CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018
Independent Auditor’s Report

To the Board of Directors of
Boston Public Market Association and Affiliate:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Boston Public Market Association (a Massachusetts corporation, not for profit) and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Boston Public Market Association and Affiliate as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.
*Emphasis of Matter*

We draw your attention to Note 5 to the consolidated financial statements, which discloses the COVID-19 coronavirus pandemic in the United States that triggered widespread government mandated and voluntary business closures for several months in 2020. This situation has prompted a major disruption of the Boston Public Market Association’s business and revenue streams. Management’s actions to monitor and mitigate the impacts of this disruption are described in Note 9. Our opinion is not modified with respect to this matter.

AAFCPAs, Inc.

Boston, Massachusetts
February 12, 2021
### BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE

#### Consolidated Statements of Financial Position

**December 31, 2019 and 2018**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 316,692</td>
<td>$ 63,221</td>
<td>$ 379,913</td>
<td>$ 350,159</td>
<td>$ 580,034</td>
</tr>
<tr>
<td>Current portion of cash - tenant security deposits</td>
<td>93,666</td>
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<td>93,666</td>
<td>90,863</td>
<td>90,863</td>
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<tr>
<td>Accounts receivable, net</td>
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<td>69,264</td>
<td>95,508</td>
<td>95,508</td>
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<tr>
<td>Inventory</td>
<td>5,942</td>
<td>-</td>
<td>5,942</td>
<td>9,105</td>
<td>9,105</td>
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<tr>
<td>Prepaid expenses</td>
<td>22,111</td>
<td>-</td>
<td>22,111</td>
<td>19,343</td>
<td>19,343</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>507,675</td>
<td>63,221</td>
<td>570,896</td>
<td>229,875</td>
<td>794,853</td>
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<tr>
<td>Cash - Tenant Security Deposits, net of current portion</td>
<td>55,547</td>
<td>-</td>
<td>55,547</td>
<td>28,120</td>
<td>28,120</td>
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<tr>
<td>Restricted Cash</td>
<td>110,981</td>
<td>-</td>
<td>110,981</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property and Equipment, net</td>
<td>10,845,316</td>
<td>-</td>
<td>10,845,316</td>
<td>11,426,891</td>
<td>11,426,891</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 11,519,519</td>
<td>$ 63,221</td>
<td>$ 11,582,740</td>
<td>$ 12,019,989</td>
<td>$ 12,249,864</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets  |                                 |                              |                                 |                               |                |
|-----------------------------|                                 |                              |                                 |                               |                |
| **Current Liabilities:**    |                                 |                              |                                 |                               |                |
| Current portion of note payable | $ 16,792                       | -                            | $ 16,792                        | $ 124,566                     | $ -            | $ 124,566      |
| Accounts payable and accrued expenses | 396,498                       | -                            | 396,498                        | 409,573                       | -              | 409,573        |
| Advanced rental payments    | 28,152                          | -                            | 28,152                          | 34,598                        | -              | 34,598         |
| Current portion of tenant security deposits | 93,666                          | -                            | 93,666                          | 90,863                        | -              | 90,863         |
| **Total current liabilities** | 535,108                         | -                            | 535,108                        | 659,600                       | -              | 659,600        |
| Tenant Security Deposits, net of current portion | 55,547                          | -                            | 55,547                          | 28,120                        | -              | 28,120         |
| Advanced Royalties          | 425,000                         | -                            | 425,000                        | 100,000                       | -              | 100,000        |
| **Total liabilities**       | 1,557,822                       | -                            | 1,557,822                      | 1,387,720                     | -              | 1,387,720      |

| Net Assets:                 |                                 |                              |                                 |                               |                |
|-----------------------------|                                 |                              |                                 |                               |                |
| **Without donor restrictions:** | (324,660)                       | -                            | (324,660)                       | (70,056)                      | -              | (70,056)       |
| Operating                   | 10,286,357                      | -                            | 10,286,357                      | 10,702,325                    | -              | 10,702,325     |
| **Total without donor restrictions** | 9,961,697                       | -                            | 9,961,697                      | 10,632,269                    | -              | 10,632,269     |
| **With donor restrictions** |                                 |                              |                                 |                               |                |
| **Total net assets**        | 9,961,697                       | 63,221                       | 10,024,918                      | 10,632,269                    | 229,875        | 229,875        |
| **Total liabilities and net assets** | $ 11,519,519                    | $ 63,221                     | $ 11,582,740                    | $ 12,019,989                  | $ 229,875      | $ 12,249,864   |

The accompanying notes are an integral part of these consolidated statements.
BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE

Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market rental</td>
<td>$ 1,541,462</td>
<td>$ -</td>
<td>$ 1,541,462</td>
<td>$ 1,540,321</td>
<td>$ -</td>
<td>$ 1,540,321</td>
</tr>
<tr>
<td>Special events</td>
<td>194,427</td>
<td>-</td>
<td>194,427</td>
<td>149,009</td>
<td>-</td>
<td>149,009</td>
</tr>
<tr>
<td>Donated services</td>
<td>12,760</td>
<td>-</td>
<td>12,760</td>
<td>53,765</td>
<td>-</td>
<td>53,765</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>9,602</td>
<td>-</td>
<td>9,602</td>
<td>4,036</td>
<td>-</td>
<td>4,036</td>
</tr>
<tr>
<td>Other income</td>
<td>5,438</td>
<td>-</td>
<td>5,438</td>
<td>47,645</td>
<td>-</td>
<td>47,645</td>
</tr>
<tr>
<td>Net asset released from purpose restrictions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
<td>(10,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>1,763,689</td>
<td>-</td>
<td>1,763,689</td>
<td>1,804,776</td>
<td>-</td>
<td>1,804,776</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,738,733</td>
<td>-</td>
<td>1,738,733</td>
<td>1,794,963</td>
<td>-</td>
<td>1,794,963</td>
</tr>
<tr>
<td>Fundraising</td>
<td>77,650</td>
<td>-</td>
<td>77,650</td>
<td>79,639</td>
<td>-</td>
<td>79,639</td>
</tr>
<tr>
<td>General and administrative</td>
<td>212,260</td>
<td>-</td>
<td>212,260</td>
<td>331,328</td>
<td>-</td>
<td>331,328</td>
</tr>
<tr>
<td><strong>Total operating expenses before depreciation</strong></td>
<td>2,028,643</td>
<td>-</td>
<td>2,028,643</td>
<td>2,205,930</td>
<td>-</td>
<td>2,205,930</td>
</tr>
<tr>
<td>Changes in net assets from operations before depreciation</td>
<td>(264,954)</td>
<td>-</td>
<td>(264,954)</td>
<td>(401,154)</td>
<td>-</td>
<td>(401,154)</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>579,199</td>
<td>-</td>
<td>579,199</td>
<td>576,715</td>
<td>-</td>
<td>576,715</td>
</tr>
<tr>
<td>Changes in net assets from operations</td>
<td>(844,153)</td>
<td>-</td>
<td>(844,153)</td>
<td>(977,869)</td>
<td>-</td>
<td>(977,869)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenue and Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated services - capital</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>(23,073)</td>
<td>-</td>
<td>(23,073)</td>
<td>(7,076)</td>
<td>-</td>
<td>(7,076)</td>
</tr>
<tr>
<td>Net assets released from campaign restrictions</td>
<td>166,654</td>
<td>(166,654)</td>
<td>-</td>
<td>100,000</td>
<td>(100,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-operating revenue and expenses</strong></td>
<td>173,581</td>
<td>(166,654)</td>
<td>6,927</td>
<td>92,924</td>
<td>(100,000)</td>
<td>(7,076)</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>(670,572)</td>
<td>(166,654)</td>
<td>(837,226)</td>
<td>(884,945)</td>
<td>(100,000)</td>
<td>(984,945)</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>10,632,269</td>
<td>229,875</td>
<td>10,862,144</td>
<td>11,517,214</td>
<td>329,875</td>
<td>11,847,089</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 9,961,697</td>
<td>$ 63,221</td>
<td>$ 10,024,918</td>
<td>$ 10,632,269</td>
<td>$ 229,875</td>
<td>$ 10,862,144</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated statements.
BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$(837,226)</td>
<td>$(984,945)</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debt expense (recovery)</td>
<td>5,599</td>
<td>(8,001)</td>
</tr>
<tr>
<td>Interest - amortization</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>579,199</td>
<td>576,715</td>
</tr>
<tr>
<td>Donated services - capital</td>
<td>(30,000)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>23,073</td>
<td>7,076</td>
</tr>
<tr>
<td>Equipment received in lieu of cash</td>
<td>-</td>
<td>(37,024)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>20,645</td>
<td>44,279</td>
</tr>
<tr>
<td>Inventory</td>
<td>3,163</td>
<td>1,903</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(2,768)</td>
<td>3,245</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(13,075)</td>
<td>115,634</td>
</tr>
<tr>
<td>Tenant security deposits</td>
<td>30,230</td>
<td>(12,599)</td>
</tr>
<tr>
<td>Advanced rental payments and royalties</td>
<td>318,554</td>
<td>121,906</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>101,394</td>
<td>(171,811)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities:** |             |             |
| Acquisition of property and equipment | (37,683)   | (7,950)     |
| Proceed from sale of property and equipment | 16,986    | -           |
| Net cash used in investing activities | (20,697)   | (7,950)     |

| **Cash Flows from Financing Activities:** |             |             |
| Payment on note payable           | (124,566)   | (75,434)    |
| Payment of debt issuance costs    | (15,041)    | -           |
| Net cash used in financing activities | (139,607) | (75,434)    |

| **Net Change in Cash and Restricted Cash** |             |             |
|                                            | (58,910)    | (255,195)   |

| **Cash and Restricted Cash:** |             |             |
| Beginning of year               | 699,017     | 954,212     |
| End of year                     | $640,107    | $699,017    |

| **Supplemental Disclosure of Cash Flow Information:** |             |             |
| Cash paid for interest           | $52,588     | $24,566     |
| Equipment received in lieu of cash | -          | $37,024     |

The accompanying notes are an integral part of these consolidated statements.
BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE

Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2019 and 2018

Payroll and Related:

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<tr>
<th>Description</th>
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<th></th>
<th></th>
<th>2018</th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Fundraising</td>
<td>Administrative</td>
<td>Total</td>
<td>Program</td>
<td>Fundraising</td>
<td>Administrative</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Payroll and related</td>
<td>$ 472,669</td>
<td>$ 42,419</td>
<td>$ 90,898</td>
<td>$ 605,986</td>
<td>$ 437,508</td>
<td>$ 39,264</td>
<td>$ 84,136</td>
<td>$ 560,908</td>
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</tr>
<tr>
<td>Salaries</td>
<td>472,669</td>
<td>42,419</td>
<td>90,898</td>
<td>605,986</td>
<td>437,508</td>
<td>39,264</td>
<td>84,136</td>
<td>560,908</td>
<td></td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>65,285</td>
<td>5,444</td>
<td>12,204</td>
<td>82,933</td>
<td>53,050</td>
<td>4,515</td>
<td>10,136</td>
<td>67,701</td>
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<td>Payroll taxes</td>
<td>38,406</td>
<td>3,203</td>
<td>7,179</td>
<td>48,788</td>
<td>38,432</td>
<td>3,271</td>
<td>7,343</td>
<td>49,046</td>
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<tr>
<td>Total payroll and related</td>
<td>576,360</td>
<td>51,066</td>
<td>110,281</td>
<td>737,707</td>
<td>528,990</td>
<td>47,050</td>
<td>101,615</td>
<td>677,655</td>
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Other:

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<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th></th>
<th></th>
<th>2018</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Fundraising</td>
<td>Administrative</td>
<td>Total</td>
<td>Program</td>
<td>Fundraising</td>
<td>Administrative</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>342,089</td>
<td>624</td>
<td>1,337</td>
<td>344,050</td>
<td>438,815</td>
<td>684</td>
<td>1,467</td>
<td>440,966</td>
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<td>Security and custodial</td>
<td>310,541</td>
<td>-</td>
<td></td>
<td>310,541</td>
<td>325,036</td>
<td>-</td>
<td></td>
<td>325,036</td>
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<tr>
<td>Repairs and maintenance</td>
<td>155,196</td>
<td>-</td>
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<td>155,196</td>
<td>161,285</td>
<td>-</td>
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<td>161,285</td>
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<td>Occupancy</td>
<td>131,416</td>
<td>4,062</td>
<td>8,704</td>
<td>144,182</td>
<td>128,512</td>
<td>3,696</td>
<td>7,919</td>
<td>140,127</td>
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<td>Professional services</td>
<td>25,571</td>
<td>-</td>
<td>51,472</td>
<td>77,043</td>
<td>67,701</td>
<td>-</td>
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<td>166,615</td>
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<td>Marketing and advertising</td>
<td>61,738</td>
<td>-</td>
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<td>61,738</td>
<td>74,902</td>
<td>-</td>
<td></td>
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<td>Interest</td>
<td>42,088</td>
<td>-</td>
<td></td>
<td>42,088</td>
<td>27,067</td>
<td>-</td>
<td></td>
<td>27,067</td>
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<td>Insurance</td>
<td>32,009</td>
<td>-</td>
<td>7,561</td>
<td>39,570</td>
<td>39,298</td>
<td>-</td>
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<td>46,036</td>
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<td>Miscellaneous</td>
<td>19,674</td>
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<td>3,232</td>
<td>22,906</td>
<td>21,247</td>
<td>-</td>
<td></td>
<td>21,247</td>
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</tr>
<tr>
<td>Office supplies and internet</td>
<td>16,804</td>
<td>1,508</td>
<td>7,071</td>
<td>24,376</td>
<td>10,310</td>
<td>-</td>
<td></td>
<td>23,347</td>
<td></td>
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<tr>
<td>Program supplies</td>
<td>21,247</td>
<td>-</td>
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<td>21,247</td>
<td>18,995</td>
<td>-</td>
<td></td>
<td>18,995</td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>18,393</td>
<td>-</td>
<td>2,039</td>
<td>20,432</td>
<td>18,995</td>
<td>-</td>
<td></td>
<td>18,995</td>
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</tr>
<tr>
<td>Cost of sales</td>
<td>18,393</td>
<td>-</td>
<td>5,599</td>
<td>23,992</td>
<td>18,995</td>
<td>-</td>
<td></td>
<td>18,995</td>
<td></td>
</tr>
<tr>
<td>Donated professional services</td>
<td>-</td>
<td>-</td>
<td>12,760</td>
<td>12,760</td>
<td>12,760</td>
<td>-</td>
<td></td>
<td>12,760</td>
<td></td>
</tr>
<tr>
<td>Bad debt</td>
<td>-</td>
<td>5,599</td>
<td>5,599</td>
<td>5,599</td>
<td>5,599</td>
<td>-</td>
<td></td>
<td>5,599</td>
<td></td>
</tr>
<tr>
<td>Conferences, travel and staff development</td>
<td>-</td>
<td>-</td>
<td>4,243</td>
<td>4,243</td>
<td>-</td>
<td>-</td>
<td>6,850</td>
<td>6,850</td>
<td></td>
</tr>
<tr>
<td>Interest - amortization</td>
<td>4,000</td>
<td>-</td>
<td></td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total other</td>
<td>1,180,766</td>
<td>26,584</td>
<td>101,979</td>
<td>1,309,329</td>
<td>1,298,048</td>
<td>32,589</td>
<td>229,713</td>
<td>1,560,350</td>
<td></td>
</tr>
<tr>
<td>Total expenses before depreciation</td>
<td>1,757,126</td>
<td>77,650</td>
<td>212,260</td>
<td>2,047,036</td>
<td>1,827,038</td>
<td>79,639</td>
<td>331,328</td>
<td>2,238,005</td>
<td></td>
</tr>
<tr>
<td>Less - cost of sales expenses netted with revenues on the consolidated statements of activities and changes in net assets</td>
<td>(18,393)</td>
<td>-</td>
<td>-</td>
<td>(18,393)</td>
<td>(32,075)</td>
<td>-</td>
<td>-</td>
<td>(32,075)</td>
<td></td>
</tr>
<tr>
<td>Total expenses included in the consolidated statements of activities and changes in net assets before depreciation</td>
<td>1,738,733</td>
<td>77,650</td>
<td>212,260</td>
<td>2,028,643</td>
<td>1,794,963</td>
<td>79,639</td>
<td>331,328</td>
<td>2,205,930</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>578,495</td>
<td>224</td>
<td>480</td>
<td>579,199</td>
<td>576,011</td>
<td>224</td>
<td>480</td>
<td>576,715</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$ 2,317,228</td>
<td>$ 77,874</td>
<td>$ 212,740</td>
<td>$ 2,607,842</td>
<td>$ 2,370,974</td>
<td>$ 79,863</td>
<td>$ 331,808</td>
<td>$ 2,782,645</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated statements.
1. OPERATIONS AND NONPROFIT STATUS

OPERATIONS

Founded in 2001, the Boston Public Market Association (BPMA) is a Massachusetts not-for-profit corporation that aims to bring healthy, affordable, locally sourced foods to the Boston area creating a healthier, stronger community. BPMA’s mission is to operate a permanent year-round market in Boston that provides fresh, healthy food to consumers of all income levels and nourishes our community. BPMA also educates the public about food sources, nutrition and preparation, provides small business support to market vendors, and contributes an additional free, public, civic space to the City of Boston.

In 2012, BPMA was designated by the Commonwealth of Massachusetts as the developer and operator of the Boston Public Market: a 28,000 square-foot indoor retail location in the Haymarket T station building along Boston’s Greenway. Currently, the Boston Public Market (the Market) is the only year-round, indoor, locally sourced market of its kind in the United States—most of what is sold either originates or is produced in New England. The Market integrates education about healthy eating, local production and sustainability into the market experience through experiential learning. The Market opened to the public in July 2015.

In addition to operating the year-round market, BPMA runs three seasonal farmers markets in downtown Boston and the seaport area - offering fresh food, free educational events, and information on the Market to a diverse customer base. Since 2010, BPMA’s markets have participated in the Boston Bounty Bucks Program - an incentive-based program that allows customers with SNAP (food stamps) to use their Electronic Benefit Transfer (EBT) cards at farmers markets and provides a dollar-for-dollar match on market products. Through the Boston Bounty Bucks Program and the new Health Incentives Program (HIP), BPMA helps create healthy, sustainable food alternatives for those in underserved communities.

In January 2018, BPMA formed Grow BPMA LLC (the LLC), a Massachusetts Limited Liability Company, for the purpose of supporting BPMA and its mission. BPMA is the sole member of the LLC.

During 2018, the LLC executed an agreement with HMS Host (Host), a food and beverage developer, in which the LLC will license their name to Host in order to open the Boston Public Market at Logan (the Market at Logan). Host will be paying BPMA royalty fees for the licensing of the Boston Public Market brand. The Market at Logan was projected to open in 2020, but the opening was delayed due to the COVID-19 Pandemic (see Note 5). BPMA expects that Boston Public Market at Logan will open in the second quarter of 2021. Host began making advanced royalty payments in September 2018 through March 2020 (see page 10).

NONPROFIT STATUS

BPMA is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). BPMA is also exempt from state income taxes. Donors may deduct contributions made to BPMA within IRC requirements. The LLC has elected to be treated as a disregarded entity for income tax purposes.
2. **SIGNIFICANT ACCOUNTING POLICIES**

BPMA and the LLC prepare their consolidated financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to FASB Accounting Standards Codification (ASC).

**Principles of Consolidation**

The consolidated financial statements include the net assets and members’ capital of BPMA and the LLC. BPMA and the LLC are collectively referred to as BPMA. All significant balances between classes of members’ capital and net assets and inter-company balances and transactions are eliminated in the accompanying consolidated financial statements.

**Recently Adopted Accounting Pronouncements**

In 2019, BPMA adopted FASB's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, with respect to its revenue recognition policies. The core principle of the new accounting guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this standard did not have a significant impact on BPMA’s consolidated financial statements as BPMA’s primary source of revenue is rental income, which is not subject to this accounting standard.

In 2019, BPMA adopted FASB’s ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to BPMA on how to account for certain exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. BPMA adopted ASU 2018-08 using a modified prospective method effective January 1, 2019. Under the modified prospective method, this ASU only applies to agreements not completed or entered into (revenue or expense that has not yet been recognized) as of January 1, 2019. As a result, the 2018 consolidated financial statements are not restated and there was no cumulative-effect adjustment to opening net assets as of January 1, 2019. There were no material changes to contribution revenue during 2019. Under this ASU, all grants and contributions included in the consolidated statements of activities and changes in net assets have been classified and recorded in accordance with Topic 958.

**Cash, Cash – Tenant Security Deposits and Restricted Cash**

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 379,913</td>
<td>$ 580,034</td>
</tr>
<tr>
<td>Cash - tenant security deposits</td>
<td>149,213</td>
<td>118,983</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>110,981</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash and restricted cash shown in the consolidated statement of cash flows</strong></td>
<td><strong>$ 640,107</strong></td>
<td><strong>$ 699,017</strong></td>
</tr>
</tbody>
</table>
2. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash, Cash – Tenant Security Deposits and Restricted Cash (Continued)**

Cash - tenant security deposits include refundable cash payments collected from vendors renting space in the year-round market according to each vendor lease agreement (see Note 4).

Restricted cash represents a required cash reserve as part of the Coastal Enterprises, Inc. note payable (see Note 6) equal to approximately twelve months of debt service payments.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on experience and other circumstances which may affect the ability of BPMA to collect the receivables. Accounts receivable in the accompanying consolidated statements of financial position is reported net of an allowance for uncollectible accounts of $2,800 at December 31, 2019 and 2018.

**Property and Equipment and Depreciation**

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. Depreciation is recorded using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-round market building</td>
<td>25 years</td>
</tr>
<tr>
<td>improvements</td>
<td></td>
</tr>
<tr>
<td>Market equipment and furniture</td>
<td>5 - 7 years</td>
</tr>
<tr>
<td>Market tents</td>
<td>10 years</td>
</tr>
<tr>
<td>Computers and office equipment</td>
<td>5 - 7 years</td>
</tr>
</tbody>
</table>

**Inventory**

Inventory consists of reusable shopping bags and other Market memorabilia sold at the year-round market and is accounted for at the lower of cost (as determined by the first-in, first-out (FIFO) method) or market. Sales of inventory is included in other income and is reflected net of cost of goods sold of approximately $18,000 and $32,000 for the years ended December 31, 2019 and 2018, respectively.

**Net Assets**

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by BPMA. BPMA has grouped its net assets without donor restrictions into the following categories:

- **Operating net assets** represent funds available to carry on the operations of BPMA.
- **Property and equipment net assets** reflect the net book value and account for the activities relating to BPMA’s property and equipment, net of related debt.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

   **Net Assets** (Continued)

   Net assets with donor restrictions represent grants and contributions whose use has been restricted by donors for a specific time, purpose or for campaign purposes. Net assets with donor restrictions at December 31, 2019 and 2018, are all campaign restricted. In 2013, BPMA had launched a significant campaign to raise the funds necessary to construct the Market. The funds raised, along with a note payable (see Note 6), permitted construction of the Market to be completed during 2015. The remaining balance of net assets with donor restrictions with campaign restrictions are for repayment of the note payable and other purposes as specified from the campaign solicitations.

   **Revenue Recognition**

   In accordance with Topic 958, BPMA must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that BPMA should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

   Grants and contributions without donor restrictions are recorded as revenue when unconditionally received or pledged. Revenues from donor restricted grants and contributions are recorded as revenue and net assets with donor restrictions when BPMA receives a commitment. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions as costs are incurred or time or program restrictions have lapsed.

   **Market Rental**

   BPMA rents space to local vendors in its seasonal and year-round markets. Rental fees are received and recorded as advanced rental payments until the month begins, at which time the fees are recognized as market rental income. The rental income is not subject to either Topic 958 or Topic 606.

   **Special Events**

   Special events revenue is from BPMA’s signature Harvest Party fundraising event, as well as other events held during the year in which revenues are recognized at the time of the event. Special event income consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received. The sales portion of the special event income is derived from various components, including ticket sales and program ads, in which the transaction price is determined annually. Fees collected in advance of the special events are initially recorded as deferred revenue (contract liabilities) and are only recognized in the consolidated statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met. There was no deferred revenue for special events as of December 31, 2019 and 2018, as fees were collected, and the events were held in the same period.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenue Recognition** (Continued)

Royalty fees received in advance of the opening of the Market at Logan are recorded as deferred revenue and shown as advanced royalties in the accompanying consolidated statements of financial position and will offset future royalty revenue beginning in 2021 pro-rata over eighteen months.

All other income is recognized when earned.

**Consolidated Statements of Activities and Changes in Net Assets**

The consolidated statements of activities and changes in net assets present operating revenue and expenses from program activities as changes in net assets from operations. Activity related to the disposal of property and equipment, donated professional services relating to the note payable refinance (see Note 6) and campaign restricted net asset release is included as non-operating revenue and expenses in the accompanying consolidated statements of activities and changes in net assets.

**Donated Services**

During 2019 and 2018, BPMA received donated legal services valued at $42,760 and $53,765, respectively. In 2019, $30,000 of donated legal services was related to the refinance of a note payable (see Note 6) and has been capitalized as debt issuance costs which will be amortized over the remaining term of the note payable. The remaining amounts are included in donated services in the accompanying consolidated statements of activities and changes in net assets and donated professional services in the accompanying consolidated statements of functional expenses. Donated services are recorded based upon the estimated value assigned to them by the donors or by management.

**Expense Allocations**

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management’s estimate of the percentage attributable to each function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and fringe benefits, which are allocated on the basis of full-time employees in each category. Occupancy costs and depreciation are separately identifiable and attributable to the Market and the office space and are considered direct costs. Supplies and other costs are allocated based on usage studies.

**Advertising Costs**

BPMA expenses advertising costs as they are incurred. Advertising expense was approximately $12,000 and $25,000 for the years ended December 31, 2019 and 2018, respectively, and is included in marketing and advertising in the accompanying consolidated statements of functional expenses.
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

   Fair Value Measurements

BPMA follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that BPMA would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

BPMA uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of BPMA. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

   Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

   Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

   Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

   Income Taxes

BPMA accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. BPMA has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the consolidated financial statements at December 31, 2019 and 2018. BPMA’s information returns are subject to examination by the Federal and state jurisdictions.

   Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.
2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

   **Debt Issuance Costs**

   Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method.

   **Subsequent Events**

   Subsequent events have been evaluated through February 12, 2021, which is the date the consolidated financial statements were available to be issued. See Notes 4, 5, 6 and 9 for events that met the criteria for disclosure.

3. **PROPERTY AND EQUIPMENT**

   Property and equipment consist of the following at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-round market building improvements</td>
<td>$12,109,713</td>
<td>$12,109,713</td>
</tr>
<tr>
<td>Market equipment and furniture</td>
<td>1,236,323</td>
<td>1,259,591</td>
</tr>
<tr>
<td>Computers and office equipment</td>
<td>22,278</td>
<td>17,778</td>
</tr>
<tr>
<td>Market tents</td>
<td>18,005</td>
<td>18,005</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>13,386,319</td>
<td>13,405,087</td>
</tr>
<tr>
<td>Less - accumulated depreciation</td>
<td>2,541,003</td>
<td>1,978,196</td>
</tr>
<tr>
<td><strong>Property and Equipment after Accumulated Depreciation</strong></td>
<td>$10,845,316</td>
<td>$11,426,891</td>
</tr>
</tbody>
</table>

4. **LEASES**

   **Lessee**

   BPMA leases office space in Boston under a lease agreement that expires on February 28, 2021. BPMA is also responsible for certain real estate taxes and operating costs in excess of the base amounts as defined in the agreement. Rent expense was $58,029 and $52,794 for the years ended December 31, 2019 and 2018, respectively, and is included in occupancy in the accompanying consolidated statements of functional expenses.

   Future minimum lease payments under this agreement for the next two years are as follows:

   - 2020: $32,667
   - 2021: $9,333

   During 2020, the lessor agreed to a rent abatement due to the global pandemic (see Note 5). The 2020 payment above has been adjusted.
4. LEASES (Continued)

Lessee (Continued)

In July 2014, BPMA entered into a lease agreement with Massachusetts Department of Transportation (MDOT) for the operation of the Market. The initial term of the lease was five years, with sixteen consecutive five-year renewals, provided BPMA meets certain compliance and performance criteria as outlined in the agreement. No base rent payments are due under this agreement until such time as BPMA produces surplus revenue, as defined in the lease. Surplus revenue is calculated after a capital reserve and an operation reserve are funded on each anniversary date of the opening date of the year-round market, as defined in the lease. Once surplus revenue is achieved, a lump-sum of annual rent, as established by the lease, will be due upon submitting the annual audited consolidated financial statements to MDOT. The annual lump-sum rent is based upon percentage benchmarks of surplus revenue calculated from the audited consolidated financial statements. No base rent was due in 2019 or 2018 and there is no base rent anticipated to be due in 2020.

Lessor

BPMA leases space in its year-round market to various local vendors requiring fixed rentals, reimbursement of operating costs (proportionate share of common area maintenance, utilities and real estate taxes), and a percentage of gross sales as defined in the agreements. The lease agreements expire at various times from May 31, 2019 through July 31, 2024, and include base rents ranging from $292 to $5,625 per month depending on the lease agreement. Base Market rental income under these tenant leases was approximately $708,000 and $729,000 for the years ended December 31, 2019 and 2018, respectively, and is included in market rental income in the accompanying consolidated statements of activities and changes in net assets.

Future minimum lease payments under these agreements, not including renewal options, common area maintenance or percentage of gross sales rental amounts, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020*</td>
<td>$ 592,377</td>
</tr>
<tr>
<td>2021*</td>
<td>$ 331,978</td>
</tr>
<tr>
<td>2022</td>
<td>$ 269,584</td>
</tr>
<tr>
<td>2023</td>
<td>$ 88,757</td>
</tr>
<tr>
<td>2024</td>
<td>$ 43,437</td>
</tr>
</tbody>
</table>

* In 2020 due to the emergence of the COVID-19 pandemic (see Note 5), BPMA shut down the majority of the Market and waived contractual rental payments through March 2021. Accordingly, no amount was collected for the period of April 2020 through September 2020 while the Market was closed. Once the Market reopened in September 2020, vendors began paying 10% of monthly sales as rental payments. This arrangement will continue through the first quarter of 2021. Payments for years 2022 - 2024 assume operations will commence and the Market is fully reopened post COVID-19 pandemic and are based on lease agreements in place.

5. CONCENTRATION AND CONTINGENCIES

Concentration of Credit Risk

BPMA maintains its cash balances in a Massachusetts bank. The bank is insured by the Federal Deposit Insurance Corporation (FDIC) for up to certain amounts. At certain times during the year, the balances exceeded the FDIC insured limits. BPMA has not experienced any losses in such accounts. Management believes BPMA is not exposed to any significant credit risk on its cash balances.
COVID-19

In March 2020, the COVID-19 coronavirus (COVID-19) pandemic emerged in the United States triggering widespread government mandated and voluntary business closures, which in turn have led to substantial interruptions in financial markets, employment and the economy. BPMA was forced to close its Market from which most programs are operated, resulting in major disruptions to all significant streams of revenue. Though the longer-term financial effects cannot be reasonably estimated at this time, these circumstances will have adverse effects on BPMA, its operations, and future consolidated financial statements. The accompanying consolidated financial statements have not been adjusted for any potential financial effects that may occur in the future related to the current uncertainty. Management of BPMA is monitoring these events closely to assess the financial impact of the situation and determine courses of action (see Note 9).

Disputed Liability

BPMA is disputing certain maintenance and property management expenses that have been invoiced by MDOT (see Note 4) as lessor of the leased space for the Market. While MDOT is seeking payment in connection with these disputed invoices, BPMA asserts it is not liable for these costs as the costs incurred are not specific to BPMA’s occupancy in the building and partially out of the scope of the lease agreement. It is BPMA’s opinion that any potential settlement in excess of what is accrued at December 31, 2019, would not be material to the accompanying consolidated financial statements.

6. NOTE PAYABLE

In September 2014, BPMA entered into a $3,000,000 revolving line of credit agreement with The Conservation Fund, a nonprofit corporation. Borrowings under the agreement were available for operations and temporary bridge financing in relation to the construction of the year-round market which was completed in 2015. This agreement was secured by an interest in BPMA’s lease with MDOT (see Note 4). Interest accrued annually at 3% through September 2018, at which time all outstanding principal and interest was due. The agreement was extended through March 4, 2019. With this extension, the interest rate increased to 4.6% through January 3, 2019, at which time the rate increased to 6.6%.

Accrued interest on the outstanding balance was $10,500 at December 31, 2018, and is included in accounts payable and accrued expenses.

In February 2019, BPMA refinanced this note payable with Coastal Enterprises, Inc., a nonprofit corporation, through December 31, 2026. BPMA made a payment of $142,678 to The Conservation Fund (representing a principal payment of $124,566 and interest of $18,112) and refinanced the remaining amount due of $600,000 through Coastal Enterprises, Inc. Interest will accrue annually on the outstanding balance at 7.5%. This note had an interest only period through December 2019. Monthly payments of $9,203 representing principal and interest commenced in January 2020. This note is guaranteed by the LLC (see Note 1) and secured by a first security interest in all business assets of BPMA, an assignment of leases and rents with all vendors of the Market, assignment of the license agreement with Host (see Note 1), an assignment of key person life insurance on the CEO, and a cash reserve of approximately $111,000, which represents the restricted cash.
6. **NOTE PAYABLE** (Continued)

The balance of the note payable is as follows as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note payable</td>
<td>$600,000</td>
<td>$724,566</td>
</tr>
<tr>
<td>Less - current portion</td>
<td>16,792</td>
<td>124,566</td>
</tr>
<tr>
<td>Less - unamortized debt issuance costs (see below)</td>
<td>41,041</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$542,167</td>
<td>$600,000</td>
</tr>
</tbody>
</table>

In May 2020, BPMA entered into a Change in Terms Agreement with Coastal Enterprise, Inc. extending the note payable through June 2027. The terms allowed BPMA to defer payments of principal and interest for five months and provide an interest only payment for September 2020. BPMA subsequently entered into two Change in terms agreements in September 2020 and January 2021, which further deferred principal payments and extended interest only payments through March 2021. Additionally, the maturity date of the note payable was further extended to December 2027 (see Note 9).

Future minimum principal payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$16,792</td>
</tr>
<tr>
<td>2021</td>
<td>$51,467</td>
</tr>
<tr>
<td>2022</td>
<td>$73,441</td>
</tr>
<tr>
<td>2023</td>
<td>$79,143</td>
</tr>
<tr>
<td>2024</td>
<td>$85,287</td>
</tr>
</tbody>
</table>

Debt issuance costs related to this note payable totaling $45,041 is being amortized over the terms of the note payable. The amortization expense is $4,000 as of December 31, 2019. Amortization expense is expected to be $5,808 over the next five years.

7. **RELATED PARTY TRANSACTION**

A Board member of BPMA provided donated legal services to BPMA with a value of $12,760 and $17,360, respectively, for 2019 and 2018.

8. **RETIREMENT PLAN**

BPMA adopted a retirement savings plan under Section 403(b) of the IRC (the Plan). Under the Plan, all employees who have completed at least three months of service are eligible. The Plan allows BPMA to make a discretionary matching contribution. Employees are fully vested in matching contributions. Employer contributions under the Plan were $22,485 and $14,310 for the years ended December 31, 2019 and 2018, respectively, and are included in fringe benefits in the accompanying consolidated statements of functional expenses.
9. **BPMA OPERATIONS AND SUBSEQUENT EVENTS**

At December 31, 2019, BPMA has $(324,660) of operating net assets without donor restrictions, and $63,221 in net assets with donor restrictions.

The Market’s operations throughout 2019 continued to present challenges from a financial perspective in light of the inherent limitations on revenue due to the nature of BPMA’s mission and its vendors. It is the mission of the Boston Public Market to welcome and host farmers and small food businesses requiring that BPMA offers very favorable financial terms to these types of businesses who would typically not be renting space in downtown Boston. Unlike a private developer and given BPMA’s mission which requires the types of vendors to have in the Market, BPMA must retain occupancy costs at a level permitting these vendors to remain. While BPMA was able to reduce total expenses in 2019, there was still an operating deficit before depreciation in 2019.

At the end of 2019 and into early 2020, BPMA made progress in reducing the operating deficit and management was looking towards the future, particularly with the Market at Logan expected to open by the Spring of 2020, thereby adding to the revenue base. The first quarter of 2020 was favorable, however, on March 19, 2020, BPMA was forced to close in response to the COVID-19 pandemic and did not reopen until mid-September 2020. The COVID-19 pandemic also delayed the opening of the Market at Logan until 2021. During the time the Market was closed, BPMA continued to run outdoor markets and ran a robust food delivery program with a distribution partner. BPMA cut expenses substantially, including payroll, utilities, eliminated office rent and expenses, marketing and many other items, as well as other significant steps to mitigate the damage caused by the pandemic.

Subsequent to December 31, 2019, BPMA raised approximately $1,214,000 of grant revenue to help offset rent revenue losses from the significant decline in market rental income due to the closure of the Market in March 2020. During the period of closure between March 19, 2020 and September 16, 2020, BPMA modified rental agreements and collected 10% of vendor sales. These modified rental payments extended past re-open and are anticipated to extend through March 31, 2021.

BPMA executed multiple Change in Terms Agreements with Coastal Enterprises, Inc., which deferred principal and interest payments on the loan for five months and then provided for interest only payments through March 2021 (see Note 6).

In April 2020, BPMA was awarded a loan from the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of $138,100. In January 2021, BPMA was awarded a second PPP loan of $138,100. These funds will be forgiven based on the satisfaction of the conditions as defined in the agreement. BPMA is required to incur qualifying expenses such as certain payroll costs, including benefits, rent and utilities, and to maintain a consistent full-time employee count during the agreed upon period as well as complying with additional requirements as noted the agreement. BPMA fully spent down the first PPP loan in 2020 and expects to incur qualifying expenses in 2021 on the second PPP. Management anticipates recognizing revenue on both of these loans when they are fully forgiven in 2020 and 2021, respectively.

Additionally, BPMA obtained an Economic Industry Disaster Loan from the Small Business Administration in June 2020 in the amount of $150,000 bearing interest at 2.75%. There are no payments due until June 2021, at which time monthly payments of principal and interest will commence through June 2050. The loan is secured by all assets of BPMA, in second position to the note payable with Coastal Enterprises, Inc. (see Note 6).
9. **BPMA OPERATIONS AND SUBSEQUENT EVENTS** (Continued)

Management is projecting cash basis operating results of $92,712 for 2020, before depreciation expense. Management believes once a vaccine is in wide distribution, BPMA can begin to return to its normal financial model – an efficiently run market with monthly rent revenues from vendors, revenue from the Market at Logan, and philanthropic dollars. Management is confident that philanthropy can supplement any losses and the necessary support will be available.

10. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

BPMA’s financial assets available within one year from the consolidated statements of financial position date of December 31, 2019 and 2018, for general operating expenses are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$316,692</td>
<td>$350,159</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>69,264</td>
<td>95,508</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year: $385,956 | $445,667

BPMA has a policy to structure its financial assets to be available as its obligations become due.

11. **RECLASSIFICATIONS**

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform with the 2019 presentation.