

ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

CAMBRIDGE REDEVELOPMENT AUTHORITY

(A Component Unit of the
City of Cambridge, Massachusetts)

Report on Examination of
Basic Financial Statements
And Additional Information
Year Ended December 31, 2021



CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cambridge Redevelopment Authority
Cambridge, Massachusetts

Opinion

We have audited the accompanying financial statements of the Cambridge Redevelopment Authority (CRA) a component unit of the City of Cambridge, Massachusetts, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CRA as of December 31, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers these to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA’s basic financial statements. The section on supplementary information – Expense Allocation Project Costs is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Roselli Clark & Associates

Roselli, Clark & Associates
Certified Public Accountants
Woburn, Massachusetts
September 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Cambridge Redevelopment Authority's (the "CRA") financial performance provides an overview of the CRA's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information.

Financial Highlights

- The assets and deferred outflows of financial resources of the CRA exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by approximately \$57.3 million (*total net position*). Of this amount, almost \$31.4 million is unrestricted and may be used to meet the CRA's ongoing obligations.
- As part of its ongoing mandate to provide management and support to further the development of the Kendall Square Urban Renewal Area, the CRA Board of Directors had dedicated, in aggregate, nearly \$13.0 million of net position for use on the KSTEP and Foundry project programs.
- The CRA's total net position increased nearly \$0.4 million compared with the prior year. This was due to an increase in investment income, offset by an increase in project consulting expenses as projects that were previously delayed due to the pandemic have commenced during fiscal year 2021.
- The CRA's assets are primarily comprised of cash and cash equivalents as well as investments; in aggregate these totaled approximately \$41.6 million, or approximately 63% of total assets.
- Liabilities consist mainly of an approximate \$6.7 million outstanding mortgage used to purchase 99 Bishop Allen Drive for redevelopment investments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the CRA's basic financial statements. This report consists of the basic financial statements, notes to the financial statements, and various other disclosures of supplementary information. The CRA is a component unit of the City of Cambridge and is a self-supporting entity that follows enterprise fund reporting.

Financial Statements – These statements are presented in a manner similar to a private business, such as a real estate development company. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the CRA.

The *statement of net position* presents information on all of the CRA's assets and deferred outflows of financial resources and its liabilities and deferred inflows of financial resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the CRA is improving or deteriorating. The *statement of revenues, expenses and changes in net position* presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused vacation leave.) The *statement of cash flows* presents information on the CRA's cash inflows, outflows and changes in cash resulting from operations, investments and financing activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the CRA’s proportionate share of net pension liability, contributions to pension plan, schedule of changes in net OPEB liability and related ratios, schedule of contributions – OPEB, and schedule of investment returns – OPEB.

Furthermore, it includes supplementary information presented by the CRA relative to the allocation of costs by each current year project program.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the CRA’s financial condition. In the case of the CRA, assets and deferred outflows of financial resources exceeded liabilities and deferred inflows of financial resources by approximately \$57.3 million at the close of the most recent fiscal year. This was consistent with the prior year balance as the Authority was still experiencing reduced spending versus budget in the current year due to the ongoing worldwide COVID-19 pandemic.

The condensed statement of net position is as follows:

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| <u>Assets</u> | | |
| Current and other assets | \$ 46,165,108 | \$ 55,115,507 |
| Capital assets, net | 19,599,955 | 10,283,544 |
| Total assets | <u>65,765,063</u> | <u>65,399,051</u> |
| <u>Deferred Outflows of Financial Resources</u> | <u>625,872</u> | <u>257,299</u> |
| <u>Liabilities</u> | | |
| Long-term liabilities | 7,405,944 | 7,813,801 |
| Other liabilities | 884,207 | 576,140 |
| Total liabilities | <u>8,290,151</u> | <u>8,389,941</u> |
| <u>Deferred Inflows of Financial Resources</u> | <u>803,916</u> | <u>330,474</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 12,910,032 | 3,447,484 |
| Restricted for programs | 13,000,000 | 13,000,000 |
| Unrestricted | <u>31,386,836</u> | <u>40,488,451</u> |
| Net Position | <u>\$ 57,296,868</u> | <u>\$ 56,935,935</u> |

The largest portion of the CRA’s net position, almost \$31.4 million, consists of unrestricted funds that are available for spending on future development projects and administrative costs as determined and directed by the CRA’s Board of Directors which is the CRA’s oversight members.

Net position also includes restricted program funds reported at fair value totaling almost \$13.0 million (allocated to the KSTEP and Foundry project programs in initial amounts of approximately \$6.0 million and \$7.0 million, respectively). The restricted value of these funds is anticipated to be impacted annually as project costs are incurred; \$2.0 million has been expensed against these restricted funds as of December 31, 2021.

Also, a portion of the CRA's net position (over \$12.9 million) is reflected as its net investment in capital assets (e.g., land and improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The CRA uses these capital assets to provide services to the citizenry of the City of Cambridge; consequently, these assets may not be sold to provide resources for future operations.

The Authority's assets are primarily comprised of cash and cash equivalents as well as investments of approximately \$41.6 million, or approximately 63% of total assets.

Liabilities consist mainly of an approximate \$6.7 million outstanding mortgage used to purchase 99 Bishop Allen Drive for redevelopment investments.

The condensed statement of changes in net position is as follows:

| | <u>Year Ended December 31,</u> | |
|--------------------------------------|--------------------------------|----------------------|
| | <u>2021</u> | <u>2020</u> |
| <u>Revenues</u> | | |
| Program revenues: | | |
| Lot fees | \$ 70,840 | \$ 439,992 |
| Other income | 240,660 | 5,679 |
| Investment income | <u>2,810,130</u> | <u>1,973,911</u> |
| Total revenues | 3,121,630 | 2,419,582 |
| <u>Expenses</u> | | |
| Administrative | 574,968 | 598,167 |
| Professional services | 120,423 | 137,469 |
| Project consulting | 1,517,334 | 1,232,389 |
| Property maintenance | 44,956 | 123,651 |
| Interest expense | 218,737 | 223,492 |
| Depreciation | <u>284,279</u> | <u>284,279</u> |
| Total expenses | 2,760,697 | 2,599,447 |
| Change in net position | <u>360,933</u> | <u>(179,865)</u> |
| Net position - beginning of year | <u>56,935,935</u> | <u>57,115,800</u> |
| Net position - end of year | <u>\$ 57,296,868</u> | <u>\$ 56,935,935</u> |

The CRA's total net position remained consistent with prior year as revenues exceeded expenditures by nearly \$0.4 million. As previously noted, the increase was primarily due to an increase in investment income.

Operating expenses increased slightly by approximately \$0.2 million or 5.8%. The increase primarily relates to project consulting expenses as the CRA continues to pursue redevelopment projects.

Capital Asset and Debt Administration

Capital Assets - The CRA's investment in capital assets as of December 31, 2021, was approximately \$19.6 million, net of accumulated depreciation. This investment in capital assets includes land, improvements to the land, and machinery and equipment. Net capital assets increased mainly due to the continued renovations of the building and property located at 99 Bishop Allen Drive previously mentioned that was bought by the CRA in the prior fiscal year. This work is expected to continue in the subsequent year.

The CRA maintains development properties held for sale that it classifies as long-term assets since they are not expected to be liquidated within twelve months of year-end.

Additional information on the CRA's net capital assets can be found in the notes to the basic financial statements.

Long-Term Debt – At December 31, 2021, the CRA's total long-term debt was nearly \$6.7 million. This is a decrease of over \$0.1 million as regular scheduled payments were made on the CRA's outstanding mortgage.

Additional information on the CRA's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year Activity

The CRA will continue to manage and assist with the development of the Kendall Square Urban Renewal Plan (KSURP) as provided within its authority and mandate. With the next earliest, expected significant inflow of available financial resources from the sale of development rights anticipated for 2023 and even more in coming years relative to ongoing building construction in the KSURP area, the CRA continues to aggressively evaluate how it may utilize its resources towards new and expanding programmatic endeavors as it transitions from the evaluation phase to the implementation stage.

This evaluation of need may also result in the CRA exploring activities beyond the existing KSURP boundaries to other areas of the city where redevelopment projects are under consideration.

However, the CRA is looking for measured and planned growth of its activities since the major revenue stream into the CRA cannot be annually relied upon for consistency given the cyclical nature of development and construction activities upon which the sale of development rights is based.

Accordingly, a portion of the CRA's strategy is to ensure that adequate operational funds will continue to exist in the long-term to cover employee and administrative overhead costs while pursuing endeavors in-line with stated goals and objectives.

Request for Information

This financial report is designed to provide interested parties a general overview of CRA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Thomas Evans, Executive Director, Cambridge Redevelopment Authority, 255 Main Street, 8th Floor, Cambridge, Massachusetts 02142.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

STATEMENT OF NET POSITION
DECEMBER 31, 2021

| Assets | |
|--|----------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 8,001,431 |
| Investments | 33,591,217 |
| Accounts receivables | 590,522 |
| Notes receivable | 242,500 |
| Other assets | 31,025 |
| Total current assets | 42,456,695 |
| Noncurrent assets: | |
| Accounts receivable | 2,590,910 |
| Notes receivable (net of allowance for doubtful collection of \$591,238) | 1,051,718 |
| Development properties held for sale | 65,785 |
| Capital assets, not being depreciated | 11,862,243 |
| Capital assets, net of accumulated depreciation | 7,737,712 |
| Total noncurrent assets | 23,308,368 |
| Total Assets | 65,765,063 |
| Deferred Outflows of Financial Resources | |
| Related to net pension liability | 426,871 |
| Related to net other postemployment benefits liability | 199,001 |
| Total Deferred Outflows of Financial Resources | 625,872 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 206,034 |
| Retainage payable | 461,253 |
| Accrued payroll | 28,225 |
| Accrued expenses | 15,345 |
| Current portion of compensated absences | 22,431 |
| Current portion of long-term note payable | 150,919 |
| Total current liabilities | 884,207 |
| Noncurrent liabilities: | |
| Long-term note payable | 6,539,004 |
| Compensated absences | 67,293 |
| Net pension liability | 10,844 |
| Net other postemployment benefits liability | 788,803 |
| Total noncurrent liabilities | 7,405,944 |
| Total Liabilities | 8,290,151 |
| Deferred Inflows of Financial Resources | |
| Related to net pension liability | 597,577 |
| Related to net other postemployment benefits liability | 206,339 |
| Total Deferred Inflows of Financial Resources | 803,916 |
| Net Position | |
| Net investment in capital assets | 12,910,032 |
| Restricted for programs - KSTEP | 6,000,000 |
| Restricted for programs - Foundry | 7,000,000 |
| Unrestricted | 31,386,836 |
| Total Net Position | \$ 57,296,868 |

See accompanying notes to basic financial statements.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

| | |
|---|----------------------|
| Operating Revenues | |
| Lot fees | \$ 70,840 |
| Other income | 240,660 |
| Total Operating Revenues | <u>311,500</u> |
| Operating Expenses | |
| Administrative | 574,968 |
| Professional services | 120,423 |
| Project consulting | 1,517,334 |
| Property management | 44,956 |
| Depreciation | 284,279 |
| Total Operating Expenses | <u>2,541,960</u> |
| Operating Income | <u>(2,230,460)</u> |
| Nonoperating Revenues (Expenses) | |
| Investment income | 2,810,130 |
| Interest expense | (218,737) |
| Total Nonoperating Revenues (Expenses) | <u>2,591,393</u> |
| Change in Net Position | 360,933 |
| Net Position - Beginning of year | <u>56,935,935</u> |
| Net Position - End of year | <u>\$ 57,296,868</u> |

See accompanying notes to basic financial statements.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

| | |
|--|---------------------|
| Cash Flows Provided By (Used In) Operating Activities | |
| Development rights and other receipts | \$ 637,440 |
| COVID recovery loans issued to other parties | 489,998 |
| Payments to vendors | (1,101,912) |
| Payments for wages and benefits | (1,002,683) |
| Net Cash Used in Operating Activities | <u>(977,157)</u> |
| Cash Flows Provided By (Used In) Capital and Related Financing Activities: | |
| Principle repayments on long-term debt | (146,137) |
| Interest expense | (218,737) |
| Acquisition and construction of capital assets | (9,600,690) |
| Net Cash Used in Capital and Related Financing Activities | <u>(9,965,564)</u> |
| Cash Flows Provided By (Used In) Investing Activities | |
| Investment of operating cash, net | 3,285,416 |
| Investment income | 2,810,130 |
| Net Cash Provided by Investing Activities | <u>6,095,546</u> |
| Net Change in Cash and Cash Equivalents | (4,847,175) |
| Cash and Cash Equivalents | |
| Beginning of year | <u>12,848,606</u> |
| End of year | <u>\$ 8,001,431</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities | |
| Operating income | \$ (2,230,460) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | |
| Provision for depreciation | 284,279 |
| Changes in assets, deferred outflows, liabilities and deferred inflows: | |
| Accounts receivable | 325,940 |
| Note receivable | 489,998 |
| Other assets | 1,870 |
| Deferred outflows of resources | (368,573) |
| Accounts payable, retainage, accrued payroll and accrued expenses | 301,624 |
| Deferred compensation | 6,646 |
| Related to net pension liability | (317,820) |
| Related to net other postemployment benefits liability | 55,897 |
| Deferred inflows of resources | 473,442 |
| Net Cash Provided by (Used In) Operating Activities | <u>\$ (977,157)</u> |

See accompanying notes to basic financial statements.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge Massachusetts)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2021

| | <u>Other Postemployment Benefits Trust (OPEB) Fund</u> |
|---|--|
| Additions | |
| Contributions: | |
| Employer | \$ 46,950 |
| Total contributions | <u>46,950</u> |
| Investment income: | |
| Interest and dividends | <u>4,918</u> |
| Net investment earnings | <u>4,918</u> |
| Total Additions | <u>51,868</u> |
| Deductions | |
| Benefits paid | <u>39,950</u> |
| Total Deductions | <u>39,950</u> |
| Change in Net Position | 11,918 |
| Net Position - Beginning of Year | <u>44,170</u> |
| Net Position - End of Year | <u><u>\$ 56,088</u></u> |

See accompanying notes to basic financial statements.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

1. Summary of Significant Accounting Policies

The basic financial statement of the Cambridge Redevelopment Authority (“CRA”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local governmental entities. The following is a summary of the more significant policies and practices used by the CRA.

A. Reporting Entity

The Cambridge Redevelopment Authority was established in 1955 pursuant to Chapter 121B of the Massachusetts General Laws, as amended, to administer and plan urban renewal projects and other community development projects within the City of Cambridge, Massachusetts (the “City”). The CRA was issued a Certificate of Organization by the Secretary of the Commonwealth of Massachusetts on November 20, 1956. The CRA is governed by a five-member board of directors, one of whom is appointed by the Governor of the Commonwealth of Massachusetts and the remaining four members by the Cambridge City Manager and confirmed by the Cambridge City Council.

The CRA is a component unit of the City. The City’s audited financial statement report may be obtained from the City Auditor’s Office, 795 Massachusetts Avenue, Cambridge, Massachusetts 02139.

B. Basis of Accounting and Financial Statement Presentation

The CRA’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as specified by the Governmental Accounting Standards Board’s (“GASB”) requirements for an enterprise fund. Operating revenues and expenses result from the administering of community development projects within the City. All other revenues and expenses are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, and Deferred Outflows/Inflows of Resources and Net Position

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The CRA reports its investments at fair value. When actively quoted observable prices are not available, the CRA generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability.

The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Authority’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (“NAV”). These are investments for which a readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

Accounts Receivable – Accounts receivable are presented net of the allowance for doubtful accounts. Management’s periodic evaluation of the adequacy of the allowance is based on its past experience. Accounts receivable are written off when deemed uncollectible.

Notes Receivable – Notes receivable are presented at their issued principal amount. Payments from borrowers are not expected until the stated maturity date. Any interest income accruing on the notes will be recognized as revenue at the time it is earned. Notes receivable may be subject to write off when deemed uncollectible.

Development Projects Held for Sale – The CRA is the owner of certain properties (real estate - improved and land) within its project development area. Generally, properties are acquired in connection with specified development projects and the costs associated with the acquisition of properties are recorded as property held for sale. The CRA reviews property held for sale to determine estimated net realizable values. Property carrying amounts in excess of net realizable values are reduced to their net realizable values. Use of the proceeds from the rental and ultimate disposition of the properties is unrestricted.

Capital Assets – Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. All purchases and construction costs in excess of \$5,000 and with useful lives exceeding one year are capitalized at the date of acquisition or construction. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated by the CRA on a straight-line-basis. The estimated useful lives of capital assets are being depreciated as follows:

| | |
|-------------------------|-------------|
| Land improvements | 30 years |
| Machinery and equipment | 5 – 7 years |

Developer Deposits Held – From time to time, the CRA receives developer deposits in accordance with development agreements by and between the CRA and third parties. Deposits held consist primarily of funds placed with the CRA by third party developers for the right to a future purchase of land. Upon purchase, these deposits would be deducted from the agreed-upon

purchase price. As of December 31, 2021, there were no such deposits held by the CRA.

Compensated Absences – Employees earn vacation and sick time as they provide services to the CRA. Employees may accumulate (subject to certain limitations) unused vacation and sick time earned and, upon retirement, termination or death, be compensated for unused portions of the time earned. These accumulated benefits will not necessarily be liquidated with expendable, available financial resources.

Long-Term Debt - Long-term debt is reported as liabilities in these basic financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material.

Deferred Outflows/Inflows of Financial Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of financial resources. This separate financial statement element, *deferred outflows of financial resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The CRA has two items that are reported on the statement of net position. The first relates to outflows from changes in the net pension liability and will be recognized in pension expense in the future year as more fully described in Note H. The second relates to the net other postemployment benefits liability, which will be recognized in benefits expense in future years as more fully described in Note I.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of financial resources. This separate financial statement element, *deferred inflows of financial resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CRA has two items that are reported on the statement of net position. The first relates to inflows from changes in the net pension liability and will be recognized as an offset to pension expense in a future year as more fully described in Note H. The second, relates to the net other postemployment benefits liability, which will be recognized as an offset to benefits expense in future years as more fully described in Note I.

Revenue Recognition – Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The sale of developer rights is the most significant source of revenue received by the CRA; however, these revenues are only earned when certain benchmarks are reached relative to the development of property within the designated KSURP area. The revenues are recognized at the time those benchmarks are achieved. Sales of developer rights are periodic revenues and may not be earned each year.

Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Gifts and contributions to CRA programs are recognized as revenues when received.

Use of Estimates – The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities, (2) contingent assets and liabilities at the date of the basic financial statements, and (3) revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.

Taxes – The CRA is exempt from all federal and state income taxes and real estate taxes.

Budgetary Data – GAAP requires a budgetary comparison schedule to be presented for the general fund and each major special revenue fund that has a legally adopted budget. The CRA completes an operating budget that is approved by the Board of Directors; however, the budget serves primarily as a guideline for operations and does not meet the criteria for being legally adopted. Accordingly, the CRA has not presented budgetary information.

II. Detailed Notes to All Funds

A. Deposits and Investments

State laws and regulations require the CRA to invest funds only in pre-approved investment instruments, which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and the state treasurer investment pool. In addition, the statutes impose various limitations on the amount and length of investments and deposits.

Repurchase agreements cannot be for a period of over ninety days and the underlying security must be a United States obligation. During the fiscal year, the CRA did not enter into any repurchase agreements.

Concentration of Credit Risk: Deposit – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The CRA maintains a deposit policy for custodial credit risk relative to cash withholdings. In particular, the policy addresses deposits held in unsecured accounts relative to dollar limits on the percentage of cash held in such accounts, diversification of deposits, as well as time limits on how long unsecured certificates of deposit may be purchased for.

The CRA carries deposits that are fully insured by the Federal Deposit Insurance Corporation, or FDIC, as well as the Depositors Insurance Fund, or DIF, as well as uninsured deposits.

At year-end, the carrying amount of the CRA's deposits totaled \$8,001,431, and the bank balance was \$8,154,524. Of the CRA's bank balance, \$753,623 was insured by the Federal Depository Insurance Corporation (FDIC), and the remainder was uninsured and uncollateralized.

Custodial Credit Risk: Investment – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing for bankruptcy, the CRA may not be able to recover the full amount of its principal investment and/or investment earnings.

The CRA's common stock investments totaling \$11,883,621 are not exposed to custodial credit risk because they are held by the CRA. However, the fixed income corporate bonds and U.S. government securities are subject to such risk and totaled \$19,684,612. The CRA does not have a deposit policy for custodial credit risk relative to investments.

Fair Value Measurement: Investments - The following table presents the CRA's investments carried at fair value on a recurring basis in the statement of net position at December 31, 2021:

| | Totals | Fair Value Measurements Using | | |
|--|---------------|-------------------------------|---------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| <u>Investments by Fair Value Level</u> | | | | |
| Debt securities: | | | | |
| U.S. Government obligations | \$ 19,684,613 | \$ 2,824,270 | \$ 16,860,343 | \$ - |
| Foreign Issuance | 1,001,010 | - | 1,001,010 | - |
| Total debt securities | 20,685,623 | 2,824,270 | 17,861,353 | - |
| Equity securities: | | | | |
| Common stock | 11,883,621 | 11,883,621 | - | - |
| Total equity securities | 11,883,621 | 11,883,621 | - | - |
| Total Investments by Fair Value Level | 32,569,244 | \$ 14,707,891 | \$ 17,861,353 | \$ - |
| <u>Investments Measured at Amortized Cost</u> | | | | |
| Money market mutual funds | 1,078,061 | | | |
| Total investments at fair value | \$ 33,647,305 | | | |

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities and negotiable certificates of deposit are classified in Level 2 valued using observable inputs from similar securities, including basing value on yield currently available on comparable securities or issued with similar credit ratings.

Interest Rate Risk: Deposits – This is the risk that fair value losses may arise due to increasing interest rates. The CRA's investment policy does not set limits on investment maturity periods as a way of managing its exposure to fair value losses arising from rising interest rates.

Interest Rate Risk: Investments – Debt security investments are subject to inherent rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of the individual debt instruments. The CRA's investment policy does not set limits on investment maturities as a way of managing its exposure to fair value losses arising from increasing interest rates.

At December 31, 2021, the CRA had the following investments with maturities:

| Investment Type | Fair Value | Time Until Maturity (Years) | | | |
|-----------------------------------|---------------|-----------------------------|---------------|------|--------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. government obligations | \$ 19,684,613 | \$ 5,799,102 | \$ 13,885,511 | \$ - | \$ - |
| Foreign Issuance | 1,001,010 | 1,001,010 | - | - | - |
| Total Investments with Maturities | 20,685,623 | \$ 6,800,112 | \$ 13,885,511 | \$ - | \$ - |
| <u>Other Investments:</u> | | | | | |
| Equities | 11,883,621 | | | | |
| Money market mutual funds | 1,078,061 | | | | |
| Total Investments | \$ 33,647,305 | | | | |

Concentration of Credit Risk – The CRA does not place a limit on the amount invested in any one issuer. No issuer represented more than 5% of the CRA's total investments at December 31, 2021.

Credit Risk – The CRA has not adopted a formal policy related to credit risk ratings limits. As of December 31, 2021, the credit quality ratings of the CRA’s debt securities were as follows:

| Quality Ratings (Moody) | U.S. | | Totals |
|----------------------------|---------------------------|---------------------|---------------|
| | Government Obligations | Foreign Issuance | |
| Aaa | \$ 19,684,613 | \$ 1,001,010 | \$ 20,685,623 |
| Totals - All | \$ 19,684,613 | \$ 1,001,010 | \$ 20,685,623 |

B. Accounts Receivables

Receivables as of year-end for the CRA, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Receivables | Gross Amount | Allowance for Doubtful Accounts | Net Amount | Due Within One Year |
|----------------------------------|-----------------|---------------------------------------|---------------|------------------------|
| Rental income | \$ 11,588 | \$ - | \$ 11,588 | \$ 11,588 |
| Reimbursable expenses | 147,116 | - | 147,116 | 147,116 |
| Proceeds from development rights | 3,022,728 | - | 3,022,728 | 431,818 |
| Total | \$ 3,181,432 | \$ - | \$ 3,181,432 | \$ 590,522 |

Accounts receivables as of year-end of the CRA were comprised of proceeds from development rights and other minor operational amounts due from agreements or reimbursement commitments.

In Fiscal Year 2019, the CRA agreed to an agreement with Boston Properties to receive \$4,750,000 over the next eleven years, for the residential area development rights of a building. The CRA is expected to receive \$431,818 each year for the next eight years.

C. Note Receivable

Note receivables as of year-end for the CRA, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Note Receivables | Gross Amount | Allowance for Doubtful Accounts | Net Amount | Due Within One Year |
|-------------------------|-----------------|---------------------------------------|---------------|------------------------|
| Affordable housing loan | \$ 583,215 | \$ (583,215) | \$ - | \$ - |
| COVID-19 Loans | 1,212,502 | - | 1,212,502 | 242,500 |
| Line of Credit | 89,739 | (8,023) | 81,716 | - |
| Total | \$ 1,885,456 | \$ (591,238) | \$ 1,294,218 | \$ 242,500 |

The Affordable housing loan note was issued in November 2017 to an external developer for purposes of supporting affordable housing activities. The note has a maturity of November 22, 2059 and accrues interest annually at 2.60%; no payments of principal or interest are required of the borrower prior to the maturity date. Presently, as long as the borrower maintains the usage of the property within the stated purpose on the loan agreement, the CRA anticipates forgiving this

loan at time of maturity; therefore, an allowance for potential non-collection has been recorded for the full amount of the note receivable. However, as this forgiveness is not declared in the loan documents, the loan remains a valid receivable of the CRA and is accruing interest annually under the agreement.

The Line of Credit note was issued in April 2019 to a social services organization in the City to bring new housing to the organization's site, as well as, building upgrades and renovations to its historic building and parking lot. The Agreement provides for a loan amount of up to \$250,000 that will be drawn down by the organization as needed for the project and will be paid back by the organization with revenue earned after the project is completed. As of year-end, approximately \$82,000 had been drawn down.

To support local businesses during the COVID-19 worldwide pandemic, the Authority provided 104 interest-free loans to businesses with the City of Cambridge. These were provided to business that were adversely affected by the pandemic. Repayment of these loans will start in the latter half of 2021 and the loans will mature in 2025. All loans will be payable in eight semiannual payments. If the first seven principal payments are paid on a timely basis, the 8th payment will be waived by the Authority.

D. Capital Assets

Capital assets activity for the year ended December 31, 2021, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|-------------|----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,565,753 | \$ - | \$ - | \$ 1,565,753 |
| Construction in process | 695,800 | 9,600,690 | - | 10,296,490 |
| Total capital assets not being depreciated | <u>2,261,553</u> | <u>9,600,690</u> | <u>-</u> | <u>11,862,243</u> |
| Capital assets being depreciated: | | | | |
| Improvements | 1,035,817 | - | - | 1,035,817 |
| Building | 7,470,818 | - | - | 7,470,818 |
| Total capital assets being depreciated | 8,506,635 | - | - | 8,506,635 |
| Less accumulated depreciation for: | | | | |
| Improvements | (172,635) | (34,527) | - | (207,162) |
| Building | (312,009) | (249,752) | - | (561,761) |
| Total accumulated depreciation | <u>(484,644)</u> | <u>(284,279)</u> | <u>-</u> | <u>(768,923)</u> |
| Total capital assets being depreciated, net | <u>8,021,991</u> | <u>(284,279)</u> | <u>-</u> | <u>7,737,712</u> |
| Capital assets, net | <u>\$ 10,283,544</u> | <u>\$ 9,316,411</u> | <u>\$ -</u> | <u>\$ 19,599,955</u> |

E. Long-Term Obligations

The following reflects the current year activity in the long-term liability accounts:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due within one year |
|-----------------------------|----------------------|-------------------|-----------------------|---------------------|------------------------|
| Long-term note payable | \$ 6,836,060 | \$ - | \$ (146,137) | \$ 6,689,923 | \$ 150,919 |
| Compensated absences | 83,078 | 27,416 | (20,770) | 89,724 | 22,431 |
| Net pension liability | 328,664 | 446,554 | (764,374) | 10,844 | - |
| Net OPEB liability | 732,906 | 309,186 | (253,289) | 788,803 | - |
| Total Long-Term Obligations | <u>\$ 7,980,708</u> | <u>\$ 783,156</u> | <u>\$ (1,184,570)</u> | <u>\$ 7,579,294</u> | <u>\$ 173,350</u> |

Notes payable outstanding at December 31, 2021, were as follows:

| Description of Issue | Maturing Year | Interest Rate | Beginning Balance | Additions | Maturities and Deductions | Ending Balance |
|----------------------|------------------|------------------|----------------------|-------------|------------------------------|---------------------|
| Bank note payable | 2034 | 3.18% | \$ 6,836,060 | \$ - | \$ (146,137) | \$ 6,689,923 |
| Total | | | <u>\$ 6,836,060</u> | <u>\$ -</u> | <u>\$ (146,137)</u> | <u>\$ 6,689,923</u> |

Debt Service – Debt service requirements at December 31, 2021, is as follows:

| Year Ending December 31, | Bank Note Payable | |
|-----------------------------|---------------------|---------------------|
| | Principal | Interest |
| 2022 | \$ 150,919 | \$ 213,470 |
| 2023 | 155,857 | 208,532 |
| 2024 | 160,382 | 204,007 |
| 2025 | 166,205 | 198,184 |
| 2026 | 171,644 | 192,745 |
| 2027-2031 | 945,671 | 876,274 |
| 2032-2034 | 4,939,245 | 425,071 |
| Total | <u>\$ 6,689,923</u> | <u>\$ 2,318,283</u> |

III. Other Information

A. Retirement System

The CRA contributes to the City of Cambridge Contributory Retirement System (the Retirement System), a cost-sharing, multiple-employer defined benefit pension plan for the City of Cambridge, Massachusetts. The Retirement System was established under Chapter 32 of Massachusetts General Laws (MGL) and is administered by the City and is part of the City's reporting entity. Stand-alone audited financial statements for the year ended December 31, 2021 were issued and are available at the Retirement Office, 100 Cambridge Park Drive, Suite 101, Cambridge, MA 02140.

Current membership in the Retirement System for all employers as of January 1, 2020, was as follows:

| | |
|--|-------|
| Retirees and beneficiaries receiving benefits | 2,306 |
| Terminated plan members entitled to, but not receiving benefits | 497 |
| Terminated plan members with a vested right to a deferred or immediate benefit | 145 |
| Active plan members | 3,156 |
| Total | 6,104 |

Benefit Terms – Membership in the Retirement System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school department participate in a separate pension plan administered by the Massachusetts Teachers’ Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the Retirement System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years’ creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the Retirement System.

Contributions Requirements – The Retirement System has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule

be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The CRA contributed \$156,160 to the Retirement System in fiscal year 2021, which equaled the actuarially determined contribution requirement for the fiscal year. The CRA's contributions as a percentage of covered payroll was approximately 21.73% in fiscal year 2021.

Net Pension Liability – At December 31, 2021, the CRA reported a liability of \$10,844 for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. These figures were updated by the independent actuary to December 31, 2021. There were no material changes made in this update to the actuarial assumptions (see below) nor were there any material changes to the Retirement System's benefit terms since the actuarial valuation.

The CRA's proportion of the net pension liability is based on a projection of the CRA's long-term share of contributions to the Retirement System relative to the projected contributions of all employers. The CRA's proportion was approximately 0.29% at December 31, 2021.

Pension Expense – The CRA recognized \$19,683 in net pension expense in the statement of activities for the year ended December 31, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources – At December 31, 2021, the CRA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 5,309 | \$ 102,303 |
| Net difference between projected and actual earnings on pension plan investments | - | 494,989 |
| Changes in assumptions | 226,598 | - |
| Changes in proportion and differences between CRA contributions and proportionate share of contributions | 194,964 | 285 |
| Total | <u>\$ 426,871</u> | <u>\$ 597,577</u> |

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the CRA's pension expense as follows:

| Year Ended December 31, | |
|----------------------------|---------------------|
| 2022 | \$ 7,230 |
| 2023 | (111,319) |
| 2024 | (61,672) |
| 2025 | (45,129) |
| 2026 | 40,184 |
| Total | <u>\$ (170,706)</u> |

Actuarial Valuation – The measurement of the Retirement System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022. The significant actuarial assumptions used in the January 1, 2022 actuarial valuation included:

| | |
|----------------------------|--|
| Actuarial Cost Method | Entry age normal cost method |
| Amortization Method | Prior year's contributions increased by 5.85%, plus an additional contribution of \$300,000 |
| Asset Valuation Method | Market value of assets |
| Inflation Rate | 3.0% per annum |
| Investment Rate of Return | 7.1% per annum |
| Projected Salary Increases | 4.0% per annum |
| Cost of Living Adjustments | 3.0% on the first \$16,000 of benefits |
| Pre-Retirement Mortality | Group 1 and 2: Pub-2010 General Employee Amount-Weighted Mortality Table set forward one year projected generationally using Scale MP-2021 Group 4: Pub-2010 Safety Employee Amount-Weighted Mortality Table Projected generationally using Scale MP-2021 |
| Healthy Retiree Mortality | Group 1 and 2: Pub-2010 General Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables set forward one year projected generationally using Scale MP-2021 Group 4: Pub-2010 Safety Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2021 |
| Disabled Retiree Mortality | Group 1 and 2: Pub-2010 General Healthy Retiree Amount-Weighted Mortality Tables set forward one year projected generationally using Scale MP-2021 Group 4: Pub-2010 Disabled Retiree Amount-Weighted Mortality Table projected generationally using Scale MP-2021 |

Discount Rate – The discount rate used to measure the total pension liability was 7.1%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the Retirement System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Expected Rate of Return – The Retirement System’s investment policy targets an investment return that meets or exceeds the actuarial investment rate of return (currently 7.10%). This long-term expected rate of return is presented neither as an arithmetic or geometric means.

The investment rate of return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns and professional judgment. The market expectations analysis used a building-block approach, which included expected returns by asset class and the target asset allocation. The target allocation and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------------|-------------------------|--|
| Cash | 0.00% | -0.10% |
| Domestic equity | 28.00% | 6.11% |
| International developed markets equi | 11.00% | 6.49% |
| International emerging markets equit | 10.00% | 8.12% |
| Core fixed income | 8.00% | 0.38% |
| High yield fixed income | 5.00% | 2.48% |
| Real estate | 10.00% | 3.72% |
| Commodities | 4.00% | 3.44% |
| Hedge fund, GTAA, Risk parity | 3.00% | 2.63% |
| Private equity | 12.00% | 9.93% |
| Emerging market debt | 3.00% | 2.67% |
| Short term govt money market | 3.00% | 0.00% |
| Infrastructure | 3.00% | 5.16% |
| Total | 100.00% | |

Sensitivity Analysis – The following presents the CRA’s proportionate share of the net pension liability calculated using the discount rate of 7.10% as well as the CRA’s proportionate share of the net pension liability using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

| | 1% Decrease (6.10%) | Current Discount (7.10%) | 1% Increase (8.10%) |
|--|------------------------|-----------------------------|------------------------|
| CRA's proportionate share of the net pension liability | \$ 638,855 | \$ 10,844 | \$ (516,026) |

B. Other Postemployment Benefits

The CRA administers a single-employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by the Board of Directors, and Commonwealth laws. All benefits are provided through the CRA’s premium-based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the CRA’s financial statements.

OPEB Plan disclosures that impact the CRA’s net OPEB liability using a measurement date of December 31, 2021, are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the actuarial valuation date of January 1, 2021:

| | |
|---|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 9 |
| Active employees | <u>6</u> |
| Total | <u>15</u> |

Contributions – The contribution requirements of OPEB Plan members and the CRA are established and may be amended by the CRA. Retirees contribute 25% of the calculated contribution through pension benefit deductions and the remainder of the cost is funded by the CRA.

The CRA currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis and annually anticipates contributing additional funding above that amount into the OPEB Trust Fund. The costs of administering the OPEB Plan are paid by the CRA. For the year ended December 31, 2021, the CRA’s average contribution rate was 6.60% of covered-employee payroll.

Net OPEB Liability – The CRA’s net OPEB liability was measured as of December 31, 2021, using an actuarial valuation as of January 1, 2021. The components of the net OPEB liability of the CRA at December 31, 2021, were as follows:

| | | |
|-----------------------------|----|-----------------|
| Total OPEB liability | \$ | 844,891 |
| Plan Fiduciary Net Position | | <u>(56,088)</u> |
| Net OPEB liability | \$ | <u>788,803</u> |

| | |
|---|------|
| Plan Fiduciary Net Position as a percentage of total liability | 6.6% |
|---|------|

Discount Rate – The discount rate used to measure the total OPEB liability was 4.00% which was a decrease from the previous year’s rate of 4.50%.

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

| | |
|---------------------------------|--|
| Investment Rate of Return | 6.19%, net of OPEB plan investment expense, including inflation |
| Municipal Bond Rate | 2.25% as of December 31, 2021 |
| Single Equivalent Discount Rate | 4.00%, net of OPEB plan investment expense including inflation |
| Inflation | 2.50% annually as of December 31, 2021 and for future periods |
| Salary Increases | 3.00% annually as of December 31, 2021 and for future periods |
| Cost of Living Adjustment | Not applicable |
| Healthcare Trend Rate | 4.50% fixed to 2023, 0.05% increasing annually until 2029, 4.77% fixed to 2040 |
| Pre-Retirement Mortality | RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females |
| Post-Retirement Mortality | RP-2014 Mortality Table Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females |
| Disabled Mortality | RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year |

Long-Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. The rate reported of 6.19% represents an increase over the prior year rate of 5.84%.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Expected Investment Rate of Return |
|---|----------------------|--|
| Domestic Equity - Large Cap | 30.00% | 4.42% |
| Domestic Equity - Small/Mid Cap | 20.00% | 4.81% |
| International Equity - Developed Market | 16.00% | 4.91% |
| International Equity - Emerging Market | 7.00% | 5.58% |
| Domestic Fixed Income | 23.00% | 1.00% |
| International Fixed Income | 0.00% | 1.04% |
| Alternatives | 0.00% | 5.98% |
| Real Estate | 4.00% | 6.25% |
| Cash | 0.00% | 0.00% |
| | 100.00% | |
| Real rate of return | | 3.94% |
| Inflation assumption | | 2.50% |
| Total nominal rate of return | | 6.44% |
| Investment expense | | -0.25% |
| Net investment return | | 6.19% |

Sensitivity Analyses – The following presents the CRA’s net OPEB liability as well as what the CRA’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

| Net OPEB Liability | | | |
|--------------------|-------------|--------------------|-------------|
| Healthcare | | | |
| Current Rate | 1% Decrease | Current Trend Rate | 1% Increase |
| 4.50% | \$ 700,103 | \$ 788,803 | \$ 896,632 |

| Discount Rate | | | |
|---------------|-------------|------------------|-------------|
| Current Rate | 1% Decrease | Current Discount | 1% Increase |
| 4.00% | \$ 893,016 | \$ 788,803 | \$ 702,924 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended December 31, 2021, the CRA recognized OPEB expense of \$26,373. Deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2021, were reported as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 167,307 |
| Changes of assumptions | 199,001 | 35,256 |
| Differences between projected and actual earnings on investments | - | 3,776 |
| | <u>\$ 199,001</u> | <u>\$ 206,339</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

| December 31, | Amount |
|--------------|-------------------|
| 2022 | \$ (26,980) |
| 2023 | (15,740) |
| 2024 | 25,519 |
| 2025 | 9,863 |
| Total | <u>\$ (7,338)</u> |

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended December 31, 2021:

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
|--|--------------------------------|---------------------------------------|------------------------------------|
| Balances at December 31, 2020 | \$ 777,076 | \$ 44,170 | \$ 732,906 |
| Changes for the year: | | | |
| Service cost | 21,432 | - | 21,432 |
| Interest | 35,044 | - | 35,044 |
| Difference between actual and expected experience | (136,796) | - | (136,796) |
| Change in assumptions | 188,085 | - | 188,085 |
| Net investment income | - | 4,918 | (4,918) |
| Employer contributions | - | 46,950 | (46,950) |
| Benefit payments | (39,950) | (39,950) | - |
| Net changes | 67,815 | 11,918 | 55,897 |
| Balances at December 31, 2021 | <u>\$ 844,891</u> | <u>\$ 56,088</u> | <u>\$ 788,803</u> |

Investment Custody – In accordance with Massachusetts General Laws, the Treasurer is the custodian of the OPEB Plan and per the OPEB Plan Document, the CRA Board of Directors serve as the Board of Trustees for the OPEB Plan. As such they are responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets.

OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the CRA.

Investment Policy – The OPEB Plan’s investment policies as stipulated in the OPEB Plan document and limit the Board of Trustees to invest excess funds in accordance with Chapter 203C of the Massachusetts General Laws.

Investment Rate of Return – For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 11.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Risk Financing

The CRA is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters for which the CRA carries commercial insurance. Additionally, premium-based health care plans sponsored by the CRA for its active employees and retirees is provided through the Group Insurance Commission. The amount of claim settlements has not exceeded insurance coverages in any of the previous three years.

The premium-based health care plans are administered through the Group Insurance Commission (GIC). Health care coverage provided for active employees is funded 75% through contributions by the CRA with the remaining 25% provided by participating employees. Dental coverage is provided 100% by the CRA. With regards to retirees' health care benefits, the retirees provide 10% – 20% of the contributions with the difference funded by the CRA.

D. Commitments and Contingencies

The CRA is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at December 31, 2021, cannot be determined, management believes that any resulting liability, if any should not materially affect the financial statements at December 31, 2021.

Additionally, the CRA maintains a specific, financial commitments relative to the contribution or lending of CRA cash assets at some point in the future as described below:

- The CRA has agreed to loan up to \$300,000 to a local entity relative to an affordable housing project. The loan recipient does not have any intent to drawdown funds against this loan until 2022.

IV. Implementation of GASB Pronouncements

Current Year Implementations

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The provisions of this Statement became effective for the CRA in fiscal year 2021. The adoption of this standard did not have an impact on the CRA's financial statements.

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this Statement became effective for the CRA in fiscal year 2021. The adoption of this standard did not have an impact on the CRA's financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. In addition to accounting and financial reporting implications that result from the replacement of an interbank offered rate (which become effective in fiscal year 2022), this Statement eliminated the use of LIBOR as an appropriate benchmark interest rate for derivative instruments that hedge interest rate risk of taxable debt for reporting periods effective fiscal year 2021. The adoption of this standard did not have an impact on the CRA's financial statements.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2021). The adoption of this standard did not have an impact on the CRA's financial statements in the current year but will be assessed on a year-by-year approach.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2021). The adoption of this standard did not have an impact on the CRA's financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The reporting provisions of this Statement are effective for financial reporting periods beginning after June 15, 2020 (fiscal year 2021). The adoption of this standard did not have an impact on the CRA's financial statements.

Future Year Implementations

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2022). The CRA is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The CRA is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The CRA is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet

the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The CRA is currently evaluating whether adoption will have a material impact on the financial statements.

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CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF THE CRA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| | Year Ended December 31, | | | | | | | |
|--|-------------------------|------------|------------|------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| CRA's proportion of the net pension liability (asset) | 0.29% | 0.19% | 0.19% | 0.19% | 0.16% | 0.12% | 0.08% | 0.05% |
| CRA's proportionate share of the net pension liability | \$ 10,844 | \$ 328,664 | \$ 455,776 | \$ 606,895 | \$ 290,744 | \$ 284,070 | \$ 222,380 | \$ 78,667 |
| CRA's covered-employee payroll | \$ 718,758 | \$ 489,219 | \$ 447,805 | \$ 439,975 | \$ 365,915 | \$ 265,156 | \$ 181,461 | \$ 109,314 |
| CRA's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 1.5% | 67.2% | 101.8% | 137.9% | 79.5% | 107.1% | 122.5% | 72.0% |
| Plan fiduciary net position as a percentage of the total pension liability | 99.80% | 90.65% | 85.81% | 79.89% | 88.02% | 83.08% | 79.60% | 87.51% |

SCHEDULE OF THE CRA'S CONTRIBUTIONS TO PENSION PLAN

| | Year Ended December 31, | | | | | | | |
|--|-------------------------|------------|------------|------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Actuarially determined contribution | \$ 156,160 | \$ 96,072 | \$ 86,224 | \$ 81,458 | \$ 64,851 | \$ 47,698 | \$ 30,041 | \$ 17,738 |
| Contributions in relation to the actuarially determined contribution | 156,160 | 96,072 | 86,224 | 81,458 | 64,851 | 47,698 | 30,041 | 17,738 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CRA's covered-employee payroll | \$ 718,758 | \$ 489,219 | \$ 447,805 | \$ 439,975 | \$ 365,915 | \$ 265,156 | \$ 181,461 | \$ 109,314 |
| Contributions as a percentage of covered-employee payroll | 21.73% | 19.64% | 19.25% | 18.51% | 17.72% | 17.99% | 16.56% | 16.23% |

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge Massachusetts)

REQUIRED SUPPLEMENTARY INFORMATION - OPEB (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

| | December 31 | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Total OPEB liability: | | | | | |
| Service cost | \$ 21,432 | \$ 21,423 | \$ 17,087 | \$ 22,849 | \$ 19,251 |
| Interest | 35,044 | 37,348 | 42,905 | 49,281 | 39,355 |
| Differences between expected and actual experience | (136,796) | - | (144,672) | - | 20,678 |
| Changes in assumptions | 188,085 | 80,887 | (58,898) | (58,482) | - |
| Benefit payments | (39,950) | (39,887) | (39,773) | (53,909) | (66,619) |
| Net change in total OPEB liability | 67,815 | 99,771 | (183,351) | (40,261) | 12,665 |
| Total OPEB liability - beginning of year | 777,076 | 677,305 | 860,656 | 900,917 | 888,252 |
| Total OPEB liability - end of year (a) | <u>\$ 844,891</u> | <u>\$ 777,076</u> | <u>\$ 677,305</u> | <u>\$ 860,656</u> | <u>\$ 900,917</u> |
| Plan fiduciary net position: | | | | | |
| Contributions - employer | \$ 46,950 | \$ 46,887 | \$ 46,773 | \$ 60,909 | \$ 80,619 |
| Net investment income (loss) | 4,918 | 4,724 | 4,214 | (1,278) | 1,510 |
| Benefit payments | (39,950) | (39,887) | (39,773) | (53,909) | (66,619) |
| Net change in Plan fiduciary net position | 11,918 | 11,724 | 11,214 | 5,722 | 15,510 |
| Plan fiduciary net position - beginning of year | \$ 44,170 | \$ 32,446 | \$ 21,232 | 15,510 | - |
| Plan fiduciary net position - end of year (b) | <u>\$ 56,088</u> | <u>\$ 44,170</u> | <u>\$ 32,446</u> | <u>\$ 21,232</u> | <u>\$ 15,510</u> |
| Net OPEB liability - end of year (a) - (b) | <u>\$ 788,803</u> | <u>\$ 732,906</u> | <u>\$ 644,859</u> | <u>\$ 839,424</u> | <u>\$ 885,407</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.64% | 5.68% | 4.79% | 2.47% | 1.72% |
| Covered-employee payroll | \$ 711,737 | \$ 522,552 | \$ 507,332 | \$ 403,194 | \$ 391,450 |
| Net OPEB liability as a percentage of covered-employee payroll | 110.83% | 140.26% | 127.11% | 208.19% | 226.19% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge Massachusetts)

REQUIRED SUPPLEMENTARY INFORMATION - OPEB (UNAUDITED)
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

| | December 31 | | | | |
|--|---|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Actuarially-determined contribution | \$ 51,574 | \$ 51,317 | \$ 59,144 | \$ 74,854 | \$ 71,434 |
| Contributions in relation to the actuarially-determined contribution | (46,950) | (46,887) | (46,773) | (60,909) | (80,619) |
| Contribution deficiency (excess) | \$ 4,624 | \$ 4,430 | \$ 12,371 | \$ 13,945 | \$ (9,185) |
| Covered-employee payroll | \$ 711,737 | \$ 522,552 | \$ 507,332 | \$ 403,194 | \$ 391,450 |
| Contribution as a percentage of covered-employee payroll | 6.60% | 8.97% | 9.22% | 15.11% | 20.59% |
| Valuation Date | January 1, 2021 | | | | |
| Amortization Period | 30 years | | | | |
| Investment rate of return | 6.19% | | | | |
| Municipal Bond Rate | 2.25% | | | | |
| Single Equivalent Discount Rate | 4.00% | | | | |
| Inflation | 2.50% | | | | |
| Healthcare cost trend rates | 4.50% | | | | |
| Salary increases | 3.00% | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | | | | |
| Asset Valuation Method | Market Value of Assets as of Reporting Date | | | | |

SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS

| | December 31 | | | | |
|---|-------------|--------|--------|--------|--------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Annual money-weighted rate of return, net of investment expense | 11.00% | 14.56% | 19.36% | -7.64% | 11.82% |

Note: These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

CAMBRIDGE REDEVELOPMENT AUTHORITY
(A Component Unit of the City of Cambridge, Massachusetts)

SUPPLEMENTARY INFORMATION - EXPENSE ALLOCATIONS - PROJECT COSTS SCHEDULE
YEAR ENDED DECEMBER 31, 2021

| Allocated Project Costs | Expense Categories | | | | | | | | | | | Totals |
|-------------------------------|--------------------|--------------------|--------------------------------------|--------------------|-------------------|---------------------|-----------------------|---------------------------|-------------------|------------------|---------------------|---------------------|
| | Salaries | Community Outreach | Marketing & Professional Development | Insurance | Office Management | Property Management | Professional Services | Redevelopment Investments | Foundry Fund | KSTEP Fund | Property Investment | |
| Alewife | \$ 12,785 | \$ - | \$ 11 | \$ - | \$ - | \$ - | \$ 11,213 | \$ - | \$ - | \$ - | \$ - | \$ 24,009 |
| Bishop Allen Drive | 74,761 | - | 8 | - | - | 950 | 7,458 | - | - | - | 229,709 | 312,886 |
| BA Operations | - | - | - | (15,437) | 606 | 6,941 | 4,320 | - | - | - | 205,104 | 201,534 |
| Forward Fund | 18,069 | - | - | - | 446 | - | - | 399,287 | - | - | - | 417,802 |
| Foundry | 40,669 | - | - | - | 2,261 | - | 13,844 | - | - | - | - | 56,774 |
| Foundry Restricted | - | - | 208 | - | - | - | 1,240 | - | 109,131 | - | - | 110,579 |
| Housing Community Improvement | (25) | - | - | - | - | - | - | - | - | - | - | (25) |
| KS Open Space | 29,003 | - | 476 | - | 300 | 37,065 | 20,214 | - | - | - | - | 87,058 |
| KSTEP | 32,979 | - | - | 218 | 84 | - | 50,427 | - | 82,433 | 77,604 | - | 243,745 |
| MFNH | 20,534 | - | - | - | 340 | - | 24,824 | - | - | - | - | 45,698 |
| MXD Commercial | 57,101 | - | 7 | - | 8 | - | 24,243 | - | - | - | - | 81,359 |
| MXD Housing | 10,747 | - | - | - | 300 | - | - | - | - | - | - | 11,047 |
| MXD Signage | 2,907 | - | - | - | - | - | - | - | - | - | - | 2,907 |
| Strategic Planning | 83,293 | - | 4,216 | - | 657 | - | 15,200 | - | - | - | - | 103,366 |
| Transport | 26,556 | - | - | - | 1,251 | - | 181,735 | - | - | - | - | 209,542 |
| Wellington-Harrington | - | - | - | - | 105 | - | - | - | - | - | - | 105 |
| Workforce Development | 3,719 | - | 38 | - | - | - | - | - | - | - | - | 3,757 |
| Totals | \$ 413,098 | \$ - | \$ 4,964 | \$ (15,219) | \$ 6,358 | \$ 44,956 | \$ 354,718 | \$ 399,287 | \$ 191,564 | \$ 77,604 | \$ 434,813 | \$ 1,912,143 |

See accompanying independent auditor's report.