



BOSTON REDEVELOPMENT AUTHORITY
D/B/A
BOSTON PLANNING & DEVELOPMENT AGENCY
(A Component Unit of the City of Boston)
Financial Statements and Required
Supplementary Information
June 30, 2025 and 2024
(With Independent Auditors' Report Thereon)

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Table of Contents

	Page(s)
Independent Auditors' Report	1–3
Management's Discussion and Analysis – Required Supplementary Information (Unaudited)	4–14
Basic Financial Statements:	
Proprietary Fund:	
Statements of Net Position	15
Statements of Revenues, Expenses, and Changes in Net Position	16
Statements of Cash Flows	17
Fiduciary Fund:	
Statements of Net Position	18
Statements of Changes in Net Position	19
Notes to Financial Statements	20–49
Required Supplementary Information (Unaudited)	
Schedule of Employer Contributions – Boston Retirement System	50
Schedule of Proportionate Share of the Net Pension Liability – Boston Retirement System	51
Schedule of Employer Contributions – OPEB Plan	52
Schedule of Investment Returns – OPEB Plan	53
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios	54
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 <i>Government Auditing Standards</i>	55–56



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Independent Auditors' Report

The Board of Directors
Boston Redevelopment Authority:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and fiduciary activities of the Boston Redevelopment Authority (the Authority), a component unit of the City of Boston, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2025 and 2024, and the changes in its financial position and, where applicable, cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of employer contributions – Boston Retirement System, schedule of proportionate share of the net pension liability – Boston Retirement System, schedule of employer contributions – OPEB Plan, schedule of investment returns – OPEB Plan, and schedule of changes in net OPEB liability (asset) and related ratios 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Boston, Massachusetts
November 14, 2025

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

Introduction

The following discussion and analysis of the financial performance and activity of the Boston Redevelopment Authority (the Authority), d/b/a the Boston Planning & Development Agency (BPDA), is intended to provide an introduction to and an overview and analysis of the basic financial statements of the Authority for the fiscal year ended June 30, 2025, with selective comparison information for the fiscal years ended June 30, 2024 and 2023. Please read in conjunction with the Authority's financial statements and the notes thereto, which follow this section.

Overview of the Financial Statements

This report consists of the following parts: management's discussion and analysis (this section), the financial statements, including the notes to the financial statements, and the required supplementary information.

The financial statements provide information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Proprietary Fund Financial Statements

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board's requirements for a special purpose governments engaged in business type activities.

Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include the statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows for each fiscal year. These are followed by notes to the financial statements. In addition to the financial statements, this report contains required supplementary information pertaining to the retirement and other postemployment benefit plans (OPEB) of the Authority.

The statement of net position presents information on the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or weakening.

The statement of revenue, expenses and changes in net position reports the operating revenues and expenses and the nonoperating revenue and expenses of the Authority for the fiscal year. The difference – increase or decrease in net position – determines the net change in net position for the fiscal year. That change combined with the net position from the end of the previous fiscal year equals the net position at the end of the fiscal year.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, noncapital and related financing activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year balance of cash and cash equivalents total to the cash and cash equivalent balance at the end of the fiscal year.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

Proprietary Fund Condensed Financial Information and Analysis

The Authority's Condensed Schedules of Net Position as of June 30, 2025, 2024 and 2023 are as follows:

Condensed Statements of Net Position

	June 30			Percentage Change	
	2025	2024	2023	2025-2024	2024-2023
Assets:					
Current and other assets	\$ 342,581,047	350,049,572	395,141,890	(2.13)%	(11.4)%
Capital assets, net	38,480,983	34,367,709	31,874,021	12.0	7.8
Total assets	381,062,030	384,417,281	427,015,911	(0.9)	(10.0)
Deferred outflows of resources	3,751,177	4,921,693	8,429,994	(23.8)	(41.6)
Liabilities:					
Current liabilities	7,580,085	9,087,726	14,957,453	(16.6)	(39.2)
Noncurrent liabilities	164,720,590	173,361,835	191,728,846	(5.0)	(9.6)
Total liabilities	172,300,675	182,449,561	206,686,299	(5.6)	(11.7)
Deferred inflows of resources	158,464,317	158,894,406	191,582,037	(0.3)	(17.1)
Net position:					
Net investment in capital assets	31,488,397	25,866,944	23,267,332	21.7	11.2
Unrestricted	22,559,818	22,128,063	13,910,237	2.0	59.1
Total net position	\$ 54,048,215	47,995,007	37,177,569	12.6 %	29.1 %

Fiscal Year Ended June 30, 2025 Compared to Fiscal Year Ended June 30, 2024

The Authority's net position at June 30, 2025 was \$54.0 million, an increase of \$6.0 million from the June 30, 2024 net position totaling \$48.0 million. This increase was the result of excess revenue over expenses in fiscal year 2025 totaling \$6.0 million.

Current and other assets at June 30, 2025 was \$342.6 million, a decrease of \$7.4 million from the June 30, 2024 current assets and other assets totaling \$350.0 million. This decrease was primarily the result of a net decrease in intergovernmental accounts receivable totaling \$4.5 million, a decrease in disposition receivables totaling \$2.0 million, a decrease in lease receivables totaling \$4.4 million, and an increase in other postemployment benefits totaling \$2.8 million. Explanations for these fluctuations are as follows:

- The decrease in intergovernmental accounts receivable was primarily the net result of the following:
 - City of Boston developers apply for MassWorks grants from the MA Executive Office of Housing and Economic Development. When awarded, these grants require the Authority engineers to oversee the

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

development projects. There was a \$3.5 million decrease in MassWorks grant receivables at the end of fiscal year 2025 as compared to fiscal year 2024

- A \$2.1 million decrease in year-end receivable from Economic Development Industrial Corporation/Boston (EDIC) for Office of Workforce Development (OWD) administrative cost reimbursement as a result of OWD operations being transferred to the City of Boston (City) in fiscal year 2025, and
 - \$1.1 million increase in the receivable from the City for capital funding of the Authority assets at the end of fiscal year 2025 as compared to fiscal year 2024.
- Amounts due to the Authority related to certain land disposition transactions are recorded as disposition receivables. These transactions are also recorded as unearned revenue liability accounts until such time as the transactions progress to the point that the Authority has earned the revenue based upon the due dates specified in the agreements upon the achievement of certain milestones. The decrease in disposition receivables was primarily the result of collections received in fiscal year 2025.
 - The decrease in lease receivable was primarily due to collections from tenants as required by the lease agreements during fiscal year 2025.
 - The increase in the other postemployment benefits asset was primarily due both an actuarial gain recorded in fiscal year 2025 totaling \$1.3 million and an increase in the OPEB trust fund as a result of net investment income earned in fiscal year 2025 totaling \$1.7 million.

The Authority's capital assets at June 30, 2025 were \$54.8 million, while capital assets at June 30, 2024 totaling \$49.2 million, representing a total increase of \$5.6 million. Capital asset acquisitions and dispositions in fiscal year 2025 are detailed in Note 8 to the financial statements. Total accumulated depreciation/amortization on capital assets at June 30, 2025 was \$16.3 million, an increase of \$1.5 million from prior year accumulated depreciation totaling \$14.8 million. This increase represents fiscal year 2025 depreciation of capital assets.

Deferred outflows of resources at June 30, 2025 was \$3.8 million, a decrease of \$1.1 million from the June 30, 2024 deferred outflows of resources totaling \$4.9 million. This decrease was primarily due to a decrease of deferred outflows of resources related to the pension plan totaling \$1.0 million, which is based on the most recent actuarial evaluation of the net pension liability. This decrease is primarily the net result of a \$2.6 million decrease related to the net difference between projected and actual investment earnings, a \$1.0 million decrease related to changes in actuarial assumptions, and a \$2.5 million increase related to changes in employer proportions as a result of most employees of the Authority moving to the City payroll at the end of fiscal year 2024.

Current and noncurrent liabilities at June 30, 2025 was \$172.3 million, a decrease of \$10.1 million from the June 30, 2024 current and noncurrent liabilities totaling \$182.4 million. This decrease was primarily the result of a decrease in accounts payable and accrued expenses totaling \$1.5 million, a decrease in deposits totaling \$4.8 million, a decrease in the net pension liability totaling \$11.0 million, a decrease in unearned revenue

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

totaling \$2.0 million, and an increase in pollution remediation liability totaling \$9.2 million. Explanations for these fluctuations are as follows:

- The decrease in accounts payable and accrued expenses was primarily due to vendor payments for projects under MassWorks grants were less in fiscal year 2025 as compared to similar payments in fiscal year 2024.
- Cash collected from the Authority developers is stipulated within the “community benefits” section of developer cooperation agreements. This cash, held in an Authority escrow account, is restricted for specific purposes that benefit certain neighborhoods of the City. The decrease in deposits was primarily due more community benefits payments being disbursed in fiscal year 2025 as compared to cash collected from Authority developers during the year.
- The decrease in the net pension liability was due to contributions made during fiscal year 2025 totaling \$3.6 million, an actuarial gain recorded during the fiscal year totaling \$1.4 million, and a change in employer proportions within the most recent actuarial valuation totaling \$5.2 million as a result of most employees of the Authority moving to the City payroll at the end of fiscal year 2024.
- The decrease in unearned revenue was primarily the result of collections on land disposition notes receivable in fiscal year 2025 as described above in the explanation for the decrease in disposition receivables.
- The increase in the pollution remediation liability was due to contracting for environmental remediation and redevelopment of Building 105, a former manufacturing plant located in the Authority's Charlestown Navy Yard.

Deferred inflows of resources at June 30, 2025 was \$158.5 million, a decrease of \$0.4 million from the June 30, 2024 deferred inflows of resources totaling \$158.9 million. This net decrease was primarily due to an increase in deferred inflows of resources relating to the pension plan totaling \$5.0 million and a decrease in deferred inflows of resources relating to leases totaling \$6.2 million. Explanations for these fluctuations are as follows:

- The increase in deferred inflows of resources related to the pension plan was primarily due to a change in employer proportions within the most recent actuarial valuation totaling \$5.2 million as a result of most employees of the Authority moving to the City payroll at the end of fiscal year 2024.
- The decrease in deferred inflows of resources relating to leases was primarily due to the annual amortization of this account into lease income totaling \$6.8 million.

Fiscal Year Ended June 30, 2024 Compared to Fiscal Year Ended June 30, 2023

The Authority's net position at June 30, 2024 was \$48.0 million, an increase of \$10.8 million from the June 30, 2023 net position totaling \$37.2 million. This increase was the result of excess revenue over expenses in fiscal year 2024 totaling \$10.8 million.

Current and other assets at June 30, 2024 was \$350.0 million, a decrease of \$45.1 million from the June 30, 2023 current assets and other assets totaling \$395.1 million. This decrease was primarily the result of a decrease in cash and cash equivalents totaling \$14.9 million, a decrease in notes receivable totaling

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

\$2.7 million, a decrease in disposition receivables totaling \$2.0 million, and a net decrease in lease and related interest receivables totaling \$26.5 million. Explanations for these fluctuations are as follows:

- The decrease in cash and cash equivalents was primarily due to the disbursement made to communities from contributions received from prior years. Other sources and uses of cash and cash equivalents are identified in the statement of cash flows for each fiscal year.
- The decrease in notes receivables was primarily the net result of note collections in fiscal year 2024. Collections from notes receivable revert to either the City for designated projects or to another designated entity; therefore, the loans receivable amounts are offset by related liabilities.
- Amounts due to the Authority related to certain land disposition transactions are recorded as disposition receivables. These transactions are also recorded as unearned revenue liability accounts until such time as the transactions progress to the point that the Authority has earned the revenue based upon the due dates specified in the agreements of upon the achievement of certain milestones. The decrease in disposition receivables was primarily the result of collections received in fiscal year 2024.
- The net decrease in lease receivable was primarily due to collections from tenants as required by the lease agreements during fiscal year 2024 totaling \$5.0 million, a fiscal year lease modification and remeasurement decrease totaling \$12.5 million, a fiscal year lease termination totaling \$9.9 million, offset by an increase in accrued interest on lease receivables of \$.8 million.

The Authority's capital assets at June 30, 2024 were \$49.2 million, while capital assets at June 30, 2023 totaling \$45.3 million, representing a total increase of \$3.9 million. Capital asset acquisitions and dispositions in fiscal year 2024 are detailed in Note 8 to the financial statements. Total accumulated depreciation/amortization on capital assets at June 30, 2024 was \$14.8 million, an increase of \$1.3 million from prior year accumulated depreciation totaling \$13.5 million. This increase represents fiscal year 2024 depreciation of capital assets.

Deferred outflows of resources at June 30, 2024 was \$4.9 million, a decrease of \$3.5 million from the June 30, 2023 deferred outflows of resources totaling \$8.4 million. This decrease was primarily due to a decrease of deferred outflows of resources related to the pension plan totaling \$3.3 million, which is based on the most recent actuarial evaluation of the net pension liability. This decrease is primarily the combined result of a \$2.2 decrease related to the net difference between projected and actual investment earnings and a \$.9 million decrease related to changes in actuarial assumptions.

Current and noncurrent liabilities at June 30, 2024 was \$182.4 million, a decrease of \$24.3 million from the June 30, 2023 current and noncurrent liabilities totaling \$206.7 million. This decrease was primarily the result of a decrease in accounts payable and accrued expenses totaling \$2.9 million, a decrease in deposits totaling \$8.2 million, a decrease in due to City of Boston/due to designated entities totaling \$5.0 million, a decrease in the net pension liability totaling \$5.1 million, a decrease in vacation and sick leave totaling \$1.1 million, and a decrease in unearned revenue totaling \$2.0 million. Explanations for these fluctuations are as follows:

- The decrease in accounts payable and accrued expenses was primarily due to vendor payments for projects under MassWorks grants were less in fiscal year 2024 as compared to similar payments in fiscal year 2023.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

- Cash collected from the Authority developers is stipulated within the “community benefits” section of developer cooperation agreements. This cash, held in an Authority escrow account, is restricted for specific purposes that benefit certain neighborhoods of the City. The decrease in deposits was primarily due to significantly more community benefits payments being disbursed in fiscal year 2024 as compared to fiscal year 2023.
- Due to City of Boston/designated entities accounts have been recorded as offsetting liabilities to certain assets held by the Authority. These assets include notes receivable (and related cash that has been collected on these notes) that have been funded by the City or other entities in prior years, and the repayment of these notes are forwarded to the City or designated entity when the notes become active and repayments are being received. The net decrease in these accounts was primarily the result of:
 - The final obligation for the one project note was sent to the City in fiscal year 2024 resulting in a decrease of \$2.3 million.
 - The reduction of other project notes resulting from cashflow payments received and paid to the City in fiscal year 2024 resulting in a decrease \$4.0 million.
 - A disbursement of a prior year receipt from Harvard University to the Department of Conservation and Recreation for the Everett/Soldier's Fields Road Crossing work resulting in a decrease of \$2.9 million.
 - Accrued interest recorded on outstanding project notes for fiscal year 2024 resulting in an increase of \$2.6 million
 - A fiscal year 2024 commitment from Harvard University for the Harvard Enterprise Research Campus project to be received and disbursed in a subsequent fiscal year resulting in an increase of \$1.6 million.
- The decrease in the net pension liability was due to both excess contributions made over pension expense during the fiscal year and a change in the most recent actuarial valuation regarding the prior valuation's projected earnings as a result of stronger market performance in 2022 and a more favorable estimation of projected earnings going forward.
- The decrease in vacation and sick leave liability was the result of most employees of the Authority moving to the City's payroll on June 29, 2024 resulting in a vacation payout to these employees on June 28, 2024 and the City honoring the employees' sick leave balances.
- The decrease in unearned revenue was primarily the result of collections on land disposition notes receivable in fiscal year 2024 as described above in the explanation for the decrease in disposition receivables.

Deferred inflows of resources at June 30, 2024 was \$158.9 million, a decrease of \$32.7 million from the June 30, 2023 deferred outflows of resources totaling \$191.6 million. This decrease was primarily due to a decrease in deferred inflows of resources relating to leases totaling \$30.8 million and a decrease in deferred

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

inflows of resources relating to the OPEB plan totaling \$2.1 million. Explanations for these fluctuations are as follows:

- The decrease in deferred inflows of resources relating to leases was due to the annual amortization of this account into lease income totaling \$6.9 million, a fiscal year lease modification and remeasurement decrease totaling \$12.5 million, and a decrease of \$11.6 million as a result of lease termination during the fiscal year.
- The decrease in deferred inflows of resources related to the OPEB plan, which is based on the most recent actuarial evaluation of the net OPEB liability, was due to favorable net differences between expected and actual investment earnings on OPEB assets.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

The Authority's Condensed Schedules of Revenues, Expenses and Changes in Net Position as of June 30, 2025, 2024 and 2023 are as follows:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	June 30			Percentage Change	
	2025	2024	2023	2025-2024	2024-2023
Operating revenues:					
Intergovernmental and other	\$ 12,621,594	22,263,749	11,342,767	(43.3)%	96.3 %
Gain on sale of property	2,061,019	2,268,547	2,113,504	(9.1)	7.3
Rent and other property payments	15,273,252	17,464,135	15,525,059	(12.5)	12.5
Total operating revenues	29,955,865	41,996,431	28,981,330	(28.7)	44.9
Operating expenses:					
Personnel and fringe benefits	204,118	7,714,951	9,765,459	(97.4)	(21.0)
Contractual services, supplies and other	26,837,387	26,834,521	20,301,614	—	32.2
Depreciation / Amortization	1,514,460	1,335,914	1,298,856	13.4	2.9
Total operating expenses	28,555,965	35,885,386	31,365,929	(20.4)	14.4
Operating income (loss)	1,399,900	6,111,045	(2,384,599)	77.1	(356.3)
Nonoperating revenues:					
Interest income	1,561,393	1,569,977	371,747	(0.5)	322.3
Interest income from leases	3,091,915	3,136,416	3,581,643	(1.4)	(12.4)
Total nonoperating revenues	4,653,308	4,706,393	3,953,390	(1.1)	19.0
Increase in net position	6,053,208	10,817,438	1,568,791	(44.0)	589.5
Net position, beginning of year, as restated	47,995,007	37,177,569	35,608,778	29.1	4.4
Net position, end of year	\$ 54,048,215	47,995,007	37,177,569	12.6 %	29.1 %

Fiscal Year Ended June 30, 2025 Compared to Fiscal Year Ended June 30, 2024

The Authority's operating revenues in fiscal year 2025 were \$30 million, a decrease of \$12 million from fiscal year 2024 operating revenues totaling \$42.0 million. This decrease was primarily the result of a decrease in intergovernmental revenue totaling \$12.2 million, a decrease in rent and other property payments totaling

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

\$2.2 million, and an increase in other operating revenues totaling \$2.5 million. Explanations for these fluctuations are as follows:

- The decrease in intergovernmental and other revenue was primarily the combined result of:
 - A decrease in MassWorks grants funding totaling \$7.7 million in fiscal year 2025 as compared to fiscal year 2024, and
 - A single year grant in fiscal year 2024 from the City under the American Rescue Plan Act (ARPA) as a subgrantee for the Benjamin Franklin Cummings Institution of Technology campus project totaling \$4 million.
- The decrease in rent and other property payments was primarily the result a gain recorded on a lease termination in fiscal year 2024 totaling \$1.8 million.
- The increase in other operating revenue was primarily the result of actuarial gains recorded for both the pension plan and the OPEB plan in fiscal year 2025 totaling \$1.4 million and 1.3 million, respectively.

The Authority's personnel and fringe benefit expenses in fiscal year 2025 were \$.2 million, a decrease of \$7.5 million from fiscal year 2024's personnel and fringe benefit expenses totaling \$7.7 million. This decrease was the result of most employees of the Authority moving to the City payroll at the end of fiscal year 2024

Fiscal Year Ended June 30, 2024 Compared to Fiscal Year Ended June 30, 2023

The Authority's operating revenues in fiscal year 2024 were \$42.0 million, an increase of \$13 million from fiscal year 2023 operating revenues totaling \$29.0 million. This increase was primarily the result of an increase in intergovernmental revenue totaling \$10.8 million and an increase in rent and other property payments totaling \$1.9 million. Explanations for these fluctuations are as follows:

- The increase in intergovernmental and other revenue was primarily the combined result of:
 - A grant from EDIC totaling \$5 million to fund a new Acquisition Fund, which will enable the Authority to make strategic, consensual acquisitions of real estate in the City to enable the implementation of resiliency measures, such as the creation of coastal resilience infrastructure; affordability measures, such as the construction of new affordable housing; and equity measures, such as economic development opportunities in historically underserved communities,
 - A grant from the City under the American Rescue Plan Act (ARPA) as a subgrantee for the Benjamin Franklin Cummings Institution of Technology campus project totaling \$4 million, and
 - A capital projects grant from the City totaling \$.9 million.
- The increase in rent and other property payments was primarily the result a gain recorded on a lease termination in fiscal year 2024 totaling \$1.8 million.

The Authority's personnel and fringe benefit expenses in fiscal year 2024 were \$7.7 million, a decrease of \$2.1 million from fiscal year 2023's personnel and fringe benefit expenses totaling \$9.8 million. This decrease was primarily the result of a decrease in pension plan expense totaling \$1.6 million, which is based on the most

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

recent actuarial evaluation of the pension liability. The decrease was due to actual investment performance, which was significantly higher than what was projected in the prior year evaluation.

The Authority's contracted services, supplies and other costs in fiscal year 2024 were \$26.8 million, an increase of \$6.5 million from fiscal year 2023's contracted services, supplies and other costs totaling \$20.3 million. This increase was primarily the net result of an increase in maintenance and security expenses totaling \$1.0 million, an increase in grant expenses totaling \$6 million, and a decrease in engineering and construction expenses totaling \$1.2 million. Explanations for these fluctuations are as follows:

- The increase in maintenance and security expenses was primarily the result of:
 - an increase in building repairs and maintenance expenses totaling \$.6 million due to additional maintenance and emergency repairs for Long Wharf and the Charlestown Navy Yard, and
 - an increase in security expense totaling \$0.2 million due to additional security needed at the China Trade Building regarding PM security shifts and overtime pay.
- The increase in grant expenses was primarily the result of a grant to the Benjamin Franklin Cummings Institution of Technology campus project totaling \$6.0 million. This grant was partially funded by an ARPA grant from the City totaling \$4.0 million.
- The decrease in engineering and construction expenses was primarily due to completing less MassWorks development projects in fiscal year 2024 as compared to a more projects in fiscal year 2023.

The Authority's nonoperating revenues in fiscal year 2024 were \$4.7 million, an increase of \$.7 million from fiscal year 2023 operating revenues totaling \$4 million. This increase was primarily the result of an increase in interest income on short term investments totaling \$1.2 million due to higher interest rates in fiscal year 2024 as compared to fiscal year 2023.

Currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

In January 2024, the Mayor of the City of Boston signed an ordinance that created the Planning Department as a new agency within the City of Boston, charged with planning and designing the City's built environment, proposing recommended changes to the zoning code, and evaluating and managing urban development. Subsequently, the Authority and EDIC executed a Memorandum of Agreement with the City to provide for the transfer of staff, administrative expenses and associated funds to the City for the 2025 fiscal year beginning July 1, 2024. The State Legislature is currently considering a Home Rule Petition (H. 4676) that would change some of the powers and functions of the BPDA. Passing of the bill will result in the merging of the Authority and EDIC into a new entity, the Boston Planning Board. This merger-will have a significant impact on the Authority's financial statements.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Management's Discussion and Analysis – Required Supplementary Information

(Unaudited)

June 30, 2025 and 2024

Requests for Information

This financial report is intended to provide an overview of the finances of the Authority for those with an interest in this organization. Questions concerning any information in this report may be directed to the BPDA Secretary's Office, 9th Floor, Boston City Hall.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Proprietary Fund – Statements of Net Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets:		
Cash and cash equivalents (note 3)	\$ 49,904,753	49,350,205
Accounts receivable:		
Intergovernmental	3,374,513	7,844,010
Other accounts receivable	1,983,365	2,103,599
Lease receivable, current (note 7)	5,005,730	5,007,754
Prepaid assets	209,326	228,347
Disposition receivables – development sites, current portion (note 6)	<u>1,803,972</u>	<u>1,803,972</u>
Total current assets	<u>62,281,659</u>	<u>66,337,887</u>
Noncurrent assets:		
Lease receivable (note 7)	152,681,156	157,078,212
Accrued interest on leases (note 7)	3,833,062	3,091,764
Notes receivable, net (note 4)	87,340,232	87,841,689
Notes receivable – Rows Wharf, net (note 5)	161,258	228,061
Disposition receivables – development sites (note 6)	26,724,077	28,708,098
Other postemployment benefits, net (note 15)	9,559,603	6,763,861
Capital assets (note 8):		
Nondepreciable	13,453,550	7,825,815
Depreciable	35,310,438	35,310,438
Less accumulated depreciation	(15,800,591)	(14,389,273)
Right of use lease	6,033,300	6,033,300
Less accumulated amortization	<u>(515,714)</u>	<u>(412,571)</u>
Total capital assets, net	<u>38,480,983</u>	<u>34,367,709</u>
Total noncurrent assets	<u>318,780,371</u>	<u>318,079,394</u>
Total assets	<u>\$ 381,062,030</u>	<u>\$ 384,417,281</u>
Deferred outflows of resources:		
Pensions (note 14)	\$ 2,978,022	3,949,589
Other postemployment benefits (note 15)	<u>773,155</u>	<u>972,104</u>
Total deferred outflows of resources	<u>\$ 3,751,177</u>	<u>\$ 4,921,693</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 5,174,279	6,667,171
Due to City of Boston	301,834	296,952
Pollution remediation (note 11)	300,000	319,631
Unearned revenue, current portion (notes 6)	<u>1,803,972</u>	<u>1,803,972</u>
Total current liabilities	<u>7,580,085</u>	<u>9,087,726</u>
Noncurrent liabilities (note 12):		
Notes payable (note 9)	1,475,000	1,475,000
Deposits	9,697,698	14,450,866
Net pension liability (note 14)	640,051	11,596,225
Due to designated projects (note 4)	29,584,483	30,286,092
Due to City of Boston (note 4)	79,162,923	79,492,589
Pollution remediation (note 11)	9,250,000	—
Lease liability (note 10)	6,026,337	6,026,337
Unearned revenue (note 6)	26,724,077	28,708,098
Other	<u>2,160,021</u>	<u>1,326,628</u>
Total noncurrent liabilities	<u>164,720,590</u>	<u>173,361,835</u>
Total liabilities	<u>172,300,675</u>	<u>182,449,561</u>
Deferred inflows of resources:		
Pensions (note 13)	8,075,163	3,057,418
Other postemployment benefits (note 15)	2,878,654	2,121,600
Leases (note 7)	<u>147,510,500</u>	<u>153,715,388</u>
Total deferred inflows of resources	<u>\$ 158,464,317</u>	<u>\$ 158,894,406</u>
Net position:		
Net investment in capital assets	\$ 31,488,397	25,866,944
Unrestricted	<u>22,559,818</u>	<u>22,128,063</u>
Total net position	<u>\$ 54,048,215</u>	<u>\$ 47,995,007</u>

See accompanying notes to basic financial statements.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Proprietary Fund – Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Intergovernmental	\$ 8,134,236	20,328,448
Gain on sale of property	2,061,019	2,268,547
Rent and other property payments (note 7)	15,273,252	17,464,135
Notes receivable – interest income (note 5)	376,515	462,930
Gross profit recognized on installment sale (note 5)	1,410,576	1,318,099
Other	<u>2,700,267</u>	<u>154,272</u>
Total operating revenues	<u>29,955,865</u>	<u>41,996,431</u>
Operating expenses:		
Personnel	151,911	7,302,103
Fringe benefits	52,207	412,848
Supplies and services	13,870,401	6,590,462
Contractual services	12,806,706	20,082,670
Depreciation / Amortization	1,514,460	1,335,914
Other	<u>160,280</u>	<u>161,389</u>
Total operating expenses	<u>28,555,965</u>	<u>35,885,386</u>
Operating income	<u>1,399,900</u>	<u>6,111,045</u>
Nonoperating revenues:		
Interest income	1,561,393	1,569,977
Interest income from leases	<u>3,091,915</u>	<u>3,136,416</u>
Total nonoperating revenues	<u>4,653,308</u>	<u>4,706,393</u>
Increase in net position	6,053,208	10,817,438
Net position, beginning of year	<u>47,995,007</u>	<u>37,177,569</u>
Net position, end of year	<u>\$ 54,048,215</u>	<u>47,995,007</u>

See accompanying notes to basic financial statements.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)
Proprietary Fund – Statements of Cash Flows
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from customers and other governments	\$ 32,065,293	37,314,513
Cash paid to employees and for fringe benefits	(8,010,719)	(13,162,713)
Cash paid to suppliers and consultants	<u>(18,246,496)</u>	<u>(29,368,406)</u>
Net cash provided by (used in) operating activities	<u>5,808,078</u>	<u>(5,216,606)</u>
Cash flows from noncapital financing activities:		
Receipts from development projects	6,085,176	2,202,721
Payments for development projects	(9,835,097)	(9,977,102)
Receipts from the City of Boston and designated projects	766,137	5,369,308
Payments for the City of Boston and designated projects	<u>(1,322,563)</u>	<u>(11,892,939)</u>
Net cash used in noncapital financing activities	<u>(4,306,347)</u>	<u>(14,298,012)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(7,059,517)	(4,375,095)
Sale of capital assets	<u>26,745</u>	<u>26,745</u>
Net cash used in capital and related financing activities	<u>(7,032,772)</u>	<u>(4,348,350)</u>
Cash flows from investing activities:		
Collections of loan principal	1,432,281	4,215,769
Interest earnings on leasing activities	3,091,915	3,136,416
Interest earnings on investments	<u>1,561,393</u>	<u>1,569,977</u>
Net cash provided by investing activities	<u>6,085,589</u>	<u>8,922,162</u>
Net change in cash and cash equivalents	554,548	(14,940,806)
Cash and cash equivalents, beginning of year	<u>49,350,205</u>	<u>64,291,011</u>
Cash and cash equivalents, end of year	<u>\$ 49,904,753</u>	<u>49,350,205</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating (loss) income	\$ 1,399,900	6,111,045
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and Amortization	1,514,460	1,335,914
Changes in operating assets and liabilities:		
Other postemployment asset, net of deferrals	(1,839,739)	(2,572,946)
Pension liability, net of deferrals	(5,966,862)	(1,623,245)
Accounts receivable	4,589,731	(263,644)
Lease receivable, net of deferrals	(2,547,106)	(4,480,698)
Disposition receivables – development sites	1,984,021	1,984,025
Notes receivable – Rows Wharf, net	66,803	62,423
Prepaid assets	19,021	28,034
Accounts payable and accrued expenses	(658,499)	(2,037,897)
Vacation and sick leave liability	—	(1,251,571)
Unearned revenue	(1,984,021)	(1,984,024)
Other liabilities	<u>9,230,369</u>	<u>(524,022)</u>
Net cash provided by (used in) operating activities	<u>\$ 5,808,078</u>	<u>(5,216,606)</u>
Supplemental cash flow information:		
Noncash notes receivable	\$ 930,824	1,510,385

See accompanying notes to basic financial statements.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)
Fiduciary Fund – Statements of Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Net investment in PRIT at fair value	\$ 21,763,925	19,852,209
Total assets	<u>\$ 21,763,925</u>	<u>19,852,209</u>
Net position:		
Restricted for other post-employment benefits	\$ 21,763,925	19,852,209
Total net position	<u>\$ 21,763,925</u>	<u>19,852,209</u>

See accompanying notes to basic financial statements.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Fiduciary Fund – Statements of Changes in Net Position
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions:		
Contributions:		
Employer	\$ 552,888	498,819
Total contributions	<u>552,888</u>	<u>498,819</u>
Net investment gain:		
Investment gain	2,010,221	1,823,879
Less investment expense	<u>(79,761)</u>	<u>(80,030)</u>
Net investment gain	<u>1,930,460</u>	<u>1,743,849</u>
Total additions	<u>2,483,348</u>	<u>2,242,668</u>
Deductions:		
Retirement benefits and payments	552,888	498,819
Administrative expenses	<u>18,744</u>	<u>17,629</u>
Total deductions	<u>571,632</u>	<u>516,448</u>
Change in net position	1,911,716	1,726,220
Net position, beginning of year	<u>19,852,209</u>	<u>18,125,989</u>
Net position, end of year	<u>\$ 21,763,925</u>	<u>19,852,209</u>

See accompanying notes to basic financial statements.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

(1) The Authority

The Boston Redevelopment Authority (the Authority) was established in 1957 pursuant to Chapter 121B, as amended, of the General Laws of Massachusetts, to administer community development projects and to function as the planning Authority of the City of Boston (the City). The Authority is governed by a five-member board of directors, four of whom are appointed by the Mayor of Boston, with City Council approval, and one who is appointed by the Governor of Massachusetts, all for terms of five years. The Authority is a component unit of the City and is generally exempt from income taxes.

On October 20, 2016 the Board approved the renaming of the Boston Redevelopment Authority (BRA), d/b/a the Boston Planning & Development Agency (BPDA) and for all legal documents and as a legal entity, the BRA shall legally remain.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements of the Authority have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority reports the following fund types:

Proprietary fund – The primary operating fund of the Authority is used to account for all transactions except those required to be accounted for in another fund. Operating revenues and expenses result from administering community development projects within the City in the areas of planning, economic development and workforce development. All other revenues and expenses are reported as nonoperating revenues and expenses.

Fiduciary fund – Other post-employment benefit trust fund reports resources that are held in trust for the members and beneficiaries of the Authority's other post-employment benefit plan. This fund recognizes employer contributions when legally due and benefit payments when due and payable.

The proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

(b) Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Revenue Recognition

The Authority earns revenue from a variety of sources including, but not limited to, land sales, equity participation agreements, long-term leases and other governments.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Revenue from land sales is generally recorded upon transfer of title or, in the case of installment sales, when certain milestones are met. Equity participation revenue is recognized when a sale takes place on a property that the Authority retains a legal right to a percentage of all future sale proceeds.

The Authority has long-term leases with certain tenants in the Historic Monument Area of the Charlestown Navy Yard; these leases are for approximately 80 years. The Authority also has a number of leases on other properties throughout the City that generates lease revenue.

The Authority also receives intergovernmental revenue for capital projects from the Commonwealth of Massachusetts' MassWorks initiative and from the City of Boston.

(d) Cash, Cash Equivalents and Investments

For purposes of the statements of cash flows, the Authority considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

The other post-employment benefit trust fund invests in the Pension Reserves Investment Trust (PRIT) Fund, a diversified external investment pool managed by the Pension Reserves Investment Management (PRIM) Board and are reported at fair value in the accompanying financial statements. This is considered an other investment outside of the fair value hierarchy. For a complete copy of PRIT's separately issued financial statements, contact the PRIM Board at 84 State Street, Boston, MA 02109 or visit mapension.com.

(e) Capital Assets

Capital assets are carried at historical cost or at estimated historical cost if actual cost is not available. Cost includes not only purchase price or construction cost, but also ancillary charges necessary to place the asset in its intended location and condition for use.

(f) Depreciation

The Authority provides for depreciation using the straight-line method. Depreciation is intended to distribute the cost of depreciable assets over the following estimated average useful lives:

	<u>Years</u>
Buildings	25, 30
Land improvements	30
Furniture and fixtures	10
Vehicles	5
Computers	3

(g) Disposition Receivables/Deferred Revenue

Amounts due to the Authority related to certain land disposition transactions are recorded as disposition receivable. These transactions are also recorded as unearned revenue liability accounts until such time as the transactions progress to the point that the Authority has earned the revenue

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

based upon due dates specified in the agreements or upon the achievement of certain milestones, recorded as gain on sale of property revenue at that time.

(h) Deposits

Deposits/mitigation funds are given to the Authority by developers for the development of specific projects within the City and are recorded as a liability until certain milestones are met.

(i) Due to Designated Projects

Due to designated projects represents funds that will be made available for neighborhood projects within the City of Boston.

(j) Due to City of Boston

Amounts due to the City consist of loans funded by the City and federal grants passed through the City for urban development and housing development projects. The Authority loans these funds to various not-for-profit community developers and remits loan repayments to the City's neighborhood development fund.

(k) Leases (Lessor)

The Authority is a lessor for various noncancellable leases of land and buildings. For leases with a maximum possible term of 12 months or less at commencement, the Authority recognizes income based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), the Authority recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The Authority recognizes interest income on the lease receivable, and lease revenue from the deferred inflows of resources in a systematic and rational manner over the term of the lease.

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

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases. The Authority's incremental borrowing rate for leases is based on the rate of interest it would need to pay if it issued general obligation bonds. This rate was determined through AA municipal yield curves for 1 through 30-year terms, and a projected yield for each year beyond year 30.
- The lease term includes the noncancellable portion of the lease, plus any additional periods covered by either an Authority or lessee unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the Authority and the lessee have an option to terminate are excluded from the lease term.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

- Lease payments to be received are evaluated by the Authority to determine if they should be included in the measurement of the lease receivable, including those payments that require a determination of whether they are reasonably certain of being received.

The Authority monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured and a corresponding adjustment is made to the deferred inflow of resources.

Noncurrent lease receivable is reported within the noncurrent asset section of the proprietary fund's statement of net position, net of the short-term portion of the lease receivable reported as a current asset.

(l) Leases (Lessee)

The Authority is a lessee for a noncancellable long-term lease of land and a building, for which the Authority recognizes a lease liability.

The Authority initially measured 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 at the initial amount of the lease liability. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the term of the lease.

Key estimates and judgments include how the Authority determines the (1) discount rate it uses to calculate the present value of the expected lease payments to be made, (2) lease term and (3) lease payments to be made. These key estimates and judgments are similar to leases where the Authority is the lessor as disclosed in note 2 (k).

The Authority monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease, the liability is remeasured and a corresponding adjustment is made to the lease asset.

Lease assets are reported with capital assets and lease liability is reported with the noncurrent liability section of the proprietary fund's statement of net position, net of the short-term portion of the lease liability reported as a current liability, if any.

(m) Environmental Remediation Costs

The Authority recognizes pollution remediation related to site investigation, planning and design, clean up, and site monitoring in accordance with the provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. Statement No. 49 identifies the circumstances under which a government entity would be required to report a liability related to pollution remediation. The statement requires a government entity to estimate its expected outlays for pollution remediation if it knows that a site is polluted based on specific recognition triggers and discloses those obligations associated with cleanup efforts. An operating expense provision and corresponding liability measured at current value using the expected cash flow method and in a range of possible estimated amounts has been recognized for certain pollution remediation obligations. The

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

remediation obligation estimates are subject to change over time due to price fluctuations, changes in technology, changes in potential responsible parties, statutes or regulations, or other factors, which would result in the revision of these estimates (note 11)

(3) Cash and Cash Equivalents

(a) Investment Policy

State and local statutes place certain limitations on the nature of deposits and investments available to the Authority. Deposits (including demand deposits, term deposits, and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments may also be made in securities issued by or unconditionally guaranteed by the U.S. government or its agencies that have a maturity of less than one year from the date of purchase and in repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase. As of June 30, 2025, the Authority owned a fully collateralized certificate of deposit with maturity date on November 10, 2025 and U.S. Government Money Market Fund totaling \$26,076,537. As of June 30, 2024, the Authority owned fully collateralized certificate of deposit with maturity date November 6, 2024 and United States treasury bills totaling \$25,622,146.

(b) Restrictions

As of June 30, 2025 and 2024, the Authority had \$46,265,972 and \$48,946,202, respectively, of cash internally restricted for Boston's Affordable Housing Program, Development Mitigation, customer deposits, capital reserve funds and other City of Boston obligations.

(4) Notes Receivable

Notes receivable as of June 30, 2025 and 2024 consist of the following amounts

	<u>2025</u>	<u>2024</u>
Notes receivable:		
Real estate	\$ 5,835,572	6,119,052
Development and housing	<u>81,504,660</u>	<u>81,722,637</u>
Notes receivable	<u>\$ 87,340,232</u>	<u>87,841,689</u>

Notes receivable – Real estate consists of loans made by the Authority for affordable housing projects.

Notes receivable – Development and housing consists of loans provided by the Authority for programs such as urban development and amounts consisting of developer obligations to the City for affordable housing and neighborhood improvements. Affordable Housing contributions are remitted to the City for future affordable housing.

All collections on these notes are paid to the City for designated projects and reduce amounts due to the City or due to designated projects on the accompanying financial statements.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

A significant portion of notes receivable totaling \$81,611,302 and \$81,829,278 for the years ended June 30, 2025 and 2024, respectively, relate to Boston's Affordable Housing Program and other City of Boston obligations.

(5) Rowes Wharf

In July 2007, the Authority entered into an agreement with a developer that previously had a long-term ground lease and contingent interest agreement in a property located at Rowes Wharf in Boston, Massachusetts (the Property). Under the agreement, the developer exercised a land purchase option available under its ground lease and negotiated the settlement of the Authority's remaining interest in the Property.

The sale was consummated by the issuance of notes by the Authority to the developer in the amounts of \$14,000,000 and \$4,500,000. Both notes have terms of 20 years with interest rates of 6.8%. Aggregate amounts remaining to be received under the notes as of June 30, 2025 and 2024 total \$3,405,046 and \$4,815,623, respectively.

During the years ended June 30, 2025 and 2024, principal payments of \$1,410,576 and \$1,318,099 and interest payments of \$284,038 and \$376,515, respectively, were received from the developer. The Authority has recorded and recognized the profit from the sale on the installment method, as follows:

	<u>2025</u>	<u>2024</u>
Gross sales proceeds	\$ 18,500,000	18,500,000
Cost of land	<u>(876,134)</u>	<u>(876,134)</u>
Gross profit on installment sale	17,623,866	17,623,866
Gross profit recognized through June 30	<u>(14,380,078)</u>	<u>(13,036,304)</u>
Gross profit not yet recognized	<u>\$ 3,243,788</u>	<u>4,587,562</u>

(6) Disposition Receivables – Development Sites

Amounts due to the Authority related to certain land disposition transactions are recorded as unearned revenues until such time as the transactions progress to the point that the Authority has earned the revenue based upon due dates specified in the agreements or upon the achievement of certain milestones. At June 30, 2025 and 2024, the Authority recorded \$28,528,049 and \$30,512,070, respectively, of disposition receivables.

(7) Lease Receivable

As discussed in note 2(k), the Authority is a lessor for various noncancellable long-term leases of its land and buildings. Lease terms for the leases vary from 1 year to 70 years. The discount rate used for the calculation of the lease receivable varies per lease depending on the length of the respective leases, and ranged from 0.51% to 4.259%.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Variable payments included in leases that were not included in the measurement of the lease receivable include percentage rent, where related payments are based on a percentage of gross receipts collected by the tenants. Percentage rent totaled \$785,043 and \$1,009,281 for the years ended June 30, 2025 and 2024, respectively. Lease income from noncancellable long-term fixed payment leases totaled \$6,839,162 and \$6,927,845 for the years ended June 30, 2025 and 2024, respectively. Additional lease income from cancellable, short-term and variable payment leases totaled \$2,005,698 and \$2,972,480 for the years ended June 30, 2025 and 2024. In addition, the Authority also receives revenue from sale and resale of the real estate and parking facilities totaled \$6,092,127 and \$6,554,529 for the years ended June 30, 2025 and 2024, respectively. Interest income from noncancellable long-term leases totaled \$3,091,915 and \$3,136,416 for the years ended June 30, 2025 and 2024, respectively. Percentage rent, lease income, and lease interest income are included in rent and other property payments on the proprietary fund – statement of revenues, expenses and changes net position.

Where a monthly lease payment is less than the calculated interest amount for that month, the difference is recorded as accrued interest receivable and accounted for separately from the respective lease receivable balance. Monthly interest accrues based on prior month-end balances of both the lease receivable account and the related accrued interest receivable account. This accrued interest account will accumulate until such time that monthly lease payment is greater than the interest calculated for that month. In leases that have outstanding accrued interest receivable balances, the related lease payments are applied in the following order: (1) to the interest portion of the rent, (2) to the accrued interest balance until fully paid, and (3) to the lease receivable balance. Accrued interest receivable totaled \$3,833,062 and \$3,091,764 at June 30, 2025 and 2024, respectively, and is included in noncurrent lease receivable, net on the proprietary fund – statement of net position.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Future minimum lease payments to be received under noncancellable long-term leases, exclusive of percentage rent, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 5,005,730	3,045,797	8,051,527
2027	5,066,180	2,986,608	8,052,788
2028	4,935,271	2,937,149	7,872,420
2029	4,546,518	2,873,634	7,420,152
2030	4,453,520	2,820,405	7,273,925
2031-2035	20,462,360	13,294,978	33,757,338
2036-2040	15,417,491	12,007,888	27,425,379
2041-2045	9,165,553	11,080,855	20,246,408
2046-2050	10,164,891	10,269,551	20,434,442
2051-2055	11,026,262	9,291,761	20,318,023
2056-2060	11,852,255	8,239,881	20,092,136
2061-2065	12,546,977	7,023,161	19,570,138
2066-2070	8,244,363	5,874,556	14,118,919
2071-2075	9,526,405	4,715,666	14,242,071
2076-2080	9,161,909	3,220,114	12,382,023
2081-2085	9,916,943	1,673,989	11,590,932
2086-2090	5,355,778	364,499	5,720,277
2091-2095	838,480	28,432	866,912
Total	157,686,886	\$ 101,748,924	259,435,810
Less amount due within one-year	(5,005,730)		
Net noncurrent total	\$ 152,681,156		

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

(8) Capital Assets

The following is a summary of activities by major categories of capital assets for the years ended June 30, 2025 and 2024:

	2025		
	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>
			<u>Ending balance</u>
Capital assets not being depreciated:			
Land	\$ 6,953,509	—	(1,431,783)
Construction in progress	<u>872,306</u>	<u>7,059,518</u>	<u>—</u>
Total capital assets not being depreciated	<u>7,825,815</u>	<u>7,059,518</u>	<u>(1,431,783)</u>
			<u>13,453,550</u>
Capital assets being depreciated:			
Land improvements	9,615,337	—	—
Building	22,304,883	—	—
Furniture and fixtures	2,197,755	—	—
Computers	1,033,715	—	—
Vehicles	<u>158,748</u>	<u>—</u>	<u>—</u>
Total capital assets being depreciated at historical cost	<u>35,310,438</u>	<u>—</u>	<u>—</u>
			<u>35,310,438</u>
Less accumulated depreciation for:			
Land improvements	363,969	320,868	—
Building	10,622,872	1,086,665	—
Furniture and fixtures	2,209,966	3,788	—
Computers	1,033,718	(3)	—
Vehicles	<u>158,748</u>	<u>—</u>	<u>—</u>
Total accumulated depreciation	<u>14,389,273</u>	<u>1,411,318</u>	<u>—</u>
			<u>15,800,591</u>
Capital assets being depreciated, net	<u>20,921,165</u>	<u>(1,411,318)</u>	<u>—</u>
			<u>19,509,847</u>
Capital assets, net excluding right of use assets	<u>28,746,980</u>	<u>5,648,200</u>	<u>(1,431,783)</u>
			<u>32,963,397</u>
Right of use lease assets being amortized:			
Land and building	6,033,300	—	—
Less accumulated amortization	<u>(412,571)</u>	<u>(103,143)</u>	<u>—</u>
Total right of use assets being amortized, net	<u>5,620,729</u>	<u>(103,143)</u>	<u>—</u>
			<u>5,517,586</u>
Capital assets, net	\$ <u>34,367,709</u>	<u>5,545,057</u>	<u>(1,431,783)</u>
			<u>38,480,983</u>

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

	2024			
	Beginning balance	Increases	Decreases	Ending balance
Capital assets not being depreciated:				
Land	\$ 6,221,983	758,271	(26,745)	6,953,509
Construction in progress	6,915,403	3,100,856	(9,143,953)	872,306
Total capital assets not being depreciated	13,137,386	3,859,127	(9,170,698)	7,825,815
Capital assets being depreciated:				
Land improvements	471,384	9,143,953	—	9,615,337
Building	22,304,883	—	—	22,304,883
Furniture and fixtures	2,197,755	—	—	2,197,755
Computers	1,033,715	—	—	1,033,715
Vehicles	158,748	—	—	158,748
Total capital assets being depreciated at historical cost	26,166,485	9,143,953	—	35,310,438
Less accumulated depreciation for:				
Land improvements	246,300	117,669	—	363,969
Building	9,534,746	1,088,126	—	10,622,872
Furniture and fixtures	2,195,740	14,226	—	2,209,966
Computers	1,027,946	5,772	—	1,033,718
Vehicles	151,770	6,978	—	158,748
Total accumulated depreciation	13,156,502	1,232,771	—	14,389,273
Capital assets being depreciated, net	13,009,983	7,911,182	—	20,921,165
Capital assets, net excluding right of use assets	26,147,369	11,770,309	(9,170,698)	28,746,980
Right of use lease assets being amortized:				
Land and building	6,033,300	—	—	6,033,300
Less accumulated amortization	(306,648)	(105,923)	—	(412,571)
Total right of use assets being amortized, net	5,726,652	(105,923)	—	5,620,729
Capital assets, net	\$ 31,874,021	11,664,386	(9,170,698)	34,367,709

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

(9) Notes Payable

In 1993, the Authority purchased the China Trade Center (CTC) from an unrelated party for approximately \$2,225,000, including past-due property taxes due to the City of approximately \$750,000. Funding for the purchase was provided by the City. In connection with the transaction, the City received from the Authority a noninterest-bearing mortgage note of \$1,475,000 due upon the sale or refinancing of the property. The Authority rents the space to various unrelated parties and has no intention of selling the CTC. The CTC is included in the Authority's capital asset balance at June 30, 2025 and 2024.

(10) Lease Liability

As discussed in note 2(l), the Authority is a lessee under a noncancellable long-term lease of land and building. Monthly rent payments made on the lease are based on 47% of rent received from a sublease that the Authority has with a tenant on this property. The term of the lease runs through December 31, 2112; however, due to the payment terms being dependent on the sublease, the lease liability has been calculated through December 31, 2078, the sublease's end date. The discount rate used for the calculation of the lease liability is 2.005%. As a result of the monthly lease payment being less than the calculated interest amount for that month in the earlier years of the lease, payments will be applied to current monthly interest, as well as accrued interest on the lease, through September 2049. Accrued interest payable from this lease was \$183,856 and \$155,824 at June 30, 2025 and 2024, respectively, and is included in other noncurrent liabilities on the proprietary fund – statement of net position. Interest expense from this lease totaled \$124,064 and \$123,816 at June 30, 2025 and 2024, respectively, and is included in other operating expenses on the proprietary fund – statement of revenues, expenses, and changes in net position.

Future annual lease payments for this lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ —	124,631	124,631
2027	—	125,210	125,210
2028	—	126,148	126,148
2029	—	126,369	126,369
2030	—	126,726	126,726
2031-2035	—	638,747	638,747
2036-2040	—	641,306	641,306
2041-2045	—	633,580	633,580
2046-2050	47,551	614,211	661,762
2051-2055	427,648	579,860	1,007,508
2056-2060	631,074	527,265	1,158,339
2061-2065	879,659	451,490	1,331,149
2066-2070	1,182,445	348,409	1,530,854
2071-2075	1,548,960	211,815	1,760,775
2076-2080	1,309,000	45,488	1,354,488
Total	<u>\$ 6,026,337</u>	<u>5,321,255</u>	<u>11,347,592</u>

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

The Authority earned \$263,966 and \$263,437 in interest revenue from the sublease for the years ended June 30, 2025 and 2024, respectively, of which \$204,323 and \$191,051 was received in sublease payments, respectively, for the years then ending. Accrued interest receivable from this sublease totaled \$391,183 and \$331,540 at June 30, 2025 and 2024, respectively.

(11) Environmental Remediation Liability

The Authority is responsible for the cleanup of Building 105 of the Charlestown Navy Yard, formerly known as Chain Forge. Chain Forge was the birthplace of the die-lock anchor chain, which remains unparalleled for its durability. Chain Forge produced nearly all of the chains used by the US Navy through World War II. However, forging operations used materials and produced biproducts that contaminated the building structure, concrete floor slab, and the soil and groundwater beneath the building. Contaminants of concern detected at the site include polychlorinated biphenyls, petroleum compounds, polycyclic aromatic hydrocarbons, heavy metals (lead, arsenic and chromium), asbestos and dioxin. The site has sat dormant for over fifty years.

The Authority has a number of years' experience in managing these cleanups and the assessment of costs for these types of cleanups. The amount of the estimated pollution remediation liability assumes there will be no major increase in the cost of providing these cleanup services. Cleanup activities and oversight are expected to occur starting in 2026 through the summer/fall of 2028. Final documentation and clean up completion report is anticipated in the spring of 2029.

The Authority performed cost completion estimates totaling \$9.55 million in fiscal year 2025, with the liability recorded as supplies and services expenses in the statement of revenue, expenses, and changes in net position. Remediation outlays in fiscal year 2026 are estimated to be \$300,000, which is reported in the current liability section of the statement of net position. The balance of the accrued remediation liability as of June 30, 2025 is included in the noncurrent liabilities section of the statement of net position.

(12) Long-Term Liabilities

The following is a summary of long-term liabilities by major category at June 30, 2025 and 2024:

	Balance			Balance	Due within
	June 30, 2024	Additions	Reductions	June 30, 2025	one year
Notes payable	\$ 1,475,000	—	—	1,475,000	—
Deposits	14,450,866	5,320,941	10,074,109	9,697,698	—
Net pension liability	11,596,225	—	10,956,174	640,051	—
Due to designated projects	30,286,092	3,983,911	4,685,520	29,584,483	—
Due to the City of Boston	79,789,541	2,227,027	2,551,811	79,464,757	301,834
Pollution remediation	319,631	9,550,000	319,631	9,550,000	300,000
Leases	6,026,337	—	—	6,026,337	—
Unearned revenue	30,512,070	200,000	2,184,021	28,528,049	1,803,972
	<u>\$ 174,455,762</u>	<u>21,281,879</u>	<u>30,771,266</u>	<u>164,966,375</u>	<u>2,405,806</u>

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

	Balance			Balance	Due within
	June 30, 2023	Additions	Reductions	June 30, 2024	one year
Notes payable	\$ 1,475,000	—	—	1,475,000	—
Deposits	22,723,950	1,950,746	10,223,830	14,450,866	—
Net pension liability	16,729,073	—	5,132,848	11,596,225	—
Vacation and sick leave	1,251,571	—	1,251,571	—	—
Due to designated projects	31,542,702	7,349,497	8,606,107	30,286,092	—
Due to the City of Boston	83,566,222	2,656,402	6,433,083	79,789,541	296,952
Pollution remediation	833,789	—	514,158	319,631	319,631
Leases	6,036,201	—	9,864	6,026,337	—
Unearned revenue	32,496,094	—	1,984,024	30,512,070	1,803,972
	<u>\$ 196,654,602</u>	<u>11,956,645</u>	<u>34,155,485</u>	<u>174,455,762</u>	<u>2,420,555</u>

(13) Risk Management

The Authority is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, and employee health and life insurance claims.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed appropriate deductible amounts per incident. The Authority provides for workers' compensation and health claims through premium-based plans. Settled claims resulting from the risks discussed above did not exceed the amount of insurance coverage in force during the years ended June 30, 2025 and 2024.

The Authority is involved in lawsuits concerning routine contract matters and public liability tort actions, the majority of which are covered by both loss reserve and liability insured policies from contractors, homeowners, landlords, and tenants. In addition, the Authority is involved in other litigation including land damage cases resulting from the acquisition of properties as a result of exercising its powers of eminent domain. Management believes that there is no significant unreserved liability associated with these claims.

The Authority contracts with governmental agencies and third-party payers. The contracts are subject to audit by the respective funding source and could result in the recapture of revenue previously reported by the Authority. Management does not believe that any such disallowance, if found, would be material to the Authority's financial statements. Accordingly, no provision for any liability that may result has been made in the financial statements.

(14) Retirement Plans**(a) Plan Description**

The Authority contributes to the Boston Retirement System (the System or BRS), a cost-sharing, multiple-employer defined benefit governmental pension plan. The System provides retirement, disability, and death benefits to plan members and beneficiaries.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

The System is administered by a five-person Board of Retirement consisting of the City Auditor, who serves as a member ex officio, two members who are elected by the participants, in or retired from the service of the System, a fourth member appointed by the Mayor, a fifth member chosen by the other members. A complete set of financial statements for BRS for the fiscal year ended December 31, 2024 can be obtained through the BRS, Boston City Hall, Room 816, Boston, MA 02201 or by accessing the website <http://www.cityofboston.gov/retirement/investment.asp>.

Participation in the System is mandatory for all permanent, full time, and certain part-time employees immediately upon the commencement of employment. Participants who resign from employment and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. In addition, those participants that resign voluntarily with less than ten years of service are entitled to receive 3% per year interest; all others receive interest which has accrued on their cumulative deductions at the regular interest rate (0.10% at December 31, 2024 and 2023).

Employees with ten or more years of service having attained age 55 are entitled to pension benefits; an earlier retirement is allowed upon completion of twenty years of service. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest consecutive three year average annual rate of regular compensation (highest consecutive five-year average for those members who join the System on or after April 2, 2012). Benefit payments are based upon a participant's age, length of creditable service, regular compensation, and group classification. Participants become vested after ten years of creditable service. Effective July 1, 1998 Chapter 32 of the M.G.L. assigned authority to establish and amend benefit provisions and grant cost-of-living increases for the plan to Boston Retirement Board.

If a member in service dies due to causes unrelated to his or her job, the surviving spouse and/or surviving dependent children may receive benefits, either in a lump sum or in the form of an annuity based on the length of service, contributions and age. In the event there are no spouse and/or dependent children named, other beneficiaries may be entitled to a lump sum distribution. Participants who become permanently and totally disabled from further duty may be eligible to receive accidental or ordinary disability retirement benefits. The amount of benefits to be received in such cases is dependent upon several factors, including whether or not the disability is work related, the participant's age, years of creditable service, level of compensation, veteran status, and group classification.

(b) Contributions

Plan members are required to contribute to the System. Depending on their employment date, active members must contribute a range of 5%–9% of their regular gross compensation. Members hired after January 1, 1979 must contribute an additional 2% of regular compensation in excess of \$30,000. Participating employers are required to pay into the System their share of the remaining System-wide actuarially determined contribution, which is apportioned among the employers based on an actuarial computation. The contributions of plan members and the participating employers are governed by Chapter 32 of the M.G.L. For the years ended June 30, 2025 and 2024, the Authority's required and actual contribution was \$3,603,187 and \$3,152,894, respectively.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

(c) *Special Funding Situations*

The Authority is party to a special funding situation with the Commonwealth of Massachusetts. The Commonwealth is legally responsible for reimbursing BRS for a portion of the benefit payments for cost of living increases granted before 1997 as described in Chapter 112 of the Massachusetts General Laws Acts of 2010.

(d) *Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions*

At June 30, 2025 and 2024, the Authority reported a liability of \$640,051 and \$11,596,225, respectively, for its proportionate share of the BRS net pension liability measured as of December 31, 2024 and 2023, respectively. The net pension liability reflects a reduction for the special funding situation with the Commonwealth. The amount recognized by the Authority as its proportionate share of the net pension liability, the proportionate share related to the Commonwealth special funding situation, and the total portion of the net pension liability associated with the Authority at June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Authority's proportionate share of net pension liability	\$ 640,051	11,596,225
Commonwealth's proportionate share of net pension		
Liability associated with the Authority	<u>4,475</u>	<u>74,246</u>
Total	<u>\$ 644,526</u>	<u>11,670,471</u>

To determine employers' proportionate share of the net pension liability, separate calculations of net pension liability were performed for three groups of members, City of Boston teachers, Suffolk County Sheriff Department retirees, and all other non-teacher members. A separate calculation of net pension liability for the COLA benefits subject to the Commonwealth special funding situation described above also was determined. At December 31, 2024 and 2023, the Authority was allocated 0.05% and 0.71%, respectively, of the net pension liability associated with the all other non-teacher member group based on its proportion of the required employer contributions related to this group to the total employer contributions related to this group. The Authority's proportion of the collective BRS net pension liability at December 31, 2024 was 0.02 % compared to 0.27% at December 31, 2023.

For the years ended June 30, 2025 and 2024, the Authority recognized pension gain /(expense) of \$(1,362,782) and \$1,514,477, respectively. The Authority also recognized revenue of \$893 and \$15,172 respectively related to the special funding situation with the Commonwealth. At June 30, 2025

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

and 2024, the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Changes in employer proportion	\$ 2,830,590	8,048,880	282,749	2,557,492
Difference between expected and actual experience	12,202	26,283	—	499,926
Net difference between projected and actual investment earnings	116,592	—	2,699,045	—
Changes in assumptions	18,638	—	967,795	—
	<u>\$ 2,978,022</u>	<u>8,075,163</u>	<u>3,949,589</u>	<u>3,057,418</u>

Amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in actuarial pension gain as follows:

Year ending June 30:

2026	\$ 1,276,733
2027	1,361,487
2028	1,322,355
2029	1,136,566
2030	—
Total	<u>\$ 5,097,141</u>

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/(gain), information about the fiduciary net position of the BRS and additions to/deductions from the BRS's fiduciary net position have been determined on the same basis as they are reported for the BRS. Employer contributions to the plan are recognized when due and the employer has a legal obligation to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

(e) Actuarial Assumptions

The total pension liability as of December 31, 2024 and 2023 was determined by actuarial valuations as of January 1, 2024 and January 1, 2023, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

- *Inflation – 3.25%*

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

- *Salary increases – 4.00%*
- *Investment rate of return – 6.90% for BRS excluding teachers, net of expenses, including inflation*
- *Cost-of-living increases – 3.00% of first \$15,000*
- *Mortality:*
 - Healthy – PUB-2010 General Employee, Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables set forward one year projected generationally using MP-2021 for BRS excluding teachers.
 - Disabled- PUB-2010 General Healthy Retiree Amount-Weighted Mortality Tables set forward one year projected generationally using MP-2021 for BRS excluding teachers.
- *Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was using a building block method in which best estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the actuarial valuation of date December 31, 2024 and 2023 are summarized below:

Asset class	2024		2023	
	BRS excluding teachers target allocation	Long-term expected real rate of return	BRS excluding teachers target allocation	Long-term expected real rate of return
Domestic equity	25 %	5.82 %	23 %	6.29 %
International developed markets equity	15	5.91	16	6.39
International emerging markets equity	8	7.06	8	7.63
Core fixed income	18	1.81	18	1.72
High yield fixed income	4	3.34	5	3.43
Real estate	10	3.34	10	3.24
Emerging Market Debt	3	3.43	4	3.53
Hedge fund, GTAA, risk parity	5	2.77	5	2.87
Private credit	5	5.82	—	—
Private equity	7	9.20	11	9.43
	<u>100 %</u>		<u>100 %</u>	

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

(f) *Discount Rate*

The discount rate used to measure the total pension liability was 6.90% as of December 31, 2024 and 2023 for BRS excluding teachers. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rate and that contributions of participating employees and the Commonwealth will be made at rates equal to the actuarially determined contribution rates. Based upon these assumptions, the BRS'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.

(g) *Sensitivity of the Authority's Proportionate Share of the BRS Net Pension Liability*

The following presents the Authority's proportionate share of the BRS net pension liability calculated using the discount rate of 6.90% as of December 31, 2024 and 2023 for the BRS excluding teachers, as well as what the Authority's proportionate share of the BRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for BRS:

	<u>Current rate</u>	<u>1% Decrease</u>	<u>Current discount rate</u>	<u>1% Increase</u>
December 31, 2024	6.90 % \$	1,174,524	640,051	189,767
December 31, 2023	6.90 % \$	18,881,182	11,596,225	5,456,749

(15) Other Post-Employment Benefits (OPEB)

(a) *Plan Description*

The Authority administers a single-employer defined benefit post-employment benefits other than pension (OPEB) plan. The OPEB plan provides post-employment health care and life insurance benefits for eligible retired employees and is overseen by the Authority's board. The Commonwealth of Massachusetts' Group Insurance Commission (GIC) administers and manages health coverage options and benefits to participating employees and retirees. The investments of the OPEB plan are managed by the State Retiree Benefits Trust Fund (SRBT), a body corporate and politic of the Commonwealth of Massachusetts. The OPEB plan assets are currently invested in an external investment pool overseen by the Commonwealth of Massachusetts Pension Reserves Investment Management Board (PRIM). The OPEB plan is set up solely to pay for OPEB benefits and the cost to administer those benefits. It can only be revoked when all such health care and other non-pension benefits, current and future, have been paid or defeased. The OPEB plan does not issue a publicly available audited financial report.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

As of the actuarial valuation dates, the Authority had the following members who met the eligibility requirements.

	January 1 2025	January 1 2024
Active	—	49
Inactive	69	71

(b) Benefits Provided

The Authority provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits. The Authority's board has the ability to establish or amend benefit terms.

(c) Contributions

OPEB plan members who retire on or before July 1, 1994 contribute 10% of the cost of the plan, as determined by the GIC. Plan members who retire after July 1, 1994 but on or before October 1, 2009 contribute 15% of the cost of the health plan, as determined by the GIC. Plan members who retire after October 1, 2009 contribute 20% of the cost of the plan as determined by the GIC.

The Authority contributes the retiree health plan costs on a pay-as-you-go basis and contributes additional funds to the OPEB trust based on available budget appropriations. During fiscal year 2025, the Authority contributed \$552,888 of pay-as-you-go benefit payments to the OPEB plan. During fiscal year 2024, the Authority contributed \$498,819 of pay-as-you-go benefit payments to the OPEB plan. Employees do not contribute to the plan during employment.

(d) Investments

The OPEB Plan invests in the Pension Reserves Investment Trust (PRIT) Fund, which is managed by the Pension Reserves Investment Management (PRIM) Board. The PRIM Board seeks to maximize the total return on investments, within acceptable levels of risk and cost for an approximately 60% funded public pension fund. The PRIM Board recognizes that over the long term, asset allocation is the single greatest contributor of return and risk to the PRIT Fund. The investment policy statement adopted by the PRIM Board requires a comprehensive review of the PRIM Board's asset allocation plan and its underlying assumptions at reasonable intervals of not more than three to five years. In addition, the investment policy statement requires that the PRIM Board conduct an annual evaluation of the PRIT Fund's asset allocation. The PRIM Board's last comprehensive review of the PRIT Fund asset allocation was conducted during fiscal year 2020.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

The following was the PRIT Fund target asset allocations as of June 30:

Asset class	2025	2024
Global equity	31% – 41%	31% – 42%
Portfolio completion strategies	7 – 13	7 – 13
Core fixed income	12 – 18	12 – 18
Private equity	13 – 19	13 – 19
Real estate	7 – 13	7 – 13
Value added fixed income	6 – 12	6 – 12
Timber/natural resources	1 – 7	1 – 7
	<u>100 %</u>	<u>100 %</u>

The annual money-weighted rate of return on OPEB plan investments calculated as the internal rate of return on OPEB plan investments net of OPEB plan expenses for fiscal year 2025 and 2024 was 9.63% and 9.55%, respectively. A money weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

(e) Net OPEB Asset of the OPEB Plan Required by GASB 74

The components of the net OPEB asset as of June 30, 2025 and 2024 are as follows:

	2025	2024
Total OPEB liability	\$ 7,221,633	10,292,606
Plan fiduciary net position	<u>21,763,925</u>	<u>19,852,209</u>
Net OPEB asset	<u>\$ (14,542,292)</u>	<u>(9,559,603)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	301.4%	192.9%

Additional information regarding changes in the net OPEB asset can be found in the Required Supplementary Information section of these financial statements.

Actuarial Assumptions

The total OPEB liability was determined by actuarial valuations as of January 1, 2025 and January 1, 2024 rolled forward to June 30, 2025 and June 30, 2024, respectively, using the following actuarial assumptions:

- *Salary increases*
2025 – N/A
2024 – 4.00%
- *Investment rate of return* – 7.00%

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

- *Healthcare Cost trends:*

2025

- Medicare – 6.53% in 2025 trending to 5.14% in 2028, 4.87% in 2033 and 3.94% in 2075 and beyond
- Non-Medicare – 8.03% in 2025 trending to 6.29% in 2028, 4.87% in 2033 and 3.94% in 2075 and beyond
- Long-run growth factors include inflation of 2.5%, real GDP growth of 1.4%, and excess medical growth of .9%

2024

- Medicare – 7.26% in 2024 trending to 5.33% in 2027, 4.77% in 2032 and 3.94% in 2075 and beyond
- Non-Medicare – 8.59% in 2024 trending to 6.28% in 2027, 4.77% in 2032 and 3.94% in 2075 and beyond
- Long-run growth factors include inflation of 2.5%, real GDP growth of 1.4%, and excess medical growth of 1.0%

- *Mortality:*

2025

- Pre-retirement mortality – N/A
- Post-retirement mortality reflects PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.
- For disabled members, the mortality rate reflects the post-retirement mortality described.

2024

- Pre-retirement mortality reflects PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.
- Post-retirement mortality reflects PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.
- For disabled members, the mortality rate reflects the post-retirement mortality described.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

- *Long-term Expected Rate of Return* – Investment assets of the OPEB plan are held by the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage. The best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset class	Long-term expected real rate of return
Global equity	7.7 %
Portfolio completion strategies	6.8
Core fixed income	4.9
Private equity	10.5
Real estate	6.8
Value added fixed income	8.0
Timber/natural resources	6.8

- *Discount rate* – The discount rate used to measure the total OPEB liability is 7.00%. The projection of cash flows used to determine the discount rate assumed that the Authority's contributions will be made based on the current funding policy for future years. Based on those assumptions, the 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Changes in Net OPEB Asset

The following presents the changes in the Authority's net OPEB asset as of June 30, 2025:

	<u>Total OPEB liability</u>	<u>Plan fiduciary net position</u>	<u>Net OPEB liability (asset)</u>
Balance at June 30, 2024	\$ 10,292,606	19,852,209	(9,559,603)
Changes recognized for the fiscal year:			
Service cost	—	—	—
Changes in benefit terms	(3,040,930)	—	(3,040,930)
Interest on the total OPEB liability	488,594	—	488,594
Differences between expected and actual experience	18,787	—	18,787
Changes of assumptions	15,464	—	15,464
Benefit payments	(552,888)	(552,888)	—
Contributions from the employer	—	552,888	(552,888)
Net investment income	—	1,930,460	(1,930,460)
Administrative expense	—	(18,744)	18,744
Net changes	<u>(3,070,973)</u>	<u>1,911,716</u>	<u>(4,982,689)</u>
Balance at June 30, 2025	\$ <u>7,221,633</u>	<u>21,763,925</u>	<u>(14,542,292)</u>

Sensitivity of the Net OPEB Asset to Change in the Discount Rate

The following table presents the June 30, 2025 net OPEB asset of the Authority, calculated using the discount rate disclosed as well as what the Authority's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease (6%)</u>	<u>Current Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
Net OPEB asset	\$ (13,876,239)	(14,542,292)	(15,116,498)

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Sensitivity of the Net OPEB Asset to Change in the Healthcare Cost Trend Rates

The following table presents the June 30, 2025 net OPEB asset of the Authority, as well as what the Authority's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB asset	\$ (15,095,432)	(14,542,292)	(13,911,905)

(f) Net OPEB Liability (Asset) of the Authority Required by GASB 75

The Authority's June 30, 2025 net OPEB asset was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2024. The Authority's June 30, 2024 net OPEB asset was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2022, rolled forward to June 30, 2023.

The components of the Authority's net OPEB liability (asset) as of the June 30, 2024 and 2023 measurement dates are as follows:

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$ 10,292,606	11,362,128
Plan fiduciary net position	<u>19,852,209</u>	<u>18,125,989</u>
Net OPEB (asset) liability	\$ <u>(9,559,603)</u>	<u>(6,763,861)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	192.88 %	159.53 %

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

For the measurement date June 30, 2024 and 2023, the Authority recognized an actuarial OPEB gain of \$1,286,851 and \$2,074,127, respectively. At June 30, 2024 and 2023 measurement dates, the

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred outflows of resources	Deferred inflows of resources
Difference between actual and expected experience	\$ 43,377	2,601,972
Net difference between expected and actual earnings on OPEB plan investments	—	245,326
Assumption changes	176,890	31,356
Contributions made subsequent to the measurement date	552,888	—
Total	\$ 773,155	2,878,654

	2023	
	Deferred outflows of resources	Deferred inflows of resources
Difference between actual and expected experience	\$ 303,955	1,840,795
Net difference between expected and actual earnings on OPEB plan investments	97,901	—
Assumption changes	71,429	280,805
Contributions made subsequent to the measurement date	498,819	—
Total	\$ 972,104	2,121,600

Deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction to the Authority's total OPEB liability in fiscal year 2026. Other deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in actuarial OPEB gain as follows:

2026	\$ 1,179,895
2027	568,480
2028	560,672
2029	349,340
2030	—
Total	\$ 2,658,387

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Actuarial Assumptions

The Authority's June 30, 2025 total OPEB liability (measurement date of June 30, 2024) was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2024. The Authority's June 30, 2024 total OPEB liability (measurement date of June 30, 2023) was determined by an actuarial valuation as of January 1, 2022, rolled forward to June 30, 2023.

The actuarial assumptions used in the January 1, 2024 actuarial evaluation for the June 30, 2024 measurement date and the actuarial assumptions used in the January 1, 2022 actuarial evaluation for the June 30, 2023 measurement date were as follows:

- *Salary increases* – 4.00%
- *Investment rate of return* – 7.00%
- *Healthcare Cost trends:*

2024

- Medicare – 7.26% in 2024 trending to 5.33% in 2027, 4.77% in 2032 and 3.94% in 2075 and beyond
- Non-Medicare – 8.59% in 2024 trending to 6.28% in 2027, 4.77% in 2032 and 3.94% in 2075 and beyond
- Long-run growth factors include inflation of 2.5%, real GDP growth of 1.4%, and excess medical growth of 1.0%

2023

- Medicare – 4.49% in 2022 trending to 4.75% in 2025, 5.18% in 2030 and 4.04% in 2075 and beyond
- Non-Medicare – 7.06% in 2022 trending to 6.36% in 2025, 5.18% in 2030 and 4.04% in 2075 and beyond
- Long-run growth factors include inflation of 2.5%, real GDP growth of 1.5%, and excess medical growth of 1.1%
- *Mortality:*
 - Pre-retirement mortality reflects PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.
 - Post-retirement mortality reflects PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.
 - For disabled members, the mortality rate reflects the post-retirement mortality described.
- *Long-term Expected Rate of Return* – Investment assets of the Plan are held by the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage. The best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset class	Long-term expected real rate of return
Global equity	7.6 %
Portfolio completion strategies	6.4
Core fixed income	4.4
Private equity	10.2
Real estate	6.6
Value added fixed income	7.8
Timber/natural resources	7.1

- *Discount rate* – The discount rate used to measure the total OPEB liability is 7.00%. The projection of cash flows used to determine the discount rate assumed that the Authority's contributions will be made based on the current funding policy for future years. Based on those assumptions, the 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Changes in Net OPEB Asset

The following presents the changes in the Authority's net OPEB asset as of June 30, 2025 (measurement date June 30, 2024) and 2024 (measurement date June 30, 2023):

	<u>Total OPEB liability</u>	<u>Plan fiduciary net position</u>	<u>Net OPEB liability (asset)</u>
Balance recognized at June 30, 2024 (Based on June 30, 2023 measurement date)	\$ 11,362,128	18,125,989	(6,763,861)
Changes recognized for the fiscal year:			
Service cost	162,056	—	162,056
Interest on the total OPEB liability	789,529	—	789,529
Differences between expected and actual experience	(1,683,632)	—	(1,683,632)
Changes of assumptions	161,344	—	161,344
Benefit payments	(498,819)	(498,819)	—
Contributions from the employer	—	498,819	(498,819)
Net investment income	—	1,743,849	(1,743,849)
Administrative expense	—	(17,629)	17,629
Net changes	<u>(1,069,522)</u>	<u>1,726,220</u>	<u>(2,795,742)</u>
Balance recognized at June 30, 2025 (Based on June 30, 2024 measurement date)	\$ <u>10,292,606</u>	<u>19,852,209</u>	<u>(9,559,603)</u>

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

	<u>Total OPEB liability</u>	<u>Plan fiduciary net position</u>	<u>Net OPEB liability (asset)</u>
Balance recognized at June 30, 2023 (Based on June 30, 2022 measurement date)	\$ 11,093,145	17,145,569	(6,052,424)
Changes recognized for the fiscal year:			
Service cost	155,823	—	155,823
Interest on the total OPEB liability	769,731	—	769,731
Differences between expected and actual experience	(142,238)	—	(142,238)
Changes of assumptions	—	—	—
Benefit payments	(514,333)	(514,333)	—
Contributions from the employer	—	514,333	(514,333)
Net investment income	—	995,950	(995,950)
Administrative expense	—	(15,530)	15,530
Net changes	<u>268,983</u>	<u>980,420</u>	<u>(711,437)</u>
Balance recognized at June 30, 2024 (Based on June 30, 2023 measurement date)	\$ <u>11,362,128</u>	<u>18,125,989</u>	<u>(6,763,861)</u>

Sensitivity of the Net OPEB Liability (Asset) to Change in the Discount Rate

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

	<u>Current rate</u>	<u>1% Decrease in current rate</u>	<u>Current discount rate</u>	<u>1% Increase in current rate</u>
Net OPEB asset – 2025	7.00	\$ (8,422,194)	(9,559,603)	(10,522,112)
Net OPEB asset – 2024	7.00	\$ (5,431,836)	(6,763,861)	(7,882,399)

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Notes to Financial Statements

June 30, 2025 and 2024

Sensitivity of the Net OPEB Liability (Asset) to Change in the Healthcare Cost Trend Rates

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

	<u>1% Decrease</u>	<u>Trend rate</u>	<u>1% Increase</u>
Net OPEB asset – 2025	\$ (10,571,807)	(9,559,603)	(8,351,939)
Net OPEB asset – 2024	\$ (7,954,415)	(6,763,861)	(5,327,533)

OPEB Plan's Fiduciary Net Position

The OPEB plan does not issue a stand-alone financial report. However, the OPEB plan is included as a fiduciary fund in these financial statements.

(16) Subsequent Events

The authority has evaluated subsequent events through November 14, 2025, which is the date the financial statements were issued. There are no recognized subsequent events that provide additional evidence about conditions that existed at the statement of financial position date or non-recognized subsequent events or events that provide evidence about conditions that did not exist at the statement of financial position date, but would be necessary to disclose to keep the financial statements from being misleading.

BOSTON REDEVELOPMENT AUTHORITY

(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Employer Contributions – Boston Retirement System

June 30, 2025 and 2024

(Unaudited)

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 3,603	3,153	3,287	3,237	3,150	2,734	2,669	2,530	2,316	2,211
Contributions in relation to the actuarially determined contribution	<u>3,603</u>	<u>3,153</u>	<u>3,287</u>	<u>3,237</u>	<u>3,150</u>	<u>2,734</u>	<u>2,669</u>	<u>2,530</u>	<u>2,316</u>	<u>2,211</u>
Contribution deficiency	\$ —	—	—	—	—	—	—	—	—	—
Authority's covered-employee payroll	\$ 9,599	8,651	9,487	10,044	10,504	9,434	8,423	8,294	8,031	7,674
Contributions as a percentage of covered-employee payroll	37.5 %	36.4 %	34.6 %	32.2 %	30.0 %	29.0 %	31.7 %	30.5 %	28.8 %	28.8 %

See accompanying independent auditors' report.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability – Boston Retirement System

June 30, 2025 and 2024

(Unaudited)

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability	0.02 %	0.27 %	0.35 %	0.30 %	0.37 %	0.38 %	0.42 %	0.38 %	0.43 %	0.46 %
Authority's proportionate share of the net pension liability	\$ 640	11,596	16,729	10,306	14,528	17,522	19,083	15,234	17,851	20,096
Commonwealth's proportionate share of net pension liability associated with the Authority	4	74	94	116	140	157	181	220	247	294
Total	<u>\$ 644</u>	<u>11,670</u>	<u>16,823</u>	<u>10,422</u>	<u>14,668</u>	<u>17,679</u>	<u>19,264</u>	<u>15,454</u>	<u>18,098</u>	<u>20,390</u>
Authority's covered-employee payroll	\$ 9,599	8,651	9,487	10,044	10,504	9,434	8,423	8,294	8,031	7,674
Authority's proportionate share of the net pension liability as a percentage of covered-employee payroll	6.7 %	134.9 %	177.3 %	103.8 %	139.6 %	187.4 %	228.7 %	186.3 %	225.4 %	265.7 %
BRS fiduciary net position as a percentage of the total pension liability	74.2 %	69.4 %	64.1 %	73.3 %	67.6 %	61.9 %	58.3 %	62.7 %	58.0 %	55.8 %

See accompanying independent auditors' report.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Employer Contributions – OPEB Plan

June 30, 2025 and 2024

(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 552,888	498,819	514,333	548,980	586,619	593,237	568,673	554,585
Contribution made in relation to the statutorily required contribution	<u>552,888</u>	<u>498,819</u>	<u>514,333</u>	<u>548,980</u>	<u>2,586,619</u>	<u>2,593,237</u>	<u>1,887,469</u>	<u>7,911,999</u>
Contribution (deficiency)/excess	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,318,796</u>	<u>7,357,414</u>
Covered-employee payroll	\$ —	8,425,766	8,515,428	8,943,512	9,055,838	8,596,718	7,666,889	8,256,713
Contributions as a percentage of covered-employee payroll	N/A	5.9 %	6.0 %	6.1 %	28.6 %	30.2 %	24.6 %	95.8 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

* As of June 30, 2025 all active employees were on longer eligible for the OPEB plan.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Investment Returns – OPEB Plan

June 30, 2025 and 2024

(Unaudited)

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money weighted rate of return, net of investment expenses	9.63 %	9.55 %	5.62 %	(3.76)%	29.38 %	1.94 %	5.67 %	9.50 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

BOSTON REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Boston)

Required Supplementary Information

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

June 30, 2025 and 2024

(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:									
Service cost	\$ —	162,056	155,823	214,898	206,633	279,392	309,449	791,046	1,032,960
Interest cost	488,594	789,529	769,731	911,940	885,123	847,439	855,993	699,544	647,066
Changes in benefit terms	(3,040,930)	—	—	—	—	—	—	—	—
Difference between expected and actual experience	18,787	(1,683,632)	(142,238)	(2,682,491)	(148,812)	1,184,852	215,698	(309,889)	—
Change of assumptions	15,464	161,344	—	115,117	—	(856,511)	(564,078)	(8,034,253)	(3,999,957)
Benefit payments	(552,888)	(498,819)	(514,333)	(548,980)	(586,616)	(593,237)	(568,673)	(554,585)	(649,512)
Net change in total OPEB liability	(3,070,973)	(1,069,522)	268,983	(1,989,516)	356,328	861,935	248,389	(7,408,137)	(2,969,443)
Total OPEB liability – beginning	10,292,606	11,362,128	11,093,145	13,082,661	12,726,333	11,864,398	11,616,009	19,024,146	21,993,589
Total OPEB liability – ending	7,221,633	10,292,606	11,362,128	11,093,145	13,082,661	12,726,333	11,864,398	11,616,009	19,024,146
Plan fiduciary net position:									
Contributions – employer	552,888	498,819	514,333	548,980	2,586,616	2,593,237	1,887,366	7,911,999	649,512
Net investment income (loss)	1,930,460	1,743,849	995,950	(655,209)	3,853,502	169,954	558,629	594,674	—
Benefit payments	(552,888)	(498,819)	(514,333)	(548,980)	(586,616)	(593,237)	(568,673)	(554,585)	(649,512)
Administrative expense	(18,744)	(17,629)	(15,530)	(14,477)	(13,131)	(10,958)	(7,614)	(5,908)	—
Net change in plan fiduciary net position	1,911,716	1,726,220	980,420	(669,686)	5,840,371	2,158,996	1,869,708	7,946,180	—
Plan fiduciary net position – beginning	19,852,209	18,125,989	17,145,569	17,815,255	11,974,884	9,815,888	7,946,180	—	—
Plan fiduciary net position – ending	21,763,925	19,852,209	18,125,989	17,145,569	17,815,255	11,974,884	9,815,888	7,946,180	—
Net OPEB liability (asset)	\$ (14,542,292)	(9,559,603)	(6,763,861)	(6,052,424)	(4,732,594)	751,449	2,048,510	3,669,829	19,024,146
Net position as a percentage of OPEB liability	301.4 %	192.9 %	159.5 %	154.6 %	136.2 %	94.1 %	82.7 %	68.4 %	— %
Covered-employee payroll	\$ —	8,965,575	8,425,766	8,515,428	8,943,512	9,055,838	8,596,718	7,666,889	8,256,713
Net OPEB liability (asset) as a percentage of covered-employee payroll	N/A	(106.6)%	(80.3)%	(71.1)%	(52.9)%	8.3 %	23.8 %	47.9 %	230.4 %

Notes to schedule:

Changes in assumptions:

Discount rate:

June 30, 2016 measurement date: 2.85%

June 30, 2017 measurement date: 3.58%

June 30, 2018 measurement date: 7.35%

June 30, 2019 measurement date: 7.15%

June 30, 2020 measurement date: 7.00%

Mortality:

June 30, 2018 measurement date: RP 2014 Blue Collar Mortality Table projected with Scale MP-2016, with females set forward one year.

June 30, 2019 measurement date: PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2020.

June 30, 2020 measurement date: PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2020.

June 30, 2022 measurement date: PUB-2010 headcount-weighted general classification mortality, projected generationally with Scale MP-2021.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.



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**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***

The Board of Directors
Boston Redevelopment Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of the Boston Redevelopment Authority (the Authority), a component unit of the City of Boston, as of and for the year ended, June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

KPMG LLP

Boston, Massachusetts

November 14, 2025