

HOUSING AUTHORITY OF BALTIMORE CITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023



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**HOUSING AUTHORITY OF BALTIMORE CITY
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Baltimore City
Baltimore, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the Housing Authority of Baltimore City (Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of Baltimore City's basic financial statements as listed in the table of contents.

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the Housing Authority of Baltimore City, as of December 31, 2023, 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.

We did not audit the financial statements of the blended component units of MPV Associates, LP, Lexington Terrace Partners, LP, Flag House Rental I, LP, or Flag House Rental II, LP, which represent 4%, -3%, and 1% respectively of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the aggregate discretely presented component units. The relied upon blended component units and the aggregate discretely presented component units statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it related to the amounts included for those entities is based solely on the reports of the other auditors. We have applied audit procedures on the conversion adjustments only to conform the presentation of the financial statements of the relied upon blended components units and the aggregate discretely presented component units to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the relied upon blended component units and the aggregate discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of Baltimore City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Authority's net pension liability (asset) and related ratios, schedule of Authority's pension contributions, schedule of changes in Authority's net OPEB liability (asset) and related ratios, schedule of Authority's net OPEB contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Baltimore City's basic financial statements. The financial data schedules and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the financial data schedules and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the Housing Authority of Baltimore City'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 Housing Authority of Baltimore City'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 Housing Authority of Baltimore City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2024

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As management of the Housing Authority of Baltimore City (HABC), we offer the readers of the HABC's financial statements this narrative overview and analysis of the financial activities of HABC for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the HABC's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Housing Authority of Baltimore City, 417 E. Fayette Street, Baltimore, MD 21202, or contact HABC's Executive Director, Janet Abrahams at (410) 396-3232 or the Chief Financial Officer, Anu Francis at (410) 545-3778.

Overview of 2023 Financial Statements

HABC reports its programs and activities under the Proprietary Fund. In addition, the financial statements also present separate Fiduciary Funds which include the Other Postemployment Benefits (OPEB) Trust and the Employee Retirement Plan. Resident Services, Inc. (RSI), Baltimore Affordable Housing Development, Inc. (BAHD), HABC Montpelier Housing Corporation, MPV Associates, LP, Lexington Terrace Partners, LP, Flag House Rental I, LP and Flag House Rental II, LP are presented as blended component units. The Authority also has five (5) discretely presented component units. See Note 1 for further discussion of the component units. The Management's Discussion and Analysis (MD&A) covers the Proprietary Fund only.

As of December 31, 2023, HABC's Proprietary Fund Net Position was \$692,849,964 as compared to \$673,727,729 as of December 31, 2022, which is an increase of \$19,122,235. The changes in the Net Position categories are discussed as follows:

- **Net Investment in Capital Assets** decreased by \$4,461,954 as compared to December 31, 2022. HABC capital investments are offset by reductions for depreciation expenses, fixed assets disposals, and capital debt activity. A detailed analysis of the changes in Net Investment in Capital Assets is provided in a later section.
- **Restricted Net Position** increased from December 31, 2022 by \$35,395,828. The increase was due to a \$107,968, \$4,157,216, \$274,609, \$30,445,521, and \$410,514 increase in restrictions for the pension asset, OPEB asset, self-insurance fund, restricted notes receivable, and miscellaneous reserves, respectively.
- **Unrestricted Net Position** decreased by \$11,811,639 as compared to December 31, 2022.

Background and Overview of Agency

Moving to Work (MTW) Agreement

HABC has been a Moving to Work (MTW) agency since March 2005. On December 24, 2008, HABC entered into a 10-year Amended and Restated MTW Agreement with HUD. Subsequently, HUD approved HABC's request for the extension through 2028.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Background and Overview of Agency (Continued)

MTW is a national demonstration program authorized by Congress, which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing Program, Capital Fund Program and Housing Choice Voucher Program (HCVP). The MTW statutory objectives include the following:

1. Reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Give incentives to families with children whose heads of household are either working, seeking work, or participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient, and
3. Increase housing choices for low-income families.

MTW Agencies have the flexibility to combine federal funds from the public housing operating and modernization programs and Housing Choice Voucher program into a "Single Flexibility Fund" to help better meet the purposes of the demonstration and the needs of their communities. However, MTW Agencies must still abide by all other federal rules and regulations, including the Fair Housing Act, the Civil Rights Act, labor standards, environmental rules, procurement guidelines, demolition and disposition procures and relocation regulations.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the above statutory objectives. Under the MTW Agreement, HABC's funding sources are separated between the MTW Funding and the Non-MTW funding programs. MTW funds contains three major funding sources: Low Rent Public Housing (LRPH), HCVP, and the Capital Fund Program (CFP) / Replacement Housing Factor Fund (RHFF). All other funding programs fall into the category of Non MTW.

In addition to the enclosed financial information, HABC has also prepared and made available asset management project (AMP) based financial statements starting in FY 2009 utilizing HABC's internal accounting reporting system. Each funding program (MTW and Non-MTW) is accounted for separately and is reported in conformity with accounting principles generally accepted in the United States of America.

Summary of the Financial Statements

The financial statements included in this audit report are those of a special-purpose government engaged in a business-type activity including the following:

- Statement of Net Position – reports HABC's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the residual amount reported as net position.
- Statement of Revenues, Expenses and Changes in Net Position – reports HABC's operating and nonoperating revenues by major source, along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – report HABC's cash flows from operating, investing, capital and noncapital activities.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Summary of the Financial Statements (Continued)

Our analysis of HABC begins in the next section. The financial statements of HABC reflect the financial results and management's goals for a fiscal period. The primary measurement of management's goals and financial results are the changes in net position.

Net position is an important measure of HABC's financial position. HABC's net position is the difference between what HABC owns (assets) and what HABC owes (liabilities). The attached analysis of entity-wide (proprietary fund) net position, revenues and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. Accrual of the current year's revenues and expenses are considered regardless of when cash is received or paid. This analysis also reflects HABC's net position and their changes.

Over time, changes of HABC's net position is an indicator of its financial health. Readers need to consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of HABC's capital assets to assess the overall health of HABC.

Analysis of Statement of Net Position (Proprietary Fund Only)

Total Net Position for the Proprietary Fund for 2023 and 2022 are \$692,849,964 and \$673,727,729, respectively. This represents an increase of \$19,122,235.

The table below further illustrates our analysis of the Statement of Net Position:

Proprietary Fund Net Position

	2023	Percent of Total	2022	Percent of Total	2023 vs. 2022 Inc (Dec)
Cash and Investments	\$ 167,362,813	19.9 %	\$ 169,122,408	21.0 %	\$ (1,759,595)
Net Accounts Receivable	23,240,182	2.8	26,733,619	3.3	(3,493,437)
Due from Government, Net	26,644,227	3.2	10,166,966	1.3	16,477,261
Other Current Assets	1,130,286	0.1	1,334,198	0.2	(203,912)
Net Capital Assets	302,673,780	36.0	309,552,940	38.5	(6,879,160)
Non-Current Assets	313,643,591	37.3	279,135,541	34.7	34,508,050
Deferred Outflows	7,180,154	0.9	8,047,263	1.0	(867,109)
Total Assets and Deferred Outflows	841,875,033	100.0	\$ 804,092,935	100.0	37,782,098
Current Liabilities	58,756,372	39.4	37,521,817	28.8	21,234,555
Long Term Liabilities	79,426,868	53.3	80,935,013	62.1	(1,508,145)
Deferred Inflows	10,841,829	7.3	11,908,376	9.1	(1,066,547)
Total Liabilities and Deferred Inflows	149,025,069	100.0	130,365,206	100.0	18,659,863
Net Investment in Capital Assets	232,343,317	33.5	236,805,271	35.1	(4,461,954)
Restricted Net Position	341,264,536	49.3	305,868,708	45.4	35,395,828
Unrestricted Net Position	119,242,111	17.2	131,053,750	19.5	(11,811,639)
Total Net Position	692,849,964	100.0	673,727,729	100.0	19,122,235
Total Liabilities and Net Position	\$ 841,875,033		\$ 804,092,935		\$ 37,782,098

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

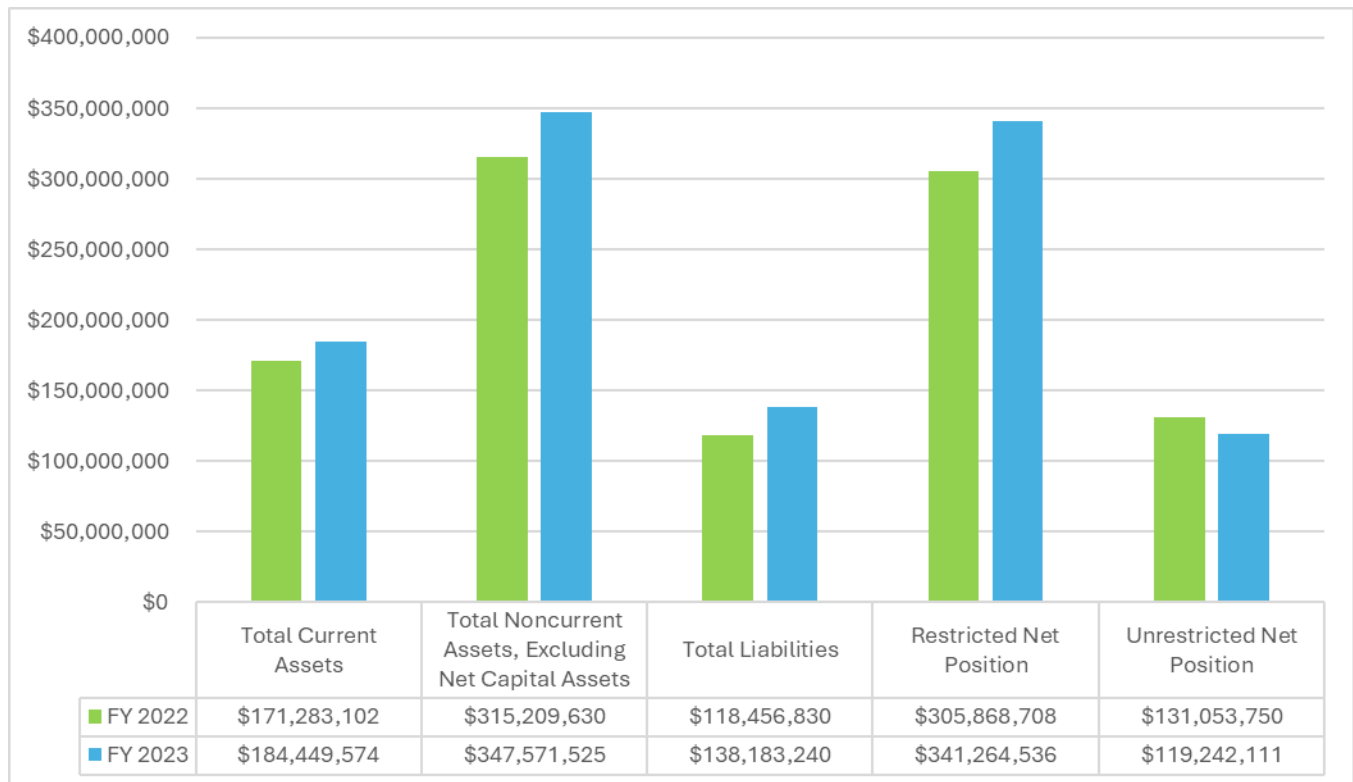
Analysis of Statement of Net Position (Proprietary Fund Only) (Continued)

Listed below are areas that reported significant increases or decreases from December 31, 2023:

- **Due from governments** increased by \$16,477,261 due to funding owed from HUD as of year-end.
- **Noncurrent Assets** increased \$34,508,050 primarily as a result of additional note agreements between HABC and newly formed development entities.
- **Current Liabilities** increased by \$21,234,555. Unearned revenue increased \$13,932,745 as a result of unspent funding received during the year. The remaining increase was primarily due to an increase in accounts payable due to the timing of invoices received.

The chart below illustrates the asset, liability, and net position balances of HABC excluding Net Capital Assets and Investments in Capital Assets for the current and prior fiscal periods.

**Assets, Liabilities and Net Position
(Excluding Capital Assets and Net Investment in Capital Assets)**



**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Statement of Net Position (Proprietary Fund Only) (Continued)

The table below illustrates the Analysis of Net Capital Assets:

Proprietary Fund Analysis of Net Capital Assets by Fiscal Years

	FY2023	Percent of Total	FY2022	Percent of Total	2023 vs. 2022 Net Increase/ (Decrease)
Land	\$ 52,354,427	6.5 %	\$ 51,613,533	6.3 %	\$ 740,894
Buildings	714,818,608	89.2	741,404,095	90.2	(26,585,487)
Right to Use Assets - Buildings	5,408,205	0.7	5,408,205	0.7	-
Equipment	14,967,058	1.9	10,830,432	1.3	4,136,626
Right to Use Assets - Equipment	256,920	0.0	256,920	0.0	-
Leasehold Improvements	3,014,148	0.4	2,767,134	0.3	247,014
Construction in Process	10,500,065	1.3	9,542,388	1.2	957,677
Total Capital Assets	801,319,431	100.0	821,822,707	100.0	(20,503,276)
Accumulated Depreciation/Amortization	(498,645,651)		(512,269,767)		13,624,116
Net Capital Assets	\$ 302,673,780		\$ 309,552,940		\$ (6,879,160)

Analysis of Capital Assets

Total Net Capital Assets at December 31, 2023 and December 31, 2022 were \$302,673,780 and \$309,552,940, respectively. This represents a decrease of \$6,879,160 due primarily to the following:

- **Buildings** decreased by a net amount of \$26,585,487. This was primarily due to continued demolition of 411 units at Perkins Homes and approximately 38 scattered sites units.
- **Accumulated Depreciation/Amortization** increased by \$13,624,116. Current year activity represents depreciation and amortization expense of \$18,504,424 and \$1,002,411, respectively, offset by \$33,130,951 of removed accumulated depreciation as a result of disposed buildings.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Revenues /Statement of Activities)

HABC administered the following programs with their respective revenues during 2023:

Proprietary Fund FY 2023 Revenue by Programs

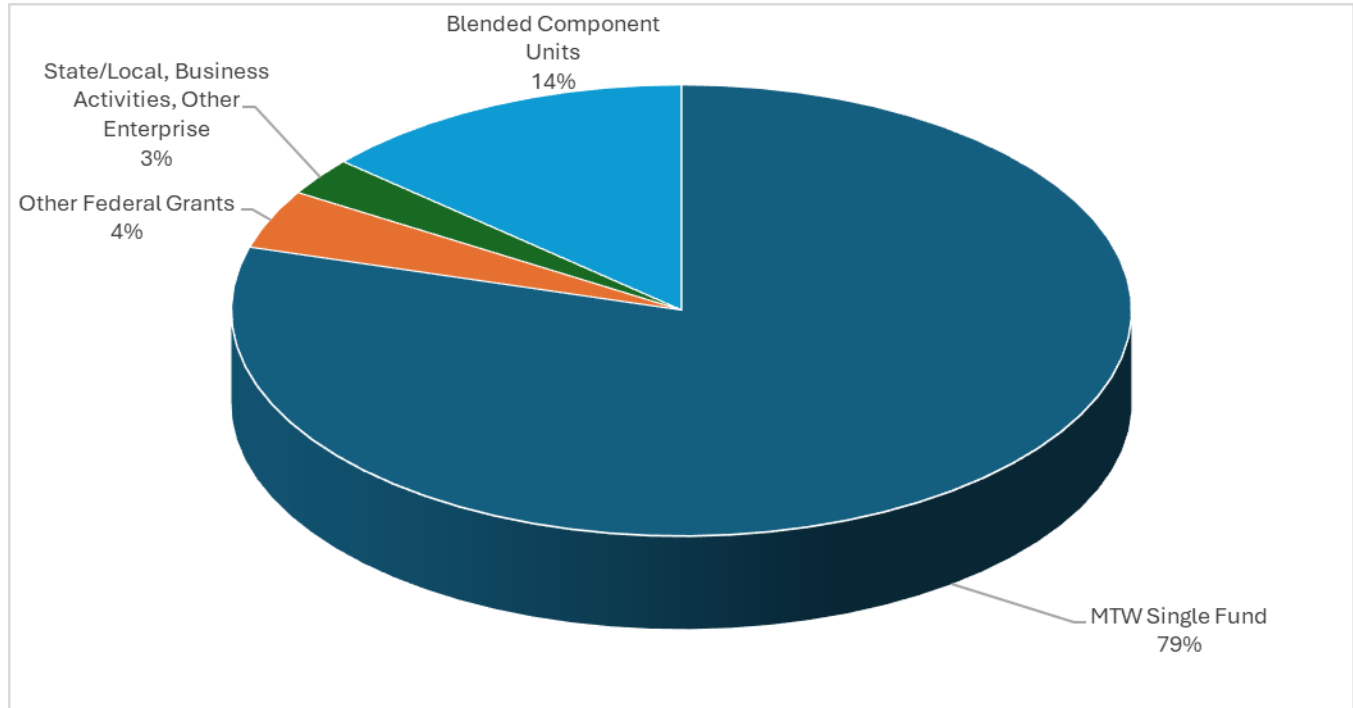
		<u>Total Revenue</u>
MTW Programs		
Low Rent Public Housing and Capital Fund Operations	\$ 108,341,053	
Section 8 Housing Choice Voucher Program (14.881)	<u>298,938,995</u>	
Total MTW Revenue		\$ 407,280,048
Non-MTW Programs		
Section 8 Housing Choice Voucher Program (14.871)		7,027,423
Mainstream Vouchers		1,094,383
Coronavirus State and Local Fiscal Recovery Funds		5,058,286
Emergency Housing Vouchers		4,939,528
Mod. Rehabilitation		279,704
Single Room Occupancy		370,978
Business Activities		6,009,951
State and Local		7,571,871
Affordable Connectivity Program		63,086
Job Plus Initiative Program Total		78,000
ROSS		638,302
Choice Neighborhood		121,894
CDBG		1,950
Self Insurance		92,066
Blended Component Units		<u>70,282,778</u>
Total Non-MTW Programs Revenue		<u>103,630,200</u>
Total Operating Revenues		510,910,248
<i>Per Statements of Revenues, Expenses and Changes in Net Position</i>		
Operating revenues		510,910,248
Loss on Disposal of Fixed Assets	(11,093,131)	
Interest Income	4,853,662	
Capital Grants	<u>23,096,335</u>	
Total Non-Operating Revenues (Expenses)		<u>16,856,866</u>
Total Proprietary Fund Revenues		
(Agrees with Line 70000 of the FDS)		<u>\$ 527,767,114</u>

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Revenues /Statement of Activities) (Continued)

The diagram below illustrates the percentage of revenues generated from these programs by HABC during FY 2023.

Proprietary Fund Revenue Percentages by Programs



The table below presents an analysis of total revenues by major revenue category:

Proprietary Fund by Major Revenue Category

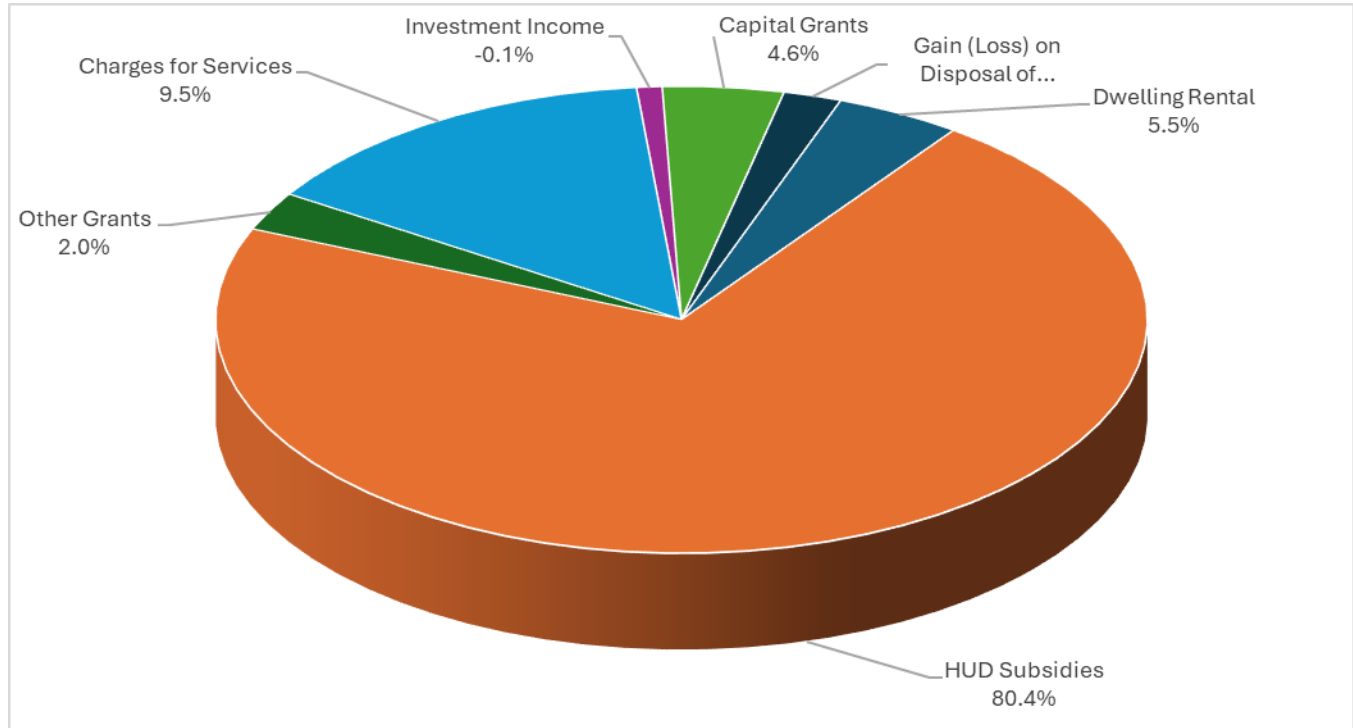
	2023	Percent of Total	2022	Percent of Total	2023 vs. 2022 Net Increase/ (Decrease)
Rental	\$ 24,054,856	4.6 %	\$ 23,111,281	5.5 %	\$ 943,575
HUD Subsidies	392,774,484	74.4	336,941,922	80.4	55,832,562
Other Grants	14,801,990	2.8	8,587,649	2.0	6,214,341
Other Income	79,278,918	15.0	39,763,907	9.5	39,515,011
Operating Revenue	510,910,248	96.8	408,404,759	97.4	102,505,489
Investment Income	4,853,662	0.9	(524,014)	(0.1)	5,377,676
Capital Grants	23,096,335	4.4	19,322,748	4.6	3,773,587
Gain (Loss) on Disposal of Asset	(11,093,131)	(2.1)	(7,875,029)	(1.9)	(3,218,102)
Non-Operating Revenue	16,856,866	3.2	10,923,705	2.6	5,933,161
Total Revenue	<u>\$ 527,767,114</u>	<u>100.0 %</u>	<u>\$ 419,328,464</u>	<u>100.0 %</u>	<u>\$ 108,438,650</u>

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Revenues /Statement of Activities) (Continued)

The diagram below illustrates the percentage of revenues generated from each major revenue category by HABC during FY 2023.

Proprietary Fund Revenue Percentages by Major Revenue Category



Revenues were \$527,767,114 in FY 2023 compared to total revenues of \$419,328,464 in FY 2022. Listed below are areas that reported significant increases or decreases from December 31, 2022:

- **HUD Subsidies** increased by \$55,832,562, or 17%. Moving to Work funding for the Housing Choice Voucher and Public Housing programs increased by \$52,600,660 which was the primary driver of the increase.
- **Other grants** increased \$6,214,341, or 72%, due primarily to State Fiscal Recovery Fund allocations from the City.
- **Other income** increased \$39,515,011, or 99%. Due the nature of other income, we do not expect consistency. The increase was primarily due to funding for PSO Projects and Perkins 2a, 2b, and 3 accounted for within the blended component units and various immaterial increases in other programs.
- **Gain (loss) on disposal of asset** decreased by \$3,218,102, or 41%. This account is dependent upon current year sales activity.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Expenses (Proprietary Fund Only)

HABC administers the following programs and the related expenses during FY 2023:

Proprietary Fund FY 2023 Expenses by Programs

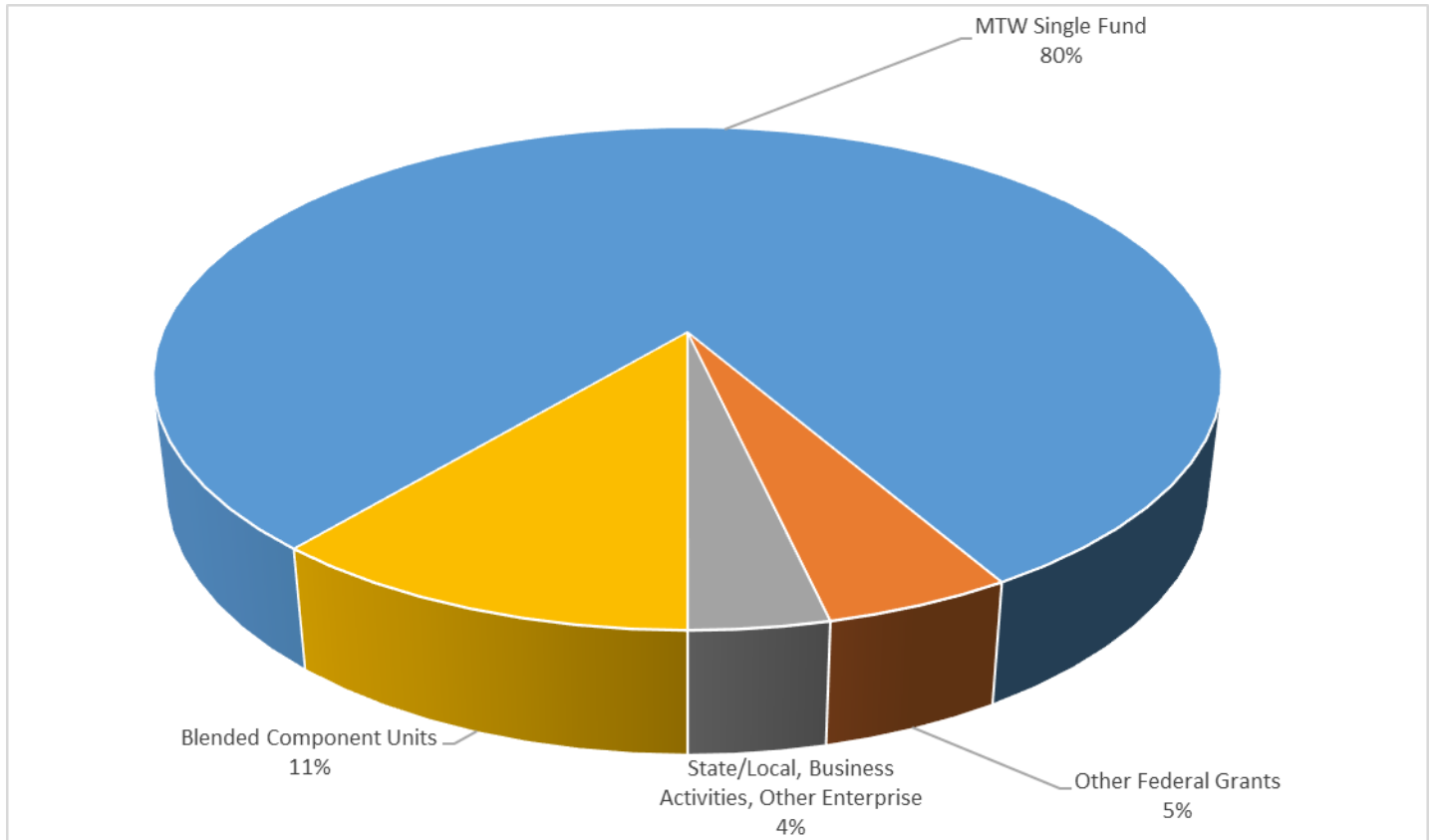
		<u>Total Expenses</u>
MTW Programs		
Low Rent Public Housing	\$ 89,096,458	
Section 8 Housing Choice Voucher Program (14.881)	<u>303,694,928</u>	
Total MTW Expense		\$ 392,791,386
Non-MTW Programs		
Section 8 Housing Choice Voucher Program (14.871)		7,027,423
Mainstream Vouchers		1,094,382
Emergency Housing Vouchers		3,956,991
Mod. Rehabilitation		283,572
Single Room Occupancy		473,310
Business Activities		7,499,785
State & Local		9,448,761
Affordable Connectivity Program		63,086
Job Plus Initiative Program Total		27,732
Hope VI		171,573
Choice Neighborhood		4,441,388
Coronavirus State and Local Fiscal Recovery Funds		5,239,585
ROSS		638,819
Self Insurance		475,000
Blended Component Units		<u>54,225,568</u>
Total Non-MTW Programs Expense		<u>95,066,975</u>
Total Operating Expenses		487,858,361
<i>Per Statements of Revenues, Expenses and Changes in Net Position</i>		
Operating Expense		487,858,361
Depreciation/Amortization Expense	19,506,835	
Extraordinary Maintenance	<u>1,279,683</u>	
Total Non-Operating Revenues		<u>20,786,518</u>
Total Proprietary Fund Expenses (Agrees with Line 90000 of the FDS)		<u><u>\$ 508,644,879</u></u>

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Expenses (Proprietary Fund Only) (Continued)

The diagram below illustrates the percentage of expenses generated from these programs by HABC during FY 2023.

Proprietary Fund Expenses by Programs in FY 2023



**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Expenses (Proprietary Fund Only) (Continued)

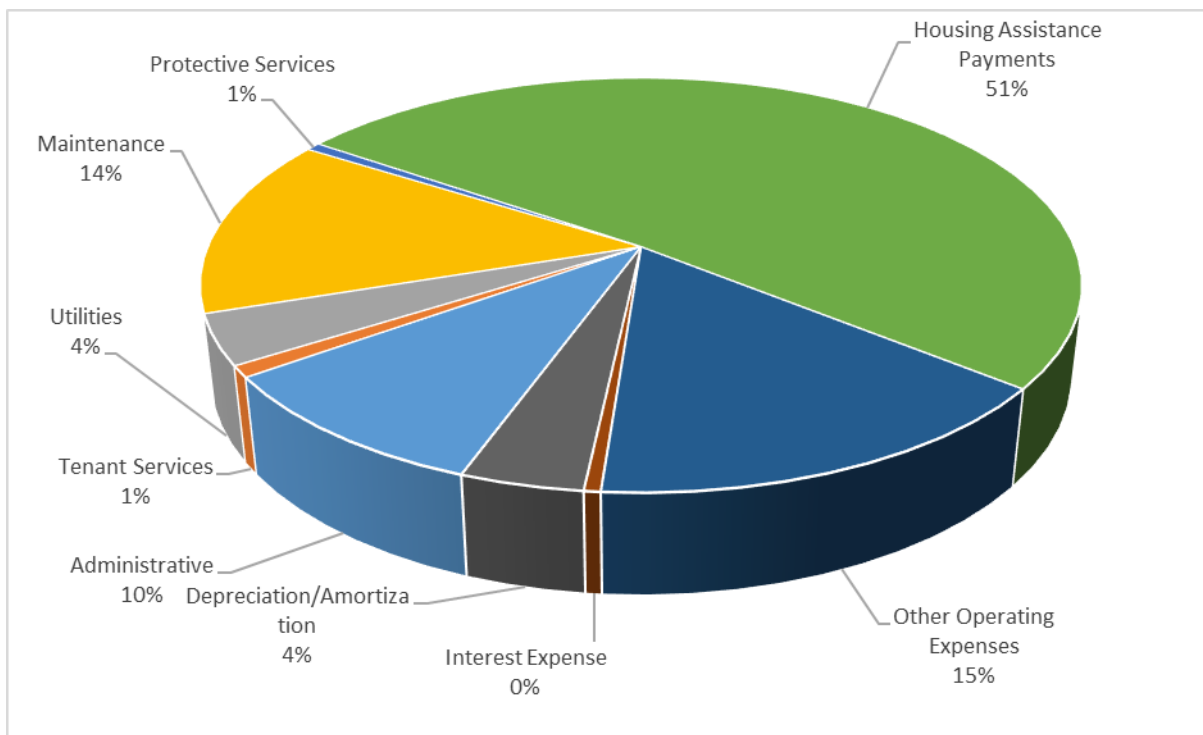
The table below presents an analysis of total proprietary fund expenses, including the transfer of ownership special item, by major expense category:

Proprietary Fund by Major Expense Category

	2023	Percent of Total	2022	Percent of Total	2023 vs. 2022 Net Increase/ (Decrease)
Administrative	\$ 48,552,681	9.5 %	\$ 54,842,857	13.1 %	\$ (6,290,176)
Tenant Services	4,511,160	0.9	4,453,176	1.1	57,984
Utilities	19,855,722	3.9	20,580,424	4.9	(724,702)
Maintenance	69,458,438	13.7	51,610,438	12.3	17,848,000
Protective Services	3,204,438	0.6	829,896	0.2	2,374,542
Housing Assistance Payments	260,410,715	51.2	227,082,379	54.3	33,328,336
Other Operating Expenses	78,290,077	15.4	33,469,622	8.0	44,820,455
Casualty Losses	956,920	0.2	1,008,925	0.2	(52,005)
Interest Expense	2,618,210	0.5	2,443,155	0.6	175,055
Expenses before Depreciation/ Amortization	487,858,361	95.9	396,320,872	94.7	91,537,489
Extraordinary Maintenance	1,279,683	0.3	1,311,420	0.3	(31,737)
Depreciation/Amortization	19,506,835	3.8	20,866,609	5.0	(1,359,774)
Total Expenses	<u>\$ 508,644,879</u>	<u>100.0 %</u>	<u>\$ 418,498,901</u>	<u>100.0 %</u>	<u>\$ 90,145,978</u>

The diagram below illustrates HABC's Proprietary Fund expenses by major category during FY 2023:

Proprietary Fund Expenses by Category in FY 2023



**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Analysis of Entity-Wide Expenses (Proprietary Fund Only) (Continued)

Total Proprietary Fund expenses were \$508,644,879 in FY 2023 and \$418,498,901 in FY 2022. The significant changes are discussed in further detail below.

- **Administrative** expenses decreased \$6,290,176, or 11%. A majority of the decrease was due to a removal of stale construction projects in the prior year that did not repeat.
- **Maintenance expenses** increased by \$17,848,000, or 35%. As a part of the Authority's Moving to Work Plan, additional funds were utilized for vacancy renovation and other development activity.
- **Housing assistance payments** increased by \$33,328,336 due to an increase in families served and per unit cost.
- **Other operating expenses** increased by 44,820,455, or 135%. Due primarily to the increased PSO activity previously discussed that drove the increase in other revenue.

Future Events

The PSO Transformation Plan includes nine new mixed-income CNI phases spread across both former Perkins and Somerset Homes sites. To date, Somerset Phases 1 -3 are both constructed and leased. Somerset Phase 4 is projected to close in early 2025. Perkins Phase 1 is constructed and in lease-up. Perkins Phase 2A is substantial complete with lease-up beginning in September 2024 with Phase 2A projection completion on/before year-end 2024. Perkins Phase 3 is under construction and has a projection completion date on/before Summer 2025. Perkins Phase 4 projection closing is on/before year-end 2024. The final Perkins phases 5A, B and C are projected to close in 2025.

HABC continues its efforts will acquire and rehabilitate 10 one-bedroom units as new public housing units. To date, HABC has acquired and leased up five of the Bailey 10 units to date. HABC continues its efforts to look at potential acquisitions that met HUD's criteria to complete the remaining 5 units.

HABC plans to submit disposition applications to HUD in FY 2024 for the disposition of various obsolete scattered site units, as it streamlines its operations in this area.

HABC plans to implement a wide range of capital investments at existing public housing sites which include Arbor Oaks, Townes at the Terraces, Sharp Leadenhall and Renaissance at Reservoir Hill and will continue its program of city-wide housing development activities such as capital plan, energy, infrastructure and extraordinary maintenance issues and initiatives is included below.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Future Events (Continued)

HABC anticipates to expend a total of approximately \$80.6 million on capital-related activities in FY 2024. \$60 million in vacancy renovation, Modernization and Development activities from MTW reserves. \$15.7 million in Capital Funds and \$4.9 million in Choice Neighborhood Initiatives (CNI). Actual projects, timetables and expenditures may vary. HABC may modify its planned capital expenditures during the Plan year based on changing priorities, emergency conditions and other factors. Pursuant to the MTW Agreement, HABC has combined all current and prior year Capital Funds, including RHF funds, into the MTW Block Grant that will be carried out in accordance with all HUD regulations, including 24 CFR Part 905, and other requirements applicable to the Capital Fund Program.

Please contact Anu Francis, EVP/Chief Financial Officer at 410 545-3778 for any questions on this document.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2023

	Primary Government	Discrete Component Units
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 94,384,178	\$ 334,309
Cash and Cash Equivalents - Restricted	33,350,701	2,523,169
Accounts Receivable, Net	23,240,182	433,979
Due from Governments, Net	26,644,227	-
Unrestricted Investments	4,000,000	12,129
Restricted Investments	1,700,000	-
Other Current Assets	1,130,286	75,089
Total Current Assets	<u>184,449,574</u>	<u>3,378,675</u>
 NONCURRENT ASSETS		
Unrestricted Investments	21,585,597	-
Restricted Investments	12,342,337	-
Notes Receivable, Net of Allowance	282,439,870	-
Capital Assets not being Depreciated	62,854,492	2,788,845
Capital Assets being Depreciated, Net	239,819,288	24,263,725
Investments in Joint Ventures	5,370,072	-
Other Noncurrent Assets	-	176,342
Net Pension Asset	5,456,724	-
Net OPEB Asset	20,376,925	-
Total Noncurrent Assets	<u>650,245,305</u>	<u>27,228,912</u>
 Total Assets	 834,694,879	 30,607,587
 DEFERRED OUTFLOWS OF RESOURCES		
Employer-Related Pension Activities	3,151,823	-
Employer-Related OPEB Activities	4,028,331	-
Total Deferred Outflows of Resources	<u>7,180,154</u>	<u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>\$ 841,875,033</u></u>	 <u><u>\$ 30,607,587</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Primary Government	Discrete Component Units
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 17,959,022	\$ 865,850
Accrued Liabilities	8,109,524	13,416
Accrued Compensated Absences	1,317,516	-
Accrued Contingent Liability	3,720,205	-
Due to Other Governmental Agencies	371,358	-
Tenant Security Deposits	630,071	69,847
Unearned Revenue	19,724,781	-
Long-Term Debt, Current Portion	4,122,228	1,826,387
Lease Liability, Current Portion	540,437	
Other Current Liabilities	2,261,230	20,843
Total Current Liabilities	<u>58,756,372</u>	<u>2,796,343</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Portion	63,854,065	23,326,023
Lease Liability, Less Current Portion	3,502,362	
Noncurrent Liabilities - Other	190,944	6,825,617
Accrued Interest	7,926,948	7,672,414
Accrued Compensated Absences, Less Current Portion	3,952,549	-
Total Noncurrent Liabilities	<u>79,426,868</u>	<u>37,824,054</u>
Total Liabilities	138,183,240	40,620,397
DEFERRED INFLOWS OF RESOURCES		
Unamortized Pension Net Difference	1,444,063	-
Unamortized OPEB Net Difference	9,397,766	-
Total Deferred Inflows of Resources	<u>10,841,829</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	232,343,317	3,712,864
Restricted Net Position	341,264,536	2,523,170
Unrestricted Net Position	119,242,111	(16,248,844)
Total Net Position	<u>692,849,964</u>	<u>(10,012,810)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 841,875,033</u>	<u>\$ 30,607,587</u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

	Primary Government	Discrete Component Units
OPERATING REVENUES		
Rent	\$ 23,950,695	\$ 1,445,063
Rent - Other	104,161	8,354
HUD PHA Operating Grants	392,774,484	-
Other Governmental Grants	14,801,990	-
Fraud Recovery	3,300	-
Other Revenue	79,275,618	312,860
Total Operating Revenues	<u>510,910,248</u>	<u>1,766,277</u>
OPERATING EXPENSES		
Administration and General	48,552,681	720,106
Housing Operations and Tenant Services	178,894,965	3,307,668
Housing Assistance Payments	260,410,715	-
Total Operating Expenses	<u>487,858,361</u>	<u>4,027,774</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION/AMORTIZATION	23,051,887	(2,261,497)
DEPRECIATION/AMORTIZATION	<u>19,506,835</u>	<u>1,227,996</u>
TOTAL OPERATING INCOME (LOSS)	3,545,052	(3,489,493)
NONOPERATING REVENUES (EXPENSES)		
Loss on Sale of Assets	(11,093,131)	-
Investment Income (Loss)	4,853,662	14,088
Extraordinary Maintenance	(1,279,683)	-
Other Financing Sources	-	1,400,004
Nonoperating Revenues (Expenses), Net	<u>(7,519,152)</u>	<u>1,414,092</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(3,974,100)	(2,075,401)
CONTRIBUTIONS		
HUD Capital Contributions	<u>23,096,335</u>	<u>-</u>
CHANGE IN NET POSITION	19,122,235	(2,075,401)
Net Position - Beginning of Year	<u>673,727,729</u>	<u>(7,937,409)</u>
NET POSITION - END OF YEAR	<u><u>\$ 692,849,964</u></u>	<u><u>\$ (10,012,810)</u></u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Dwelling Rentals	\$ 24,453,887
HUD and Other Government Grants	394,568,897
Other Receipts	79,278,918
Payments for Salaries and Benefits	(63,453,399)
Payments for Administrative and General	(95,436,305)
Payments for Housing Operations and Tenant Services	(51,338,550)
Payments to Landlords and Resident Benefits	(260,410,715)
Net Cash Provided by Operating Activities	<u>27,662,733</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of Investments	1,696,155
Interest Income	4,853,662
Disbursement of Notes Receivable	(31,290,838)
Receipts on Notes Receivable	845,317
Net Cash Used by Investing Activities	<u>(23,895,704)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Purchases of Capital Assets	(24,992,808)
Proceeds from Sale of Capital Assets	1,272,002
Expenses for Extraordinary Maintenance	(1,279,683)
Proceeds on Long-Term Debt	1,960,220
Payments on Long-Term Debt	(3,001,147)
Payments for Right to Use Assets	(885,388)
Capital Contribution from HUD	23,096,335
Net Cash Used by Financing Activities	<u>(3,830,469)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(63,440)
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Cash and Cash Equivalents - Beginning of Period	<u>127,798,319</u>
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CASH AND CASH EQUIVALENTS - END OF PERIOD	<u><u>\$ 127,734,879</u></u>
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**RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR
TO AMOUNTS IN THE STATEMENT OF NET POSITION**

Cash and Cash Equivalents	\$ 94,384,178
Cash and Cash Equivalents - Restricted	33,350,701
Total	<u><u>\$ 127,734,879</u></u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF CASH FLOWS (CONTINUED)
BUSINESS-TYPE ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

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

Operating Loss	\$ 3,545,052
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation/Amortization	19,506,835
Effects of Changes in Operating Assets and Liabilities, Net of Business Combination and Noncash Items:	
Accounts Receivable, Net	3,493,437
Due to/from Other Governmental Agencies, Net	(16,105,903)
Other Assets	203,912
Accounts Payable	8,943,755
Accrued Liabilities	(3,769,634)
Tenant Security Deposits	3,920
Unearned Revenue	13,932,745
Accrued Compensated Absences	848,348
Deferred Outflow or Resources	867,109
Pension Asset	94,687
OPEB Asset	(4,157,216)
Other Noncurrent Liabilities	1,322,233
Deferred Inflows of Resources	(1,066,547)
Net Cash Provided by Operating Activities	<u><u>\$ 27,662,733</u></u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	Total OPEB and Pension Trusts
ASSETS	
Accounts Receivable	\$ 80,945
Investments	<u>89,557,688</u>
Total Assets	<u><u>\$ 89,638,633</u></u>
LIABILITIES AND FIDUCIARY NET POSITION	
LIABILITIES	
Due to HABC	<u>\$ 6,038,128</u>
Total Liabilities	<u>6,038,128</u>
NET POSITION HELD IN TRUST	<u>83,600,505</u>
Total Liabilities and Fiduciary Net Position	<u><u>\$ 89,638,633</u></u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Total OPEB and Pension Trusts
ADDITIONS	
Contributions:	
Employer	\$ 1,972,446
Plan Members	300,760
Total Contributions	<u>2,273,206</u>
Investment Loss:	
Interest and Dividends, Less Investment Expense	<u>6,802,480</u>
Total Additions	9,075,686
DEDUCTIONS	
Benefit Payments	6,224,019
Other Disbursements	-
Administrative Expenses	<u>136,288</u>
Total Deductions	<u>6,360,307</u>
CHANGE IN NET POSITION	2,715,379
Total Net Position - Beginning of Period	<u>80,885,126</u>
TOTAL NET POSITION - END OF PERIOD	<u><u>\$ 83,600,505</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Housing Authority of Baltimore City (HABC or the Authority) is a governmental, public corporation created in 1937 under federal and state housing laws. HABC develops, maintains, and manages low-rent housing and administers Housing Assistance Payments Programs (Section 8) for low-income citizens, including handicapped and elderly residents, of Baltimore City (the City). These activities are subsidized by the U.S. Department of Housing and Urban Development (HUD) and other grantors. In addition, HABC performs a variety of related functions, including social services for public housing residents, and emergency housing repairs. These functions are funded through grants and contracts.

Pursuant to state law, HABC is governed by a Board of Commissioners, which consists of five commissioners who are appointed to staggered terms by the Mayor of Baltimore City. The Board of Commissioners is vested with the statutory powers of HABC and establishes HABC's policies, which are implemented and administered under the direction of an Executive Director, who is hired by the Board of Commissioners. Customarily, the Commissioner of the Baltimore City Department of Housing and Community Development (HCD), who is appointed by the Mayor, also had served as the HABC Executive Director. HABC and HCD previously operated under the branding of "Baltimore Housing." As a result of the Mayor's directive to split the combined functions of the agencies, effective July 1, 2017, HABC and HCD have taken actions to separate the HABC and HCD departments that operated in dual capacities. Most noticeably, HABC and HCD are now led by separate individuals. Although HABC and HCD continue to collaborate on matters involving housing and community development, HABC is not a component unit of the City.

HABC has been a Moving to Work (MTW) agency since 2005. MTW is a national demonstration program established by Congress that allows public housing agencies to develop and implement innovative and flexible solutions to local housing needs. HABC is one of 39 agencies nationwide to be given broad latitude to establish locally determined policies and procedures outside of the HUD regulatory framework. On December 24, 2008, HUD executed a 10-year Amended and Restated MTW Agreement with HUD with the term ending June 30, 2018. On April 4, 2016, HUD approved HABC's request for an extension of the MTW agreement through 2028.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statements relating to reporting entity requirements (Statements No. 90, No. 80, No. 61, No. 14, and No. 34). These include manifestation of oversight responsibility including financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

HABC determined, based on the criteria above, that the entities described below should be presented as either blended component units or discretely presented component units in HABC's financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are in substance part of the primary government. These component units are blended with the primary government as the Authority is the sole member or owns 100% of each listed below:

- **Resident Services, Incorporated (RSI)** was organized as a nonprofit corporation separate from HABC to sponsor and implement social service, employment and training programs/initiatives, community service projects, and charitable work that promotes health and self-sufficiency among, and improves the quality of life for, public housing and other low-income residents in Baltimore City.
- **Baltimore Affordable Housing Development, Inc. (BAHD)** was organized as a nonprofit corporation separate from HABC to own, operate, and take steps necessary or convenient to develop or otherwise undertake housing projects in the area of operation of HABC.
- **HABC Montpelier Housing Corporation (the Corporation)** was formed as a corporation for the purpose of developing and operating a rental housing projects for low-income tenants in Baltimore City. HABC has a 100% ownership interest in the Corporation.
- **MPV Associates LP** owns and operates a 212-unit rental housing project known as Arbor Oaks of Baltimore for low- and moderate-income families.
- **Lexington Terrace Partners, LP** owns and operates a 203-unit rental housing project for low- and moderate-income families.
- **Flag House Rental I, LP** owns and operates a 124-unit rental housing project known as Albemarle Square for low- and moderate-income families.
- **Flag House Rental II, LP** owns and operates a 58-unit rental housing project known as Albermarle Square II for low- and moderate-income families.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units (Continued)

The Authority and BAHD have also created other affiliate entities whose sole purpose is to assist in the development and construction of affordable housing. Each of the entities formed is the General Partner of the associated Limited Partnership. The operations of the entities listed below are included within "Other Entities" in Note 17.

Affiliate Entities	
1234 McElderry	Primrose Place RAD, LLC
520 Somerset, LLC	PV Gardens Senior RAD, LLC
Allendale RAD, LLC	PV Gardens Townhomes RAD, LLC
Arbor Oaks RAD, LLC	Rosemont Tower RAD, LLC
BE Mason RAD, LLC	Somerset 3, LLC
Bel-Park Tower RAD, LLC	Somerset RAD, LLC
Brentwood RAD, LLC	Wyman House RAD, LLC
Broadway Overlook RAD, LLC	Perkins 1500 Claremont, LLC
Chase House RAD, LLC	Perkins 226 Caroline, LLC
Ellerslie RAD, LLC	Perkins 1401 Pratt, LLC
Flag House I LP, LLC	Reservoir Hill, LLC
Flag House II LP, LLC	Perkins 1516 Claremont, LLC
Govans Manor RAD, LLC	Sharp-Leadenhall GP, LLC
Heritage Crossing RAD, LLC	HABC Allendale RAD Corporation
Hillside Park RAD, LLC	HABC Mt. Pleasant Housing Corporation
Hollander Thompson, LLC	HABC Bernard E. Mason Apartments RAD Corporation
Hollins House RAD, LLC	HABC Bel-Park Tower RAD Corporation
J. Van Story Branch RAD, LLC	HABC Brentwood RAD Corporation
Lakeview Tower RAD, LLC	HABC Broadway Housing Corporation
Lexington Terrace RAD, LLC	HABC Chase House RAD Corporation
McCulloh RAD, LLC	HABC Flag I Housing Corporation
Monument East RAD, LLC	HABC Flag II Housing Corporation
ODH Phase 2, LLC	HABC Murphy/Julian Housing Corporation
Renaissance Row, LLC	HABC Hillside Housing Corporation
Townes at the Terraces RAD, LLC	HABC Hollins House RAD Corporation
Townes at the Terraces, LLC	HABC Lakeview Tower RAD Corporation
Townes MM, LLC	HABC Lexington Housing Corporation
Arbor Oaks GP, LLC	HABC McCulloh Extension RAD Corporation
Somerset Aisquith, LLC	HABC Primrose Place RAD Corporation
Somerset 3, LLC	HABC Pleasant View Gardens Senior Building RAD Corporation
	HABC Pleasant View Gardens Townhomes RAD Corporation

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Discretely Presented Component Units

The following entities are for-profit, limited partnerships or limited liability companies created for the redevelopment and management of the affordable housing developments. Each of the entities below have a year-end of December 31, 2023. The Authority's blended component units have a minority interest as the general partner for each respective entity. The Authority has outstanding notes receivables, ground leases and other related party transactions with the entity. Management has determined that based on the significant relationship with the entities listed below, omitting them from the financial reporting entity would be misleading. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units:

- **Homewood LP** owns and operates a 72-unit scattered site rental housing project known as Barclay Phase I for low- and moderate-income families.
- **Reservoir Hill Housing, LLC** owns and operates a 64-unit rental housing project for low- and moderate-income families.
- **Sharp-Leadenhall Rental No. 1, LP** owns and operates a 31-unit scattered site rental housing project known as Sharp-Leadenhall Mixed Finance Development Phase I for low- and moderate-income families.
- **St. Ambrose LP** owns and operates a 30-unit rental housing project for low- and moderate-income families.
- **Conifer Cooks Lane Associates, LLC** owns and operates a 108-unit rental housing project known as West Hills Square for low- and moderate-income families. HABC provides operating subsidy for 11 units.

Basis of Presentation

The financial statements of HABC have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP) as applied to local governmental units. The basic financial statements (i.e., the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows for the proprietary fund) report information on all of the activities of HABC except for its discretely presented component units and fiduciary activities. Separate fund financial statements are provided for the component unit and fiduciary funds.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

The basis of accounting for HABC is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for HABC's resources. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. All assets and liabilities associated with the operation of these funds are included on the statements of net position.

HABC's operating activities are maintained in accordance with the principles of enterprise fund accounting to ensure the observance of limitations and restrictions on the resources available. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate GASB and American Institute of Certified Public Accountants (AICPA) guidance into GASB authoritative literature. HABC has elected not to follow any Financial Accounting Standards Board (FASB) guidance not included in GASB 62.

HABC reports fiduciary funds which include the other postemployment benefits (OPEB) trust fund and the Employee Retirement Plan. The OPEB trust fund and Employee Retirement Plan account for the assets held in trust by HABC for the beneficiaries of the plans. The fiduciary funds (OPEB Trust and Employee Retirement Plan) are separate legal entities from HABC. Separate statements are included for the fiduciary funds as shown in the table of contents.

Budget

Under the terms of the MTW Agreement, HABC is required to submit to HUD an Annual Plan summarizing planned activities and budgets for sources and uses of funds. HABC's Board of Commissioners formally adopts the MTW Annual Plan, which includes all program budgets on a basis consistent with U.S. GAAP. The Executive Director has the authority to transfer budget authorizations among categories.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

For statement of cash flows reporting purposes, cash and cash equivalents include cash on hand, demand deposits, equity in highly liquid cash and investments, certificates of deposit, and repurchase agreements with initial maturities of three months or less.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Statutes authorize HABC to invest in obligations of the U.S. Treasury, repurchase agreements, certificates of deposit and certain other investments allowed by HUD and in accordance with general depository agreements. These investments are carried at fair value based upon quoted market prices. HABC classifies its investments as current or noncurrent based on the maturity dates. Short-term investments have maturities within one year.

Accounts Receivable

Accounts receivable consist of payments due from HUD and related affiliates, rent payments from tenants and other miscellaneous receivables arising from the normal course of operations. A reserve for uncollectible accounts is established based on management's estimates.

Notes Receivable

A significant portion of notes receivable represent loans to related-party owner-entities and developers for development projects. HABC subordinated these loans in conjunction with financing arrangements related to the development of mixed-income, multi-family rental communities. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective project. Such loans are typically funded from CDBG Development, HOPE VI, and Capital Fund grants, representing a significant portion of the construction costs associated with the HABC-assisted component of the mixed-income rental property. Interest and principal on these loans are subordinated and are contingent on cash flow from the property; however, interest income is accrued as it occurs. Based on the status of the previous mixed financing projects and the contingent nature of the payments, management elected to establish an allowance which represents the full value of the notes, except for \$20,669,462 as of December 31, 2023 that HABC intends to collect.

The agreements between HABC and the respective affiliated entities state that HABC will collect on the receivables if the affiliated entities have positive cash flows. Since these affiliated entities depend on HABC to subsidize their operations through operating subsidies, management assesses the likelihood of collection and believes that positive cash flows for these entities in the future are remote, and therefore, collections on these notes' receivable are doubtful.

Notes receivable also includes amounts reported on the BAHD blended component unit financial statements. These notes represent agreements for the purchase of properties under HUD's Rental Assistance Demonstration Program (RAD). Under this program, public housing agencies leverage public and private debt and equity to reinvest in the public housing stock. Public housing is sold to a third party responsible for rehabilitation, and then transitioned to a Section 8 platform under a long-term contract to ensure the project remains as affordable housing. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective project. Such loans are typically funded from multiple sources representing a significant portion of the purchase price of the property. Interest and principal on these loans are subordinated and are contingent on cash flow from the property. At December 31, 2023, notes receivable expected to be collected by BAHD totaled \$261,770,408.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Lessee/Right to Use Assets)

The Authority is a lessee for noncancelable leases of office space and office equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease and option years that the Authority is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors change in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported as current and noncurrent on the statement of net position.

Capital Assets

Capital assets include property held for and under development, operating properties, and fixed assets used in operations that cost \$5,000 or more and have an estimated useful life of at least one year. Donated capital assets are recorded at the estimated acquisition value on the date received.

HABC capitalizes costs associated with properties held for and under development, including interest costs during the construction period. The carrying amount of such properties does not exceed the estimated net realizable value.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets are stated at cost, less accumulated depreciation. Depreciation is computed under the straight-line method over the following estimated useful lives:

Structures and Improvements	15 to 25 Years
Equipment	5 to 7 Years

Proceeds from the disposal of capital assets are recognized in the period received. Proceeds from the sale of property acquired or significantly improved with HUD or state funds are refunded to HUD or the state as required by contract or retained and used for special purposes as approved by HUD.

Compensated Absences

The total accumulated universal leave (incorporating vacation and sick) is accrued in the period earned as this cost is to be funded with current resources. Employees earn universal leave at rates ranging from 24 days per year for the first six years of service up to a maximum of 36 days per year after 19 years of service. The maximum universal leave accrual is 200 days. Upon termination, employees are paid for any accumulated universal leave.

Net Position

Certain assets including cash and investments may be classified in restricted net position on the statements of net position because their use is restricted for specific purposes. It is HABC's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position is displayed in three components:

Net Investment in Capital Assets: This component of net position consists of all capital assets, 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 Net Position: This component of net position consists of restricted resources when constraints are placed on the resource by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. This also includes investments in joint ventures.

Unrestricted Net Position: This component of net position consists of resources that do not meet the definition of "net investment in capital assets" or "restricted net position."

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes

Under federal, state and City laws, HABC is exempt from income, property, and excise taxes. Housing authorities are, however, required to make payments in lieu of taxes (PILOT) in accordance with the provisions of their Cooperation Agreement with local taxing authorities. Under its Cooperation Agreement with the City, HABC must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. Net shelter rent is defined as the excess of rental income over total utilities expense, net of energy performance contract (EPC) debt service.

During fiscal year 2023, PILOT expense was \$-0-.

Grants

HABC receives reimbursement from various grantors for the cost of sponsored projects, including administrative costs. Grant revenues are recognized in the period in which the associated costs are incurred.

Capital Contributions

Capital contributions are grants awarded by HUD under various capital development and improvement programs including HOPE VI Cluster, Capital Fund Programs, Demolition or Disposition Transitional Funding (formerly known as Replacement Housing Factor Fund), and Up-Front Grant. Grant expenditures under these programs are based on actual capital project costs incurred.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources, reported after total assets, represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until the future period. The Authority has two items that are required to be reported in this category related to the deferred outflow from pension and OPEB activities.

Deferred inflows of resources, reported after total liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s). The Authority has three items that are required to be reported in this category related to the deferred inflow from pension, OPEB activities, and lessor receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension asset, 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 bases 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.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from its fiduciary net position have been determined on the same bases as they are reported by the pension system. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

At December 31, 2023, the aggregate carrying amount of HABC's deposits (Proprietary Fund) were \$167,362,813 and the bank balance was \$123,097,184. All deposits with financial institutions are held by regularly organized state or national banks insured by the Federal Deposit Insurance Corporation (FDIC) which are required to hold government security collateral in HABC's name for any amount in excess of federal deposit insurance limits. HABC's deposits were under-collateralized by \$7,436,312 at December 31, 2023.

Investments – Proprietary Funds

Proprietary fund investments are in U.S. Treasuries or U.S. Agency securities, which have a maturity of one year or more. The fair market values of those investments are shown in the table below:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	S&P Ratings	Moody's Ratings	Percentage of Total Investments
U.S. Treasuries	\$ 31,103,062	\$ 5,700,000	\$ 25,403,062	N/A	Aaa	78.5%
Federal Home Loan Bank	5,997,620	-	5,997,620	AA+	Aaa	15.1%
Federal Farm Credit Bank	2,527,252	-	2,527,252	AA+	Aaa	6.4%
Total Investments	<u>\$ 39,627,934</u>	<u>\$ 5,700,000</u>	<u>\$ 33,927,934</u>			

Fair Value Measurements: The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs such as prices for similar assets; Level 3 inputs are significant unobservable inputs.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments – Proprietary Funds (Continued)

At December 31, 2023, fair value of proprietary fund investments is as follows:

Investment Type	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Treasuries	\$ 31,103,062	\$ 31,103,062	\$ -
Federal Home Loan Bank	5,997,620	-	5,997,620
Federal Farm Credit Bank	2,527,252	-	2,527,252
Total Investments by Fair Value Level	<u>\$ 39,627,934</u>	<u>\$ 31,103,062</u>	<u>\$ 8,524,872</u>

Investments – Fiduciary Funds

Fiduciary fund investments are in debt and equity securities and a guaranteed investment fund (GIF), which have a maturity of one year or more. The fair market values of those investments are shown in the table below:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	S&P Ratings	Moody's Ratings	Percentage of Total Investments
Debt Securities	\$ 24,184,820	\$ 5,512,723	\$ 18,672,097	AAA to BBB-	Aaa to Baa3	27.0%
Equity Securities	65,372,868	65,372,868	-	N/A	N/A	73.0%
Total Investments	<u>\$ 89,557,688</u>	<u>\$ 70,885,591</u>	<u>\$ 18,672,097</u>			

At December 31, 2023, fair value of fiduciary fund investments is as follows:

Investment Type	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities	\$ 24,184,820	\$ 24,184,820	\$ -
Equity Securities	65,372,868	65,372,868	-
Total Investments by Fair Value Level	<u>\$ 89,557,688</u>	<u>\$ 89,557,688</u>	<u>\$ -</u>

Investment Rate Risk

Fair value fluctuates with interest rates and increasing interest rates could cause fair value to decline below original cost. To limit HABC's exposure to fair value losses arising from increasing interest rates, HABC's investment policy limits the term of investment maturities to remain sufficiently liquid to enable HABC to meet all operating requirements which might be reasonably anticipated. HABC's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude HABC from having to sell investments below original cost for that purpose. The investments at December 31, 2023 met HABC's investment policy as of that date.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk/Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy of HABC follows the investment guidelines published by HUD in *Financial Management Handbook* (7475.1REV). These guidelines permit investments in the following types of investments: direct U.S. obligations, U.S. agency obligations, and money market mutual funds. HABC follows federal rules and regulations on concentration of credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, HABC will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party as of December 31, 2023. HABC has adopted investment guidelines to conform to HUD depository agreements and to permit investments which are backed by the full faith and credit of the U.S. government, a U.S. government agency, or those issued by a government-sponsored agency.

Restricted cash is restricted for various HUD programs and for application of available funds to projects allowed under the MTW Agreement.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of rent payments due from tenants and other miscellaneous receivables arising from the normal course of operations.

Tenants and Landlords	\$ 7,138,807
OPEB and Pension	6,038,128
RAD and Managed Sites Settlements	343,240
Due from Mixed Finance Properties	4,100,363
Pass Through State Grants	1,085,594
Predevelopment Advances	7,725,524
Other Receivables	215,542
Total Accounts Receivable	26,647,198
Less: Allowance for Doubtful Accounts	(3,407,016)
Accounts Receivable, Net	<u>\$ 23,240,182</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 DUE FROM/TO GOVERNMENTAL AGENCIES

The amounts due from/to other government agencies as of December 31, 2023 are listed in the tables below:

Government Agency	Due From	Due To	Net Amount Due From
U.S. Department of Housing and Urban Development*	\$ 20,530,581	\$ 371,358	\$ 20,159,223
City of Baltimore**	6,113,646	-	6,113,646
Total	<u>\$ 26,644,227</u>	<u>\$ 371,358</u>	<u>\$ 26,272,869</u>

* Primarily expenses from the Capital Fund Program and Choice Neighborhood Implementation Grant, and Operating Subsidy for Public Housing.

** Payments in Lieu of Taxes and an amount advanced by the City of Baltimore for inter-government activities.

Management has evaluated all amounts due from other government agencies and determined that no reserve for doubtful accounts is necessary.

NOTE 5 NOTES RECEIVABLE

As part of the financing arrangements under the HOPE VI revitalization grants, HABC issues notes receivable to developers of the projects. Sources of funds for these loans are various HOPE VI grants and the Fairfield reformulation grants from HUD. The loans are established for a HUD-approved amount and funds are drawn by the developer as approved. The terms of these notes' receivable vary, with interest generally at 0.25% - 1.0%, with repayment due 40 years from the date of the agreement, unless there is a default, at which time payment is due on demand. Some of the loan terms have interest rates based on the federal rates at the time disbursements are made to the borrower.

HABC also issues second mortgage loans under the HOPE VI program for individuals and/or families. Sources of funding for these mortgages are various HOPE VI grants. These mortgages assist individuals in purchasing homes within the City. The mortgages require repayment in full if the borrower does not live in the residence for a minimum of 10 years, or at the time of sale/lease/ default by the borrower. Most of the mortgages allow a reduction of up to \$20,000 of the total mortgage on a prorated basis starting in year six: of the mortgage. Interest rates for the mortgages are 0% unless default occurs, at which time the rate increases to 6%.

HABC entered into a reserve pledge agreement in 1998 with the Lexington Terrace Limited Partnership to benefit the Townes at the Terraces project, a low-income housing project. The terms of the agreement set aside funds from the development fee payable to HABC under the Public and Indian Housing program. The funds are maintained in an interest-bearing reserve account. The partnership may request funds from the account if it experiences an operating deficit during the project. Any funds remaining in the account at the end of the project period will be returned to HABC.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 NOTES RECEIVABLE (CONTINUED)

Based on the status of the previous mixed-financing projects and the contingent nature of the payments, management elected to establish an allowance for the full value of the notes except the ones for which HABC deems to be collectible. The agreements between HABC and the respective affiliated entities state that HABC will collect on the receivables if the affiliated entities have positive cash flows. Since these affiliated entities depend on HABC to subsidize their operations through operating subsidies, management believes that positive cash flows for these entities in the future are remote, and therefore, collections on these notes' receivable are doubtful.

HABC has the following notes receivable outstanding as of December 31, 2023:

<u>Description</u>	<u>Amount</u>
Lexington Terrace Townhomes, LP	\$ 15,407,774
Broadway II LP	18,635,391
Flag House Courts Project, Flaghouse Rental	
Phases I and II	9,894,795
Homewood LP	9,361,348
O'Donnell Heights Association	7,708,584
Hollander Ridge	7,343,696
Albermarle Square Affordable House	1,676,988
Reservoir Hill Housing, LLC	5,954,318
Affordable Housing Initiative	3,471,728
Orchard Ridge LP	4,373,398
Sharp Leadenhall Rental No 1 LLC	3,751,467
Special Mobility Program	2,967,500
Milltowne Association	2,204,598
LRG, LLC	1,132,436
NEDs	600,603
Barclay Square LP	650,329
Artaban Apt, Bailey Capital Funds	420,000
Homes for Odenton, LP	350,000
4300 Liberty LLC	300,000
Clarksview LLC	240,000
241 W. Chase St.	210,000
Telesis-Barclay	227,211
Baltimore Community Development, LLC	150,000
City Arts II Limited	90,000
Brian Henderson	15,000
Total Notes Receivable	97,137,164
Less: Allowance	(76,467,702)
Notes Receivable, Net	<u>\$ 20,669,462</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 NOTES RECEIVABLE (CONTINUED)

As part of the financing arrangements under HUD's RAD program, BAHD issues notes receivable to purchasers of the projects sold. These notes are effectively "seller notes" to allow purchases of the property and transition to Section 8 under long-term contracts. The terms of these notes receivable vary, with interest generally based on long-term applicable federal rates established by the Internal Revenue Service with repayment due 40 years from the date of the first payment due date, unless there is a default. Interest rates approximated 2.18% during the fiscal year ended December 31, 2023. Payments are payable from cash flow of the property.

BAHD has the following notes receivable outstanding at December 31, 2023:

<u>Description</u>	<u>Amount</u>
TCB McCulloh Apartments LLC	\$ 31,229,174
Rosemont Tower, LLC	29,729,857
Van Story Branch Apartments LLC	19,740,747
Somerset Extension LP	16,999,854
Wyman House LLC	14,964,450
Lakeview	15,112,631
Govans	13,873,991
BE Mason LLC	13,786,047
Homes for Mt. Vernon LP (Chase)	13,501,935
Monument East Apartments LLC	16,043,962
New Brentwood LP	10,870,831
Bel Park	10,889,596
Hollander Ridge LLC	12,061,804
Ellerslie LP	10,548,412
Allendale Apartments LP	8,994,585
Primrose Place Apartments, LLC	8,345,995
Perkins	32,665,788
Hollins House LLC	6,761,542
PVG Townhomes LLC	6,355,966
Heritage Crossing II LP	2,753,670
1234 McElderry	1,888,000
Total Notes Receivable	297,118,837
Less: Allowance	(35,348,429)
Notes Receivable, Net	<u>\$ 261,770,408</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 CAPITAL ASSETS AND LEASES

A summary of the changes in HABC's capital assets is as follows:

	Balance 12/31/2022	Additions	Disposals/ Adjustments	Transfers	Balance 12/31/2023
Nondepreciable Capital Assets:					
Land	\$ 51,613,533	\$ -	\$ (618,007)	\$ 1,358,901	\$ 52,354,427
Construction in Progress	9,542,388	20,450,927	8,340,249	(27,833,499)	10,500,065
Total Nondepreciable/ Nonamortizable Capital Assets	61,155,921	20,450,927	7,722,242	(26,474,598)	62,854,492
Depreciable/Amortizable Capital Assets:					
Buildings	741,404,095	-	(53,060,085)	26,474,598	714,818,608
Right to Use Asset - Buildings	5,408,205	-	-	-	5,408,205
Equipment	10,830,432	4,241,970	(105,344)	-	14,967,058
Right to Use Asset - Equipment	256,920	-	-	-	256,920
Leaseholds	2,767,134	299,911	(52,897)	-	3,014,148
Total Depreciable/Amortizable Capital Assets	760,666,786	4,541,881	(53,218,326)	26,474,598	738,464,939
Accumulated Depreciation/Amortization:					
Buildings	(502,913,088)	(18,041,330)	33,130,951	-	(487,823,467)
Right to Use Asset - Buildings	(613,495)	(926,846)	-	-	(1,540,341)
Equipment	(8,561,829)	(463,094)	-	-	(9,024,923)
Right to Use Asset - Equipment	(181,355)	(75,565)	-	-	(256,920)
Total Accumulated Depreciation/Amortization	(512,269,767)	(19,506,835)	33,130,951	-	(498,645,651)
Net Depreciable Capital Assets	248,397,019	(14,964,954)	(20,087,375)	26,474,598	239,819,288
Net Capital Assets	<u>\$ 309,552,940</u>	<u>\$ 5,485,973</u>	<u>\$ (12,365,133)</u>	<u>\$ -</u>	<u>\$ 302,673,780</u>

Construction-in-progress is the cost incurred on open development projects or on major capital improvement projects under the CFP and EPC. These projects were at various stages of completion as of December 31, 2023. Projects are not reclassified to other capital asset categories until the project is closed out and depreciation expense begins when projects are placed in service.

NOTE 7 LONG-TERM LIABILITIES

A summary of the changes in HABC's long-term liabilities is as follows:

	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
Other Noncurrent Liabilities	\$ 8,035,008	\$ 82,884	\$ -	\$ 8,117,892	\$ -
Compensated Absences	4,421,717	885,431	(37,083)	5,270,065	1,317,516
Total	<u>\$ 12,456,725</u>	<u>\$ 968,315</u>	<u>\$ (37,083)</u>	<u>\$ 13,387,957</u>	<u>\$ 1,317,516</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY

Long-term debt (direct borrowings) is summarized as follows:

	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	Due Within One Year
<u>Direct Borrowings</u>					
EPC Bonds	\$ 34,635,000	\$ -	\$ (2,780,000)	\$ 31,855,000	\$ 3,125,000
EPC Bonds - Draw Downs	6,742,417	1,960,220	-	8,702,637	782,168
Broadway Overlook	4,129,810	-	-	4,129,810	-
DHCD	227,860	-	(10,546)	217,314	6,177
Baltimore City Comm. Dev. Fin. Corp.	35,586	-	(23,213)	12,373	12,373
Lexington - Mortgage Payable 1st - HABC*	10,498,052	-	-	10,498,052	-
Lexington - Mortgage Payable 2nd - DHCD	4,899,382	-	-	4,899,382	-
Lexington - Unsecured Note Payable - HABC*	374,458	-	-	374,458	-
Arbor - CDA	780,987	-	(143,013)	637,974	196,510
Arbor - MHF	546,951	-	(7,344)	539,607	-
Arbor - City of Baltimore 3rd Lien (1)	56,250	-	-	56,250	-
Arbor - City of Baltimore 3rd Lien (2)	1,220,100	-	(19,048)	1,201,052	-
Arbor - DHCD 4th Lien	542,877	-	(17,983)	524,894	-
Arbor - DHCD 5th Lien	4,030,000	-	-	4,030,000	-
Arbor - DHCD 6th Lien	770,000	-	-	770,000	-
Flag I - Mortgage Payable - DHCD	7,440,000	-	-	7,440,000	-
Flag I - Mortgage Payable - HABC*	2,795,156	-	-	2,795,156	-
Flag II - Mortgage Payable - DHCD	2,960,000	-	-	2,960,000	-
Flag II - Mortgage Payable - HABC*	2,353,987	-	-	2,353,987	-
Lease Liability	4,928,187	-	(885,388)	4,042,799	540,437
Subtotal Long-Term Debt	89,967,060	1,960,220	(3,886,535)	88,040,745	4,662,665
Consolidating Eliminations*	(16,021,653)	-	-	(16,021,653)	-
Total Long-Term Debt	<u>\$ 73,945,407</u>	<u>\$ 1,960,220</u>	<u>\$ (3,886,535)</u>	<u>\$ 72,019,092</u>	<u>\$ 4,662,665</u>

* Consolidating Eliminations represent amounts due to HABC from Lexington Terrace Partners, LP, Flag House Rental I, LP, and Flag House Rental II, LP, blended component units of HABC.

Bonds Payable

In conjunction with the energy performance contract, the Authority issued \$52,190,000 in Series 2010A Federally Taxable-Build America Bonds and \$845,000 in Series 2010B Tax-Exempt Bonds on March 31, 2010. Interest rates on the Series 2010A bonds range from 3.66% to 6.5% with the final maturity on December 15, 2031. The interest rate on the 2010 Series B bonds was 1.25% and the bonds matured on July 1, 2013. The bonds were issued in connection with the acquisition of a lease for certain capital improvements to HABC properties related to energy conservation. The Build America Bond program provided subsidies from the U.S. Treasury as reflected in reduced interest rates to offset some interest costs associated with the bonds.

Future maturities of bonds payable at December 31, 2023 are as follows:

Year Ending December 31,	Principal	Interest	Treasury Subsidy	Net Debt Service
2024	\$ 3,125,000	\$ 2,013,307	\$ (704,657)	\$ 4,433,650
2025	3,285,000	1,812,013	(634,205)	4,462,808
2026	3,465,000	1,600,225	(560,079)	4,505,146
2027	3,750,000	1,375,399	(481,390)	4,644,009
2028	2,005,000	597,944	(209,280)	2,393,664
2029-2031	16,225,000	2,209,080	(773,178)	17,660,902
Total	<u>\$ 31,855,000</u>	<u>\$ 9,607,968</u>	<u>\$ (3,362,789)</u>	<u>\$ 38,100,179</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable

EPC Draw Down Note

On April 27, 2018, the Authority entered into Energy Performance Contract 2nd phase with TD Equipment Finance, Inc. the assignee of Grant Capital Management, Inc. The note is a variable interest-rate note for \$10,183,537 and has a maturity of 15 years. As of December 31, 2023, \$8,702,637 has been disbursed from the Escrow Fund. Subsequently, the Authority requested an extension to the Acquisition period. The revised lease agreement was approved October 15, 2020, with no change in the note balance or payoff terms.

Broadway Overlook

Effective June 24, 2002, HABC entered into a loan agreement to finance the Broadway Overlook revitalization project. The funding for this project is an interest-bearing line of credit with SunTrust Bank for \$3,000,000. On August 11, 2017, the Authority amended the loan with SunTrust Bank with the balance increasing to \$4,129,810 with a fixed annual interest rate of 2.58%. Payments shall be made commencing on August 11, 2018, based off of net cash flow arising from an HABC affiliate. A balloon payment sufficient to pay the entire outstanding indebtedness of principal, interest, and accrued interest shall be made on August 10, 2047. The balance outstanding at December 31, 2023 was \$4,811,134 of which the principal was \$4,129,810 and the accrued interest payable was \$681,324.

Montpelier

Effective February 12, 1997, HABC entered into two loan agreements to finance the Montpelier revitalization project as follows:

The first note is a variable interest 40-year note with the Department of Housing and Community Development (DHCD) of the state of Maryland for \$399,000. Interest on the note was 0% for the construction period and 2% for the remainder of the term. Payments are to be made initially from surplus cash as defined in the agreement and then from other cash. The balance outstanding at December 31, 2023 was \$217,314.

The second note is a 20-year, 7.5% interest note with the Baltimore Community Development Financing Corporation for \$300,000. This note matures on the earlier of 20 years after the construction completion date or March 1, 2017, whichever is earlier. The balance outstanding at December 31, 2023 was \$12,373.

Lexington Terrace Partners, LP (Lexington) – 1st Mortgage

Lexington has a first mortgage in the amount of \$10,498,052 from HABC dated September 30, 1998. The mortgage bears interest at 0.25% per annum. The entire principal balance of the mortgage plus any accrued interest is due on September 30, 2038 (maturity date). The mortgage has a first lien position. The outstanding principal and deferred interest payable at December 31, 2023, are \$10,498,052 and \$636,528, respectively. For the year ended December 31, 2023, the interest expense was \$26,245. This obligation to HABC is fully eliminated.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable (Continued)

Lexington – 2nd Mortgage

Lexington has a second mortgage in the amount of \$4,899,382 from the Maryland Department of Housing and Community Development (DHCD) dated September 30, 1998. The mortgage bears simple interest at 3.90% per annum. The interest accrues in two parts: 3.65% due to the DHCD and 0.25% due to the Mayor and City Council of Baltimore. The accrued interest due to the City is deferred and payable on September 30, 2038. Pursuant to a Tri-Party Agreement, the mortgage principal has been assigned and is payable to the City of Baltimore on September 30, 2038, unless a “Trigger Default” occurs (i.e., refinance, sale, or project no longer maintained as low-income housing). If a Trigger Default occurs, the principal is due and payable to DHCD. The accrued interest due DHCD shall be deferred and remain outstanding in perpetuity unless a triggering event occurs. This interest was not accrued due to the uncertainty of its payment.

The DHCD interest that would have been accrued as of December 31, 2023, was \$4,086,665. As of December 31, 2023, the outstanding principal and deferred interest payable amounts were \$4,899,382 and \$298,592, respectively. For the year ended December 31, 2023, the interest expense was \$12,249.

Lexington – Unsecured Note

Lexington has a \$374,458 unsecured note payable to HABC dated February 12, 2002. The loan bears interest at 0.25% per annum. The entire principal balance of the note plus accrued interest is due on September 30, 2039 (maturity date). The outstanding principal and deferred interest at December 31, 2023, was \$374,458 and \$21,998, respectively. This obligation to HABC is fully eliminated.

MPV Associates, LP (Arbor) – CDA

Arbor has a \$2,550,000 first lien mortgage payable to CDA which has been funded through the issuance of Multi-Family Housing Revenue Bonds and is insured by MHF. The mortgage bears interest at 6.2% per annum. Monthly payments of principal and interest in the amount of \$15,618 are due through the mortgage maturity on October 1, 2027. The outstanding principal amount at December 31, 2023, was \$637,974. Accrued interest payable at December 31, 2023, was \$3,296.

Under agreement with CDA, Arbor is required to make monthly escrow deposits for insurance, taxes, and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures, and distributions to partners.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable (Continued)

Arbor – MHF

Arbor has a \$1,087,259 second lien mortgage from MHF. The mortgage is divided into two portions which are comprised of a \$293,770 must pay portion and \$793,489 cash flow portion, both of which mature on October 1, 2037. The must pay portion is interest free and requires monthly payments of principal to fully amortize the loan by its maturity in 40 years. Additionally, the cash flow portion bears interest at 2% per annum and is payable in annual installments from surplus cash, as defined in the loan documents, in an amount which would fully amortize the mortgage by its maturity in 40 years. Any payment due that is not paid because of insufficient surplus cash shall be deferred and paid on the next annual payment date to the extent that there is sufficient surplus cash. The outstanding balance of the must-pay portion at December 31, 2023 was \$99,141. The outstanding balance on the cash flow portion at December 31, 2023 was \$440,466. Accrued interest payable on the cash flow portion at December 31, 2023 was \$150,855.

Arbor – City of Baltimore 3rd Lien (1)

Arbor has a \$150,000 third lien mortgage from the City of Baltimore. The mortgage is interest free through its maturity in 40 years. Monthly payments of principal are due to fully amortize the mortgage by its maturity on October 1, 2037. The amount outstanding on this mortgage at December 31, 2023 was \$56,250.

Arbor – City of Baltimore 3rd Lien (2)

Arbor also has a \$1,525,000 additional third lien mortgage from the City of Baltimore. The mortgage is also divided into two portions which are comprised of a \$611,900 must pay portion and a \$913,100 cash flow portion, both of which mature on October 1, 2037. The must pay portion is interest free and requires monthly payments of principal to fully amortize the mortgage by its maturity in 40 years. The cash flow portion bears interest at 2% per annum and is payable in annual installments from surplus cash, as defined in the loan documents, in an amount which would fully amortize the mortgage by its maturity in 40 years. Any payment due that is not paid because of insufficient surplus cash shall be deferred and paid on the next annual payment date to the extent that there is sufficient surplus cash. The outstanding balances of the must pay portion and the cash flow portion at December 31, 2023 were \$287,952 and \$913,100, respectively. Total accrued interest payable due on the cash flow portion at December 31, 2023 was \$440,622. The total amount of accrued interest currently payable at December 31, 2023 was \$102,403. This amount was due and payable from prior years and was not paid, although to date the lender has yet to bill or demand payment. Arbor made no principal or interest payments on this loan through February 2003. Required debt service for the \$611,900 must pay portion should have commenced pursuant to the terms of the loan agreement. However, the lender has yet to bill or demand payment. Management has been unable to resolve delinquency in billing. In March 2003, Arbor unilaterally started making monthly debt service payments of \$1,275 and the lender has not demanded payment of prior amounts due of \$81,586, which has been classified as a long-term liability until payment is requested.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable (Continued)

Arbor – DHCD 4th Lien

Arbor has a \$1,000,000 fourth lien mortgage from DHCD. The mortgage is also divided into two portions, which are comprised of a \$719,330 must pay portion and a \$280,670 cash flow portion, both of which mature on October 1, 2037. The must pay portion is interest free and requires monthly payments of principal to fully amortize the mortgage by its maturity in 40 years. Additionally, the cash flow portion bears interest at 2% per annum and is payable in annual installments from surplus cash, as defined in the loan documents, in an amount which would fully amortize the mortgage by its maturity in 40 years. The outstanding balances of the must pay portion and the cash flow portion at December 31, 2023 were \$245,054 and \$279,839, respectively. Accrued interest payable due on the cash flow portion at December 31, 2023 was \$139,928.

Arbor – DHCD 5th Lien

Arbor has a \$4,030,000 fifth lien mortgage from DHCD. The mortgage bears interest at 1% per annum through its maturity on October 1, 2037. The principal and deferred interest is due at maturity. The amount outstanding on this mortgage at December 31, 2023 was \$4,030,000. Accrued interest payable at December 31, 2023 was \$1,058,251.

Arbor – DHCD 6th Lien

Arbor has a \$770,000 sixth lien mortgage from DHCD. The mortgage bears interest at 1 % per annum through its maturity on October 1, 2037. The principal and deferred interest is due at maturity. The amount outstanding on this mortgage at December 31, 2023 was \$770,000. Accrued interest payable at December 31, 2023 was \$202,543.

The liability of Arbor under the mortgages is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

Flag House Rental I, LP (Flag I) - DHCD

Flag I entered into a second loan agreement with the DHCD in the amount of \$7,440,000. The loan bears simple interest at 4.50% per annum up to a maximum accrued interest obligation defined in the agreement and is secured by a deed of trust on the property. The agreement states that absent a trigger default event, as defined, payments to DHCD of principal and interest on the loan shall be deferred in perpetuity. However, the rights to payment of the principal amount and an amount of interest defined to the deed of trust note as .25% per annum over a period of 40 years have been assigned by DHCD to the City of Baltimore. Since payments of principal and interest are deferred in perpetuity, no interest was accrued on the loan in 2023. The amount of unrecorded accrued interest at December 31, 2023 that would be due in the event of a trigger default was \$7,049,145.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable (Continued)

Flag I – HABC

Flag I entered into a loan agreement with HABC in the original amount of \$2,801,417. The loan bears interest at 4.13% to 5.61 % per annum and is secured by a deed of trust on the property. Interest on the outstanding principal balance accrues from the date of disbursement through the maturity date. Total principal and accrued interest are due on the maturity date, December 11, 2042. The outstanding balance was \$2,795,156 at December 31, 2023. At December 31, 2023, outstanding accrued interest was \$2,735,088. For the year ended December 31, 2023, interest expense totaled \$140,576. This obligation to HABC is fully eliminated.

Flag House Rental II, LP (Flag II) - DHCD

Flag II entered into a second loan agreement with the DHCD in the amount of \$2,960,000. The loan bears simple interest at 5% per annum up to a maximum accrued interest obligation defined in the agreement and is secured by a deed of trust on the property. The agreement states that absent a trigger default event, as defined, payments to DHCD of principal and interest on the loan shall be deferred in perpetuity. However, the rights to payment of the principal amount and an amount of interest defined to the deed of trust note as .25% per annum over a period of 40 years have been assigned by DHCD to the City of Baltimore. Since payments of principal and interest are deferred in perpetuity, no interest was accrued on the loan in 2023. The amount of unrecorded accrued interest at December 31, 2023 that would be due in the event of a trigger default was \$2,829,030.

Flag II – HABC

Flag II entered into a loan agreement with HABC in the amount of \$2,353,987. The loan bears interest at 4.35% to 4.90% per annum and is secured by a deed of trust on the property. Interest on the outstanding principal balance accrues from the date of disbursement through the maturity date. Total principal and accrued interest are due on the maturity date, November 19, 2044. The outstanding balance on the loan was \$2,353,987 at December 31, 2023. At December 31, 2023, outstanding accrued interest was \$2,009,644. For the year ended December 31, 2023, interest expense totaled \$113,358. This obligation to HABC is fully eliminated.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 BONDS, NOTES, AND LEASE LIABILITY (CONTINUED)

Notes Payable (Continued)

Future maturities of notes payable at December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 997,228	\$ 493,772
2025	901,441	476,969
2026	955,448	457,739
2027	1,037,115	257,934
2028	892,445	217,871
2029-2033	4,999,904	451,421
2034-2038	22,555,753	4,857,489
2039-2043	10,266,041	5,604,461
2044-2048	9,474,682	8,920,691
2049-2053	30,885	4,590
2054-2058	31,226	1,500
2059-2063	778	-
Subtotal	52,142,946	21,744,437
Consolidating Elimination	(16,021,653)	-
Total	<u>\$ 36,121,293</u>	<u>\$ 21,744,437</u>

Lease Liability

The Authority leases buildings and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2032 and provide for various renewal options.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 540,437	\$ 149,922	\$ 690,359
2025	343,210	134,954	478,164
2026	372,142	120,367	492,509
2027	402,717	104,568	507,285
2028	435,016	87,487	522,503
2029-2032	1,949,277	151,956	2,101,233
Total Minimum Lease Payments	<u>\$ 4,042,799</u>	<u>\$ 749,254</u>	<u>\$ 4,792,053</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 RESTRICTED NET POSITION

Components of restricted net position consist of the following at December 31, 2023:

Pension Asset	\$ 5,456,724
OPEB Asset	20,376,925
Self-Insurance Fund	16,880,685
Notes Receivable	282,439,870
Investments in Joint Ventures	5,370,072
Reserves and Cash Restrictions	10,740,260
Total	<u>\$ 341,264,536</u>

NOTE 10 CAPITAL GRANTS

Contributed capital grants are recorded as nonoperating revenue.

Certain new construction and rehabilitation projects are being funded through contributions from the Community Development Administration (CDA) and the City. If development costs exceed the CDA-approved capital assistance, the excess will be contributed by the City. Repayment of the CDA capital assistance and payment of interest is not required unless an event of default occurs, as defined in the agreements.

As of December 31, 2023, management believes that HABC was in compliance with all applicable covenants. There are additional operating covenants which apply when the projects begin operations.

NOTE 11 LAND LEASE

HABC entered into ground lease agreements with several limited partnerships that have constructed or are in the process of constructing rental home projects. The terms of the leases vary from 55 years to 99 years with an annual rent of \$1. The units must be used for public housing and are subject to public housing requirements. If at any time during the lease the public housing requirements are not met, the tenant is deemed to be in default and the lease is voided. The leases are not subject to GASB 87, *Leases*.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 EMPLOYEE RETIREMENT PLANS

Retirement Plan

Plan Description

The Housing Authority of Baltimore City Retirement and 457 Plan Committee (the Committee) oversees and administers the Retirement Plan for the employees of the Housing Authority of Baltimore City (the Plan) a single-employer employee retirement plan for all full-time employees. The Board of Commissioners of the Authority has the authority to modify or amend the provisions of the Plan. The Plan is a money purchase pension plan with both defined minimum benefits and defined contribution aspects. For most permanent participants, the accumulated contributions plus earnings provide a greater benefit than the minimum benefit defined under the Plan. Therefore, most eligible participants withdraw the contributions and interest to which they are entitled upon separation from HABC.

Benefits Provided

HABC changed the pension vesting schedule effective July 1, 2009. To receive HABC's contributions, employees must complete three years of continuous service to be considered fully "vested." If an employee leaves prior to completing three years of continuous service, all of HABC's contributions will be forfeited. If an employee leaves after completing three years of continuous service, the employee will receive the account balance of all of HABC's contributions.

An employee 60 or older may retire with full minimum monthly defined benefits, if age plus years of service is 85 or greater. The full minimum benefit includes service the participant would have at the normal retirement date at age 65. An employee may retire with reduced monthly-defined benefits at age 55 with 10 years of service. In both situations, the accumulated contributions plus earnings can be taken as an alternative benefit. Under the Plan, the defined minimum annual benefit is 1.5% of the employee's final average compensation multiplied by years of service, for employees hired before October 26, 1991, who did not elect to withdraw their prior required contributions. For participants hired on or after October 26, 1991, or who elected to withdraw their prior required contributions, the defined minimum annual benefit is 1% of final average compensation multiplied by years of service. Final average compensation is the average base rate of pay for the five highest consecutive years of service out of the last 10 years before age 65. For the full minimum benefit, base rates of pay for years between actual retirement date and normal retirement date are assumed to be equal to base rate of pay at actual retirement date. The final average pay used to calculate the defined minimum annual benefits are frozen as of December 31, 2012. Employees who were hired on or after October 1, 2012 are not entitled to the Plan's minimum benefits.

As of December 31, 2023 (date of most recent valuation), the retirement plan membership consisted of:

Active Participants	587
Terminated Participants Entitled to Future Benefits	120
Total	<u>707</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Funding Policy

For employees hired between July 1, 1984 and October 26, 1991, or those hired before July 1, 1984 who did not make the one-time election in 1991 to withdraw the value of the mandatory employee contribution account, HABC contributed 10% consisting of a 6% employer base contribution which is self-directed and a 4% pick up of the employee contribution which is invested in the fixed fund. For employees hired after October 26, 1991, or who were hired before July 1, 1984 and made a one-time election in 1991 to withdraw the value of the mandatory employee contribution account, HABC's policy is to contribute 6% of basic compensation: a 2% employer base contribution which is invested in the fixed fund and a 4% employer contribution which is self-directed. Employees may make voluntary post-tax contributions to the Plan of 1% to 10% of pay. Total voluntary employee contributions to the Plan for the fiscal period ended December 31, 2023 were \$300,760. HABC's contributions to the Plan were \$1,825,395 for the fiscal period ended December 31, 2023. For employees hired on or after October 1, 2012, HABC's policy is to contribute 3% of the employee's base pay to the Plan. The Authority will also match dollar-for-dollar any employee contributions to the Plan up to a maximum of 3% of base pay.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Committee. It is the policy of the Committee to pursue an investment strategy whose primary objectives are the generation of current income and safety and stability of principal. The Plan's policy is to hold no securities issued by the City, the state of Maryland or any other related entity. Assets held for the defined benefit portion of the Plan are invested in a pension fixed fund with the following allocations:

<u>Asset Class</u>	Target Allocation
Domestic Fixed Income	<div style="display: inline-block; text-align: center;"> <div>Total</div> <hr style="width: 100%;"/> <div>100.00 %</div> </div>

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -8.28%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Asset) of the Authority

The components of the net pension liability (asset) of the Plan at December 31, 2023 were as follows:

Pension Benefit Liability:	
Vested	\$ 33,578,724
Nonvested	8,771,285
Total Pension Benefit Liability	<u>42,350,009</u>
Plan Fiduciary Net Position	<u>47,806,733</u>
Authority's Net Pension Asset	<u><u>\$ 5,456,724</u></u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.88%
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Actuarial Assumptions

The total pension asset was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Interest Rate	5.00 %
Investment Rate of Return	4.50 %

Mortality rates were based on the 2023 Applicable Mortality Table for Section 417(e).

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for a five-year period.

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 allocation percentage and adding expected inflation.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class as of December 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Nominal Return	Long-Term Expected Real Rate of Return
Fixed Income:		
Balanced Funds	5.51%	5.53%
Bond Funds	1.79%	-3.26%
Diversified Equity Funds	10.07%	6.92%
Money Market	1.21%	2.20%
Stable Value	2.34%	0.03%
Target-Date Funds	6.52%	3.74%

All investments held by the pension plan were classified as Level 1 and Level 2 investments in accordance with GASB No. 72.

Discount Rate

The discount rate used to measure the total pension liability was 5.00%. The 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 Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 5.00% as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage point lower (4.00%) or one-percentage point higher (6.00%) than the current rate:

	1% Decrease 4.00%	Current Rate 5.00%	1% Increase 6.00%
Total Pension Liability	\$ 43,356,119	\$ 42,350,009	\$ 41,760,135
Plan Fiduciary Net Position	47,806,733	47,806,733	47,806,733
Authority's Net Pension Liability (Asset)	<u>\$ (4,450,614)</u>	<u>\$ (5,456,724)</u>	<u>\$ (6,046,598)</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 EMPLOYEE BENEFIT PLANS (CONTINUED)

Retirement Plan (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate
(Continued)

For the period ended December 31, 2023, HABC recognized reduction to pension expense (credit) of \$958,713.

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 1,444,063
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,151,823	-
Total	<u>\$ 3,151,823</u>	<u>\$ 1,444,063</u>

There are no deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in the expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 515,584
2025	475,001
2026	699,299
2027	727,427
2028	(700,864)
2029	(8,687)

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 EMPLOYEE BENEFIT PLANS (CONTINUED)

Retirement Plan (Continued)

Reconciliation of Net Pension Liability (Asset)

Shown below are details regarding the total pension liability, Plan fiduciary net position, and net pension asset for the measurement period from December 31, 2022 to December 31, 2023.

	Total Pension Liability (a)	Increase (Decrease) in Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance Recognized at December 31, 2022	\$ 38,563,506	\$ 43,912,262	\$ (5,348,756)
Changes Recognized for the Fiscal Year:			
Service Cost	2,421,692	-	2,421,692
Interest on the Total Pension Liability	1,939,276	-	1,939,276
Differences Between Expected and Actual Experience	1,712,625	-	1,712,625
Changes of Assumptions and Funding Method Change	29,813	-	29,813
Contributions from the Employer	-	1,972,446	(1,972,446)
Contributions from the Employee	-	300,760	(300,760)
Net Investment Income	-	3,899,698	(3,899,698)
Benefit Payments	(2,173,986)	(2,173,986)	-
Other Receipts	-	-	-
Forfeitures	(38,103)	-	(38,103)
Other Disbursements	-	-	-
Administrative Expense	(104,814)	(104,447)	(367)
Net Changes	<u>3,786,503</u>	<u>3,894,471</u>	<u>(107,968)</u>
Balance Recognized at December 31, 2023	<u>\$ 42,350,009</u>	<u>\$ 47,806,733</u>	<u>\$ (5,456,724)</u>

Deferred Compensation Plan

HABC offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is a defined contribution plan consisting entirely of employee voluntary pretax deferrals and investment income on those deferrals. The plan, available to all regular full-time Authority employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

As of December 31, 2023, the number of participants in the plan was:

Active Participants	179
Terminated Participants Entitled to Future Benefits	<u>50</u>
Total	<u><u>229</u></u>

Death Benefits

For eligible current employees, HABC provides a lump-sum death benefit payment. The cost of this benefit is expensed when paid and was \$57,894 as of December 31, 2023.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The HABC OPEB Trust provides certain health care benefits including healthcare, prescription drug, dental, vision, and life insurance to qualified retired employees and their dependents. Substantially all employees who retire or are disabled directly from HABC become eligible for these benefits. The postretirement benefits plan is a cost-sharing plan that finances hospital, medical, dental, and prescription insurance for eligible retirees and their dependents. Vision insurance is currently provided to eligible retirees and their dependents at no cost to the retiree. General information regarding the plans and their benefits is described in HABC's summary plan descriptions. Plan documents govern the provisions of the benefit plans. There were 157 retirees and beneficiaries receiving benefits and 243 active plan members at December 31, 2023, the date of the latest census data used in the actuarial valuation. The census data has adjusted for employees' election to retire using HABC's Voluntary Retirement Program.

The Authority made certain changes to the other postemployment benefits policy effective July 1, 2012. The new policy does not change benefits for current retirees or active employees who met the eligibility requirements for retirement as of November 1, 2006. Active employees who were not eligible for retirement as of November 1, 2006, are eligible for OPEB benefits, but effective January 1, 2013, HABC ended contributions to annual cost increases in health and welfare benefits. In addition, the Authority discontinued the partial funding of benefits for retirees who were not eligible for retirement as of November 1, 2006, and their dependents once they obtain Medicare eligibility status. Employees hired on or after July 1, 2012, are not eligible for retiree health and welfare benefits from the Authority.

Contributions

The Plan is a contributory plan in which HABC, and the retired members and beneficiaries contribute, based on actuarial valuation, certain amounts toward the current cost of healthcare benefits.

Funding Status and Funding Progress

As of December 31, 2023, the most recent actuarial valuation, the total OPEB liability was \$15,416,847 and the actuarial net plan assets were \$35,793,772; therefore, the net OPEB asset was \$20,376,925. The actuarial valuation of the Plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarially determined amounts regarding the funded status of the plan and the annual required contributions (ARC) of HABC and other participating agencies are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

In fiscal year 2011, HABC established an OPEB trust agreement with The Bank of New York Mellon Trust Company, N.A. (BONY) to fund the OPEB liability.

In the fiscal period ended December 31, 2023, HABC did not contribute to the trust for payment of insurance premiums.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

The calculations of projected benefits are based on the terms of the Plan in effect at the time of valuation and on the pattern of sharing costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liability and the actuarial value of assets.

Actuarial assumptions used in the actuarial valuation were:

Valuation Date	December 31, 2023
Measurement Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	5.14%
Health Care Cost Trend Rate:	
Medical/Prescription	4.70%, Decreasing to 3.90% in 2070; Decrease to 3.50% after 2075
Vision	4.0%
Dental	4.5%

The investment returns by investment class, the Plan's asset investment policy, and the plan's asset performance for fiscal year 2023, were provided by HABC. Several factors should be considered in evaluation of the long-term rate of return (expected return, net of investment expense and inflation) as developed by the investment manager for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The discount rate assumption is tied to the long-term return expected on the funds used to pay these benefits. HABC established a trust for its OPEB plan but the trust must invest its assets within federal investment guidelines. The 5.14% discount rate assumption is a long term expected weight of return and will be evaluated periodically with the other assumptions. The 5.14% assumption was selected based on advice from HABC's investment advisor, Brown Advisory.

The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The current valuation uses the 2024 version of the model with baseline assumptions. The following assumptions were used as input variables into this model:

Rate of Inflation	2.6%
Rate of Growth in Real Income / GDP Per Capita	1.4%
Excess Medical Growth	0.9%
Expected Health Share of GDP in 2033	19.0%
Health Share of GDP Resistance Point	17.0%
Year for Limiting Cost Growth to GDP Growth	2075

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The inflation assumption of 2.0% was selected to be consistent with the inflation assumption used to determine the long-term rate of investment return assumption (based on advice from HABC's investment advisor, Brown Advisory). The other assumptions are the baseline assumptions for the SOA model.

The SOA Long-Run Medical Cost Trend Model is based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection, tolerance ranges and input variables have been developed under the guidance of an SOA Project Oversight Group.

To reach that targeted return, the broad asset allocation targets for the trust are as follows. Also shown are the long-term expected arithmetic return for each class.

<u>Asset Class</u>	<u>Target (%)</u>	<u>Long-Term Expected Rate of Return</u>
Cash	4.30 %	2.00 %
Fixed Income	77.01	(0.60)
Equities	18.70	6.00

All investments held by the Plan are classified as Level 1 investments in accordance with GASB No. 72. Level 1 investments are valued based on quoted prices in active markets for identical assets.

Discount Rate

The GASB No. 74 and GASB No. 75 calculations assume that the members and HABC will continue to make the current contribution levels. Because this Plan is more than 100% funded, even with no future employer contributions, the Plan is expected to never become insolvent. Consequently, management determined HABC's liability using the expected rate of return on assets of 5.14% as the discount rate.

Sensitivity of the Net OPEB Liability (Asset) to the Discount Rate and Health Care Cost Trend Rate

The following presents the net OPEB liability (asset) of the Authority, calculated using the discount rate of 5.14%. as well as what the Authority's net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage point lower (4.14%) or one-percentage point higher (6.14%) than the current rate:

	<u>1% Decrease 4.14%</u>	<u>Current Rate 5.14%</u>	<u>1% Increase 6.14%</u>
Total OPEB Liability	\$ 16,688,899	\$ 15,416,847	\$ 14,299,283
Plan Fiduciary Net Position	35,793,772	35,793,772	35,793,772
Authority's Net OPEB Liability (Asset)	<u>\$ (19,104,873)</u>	<u>\$ (20,376,925)</u>	<u>\$ (21,494,489)</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability (Asset) to the Discount Rate and Health Care Cost Trend Rate (Continued)

The following presents the net OPEB liability (asset) of the Authority, calculated using the health care cost trend rate of 4.04% as well as what the Authority's net OPEB liability (asset) would be if it were calculated using a health care cost trend rate that is one-percentage point lower (3.04%) or one-percentage point higher (5.04%) than the current rate:

	1% Decrease 3.04%	Current Rate 4.04%	1% Increase 5.04%
Total OPEB Liability	\$ 14,403,282	\$ 15,416,847	\$ 16,550,143
Plan Fiduciary Net Position	35,793,772	35,793,772	35,793,772
Authority's Net OPEB Liability (Asset)	<u>\$ (21,390,490)</u>	<u>\$ (20,376,925)</u>	<u>\$ (19,243,629)</u>

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

For the year ended December 31, 2023, the Authority recognized a decrease in OPEB expense of \$3,505,909. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 24,924	\$ 5,649,955
Changes of Assumptions	1,873,120	3,747,811
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	2,130,287	-
Total	<u>\$ 4,028,331</u>	<u>\$ 9,397,766</u>

There are no deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan at December 31, 2023 will be recognized in the expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (2,259,083)
2025	(960,662)
2026	(464,670)
2027	(1,295,279)
2028	(389,741)

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Reconciliation of Net OPEB Liability (Asset)

Shown below are details regarding the total OPEB liability, plan fiduciary net position, and net OPEB asset for the measurement period from December 31, 2022 to December 31, 2023.

	Total OPEB Liability (a)	Increase (Decrease) in Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance Recognized at December 31, 2022	\$ 20,753,155	\$ 36,972,864	\$ (16,219,709)
Changes Recognized for the Fiscal Year:			
Service Cost	52,672	-	52,672
Interest on the Total OPEB Liability	999,499	-	999,499
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(3,684,142)	-	(3,684,142)
Change in Assumptions	-	-	-
Contributions from the Employer	-	-	-
Contributions from the Employee	-	-	-
Net Investment Income	-	2,902,782	(2,902,782)
Changes in Assumptions	1,345,697	-	1,345,697
Benefit Payments, Net of Retiree Contributions	(4,050,033)	(4,050,033)	-
Administrative Expense	-	(31,841)	31,841
Net Changes	<u>(5,336,307)</u>	<u>(1,179,092)</u>	<u>(4,157,215)</u>
Balance Recognized at December 31, 2023	<u>\$ 15,416,848</u>	<u>\$ 35,793,772</u>	<u>\$ (20,376,924)</u>

NOTE 14 INVESTMENTS IN JOINT VENTURES

HABC's blended component units are interest holders with multiple organizations as part of various housing projects, development and construction projects, and for financing purposes. Activity of these entities is reflected in HABC's financial statements as applicable, to the extent of their ownership interest and level of activity.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14 INVESTMENTS IN JOINT VENTURES (CONTINUED)

The investment in these entities at December 31, 2023 is as follows:

Project	Investment
St. Ambrose L.P.	\$ 4,605,765
Flag House Rental I, L.P.	(531,606)
Flag House Rental II, L.P.	(184,824)
Lexington Terrace Sr. Housing	(166)
Lexington Terrace Townhomes, LP	134,956
MPV Associates L.P.	69,278
Orchard Ridge Rental I, LLC	(672)
Orchard Ridge Rental II, LLC	(653)
Orchard Ridge Rental III, LLC	(939)
Orchard Ridge Rental IV, LLC	1,279,629
Reservoir Hill Housing LLC	(557)
Conifer Cooks Lane Associates, LLC	(314)
Homewood L.P.	175
Total	<u><u>\$ 5,370,072</u></u>

NOTE 15 COOPERATION WITH THE CITY OF BALTIMORE

HABC and the City mutually recognize the benefit of cooperation and coordination beyond that required by housing laws. This recognition was expressed in an Agreement for Services between HABC and the City in fiscal year 1996. The Agreement for Services provides the basis for payment for services and related materials provided by the two parties within the scope of their powers under existing laws and regulations. Either HABC or the City may provide, to the extent requested by the other, certain related services, including administration, planning, research, design, development, construction, rehabilitation, repair, property management and maintenance. All services are to be performed subject to the acceptance of the requesting party with proper authorizations under the applicable federal and local laws and regulations. These services are paid for at the same or equivalent rates as those which the performing party would charge a division of its own organization.

During the fiscal year ended December 31, 2023, HABC provided to the Department of Housing and Community Development \$3,501,575 in construction contracts, \$6,474 in administration, and \$274 in general work.

NOTE 16 COMMITMENTS AND CONTINGENCIES

As of December 31, 2023, the unexpended budgets for uncompleted construction and major capital improvement projects were \$20,447,990 of which \$11,778,112, has been committed via agreements with construction vendors.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Deeds of Trust

As part of the Heritage Crossing Homeownership program, HABC provided grants to homeowners in the form of Deeds of Trusts on all 185 homes sold. The terms of these trusts state that only during the first 10 years, if the homeowner refinances or takes a home equity loan, the proceeds from such loans must be paid to HABC. In the event that the property is sold or transferred in the first 10 years, any gains must be distributed to HABC in percentages based on the passage of time as follows: within 1-5 years - 90%; 6 years - 80%; 7-9 years - 20%, plus 20% per additional year.

Grants

HABC receives significant financial assistance from numerous federal, state and city governmental agencies in the form of grants and subsidies. The 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 HABC's liabilities.

HABC believes any such disallowed claims will not have a material effect on the financial statements as of December 31, 2023.

HABC is subject to numerous laws and regulations. HUD, as well as other internal and external auditors, is currently conducting inquiries and/or investigations regarding the compliance by HABC and its programs with such laws and regulations. Management believes that there may be findings that result from these inquiries and/or investigations; however, the significance of such findings on HABC cannot presently be determined.

Litigation

HABC is involved in multiple ongoing lawsuits as of December 31, 2023. These include injury claims, workers' compensation claims, and personnel matters. The Authority intends to vigorously defend itself in all litigation, and several of these claims are covered by insurance. HABC is involved in claims where the claim amount exceeds the cap set by the Maryland Local Government Tort Claims Act. This cap is currently set at \$800,000 per occurrence. Claim liabilities are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. At December 31, 2023, there were no accruals for these contingent liabilities in the financial statements.

During 2015, due to the complexity and extent of the lead paint cases with which HABC is involved, HABC continued to seek HUD approval to establish a separate fund from which to pay any claims, judgments, and the related legal expenses. HUD approved this request and HABC established a reserve of \$20,000,000 as of June 30, 2015. As a condition for agreeing to the reserve for this purpose, HUD requires, among other things, that HABC continue to follow HUD guidance with respect to litigation, which includes obtaining approval from HUD to pay claims, judgments, or related legal expenses from the reserve fund. There were \$475,000 in disbursements made from this fund during fiscal year 2023. The reserve balance as of December 31, 2023 was \$17,532,606. The net position of this fund is fully restricted.

**HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingent Liability

HABC previously received \$7,623,684 in funding from DHCD for various low-income housing Projects. Due to the nature of the agreements, the funding was recognized as revenue in the year received. All payments of principal and interest were deferred and were to remain outstanding in perpetuity as long as the Projects were used for low-income housing and were not refinanced, sold, transferred, or conveyed. Failure to meet the terms of the agreement will require the Project to repay principal and interest at a rate equal to the interest paid by the state of Maryland on the bonds, or other monies used to fund the Projects. In 2023, management began discussions with DHCD to repay a portion of the principal as a result of the projects being out of service. Management has determined that the payback amount is probable and reasonably estimable, therefore a liability of an estimated amount has been recognized. Management estimates that \$3,720,205 will be repaid in the year ending December 31, 2024.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 BLENDED COMPONENT UNITS

The condensed statements of net position of the blended component units are as follows as of December 31, 2023:

	Resident Services, Inc.	Baltimore Affordable Housing Development, Inc.	Flag House Rental I, LP	Flag House Rental II, LP	MPV Associates, LP	Lexington Terrace Partners, LP	HABC Montpelier Housing Corporation	Other Entities	Consolidating Eliminations	Total Blended Component Units	Primary Government	Eliminations	Total
Assets													
Current Assets	\$ 105,713	\$ 26,825,907	\$ 1,103,061	\$ 575,702	\$ 1,371,326	\$ 3,222,576	\$ 154,136	\$ -	\$ -	\$ 33,358,421	\$ 151,091,153	\$ -	\$ 184,449,574
Interprogram	-	6,185,305	-	-	-	-	-	-	-	6,185,305	12,591,031	(18,776,336)	-
Noncurrent Assets	-	261,770,408	-	-	-	-	-	5,370,072	-	267,140,480	80,431,045	-	347,571,525
Capital Assets	-	16,418,825	7,508,611	4,790,376	3,794,765	7,992,847	282,726	-	-	40,788,150	261,885,630	-	302,673,780
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	7,180,154	-	7,180,154
Total Assets and Deferred Outflows of Resources	<u>\$ 105,713</u>	<u>\$ 311,200,445</u>	<u>\$ 8,611,672</u>	<u>\$ 5,366,078</u>	<u>\$ 5,166,091</u>	<u>\$ 11,215,423</u>	<u>\$ 436,862</u>	<u>\$ 5,370,072</u>	<u>\$ -</u>	<u>\$ 347,472,356</u>	<u>\$ 513,179,013</u>	<u>\$ (18,776,336)</u>	<u>\$ 841,875,033</u>
Liabilities													
Current Liabilities	\$ 13,827	\$ 4,656,464	\$ 320,084	\$ 185,403	\$ 765,319	\$ 367,039	\$ 188,891	\$ -	\$ -	\$ 6,497,027	\$ 52,259,345	\$ -	\$ 58,756,372
Interprogram	-	954,256	-	-	-	-	-	-	-	954,256	17,822,080	(18,776,336)	-
Noncurrent Liabilities	-	3,502,362	12,927,612	7,266,169	9,555,550	17,145,256	234,616	-	(16,021,653)	34,609,912	44,816,956	-	79,426,868
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	10,841,829	-	10,841,829
Total Liabilities and Deferred Inflows	<u>13,827</u>	<u>9,113,082</u>	<u>13,247,696</u>	<u>7,451,572</u>	<u>10,320,869</u>	<u>17,512,295</u>	<u>423,507</u>	<u>-</u>	<u>(16,021,653)</u>	<u>42,061,195</u>	<u>125,740,210</u>	<u>(18,776,336)</u>	<u>149,025,069</u>
Net Position													
Net Investment in Capital Assets	-	12,376,026	(2,683,913)	(466,149)	(3,760,989)	(7,779,045)	23,776	-	16,021,653	13,731,359	218,611,958	-	232,343,317
Restricted Net Position	-	261,770,408	886,105	509,132	696,066	2,812,109	106,470	5,370,072	-	272,150,362	69,114,174	-	341,264,536
Unrestricted Net Position	<u>91,886</u>	<u>27,940,929</u>	<u>(2,838,216)</u>	<u>(2,128,477)</u>	<u>(2,089,855)</u>	<u>(1,329,936)</u>	<u>(116,891)</u>	<u>-</u>	<u>-</u>	<u>19,529,440</u>	<u>99,712,671</u>	<u>-</u>	<u>119,242,111</u>
Total Net Position	<u>91,886</u>	<u>302,087,363</u>	<u>(4,636,024)</u>	<u>(2,085,494)</u>	<u>(5,154,778)</u>	<u>(6,296,872)</u>	<u>13,355</u>	<u>5,370,072</u>	<u>16,021,653</u>	<u>305,411,161</u>	<u>387,438,803</u>	<u>-</u>	<u>692,849,964</u>
Total Liabilities and Net Position	<u>\$ 105,713</u>	<u>\$ 311,200,445</u>	<u>\$ 8,611,672</u>	<u>\$ 5,366,078</u>	<u>\$ 5,166,091</u>	<u>\$ 11,215,423</u>	<u>\$ 436,862</u>	<u>\$ 5,370,072</u>	<u>\$ -</u>	<u>\$ 347,472,356</u>	<u>\$ 513,179,013</u>	<u>\$ (18,776,336)</u>	<u>\$ 841,875,033</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 BLENDED COMPONENT UNITS (CONTINUED)

The condensed statements of revenues, expenses, and changes in net position of the blended component units are as follows for the period ended December 31, 2023:

	Resident Services, Inc.	Baltimore Affordable Housing Development, Inc.	Flag House Rental I, LP	Flag House Rental II, LP	MPV Associates, LP	Lexington Terrace Partners, LP	HABC Montpelier Housing Corporation	Other Entities	Consolidating Eliminations	Total Blended Component Units	Primary Government	Eliminations	Total
Operating Revenues													
Dwelling Rental	\$ -	\$ -	\$ 421,013	\$ 249,717	\$ 1,091,356	\$ 450,893	\$ 412,711	\$ -	\$ -	\$ 2,625,690	\$ 21,325,005	\$ -	\$ 23,950,695
Nondwelling Rental	-	-	-	-	-	-	12,844	-	-	12,844	91,317	-	104,161
Grants and Contracts	-	-	717,999	223,694	357,339	756,864	-	-	-	2,055,896	405,520,578	-	407,576,474
Other	113,552	64,081,286	5,154	8,395	477,181	902,780	-	-	-	65,588,348	13,690,570	-	79,278,918
Total Operating Revenues	113,552	64,081,286	1,144,166	481,806	1,925,876	2,110,537	425,555	-	-	70,282,778	440,627,470	-	510,910,248
Operating Expenses													
Administration	3,784	1,535,987	261,179	134,903	361,162	363,232	91,111	-	-	2,751,358	45,801,323	-	48,552,681
Tenant Services	145,557	-	-	-	-	-	-	-	-	145,557	4,365,603	-	4,511,160
Utilities	-	-	183,823	61,237	354,961	226,009	76,963	-	-	902,993	18,952,729	-	19,855,722
Maintenance	-	500	422,579	157,708	572,311	672,919	179,981	-	-	2,005,998	67,452,440	-	69,458,438
Depreciation/Amortization	-	1,797,261	363,561	233,719	265,867	482,447	112,206	-	-	3,255,061	16,251,774	-	19,506,835
Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	260,410,715	-	260,410,715
General and Other	2,349	46,895,952	287,396	228,232	658,682	301,069	45,982	-	-	48,419,662	36,649,983	-	85,069,645
Total Operating Expenses	151,690	50,229,700	1,518,538	815,799	2,212,983	2,045,676	506,243	-	-	57,480,629	449,884,567	-	507,365,196
Operating Income (Loss)	(38,138)	13,851,586	(374,372)	(333,993)	(287,107)	64,861	(80,688)	-	-	12,802,149	(9,257,097)	-	3,545,052
Nonoperating Revenues (Expenses)													
Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	(1,279,683)	-	(1,279,683)
Investment Income	11	1,083,835	5,096	5,246	17,368	103,165	715	-	-	1,215,436	3,638,226	-	4,853,662
Capital Grants	-	-	-	-	-	-	-	-	-	-	23,096,335	-	23,096,335
Transfer of Ownership	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of asset	-	-	-	-	-	-	-	-	-	-	(11,093,131)	-	(11,093,131)
Total Nonoperating Revenues (Expenses)	11	1,083,835	5,096	5,246	17,368	103,165	715	-	-	1,215,436	14,361,747	-	15,577,183
Increase (Decrease) in Net Position	(38,127)	14,935,421	(369,276)	(328,747)	(269,739)	168,026	(79,973)	-	-	14,017,585	5,104,650	-	19,122,235
Equity Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Position - Beginning of Year	130,013	287,151,942	(4,266,748)	(1,756,747)	(4,885,039)	(6,464,898)	93,328	5,370,072	16,021,653	291,393,576	382,334,153	-	673,727,729
Net Position - End of Year	<u>\$ 91,886</u>	<u>\$ 302,087,363</u>	<u>\$ (4,636,024)</u>	<u>\$ (2,085,494)</u>	<u>\$ (5,154,778)</u>	<u>\$ (6,296,872)</u>	<u>\$ 13,355</u>	<u>\$ 5,370,072</u>	<u>\$ 16,021,653</u>	<u>\$ 305,411,161</u>	<u>\$ 387,438,803</u>	<u>\$ -</u>	<u>\$ 692,849,964</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 BLENDED COMPONENT UNITS (CONTINUED)

The statements of cash flows of the blended component units are as follows for the period ended December 31, 2023:

	Resident Services, Inc.	Baltimore Affordable Housing Development, Inc.	Flag House Rental I, LP	Flag House Rental II, LP	MPV Associates, LP	Lexington Terrace Partners, LP	HABC Montpelier Housing Corporation	Other Entities	Consolidating Eliminations	Total Blended Component Units	Primary Government	Eliminations	Total
Net Cash Provided (Used) by													
Operating Activities	\$ (14,699)	\$ 15,987,569	\$ 145,115	\$ 36,889	\$ (65,309)	\$ 239,893	\$ (95,695)	\$ -	\$ -	\$ 16,233,763	\$ 11,428,970	\$ -	\$ 27,662,733
Capital and Related Financing Activities	-	(252,727)	-	-	89,967	-	83,608	-	-	(79,152)	(3,751,317)	-	(3,830,469)
Investing Activities	11	(24,946,235)	-	-	-	-	-	-	-	(24,946,224)	1,050,520	-	(23,895,704)
Net Increase (Decrease) in Cash and Cash Equivalents	(14,688)	(9,211,393)	145,115	36,889	24,658	239,893	(12,087)	-	-	(8,791,613)	8,728,173	-	(63,440)
Cash and Cash Equivalents - Beginning of Year	120,401	35,440,311	895,979	515,953	773,037	2,762,871	158,780	-	-	40,667,332	87,130,987	-	127,798,319
Cash and Cash Equivalents - End of Year	<u>\$ 105,713</u>	<u>\$ 26,228,918</u>	<u>\$ 1,041,094</u>	<u>\$ 552,842</u>	<u>\$ 797,695</u>	<u>\$ 3,002,764</u>	<u>\$ 146,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,875,719</u>	<u>\$ 95,859,160</u>	<u>\$ -</u>	<u>\$ 127,734,879</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 18 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

The condensed statements of the discretely presented component units are as follows as of December 31, 2023:

	Homewood LP	Reservoir Hill Housing, LLC	Sharp-Leadenhall Rental No. 1, LP	St. Ambrose LP	Conifer Cooks Lane Associates, LLC	Total
ASSETS						
Cash and Cash Equivalents	\$ 15,028	\$ 22,190	\$ 204,475	\$ 104,745	\$ -	\$ 346,438
Cash and Cash Equivalents - Restricted	1,515,929	371,008	41,602	211,333	298,915	2,438,787
Tenant Security Deposits	3,713	13,416	7,504	2,432	57,317	84,382
Accounts Receivables	18,962	56,862	10,235	254,247	93,673	433,979
Other Assets	-	43,716	-	81	31,292	75,089
Capital Assets, Net	11,672,404	6,474,510	3,375,010	2,354,826	3,175,820	27,052,570
Non-Current Assets	97,427	49,794	13,031	-	16,090	176,342
Total Assets	<u>\$ 13,323,463</u>	<u>\$ 7,031,496</u>	<u>\$ 3,651,857</u>	<u>\$ 2,927,664</u>	<u>\$ 3,673,107</u>	<u>\$ 30,607,587</u>
LIABILITIES AND NET POSITION						
LIABILITIES						
Current Liabilities	\$ 110,096	\$ 119,536	\$ 44,234	\$ 492,681	\$ 2,029,796	\$ 2,796,343
Long-Term Liabilities	5,053,901	4,648,771	2,162,321	-	2,633,038	14,498,031
Long-Term Debt	11,782,455	7,024,140	1,699,030	-	2,820,398	23,326,023
NET POSITION						
Net Investment in Capital Assets	(123,734)	(549,630)	1,675,980	2,354,826	355,422	3,712,864
Restricted	1,519,642	384,424	49,106	213,766	356,232	2,523,170
Unrestricted (Deficit)	<u>(5,018,897)</u>	<u>(4,595,745)</u>	<u>(1,978,814)</u>	<u>(133,609)</u>	<u>(4,521,779)</u>	<u>(16,248,844)</u>
Total Liabilities and Net Position	<u>\$ 13,323,463</u>	<u>\$ 7,031,496</u>	<u>\$ 3,651,857</u>	<u>\$ 2,927,664</u>	<u>\$ 3,673,107</u>	<u>\$ 30,607,587</u>
Operating Revenues	\$ 531,127	\$ 287,169	\$ 120,710	\$ 45,243	\$ 782,028	\$ 1,766,277
Operating Expenses	<u>(963,659)</u>	<u>(1,087,196)</u>	<u>(487,268)</u>	<u>(163,258)</u>	<u>(1,326,393)</u>	<u>(4,027,774)</u>
Operating Income (Loss)	(432,532)	(800,027)	(366,558)	(118,015)	(544,365)	(2,261,497)
Nonoperating Revenues	417,976	446,149	166,939	169,686	213,342	1,414,092
Nonoperating Expenses	<u>(395,464)</u>	<u>(306,250)</u>	<u>(146,584)</u>	<u>(216,543)</u>	<u>(163,155)</u>	<u>(1,227,996)</u>
Change in Net Position	(410,020)	(660,128)	(346,203)	(164,872)	(494,178)	(2,075,401)
Beginning Net Position	<u>(3,212,969)</u>	<u>(4,100,823)</u>	<u>92,475</u>	<u>2,599,855</u>	<u>(3,315,947)</u>	<u>(7,937,409)</u>
Ending Net Position	<u>\$ (3,622,989)</u>	<u>\$ (4,760,951)</u>	<u>\$ (253,728)</u>	<u>\$ 2,434,983</u>	<u>\$ (3,810,125)</u>	<u>\$ (10,012,810)</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 18 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

Summarized Capital Assets – Discretely Presented Component Units

Land, structures, and equipment activity of the discretely presented component units was as follows for the year ended December 31, 2023.

	Balance 12/31/21	Additions and Transfers In	Disposals and Transfers Out	Balance 12/31/22
Land	\$ 2,788,845	\$ -	\$ -	\$ 2,788,845
Construction in Progress	-	-	-	-
Total Capital Assets not Being Depreciated	2,788,845	-	-	2,788,845
Buildings and Improvements	44,599,012	61,569	-	44,660,581
Equipment	660,720	-	-	660,720
Total	45,259,732	61,569	-	45,321,301
Less: Accumulated Depreciation	(19,831,745)	(1,227,996)	2,165	(21,057,576)
Total Capital Assets Being Depreciated	25,427,987	(1,166,427)	2,165	24,263,725
Total Capital Assets, Net	<u>\$ 28,216,832</u>	<u>\$ (1,166,427)</u>	<u>\$ 2,165</u>	<u>\$ 27,052,570</u>

Summarized Notes Payable – Discretely Presented Component Units

Notes payable of the discretely presented component units was as follows for the year ended December 31, 2023.

Notes Payable - General Partner	\$ 10,243,889
Mortgages and Other Housing Related Notes	<u>14,908,521</u>
Total	25,152,410
Less: Current Portion	<u>1,826,387</u>
Noncurrent Portion	<u>\$ 23,326,023</u>

A summary of activity in the discretely presented component units notes payable is as follows:

Balance December 31, 2022	Increase	Decrease	Balance December 31, 2023
<u>\$ 25,525,578</u>	<u>\$ -</u>	<u>\$ (373,168)</u>	<u>\$ 25,152,410</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 19 COMBINING FIDUCIARY STATEMENTS

The combining fiduciary fund statements are as follows as of December 31, 2023:

	OPEB Trust	Employee Retirement Plan	Total OPEB and Pension Trusts
ASSETS			
Accounts Receivable	\$ 80,945	\$ -	\$ 80,945
Investments	<u>41,745,361</u>	<u>47,812,327</u>	<u>89,557,688</u>
Total Assets	<u><u>\$ 41,826,306</u></u>	<u><u>\$ 47,812,327</u></u>	<u><u>\$ 89,638,633</u></u>
LIABILITIES AND FIDUCIARY NET POSITION			
LIABILITIES			
Due to HABC	<u>\$ 6,032,534</u>	<u>\$ 5,594</u>	<u>\$ 6,038,128</u>
Total Liabilities	6,032,534	5,594	6,038,128
NET POSITION HELD IN TRUST	<u>35,793,772</u>	<u>47,806,733</u>	<u>83,600,505</u>
Total Liabilities and Fiduciary Net Position	<u><u>\$ 41,826,306</u></u>	<u><u>\$ 47,812,327</u></u>	<u><u>\$ 89,638,633</u></u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 19 COMBINING FIDUCIARY STATEMENTS (CONTINUED)

	OPEB Trust	Employee Retirement Plan	Total OPEB and Pension Trusts
ADDITIONS			
Contributions:			
Employer	\$ -	\$ 1,972,446	\$ 1,972,446
Plan Members	-	300,760	300,760
Total Contributions	-	2,273,206	2,273,206
Investment Loss:			
Interest and Dividends, Less Investment Expense	2,902,782	3,899,698	6,802,480
Total Additions	2,902,782	6,172,904	9,075,686
DEDUCTIONS			
Benefit Payments	4,050,033	2,173,986	6,224,019
Premiums Paid to Insurance Companies	-	-	-
Administrative Expenses	31,841	104,447	136,288
Total Deductions	4,081,874	2,278,433	6,360,307
CHANGE IN NET POSITION	(1,179,092)	3,894,471	2,715,379
Total Net Position - Beginning of Period	36,972,864	43,912,262	80,885,126
TOTAL NET POSITION - END OF PERIOD	<u>\$ 35,793,772</u>	<u>\$ 47,806,733</u>	<u>\$ 83,600,505</u>

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF CHANGES IN AUTHORITY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS – LAST TEN FISCAL YEARS*
FISCAL YEAR ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:									
Service Cost	\$ 2,421,692	\$ 2,286,561	\$ 2,252,892	\$ 2,523,983	\$ 3,545,880	\$ 2,079,795	\$ 2,249,744	\$ 2,049,469	\$ 2,575,434
Interest	1,939,276	1,552,601	1,539,968	1,465,561	2,030,966	1,421,084	1,476,964	1,599,577	2,184,074
Change of Benefit Terms	-	-	-	-	1,095,014	-	-	-	-
Differences Between Expected and Actual Experience	1,712,625	(4,436,980)	(152,084)	1,988,056	718,742	89,517	203,065	(558,075)	(2,216,247)
Change in Assumptions	29,813	(2,266,375)	1,648	687,414	512,052	1,329,253	-	201,281	106,862
Benefit Payment, Including Refunds of Member Contributions	(2,173,986)	(3,267,569)	(4,332,934)	(3,268,572)	(4,225,529)	(5,749,027)	(4,563,706)	(3,082,053)	(17,105,436)
Funding Method Change	-	-	-	-	-	-	-	-	(584,369)
Forfeitures	(38,103)	(26,410)	(36,642)	(22,363)	-	-	-	-	-
Administrative Expense	(104,814)	(127,139)	-	(87,155)	(158,668)	(170,555)	(187,160)	(192,008)	(211,552)
Net Change in Total Pension Liability	3,786,503	(6,285,311)	(727,152)	3,286,924	3,518,457	(999,933)	(821,093)	18,191	(15,251,234)
Total Pension Liability - Beginning	38,563,506	44,848,817	45,575,969	42,289,045	38,770,588	39,770,521	40,591,614	40,573,423	55,824,657
Total Pension Liability - Ending (a)	<u>\$ 42,350,009</u>	<u>\$ 38,563,506</u>	<u>\$ 44,848,817</u>	<u>\$ 45,575,969</u>	<u>\$ 42,289,045</u>	<u>\$ 38,770,588</u>	<u>\$ 39,770,521</u>	<u>\$ 40,591,614</u>	<u>\$ 40,573,423</u>
Plan Fiduciary Net Position:									
Contributions - Employer	\$ 1,825,395	\$ 1,866,017	\$ 1,772,355	\$ 1,934,811	\$ 2,609,788	\$ 1,865,994	\$ 2,016,923	\$ 1,841,167	\$ 2,380,204
Contributions - Member	300,760	289,983	199,901	220,382	232,699	159,754	167,113	164,157	195,231
Net Investment Income (Loss)	4,046,749	(4,024,289)	3,145,342	3,682,917	4,193,831	2,211,827	2,305,930	(14,312)	636,086
Benefit Payments, Including Refunds of Member Contributions	(2,173,986)	(3,267,569)	(5,586,094)	(3,268,572)	(4,225,529)	(5,749,027)	(4,563,706)	(3,082,053)	(17,105,436)
Administrative Expense	(104,447)	(214,635)	(100,895)	(87,155)	(158,668)	(170,555)	(187,160)	(192,008)	(211,552)
Net Change in Plan Fiduciary Net Position	3,894,471	(5,350,493)	(569,391)	2,482,383	2,652,121	(1,682,007)	(260,900)	(1,283,049)	(14,105,467)
Plan Fiduciary Net Position - Beginning	43,912,262	49,262,755	49,832,146	47,349,763	44,697,642	46,379,649	46,640,549	47,923,598	62,029,065
Plan Fiduciary Net Position - Ending (b)	<u>\$ 47,806,733</u>	<u>\$ 43,912,262</u>	<u>\$ 49,262,755</u>	<u>\$ 49,832,146</u>	<u>\$ 47,349,763</u>	<u>\$ 44,697,642</u>	<u>\$ 46,379,649</u>	<u>\$ 46,640,549</u>	<u>\$ 47,923,598</u>
Authority's Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (5,456,724)</u>	<u>\$ (5,348,756)</u>	<u>\$ (4,413,938)</u>	<u>\$ (4,256,177)</u>	<u>\$ (5,060,718)</u>	<u>\$ (5,927,054)</u>	<u>\$ (6,609,128)</u>	<u>\$ (6,048,935)</u>	<u>\$ (7,350,175)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.88%	113.87%	109.84%	109.34%	111.97%	115.29%	116.62%	114.90%	118.12%
Covered Payroll	\$ 37,816,174	\$ 32,345,060	\$ 33,990,913	\$ 35,526,572	\$ 32,553,497	\$ 30,404,449	\$ 29,370,914	\$ 29,250,296	\$ 28,206,704
Authority's Net Position Liability (Asset) as a Percentage of Covered Payroll	-14.43%	-16.54%	-12.99%	-11.98%	-15.55%	-19.49%	-22.50%	-20.68%	-26.06%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information was presented for the years for which information is available.

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*
FISCAL YEAR ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contributions	\$ 1,825,395	\$ 1,866,017	\$ 1,772,355	\$ 1,934,811	\$ 2,609,788	\$ 1,865,994	\$ 2,016,923	\$ 1,841,167	\$ 2,184,973	\$ 2,353,399
Contributions in Relation to Actuarially Determined Contributions	1,825,395	1,866,017	1,772,355	1,934,811	2,609,788	1,865,994	2,016,923	1,841,167	2,184,973	2,353,399
Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 37,816,174	\$ 32,345,060	\$ 33,990,913	\$ 35,526,572	\$ 32,553,497	\$ 30,404,449	\$ 29,370,914	\$ 29,250,296	\$ 28,206,704	\$ 35,041,919
Contributions as a Percentage of Covered Payroll	4.83%	5.77%	5.21%	5.45%	8.02%	6.14%	6.87%	6.29%	7.75%	6.72%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information was presented for the years for which information is available.

Notes to Schedule

Valuation Date:	December 31, 2023
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value of Assets
Discount Rate:	4.50%
Investment Rate of Return:	4.50%, Net of Pension Plan Investment Expense, Including Inflation
Mortality:	2021 Applicable Mortality Table for Section 417(e)
Withdrawal:	In accordance with Sarason T-10 termination table

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF CHANGES IN AUTHORITY'S NET OPEB LIABILITY (ASSET)
AND RELATED RATIOS – LAST TEN FISCAL YEARS *
FISCAL YEAR ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 52,672	\$ 72,489	\$ 97,449	\$ 94,153	\$ 191,887	\$ 150,360
Interest	999,499	708,013	964,549	1,000,510	2,057,584	1,055,896
Differences Between Expected and Actual Experience	(3,684,143)	37,386	(3,466,254)	(267,635)	(3,330,418)	(256,873)
Change in Assumptions	1,345,697	(4,141,882)	1,503,410	-	(2,518,154)	(6,257,346)
Benefit Payments, Including Refunds of Member Contributions	(4,050,033)	(1,844,605)	(1,801,584)	(1,845,332)	(2,813,124)	(2,003,263)
Net Change in Total OPEB Liability	(5,336,308)	(5,168,599)	(2,702,430)	(1,018,304)	(6,412,225)	(7,311,226)
Total OPEB Liability - Beginning	20,753,155	25,921,754	28,624,184	29,642,488	36,054,713	43,365,939
Total OPEB Liability - Ending (a)	<u>\$ 15,416,847</u>	<u>\$ 20,753,155</u>	<u>\$ 25,921,754</u>	<u>\$ 28,624,184</u>	<u>\$ 29,642,488</u>	<u>\$ 36,054,713</u>
Plan Fiduciary Net Position:						
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	2,902,782	(3,874,093)	1,580,956	3,490,476	3,079,665	438,120
Benefit Payments, Including Refunds of Member Contributions	(4,050,033)	(1,844,605)	(1,801,584)	(1,845,332)	(2,813,124)	(2,003,263)
Administrative Expense	(31,841)	(25,110)	(12,200)	(16,236)	(15,827)	(24,149)
Net Change in Plan Fiduciary Net Position	(1,179,092)	(5,743,808)	(232,828)	1,628,908	250,714	(1,589,292)
Plan Fiduciary Net Position - Beginning	36,972,864	42,716,672	42,949,500	41,320,592	41,069,878	42,659,170
Plan Fiduciary Net Position - Ending (b)	<u>\$ 35,793,772</u>	<u>\$ 36,972,864</u>	<u>\$ 42,716,672</u>	<u>\$ 42,949,500</u>	<u>\$ 41,320,592</u>	<u>\$ 41,069,878</u>
Authority's Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (20,376,925)</u>	<u>\$ (16,219,709)</u>	<u>\$ (16,794,918)</u>	<u>\$ (14,325,316)</u>	<u>\$ (11,678,104)</u>	<u>\$ (5,015,165)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	232.17%	178.16%	164.79%	150.05%	139.40%	113.91%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Authority's Net Position Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	6	6	6	7	7	7
Discount rate	5.14%	5.04%	2.83%	3.50%	3.50%	4.00%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information was presented for the years for which information is available.

Changes of Assumptions:

-See above for the changes in discount rates

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF AUTHORITY'S NET OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS *
FISCAL YEAR ENDED DECEMBER 31

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to Actuarially Determined Contributions	-	-	-	-	-	-
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information was presented for the years for which information is available.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

		Moving to Work Program							
Line		Moving to Work Demonstration Program 14.881	HCV for MTW 14 HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP	AMPS 14.850/872	Total MTW Programs	State and Local	Mainstream Vouchers 14.879
Item #	Accounts Description	14.881	14 HCV	14.OPS	14.CFP	14.850/872	Programs	Local	14.879
ASSETS									
CURRENT ASSETS									
Cash:									
111	Unrestricted	\$ 66,636,643	\$ -	\$ -	\$ -	\$ -	\$ 66,636,643	\$ 168,816	\$ -
112	Restricted - Modernization and Development	-	-	-	-	-	-	10,000,000	-
113	Other restricted	524,302	-	-	-	2,503,961	3,028,263	-	-
114	Tenant security deposits	-	-	-	-	313,504	313,504	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-
	Total cash	67,160,945	-	-	-	2,817,465	69,978,410	10,168,816	-
Accounts and notes receivable:									
121	Accounts receivable- PHA	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD	14,407,623	-	-	-	4,324,147	18,731,770	-	427,479
124	Accounts receivable - other government	6,113,646	-	-	-	-	6,113,646	-	-
125	Accounts receivable - miscellaneous	674,638	-	-	-	4,233,115	4,907,753	6,504,130	-
126	Accounts receivable - tenants rents	-	-	-	-	6,573,773	6,573,773	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	(3,407,016)	(3,407,016)	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	-
	Total receivables, net	21,195,907	-	-	-	11,724,019	32,919,926	6,504,130	427,479
131	Investments - Unrestricted	-	-	-	-	25,585,597	25,585,597	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	74,916	-	-	-	-	74,916	-	-
143	Inventories	914,584	-	-	-	-	914,584	-	-
144	Interprogram due from	913,546	-	-	-	633,750	1,547,296	1,113,376	-
	Total current assets	90,259,898	-	-	-	40,760,831	131,020,729	17,786,322	427,479
NONCURRENT ASSETS									
Capital assets:									
161	Land	-	-	-	-	37,471,324	37,471,324	-	-
162	Buildings	4,421,218	-	-	-	633,254,429	637,675,647	-	-
163	Furniture and equipment - Dwellings	-	-	-	-	-	-	-	-
164	Furniture and equipment - Administration	7,141,849	-	-	-	4,605,854	11,747,703	60,642	-
165	Leasehold improvements	3,007,855	-	-	-	-	3,007,855	-	-
167	Construction in progress	24,001	-	-	-	8,274,723	8,298,724	-	-
166	Accumulated depreciation	(6,281,885)	-	-	-	(437,239,707)	(443,521,592)	(60,642)	-
	Total capital assets, net	8,313,038	-	-	-	246,366,623	254,679,661	-	-
174	Other assets	25,833,649	-	-	-	-	25,833,649	-	-
176	Investments in joint ventures	-	-	-	-	-	-	-	-
171	Notes receivable - noncurrent	-	-	-	-	16,307,455	16,307,455	-	-
	Total noncurrent assets	34,146,687	-	-	-	262,674,078	296,820,765	-	-
200	Deferred Outflow of Resources	7,180,154	-	-	-	-	7,180,154	-	-
	Total Assets	\$ 131,586,739	\$ -	\$ -	\$ -	\$ 303,434,909	\$ 435,021,648	\$ 17,786,322	\$ 427,479

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Coronavirus State and Local Fiscal Recovery Funds 21.027	ROSS 14.870	Business Activities	Housing Choice Vouchers 14.871	Emergency Housing Vouchers 14.871	Single Room Occupancy 14.249	Section 8 Moderate Rehabilitation 14.856	Self Insurance Fund
ASSETS									
CURRENT ASSETS									
Cash:									
111	Unrestricted	\$ -	\$ -	\$ 186,735	\$ -	\$ 711,964	\$ -	\$ -	\$ -
112	Restricted - Moderization and Development	8,490,101	-	-	-	-	-	-	71,280
113	Other restricted	-	-	2,558,305	-	135,342	-	-	3,418,989
114	Tenant security deposits	-	-	139,218	-	-	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-
	Total cash	8,490,101	-	2,884,258	-	847,306	-	-	3,490,269
Accounts and notes receivable:									
121	Accounts receivable- PHA	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD	-	127,883	-	-	-	61,752	22,913	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	2,128,214	-	1,177,680	27,951	188,850	-	-	-
126	Accounts receivable - tenants rents	-	-	238,740	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	-
	Total receivables, net	2,128,214	127,883	1,416,420	27,951	188,850	61,752	22,913	-
131	Investments - Unrestricted	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	14,042,337
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-
144	Interprogram due from	935,892	-	4,145,748	342	-	-	24,944	-
	Total current assets	11,554,207	127,883	8,446,426	28,293	1,036,156	61,752	47,857	17,532,606
NONCURRENT ASSETS									
Capital assets:									
161	Land	-	-	2,169,425	-	-	-	-	-
162	Buildings	-	-	18,036,364	-	-	-	-	-
163	Furniture and equipment - Dwellings	-	-	-	-	-	-	-	-
164	Furniture and equipment - Administration	-	-	1,288,577	-	-	-	-	-
165	Leasehold improvements	-	-	6,293	-	-	-	-	-
167	Construction in progress	-	-	2,201,341	-	-	-	-	-
166	Accumulated depreciation	-	-	(16,496,031)	-	-	-	-	-
	Total capital assets, net	-	-	7,205,969	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-
176	Investments in joint ventures	-	-	-	-	-	-	-	-
171	Notes receivable - noncurrent	-	-	4,362,007	-	-	-	-	-
	Total noncurrent assets	-	-	11,567,976	-	-	-	-	-
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	-
	Total Assets	\$ 11,554,207	\$ 127,883	\$ 20,014,402	\$ 28,293	\$ 1,036,156	\$ 61,752	\$ 47,857	\$ 17,532,606

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Jobs Plus Pilot Initiative 14.895	HOPE VI 14.866	Choice 14.889	CDBG 14.218	Blended Component Units	Elimination	Total Business Type Activities	Discrete Component Units	Pension	OPEB	Fiduciary Funds Total
ASSETS												
CURRENT ASSETS												
Cash:												
111	Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 26,680,020	\$ -	\$ 94,384,178	\$ 334,309	\$ -	\$ -	\$ -
112	Restricted - Moderization and Development	-	-	-	-	-	-	18,561,381	-	-	-	-
113	Other restricted	-	-	-	-	4,994,221	-	14,135,120	2,438,787	-	-	-
114	Tenant security deposits	-	-	-	-	201,478	-	654,200	84,382	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-
	Total cash	-	-	-	-	31,875,719	-	127,734,879	2,857,478	-	-	-
Accounts and notes receivable:												
121	Accounts receivable- PHA	-	-	-	-	-	-	-	165,791	-	-	-
122	Accounts receivable - HUD	-	138,645	957,053	-	-	-	20,530,581	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	6,113,646	-	-	-	-
125	Accounts receivable - miscellaneous	-	3,550,000	-	8,191	1,015,622	-	19,508,391	228,428	-	80,945	80,945
126	Accounts receivable - tenants rents	-	-	-	-	326,294	-	7,138,807	471,106	-	-	-
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	(3,407,016)	(431,346)	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
	Total receivables, net	-	3,688,645	957,053	8,191	1,341,916	-	48,927,356	433,979	-	80,945	80,945
131	Investments - Unrestricted	-	-	-	-	-	-	25,585,597	12,129	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	14,042,337	-	47,812,327	41,745,361	89,557,688
142	Prepaid expenses and other assets	-	-	-	-	140,786	-	215,702	75,089	-	-	-
143	Inventories	-	-	-	-	-	-	914,584	-	-	-	-
144	Interprogram due from	103,694	-	4,408,855	310,884	6,185,305	(18,776,336)	-	-	-	-	-
	Total current assets	103,694	3,688,645	5,365,908	319,075	39,543,726	(18,776,336)	218,377,508	3,378,675	47,812,327	41,826,306	89,638,633
NONCURRENT ASSETS												
Capital assets:												
161	Land	-	-	-	-	12,713,678	-	52,354,427	2,788,845	-	-	-
162	Buildings	-	-	-	-	64,514,802	-	720,226,813	44,151,471	-	-	-
163	Furniture and equipment - Dwellings	-	-	-	-	-	-	-	660,720	-	-	-
164	Furniture and equipment - Administration	-	-	-	-	2,127,056	-	15,223,978	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-	3,014,148	509,110	-	-	-
167	Construction in progress	-	-	-	-	-	-	10,500,065	-	-	-	-
166	Accumulated depreciation	-	-	-	-	(38,567,386)	-	(498,645,651)	(21,057,576)	-	-	-
	Total capital assets, net	-	-	-	-	40,788,150	-	302,673,780	27,052,570	-	-	-
174	Other assets	-	-	-	-	-	-	25,833,649	176,342	-	-	-
176	Investments in joint ventures	-	-	-	-	5,370,072	-	5,370,072	-	-	-	-
171	Notes receivable - noncurrent	-	-	-	-	261,770,408	-	282,439,870	-	-	-	-
	Total noncurrent assets	-	-	-	-	307,928,630	-	616,317,371	27,228,912	-	-	-
200	Deferred Outflow of Resources	-	-	-	-	-	-	7,180,154	-	-	-	-
	Total Assets	\$ 103,694	\$ 3,688,645	\$ 5,365,908	\$ 319,075	\$ 347,472,356	\$ (18,776,336)	\$ 841,875,033	\$ 30,607,587	\$ 47,812,327	\$ 41,826,306	\$ 89,638,633

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

		Moving to Work Program							
Line		Moving to Work Demonstration Program	HCV for MTW	LIPH for MTW	CFP for MTW	AMPS	Total MTW	State and	Mainstream
Item #	Accounts Description	14.881	14 HCV	14.OPS	14.CFP	14.850/872	Programs	Local	Vouchers
									14.879
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
312	Accounts payable < 90 days	\$ 8,306,474	\$ -	\$ -	\$ -	\$ 140,705	\$ 8,447,179	\$ 1,807,674	\$ -
321	Accrued salaries/payroll withholding	2,523,787	-	-	-	-	2,523,787	-	-
322	Accrued compensated absences	832,478	-	-	-	445,858	1,278,336	-	-
324	Accrued contingency liability	-	-	-	-	2,658,201	2,658,201	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	362,239	362,239	-	-
333	Accounts payable - other gov.	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	313,135	313,135	-	-
342	Unearned revenue	349,543	-	-	-	557,211	906,754	10,152,634	-
343	Current portion of L-T debt - capital projects	-	-	-	-	3,185,369	3,185,369	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	292,521	-	-	-	1,017,053	1,309,574	-	-
346	Accrued liabilities - other	2,401,158	-	-	-	2,352,189	4,753,347	57,905	-
347	Interprogram (due to)	-	-	-	-	4,510,366	4,510,366	6,185,305	354,737
	Total current liabilities	14,705,961	-	-	-	15,542,326	30,248,287	18,203,518	354,737
NONCURRENT LIABILITIES									
	Long-term debt, net of current -								
351	Capital projects/mortgage revenue	-	-	-	-	29,458,622	29,458,622	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	4,129,810	4,129,810	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-
354	Accrued comp. absences - long term	2,497,435	-	-	-	1,337,575	3,835,010	-	-
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-
	Total noncurrent liabilities	2,497,435	-	-	-	34,926,007	37,423,442	-	-
	Total liabilities	17,203,396	-	-	-	50,468,333	67,671,729	18,203,518	354,737
400	Deferred Inflow of Resources	10,841,829	-	-	-	-	10,841,829	-	-
NET POSITION									
508.4	Invested in capital assets, net of related debt	8,313,038	-	-	-	211,064,431	219,377,469	-	-
511.4	Restricted net position	26,357,951	-	-	-	18,811,785	45,169,736	-	-
512.4	Unrestricted net position	68,870,525	-	-	-	23,090,360	91,960,885	(417,196)	72,742
	Total net position	103,541,514	-	-	-	252,966,576	356,508,090	(417,196)	72,742
	Total Liabilities and Net Position	\$ 131,586,739	\$ -	\$ -	\$ -	\$ 303,434,909	\$ 435,021,648	\$ 17,786,322	\$ 427,479

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Coronavirus State and Local Fiscal Recovery Funds 21.027	ROSS 14.870	Business Activities	Housing Choice Vouchers 14.871	Emergency Housing Vouchers 14.871	Single Room Occupancy 14.249	Section 8 Moderate Rehabilitation 14.856	Self Insurance Fund
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
312	Accounts payable < 90 days	\$ 3,064,106	\$ -	\$ 114,747	\$ -	-	\$ -	\$ -	\$ -
321	Accrued salaries/payroll withholding	-	-	-	-	-	-	-	-
322	Accrued compensated absences	-	-	39,180	-	-	-	-	-
324	Accrued contingency liability	-	-	1,062,004	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	9,119	-
333	Accounts payable - other gov.	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	131,119	-	-	-	-	-
342	Unearned revenue	8,490,101	-	146,999	28,293	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	610,316	-	-	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	31,292	-	-	-	-	-
347	Interprogram (due to)	-	110,078	325,313	-	9,747	112,031	-	651,921
	Total current liabilities	11,554,207	110,078	2,460,970	28,293	9,747	112,031	9,119	651,921
NONCURRENT LIABILITIES									
	Long-term debt, net of current -								
351	Capital projects/mortgage revenue	-	-	7,275,975	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-
354	Accrued comp. absences - long term	-	-	117,539	-	-	-	-	-
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-
	Total noncurrent liabilities	-	-	7,393,514	-	-	-	-	-
	Total liabilities	11,554,207	110,078	9,854,484	28,293	9,747	112,031	9,119	651,921
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	-
NET POSITION									
508.4	Invested in capital assets, net of related debt	-	-	(765,511)	-	-	-	-	-
511.4	Restricted net position	-	-	6,928,411	-	135,342	-	-	16,880,685
512.4	Unrestricted net position	-	17,805	3,997,018	-	891,067	(50,279)	38,738	-
	Total net position	-	17,805	10,159,918	-	1,026,409	(50,279)	38,738	16,880,685
	Total Liabilities and Net Position	\$ 11,554,207	\$ 127,883	\$ 20,014,402	\$ 28,293	\$ 1,036,156	\$ 61,752	\$ 47,857	\$ 17,532,606

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2023**

Line Item #	Accounts Description	Jobs Plus Pilot Initiative 14.895	HOPE VI 14.866	Choice 14.889	CDBG 14.218	Blended Component Units	Elimination	Total Business Type Activities	Discrete Component Units	Pension	OPEB	Fiduciary Funds Total
LIABILITIES AND NET ASSETS												
CURRENT LIABILITIES												
312	Accounts payable < 90 days	\$ 104,163	\$ -	\$ 671,772	\$ -	\$ 3,749,381	\$ -	\$ 17,959,022	\$ 865,850	\$ -	\$ -	\$ -
321	Accrued salaries/payroll withholding	-	-	-	-	-	-	2,523,787	-	-	-	-
322	Accrued compensated absences	-	-	-	-	-	-	1,317,516	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	3,720,205	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	371,358	-	-	-	-
333	Accounts payable - other gov.	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	185,817	-	630,071	69,847	-	-	-
342	Unearned revenue	-	-	-	-	-	-	19,724,781	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	564,771	-	4,360,456	13,683	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-	-	302,209	-	302,209	1,812,704	-	-	-
345	Other current liabilities	-	-	-	-	951,656	-	2,261,230	20,843	5,594	6,032,534	6,038,128
346	Accrued liabilities - other	-	-	-	-	743,193	-	5,585,737	13,416	-	-	-
347	Interprogram (due to)	-	124,301	5,375,195	-	954,256	(18,776,336)	-	-	-	-	-
	Total current liabilities	104,163	124,301	6,046,967	-	7,451,283	(18,776,336)	58,756,372	2,796,343	5,594	6,032,534	6,038,128
NONCURRENT LIABILITIES												
	Long-term debt, net of current -											
351	Capital projects/mortgage revenue	-	-	-	-	26,492,020	-	63,226,617	23,326,023	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	4,129,810	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	8,117,892	-	8,117,892	14,498,031	-	-	-
354	Accrued comp. absences - long term	-	-	-	-	-	-	3,952,549	-	-	-	-
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-
	Total noncurrent liabilities	-	-	-	-	34,609,912	-	79,426,868	37,824,054	-	-	-
	Total liabilities	104,163	124,301	6,046,967	-	42,061,195	(18,776,336)	138,183,240	40,620,397	5,594	6,032,534	6,038,128
400	Deferred Inflow of Resources	-	-	-	-	-	-	10,841,829	-	-	-	-
NET POSITION												
508.4	Invested in capital assets, net of related debt	-	-	-	-	13,731,359	-	232,343,317	3,712,864	-	-	-
511.4	Restricted net position	-	-	-	-	272,150,362	-	341,264,536	2,523,170	47,806,733	35,920,608	83,727,341
512.4	Unrestricted net position	(469)	3,564,344	(681,059)	319,075	19,529,440	-	119,242,111	(16,248,844)	-	(126,836)	(126,836)
	Total net position	(469)	3,564,344	(681,059)	319,075	305,411,161	-	692,849,964	(10,012,810)	47,806,733	35,793,772	83,600,505
	Total Liabilities and Net Position	\$ 103,694	\$ 3,688,645	\$ 5,365,908	\$ 319,075	\$ 347,472,356	\$ (18,776,336)	\$ 841,875,033	\$ 30,607,587	\$ 47,812,327	\$ 41,826,306	\$ 89,638,633

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

		Moving to Work Program							
Line		Moving to Work	HCV for	LIPH for	CFP for	AMPS	Total MTW	State and	Mainstream
Item #	Accounts Description	Demonstration	MTW	MTW	MTW		Programs	Local	Vouchers
		14.881	14 HCV	14.OPS	14.CFP	14.850/872			14.879
REVENUE									
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ 19,655,448	\$ 19,655,448	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	43,752	43,752	-	-
70500	Total tenant revenue	-	-	-	-	19,699,200	19,699,200	-	-
70600	HUD PHA operating grants	-	298,935,695	80,091,344	-	-	379,027,039	-	680,360
70610	Capital grants	-	-	-	20,447,990	-	20,447,990	-	-
70800	Other governmental grants	-	-	-	-	-	-	7,401,634	-
71100	Investment income - unrestricted	1,512,818	-	-	-	1,467,865	2,980,683	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	1,428,993	1,428,993	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-
71400	Fraud recovery	3,300	-	-	-	-	3,300	-	-
71500	Other revenue	-	-	-	-	8,550,509	8,550,509	170,237	414,023
71600	Gain or loss on the sale of fixed assets	(39,790)	-	-	-	(12,482,434)	(12,522,224)	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-
	Total revenue	1,476,328	298,935,695	80,091,344	20,447,990	18,664,133	419,615,490	7,571,871	1,094,383
EXPENSES									
Administrative:									
91100	Administrative salaries	14,940,558	-	-	-	7,265,768	22,206,326	-	-
91200	Auditing fees	110,801	-	-	-	74,859	185,660	-	-
91300	Management fee	-	-	-	-	7,181	7,181	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-	-
91400	Advertising and marketing	154,647	-	-	-	41,622	196,269	-	-
91500	Employee benefit contributions - administrative	4,368,846	-	-	-	2,096,054	6,464,900	-	-
91600	Office expenses	758,719	-	-	-	1,317,391	2,076,110	-	-
91700	Legal expense	9,750	-	-	-	39,462	49,212	-	-
91800	Travel	70,901	-	-	-	21,090	91,991	-	-
91810	Allocated overhead	(12,372,309)	-	-	-	10,926,590	(1,445,719)	-	-
91900	Other	8,141,989	-	-	-	3,292,743	11,434,732	40,952	-
	Total administrative	16,183,902	-	-	-	25,082,760	41,266,662	40,952	-
Tenant services:									
92100	Salaries	-	-	-	-	1,443,967	1,443,967	247,777	-
92200	Relocation costs	2,227	-	-	-	140,322	142,549	-	-
92300	Employee benefit contributions	-	-	-	-	446,302	446,302	49,366	-
92400	Other	169,361	-	-	-	135,949	305,310	255,107	-
	Total tenant services	171,588	-	-	-	2,166,540	2,338,128	552,250	-

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Coronavirus State and Local Fiscal Recovery Funds 21.027	ROSS 14.870	Youth Build 17.274	Business Activities	Housing Choice Vouchers 14.871	Emergency Housing Vouchers 14.871	Single Room Occupancy 14.249	Section 8 Moderate Rehabilitation 14.856	Self Insurance Fund
REVENUE										
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 1,669,557	\$ -	0	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	47,565	-	0	-	-	-
70500	Total tenant revenue	-	-	-	1,717,122	-	-	-	-	-
70600	HUD PHA operating grants	-	638,302	-	-	7,027,423	4,750,678	370,978	279,704	-
70610	Capital grants	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	5,058,286	-	-	145,088	-	-	-	-	-
71100	Investment income - unrestricted	-	-	-	-	-	-	-	-	657,543
71300	Proceeds from disposition of assets held for sale	-	-	-	100	-	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	4,147,741	-	188,850	-	-	92,066
71600	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-
	Total revenue	5,058,286	638,302	-	6,010,051	7,027,423	4,939,528	370,978	279,704	749,609
EXPENSES										
Administrative:										
91100	Administrative salaries	-	-	-	1,656,822	-	-	-	-	-
91200	Auditing fees	-	-	-	53,839	-	-	3,750	1,500	-
91300	Management fee	-	-	-	106,807	-	-	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	7,645	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	390,424	-	-	-	-	-
91600	Office expenses	-	-	-	116,191	-	-	-	-	-
91700	Legal expense	-	-	-	9,961	-	-	-	-	-
91800	Travel	-	-	-	3,122	-	-	-	-	-
91810	Allocated overhead	-	-	-	320,585	-	-	181,213	39,085	-
91900	Other	-	-	-	762,184	-	-	-	-	-
	Total administrative	-	-	-	3,427,580	-	-	184,963	40,585	-
Tenant services:										
92100	Salaries	-	476,278	-	76,048	-	-	-	-	-
92200	Relocation costs	-	-	-	10,500	-	295,277	-	-	-
92300	Employee benefit contributions	-	132,767	-	10,409	-	-	-	-	-
92400	Other	-	22,805	-	43,932	-	-	-	-	-
	Total tenant services	-	631,850	-	140,889	-	295,277	-	-	-

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Jobs Plus Pilot Initiative 14.895	HOPE VI 14.866	Choice 14.889	CDBG 14.218	Blended Component Units	Elimination	Total Business Type Activities	Discrete Component Units	Pension	OPEB	Fiduciary Funds Total
REVENUE												
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ 2,625,690	\$ -	\$ 23,950,695	\$ 1,445,063	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	12,844	-	104,161	8,354	-	-	-
70500	Total tenant revenue	-	-	-	-	2,638,534	-	24,054,856	1,453,417	-	-	-
70600	HUD PHA operating grants	-	-	-	-	-	-	392,774,484	-	-	-	-
70610	Capital grants	-	122,500	2,525,845	-	-	-	23,096,335	-	-	-	-
70800	Other governmental grants	78,000	-	-	-	2,055,896	-	14,801,990	-	-	-	-
71100	Investment income - unrestricted	-	-	-	-	1,113,124	-	4,751,350	14,088	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	1,429,093	-	-	-	-
71310	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	3,300	-	-	-	-
71500	Other revenue	-	121,894	-	1,950	65,588,348	-	79,275,618	312,860	2,273,206	-	2,273,206
71600	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	(12,522,224)	-	-	-	-
72000	Investment income - restricted	-	-	-	-	102,312	-	102,312	-	3,900,065	2,902,781	6,802,846
	Total revenue	78,000	244,394	2,525,845	1,950	71,498,214	-	527,767,114	1,780,365	6,173,271	2,902,781	9,076,052
EXPENSES												
Administrative:												
91100	Administrative salaries	-	-	117,421	-	544,631	-	24,525,200	319,097	-	-	-
91200	Auditing fees	-	-	-	-	117,212	-	361,961	71,168	-	17,000	17,000
91300	Management fee	-	-	-	-	267,053	-	381,041	135,410	-	-	-
91310	Bookkeeping fee	-	-	-	-	-	-	-	7,488	-	-	-
91400	Advertising and marketing	-	-	-	-	14,378	-	218,292	14,990	-	-	-
91500	Employee benefit contributions - administrative	-	-	25,929	-	-	-	6,881,253	-	-	3,986,615	3,986,615
91600	Office expenses	-	-	-	-	131,440	-	2,323,741	58,892	-	78,258	78,258
91700	Legal expense	-	-	-	-	109,194	-	168,367	20,634	-	-	-
91800	Travel	-	-	-	-	-	-	95,113	-	-	-	-
91810	Allocated overhead	-	1	-	-	899,295	-	-	-	-	-	-
91900	Other	-	8	691,682	-	668,155	-	13,597,713	92,427	2,002	-	2,002
	Total administrative	-	9	835,032	-	2,751,358	-	48,552,681	720,106	2,002	4,081,873	4,083,875
Tenant services:												
92100	Salaries	-	-	-	-	99,093	-	2,379,924	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	448,326	-	-	-	-
92300	Employee benefit contributions	-	-	-	-	-	-	641,803	-	-	-	-
92400	Other	27,732	-	321,931	-	46,464	-	1,041,107	-	-	-	-
	Total tenant services	27,732	-	321,931	-	145,557	-	4,511,160	-	-	-	-

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

		Moving to Work Program								
Line		Moving to Work	HCV for	LIPH for	CFP for	AMPS	Total MTW	State and	Mainstream	
Item #	Accounts Description	Demonstration	MTW	MTW	MTW		Programs	Local	Vouchers	
		14.881	14 HCV	14.OPS	14.CFP	14.850/872			14.879	
EXPENSES (Continued)										
Utilities:										
93100	Water	\$ -	\$ -	\$ -	\$ -	\$ 8,007,155	\$ 8,007,155	\$ -	\$ -	
93200	Electricity	-	-	-	-	4,672,249	4,672,249	-	-	
93300	Gas	-	-	-	-	3,145,047	3,145,047	-	-	
93600	Sewer	-	-	-	-	-	-	-	-	
93800	Other utilities expense	-	-	-	-	2,648,057	2,648,057	-	-	
	Total utilities	-	-	-	-	18,472,508	18,472,508	-	-	
Ordinary maintenance and operations:										
94100	Labor	1,063,090	-	-	-	14,055,750	15,118,840	1,772,373	-	
94200	Materials and other	6,426,250	-	-	-	2,852,427	9,278,677	925,895	-	
94300	Contracts	25,175,212	-	-	-	9,249,663	34,424,875	732,912	-	
94500	Employee benefits contribution	88,016	-	-	-	4,116,070	4,204,086	119,819	-	
	Total ordinary maintenance and operations	32,752,568	-	-	-	30,273,910	63,026,478	3,550,999	-	
Protective Services:										
95200	Protective services - other contract costs	163,875	-	-	-	2,702,374	2,866,249	11,608	-	
95300	Protective services - other	283,722	-	-	-	9,770	293,492	-	-	
	Total protective services	447,597	-	-	-	2,712,144	3,159,741	11,608	-	
Insurance premiums:										
96110	Property insurance	-	-	-	-	581,367	581,367	-	-	
96120	Liability insurance	16,483	-	-	-	1,115,459	1,131,942	9,348	-	
96130	Workmen's compensation	322,320	-	-	-	551,399	873,719	1,156	-	
96140	All other insurance	22,249	-	-	-	356,849	379,098	-	-	
96100	Total Insurance premiums	361,052	-	-	-	2,605,074	2,966,126	10,504	-	
General expenses:										
96200	Other general expenses	5,116,332	-	-	-	1,614,430	6,730,762	5,282,448	-	
96210	Compensated absences	409,535	-	-	-	475,896	885,431	-	-	
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	
96400	Bad debt - tenant rents	-	-	-	-	1,948,977	1,948,977	-	-	
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	
96600	Bad debt - Other	-	-	-	-	1,038,421	1,038,421	-	-	
96800	Severance expense	-	-	-	-	-	-	-	-	
	Total general expenses	5,525,867	-	-	-	5,077,724	10,603,591	5,282,448	-	
96710	Interest of mortgage or bonds payable	-	-	-	-	-	-	-	-	
96720	Interest on notes payable (short and long term)	-	-	-	-	1,910,738	1,910,738	-	-	
96700	Total interest expense and amortization cost	-	-	-	-	1,910,738	1,910,738	-	-	
	Total operating expenses	55,442,574	-	-	-	88,301,398	143,743,972	9,448,761	-	
	Excess of operating revenue over operating expenses	(53,966,246)	298,935,695	80,091,344	20,447,990	(69,637,265)	275,871,518	(1,876,890)	1,094,383	

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Coronavirus State and Local Fiscal Recovery Funds 21.027	ROSS 14.870	Business Activities	Housing Choice Vouchers 14.871	Emergency Housing Vouchers 14.871	Single Room Occupancy 14.249	Section 8 Moderate Rehabilitation 14.856	Self Insurance Fund
EXPENSES (Continued)									
Utilities:									
93100	Water	\$ -	\$ -	\$ 393,295	\$ -	\$ -	\$ -	\$ -	\$ -
93200	Electricity	-	-	81,414	-	-	-	-	-
93300	Gas	-	-	5,512	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-
	Total utilities	-	-	480,221	-	-	-	-	-
Ordinary maintenance and operations:									
94100	Labor	-	-	-	-	-	-	-	-
94200	Materials and other	-	-	239,869	-	-	-	-	-
94300	Contracts	-	-	635,094	-	-	-	-	-
94500	Employee benefits contribution	-	-	-	-	-	-	-	-
	Total ordinary maintenance and operations	-	-	874,963	-	-	-	-	-
Protective Services:									
95200	Protective services - other contract costs	-	-	31,575	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-
	Total protective services	-	-	31,575	-	-	-	-	-
Insurance premiums:									
96110	Property insurance	-	-	71,401	-	-	-	-	-
96120	Liability insurance	-	-	18,243	-	-	-	-	-
96130	Workmen's compensation	-	6,969	342,980	-	-	-	-	-
96140	All other insurance	-	-	40,263	-	-	-	-	-
96100	Total Insurance premiums	-	6,969	472,887	-	-	-	-	-
General expenses:									
96200	Other general expenses	5,239,585	-	1,936,801	-	-	-	-	475,000
96210	Compensated absences	-	-	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	70,792	-	-	-	-	-
96500	Bad debt - mortgages	-	-	58,709	-	-	-	-	-
96600	Bad debt - Other	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
	Total general expenses	5,239,585	-	2,066,302	-	-	-	-	475,000
96710	Interest of mortgage or bonds payable	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-	-	-	-
	Total operating expenses	5,239,585	638,819	7,494,417	-	295,277	184,963	40,585	475,000
	Excess of operating revenue over operating expenses	(181,299)	(517)	(1,484,366)	7,027,423	4,644,251	186,015	239,119	274,609

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Affordable Connectivity Program 32.008	Line Item #	Accounts Description	Jobs Plus Pilot Initiative 14.895	HOPE VI 14.866	Choice 14.889	CDBG 14.218	Blended Component Units	Elimination	Total Business Type Activities	Discrete Component Units	Pension	OPEB
		EXPENSES (Continued)										
		Utilities:										
\$	-	93100 Water	\$ -	\$ -	\$ -	\$ -	\$ 795,952	\$ -	\$ 9,196,402	\$ 268,990	\$ -	\$ -
-	-	93200 Electricity	-	-	-	-	62,084	-	4,815,747	60,677	-	-
-	-	93300 Gas	-	-	-	-	44,957	-	3,195,516	8,116	-	-
-	-	93600 Sewer	-	-	-	-	-	-	-	139,958	-	-
-	-	93800 Other utilities expense	-	-	-	-	-	-	2,648,057	-	-	-
-	-	Total utilities	-	-	-	-	902,993	-	19,855,722	477,741	-	-
		Ordinary maintenance and operations:										
-	-	94100 Labor	-	-	-	-	626,848	-	17,518,061	216,338	-	-
-	-	94200 Materials and other	-	-	-	-	353,900	-	10,798,341	184,793	-	-
-	-	94300 Contracts	-	-	-	-	1,025,250	-	36,818,131	891,322	-	-
-	-	94500 Employee benefits contribution	-	-	-	-	-	-	4,323,905	-	-	-
-	-	Total ordinary maintenance and operations	-	-	-	-	2,005,998	-	69,458,438	1,292,453	-	-
		Protective Services:										
-	-	95200 Protective services - other contract costs	-	-	-	-	1,514	-	2,910,946	-	-	-
-	-	95300 Protective services - other	-	-	-	-	-	-	293,492	-	-	-
-	-	Total protective services	-	-	-	-	1,514	-	3,204,438	-	-	-
		Insurance premiums:										
-	-	96110 Property insurance	-	-	-	-	229,880	-	882,648	227,765	-	-
-	-	96120 Liability insurance	-	-	-	-	40,393	-	1,199,926	-	-	-
-	-	96130 Workmen's compensation	-	-	653	-	23,596	-	1,249,073	26,901	-	-
-	-	96140 All other insurance	-	-	-	-	-	-	419,361	29,382	3,592	-
-	-	Total Insurance premiums	-	-	653	-	293,869	-	3,751,008	284,048	3,592	-
		General expenses:										
-	-	96200 Other general expenses	-	171,564	3,283,772	-	36,235,117	-	59,355,049	97,894	-	-
-	-	96210 Compensated absences	-	-	-	-	-	-	885,431	-	-	-
-	-	96300 Payments in lieu of taxes	-	-	-	-	79,257	-	79,257	62,353	-	-
-	-	96400 Bad debt - tenant rents	-	-	-	-	616,618	-	2,636,387	327,454	-	-
-	-	96500 Bad debt - mortgages	-	-	-	-	-	-	58,709	-	-	-
-	-	96600 Bad debt - Other	-	-	-	-	10,485,815	-	11,524,236	-	-	-
-	-	96800 Severance expense	-	-	-	-	-	-	-	-	2,273,206	-
-	-	Total general expenses	-	171,564	3,283,772	-	47,416,807	-	74,539,069	487,701	2,273,206	-
-	-	96710 Interest of mortgage or bonds payable	-	-	-	-	439,376	-	439,376	763,205	-	-
-	-	96720 Interest on notes payable (short and long term)	-	-	-	-	268,096	-	2,178,834	2,520	-	-
-	-	96700 Total interest expense and amortization cost	-	-	-	-	707,472	-	2,618,210	765,725	-	-
63,086		Total operating expenses	27,732	171,573	4,441,388	-	54,225,568	-	226,490,726	4,027,774	2,278,800	4,081,873
		Excess of operating revenue over										

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Moving to Work Program					Total MTW Programs	State and Local	Mainstream Vouchers 14.879
		Moving to Work Demonstration Program 14.881	HCV for MTW 14 HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP	AMPS 14.850/872			
	EXPENSES (Continued)								
97100	Extraordinary maintenance	\$ 823,453	\$ -	\$ -	\$ -	\$ -	\$ 823,453	\$ -	\$ -
97200	Casualty losses - noncapitalized	156,492	-	-	-	795,060	951,552	-	-
97300	Housing assistance payments	247,838,052	-	-	-	-	247,838,052	-	1,094,382
97350	HAP portability - in	257,810	-	-	-	-	257,810	-	-
97400	Depreciation expense	349,344	-	-	-	15,713,045	16,062,389	-	-
	Total expenses	304,867,725	-	-	-	104,809,503	409,677,228	9,448,761	1,094,382
	Other financing sources (uses):								
10010	Operating transfer in	399,475,029	-	-	-	-	399,475,029	-	-
10020	Operating transfer out	-	(298,935,695)	(80,091,344)	(20,447,990)	-	(399,475,029)	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10093	Transfers between program and project- in	-	-	-	-	85,091,443	85,091,443	-	-
10094	Transfers between program and project- out	(85,091,443)	-	-	-	-	(85,091,443)	-	-
	Total other financing sources (uses)	314,383,586	(298,935,695)	(80,091,344)	(20,447,990)	85,091,443	-	-	-
	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 10,992,189	\$ -	\$ -	\$ -	\$ (1,053,927)	\$ 9,938,262	\$ (1,876,890)	\$ 1
	Memo Account Information								
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ 2,150,000	\$ -	\$ -	\$ -
11030	Beginning equity	82,473,957	-	-	-	267,675,408	350,149,365	1,459,694	72,741
11040	Prior period adjustments, equity transfers and correction	10,075,368	-	-	-	(13,654,905)	(3,579,537)	-	-

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Coronavirus State and Local Fiscal Recovery Funds 21.027	ROSS 14.870	Business Activities	Housing Choice Vouchers 14.871	Emergency Housing Vouchers 14.871	Single Room Occupancy 14.249	Section 8 Moderate Rehabilitation 14.856	Self Insurance Fund
EXPENSES (Continued)									
97100	Extraordinary maintenance	\$ -	\$ -	\$ 456,230	\$ -	\$ -	\$ -	\$ -	\$ -
97200	Casualty losses - noncapitalized	-	-	5,368	-	-	-	-	-
97300	Housing assistance payments	-	-	-	7,027,235	3,661,714	288,347	242,987	-
97350	HAP portability - in	-	-	-	188	-	-	-	-
97400	Depreciation expense	-	-	189,385	-	-	-	-	-
	Total expenses	5,239,585	638,819	8,145,400	7,027,423	3,956,991	473,310	283,572	475,000
Other financing sources (uses):									
10010	Operating transfer in	-	-	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10093	Transfers between program and project- in	-	-	-	-	-	-	-	-
10094	Transfers between program and project- out	-	-	-	-	-	-	-	-
	Total other financing sources (uses)	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES									
		<u>\$ (181,299)</u>	<u>\$ (517)</u>	<u>\$ (2,135,349)</u>	<u>\$ -</u>	<u>\$ 982,537</u>	<u>\$ (102,332)</u>	<u>\$ (3,868)</u>	<u>\$ 274,609</u>
Memo Account Information									
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	181,299	18,322	8,715,730	-	43,872	52,053	42,606	16,606,076
11040	Prior period adjustments, equity transfers and correction	-	-	3,579,537	-	-	-	-	-

**HOUSING AUTHORITY OF BALTIMORE CITY
FINANCIAL DATA SCHEDULES
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2023**

Line Item #	Accounts Description	Jobs Plus Pilot Initiative 14.895	HOPE VI 14.866	Choice 14.889	CDBG 14.218	Blended Component Units	Elimination	Total Business Type Activities	Discrete Component Units	Pension	OPEB	Fiduciary Funds Total
EXPENSES (Continued)												
97100	Extraordinary maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,279,683	\$ -	\$ -	\$ -	\$ -
97200	Casualty losses - noncapitalized	-	-	-	-	-	-	956,920	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	260,152,717	-	-	-	-
97350	HAP portability - in	-	-	-	-	-	-	257,998	-	-	-	-
97400	Depreciation expense	-	-	-	-	3,255,061	-	19,506,835	1,227,996	-	-	-
	Total expenses	27,732	171,573	4,441,388	-	57,480,629	-	508,644,879	5,255,770	2,278,800	4,081,873	6,360,673
Other financing sources (uses):												
10010	Operating transfer in	-	-	-	-	-	(399,475,029)	-	-	-	-	-
10020	Operating transfer out	-	-	-	-	-	399,475,029	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	1,400,004	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project- in	-	-	-	-	-	(85,091,443)	-	-	-	-	-
10094	Transfers between program and project- out	-	-	-	-	-	85,091,443	-	-	-	-	-
	Total other financing sources (uses)	-	-	-	-	-	-	-	1,400,004	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES												
		<u>\$ 50,268</u>	<u>\$ 72,821</u>	<u>\$ (1,915,543)</u>	<u>\$ 1,950</u>	<u>\$ 14,017,585</u>	<u>\$ -</u>	<u>\$ 19,122,235</u>	<u>\$ (2,075,401)</u>	<u>\$ 3,894,471</u>	<u>\$ (1,179,092)</u>	<u>\$ 2,715,379</u>
Memo Account Information												
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,161,020	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	(50,737)	3,491,523	1,234,484	317,125	291,393,576	-	673,727,729	(7,937,409)	43,912,262	36,972,864	80,885,126
11040	Prior period adjustments, equity transfers and correction	-	-	-	-	-	-	-	-	-	-	-



**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**

Board of Commissioners
Housing Authority of Baltimore City
Baltimore, Maryland

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, the aggregate discretely presented component units, and the aggregate remaining fund information of the Housing Authority of Baltimore City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of Baltimore City's basic financial statements, and have issued our report thereon dated September 30, 2024. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on the Housing Authority of Baltimore City's financial statements. The audit of Sharp-Leadenhall Rental No. 1, LP was not performed in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Authority of Baltimore City's internal control over financial reporting (internal control) as a basis for designing 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 Housing Authority of Baltimore City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Baltimore City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Baltimore City'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 financial statements. 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, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
September 30, 2024



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

Board of Commissioners
Housing Authority of Baltimore City
Baltimore, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of Baltimore City's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Baltimore City's major federal programs for the year ended December 31, 2023. The Housing Authority of Baltimore City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of Baltimore City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of Baltimore City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of Baltimore City's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not included in the Compliance Audit

The Housing Authority of Baltimore City's basic financial statements include the operations of discretely presented component units which may have expended federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described in the Opinion on Each Major Federal Program section, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Authority of Baltimore City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority of Baltimore City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of Baltimore City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of Baltimore City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of Baltimore City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Housing Authority of Baltimore City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
September 30, 2024

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development				
Direct Programs				
Moving to Work Demonstration Program	14.881	N/A	\$ 94,759,280	\$ 399,475,029
Resident Opportunities and Supportive Services	14.870	N/A	-	638,302
Jobs Plus Initiative	14.895	N/A	-	27,732
Section 8 Project-Based Cluster:				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	-	283,572
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	-	473,310
Total Section 8 Project-Based Cluster			-	756,882
HOPE VI Cluster:				
Revitalization of Severely Distressed Public Housing	14.866	N/A	-	122,500
Choice Neighborhoods Implementation Grant	14.889	N/A	-	2,525,845
Total HOPE VI Cluster			-	2,648,345
Housing Voucher Cluster:				
Section 8 Housing Vouchers	14.871	N/A	-	7,027,423
Emergency Housing Vouchers	14.871	N/A	-	3,956,991
Mainstream Vouchers	14.879	N/A	-	1,094,382
Total Housing Voucher Cluster			-	12,078,796
Total Department of Housing and Urban Development			94,759,280	415,625,086
U.S. Department of Treasury				
Passed through the City of Baltimore COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	PRJ002660	-	5,058,286
Total U.S. Department of Treasury			-	5,058,286
Federal Communications Commission				
Affordable Connectivity Program	32.008	N/A	-	63,086
Total Federal Communications Commission			-	63,086
Total Expenditures of Federal Awards			\$ 94,759,280	\$ 420,746,458

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of Baltimore City (the Authority) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 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 position, 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.

NOTE 3 SUBRECIPIENTS

Of the federal expenditures presented in the accompanying schedule, the Authority provided federal awards to a subrecipient (Baltimore Regional Housing Partnership) in the amount of \$94,759,280 under the Moving to Work program (Assistance Listing Number 14.881) for the year ended December 31, 2023.

NOTE 4 INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. 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

Assistance Listing Numbers

14.881
14.871/14.879
21.027

Name of Federal Program or Cluster

Moving to Work Demonstration Program
Housing Voucher Cluster
COVID-19 Coronavirus State and Local Fiscal
Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 x yes no

**HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

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).



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