



# Monthly Financial Reporting

## November 30, 2023

Public Meeting | Wednesday, January 17, 2024

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 Financials.
- Foundry Financials.
- Closing Statements/ Q&A

# Consolidated Statement of Activities: Cambridge Redevelopment Authority

Cambridge Redevelopment Authority					
Consolidated Statement of Activities- CRA					
January - November, 2023					
Income	Actuals	YTD Budget	Actuals VS YTD Budget		Annual Budget Reference
			Variance		
Proceeds from sale of development rights	\$ -	\$ 62,883,333	\$ (62,883,333)	\$	\$ 68,600,000
Operating Income	\$ 485,062	\$ 73,333	\$ 411,729	\$	\$ 80,000
Rental Income	\$ 1,380,447	\$ 1,383,250	\$ (2,803)	\$	\$ 1,509,000
Investment Income	\$ 1,205,745.99	\$ 916,667	\$ 289,079	\$	\$ 1,000,000
Other Revenue Adj.	\$ (28,842)	\$ 275,000	\$ (303,842)	\$	\$ 300,000
		\$ -	\$ -		
<b>Total</b>	<b>\$ 3,042,413</b>	<b>\$ 65,531,583</b>	<b>\$ (62,489,170)</b>	<b>\$</b>	<b>\$ 71,489,000</b>
Expenses	Actuals	YTD Budget	Actuals VS YTD Budget		Annual Budget Reference
			Variance		
Operating Expenses	\$ (1,954,518.73)	\$ (2,538,983)	\$ 584,464.60	\$	\$ (2,769,800.00)
Professional Services	\$ (564,433.97)	\$ (732,417)	\$ 167,982.70	\$	\$ (799,000.00)
Redevelopment	\$ (871,608.12)	\$ (1,911,250)	\$ 1,039,641.88	\$	\$ (2,085,000.00)
<b>Total Operating Expenses</b>	<b>\$ (3,390,561)</b>	<b>\$ (5,182,650)</b>	<b>\$ 1,792,089</b>	<b>\$</b>	<b>\$ (5,653,800)</b>
<b>Net Operating Income</b>	<b>\$ (348,147)</b>				
Other expenses (Depr.)	\$ (321,355.00)				
<b>Net Income</b>	<b>Actuals</b>				
Change in Net Assets	<b>\$ (669,502)</b>				

- CRA's income sources are rental/operating income from Bishop Allen and Foundry, investment income, and redevelopment right sales.
- "Year to date" (YTD) total revenue was \$3,042,413 for Operating, Rental, and Investment Income.
- Net operating income was -\$348,147 (Total revenue – total operating expenses).
- After accounting for depreciation expense (building and equipment), Change in Net Assets was -\$669,502.

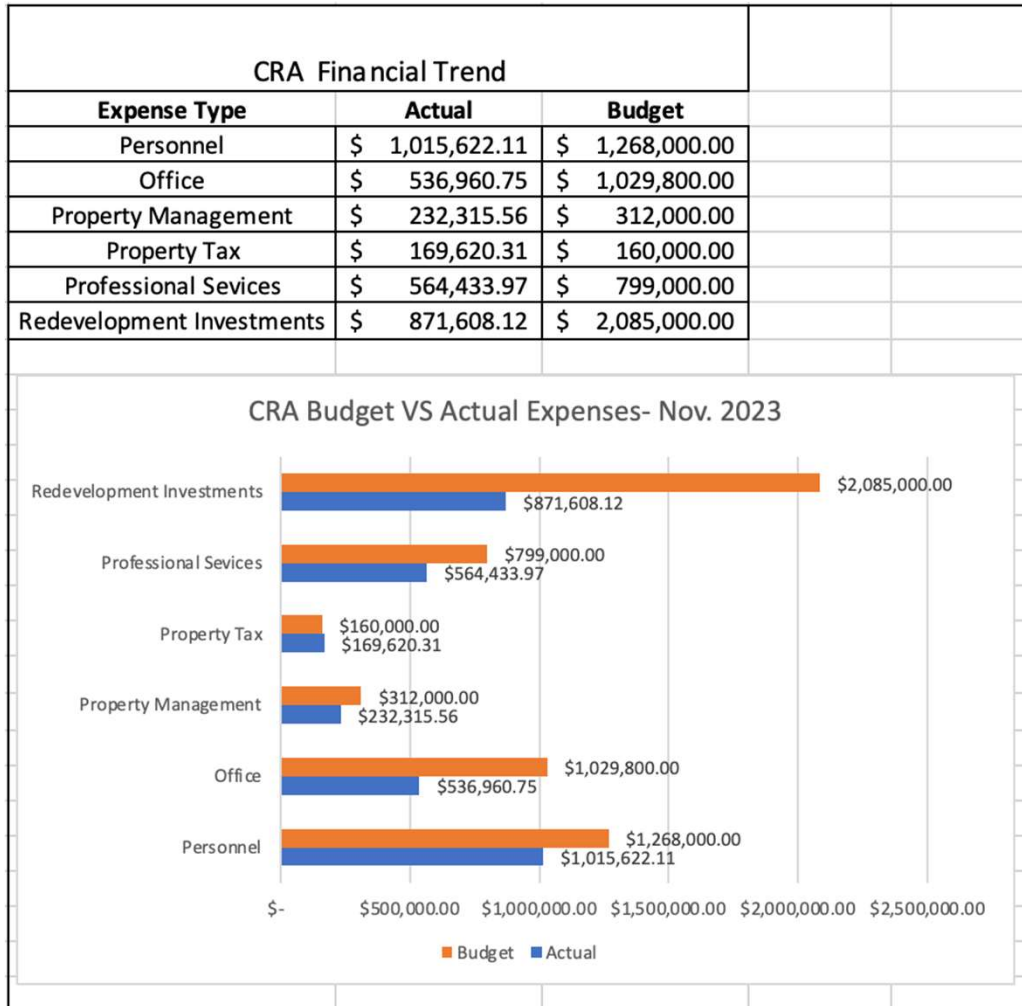
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		\$ -	\$ -	\$	
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<b>Net Income</b>	<b>Actuals</b>				
Change in Net Assets	\$ (669,502)				

- Note: As of statement date, the CRA did not receive budgeted “Proceeds from sale of development rights” for a total of \$68.6 million, explaining why the actuals vs budget variance is \$62.4 million.
- The development projects ran into roadblocks with permitting.



# CRA Budget VS. Actual Expenses (pg 3)

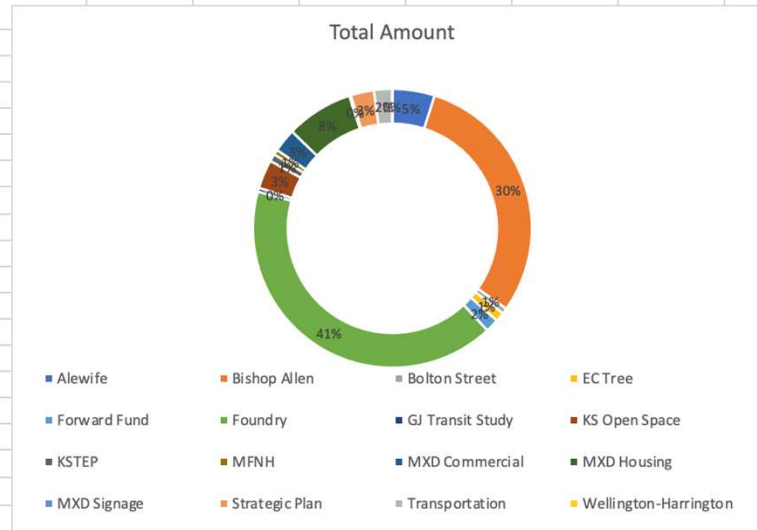


➤ The orange bar represents budgeted expenditures, and the blue represents actual expenses.

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

# CRA Budget VS. Actual Expenses (pg 4)

Total Expenses by Project through Nov. 2023		
Project Name	Total Amount	Percentage
Alewife	\$ 114,668.98	5%
Bishop Allen	\$ 697,928.17	30%
Bolton Street	\$ 15,086.37	1%
EC Tree	\$ 25,101.44	1%
Forward Fund	\$ 36,478.58	2%
Foundry	\$ 961,326.41	41%
GJ Transit Study	\$ 10,127.24	0.4%
KS Open Space	\$ 78,294.43	3%
KSTEP	\$ 20,383.77	1%
MFNH	\$ 13,837.31	1%
MXD Commercial	\$ 63,385.15	3%
MXD Housing	\$ 181,629.89	8%
MXD Signage	\$ 4,217.60	0.2%
Strategic Plan	\$ 63,141.85	3%
Transportation	\$ 48,578.72	2%
Wellington-Harrington	\$ 900.00	0.0%
<b>Total</b>	<b>\$ 2,335,085.91</b>	



- 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 5)

<b>CAMBRIDGE REDEVELOPMENT AUTHORITY</b>			
<b>Statement of Financial Position - November 30, 2023</b>			
<b>Assets</b>		<b>Actual</b>	
Cash & Cash Equivalents			
Bank		\$ 2,445,073	
Restricted		\$ -	
<b>Total Cash</b>		<b>\$ 2,445,073</b>	
Current Assets			
Accounts Receivable		\$ 392,427	
Investment		\$ 29,104,323	
Prepaid Expenses		\$ -	
Loans & Interest Receivable		\$ 788,545	
Other		\$ -	
<b>Total Current Assets</b>		<b>32,730,368</b>	
Fixed Assets		\$ 24,112,934	
Less: Accum Deprec/Amort		\$ (1,087,747)	
<b>Net Fixed Assets</b>		<b>23,025,187</b>	
Other Assets		\$ 3,022,610	
<b>Total Other Assets</b>		<b>3,022,610</b>	
<b>Total Assets</b>		<b>\$ 58,778,165</b>	

- As of November 30<sup>th</sup>, 2023, Available Cash & Cash Equivalents was \$2,445,073.
- Current Assets, which include Accounts Receivable, Investment, Loans, and Interest Receivable, had a total of \$30,285,295 which yielded a total Current Assets of \$32,730,368 (with Cash & Cash Equivalents added).
- Total Assets as of Nov. 30<sup>th</sup> was \$58,778,165 (Total Current Assets + Net Fixed Assets + Total Other Assets).

# CRA's Balance Sheet: Liabilities & Equity (pg 6)

<b>CAMBRIDGE REDEVELOPMENT AUTHORITY</b>			
<b>Statement of Financial Position - November 30, 2023</b>			
			<b>Actual</b>
<b><i>Liabilities &amp; Equity</i></b>			
	Current Liabilities		
	Accounts Payable	\$	81,940
	Credit Cards	\$	4,878
	Other Current Liabilities	\$	609,217
	<b><i>Total Current Liabilities</i></b>		<b>696,036</b>
	Long-Term Liabilities		
	Deferred Compensation	\$	-
	Loan Payable	\$	6,396,562
	Deferred Revenue (Security Dep)	\$	78,096
	<b>Total Lon-Term Liabilities</b>		<b>6,474,658</b>
	<b><i>Total Liabilities</i></b>	<b>\$</b>	<b>7,170,694</b>
	Restricted Funds	\$	9,285,530
	Net Assets	\$	42,991,444
	Change in Net Assets	\$	(669,502)
<b><i>Equity</i></b>			
	<b>Total Net Position</b>		<b>51,607,471</b>
	<b><i>Total Liabilities &amp; Net Assets</i></b>	<b>\$</b>	<b>58,778,165</b>

- Total Current Liabilities was \$696,036.
  - Example: Credit Cards and other unearned pre-payment work received for Danny Lewin and Grand Junction study work.
- Long-term liabilities for loans and security deposits totaled \$6,474,658.
- Total Equity was \$51,607,471.



# CRA's Balance Sheet: Liabilities & Equity

CAMBRIDGE REDEVELOPMENT AUTHORITY				CAMBRIDGE REDEVELOPMENT AUTHORITY			
Statement of Financial Position - November 30, 2023				Statement of Financial Position - November 30, 2023			
<u>Assets</u>		Actual		<u>Liabilities &amp; Equity</u>		Actual	
Cash & Cash Equivalents				Current Liabilities			
Bank		\$	2,445,073	Accounts Payable	\$	81,940	
Restricted		\$	-	Credit Cards	\$	4,878	
<b>Total Cash</b>		\$	<b>2,445,073</b>	Other Current Liabilities	\$	609,217	
Current Assets				<b>Total Current Liabilities</b>			<b>696,036</b>
Accounts Receivable		\$	392,427	Long-Term Liabilities			
Investment		\$	29,104,323	Deferred Compensation	\$	-	
Prepaid Expenses		\$	-				
Loans & Interest Receivable		\$	788,545	Loan Payable	\$	6,396,562	
Other		\$	-	Deferred Revenue (Security Dep)	\$	78,096	
<b>Total Current Assets</b>			<b>32,730,368</b>	Total Lon-Term Liabilities		6,474,658	

- **Current Ratio= 47 (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 3.5; 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 (pg 7)

<b>Cambridge Redevelopment Authority</b>				
<b>Statement of Activities- Bishop Allen Ave</b>				
<b>January - November, 2023</b>				
			<b>Actuals VS YTD Budget</b>	<b>Annual Budget Reference</b>
<b>Income</b>	<b>Actuals</b>	<b>YTD Budget</b>	<b>Variance</b>	
Grants	\$ 30,000	\$ -	\$ 30,000	\$ -
Operating Income	\$ -	\$ 23,074	\$ (23,074)	\$ 25,172
Rental Income	\$ 658,294	\$ 595,406	\$ 62,888	\$ 649,534
Investment Income	\$ 19	\$ -	\$ 19	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 688,313</b>	<b>\$ 618,481</b>	<b>\$ 69,832</b>	<b>\$ 674,706</b>
			<b>Actuals VS YTD Budget</b>	<b>Annual Budget Reference</b>
<b>Expenses</b>	<b>Actuals</b>	<b>YTD Budget</b>	<b>Variance</b>	
Operating Expenses	\$ (242,430.29)	\$ (199,654)	\$ (42,776.62)	\$ (217,804.00)
Professional Services	\$ (315.00)	\$ -	\$ (315.00)	\$ -
Redevelopment Investments	\$ (198,136.88)	\$ (334,023)	\$ 135,886.37	\$ (364,389.00)
<b>Total Operating Expenses</b>	<b>\$ (440,882)</b>	<b>\$ (533,677)</b>	<b>\$ 92,795</b>	<b>\$ (582,193)</b>
<b>Net Operating Income</b>	<b>\$ 247,430.74</b>			
Other expenses (Building Deprec.)	\$ (257,046.00)			
<b>Net Income</b>	<b>Actuals</b>			
<b>Change in Net Assets</b>	<b>\$ (9,615)</b>			

## Financials

- Total Revenue as of statement date was \$688,313, with total expenses of \$440,882, yielding a Net Operating Income of \$247,431.
- After accounting for depreciation expense for building, B.A had a Change in Net Assets of negative \$9,615.
- Special Note: The building is fully rented to non-profits with 9 leased offices.

# Statement of Activities: Foundry (pg 8)

Cambridge Redevelopment Authority				
Statement of Activities- Foundry				
January - November, 2023				
Income	Actuals VS YTD Budget			Annual Budget Reference
	Actuals	YTD Budget	Variance	
Operating Income	\$ 39,934	\$ 45,833	\$ (5,900)	\$ 50,000
Rental Income	\$ 659,748	\$ 734,056	\$ (74,307)	\$ 800,788
Investment Income	\$ -	\$ -	\$ -	
Other Revenue	\$ -	\$ -	\$ -	
		\$ -	\$ -	
<b>Total</b>	<b>\$ 699,682</b>	<b>\$ 779,889</b>	<b>\$ (80,207)</b>	<b>\$ 850,788</b>
Expenses	Actuals VS YTD Budget			Annual Budget Reference
	Actuals	YTD Budget	Variance	
Operating Expenses	\$ (300,582.91)	\$ (242,667)	\$ (57,916.24)	\$ (364,000.00)
Professional Services	\$ (14,561.50)	\$ -	\$ (14,561.50)	\$ -
Redevelopment	\$ (646,182.00)	\$ (429,755)	\$ (216,427.33)	\$ (644,632.00)
<b>Total Operating Expenses</b>	<b>\$ (961,326)</b>	<b>\$ (672,421)</b>	<b>\$ (288,905)</b>	<b>\$ (1,008,632)</b>
<b>Net Operating Income</b>	<b>\$ (261,645)</b>			
Other expenses (Equipment Depr.)	\$ (48,684.00)			
<b>Net Income</b>	<b>Actuals</b>			
<b>Change in Net Assets</b>	<b>\$ (310,329)</b>			

## Highlights

- Total Revenue was \$699,682, with total operating expenses of \$961,326, yielding a Net Operating Income of negative \$261,645.
- After accounting for depreciation expense for equipment, Foundry had a Change in Net Assets of negative \$-310,329.
- One Suite is unoccupied. For most of the year, a large section of the third floor was unrented.
- Special Note:
  - During November, the CRA paid City tax on the property for \$169,620.

# Closing Statements Q&A

- CRA continues to evaluate market factors that affect its operation and financial activities.
- Challenges:
  - For Foundry, finding tenants for large office space was a challenge, therefore the space had to be modified to attract tenants.
  - The CRA paid taxes for the Foundry building and operating support of \$646K to the Foundry Consortium.
  - For Bishop Allen, there has been water infiltration and moisture in tenant spaces which resulted in construction cost and rent abatement to impacted tenants.
  - For cash reserve saving, financial market volatility affects the CRA's investment portfolio.
  - Overall economic inflation had a price impact on materials, supplies, and labor cost for professional services.