,953,084	4/30/2106 & 4/30/2107	1,854,009
Washington Beech Unpaid Ground Lease	N/A	3,382,150	6/11/2108 & 9/30/2109	566,346
Camden Redevelopment	3.31%	3,427,869	12/18/2063	N/A
Madison Melnea Cass	6.50%	956,000	3/15/2060	94,630
West Newton Unpaid Ground Lease	N/A	22,229	N/A	N/A
Total		363,623,097		98,085,123
Allowance for Collectability		<u>(54,398,899)</u>		<u>(98,085,123)</u>
Total Loans Receivable - Primary Government		<u>\$ 309,224,198</u>		<u>\$ -</u>

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 5 LOANS RECEIVABLE (CONTINUED)

**Although due in fiscal year end March 31, 2021, and considered a current note receivable, management has evaluated the collectibility of the note and has fully allowed for the outstanding principal balance.

NOTE 6 LONG-TERM LIABILITIES

Business-Type Activities

Long-term liabilities of the business-type activities consisted of the following for the fiscal year ended March 31, 2020:

	April 1, 2019	Additions	Deletions	March 31, 2020	Current Portion
Capital Debt:					
Project and Refunding Bond 2010	\$ 3,965,000	\$ -	\$ (265,000)	\$ 3,700,000	\$ 275,000
West Broadway Redevelopment Bond	7,610,000	-	(260,000)	7,350,000	275,000
CFP Revenue Bonds Series 2008	53,115,000	-	(4,265,000)	48,850,000	4,475,000
Build America Bonds Series 2010	46,950,000	-	(3,190,000)	43,760,000	2,185,000
MHFA Heritage Housing Corp	18,734,050	-	(234,514)	18,499,536	246,937
MHFA Lower Mills Housing Corp	8,417,665	-	(105,456)	8,312,209	110,575
Whittier Preservation of Affordable Housing, LLC	1,114,155	51,397	-	1,165,552	1,165,552
Bond Premium	998,308	-	(132,903)	865,405	-
Other Long-Term Liabilities:					
Accrued Compensated Absences	7,425,905	2,388,924	(2,309,294)	7,505,535	650,465
Retention and Other Noncurrent Liabilities	6,133,244	4,820,714	-	10,953,958	-
Total	<u>\$ 154,463,327</u>	<u>\$ 7,261,035</u>	<u>\$ (10,762,167)</u>	<u>\$ 150,962,195</u>	<u>\$ 9,383,529</u>

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, 2020 is \$3,700,000. The interest rate on Series A was 4.17% and on Series B was 6.22% and accrued unpaid interest totals \$86,368.

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, 2020 is \$7,350,000, and accrued unpaid interest totals \$129,360.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

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, 2020 is \$48,850,000, and accrued unpaid interest totals \$-0- due to an interest payment at fiscal year-end.

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, 2020 is \$43,760,000, and accrued unpaid interest totals \$678,778.

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, 2020 are \$8,312,209 and \$18,499,535, respectively. Accrued unpaid interest for the year ended March 31, 2020 amounted to \$34,098 and \$73,652, respectively.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

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, 2020, the principal outstanding on the note is \$1,165,552 and accrued unpaid interest for the year ended March 31, 2020 amounted to \$50,442.

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>
2021	\$ 8,733,064	\$ 5,827,589	\$ (982,811)	\$ 13,577,842
2022	7,968,061	6,404,496	(940,688)	13,431,869
2023	8,385,800	6,017,336	(894,240)	13,508,896
2024	8,844,377	5,577,863	(841,521)	13,580,719
2025	9,328,841	5,098,227	(784,592)	13,642,476
2026-2030	48,165,104	17,515,774	(2,835,204)	62,845,674
2031-2035	19,675,864	7,323,626	(592,827)	26,406,663
2036-2040	5,200,471	4,117,845	-	9,318,316
2041-2045	4,958,107	3,023,153	-	7,981,260
2046-2050	6,254,482	1,726,778	-	7,981,260
2051-2053	4,123,126	279,720	-	4,402,846
Total	<u>\$ 131,637,297</u>	<u>\$ 62,912,407</u>	<u>\$ (7,871,883)</u>	<u>\$ 186,677,821</u>

Discrete Component Unit

Long-term liabilities of the discrete component unit consisted of the following for the fiscal year ended December 31, 2019:

	<u>January 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>December 31, 2019</u>	<u>Current Portion</u>
Capital Debt:					
BHA 1st Mortgage Loan	\$ 7,598,299	\$ -	\$ (260,000)	\$ 7,338,299	\$ 275,000
BHA State Capital Assistance Loan	10,821,700	-	-	10,821,700	-
BHA/City Loan	3,570,000	-	-	3,570,000	-
Other Long-Term Liabilities:					
Program Oversight Fee	300,000	-	-	300,000	-
Total	<u>\$ 22,289,999</u>	<u>\$ -</u>	<u>\$ (260,000)</u>	<u>\$ 22,029,999</u>	<u>\$ 275,000</u>

BHA 1st 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.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Discrete Component Unit (Continued)

Accrued interest totaled \$37,151 as of December 31, 2019. Interest expense for the year ended December 31, 2019 totaled \$401,808 and the outstanding principal balance at that date was \$7,338,299.

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, 2019 were \$661,808.

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, 2019, accrued and unpaid interest totaled \$1,645,020 and interest expense incurred for the year ended December 31, 2019 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, 2019, accrued and unpaid interest totaled \$541,727 and interest expense incurred for the year ended December 31, 2019 was \$35,700.

Discrete Component Unit

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

<u>Discretely Presented Component Units</u>	<u>Principal</u>
2020	\$ 275,000
2021	290,000
2022	305,000
2023	320,000
2024	335,000
Thereafter	20,204,999
Total	<u>\$ 21,729,999</u>

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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 December 31, 2019 was \$14,800,409.

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, 2019).

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2019. These valuations used the following actuarial assumptions, applied to all periods included in the measurement.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 7 PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	23%	6.15%
International Developed Markets Equity	17	6.78
Emerging Markets Equity	8	8.65
Core Fixed Income	16	1.11
High Yield Fixed Income	10	3.51
Real Estate	10	4.33
Hedge Fund, GTAA, Risk Parity	5	3.19
Private Equity	11	9.99

Discount Rate

The discount rate used to measure the total pension liability was 7.05% 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 7.05%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.05%) or one-percentage-point higher (8.05%) than the current rate:

	<u>One Percent Decrease</u>	<u>Current Discount</u>	<u>One Percent Increase</u>
Net Pension Liability (System)	\$ 2,829,090,749	\$ 1,951,245,567	\$ 1,211,415,733
Net Pension Liability (Authority)	137,552,226	94,870,824	58,899,818

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

At March 31, 2020, the Authority reported a liability of \$94,870,824 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, 2019, 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 2019 relative to the total contributions of all participating employers for that fiscal year. At December 31, 2019, the Authority's proportion was 4.9%.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 7 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

For the year ended March 31, 2020, the Authority recognized a reduction in pension expense of \$8,188,647. At March 31, 2020, 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	\$ -	\$ 2,749,777
Differences Between Expected and Actual Experience	-	5,799,588
Changes of Assumptions	24,506,932	744,599
Changes in Proportionate Share	-	7,616,510
Contributions Made Subsequent to Measurement Date	<u>3,700,102</u>	<u>-</u>
Total	<u>\$ 28,207,034</u>	<u>\$ 16,910,474</u>

The amount of \$3,700,102 reported as of the fiscal year ended March 31, 2020 as deferred outflow of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2021	\$ (1,277,857)
2022	575,869
2023	6,568,584
2024	(1,596,886)
2025	<u>3,326,748</u>
Total	<u>\$ 7,596,458</u>

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.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT (CONTINUED)

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, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	726
Active Plan Members	669
Total Plan Members	1,395

Total OPEB Liability

The Authority's total OPEB liability of \$171,004,354 was measured as of March 31, 2020, and was determined by an actuarial valuation as of April 1, 2019, which has been rolled forward to the March 31, 2020 measurement date.

Actuarial Methods and Assumptions

The total OPEB liability in the actuarial valuation dated August 18, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Valuation Date	April 1, 2019		
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll		
Discount Rate	2.56%, The selected discount rate is based on the prescribed discount rate interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices as of March 31, 2020.		
Expected Return on Assets	N/A - Unfunded, thus no plan assets		
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and dHealthy Annuitant tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.		
Health Care Cost Trend Rates	<u>Initial</u>		<u>Ultimate</u>
Pre-65	7.00%		4.50%
Post-65	7.00%		4.50%

Changes in the Total OPEB Liability

	Net OPEB Liability
Balance at March 31, 2019	\$ 156,289,325
Service Cost	3,171,708
Interest on Total OPEB Liability	3,939,445
Changes in Assumptions	12,413,353
Contributions from Employer	(4,809,477)
Net Changes	<u>14,715,029</u>
Balance at March 31, 2020	<u>\$ 171,004,354</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 2.56%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.56%) or one-percentage-point higher (3.56%) than the current discount rate:

	One Percent Decrease 1.56%	Current Discount 2.56%	One Percent Increase 3.56%
Total OPEB Liability	<u>\$ 207,472,319</u>	<u>\$ 171,004,354</u>	<u>\$ 143,463,526</u>

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

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 8 OTHER POSTEMPLOYMENT BENEFIT (CONTINUED)

Changes in the Total OPEB Liability (Continued)

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 one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	<u>One Percent Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>One Percent Increase</u>
Total OPEB Liability	<u>\$ 142,559,256</u>	<u>\$ 171,004,354</u>	<u>\$ 208,692,503</u>

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

For the year ended March 31, 2020, the Authority recognized OPEB expense of \$5,645,717. At March 31, 2020, the Authority reported \$13,744,854 of deferred outflows of resources related to OPEB due to changes in assumptions.

The deferred outflows will be recognized in OPEB expense as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2021	\$ 2,918,991
2022	2,918,991
2023	2,918,991
2024	2,918,988
2025	2,068,893
Total	<u>\$ 13,744,854</u>

NOTE 9 GROUND LEASE AGREEMENTS

The Authority has entered into various ground lease agreements in connection with development initiatives. The terms of the agreements vary and are summarized in the table below.

Summary of Annual Ground Leases Related to Development Initiatives

<u>Tenant</u>	<u>Term (Years)</u>	<u>Lease Expiration</u>	<u>Income Recognized in FY 2020</u>	<u>Annual Payment</u>	<u>Rate on Accrued Balance</u>
Mission Main Phase One L.P.	99	12/31/2097	\$ 132,775	Contingent *	N/A
Mission Main Phase Two L.P.	99	12/31/2099	27,353	Contingent *	N/A
Mission Main Phase Three L.P.	99	12/31/2099	20,616	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

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 9 GROUND LEASE AGREEMENTS (CONTINUED)

Summary of Annual Ground Leases Related to Development Initiatives (Continued)

<u>Tenant</u>	<u>Term (Years)</u>	<u>Lease Expiration</u>	<u>Income Recognized in FY 2020</u>	<u>Annual Payment</u>	<u>Rate on Accrued Balance</u>
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	54,456	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	99	None	N/A
Old Colony Phase Three A9 LP	99	8/7/2118	99	None	N/A
Trinity Orient Heights Phase One	99	11/23/2115	-	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	11,279	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
Clippership Apartments Limited Partnership	99	6/14/2118	11,000	11,000	N/A
Total			<u>\$ 1,200,677</u>	<u>\$ 1,012,950</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 Housing Corporation and Heritage Housing Corporation require a one-time base payment of \$279,857 and \$304,000, respectively, of which the full amounts have been paid as of March 31, 2020. 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, 2020**

NOTE 10 RISK MANAGEMENT

The Authority, with HUD approval, has elected to self-insure its risks for general liability claims. As of March 31, 2020, 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 for the last three fiscal years:

	Beginning of Fiscal Year	Interest and Provision for Estimates and Losses	Claim Payments	End of Fiscal Year
2020	\$ 2,156,506	\$ -	\$ -	\$ 2,156,506
2019	2,156,506	-	-	2,156,506
2018	2,156,506	-	-	2,156,506

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, 2020.

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, 2020, these amounts totaled \$9,823,393.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 12 UPCOMING GASB PRONOUNCEMENTS

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The purpose of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Statement Postpones GASB Statement 87, *Leases*, by 18 months and postpones the following Statements by 12 months:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interest*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The Authority is currently analyzing its accounting practices to identify the potential impact of the above GASB statements on the financial statements.

NOTE 13 SUBSEQUENT EVENTS

In June of 2020, the Authority issued the \$42.25 million Amended and Restated Master Lease Purchase Agreement, Series 2020 to refinance the BAB Series 2010.

In October of 2020, the Authority issued \$6.69 million of Series 2020A and 2020B 52 Chauncy Street Refinance bonds to refinance the Project and Refunding Bonds 2010 and to fund capital improvements to the 52 Chauncy Street building.

In December of 2020, the Authority issued \$42.71 million of Series 2020A and 2020B Capital Program Revenue Refunding bonds to refinance the CFP Revenue Bonds Series 2008.

As a result of the COVID-19 pandemic, economic uncertainties have arisen which could negatively impact the Authority's financial condition and operating results; however, the related financial impact and duration cannot be reasonably established at this time.

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 14 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 Housing Corporation	Primary Government	Eliminations	Total
ASSETS AND DEFERRED OUTFLOWS																
Cash and Investments	\$ -	\$ -	\$ 2,427,446	\$ -	\$ 1,643,187	\$ -	\$ -	\$ -	\$ -	\$ 2,738,910	\$ 2,740,022	\$ 1,600,566	\$ 4,119,531	\$ 79,589,382	\$ -	\$ 94,859,044
Restricted Cash and Investments	-	-	-	-	-	-	-	-	-	-	420,633	1,325,754	2,951,291	40,725,690	-	45,423,368
Other Current Assets	-	-	-	-	-	-	-	-	-	441	-	347,874	410,700	10,328,261	-	11,087,276
Interprogram - Due from	295,092	-	-	-	-	-	-	-	-	84,496	103	14	188,410	1,015,312.00	(1,583,427)	-
Noncurrent Assets	111,522,196	-	-	-	4,133,084	-	-	6,175,000	-	-	3,382,150	14,444	20,601	183,736,768	-	308,984,243
Capital Assets	942,021	-	1,542,291	-	1,142,934	1,018,617	-	-	4,903,602	987,804	687,061	10,003,403	21,797,132	201,921,823	-	244,946,688
Deferred Outflows	-	-	-	-	-	-	-	-	-	-	-	-	1,369	41,950,519	-	41,951,888
Total Assets and Deferred Outflows	112,759,309	-	3,969,737	-	6,919,205	1,018,617	-	6,175,000	4,903,602	3,811,651	7,229,969	13,292,055	29,489,034	559,267,755	(1,583,427)	747,252,507
LIABILITIES AND DEFERRED INFLOWS																
Current Liabilities	-	-	3,152	-	3,150	3,150	-	7,860	3,150	3,149	3,150	893,888	2,549,601	55,435,945	-	58,906,195
Interprogram - Due to	-	-	-	60	-	18,703	26,513	21,536	18,044	-	-	-	-	1,498,571.00	(1,583,427)	-
Noncurrent Liabilities	-	-	-	-	-	-	-	(12,363)	-	-	-	9,926,270	18,406,489	379,133,448	-	407,453,844
Deferred Inflows	-	-	-	-	-	-	-	7,053	-	-	-	-	-	16,903,421	-	16,910,474
Total Liabilities and Deferred Inflows	-	-	3,152	60	3,150	21,853	26,513	24,086	21,194	3,149	3,150	10,820,158	20,956,090	452,971,385	(1,583,427)	483,270,513
NET POSITION																
Net Investment in Capital Assets	942,021	-	1,542,291	-	1,142,934	1,018,617	-	-	4,903,602	987,804	687,061	1,691,194	3,297,596	96,230,866	-	112,443,986
Restricted	-	-	-	-	-	-	-	-	-	-	420,633	1,325,754	2,951,291	15,752,330	-	20,450,008
Unrestricted	111,817,288	-	2,424,294	(60)	5,773,121	(21,853)	(26,513)	6,150,914	(21,194)	2,820,698	6,119,125	(545,051)	2,284,057	(5,686,826)	-	131,088,008
Total Net Position	112,759,309	-	3,966,585	(60)	6,916,055	996,764	(26,513)	6,150,914	4,882,408	3,808,502	7,226,819	2,471,897	8,532,944	106,296,370	-	263,981,994
Total Liabilities, Deferred Inflows and Net Position	\$ 112,759,309	\$ -	\$ 3,969,737	\$ -	\$ 6,919,205	\$ 1,018,617	\$ -	\$ 6,175,000	\$ 4,903,602	\$ 3,811,651	\$ 7,229,969	\$ 13,292,055	\$ 29,489,034	\$ 559,267,755	\$ (1,583,427)	\$ 747,252,507

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 14 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 Housing Corporation	Primary Government	Total
OPERATING REVENUES															
Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,277,822	\$ 5,583,686	\$ 45,659,924	\$ 54,521,432
Other Revenue	109,182	289	180,744	-	490,456	-	-	55,367	-	25,628	443,669	219,323	353,593	400,034,505	401,912,756
Total Operating Revenues	109,182	289	180,744	-	490,456	-	-	55,367	-	25,628	443,669	3,497,145	5,937,279	445,694,429	456,434,188
OPERATING EXPENSES															
Administrative	-	-	-	-	-	-	-	13,046	-	-	-	314,318	614,677	45,076,764	46,018,805
Tenant Services	-	-	-	-	-	-	-	26,765	-	-	55,564	88,725	79,520	3,766,133	4,016,707
Utilities	-	-	-	-	-	-	-	-	-	-	-	253,964	693,676	36,701,288	37,648,928
Ordinary Maintenance and Operations	25	-	-	-	-	-	-	-	-	-	-	892,432	536,172	77,417,490	78,846,119
General Expenses	15	-	3,167	-	2,074,489	3,165	515	-	3,165	3,150	3,165	1,847,199	1,556,919	34,804,980	40,299,929
Depreciation	-	-	-	-	-	-	-	-	-	-	-	334,949	645,035	34,926,243	35,906,227
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	242,029,437	242,029,437
Total Operating Expenses	40	-	3,167	-	2,074,489	3,165	515	39,811	3,165	3,150	58,729	3,731,587	4,125,999	474,722,335	484,766,152
Operating Income (Loss)	109,142	289	177,577	-	(1,584,033)	(3,165)	(515)	15,556	(3,165)	22,478	384,940	(234,442)	1,811,280	(29,027,906)	(28,331,964)
Total Nonoperating Revenues (Expenses)	-	-	-	-	-	-	-	-	-	-	-	(459,268)	(676,325)	(3,378,532)	(4,514,125)
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	24,982,923	24,982,923
Change in Net Position	109,142	289	177,577	-	(1,584,033)	(3,165)	(515)	15,556	(3,165)	22,478	384,940	(693,710)	1,134,955	(7,423,515)	(7,863,166)
Total Net Position, Beginning of Year	112,650,167	(289)	3,789,008	(60)	8,500,088	999,929	(25,998)	6,135,358	4,885,573	3,786,024	6,841,879	3,165,607	7,397,989	113,719,885	271,845,160
Total Net Position, End of Year	\$ 112,759,309	\$ -	\$ 3,966,585	\$ (60)	\$ 6,916,055	\$ 996,764	\$ (26,513)	\$ 6,150,914	\$ 4,882,408	\$ 3,808,502	\$ 7,226,819	\$ 2,471,897	\$ 8,532,944	\$ 106,296,370	\$ 263,981,994

**BOSTON HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 14 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 Housing Corporation	Primary Government	Total
NET CASH PROVIDED (USED) BY															
Operating Activities	\$ -	\$ -	\$ 935,874	\$ -	\$ 358,717	\$ 18,723	\$ 26,033	\$ (14,119)	\$ 26,064	\$ 132,486	\$ 579,139	\$ 708,030	\$ 1,871,129	\$ 1,428,794	\$ 6,070,870
Capital and Related Financing Activities	-	-	-	-	-	-	-	-	-	-	-	(518,420)	(201,192)	222,068	(497,544)
Investing Activities	-	-	-	-	-	-	-	-	-	-	-	471	11,566	(27,673,423)	(27,661,386)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	935,874	-	358,717	18,723	26,033	(14,119)	26,064	132,486	579,139	190,081	1,681,503	(26,022,561)	(22,088,060)
Cash and Cash Equivalents - Beginning of Year	-	-	1,491,572	-	1,284,470	(18,723)	(26,033)	14,119	(26,064)	2,606,424	2,581,516	2,736,239	5,389,319	146,337,633	162,370,472
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ -	\$ 2,427,446	\$ -	\$ 1,643,187	\$ -	\$ -	\$ -	\$ -	\$ 2,738,910	\$ 3,160,655	\$ 2,926,320	\$ 7,070,822	\$ 120,315,072	\$ 140,282,412

REQUIRED SUPPLEMENTARY INFORMATION

**BOSTON HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS—
BOSTON RETIREMENT SYSTEM
YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 14,800,409	\$ 12,369,882	\$ 11,615,622	\$ 11,794,855	\$ 11,587,611
Contributions in Relation to the Actuarially Determined Contribution	<u>14,800,409</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 <u>\$ 51,077,673</u>	 <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>29%</u>	<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 five years of information are presented. The full trend information will be accumulated over the next five years.

**BOSTON HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY—BOSTON RETIREMENT SYSTEM
YEAR ENDED MARCH 31, 2020**

	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	4.86%	5.00%	5.10%	5.13%	5.30%
Proportionate Share of the Net Pension Liability	\$ 94,870,824	\$ 99,966,097	\$ 78,602,453	\$ 91,747,156	\$ 104,255,320
Covered Payroll	\$ 51,077,673	\$ 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	186%	218%	168%	217%	279%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	58%	58%	56%	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 five years of information are presented. The full trend information will be accumulated over the next five years.

**BOSTON HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS
YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 4,809,477	\$ 4,786,790	\$ 4,809,786
Contributions in Relation to the Contractually Required Contribution	<u>4,809,477</u>	<u>4,786,790</u>	<u>4,809,786</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 45,855,315</u>	<u>\$ 42,190,564</u>	<u>\$ 46,922,877</u>
Contributions as a Percentage of Covered- Employee Payroll	<u>10%</u>	<u>11%</u>	<u>10%</u>

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 three years of information is presented. The full trend information will be accumulated over the next seven years.

**BOSTON HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL
OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the total OPEB Liability	100.00%	100.00%	100.00%
Proportionate Share of the OPEB Liability	\$ 171,004,354	\$ 156,289,325	\$ 148,752,658
Covered Payroll	\$ 45,855,315	\$ 42,190,564	\$ 46,922,877
Proportionate Share of the OPEB Liability as a Percentage of its Covered Payroll	373%	370%	317%

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 three years of information is presented. The full trend information will be accumulated over the next seven years.

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE BALANCE SHEET
YEAR ENDED MARCH 31, 2020

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
CURRENT ASSETS												
Cash:												
111	Unrestricted	\$ 30,925,533	\$ -	\$ 22,433	\$ 2,927,335	\$ -	\$ 4,630,039	\$ -	\$ -	\$ 315,925	\$ -	\$ -
112	Restricted - modernization and development	6,255,040	-	-	-	-	-	-	-	-	-	-
113	Other restricted	6,207,474	-	-	1,798,794	-	-	-	-	-	-	-
114	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	132,619	-	-	-	-	-	-	-
100	Total cash	<u>43,388,047</u>	<u>-</u>	<u>22,433</u>	<u>4,858,748</u>	<u>-</u>	<u>4,630,039</u>	<u>-</u>	<u>-</u>	<u>315,925</u>	<u>-</u>	<u>-</u>
Accounts and notes receivable:												
121	PHA Projects	-	-	-	150,772	-	-	-	-	-	-	-
122	HUD other projects	538,537	-	-	-	-	8,862	-	-	-	-	18,454
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	1,209,818	-	-	1,930,597	-	6,375	-	-	-	-	33,459
126	Tenants	3,998,620	-	-	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(1,563,101)	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	(1,699,665)	-	(3,197)	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	3,467,710	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(1,864,372)	-	-	-	-	-	-	-
129	Accrued interest receivable	31,880	-	-	-	-	8,885	-	-	734	-	-
120	Total receivables, net of allowances for uncollectibles	<u>4,215,754</u>	<u>-</u>	<u>-</u>	<u>1,985,042</u>	<u>-</u>	<u>20,925</u>	<u>-</u>	<u>-</u>	<u>734</u>	<u>-</u>	<u>51,913</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	897,079	-	-	8,676	-	541	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	148,283	59,589	-	-	12,704	-	-	753,124	-	-	41,612
150	Total current assets	<u>48,649,163</u>	<u>59,589</u>	<u>22,433</u>	<u>6,852,466</u>	<u>12,704</u>	<u>4,651,505</u>	<u>-</u>	<u>753,124</u>	<u>316,659</u>	<u>-</u>	<u>93,525</u>
NONCURRENT ASSETS												
Fixed assets:												
161	Land	47,177,450	-	-	-	-	-	-	-	-	-	-
162	Buildings	1,001,284,946	-	-	-	-	-	-	-	-	-	-
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,583,807	-	-	337,135	-	-	-	-	-	-	-
166	Accumulated depreciation	(899,530,548)	-	-	(337,135)	-	-	-	-	-	-	-
167	Construction in progress	10,614,286	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>161,129,941</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	99,856,088	-	-	-	-	-	-	2,408,499	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>260,986,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,408,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
200	Deferred Outflow of Resources	<u>19,974,569</u>	<u>-</u>	<u>10,090</u>	<u>6,530,695</u>	<u>-</u>	<u>148,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 329,609,761</u>	<u>\$ 59,589</u>	<u>\$ 32,523</u>	<u>\$ 13,383,161</u>	<u>\$ 12,704</u>	<u>\$ 4,800,345</u>	<u>\$ -</u>	<u>\$ 3,161,623</u>	<u>\$ 316,659</u>	<u>\$ -</u>	<u>\$ 93,525</u>

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE BALANCE SHEET (CONTINUED)
YEAR ENDED MARCH 31, 2020

Line Item#	Accounts Description	14.879										Total Entity	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	Business Activities	COCC	Elimination			
CURRENT ASSETS														
Cash:														
111	Unrestricted	\$ 32,076,971	\$ -	\$ -	\$ -	\$ -	\$ 3,315,447	\$ 15,269,662	\$ 1,111,222	\$ 4,264,477	\$ -	\$ -	\$ 94,859,044	\$ 103,943
112	Restricted - modernization and development	26,142,050	-	-	-	-	-	4,277,045	-	-	-	-	36,674,135	-
113	Other restricted	-	-	-	-	-	-	420,633	-	-	-	-	8,426,901	3,053,928
114	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	-	87,859
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	171,298	-	18,415	-	-	-	-	-	322,332	-
100	Total cash	58,219,021	-	-	171,298	-	3,333,862	19,967,340	1,111,222	4,264,477	-	-	140,282,412	3,245,730
Accounts and notes receivable:														
121	PHA Projects	-	-	-	-	-	-	-	-	-	-	-	150,772	-
122	HUD other projects	-	16,716	51,640	-	350,352	6,363	-	-	-	-	-	990,924	-
124	Other government	99,610	-	-	-	-	-	-	-	-	-	-	99,610	-
125	Miscellaneous	1,012,476	-	-	-	-	2,839	10,555	-	-	-	-	4,206,119	-
126	Tenants	1,065,410	-	-	-	-	-	293,244	-	-	-	-	5,357,274	10,117
126.1	Allowance for doubtful accounts - tenants	(443,023)	-	-	-	-	-	-	-	-	-	-	(2,174,554)	-
126.2	Allowance for doubtful accounts - other	(110,365)	-	-	-	-	-	(30)	-	-	-	-	(1,813,257)	-
127	Notes, loans, & mortgages receivable - current	275,000	-	-	-	-	-	-	-	-	-	-	275,000	-
128	Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	3,467,710	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-	(1,864,372)	-
129	Accrued interest receivable	2,158	-	-	-	-	7,724	441	-	-	-	-	51,822	-
120	Total receivables, net of allowances for uncollectibles	1,901,266	16,716	51,640	-	350,352	16,896	135,810	-	-	-	-	8,747,048	10,117
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	207,568	-	-	-	388	296	623,205	-	44,165	-	-	1,781,918	16,175
143	Inventories	8,225	-	-	-	-	-	-	-	550,085	-	-	558,310	-
144	Inter-program - due from	-	-	-	-	-	-	568,115	-	-	(1,583,427)	-	-	-
150	Total current assets	60,336,080	16,716	51,640	171,298	350,740	3,351,054	21,294,470	1,111,222	4,858,727	(1,583,427)	-	151,369,688	3,272,022
NONCURRENT ASSETS														
Fixed assets:														
161	Land	9,713,382	-	-	-	-	-	11,224,330	-	7,168,802	-	-	75,283,964	870,045
162	Buildings	277,088,075	-	-	-	-	-	81,767,729	-	4,997	-	-	1,360,145,747	30,604,325
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	467,312
164	Furniture, equipment & mach - admin.	297,325	-	-	-	-	-	-	-	3,249,678	-	-	5,467,945	-
166	Accumulated depreciation	(253,968,053)	-	-	-	-	-	(49,967,194)	-	(2,762,324)	-	-	(1,206,565,254)	(11,938,722)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	10,614,286	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	33,130,729	-	-	-	-	-	43,024,865	-	7,661,153	-	-	244,946,688	20,002,960
171	Notes, loans and mortgages receivable - noncurrent	72,772,181	-	-	-	-	-	125,212,430	-	8,700,000	-	-	308,949,198	-
174	Other assets	-	-	-	-	-	-	35,045	-	-	-	-	35,045	183,757
180	Total noncurrent assets	105,902,910	-	-	-	-	-	168,272,340	-	16,361,153	-	-	553,930,931	20,186,717
200	Deferred Outflow of Resources	2,217,919	-	-	-	-	102,678	1,369	-	12,965,728	-	-	41,951,888	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 168,456,909	\$ 16,716	\$ 51,640	\$ 171,298	\$ 350,740	\$ 3,453,732	\$ 189,568,179	\$ 1,111,222	\$ 34,185,608	\$ (1,583,427)	\$ -	\$ 747,252,507	\$ 23,458,739

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE BALANCE SHEET (CONTINUED)
YEAR ENDED MARCH 31, 2020

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
CURRENT LIABILITIES												
312	Accounts payable <= 90 days	\$ 566,213	\$ -	\$ 1,556	\$ 202,620	\$ -	\$ 5,281	\$ -	\$ -	\$ -	\$ -	\$ 670
321	Accrued wage/payroll taxes payable	614,964	-	-	171,444	-	4,072	-	-	-	-	527
322	Accrued compensated absences - current	343,610	-	-	86,288	-	-	-	-	-	-	-
325	Accrued interest payable	729,220	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD	458,231	-	-	-	-	407,408	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-
342	Unearned revenues	746,880	-	-	1,237,952	-	-	-	-	-	-	-
343	Current portion of LT debt - capital projects	7,825,552	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt- Operating	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	458,147	-	-	132,619	-	-	-	-	-	-	-
346	Other liabilities	7,741,116	-	660	368,095	-	13,704	-	-	-	-	319
347	Interprogram - due to	675,704	-	20,217	219	-	192	3,261	-	-	12,619	-
310	Total current liabilities	<u>20,159,637</u>	<u>-</u>	<u>22,433</u>	<u>2,199,237</u>	<u>-</u>	<u>430,657</u>	<u>3,261</u>	<u>-</u>	<u>-</u>	<u>12,619</u>	<u>1,516</u>
NONCURRENT LIABILITIES												
351	Long-term debt, net of current - capital	86,815,405	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	6,813,119	-	-	560,842	-	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	3,213,108	-	-	737,172	-	15,123	-	-	-	-	1,903
357	Accrued Pension and OPEB Liabilities	<u>125,623,959</u>	<u>-</u>	<u>-</u>	<u>38,536,858</u>	<u>-</u>	<u>994,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
350	Total noncurrent liabilities	<u>222,465,591</u>	<u>-</u>	<u>-</u>	<u>39,834,872</u>	<u>-</u>	<u>1,009,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,903</u>
300	Total liabilities	<u>242,625,228</u>	<u>-</u>	<u>22,433</u>	<u>42,034,109</u>	<u>-</u>	<u>1,440,316</u>	<u>3,261</u>	<u>-</u>	<u>-</u>	<u>12,619</u>	<u>3,419</u>
400	Deferred Inflow of Resources	<u>7,874,509</u>	<u>-</u>	<u>-</u>	<u>2,258,993</u>	<u>-</u>	<u>74,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Liabilities & Deferred Inflow of Resources	<u>250,499,737</u>	<u>-</u>	<u>22,433</u>	<u>44,293,102</u>	<u>-</u>	<u>1,515,038</u>	<u>3,261</u>	<u>-</u>	<u>-</u>	<u>12,619</u>	<u>3,419</u>
NET POSITION												
508.4	Net investment in capital assets	66,488,984	-	-	-	-	-	-	-	-	-	-
511.4	Restricted net position	12,462,514	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted net position	<u>158,526</u>	<u>59,589</u>	<u>10,090</u>	<u>(30,909,941)</u>	<u>12,704</u>	<u>3,285,307</u>	<u>(3,261)</u>	<u>3,161,623</u>	<u>316,659</u>	<u>(12,619)</u>	<u>90,106</u>
513	Total net position	<u>79,110,024</u>	<u>59,589</u>	<u>10,090</u>	<u>(30,909,941)</u>	<u>12,704</u>	<u>3,285,307</u>	<u>(3,261)</u>	<u>3,161,623</u>	<u>316,659</u>	<u>(12,619)</u>	<u>90,106</u>
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 329,609,761</u>	<u>\$ 59,589</u>	<u>\$ 32,523</u>	<u>\$ 13,383,161</u>	<u>\$ 12,704</u>	<u>\$ 4,800,345</u>	<u>\$ -</u>	<u>\$ 3,161,623</u>	<u>\$ 316,659</u>	<u>\$ -</u>	<u>\$ 93,525</u>

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE BALANCE SHEET (CONTINUED)
YEAR ENDED MARCH 31, 2020

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	Business Activities	COCC	Elimination	Total Entity	Discrete Component Unit
CURRENT LIABILITIES													
312	Accounts payable <= 90 days	\$ 170,067	\$ 4,749	\$ 4,248	\$ -	\$ -	\$ 2,968	\$ 10,098	\$ -	\$ 281,136	\$ -	\$ 1,249,606	\$ 22,084
321	Accrued wage/payroll taxes payable	172,729	-	-	-	-	2,295	15,924	-	241,668	-	1,223,623	-
322	Accrued compensated absences - current	82,860	-	-	-	-	-	2,674	-	135,033	-	650,465	-
325	Accrued interest payable	215,728	-	-	-	-	-	107,750	-	-	-	1,052,698	2,223,898
331	Accounts payable - HUD	-	-	-	171,298	-	33,723	-	-	-	-	1,070,660	-
333	Accounts Payable - Other Government	5,276,344	-	-	-	-	-	330,458	-	-	-	5,606,802	-
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	87,358
342	Unearned revenues	22,852,234	-	-	-	-	18,415	65,550	-	-	-	24,921,031	6,605
343	Current portion of LT debt - capital projects	550,000	-	-	-	-	-	357,512	-	-	-	8,733,064	275,000
344	Current portion of LT debt - operating	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	49,555	-	-	-	-	-	95,437	-	3,215	-	738,973	37,441
346	Other liabilities	2,347,057	5,660	2,277	-	-	5,105	2,484,847	-	690,433	-	13,659,273	-
347	Interprogram - due to	294,460	95,821	45,115	-	350,740	17	84,856	-	206	(1,583,427)	-	-
310	Total current liabilities	32,011,034	106,230	51,640	171,298	350,740	62,523	3,555,106	-	1,351,691	(1,583,427)	58,906,195	2,652,386
NONCURRENT LIABILITIES													
351	Long-term debt, net of current - capital	10,500,000	-	-	-	-	-	26,454,233	-	-	-	123,769,638	21,454,999
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	3,478,662	-	-	-	-	-	841	-	100,494	-	10,953,958	300,000
354	Accrued compensated absences - noncurrent	808,706	-	-	-	-	8,519	76,818	-	1,993,721	-	6,855,070	-
357	Accrued Pension and OPEB Liabilities	35,455,429	-	-	-	-	558,625	1,788,504	-	62,917,267	-	265,875,178	-
350	Total noncurrent liabilities	50,242,797	-	-	-	-	567,144	28,320,396	-	65,011,482	-	407,453,844	21,754,999
300	Total liabilities	82,253,831	106,230	51,640	171,298	350,740	629,667	31,875,502	-	66,363,173	(1,583,427)	466,360,039	24,407,385
400	Deferred Inflow of Resources	3,426,303	-	-	-	-	41,915	7,053	-	3,226,979	-	16,910,474	-
	Total Liabilities and Deferred Inflow of Resources	85,680,134	106,230	51,640	171,298	350,740	671,582	31,882,555	-	69,590,152	(1,583,427)	483,270,513	24,407,385
NET POSITION													
508.4	Net investment in capital assets	22,080,729	-	-	-	-	-	16,213,120	-	7,661,153	-	112,443,986	454,117
511.4	Restricted net position	3,289,816	-	-	-	-	-	4,697,678	-	-	-	20,450,008	501
512.4	Unrestricted net position	57,406,230	(89,514)	-	-	-	2,782,150	136,774,826	1,111,222	(43,065,697)	-	131,088,000	(1,403,264)
513	Total net position	82,776,775	(89,514)	-	-	-	2,782,150	157,685,624	1,111,222	(35,404,544)	-	263,981,994	(948,646)
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 168,456,909	\$ 16,716	\$ 51,640	\$ 171,298	\$ 350,740	\$ 3,453,732	\$ 189,568,179	\$ 1,111,222	\$ 34,185,608	\$ (1,583,427)	\$ 747,252,507	\$ 23,458,739

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES
YEAR ENDED MARCH 31, 2020

Line Item#	Accounts Description	Project Total	93.135 CFR	14.870 ROSS	14.871 HCPV	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
REVENUE												
70300	Net tenant rental revenue	\$ 35,507,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	192,516	-	-	-	-	-	-	-	-	-	-
70500	Total tenant revenue	35,699,613	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA operating grants	76,919,362	-	181,266	238,573,779	-	3,831,645	-	-	-	-	-
70610	Capital grants	17,826,915	-	-	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	1,182,627	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	294,973	-	-	12,496	-	30,187	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	4,836,747	-	-	1,661,170	-	5,174	-	-	-	-	15,611
71600	Gain or loss on sale of capital assets	(188,427)	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	190,609	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	136,762,419	-	181,266	240,247,445	-	3,867,006	-	-	-	-	15,611
EXPENSES												
Administrative:												
91100	Administrative salaries	5,921,006	-	-	6,938,064	-	166,731	-	-	-	-	16,164
91200	Auditing fees	87,430	-	-	89,583	-	2,761	-	-	-	-	-
91300	Management fee	9,689,456	-	-	1,540,474	-	60,336	-	-	-	-	-
91310	Bookkeeping fee	696,644	-	-	962,796	-	37,710	-	-	-	-	-
91400	Advertising	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - admin	3,332,140	-	-	3,823,593	-	99,763	-	-	-	-	8,909
91600	Office expense	-	-	-	-	-	-	-	-	-	-	-
91700	Legal expense	246,574	-	-	111,682	-	3,893	-	-	-	-	-
91800	Travel	10,830	-	-	38,541	-	19	-	-	-	-	-
91900	Other	1,511,730	-	-	1,008,087	-	44,535	-	-	-	-	-
91000	Total administrative	21,495,810	-	-	14,512,820	-	415,748	-	-	-	-	25,073
92000	Asset Management Fee	527,175	-	-	-	-	-	-	-	-	-	-
Tenant services:												
92100	Salaries	282,843	-	106,154	-	-	-	-	-	-	-	-
92200	Relocation costs	73,871	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	29,591	-	55,996	-	-	-	-	-	-	-	-
92400	Other	505,977	-	19,116	18,333	-	-	-	-	-	-	-
92500	Total tenant services	892,282	-	181,266	18,333	-	-	-	-	-	-	-
Utilities:												
93100	Water	3,178,008	-	-	-	-	-	-	-	-	-	-
93200	Electricity	10,806,428	-	-	-	-	-	-	-	-	-	-
93300	Gas	6,903,908	-	-	-	-	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	6,008,202	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
93000	Total utilities	26,896,546	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operations:												
94100	Labor	16,992,510	-	-	-	-	-	-	-	-	-	-
94200	Materials and other	4,106,996	-	-	27,920	-	528	-	-	-	-	-
94300	Contracts	14,386,682	-	-	9,053	-	23	-	-	-	-	-
94500	Employee benefits contribution	7,459,064	-	-	-	-	-	-	-	-	-	-
94000	Total ordinary maintenance & operations	42,945,252	-	-	36,973	-	551	-	-	-	-	-

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2020

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	Business Activities	COCC	Elimination	Total Entity	Discrete Component Unit
REVENUE													
70300	Net tenant rental revenue	\$ 9,903,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,676,066	\$ -	\$ -	\$ -	\$ 47,086,972	\$ 1,056,381
70400	Tenant revenue - other	56,502	-	-	-	-	-	7,185,442	-	-	-	7,434,460	-
70500	Total tenant revenue	9,960,311	-	-	-	-	-	8,861,508	-	-	-	54,521,432	1,056,381
70600	HUD PHA operating grants	-	1,136,865	310,415	1,162,432	517,109	2,315,907	-	-	-	-	324,948,780	-
70610	Capital grants	-	7,156,008	-	-	-	-	-	-	-	-	24,982,923	-
70710	Management fee	-	-	-	-	-	-	-	-	13,104,661	(13,104,661)	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	529,623	(529,623)	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	1,978,179	(1,978,179)	-	-
70750	Other Service Fees	-	-	-	-	-	-	-	-	235,740	(235,740)	-	-
70800	Other governmental grants	55,109,344	-	-	-	-	-	194,955	-	-	-	56,486,926	-
71100	Investment income - unrestricted	2,131,316	-	-	-	-	-	315,486	1,407	8,140	-	2,794,005	36,508
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	9,660,463	-	-	-	-	1,978	1,367,335	-	4,428,572	(1,500,000)	20,477,050	868,861
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	(188,427)	-
72000	Investment Income - Restricted	40,976	-	-	-	-	-	475	-	-	-	232,060	-
70000	Total revenue	76,902,410	8,292,873	310,415	1,162,432	517,109	2,317,885	10,739,759	1,407	20,284,915	(17,348,203)	484,254,749	1,961,750
EXPENSES													
Administrative:													
91100	Administrative salaries	2,471,881	-	-	-	-	93,625	236,463	-	9,138,254	-	24,982,188	117,352
91200	Auditing fees	32,748	-	-	-	-	1,523	40,300	-	19,469	-	273,814	9,866
91300	Management fee	2,358,482	-	-	-	-	16,272	247,704	-	-	(13,104,661)	808,063	63,042
91310	Bookkeeping fee	266,846	-	-	-	-	10,170	4,013	-	-	(1,978,179)	-	-
91400	Advertising	27	-	-	-	-	-	-	-	-	-	27	1,277
91500	Employee benefit contributions - admin	1,331,020	-	-	-	-	56,116	63,171	-	4,887,145	-	13,601,857	-
91600	Office expense	-	-	-	-	-	-	-	-	-	-	-	22,413
91700	Legal expense	454,959	13,687	-	-	-	2,011	85,472	-	435,994	-	1,354,272	14,144
91800	Travel	9,086	-	-	-	549	11	3,060	-	72,912	-	135,008	-
91900	Other	493,190	478,354	-	-	53,026	27,224	261,858	-	2,721,312	(1,735,740)	4,863,576	12,023
91000	Total administrative	7,418,239	492,041	-	-	53,575	206,952	942,041	-	17,275,086	(16,818,580)	46,018,805	240,117
92000	Asset Management Fee	-	-	-	-	-	-	2,448	-	-	(529,623)	-	-
Tenant services:													
92100	Salaries	14,427	-	206,197	-	102,521	-	55,846	-	-	-	767,988	-
92200	Relocation costs	114,715	-	-	-	-	-	-	-	-	-	188,586	-
92300	Employee benefit contributions	194	-	104,218	-	4,387	-	3,000	-	-	-	197,386	-
92400	Other	1,419,919	346,135	-	-	356,626	-	189,280	-	7,361	-	2,862,747	-
92500	Total tenant services	1,549,255	346,135	310,415	-	463,534	-	248,126	-	7,361	-	4,016,707	-
Utilities:													
93100	Water	1,118,642	-	-	-	-	-	104,291	-	-	-	4,400,941	158,288
93200	Electricity	3,731,875	-	-	-	-	-	474,394	-	-	-	15,012,697	30,812
93300	Gas	2,205,217	-	-	-	-	-	179,741	-	4,953	-	9,293,819	3,096
93400	Fuel	556,350	-	-	-	-	-	-	-	-	-	556,350	-
93600	Sewer	2,149,091	-	-	-	-	-	189,214	-	-	-	8,346,507	-
93800	Other utilities expense	38,614	-	-	-	-	-	-	-	-	-	38,614	-
93000	Total utilities	9,799,789	-	-	-	-	-	947,640	-	4,953	-	37,648,928	192,196
Ordinary maintenance & operations:													
94100	Labor	4,479,106	-	-	-	-	-	611,460	-	-	-	22,083,076	181,921
94200	Materials and other	1,075,481	-	-	-	-	295	190,362	-	84,071	-	5,485,653	152,540
94300	Contracts	1,449,060	-	-	-	-	39	341,392	-	25,143	-	16,211,392	110,131
94500	Employee benefits contribution	2,018,119	-	-	-	-	-	285,415	-	102	-	9,762,700	-
94000	Total ordinary maintenance & operations	9,021,766	-	-	-	-	334	1,428,629	-	109,316	-	53,542,821	444,592

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2020

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
EXPENSES (Continued)												
Protective services:												
95100	Labor	\$ 3,413,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Other contract costs	386,703	-	-	-	-	-	-	-	-	-	-
95300	Other	19,146	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	1,618,410	-	-	-	-	-	-	-	-	-	-
95000	Total protective services	5,437,545	-	-	-	-	-	-	-	-	-	-
96110	Property insurance	1,982,824	-	-	-	-	-	-	-	-	-	-
96120	Liability insurance	228,639	-	-	7,140	-	211	-	-	-	-	-
96130	Workmen's Compensation	701,559	-	-	189,687	-	4,524	-	-	-	-	475
96140	All other insurance	1,292,772	-	-	31,596	-	195	-	-	-	-	-
96100	Total insurance premiums	4,205,794	-	-	228,423	-	4,930	-	-	-	-	475
General expenses:												
96200	Other general expenses	6,783,399	-	-	-	-	-	-	961,272	-	-	-
96210	Compensated absences	1,298,296	-	-	353,893	-	10,582	-	-	-	-	-
96300	Payment in lieu of taxes	3,859,427	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	1,074,900	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	5,467,898	-	-	13,158	-	-	-	-	-	-	-
96800	Severance Expense	58	-	-	-	-	-	-	-	-	-	-
96000	Total general expenses	18,483,978	-	-	367,051	-	10,582	-	961,272	-	-	-
96710	Interest of mortgage payable	5,378,812	-	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	5,378,812	-	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	126,263,194	-	181,266	15,163,600	-	431,811	-	961,272	-	-	25,548
97000	Excess of operating revenue over operating expenses	10,499,225	-	-	225,083,845	-	3,435,195	-	(961,272)	-	-	(9,937)
97100	Extraordinary maintenance	653,735	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	423,411	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	226,212,424	-	3,187,401	-	-	-	-	-
97350	HAP Portability-in	-	-	-	679,856	-	-	-	-	-	-	-
97400	Depreciation expense	28,495,893	-	-	-	-	-	-	-	-	-	-
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-
90000	Total expenses	155,836,233	-	181,266	242,055,880	-	3,619,212	-	961,272	-	-	25,548
Other financing sources (uses):												
10010	Operating transfer in	8,226,330	-	-	-	-	-	-	-	-	-	-
10020	Operating transfer out	(8,226,330)	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	20,090,738	-	-	-	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(20,090,738)	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (19,073,814)	\$ -	\$ -	\$ (1,808,435)	\$ -	\$ 247,794	\$ -	\$ (961,272)	\$ -	\$ -	\$ (9,937)

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2020

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	Business Activities	COCC	Elimination	Total Entity	Discrete Component Unit
EXPENSES (Continued)													
Protective services:													
95100	Labor	\$ 120,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,214	\$ -	\$ -	\$ -	\$ 3,770,467	\$ -
95200	Other contract costs	2,641	589,042	-	-	-	-	325,493	-	-	-	1,303,879	-
95300	Other	1,677	-	-	-	-	-	173	-	-	-	20,996	-
95500	Employee benefit contributions	83,433	-	-	-	-	-	12,459	-	-	-	1,714,302	-
95000	Total protective services	208,718	589,042	-	-	-	-	574,339	-	-	-	6,809,644	-
96110	Property insurance	180,198	-	-	-	-	-	65,548	-	-	-	2,228,570	-
96120	Liability insurance	112,590	-	-	-	-	116	42,525	-	12,955	-	404,176	-
96130	Workmen's Compensation	169,615	-	-	-	-	2,542	25,403	-	262,060	-	1,355,865	-
96140	All other insurance	111,791	-	-	-	-	109	100,979	-	56,141	-	1,593,583	190,956
96100	Total insurance premiums	574,194	-	-	-	-	2,767	234,455	-	331,156	-	5,582,194	190,956
General expenses:													
96200	Other general expenses	8,545,799	4,749	-	-	-	6,953	3,076,152	20,000	78,959	-	19,477,283	75,000
96210	Payment in lieu of taxes	194,178	-	-	-	-	6,004	-	-	525,971	-	2,388,924	-
96300	Payment in lieu of taxes	66,660	-	-	-	-	-	330,457	-	-	-	4,256,544	-
96400	Bad debt - tenant rents	356,234	-	-	-	-	-	22,145	-	-	-	1,453,279	-
96600	Bad debt - other	1,645,065	-	-	-	-	-	-	-	-	-	7,126,121	-
96800	Severance Expense	36	-	-	-	-	-	-	-	-	-	94	-
96000	Total general expenses	10,807,972	4,749	-	-	-	12,957	3,428,754	20,000	604,930	-	34,702,245	75,000
96710	Interest of mortgage payable	213,729	-	-	-	-	-	1,256,288	-	-	-	6,848,829	401,808
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-	143,917
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	1,113	-	-	-	1,113	9,072
96700	Total interest expense and amortization	213,729	-	-	-	-	-	1,257,401	-	-	-	6,849,942	554,797
96900	Total operating expenses	39,593,662	1,431,967	310,415	-	517,109	223,010	9,063,833	20,000	18,332,802	(17,348,203)	195,171,286	1,697,658
97000	Excess of operating revenue over operating expenses	37,308,748	6,860,906	-	1,162,432	-	2,094,875	1,675,926	(18,593)	1,952,113	-	289,083,463	264,092
97100	Extraordinary maintenance	10,948,310	6,865,627	-	-	-	-	999	-	24,983	-	18,493,654	-
97200	Casualty Losses- Non-capitalized	65,099	-	-	-	-	-	4,779	-	8,532	-	501,821	-
97300	Housing assistance payments	9,149,196	-	-	1,162,432	-	1,638,128	-	-	-	-	241,349,581	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	679,856	-
97400	Depreciation expense	6,310,872	-	-	-	-	-	979,984	-	119,478	-	35,906,227	808,341
97500	Fraud Losses	-	-	-	-	-	-	-	-	15,490	-	15,490	-
90000	Total expenses	66,067,139	8,297,594	310,415	1,162,432	517,109	1,861,138	10,049,595	20,000	18,501,285	(17,348,203)	492,117,915	2,505,999
Other financing sources (uses):													
10010	Operating transfer in	-	-	-	-	-	-	-	1,129,815	-	(9,356,145)	-	-
10020	Operating transfer out	-	-	-	-	-	-	(1,129,815)	-	-	-	9,356,145	-
10091	Operating transfer in	-	-	-	-	-	-	-	-	-	(20,090,738)	-	-
10092	Operating transfer out	-	-	-	-	-	-	-	-	-	20,090,738	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	(1,129,815)	1,129,815	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 10,835,271	\$ (4,721)	\$ -	\$ -	\$ -	\$ 456,747	\$ (439,651)	\$ 1,111,222	\$ 1,783,630	\$ -	\$ (7,863,166)	\$ (544,249)

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2020

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
Memo Account Information												
11020	Required annual debt principal payments	\$ 7,455,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	100,838,229	59,589	10,090	(29,101,506)	12,704	3,037,513	(3,261)	4,122,895	316,659	(12,619)	100,043
11040	Prior period adjustments, equity transfers correction	(2,654,391)	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	(30,909,941)	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	117,599	-	-	177,718	-	5,224	-	-	-	-	-
11210	Number of unit months leased	110,727	-	-	162,922	-	4,531	-	-	-	-	-
11270	Excess cash	5,630,007	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	13,561,915	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt services payments	6,698,413	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

BOSTON HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE ENTITY-WIDE REVENUE AND EXPENSES (CONTINUED)
YEAR ENDED MARCH 31, 2020

Line Item#	Accounts Description	14.889 Choice 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	Business Activities	COCC	Elimination	Total Entity	Discrete Component Unit
Memo Account Information													
11020	Required annual debt principal payments	\$ 525,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,970	\$ -	\$ -	\$ -	\$ 8,319,970	\$ 260,000
11030	Beginning equity	67,879,078	(84,793)	-	-	-	2,325,403	158,125,275	-	(35,780,139)	-	271,845,160	(404,397)
	Prior period adjustments, equity transfers												
11040	correction	4,062,426	-	-	-	-	-	-	-	(1,408,035)	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	(30,909,941)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	25,638	-	-	1,188	-	1,356	5,628	-	-	-	334,351	133
11210	Number of unit months leased	24,197	-	-	939	-	1,198	5,174	-	-	-	309,688	113
11270	Excess cash	-	-	-	-	-	-	-	-	-	-	5,630,007	-
11620	Building purchases	-	-	-	-	-	-	-	-	-	-	13,561,915	-
13510	CFFP debt services payments	-	-	-	-	-	-	-	-	-	-	6,698,413	-
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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 8, 2021. 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
March 8, 2021



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, 2020. 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, 2020.

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, 2020.

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
March 8, 2021

**BOSTON HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	\$ -	\$ -	\$ 238,573,779
Mainstream Vouchers	14.879	-	-	1,162,432
Total Housing Choice Vouchers Cluster				<u>239,736,211</u>
Section 8 Moderate Rehabilitation	14.856	-	-	1,861,138
Section 8 Moderate Rehabilitation/Single Room Occupancy	14.249	-	-	3,619,212
Total Section 8 Project Based Cluster				<u>5,480,350</u>
Capital Fund Program	14.872	-	-	24,975,600
Public and Indian Housing	14.850	-	-	69,770,677
Housing Finance Agencies (HFA) Risk Sharing Program	14.188	-	-	27,151,715
Resident Opportunity and Supportive Services	14.870	-	-	181,266
Family Self Sufficiency Program	14.896	-	-	310,415
Jobs Plus Pilot Initiative	14.895	-	-	517,109
Choice Neighborhoods Implementation Grant	14.889	-	-	8,292,873
Total Department of Housing and Urban Development				<u>376,416,216</u>
Total Federal Financial Awards				<u>\$ 376,416,216</u>

BOSTON HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MARCH 31, 2020

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, 2020. 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 \$8,312,209 for LMHC and \$18,499,536 for HHC as of March 31, 2020.

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, 2020**

Section I – Summary of Auditors’ Results

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
14.871/879	Housing Choice Vouchers Cluster
14.850	Public and Indian Housing
14.872	Public Housing Capital Fund

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, 2020**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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