



**Monday, April 15, 2018**  
21 Lodge Street, 11:00 a.m.

**CAPITALIZE ALBANY**  
**CORPORATION**

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

1. Review of the minutes from the Finance & Investment Committee meeting of March 18, 2019
2. Hugh Johnson Advisors Update – Bob Hennes
3. Quarterly Financial Report
4. Liberty Park Matters
5. 174 North Pearl Street
6. Upcoming DRI Requests
7. Other Business

**Capitalize Albany Corporation Finance & Investment Committee Meeting  
MINUTES  
March 18, 2019**

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 11:00 a.m., March 18, 2019 at 21 Lodge Street.

The following were in attendance:

*Committee Members:*

Bob Curley, John Harris, Anders Tomson

*Other:*

Thomas M. Owens, Esq.,

*Staff:*

Sarah Reginelli, Joseph Landy, Mark Opalka, Andrew Corcione, Genevieve Zurowski

*Excused:*

Jeff Sperry, John Vero

The regular meeting of the Capitalize Albany Corporation Finance & Investment Committee was called to order at 11:05 a.m.

**Review of the minutes from the Finance & Investment Committee meeting of  
January 14, 2019**

The Committee reviewed the minutes of the meeting. John Harris made a motion for approval, and Bob Curley seconded. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of January 14, 2019

**Morris Place, LLC – Loan Request**

Staff reviewed with the Committee the lending prospects for the *Morris Place Loan*, which had been recently approved on the City of Albany Industrial Development Agency. Staff provided the Committee with a detailed review of the summary and project financials, highlighting potential risks. The Committee expressed their immense support of this project because of its impact on the Park South Urban Renewal plan, and discussed the project's support of the Corporation's Mission because of the positive outcome the development will have for the community.

A motion to move the *Morris Place, LLC Loan Request* to the Board with a favorable recommendation was initiated by John Vero, and seconded by Bob Curley. A vote being taken and the motion passed unanimously with all members voting aye.

**Other Business**

Staff and the Committee discussed the current status of the Liberty Park project. They will keep the Board updated on any financial actions.

**Adjournment**

Subsequently, there being no further business the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 11:34 a.m.

Capitalize Albany Corporation  
21 Lodge Street  
Albany, New York 12207

MEMORANDUM

TO: Capitalize Albany Finance & Investment Committee  
FROM: Mark Opalka  
RE: Capitalize Albany Corporation 1st Quarter Financial Reports  
DATE: April 15, 2019

**BUDGET PERFORMANCE**

On a pre-audit basis, through March 31, 2019, the Capitalize Albany Corporation had net income of \$10,561. This position compares favorably to the year-to-date (YTD) budgeted net loss of \$103,470. Capitalize Albany Corporation had net loss of \$66,945 at March 31, 2017.

My comments below address those categories that deviate in excess of 5% and greater than \$5,000 from the YTD budget.

- **YTD 2019 revenue is \$331,685, which is \$93,422 (39%) above the 2019 budget.**
  - **Professional Service Fee Income.** Professional Service Agreement Income is \$98,557 which is 11,792 (26%) under budget. This variance is a direct result of the City of Albany Industrial Development Agency and the City of Albany Capital Resource Corporation Board of Directors approving an increase in the fee charged by the Corporation to provide professional services to both of these organizations.
  - **Loan Interest Income.** Loan Interest Income is \$14,927 which is \$11,630 (44%) under budget. This variance is a direct result of loan payoffs that occurred during 2018. The Corporation is expecting a \$500,000 loan to close in Q2 of 2019 to help offset some of the variance.
  - **Fee Income.** Fee Income is \$9,013 which is 6,208 (221%) over budget. This is a direct result of fee income from the Enterprise Community loan program as a result of a loan payoff.
  - **Investment & Interest Income.** Interest and Investment Income is \$88,655 which is 65,764 (287%) over budget. This variance is due to gains realized in sales and redemptions of equities and fixed income investments in the Corporation's Investment Portfolio with Hugh Johnson Advisors. Additionally as part of an RFP that was issued in 2018 the Corporation has moved some of its unrestricted funds and invested these funds in fixed income securities and certificate of deposits which currently earns a higher yield than what the Corporation was previously earning.
  - **Project & Program Revenue.** Project and Program revenue is \$21,597. This revenue is from grant monies realized for the Amplify Albany and façade

grant programs. These revenues have offsetting project and program expenses.

- **YTD 2019 expenses are \$321,123 which is \$40,509 (11%) below the 2019 budget.**
  - **Salary & Fringe Expense.** Salary and Fringe expense are \$192,448 which is \$41,458 (18%) under budget. This variance is attributable to the Corporation budgeting for eight positions in 2019.
  - **Project & Program Expense.** Project and Program Expenses are \$26,278. This expense was for the grant disbursements for the Amplify Albany and Façade grant programs as well as due diligence expenses incurred for the Liberty Park project.

## **LOANS**

- Richard Dobush (Enterprise Community) repaid his loan during the first quarter.

## **BALANCE SHEET**

- At March 31, 2019, compared to December 31, 2018, unrestricted cash has decrease by \$2,331,281. This is primarily a result of the Corporation moving a portion of its unrestricted fund balance to investments to seek higher yields.
- Investments increased by \$2,263,672. As noted above this is primarily a result of the Corporation moving a portion of its unrestricted balance to investments to seek higher yields.
- Restricted cash has increased \$53,385 due to scheduled payments and one loan payoff on the Corporation's Enterprise Community Loans.
- Mortgage notes receivable has decreased by \$42,722. This is a result of scheduled loan payment activity and a loan payoff.
- Liabilities have increased by \$2,108. This is due to increases in unearned grant revenue for monies received for the façade grant program offset by reduced accounts payable.

## **CASH FLOW STATEMENT**

- Currently, CAC's December 31, 2019 cash and cash equivalents is anticipated to decrease by approximately \$3.2 million to \$2.7 million. This decrease is primarily attributable the movement of funds to the Corporation's investment portfolio, a budgeted loan disbursement that is projected to occur during 2019 as well as projected Amplify Albany, Retail Grant and Façade Grant disbursements.
- Projected 2019 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 capital purchases made during 2019.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

	January 1, 2019 - December 31, 2019					Mar - Dec Adjustment Forecast	2019 Projection	Original Budget	Projected Variance from Budget
	February	YTD Actual	YTD Budget	Variance - \$	Variance - %				
<b>REVENUE</b>									
General Economic & Community Development Support Income	\$ 62,500	\$ 62,500	\$ 62,500	\$ -	0%	\$ 434,943	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	36,149	36,149	36,364	(215)	-1%	265,730	301,879	302,022	(144)
Professional Service Agreement Income	98,557	98,557	87,146	11,411	13%	295,671	394,228	348,582	45,646
Loan Interest Income	14,927	14,927	26,557	(11,630)	-44%	79,671	94,598	106,228	(11,630)
Fee Income	9,013	9,013	2,805	6,208	221%	16,665	25,678	18,470	7,208
Direct Finance Lease Income	-	-	-	-	0%	-	-	-	-
Investment & Interest Income	31,913	31,913	22,891	9,022	39%	68,682	100,595	91,573	9,022
FMV Adj on Fidelity Inv	1,691	1,691	-	1,691	100%	-	1,691	-	1,691
G/L on Sale/Redemption	55,087	55,087	-	55,087	100%	-	55,087	-	55,087
Membership & Event Support	250	250	-	250	0%	33,250	33,500	33,500	-
<b>TOTAL REVENUE</b>	<b>\$ 310,088</b>	<b>\$ 310,088</b>	<b>\$ 238,263</b>	<b>\$ 71,825</b>	<b>30%</b>	<b>\$ 1,194,611</b>	<b>\$ 1,504,699</b>	<b>\$ 1,397,818</b>	<b>\$ 106,881</b>
<b>EXPENSE</b>									
Salaries & Fringe Expense	\$ 192,448	\$ 192,448	\$ 233,906	\$ (41,458)	-18%	\$ 713,490	\$ 905,937	\$ 938,966	\$ (33,029)
Professional Fees	84,601	84,601	87,518	(2,918)	-3%	150,330	234,931	237,849	(2,918)
Administrative Expenses	6,745	6,745	10,004	(3,259)	-33%	60,069	66,814	70,073	(3,259)
Interest Expense	-	-	-	-	0%	20,493	20,493	20,493	0
Real Estate Expenses	9,193	9,193	9,227	(34)	0%	32,101	41,294	41,328	(34)
Occupancy Expense	6,516	6,516	11,078	(4,562)	-41%	34,732	41,248	45,809	(4,561)
Bad Debt Expense (recovery)	(4,657)	(4,657)	-	(4,657)	0%	-	(4,657)	-	(4,657)
Membership & Event Expense	-	-	-	-	0%	12,450	12,450	12,450	-
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 294,845</b>	<b>\$ 294,845</b>	<b>\$ 351,732</b>	<b>\$ (56,887)</b>	<b>-16%</b>	<b>\$ 1,023,665</b>	<b>\$ 1,318,510</b>	<b>\$ 1,366,967</b>	<b>\$ (48,457)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 15,242</b>	<b>\$ 15,242</b>	<b>\$ (113,470)</b>	<b>\$ 128,712</b>	<b>-113%</b>	<b>\$ 170,947</b>	<b>\$ 186,189</b>	<b>\$ 30,851</b>	<b>\$ 155,338</b>
<b>DEPRECIATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	<b>\$ 199,541</b>	<b>\$ 199,541</b>	<b>\$ 199,541</b>	<b>\$ -</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<b>\$ 15,242</b>	<b>\$ 15,242</b>	<b>\$ (113,470)</b>	<b>\$ 128,712</b>	<b>113%</b>	<b>\$ (28,594)</b>	<b>\$ (13,352)</b>	<b>\$ (168,690)</b>	<b>\$ 155,338</b>
<b>PROJECT &amp; PROGRAM REVENUE</b>									
Blight to Betterment	\$ -	\$ -	\$ -	\$ -	0%	\$ -	-	\$ -	\$ -
CACRC Grant	21,597	21,597	-	21,597	100%	131,614	153,211	153,211	-
New York Parks (Skyway Project)	-	-	-	-	100%	-	-	-	-
<b>Total Program Income</b>	<b>\$ 21,597</b>	<b>\$ 21,597</b>	<b>\$ -</b>	<b>\$ 21,597</b>	<b>100%</b>	<b>\$ 131,614</b>	<b>\$ 153,211</b>	<b>\$ 153,211</b>	<b>\$ -</b>
<b>PROJECT &amp; PROGRAM EXPENSE</b>									
Liberty Park Expenses	\$ 4,681	\$ 4,681	\$ 9,900	\$ (5,219)	-53%	\$ 35,319	40,000	\$ 40,000	\$ -
Capitalize Albany Amplify and Retail Grants	21,597	21,597	-	21,597	100%	-	21,597	153,211	(131,614)
Impact Downtown Albany (Skyway Project)	-	-	-	-	-100%	231,614	231,614	100,000	131,614
<b>Total Program Expense</b>	<b>\$ 26,278</b>	<b>\$ 26,278</b>	<b>\$ 9,900</b>	<b>\$ 16,378</b>	<b>165%</b>	<b>\$ 266,933</b>	<b>\$ 293,211</b>	<b>\$ 293,211</b>	<b>\$ 0</b>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<b>\$ (4,681)</b>	<b>\$ (4,681)</b>	<b>\$ (9,900)</b>	<b>\$ 5,219</b>	<b>53%</b>	<b>\$ (135,319)</b>	<b>\$ (140,000)</b>	<b>\$ (140,000)</b>	<b>\$ (0)</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 10,561</b>	<b>\$ 10,561</b>	<b>\$ (123,370)</b>	<b>\$ 133,931</b>	<b>109%</b>	<b>\$ (163,912)</b>	<b>\$ (153,352)</b>	<b>\$ (308,689)</b>	<b>\$ 155,338</b>

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

	March 31, 2019	Projected December 31, 2019	December 31, 2018
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,580,841	\$ 2,661,547	\$ 5,912,122
Investments	5,908,017	5,962,017	3,645,345
Restricted cash	675,223	731,854	621,838
Mortgage notes receivable, net	1,422,501	1,844,755	1,465,223
Net investment in direct financing leases	-	-	-
Accrued interest receivable	33,580	33,580	21,858
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	-	-	-
Other receivables, net	242,407	242,407	196,178
Property held for investment and lease, net	1,880,718	1,705,235	1,880,718
Property and equipment, net	359,512	335,454	336,241
Other assets	441,045	129,774	451,664
<b>Total assets</b>	<b>\$ 14,543,844</b>	<b>\$ 13,646,623</b>	<b>\$ 14,531,187</b>
<b>Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 342,737	\$ 49,904	\$ 369,590
Due to the City of Albany	72,892	72,892	72,892
Unearned grant and other income	972,603	732,129	944,200
Bonds payable	1,350,000	1,150,000	1,350,000
Revolving loan fund liability	674,032	674,032	673,479
Unearned program support	20,379	20,375	20,384
<b>Total liabilities</b>	<b>\$ 3,432,643</b>	<b>\$ 2,699,333</b>	<b>\$ 3,430,545</b>
<b>Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Position</b>			
Net invested in capital assets	\$ 856,001	\$ 856,001	\$ 856,001
Restricted for:			
Debt service	-	-	-
CDBG eligible activities	114,356	114,356	114,356
Other program specific activities	8,190	8,190	8,190
Impact Downtown Albany	-	-	-
Unrestricted	10,132,654	9,968,743	10,122,095
<b>Total net position</b>	<b>\$ 11,111,201</b>	<b>\$ 10,947,290</b>	<b>\$ 11,100,642</b>



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

Pre Audited Draft

	Year to Date March 31, 2019	Projected December 31, 2019	Year Ended December 31, 2018
Revenues			
Grant income and Contribution Income	\$ 84,097	\$ 650,654	\$ 1,003,131
Rental income	36,149	301,879	300,287
Other interest and investment income	88,691	157,373	68,581
Interest income on mortgage notes	14,927	94,598	74,358
Gain on sale of properties	-	-	69,555
Fees and other income	107,820	453,406	417,067
Total revenues	331,684	1,657,910	1,932,979
Expenses			
Salaries and fringe benefits	192,448	905,937	760,640
Program and project costs	35,471	513,937	1,102,460
Interest expense	-	20,493	22,554
Bad debt expenses (recovery)	(4,657)	(4,657)	-
Administrative Expenses	97,861	375,552	113,836
Total expenses	321,123	1,811,262	1,999,490
Excess of (expenses over revenues) revenues over expenses	10,561	(153,352)	(66,511)
Net Position, Beginning of Year	11,100,642	11,100,642	11,167,153
Net Position, End of Month	\$ 11,111,201	\$ 10,947,290	\$ 11,100,642

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

**Cash Flows From Operating Activities**

	March 31, 2019	Projected December 31, 2019	December 31, 2018
Cash received from customers	\$ 20,410	\$ 352,361	\$ 305,986
Cash received from grantors	113,053	761,026	755,485
Other operating cash receipts	107,820	453,406	405,960
Cash payments to suppliers and grantees	(150,872)	(1,000,320)	(750,913)
Cash payments to employees	(192,448)	(905,937)	(760,640)

Net cash provided by operating activities (102,037) (339,465) (44,122)

**Cash Flows From Capital and Related Financing Activities**

Proceeds from sale of property held for sale	-	-	700,000
Purchase of property held for investment and lease	-	-	(10,958)
Purchase of property and equipment	(23,271)	(23,271)	(20,243)
Purchase of other assets including purchase options	-	-	-
Principal payments on bonds payable	-	(200,000)	(350,000)
Interest paid on bonds payable	(5,942)	(23,368)	(25,621)

Net cash used in capital and related financing activities (29,213) (246,639) 293,178

**Cash Flows From Investing Activities**

Interest on cash and cash equivalents and investments	31,190	99,636	61,886
Net decrease (increase) in restricted cash	(53,385)	(110,016)	105,226
Proceeds from sales and maturities of investments	3,664,779	3,664,779	2,238,428
Purchase of investments	(5,880,679)	(5,934,670)	(2,286,933)
Issuance of mortgage notes receivable	-	(500,000)	(100,000)
Repayments received on mortgage notes receivable	38,065	115,811	540,259
Principal payments received under direct financing leases	-	-	188,148

Net cash used in investing activities (2,200,030) (2,664,460) 747,014

**Change in cash and cash equivalents**

(2,331,280) (3,250,564) 996,070

**Cash and cash equivalents:**

**Beginning of year** 5,912,121 5,912,121 4,916,051

**End of year** \$ 3,580,841 \$ 2,661,557 \$ 5,912,121

**Reconciliation of Excess of (Expenses Over Revenues)**

**Revenues Over Expenses to Net Cash Provided by**

**Operating Activities**

	March 31, 2019	Projected December 31, 2019	December 31, 2018
Excess of (expenses over revenues) revenues over expenses	\$ 10,561	\$ (153,352)	\$ (66,511)
Adjustments to reconcile excess of (expenses over revenues)			
revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	199,541	189,785
Adjustment for losses on mortgage notes and other receivables	4,657	4,657	(11,107)
Gain on sale of property	-	-	(69,555)
Net realized and unrealized losses (gains) on investments	(46,779)	(46,779)	29,540
Interest income on cash and cash equivalents and investments	(31,190)	(99,637)	(67,220)
Interest expense on bonds payable	5,942	23,368	22,554
Changes in:			
Grants receivable	-	321,890	(311,269)
Other receivables, accrued interest receivable and other assets	(47,330)	(57,950)	(99,560)
Accounts payable and accrued expenses	(26,854)	(319,685)	275,598
Unearned grant, program support and other income	28,403	(212,071)	61,088
Revolving loan fund liability	553	553	2,535

Net cash provided by operating activities \$ (102,037) \$ (339,465) \$ (44,122)