BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

JOHNSON O'CONNOR

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boston Public Market Association and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Boston Public Market Association and Affiliate (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boston Public Market Association and Affiliate as of December 31, 2025 and 2024, 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.

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 Consolidated Financial Statements section of our report. We are required to be independent of Boston Public Market Association and Affiliate 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 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 and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boston Public Market Association and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Boston Public Market Association and Affiliate’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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boston Public Market Association and Affiliate’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 audits.

Johnson O’Connor Feron & Carucci LLP

Wakefield, Massachusetts
June 4, 2026

BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
			ASSETS			
CURRENT ASSETS						
Cash and cash equivalents	$ 874,752	$ -	$ 874,752	$ 738,204	$ -	$ 738,204
Current portion of cash - tenant security deposits	50,335	-	50,335	111,072	-	111,072
Accounts receivable	129,426	-	129,426	92,347	-	92,347
Less: allowance for credit losses on accounts receivable	(1,400)	-	(1,400)	(1,400)	-	(1,400)
Accounts receivable, net	128,026	-	128,026	90,947	-	90,947
Contributions receivable	-	-	-	32,913	-	32,913
Inventory	12,815	-	12,815	5,911	-	5,911
Prepaid expenses	11,658	-	11,658	16,971	-	16,971
Total current assets	1,077,586	-	1,077,586	996,018	-	996,018
PROPERTY AND EQUIPMENT, NET	7,529,769	-	7,529,769	8,106,582	-	8,106,582
OTHER ASSETS						
Cash - tenant security deposits, net of current portion	80,941	-	80,941	32,485	-	32,485
Security deposit	3,167	-	3,167	3,167	-	3,167
Right of use assets - operating leases	9,608	-	9,608	66,828	-	66,828
Total other assets	93,716	-	93,716	102,480	-	102,480
Total assets	$ 8,701,071	$ -	$ 8,701,071	$ 9,205,080	$ -	$ 9,205,080
			LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES						
Current portion of notes payable	$ 59,575	$ -	$ 59,575	$ 50,368	$ -	$ 50,368
Current portion of tenant security deposits	50,335	-	50,335	111,072	-	111,072
Current portion of operating lease liabilities	9,995	-	9,995	9,995	-	9,995
Current portion of advanced royalties	160,000	-	160,000	-	-	-
Accounts payable and accrued expenses	330,247	-	330,247	225,053	-	225,053
Advanced rental payments	19,068	-	19,068	18,376	-	18,376
Total current liabilities	629,220	-	629,220	414,864	-	414,864
LONG-TERM LIABILITIES						
Tenant security deposits, net of current portion	80,941	-	80,941	32,485	-	32,485
Advanced royalties, net of current portion	315,000	-	315,000	475,000	-	475,000
Notes payable, net of current portion and unamortized debt issuance costs	368,184	-	368,184	427,335	-	427,335
Operating lease liabilities, net of current portion	-	-	-	59,540	-	59,540
Total long-term liabilities	764,125	-	764,125	994,360	-	994,360
Total Liabilities	1,393,345	-	1,393,345	1,409,224	-	1,409,224
NET ASSETS						
Without donor restrictions:						
Operating	80,182	-	80,182	32,034	-	32,034
Property and equipment	7,227,544	-	7,227,544	7,763,822	-	7,763,822
Total without donor restrictions	7,307,726	-	7,307,726	7,795,856	-	7,795,856
With donor restrictions:	-	-	-	-	-	-
Total net assets	7,307,726	-	7,307,726	7,795,856	-	7,795,856
Total liabilities and net assets	$ 8,701,071	$ -	$ 8,701,071	$ 9,205,080	$ -	$ 9,205,080

See notes to consolidated financial statements.

BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Years Ended					
	December 31, 2025			December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Market lease revenue	$ 1,308,752	$ -	$ 1,308,752	$ 1,275,337	$ -	$ 1,275,337
Special events	219,859	-	219,859	247,641	-	247,641
Less: costs of direct donor benefits	(20,953)	-	(20,953)	(21,289)	-	(21,289)
Net revenue from special events	198,906	-	198,906	226,352	-	226,352
Grants and contributions	684,499	-	684,499	1,167,230	-	1,167,230
Donated services	66,000	-	66,000	45,500	-	45,500
Royalties	392,514	-	392,514	416,693	-	416,693
Other income	106,772	-	106,772	106,630	-	106,630
Net assets released from time restrictions	-	-	-	-	-	-
Total revenues	2,757,443	-	2,757,443	3,237,742	-	3,237,742
EXPENSES						
Program services	2,367,145	-	2,367,145	2,840,492	-	2,840,492
Fundraising	95,969	-	95,969	88,278	-	88,278
General and administrative	205,646	-	205,646	189,163	-	189,163
Total operating expenses before depreciation	2,668,760	-	2,668,760	3,117,933	-	3,117,933
Change in net assets before depreciation	88,683	-	88,683	119,809	-	119,809
DEPRECIATION	576,813	-	576,813	576,466	-	576,466
Change in net assets	(488,130)	-	(488,130)	(456,657)	-	(456,657)
NET ASSETS - BEGINNING OF YEAR	7,795,856	-	7,795,856	8,252,513	-	8,252,513
NET ASSETS - END OF YEAR	$ 7,307,726	$ -	$ 7,307,726	$ 7,795,856	$ -	$ 7,795,856

BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	Years Ended							
	December 31, 2025				December 31, 2024			
	Services	Fundraising	and General	Expenses	Services	Fundraising	and General	Expenses
PAYROLL AND RELATED								
Salaries	$ 621,193	$ 55,748	$ 119,460	$ 796,401	$ 591,153	$ 53,053	$ 113,684	$ 757,890
Payroll taxes	44,473	3,991	8,553	57,017	45,525	4,086	8,755	58,366
Employee benefits	20,677	1,855	3,976	26,508	22,286	2,000	4,286	28,572
Total payroll and related expenses	686,343	61,594	131,989	879,926	658,964	59,139	126,725	844,828
OTHER								
Utilities	360,555	3,539	7,581	371,675	308,102	2,555	5,475	316,132
Security and custodial	303,345	-	-	303,345	284,568	-	-	284,568
Repairs and maintenance	205,355	-	-	205,355	216,448	-	-	216,448
Professional services	157,491	13,864	29,710	201,065	145,286	10,277	22,021	177,584
Occupancy	129,087	4,038	8,652	141,777	133,873	3,760	8,057	145,690
Events	101,295	20,953	-	122,248	142,745	21,289	-	164,034
Royalty fees	101,245	-	-	101,245	110,277	-	-	110,277
Miscellaneous	70,868	3,654	7,829	82,351	40,026	2,766	5,929	48,721
Marketing and advertising	82,163	-	-	82,163	644,959	-	-	644,959
Donated professional services	66,000	-	-	66,000	45,500	-	-	45,500
Insurance	39,771	3,569	7,648	50,988	44,973	4,036	8,648	57,657
Office supplies and internet	36,148	3,245	6,953	46,346	27,303	2,452	5,252	35,007
Interest	22,949	2,059	4,413	29,421	32,163	2,886	6,185	41,234
Cost of sales	14,886	-	-	14,886	26,419	-	-	26,419
Interest - amortization	4,530	407	871	5,808	4,530	407	871	5,808
Credit loss	-	-	-	-	775	-	-	775
Total other expenses	1,695,688	55,328	73,657	1,824,673	2,207,947	50,428	62,438	2,320,813
Total expenses before depreciation	2,382,031	116,922	205,646	2,704,599	2,866,911	109,567	189,163	3,165,641
Less - cost of sales netted with revenues on the consolidated statements of activities and changes in net assets	(14,886)	-	-	(14,886)	(26,419)	-	-	(26,419)
Less - costs of direct donor benefits included in revenue	-	(20,953)	-	(20,953)	-	(21,289)	-	(21,289)
Total expenses included in the consolidated statements of activities and changes in net assets before depreciation	2,367,145	95,969	205,646	2,668,760	2,840,492	88,278	189,163	3,117,933
DEPRECIATION	449,914	40,377	86,522	576,813	449,643	40,353	86,470	576,466
Total operating expenses	$ 2,817,059	$ 136,346	$ 292,168	$ 3,245,573	$ 3,290,135	$ 128,631	$ 275,633	$ 3,694,399

See notes to consolidated financial statements.

BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (488,130)	$ (456,657)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Credit losses	-	775
Amortization of debt issuance costs	5,808	5,808
Depreciation	576,813	576,466
Noncash lease expense	57,220	49,340
(Increase) decrease in operating assets:		
Accounts receivable	(37,079)	(5,348)
Contributions receivable	32,913	(32,913)
Inventory	(6,904)	2,042
Prepaid expenses	5,313	(6,061)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	105,194	20,346
Advanced rental payments	692	5,307
Refundable advance	-	(20,759)
Tenant security deposits	(12,281)	(4,127)
Operating lease liabilities	(59,540)	(54,433)
Net cash provided by operating activities	180,019	79,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(30,239)
Net cash used by investing activities	-	(30,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(55,752)	(85,631)
Net cash used by financing activities	(55,752)	(85,631)
Net increase (decrease) in cash, cash equivalents and restricted cash	124,267	(36,084)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	881,761	917,845
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 1,006,028	$ 881,761

See notes to consolidated financial statements.

BOSTON PUBLIC MARKET ASSOCIATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
The table below provides a reconciliation of cash, cash equivalents and restricted cash reported on the consolidated statements of financial position to the totals shown above in the consolidated statements of cash flows:		
Cash and cash equivalents	$ 874,752	$ 738,204
Tenant security deposits	131,276	143,557
Total cash, cash equivalents and restricted cash	$ 1,006,028	$ 881,761
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the year for:		
Interest	$ 29,245	$ 36,251
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows paid for operating leases	$ 60,000	$ 60,000

See notes to consolidated financial statements.

1. OPERATIONS AND NONPROFITS STATUS

Operations –

Founded in 2001, the Boston Public Market Association (BPMA or the Organization) 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 seasonal farmers' markets in downtown Boston, offering fresh food, free educational events, and information on the Market to a diverse customer base. BPMA's farmers' markets and flagship location have allowed customers with Supplemental Nutrition Assistance Program (SNAP) benefits to use their Electronic Benefit Transfer (EBT) cards at farmers' markets and provide a dollar-for-dollar match on market products. Through the Health Incentives Program (HIP), BPMA helps create healthy, sustainable food alternatives for those in underserved communities by allowing the purchase of local produce with HIP.

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation –

The accompanying consolidated financial statements include the accounts of BPMA and the LLC. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation –

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Measure of Operations –

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. When applicable, activity related to the disposal of property and equipment, donated professional services relating to a note payable refinance, and campaign restricted net asset release is included as nonoperating revenue and expenses in the accompanying consolidated statements of activities and changes in net assets.

Use of Estimates –

Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the consolidated financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Date of Management's Review –

Subsequent events have been evaluated by management through June 4, 2026, the date the consolidated financial statements were available to be issued.

Cash, Cash -Tenant Security Deposits and Restricted Cash –

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted for long-term purposes, to be cash and cash equivalents.

Cash - tenant security deposits include refundable cash payments collected from vendors renting space in the year-round market according to each vendor's lease agreement.

Accounts Receivable –

Accounts receivable are stated at unpaid balances, less an allowance for credit losses. An allowance for expected credit losses is provided for accounts receivable considered to be uncollectible based upon consideration of disaggregated historical collection data, current conditions, and reasonable and supportable forecasts regarding future conditions. In accordance with the practical expedient in ASU 2025-05, the Company assumes that current economic conditions will persist throughout the reasonable and supportable forecast period. Because the practical expedient was elected, the Company does not incorporate separate forward-looking macroeconomic adjustments beyond current conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued) –

The Company evaluated the accounting policy election provided in ASU 2025-05, which would permit consideration of subsequent cash collections received after the balance sheet date when estimating expected credit losses. The Company did not elect this accounting policy election. Accordingly, subsequent cash collections received after the balance sheet date are not considered when developing the estimate of expected credit losses. The Company reassesses the allowance at each reporting date, with adjustments recorded through the provision for credit losses. Accounts are written off when collection efforts have been exhausted, and amounts are deemed uncollectible. At December 31, 2025 and 2024, the allowance for credit losses totaled $1,400.

Inventory –

Inventory consists of finished goods, such as 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 net realizable value. Sales of inventory are included in market lease revenue and are presented net of the cost of goods sold of $14,886 and $26,419 for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment –

Property and equipment are recorded at cost on the date of acquisition. 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 estimated useful lives ranging from five to twenty-five years.

Debt Issuance Costs –

Debt issuance costs are presented net of notes payable and are amortized over the period of the related obligation.

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:* Represents funds available to carry on the operations of BPMA.
>
> *Property and equipment net assets:* Reflects the net book value and accounts for the activities relating to BPMA's property and equipment, net of related debt.

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.

If donor-restricted contribution criteria are met and the funds are released in the same year, the contribution is considered without donor restriction. The Organization had no net assets with donor restrictions at December 31, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition –

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. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

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 revenue.

Special events revenues primarily consist of amounts received from sponsorships and contributions for fundraising events that were held during the year. Special event revenue is recognized at the time the event occurs. Special event revenue is presented separately from direct benefits to donors, which include the cost of food and beverages provided at the event. Special event revenue that is received in advance of the event is classified as deferred revenue in the consolidated statements of financial position.

Royalty fees received are recognized over time for the license to operate the Market at Logan. Royalty fees received in advance of the opening of the Market at Logan were recorded as a contract liability and shown as advanced royalties in the accompanying consolidated statements of financial position.

The Organization recognizes donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing skills, and would typically need to be purchased if not provided by the donation. When significant, donations of professional services are recorded at their estimated fair value based on the current fee schedule of the donor at the date of receipt and are reflected as both an in-kind contribution and expense in the statements of activities and changes in net assets.

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates BPMA's revenue based on the timing of satisfaction of performance obligations:

	December 31, 2025	December 31, 2024
Performance obligations satisfied at a point in time	$ 118,281	$ 173,663
Performance obligations satisfied over time	392,514	416,693
Net contract revenue	$ 510,795	$ 590,356

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Contract liabilities were as follows:

	December 31,		January 1,
	2025	2024	2024
Contract liability	$ 475,000	$ 475,000	$ 475,000

Functional Expenses –

The Organization allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following:

> *Management and general* – includes all activities related to the Organization's internal management and accounting for program services.
>
> *Fundraising* – includes activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The allocation of salaries, benefits, payroll taxes, insurance, interest and office supplies are allocated based on estimates of time and effort. Allocations of functional expenses are based on management's discretion and estimates. These variables may change from year to year.

Advertising –

The Organization expenses advertising costs as incurred. During the years ended December 31, 2025 and 2024 the Organization incurred advertising expenses in the amounts of $22,304 and $19,786, respectively. During the years ended December 31, 2025 and 2024, the Organization incurred marketing expenses of $54,834 and $577,663, which was paid for with funding from a grant.

Leases –

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued) –

Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. BPMA uses the implicit rate when it is readily determinable. Since most of the Organization's leases do not provide an implicit rate, to determine the present value of lease payments, management uses a risk-free discount rate at the commencement date. ROU assets also include any prepaid lease payments made and exclude any lease incentives. Lease expense for lease payments on operating leases is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying leased asset. The Organization has elected the short-term lease practical expedient permitted under ASC 842. Accordingly, for leases with an initial term of 12 months or less and no purchase option that the Organization is reasonably certain to exercise, the Company does not recognize ROU assets or lease liabilities.

Income Taxes –

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2025 and 2024, management believes that the Organization has not generated any unrelated business taxable income.

The Organization regularly reviews and evaluates the tax positions taken in its filed returns and recognizes the benefit from the tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The Organization has evaluated its tax positions and determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

Recently Adopted Accounting Pronouncement –

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, Financial Instruments – Credit Losses (Topic 326), *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which introduces a simplified approach for estimating expected credit losses on current trade receivables and contract assets. The guidance provides (1) a practical expedient that allows entities to assume that current conditions as of the balance sheet date will remain unchanged over the expected life of the asset, and (2) an accounting policy election (available to private companies and certain not for profit entities) to consider subsequent cash collections received after the balance sheet date when estimating expected credit losses.

On January 1, 2025, the Organization early adopted the ASU and applied the new guidance prospectively to current trade receivables and contract assets, consistent with the transition provisions of the standard.

3. CONCENTRATION AND CONTINGENCIES

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and contributions and grants.

Cash and Cash Equivalents –

The Organization maintains its cash and cash equivalents in several bank deposit and money market accounts. The bank balances at times may exceed the federally insured limits. If any of the financial institutions holding accounts were to fail, amounts exceeding the federally insured limit would be subject to loss. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

Contributions and Grants –

Credit risk associated with contributions and grants is considered to be limited due to high historical collection rates and the nature of funding resources, which primarily consists of government agencies, large foundations and individuals that are supportive of the mission. During the years ended December 31, 2025 and 2024, the Organization received contributions and grants totaling $575,000 and $1,126,164 from two funders, respectively. These amounts represent approximately 64% and 80% of total contributions and grants received during each year, respectively.

4. LIQUIDITY AND FUNDS AVAILABLE

BPMA's financial assets available within one year from the consolidated statements of financial position date of December 31, 2025 and 2024, for general operating expenses are as follows:

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	$ 874,752	$ 738,204
Accounts receivable, net	128,026	90,947
Contributions receivable	-	32,913
Financial assets available to meet operating needs for general expenditures within one year	$ 1,002,778	$ 862,064

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due throughout the year. The Organization receives significant contributions without donor restrictions and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31,	
	2025	2024
Year-round market building improvements	$ 12,227,882	$ 12,227,882
Market equipment and furniture	1,264,681	1,264,681
Computers and office equipment	36,992	36,992
Market tents	10,260	10,260
	13,539,815	13,539,815
Less: Accumulated depreciation	6,010,046	5,433,233
	$ 7,529,769	$ 8,106,582

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to $576,813 and $576,466, respectively.

6. NOTES PAYABLE

Notes payable consist of the following:

	December 31, 2025	December 31, 2024
Note payable, including accrued interest, to Coastal Enterprises, Inc., a nonprofit corporation, through July 1, 2031, as more fully described below.	$ 308,031	$ 352,054
Economic Injury Disaster Loan (EIDL) with the Small Business Administration totaling $150,000. EIDL proceeds were used to cover a wide array of working capital and normal operating expenses, such as continuation of health care benefits, rent, utilities and fixed debt payments. The note bears interest at 2.75% and is collateralized by substantially all assets of the Organization. Semi-monthly payments of $641 plus accrued interest began in December 2023 and will continue through 2050.	125,921	137,650
	433,952	489,704
Less: current portion	59,575	50,368
Less: unamortized debt issuance costs	6,193	12,001
Long-term debt, less current portion and unamortized debt issuance costs	$ 368,184	$ 427,335

In February 2019, BPMA entered into a $600,000 note payable through Coastal Enterprises, Inc. Interest accrues annually on the outstanding balance at 7.5%. This note had an interest-only period through December 2019. Monthly payments of $9,235 representing principal and interest commenced in January 2020.

In May 2020, September 2020, and January 2021, BPMA entered into three separate Change in Terms Agreements with Coastal Enterprise, Inc. The amended terms allowed BPMA to defer payments of principal and interest from April 2020 through August 2020 and provided for interest-only payments from September 2020 through March 2021. Additionally, the maturity date of the note payable was extended to July 2028.

In October 2024, BPMA entered into another Change in Terms Agreement with Coastal Enterprises, Inc., which revised the monthly payment of principal and interest to be $5,527 beginning on November 1, 2024, and extended the maturity date until July 2031.

6. NOTES PAYABLE (Continued)

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. In March 2021, in accordance with the terms of the note payable, fifty percent of the cash reserve (approximately $55,000) was legally released from restriction. In May 2021, the Organization and an unrelated third party entered into a reimbursement agreement whereby the third party has funded the remaining cash reserve required by the note payable. In return, the Organization will pay an annual fee to the third party equal to 0.5% of the required cash reserve.

Debt issuance costs related to this note payable, totaling $45,041 is being amortized over the terms of the note payable. Accumulated amortization on debt issuance costs was $38,848 and $33,010 as of December 31, 2025 and 2024. The amortization expense on debt issuance costs was $5,808 for the years ended December 31, 2025 and 2024. Amortization expense is estimated to be $5,808 and $385 over the next two years, respectively.

Accrued interest on notes payable totaled $24,156 and $23,980 as of December 31, 2025 and 2024 and is included in accounts payable and accrued expenses on the consolidated statements of financial position.

Future minimum principal payments on notes payable are as follows:

Year Ending December 31,	
2026	$ 59,575
2027	63,156
2028	66,967
2029	71,025
2030	75,346
Thereafter	97,883
	$ 433,952

7. CONDITIONAL CONTRIBUTIONS

The Organization is awarded grants in various amounts that are based on the Organization meeting certain criteria in accordance with the respective grant agreements. Payments received on these awards prior to the conditions being met are recorded as refundable advances on the consolidated statements of financial position. As of December 31, 2025 and 2024, there were no refundable advances. Amounts remaining on these grants that are conditional on meeting certain criteria and thus are not reflected in the accompanying consolidated financial statements totaled $25,000 and $134,499 as of December 31, 2025 and 2024, respectively.

8. LEASES

Lessees Under ASC 842 –

BPMA leases office space in Boston under a lease agreement that expires on February 28, 2026. Subsequent to year end, the lease was amended to extend the lease term through May 31, 2026. BPMA's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The following summarizes the line items in the statements of activities and changes in net assets which include the components of lease expense:

		Years Ended December 31	
Lease Cost	Classification	2025	2024
Operating lease expense	Operating expenses	$ 60,000	$ 60,000

The following summarizes the weighted average remaining lease terms and discount rate:

	December 31,	
	2025	2024
Weighted-Average Remaining Lease Term (Years)		
Operating leases	0.2	1.2
Weighted-Average Discount Rate		
Operating leases	0.71%	0.71%

8. LEASES (Continued)

Lessees Under ASC 842 (Continued) –

The maturities of operating lease liabilities as of December 31, 2025 were as follows:

	Operating Leases
Year Ending December 31,	
2026	$ 10,000
Total future lease commitments	10,000
Less: imputed interest	5
Present value of lease liabilities	9,995
Less: current portion of operating lease liabilities	9,995
Operating lease liabilities, net of current portion	$ -

In July 2014, BPMA entered into a lease agreement with the 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 operational 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 2025 or 2024. In November 2022, MDOT amended the lease and relieved BPMA of any obligations for expenses that predate May 2022.

Lessor –

BPMA leases space in its year-round market to various local vendors. The lease agreements expire at various times through July 31, 2028, and include base rents ranging from $292 to $7,242 per month, depending on the lease agreement or rents calculated as a percentage of the vendors' gross sales. The leases require a refundable security deposit to be paid to BPMA at the commencement of the lease.

At lease inception, BPMA determines whether an arrangement qualifies as a lease under ASC 842 (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration). BPMA only reassesses if the terms and conditions of the contract are changed.

The Organization's rental revenue primarily consists of rent earned from operating leases at the Organization's market. Leases generally include a fixed base rent or percentage of gross sales, along with variable components. The variable components primarily consist of the reimbursement of operating costs such as common area maintenance, utilities, and real estate taxes.

Lease revenue is included in the consolidated statements of activities and changes in net assets as part of operating income. Cash receipts from operating leases are classified within cash flows from operating activities in the consolidated statements of cash flows.

8. LEASES (Continued)

Lessor (Continued) –

The following table details the components of operating lease revenue from leases in which BPMA is the lessor:

	Years ended December 31,	
	2025	2024
Operating lease revenue	$ 1,202,787	$ 1,174,679
Variable lease revenue	105,965	100,658
Lease revenue	$ 1,308,752	$ 1,275,337

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

Year Ending December 31,	
2026	$ 278,204
2027	102,924

9. THE MARKET AT LOGAN

On August 16, 2018, the LLC executed a license agreement with HMS Host (Host), a food and beverage developer, in which the LLC licensed their name to Host in order to open the Boston Public Market at Logan (the Market at Logan). The Market at Logan opened in the third quarter of 2021.Under the terms of the license agreement, Host pays to the LLC a royalty fee of five percent of the first $7,000,000 in gross revenues, as defined in the agreement, and seven percent of gross revenues exceeding $7,000,000.

Host began making advanced royalty payments in September 2018, which as of December 31, 2025 and 2024 totaled $475,000 and is included in advanced royalties on the consolidated statements of financial position. On February 22, 2022, the license agreement was amended. Commencing January 2026, Host shall deduct forty percent of the monthly royalty payable from the advanced royalty balance until such time as the entire advanced royalty has been fully deducted.

Royalties totaled $392,514 and $416,693 for the years ended December 31, 2025 and 2024, respectively.

The term of the license agreement runs concurrent with Hosts lease in Logan Airport, which expires in December 2031.

The LLC is also party to license agreements with various vendors that operate within the Market at Logan, whereby the LLC pays a sub-royalty fee to the vendor for use of its brand name and products. The sub-royalty fees are payable monthly based on fifty percent of the royalty fee the LLC received from Host for gross revenues, as defined, attributable to the sales of the vendor’s products at the Market at Logan.

Royalty fees totaled $101,245 and $110,277 for the years ended December 31, 2025 and 2024, respectively.

10. RETIREMENT PLAN

The Organization 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. There were no employer contributions under the Plan for the years ended December 31, 2025 and 2024.

The Organization terminated the plan in 2024.

101 Edgewater Drive
Suite 210
Wakefield, MA 01880

T (781) 914-3400

www.johnsonoconnor.com