



**CAPITALIZE ALBANY**  
CORPORATION

**Tuesday, July 21, 2015**  
8:30 a.m.  
21 Lodge Street

**Capitalize Albany Corporation**  
**Finance and Investment Committee Meeting**  
**Agenda**

1. Review of the minutes from the Finance & Investment Committee meeting of May 19, 2015
2. Quarterly Financial Report
3. Banking Services
4. Update on 526 Central Avenue
5. Retail Attraction Program
6. Other Business

**Capitalize Albany Corporation Finance & Investment Committee Meeting  
MINUTES  
May 19, 2015**

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 8:30 a.m., Tuesday, May 19, 2015 at 21 Lodge Street.

The following were in attendance:

**Committee Members:**

Anders Tomson  
Jeff Sperry  
John Vero

**Other:**

Thomas M. Owens, Esq.

**Staff:**

Sarah Reginelli, Brad Chevalier, Mark Opalka, and Chantel Burnash

The regular meeting of the Capitalize Albany Corporation Finance & Investment Committee was called to order at 8:35 a.m.

**Approval of Minutes for April 21, 2015 Finance & Investment Committee Meeting**

The Committee reviewed the minutes of the April 21, 2015 meeting. Jeff Sperry made a motion for approval. John Vero seconded. The Committee agreed unanimously to approve the minutes.

**Status of Loan Program**

Staff reviewed the list of projects that obtained financing by utilizing the real estate loan fund. The Committee advised Staff to provide the Board with a status update of the projects in this program at the next Board meeting and affirm with the Board that this is a revolving real estate loan fund. The Committee confirmed that this is a strong program which aligns with the Corporation's mission.

**Update on 526 Central Avenue**

Staff advised the Committee that an RFP was sent to brokers to establish a contract for Commercial Real Estate Brokerage Services for the 3.4 acre site located at 526 Central Avenue. The purpose of the RFP is to find a broker to successfully market the site to a buyer who will develop and tenant it. The Committee advised Staff to provide the Board with the history of the property and an update at the next Board meeting.

**Old Business**

**Status of Unrestricted Funds**

Staff reviewed the sources of unrestricted funds and investments with the Committee. The Committee advised Staff to explore options that would allow funds to generate more interest.

**Review of Investment Metrics and Compliance**

Staff reviewed the Hugh Johnson Advisors portfolio in comparison with the guidelines of the Corporation's investment policy and informed the Committee that the Corporation's portfolio consists of 13% equities, 84% fixed income, and 3% cash. The Corporation's cash and cash equivalent portion of the portfolio is approximately \$66,000 short of meeting the minimum weight of 5% cash. Staff believes that this is an acceptable variance due to the fact that funds invested in fixed income and equities are averaging a current yield of 1.5% versus 0.07% if invested in cash. The Committee agreed with the minimum cash percentage variance.

### **Other Business**

Staff advised the Committee that they are in the midst of crafting a retail investment program to jumpstart and incentivize a market that doesn't currently exist, in addition to creating vitality downtown. Staff also informed the Committee that they are working with the Downtown Albany BID on a potential façade program that would help to improve Downtown's image.

Staff informed the Committee that the Mayor will be facilitating a meeting with developers and members of the Corporation's Finance Committee to help identify bottle-necks, develop parameters and discuss steps in how to streamline the process when conducting business with the City of Albany. The Committee recommended the use of a technical review process in an effort to streamline the procedure.

There being no further business the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 9:56 a.m.

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

MEMORANDUM

TO: CAC Finance & Investment Committee  
FROM: Mark Opalka  
RE: Review of the 2nd Quarter Hugh Johnson Investment Portfolio  
DATE: July 21, 2015

Staff has reviewed the Hugh Johnson portfolio to ensure that it is compliance with the guidelines of the Capitalize Albany investment policy. After reviewing the policy there still is only one insignificant issue that needs to be brought to the committes attention.

**Asset Allocation**

<i>Asset Class</i>	<i>Min. Wt.</i>	<i>Max. Wt.</i>	<i>Representative Index</i>
Equities	0%	15%	S&P 500 and MSCI EAFE
<i>Domestic</i>	<i>85%</i>	<i>100%</i>	S&P 500
<i>International*</i>	<i>0%</i>	<i>15%</i>	MSCI EAFE
Fixed Income	80%	95%	BCS Int. Govt./Credit**
Cash or Equivalent	5%	25%	Treasury Bill

Currently CAC's portfolio composition remains unchanged from the first quarter and consists of 13% Equities, 84% Fixed Income, and 3% cash. CAC's cash and cash equivalent portion of the portfolio is approximately \$65,000 short of meeting the minimum weight of 5%. Staff believes that this is an acceptable variance due to the fact that funds invested in fixed income and Equities are averaging a current yield of 1.5% versus 0.07% if invested in cash.

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

MEMORANDUM

TO: CAC Finance & Investment Committee  
FROM: Mark Opalka  
RE: Capitalize Albany Corporation 2nd Quarter Financial Reports  
DATE: July 21, 2015

**BUDGET PERFORMANCE**

On a pre-audit basis, through June 30, 2015, the Capitalize Albany Corporation (CAC) had net income of approximately \$19,080. This position compares favorably to the year-to-date (YTD) budgeted net loss of approximately \$156,773. CAC had a net loss of approximately \$33,000 during the second quarter of 2014.

My comments below address those remaining categories that deviate in excess of 5% from the YTD budget.

- ***YTD 2015 revenue is \$748,407 which is \$152,307 above the 2015 budget. Excluding program revenue activity, which was not budgeted for, YTD 2015 revenue, is \$596,007 and \$93 (< 1%) below the 2015 budget.***
  - ***Real Estate Income.*** Real Estate income is approximately \$71,840 which is 15% over budget. This positive variance is a direct result of the DBID leasing office space at 21 Lodge Street. This transaction was not budgeted for in the 2015 budget.
  - ***Loan Interest Income.*** Loan interest income is approximately \$47,300 or 15% under budget. This negative variance is a direct result of an early loan repayment.
  - ***Fee Income.*** Fee Income is approximately \$19,750 which is 5% under budget. This negative variance is due a loan that what budgeted to close in the 2<sup>nd</sup> quarter not occurring until the second week of July.
  - ***Membership & Event Support.*** Membership and Event Support is \$17,000 or \$1,500 under budget. This negative variance is due budgeted sponsorships for CAC's annual event offset by memberships received from our investors. CAC's annual event is planned to happen later this year.

- **YTD 2015 expenses are \$729,329 which is \$26,456 above the 2015 budget. Excluding the program expense activity, which was not budgeted for, YTD 2015 expenses are \$587,069 and \$115,800 (16%) below the 2015 budget.**
  - **Salaries & Fringe Benefits Expense.** This category is under budget by approximately \$103,300 or 24%. The variance in this category is attributable to position vacancies that occurred during the first quarter as well as the financial consultant position being budgeted to salaries and benefits in the 2015 budget. This expense, which is approximately \$33,130, is currently being expensed in the professional fees category.
  - **Professional Fees.** This category is over budget by approximately \$17,900 or 13%. As noted above the variance in the category is attributable to the financial consultant expenses being budgeted to salary & fringe benefits in 2015. This variance has been offset by lower legal fees incurred year to date.
  - **Administrative Expense.** This category is under budget by approximately \$22,650 or 28%. This is mainly attributable to the Board opt-outs for the Impact Downtown Albany Plan as well as a website maintenance that was budgeted for but that has not yet occurred.
  - **Membership & Event Expense.** This category is under budget by \$8,125 or 71%. This negative variance is mainly attributable to CAC's annual event being moved in 2015.

## LOANS

- One loan has moved to non performing status during the second quarter of 2015. The borrower, Angela Boney would typically pay CAC once a year during the second quarter to bring her account current. In 2015 this payment was not made. Staff has reached out to borrower and she has indicated that she will make a payment to CAC in the month of July and will make additional monthly payments until her account is current. This loan is currently carries a 75 % allowance.

## BALANCE SHEET

- As of June 31, 2015, compared to December 31, 2014, unrestricted cash has increased by approximately \$321,300. This is primarily attributable to the early payoff of one loan offset by payments of budgeted operating costs.
- Restricted cash has increased approximately \$38,500 due to loan repayments.
- Mortgage notes receivable has decreased by approximately \$491,932. This is a result of one borrower paying off their loan early in the amount of \$244,066 plus scheduled loan payment activity.
- Net investment in direct financing leases has been reduced by approximately \$166,020. This is due to scheduled lease payments, the largest of which are the payments from ACDA. Additionally, ACDA payments are applied to the principal amount of bonds outstanding for 200 Henry Johnson Boulevard.

- Liabilities have been reduced by approximately \$315,000. This is due to reduced accounts payable as of June 30, principal payments applied against CAC's bond indebtedness, and reduced professional service fees due to the City of Albany.

### **CASH FLOW STATEMENT**

- Currently, CAC's December 31, 2015 cash and cash equivalents are anticipated to decrease by approximately \$123,000 to \$3.96 million.
- Projected 2015 cash flow provided by operational activities reflect scheduled project grants activity, receipt of payment under the CAIDA Professional Service Agreement, scheduled lease and rental receipts, and payment of various administrative expenses
- Cash used in capital and financing activities reflects scheduled debt service payments and renovations made at 21 Lodge Street during 2015.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

PERFORMANCE SUMMARY  
NET OF FEES  
**Capitalize Albany Corporation A/C# 636-788813**  
June 30, 2015

PORTFOLIO COMPOSITION				CHANGE IN PORTFOLIO	
	Market Value	Pct. Assets	Cur. Yield		
Cash and Equivalents	2,132,452.26	61.6	1.5	Portfolio Value on 01-01-15	3,411,360.12
Equities	461,568.67	13.3	1.5	Accrued Interest	14,592.58
Fixed Income	866,664.31	25.0	1.9	Net Additions/Withdrawals	-3.35
Other	0.00	0.0	-	Realized Gains	-6,469.10
				Unrealized Gains	20,158.07
				Income Received	31,442.25
				Management Fees	-6,001.04
				Change in Accrued Interest	-4,394.28
				Portfolio Value on 06-30-15	3,450,486.95
				Accrued Interest	10,198.30
<b>Total</b>	<b>3,460,685.25</b>	<b>100.0</b>	<b>1.6</b>		<b>3,460,685.25</b>
				Total Fees	-6,001.04

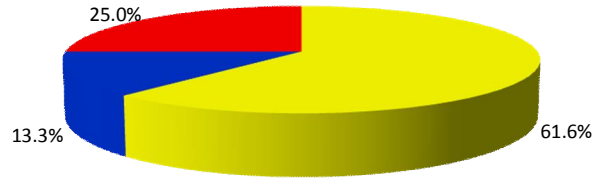
TIME WEIGHTED RETURN

	Quarter To Date	Year To Date	Last 12 Months	Annualized 09-23-09 To Date
Account	0.03	1.02	1.32	2.76
7% SP500/93% 1-3Y Gov Corp	0.15	0.78	1.40	2.30
Equities	-0.42	3.00	5.09	11.33
S&P 500 Total Return	0.28	1.23	7.42	14.61
Fixed Income	-0.04	0.32	0.32	1.75
Barclays Bond Fund 1-3 Govt/Cred	0.14	0.72	0.93	1.42



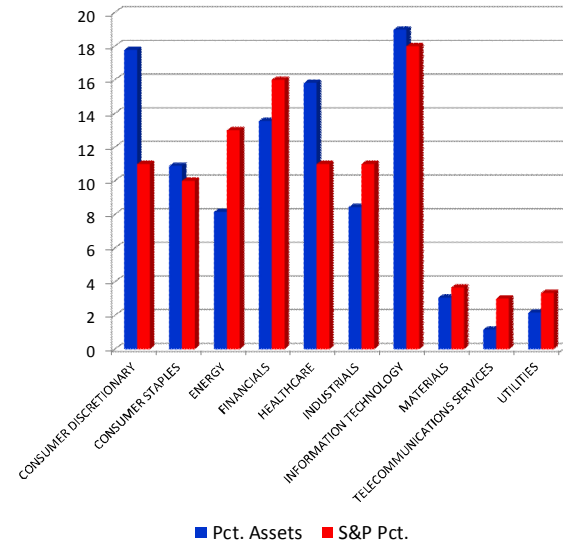
Portfolio Summary  
**Capitalize Albany Corporation A/C# 636-788813**  
 June 30, 2015

Asset Summary

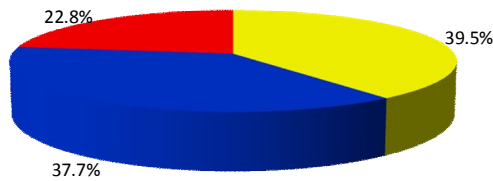


■ Cash and Equivalents 2,132,452.26  
■ Equities 461,568.67  
■ Fixed Income 866,664.31

Sector Analysis

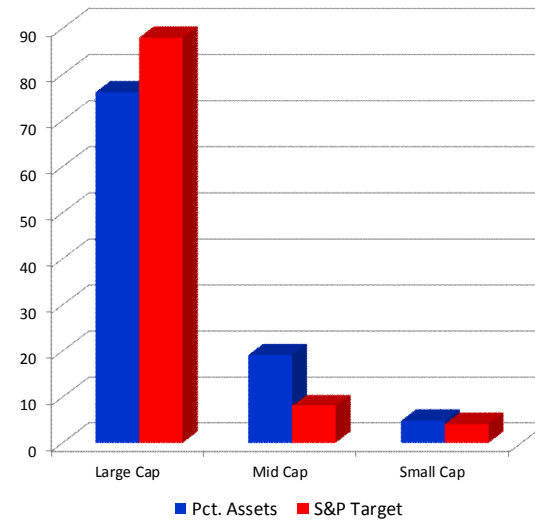


Investment Allocation:



■ Blend 182,221.95 ■ Growth 174,044.07  
■ Value 105,302.65

Capitalization Allocation:



**PORTFOLIO APPRAISAL**  
**Capitalize Albany Corporation A/C# 636-788813**  
June 30, 2015

Quantity	Security Description	Unit Cost	Total Cost	Price	Market Value	Unit Income	Annual Income	Cur. Yield	Pct. Assets
<b>Cash and Equivalents</b>									
<b>CASH AND EQUIVALENTS</b>									
	Cash		107,977.33		107,977.33	0.050	53.99	0.0	3.1
	Cash Account Balance		-81.57		-81.57	0.050	-0.04	0.0	0.0
<b>CERTIFICATES OF DEPOSIT</b>									
198,000	Ally Bank Midvale Utah 1.850% Due 08-17-16	100.95	199,871.20	101.54	201,049.60	1.850	3,663.00	1.8	5.8
163,000	American Express Bank FSB Utah 1.950% Due 10-23-18	99.67	162,455.80	100.07	163,121.43	1.950	3,178.50	1.9	4.7
99,000	American Express Centurion 1.550% Due 10-04-17	99.64	98,647.57	101.18	100,165.23	1.550	1,534.50	1.5	2.9
120,000	American Express Centurion 1.500% Due 10-18-17	100.32	120,388.00	101.17	121,401.84	1.500	1,800.00	1.5	3.5
30,000	American Express Centurion Bank 3.750% Due 07-15-19	106.68	32,004.49	107.08	32,123.22	3.750	1,125.00	3.5	0.9
154,000	Apple Bank For Savings NY 0.400% Due 08-04-16	99.92	153,871.40	100.16	154,250.25	0.400	616.00	0.4	4.5
180,000	Discover Bank 1.750% Due 05-16-17	100.99	181,782.48	101.68	183,026.16	1.750	3,150.00	1.7	5.3
68,000	Discover Bank Greenwood DE 0.750% Due 06-06-16	99.80	67,861.08	100.33	68,226.17	0.750	510.00	0.7	2.0
100,000	GE Capital Bank Inc Retail 1.750% Due 12-16-15	101.81	101,810.00	100.63	100,628.10	1.750	1,750.00	1.7	2.9
70,000	GE Capital Financial Inc Retail 2.100% Due 12-29-16	102.02	71,412.95	101.99	71,390.06	2.100	1,470.00	2.1	2.1
130,000	GE Capital Retail Bank Draper Utah 2.100% Due 11-23-16	101.94	132,525.50	101.91	132,481.70	2.100	2,730.00	2.1	3.8
100,000	GE Capital Retail Bank Draper Utah 1.750% Due 12-09-15	101.74	101,743.00	100.60	100,603.10	1.750	1,750.00	1.7	2.9
100,000	Goldman Sachs Bank USA NY 1.850% Due 04-25-17	100.01	100,010.00	101.68	101,677.10	1.850	1,850.00	1.8	2.9
60,000	Goldman Sachs Bank USA NY 1.050% Due 04-10-17	99.58	59,746.00	100.38	60,230.58	1.050	630.00	1.0	1.7
80,000	Goldman Sachs Bank USA NY 0.550% Due 05-09-16	99.66	79,730.00	100.05	80,038.56	0.550	440.00	0.5	2.3
145,000	Medallion Bank Utah 1.000% Due 06-28-16	100.61	145,884.35	100.44	145,637.27	1.000	1,450.00	1.0	4.2
200,000	Sallie Mae Bank Slt Lake City UT 1.600% Due 09-19-17	100.64	201,274.00	101.34	202,681.00	1.600	3,200.00	1.6	5.9
	Cash and Equivalents Total		2,118,913.58		2,132,452.26		30,900.95	1.5	61.6
<b>Equities</b>									
<b>AMERICAN DEPOSITORY RECEIPTS</b>									
<b>CONSUMER STAPLES</b>									
70.00	Anheuser-Busch InBev SA NV Sp ADR	70.49	4,934.63	120.67	8,446.90	2.856	199.91	2.4	0.2
	CONSUMER STAPLES Total		4,934.63		8,446.90		199.91	2.4	0.2

**PORTFOLIO APPRAISAL**  
**Capitalize Albany Corporation A/C# 636-788813**  
June 30, 2015

Quantity	Security Description	Unit Cost	Total Cost	Price	Market Value	Unit Income	Annual Income	Cur. Yield	Pct. Assets
<b>COMMON STOCKS</b>									
<b>CONSUMER DISCRETIONARY</b>									
165.00	DirecTV	37.55	6,196.25	92.79	15,310.35	0.000	0.00	0.0	0.4
250.00	Disney Walt Co Disney	35.56	8,889.45	114.14	28,535.00	1.320	330.00	1.2	0.8
145.00	Lowes Cos Inc	54.81	7,947.46	66.97	9,710.65	1.120	162.40	1.7	0.3
135.00	Target Corp	74.12	10,006.17	81.63	11,020.05	2.240	302.40	2.7	0.3
	<b>CONSUMER DISCRETIONARY Total</b>		<b>33,039.33</b>		<b>64,576.05</b>		<b>794.80</b>	<b>1.2</b>	<b>1.9</b>
<b>CONSUMER STAPLES</b>									
175.00	Church & Dwight Inc	32.59	5,702.62	81.13	14,197.75	1.340	234.50	1.7	0.4
200.00	Walgreens Boots Alliance Inc	73.89	14,778.46	84.44	16,888.00	1.440	288.00	1.7	0.5
	<b>CONSUMER STAPLES Total</b>		<b>20,481.08</b>		<b>31,085.75</b>		<b>522.50</b>	<b>1.7</b>	<b>0.9</b>
<b>ENERGY</b>									
135.00	Baker Hughes Inc	56.43	7,617.89	61.70	8,329.50	0.680	91.80	1.1	0.2
100.00	ConocoPhillips	42.09	4,208.68	61.41	6,141.00	2.920	292.00	4.8	0.2
65.00	Exxon Mobil Corp	61.54	3,999.93	83.20	5,408.00	2.920	189.80	3.5	0.2
155.00	Valero Energy Corp	48.28	7,482.84	62.60	9,703.00	1.600	248.00	2.6	0.3
	<b>ENERGY Total</b>		<b>23,309.34</b>		<b>29,581.50</b>		<b>821.60</b>	<b>2.8</b>	<b>0.9</b>
<b>FINANCIALS</b>									
145.00	Allstate Corp	70.32	10,196.94	64.87	9,406.15	1.200	174.00	1.8	0.3
85.00	Ameriprise Financial Inc	130.62	11,102.49	124.93	10,619.05	2.680	227.80	2.1	0.3
55.00	Capital One Financial Corp	89.27	4,909.83	87.97	4,838.35	1.600	88.00	1.8	0.1
175.00	First Republic Bank San Fran Cali New	33.78	5,910.97	63.03	11,030.25	0.600	105.00	1.0	0.3
90.00	Travelers Companies Inc	68.46	6,161.21	96.66	8,699.40	2.440	219.60	2.5	0.3
130.00	Unum Group	36.90	4,796.82	35.75	4,647.50	0.660	85.80	1.8	0.1
	<b>FINANCIALS Total</b>		<b>43,078.26</b>		<b>49,240.70</b>		<b>900.20</b>	<b>1.8</b>	<b>1.4</b>
<b>HEALTHCARE</b>									
135.00	Abbott Laboratories	23.84	3,217.91	49.08	6,625.80	0.960	129.60	2.0	0.2
25.00	Allergan PLC	306.27	7,656.76	303.46	7,586.50	0.000	0.00	0.0	0.2
20.00	Biogen Inc	419.24	8,384.87	403.94	8,078.80	0.000	0.00	0.0	0.2
55.00	Celgene Corp	97.50	5,362.25	115.73	6,365.42	0.000	0.00	0.0	0.2
50.00	Gilead Sciences Inc	106.64	5,332.19	117.08	5,854.00	1.720	86.00	1.5	0.2
25.00	McKesson Corp	198.32	4,957.96	224.81	5,620.25	0.960	24.00	0.4	0.2
255.00	Mylan NV Euro	31.91	8,136.40	67.86	17,304.30	0.000	0.00	0.0	0.5
	<b>HEALTHCARE Total</b>		<b>43,048.34</b>		<b>57,435.07</b>		<b>239.60</b>	<b>0.4</b>	<b>1.7</b>
<b>INDUSTRIALS</b>									
45.00	Danaher Corp	84.97	3,823.62	85.59	3,851.55	0.540	24.30	0.6	0.1
30.00	Stericycle Inc	133.63	4,009.02	133.91	4,017.30	0.000	0.00	0.0	0.1
140.00	Union Pacific Corp	37.55	5,257.25	95.37	13,351.80	2.200	308.00	2.3	0.4
85.00	United Technologies Corp	71.61	6,086.51	110.93	9,429.05	2.560	217.60	2.3	0.3
	<b>INDUSTRIALS Total</b>		<b>19,176.40</b>		<b>30,649.70</b>		<b>549.90</b>	<b>1.8</b>	<b>0.9</b>

**PORTFOLIO APPRAISAL**  
**Capitalize Albany Corporation A/C# 636-788813**  
June 30, 2015

Quantity	Security Description	Unit Cost	Total Cost	Price	Market Value	Unit Income	Annual Income	Cur. Yield	Pct. Assets
<b>INFORMATION TECHNOLOGY</b>									
130.00	Apple Inc	99.13	12,887.11	125.42	16,305.25	2.080	270.40	1.7	0.5
185.00	Check Point Software Tech Ltd	57.04	10,551.85	79.55	14,716.75	0.000	0.00	0.0	0.4
160.00	Fiserv Inc	72.82	11,650.78	82.83	13,252.80	0.000	0.00	0.0	0.4
535.00	NVIDIA Corp	20.61	11,025.60	20.11	10,758.85	0.390	208.65	1.9	0.3
270.00	Texas Instruments Inc	24.97	6,742.29	51.51	13,907.70	1.360	367.20	2.6	0.4
	<b>INFORMATION TECHNOLOGY Total</b>		<b>52,857.63</b>		<b>68,941.35</b>		<b>846.25</b>	<b>1.2</b>	<b>2.0</b>
<b>TELECOMMUNICATIONS SERVICES</b>									
90.00	Verizon Communications Inc	29.15	2,623.80	46.61	4,194.90	2.200	198.00	4.7	0.1
	<b>TELECOMMUNICATIONS SERVICES Total</b>		<b>2,623.80</b>		<b>4,194.90</b>		<b>198.00</b>	<b>4.7</b>	<b>0.1</b>
<b>EXCH TRADED FUNDS - EQUITY</b>									
<b>EXCH TRADED FUNDS</b>									
185.00	iShares Tr S&P Small Cap 600	75.11	13,896.22	117.88	21,807.80	1.548	286.46	1.3	0.6
230.00	Select Sector SPDR Tr SBI Materials	40.98	9,425.28	48.39	11,129.70	0.953	219.16	2.0	0.3
190.00	Select Sector SPDR Tr SBI Utilities	40.74	7,740.40	41.46	7,877.40	1.541	292.76	3.7	0.2
75.00	SPDR S&P 500 Index ETF	187.90	14,092.20	205.85	15,438.75	4.035	302.62	2.0	0.4
160.00	SPDR S&P Mid Cap 400 ETF Tr	175.72	28,115.89	273.20	43,712.00	3.171	507.39	1.2	1.3
	<b>EXCH TRADED FUNDS Total</b>		<b>73,269.99</b>		<b>99,965.65</b>		<b>1,608.40</b>	<b>1.6</b>	<b>2.9</b>
395.00	iShares Tr MSCI ACWI Ex Equities Total	42.83	16,917.90	44.18	17,451.10	1.146	452.79	2.6	0.5
	<b>Equities Total</b>		<b>332,736.69</b>		<b>461,568.67</b>		<b>7,133.94</b>	<b>1.5</b>	<b>13.3</b>
<b>Fixed Income</b>									
<b>CORPORATE BONDS</b>									
100,000	Bank New York MTN BE 2.500% Due 01-15-16	103.26	103,263.00	101.07	101,066.10	2.500	2,500.00	2.5	2.9
100,000	BB&T BRH Banking & Trust Co Global Bank 1.000% Due 04-03-17	99.48	99,480.00	99.76	99,758.90	1.000	1,000.00	1.0	2.9
35,000	Colgate Palmolive Co MTNS BE 2.625% Due 05-01-17	103.88	36,358.55	103.04	36,062.91	2.625	918.75	2.5	1.0
100,000	GE Capital Corp MTN BE 4.375% Due 09-21-15	100.01	100,010.00	100.84	100,844.00	4.375	4,375.00	4.3	2.9
40,000	PepsiCo Inc 2.500% Due 05-10-16	104.50	41,802.00	101.57	40,627.44	2.500	1,000.00	2.5	1.2
60,000	Unilever Cap Corp 2.200% Due 03-06-19	101.72	61,033.60	100.92	60,550.08	2.200	1,320.00	2.2	1.7
100,000	Wells Fargo Co MTN BE 2.100% Due 05-08-17	102.32	102,320.00	101.70	101,696.10	2.100	2,100.00	2.1	2.9
50,000	Wells Fargo Co MTN BE 2.125% Due 04-22-19	99.81	49,904.00	100.39	50,196.35	2.125	1,062.50	2.1	1.5
<b>CORPORATE BONDS - VARIABLE RATE</b>									
100,000	GENERAL ELEC CAP CORP MTN BE 0.926% Due 07-12-16	100.01	100,010.00	100.54	100,541.50	0.926	925.90	0.9	2.9

**PORTFOLIO APPRAISAL**  
**Capitalize Albany Corporation A/C# 636-788813**  
June 30, 2015

Quantity	Security Description	Unit Cost	Total Cost	Price	Market Value	Unit Income	Annual Income	Cur. Yield	Pct. Assets
<b>GOVERNMENT BONDS</b>									
45,000	United States Treas Nts 0.750% Due 03-15-17	99.55	44,795.55	100.35	45,158.22	0.750	337.50	0.7	1.3
<b>MUNICIPAL BONDS</b>									
50,000	Mississippi Dev Bank Spl Oblig 1.375% Due 09-01-15	99.98	49,989.00	100.10	50,051.50	1.375	687.50	1.4	1.4
<b>MUTUAL FUNDS - FIXED INCOME</b>									
7,551.150	Fidelity Conserv Inc Inst Fixed Income Total	10.04	75,813.35	10.03	75,738.03	0.042	315.00	0.4	2.2
			864,779.05			866,664.31	16,542.15	1.9	25.0
<b>TOTAL PORTFOLIO</b>			<b>3,316,429.32</b>			<b>3,460,685.25</b>	<b>54,577.05</b>	<b>1.6</b>	<b>100.0</b>

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**PURCHASE AND SALE**  
**Capitalize Albany Corporation A/C# 636-788813**  
From 01-01-2015 To 06-30-2015

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
03-17-2015	03-20-2015	25.00	Actavis PLC	306.27	7,656.76
01-21-2015	01-26-2015	145.00	Allstate Corp	70.32	10,196.94
04-01-2015	04-07-2015	85.00	Ameriprise Financial Inc	130.62	11,102.49
02-26-2015	03-03-2015	154,000	Apple Bank For Savings NY 0.400% Due 08-04-16	99.92	153,871.40
01-15-2015	01-21-2015	60.00	Apple Inc	107.80	6,468.13
03-17-2015	03-20-2015	20.00	Biogen Inc	419.24	8,384.87
06-26-2015	07-01-2015	55.00	Capital One Financial Corp	89.27	4,909.83
02-04-2015	02-09-2015	45.00	Danaher Corp	84.97	3,823.62
02-19-2015	02-24-2015	55.00	Fiserv Inc	79.26	4,359.51
02-26-2015	03-03-2015	145,000	Medallion Bank Utah 1.000% Due 06-28-16	100.61	145,884.35
02-19-2015	02-24-2015	200.00	NVIDIA Corp	22.22	4,444.93
02-04-2015	02-09-2015	30.00	Stericycle Inc	133.63	4,009.02
01-21-2015	01-26-2015	135.00	Target Corp	74.12	10,006.17
05-26-2015	05-29-2015	60,000	Unilever Cap Corp 2.200% Due 03-06-19	101.72	61,033.60
06-26-2015	07-01-2015	130.00	Unum Group	36.90	4,796.82
01-29-2015	02-03-2015	200.00	Walgreens Boots Alliance Inc	73.89	14,778.46
03-25-2015	03-30-2015	100,000	Wells Fargo Co MTN BE 2.100% Due 05-08-17	102.32	102,320.00
					558,046.90
<b>REINVESTED DIVIDENDS</b>					
01-30-2015	01-30-2015	2.519	Fidelity Conserv Inc Inst	10.03	25.27
02-27-2015	02-27-2015	2.336	Fidelity Conserv Inc Inst	10.03	23.43
03-31-2015	03-31-2015	2.669	Fidelity Conserv Inc Inst	10.03	26.77
04-30-2015	04-30-2015	2.830	Fidelity Conserv Inc Inst	10.03	28.38
05-29-2015	05-29-2015	3.073	Fidelity Conserv Inc Inst	10.03	30.82
06-30-2015	06-30-2015	3.129	Fidelity Conserv Inc Inst	10.03	31.38
					166.05

**PURCHASE AND SALE**  
**Capitalize Albany Corporation A/C# 636-788813**  
From 01-01-2015 To 06-30-2015

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>SALES</b>					
03-11-2015	03-16-2015	135.00	Abbvie Inc	56.71	7,656.50
01-26-2015	01-26-2015	40,000	Ally Bank Midvale Utah 0.550% Due 01-26-15	100.00	40,000.00
05-04-2015	05-04-2015	50,000	Ally Bank Midvale Utah 1.000% Due 05-04-15	100.00	50,000.00
06-26-2015	07-01-2015	120.00	American Express Co	80.21	9,625.08
03-05-2015	03-05-2015	90,000	BMW Bank North America Utah 2.700% Due 03-05-15	100.00	90,000.00
01-29-2015	02-03-2015	225.00	Colgate Palmolive Co	68.67	15,451.75
01-15-2015	01-15-2015	100,000	Credit Suisse USA Inc 4.875% Due 01-15-15	100.00	100,000.00
02-25-2015	02-25-2015	75,000	Federal Home Loan Banks 1.125% Due 08-25-17	100.00	75,000.00
01-21-2015	01-26-2015	565.00	Fifth Third Bancorp	17.67	9,985.44
04-01-2015	04-07-2015	210.00	Franklin Resources Inc	51.35	10,783.28
02-04-2015	02-09-2015	315.00	General Electric Co	24.24	7,637.16
01-21-2015	01-26-2015	190.00	Hasbro Inc	52.36	9,948.67
02-19-2015	02-24-2015	55.00	International Business Machines	163.20	8,975.81
01-20-2015	01-20-2015	100,000	JPMorgan Chase & Co 3.700% Due 01-20-15	100.00	100,000.00
03-11-2015	03-16-2015	130.00	Merck & Co Inc	55.97	7,275.74
					542,339.43



REALIZED GAINS AND LOSSES  
Capitalize Albany Corporation A/C# 636-788813  
From 01-01-2015 Through 06-30-2015

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain or Loss	
						Short Term	Long Term
09-25-2009	01-15-2015	100,000	Credit Suisse USA Inc 4.875% Due 01-15-15	105,746.00	100,000.00		-5,746.00
09-24-2009	01-20-2015	100,000	JPMorgan Chase & Co 3.700% Due 01-20-15	100,010.00	100,000.00		-10.00
02-01-2012	01-21-2015	565.00	Fifth Third Bancorp	7,500.81	9,985.44		2,484.63
07-29-2010	01-21-2015	190.00	Hasbro Inc	7,911.19	9,948.67		2,037.48
12-17-2014	01-26-2015	40,000	Ally Bank Midvale Utah 0.550% Due 01-26-15	40,024.00	40,000.00	-24.00	
07-29-2010	01-29-2015	225.00	Colgate Palmolive Co	8,808.06	15,451.75		6,643.69
07-29-2010	02-04-2015	315.00	General Electric Co	5,098.95	7,637.16		2,538.21
07-29-2010	02-19-2015	55.00	International Business Machines	7,077.05	8,975.81		1,898.76
08-07-2014	02-25-2015	75,000	Federal Home Loan Banks 1.125% Due 08-25-17	75,010.00	75,000.00	-10.00	
11-08-2013	03-05-2015	90,000	BMW Bank North America Utah 2.700% Due 03-05-15	92,472.40	90,000.00		-2,472.40
07-29-2010	03-11-2015	135.00	Abbvie Inc	3,489.55	7,656.50		4,166.95
10-11-2012	03-11-2015	130.00	Merck & Co Inc	5,921.61	7,275.74		1,354.13
07-29-2010	04-01-2015	210.00	Franklin Resources Inc	7,019.15	10,783.28		3,764.13
11-08-2013	05-04-2015	50,000	Ally Bank Midvale Utah 1.000% Due 05-04-15	50,301.50	50,000.00		-301.50
07-29-2010	06-26-2015	120.00	American Express Co	5,404.11	9,625.08		4,220.97
TOTAL GAINS						0.00	29,108.95
TOTAL LOSSES						-34.00	-8,529.90
				<b>521,794.38</b>	<b>542,339.43</b>	<b>-34.00</b>	<b>20,579.05</b>
TOTAL REALIZED GAIN/LOSS		20,545.05					
NO CAPITAL GAINS DISTRIBUTIONS							



	January 1, 2015 - December 31, 2015								
	2nd Qtr	YTD Actual	YTD Budget	Variance - \$	Variance - %	July -Dec 2015 Forecast	2015 Projection	Original Budget	Projected Variance from Budget
<b>REVENUE</b>									
General Economic & Community Development Support Income	\$ 183,187	\$ 245,687	\$ 245,687	\$ -	0%	\$ 255,913	\$ 501,600	\$ 501,600	\$ -
Real Estate Income	37,249	71,840	62,203	9,637	15%	224,309	296,149	277,397	18,752
Professional Service Agreement Income	75,000	150,000	150,000	-	0%	150,000	300,000	300,000	-
Loan Interest Income	21,449	47,285	55,729	(8,444)	-15%	55,728	103,013	111,457	(8,444)
Fee Income	11,857	19,747	20,710	(962)	-5%	16,460	36,207	34,170	2,038
Direct Finance Lease Income	596	1,269	1,261	7	1%	62,371	63,639	63,632	8
Investment & Interest Income	14,504	29,544	42,011	(12,467)	-30%	35,186	64,730	84,823	(20,093)
FMV Adj on Fidelity Inv	(12,607)	(9,266)	-	(9,266)	100%	-	(9,266)	-	(9,266)
G/L on Sale/Redemption	3,415	22,902	-	22,902	100%	-	22,902	-	22,902
Membership & Event Support	16,500	17,000	18,500	(1,500)		16,500	33,500	33,500	-
<b>TOTAL REVENUE</b>	<b>\$ 351,150</b>	<b>\$ 596,007</b>	<b>\$ 596,100</b>	<b>\$ (93)</b>	<b>0%</b>	<b>\$ 816,467</b>	<b>\$ 1,412,474</b>	<b>\$ 1,406,578</b>	<b>\$ 5,896</b>
<b>EXPENSE</b>									
Salaries Expense	\$ 176,225	\$ 321,808	\$ 425,116	\$ (103,308)	-24%	\$ 391,518	\$ 713,326	\$ 895,676	\$ (182,350)
Professional Fees	65,168	151,941	134,048	17,893	13%	122,158	274,098	215,275	58,823
Administrative Expenses	35,328	58,610	81,263	(22,653)	-28%	43,846	102,457	128,450	(25,993)
Interest Expense	-	16,963	16,963	-	0%	15,702	32,665	32,665	(0)
Real Estate Expenses	8,521	16,972	17,417	(444)	-3%	22,328	39,300	39,300	-
Occupancy Expense	8,508	17,475	16,642	833	5%	31,011	48,486	47,157	1,329
Bad Debt Expense (recovery)	-	-	-	-		-	-	-	-
Membership & Event Expense	1,800	3,300	11,425	(8,125)	-71%	8,950	12,250	11,875	375
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 295,550</b>	<b>\$ 587,069</b>	<b>\$ 702,873</b>	<b>\$ (115,805)</b>	<b>-16%</b>	<b>\$ 635,512</b>	<b>\$ 1,222,581</b>	<b>\$ 1,370,398</b>	<b>\$ (147,817)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 55,600</b>	<b>\$ 8,939</b>	<b>\$ (106,773)</b>	<b>\$ 115,712</b>	<b>-108%</b>	<b>\$ 180,955</b>	<b>\$ 189,894</b>	<b>\$ 36,181</b>	<b>\$ 153,713</b>
<b>DEPRECIATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 208,519</b>	<b>\$ 208,519</b>	<b>\$ 208,519</b>	<b>\$ -</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<b>\$ 55,600</b>	<b>\$ 8,939</b>	<b>\$ (106,773)</b>	<b>\$ 115,712</b>	<b>-108%</b>	<b>\$ (27,564)</b>	<b>\$ (18,625)</b>	<b>\$ (172,338)</b>	<b>\$ 153,713</b>
<b>PROJECT &amp; PROGRAM REVENUE</b>									
Blight to Betterment	\$ -	\$ 152,400	\$ -	\$ 152,400	0%	\$ -	152,400	\$ -	\$ 152,400
Downtown Tactical Plan	-	-	-	-	0%	20,000	20,000	-	20,000
New York Main Street	-	-	-	-	0%	236,250	236,250	-	236,250
<b>Total Program Income</b>	<b>\$ -</b>	<b>\$ 152,400</b>	<b>\$ -</b>	<b>\$ 152,400</b>	<b>0%</b>	<b>\$ 256,250</b>	<b>\$ 408,650</b>	<b>\$ -</b>	<b>\$ 408,650</b>
<b>PROJECT &amp; PROGRAM EXPENSE</b>									
Blight to Betterment	\$ -	\$ 142,110	\$ -	\$ 142,110	0%	\$ -	142,110	\$ -	\$ 142,110
Downtown Tactical Plan	-	150	50,000	(49,850)	0%	143,795	143,945	100,000	43,945
New York Main Street	-	-	-	-	0%	225,000	225,000	-	225,000
<b>Total Program Expense</b>	<b>\$ -</b>	<b>\$ 142,260</b>	<b>\$ 50,000</b>	<b>\$ 92,260</b>	<b>0%</b>	<b>\$ 368,795</b>	<b>\$ 511,055</b>	<b>\$ 100,000</b>	<b>\$ 411,055</b>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<b>\$ -</b>	<b>\$ 10,140</b>	<b>\$ (50,000)</b>	<b>\$ 60,140</b>	<b>0%</b>	<b>\$ (112,545)</b>	<b>\$ (102,405)</b>	<b>\$ (100,000)</b>	<b>\$ (2,405)</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 55,601</b>	<b>\$ 19,079</b>	<b>\$ (156,773)</b>	<b>\$ 175,852</b>	<b>-112%</b>	<b>\$ (140,109)</b>	<b>\$ (121,030)</b>	<b>\$ (272,338)</b>	<b>\$ 151,308</b>

**CAPITALIZE ALBANY CORPORATION**  
**Comparative Balance Sheets**  
**Pre-Audited Draft**

	June 30, 2015	Projected December 31, 2015	December 31, 2014
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 4,410,051	\$ 3,965,499	\$ 4,088,737
Investments	3,450,436	3,483,214	3,411,362
Restricted cash	554,021	588,734	515,529
Mortgage notes receivable, net	2,330,173	2,549,897	2,822,105
Net investment in direct financing leases	505,501	521,055	671,521
Accrued interest receivable	44,902	44,902	58,671
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	68,957	68,957	101,013
Other receivables, net	98,166	85,712	97,086
Property held for investment and lease, net	2,571,690	2,396,143	2,571,690
Property and equipment, net	405,512	376,540	403,263
Other assets	654,517	651,736	648,532
<b>Total assets</b>	<b>\$ 15,093,926</b>	<b>\$ 14,732,389</b>	<b>\$ 15,389,509</b>
<b>Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 109,146	\$ 52,712	\$ 264,848
Due to the City of Albany	72,892	72,899	99,521
Unearned grant and other income	480,860	480,860	480,860
Bonds payable	2,515,000	2,350,000	2,650,000
Revolving loan fund liability	703,185	703,185	702,825
Unearned program support	83,305	83,306	80,997
<b>Total liabilities</b>	<b>\$ 3,964,388</b>	<b>\$ 3,742,961</b>	<b>\$ 4,279,051</b>
<b>Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position</b>			
Net invested in capital assets	\$ 914,953	\$ 914,953	\$ 914,953
Restricted for:			
Debt service	171,446	171,446	171,446
CDBG eligible activities	124,519	124,519	120,278
Other program specific activities	13,269	13,269	13,269
Impact Downtown Albany	-	-	-
Unrestricted	9,905,352	9,765,241	9,890,512
<b>Total net position</b>	<b>\$ 11,129,539</b>	<b>\$ 10,989,428</b>	<b>\$ 11,110,458</b>

**Capitalize Albany Corporation****STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

Pre Audited Draft

	YTD June 30, 2015	Projected December 31, 2015	Year Ended December 31, 2014
Revenues			
Grant income and Contribution Income	\$ 398,087	\$ 910,250	\$ 698,397
Rental income	73,102	298,365	344,500
Other interest and investment income	43,187	139,789	170,426
Interest income on mortgage notes	47,285	103,013	88,737
Gain on sale of properties	-	-	1,457,824
Fees and other income	186,747	369,707	375,036
Total revenues	<u>748,408</u>	<u>1,821,124</u>	<u>3,134,920</u>
Expenses			
Salaries and fringe benefits	321,808	713,326	668,159
Program and project costs	162,532	729,652	592,458
Interest expense	16,963	32,665	68,262
Bad debt expenses (recovery)	-	-	(202,751)
Administrative Expenses	228,026	466,511	546,737
Total expenses	<u>729,329</u>	<u>1,942,154</u>	<u>1,672,865</u>
Excess of (expenses over revenues) revenues over expenses	19,079	(121,030)	1,462,055
Net Position, Beginning of Year	<u>11,110,458</u>	<u>11,110,458</u>	<u>9,648,403</u>
Net Position, End of Month	<u>\$ 11,129,539</u>	<u>\$ 10,989,428</u>	<u>\$ 11,110,458</u>

**CAPITALIZE ALBANY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**Pre-Audited Draft**

	June 30, 2015	Projected December 31, 2015	December 31, 2014
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 161,454	\$ 519,060	\$ 545,091
Cash received from grantors	398,447	910,610	668,165
Other operating cash receipts	186,747	369,707	374,136
Cash payments to suppliers and grantees	(572,886)	(1,226,402)	(859,974)
Cash payments to employees	(321,808)	(713,324)	(668,159)
Net cash provided by operating activities	<u>(148,046)</u>	<u>(140,349)</u>	<u>59,259</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Proceeds from sale of property held for sale	-	-	1,661,383
Purchase of property held for investment and lease	-	-	-
Purchase of property and equipment	(2,249)	(6,249)	(8,928)
Purchase of other assets including purchase options	-	-	-
Principal payments on bonds payable	(135,000)	(300,000)	(1,218,590)
Interest paid on bonds payable	(16,962)	(32,665)	(74,452)
Net cash used in capital and related financing activities	<u>(154,211)</u>	<u>(338,913)</u>	<u>359,413</u>
<b>Cash Flows From Investing Activities</b>			
Interest on cash and cash equivalents and investments	29,551	64,775	69,295
Net decrease (increase) in restricted cash	(38,492)	(73,205)	(66,545)
Proceeds from sales and maturities of investments	1,070,502	1,070,502	2,668,552
Purchase of investments	(1,095,940)	(1,128,718)	(3,221,860)
Issuance of mortgage notes receivable	-	(275,000)	(900,000)
Repayments received on mortgage notes receivable	491,932	547,209	401,621
Principal payments received under direct financing leases	166,017	150,461	1,067,359
Net cash used in investing activities	<u>623,571</u>	<u>356,023</u>	<u>18,422</u>
<b>Change in cash and cash equivalents</b>	<u>321,313</u>	<u>(123,239)</u>	<u>437,094</u>
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>4,088,738</u>	<u>4,088,738</u>	<u>3,651,644</u>
End of year	<u>\$ 4,410,051</u>	<u>\$ 3,965,499</u>	<u>\$ 4,088,738</u>

	June 30, 2015	Projected December 31, 2015	December 31, 2014
<b>Reconciliation of Excess of (Expenses Over Revenues) Revenues Over Expenses to Net Cash Provided by Operating Activities</b>			
Excess of (expenses over revenues) revenues over expenses	\$ 19,080	\$ (121,030)	\$ 1,462,055
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	208,519	212,181
Adjustment for losses on mortgage notes and other receivables	-	-	(203,201)
Gain on sale of property	-	-	(1,457,824)
Net realized and unrealized losses (gains) on investments	(13,636)	(13,636)	(660)
Interest income on cash and cash equivalents and investments	(29,551)	(64,776)	(69,831)
Interest expense on bonds payable	16,962	32,665	68,262
Changes in:			
Grants receivable	-	-	-
Other receivables, accrued interest receivable and other assets	41,068	56,306	10,456
Accounts payable and accrued expenses	(155,700)	(212,136)	67,026
Due to the City of Albany	(26,629)	(26,622)	14
Unearned grant and other income	-	-	(29,796)
Revolving loan fund liability	360	360	577
Net cash provided by operating activities	<u>\$ (148,046)</u>	<u>\$ (140,349)</u>	<u>\$ 59,259</u>

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

MEMORANDUM

TO: CAC Finance & Investment Committee  
FROM: Mark Opalka  
RE: Capitalize Albany Bank Accounts  
DATE: July 21, 2015

On CAC's June banking statements we were notified that Key Bank would start assessing a collateral charge on our accounts. The charge would be assessed at \$0.021 per hundred dollars. Based on last month's account balances this would equate to a monthly collateral charge of \$529.68. Currently our earnings credit allowance earned are not enough to cover this new service charge being assessed.