

**Economic Development and Industrial
Corporation of Boston**

As of October 20, 2016, D/B/A

Boston Planning & Development Agency
(A Component Unit of the City of Boston)

Financial Statements,
Required Supplementary Information
and Independent Auditors' Report

June 30, 2025 and 2024

**Economic Development and Industrial
Corporation of Boston**

Contents

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	14
Schedule of Revenues and Expenses	29



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
**Economic Development and
Industrial Corporation of Boston**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of net position of Economic Development and Industrial Corporation of Boston (EDIC), a quasi-public corporation and component unit of the City of Boston, as of and for the years ended June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows, and the related notes to the financial statements, which collectively comprise the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of EDIC, as of June 30, 2025 and 2024, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 EDIC 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EDIC'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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 EDIC'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 EDIC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 – 9 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise EDIC's basic financial statements. The schedule of revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of EDIC'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 EDIC'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 EDIC's internal control over financial reporting and compliance.

Daniel Dennis & Company LLP
November 19, 2025

Economic Development and Industrial Corporation of Boston
Management's Discussion and Analysis
(Unaudited)
June 30, 2025 and 2024

The following management's discussion and analysis of the financial performance of Economic Development and Industrial Corporation of Boston (EDIC), 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 statement of EDIC for the fiscal years ended June 30, 2025 and 2024. Management of EDIC prepared this discussion, and it should be read in conjunction with the financial statement and the notes thereto, which follow this section.

The Corporation as a Whole

EDIC, a quasi-public corporation, is a component unit of the City of Boston and an instrumentality of the Commonwealth of Massachusetts. The purpose of EDIC is to create and retain industrial companies and jobs in Boston's neighborhoods for Boston residents, including minorities and women, through economic development, industrial real estate management, financing and job training. EDIC is exempt from federal income taxes as a political subdivision under Section 115 of the Internal Revenue Code.

EDIC's Office of Workforce Development (OWD) is a multi-service agency that receives federal, state and city funds to run a comprehensive system of education, job training, job placement, counseling, human services and other support services for Boston residents.

EDIC's major sources of revenue during the years ended June 30, 2025 and 2024, include funds generated from lease operations at its Raymond L. Flynn Marine Park and grants/contracts with governmental agencies for OWD activities.

Basic Financial Statements

The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board's (GASB) requirements for a special-purpose government agency engaged solely in business type activities.

Revenue is recorded when earned and expense are recorded when incurred. The financial statements include statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flow for each fiscal year. These are followed by notes to the financial statements.

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

The statements of revenue, expenses and changes in net position reports the operating revenues and expenses of EDIC for each fiscal year. The difference – increase or decrease in net position – then 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 statements of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, noncapital 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.

Economic Development and Industrial Corporation of Boston
Management's Discussion and Analysis – *Continued*
(Unaudited)
June 30, 2025 and 2024

Condensed Financial Information and Analysis

Condensed financial information as of and for the years ended June 30, 2025, 2024 and 2023 is as follows:

Condensed Statements of Net Position

	<i>June 30,</i>			<i>Percentage Change</i>	
	<i>2025</i>	<i>2024</i>	<i>2023</i>	<i>2025-2024</i>	<i>2024-2023</i>
Current assets	\$ 89,654,811	\$ 103,810,790	\$ 86,539,899	-14%	20%
Noncurrent assets	1,794,383,269	1,768,919,232	1,563,819,345	1%	13%
Capital assets, net	63,119,339	47,290,840	46,934,311	33%	1%
Total assets	<u>\$1,947,157,419</u>	<u>\$1,920,020,862</u>	<u>\$ 1,697,293,555</u>	<u>1%</u>	<u>13%</u>
Current liabilities	\$ 10,257,512	\$ 18,340,473	\$ 10,266,736	-44%	79%
Noncurrent liabilities	3,203,412	2,698,694	4,384,424	19%	-38%
Total liabilities	<u>13,460,924</u>	<u>21,039,167</u>	<u>14,651,160</u>	<u>-36%</u>	<u>44%</u>
Deferred inflow of rental income	<u>1,640,168,255</u>	<u>1,657,248,198</u>	<u>1,480,920,691</u>	<u>-1%</u>	<u>12%</u>
<i>Net Position</i>					
Net investment in capital assets	63,119,339	47,290,840	46,934,311	33%	1%
Restricted for grant programs	716,633	704,022	703,953	2%	0%
Unrestricted	229,692,268	193,738,635	154,083,440	19%	26%
Total net position	<u>293,528,240</u>	<u>241,733,497</u>	<u>201,721,704</u>	<u>21%</u>	<u>20%</u>
Total liabilities, deferred inflow and net position	<u>\$1,947,157,419</u>	<u>\$1,920,020,862</u>	<u>\$ 1,697,293,555</u>	<u>1%</u>	<u>13%</u>

Financial Highlights – 2025 to 2024

- EDIC's net position at June 30, 2025 was \$293.5 million, an increase of \$51.8 million from the June 30, 2024 net position totaling \$241.7 million. This increase is primarily the result of excess operating and non-operating income in fiscal year 2025 totaling \$51.8 million.
- EDIC's cash and cash equivalents at June 30, 2025 was \$60 million, a decrease of \$12.8 million from June 30, 2024 cash and cash equivalents totaling \$72.8 million. The statement of cash flows identifies the sources and uses of cash and cash equivalents for each fiscal year. Board designated reserve funds are summarized in Note 13.
- EDIC's lease receivable and accrued interest on lease receivables at June 30, 2025 totaled \$1.795 billion, an increase of \$25 million from the June 30, 2024 lease receivable and accrued interest on lease receivables totaling \$1.770 billion. This increase is primarily the result of executing new lease agreements and amending existing lease agreements, net of an allowance for leases totaling \$10 million relating to a lease termination at June 30, 2024. Lease receivable and accrued interest on lease receivables are summarized in Note 6 to the financial statements which have been accounted for under GASB 87, *Leases*.

Economic Development and Industrial Corporation of Boston
Management's Discussion and Analysis – *Continued*
(Unaudited)
June 30, 2025 and 2024

Financial Highlights – 2025 to 2024 – continued

- EDIC's capital assets at June 30, 2025 was \$124.3 million, an increase of \$18.5 million from June 30, 2024 capital assets totaling \$105.8 million. Capital asset acquisitions in fiscal year 2025 are detailed in Note 7 to the financial statements. Accumulated depreciation and amortization on capital assets at June 30, 2025 was \$62.1 million, an increase of \$2.2 million from prior year accumulated depreciation and amortization totaling \$59.9 million, this increase represents fiscal year 2025 depreciation and amortization on capital assets.
- EDIC's accounts payable and grants/contracts to related parties and community based organizations payable at June 30, 2025 was \$5.6 million, a decrease of \$9.2 million from June 30, 2024 accounts payable and grants/contracts to related parties and community based organizations payable totaling \$14.8 million. The decrease is the result of a year-end accounts and grants payables outstanding in 2025 compared to 2024.
- EDIC's deferred inflow of resources relating to rental income at June 30, 2025 was \$1.640 billion, a decrease of \$17 million from the June 30, 2024 deferred inflow of resources relating to rental income totaling \$1.657 billion. This decrease is primarily the result of recognizing leasing activities on existing lease agreements. Lease receivable and accrued interest on lease receivables are summarized in Note 6 to the financial statements which have been accounted for under GASB 87, *Leases*.

Financial Highlights – 2024 to 2023

- EDIC's net position at June 30, 2024 was \$241.7 million, an increase of \$40 million from the June 30, 2023 net position totaling \$201.7 million. This increase is primarily the result of excess operating and non-operating income in fiscal year 2024 totaling \$40 million.
- EDIC's cash and cash equivalents at June 30, 2024 was \$72.8 million, an increase of \$41.2 million from June 30, 2023 cash and cash equivalents totaling \$31.6 million. EDIC's investments at June 30, 2024 was zero, a decrease of \$33.6 million from June 30, 2023 investments of \$33.6 million. The statement of cash flows identifies the sources and uses of cash and investments for each fiscal year. Board designated reserve funds are summarized in Note 13.
- EDIC's lease receivable and accrued interest on lease receivables at June 30, 2024 totaled \$1.770 billion, an increase of \$204 million from the June 30, 2023 lease receivable and accrued interest on lease receivables totaling \$1.566 billion. This increase is primarily the result of executing new lease agreements and amending existing lease agreements, net of an allowance for leases totaling \$10 million relating to a lease termination. Lease receivable and accrued interest on lease receivables are summarized in Note 6 to the financial statements which have been accounted for under GASB 87, *Leases*.
- EDIC's grants/contracts receivable at June 30, 2024 was \$23.9 million, an increase of \$12.1 million from June 30, 2023 grants/contracts receivable totaling \$11.8 million. The increase is the result of an increase of grant funding outstanding at June 30, 2024.

Economic Development and Industrial Corporation of Boston

Management's Discussion and Analysis – *Continued*

(Unaudited)

June 30, 2025 and 2024

Financial Highlights – 2024 to 2023 – continued

- EDIC's capital assets at June 30, 2024 was \$105.8 million, an increase of \$2.8 million from June 30, 2023 capital assets totaling \$103 million. Capital asset acquisitions in fiscal year 2024 are detailed in Note 7 to the financial statements. Accumulated depreciation and amortization on capital assets at June 30, 2024 was \$59.8 million, an increase of \$2.2 million from prior year accumulated depreciation and amortization totaling \$57.6 million, this increase represents fiscal year 2024 depreciation and amortization on capital assets.
- EDIC's accounts payable and grants/contracts to related parties and community based organizations payable at June 30, 2024 was \$14.8 million, an increase of \$6 million from June 30, 2023 accounts payable and grants/contracts to related parties and community based organizations payable totaling \$8.8 million. The increase is the result of a year-end accounts and grants payables outstanding.
- EDIC's deferred inflow of resources relating to rental income at June 30, 2024 was \$1.657 billion, an increase of \$177 million from the June 30, 2023 deferred inflow of resources relating to rental income totaling \$1.480 billion. This increase is primarily the result of executing new lease agreements and amending existing lease agreements. Lease receivable and accrued interest on lease receivables are summarized in Note 6 to the financial statements which have been accounted for under GASB 87, *Leases*.

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

	<i>June 30,</i>			<i>Percentage Change</i>	
	<i>2025</i>	<i>2024</i>	<i>2023</i>	<i>2025-2024</i>	<i>2024-2023</i>
<i>Operating revenue</i>					
Grant/contract income	\$ 21,320,074	\$ 53,816,907	\$ 24,229,462	-60%	122%
Rent and other property payments	47,833,984	44,622,468	43,647,919	7%	2%
Total operating revenues	69,154,058	98,439,375	67,877,381	-30%	45%
<i>Operating Expenses</i>					
Personnel and fringe benefits	10,935,112	32,391,585	25,638,210	-66%	26%
Grants/contracts to related parties and community based organizations	27,476,863	47,660,055	17,700,730	-42%	169%
Contractual services, supplies and other	18,731,641	11,933,856	10,677,741	57%	12%
Depreciation and amortization	2,623,532	2,622,382	2,527,082	0%	4%
Total operating expenses	59,767,148	94,607,878	56,543,763	-37%	67%
Operating income	9,386,910	3,831,497	11,333,618	145%	-66%
<i>Nonoperating revenue</i>					
Contributions	45,393	793,375	922,723	-94%	-14%
Interest income from leases	39,774,679	32,196,256	30,175,487	24%	7%
Investment income	2,587,761	3,190,665	1,531,459	-19%	108%
Total nonoperating revenues	42,407,833	36,180,296	32,629,669	17%	11%
Increase in net position	51,794,743	40,011,793	43,963,287	29%	-9%
Net position at beginning of year	241,733,497	201,721,704	157,758,417	20%	28%
Net position at end of year	\$ 293,528,240	\$241,733,497	\$201,721,704	21%	20%

Economic Development and Industrial Corporation of Boston
Management's Discussion and Analysis – *Continued*
(Unaudited)
June 30, 2025 and 2024

Financial Highlights – 2025 to 2024

- EDIC ended fiscal years 2025 and 2024 with an increase in net position totaling \$51.8 million and \$40 million, respectively.
- EDIC's grants/contract income in fiscal year 2025 totaled \$21.3 million, a decrease of \$32.5 million from fiscal year 2024 grants/contract income totaling \$53.8 million. The decrease is primarily the result of grants/contracts which were transferred to the City of Boston during 2025 as well as an overall decrease of existing grant activity in 2025 compared to 2024.
- EDIC's salaries and fringe benefits in fiscal year 2025 totaled \$10.9 million, a decrease of \$21.4 million from fiscal year 2024 salaries and fringe benefits totaling \$32.3 million. The decrease is primarily the result of transferring employees to the City of Boston during 2025.
- EDIC's grants/contracts to related parties and community based organizations in fiscal year 2025 were \$27.5 million, a decrease of \$20.2 million from fiscal year 2024 grants/contracts to related parties and community based organizations of \$47.7 million. This decrease was the net result of a decrease in grants to community based organizations of \$31.7 million and a \$11.5 million increase in related party grants detailed in Note 10 to the financial statements.

Financial Highlights – 2024 to 2023

- EDIC ended fiscal years 2024 and 2023 with an increase in net position totaling \$40 million and \$44 million, respectively.
- EDIC's grants/contract income in fiscal year 2024 totaled \$53.8 million, an increase of \$29.8 million from fiscal year 2023 grants/contract income totaling \$24 million. The increase is primarily the result of new grants/contracts entered into during fiscal year 2024.
- EDIC's salaries and fringe benefits in fiscal year 2024 totaled \$32.3 million, an increase of \$6.7 million from fiscal year 2023 salaries and fringe benefits totaling \$25.6 million. The increase is primarily the result of hiring additional employees during fiscal year 2024.
- EDIC's grants/contracts to related parties and community based organizations in fiscal year 2024 were \$47.7 million, an increase of \$30 million from fiscal year 2023 grants/contracts to related parties and community based organizations of \$17.7 million. This increase was the net result of an increase in community based organizations of \$17 million and a \$5 million increase in related party grants detailed in Note 10 to the financial statements.

Economic Development and Industrial Corporation of Boston
Management's Discussion and Analysis – *Continued*
(Unaudited)
June 30, 2025 and 2024

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 Boston Redevelopment 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 Office of Workforce Development's state and federal grant funds are in the process of being transferred to the Worker Empowerment Cabinet as part of the agency's transition to the City. The State Legislature is currently considering a Home Rule Petition (H. 4947) that would change some of the powers and functions of the BPDA. Passing of the bill will result in the merging of the Boston Redevelopment Authority and EDIC into a new entity, the Boston Planning Board. This merger will have a significant impact on EDIC's financial statements.

Request for Information

This financial report is designed to provide a general overview of EDIC's finances and to demonstrate its accountability for the money it receives to carry out both economic development activities and fiscal agent responsibilities to the City of Boston for its Office of Workforce Development grant programs. If you have any questions about this report, contact the Secretary's Office, 9th Floor, Boston City Hall.

Economic Development and Industrial Corporation of Boston

Statements of Net Position

June 30, 2025 and 2024

<i>Assets</i>	<i>2025</i>	<i>2024</i>
Current assets:		
Cash and cash equivalents	\$ 59,945,737	\$ 72,814,467
Lease receivable	3,707,459	4,029,037
Accounts receivable, net	3,431,014	2,422,701
Grants/contracts receivable	20,529,188	23,932,751
Prepaid assets and deposits	<u>2,041,413</u>	<u>611,834</u>
Total current assets	<u>89,654,811</u>	<u>103,810,790</u>
Noncurrent assets:		
Lease receivable, net	1,718,248,926	1,715,322,467
Accrued interest receivable	73,527,759	51,340,366
Restricted cash and cash equivalents	716,633	704,022
Security deposits	<u>1,889,951</u>	<u>1,552,377</u>
Total noncurrent assets	<u>1,794,383,269</u>	<u>1,768,919,232</u>
Capital assets, net	<u>63,119,339</u>	<u>47,290,840</u>
Total Assets	<u>\$ 1,947,157,419</u>	<u>\$ 1,920,020,862</u>
<i>Liabilities</i>		
Current liabilities:		
Accounts payable	\$ 4,585,820	\$ 5,927,290
Grants/contracts payable	1,020,175	8,868,469
Accrued expenses	602,021	476,336
Compensated absences	367,178	1,211,338
Unearned revenue	3,375,406	1,520,132
Leases obligations/payables	252,980	240,731
Subscription IT obligations/payable	<u>53,932</u>	<u>96,177</u>
Total current liabilities	<u>10,257,512</u>	<u>18,340,473</u>
Noncurrent liabilities:		
Leases obligations/payables	642,493	895,474
Compensated absences	670,968	196,911
Security deposits	1,889,951	1,552,377
Subscription IT obligations/payable	<u>-</u>	<u>53,932</u>
Total noncurrent liabilities	<u>3,203,412</u>	<u>2,698,694</u>
Total liabilities	<u>13,460,924</u>	<u>21,039,167</u>
<i>Deferred Inflow of Resources</i>		
Deferred inflow of rental income	<u>1,640,168,255</u>	<u>1,657,248,198</u>
<i>Net Position</i>		
Net investment in capital assets	63,119,339	47,290,840
Restricted for grant programs	716,633	704,022
Unrestricted	<u>229,692,268</u>	<u>193,738,635</u>
Total net position	<u>293,528,240</u>	<u>241,733,497</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 1,947,157,419</u>	<u>\$ 1,920,020,862</u>

See accompanying notes to basic financial statements.

Economic Development and Industrial Corporation of Boston
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2025 and 2024

	2025	2024
<i>Operating Revenue</i>		
Grant/contract income	\$ 21,320,074	\$ 53,816,907
Rental income	46,869,664	44,242,850
Miscellaneous income	964,320	379,618
Total operating revenues	<u>69,154,058</u>	<u>98,439,375</u>
<i>Operating Expenses</i>		
Salaries	8,188,869	24,716,973
Fringe benefits	2,746,243	7,674,612
Grants/contracts to related parties and community based organizations	27,476,863	47,660,055
Utilities	940,691	727,770
Security and maintenance	3,238,208	2,835,478
Travel and transportation	57,267	128,411
Insurance	845,348	854,127
Professional fees	10,981,464	5,263,618
Lease commissions	62,438	-
Printing	46,546	12,823
Bad debt expense	254,190	4,704
Depreciation	2,261,894	2,214,604
Amortization	361,638	407,778
Supplies	126,315	185,749
Rental expense	95,012	121,754
Telecommunications	97,618	106,180
Professional development	16,168	79,338
Data processing	392,804	902,233
Marketing	1,720	18,772
Educational supplies	285	23,991
Interest expense	8,447	11,210
Loss on lease	1,010,851	159,600
Other expense	556,269	498,098
Total operating expenses	<u>59,767,148</u>	<u>94,607,878</u>
Operating income	<u>9,386,910</u>	<u>3,831,497</u>
<i>Nonoperating Revenue</i>		
Interest income from leases	39,774,679	32,196,256
Interest income	2,587,761	3,190,665
Contributions	45,393	793,375
Total nonoperating revenue	42,407,833	36,180,296
Change in net position	51,794,743	40,011,793
Net position at beginning of year	<u>241,733,497</u>	<u>201,721,704</u>
Net position at end of year	<u>\$ 293,528,240</u>	<u>\$ 241,733,497</u>

See accompanying notes to basic financial statements.

Economic Development and Industrial Corporation of Boston

Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	2024
<i>Cash Flows from Operating Activities</i>		
Receipts from grants/contracts and contributions	\$ 26,624,304	\$ 43,726,483
Receipts from tenants	26,255,308	35,440,720
Payments to employees	(8,460,000)	(24,952,676)
Payments for employee benefits	(2,700,180)	(7,715,478)
Payments to community based organizations	(25,073,942)	(39,880,760)
Payments to related parties	(18,718,944)	(5,842,667)
Payments to vendors and suppliers	(12,501,568)	(7,388,007)
Payments for interest	<u>(8,447)</u>	<u>(11,210)</u>
Net cash used in operating activities	<u>(14,583,469)</u>	<u>(6,623,595)</u>
<i>Cash Flows from Investing Activities</i>		
Interest on investments	2,587,761	3,042,593
Sale of investments	<u>-</u>	<u>33,629,680</u>
Net cash provided by investing activities	<u>2,587,761</u>	<u>36,672,273</u>
<i>Cash Flows from Capital and Related Financing Activities</i>		
Receipts from interest on leases	17,584,412	14,253,917
Acquisition of capital assets	(18,204,092)	(2,822,878)
Lease payments	<u>(240,731)</u>	<u>(233,121)</u>
Net cash (used in)/provided by capital and related financing activities	<u>(860,411)</u>	<u>11,197,918</u>
Net (decrease)/increase in cash and cash equivalents	(12,856,119)	41,246,596
Cash and cash equivalents - beginning of year	<u>73,518,489</u>	<u>32,271,893</u>
Cash and cash equivalents - end of year	<u>\$ 60,662,370</u>	<u>\$ 73,518,489</u>

See accompanying notes to basic financial statements.

Economic Development and Industrial Corporation of BostonStatements of Cash Flows – *Continued*

For the Years Ended June 30, 2025 and 2024

	2025	2024
<i>Reconciliation of Change in Net Position to Net Cash Used in Operating Activities</i>		
Operating income	\$ 9,386,910	\$ 3,831,497
Adjustments to reconcile change in net position to net cash used in operating activities:		
Depreciation and amortization	2,623,532	2,622,382
Changes in operating assets and liabilities:		
Increase in lease receivable	(2,604,881)	(186,748,603)
(Decrease)/increase in deferred inflow of rental income	(17,079,943)	176,327,507
(Increase)/decrease in accounts receivable	(1,262,503)	1,569,287
Decrease/(increase) in grants/contracts receivable	3,403,563	(12,107,879)
(Increase)/decrease in other assets	(1,429,579)	239,265
(Decrease)/increase in accounts payable	(1,341,470)	4,058,003
(Decrease)/increase in grants/contracts payable	(7,848,271)	2,640,184
Increase/(decrease) in accrued expenses	125,685	(172,900)
Decrease in compensated absences	(370,103)	(123,454)
Increase in leases obligations/payables	12,249	7,610
(Decrease)/increase subscription IT payable	(53,932)	9,426
Increase in unearned revenue	<u>1,855,274</u>	<u>1,224,080</u>
Net cash used in operating activities	<u>\$ (14,583,469)</u>	<u>\$ (6,623,595)</u>

See accompanying notes to basic financial statements.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements

June 30, 2025 and 2024

1. *Financial Reporting Entity*

Economic Development and Industrial Corporation of Boston (EDIC), a quasi-public corporation, is a component unit of the City of Boston (the City) and an instrumentality of the Commonwealth of Massachusetts. The purpose of EDIC is to create and retain industrial companies and jobs in Boston's neighborhoods for Boston residents, including minorities and women, through economic development, industrial real estate management, financing, and job training. EDIC is exempt from federal income taxes as a political subdivision under Section 115 of the Internal Revenue Code.

EDIC owns and operates the Raymond L. Flynn Marine Park (RFMP), which is leased out to manufacturing, industrial and light industrial business tenants. Further, EDIC's Office of Workforce Development (OWD), is a multi-service agency that receives federal, state and city funds to run a comprehensive system of education, job training, job placement, counseling, human services and other support services for Boston residents.

On October 20, 2016, the board approved the renaming of EDIC to d/b/a the Boston Planning & Development Agency. For all legal documents and as a legal entity, EDIC shall remain the same.

2. *Summary of Significant Accounting Policies*

Basis of Accounting - EDIC's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board's (GASB) requirements for a special-purpose government agency engaged solely in business type activities. Accordingly, revenue is recognized when earned and expenses are recorded when incurred.

Funding under cost reimbursement grants/contracts and contribution revenue are recognized as unearned revenue when received and recorded as income when all eligibility requirements are met. Funding received for the improvement of depreciable capital assets is considered to be nonexchange transactions and is recorded as revenue when the related cost is incurred.

Cash and Cash Equivalents - Cash and cash equivalents consist of funds in EDIC's cash accounts, certificates of deposit and all highly liquid investments with an initial maturity of three months or less to be cash equivalents, other than cash collected for security deposits.

Grants/Contracts and Accounts Receivable - Grants/contracts receivable represent amounts due from funding sources for capital improvements funded by the City of Boston (Note 10) and for OWD grant activity. Accounts receivable represent amounts due from tenants and related parties. Receivables are presented net of allowance for doubtful accounts. Management's periodic evaluation of the adequacy of the allowance is based on its past experience and receivables are charged off when deemed uncollectible. Allowance for doubtful accounts receivable totaled \$296,253 and \$42,932 at June 30, 2025 and 2024, respectively. Management has determined that all grants/contracts receivable are collectible for the years then ended; therefore, no related allowance has been recorded.

Grants/Contracts and Accounts Payable - Grants/contracts payable represent grant funding amounts due to related parties (Note 10), and for community based organizations for OWD activities that are funded through grants/contracts with Federal, state and other agencies. Accounts payable represent operational amounts due to vendors and related parties.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

2. *Summary of Significant Accounting Policies - Continued*

Capital Assets - Capital assets in excess of \$10,000 are recorded on the statement of net position at historical cost less accumulated depreciation. Depreciation is provided using the straight-line method over the following useful lives:

<i>Capital Asset Category</i>	<i>Life</i>
Land Improvements	5-50 Years
Maritime Assets	10-50 Years
Buildings and Improvements	10-50 Years
Machinery and Equipment	3-5 Years
Other Assets	5 Years

All real estate and tangible personal property of EDIC is deemed to be public property used for essentially public and governmental purposes and is exempt from taxation, except that the City and EDIC may determine an amount to be paid annually in lieu of taxes. No such payments were made to the City for the years ended June 30, 2025 and 2024.

Leases (Lessor) – EDIC 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, EDIC recognizes income based on the provisions of the lease contract. For all other leases (i.e. those that are not short-term), EDIC recognizes a lease receivable and an offsetting deferred inflow of resources.

At lease commencement, EDIC 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. EDIC recognizes interest income on the lease receivable, and lease revenue from the deferred inflows of resources on a systematic and rational manner over the term of the lease.

Key estimates and judgments include how EDIC 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.

Discount Rate - EDIC generally uses its estimated incremental borrowing rate as the discount rate for leases. EDIC'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 Standard and Poor's AA municipal yield curves, initially assessed at July 1, 2020 for 1 through 30 year terms, and a projected yield for each year beyond year 30. For new and amended leases after July 1, 2020, EDIC uses a similar yield curve that is updated every six months at December and June.

Lease Payments - Lease payments to be received are evaluated by EDIC 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, such as base rent, percentage rent, and lease extension fees.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

2. *Summary of Significant Accounting Policies - Continued*

Leases (Lessor) – continued

Lease Term - The lease term includes the noncancellable portion of the lease, plus any additional periods covered by either EDIC's or lessee's 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 EDIC and the lessee have an option to terminate are excluded from the lease term.

EDIC 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 and rental income.

Lease receivable is reported within the noncurrent asset section of the statement of net position, net of the short-term portion of the lease receivable reported as a current asset and the allowance for leases.

Leases (Lessee) – EDIC is a lessee for two noncancellable leases of a building and equipment, for which EDIC recognizes a lease liability. For leases with a maximum possible term of 12 months or less at commencement, EDIC recognizes the expense based on the provisions of the lease contract. For all other leases, EDIC recognizes a lease liability and an intangible right-to-use lease asset.

At lease commencement, EDIC initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or useful life of the underlying asset. If EDIC is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful live of the underlying asset.

EDIC uses its estimated incremental borrowing rate as the discount rate for leases. EDIC'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.

EDIC 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 statement of net position, net of the short-term portion of the lease liability reported as a current liability.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

2. *Summary of Significant Accounting Policies - Continued*

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Planned Major Maintenance - EDIC uses the direct expensing method to account for planned major maintenance activities, under which actual costs incurred are expensed directly when maintenance is performed.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. EDIC did not have any deferred outflows as of June 30, 2025 and 2024.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include leases which are related to the lease receivable and are being amortized to lease revenue in a systematic and rational manner over the terms of the leases. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. See Note 6.

Reclassifications - Certain fiscal year 2024 amounts have been reclassified to conform to the fiscal year 2025 financial statement presentation.

Adoption of Accounting Standards

EDIC adopted GASB Statement No. 101, *Compensated Absences* (GASB No. 101), effective for the fiscal year ended June 30, 2025. GASB No. 101 establishes a single recognition and measurement model related to compensated absences and clarifies disclosure requirements. GASB No. 101 did not have a material effect on EDIC financial statements or beginning net position.

EDIC adopted GASB Statement No. 102, *Certain Risk Disclosures* (GASB No. 102), effective for the fiscal year ended June 30, 2025. GASB No. 102 establishes disclosure requirements related to events associated with certain concentrations and constraints that may have a substantial impact on EDIC. The adoption of GASB No. 102 did not result in any material changes to EDIC's financial statements for the year ended June 30, 2025.

3. *Net Investment in Capital Assets*

Net investment in capital assets consisted of the following as of June 30,:

	2025	2024
Cost of capital assets acquired	\$126,699,279	\$108,495,187
Less accumulated depreciation and amortization	<u>(63,579,940)</u>	<u>(61,204,347)</u>
Net investment in capital assets	<u>\$ 63,119,339</u>	<u>\$ 47,290,840</u>

Economic Development and Industrial Corporation of BostonNotes to Financial Statements - *Continued*

June 30, 2025 and 2024

4. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following as of June 30,:

<i>Description</i>	<i>2025</i>	<i>2024</i>
Federally insured deposits	\$ 500,000	\$ 500,000
Collateralized with Securities held by the Pledging Financial Institution's Trust Department or Agent, but not in EDIC's Name	36,969,960	44,074,518
Uncollateralized/unsecured deposits	<u>27,277,152</u>	<u>37,425,515</u>
Total	<u>\$ 64,747,112</u>	<u>\$ 82,000,033</u>

EDIC maintains its cash accounts at three financial institutions. Balances in two institutions are fully insured or collateralized. The balances in the other institution, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor. As of June 30, 2025 and 2024, included in cash is cash equivalents held in money market funds totaling \$27.3 million and 36.1 million respectively, that is held in an investment trust account which is uncollateralized/unsecured. Also included in cash are non-negotiable certificates of deposit with a balance of \$7.5 million and \$14.4 million as of June 30, 2025 and 2024, respectively, recorded at cost. EDIC has not experienced any losses in this uncollateralized/unsecured account. Management acknowledges the possibility of risk in this arrangement; however, the size and longevity of the depository institution minimizes such risk.

5. Lease Commitments

EDIC entered into a lease agreement for office space used for OWD programs that expired on December 31, 2018. During fiscal year 2019, the lease terms were amended extending the lease period for an additional ten years through December 31, 2028 and increasing the basic rent. EDIC is also responsible for additional rent for increases in real estate tax and building operating expenses over the base years of this lease. A summary of lease assets is summarized as follows:

<i>Description</i>	<i>Date</i>	<i>Payment Terms</i>	<i>Annual Payment Amount</i>	<i>Interest Rate</i>	<i>Total Lease Liability</i>	<i>Balance June 30, 2025</i>
Building	1/1/2019	10 years	\$220,000 - \$260,000	0.90%	\$ 2,010,365	<u>\$ 895,473</u>

<i>Description</i>	<i>Date</i>	<i>Payment Terms</i>	<i>Annual Payment Amount</i>	<i>Interest Rate</i>	<i>Total Lease Liability</i>	<i>Balance June 30, 2024</i>
Building	1/1/2019	10 years	\$220,000 - \$260,000	0.90%	\$ 2,010,365	<u>\$ 1,136,205</u>

Economic Development and Industrial Corporation of BostonNotes to Financial Statements - *Continued*

June 30, 2025 and 2024

5. Lease Commitments – Continued

Future minimum rental expense on noncancelable leases is as follows:

<i>Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 252,980	\$ 6,828	\$ 259,808
2027	255,460	4,540	260,000
2028	257,769	2,231	260,000
2029	<u>129,264</u>	<u>243</u>	<u>129,507</u>
	<u>\$ 895,473</u>	<u>\$ 13,842</u>	<u>\$ 909,315</u>

6. Leasing Activities, Deferred Inflows, Lease Receivable and Accrued Interest Receivable

EDIC is a lessor for various noncancelable long-term leases of its land and buildings with tenants for space at the RFMP. Lease terms for the leases vary from 1 year to 100 years. The discount rates used for the calculation of the lease receivable per lease depends on the length of the respective lease and ranged from 0.19% - 4.299%.

Variable payments included in the 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, payments in lieu of taxes (PILOT) received from certain tenants under agreements with the City of Boston, parking income from a garage and other spaces, tenant reimbursements for utilities and maintenance and other lease fees relating to one-time transactions as defined in the lease agreements. The following is a summary of rental income and related variable lease payments for the years ended June 30, 2025 and 2024:

<i>Description</i>	<i>2025</i>	<i>2024</i>
Fixed rent	\$ 27,544,528	\$ 25,079,314
Percentage rent	1,841,737	1,722,017
PILOT	4,513,866	4,488,545
Parking fees	10,951,216	11,378,151
Tenant reimbursement	<u>2,018,317</u>	<u>1,574,823</u>
Total	<u>\$ 46,869,664</u>	<u>\$ 44,242,850</u>

In May 2024, EDIC was informed that a lessee planned to terminate their leased spaced which expired in March 2026. EDIC and the lessee negotiated a termination settlement which was approved by the board of directors in July 2025. The termination included a cash settlement from the lessee totaling \$606,710 received in fiscal year 2025. At June 30, 2024, lease receivable for this lease totaled \$10,201,393. As of June 30, 2024, EDIC recorded an allowance for the full amount of the lease receivable which is shown net on the statements of net position. A net loss on lease termination totaling \$1,010,851 was incurred for the year ended June 30, 2025 in regards to this lease termination.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

6. *Leasing Activities, Deferred Inflows, Lease Receivable and Accrued Interest Receivable - Continued*

Security deposits on these leases totaled \$1,889,951 and \$1,552,377 at June 30, 2025 and 2024, respectively. Lease interest income totaled \$39,774,679 and \$32,196,256, for the year ended June 30, 2025 and 2024, respectively. Deferred inflows relating to leases totaled \$1,640,168,255 and \$1,657,248,198 at June 30, 2025 and 2024, respectively. Accrued interest receivable totaled \$73,527,759 and \$51,340,366 at June 30, 2025 and 2024, respectively.

The cost of property held for leasing and total accumulated depreciation thereon is as follows:

	<i>2025</i>	<i>2024</i>
Land	\$ 2,080,941	\$ 2,080,941
Land improvements	27,668,203	23,592,059
Maritime assets	21,464,434	21,464,434
Buildings and improvements	<u>56,516,410</u>	<u>45,542,912</u>
Total	107,729,988	92,680,346
Less accumulated depreciation	<u>(59,055,328)</u>	<u>(56,891,531)</u>
Book value	<u>\$ 48,674,660</u>	<u>\$ 35,788,815</u>

Future minimum payments due to EDIC under non-cancelable agreements are as follows:

<i>Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 3,707,459	\$ 40,267,272	\$ 22,176,170
2027	4,095,226	40,782,132	23,150,874
2028	4,217,051	41,400,073	23,579,732
2029	4,212,081	41,793,489	23,488,041
2030	4,432,435	42,292,771	121,008,624
2031 - 2035	21,263,399	217,905,655	127,278,943
2036 - 2040	18,681,608	226,857,348	134,068,330
2041 - 2045	19,787,075	235,054,463	150,848,239
2046 - 2050	23,048,372	241,884,715	168,651,688
2051 - 2055	22,796,643	246,542,529	184,461,700
2056 - 2060	29,810,040	248,776,606	192,078,912
2061 - 2065	57,597,009	247,899,964	217,245,780
2066 - 2070	84,771,230	242,188,836	238,902,207
2071 - 2075	113,179,668	229,839,536	271,664,396
2076 - 2080	148,828,255	208,392,863	265,180,169
2081 - 2085	84,322,271	178,805,169	179,657,671
2086 - 2090	132,563,728	148,000,526	178,550,231
2091 - 2095	117,122,290	110,259,208	195,235,459
2096 - 2100	17,480,852	94,797,777	224,484,293
2101 - 2105	46,100,451	81,821,301	258,253,171
2106 - 2110	185,286,900	64,321,634	298,251,637
2111 - 2115	277,613,050	41,344,398	331,057,378
2116 - 2120	<u>301,039,292</u>	<u>12,893,356</u>	<u>109,873,486</u>
Total	<u>\$ 1,721,956,385</u>	<u>\$ 3,284,121,621</u>	<u>\$ 3,939,147,131</u>

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

7. Capital Assets

Capital asset activity for the years ended June 30, 2025 was as follows:

	<i>Balance at June 30, 2024</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance at June 30, 2025</i>
Nondepreciable assets:				
Land	\$ 2,080,941	\$ -	\$ -	\$ 2,080,941
Construction in progress	<u>9,519,984</u>	<u>18,452,031</u>	<u>(16,973,343)</u>	<u>10,998,672</u>
Total nondepreciable assets	<u>11,600,925</u>	<u>18,452,031</u>	<u>(16,973,343)</u>	<u>13,079,613</u>
Depreciable assets:				
Land improvements	23,592,059	4,076,144	-	27,668,203
Maritime assets	21,464,434	-	-	21,464,434
Buildings and improvements	45,542,912	10,973,498	-	56,516,410
Machinery and equipment	3,152,008	1,923,701	-	5,075,709
Other assets	<u>454,630</u>	<u>-</u>	<u>-</u>	<u>454,630</u>
Total depreciable assets	<u>94,206,043</u>	<u>16,973,343</u>	<u>-</u>	<u>111,179,386</u>
Totals at historical cost	<u>105,806,968</u>	<u>35,425,374</u>	<u>(16,973,343)</u>	<u>124,258,999</u>
Less accumulated depreciation for:				
Land improvements	(14,511,996)	(539,740)	-	(15,051,736)
Maritime assets	(13,067,761)	(492,528)	-	(13,560,289)
Buildings and improvements	(29,311,774)	(1,131,529)	-	(30,443,303)
Machinery and equipment	(2,763,451)	(98,097)	-	(2,861,548)
Other assets	<u>(193,254)</u>	<u>-</u>	<u>-</u>	<u>(193,254)</u>
Total accumulated depreciation	<u>(59,848,236)</u>	<u>(2,261,894)</u>	<u>-</u>	<u>(62,110,130)</u>
Right of Use Lease assets:				
Building	<u>2,010,365</u>	<u>-</u>	<u>-</u>	<u>2,010,365</u>
Less accumulated amortization for right of use lease assets:				
Building	<u>(946,021)</u>	<u>(236,482)</u>	<u>-</u>	<u>(1,182,503)</u>
Subscription IT assets	<u>677,854</u>	<u>(247,939)</u>	<u>-</u>	<u>429,915</u>
Less accumulated amortization, subscription IT assets	<u>(410,090)</u>	<u>(125,156)</u>	<u>247,939</u>	<u>(287,307)</u>
Capital assets, net	<u>\$ 47,290,840</u>	<u>\$ 32,553,903</u>	<u>\$ (16,725,404)</u>	<u>\$ 63,119,339</u>

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

7. Capital Assets – Continued

Capital asset activity for the years ended June 30, 2024 was as follows:

	<i>Balance at June 30, 2023</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance at June 30, 2024</i>
Nondepreciable assets:				
Land	\$ 2,080,941	\$ -	\$ -	\$ 2,080,941
Construction in progress	<u>9,732,260</u>	<u>2,816,187</u>	<u>(3,028,463)</u>	<u>9,519,984</u>
Total nondepreciable assets	<u>11,813,201</u>	<u>2,816,187</u>	<u>(3,028,463)</u>	<u>11,600,925</u>
Depreciable assets:				
Land improvements	20,613,303	2,978,756	-	23,592,059
Maritime assets	21,464,434	-	-	21,464,434
Buildings and improvements	45,542,912	-	-	45,542,912
Machinery and equipment	3,152,008	-	-	3,152,008
Other assets	<u>404,922</u>	<u>49,708</u>	<u>-</u>	<u>454,630</u>
Total depreciable assets	<u>91,177,579</u>	<u>3,028,464</u>	<u>-</u>	<u>94,206,043</u>
Totals at historical cost	<u>102,990,780</u>	<u>5,844,651</u>	<u>(3,028,463)</u>	<u>105,806,968</u>
Less accumulated depreciation for:				
Land improvements	(14,022,255)	(489,741)	-	(14,511,996)
Maritime assets	(12,569,708)	(498,053)	-	(13,067,761)
Buildings and improvements	(28,249,318)	(1,062,456)	-	(29,311,774)
Machinery and equipment	(2,624,471)	(138,980)	-	(2,763,451)
Other assets	<u>(167,880)</u>	<u>(25,374)</u>	<u>-</u>	<u>(193,254)</u>
Total accumulated depreciation	<u>(57,633,632)</u>	<u>(2,214,604)</u>	<u>-</u>	<u>(59,848,236)</u>
Right of Use Lease assets:				
Building	2,010,365	-	-	2,010,365
Equipment	<u>153,725</u>	<u>-</u>	<u>(153,725)</u>	<u>-</u>
Total right of use lease assets	<u>2,164,090</u>	<u>-</u>	<u>(153,725)</u>	<u>2,010,365</u>
Less accumulated amortization for right of use lease assets:				
Building	(709,539)	(236,482)	-	(946,021)
Equipment	<u>(149,456)</u>	<u>-</u>	<u>149,456</u>	<u>-</u>
Total accumulated amortization for right of use lease assets	<u>(858,995)</u>	<u>(236,482)</u>	<u>149,456</u>	<u>(946,021)</u>
Subscription IT assets	<u>517,439</u>	<u>160,415</u>	<u>-</u>	<u>677,854</u>
Less accumulated amortization, subscription IT assets	<u>(245,371)</u>	<u>(164,719)</u>	<u>-</u>	<u>(410,090)</u>
Capital assets, net	<u>\$ 46,934,311</u>	<u>\$ 3,389,261</u>	<u>\$ (3,032,732)</u>	<u>\$ 47,290,840</u>

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

8. *Revolving Loan Fund and Restricted Cash*

EDIC received a grant from the U.S. Environmental Protection Agency (EPA) in fiscal year 2011 to establish a revolving loan fund (RLF) that provides funding for cleanup of contaminated Brownsfield properties in the City of Boston. An intercompany loan to EDIC's Economic Development Division totaling \$703,531 was made from the RLF to fund the cleanup and remediate the vacant building located at 6 Tide Street within the RFMP, which was completed as of June 30, 2011.

The intercompany loan was noninterest bearing and was repaid to the RLF in a lump sum at the end of a five year period, fiscal year 2017. EDIC anticipates that it will use the RLF to fund other qualified Brownsfield properties during the life of the fund. Funding for the RLF and interest earned thereon has been classified as restricted cash and cash equivalents and net position restricted for grant programs on the statements of net position.

9. *Long-Term Debt*

Long-term debt activity for the year ended June 30, 2025 and 2024, was as follows:

	<i>Balance at</i>			<i>Balance at</i>	<i>Amounts</i>
	<i>June 30, 2024</i>	<i>Additions</i>	<i>Reductions</i>	<i>June 30, 2025</i>	<i>Due Within</i>
					<i>One Year</i>
Security deposits	\$ 1,552,377	\$ 448,840	\$ (111,266)	\$ 1,889,951	\$ -
Leases	1,136,205	-	(240,732)	895,473	252,980
Compensated absences	1,408,249	1,187,412	(1,557,515)	1,038,146	367,178
Subscription IT liabilities	<u>150,109</u>	<u>-</u>	<u>(96,177)</u>	<u>53,932</u>	<u>53,932</u>
Total	<u>\$ 4,246,940</u>	<u>\$ 1,636,252</u>	<u>\$ (2,005,690)</u>	<u>\$ 3,877,502</u>	<u>\$ 674,090</u>

	<i>Balance at</i>			<i>Balance at</i>	<i>Amounts</i>
	<i>June 30, 2023</i>	<i>Additions</i>	<i>Reductions</i>	<i>June 30, 2024</i>	<i>Due Within</i>
					<i>One Year</i>
Security deposits	\$ 1,784,080	\$ 61,468	\$ (293,171)	\$ 1,552,377	\$ -
Leases	1,370,202	-	(233,997)	1,136,205	240,731
Compensated absences	1,531,703	2,822,530	(2,945,984)	1,408,249	1,211,338
Subscription IT liabilities	<u>218,759</u>	<u>-</u>	<u>(68,650)</u>	<u>150,109</u>	<u>96,177</u>
Total	<u>\$ 4,904,744</u>	<u>\$ 2,883,998</u>	<u>\$ (3,541,802)</u>	<u>\$ 4,246,940</u>	<u>\$ 1,548,246</u>

10. *Related Party Transactions*

Affiliated Nonprofit Organizations

Boston Local Development Corporation (BLDC) is a nonprofit corporation, established to provide long-term, low interest financing to firms and companies located in the City of Boston, Massachusetts in order to maintain and expand employment opportunities. Friends of Youth Opportunity Boston, Inc. (FYOB) is a nonprofit organization created to support the activities of Youth Opportunity Boston, an OWD program. Boston Industrial Development Financing Authority (BIDFA) was established as an industrial development financing authority, pursuant to Massachusetts General Laws Chapter 40D, acting by and on behalf of the City of Boston as its instrumentality. EDIC acts as fiscal agent for these entities.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

10. Related Party Transactions - Continued

For the years ended June 30, 2025 and 2024, EDIC has provided grants to BLDC totaling \$382,403 and \$299,000, respectively. For the years ended June 30, 2025 and 2024, EDIC has provided grants to BIDFA totaling \$90,676 and \$86,735, respectively. For the years ended June 30, 2025 and 2024, EDIC has provided grants to FYOB totaling zero and \$434,395, respectively. These transactions are recorded as grants/contracts to related parties and community based organization on the statements of revenues, expenses and changes in net position.

BLDC, FYOB and BIDFA, employees are paid through EDIC's payroll system and are covered under EDIC's fringe benefit policies. Related party transactions concerning these agencies are summarized as follows:

	<i>Payroll and Fringe</i>		<i>EDIC</i>	
	<i>Benefits</i>		<i>Receivable/(Payable)</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
BLDC	\$ 274,403	\$ 263,943	\$ -	\$ (12,336)
FYOB	\$ 13,135	\$ 256,642	\$ 443,629	\$ -
BIDFA	\$ 87,294	\$ 82,571	\$ -	\$ 3,382

The City of Boston

During fiscal year 2025, EDIC entered into a memorandum of agreement with the City of Boston, whereas the City of Boston will provide personnel and non-personal operational services on behalf of EDIC and EDIC will reimburse the City of Boston for those costs. For the year ended June 30, 2025, EDIC incurred professional service costs relating to personal costs totaling \$8.5 million and non-personal operating costs totaling \$11.5 million. During fiscal year 2025, EDIC paid \$21 million to the City of Boston for these related costs and as of June 30, 2025, EDIC has recorded a prepaid expense of \$1 million.

The City of Boston's Property Management Department provided security services to EDIC, totaling \$645,370 and \$603,241 for the years ended June 30, 2025 and 2024, respectively. Amounts payable to the City of Boston at June 30, 2025 and 2024 for these services totaled \$121,833 and \$193,296, respectively.

EDIC received grants totaling \$6.9 million and \$2.9 million from the City of Boston for the years ended June 30, 2025 and 2024, respectively, for reimbursement of a portion of capital improvement activity at the RFMP. Amounts receivable from the City of Boston at June 30, 2025 and 2024 for this activity totaled \$9,342,990 and \$2,669,104, respectively.

EDIC received grants totaling approximately \$3.8 million and \$27.6 million from various departments of the City of Boston for the years ended June 30, 2025 and 2024, respectively, for OWD activity.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

10. *Related Party Transactions - Continued*

Boston Redevelopment Authority

Commonwealth of Massachusetts legislation Chapter 341 named the Boston Redevelopment Authority (BRA) Board of Directors as the sole members of EDIC's Board of Directors. However, under the terms of Chapter 341, actions taken by the BRA Board of Directors on behalf of BRA are not binding on EDIC and actions taken by the EDIC Board of Directors on behalf of EDIC are not binding on BRA.

EDIC paid the City of Boston on behalf of BRA for operating and support costs totaling \$7.2 million. EDIC provided a grant to the BRA for a portion of these costs totaling \$5 million and was reimbursed \$1,583,965 from the BRA for these costs. EDIC also advanced the BRA \$565,000 relating to funding escrows of BRA. The cost of BRA employees working on EDIC projects and/or OWD grants were billed to EDIC for the years ended June 30, 2025 and 2024, and totaled zero and \$283,199, respectively. Further, EDIC paid operating costs for the benefit of BRA and subsequently billed BRA for these costs totaling zero and \$55,617 for the years ended June 30, 2025 and 2024, respectively. EDIC has recorded a net receivable from BRA for this activity totaling \$1,247,766 and \$164,170, at June 30, 2025 and 2024, respectively.

In addition, BRA charged OWD for OWD's estimated share of BRA's administrative costs provided to OWD totaling zero and \$456,932, for the years ended June 30, 2025 and 2024, respectively, which comprised of salary and related fringe benefits. Total salary and fringe benefits of zero and \$1,857,637 was outstanding at June 30, 2025 and 2024, respectively.

During 2024, EDIC provided a grant to BRA totaling \$5 million for the purpose of funding a portion of BRA's acquisition fund reserve.

BRA provided funding to EDIC for an architectural contract totaling \$249,920 for the RFMP Master Plan through a grant provided to BRA from the City of Boston's Department of Neighborhood Development. As of June 30, 2025 and 2024, related cumulative costs, incurred by EDIC, totaled \$249,920.

11. *Retirement Plans*

All regular employees of EDIC are eligible to participate in a Thrift Savings Plan (the Plan) after three months of service. The Plan is a defined contribution plan and an eligible tax-deferred plan under Internal Revenue Service (IRS) Code Sections 457 and 401(a). The Plan is serviced by The Great-West Life Assurance Company. Participants can contribute one percent (1%) to twenty-five percent (25%) of their taxable compensation on a pre-tax basis, subject to the maximum deferral limits as set by the Internal Revenue Code. EDIC will match the first six percent (6%) of compensation that is contributed by the participant. Participants can also contribute one percent (1%) to fifteen (15%) of their total compensation on an after-tax basis, also subject to a maximum deferral limit, which is inclusive of EDIC's match amount.

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

11. Retirement Plans - *Continued*

All regular non-union employees of EDIC are also eligible for per diem contributions made to a defined contribution plan, tax deferred under Section 401(a) of the Internal Revenue Code. The per diem amount of \$13 is paid by EDIC for all paid days of work, including vacation days, holidays, paid sick days and paid personal days. Participants of this plan, as well as the Thrift Savings Plan, are sixty percent (60%) vested after one year of service and one hundred percent (100%) vested after two years of service.

EDIC also contributes to the I.A.M. Pension Fund National Pension Plan on behalf of their custodial and maintenance workers based on a collective bargaining agreement with the related union. The contribution is calculated at \$13.00 per day per eligible employee.

Retirement plan expense for the years ending June 30, 2025 and 2024, was approximately \$600,000 and \$2,000,000, respectively. Employee contributions to the above plans for the years then ended totaled approximately \$740,000 and \$1,800,000, respectively.

12. Risk Management

EDIC is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, unemployment and employee health claims. EDIC carries commercial insurance for general liability, property and casualty, and workers' compensation. Losses are insured to the extent the losses exceed the deductibles. There have been no significant reductions in insurance coverage during fiscal years 2025 and 2024.

13. Board Designated Reserve Funds

During 2021, the board of directors of EDIC approved the establishment of marine reserve fund to invest in maritime infrastructure improvement projects and an operating reserve fund for future operations. During 2019, the board of directors of EDIC approved the establishment of a capital reserve fund to fund future capital needs of EDIC. The reserve funds are comprised of cash, cash equivalents and investments (see Note 4 and Note 5).

A summary of EDIC's cash and cash equivalents held as June 30, 2025 and 2024 was as follows:

	2025	2024
Cash and cash equivalents	\$ 59,945,737	\$ 72,814,467
Total	<u>\$ 59,945,737</u>	<u>\$ 72,814,467</u>
Cash and cash equivalents for operations	\$ 32,231,410	\$ 25,814,467
Board designated capital reserve fund	5,000,000	19,000,000
Board designated marine reserve fund	17,714,327	18,000,000
Board designated operating reserve fund	<u>5,000,000</u>	<u>10,000,000</u>
Total	<u>\$ 59,945,737</u>	<u>\$ 72,814,467</u>

Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2025 and 2024

14. Contingency

Government Contracts

EDIC 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 EDIC. Management does not believe that any such disallowance, if found, would be material to EDIC's financial statements. Accordingly, no provision for any liability that may result has been made in the financial statements.

15. Subsequent Events

EDIC has evaluated subsequent events through November 19, 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.

**SCHEDULE OF
REVENUES AND EXPENSES**

Economic Development and Industrial Corporation of Boston
Schedule of Revenues and Expenses
For the Year Ended June 30, 2025

	<i>EDIC</i> <i>Operations</i>	<i>OWD</i> <i>Operations</i>	<i>Total</i>
<i>Revenues</i>			
Grant/contract income	\$ 6,915,619	\$ 14,404,455	\$ 21,320,074
Rental income	46,869,664	-	46,869,664
Contributions	-	45,393	45,393
Interest income from leases	39,774,679	-	39,774,679
Interest income	2,587,761	-	2,587,761
Miscellaneous income	<u>750,036</u>	<u>214,284</u>	<u>964,320</u>
Total revenues	<u>96,897,759</u>	<u>14,664,132</u>	<u>111,561,891</u>
<i>Expenses</i>			
Salaries	6,042,966	2,145,903	8,188,869
Fringe benefits	2,217,632	528,611	2,746,243
Grants/contracts to related parties and community based organizations	17,085,726	10,391,137	27,476,863
Utilities	915,190	25,501	940,691
Security and maintenance	3,226,004	12,204	3,238,208
Travel and transportation	36,585	20,682	57,267
Insurance	841,727	3,621	845,348
Professional fees	10,127,537	853,927	10,981,464
Lease commissions	62,438	-	62,438
Printing	46,546	-	46,546
Bad debt	254,190	-	254,190
Depreciation	2,261,894	-	2,261,894
Amortization	125,156	236,482	361,638
Supplies	110,059	16,256	126,315
Rental expense	62,505	32,507	95,012
Telecommunications	73,809	23,809	97,618
Professional development	14,662	1,506	16,168
Data processing	310,505	82,299	392,804
Marketing	720	1,000	1,720
Educational supplies	-	285	285
Interest expense	-	8,447	8,447
Loss on lease	1,010,851	-	1,010,851
Other expense	<u>245,459</u>	<u>310,810</u>	<u>556,269</u>
Total expenses	<u>45,072,161</u>	<u>14,694,987</u>	<u>59,767,148</u>
Change in net position	<u>\$ 51,825,598</u>	<u>\$ (30,855)</u>	<u>\$ 51,794,743</u>