

**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, 2024 and 2023

**Economic Development and Industrial  
Corporation of Boston**

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**DANIEL DENNIS & Co**  
Certified Public Accountants

*Independent Auditors' Report*

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

**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, 2024 and 2023, 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, 2024 and 2023, 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. 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 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, 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 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.

*Daniel Dennis & Company LLP*  
December 3, 2024

**Economic Development and Industrial Corporation of Boston**  
Management's Discussion and Analysis  
(Unaudited)  
June 30, 2024 and 2023

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, 2024 and 2023. 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, 2024 and 2023, 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, 2024 and 2023

**Condensed Financial Information and Analysis**

Condensed financial information as of and for the years ended June 30, 2024, 2023 and 2022 is as follows:

*Condensed Statements of Net Position*

	<i>June 30,</i>			<i>Percentage Change</i>	
	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2024-2023</i>	<i>2023-2022</i>
Current assets	\$ 103,810,790	\$ 86,539,899	\$ 85,227,295	20%	2%
Noncurrent assets	1,768,919,232	1,563,819,345	1,545,522,693	13%	1%
Capital assets, net	47,290,840	46,934,311	46,094,292	1%	2%
Total assets	<u>\$ 1,920,020,862</u>	<u>\$ 1,697,293,555</u>	<u>\$ 1,676,844,280</u>	<u>13%</u>	<u>1%</u>
Current liabilities	\$ 18,340,473	\$ 10,266,736	\$ 17,110,217	79%	-40%
Noncurrent liabilities	2,698,694	4,384,424	4,302,941	-38%	2%
Total liabilities	<u>21,039,167</u>	<u>14,651,160</u>	<u>21,413,158</u>	<u>44%</u>	<u>-32%</u>
Deferred inflow of rental income	<u>1,657,248,198</u>	<u>1,480,920,691</u>	<u>1,497,672,705</u>	<u>12%</u>	<u>-1%</u>
<i>Net Position</i>					
Net investment in capital assets	47,290,840	46,934,311	46,094,292	1%	2%
Restricted for grant programs	704,022	703,953	703,883	0%	0%
Unrestricted	<u>193,738,635</u>	<u>154,083,440</u>	<u>110,960,242</u>	<u>26%</u>	<u>39%</u>
Total net position	<u>241,733,497</u>	<u>201,721,704</u>	<u>157,758,417</u>	<u>20%</u>	<u>28%</u>
Total liabilities, deferred inflow and net position	<u>\$ 1,920,020,862</u>	<u>\$ 1,697,293,555</u>	<u>\$ 1,676,844,280</u>	<u>13%</u>	<u>1%</u>

*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 15 and investments are summarized in Note 5 to the financial statements.
- 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 8 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, 2024 and 2023

*Financial Highlights – 2024 to 2023 – continued*

- 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.
- 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 9 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 \$176 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 8 to the financial statements which have been accounted for under GASB 87, *Leases*.

*Financial Highlights – 2023 to 2022*

- EDIC's net position at June 30, 2023 was \$201.7 million, an increase of \$44 million from the June 30, 2022 net position totaling \$157.8 million. This increase is primarily the result of excess operating income in fiscal year 2023 totaling \$44 million.
- EDIC's cash and cash equivalents at June 30, 2023 was \$31.6 million, a decrease of \$33.3 million from June 30, 2022 cash and cash equivalents totaling \$64.9 million. EDIC's investments at June 30, 2023 was \$33.6 million, an increase of \$27.1 million from June 30, 2022 investments of \$6.5 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 15 and investments are summarized in Note 5 to the financial statements.
- EDIC's lease receivable and accrued interest on lease receivables at June 30, 2023 totaled \$1.566 billion, an increase of \$18 million from the June 30, 2022 lease receivable and accrued interest on lease receivables totaling \$1.548 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 8 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, 2024 and 2023

#### *Financial Highlights – 2023 to 2022 – continued*

- EDIC's capital assets at June 30, 2023 was \$105.7 million, an increase of \$3.5 million from June 30, 2022 capital assets totaling \$102.2 million. Capital asset acquisitions in fiscal year 2023 are detailed in Note 9 to the financial statements. Accumulated depreciation and amortization on capital assets at June 30, 2023 was \$58.7 million, an increase of \$2.6 million from prior year accumulated depreciation and amortization totaling \$56.1 million, this increase represents fiscal year 2023 depreciation and amortization on capital assets.
- EDIC's grants/contracts to related parties and community based organizations payable at June 30, 2023 was \$6.9 million, a decrease of \$7.1 million from June 30, 2022 grants/contracts to related parties and community based organizations payable totaling \$14 million. The decrease is primarily the result of a payable at June 30, 2022 to a related party which is detailed in Note 12 to the financial statements.
- EDIC's deferred inflow of resources relating to rental income at June 30, 2023 was \$1.481 billion, a decrease of \$17 million from the June 30, 2022 deferred inflow of resources relating to rental income totaling \$1.498 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 8 to the financial statements which have been accounted for under GASB 87, *Leases*.

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

	<u>June 30,</u>			<u>Percentage Change</u>	
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024-2023</u>	<u>2023-2022</u>
<i>Operating revenue</i>					
Grant/contract income	\$ 53,816,907	\$ 24,229,462	\$ 13,650,849	122%	77%
Rent and other property payments	44,622,468	43,647,919	41,911,765	2%	4%
Total operating revenues	<u>98,439,375</u>	<u>67,877,381</u>	<u>55,562,614</u>	<u>45%</u>	<u>22%</u>
<i>Operating Expenses</i>					
Personnel and fringe benefits	32,391,585	25,638,210	18,350,607	26%	40%
Grants/contracts to related parties and community based organizations	47,660,055	17,700,730	19,801,349	169%	-11%
Contractual services, supplies and other	11,933,856	10,677,741	7,952,896	12%	34%
Depreciation and amortization	2,622,382	2,527,082	2,730,464	4%	-7%
Total operating expenses	<u>94,607,878</u>	<u>56,543,763</u>	<u>48,835,316</u>	<u>67%</u>	<u>16%</u>
Operating income	3,831,497	11,333,618	6,727,298	-66%	68%
<i>Nonoperating revenue</i>					
Contributions	793,375	922,723	657,984	-14%	40%
Interest income from leases	32,196,256	30,175,487	25,900,615	7%	17%
Investment income	3,190,665	1,531,459	49,066	108%	3021%
Total nonoperating revenues	<u>36,180,296</u>	<u>32,629,669</u>	<u>26,607,665</u>	<u>11%</u>	<u>23%</u>
Increase in net position	40,011,793	43,963,287	33,334,963	-9%	32%
Net position at beginning of year	<u>201,721,704</u>	<u>157,758,417</u>	<u>124,423,454</u>	<u>28%</u>	<u>27%</u>
Net position at end of year	<u>\$ 241,733,497</u>	<u>\$201,721,704</u>	<u>\$157,758,417</u>	<u>20%</u>	<u>28%</u>

**Economic Development and Industrial Corporation of Boston**  
Management's Discussion and Analysis – *Continued*  
(Unaudited)  
June 30, 2024 and 2023

*Financial Highlights – 2024 to 2023*

- EDIC ended fiscal years 2024 and 2023 with an increase in net position totaling \$38 million and \$44 million, respectively.
- EDIC's grants/contract income in fiscal year 2024 totaled \$51.7 million, an increase of \$27.4 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 12 to the financial statements.

*Financial Highlights – 2023 to 2022*

- EDIC ended fiscal years 2023 and 2022 with an increase in net position totaling \$44 million and \$33 million, respectively.
- EDIC's interest income from leases and rent and other property payments combined total in fiscal year 2023 were \$73.8 million, an increase of \$6 million from fiscal year 2022 interest income from leases and rent and other property payments combined total of \$67.8 million. This increase was a result of the net leasing activity detailed in Note 8 to the financial statements.
- EDIC's salaries and fringe benefits in fiscal year 2023 totaled \$25.6 million, an increase of \$7.2 million from fiscal year 2022 salaries and fringe benefits totaling \$18.4 million.
- EDIC's grants/contracts to related parties and community based organizations in fiscal year 2023 were \$17.7 million, a decrease of \$2.1 million from fiscal year 2022 grants/contracts to related parties and community based organizations of \$19.8 million. This decrease was the net result of an increase in community based organizations of \$8 million and a \$10 million decrease in related party grants detailed in Note 12 to the financial statements.

**Economic Development and Industrial Corporation of Boston**  
Management's Discussion and Analysis – *Continued*  
(Unaudited)  
June 30, 2024 and 2023

*Financial Highlights – 2023 to 2022 – continued*

- EDIC's contracted services, supplies and other costs in fiscal year 2023 were \$10.7 million, an increase of \$2.7 million from fiscal year 2022's contracted services, supplies and other costs totaling \$8 million. This increase was primarily the result of costs incurred in fiscal year 2022 of \$1.6 million of professional fees and \$.8 million of supplies and service related expenses.

**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. 4676) 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, 9<sup>th</sup> Floor, Boston City Hall.

## Economic Development and Industrial Corporation of Boston

### Statements of Net Position

June 30, 2024 and 2023

<i>Assets</i>	<i>2024</i>	<i>2023</i>
<i>Current assets:</i>		
Cash and cash equivalents	\$ 72,814,467	\$ 31,567,940
Lease receivable	4,029,037	4,669,616
Investments	-	33,629,680
Accounts receivable, net	2,422,701	3,996,692
Grants/contracts receivable	23,932,751	11,824,872
Prepaid assets and deposits	<u>611,834</u>	<u>851,099</u>
Total current assets	<u>103,810,790</u>	<u>86,539,899</u>
<i>Noncurrent assets:</i>		
Lease receivable, net	1,715,322,467	1,527,933,285
Accrued interest receivable	51,340,366	33,398,027
Restricted cash and cash equivalents	704,022	703,953
Security deposits	<u>1,552,377</u>	<u>1,784,080</u>
Total noncurrent assets	<u>1,768,919,232</u>	<u>1,563,819,345</u>
Capital assets, net	<u>47,290,840</u>	<u>46,934,311</u>
<b>Total Assets</b>	<b><u>\$ 1,920,020,862</u></b>	<b><u>\$ 1,697,293,555</u></b>
 <i>Liabilities</i>		
<i>Current liabilities:</i>		
Accounts payable	\$ 5,927,290	\$ 1,869,287
Grants/contracts payable	8,868,469	6,931,841
Accrued expenses	476,336	649,236
Compensated absences	1,211,338	112,946
Unearned revenue	1,520,132	296,052
Leases obligations/payables	240,731	233,121
Subscription IT obligations/payable	<u>96,177</u>	<u>174,253</u>
Total current liabilities	<u>18,340,473</u>	<u>10,266,736</u>
<i>Noncurrent liabilities:</i>		
Leases obligations/payables	895,474	1,137,081
Compensated absences	196,911	1,418,757
Security deposits	1,552,377	1,784,080
Subscription IT obligations/payable	<u>53,932</u>	<u>44,506</u>
Total noncurrent liabilities	<u>2,698,694</u>	<u>4,384,424</u>
Total liabilities	<u>21,039,167</u>	<u>14,651,160</u>
 <i>Deferred Inflow of Resources</i>		
Deferred inflow of rental income	<u>1,657,248,198</u>	<u>1,480,920,691</u>
 <i>Net Position</i>		
Net investment in capital assets	47,290,840	46,934,311
Restricted for grant programs	704,022	703,953
Unrestricted	<u>193,738,635</u>	<u>154,083,440</u>
Total net position	<u>241,733,497</u>	<u>201,721,704</u>
<b>Total Liabilities, Deferred Inflow of Resources and Net Position</b>	<b><u>\$ 1,920,020,862</u></b>	<b><u>\$ 1,697,293,555</u></b>

*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, 2024 and 2023**

	<i>2024</i>	<i>2023</i>
<i>Operating Revenue</i>		
Grant/contract income	\$ 53,816,907	\$ 24,229,462
Rental income	44,242,850	43,473,441
Miscellaneous income	<u>379,618</u>	<u>174,478</u>
Total operating revenues	<u>98,439,375</u>	<u>67,877,381</u>
<i>Operating Expenses</i>		
Salaries	24,716,973	19,833,061
Fringe benefits	7,674,612	5,805,149
Grants/contracts to related parties and community based organizations	47,660,055	17,700,730
Utilities	727,770	684,315
Security and maintenance	2,835,478	2,017,420
Travel and transportation	128,411	91,311
Insurance	854,127	766,246
Professional fees	5,263,618	4,878,663
Lease commissions	-	21,960
Printing	12,823	5,262
Bad debt expense	4,704	-
Depreciation	2,214,604	2,239,327
Amortization	407,778	287,755
Supplies	185,750	134,990
Rental expense	121,754	110,847
Telecommunications	106,180	95,612
Professional development	79,338	79,271
Data processing	902,233	1,179,447
Marketing	18,771	22,981
Educational supplies	23,991	20,924
Interest expense	11,210	13,318
Loss on lease	159,600	-
Other expense	<u>498,098</u>	<u>555,174</u>
Total operating expenses	<u>94,607,878</u>	<u>56,543,763</u>
Operating income	<u>3,831,497</u>	<u>11,333,618</u>
<i>Nonoperating Revenue</i>		
Interest income from leases	32,196,256	30,175,487
Interest income	3,179,277	1,118,852
Contributions	793,375	922,723
Unrealized gain	<u>11,388</u>	<u>412,607</u>
Total nonoperating revenue	36,180,296	32,629,669
Change in net position	40,011,793	43,963,287
Net position at beginning of year	<u>201,721,704</u>	<u>157,758,417</u>
Net position at end of year	<u>\$ 241,733,497</u>	<u>\$ 201,721,704</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, 2024 and 2023

	2024	2023
<i>Cash Flows from Operating Activities</i>		
Receipts from grants/contracts and contributions	\$ 43,726,483	\$ 19,358,900
Receipts from tenants	35,440,720	21,812,643
Payments to employees	(24,952,676)	(19,289,377)
Payments for employee benefits	(7,715,478)	(5,769,626)
Payments to community based organizations	(45,723,427)	(24,807,579)
Payments to related parties	(5,842,667)	(711,006)
Payments to vendors and suppliers	(1,545,340)	(9,444,521)
Payments for interest	<u>(11,210)</u>	<u>(13,318)</u>
Net cash used in operating activities	<u>(6,623,595)</u>	<u>(18,863,884)</u>
<i>Cash Flows from Investing Activities</i>		
Interest on investments	3,042,593	1,009,489
Sale of investments	33,629,680	6,500,000
Purchase of investments	<u>-</u>	<u>(33,266,278)</u>
Net cash provided by/(used in) investing activities	<u>36,672,273</u>	<u>(25,756,789)</u>
<i>Cash Flows from Capital and Related Financing Activities</i>		
Receipts from interest on leases	14,253,917	15,079,459
Acquisition of capital assets	(2,822,878)	(3,484,397)
Lease payments	<u>(233,121)</u>	<u>(278,001)</u>
Net cash provided by capital and related financing activities	<u>11,197,918</u>	<u>11,317,061</u>
Net increase/(decrease) in cash and cash equivalents	41,246,596	(33,303,612)
Cash and cash equivalents - beginning of year	<u>32,271,893</u>	<u>65,575,505</u>
Cash and cash equivalents - end of year	<u>\$ 73,518,489</u>	<u>\$ 32,271,893</u>

*See accompanying notes to basic financial statements.*

**Economic Development and Industrial Corporation of Boston**  
**Statements of Cash Flows – *Continued***  
**For the Years Ended June 30, 2024 and 2023**

	<i>2024</i>	<i>2023</i>
<i>Reconciliation of Change in Net Position to Net Cash</i>		
<i>Used in Operating Activities</i>		
Operating income	\$ 3,831,497	\$ 11,333,618
Adjustments to reconcile change in net position to net cash used in operating activities:		
Depreciation and amortization	2,622,382	2,527,082
Unrealized gain	(11,388)	(412,607)
Changes in operating assets and liabilities:		
Increase in lease receivable	(186,748,603)	(3,152,624)
Increase/(decrease) in deferred inflow of rental income	176,327,507	(16,752,014)
Decrease/(increase) in accounts receivable	1,569,287	(1,897,596)
Increase in grants/contracts receivable	(12,107,879)	(5,264,068)
Decrease/(increase) in other assets	239,265	(238,895)
Increase in accounts payable	4,058,003	518,305
Increase/(decrease) in grants/contracts payable	2,651,572	(5,470,085)
(Decrease)/increase in accrued expenses	(172,900)	248,857
(Decrease)/increase in compensated absences	(123,454)	356,609
Increase/(decrease) in leases obligations/payables	7,610	(44,880)
Increase/(decrease) subscription IT payable	9,426	(86,369)
Increase/(decrease) in unearned revenue	<u>1,224,080</u>	<u>(529,217)</u>
Net cash used in operating activities	<u>\$ (6,623,595)</u>	<u>\$ (18,863,884)</u>

*See accompanying notes to basic financial statements.*

# Economic Development and Industrial Corporation of Boston

## Notes to Financial Statements

June 30, 2024 and 2023

### 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.

*Investments* - Investments are presented in the accompanying basic financial statements at fair value, which is determined by reference to published market data for publicly traded securities.

*Grants/Contracts and Accounts Receivable* - Grants/contracts receivable represent amounts due from funding sources for capital improvements funded by the City of Boston (Note 12) 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 \$42,932 and \$77,844 at June 30, 2024 and 2023, respectively. Management has determined that all grants/contracts receivable are collectible for the years then ended; therefore, no related allowance has been recorded.



**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**2. *Summary of Significant Accounting Policies - Continued***

*Grants/Contracts and Accounts Payable* - Grants/contracts payable represent grant funding amounts due to related parties (Note 12), 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.

*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, 2024 and 2023.

*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.

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**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.

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.

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 life 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.

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**2. *Summary of Significant Accounting Policies - Continued***

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.

*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, 2024 and 2023.

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 8.

*Reclassifications* - Certain fiscal year 2023 amounts have been reclassified to conform to the fiscal year 2024 financial statement presentation.

## Economic Development and Industrial Corporation of Boston

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

### 3. *Net Investment in Capital Assets*

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

	2024	2023
Cost of capital assets acquired	\$108,495,187	\$105,672,309
Less accumulated depreciation and amortization	<u>(61,204,347)</u>	<u>(58,737,998)</u>
Net investment in capital assets	<u>\$ 47,290,840</u>	<u>\$ 46,934,311</u>

### 4. *Cash and Cash Equivalents*

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

<i>Description</i>	2024	2023
Federally insured deposits	\$ 2,523	\$ 500,000
Securities Investor Protection Corporation 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	44,074,518	33,705,856
Uncollateralized/unsecured deposits	<u>37,425,515</u>	<u>356,885</u>
Total	<u>\$ 82,002,556</u>	<u>\$ 35,062,741</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, 2024 and 2023, included in cash is \$36.1 million and \$741,364, respectively, that is held in an investment account which the Securities Investor Program Corporation insures balances up to \$500,000. Also included in cash are non-negotiable certificates of deposit with a balance of \$14.4 million and \$7.5 million as of June 30, 2024 and 2023, 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. *Investments*

*Authorized Investments* – EDIC's investments are governed by state and local statutes. EDIC's investment instruments include United States treasury notes and United States treasury bills. EDIC's investment policy permits funds to be invested within the following categories: U.S. Treasury/U.S. government guaranteed obligations, Federal agency or U.S. government sponsored enterprise obligations, negotiable bank deposit obligations, demand deposits in trust companies, savings banks, national banks, term deposits or certificates of deposit, money market funds, participation units of the Massachusetts Municipal Depository Trust (MMDT) cash portfolio, MMDT short-term bond fund or any other investment expressly permitted by the Massachusetts Commonwealth statute.

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**5. Investments - Continued**

*Custodial Credit Risk* – Custodial credit risk for investments occurs when the securities are uninsured, are not registered in the name of the government and are held by the counterparty or the counterparty’s trust department. All of EDIC’s investments are held by third parties in EDIC’s name.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. EDIC did not hold any investments as of June 30, 2024. The following is a listing of EDIC’s investments and related maturity (in years) as of June 30, 2023:

<i>Description</i>	<u>Fair Value</u>	<u>Less than 1</u>
U.S. Treasury Bill	<u>\$ 33,629,680</u>	<u>\$ 33,629,680</u>

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. EDIC does not have a formal policy on managing credit risk. The following is a listing of EDIC’s investments and related credit risk rating as of June 30, 2023:

<i>Description</i>	<i>Fair Value</i>	
	<u>2023</u>	<u>Moody's Rating</u>
U.S. Treasury Bill	<u>\$ 33,629,680</u>	Unrated

**6. Fair Value of Financial Instruments**

*Fair Value Hierarchy* – EDIC categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. EDIC does not have any investments that are measured using Level 2 or Level 3 inputs. EDIC’s U.S. Treasury securities issued by the U.S. Government are valued using quoted prices.

The following is a summary of EDIC’s investments as of June 30, 2023:

	<u>Total</u>	<u>(Level 1)</u>
U.S. Treasury Bill	<u>\$ 33,629,680</u>	<u>\$ 33,629,680</u>

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**6. Fair Value of Financial Instruments - Continued**

The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those financial instruments. The carrying value of accounts receivable, grants/contracts receivable, lease receivables and long-term receivables approximate fair value.

The carrying amounts of accounts payable, grants/contracts payable, compensated absences, leases and accrued expenses approximate fair value.

**7. 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. During fiscal year 2022, EDIC entered into a noncancellable lease agreement for copiers that expired in August 2023. 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, 2024</i>
Building	1/1/2019	10 years	\$220,000 - \$260,000	0.90%	\$ 2,010,365	<u>\$ 1,136,205</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, 2023</i>
Building	1/1/2019	10 years	\$220,000 - \$260,000	0.90%	\$ 2,010,365	\$ 1,365,910
Equipment	8/1/2020	3 Years	\$51,504	0.35%	\$ 153,725	<u>4,292</u>
Total lease agreements						<u>\$ 1,370,202</u>

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>
2025	\$ 240,731	\$ 9,077	\$ 249,808
2026	253,172	6,828	260,000
2027	255,460	4,540	260,000
2028	257,769	2,231	260,000
2029	<u>129,073</u>	<u>243</u>	<u>129,316</u>
	<u>\$1,136,205</u>	<u>\$ 22,919</u>	<u>\$ 1,159,124</u>

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**8. *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, 2024 and 2023:

<i>Description</i>	<i>2024</i>	<i>2023</i>
Fixed rent	\$ 25,079,314	\$ 25,398,075
Percentage rent	1,722,017	1,433,958
PILOT	4,488,545	4,302,712
Parking fees	11,378,151	10,963,144
Tenant reimbursement	<u>1,574,823</u>	<u>1,375,552</u>
Total	<u>\$ 44,242,850</u>	<u>\$ 43,473,441</u>

Security deposits on these leases totaled \$1,552,377 and \$1,784,080 at June 30, 2024 and 2023, respectively. Lease interest income totaled \$32,196,256 and \$30,175,487, for the year ended June 30, 2024 and 2023, respectively. Deferred inflows relating to leases totaled \$1,657,248,198 and \$1,480,920,691 at June 30, 2024 and 2023, respectively. Accrued interest receivable totaled \$51,340,366 and \$33,398,027 at June 30, 2024 and 2023, respectively.

In May 2024, EDIC was informed that a lessee planned to terminate their leased spaced which expires in March 2026. Subsequent to year end, 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 to be received in fiscal year 2025. At June 30, 2024, lease receivable for this lease totaled \$10,201,393. EDIC has 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 \$1,010,432 is expected in fiscal year 2025 in regards to this lease termination.

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

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

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

	2024	2023
Land	\$ 2,080,941	\$ 2,080,941
Land improvements	23,592,059	20,613,303
Maritime assets	21,464,434	21,464,434
Buildings and improvements	<u>45,542,912</u>	<u>45,542,912</u>
Total	92,680,346	89,701,590
Less accumulated depreciation	<u>(56,891,531)</u>	<u>(54,841,281)</u>
Book value	<u>\$ 35,788,815</u>	<u>\$ 34,860,309</u>

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

<i>Year Ending</i> <i>June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	\$ 4,029,037	\$ 39,551,847	\$ 22,176,170
2026	4,353,881	40,086,617	23,150,874
2027	4,699,454	40,588,209	23,579,732
2028	4,657,335	41,192,864	23,488,041
2029	4,100,943	41,587,363	121,008,624
2030 - 2034	21,540,574	214,928,729	127,278,943
2035 - 2039	20,167,688	224,033,593	134,068,330
2040 - 2044	20,485,897	232,585,874	150,848,239
2045 - 2049	24,835,161	239,493,810	168,651,688
2050 - 2054	26,610,557	244,325,951	184,461,700
2055 - 2059	29,501,500	246,606,046	192,078,912
2060 - 2064	57,257,769	246,279,368	217,245,780
2065 - 2069	85,168,584	241,063,564	238,902,207
2070 - 2074	105,906,743	229,956,233	271,664,396
2075 - 2079	139,857,675	210,631,379	265,180,169
2080 - 2084	104,106,799	182,217,364	179,657,671
2085 - 2089	102,916,497	152,471,567	178,550,231
2090 - 2094	148,152,919	114,665,171	195,235,459
2095 - 2099	13,737,388	95,115,899	224,484,293
2100 - 2104	27,575,103	83,268,735	258,253,171
2105 - 2109	153,004,203	67,102,869	298,251,637
2110 - 2114	259,664,586	45,698,949	331,057,378
2115 - 2119	315,771,027	18,513,219	109,873,486
2120 - 2124	<u>41,250,184</u>	<u>211,267</u>	<u>41,461,451</u>
Total	<u>\$ 1,719,351,504</u>	<u>\$ 3,292,176,487</u>	<u>\$ 3,980,608,582</u>



**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**9. Capital Assets**

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

	<i>Balance at</i>				<i>Balance at</i>
	<i>June 30, 2023</i>	<i>Additions</i>	<i>Disposals</i>		<i>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, 2024 and 2023

**9. Capital Assets – Continued**

Capital asset activity for the years ended June 30, 2023 was as follows:

	<i>Balance at</i>			<i>Balance at</i>
	<i>June 30, 2022</i>	<i>Additions</i>	<i>Disposals</i>	<i>June 30, 2023</i>
Nondepreciable assets:				
Land	\$ 2,080,941	\$ -	\$ -	\$ 2,080,941
Construction in progress	<u>7,079,300</u>	<u>3,178,336</u>	<u>(525,376)</u>	<u>9,732,260</u>
Total nondepreciable assets	<u>9,160,241</u>	<u>3,178,336</u>	<u>(525,376)</u>	<u>11,813,201</u>
Depreciable assets:				
Land improvements	20,613,303	-	-	20,613,303
Maritime assets	20,990,804	473,630	-	21,464,434
Buildings and improvements	45,542,912	-	-	45,542,912
Machinery and equipment	3,152,008	-	-	3,152,008
Other assets	<u>144,623</u>	<u>260,299</u>	<u>-</u>	<u>404,922</u>
Total depreciable assets	<u>90,443,650</u>	<u>733,929</u>	<u>-</u>	<u>91,177,579</u>
Totals at historical cost	<u>99,603,891</u>	<u>3,912,265</u>	<u>(525,376)</u>	<u>102,990,780</u>
Less accumulated depreciation for:				
Land improvements	(13,573,458)	(448,797)	-	(14,022,255)
Maritime assets	(12,067,710)	(501,998)	-	(12,569,708)
Buildings and improvements	(27,187,165)	(1,062,153)	-	(28,249,318)
Machinery and equipment	(2,421,349)	(203,122)	-	(2,624,471)
Other assets	<u>(144,623)</u>	<u>(23,257)</u>	<u>-</u>	<u>(167,880)</u>
Total accumulated depreciation	<u>(55,394,305)</u>	<u>(2,239,327)</u>	<u>-</u>	<u>(57,633,632)</u>
Right of Use Lease assets:				
Building	2,010,365	-	-	2,010,365
Equipment	<u>153,725</u>	<u>-</u>	<u>-</u>	<u>153,725</u>
Total right of use lease assets	<u>2,164,090</u>	<u>-</u>	<u>-</u>	<u>2,164,090</u>
Less accumulated amortization for right of use lease assets:				
Building	(473,026)	(236,513)	-	(709,539)
Equipment	<u>(98,214)</u>	<u>(51,242)</u>	<u>-</u>	<u>(149,456)</u>
Total accumulated amortization for right of use lease assets	<u>(571,240)</u>	<u>(287,755)</u>	<u>-</u>	<u>(858,995)</u>
Subscription IT assets	<u>419,931</u>	<u>97,508</u>	<u>-</u>	<u>517,439</u>
Less accumulated amortization, subscription IT assets	<u>(128,075)</u>	<u>(117,296)</u>	<u>-</u>	<u>(245,371)</u>
Capital assets, net	<u>\$ 46,094,292</u>	<u>\$ 1,365,395</u>	<u>\$ (525,376)</u>	<u>\$ 46,934,311</u>

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**10. 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.

**11. Long-Term Debt**

Long-term debt activity for the year ended June 30, 2024 and 2023, was as follows:

	<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>

	<i>Balance at</i>			<i>Balance at</i>	<i>Amounts</i>
	<i>June 30, 2022</i>	<i>Additions</i>	<i>Reductions</i>	<i>June 30, 2023</i>	<i>Due Within</i>
					<i>One Year</i>
Security deposits	\$ 1,714,182	\$ 250,117	\$ (180,219)	\$ 1,784,080	\$ -
Leases	1,647,178	-	(276,976)	1,370,202	233,121
Compensated absences	1,175,094	2,278,212	(1,921,603)	1,531,703	112,946
Subscription IT liabilities	<u>261,384</u>	<u>-</u>	<u>(42,625)</u>	<u>218,759</u>	<u>174,253</u>
Total	<u>\$ 4,797,838</u>	<u>\$ 2,528,329</u>	<u>\$ (2,421,423)</u>	<u>\$ 4,904,744</u>	<u>\$ 520,320</u>

**12. 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, 2024 and 2023

**12. Related Party Transactions - Continued**

For the years ended June 30, 2024 and 2023, EDIC has provided grants to BLDC totaling \$299,000 and \$286,000, respectively. For the years ended June 30, 2024 and 2023, EDIC has provided grants to BIDFA totaling \$86,735 and \$88,000, respectively. For the years ended June 30, 2024 and 2023, EDIC has provided grants to FYOB totaling \$434,395 and \$395,489, respectively. These transactions are recorded as grants/contracts to related parties and community based organization on the statement 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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
BLDC	\$ 263,943	\$ 223,572	\$ (12,336)	\$ 17,708
FYOB	\$ 256,642	\$ 324,065	\$ -	\$ -
BIDFA	\$ 82,571	\$ 79,401	\$ 3,382	\$ -

*The City of Boston*

The City of Boston’s Property Management Department provided security services to EDIC, totaling \$603,241 and \$670,622 for the years ended June 30, 2024 and 2023, respectively. Amounts payable to the City of Boston at June 30, 2024 and 2023 for these services totaled \$193,296 and \$8,558, respectively.

EDIC received grants totaling and \$2,808,570 and \$19,562 from the City of Boston for the years ended June 30, 2024 and 2023, respectively, for reimbursement of a portion of capital improvement activity at the RFMP. Amounts receivable from the City of Boston at June 30, 2024 and 2023 for this activity totaled \$2,669,104 and \$15,586, respectively.

EDIC received grants totaling approximately \$27.6 million and \$11.1 million from various departments of the City of Boston for the years ended June 30, 2024 and 2023, respectively, for OWD activity.

*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.

## **Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

### **12. Related Party Transactions - Continued**

#### *Boston Redevelopment Authority – continued*

The cost of BRA employees working on EDIC projects and/or OWD grants were billed to EDIC for the years ended June 30, 2024 and 2023, and totaled \$283,199 and \$219,849, respectively. Further, EDIC paid operating costs for the benefit of BRA and subsequently billed BRA for these costs totaling \$55,617 and \$321,006 for the years ended June 30, 2024 and 2023, respectively. EDIC has recorded a net receivable from BRA for this activity totaling \$164,170 and \$428,024, at June 30, 2024 and 2023, respectively.

In addition, BRA charged OWD for OWD's estimated share of BRA's administrative costs provided to OWD totaling \$456,932 and \$466,955, for the years ended June 30, 2024 and 2023, respectively, which comprised of salary and related fringe benefits. Total salary and fringe benefits of \$1,857,637 and \$1,400,705 was outstanding at June 30, 2024 and 2023, respectively.

During 2024, EDIC provided a grant to BRA totaling \$5,000,000 for the purpose of funding a portion of BRA's acquisition fund reserve. EDIC did not provide any grants to BRA for the year ended June 30, 2023.

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, 2024 and 2023, related cumulative costs, incurred by EDIC, totaled \$249,920.

### **13. 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 2024 and 2023.

### **14. 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, 2024 and 2023

### 14. *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, 2024 and 2023, was approximately \$2,000,000 and \$1,600,000, respectively. Employee contributions to the above plans for the years then ended totaled approximately \$1,800,000 and \$1,400,000, respectively.

### 15. *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, cash equivalents and investments held as June 30, 2024 and 2023 was as follows:

	2024	2023
Cash and cash equivalents	\$ 72,814,467	\$ 31,567,940
Investments	-	33,629,680
Total	<u>\$ 72,814,467</u>	<u>\$ 65,197,620</u>
Cash and cash equivalents for operations	\$ 25,814,467	\$ 18,197,620
Board designated capital reserve fund	19,000,000	19,000,000
Board designated marine reserve fund	18,000,000	18,000,000
Board designated operating reserve fund	10,000,000	10,000,000
Total	<u>\$ 72,814,467</u>	<u>\$ 65,197,620</u>

### 16. *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.

**Economic Development and Industrial Corporation of Boston**

Notes to Financial Statements - *Continued*

June 30, 2024 and 2023

**17. *Subsequent Events***

EDIC has evaluated subsequent events through December 3, 2024, which is the date the financial statements were issued. Subsequent to year end, EDIC settled a lease termination with a lessee. See Note 8.

There are no other 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, 2024**

	<i>EDIC</i>	<i>OWD</i>	<i>Total</i>
	<i>Operations</i>	<i>Operations</i>	
<i>Revenues</i>			
Grant/contract income	\$ 2,664,031	\$ 51,152,876	\$ 53,816,907
Rental income	44,242,850	-	44,242,850
Contributions	-	793,375	793,375
Interest income from leases	32,196,256	-	32,196,256
Interest income	3,179,277	-	3,179,277
Unrealized gain	11,388	-	11,388
Inter-agency grant (expense)/income	(4,488,545)	4,488,545	-
Inter-agency income/(expense)	959,329	(959,329)	-
Miscellaneous income	<u>377,608</u>	<u>2,010</u>	<u>379,618</u>
Total revenues	<u>79,142,194</u>	<u>55,477,477</u>	<u>134,619,671</u>
<i>Expenses</i>			
Salaries	16,873,842	7,843,131	24,716,973
Fringe benefits	5,361,892	2,312,720	7,674,612
Grants/contracts to related parties and community based organizations	5,385,735	42,274,320	47,660,055
Utilities	712,036	15,734	727,770
Security and maintenance	2,827,346	8,132	2,835,478
Travel and transportation	75,756	52,655	128,411
Insurance	837,466	16,661	854,127
Professional fees	1,822,895	3,440,723	5,263,618
Printing	7,053	5,770	12,823
Bad debt	4,704	-	4,704
Depreciation	2,191,501	23,103	2,214,604
Amortization	166,204	241,574	407,778
Supplies	119,649	66,101	185,750
Rental expense	49,404	72,350	121,754
Telecommunications	80,141	26,039	106,180
Professional development	37,925	41,413	79,338
Data processing	853,085	49,148	902,233
Marketing	3,326	15,445	18,771
Educational supplies	-	23,991	23,991
Interest expense	-	11,210	11,210
Loss on lease	159,600	-	159,600
Other expense	<u>398,671</u>	<u>99,427</u>	<u>498,098</u>
Total expenses	<u>37,968,231</u>	<u>56,639,647</u>	<u>94,607,878</u>
Change in net position	<u>\$ 41,173,963</u>	<u>\$ (1,162,170)</u>	<u>\$ 40,011,793</u>