



Tuesday, July 24, 2012
21 Lodge Street 8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting
Agenda

1. Review of Minutes from the Regular Meeting of June 26, 2012
2. ACCA presentation
3. CAC/ACDA MOU Resolution 11-2012 Central Avenue Site
4. Director Nominations Resolutions
 - a. David Parente Term Extension Nomination - Resolution 12-2012
 - b. James Linnan Term Extension Nomination - Resolution 13-2012
 - c. Jeffrey Sperry Term Extension Nomination - Resolution 14-2012
 - d. Tom Birdsey Term Extension Nomination – Resolution 15-2012
 - e. Lee McElroy Term Extension Nomination – Resolution 16-2012
 - f. Michael Castellana Term Extension Nomination – Resolution 17-2012
5. CFA project update
 - a. Blight to Betterment
 - b. Albany Waterfront
 - c. Quail Street Green Infrastructure
 - d. Palace Theatre Expansion
 - e. Kiernan Plaza
6. Quarterly Financial Report
7. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

July 24, 2012

Agenda Item #1: Review of Minutes from the Regular Board Meeting of June 26, 2012

Materials:

- 6/26/12 Capitalize Albany Corporation Board Minutes

DRAFT – NOT APPROVED

**Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, June 26, 2012**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, June 26, 2012 at 21 Lodge.

The following were in attendance:

Board of Directors:

Michael Castellana	Michele Vennard	
Anders Tomson	James Linnan	
David Parente	Jeff Sperry	
Robert M. Curley	Michael Fancher	
John Harris		

Other:

Thomas M. Owens, Esq.

Staff:

Michael Yevoli, Erik Smith, Martha Hyland, Sarah Reginelli, Ashley D’Antonio, Brad Chevalier and Amy Gardner.

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation Board to order at 8:05 a.m.

Approval of Minutes for April 24, 2012 Board Meeting

The Board reviewed the minutes of the April 24, 2012 meeting. Jeff Sperry made a motion for approval. Anders Tomson seconded. The Board agreed unanimously to approve the minutes.

Governance Committee Update

Personnel Manual update

Staff advised the Board that the Time & Attendance and Travel Policies were presented at the last Governance Committee meeting. The Committee suggested that management develop a CAC Personnel Manual, which staff anticipates presenting to the Board in August. The Board discussed the requirement under PAAA to ensure the establishment of a Time & Attendance Policy for CAC management.

Resolution 10-2012 Director vacancy nomination

Upon recommendation from the Governance Committee the resolution to nominate John Vero to fill the director vacancy was presented to the Board. The nominating process was discussed. The Board requested to review Mr. Vero’s resume. A motion to pass the Resolution barring any objections from the Board upon review of the resume was made by Anders Tomson and seconded by Jeff Sperry. A vote being taken, the Resolution passed unanimously.

DRAFT – NOT APPROVED

Nomination of directors for renewal terms (future Governance Committee action)

Staff advised the Board that several directors' terms were up for renewal. The names of the directors up for renewal will be presented to the Governance Committee for nomination and presented to the Board in July.

Central Avenue Development Site Update

Staff advised the Board that the tank removal at the site is expected to be complete at the end of June. A contractor has been selected to complete the hazardous building material abatement and building demolition. The work will begin in 2-3 weeks and the demolition will be completed at the end of August. Staff advised the Board that they are working on a draft MOU with ACDA to determine what costs will be paid by each organization and how the sale proceeds will be distributed. Staff hopes to present the draft MOU to the Board in July..

CFA Strategy and Project Update

Staff advised the Board of the various CFAs they are submitting to the Regional Economic Development Council. Staff informed the Board that in addition to submitting CFA applications for CAC they were also assisting other agencies in the submission of their CFAs. The Board asked staff about transformational projects. The Board expressed their desire to support and get behind one transformational project; several options were discussed. The Board will further consider the various transformational projects before choosing one to fully support. An informational presentation will be made to the Board at the July Board meeting by the staff of the Albany Convention Center Authority.

Executive Session

A motion to enter into executive session was made by Jeff Sperry and seconded by Robert Curley. A vote being taken the proposal was accepted unanimously. The Board entered into executive session at 9:50am. Staff was excused and the following Directors were present: Michael Castellana, Anders Tomson, David Parente, Robert Curley, John Harris, Michele Vennard, James Linnan, Jeff Sperry and Michael Fancher. The reason for this session was to discuss potential litigation matters. The Board left executive session at 10:00am. No actions were taken during executive session.

There being no further business the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 10:02 a.m.

Capitalize Albany Corporation Board Meeting
July 24, 2012

Agenda Item #2: ACCA presentation

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting
July 24, 2012

Agenda Item #3: CAC/ACDA MOU Resolution 11-2012 Central Avenue Site

Materials:

- Draft MOU
- CAC/ACDA MOU Resolution 11-2012 Central Avenue Site

AGREEMENT
Between
CAPITALIZE ALBANY CORPORATION (“CAC”)
and
ALBANY COMMUNITY DEVELOPMENT AGENCY (“ACDA”)

This agreement (“Agreement”), made this 1st day of July, 2012 between the Capitalize Albany Corporation, a not for profit corporation having its principal place of business at 21 Lodge Street, Albany, New York, 12207 (hereinafter “CAC”) and; Albany Community Development Agency, a New York State urban renewal agency having its principal place of business at 200 Henry Johnson Boulevard, Albany, New York, 12210 (hereinafter “ACDA”):

WITNESSETH:

WHEREAS, CAC’s mission is to facilitate the creation of new employment opportunities, retention of existing jobs and encouragement of investment that will expand the commercial and industrial tax base within the City of Albany; and

WHEREAS, CAC formed Citywide Property Holdings, LLC (Citywide) in April 2008 for the limited purpose of assisting CAC in the furtherance of CAC's mission which includes, but is not limited to, holding property as available for sale to enhance project development

WHEREAS, the Common Council of the City of Albany (the City) approved the sale of 445 Manning Boulevard, 524, 526 and rear of 526 Central Avenue to Citywide Property Holdings, LLC, a wholly owned subsidiary of CAC through the passage of Ordinance 57.102.11 on November 7, 2011;

WHEREAS, Citywide Property Holdings, LLC, paid \$500,000 to purchase an option to take title to 445 Manning Boulevard, 524, 526 and rear of 526 Central Avenue, Albany, New York (hereinafter “the Site”) pursuant to an option contract executed between Citywide Property Holdings, LLC, and the City in December 2011;

WHEREAS, ACDA is an urban renewal agency established under New York General Municipal Law § 623 which works closely with other organizations to revitalize neighborhoods by combating unsanitary and deteriorated conditions through conservation, reconstruction, and redevelopment planning;

WHEREAS, ACDA has authority under Article 15-A of the New York General Municipal Law to expend funds which serve its public purpose;

WHEREAS, ACDA secures and administers community development funds to assist with property rehabilitation efforts;

WHEREAS, the Site is a 3.41 acre development opportunity along Central Avenue located within the Central BID which has identified this as an opportunity site for developing new services, job opportunities and investment for the area;

WHEREAS, the ACDA Board has found that the remediation and demolition at the Site falls within its public purpose; and,

WHEREAS, CAC has determined that partnering with ACDA to prepare the Site for redevelopment is within CAC's mission.

NOW, THEREFORE, THE PARTIES MUTUALLY COVENANT AND AGREE AS FOLLOWS:

1. That ACDA will be the agent to complete the environmental remediation and demolition of the premises.

2. Upon closing of either a sale of the property or a transfer of the option, the proceeds (net broker commission) will be distributed as follows:

- (a) The first distribution of proceeds received from the sale will be provided to Citywide Property Holdings, LLC, in an amount representing recoupment of the option payment, recoupment of pre-development costs, legal fees, and 10% developer fee.
- (b) Following distribution of monies as detailed in (a) above, ACDA will be reimbursed for ACDA's expenditures related pre-development costs and the fixed costs of demolition of the building on the site.

Following distribution of monies as detailed in (a) and (b) above, any remaining amount to be distributed equally to CAC and ACDA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized representative.

Capitalize Albany Corporation

By: _____

Chairman

Date: _____

Albany Community Development Agency

By: _____

Faye C. Andrews
Director

Date: _____

**RESOLUTION 11-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate the creation of new employment opportunities, retention of existing jobs and encouragement of investment that will expand the commercial and industrial tax base within the City of Albany; and

WHEREAS, in December 2011, Citywide Property Holdings, LLC executed a 5-year purchase option with the City of Albany (“the City”) regarding City-owned properties located at 445 Manning Boulevard, 524 and 526 Central Avenue and Rear 526 Central Avenue (“the Site”); and

WHEREAS, the Site is a 3.41 acre development opportunity along Central Avenue located within the Central BID which has identified this as an opportunity site for developing new services, job opportunities and investment for the area; and

WHEREAS, Phase I & II environmental assessments have indicated the presence of environmental contamination requiring remediation; and

WHEREAS, Albany Community Development Agency (“ACDA”) is an urban renewal agency established under New York General Municipal Law § 623 which works closely with other organizations to revitalize neighborhoods by combating unsanitary and deteriorated conditions through conservation, reconstruction, and redevelopment planning; and

WHEREAS, ACDA secures and administers community development funds to assist with property rehabilitation efforts; and

WHEREAS, the ACDA Board has found that the remediation and demolition at the Site falls within its public purpose; and,

WHEREAS, CAC has determined that partnering with ACDA to prepare the Site for redevelopment is within CAC’s mission.

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation authorizes the Chairman to execute a Memorandum of Understanding (“MOU”) with ACDA outlining the distribution of proceeds resulting upon closing of either a sale of the Site or a transfer of the purchase option.

Signed: _____
Erik J. Smith
Vice-President of Finance

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

Capitalize Albany Corporation Board Meeting

July 24, 2012

Agenda Item #4: Director Nominations Resolutions

Materials:

- David Parente Term Extension Nomination - Resolution 12-2012
- James Linnan Term Extension Nomination - Resolution 13-2012
- Jeffrey Sperry Term Extension Nomination - Resolution 14-2012
- Tom Birdsey Term Extension Nomination – Resolution 15-2012
- Lee McElroy Term Extension Nomination – Resolution 16-2012
- Michael Castellana Term Extension Nomination – Resolution 17-2012

**RESOLUTION 12-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, David Parente’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of David Parente’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of David Parente as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

**RESOLUTION 13-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, James Linnan’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of James Linnan’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of James Linnan as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

**RESOLUTION 14-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, Jeffrey Sperry’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of Jeffrey Sperry’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of Jeffrey Sperry as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

**RESOLUTION 15-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, Tom Birdsey’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of Tom Birdsey’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of Tom Birdsey as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

**RESOLUTION 16-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, Lee McElroy’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of Lee McElroy’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of Lee McElroy as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

**RESOLUTION 17-2012
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the bylaws of the Capitalize Albany (“CAC”) state that Directors shall be elected as vacancies arise or terms expire and each shall continue in office for a term of three (3) years and until his successor shall have been elected and qualified, or until his death, resignation, or removal; and

WHEREAS, the bylaws of the CAC further state that a person may serve no more than two (2) successive three (3) year terms, except as otherwise provided by resolution of the Board in order to provide continuity; and

WHEREAS, Michael Castellana’s term is up for renewal; and

WHEREAS, the CAC Board recognizes the benefit of continuity to the corporation by the extension of Michael Castellana’s term for a period of three years to December 2015; and

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation extends the term of Michael Castellana as a member of the CAC Board of Directors and will nominate him for an additional three-year term at the next annual meeting of its Members.

Signed: _____
Michael Yevoli
President

Date of Authorization: July 24, 2012

Prepared by Erik J. Smith

Capitalize Albany Corporation Board Meeting
July 24, 2012

Agenda Item #5: CFA project update

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting

July 24, 2012

Agenda Item #6: Quarterly Financial Report

Materials:

- Financial Report Memorandum July 20, 2012
- Revenue and Expense Summary
- Statements of Revenue and Expenses and Changes in Net Assets Pre-Audited Draft
- Comparative Balance Sheets Pre-Audited Draft
- Statements of Cash Flows Pre-Audited Draft

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO : THE BOARD OF DIRECTORS

FROM : THE CHIEF FINANCIAL OFFICER

SUBJECT : BUDGET PERFORMANCE

BUDGET PERFORMANCE

The following table summarizes the budget performance for the first six months of 2012. The budget is based on the 2012 budget adopted by the Board of Directors on December 15, 2011. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity.

The following table summarizes the budget performance for the first six months of 2012. The budget is based on the 2012 budget adopted by the Board of Directors on December 15, 2011. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity. The budget is based on the assumption that the Corporation will continue to operate as a for-profit entity.

- **YTD 2012 revenue is \$777,000 and 9% above the 2012 budget.**
 - **Interest and Investment Income.** YTD 2012 budgeted income derived from interest and investments is approximately \$37,000 or \$13,000 over budget. The positive variance to the budget is due to increased earnings on the Fidelity investments under HJA management. There is approximately \$29,000 in FMV adjustments and gains on sales/redemptions on the Fidelity investments. Changes in unrealized gains and losses contribute to or detract from investment income and these amounts are not budgeted.
 - **Loan Income.** For 2012 YTD loan income is \$37,800 and \$4,900 (15 %) over budget. This is primarily attributable to non-budgeted income received from loans disbursed in 2012 and past due amounts received on other loans.
 - **Fee Income.** This category is \$13,000 over budget attributable to the receipt of non-budgeted loan commitment fees, legal fees and the collection of sponsorship revenue from the Development Today event in June 2012.
- **YTD 2012 expenses are \$677,000 and 12% under the 2012 budget.**
 - **Salaries & Fringe Benefits Expense.** This category is under budget by approximately \$127,000 or 36%. This is primarily the result of the execution of the Professional Services agreement between CAC and the City. These costs are now categorized as Professional Fees and included in Administrative Expenses. Additionally, savings from position vacancies have been realized through June 30.

- **Administrative Expenses.** YTD 2012 administrative expenses totaled approximately \$258,300 and are \$79,500 over budget. This variance is primarily attributable to the reclassification of economic development salaries and fringe benefits costs to administrative expenses as mentioned above.
- **21 Lodge Street Expenses.** This category is under budget by approximately \$2,900. This is attributable to lower maintenance and repair expenses.
- **Rental Property Expenses.** This category is under budget by approximately \$1,500 or 8%. The Corporation has not incurred expenses related to maintaining the Quabbin House.
- **Project Expenses.** This category reflects recorded bad debt recovery for approximately \$45,000 received for the CMS and Ace Holding, LLC loans.

LOANS

- As of June 30, 2012 Marquette, of World Provisions, was issued a Default Notice by Counsel. He has paid past due amounts from 2011 in July 2012 and is scheduled to remit other past due payments in August. Staff will determine the appropriate loan allowance to record subsequent to the August payment. His loan carries a principal balance of approximately \$17,500.
- Richard Dobush has received a Discharge of Debtor (Chapter 7). The loan has a principal balance of approximately \$45,000 and the 90-days past due balance is \$3,200. Staff and Counsel are pursuing collection options. In July Mr. Dobush submitted a payment and is currently paid through February.
- A recovery of approximately \$6,700 for the CMS loan and \$5,000 for the Ace Holding, LLC loan were received during the second quarter.

BALANCE SHEET

- As of June 30, 2012, compared to December 31, 2011 unrestricted cash has been reduced by approximately \$650,000. This is primarily attributable to loan disbursement activity and payment of salaries.
- Restricted cash has increased due to loan repayments.
- Receivables from Direct Financing Leases have been reduced by approximately \$200,000. This is due to scheduled lease payments, the largest of which is a payment from ACDA. This payment is applied to the principal amount of bonds outstanding for 200 Henry Johnson Boulevard. Grant receivables have increased due to an accrual recorded for the amount due under the ACDA Professional Service Agreement.
- Fixed Assets have increased approximately \$13,000 due to planned network and other IT purchases.

- Liabilities have been reduced primarily by reduced accounts payable as of June 30, principal payments applied against CAC's bond indebtedness, and reduced professional service agreement payments due to the City of Albany.

CASH FLOW STATEMENT

- 2012 cash flow used in operational activity reflects scheduled disbursements of grants and the CAIDA Professional Service Agreement, scheduled lease and rental receipts, and payment of various administrative expenses.
- Cash used in capital and financing activities reflects debt service payments and the purchase of equipment during 2012.
- Cash flow used in investing activities reflects loan disbursements to date for 2012.

CAPITALIZE ALBANY CORPORATION
Revenue and Expense Summary
YTD Through June 2012

	2nd Qtr Ending 6/30/12	January 1, 2012 - December 31, 2012				7/1 to 12/31 Forecast	2012 Projection	Original Budget	Projected Variance from Budget
		YTD Actual	YTD Budget	Variance - \$	Variance - %				
REVENUE									
Investment Income	\$ 18,645	\$ 37,212	\$ 24,285	\$ 12,927	53%	\$ 10,744	47,957	\$ 48,570	\$ (613)
FMV Adj on Fidelity Inv	(18,103)	27,679	-	27,679	0%	-	27,679	-	27,679
G/L on Sale/Redemption	(3,396)	1,393	-	1,393	0%	-	1,393	-	1,393
Rental Income	74,734	103,607	102,559	1,048	1%	258,012	361,618	361,618	-
Loan Income	22,408	37,849	32,949	4,900	15%	26,716	64,564	64,564	-
Fee Income	80,492	156,822	143,761	13,061	9%	195,276	352,098	335,023	17,075
Capitalized Lease Income	13,007	29,462	28,267	1,195	4%	120,166	149,628	149,628	-
Grant Income	170,900	233,400	233,400	-	0%	259,400	492,800	492,800	-
Program Support	-	150,000	150,000	-	0%	200,000	350,000	350,000	-
Other Income	-	-	-	-	0%	-	-	-	-
TOTAL REVENUE	\$ 358,688	\$ 777,424	\$ 715,221	\$ 62,202	9%	\$ 1,070,313	\$ 1,847,737	\$ 1,802,203	\$ 45,534
EXPENSE									
Salaries & Fringe Benefits	\$ 53,870	\$ 223,053	\$ 350,250	\$ (127,197)	-36%	\$ 291,684	\$ 514,737	\$ 706,000	\$ (191,263)
Capitalized Lease Expense	10,766	49,031	49,031	-	0%	54,762	103,793	103,793	-
Administrative Expenses	137,351	258,258	178,764	79,493	44%	212,671	470,929	301,443	169,485
21 Lodge Street Expenses	6,793	13,934	16,803	(2,869)	-17%	39,635	53,569	53,569	-
Rental Property Expenses	8,553	16,488	17,953	(1,465)	-8%	40,361	56,849	56,849	-
Program Expense	-	150,000	150,000	-	0%	200,000	350,000	350,000	-
Project Expenses	(8,879)	(34,086)	7,750	(41,836)	-540%	222,326	188,240	230,549	(42,309)
TOTAL EXPENSE	\$ 208,454	\$ 676,678	\$ 770,551	\$ (93,873)	-12%	\$ 1,061,439	\$ 1,738,117	\$ 1,802,203	\$ (64,087)
Net Income	\$ 150,234	\$ 100,745	\$ (55,330)	\$ 156,075		\$ 8,875	\$ 109,620	\$ -	\$ 109,620

Statements of Revenue and Expenses and Changes in Net Assets
Pre-Audited Draft

	As of June 30, 2012	2011
Revenues		
Grant income	\$ 383,400	\$ 492,800
Rental income	103,607	346,477
Other interest and investment income	95,746	200,837
Interest income on mortgage notes	37,849	70,451
Fees and Other Income	156,822	324,271
Total revenues	777,424	1,434,837
Expenses		
Salaries and fringe benefits	223,053	650,175
Program and project costs	177,508	261,610
Interest Expense	49,031	113,209
Bad debt expense (recovery)	(45,107)	463,455
Other Expenses	272,192	331,063
Total expenses	676,678	1,819,513
Excess of revenues over expenses	100,745	(384,676)
Net Assets, Beginning of Year	9,321,816	9,706,493
Net Assets, End of Year	\$ 9,422,562	9,321,816

Capitalize Albany Corporation
Comparative Balance Sheets
Pre-Audited Draft

	June 30, 2012	December 31, 2011	\$ Change
Assets			
Cash and cash equivalents	\$ 2,920,046	\$ 3,572,020	\$ (651,974)
Investments	2,701,045	2,644,806	56,240
Restricted Cash	358,990	321,034	37,955
Accrued Interest receivable	74,788	73,508	1,280
Grants receivable	20,833	-	20,833
Mortgage notes receivable, net of allowance for losses of \$2,361,069 in 2011 and \$1,908,797 in 2010	2,572,800	2,030,574	542,227
Other receivables, net of allowances for losses of \$43,734 in 2011 and 2010	91,180	94,505	(3,325)
Property held for investment and lease, net	3,663,351	3,663,351	-
Property and equipment, net	485,728	472,355	13,373
Net investment in direct financing leases	2,075,172	2,273,211	(198,039)
Receivables from City agencies	100,000	100,000	-
Other assets	532,976	532,451	525
Total Assets	\$ 15,596,910	\$ 15,777,814	\$ (180,904)
Liabilities and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	\$ 60,914	\$ 91,714	\$ (30,800)
Due to the City of Albany	99,097	136,248	(37,151)
Deferred grant and other income	842,797	910,797	(68,000)
Bonds, loan and notes payable	4,384,812	4,530,548	(145,735)
Line of Credit	-	-	-
Revolving loan fund liability	705,281	705,244	37
Deferred program support	81,447	81,447	-
Total Liabilities	\$ 6,174,348	\$ 6,455,998	\$ (281,650)
Fund Net Assets			
Invested in property & equipment, net of related debt	\$ 1,615,705	\$ 1,615,705	\$ -
Restricted for:			-
Debt service	171,400	171,400	-
CDBG eligible activities	109,612	109,612	-
Other	8,769	8,769	-
Unrestricted	7,517,076	7,416,330	100,745
Total fund net assets	\$ 9,422,562	\$ 9,321,816	\$ 100,745
Total Liabilities and Fund Net Assets	\$ 15,596,910	\$ 15,777,814	\$ (180,904)

CAPITALIZE ALBANY CORPORATION
Statement of Cash Flows
Pre-Audited Draft

	<u>As of June 30, 2012</u>	<u>Projected December 31, 2012</u>	<u>2011</u>
Cash Flows from Operating Activities			
Cash received from customers	\$ 174,242	\$ 583,475	\$ 588,261
Cash received from grantors	294,604	787,040	540,973
Other operating cash receipts	156,822	352,098	324,271
Cash payments to suppliers and grantees	(517,651)	(933,374)	(551,889)
Cash payments to employees	(223,053)	(514,737)	(650,175)
Net cash provided by (used in) operating activities	\$ (115,037)	\$ 274,501	\$ 251,441
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of property held for sale	\$ -	\$ -	\$ -
Purchase of property held for sale	-	-	-
Purchase of property held for investment and lease	-	-	-
Purchase of property and equipment	(13,373)	(13,373)	(47,219)
Purchase Option	(525)	(525)	(526,559)
Net (payments) advances on line of credit	-	-	-
Interest paid on line of credit	-	-	-
Principal payments on bonds payable	(145,735)	(322,112)	(309,722)
Interest paid on bonds payable	(49,031)	(106,215)	(115,525)
Net cash provided by (used in) capital and related financing activities	\$ (208,665)	\$ (442,225)	\$ (999,025)
Cash Flows from Investing Activities			
Interest on cash and cash equivalents and investments	\$ 35,932	\$ 47,957	\$ 72,896
Net (increase) decrease in restricted cash	(37,955)	(73,401)	343,576
Proceeds from sales and maturities of investments	998,838	1,003,289	2,576,534
Purchase of investments	(1,026,006)	(1,032,853)	(2,629,302)
Issuance of mortgage notes receivable	(650,000)	(650,000)	(1,000,000)
Repayments received on mortgage notes receivable	152,880	289,467	390,364
Repayment from (advances to) City agencies net	-	-	-
Principal payments received under direct financing leases	198,039	181,995	170,148
Net cash provided by (used in) investing activities	\$ (328,272)	\$ (233,546)	\$ (75,785)
Change in cash and cash equivalents	\$ (651,974)	\$ (401,269)	\$ (823,368)
Cash and cash equivalents:			
Beginning of year	3,572,020	3,572,019	4,395,388
End of year	\$ 2,920,046	\$ 3,170,750	\$ 3,572,020

Supplemental Disclosures of Non-Cash Investing, Capital and Financing Activities

Allowance for losses converted to deferred program support	\$ -	\$ -	\$ -
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	<u>As of June 30, 2012</u>	<u>Projected December 31, 2012</u>	<u>2011</u>
Reconciliation of Excess of Revenues Over Expenses to Net Cash Used In Operating Activities			
Excess of revenues over expenses	\$ 100,745	\$ 109,621	\$ (384,677)
Adjustments to reconcile excess of revenue over expenses to net cash used in operating activities:			
Depreciation and amortization	-	225,981	214,862
(Adjustment) provision for losses on mortgage notes receivable	(45,107)	4,893	463,455
Gain on sale of property held for sale	-	-	-
Unrealized (gain) loss on investments	(29,072)	(29,072)	35,752
Interest income on cash and cash equivalents and investments	(37,212)	(47,957)	(73,677)
Interest expense on bonds and notes payable	49,031	103,793	113,209
Deferred program support recognized as program income	-	-	-
Changes in:			
Grants receivable	(20,833)	-	23,279
Other receivables, accrued interest receivable and other assets	3,325	7,665	8,420
Accounts payable and accrued expenses	(30,800)	(7,511)	(119,365)
Due to the City	(37,151)	(37,151)	(54,711)
Deferred grant and other income	(68,000)	(55,797)	20,829
Revolving loan fund liability	37	37	4,065
Net cash provided by (used in) operating activities	\$ (115,037)	\$ 274,502	\$ 251,441

Capitalize Albany Corporation Board Meeting
July 24, 2012

Agenda Item #7: Executive Session (if necessary)

Materials:

- No materials are included.