

MEMORANDUM

To: CRA Board

From: Hema Kailasam

Date: November 12, 2022

Re: September 2022 Financial Summary

FINANCIAL PERFORMANCE

NOTE: The CRA has income from development fees that are large and intermittent. These large deposits are the primary source of cash for operations and redevelopment investments. The monthly income includes income generated from operations and the activity from the investment account. Investment income includes interest and dividends and the unrealized gain or loss of the portfolio each month.

The sum of these components is the total income for the period. The net deficit/net surplus reflects the total sum of the income from operations and the unrealized gain or loss from investment income less the total expenses for the period. Any period when there is an unrealized loss in investment income will result in a greater deficit for the period.

In evaluating the CRA's financial performance, the tracking of expenses versus the approved annual budget is critical. The budget assumes that all shortfall in operating revenues will be covered by drawing down on the investment portfolio. This is shown in our annual budget presentation in the "Sources and Uses".

- Through September 30, 2022, the total unrealized investment income loss was **\$1,578,487** and total income from operations was \$975,580.
- Total income from operations and unrealized loss in investment income for the year through September 30, 2022, was a loss of **\$602,907**.
- Through September 30, 2022, total operating expenses were \$1,091,511. Through September 30, 2022, Professional Services totaled \$491,440. Redevelopment investments were \$5,888,252.
- Through September 30, 2022, the cumulative deficit was **\$9,102,551**. This reflects the payments of \$5,000,000 to the City of Cambridge for the construction of the Foundry, payments to GVV for 99 Bishop Allen renovation project. There are also Foundry expenses for furniture, fixtures and equipment (FFE) and operator support of \$500,711.
- For the Bishop Allen renovation project through September 30, 2022, total Bishop Allen renovations costs both hard and soft costs totaled \$1,028,341. Life to date total spending is 11,381,855 The approved total budget was \$11,411,000 including the solar project.
- The balance sheet from the prior period of March 31, 2022 shows a drop in assets of \$5,776,085. This reflects the loss in the investment portfolio, operations, payments to the City for the Foundry construction, operator support and 99 Bishop Allen renovations.

99 BISHOP ALLEN OPERATIONS

- The income from operations through September 30, 2022, was \$489,618. This total includes monthly rents, parking and electricity reimbursements collected.
- Operating expenses through September 30, 2022, were \$134,223. The mortgage interest and amortizations paid through September 30, 2022 was \$290,722.
- After financing costs, the net income was \$64,673 through September 30, 2022.
- The budget includes a five per cent (5%) annual contribution to a capital reserve account.



Thru 09/30/2022

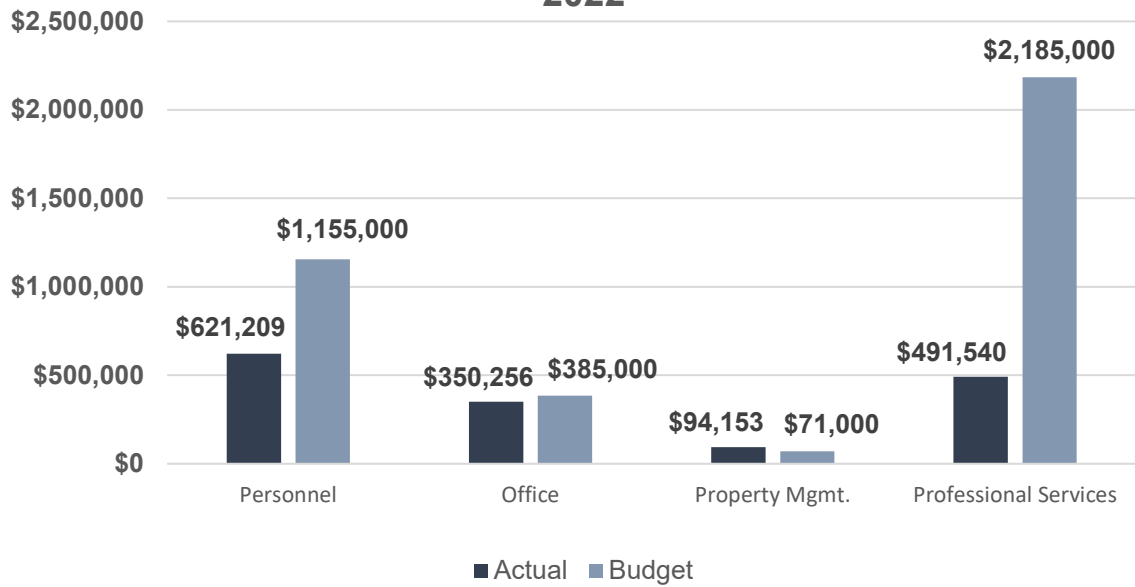
	Actuals	Budget
4000 Income		
4200 Operating Revenue	\$975,580	\$1,476,000
4300 Investment Income	(\$1,578,487)	\$500,000
TOTAL INCOME	(\$602,907)	\$1,976,000
6000 Operating Expenses		
6110 Personnel	\$621,209	\$1,155,000
6200 Office	\$350,256	\$385,000
6300 Property Management	\$94,153	\$71,000
Total 6000 Operating Expenses	\$1,091,511	\$1,611,000
7000 Professional Services		
7001 Construction Management	\$14,850	\$110,000
7002 Design - Architects	\$66,904	\$474,000
7003 Design - Landscape Architects	\$122,201	\$426,000
7004 Design - Engineers	\$0	\$287,000
7005 Legal	\$67,217	\$110,000
7006 Real Estate & Finance	\$30,519	\$120,000
7007 Planning and Policy	\$2,613	\$50,000
7009 Accounting	\$5,000	\$25,000
7010 Marketing / Graphic Design	\$0	\$1,000
7012 Web Design / GIS		\$1,000
7013 Land and Building Surveys		\$10,000
7014 Records Management / Archivist	\$853	\$25,000
7017 Transportation Planning		\$400,000
7018 Investment Services	\$57,958	\$50,000
7020 Information Technology Services	\$9,705	\$20,000
7021 Insurance Consultant	\$6,075	\$10,000
7022 Construction/Project Management		
7023 Real Estate Commissions	\$74,903	
7024 Recruiter/HR Consultant	\$32,742	\$66,000
Total 7000 Professional Services	\$491,540	\$2,185,000
8000 Redevelopment Investments		
8200 Forward Fund	\$0	\$0
8400 Foundry	\$5,710,421	\$4,000,000
8500 KSTEP Fund	\$7,129	\$0
8710 Acquisitions	\$10,000	\$40,000
8720 Mortgage Interest	\$160,702	
8800 Rindge Connectivity		\$600,000
Total 8000 Redevelopment Investments	\$5,888,252	\$4,640,000
TOTAL EXPENSES	\$7,471,303	\$8,436,000
Total Surplus/Deficit	(\$8,074,210)	(\$6,460,000)

	Year to Date	LTD Expenses	Approved Budget Jan 2021
8800 99 Bishop Allen			
8801 Hard Costs	\$921,923	\$9,690,653	\$9,427,356
8802 Soft Costs	\$82,004	\$1,666,788	\$1,872,644
8805 Solar Project	\$24,414	\$24,414	\$111,000
Total 8000 99 Bishop Allen	\$1,028,341	\$11,381,855	\$11,411,000

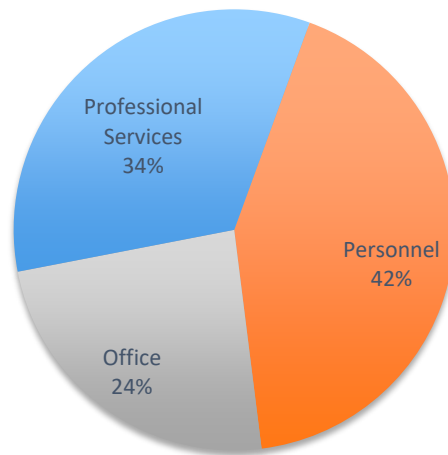
TOTAL EXPENSES \$8,499,644

TOTAL NET SURPLUS/DEFICIT \$9,102,551

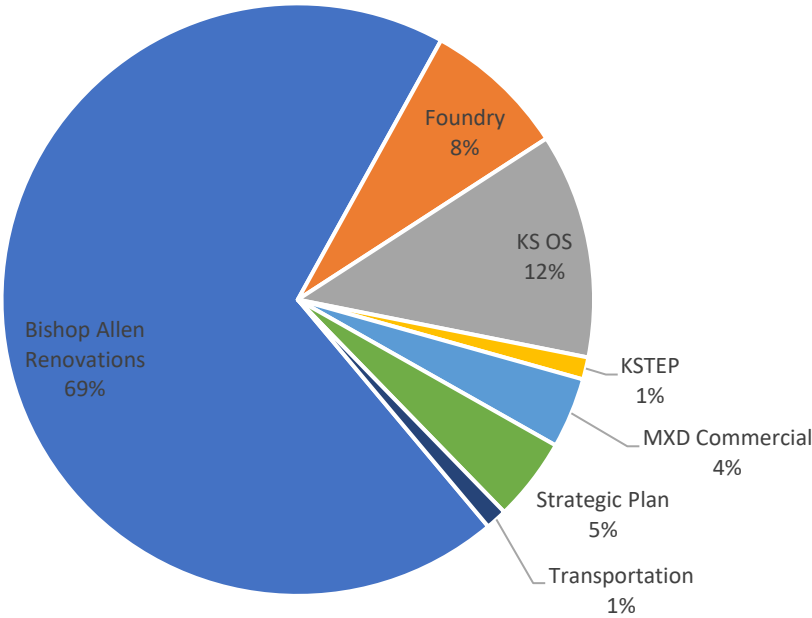
ACTUAL EXPENSES VS BUDGET THROUGH SEPTEMBER 2022



EXPENSES BY CATEGORY THROUGH SEPTEMBER 2022



**EXPENSES BY PROJECT SEPTEMBER
2022**



Cambridge Redevelopment Authority

Balance Sheet Comparison

As of September 30, 2022

	TOTAL	
	AS OF SEP 30, 2022	AS OF JUN 30, 2022 (PP)
ASSETS		
Current Assets		
Bank Accounts		
1000.0 Bank Accounts	2,878,463	7,245,751
1019 Petty Cash	70	70
Total Bank Accounts	\$2,878,533	\$7,245,821
Accounts Receivable		
1100 Accounts Receivable	-2,083	375,277
1150 Accrued Interest	-53,230	-52,566
Total Accounts Receivable	\$ -55,312	\$322,711
Other Current Assets		
1200 Forgiveness of Debt / Loan Write-off	6,250	6,250
1800 Other Current Assets	0	0
1810 Prepaid Expenses	225	1,203
1820 Investment Fund (Morgan Stanley)	0	0
1822 OPEB Trust account	44,096	49,724
1823 Cambridge Trust Investment KSTEP (2505)	0	0
1824 Cambridge Trust Investment Foundry (2505A)	0	0
1825 US Bank	23,603,445	24,425,690
1826 US Bank - KSTEP	6,348,411	6,531,374
1830 Loans	1,445,960	1,464,921
1950 Undeposited Funds	0	0
Total Other Current Assets	\$31,448,388	\$32,479,162
Total Current Assets	\$34,271,608	\$40,047,694
Fixed Assets		
93-99 Bishop Allen Drive	18,309,046	18,309,046
Total Fixed Assets	\$18,309,046	\$18,309,046
Other Assets		
1803 Long Term A/R	2,590,911	2,590,911
1920 Earned Fringe Benefit	0	0
1930 Security Deposits	2,123	2,123
1960 Development parcels held for sale	959,220	959,220
Total Other Assets	\$3,552,254	\$3,552,254
TOTAL ASSETS	\$56,132,908	\$61,908,993

Cambridge Redevelopment Authority

Balance Sheet Comparison

As of September 30, 2022

	TOTAL	
	AS OF SEP 30, 2022	AS OF JUN 30, 2022 (PP)
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 Accounts Payable (A/P)	280,977	231,567
Total Accounts Payable	\$280,977	\$231,567
Credit Cards		
2001 ESS Credit Card	1,981	1,721
2002 TE Credit Card	498	321
Total Credit Cards	\$2,479	\$2,042
Other Current Liabilities		
2010 Other Accounts Payable	200	200
2020 Deposit Galaxy Park Repairs/Ins	0	0
2030 Deposits held Parcels 3 & 4	0	0
2035 Unused PTO	68,600	68,600
2040 Payroll Liabilities	0	0
2051 Post-Employment Benefit Obligation	0	0
2060.1 EcoDistrict Membership Escrow	0	0
2060.2 KSTEP Escrow	19,075	
2060.3 BP reimbursement for GCG	0	0
2060.4 KSMTF Sponsorship	4,574	4,574
2083 Accrued Expense	10,771	10,771
2400 Forward Fund Committed	0	0
Total Other Current Liabilities	\$103,221	\$84,146
Total Current Liabilities	\$386,677	\$317,755
Long-Term Liabilities		
2053 Deferred Compensation	0	0
2200 Cambridge Trust Loan for 93-99	6,564,186	6,601,631
2300 Security Deposits Owed	56,321	56,321
Total Long-Term Liabilities	\$6,620,507	\$6,657,952
Total Liabilities	\$7,007,184	\$6,975,707
Equity		
3000 Opening Balance Equity	0	0
3010 Equity Restricted Funds	10,995,373	11,001,001
3100 Retained Earnings	47,232,991	47,232,991
Net Income	-9,102,640	-3,300,706
Total Equity	\$49,125,724	\$54,933,286
TOTAL LIABILITIES AND EQUITY	\$56,132,908	\$61,908,993

99 Bishop Allen
Budget vs. Actuals: 99 Bishop Allen Operating - FY22 P&L
 January - September 2022

	Total	
	Actual	Budget
Income		
Electric Expense Income		
Reimbursement	15,313	20,396
Total Electric Expense Income	\$ 15,313	\$ 20,396
Operating Income	0	
Other Rental Income		
Parking Income	16,000	24,000
Rent	458,305	620,115
Total Operating Income	\$ 474,305	\$ 644,115
Total Income	\$ 489,618	\$ 664,511
Gross Profit	\$ 489,618	\$ 664,511
Expenses		
Contract & professional fees		
Accounting	60	5,000
Legal		5,000
Property Manager	25,284	31,200
Total Contract & professional fees	\$ 25,344	\$ 41,200
Insurance		
Property insurance	27,264	34,300
Total Insurance	\$ 27,264	\$ 34,300
Occupancy		
Cleaning	7,487	10,800
Phone & Internet	3,134	3,000
Rent	4,236	
Repair & Maintenance		6,000
Rubbish Removal	3,911	12,000
Security	40	
Utilities		
Electric	35,744	60,351
Water	105	6,000
Total Utilities	\$ 35,849	\$ 66,351
Total Occupancy	\$ 54,657	\$ 98,151
Office expenses		
Bad Debt		
Office supplies	584	
Small tools & equipment	2,754	
Total Office expenses	\$ 3,338	\$ 0
Rent Loss/Abatement	12,723	13,044
Repairs & maintenance	1,632	
Alarm	445	3,000

Door Bell System			2,400
Elevator			3,000
Fire Inspection and Safety	795		2,000
Pest Control			2,000
Snow Removal & Landscaping	7,750		12,000
Total Repairs & maintenance	\$ 10,622	\$	24,400
Supplies	26		
Supplies & materials	251		12,000
Total Supplies	\$ 277	\$	12,000
Total Expenses	\$ 134,223	\$	223,095
Net Operating Income	\$ 355,395	\$	441,416
Other Expenses			
Amortization expenses	112,590		144,000
Mortgage Interest	178,132		220,380
Total Amortization expenses	\$ 290,722	\$	364,380
Other Miscellaneous Expenditure			
Capital Reserve			32,974
Total Other Miscellaneous Expenditure	\$ 0	\$	32,974
Reconciliation Discrepancies	0		
Total Other Expenses	\$ 290,722	\$	397,354
Net Other Income	-\$ 290,722	-\$	397,354
Net Income	\$ 64,673	\$	44,062

Friday, Oct 28, 2022 11:18:18 AM GMT-7 - Accrual Basis