



Third Quarter Financial Reporting

September 30, 2023

Public Meeting | Wednesday, November 15, 2023

Presentation by: Gardy Laurent, Director of Finance and Operations





Presentation Topics:

- CRA's Consolidated Financial Highlights
- Bishop Allen Discussion.
- Foundry Discussion.
- Closing Statements/ Q&A

Cambridge Redevelopment Authority: Financial Highlights

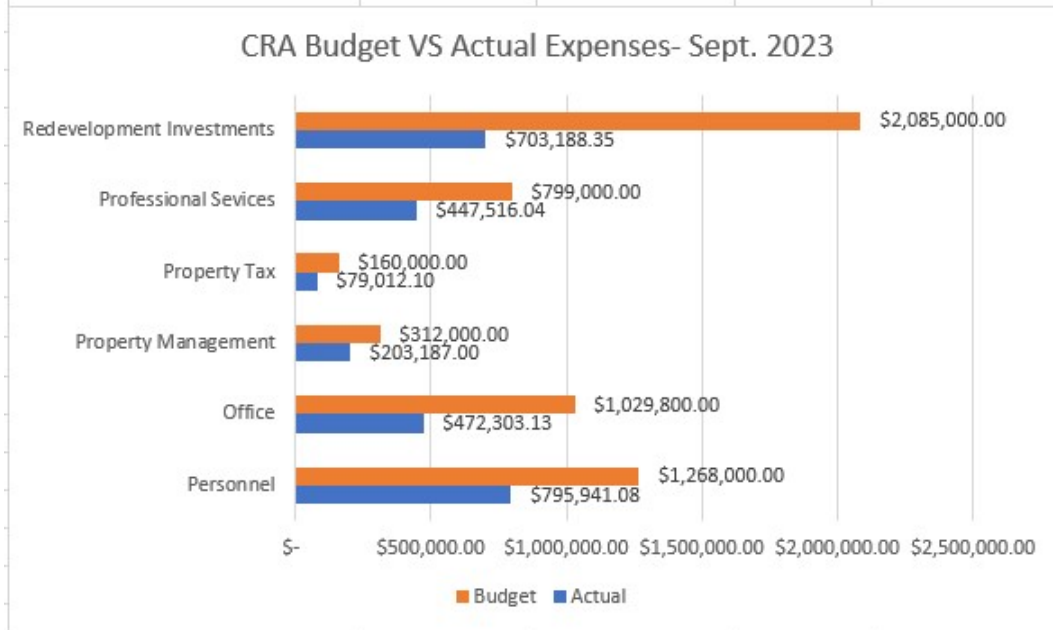
| Cambridge Redevelopment Authority | | | |
|---|-----------------------|-----------------------|-------------------------|
| Consolidated Statement of Activities- CRA | | | |
| FY 2023 VS FY 2022 (Jan. - Sept) | | | |
| | FY 2023 | FY 2022 | FY 2023 - 2022 |
| <i>Income</i> | Actuals | Actuals | Variance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

Highlights

- The “Statement of Activities” on the left is a comparison of CRA’s third-quarter financial position for FY 2023 VS FY2022.
- CRA yielded higher revenue in FY 2023 because of higher Investment Income Gain compared to last year.
- Bishop Allen's operation for the full year in FY 2023. The building was not fully occupied last year because it was under construction/renovation.
- Note: From August – September 2023, CRA’s Investment Income decreased by \$407,162 because of the financial market volatility.

CRA Budget VS. Actual Expenses (pg 3)

| CRA Financial Trend | | |
|---------------------------|--------------|----------------|
| Expense Type | Actual | Budget |
| Personnel | \$795,941.08 | \$1,268,000.00 |
| Office | \$472,303.13 | \$1,029,800.00 |
| Property Management | \$203,187.00 | \$ 312,000.00 |
| Property Tax | \$ 79,012.10 | \$ 160,000.00 |
| Professional Sevices | \$447,516.04 | \$ 799,000.00 |
| Redevelopment Investments | \$703,188.35 | \$2,085,000.00 |

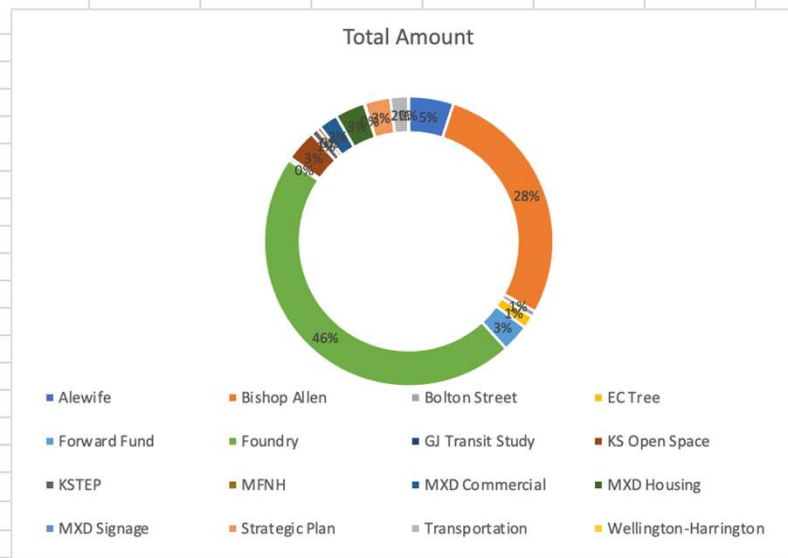


Highlights

- The CRA continues to operate within its budget and expand its hiring efforts.
- As of this statement date, the CRA has not received the budgeted sale of development rights income of \$68.6 million.

CRA Budget VS. Actual Expenses (pg 3)

| Total Expenses by Project through Sept. 2023 | | |
|--|------------------------|------------|
| Project Name | Total Amount | Percentage |
| Alewife | \$ 88,153.72 | 5% |
| Bishop Allen | \$ 492,390.16 | 28% |
| Bolton Street | \$ 11,774.44 | 1% |
| EC Tree | \$ 24,837.67 | 1% |
| Forward Fund | \$ 54,821.50 | 3% |
| Foundry | \$ 811,276.90 | 46% |
| GJ Transit Study | \$ 5,695.94 | 0.3% |
| KS Open Space | \$ 61,359.56 | 3% |
| KSTEP | \$ 13,600.11 | 1% |
| MFNH | \$ 7,820.41 | 0% |
| MXD Commercial | \$ 37,476.23 | 2% |
| MXD Housing | \$ 58,569.99 | 3% |
| MXD Signage | \$ 1,543.66 | 0.1% |
| Strategic Plan | \$ 50,557.39 | 3% |
| Transportation | \$ 35,031.19 | 2% |
| Wellington-Harrington | \$ 900.00 | 0.1% |
| Total | \$ 1,755,808.87 | |



- 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.

Statement of Activities: Bishop Allen

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

Highlights

- Change in Net Assets of \$14,378 (Total Revenue minus Total Income).
- Special Note: The building is fully rented with 9 non-profit office leased spaces.

Statement of Activities: Foundry

Highlights

- Change in Net Assets of negative \$186,249 (Total Revenue minus Total Income).
- One Suite (3B) remains unoccupied with a potential tenant in the pipeline.
- Special Note:
 - CRA has executed a contract with Olema Pharmaceuticals, Inc. effective September 15th with a rent commencement date of November 15th.

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

Closing Statements

Q&A

- Impact on Investment Income due to financial market volatility.
- The CRA's current investment portfolio is conservatively diversified with 70 percent allocation in US treasuries and 30 percent invested in state-listed stocks through the Division of Banks Legal List of Investment.
- CRA continues to evaluate and invest in programs that align with its goals and strategic plans.
- The CRA implemented a Smartsheet procurement contract management system.
- The FY 2024 budget will be presented in the December board meeting.