

**Cambridge Waterfront Development, Inc.**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

# **CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Cambridge Waterfront Development, Inc.  
Cambridge, Maryland

### **Opinion**

We have audited the accompanying consolidated financial statements of Cambridge Waterfront Development, Inc. and affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Emphasis of Matter**

As discussed in Note 9 to the consolidated financial statements, on May 1, 2024, the City of Cambridge filed a lawsuit, which was amended on May 3, 2024, against the Organization claiming that the Organization did not use a Request for Proposal (RFP) process to solicit developer interest in the Project. The Organization disagrees with the City's claim and filed its response thereto on May 14, 2024. The full impact of the lawsuit on the Organization's operations and its ability to execute agreements with potential developers is unknown at this time. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 misstatement 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*UHY LLP*

Salisbury, Maryland  
July 30, 2024

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 584,750	\$ 3,020,683
Receivables:		
Grants	319,118	50,000
Other	-	30,300
Prepaid expense and other assets	64,040	76,383
Total current assets	967,908	3,177,366
Work in progress, net	7,444,235	5,346,447
Total Assets	8,412,143	8,523,813
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	210,900	518,069
Unearned revenue	683,327	2,551,741
Total current liabilities	894,227	3,069,810
<b>NET ASSETS</b>		
Without donor restrictions	7,517,916	5,454,003
Total net assets	7,517,916	5,454,003
Total liabilities and net assets	\$ 8,412,143	\$ 8,523,813

*The Notes to Financial Statements are an integral part of these statements.*

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	2022
<b>Revenue and Support</b>		
State government	\$ 2,328,738	\$ 4,956,330
Local government	207,066	50,000
Project income	63,581	50,755
Interest	661	902
Other	-	10,934
<b>Total revenue and support</b>	<b>2,600,046</b>	5,068,921
<b>Expenses</b>		
Program services	168,506	84,423
Management and general	367,627	181,774
<b>Total expenses</b>	<b>536,133</b>	266,197
<b>Change in Net Assets</b>	<b>2,063,913</b>	4,802,724
<b>Net assets, Beginning</b>	<b>5,454,003</b>	651,279
<b>Net Assets, Ending</b>	<b>\$ 7,517,916</b>	\$ 5,454,003

*The Notes to Financial Statements are an integral part of these statements.*

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2023**

	Program Services	Management and General	Total Expenses
Administrative expenses	\$ -	18,740	\$ 18,740
Contract services	-	275,845	275,845
Insurance	-	35,024	35,024
Other	42,120	38,018	80,138
Property maintenance	126,386	-	126,386
<b>Total expenses</b>	<b>\$ 168,506</b>	<b>\$ 367,627</b>	<b>\$ 536,133</b>

*The Notes to Financial Statements are an integral part of these statements.*



**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2022**

	Program Services	Management and General	Total Expenses
Administrative expenses	\$ -	15,047	\$ 15,047
Contract services	-	134,289	134,289
Insurance	-	14,670	14,670
Other	-	17,768	17,768
Property maintenance	84,423	-	84,423
<b>Total expenses</b>	<b>\$ 84,423</b>	<b>\$ 181,774</b>	<b>\$ 266,197</b>

*The Notes to Financial Statements are an integral part of these statements.*

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,063,913	\$ 4,802,724
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Net changes on:		
(Increase) decrease in grant receivables	(269,118)	173,615
(Increase) decrease in other receivables	30,300	(30,300)
(Increase) decrease in prepaid expense and other assets	12,343	(76,383)
Increase (decrease) in accounts payable	(307,169)	310,750
Increase (decrease) in unearned revenue	(1,868,414)	551,741
Net cash (used) provided by operating activities	(338,145)	5,732,147
<b>Cash Flows from Investing Activities</b>		
Predevelopment costs	(2,097,788)	(4,824,628)
Net cash used by investing activities	(2,097,788)	(4,824,628)
<b>Net (Decrease) Increase in Cash</b>	<b>(2,435,933)</b>	<b>907,519</b>
<b>Cash, Beginning</b>	<b>3,020,683</b>	<b>2,113,164</b>
<b>Cash, Ending</b>	<b>\$ 584,750</b>	<b>\$ 3,020,683</b>

*The Notes to Financial Statements are an integral part of these statements.*

# Cambridge Waterfront Development, Inc.

## Notes to the Financial Statements

For the year ended December 31, 2023 and 2022

### NOTE 1. THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

Cambridge Waterfront Development, Inc. (the "Organization") is a non-profit corporation organized under the laws of the State of Maryland and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization was formed on July 9, 2018. The Organization is led by an appointed seven-member board of directors - three members appointed by the Commissioners of the City of Cambridge, two members appointed by the Commissioners of Dorchester County, one member appointed by the Governor of the State of Maryland, and one member appointed by the Organization. Board members serve staggered terms to maintain continuity. Funds secured and generated by the Organization are used to promote and facilitate the redevelopment of certain properties along and adjacent to the City of Cambridge waterfront ("Cambridge Harbor") for the betterment of Cambridge, Dorchester County and the region.

On December 13, 2021, the Organization formed CWDI Holdings, LLC ("Holdings") to hold property acquired by the Organization. The Organization is the sole member of Holdings.

The financial statements of the Organization have been prepared on the accrual basis of accounting. Significant accounting policies not disclosed elsewhere in the financial statements are as follows:

#### Financial Statement Presentation

FASB ASC Topic 958-210, *Presentation of Financial Statements of Not-for-Profit Entities*, requires the Organization to report information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions.

A description of the two categories of net assets is as follows:

**Net Assets without Donor Restrictions**— Net assets are free from donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets are presently available for use by the Organization at the discretion of the Board of Directors.

**Net Assets with Donor Restrictions** – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### Revenue Recognition

FASB ASC Topic 606, *Revenue from Contracts with Customers*, requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, this standard requires enhanced qualitative and quantitative disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

# Cambridge Waterfront Development, Inc.

## Notes to the Financial Statements

For the year ended December 31, 2023 and 2022

### NOTE 1. THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

FASB ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions.

##### Grant Revenue

Grants are awarded to support the Organization's program activities that are conditioned on performing certain services or incurring certain reimbursable expenditures. Cost reimbursement grants are recognized as revenue in the period the qualifying allowable expenditures are incurred. Grants Receivable consist of outstanding amounts due for grants in which the allowable expenditures have been incurred but the funding has not been reimbursed to the Organization. Grant amounts collected in advance but unearned are reflected as unearned revenue. Unearned revenue applies to services to be rendered in future periods and revenue is recognized in the year when the services are earned. Certain unexpended grants could be required under the grant terms to be returned to the funding entity.

##### Project income

Project income is recognized when earned. Project income is recognized over the terms of the project and the period of service provided. Amounts collected are reflected as deferred revenue if the Organization has an obligation to perform services before it has a right to retain the amounts collected. In addition, project income under cost reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred.

##### Contribution Revenue and Pledges Receivable

The Organization records contributions (including pledges) when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the asset or at the time an unconditional pledge is made.

Conditional pledges, where the donor has placed a condition on the gift that the ultimate transfer of the asset or pledge is contingent on a future and uncertain event, are not recorded as contributions until the condition is met. There were no conditional pledges received during 2023, and 2022.

#### Cash and Cash Equivalents

The Organization considers cash, investment accounts, and other demand deposits as cash equivalents.

#### Property and Equipment

Property and equipment are stated at cost. Major expenditures for property and equipment, which substantially increase useful lives, are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. Depreciation is computed using straight-line methods over the estimated useful lives of the assets. There was no equipment as of December 31, 2023, and 2022.

# **Cambridge Waterfront Development, Inc.**

## **Notes to the Financial Statements**

**For the year ended December 31, 2023 and 2022**

### **NOTE 1. THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Long-Lived Assets**

The carrying value of long-lived assets is reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No assets were deemed impaired as of December 31, 2023 and 2022.

#### **Credit Risk**

The Organization has deposits in financial institutions, which may, at any point in time, have amounts of deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

#### **Allowance for Doubtful Accounts**

The Organization uses the current expected credit loss (CECL) model to account for uncollectible receivables. The allowance for doubtful accounts is based on historical collection experience and management's analysis of possible future bad debts. Charge-offs are recorded when management deems that the receivable will not be collected. Bad debt recoveries are charged against the allowance account as realized. At December 31, 2023 and 2022, there was no allowance for doubtful accounts recorded as management deemed receivables to be fully collectible.

#### **Unearned Revenue**

Unearned revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Therefore, such amounts are reported within the accompanying financial statements as cash and/or receivables and are offset by a deferred revenue account. These monies will remain in unearned revenue until it is expended for the purpose of the grant, at which time it is recognized as revenue. The balance of unearned revenue represents the amounts received under grants that will be spent in upcoming years in accordance with grant provisions.

#### **Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

#### **Uncertain Income Tax Positions**

As of December 31, 2023 and 2022, the Organization has no uncertain income tax positions that qualify for either recognition or disclosure in the financial statements under ASC 740. Further, no interest or penalties have been accrued or charged to expense. The Organization's tax returns are subject to examination generally for a period of three years from the date they are filed. The Organization's open returns consist of Federal Form 990 for the fiscal years ending June 30, 2021, 2022, and 2023. The Organization will file a Federal Form 990 for the short-period end July 1, 2023 through December 31, 2023 in 2024 and will file calendar year tax returns starting with the calendar year end December 31, 2024. These are all currently open for examination.

# Cambridge Waterfront Development, Inc.

## Notes to the Financial Statements

For the year ended December 31, 2023 and 2022

### NOTE 1. THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Consolidation

All significant inter-organizational receivables, prepaid expenses, accounts payable, liabilities, revenues, and expenses have been eliminated in the preparation of the consolidated financial statements.

### NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's liquidity management policy is to structure its financial assets to be available as its general expenses, liabilities and other obligations come due. As of December 31, **2023** and 2022, the Organization has **\$743,868** and \$3,100,983, respectively, (cash and receivables) of assets that are considered financial assets and are available within one year of the balance sheet date, with no donor restriction.

### NOTE 3. SUPPORT AND REVENUE

A significant portion of the Organization's revenues consists of grants. Thus, a reduction in the level of this support, if it were to occur, would have an adverse effect on the Organization's programs and activities.

The following table presents support and revenue disaggregated by type and details individual grant income.

	2023		2022	
Grant income:				
State of Maryland:				
DHCD - Strategic Demolition Fund	\$	217,500 9%	\$2,158,071	43%
DHCD - Technical Assistance Grant		50,000 2%	50,000	1%
DGS - Capital Grants Program		1,857,413 73%	2,748,259	55%
ARPA		203,825 8%	-	0%
City of Cambridge:				
ARPA		157,066 6%	-	0%
Dorchester County		50,000 2%	50,000	1%
Total grant income	\$	2,535,804 100%	\$5,006,330	100%

### NOTE 4. METHODS USED FOR ALLOCATION OF EXPENSE

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. The contract services are allocated based on estimates of time and effort. All other expenses are allocated based on estimates and cost of specific items utilized.

**Cambridge Waterfront Development, Inc.**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023 and 2022**

**NOTE 5. WORK IN PROGRESS**

Components of work in progress are as follows for years ending:

	<u>2023</u>	<u>2022</u>
Predevelopment costs:		
Gateway Property (East)	\$ 30,942	\$ 8,306
Gateway Property (West)	871,358	-
Hospital Property	5,378,184	4,614,894
Port Property	1,163,751	723,247
Total predevelopment cost	<u>7,444,235</u>	<u>5,346,447</u>
Less: accumulated depreciation	-	-
Work in progress, net	<u>\$ 7,444,235</u>	<u>\$ 5,346,447</u>

At December 31, 2023 and 2022, depreciation expense totaled \$-.

Predevelopment costs represent due diligence, acquisition, demolition, design, engineering and other soft and hard costs related to development parcels available for sale and parcels dedicated to public amenities and infrastructure. In 2024, the Organization will begin construction of the public amenities and infrastructure with anticipated full build-out by 2028. The total estimate of predevelopment, public amenity and infrastructure costs is \$46 million. To date, the Organization has received grant funds and commitments and has identified other sources of funds for these costs that total approximately \$13 million. The Organization expects the remaining \$33 million to come from additional grants and bonds supported by tax increment financing.

**NOTE 6. LEASES**

On January 1, 2022, the Organization adopted ASU 2016-02, Leases (Topic 842). Management has evaluated the following leases and determined that no lessee leases are required to be reported as a right-of-use asset and corresponding operating lease liability and no lessor leases are required to be reported as a lease receivable under the new accounting standard.

The following leases existed as of December 31, 2023:

**Lessor**

The Organization leases property to Yacht Maintenance Company in the amount of \$3,565 per month under an existing fifteen (15)-year lease agreement the company had with the City of Cambridge. Lease income for 2023 and 2022 was \$42,781 and \$37,955, respectively. As of December 31, 2023, no adjustments are recorded under ASU 2016-02, Leases (Topic 842) for this lease as the Organization expects to sell the property during 2024.

On February 9, 2023, the Organization purchased the Gateway West Property from Richardson Maritime Museum, Incorporated (“RMM”) and then leased the property back to RMM for one (1) year for one dollar (\$1). Beginning in February 2024, the lease will operate on a month-to-month basis until a new arrangement is finalized. During 2023, the Organization provided financial support for RMM’s operations in the amount of \$42,120 which is included in Program Services Other in the Statement of Functional Expenses.

# **Cambridge Waterfront Development, Inc.**

## **Notes to the Financial Statements**

**For the year ended December 31, 2023 and 2022**

### **NOTE 6. LEASES (Continued)**

#### **Lessee**

Effective January 1, 2023, the Organization entered into a two-year agreement with the Dorchester Chamber of Commerce (“DCC”) to rent office and conference room space in the amount of \$300 per month. Rent expense for 2023 totaled \$3,600.

### **NOTE 7. RELATED PARTIES**

Each board member of the Organization must abide by both the Organization’s code of ethics and the code of ethics of their appointing authority. In addition, if a party to an agreement or transaction with the Organization is related to a board member, then that board member must recuse themselves from any board action related thereto. No significant related party transactions occurred in 2023 or 2022.

### **NOTE 8. CONTINGENCIES**

On July 1, 2023, and on behalf of the City of Cambridge, Dorchester County and the State of Maryland, Dorchester County levied Fiscal Year 2024 property taxes on properties acquired by the Organization. The Organization is seeking abatements from City and County taxes (approximately \$38,000) due to its non-profit status and the purpose for which the Organization was formed. As of the date of this report, the Organization has not yet received confirmation of the abatements.

### **NOTE 9. COMMITMENTS AND SUBSEQUENT EVENTS**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 30, 2024, the date that the financial statements were available to be issued.

On April 3, 2023, the Maryland State Legislature approved the State’s Fiscal Year 2024 budget that includes a \$1,000,000 grant to the Organization for continued planning for redevelopment and hard and soft costs related to the Hospital, Port and Gateway properties and for operations. These funds were received in March 2024. As of December 31, 2023, \$160,000 of grant expenses have been incurred by the Organization and accounts receivable and revenue in that amount have been recorded.

On May 1, 2024, the City of Cambridge filed a lawsuit, which was amended on May 3, 2024, against the Organization claiming that the Organization did not use a Request for Proposal (RFP) process to solicit developer interest in the Project. The Organization disagrees with the City’s claim and filed its response thereto on May 14, 2024. The full impact of the lawsuit on the Organization’s operations and its ability to execute agreements with potential developers is unknown at this time.

On July 1, 2024, and on behalf of the City of Cambridge, Dorchester County and the State of Maryland, Dorchester County levied Fiscal Year 2025 property taxes acquired by the Organization. The Organization is seeking abatements from City and County taxes (approximately \$21,000) due to its non-profit status and the purpose for which the Organization was formed. As of the date of this report, the Organization has not yet received confirmation of the abatements.



## **Supplemental Information**

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
December 31, 2023

	Operating	Holding	Eliminations	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$ 568,509	\$ 16,241	\$ -	\$ 584,750
Receivables:				
Grants	319,118	-	-	319,118
Due from affiliates	-	112,520	(112,520)	-
Prepaid expense and other assets	33,105	30,935	-	64,040
<b>Total current assets</b>	<b>920,732</b>	<b>159,696</b>	<b>(112,520)</b>	<b>967,908</b>
Work in Progress, net	-	7,444,235		7,444,235
<b>Total Assets</b>	<b>\$ 920,732</b>	<b>\$ 7,603,931</b>	<b>\$ (112,520)</b>	<b>\$ 8,412,143</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 98,381	\$ 112,519	\$ -	\$ 210,900
Due to affiliates	112,520	-	(112,520)	-
Unearned revenue	652,392	30,935	-	683,327
<b>Total current liabilities</b>	<b>863,293</b>	<b>143,454</b>	<b>(112,520)</b>	<b>894,227</b>
<b>NET ASSETS</b>				
Without donor restrictions	57,439	7,460,477	-	7,517,916
<b>Total net assets</b>	<b>57,439</b>	<b>7,460,477</b>	<b>-</b>	<b>7,517,916</b>
<b>Total liabilities and net assets</b>	<b>\$ 920,732</b>	<b>\$ 7,603,931</b>	<b>\$ (112,520)</b>	<b>\$ 8,412,143</b>

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
December 31, 2022

	<u>Operating</u>	<u>Holding</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$ 2,741,666	\$ 279,017	\$ -	\$ 3,020,683
Receivables:				
Grants	50,000	-	-	50,000
Other	-	30,300	-	30,300
Due from affiliates	-	234,770	(234,770)	-
Prepaid expense and other assets	16,407	59,976	-	76,383
<b>Total current assets</b>	<b>2,808,073</b>	<b>604,063</b>	<b>(234,770)</b>	<b>3,177,366</b>
Work in Progress, net	-	5,346,447		5,346,447
<b>Total Assets</b>	<b>\$ 2,808,073</b>	<b>\$ 5,950,510</b>	<b>\$ (234,770)</b>	<b>\$ 8,523,813</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 13,994	\$ 504,075	\$ -	\$ 518,069
Due to affiliates	234,770	-	(234,770)	-
Unearned revenue	2,478,251	73,490	-	2,551,741
<b>Total current liabilities</b>	<b>2,727,015</b>	<b>577,565</b>	<b>(234,770)</b>	<b>3,069,810</b>
<b>NET ASSETS</b>				
Without donor restrictions	81,058	5,372,945	-	5,454,003
<b>Total net assets</b>	<b>81,058</b>	<b>5,372,945</b>	<b>-</b>	<b>5,454,003</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,808,073</b>	<b>\$ 5,950,510</b>	<b>\$ (234,770)</b>	<b>\$ 8,523,813</b>

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2023

	Operating	Holding	Eliminations	Total
<b>Revenue and Support</b>				
State government	\$ 362,204	\$ 1,966,534	\$ -	\$ 2,328,738
Local government	110,000	97,066	-	207,066
Project income	63,581	-	-	63,581
Interest	659	2	-	661
<b>Total revenue and support</b>	<b>536,444</b>	<b>2,063,602</b>	<b>-</b>	<b>2,600,046</b>
<b>Expenses</b>				
Program services	168,506	-	-	168,506
Management and general	367,602	25	-	367,627
<b>Total expenses</b>	<b>536,108</b>	<b>25</b>	<b>-</b>	<b>536,133</b>
<b>Other revenue (expense)</b>				
Transfers in (out)	(23,955)	23,955	-	-
<b>Total other revenue (expense)</b>	<b>(23,955)</b>	<b>23,955</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(23,619)</b>	<b>2,087,532</b>	<b>-</b>	<b>2,063,913</b>
<b>Net assets, Beginning</b>	<b>81,058</b>	<b>5,372,945</b>	<b>-</b>	<b>5,454,003</b>
<b>Net Assets, Ending</b>	<b>\$ 57,439</b>	<b>\$ 7,460,477</b>	<b>\$ -</b>	<b>\$ 7,517,916</b>

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2022

	<b>Operating</b>	<b>Holding</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue and Support</b>				
State government	\$ 2,089,564	\$ 2,866,766	\$ -	\$ 4,956,330
Local government	50,000	-	-	50,000
Project income	-	50,755	-	50,755
Interest	902	-	-	902
Other	-	10,934	-	10,934
<b>Total revenue and support</b>	<b>2,140,466</b>	<b>2,928,455</b>	<b>-</b>	<b>5,068,921</b>
<b>Expenses</b>				
Program services	-	84,423	-	84,423
Management and general	181,006	768	-	181,774
<b>Total expenses</b>	<b>181,006</b>	<b>85,191</b>	<b>-</b>	<b>266,197</b>
<b>Other revenue (expense)</b>				
Transfers in (out)	(2,529,681)	2,529,681	-	-
<b>Total other revenue (expense)</b>	<b>(2,529,681)</b>	<b>2,529,681</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>(570,221)</b>	<b>5,372,945</b>	<b>-</b>	<b>4,802,724</b>
<b>Net assets, Beginning</b>	<b>651,279</b>	<b>-</b>	<b>-</b>	<b>651,279</b>
<b>Net Assets, Ending</b>	<b>\$ 81,058</b>	<b>\$ 5,372,945</b>	<b>\$ -</b>	<b>\$ 5,454,003</b>

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2023

	<b>Operating</b>	<b>Holding</b>	<b>Eliminations</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>				
Change in net assets	\$ (23,619)	\$ 2,087,532	\$ -	\$ 2,063,913
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:				
Net changes on:				
(Increase) decrease in grant receivables	(269,118)	-	-	(269,118)
(Increase) decrease in other receivables	-	30,300	-	30,300
(Increase) decrease in due from affiliates	-	122,250	(122,250)	-
(Increase) decrease in prepaid expense and other assets	(16,698)	29,041	-	12,343
Increase (decrease) in accounts payable	84,387	(391,556)	-	(307,169)
Increase (decrease) in due to affiliates	(122,250)	-	122,250	-
Increase (decrease) in unearned revenue	(1,825,859)	(42,555)	-	(1,868,414)
<b>Net cash (used) provided by operating activities</b>	<b>(2,173,157)</b>	<b>1,835,012</b>	<b>-</b>	<b>(338,145)</b>
<b>Cash Flows from Investing Activities</b>				
Predevelopment costs	-	(2,097,788)	-	(2,097,788)
<b>Net cash used by investing activities</b>	<b>-</b>	<b>(2,097,788)</b>	<b>-</b>	<b>(2,097,788)</b>
<b>Net Decrease in Cash</b>	<b>(2,173,157)</b>	<b>(262,776)</b>	<b>-</b>	<b>(2,435,933)</b>
<b>Cash, Beginning</b>	<b>2,741,666</b>	<b>279,017</b>	<b>-</b>	<b>3,020,683</b>
<b>Cash, Ending</b>	<b>\$ 568,509</b>	<b>\$ 16,241</b>	<b>\$ -</b>	<b>\$ 584,750</b>

**CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2022

	<u>Operating</u>	<u>Holding</u>	<u>Eliminations</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>				
Change in net assets	\$ (570,221)	\$ 5,372,945	\$ -	\$ 4,802,724
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Net changes on:				
(Increase) decrease in grant receivables	173,615	-	-	173,615
(Increase) decrease in other receivables	-	(30,300)	-	(30,300)
(Increase) decrease in due from affiliates	-	(234,770)	234,770	-
(Increase) decrease in prepaid expense and other assets	(16,407)	(59,976)	-	(76,383)
Increase (decrease) in accounts payable	(193,325)	504,075	-	310,750
Increase (decrease) in due to affiliates	234,770	-	(234,770)	-
Increase (decrease) in unearned revenue	478,251	73,490	-	551,741
<b>Net cash provided by operating activities</b>	<b>106,683</b>	<b>5,625,464</b>	<b>-</b>	<b>5,732,147</b>
<b>Cash Flows from Investing Activities</b>				
Predevelopment costs	521,819	(5,346,447)		(4,824,628)
<b>Net cash provided (used) by investing activities</b>	<b>521,819</b>	<b>(5,346,447)</b>	<b>-</b>	<b>(4,824,628)</b>
<b>Net Increase in Cash</b>	<b>628,502</b>	<b>279,017</b>	<b>-</b>	<b>907,519</b>
<b>Cash, Beginning</b>	<b>2,113,164</b>	<b>-</b>	<b>-</b>	<b>2,113,164</b>
<b>Cash, Ending</b>	<b>\$ 2,741,666</b>	<b>\$ 279,017</b>	<b>\$ -</b>	<b>\$ 3,020,683</b>