



# Monthly Financial Reporting

## **August 31, 2023**

Public Meeting | Wednesday, October 18, 2023

Presentation by: Gardy Laurent, Director of Finance and Operations





## Presentation Topics:

- CRA Consolidated Statement of Activities
- CRA Financial Position and Performance
  - Balance Sheet: Assets, Liabilities & Equities.
- Bishop Allen Highlights.
- Foundry Highlights.
- Closing Statements/ Q&A

# Consolidated Statement of Activities: Cambridge Redevelopment Authority

Cambridge Redevelopment Authority				
Consolidated Statement of Activities- CRA				
January - August, 2023				
Income	Actuals	YTD Budget	Actuals VS YTD	Annual Budget
			Budget	
			Variance	
Proceeds from sale of development rights	\$ -	\$ 45,733,333	\$ (45,733,333)	\$ 68,600,000
Operating Income	\$ 471,976	\$ 53,333	\$ 418,642	\$ 80,000
Rental Income	\$ 935,480	\$ 1,006,000	\$ (70,520)	\$ 1,509,000
Investment Income	\$ 1,099,618.45	\$ 666,667	\$ 432,952	\$ 1,000,000
Other Revenue	\$ (28,842)	\$ 200,000	\$ (228,842)	\$ 300,000
		\$ -	\$ -	
<b>Total</b>	<b>\$ 2,478,232</b>	<b>\$ 47,659,333</b>	<b>\$ (45,181,101)</b>	<b>\$ 71,489,000</b>
Expenses	Actuals	YTD Budget	Actuals VS YTD	Annual Budget
			Budget	
			Variance	
Operating Expenses	\$ (1,376,463.51)	\$ (1,846,533)	\$ 470,069.82	\$ (2,769,800.00)
Professional Services	\$ (322,849.95)	\$ (532,667)	\$ 209,816.72	\$ (799,000.00)
Redevelopment	\$ (685,565.90)	\$ (1,390,000)	\$ 704,434.10	\$ (2,085,000.00)
Other expenses (Depr.)	\$ (224,105.00)	\$ -	\$ (224,105.00)	
				\$ -
<b>Total</b>	<b>\$ (2,608,984)</b>	<b>\$ (3,769,200)</b>	<b>\$ 1,160,216</b>	<b>\$ (5,653,800)</b>
Net Assets	Actuals	YTD Budget	Actuals VS YTD	
			Budget	
			Variance	
Change in Net Assets	\$ (130,752)	\$ 43,890,133	\$ (44,020,886)	

- The “Statement of Activities” on the left incorporates all of CRA’s income sources as of Aug. 31<sup>st</sup>, 2023 (e.g.: Bishop Allen, Foundry, and CRA’s activities).
- “Year to date” (YTD) total revenue was \$2,478,232 for Operating, Rental and Investment Income.
- Under Variance, the total difference between YTD actual income vs. budgeted amount was negative -\$45,181,101 because CRA did not receive budgeted “Proceeds from Sale of Development Rights” as of the statement date.

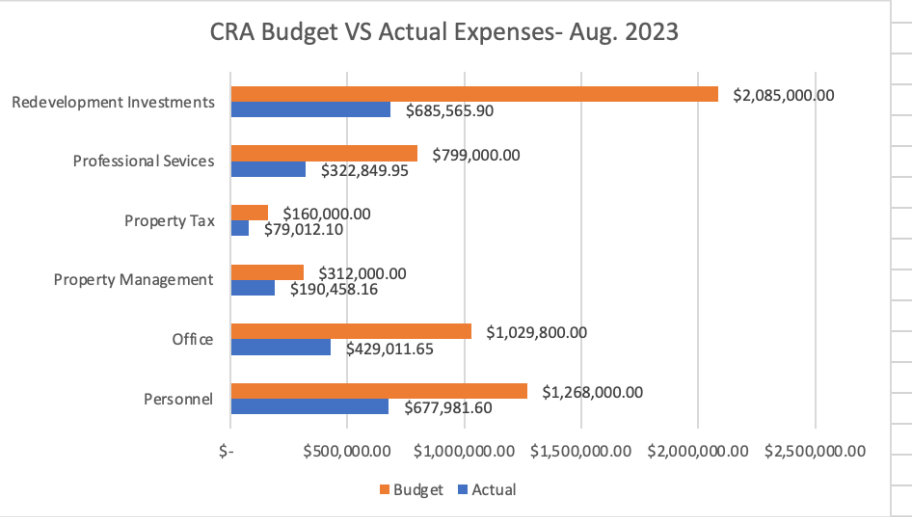
# Consolidated Statement of Activities: Cambridge Redevelopment Authority

Cambridge Redevelopment Authority				
Consolidated Statement of Activities- CRA				
January - August, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
<i>Income</i>	Actuals	YTD Budget	Variance	
Proceeds from sale of development rights	\$ -	\$ 45,733,333	\$ (45,733,333)	\$ 68,600,000
Operating Income	\$ 471,976	\$ 53,333	\$ 418,642	\$ 80,000
Rental Income	\$ 935,480	\$ 1,006,000	\$ (70,520)	\$ 1,509,000
Investment Income	\$ 1,099,618.45	\$ 666,667	\$ 432,952	\$ 1,000,000
Other Revenue	\$ (28,842)	\$ 200,000	\$ (228,842)	\$ 300,000
		\$ -	\$ -	
<b>Total</b>	<b>\$ 2,478,232</b>	<b>\$ 47,659,333</b>	<b>\$ (45,181,101)</b>	<b>\$ 71,489,000</b>
<i>Expenses</i>	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (1,376,463.51)	\$ (1,846,533)	\$ 470,069.82	\$ (2,769,800.00)
Professional Services	\$ (322,849.95)	\$ (532,667)	\$ 209,816.72	\$ (799,000.00)
Redevelopment	\$ (685,565.90)	\$ (1,390,000)	\$ 704,434.10	\$ (2,085,000.00)
Other expenses (Depr.)	\$ (224,105.00)	\$ -	\$ (224,105.00)	
				\$ -
<b>Total</b>	<b>\$ (2,608,984)</b>	<b>\$ (3,769,200)</b>	<b>\$ 1,160,216</b>	<b>\$ (5,653,800)</b>
<i>Net Assets</i>	Actuals	YTD Budget	Variance	
Change in Net Assets	\$ (130,752)	\$ 43,890,133	\$ (44,020,886)	

- Total YTD actual expense was \$2,608,984; a difference of \$1,160,216 lower than budgeted expenditures as we continue our expansion and hiring efforts.
  - Net Other Inc(Exp) includes COVID loan forgiveness -\$15,625 and Depreciation expenses for building and equipment - \$208,480.
- Overall consolidated activities yield a negative “change in Net Assets” of -\$130,752 (the difference between total revenue of \$2,478,232 minus total expenses of \$2,608,984).

# CRA Budget VS. Actual Expenses (pg 3)

Expense Type	Actual	Budget
Personnel	\$677,981.60	\$1,268,000.00
Office	\$429,011.65	\$1,029,800.00
Property Management	\$190,458.16	\$312,000.00
Property Tax	\$79,012.10	\$160,000.00
Professional Sevices	\$322,849.95	\$799,000.00
Redevelopment Investments	\$685,565.90	\$2,085,000.00

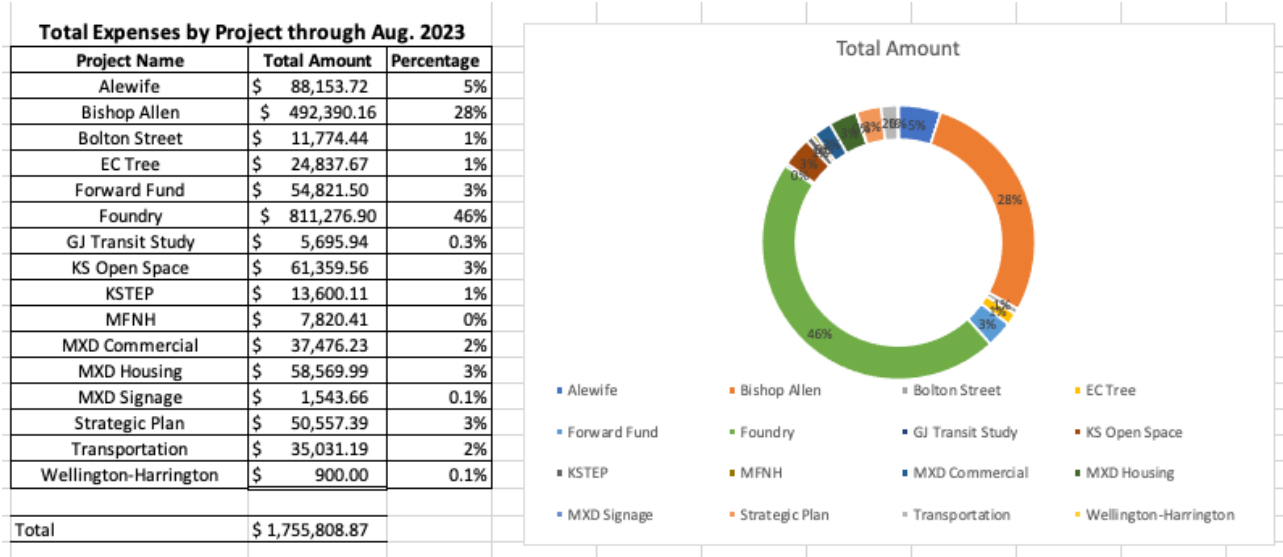


➤ The orange bar represents budgeted expenditures and the blue represents actual expenses.

➤ The Authority continues to operate within its budget comparing expense categories for budget projection vs actuals.



# CRA Budget VS. Actual Expenses (pg 3)



- CRA’s top two investments yielding high expenses are Foundry and Bishop Allen (two large portions of the pie illustration).
- Other programs/expenses include KSTEP, Strategic Plan, GJ Transit Study, KS Open Space, MFNH, MXD Housing, MXD Signage, Wellington-Harrington, Alewife Bolton Street, and EC Tree.

# CRA's Balance Sheet: Assets (pg 4)

<b>CAMBRIDGE REDEVELOPMENT AUTHORITY</b>		
<b>Statement of Financial Position - August 31, 2023</b>		
<b>Assets</b>		<b>Actual</b>
Cash & Cash Equivalents		
Bank	\$	2,520,179
Restricted	\$	-
<b>Total Cash</b>	<b>\$</b>	<b>2,520,179</b>
Current Assets		
Accounts Receivable	\$	327,546
Investment	\$	29,570,161
Prepaid Expenses	\$	-
Loans & Interest Receival	\$	1,188,576
Other	\$	-
<b>Total Current Assets</b>		<b>33,606,462</b>
Fixed Assets	\$	24,066,990
Less: Accum Deprec/Amo	\$	(976,807)
<b>Net Fixed Assets</b>		<b>23,090,184</b>
Other Assets	\$	3,028,364
<b>Total Other Assets</b>		<b>3,031,241</b>
<b>Total Assets</b>	<b>\$</b>	<b>59,727,886</b>

- As of August 31<sup>st</sup>, 2023, Available Cash & Cash Equivalents was \$2,520,179.
- Current Assets, which include Accounts Receivable, Investment, Loans, and Interest Receivable, had a total of \$31,086,283 which yielded a total Current Assets of \$33,606,462 (with Cash & Cash Equivalents added).
- Total Assets as of July 31<sup>st</sup> was \$59,757,886 (Total Current Assets + Net Fixed Assets + Total Other Assets).

# CRA's Balance Sheet: Liabilities & Equity

## CAMBRIDGE REDEVELOPMENT AUTHORITY Statement of Financial Position - August 31, 2023

<i>Liabilities &amp; Equity</i>	Actual
Current Liabilities	
Accounts Payable	\$ 121,226
Credit Cards	\$ 4,574
Other Current Liabilities	\$ 647,921
<b>Total Current Liabilities</b>	<b>773,722</b>
Long-Term Liabilities	6,435,465
Deferred Compensation	\$ -
Loan Payable	
Deferred Revenue (Security)	\$ 78,096
	<b>6,513,562</b>
<b>Total Liabilities</b>	<b>\$ 7,287,284</b>
Restricted Funds	\$ 12,184,920
Net Assets	\$ 40,413,944
Change in Net Assets	\$ (158,261)
<i>Equity</i>	
<b>Total Net Position</b>	<b>52,440,603</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 59,727,886</b>

- Total Current Liabilities was \$647,921.
  - Ex: Credit Cards and other borrowed funds.
  
- Long-term liabilities for loans and security deposits totaled \$6,513,562.
  
- Total Equity was \$52,440,603.



# CRA's Balance Sheet: Liabilities & Equity

CAMBRIDGE REDEVELOPMENT AUTHORITY		
Statement of Financial Position - August 31, 2023		
<u>Assets</u>		Actual
Cash & Cash Equivalents		
Bank	\$	2,520,179
Restricted	\$	-
<b>Total Cash</b>	<b>\$</b>	<b>2,520,179</b>
Current Assets		
Accounts Receivable	\$	327,546
Investment	\$	29,570,161
Prepaid Expenses	\$	-
Loans & Interest Receival	\$	1,188,576
Other	\$	-
<b>Total Current Assets</b>	<b>\$</b>	<b>33,606,462</b>

CAMBRIDGE REDEVELOPMENT AUTHORITY		
Statement of Financial Position - August 31, 2023		
<u>Liabilities &amp; Equity</u>		Actual
Current Liabilities		
Accounts Payable	\$	121,226
Credit Cards	\$	4,574
Other Current Liabilities	\$	647,921
<b>Total Current Liabilities</b>		<b>773,722</b>
Long-Term Liabilities		
Deferred Compensation	\$	-
Loan Payable		
Deferred Revenue (Security	\$	78,096
		6,513,562
<b>Total Liabilities</b>	<b>\$</b>	<b>7,287,284</b>

- **Current Ratio= 44 (Total Current Assets / Total current liabilities)**  
(Normal range 1.5 -3; a company's liquidity in using current assets to pay current liabilities)
- **Cash Ratio of 3.3; not factoring investment account (Cash and Cash Equivalent / Current Liabilities).**  
(Normal range greater than 1; stress test that analyzes a company's ability to pay its short-term liabilities in cases where its receivables or inventory won't be collected in a short period)

# Statement of Activities: Bishop Allen

Cambridge Redevelopment Authority				
Statement of Activities- Bishop Allen Ave				
January - August, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
<b>Income</b>	Actuals	YTD Budget	Variance	
Grants	\$ 30,000	\$ -	\$ 30,000	\$ -
Operating Income	\$ -	\$ 16,781	\$ (16,781)	\$ 25,172
Rental Income	\$ 433,854	\$ 433,023	\$ 831	\$ 649,534
Investment Income	\$ 7	\$ -	\$ 7	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 463,861</b>	<b>\$ 449,804</b>	<b>\$ 14,057</b>	<b>\$ 674,706</b>
			Actuals VS YTD Budget	Annual Budget Reference
<b>Expenses</b>	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (170,483.00)	\$ (145,203)	\$ (25,280.33)	\$ (217,804.00)
Professional Services	\$ (315.00)	\$ -	\$ (315.00)	\$ -
Redevelopment Investments	\$ (132,556.16)	\$ (242,926)	\$ 110,369.84	\$ (364,389.00)
Other expenses (Depr.)	\$ (189,036.00)	\$ (37,983)	\$ (151,053.33)	\$ (56,974.00)
				\$ -
<b>Total</b>	<b>\$ (492,390)</b>	<b>\$ (426,111)</b>	<b>\$ (66,279)</b>	<b>\$ (639,167)</b>
			Actuals VS YTD Budget	
<b>Net Assets</b>	Actuals	YTD Budget	Variance	
Change in Net Assets	\$ (28,529)	\$ 23,693	\$ (52,222)	

## Highlights

- Change in Net Assets of negative - \$28,529 (Total Revenue minus Total Income).
- The existing budget did not include a line for Building/Equipment Depreciation.
- Special Note: The building is fully rented with 9 office leased spaces.

# Statement of Activities: Foundry

Cambridge Redevelopment Authority				
Statement of Activities- Foundry				
January - August, 2023				
			Actuals VS YTD Budget	Annual Budget Reference
<b>Income</b>	Actuals	YTD Budget	Variance	
Operating Income	\$ 26,847	\$ 33,333	\$ (6,487)	\$ 50,000
Rental Income	\$ 453,591	\$ 533,859	\$ (80,267)	\$ 800,788
Investment Income		\$ -	\$ -	
Other Revenue		\$ -	\$ -	
		\$ -	\$ -	
<b>Total</b>	<b>\$ 480,438</b>	<b>\$ 567,192</b>	<b>\$ (86,754)</b>	<b>\$ 850,788</b>
			Actuals VS YTD Budget	Annual Budget Reference
<b>Expenses</b>	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (203,460.83)	\$ (242,667)	\$ 39,205.84	\$ (364,000.00)
Professional Services	\$ (2,070.00)	\$ -	\$ (2,070.00)	\$ -
Redevelopment	\$ (495,720.50)	\$ (429,755)	\$ (65,965.83)	\$ (644,632.00)
Other expenses	\$ (19,444.00)	\$ -	\$ (19,444.00)	
				\$ -
<b>Total</b>	<b>\$ (720,695)</b>	<b>\$ (672,421)</b>	<b>\$ (48,274)</b>	<b>\$ (1,008,632)</b>
			Actuals VS YTD Budget	
<b>Net Assets</b>	Actuals	YTD Budget	Variance	
Change in Net	\$ (240,257)	\$ (105,229)	\$ (135,028)	

## Highlights

- Change in Net Assets of negative - \$240,257 (Total Revenue minus Total Income).
- Two Suites that have not been rented for most of the year.
- Special Note:
  - CRA has executed a contract with Olema Pharmaceuticals, Inc. effective September 15<sup>th</sup> with rent commencement date of November 15<sup>th</sup>.
  - CRA has only Suite 3B unoccupied.



# Closing Statements Q&A

- CRA continues to evaluate and invest in programs that align with its goals and strategic plans.
- Research:
  - Enhance contract management software.
  - Evaluating enterprise government accounting software suitable to the CRA.
  - The Finance and Operation team continues to proactively position itself by setting systems and procedures in place to provide support to the organization as it plans to expand.