

MEMORANDUM

To: CRA Board

From: Gardy Laurent

Director of Finance and Operations

Date: November 15, 2023

Subject: CRA Q3 Financial Report as of September 30, 2023

CRA CONSOLIDATED STATEMENT OF ACTIVITIES

Cambridge Redevelopment Authority			
Consolidated Statement of Activities- CRA			
FY 2023 VS FY 2022 (Jan. - Sept)			
	FY 2023	FY 2022	FY 2023 - 2022
Income	Actuals	Actuals	Variance
Proceeds from sale of development rights	\$ -		\$ -
Operating Income	\$ 471,976	\$ 305,591	\$ 166,385
Rental Income	\$ 1,111,714	\$ 635,735	\$ 475,979
Investment Income	\$ 692,456.84	\$ (1,578,487)	\$ 2,270,944
Other Revenue	\$ (28,842)	\$ 33,951	\$ (62,793)
			\$ -
Total	\$ 2,247,305	\$ (603,210)	\$ 2,850,515
Expenses	Actuals	FY 2022 Actuals	FY 2023 - 2022 Variance
Operating Expenses	\$ (1,550,443.31)	\$ (1,065,203)	\$ (485,240.31)
Professional Services	\$ (447,516.04)	\$ (399,146)	\$ (48,370.04)
Redevelopment	\$ (703,188.35)	\$ (6,907,818)	\$ 6,204,630.05
Other expenses (Depr.)	\$ (254,579.00)	\$ -	\$ (254,579.00)
Total	\$ (2,955,727)	\$ (8,372,167)	\$ 5,416,441
Net Assets	Actuals	FY 2022 Actuals	FY 2023 - 2022 Variance
Change in Net Assets	\$ (708,422)	\$ (8,975,378)	\$ 8,266,955

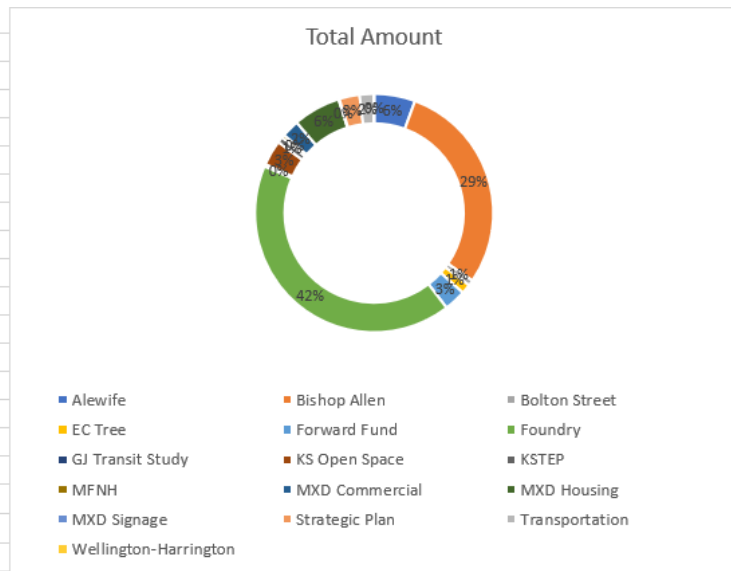
The table above is a comparison of the CRA's financial position for fiscal year (FY) 2023 Quarter 3 (Q3) versus FY 2022 Q3. As of September 2023, The Cambridge Redevelopment Authority (CRA) consolidated statement of activities had a Change in Net Assets of - \$708,422 with a decrease in Investment Income due to the downturn of the financial market. Comparing August 2023 VS September 2023, Investment Income decreased by \$407,162. Total year-to-date (YTD) income for FY23 was \$2,247,305, a difference of \$2,850,515 higher compared to Q3 of FY22 mostly because of investment income losses. Total expenses as of September 2023 were \$2,955,727. The CRA's regular income sources are Operating Income, primarily rental income for 99 Bishop Allen and the

Foundry (101 Rogers St), and Investment Income (i.e. Interest, dividends, investment gains/losses). Periodically the CRA expects income from the sale of the Development Rights in Kendall Square, and other miscellaneous revenue such as license agreements. Accounting adjustments for building and equipment for non-cash depreciation expenses were recorded this quarter for the year in the amount of \$254,579.

The CRA’s top two expense categories are the Foundry and Bishop Allen operations as depicted in the pie chart below. The Authority continues to operate within its budget comparing expense categories for budget projection vs actuals. Total projected expenditures for FY23 (Q3) were \$4.2 million and total accrued expenses as of September 2023 were \$2.9 million. In June 2023, the organization amended its budget to account for expected proceeds from the sale of development rights of \$68.6 million, and as of this statement date the fund has not yet been received.

Total Expenses by Project through Sept. 2023

Project Name	Total Amount	Percentage
Alewife	\$ 108,141.01	6%
Bishop Allen	\$ 563,003.41	29%
Bolton Street	\$ 15,034.64	1%
EC Tree	\$ 24,929.09	1%
Forward Fund	\$ 57,395.41	3%
Foundry	\$ 811,289.10	42%
GJ Transit Study	\$ 5,933.58	0.3%
KS Open Space	\$ 66,598.18	3%
KSTEP	\$ 15,524.06	1%
MFNH	\$ 8,078.35	0%
MXD Commercial	\$ 45,939.85	2%
MXD Housing	\$ 124,938.07	6%
MXD Signage	\$ 2,163.87	0.1%
Strategic Plan	\$ 53,456.06	3%
Transportation	\$ 37,102.75	2%
Wellington-Harrington	\$ 900.00	0.0%
Total	\$ 1,940,427.43	



Cambridge Redevelopment Authority				
Consolidated Statement of Activities- CRA				
January - September, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
Income	Actuals	YTD Budget	Variance	
		\$ -	\$ -	
Total	\$ 2,247,305	\$ 53,616,750	\$ (51,369,445)	\$ 71,489,000
Expenses	Actuals	YTD Budget	Variance	Annual Budget Reference
				\$ -
Total	\$ (2,955,727)	\$ (4,240,350)	\$ 1,284,623	\$ (5,653,800)
Net Assets	Actuals	YTD Budget	Actuals VS YTD Budget	Variance
Change in Net Assets	\$ (708,422)	\$ 49,376,400	\$ (50,084,822)	

The table below is a comparison of the CRA balance sheet for Quarter 3 FY 2023 versus FY 2022. The CRA's cash, cash equivalents, and investments for FY 2023 Q3 were nearly \$3 million compared to just under \$2.9 million FY 2022 Q3 a difference of approximately \$126,000. When including other assets such as account receivables, loan/interest receivable, fixed assets, and other assets the CRA had total assets of \$58.9 million as of statement date which is an increase of \$ 2.2 million in total assets compared to FY 2022 Q3.

The total net position for Restricted Funds, Net Assets, and Change in Net Assets had a total of \$51,588,351, a difference of \$2.2 million compared to Q3 of FY 2022. The CRA started to generate rent income from Bishop Allen's operation for all months in the calendar year 2023 compared to the previous year. Total current liabilities for credit cards and other payables were \$830,355 and with added long-term mortgage and deferred revenue total liabilities were \$7.3 million.

The CRA receives rental income for operating the Bishop Allen nonprofit office building located at 99 Bishop Allen Drive, Cambridge, MA and the Foundry located at 101 Rogers St., Cambridge, MA. The next two statements of activities below break down each location's financial operation performance.

CAMBRIDGE REDEVELOPMENT AUTHORITY				
Statement of Financial Position - FY23 VS FY22				
		FY23: Jan. - Sept	FY22: Jan. - Sept	
Assets		Actual	Actual	Variance
	Cash & Cash Equivalents			
	<i>Total Cash</i>	\$ 2,997,962	\$ 2,871,892	\$ 126,071
	<i>Total Current Assets</i>	32,831,451	\$ 34,383,636	\$ (1,552,185)
				\$ -
	<i>Net Fixed Assets</i>	23,059,709	\$ 18,741,047	\$ 4,318,662
	Other Assets	\$ 3,028,364	\$ 3,527,727	\$ (499,363)
	<i>Total Other Assets</i>	3,028,364	\$ 3,527,727	\$ (499,363)
				\$ -
	<i>Total Assets</i>	\$ 58,919,524	\$ 56,652,410	\$ 2,267,114

CAMBRIDGE REDEVELOPMENT AUTHORITY				
Statement of Financial Position - FY23 VS FY22				
		FY23: Jan. - Sept	FY22: Jan. - Sept	
Liabilities & Equity		Actual	Actual	Variance
	<i>Total Current Liabilities</i>	830,355	757,145	73,210
	<i>Total Liabilities</i>	\$ 7,331,174	\$ 7,390,799	\$ (59,626)
	Equity			
	<i>Total Net Position</i>	51,588,351	49,261,610	2,326,740
	<i>Total Liabilities & Net Assets</i>	\$ 58,919,524	\$ 56,652,410	\$ 2,267,114

BISHOP ALLEN STATEMENT OF ACTIVITIES

Bishop Allen had a YTD income of \$577,382 with a total YTD expense of \$563,003 yielding a positive change in net assets of \$14,378 after factoring in accounting entry non-cash building depreciation expense of \$209,788. The building is fully rented with nine office spaces. The CRA also collects income from the small onsite parking lot. The solar photovoltaic system was activated in the middle of the year and will provide a reduction in operating expenses, which is a savings primarily passed along to the nonprofit tenants.

Cambridge Redevelopment Authority				
Statement of Activities- Bishop Allen Ave				
January - September, 2023				
Income	Actuals	YTD Budget	Actuals VS YTD Budget Variance	Annual Budget Reference
Grants	\$ 30,000	\$ -	\$ 30,000	\$ -
Operating Income	\$ -	\$ 18,879	\$ (18,879)	\$ 25,172
Rental Income	\$ 547,366	\$ 487,151	\$ 60,216	\$ 649,534
Investment Income	\$ 16	\$ -	\$ 16	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total	\$ 577,382	\$ 506,030	\$ 71,352	\$ 674,706
Expenses	Actuals	YTD Budget	Actuals VS YTD Budget Variance	Annual Budget Reference
Operating Expenses	\$ (202,721.80)	\$ (163,353)	\$ (39,368.80)	\$ (217,804.00)
Professional Services	\$ (315.00)	\$ -	\$ (315.00)	\$ -
Redevelopment Investments	\$ (150,178.61)	\$ (273,292)	\$ 123,113.14	\$ (364,389.00)
Other expenses (Depr.)	\$ (209,788.00)	\$ (42,731)	\$ (167,057.50)	\$ (56,974.00)
Total	\$ (563,003)	\$ (479,375)	\$ (83,628)	\$ (639,167)
Net Assets	Actuals	YTD Budget	Actuals VS YTD Budget Variance	
Change in Net Assets	\$ 14,378	\$ 26,654	\$ (12,276)	

FOUNDRY STATEMENT OF ACTIVITIES


The Foundry had a YTD total rental and operating income of \$538,270 with a total YTD expense of \$724,518 yielding a negative change in net position of \$186,249. The difference has required the utilization of funds from the Operating Reserve. The building has two office suites that have not been rented for most of the year. The CRA is also working to decrease the property tax liability of the building. The CRA executed a contract with Olema Pharmaceuticals, Inc. effective September 15, 2023 with a rent commencement date of November 15, 2023. With the execution of Olema's lease, the CRA has one office suite unoccupied.

Cambridge Redevelopment Authority				
Statement of Activities- Foundry				
January - September, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
Income	Actuals	YTD Budget	Variance	
Operating Income	\$ 26,847	\$ 37,500	\$ (10,653)	\$ 50,000
Rental Income	\$ 511,423	\$ 600,591	\$ (89,168)	\$ 800,788
Investment Income		\$ -	\$ -	
Other Revenue		\$ -	\$ -	
		\$ -	\$ -	
Total	\$ 538,270	\$ 638,091	\$ (99,821)	\$ 850,788
			Actuals VS YTD Budget	Annual Budget Reference
Expenses	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (194,096.91)	\$ (273,000)	\$ 78,903.09	\$ (364,000.00)
Professional Services	\$ (5,535.00)	\$ -	\$ (5,535.00)	\$ -
Redevelopment	\$ (495,720.50)	\$ (483,474)	\$ (12,246.50)	\$ (644,632.00)
Other expenses (Depr.)	\$ (29,166.00)	\$ -	\$ (29,166.00)	
				\$ -
Total	\$ (724,518)	\$ (756,474)	\$ 31,956	\$ (1,008,632)
			Actuals VS YTD Budget	
Net Assets	Actuals	YTD Budget	Variance	
Change in Net Assets	\$ (186,249)	\$ (118,383)	\$ (67,866)	

CLOSING STATEMENT

The volatility of the financial market impacted the CRA's investment accounts in Q3 which resulted in a lower change to net position. The CRA's current investment portfolio is conservatively diversified with 70 percent allocation in US treasuries and 30 percent invested in state-listed stocks through the Division of Banks Legal List of Investment. Stringent Federal Reserve policies and the impact of inflation across the U.S. financial markets have a direct effect on the CRA's portfolios.

The CRA continues to research and evaluate investment opportunities that align with its goals and strategic plans. The CRA is preparing its budget for fiscal year 2023, which runs from January – December. The budget will be presented to the board during the December board meeting.

 Cambridge Redevelopment Authority	
Statement of Cash Flows	
January - September, 2023	
	Total
OPERATING ACTIVITIES	
Net Income	\$ (708,422)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
(Increase) Decrease Accounts Receivable	\$ 2,066,358
(Increase) Decrease Accrued Interest	\$ 4,597
(Increase) Decrease Forgiveness of Debt / Loan Write-off	\$ 6,250
(Increase) Decrease Prepaid Expenses	\$ 3,792
(Increase) Decrease Loans:MFNH Loan:MFNH Loan Interest	\$ (4,597)
(Increase) Decrease Loans:COVID 19 Loans 2020	\$ 156,893
(Increase) Decrease Bishop Allen Drive:93-99 Building:BA Building - Accumulated Depreciation	\$ 186,770
(Increase) Decrease Bishop Allen Drive:93-99 Bishop Allen Drive - BA CIP	\$ (39,385)
(Increase) Decrease Accounts Payable (A/P)	\$ (3,073)
(Increase) Decrease ESS Credit Card	\$ 4,484
(Increase) Decrease TE Credit Card	\$ 238
(Increase) Decrease Unused PTO	\$ (68,030)
(Increase) Decrease KSTEP Escrow	\$ (11,947)
(Increase) Decrease Prepaid for Work Committed:Danny Lewin Work	\$ (1,070)
(Increase) Decrease Prepaid for Work Committed:GJ Study Work	\$ (188,351)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 2,112,929
Net cash provided by operating activities	\$ 1,404,507

Cambridge Redevelopment Authority	
Statement of Cash Flows	
January - September, 2023	
	Total
Net Cash Inflows (Outflows) from Operations	
Investment Fund (Morgan Stanley)	\$ -
OPEB Trust account	\$ (2,595)
US Bank	\$ 2,645,537
1826 US Bank - KSTEP	\$ (127,139)
1827 Escrow Account	\$ (75,100)
1921 101 Rogers Street (Foundry):Building Improvements- Foundry	\$ (3,500,000)
1922 101 Rogers Street (Foundry):Building Improv- Accumulated Depreciation	\$ 29,166
1961C Development parcels held for sale:Parcel 5 (Grand Junction Park) 43A-29 Land Improve Accum Depreciation	\$ 23,018
Net cash provided by investing activities	\$ (1,007,113)
FINANCING ACTIVITIES	
2200 Cambridge Trust Loan for 93-99	\$ (116,282)
2300 Security Deposits Owed	\$ 21,775
3000 Opening Balance Equity	\$ -
3050 Equity Restricted Funds:Restricted Forward Funds	\$ (22,500)
3070 Equity Restricted Funds:Reserved for OPEB Trust	\$ 2,595
Net cash provided by financing activities	\$ (114,412)
Net cash increase for period	\$ 282,982
Cash at beginning of period	\$ 2,714,980
Cash at end of period	\$ 2,997,962

CAMBRIDGE REDEVELOPMENT AUTHORITY

Statement of Financial Position - FY23 VS FY22

		FY23: Jan. - Sept	FY22: Jan. - Sept	
<u>Assets</u>		Actual	Actual	Variance
Cash & Cash Equivalents				
	Bank	\$ 2,997,962	\$ 2,871,892	\$ 126,071
	Restricted	\$ -	\$ -	\$ -
	Total Cash	\$ 2,997,962	\$ 2,871,892	\$ 126,071
Current Assets				
	Accounts Receivable	\$ 376,982	\$ 62,349	\$ 314,633
	Investment	\$ 28,565,144	\$ 29,995,952	\$ (1,430,808)
	Prepaid Expenses	\$ 9,776	\$ 1,233	\$ 8,543
	Loans & Interest Receiv	\$ 881,587	\$ 1,445,960	\$ (564,373)
	Other	\$ -	\$ 6,250	\$ (6,250)
	Total Current Assets	32,831,451	\$ 34,383,636	\$ (1,552,185)
	Fixed Assets	\$ 24,086,434	\$ 19,302,808	\$ 4,783,625
	Less: Accum Deprec/Am	\$ (1,026,725)	\$ (561,762)	\$ (464,963)
	Net Fixed Assets	23,059,709	\$ 18,741,047	\$ 4,318,662
	Other Assets	\$ 3,028,364	\$ 3,527,727	\$ (499,363)
	Total Other Assets	3,028,364	\$ 3,527,727	\$ (499,363)
	Total Assets	\$ 58,919,524	\$ 56,652,410	\$ 2,267,114

CAMBRIDGE REDEVELOPMENT AUTHORITY

Statement of Financial Position - FY23 VS FY22

		FY23: Jan. - Sept	FY22: Jan. - Sept	
<u>Liabilities & Equity</u>		Actual	Actual	Variance
Current Liabilities				
	Accounts Payable	\$ 212,142	\$ 341,460	\$ (129,318)
	Credit Cards	\$ 7,391	\$ 2,211	\$ 5,180
	Other Current Liabilities	\$ 610,822	\$ 413,474	\$ 197,349
	Total Current Liabilities	830,355	757,145	73,210
Long-Term Liabilities				
	Deferred Compensation	\$ -	\$ -	\$ -
	Loan Payable	6,422,722	\$ 6,577,333	\$ (154,611)
	Deferred Revenue (Security Dep)	\$ 78,096	\$ 56,321	\$ 21,775
	Total Long-Term Liabilities	6,500,819	6,633,655	(132,836)
	Total Liabilities	\$ 7,331,174	\$ 7,390,799	\$ (59,626)
	Restricted Funds	\$ 12,782,829	\$ 17,205,373	\$ (4,422,544)
	Net Assets	\$ 39,513,944	\$ 32,056,237	\$ 7,457,706
	Change in Net Assets	\$ (708,422)	\$ -	\$ (708,422)
<u>Equity</u>				
	Total Net Position	51,588,351	49,261,610	2,326,740
	Total Liabilities & Net Assets	\$ 58,919,524	\$ 56,652,410	\$ 2,267,114

**Cambridge Redevelopment Authority
Consolidated Statement of Activities- CRA**

January - September, 2023

				Annual Budget Reference
			Actuals VS YTD Budget	
Income	Actuals	YTD Budget	Variance	
Proceeds from sale of development rights	\$ -	\$ 51,450,000	\$ (51,450,000)	\$ 68,600,000
Operating Income	\$ 471,976	\$ 60,000	\$ 411,976	\$ 80,000
Rental Income	\$ 1,111,714	\$ 1,131,750	\$ (20,036)	\$ 1,509,000
Investment Income	\$ 692,456.84	\$ 750,000	\$ (57,543)	\$ 1,000,000
Other Revenue	\$ (28,842)	\$ 225,000	\$ (253,842)	\$ 300,000
		\$ -	\$ -	
Total	\$ 2,247,305	\$ 53,616,750	\$ (51,369,445)	\$ 71,489,000
				Annual Budget Reference
			Actuals VS YTD Budget	
Expenses	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (1,550,443.31)	\$ (2,077,350)	\$ 526,906.69	\$ (2,769,800.00)
Professional Services	\$ (447,516.04)	\$ (599,250)	\$ 151,733.96	\$ (799,000.00)
Redevelopment	\$ (703,188.35)	\$ (1,563,750)	\$ 860,561.65	\$ (2,085,000.00)
Other expenses (Depr.)	\$ (254,579.00)	\$ -	\$ (254,579.00)	
				\$ -
Total	\$ (2,955,727)	\$ (4,240,350)	\$ 1,284,623	\$ (5,653,800)
			Actuals VS YTD Budget	
Net Assets	Actuals	YTD Budget	Variance	
Change in Net Assets	\$ (708,422)	\$ 49,376,400	\$ (50,084,822)	

Cambridge Redevelopment Authority			
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Professional Services	\$ (447,516.04)	\$ (399,146)	\$ (48,370.04)
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Total	\$ (2,955,727)	\$ (8,372,167)	\$ 5,416,441
		FY 2022	FY 2023 - 2022
Net Assets	Actuals	Actuals	Variance
Change in Net Assets	\$ (708,422)	\$ (8,975,378)	\$ 8,266,955

Cambridge Redevelopment Authority				
Statement of Activities- Bishop Allen Ave				
January - September, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
Income	Actuals	YTD Budget	Variance	
Grants	\$ 30,000	\$ -	\$ 30,000	\$ -
Operating Income	\$ -	\$ 18,879	\$ (18,879)	\$ 25,172
Rental Income	\$ 547,366	\$ 487,151	\$ 60,216	\$ 649,534
Investment Income	\$ 16	\$ -	\$ 16	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -
Total	\$ 577,382	\$ 506,030	\$ 71,352	\$ 674,706
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Expenses	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (202,721.80)	\$ (163,353)	\$ (39,368.80)	\$ (217,804.00)
Professional Services	\$ (315.00)	\$ -	\$ (315.00)	\$ -
Redevelopment Investments	\$ (150,178.61)	\$ (273,292)	\$ 123,113.14	\$ (364,389.00)
Other expenses (Depr.)	\$ (209,788.00)	\$ (42,731)	\$ (167,057.50)	\$ (56,974.00)
				\$ -
Total	\$ (563,003)	\$ (479,375)	\$ (83,628)	\$ (639,167)
			Actuals VS YTD Budget	
Net Assets	Actuals	YTD Budget	Variance	
Change in Net	\$ 14,378	\$ 26,654	\$ (12,276)	

Cambridge Redevelopment Authority				
Statement of Activities- Foundry				
January - September, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
Income	Actuals	YTD Budget	Variance	
Operating Income	\$ 26,847	\$ 37,500	\$ (10,653)	\$ 50,000
Rental Income	\$ 511,423	\$ 600,591	\$ (89,168)	\$ 800,788
Investment Income		\$ -	\$ -	
Other Revenue		\$ -	\$ -	
		\$ -	\$ -	
Total	\$ 538,270	\$ 638,091	\$ (99,821)	\$ 850,788
			Actuals VS YTD Budget	Annual Budget Reference
Expenses	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (194,096.91)	\$ (273,000)	\$ 78,903.09	\$ (364,000.00)
Professional Services	\$ (5,535.00)	\$ -	\$ (5,535.00)	\$ -
Redevelopment	\$ (495,720.50)	\$ (483,474)	\$ (12,246.50)	\$ (644,632.00)
Other expenses	\$ (29,166.00)	\$ -	\$ (29,166.00)	
				\$ -
Total	\$ (724,518)	\$ (756,474)	\$ 31,956	\$ (1,008,632)
			Actuals VS YTD Budget	
Net Assets	Actuals	YTD Budget	Variance	
Change in Net	\$ (186,249)	\$ (118,383)	\$ (67,866)	