



Monthly Financial Reporting

July 31, 2023

Public Meeting | Wednesday, September 20, 2023

Presentation by: Gardy Laurent, Director of Finance and Operations





Presentation Topics:

- Statement of Activities Terms/Definitions
- Consolidated Statement of Activities
 - Income
 - Expenses
 - Change in Net Assets
- Statement of Activities: Bishop Allen.
 - Income
 - Expenses
 - Change in Net Assets
- Statement of Activities: Foundry.
 - Income
 - Expenses
 - Change in Net Assets
- CRA Financial Position
 - Balance Sheet: Assets, Liabilities & Equities.
- Closing Statements/ Q&A

Statement Key Terms

Statement of Activities

Income	Year to Date		Yearly Budget	Variance		Expenses	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget		July-23	Budget	2023	YTD Budget	Total Budget

- ❓ For Statement of Activities (page 2), the left tables show details for Revenue/Income, and the right tables show Expenses.
- ❓ Year to date: This report provides details from January 1 – July 31, 2023.
- ❓ Year to Date Budget: The budget line is divided into several months. For example, an annual budget of \$50K, would show a year-to-date budget in July for \$7,143 representing 7 months.
 - Note: Activities for revenue and expenses vary from month to month, therefore year to date budget might not be a good reflection of actuals.

Statement Key Terms Con...

Statement of Activities

Income	Year to Date		Yearly Budget 2023	Variance		Expenses	Year to Date		Yearly Budget 2023	Variance	
	July-23	Budget		YTD Budget	Total Budget		July-23	Budget		YTD Budget	Total Budget

- Yearly Budget: The total annual adopted budget for each category.
- Under Variance, the “YTD Budget” is the difference between actuals (revenue and expenses) and “year to date” budget. The “total Budget” shows the difference between the actuals (revenue and expenses) and total yearly budget.

Net Assets	Year to Date		Yearly Budget 2023	Variance	
	July-23	Budget		YTD Budget	Total Budget
Change in Net Assets	\$ (11,880)	\$ 20,731	\$ 35,539	\$ (32,611)	\$ (47,419)

- The bottom right side of the tables is the Net Assets- Change in Net Assets.
- Change in Net Assets is the difference between total income for each category on the left side to total expenses on the right side.

Consolidated Statement of Activities: Cambridge Redevelopment Authority

Statement of Activities

Income	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Proceeds from sale of development rights	\$ -	\$ 40,016,667	\$ 68,600,000	\$ (40,016,667)	\$ (68,600,000)
Operating Income	\$ 471,976	\$ 46,667	\$ 80,000	\$ 425,309	\$ 391,976
Rental Income	\$ 816,273	\$ 880,250	\$ 1,509,000	\$ (63,977)	\$ (692,727)
Investment Income	\$ 1,139,836	\$ 583,333	\$ 1,000,000	\$ 556,503	\$ 139,836
Other Revenue	\$ (28,842)	\$ 175,000	\$ 300,000	\$ (203,842)	\$ (328,842)
Total	\$ 2,399,244	\$ 41,701,917	\$ 71,489,000	\$ (39,302,673)	\$ (69,089,756)

- ❓ The above “Statement of Activities” incorporates all of CRA’s income sources as of July 31st, 2023 (e.g.: Bishop Allen, Foundry, and CRA’s activities).
- ❓ “Year to date” (YTD) total revenue was \$2,399,244 for Operating, Rental and Investment Income.
- ❓ Under Variance, the total difference between YTD actual income vs. budgeted amount was -\$39,302,673 because CRA did not receive budgeted “Proceeds from Sale of Development Rights” as of the statement date.

Consolidated Statement of Activities: Cambridge Redevelopment Authority

Expenses	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Operating Expenses	\$ 1,258,588	\$ 1,615,717	\$ 2,769,800	\$ (357,129)	\$ (1,511,212)
Professional Services	\$ 236,867	\$ 466,083	\$ 799,000	\$ (229,217)	\$ (562,134)
Redevelopment Investments	\$ 637,909	\$ 1,466,250	\$ 2,085,000	\$ (828,341)	\$ (1,447,091)
Net Other Exp (Inc)	\$ 190,754	\$ -	\$ -	\$ 190,754	\$ 190,754
Total	\$ 2,324,117	\$ 3,548,050	\$ 5,653,800	\$ (1,223,933)	\$ (3,329,683)

Net Assets	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Change in Net Assets	\$ 75,127	\$ 38,153,867	\$ 65,835,200	\$ (38,078,740)	\$ (65,760,073)

- ❓ Total YTD actual expense was \$2,324,117; a difference of \$1,223,933 lower than budgeted expenditures as we continue our expansion and hiring efforts.
 - Net Other Inc(Exp) includes loan forgiveness (\$15,625) and Depreciation expenses for building and equipment (175,129).
- ❓ Overall consolidated activities yield a positive “change in Net Assets” of 75,127 (the difference between total revenue of \$2,399,244 minus total expenses of \$2,324,117).

Statement of Activities: Bishop Allen

Statement of Activities - Bishop Allen

Income	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Operating Income	\$ -	\$ 14,684	\$ 25,172	\$ (14,684)	\$ (25,172)
Rental Income	\$ 406,285	\$ 378,895	\$ 649,534	\$ 27,390	\$ (243,249)
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 406,285	\$ 393,579	\$ 674,706	\$ 12,707	\$ (268,421)

- ❓ Year-to-date (YTD) total revenue for Bishop Allen as of July 31st, 2023 was \$406,285 for Rental Income.
- ❓ The total difference between YTD actual income vs. budgeted amount was \$12,707 higher than the projected revenue of \$393,579.
- ❓ Special Note: The building is fully rented with 9 office leased spaces.

Statement of Activities: Bishop Allen cont...

Expenses	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Operating Expenses	\$ 131,028	\$ 127,052	\$ 217,804	\$ 3,976	\$ (86,776)
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
Redevelopment Investments	\$ 121,730	\$ 212,560	\$ 364,389	\$ (90,830)	\$ (242,659)
Net Other Exp (Inc)	\$ 165,407	\$ 33,235	\$ 56,974	\$ 132,172	\$ 108,433
Total	\$ 418,165	\$ 372,847	\$ 639,167	\$ 45,318	\$ (221,002)

Net Assets	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Change in Net Assets	\$ (11,880)	\$ 20,731	\$ 35,539	\$ (32,611)	\$ (47,419)

- ? Total YTD actual expense was \$418,165; a difference of \$45,318 higher than budgeted expenditure (Further details in Closing Statement).
 - Accounting adjustment for 93-99 Bishop Allen building depreciation of \$145,266 per accounting reporting standards.
 - Equipment and other depreciation expense journal entry of \$20,141.
- ? Overall activities for the location had a negative “change in Net Assets” of -\$11,880 (the difference between total revenue of \$406,285 minus total expenses of \$418,165).

Statement of Activities: Foundry

Statement of Activities - Foundry

Income	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Operating Income	\$ 26,847	\$ 29,167	\$ 50,000	\$ (2,320)	\$ (23,153)
Rental Income	\$ 395,760	\$ 467,126	\$ 800,788	\$ (71,366)	\$ (405,028)
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 422,607	\$ 496,293	\$ 850,788	\$ (73,686)	\$ (428,181)

- ❓ Year-to-date (YTD) total revenue for the Foundry as of July 31st, 2023 was \$422,607 for Rental and Operating Income.
- ❓ The total difference between YTD actual income vs. budgeted amount was -\$73,686, which is behind budget due to unoccupied rental spaces.
- ❓ Special Note:
 - CRA has executed a contract with Olema Pharmaceuticals, Inc. effective September 15th with rent commencement date of November 15th.
 - CRA has only Suite 3B unoccupied.

Statement of Activities: Foundry cont...

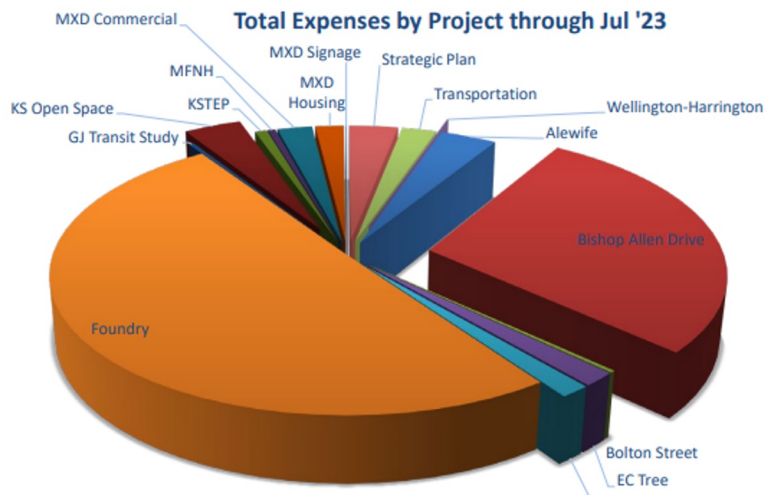
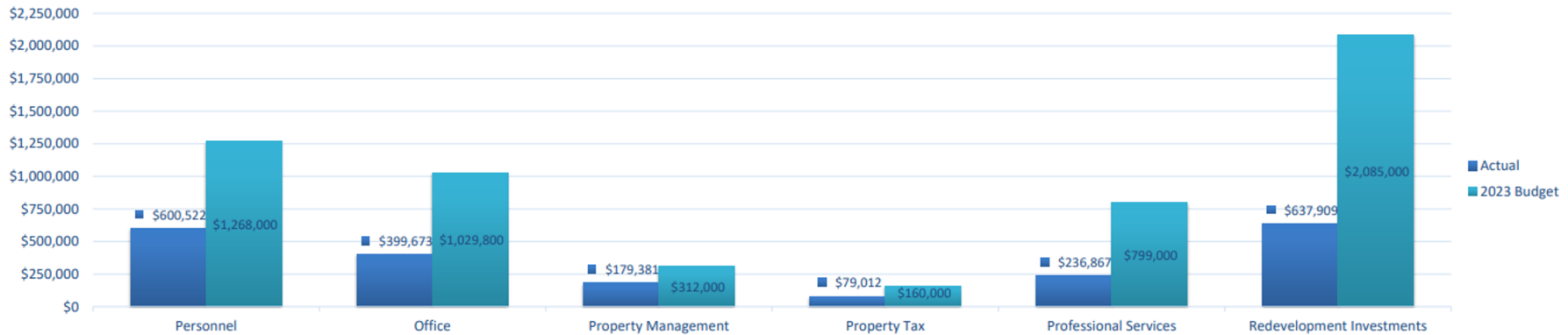
Expenses	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Operating Expenses	\$ 193,655	\$ 212,333	\$ 364,000	\$ (18,678)	\$ (170,345)
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -
Redevelopment Investments	\$ 495,721	\$ 376,035	\$ 644,632	\$ 119,685	\$ (148,912)
Net Other Exp (Inc)	\$ 9,722	\$ -	\$ -	\$ 9,722	\$ 9,722
Total	\$ 699,098	\$ 588,369	\$ 1,008,632	\$ 110,729	\$ (309,534)

Net Assets	Year to Date		Yearly Budget	Variance	
	July-23	Budget	2023	YTD Budget	Total Budget
Change in Net Assets	\$ (276,491)	\$ (92,076)	\$ (157,844)	\$ (184,415)	\$ (118,647)

- ❑ Total YTD actual expense was \$699,098; a difference of \$110,729 higher than budgeted expenditures.
- ❑ Overall activities for the location had a “change in Net Assets” of - \$276,491 (the difference between total revenue of \$422,607 minus total expenses of \$699,098).

CRA Budget VS. Actual Expenses (pg 3)

CRA Budget vs. Actual Expenses Jul '23



- ❓ CRA’s top two investments yielding high expenses are Foundry and Bishop Allen (two large portions of the pie illustration).
- ❓ The Foundry is not yet fully occupied and CRA’s operating reserve has been absorbing the deficits.
- ❓ Other programs/expenses include KSTEP, Strategic Plan, GJ Transit Study, KS Open Space, MFNH, MXD Housing, MXD Signage, Wellington-Harrington, Alewife Bolton Street, EC Tree.

CRA's Balance Sheet: Assets (pg 4)

		Jul-23 Actual
Assets		
Cash & Cash Equivalents		
Bank	\$	2,630,398
Restricted	\$	-
	Total Cash	\$ 2,630,398
Current Assets		
Accounts Receivable	\$	344,693
Investment	\$	29,630,377
Prepaid Expenses	\$	-
Loans & Interest Receivable	\$	1,195,565
Other	\$	-
	Total Current Assets	33,801,033
Fixed Assets	\$	24,091,193
Less: Accum Deprec/Amort	\$	(965,777)
	Net Fixed Assets	23,125,416
Other Assets	\$	3,031,241
	Total Other Assets	3,031,241
	Total Assets	\$ 59,957,690

☐ As of July 31st, 2023, Available Cash & Cash Equivalents was \$2,630,398.

☐ Current Assets, which include Accounts Receivable, Investment, Loans, and Interest Receivable, had a total of \$31,170,635 which yielded a total Current Assets of \$33,801,033 (with Cash & Cash Equivalents added).

☐ Total Assets as of July 31st was \$59,957,690 (Total Current Assets + Net Fixed Assets + Total Other Assets).

CRA's Balance Sheet: Assets Cont.

<u>Assets</u>	Jul-23 Actual
Cash & Cash Equivalents	
Bank	\$ 2,630,398
Restricted	\$ -
Total Cash	\$ 2,630,398
Current Assets	
Accounts Receivable	\$ 344,693
Investment	\$ 29,630,377
Prepaid Expenses	\$ -
Loans & Interest Receivable	\$ 1,195,565
Other	\$ -
Total Current Assets	33,801,033
Fixed Assets	\$ 24,091,193
Less: Accum Deprec/Amort	\$ (965,777)
Net Fixed Assets	23,125,416
Other Assets	\$ 3,031,241
Total Other Assets	3,031,241
Total Assets	\$ 59,957,690

- ☐ Items that fall under Other Assets of \$3,031,241 include;
- Parcel 6 (Third & Binney Streets) 28-43
 - Broadway & Main (Galaxy Park)
 - Main Street Sidewalk 44-102
 - Bolton Street (Walden Sq).

CRA's Balance Sheet: Liabilities & Equity

Liabilities & Equity

Current Liabilities

Accounts Payable	\$	122,149
Credit Cards	\$	7,985
Other Current Liabilities	\$	647,921

Total Current Liabilities		778,056
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Long-Term Liabilities

Loan Payable	\$	6,448,174
Deferred Revenue (Security Dep)	\$	56,321

Total Liabilities	\$	7,282,551
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Equity

Restricted Funds	\$	13,186,069
Net Assets	\$	39,413,944
Change in Net Assets	\$	75,127

Total Net Position		52,675,139
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Total Liabilities & Net Assets	\$	59,957,690
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- ❑ Total Current Liabilities was \$778,056.
 - Ex: Credit Cards and other borrowed funds.
- ❑ Long-term liabilities for loans and security deposits totaled \$6,504,495.
- ❑ Total Equity was \$52,675,139.



CRA's Cash, Investments and Net Position

Statement of Financial Position

Cash, Investments and Net Position	Year to Date		
	July-23	July-22	Variance
Cash and Cash Equivalent	\$ 2,630,398	\$ 3,047,341	\$ (416,943)
Investments	\$ 29,630,377	\$ 31,759,683	\$ (2,129,306)
Total	\$ 32,260,775	\$ 34,807,024	\$ (2,546,249)
Restricted Funds	\$ 13,186,069	\$ 13,210,706	\$ (24,637)
Net Assets	\$ 39,413,944	\$ 45,063,950	\$ (5,650,006)
Change in Net Assets	\$ 75,127	\$ (7,096,640)	\$ 7,171,767
Total Net Position	\$ 52,675,139	\$ 51,178,016	\$ 1,497,124

- ❑ The statement above depicts CRA's Cash/Liquidity position as of July 31, 2023.
- ❑ Liquid cash and investments had a balance of \$32,260,775.
- ❑ CRA's Total Net Position was \$52,675,139 (for restricted funds, net assets, and change in net assets) ; a decrease of \$1.4 million compared to July of 2022.

Closing Statements Q&A

- ❓ CRA continues to research and evaluate investment opportunities that align with its missions, visions, and Strategic Plans.
- ❓ Research:
 - GASB No. 34 and Uniform Massachusetts Accounting Systems (UMAS) for depreciation expense financial accounting reporting standards.
 - GASB No. 87 for lease reporting standards and reporting (effective June 2021)
 - Property taxes to CRA.
 - Enhancement to monthly financial reporting.
 - Analyze enterprise government accounting software suitable for CRA operating activities.