



CAPITALIZE ALBANY
CORPORATION

Monday, March 19, 2021
Via Conference, 9:00 a.m.

Capitalize Albany Corporation
Audit Committee

Agenda

*In response to a disaster emergency declared pursuant to New York State Executive Law § 28 and Executive Order 202.96, the March meeting of the Capitalize Albany Corporation Finance and Investment Committee will be held remotely and recorded. The public will be provided the opportunity to listen in to the proceedings via conference line by dialing: **1-646-876-9923, meeting # 837 6576 0067**. Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.*

1. Review and Approval of Minutes from the Audit Committee Meeting of October 20, 2020
2. Review of 2020 Audit and Draft 2020 Audited Financial Statements
3. Review of Draft 2020 NYS Reporting
 - a. Review of Draft 2020 Annual Report
 - b. Review of Draft 2020 Procurement Report
 - c. Review of Draft 2020 Investment Report
4. Review of Annual Performance & Committee Responsibilities
 - a. Review of Draft 2020 Performance Measurements Report
 - b. Review of Draft 2020 Management Assessment of Internal Controls Report
 - c. Review Audit Committee Charter
 - d. Review of Draft 2020 Audit Committee Annual Report
5. Other Business

MINUTES



**CAPITALIZE ALBANY
CORPORATION**

Date of Meeting: October 20, 2020

Meeting: Capitalize Albany Corporation Audit Committee Meeting

The meeting of the Capitalize Albany Corporation Audit Committee Meeting was held at 11:00 a.m., Tuesday, October 20, 2020 at 21 Lodge Street, Albany, NY. Pursuant to New York State Executive Order 220.1 issued on March 12, 2020 and as supplemented, the meeting was held via conference call. The call-in information was posted publicly to allow for the public's attendance at the proceedings.

The following were in attendance:

Committee Members: Michael Fancher, and Michele Vennard

Absent: Susan Pedo

Other: Thomas M. Owens, Esq., Alicia Buchan, and Brian Kearns

Staff: Sarah Reginelli, Mark Opalka, Thomas Conoscenti, Mike Bohne, and Tammie Fanfa

The regular meeting of the Capitalize Albany Corporation Audit Committee Meeting was called to order at 11:06a.m.

Approval of Minutes for March 16, 2020 Audit Committee Meeting

The Audit Committee reviewed the minutes of the March 16, 2020 meeting. The motion for approval was presented by Michele Vennard for approval, Michael Fancher seconded. The Committee agreed unanimously to approve the minutes.

2020 UHY Audit Presentation

Representatives from UHY credited Management and Staff for the effective/consistent communications with UHY throughout the year, which ensures the audit process can be performed efficiently.

UHY reviewed the audit procedure and Audit Engagement Letter with the Committee. UHY advised the Committee that the audit would be conducted using government auditing standards that will include a report of internal controls. UHY outlined the potential changes relating to revenue recognition in the future. The Committee discussed, at length, the value of an independent financial audit and the potential need for a more complex review in the future given activity on Liberty Park, which may be new to the Corporation's operations. UHY advised the Committee that they will be prepared for such a review.

The cost of the services provided to the Corporation was reviewed and the Committee was advised the cost to the agency would remain the same.

Staff and Committee reviewed the audit services and commended UHY's audit team for their outstanding service and excellent performance to the Corporation.

A motion to approve the engagement letter with positive recommendation was made by Michele Vennard and seconded by Michael Fancher. A vote being taken, the motion passed unanimously.

Annual Review of Corporate Policies

Review Ethics Policy

Counsel reviewed and discussed the Ethics Policy with the Committee. Counsel discussed that Board members must act in accordance with the fiduciary duty of care, loyalty and obedience. Counsel explained that the ABO recommends the Committee review the Ethics Policy annually.

Review Conflict of Interest Policy

Counsel reviewed and discussed the Conflict of Interest Policy with the Committee and explained the ABO recommends the Committee review annually. Counsel reminded the Committee of the importance of disclosures and recusals when it pertains to conflicts of interest and that Board members needed to identify, disclose, and discuss any potential conflict of interests with Counsel and/or Staff.

Review Whistleblower Policy

Counsel reviewed and discussed the Whistleblower Policy with the Committee and explained the ABO recommends the Committee review annually.

Michele Vennard made a motion to accept the review of all policies, which was seconded by Michael Fancher. Upon a vote, the approval passed unanimously. Staff indicated that they will distribute and discuss the corporate policies with Staff as a refresher, and will review all policies with the Board at the upcoming meeting.

Other Business

None.

There being no further business the Capitalize Albany Corporation Audit Committee meeting was adjourned at 11:37 a.m.

CAPITALIZE ALBANY CORPORATION

2020 AUDIT COMMITTEE PRESENTATION

MARCH 19, 2021



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This presentation includes a high-level summary and analysis of certain accounting and auditing considerations. It is not an in-depth analysis nor is it an all-inclusive list of considerations applicable to our December 31, 2020 audit. We would be pleased to provide further information on any of these topics (or additional topics) if the Audit Committee, or those responsible for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, so desires.

This presentation is intended solely for the information and use of the Board of Directors, its committees and Management of Capitalize Albany Corporation. It is not intended to be, and should not be, used by anyone other than these specified parties.

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March 19, 2021

To the Audit Committee
Capitalize Albany Corporation

Dear Committee Members:

We have substantially completed our audit of the financial statements of Capitalize Albany Corporation (the "Corporation") as of and for the year ended December 31, 2020 and plan to issue our report thereon ("unmodified opinion") by March 31, 2021.

Enclosed please find our presentation for the audit committee meeting to be held on March 19, 2021. Our presentation discusses certain items we believe should be communicated to the Audit Committee in accordance with professional standards. It is intended solely for the use of the Audit Committee and Management of Capitalize Albany Corporation.

As you know, UHY LLP is committed to the highest quality in all that we do. This begins with our team members who are selected to serve you based on experience, technical skill and industry understanding. Our teams use methodology, supported by the latest industry and professional tools to help ensure efficient and effective client engagements.

Thank you for allowing us to serve you this year. If I can ever be of service to you, please don't hesitate to contact me at (518) 449-3166 or hfoote@uhy-us.com.

Very truly yours,



Howard Foote

AUDIT STRATEGY

PRIMARY FOCUS AND SIGNIFICANT RISKS IDENTIFIED

The critical audit areas and significant matters for consideration related to each were communicated in our planning presentation dated October 20, 2020 and include:

- Liberty Park Properties
- New Grants / Programs
- Paycheck Protection Program (PPP) Loan

SIGNIFICANT CHANGES TO THE PLANNED STRATEGY OR SIGNIFICANT RISKS IDENTIFIED

- No significant changes to the planned strategy or any significant risks during the audit that were not previously identified and communicated to the Audit Committee in our presentation dated October 20, 2020.

OUTSTANDING MATTERS

- Receipt of Management Representation Letter
- Extend subsequent event audit procedures through date of issuance

ACCOUNTING POLICIES & PRACTICES, AND ESTIMATES

SIGNIFICANT AND CRITICAL ACCOUNTING POLICIES AND PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Capitalize Albany Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Critical accounting policies and practices are those that are both most important to the portrayal of the Corporation's financial condition and results of operations and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The critical accounting policies used by the Corporation in its 2020 financial statements include:

- Liberty Park Properties
- Property Held for Investment and Lease, Net
- Mortgage Notes Receivable and Allowance for Losses

CRITICAL ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Corporation's financial statements were:

- **Liberty Park Properties:** Management's estimate of the Liberty Park properties asset is based on multiple estimates and management judgments, including the determination of costs to be capitalized and subsequent measurement considerations.
- **Allowance for Loan Losses:** Management's estimate of the allowance for loan losses is evaluated on a regular basis and is estimated based on delinquency rates, current economic conditions, borrowers' outstanding balances, an analysis of borrowers' financial condition, and estimated value of any underlying collateral. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.
- **Other Estimates:** Timing and extent of loan charge-offs, Non-accrual policy for loans, Depreciable lives of properties

We evaluated the key factors and assumptions used to develop the Corporation's more significant judgments and estimates, as part of our audit, and found them to be reasonable in the context of the financial statements taken as a whole.

SIGNIFICANT DISCLOSURES

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Liberty Park Properties in Note 8 to the financial statements. This disclosure includes information regarding costs to acquire property at the site, the amount of grant funding awarded for project costs, including amounts received and unspent amounts included in restricted cash and deferred revenue at December 31, 2020. The disclosure summarizes the significant assets, liabilities, revenues, and expenses associated with the Liberty Park properties as of and for the year ended December 31, 2020.

The financial statement disclosures are neutral, consistent, and clear.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

There was one passed adjustment (uncorrected misstatement) identified during the 2020 audit that was not recorded by management as of year-end as follows:

- Understatement of liabilities and expenses of approximately \$15,900 related to the deferred rent obligation under a lease at the Liberty Park site. Management has determined that the uncorrected misstatement is not material to the financial statements as a whole.

Management determined these uncorrected misstatements to be immaterial, both individually and in the aggregate, to the Corporation's financial statements as a whole.

Management has corrected all other misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Our audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting.

EVALUATION OF FINANCIAL REPORTING

Management is responsible not only for the appropriateness of the accounting policies and practices, but also for the quality of such policies and practices. Our responsibility under professional standards is to evaluate the qualitative aspects of the Corporation's accounting practices, including potential bias in management's judgments about the amounts and disclosures in the financial statements, and to communicate the results of our evaluation and our conclusions to you. Our evaluation of the quality of the Corporation's financial reporting is as follows:

- We did not note any management bias in the critical estimates or disclosures that would affect the quality of the financial reporting.
- We believe that management has sufficiently disclosed the Corporation's critical accounting policies.
- We believe the presentation of the financial statements and related disclosures are in conformity with U.S. GAAP.

OTHER MATTERS

We applied certain limited procedures to Management's Discussion and Analysis, which are is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

REQUIRED COMMUNICATIONS TO THE AUDIT COMMITTEE

Auditor's judgment about the quality of the accounting policies	We are responsible for discussing with the Audit Committee our judgments about the quality, not just the acceptability, of the Corporation's accounting principles and disclosures in its financial statements.
Disagreement with Management	For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.
Management Consultations with Other Independent Registered Public Accounting Firms	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, no such consultations occurred.
Difficulties Encountered in Performing the Audit	We encountered no difficulties in working with management in performing and completing our audit.
Litigations, Claims and Assessments	Management asserts there are no such matters that should be reflected or disclosed in the financial statements.
Violations or possible violations of laws or regulations	None noted.
Significant issues discussed with management prior to retention	No significant issues were discussed with management prior to retention.
Independence	We are not aware of any relationships between our Firm (or the Firm's affiliates) and the Corporation or persons in financial reporting oversight roles at the Corporation that may reasonably be thought to bear on our independence.
Material written communications	Management representation letter to be signed by management prior to report issuance.
Internal controls	No material weaknesses identified.
Observations/Best Practices	<ul style="list-style-type: none"> - Enhance periodic reconciliations related to: <ul style="list-style-type: none"> - Grant revenue and expenses - Accounts receivable - Documentation considerations for the allowance for loan losses - Clarify certain collateral requirements

CAPITALIZE ALBANY CORPORATION
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 2020 and 2019

DRAFT

CAPITALIZE ALBANY CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capitalize Albany Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Capitalize Albany Corporation, which comprise the consolidated statements of net position as of December 31, 2020 and 2019, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capitalize Albany Corporation as of December 31, 2020 and 2019, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 8 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2021, on our consideration of Capitalize Albany Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capitalize Albany Corporation's internal control over financial reporting and compliance.

Albany, New York
March __, 2021

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of Capitalize Albany Corporation (Capitalize Albany or the Corporation) activities and financial performance, is offered as an introduction and overview of the consolidated financial statements of Capitalize Albany Corporation for the fiscal year ended December 31, 2020. Following this MD&A are the basic consolidated financial statements of the Corporation together with the notes thereto which are essential to a full understanding of the data contained in the consolidated financial statements. In addition to the notes, this section also presents certain supplementary information to assist with the understanding of Capitalize Albany Corporation's financial operations.

Capitalize Albany Corporation has a Corporate Governance Policy, which includes a conflict of interest policy and a conflict of interest disclosure. The conflict of interest disclosure is distributed to and completed by the Corporation's Board of Directors on an annual basis.

Not less than six times annually, the Board of Directors of Capitalize Albany Corporation meets to discuss programming needs, project activity and progress, and meets quarterly to discuss the Corporation's financial position. The Finance and Investment Committee meets on a quarterly basis or more frequently if necessary to provide enhanced project and transactional analysis. As necessary, the Committee makes recommendations for the Board's consideration. The Governance Committee meets twice a year or more frequently if necessary to among other things review and update corporate governance principles and practices. The Audit Committee meets twice a year among other things to appoint and oversee the Corporation's independent auditors, review and approve the Corporation's year-end financial statements and reviews the effectiveness of internal controls. In addition, the Audit Committee, without management present, independently meets with the external auditors to discuss relevant issues and concerns.

OPERATION SUMMARY

As a catalyst for economic growth, Capitalize Albany Corporation facilitates transformational development projects. As a registered 501(c) (3) non-profit organization, the Corporation implements programs and resources to create, retain, and attract business in the City of Albany. Powered by investors composed of Albany's community and business leaders, Capitalize Albany manages and coordinates the local economic development functions in the City of Albany.

In 1979, the Capitalize Albany Corporation (formerly Albany Local Development Corporation) was incorporated to primarily provide financing to eligible businesses in order to create and retain employment and investment within the City of Albany. The Corporation continues to extend loans and plays an active role in facilitating strategic development, business development and transformational real estate development projects that have been identified as a priority. These efforts are developed in partnership with regional stakeholders, and are backed by market analysis and trend identification. Implementation of its initiatives is accomplished through direct efforts of the Corporation as well as through collaboration with complementary organizations and tools.

The mission of Capitalize Albany Corporation is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York's Capital a vibrant place to thrive.

Business Development

Capitalize Albany encourages job creation and business development through its work with individual businesses. This work includes, but is not limited to, extending grants and loans to new and existing businesses, providing technical support with respect to accessing city, state and other economic development resources, and helping businesses to identify appropriate locations to grow and expand within the City. Capitalize Albany staff worked with more than 300 businesses in 2020. Capitalize Albany also works with government officials, business leaders, community and neighborhood organizations, and the public to ensure that the City maintains and enhances an environment that is both conducive to new business growth and supportive of the expansion of existing enterprises.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In recent years, the Corporation has administered three distinct grant programs (Amplify Albany, Downtown Retail, and Small Business Façade) in order to stimulate buzz in commercial corridors, attract new investment at street level in the Downtown core and improve the quality of neighborhood commercial districts while catalyzing new investment. In 2020, the Corporation launched an emergency round of its Small Business Façade Improvement Program and Downtown Retail Program to assist businesses that were directly impacted by vandalism and looting during the year. To respond to the needs of local small businesses as the deal with ongoing impacts of COVID-19, in 2020 the Corporation launched the Small Business Adaptation Program (SBAP), whereby it administered grants to approximately 60 predominantly women and minority-owned businesses funded directly by the City of Albany Industrial Development Agency and Albany Community Development Agency. Prior to the pandemic, the Corporation had also received funding approval for a \$100,000 investment from the Capital Resource Corporation to implement a Commercial Corridor Retail Grant Program, which was designed to assist retail businesses with the costs associated with renovating or retrofitting a commercial space located in one of the identified neighborhoods within West Hill, Arbor Hill, North Albany & the South End, four of the City's Neighborhood Strategy Areas. The Corporation postponed the launch of this program as a result of the pandemic and the shifting needs and priorities of the business community.

Real Estate Development

Capitalize Albany facilitates real estate development in the City of Albany through programs and partnerships as well as brick and mortar projects of its own.

In 2010, the Corporation's Board of Directors established a Revolving Real Estate Loan Fund designed to provide subordinate lending to qualifying borrowers at below market rates in concert with primary lenders for the purpose of stimulating strategic development projects. The Board allocated \$2 million to capitalize the Fund which is focused on revitalizing strategic vacant or underutilized real estate that will contribute positive and transformational development activity. Through December 31, 2020, \$2,575,000 has been disbursed under this revolving loan fund program representing over \$32 million of project investment within the City of Albany. These projects have created 165 market-rate rental units.

Contracted under a professional services agreement, Capitalize Albany administers and provides staffing, office equipment, phone and computer network support to the City of Albany Industrial Development Agency (CAIDA) and the City of Albany Capital Resource Corporation (CACRC). In the past five years, more than \$390 million of investment was made possible in the City of Albany with support from the CAIDA, creating 1,725 construction and 430 new and retained full-time jobs.

Strategic Initiatives

The Corporation continues to follow the citywide economic development plan laid out in the Capitalize Albany Strategy as well as neighborhood, commercial district, City and Regional economic development and revitalization strategies to catalyze strategic growth in the Capital City. The Corporation's execution of these various plans has resulted in the assistance of roughly \$500 million in Downtown Albany and more than \$1 billion of activity throughout Albany's neighborhoods.

The revitalization of Downtown Albany is a strategic priority of Capitalize Albany Corporation. In response to the recognized need for a common vision, strategic direction, and tactical solutions to issues facing the Downtown neighborhood, Capitalize Albany launched Impact Downtown Albany, a strategic plan which positions Downtown, its adjacent warehouse district and waterfront as the ideal urban center, in 2014. The plan has provided a clear path forward for projects, incentives and structural changes and define what Downtown Albany should be striving toward throughout the next decade. Through December 31, 2020, Impact Downtown Albany has led to more than \$400 million of project investment recently completed and underway within the City of Albany. Facilitating the creation of Downtown residential units continues to be a priority and will act as a driving market force for economic development. Under Impact Downtown Albany the Corporation has assisted in the creation of more than 650 units to date. More than 400 are currently under construction.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2015, the Impact Downtown Albany strategy served as a core guiding document for the creation of the Capital Region Economic Development Council's transformative regional strategy, the Capital 20.20 Plan. The Plan's Metro section prioritizes downtown development and matches Impact Downtown Albany catalyst sites with developers, resources, and prospective tenants to build on the current momentum and move aggressive projects forward. Implementation of Capital 20.20 began in 2015 and will continue to be a priority for the Corporation in coming years.

FINANCIAL OPERATIONS HIGHLIGHTS

Capitalize Albany Corporation's activities fluctuate greatly from year to year. With such diversity, it is not always meaningful to compare revenue and expenditure levels to prior years. While revenues and expenditures for any given year represent activity during that year, one must consider the level of program revenue to program expenses within a given year, in relation to the projects undertaken and accomplished during that same year. A condensed summary of revenues and expenses for the years ended December 31, 2020 and 2019 is shown below:

	<u>2020</u>	<u>2019</u>
Total revenues		
Operating revenues	\$1,809,425	\$1,822,298
Capital grant funding	<u>394,510</u>	<u>4,108,478</u>
	2,203,935	5,930,776
Total expenses	<u>2,415,099</u>	<u>1,814,186</u>
Change in net position	<u>\$ (211,164)</u>	<u>\$4,116,590</u>

Total revenues decreased \$3,726,841 or 63%:

- Capital grant income of \$4,108,478 in 2019 and \$394,510 in 2020 was recognized under the ESD grant for the acquisition and redevelopment of property in the Liberty Park neighborhood in Downtown Albany.
- Grant and contribution income that is not capital-related is classified as operating revenue and increased \$11,866 or 2% from \$710,231 in 2019 to \$722,097 in 2020. Revenue derived from grants and contributions is typically program specific and non-recurring. Significant grants and contributions in 2020 include \$250,000 from the IDA and \$165,843 from the Albany Community Development Agency, both for general economic development support, and \$125,596 from the New York State Department of State for the Clinton Market Collective project.
- Rental income decreased \$729 or less than 1% from \$298,473 in 2019 to \$297,744 in 2020. There were no significant changes in the Corporation's lessor arrangements during 2020.
- Other interest and investment income decreased \$73,660 or 26% from \$287,030 in 2019 to \$213,370 in 2020 primarily due to lower yields earned on the Corporation's fixed income investments in addition to lower interest earned on the Corporation's general bank accounts.
- Interest income on mortgage notes decreased \$13,824 or 23% from \$59,731 in 2019 to \$45,907 in 2020 due to lower principal balances on existing notes due to repayments with no new loan disbursements in 2019 or 2020.
- Fees, program, and other income increased \$63,474 or 14% from \$466,833 in 2019 to \$530,307 in 2020. This is primarily attributable to an approved increase in the Corporation's management fees pursuant to a professional services agreement with the CAIDA and CACRC.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total expenses increased \$600,913 or 33%:

- Salaries and fringe benefits increased \$242,986 or 30% from \$801,249 in 2019 to \$1,044,235 in 2020. This increase is primarily attributable to staffing increases due to the implementation of the Corporation's staffing plan in 2020.
- Program and project costs increased \$265,377 or 46% from \$573,858 in 2019 to \$839,235 in 2020. The increase is primarily attributable to activity in 2020 related to the Clinton Market Collective project.
- Professional and consulting expenses increased \$172,050 or 72% from \$240,268 in 2019 to \$412,318 in 2020. This increase is attributable to higher consulting fees incurred by the Corporation, including fees related to communications and outsourced staffing.
- Interest expense decreased \$10,800 or 55% from \$19,503 in 2019 to \$8,703 in 2020. This decrease is attributable to a reduction in interest expense related to the variable rate bonds for the Corning Preserve project.
- Bad debt expense totaled \$44,034 in 2019 compared to \$0 in 2020. The Corporation's allowance for losses is evaluated on a regular basis by management. Additional bad debt provisions are charged to earnings and offset by recoveries, if any.
- Other administrative expenses decreased \$24,396 or 18% from \$135,004 in 2019 to \$110,608 in 2020. This decrease is attributable lower meeting expenses in 2020 as a direct result of the cancellation of in-person meetings as result of the COVID-19 pandemic.

A condensed summary of Capitalize Albany's net position at December 31, 2020 and 2019 is shown below:

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 3,469,351	\$ 3,260,200
Investments	6,231,220	6,065,068
Restricted cash	6,546,534	6,830,301
Other assets	462,028	599,142
Mortgage notes receivable, net of allowances	1,163,043	1,303,701
Property, plant and equipment, net (includes property held for investment and lease)	1,982,248	2,149,414
Liberty Park properties	<u>4,115,439</u>	<u>4,005,841</u>
Total assets	<u>\$ 23,969,863</u>	<u>\$ 24,213,667</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>
Liabilities		
Bonds payable	\$ 940,000	\$ 1,150,000
Paycheck Protection Program loan	129,100	-
Other liabilities	238,224	168,276
Unearned grant and other income	6,934,865	6,958,634
Unearned program support and revolving loan fund liability	<u>721,606</u>	<u>719,525</u>
Total liabilities	<u>\$ 8,963,795</u>	<u>\$ 8,996,435</u>
Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>
Net Position		
Net investment in capital assets	\$ 5,157,687	\$ 5,005,255
Restricted net position	115,558	117,270
Unrestricted net position	<u>9,732,823</u>	<u>10,094,707</u>
Total net position	<u>\$ 15,006,068</u>	<u>\$ 15,217,232</u>

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

CURRENT KNOWN FACTS, DECISIONS OR CONDITIONS

In 2021, Capitalize Albany will focus on the continued implementation of Corporation, local, regional and State revitalization strategies and strategic plans to further economic development and growth through new programs and initiatives, focusing on a variety of areas, including long-range vision, community engagement, and market-driven recommendations. These implementation efforts will be consistent with the Corporation's mission and align with the business, real estate and strategic development activities outlined above.

Capitalize Albany Corporation will also continue to focus on the implementation of the specific components of the Capital 20.20 Plan which are consistent with the mission of the Corporation. Special focus will be given to those projects which directly align with the objectives of Impact Downtown.

Capitalize Albany will also continue to facilitate the Capitalize Albany Economic Development Strategy. As part of that strategy, the Corporation will continue to focus on developing more downtown residential capacity and will pursue opportunities that will result in catalytic development projects as well as maximize and diversify potential revenue sources for the Corporation.

Continual execution of the Strategic Plan established by the Corporation's Board in 2009 will translate into potential projects. New economic development opportunities with the potential to generate new resources to stimulate growth will be developed by re-focusing and deploying existing strengths and resources. Ultimately, programmatic, marketing, and financial initiatives will reconcile to the objectives set forth in the Strategic Plan.

In December 2016 the Corporation was awarded State funding, to study the feasibility of and design the conversion of the I-787 northbound exit ramp from Quay Street to Clinton Avenue into the Region's first and only highline park — the Skyway. Corporation staff continues to provide support as the City and NYS Department of Transportation construct the project, which is expected to open at the end of 2021.

In December 2017, the Corporation entered into a PSA with the Albany Convention Center Authority (ACCA) for transfer of property interests in the roughly five acre ACCA surplus property surrounding Liberty Park in downtown Albany. The Corporation and the ACCA closed on this agreement in 2019. This development site (Liberty Park) was highlighted as a priority in both the Impact Downtown Albany and Capital 20.20 plans. In 2018, the Corporation formed Liberty Square Development, LLC to aid in the revitalization efforts to acquire and develop properties related to Liberty Park site redevelopment.

In 2019, the Corporation was awarded up to \$15 million in Upstate Revitalization Initiative funds for the redevelopment of Liberty Park. This funding will support acquisition, demolition, stabilization of property, infrastructure and public space improvements, design, planning, construction and renovation costs. Empire State Development approved the distribution of \$10.1 million for associated preliminary costs. Capitalize Albany has used the grant to acquire all parcels in the 8 acre footprint, with the exception of .88 acres for which the Corporation submitted an acquisition assistance application to the CAIDA in 2020 to facilitate future development within the site. The Corporation anticipates closing on the final properties in 2022 pending the outcome of the legal proceeding.

In 2018, the City of Albany was chosen as the Capital Region's New York State Downtown Revitalization Initiative (DRI) \$10 million-winner in an effort administered by the Corporation on behalf of the City. Capitalize Albany's Clinton Market Collective project was competitively awarded \$1 million. This DRI Priority Project will create a new market concept and proving ground for start-up businesses on the Corporation-owned 11 Clinton Avenue site. Capitalize Albany initiated the project's design phase in 2020 and expects to break ground next year and be completed by 2024.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2019, Capitalize Albany Corporation entered into a Purchase and Sale Agreement (PSA) with the Palace Performing Arts Center, Inc., a 501(c)(3) New York not for profit corporation (Palace Theatre) for the transfer of six (6) CAC-owned unimproved real property parcels to support the Palace's announced expansion, renovation and new construction project which will ultimately enable the Palace to expand the diversity and quality of its cultural and entertainment offerings. Parcels include 27 and 29 Clinton Avenue and 168, 170, and 174 North Pearl Street which are immediately adjacent to the historic theater in downtown Albany. Given the impact of COVID-19 on the hospitality and entertainment industry, the project did not close in 2020, however the transaction is still pending.

FINANCIAL STATEMENTS

Capitalize Albany Corporation's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). Capitalize Albany Corporation is organized under the Not-For-Profit Corporation laws of the State of New York. Capitalize Albany follows enterprise fund accounting; accordingly, the financial statements are presented using the economic resources management focus. These financial statements are presented in a manner similar to a private business.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Corporation's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Controller, Capitalize Albany Corporation, 21 Lodge Street, Albany, NY 12207.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets:		
Cash and cash equivalents (Note 2)	\$ 3,469,351	\$ 3,260,200
Investments (Note 4)	6,231,220	6,065,068
Restricted cash (Note 3)	6,546,534	6,830,301
Mortgage notes receivable, current portion, net (Note 5)	117,041	156,206
Accrued interest receivable	39,875	30,174
Grant receivables	255,496	439,101
Other receivables	30,066	12,346
Total current assets	<u>16,689,583</u>	<u>16,793,396</u>
Noncurrent Assets:		
Mortgage notes receivable, less current portion, net (Note 5)	1,046,002	1,147,495
Other receivables, net	93,524	90,780
Property held for investment and lease, net (Note 6)	1,639,467	1,809,193
Property and equipment, net (Note 7)	342,781	340,221
Liberty Park properties (Note 8)	4,115,439	4,005,841
Other assets	43,067	26,741
Total noncurrent assets	<u>7,280,280</u>	<u>7,420,271</u>
Total assets	<u>\$ 23,969,863</u>	<u>\$ 24,213,667</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 178,703	\$ 108,755
Funds held related to Hudson River Way campaign	59,521	59,521
Unearned grant and other income	6,934,865	6,958,634
Paycheck Protection Program loan (Note 13)	129,100	-
Bonds payable, current portion (Note 10)	220,000	210,000
Total current liabilities	<u>7,522,189</u>	<u>7,336,910</u>
Noncurrent Liabilities:		
Bonds payable, less current portion (Note 10)	720,000	940,000
Revolving loan fund liability (Note 11)	714,487	712,406
Unearned program support	7,119	7,119
Total noncurrent liabilities	<u>1,441,606</u>	<u>1,659,525</u>
Total liabilities	<u>\$ 8,963,795</u>	<u>\$ 8,996,435</u>
Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>
Net Position		
Net invested in capital assets	\$ 5,157,687	\$ 5,005,255
Restricted for:		
CDBG eligible activities	115,138	114,977
Other program specific activities	420	2,293
Unrestricted	9,732,823	10,094,707
Total net position	<u>\$ 15,006,068</u>	<u>\$ 15,217,232</u>

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES AND
CHANGES IN NET POSITION
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Grant and contribution income	\$ 722,097	\$ 710,231
Rental income	297,744	298,473
Other interest and investment income	213,370	287,030
Interest income on mortgage notes	45,907	59,731
Fees, program, and other income	<u>530,307</u>	<u>466,833</u>
Total operating revenues	<u>1,809,425</u>	<u>1,822,298</u>
Operating Expenses		
Salaries and fringe benefits	1,044,235	801,249
Program and project costs	839,235	573,858
Professional and consulting expenses	412,318	240,268
Interest expense	8,703	19,503
Bad debt expense	-	44,304
Other administrative expenses	<u>110,608</u>	<u>135,004</u>
Total operating expenses	<u>2,415,099</u>	<u>1,814,186</u>
Change in Net Position Before Capital Funding	(605,674)	8,112
Capital grant funding	<u>394,510</u>	<u>4,108,478</u>
Change in Net Position	(211,164)	4,116,590
Net Position, Beginning of Year	<u>15,217,232</u>	<u>11,100,642</u>
Net Position, End of Year	<u><u>\$ 15,006,068</u></u>	<u><u>\$ 15,217,232</u></u>

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 307,153	\$ 381,268
Cash received from grantors and contributors	1,276,505	617,446
Other operating cash receipts	530,307	453,568
Cash payments to suppliers and grantees	(1,113,464)	(1,028,574)
Cash payments to employees	<u>(1,044,235)</u>	<u>(801,249)</u>
Net cash used in operating activities	<u>(43,734)</u>	<u>(377,541)</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property held for investment and lease	(5,252)	-
Purchase of property and equipment	(20,833)	(23,272)
Proceeds from Paycheck Protection Program loan	129,100	-
Purchase of Liberty Park properties	(109,598)	(3,994,883)
Cash received from capital grant funding	-	10,193,720
Principal payments on bonds payable	(210,000)	(200,000)
Interest paid on bonds payable	<u>(8,703)</u>	<u>(19,503)</u>
Net cash (used in) provided by capital and related financing activities	<u>(225,286)</u>	<u>5,956,062</u>
Cash Flows From Investing Activities		
Interest on cash, cash equivalents, restricted cash, and investments	108,941	110,918
Proceeds from sales and maturities of investments	7,365,491	5,639,290
Purchase of investments	(7,420,686)	(7,919,842)
Repayments received on mortgage notes and other receivables	<u>140,658</u>	<u>147,656</u>
Net cash provided by (used in) investing activities	<u>194,404</u>	<u>(2,021,978)</u>
Change in cash, cash equivalents, and restricted cash	(74,616)	3,556,543
Cash, cash equivalents, and restricted cash:		
Beginning of year	<u>10,090,501</u>	<u>6,533,958</u>
End of year	<u>\$ 10,015,885</u>	<u>\$ 10,090,501</u>
Reconciliation of Cash, Cash Equivalents, and Restricted Cash to the Statements of Net Position:		
Cash and cash equivalents	\$ 3,469,351	\$ 3,260,200
Restricted cash	<u>6,546,534</u>	<u>6,830,301</u>
	<u>\$ 10,015,885</u>	<u>\$ 10,090,501</u>

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Change in Net Position Before Capital Funding to Net Cash Used in Operating Activities		
Change in net position before capital funding	\$ (605,674)	\$ 8,112
Adjustments to reconcile change in net position before capital funding to net cash used in operating activities:		
Depreciation and amortization	193,251	194,775
Adjustment for losses on mortgage notes and other receivables	-	44,304
Net realized and unrealized gains on investments	(110,957)	(139,171)
Interest income on cash, cash equivalents, restricted cash, and investments	(109,942)	(112,460)
Interest expense on bonds payable	8,703	19,503
Changes in:		
Grant receivables	183,605	(25,812)
Other receivables, accrued interest receivable and other assets	(45,490)	(12,336)
Accounts payable and accrued expenses	69,948	(274,218)
Unearned grant and other income	370,741	(70,808)
Unearned program support	-	(13,265)
Revolving loan fund liability	2,081	3,835
Net cash used in operating activities	<u>\$ (43,734)</u>	<u>\$ (377,541)</u>

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Mission

Capitalize Albany Corporation (the “Corporation”) was formed under the Not-for-Profit Corporation Laws of the State of New York in October 1979 for the purposes of facilitating the creation of new employment opportunities, retaining existing jobs and encouraging investment that will expand the commercial and industrial tax base within the City of Albany (City). The Corporation facilitates large scale transformational real estate projects to accomplish its mission.

The Corporation's mission is accomplished by providing technical support for City, State and other economic development programs and loaning money to new or existing businesses. Additionally, the Corporation has invested in certain real estate, and leases such real estate to businesses in order to further job opportunities within the City.

The Corporation formed Citywide Property Holdings, LLC (Citywide) in April 2008 for the limited purpose of assisting the Corporation in the furtherance of the Corporation's mission. The Corporation is the sole member and manager of Citywide. Citywide's participation in the furtherance of the Corporation's mission is evaluated on a project basis. This participation includes, but is not limited to, holding property as available for sale to enhance project development.

The Corporation formed Liberty Square Development, LLC in January 2018 for the limited purpose of assisting the Corporation in the furtherance of the Corporation's mission. The Corporation is the sole member and manager of Liberty Square Development, LLC. Liberty Square Development LLC's operations includes, but are not limited to, the acquisition, disposition and development of properties located in the Liberty Park area of Downtown Albany.

The consolidated financial statements represent the consolidated financial position and the consolidated changes in financial position and cash flows of the Corporation, Citywide, and Liberty Park Development, LLC. All intercompany transactions between the Corporation, Citywide, and Liberty Park Development, LLC have been eliminated for financial reporting purposes.

Basis of Accounting and Presentation

The Corporation follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Capitalize Albany Corporation's consolidated financial statements apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Revenue Recognition

Grant and contribution income

Grants, contributions, and similar items, including capital grant funding, are recognized as revenue when all requirements imposed by the grantor or contributor, if any, have been satisfied. Grant funds received for which all requirements have not yet been met are recorded as unearned grant and other income.

Rental income

Rental income is recognized as earned over the term of the related lease arrangements.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Fees, program, and other income

Fees, program, and other income consists primarily of management fees, which are recognized as earned under a management fee arrangement with terms of generally one year.

In addition, the Corporation, under Urban Development Action Grants (UDAG) financing arrangements through the United States Department of Housing and Urban Development (HUD), has recognized grant amounts as mortgage notes receivable, with corresponding credits to deferred program support. Principal repayments on these notes are recognized as fees, program, and other income and are applied against deferred program support. The UDAG agreements provide that the program income, together with the interest earned thereon, are restricted by HUD to be used for Title I eligible activities. The deferred program support account, in the Corporation's consolidated balance sheet, is a contra account which reflects UDAG loan principal repayments scheduled to be received in future years. There were no new UDAG grants in either 2020 or 2019.

Cash and Cash Equivalents

Cash is comprised of various interest bearing and non-interest bearing deposits in several financial institutions. The Corporation considers all highly liquid investments with original maturities of three months or less to be cash equivalents except for cash equivalents included in the investment account, which are included in investments in the accompanying consolidated balance sheets.

Investments

Investments are carried at fair value on a recurring basis, based on current market prices.

Mortgage Notes Receivable and Allowance for Losses

As explained further in Note 5, mortgage notes receivable are carried at the principal amount outstanding, net of an allowance for estimated uncollectible amounts. The Corporation's allowance for losses is evaluated on a regular basis by management and is estimated based on delinquency rates, current economic conditions, borrowers' outstanding balances, an analysis of borrowers' financial condition, and estimated value of any underlying collateral. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance for losses is increased by provisions charged to earnings and reduced by charge-offs, net of recoveries.

Loans made by the Corporation to recipient entities are generally issued as part of larger financial packages involving additional lenders. Substantially all of the Corporation's mortgage notes receivable, which are collateralized by real property and/or equipment, are subordinated to the loans provided by these other lenders. In some cases, projected growth and overall economic conditions have substantially changed since loan origination. The Corporation attempts to work with borrowers who are experiencing financial difficulties and has entered into debt restructuring agreements with respect to certain financially troubled borrowers. These restructuring agreements often incorporate notes, for which current repayment is contingent upon favorable future events as specified in the note agreement. Such uncertainties have been considered by the Corporation in establishing the estimated allowance for possible losses.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgage Notes Receivable and Allowance for Losses (Continued)

The Corporation places impaired loans on nonaccrual status and recognizes interest income on such loans only on a cash basis. Accrual of interest is discontinued on a loan when management believes, after considering economics, business conditions, and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. Uncollectible interest previously accrued is charged off. Income is subsequently recognized only to the extent cash payments are received until, in management's judgment, the borrower's ability to make periodic interest and principal payments is back to normal, in which case the loan is returned to accrual status.

Property Held for Investment and Lease, Net

Property held for investment and lease is carried at the lower of cost or net realizable value and represents assets acquired to assist in the Corporation's mission of encouraging economic development and business retention within the City.

Property and Equipment, Net

Property and equipment is stated at cost. Depreciation of property and equipment is provided using straight-line method over the estimated useful lives of the respective assets ranging from 5 years for equipment to 40 years for buildings.

Liberty Park Properties

Liberty Park consists of property within the boundaries of South Pearl Street, Madison Avenue, Broadway, and Hudson Avenue in the City of Albany, referred to as Liberty Park, held by the Corporation for possible redevelopment.

The Corporation records Liberty Park assets at historical cost. Cost is considered the appropriate basis for this project because several uncertainties exist with regard to the timing and nature of redevelopment completion. Cost includes the purchase price of the property and site improvement and development costs. The costs of normal maintenance and operation of the properties that do not add to the value of the properties are not capitalized. Cost basis does not necessarily represent fair value.

See Note 8 for additional information.

Description of Leasing Arrangements

The Corporation, as part of its mission, has entered into arrangements leasing various parcels of real estate. The lease terms range from one to thirty years. See Note 9 for further disclosure of these lease arrangements.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Corporation is a publicly supported organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Citywide and Liberty Park Development LLC's annual tax information filings are included with the annual filings of their sole member, Capitalize Albany Corporation.

Net Position

In order to present consolidated financial condition and consolidated operating results of the Corporation in a manner consistent with limitations and restrictions placed upon the use of resources, the Corporation classifies net position into three categories as follows:

Net invested in capital assets – This component of net position consists of property and equipment, including property held for investment and lease, net of accumulated depreciation, and reduced by the outstanding balances of debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net invested in capital assets. Rather, when applicable, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on assets use through external constraints imposed by creditors, by law or regulation, or through enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "net invested in capital assets" or "restricted."

Reclassifications

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation.

Subsequent Events

For purposes of preparing these financial statements, Capitalize Albany Corporation considered events through March __, 2021, the date the financial statements were available for issuance.

NOTE 2 — CASH AND CASH EQUIVALENTS

The Corporation maintains its cash in bank accounts with several financial institutions.

The Corporation has not experienced any losses with respect to its cash and cash equivalents balances. Based on management's review of the strength of the financial institutions, management feels the risk of loss on its cash balances is minimal.

At December 31, 2020, the carrying amount and the bank balances of the Corporation's deposits were approximately \$3,469,000 and \$3,604,000, respectively. Of the bank balances, approximately \$1,562,000 was insured under FDIC coverage. The remaining approximately \$2,042,000 was invested in a daily sweep/repurchase agreement with a financial institution which is invested in and fully collateralized by United States government issued securities but is not FDIC insured. There were no uncollateralized amounts at December 31, 2020.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 — RESTRICTED CASH

Generally, restricted cash represents funds that have been placed in a segregated account that cannot be used for a purpose other than the purpose for which that account is designated. Restricted cash includes amounts restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Liberty Park (ESD grant funds)	\$5,757,244	\$6,120,354
CDBG eligible activities	115,138	114,977
EC/EDZ revolving loan fund	614,554	535,424
Hudson River Way campaign	59,598	59,546
Total restricted cash and cash equivalents	<u>\$6,546,534</u>	<u>\$6,830,301</u>

At December 31, 2020, bank balances of restricted cash were approximately \$6,547,000, of which approximately \$365,000 were not insured under FDIC coverage or collateralized. The Liberty Park (ESD grant funds) bank balance is fully collateralized by an undivided security interest in pooled U.S. federal agency and government sponsored enterprise securities in proportion to its deposit to the bank's total deposits secured by the pool. The total collateral value of the pool is maintained at a minimum of 100% of total deposits secured by the pool after FDIC insurance. Uncollateralized amounts were maintained with major financial institutions considered by management to be secure.

NOTE 4 — INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following at December 31:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed Income Securities	\$ 5,222,265	\$ 5,292,091	\$ 5,557,216	\$ 5,591,748
Certificates of Deposit	300,461	301,234	-	-
Equities	296,060	473,830	267,620	418,600
Money Market	164,065	164,065	54,720	54,720
Total	<u>\$ 5,982,851</u>	<u>\$ 6,231,220</u>	<u>\$ 5,879,556</u>	<u>\$ 6,065,068</u>

Unrealized gains of approximately \$58,000 and \$77,000 at December 31, 2020 and 2019, respectively, are included in other interest and investment income in the consolidated statements of revenue and expenses and changes in net position.

GASBS No. 72, *Fair Value Measurement and Application*, establishes requirements on how fair value should be measured, which assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 — INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth, within the fair value hierarchy, the Corporation's assets at fair value at December 31, 2020 and 2019:

	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Money Market	\$ 164,065	\$ -	\$ -	\$ 164,065
Equities	473,830	-	-	473,830
Corporate Debt Securities	1,762,872	-	-	1,762,872
U.S. Treasury	3,007,207	-	-	3,007,207
Municipal Bonds	-	522,012	-	522,012
Certificates of Deposit	-	301,234	-	301,234
	<u>\$ 5,407,974</u>	<u>\$ 823,246</u>	<u>\$ -</u>	<u>\$ 6,231,220</u>

	December 31, 2019			Total
	Level 1	Level 2	Level 3	
Money Market	\$ 54,720	\$ -	\$ -	\$ 54,720
Equities	418,600	-	-	418,600
Corporate Debt Securities	979,050	-	-	979,050
U.S. Treasury	4,235,535	-	-	4,235,535
Municipal Bonds	-	377,163	-	377,163
	<u>\$ 5,687,905</u>	<u>\$ 377,163</u>	<u>\$ -</u>	<u>\$ 6,065,068</u>

NOTE 5 — MORTGAGE NOTES RECEIVABLE, NET

The Corporation's mortgage notes receivable are comprised of 27 individual accounts at both December 31, 2020 and 2019 with an average outstanding principal balance approximating \$122,000 and \$127,000 at December 31, 2020 and 2019, respectively.

Repayment terms and interest rates on mortgage loans vary with each loan. Generally, interest rates range from 0% to 9% per year, with a weighted yield on all loans approximating 3.8% for each of the years ended December 31, 2020 and 2019. Current maturities range from 2021 through the year 2080.

Substantially all mortgage notes are collateralized by a subordinate interest in real property and/or equipment.

The composition of mortgage notes receivable by funding source is as follows at December 31:

	2020		2019	
	Number of Notes	Amount	Number of Notes	Amount
CDBG	1	\$ 33,735	1	\$ 33,735
UDAG	8	881,353	8	881,353
EC/EDZ	4	199,518	4	276,849
Revolving Real Estate Loan Fund	4	816,389	4	831,609
Other	<u>10</u>	<u>1,355,493</u>	<u>10</u>	<u>1,403,599</u>
	<u>27</u>	<u>3,286,488</u>	<u>27</u>	<u>3,427,145</u>
Less allowance for losses		<u>(2,123,445)</u>		<u>(2,123,444)</u>
Mortgage notes receivable, net		1,163,043		1,303,701
Less: current portion		<u>117,041</u>		<u>156,206</u>
Noncurrent		<u>\$ 1,046,002</u>		<u>\$ 1,147,495</u>

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5 — MORTGAGE NOTES RECEIVABLE, NET (Continued)

The Community Block Development Grant Program (CDBG) and UDAG notes were funded through monies received under Federal programs in prior years. The Enterprise Community/Economic Development Zone (EC/EDZ) notes were funded through grant monies received in prior years (see Note 11).

The Revolving Real Estate Loan Fund was established through an allocation of \$2 million of general funds of the Corporation for the purpose of stimulating strategic development projects. The Corporation also lends monies to individuals, businesses, and non-profit agencies for other projects in furtherance of its mission utilizing general funds of the Corporation. Both the Revolving Real Estate Loan Fund and Other notes are not restricted by any external funding sources.

The recorded investment in mortgage notes receivable that are considered to be impaired approximated \$2,170,000 and \$2,191,000 at December 31, 2020 and 2019, respectively. The allowance for losses related to impaired loans approximated \$2,123,000 at both December 31, 2020 and 2019. Interest income recognized during 2020 and 2019 on impaired mortgage notes receivable, while such mortgage notes receivable were impaired, was not material.

NOTE 6 — PROPERTY HELD FOR INVESTMENT AND LEASE, NET

The following is a summary of changes in property held for investment and lease for the year ended December 31, 2020:

	January 1, <u>2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Reclassification</u>	<u>Impairment</u>	December 31, <u>2020</u>
Riverfront Bar & Grill - Utilities Project	\$ 43,800	\$ -	\$ -	\$ -	\$ -	\$ 43,800
Quackenbush Square Parking Lot	146,864	-	-	-	-	146,864
Quackenbush House	199,192	5,252	-	-	-	204,444
Palace Properties	25,000	-	-	-	-	25,000
Corning Preserve Project	4,114,091	-	-	-	-	4,114,091
Land at 11 Clinton Avenue	225,000	-	-	-	-	225,000
Land at 174 North Pearl	<u>114,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,915</u>
	4,868,862	5,252	-	-	-	4,874,114
Less accumulated depreciation	<u>3,059,669</u>	<u>174,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,234,647</u>
	<u>\$ 1,809,193</u>					<u>\$ 1,639,467</u>

The following is a summary of changes in property held for investment and lease for the year ended December 31, 2019:

	January 1, <u>2019</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Reclassification</u>	<u>Impairment</u>	December 31, <u>2019</u>
Riverfront Bar & Grill - Utilities Project	\$ 43,800	\$ -	\$ -	\$ -	\$ -	\$ 43,800
Quackenbush Square Parking Lot	146,864	-	-	-	-	146,864
Quackenbush House	199,192	-	-	-	-	199,192
Palace Properties	25,000	-	-	-	-	25,000
Corning Preserve Project	4,114,091	-	-	-	-	4,114,091
Land at 11 Clinton Avenue	225,000	-	-	-	-	225,000
Land at 174 North Pearl	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,915</u>	<u>-</u>	<u>114,915</u>
	4,753,947	-	-	114,915	-	4,868,862
Less accumulated depreciation	<u>2,884,186</u>	<u>175,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,059,669</u>
	<u>\$ 1,869,761</u>					<u>\$ 1,809,193</u>

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 — PROPERTY HELD FOR INVESTMENT AND LEASE, NET (Continued)

Property located at 174 North Pearl Street was vacant and as of December 31, 2018, a plan of reuse had not been developed and was included in other assets in the consolidated statement of net position at December 31, 2018. In 2019, the Corporation approved a plan to sell the property and it is classified as property held for investment and lease, net, in the consolidated statements of net position at December 31, 2020 and 2019.

Corning Preserve Project

The Corporation, in 2002, functioned as the conduit agency with several related parties related to a project to construct various improvements to a portion of the Corning Preserve Park (Corning Preserve Project). The Corporation entered into an interim use and ground lease agreement with the City providing for a ground lease of the property owned by the City, underlying the Corning Preserve Project. The interim use and ground lease agreement has a thirty-five year term and provides for a nominal rent payment. At the end of the lease term the Corning Preserve Project reverts to the City.

The Corporation entered into a lease agreement with the City of Albany Industrial Development Agency (CAIDA) to sublease the property to the CAIDA. The sublease expires at the earlier of a date requested by the Corporation or the completion date of the Corning Preserve Project. The lease agreement provides for a nominal payment. The Corporation also entered into an installment sale agreement with the CAIDA pursuant to which the Corporation is obligated, among other things, to complete the Corning Preserve Project as the agent of the CAIDA and the CAIDA sells the Corning Preserve Project to the Corporation on an installment basis. The Corporation's payments under the installment sale agreement are equivalent to the debt service requirements on the \$4,390,000 in 2002 Civic Facility Revenue Bonds issued by the CAIDA to fund the Corning Preserve Project, which is accounted for as bonds payable (see Note 10).

The Corporation entered into a shared use and sublease agreement with the Albany Port District Commission (the "Port"). Under the shared use and sublease agreement the Port is obligated to perform on behalf of the Corporation, the Corporation's obligations under the interim use and ground lease agreement and the installment sale agreement. Also under the shared use and sublease agreement, which is accounted for as an operating lease, the Port is obligated to fund the Corporation's obligations relating to the Corning Preserve Project, including funding payments sufficient to cover all related bond debt service and certain other expenses (see Note 9).

NOTE 7 — PROPERTY AND EQUIPMENT, NET

The following is a summary of changes in property and equipment for the year ended December 31, 2020:

	<u>January 1, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>December 31, 2020</u>
Land	\$ 49,300	\$ -	\$ -	\$ 49,300
Building and improvements	485,035	-	-	485,035
Furniture and equipment	<u>170,731</u>	<u>20,833</u>	<u>-</u>	<u>191,564</u>
Total	705,066	20,833	-	725,899
Less accumulated depreciation	<u>364,845</u>	<u>18,273</u>	<u>-</u>	<u>383,118</u>
	<u>\$340,221</u>	<u>\$ 2,560</u>	<u>\$ -</u>	<u>\$ 342,781</u>

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7 — PROPERTY AND EQUIPMENT, NET (Continued)

The following is a summary of changes in property and equipment for the year ended December 31, 2019:

	<u>January 1, 2019</u>	<u>Additions</u>	<u>Dispositions</u>	<u>December 31, 2019</u>
Land	\$ 49,300	\$ -	\$ -	\$ 49,300
Building and improvements	485,035	-	-	485,035
Furniture and equipment	<u>147,459</u>	<u>23,272</u>	<u>-</u>	<u>170,731</u>
Total	681,794	23,272	-	705,066
Less accumulated depreciation	<u>345,553</u>	<u>19,292</u>	<u>-</u>	<u>364,845</u>
	<u>\$336,241</u>	<u>\$ 3,980</u>	<u>\$ -</u>	<u>\$ 340,221</u>

Depreciation expense, including depreciation expense on property held for investment and lease, was approximately \$193,000 and \$195,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 — LIBERTY PARK PROPERTIES

Liberty Park consists of property within the boundaries of South Pearl Street, Madison Avenue, Broadway, and Hudson Avenue in the City of Albany, referred to as Liberty Park, held by the Corporation for possible redevelopment.

The Corporation records Liberty Park assets at historical cost. Cost is considered the appropriate basis for this project because several uncertainties exist with regard to the timing and nature of redevelopment completion. Cost includes the purchase price of the property and site improvement and development costs. The costs of normal maintenance and operation of the properties that do not add to the value of the properties are not capitalized. Cost basis does not necessarily represent fair value.

In December 2017, the Corporation entered into a Purchase and Sale Agreement with the Albany Convention Center Authority (ACCA) for the transfer of property interests in the roughly five acre ACCA surplus property surrounding Liberty Park in downtown Albany (Liberty Park) for a nominal purchase price of \$1. The Corporation and the ACCA closed on this transfer effective December 2019. As part of the agreement, the Corporation assumed a ground lease obligation expiring in 2038. Annual rent through August 2023 is \$174,000 with escalations in annual rent of \$12,000 every 5 years thereafter through August 2038.

In 2019, the Corporation was awarded up to \$15 million in Upstate Revitalization Initiative funds for the redevelopment of Liberty Park. Empire State Development (ESD) approved an initial investment of \$10.1 million for the acquisition of property rights (fee and/or leasehold interests as needed), emergency demolition, property maintenance, operation and stabilization, and administration, planning and design, which was transferred to a restricted cash account held by the Corporation. Drawdowns of grant funds from the restricted account must be approved by ESD.

The Corporation utilized a portion of the grant funds to purchase a portion of the Liberty Park site with existing leases that have since been terminated for \$3.3 million in November 2019, which is included in the Liberty Park properties asset in the accompanying consolidated statements of net position.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 8 — LIBERTY PARK PROPERTIES (Continued)

Significant assets, liabilities, revenues, and expenses associated with the Liberty Park properties as of and for the years ended December 31, 2020 and 2019 are summarized below and included in the referenced category (financial statement line item) in the consolidated financial statements:

	<u>2020</u>	<u>2019</u>
Assets		
Restricted cash	<u>\$5,757,244</u>	<u>\$ 6,120,354</u>
Liberty Park properties	<u>\$4,115,439</u>	<u>\$ 4,005,841</u>
Liabilities		
Unearned program support and revolving loan fund liability	<u>\$5,690,732</u>	<u>\$ 6,085,242</u>
Rental income	<u>\$ 62,838</u>	<u>\$ -</u>
Capital grant funding	<u>\$ 394,510</u>	<u>\$ 4,108,478</u>
Program and project costs	<u>\$ 437,419</u>	<u>\$ 113,816</u>

NOTE 9 — OPERATING LEASES

The Corporation leases the Quackenbush Square Parking Lot, the Quackenbush House, and Corning Preserve Project, all classified as property held for investment and lease (see Note 6), to help accomplish its economic development goals. In addition, the Corporation entered into an agreement to lease a certain portion of the acquired Liberty Park properties.

The following is a schedule by year of the minimum future rentals to be received on non-cancellable operating leases as of December 31, 2020:

2021	\$ 358,775
2022	286,098
2023	301,773
2024	298,168
2025	44,262
Thereafter	<u>7,413</u>
	<u>\$ 1,296,489</u>

The Corporation leases the Corning Preserve Project to the Albany Port District Commission (the "Port") under a shared use and lease agreement (see Note 6). The shared use and sublease agreement has a thirty year term expiring in 2032. Under the shared use and lease agreement the Port is obligated to make lease payments sufficient to cover all related bond debt service and certain other expenses. The annual rent payments due from the Port will change on a year to year basis as a result of the variable interest rate associated with the bonds, the amortization schedule of the bonds and bond prepayments. The Corporation is recognizing the base rental income on a straight-line basis over the life of the lease based on the lease factors at inception of the lease. For the years ended December 31, 2020 and 2019, rental income approximated \$152,000 and \$153,000, respectively. Increases or decreases to the base rental income result from changes in lease factors occurring subsequent to the inception of the lease and are recognized as contingent rentals in the period that the changes take place.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10 — BONDS PAYABLE

The following is a summary of changes in bonds payable for the year ended December 31, 2020:

	<u>January 1,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2020</u>
Bonds Payable:				
CAIDA Corning Preserve Project (A)	\$ 1,150,000	\$ -	\$ (210,000)	\$ 940,000
Less current maturities	<u>210,000</u>			<u>220,000</u>
	<u>\$ 940,000</u>			<u>\$ 720,000</u>

The following is a summary of changes in bonds payable for the year ended December 31, 2019:

	<u>January 1,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2019</u>
Bonds Payable:				
AIDA Corning Preserve Project (A)	\$ 1,350,000	\$ -	\$ (200,000)	\$ 1,150,000
Less current maturities	<u>200,000</u>			<u>210,000</u>
	<u>\$ 1,150,000</u>			<u>\$ 940,000</u>

- (A) The Corporation functioned as the conduit agency in connection with a 2002 Civic Facility Revenue bond issue of the CAIDA in the amount of \$4,390,000. The proceeds were utilized to fund a project that includes the construction of various improvements to the Corning Preserve Park. The obligation requires monthly payment of interest and the interest rate is adjusted weekly. The bonds mature in May 2027. The bonds are secured by a letter of credit issued by Key Bank. The letter of credit requires principal payments on the outstanding bonds, annually on May 1, in prescribed amounts currently ranging from \$220,000 in 2021 to \$255,000 in 2024, thus providing for the full amortization of the bonds by the 2027 maturity date. The letter of credit also requires principal payments on the outstanding bonds if certain grant proceeds related to the Corning Preserve Project are received. The interest rate at December 31, 2020 was 0.23% (1.10% at December 31, 2019). The Corning Preserve Project is leased to the Port under a related agreement that has been classified as an operating lease (see Note 9).

At December 31, 2020, principal and interest requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 220,000	\$ 1,863
2022	225,000	1,351
2023	240,000	815
2024	<u>255,000</u>	<u>244</u>
	<u>\$ 940,000</u>	<u>\$ 4,273</u>

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 11 — REVOLVING LOAN FUND LIABILITY

In June 1999, the Corporation was awarded a grant of \$643,291 to establish and operate a revolving loan fund to benefit prospective or existing Enterprise Community and/or Economic Development Zone (EC/EDZ) businesses. Generally, repayments on loans originated are to be recycled back into the loan fund to provide additional loans. However, with approval from the Empire State Development Corporation (“ESDC”), interest generated from the loans can be recorded as revenue to the extent that it offsets administrative expenses related to operating the loan fund. Approximately \$9,000 and \$15,000 of such revenue was recognized for the years ended December 31, 2020 and 2019, respectively.

NOTE 12 — EMPLOYEE BENEFIT PLANS

Retirement Plan

Prior to January 1, 2020, the Corporation sponsored a Simplified Employee Pension Plan (SEP-IRA). The Corporation elected to contribute 11% of an eligible employee’s compensation annually to the SEP-IRA. Effective January 1, 2020, the Corporation replaced the existing SEP-IRA plan with a company-sponsored 401(k) plan. The Corporation elected to continue to contribute 11% of eligible employee compensation to the 401(k) plan.

During 2020 and 2019, nine and seven employees were covered by the plans, and total contribution expenses incurred were approximately \$88,000 and \$65,000, respectively.

Post Employment Benefit

The Corporation does not offer post employment benefits to its employees.

NOTE 13 — PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Corporation received loan proceeds of \$129,100 under the Small Business Administration’s (“SBA”) Paycheck Protection Program (“PPP”) established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). Generally, the PPP loan and related accrued interest are forgivable, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels.

In accordance with GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, the PPP loan is required to be reported as a liability until the entity is legally released from the debt. The Corporation applied for and has been notified that the full \$129,100 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven effective January 5, 2021. As the Corporation did not receive notification of the PPP loan forgiveness as of December 31, 2020, the PPP loan is reported as a current liability in the accompanying 2020 consolidated statement of net position and the forgiveness will be recognized in the 2021 consolidated statement of revenues and expenses and changes in net position.

The Corporation must maintain all records relating to the PPP loan for six years from the date the loan is forgiven.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 14 — COMMITMENTS AND CONTINGENCIES

Professional Services Agreement

During 2015, the Corporation entered into a professional services agreement with the City of Albany with a five-year term, which has been renewed for an additional five-year term expiring in December 2024. Under this agreement the City of Albany provides economic development, planning, and community development consultancy services in furtherance of the Corporation's mission. The Corporation's fee to the City of Albany under this agreement totaled approximately \$53,000 for each of the years ended December 31, 2020 and 2019. The fee shall be automatically modified to reflect any salary and fringe adjustment to the City employee positions and any changes to expenses.

COVID-19

Global and domestic responses to the coronavirus disease (COVID-19) outbreak continue to evolve. Management's determination is that currently, there is minimal financial effect on the Corporation. However, management will continue to closely monitor financial results, including areas with a greater risk of potential adverse impact, including repayments of mortgage notes receivable and any significant decline in investment values. The ability of borrowers to repay mortgage notes can be impaired by a number of factors, including a pandemic such as COVID-19. Furthermore, in light of the global market's volatility since the pandemic, the Corporation will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to significantly change its investment portfolio based on its current composition (see Note 4). As the situation continues to unfold, management may need to find ways to address the disruption of operations that may result from the ongoing national and local response to the outbreak. At this point, the extent to which COVID-19 may impact the Corporation is uncertain.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Capitalize Albany Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Capitalize Albany Corporation, which comprise the consolidated statement of net position as of December 31, 2020, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March __, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Capitalize Albany Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capitalize Albany Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Capitalize Albany Corporation's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capitalize Albany Corporation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Investment Guidelines for Public Authorities and Capitalize Albany Corporation's investment guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Albany, New York
March __, 2021

DRAFT

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Authority-Related)

Question		Response	URL (if Applicable)
1.	Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	www.capitalizealbany.com
2.	As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	www.capitalizealbany.com
3.	Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	Yes	N/A
4.	Does the independent auditor provide non-audit services to the Authority?	No	N/A
5.	Does the Authority have an organization chart?	Yes	www.capitalizealbany.com
6.	Are any Authority staff also employed by another government agency?	No	
7.	Has the Authority posted their mission statement to their website?	Yes	www.capitalizealbany.com
8.	Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9.	Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		www.capitalizealbany.com

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Board-Related)

Question	Response	URL (If Applicable)
1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3. Has the Board established a Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		www.capitalizealbany.com
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		www.capitalizealbany.com
7. Has the Board adopted bylaws and made them available to Board members and staff?	Yes	www.capitalizealbany.com
8. Has the Board adopted a code of ethics for Board members and staff?	Yes	www.capitalizealbany.com
9. Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
Salary and Compensation	Yes	N/A
Time and Attendance	Yes	N/A
Whistleblower Protection	Yes	N/A
Defense and Indemnification of Board Members	Yes	N/A
12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL?	Yes	N/A
13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	Yes	N/A
14. Was a performance evaluation of the board completed?	Yes	N/A
15. Was compensation paid by the Authority made in accordance with employee or union contracts?	No	N/A
16. Has the board adopted a conditional/additional compensation policy governing all employees?	No	

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Board of Directors Listing

Name	Adams, Kaweeda	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	No
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Briccetti, Heather	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Name	Castellana, Michael	Nominated By	Other
Chair of the Board	Yes	Appointed By	Other
If yes, Chair Designated by	Elected by Board	Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	Yes
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Curley, Robert	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/17/2019	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2022	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Name	Fancher, Michael	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/15/2020	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2024	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Harris, John	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/17/2019	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2022	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Name	Parente, David	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Pedo, Susan	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	No
Term Start Date	12/17/2019	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2022	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

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Name	Peter, Matthew	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	No
Term Start Date	12/17/2019	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2022	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	Yes
Designee Name		Ex-Officio	

Name	Rodriguez, Havidan	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/15/2020	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2024	Complied with Training Requirement of Section 2824?	No
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

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Name	Sperry, Jeffrey	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Tomson, Anders	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/15/2020	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2024	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

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Name	Torrejon, Karen	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	No
Term Start Date	12/15/2020	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2024	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Vennard, Michele	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	Yes
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

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Name	Vero, John	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/17/2019	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2022	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	del Peral, Sonya	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	12/20/2018	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	12/31/2021	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

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Status: UNSUBMITTED

Certified Date: N/A

Staff Listing

Name	Title	Group	Department/ Subsidiary	Union Name	Bargaining Unit	Full Time/ Part Time	Exempt	Base Annualized Salary	Actual salary paid to the Individual	Overtime paid by Authority	Performance Bonus	Extra Pay	Other Compensati on/Allowanc es/Adjustme nts	Total Compensati on paid by Authority	Individual also paid by another entity to perform the work of the Authority	If yes, Is the payment made by a State or local governme nt
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Benefit Information

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for former staff or individuals affiliated With the Authority after those individuals left the Authority?	No
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Board Members

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
Adams, Kaweeda	Board of Directors												X	
Briccetti, Heather	Board of Directors												X	
Castellana, Michael	Board of Directors												X	
Curley, Robert	Board of Directors												X	
Fancher, Michael	Board of Directors												X	
Harris, John	Board of Directors												X	
Parente, David	Board of Directors												X	
Pedo, Susan	Board of Directors												X	
Peter, Matthew	Board of Directors												X	
Rodriguez, Havidan	Board of Directors												X	
Sperry, Jeffrey	Board of Directors												X	
Tomson, Anders	Board of Directors												X	
Torrejon, Karen	Board of Directors												X	
Vennard, Michele	Board of Directors												X	
Vero, John	Board of												X	

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Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
	Directors													
del Peral, Sonya	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
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Subsidiary/Component Unit Verification

Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct?	No
Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Authority and not independently filing reports in PARIS?	Yes

Name of Subsidiary/Component Unit	Status
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Request Subsidiary/Component Unit Change

Name of Subsidiary/Component Unit	Status	Requested Changes
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Request Add Subsidiaries/Component Units

Name of Subsidiary/Component Unit	Establishment Date	Purpose of Subsidiary/Component Unit
Citywide Property Holdings LLC	4/28/2008	Assist the Corporation in the furtherance of its mission and to enhance project development.
Liberty Square Development LLC	1/5/2018	Assist the Corporation in the furtherance of its mission and to enhance project development.

Request Delete Subsidiaries/Component Units

Name of Subsidiary/Component Unit	Termination Date	Reason for Termination	Proof of Termination Document Name
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Summary Financial Information
SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		\$3,469,351.00
	Investments		\$6,231,220.00
	Receivables, net		\$442,478.00
	Other assets		\$0.00
	Total Current Assets		\$10,143,049.00
Noncurrent Assets			
	Restricted cash and investments		\$6,546,534.00
	Long-term receivables, net		\$1,139,526.00
	Other assets		\$43,067.00
	Capital Assets		
		Land and other nondepreciable property	\$4,790,252.00
		Buildings and equipment	\$4,854,085.00
		Infrastructure	\$144,591.00
		Accumulated depreciation	\$3,691,241.00
		Net Capital Assets	\$6,097,687.00
	Total Noncurrent Assets		\$13,826,814.00
Total Assets			\$23,969,863.00
Liabilities			
Current Liabilities			
	Accounts payable		\$178,703.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$0.00
	Deferred revenues		\$6,934,865.00
	Bonds and notes payable		\$349,100.00
	Other long-term obligations due within one year		\$59,521.00
	Total Current Liabilities		\$7,522,189.00
Noncurrent Liabilities			

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	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Bonds and notes payable		\$720,000.00
	Long Term Leases		\$0.00
	Other long-term obligations		\$721,606.00
	Total Noncurrent Liabilities		\$1,441,606.00
Total Liabilities			\$8,963,795.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		\$5,157,687.00
	Restricted		\$115,558.00
	Unrestricted		\$9,732,823.00
	Total Net Assets		\$15,006,068.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		\$557,316.00
	Rental & financing income		\$280,813.00
	Other operating revenues		\$26,725.00
	Total Operating Revenue		\$864,854.00
Operating Expenses			
	Salaries and wages		\$778,445.00
	Other employee benefits		\$265,790.00
	Professional services contracts		\$412,318.00
	Supplies and materials		\$5,732.00
	Depreciation & amortization		\$193,252.00
	Other operating expenses		\$86,759.00
	Total Operating Expenses		\$1,742,296.00
Operating Income (Loss)			(\$877,442.00)
Nonoperating Revenues			
	Investment earnings		\$213,369.00
	State subsidies/grants		\$520,106.00
	Federal subsidies/grants		\$9,085.00
	Municipal subsidies/grants		\$0.00
	Public authority subsidies		\$415,843.00

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	Other nonoperating revenues		\$180,677.00
	Total Nonoperating Revenue		\$1,339,080.00
Nonoperating Expenses			
	Interest and other financing charges		\$8,703.00
	Subsidies to other public authorities		\$0.00
	Grants and donations		\$101,086.00
	Other nonoperating expenses		\$563,013.00
	Total Nonoperating Expenses		\$672,802.00
	Income (Loss) Before Contributions		(\$211,164.00)
Capital Contributions			\$0.00
Change in net assets			(\$211,164.00)
Net assets (deficit) beginning of year			\$15,217,232.00
Other net assets changes			\$0.00
Net assets (deficit) at end of year			\$15,006,068.00

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Current Debt

Question		Response
1.	Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2.	If yes, has the Authority issued any debt during the reporting period?	

New Debt Issuances

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Schedule of Authority Debt

Type of Debt			Statutory Authorization(\$)	Outstanding Start of Fiscal Year(\$)	New Debt Issuances(\$)	Debt Retired (\$)	Outstanding End of Fiscal Year(\$)
State Obligation	State Guaranteed						
State Obligation	State Supported						
State Obligation	State Contingent Obligation						
State Obligation	State Moral Obligation						
Other State-Funded	Other State-Funded						
Authority Debt - General Obligation	Authority Debt - General Obligation						
Authority Debt - Revenue	Authority Debt - Revenue		0.00	1,150,000.00	0.00	210,000.00	940,000.00
Authority Debt - Other	Authority Debt - Other						
Conduit		Conduit Debt					
Conduit		Conduit Debt - Pilot Increment Financing					
TOTALS			0.00	1,150,000.00	0.00	210,000.00	940,000.00

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Real Property Acquisition/Disposal List

Address Line1	59 Green Street
Address Line2	
City	ALBANY
State	NY
Postal Code	12207
Plus4	
Province/Region	
Country	USA
Property Description	Vacant Lot/Undeveloped Land
Estimated Fair Market Value	\$15,000.00
How was the Fair Market Value Determined?	Appraisal
Transaction Type	ACQUISITION
If Other, Explain	
Transaction Date	9/23/2020
Purchase Sale Price	\$40,000.00
Lease Data (If Applicable)	
Market Rate(\$/square foot)	
Lease Rate(\$/square foot)	
Lease Period (months)	
Organization	Division Tower Associates
Last Name	
First Name	
Address Line1	40 Beaver Street
Address Line2	
City	ALBANY
State	NY
Postal Code	12207
Plus4	
Province/Region	
Country	United States
Relation With Board member/senior authority management?	No

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Personal Property

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Status: UNSUBMITTED

Certified Date: N/A

Property Documents

Question		Response	URL (If Applicable)
1.	In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared?	Yes	www.capitalizealbany.com
2.	Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property?	Yes	www.capitalizealbany.com
3.	In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines?	Yes	N/A

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Grant Information

Source of Grant Funds	Municipal
Name of Grant Recipient	151 HJB, LLC
Address Line1	56 Sheridan Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12210
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$5,523.00
Date Grant Awarded	1/7/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Not for Profit
Name of Grant Recipient	16 Sheridan Avenue LLC
Address Line1	204 Lafayette Street
Address Line2	
City	SCHENECTADY
State	NY
Postal Code - Plus4	12309
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$21,333.00
Date Grant Awarded	12/8/2020
Purpose of Grant	Business Expansion/Startup
Was the Grant Expected to Result in New Jobs Being Created?	Yes
If yes, How Many Jobs Were Planned to be Created?	7
If yes, How Many Jobs Have Been Created to Date?	1

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Source of Grant Funds	Municipal
Name of Grant Recipient	351 Hudson Avenue, LLC
Address Line1	351 Hudson Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12210
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$10,000.00
Date Grant Awarded	12/30/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Municipal
Name of Grant Recipient	56 Sheridan LLC
Address Line1	130 Remsen Street
Address Line2	#202
City	COHOES
State	NY
Postal Code - Plus4	12047
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$6,210.00
Date Grant Awarded	2/25/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Not for Profit
Name of Grant Recipient	Albany Distilling Co
Address Line1	78 Montgomery Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12207
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$3,000.00
Date Grant Awarded	4/29/2020
Purpose of Grant	Marketing and Business Recruitment
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Municipal
Name of Grant Recipient	Ali Celik
Address Line1	12 Wyngate Drive
Address Line2	
City	GLENMONT
State	NY
Postal Code - Plus4	12077
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$10,000.00
Date Grant Awarded	2/27/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Not for Profit
Name of Grant Recipient	Downtown Albany BID
Address Line1	21 Lodge Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12207
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$3,375.00
Date Grant Awarded	12/16/2020
Purpose of Grant	Marketing and Business Recruitment
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Not for Profit
Name of Grant Recipient	Feed Albany
Address Line1	25 Chapel Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12210
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$5,000.00
Date Grant Awarded	12/11/2020
Purpose of Grant	Marketing and Business Recruitment
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Municipal
Name of Grant Recipient	Fresh Neighborhood Market
Address Line1	16 Judson Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12206
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$6,297.84
Date Grant Awarded	3/3/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Not for Profit
Name of Grant Recipient	Historic Albany Foundation
Address Line1	89 Lexington Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12206
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$702.61
Date Grant Awarded	5/19/2020
Purpose of Grant	Marketing and Business Recruitment
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Not for Profit
Name of Grant Recipient	Mahogany Connections LLC
Address Line1	134 2nd Ave
Address Line2	
City	TROY
State	NY
Postal Code - Plus4	12180
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$2,000.00
Date Grant Awarded	2/6/2020
Purpose of Grant	Marketing and Business Recruitment
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Municipal
Name of Grant Recipient	NY Gear Inc
Address Line1	38 Grandview Drive
Address Line2	
City	LATHAM
State	NY
Postal Code - Plus4	12110
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$5,030.00
Date Grant Awarded	12/30/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Municipal
Name of Grant Recipient	Nor Jewelers LLC
Address Line1	303 Central Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12206
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$4,606.00
Date Grant Awarded	12/30/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Municipal
Name of Grant Recipient	Oman Industries LLC
Address Line1	50 Yardboro Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12205
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$534.60
Date Grant Awarded	11/17/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Municipal
Name of Grant Recipient	Rosanna's Table
Address Line1	23 Dove Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12210
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$9,889.62
Date Grant Awarded	11/5/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

Source of Grant Funds	Municipal
Name of Grant Recipient	Seraj Properties LLC
Address Line1	141 South Pearl Street
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12202
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$3,822.79
Date Grant Awarded	12/15/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Source of Grant Funds	Not for Profit
Name of Grant Recipient	Seraj Wireless LLC
Address Line1	83 Central Avenue
Address Line2	
City	ALBANY
State	NY
Postal Code - Plus4	12206
Province/Region	
Country	United States
Amount of Grant Award Provided During Reporting Year	\$1,733.40
Date Grant Awarded	12/11/2020
Purpose of Grant	Commercial Property Construction/Acquisition/Revitalization/Improvement
Was the Grant Expected to Result in New Jobs Being Created?	No
If yes, How Many Jobs Were Planned to be Created?	
If yes, How Many Jobs Have Been Created to Date?	

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Loan Information

Source of Loan Funds	Other	Original Amount of Loan	\$125,000.00
Name of Loan Recipient	196 Washington Ave., Inc.	Date Loan Awarded	5/4/2000
Address Line1	1 Rapp Road	Interest Rate (%)	6
Address Line2		Length of Loan(# of years to repay)	22
City	ALBANY	Amount of Loan Principal Repaid to Date	\$78,017.13
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12203	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$275,000.00
Name of Loan Recipient	40-48 South Pearl Street, LLC	Date Loan Awarded	7/9/2015
Address Line1	95 Daniel Street	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	6
City	SLINGERLANDS	Amount of Loan Principal Repaid to Date	\$20,599.97
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12159	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$400,000.00
Name of Loan Recipient	412 Broadway Realty LLC	Date Loan Awarded	10/17/2014
Address Line1	664 Plank Rd	Interest Rate (%)	5
Address Line2	Suite 205	Length of Loan(# of years to repay)	12
City	CLIFTON PARK	Amount of Loan Principal Repaid to Date	\$32,071.06
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12065	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	8
Province/Region		If Yes, how many jobs have been created to date?	8
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$100,000.00
Name of Loan Recipient	420 Broadway, LLC	Date Loan Awarded	12/28/2018
Address Line1	525 Union Street, Suite 101	Interest Rate (%)	5.25
Address Line2		Length of Loan(# of years to repay)	7
City	SCHENECTADY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12305	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$100,000.00
Name of Loan Recipient	Ace Holding, LLC.	Date Loan Awarded	2/19/2004
Address Line1	2C Sterling Ridge Drive	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	15
City	RENSSELAER	Amount of Loan Principal Repaid to Date	\$8,898.13
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12144	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	3
Province/Region		If Yes, how many jobs have been created to date?	0
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$45,000.00
Name of Loan Recipient	Ace Holding, LLC.	Date Loan Awarded	11/2/2001
Address Line1	2C Sterling Ridge Drive	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	20
City	RENSSELAER	Amount of Loan Principal Repaid to Date	\$12,857.65
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12144	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$220,000.00
Name of Loan Recipient	Albany Center for Economic Success	Date Loan Awarded	4/20/1993
Address Line1	255 Orange Street	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	25
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	10
Province/Region		If Yes, how many jobs have been created to date?	10
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$90,000.00
Name of Loan Recipient	Albany Community Development Agency	Date Loan Awarded	12/23/2011
Address Line1	200 Henry Johnson Blvd.	Interest Rate (%)	5.75
Address Line2		Length of Loan(# of years to repay)	10
City	ALBANY	Amount of Loan Principal Repaid to Date	\$77,577.65
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$410,000.00
Name of Loan Recipient	Albany Community Development Agency	Date Loan Awarded	12/23/2011
Address Line1	200 Henry Johnson Blvd.	Interest Rate (%)	5.75
Address Line2		Length of Loan(# of years to repay)	10
City	ALBANY	Amount of Loan Principal Repaid to Date	\$353,409.30
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$200,000.00
Name of Loan Recipient	Albany Community Development Agency	Date Loan Awarded	2/12/2004
Address Line1	200 Henry Johnson Blvd.	Interest Rate (%)	4.25
Address Line2		Length of Loan(# of years to repay)	15
City	ALBANY	Amount of Loan Principal Repaid to Date	\$155,175.16
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	5
Province/Region		If Yes, how many jobs have been created to date?	5
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	Andrea Thompson-Howe	Date Loan Awarded	5/26/1987
Address Line1	241 Livingston Ave.	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$15,000.00
Name of Loan Recipient	Angela Boney D/B/A Boney Enterprises	Date Loan Awarded	10/1/2002
Address Line1	P.O. Box 12421	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	17
City	ALBANY	Amount of Loan Principal Repaid to Date	\$7,511.12
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12212	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$55,000.00
Name of Loan Recipient	Angela Boney D/B/A Boney Enterprises	Date Loan Awarded	10/25/2000
Address Line1	P.O. Box 12421	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	20
City	ALBANY	Amount of Loan Principal Repaid to Date	\$28,773.62
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12212	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	Anthony Perkins	Date Loan Awarded	3/29/1989
Address Line1	225 Livingston Ave.	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$65,000.00
Name of Loan Recipient	Arbor Hill Development Corporation	Date Loan Awarded	8/12/1994
Address Line1	241 Clinton Avenue	Interest Rate (%)	7
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$44,083.60
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	2
Province/Region		If Yes, how many jobs have been created to date?	249
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	Benjamin White	Date Loan Awarded	12/28/1988
Address Line1	179 Livingston Ave.	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	Byron Hamilton	Date Loan Awarded	11/23/1988
Address Line1	P.O. Box 5216	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12205	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$500,000.00
Name of Loan Recipient	Center for Medical Science, Inc.	Date Loan Awarded	8/28/2009
Address Line1	747 Pierce Road	Interest Rate (%)	7.25
Address Line2		Length of Loan(# of years to repay)	10
City	CLIFTON PARK	Amount of Loan Principal Repaid to Date	\$99,698.28
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12065	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$145,000.00
Name of Loan Recipient	Costev, Inc.	Date Loan Awarded	12/11/2008
Address Line1	31 Hanacreek Drive	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	30
City	RAVENA	Amount of Loan Principal Repaid to Date	\$30,276.98
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12143	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$190,000.00
Name of Loan Recipient	Historic Albany Foundation, Inc.	Date Loan Awarded	10/19/2007
Address Line1	89 Lexington Ave.	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	2
City	ALBANY	Amount of Loan Principal Repaid to Date	\$190,000.00
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12206	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$616,950.00
Name of Loan Recipient	Historic Pastures Mansions, LLC	Date Loan Awarded	12/30/2014
Address Line1	117 West Liberty Street	Interest Rate (%)	6
Address Line2		Length of Loan(# of years to repay)	33
City	ROME	Amount of Loan Principal Repaid to Date	\$210,800.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	13440	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	James McBride	Date Loan Awarded	11/26/1986
Address Line1	243 Livingston Ave.	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$75,000.00
Name of Loan Recipient	M.K. Rooney's Realty, LLC.	Date Loan Awarded	9/14/2001
Address Line1	61 Ryckman Avenue	Interest Rate (%)	6.5
Address Line2		Length of Loan(# of years to repay)	20
City	ALBANY	Amount of Loan Principal Repaid to Date	\$67,998.98
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12208	Was the loan expected to result in new jobs being created?	Yes
Plus4		If Yes, how many jobs were planned to be created?	3
Province/Region		If Yes, how many jobs have been created to date?	3
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Other	Original Amount of Loan	\$250,000.00
Name of Loan Recipient	MNM Holding Company, LLC	Date Loan Awarded	11/13/2012
Address Line1	374 Broadway	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	11
City	ALBANY	Amount of Loan Principal Repaid to Date	\$155,940.07
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12207	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Other	Original Amount of Loan	\$125,000.00
Name of Loan Recipient	Michael and Antonella Urgo	Date Loan Awarded	6/16/2006
Address Line1	12 Briarwood Terrace	Interest Rate (%)	5
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$30,100.46
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12203	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$11,107.00
Name of Loan Recipient	Moses Devanandan	Date Loan Awarded	3/31/1988
Address Line1	177 Livingston Ave.	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Source of Loan Funds	Federal	Original Amount of Loan	\$850,000.00
Name of Loan Recipient	Steuben Place Partners	Date Loan Awarded	4/15/1981
Address Line1	P.O. Box 648	Interest Rate (%)	0
Address Line2		Length of Loan(# of years to repay)	100
City	COHOES	Amount of Loan Principal Repaid to Date	\$50,089.00
State	NY	Purpose of Loan	Commercial Property Construction/Acquisition/Revitalization/Improvement
Postal Code	12047	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

Source of Loan Funds	Federal	Original Amount of Loan	\$14,805.00
Name of Loan Recipient	Valentine Wilson	Date Loan Awarded	10/23/1992
Address Line1	258 Colonie Street	Interest Rate (%)	3
Address Line2		Length of Loan(# of years to repay)	30
City	ALBANY	Amount of Loan Principal Repaid to Date	\$0.00
State	NY	Purpose of Loan	Residential Property Construction/Acquisition/Rehabilitation/Improvement
Postal Code	12210	Was the loan expected to result in new jobs being created?	No
Plus4		If Yes, how many jobs were planned to be created?	
Province/Region		If Yes, how many jobs have been created to date?	
Country	United States	Have the terms of the loan been completed?	No

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Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

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Additional Comments

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	www.capitalizealbany.com
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	Yes	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	No	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	No	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

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 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Transactions Listing:

1. Vendor Name	Albany Convention Center Authority	Address Line1	126 State Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	1/1/2020	State	NY
End Date	8/31/2020	Postal Code	12207
Fair Market Value	\$6,856.00	Plus 4	
Amount	\$6,856.00	Province/Region	
Amount Expended For Fiscal Year	\$6,856.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Property Maintenance

2. Vendor Name	Arthur J. Gallagher & Co.,	Address Line1	677 Broadway
Type of Procurement	Other Professional Services	Address Line2	4th Floor
Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
Award Date		State	NY
End Date		Postal Code	12207
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$69,519.04	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Insurance

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

3. Vendor Name	BST & Co CPA, LLP	Address Line1	c/o BST & Co; CPA's , LLP
Type of Procurement	Financial Services	Address Line2	26 Computer Drive West
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	10/3/2016	State	NY
End Date		Postal Code	12205
Fair Market Value	\$20,850.00	Plus 4	
Amount	\$20,850.00	Province/Region	
Amount Expended For Fiscal Year	\$20,850.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Accounting Services

4. Vendor Name	CHA Consulting	Address Line1	PO Box 5269
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	12/28/2019	State	NY
End Date		Postal Code	12205
Fair Market Value	\$51,000.00	Plus 4	0269
Amount	\$51,000.00	Province/Region	
Amount Expended For Fiscal Year	\$51,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Feasibility Study

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

5. Vendor Name	City of Albany	Address Line1	24 Eagle Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	1/1/2020	State	NY
End Date	12/31/2025	Postal Code	12207
Fair Market Value	\$53,484.00	Plus 4	
Amount	\$53,484.00	Province/Region	
Amount Expended For Fiscal Year	\$53,484.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Economic Development Professional Services

6. Vendor Name	Fusco Personell	Address Line1	4 Executive Park Drive
Type of Procurement	Staffing Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	10/18/2019	State	NY
End Date		Postal Code	12203
Fair Market Value	\$83,209.36	Plus 4	
Amount	\$83,209.36	Province/Region	
Amount Expended For Fiscal Year	\$83,209.36	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Temporary Staffing

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

7. Vendor Name	Guardian	Address Line1	PO Box 824404
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	PHILADELPHIA
Award Date	1/1/2017	State	PA
End Date		Postal Code	19182
Fair Market Value	\$8,366.76	Plus 4	4404
Amount	\$8,366.76	Province/Region	
Amount Expended For Fiscal Year	\$8,366.76	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Employee Dental/Vision Insurance

8. Vendor Name	Intelligent Technology Solutions Inc	Address Line1	11786 State Route 9W
Type of Procurement	Technology - Hardware	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	WEST COXSACKIE
Award Date		State	NY
End Date		Postal Code	12192
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$16,214.40	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	New Workstations

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

9. Vendor Name	Intelligent Technology Solutions Inc	Address Line1	11786 State Route 9W
Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	WEST COXSACKIE
Award Date	1/1/2020	State	NY
End Date	12/31/2020	Postal Code	12192
Fair Market Value	\$23,566.77	Plus 4	
Amount	\$23,566.77	Province/Region	
Amount Expended For Fiscal Year	\$23,566.77	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Computer Services

10. Vendor Name	JMD Cleaning Services	Address Line1	PO Box 291
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	RENSELAER
Award Date		State	NY
End Date		Postal Code	12144
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$10,848.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Janitorial Services

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

11. Vendor Name	LAZ Karp Associates LLC	Address Line1	One Financial Plaza
Type of Procurement	Other Professional Services	Address Line2	14th Floor
Award Process	Authority Contract - Non-Competitive Bid	City	HARTFORD
Award Date	1/1/2020	State	CT
End Date		Postal Code	06103
Fair Market Value	\$9,646.28	Plus 4	
Amount	\$9,646.28	Province/Region	
Amount Expended For Fiscal Year	\$9,646.28	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Parking Lot Operations

12. Vendor Name	Marathon Strategies, LLC	Address Line1	8 E. 29th St
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	NEW YORK
Award Date	10/29/2019	State	NY
End Date		Postal Code	10016
Fair Market Value		Plus 4	
Amount	\$120,000.00	Province/Region	
Amount Expended For Fiscal Year	\$120,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Marketing & Communications

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

13. Vendor Name	National Grid	Address Line1	P.O. Box 11745
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	NEWARK
Award Date		State	NJ
End Date		Postal Code	07101
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$13,333.31	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Electric & Gas Service

14. Vendor Name	Overwatch Management Group	Address Line1	142 Central Avenue
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	ALBANY
Award Date	7/13/2020	State	NY
End Date		Postal Code	12206
Fair Market Value		Plus 4	
Amount	\$10,765.00	Province/Region	
Amount Expended For Fiscal Year	\$10,765.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Property Maintenance

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

15. Vendor Name	Paychex	Address Line1	94 New Karner Road
Type of Procurement	Other Professional Services	Address Line2	Suite 101
Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
Award Date		State	NY
End Date		Postal Code	12203
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$143,705.42	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Payroll & Benefits

16. Vendor Name	Thomas M. Owens Esc.	Address Line1	P.O. Box 307
Type of Procurement	Legal Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	SLINGERLANDS
Award Date	12/1/2009	State	NY
End Date		Postal Code	12159
Fair Market Value		Plus 4	
Amount	\$69,742.90	Province/Region	
Amount Expended For Fiscal Year	\$69,742.90	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal Services

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

17. Vendor Name	Travelers	Address Line1	PO Box 660317
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	DALLAS
Award Date		State	TX
End Date		Postal Code	75266
Fair Market Value		Plus 4	0317
Amount		Province/Region	
Amount Expended For Fiscal Year	\$19,827.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Insurance

18. Vendor Name	UHY LLP	Address Line1	PO Box 8505
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	CAROL STREAM
Award Date	10/16/2018	State	IL
End Date	9/30/2019	Postal Code	60197
Fair Market Value	\$42,000.00	Plus 4	
Amount	\$42,000.00	Province/Region	
Amount Expended For Fiscal Year	\$41,120.44	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Auditing & Tax Services

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

19. Vendor Name	Young Sommer LLC	Address Line1	Five Palisades Drive
Type of Procurement	Legal Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ALBANY
Award Date	11/14/2017	State	NY
End Date		Postal Code	12205
Fair Market Value		Plus 4	
Amount	\$29,562.33	Province/Region	
Amount Expended For Fiscal Year	\$29,562.33	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal Services

Additional Comments

Investment Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date : 03/12/2021
 Status: UNSUBMITTED
 Certified Date: N/A

Investment Information

Question	Response	URL (If Applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (6) of PAL?	Yes	www.capitalizealbany.com
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	Yes	www.capitalizealbany.com
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

Additional Comments

Authorities Budget Office Policy Guidance



Authority Mission Statement and Performance Measurements

Name of Public Authority: Capitalize Albany Corporation

Public Authority's Mission Statement: The mission of Capitalize Albany Corporation is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York's Capital a vibrant place to thrive.

Date Adopted: April 25, 2017

List of Performance Goals (If additional space is needed, please attach):

1. Implement the recommendations of the Board's economic development strategies including Impact Downtown Albany and the Capitalize Albany Plan
2. Increase employment, economic activity, and tax base within the City of Albany
3. Collaborate and develop partnerships to most effectively utilize, administer and deploy economic and community development funding at the federal, state and local levels
4. Support market-rate residential projects within the City of Albany through the development and enhancement of lending, technical assistance, and grant programs
5. Broaden the Corporation's revenue sources to include more sustainable and recurring sources

Additional questions:

1. **Have the board members acknowledged that they have read and understood the mission of the public authority?** The Board of Directors of the Capitalize Albany Corporation have reviewed the mission statement and have not made any amendments to the mission statement in 2020

2. **Who has the power to appoint the management of the public authority?** The Corporation's Board of Directors appoints the officers and executive management of the Capitalize Albany Corporation.

3. **If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?** The Board appoints management who are best qualified to execute the mission of the Capitalize Albany Corporation. Management serves at the pleasure of the Board of Directors.

4. **Briefly describe the role of the Board and the role of management in the implementation of the mission.** The Corporation's mission was developed by the Board of Directors and management through careful consideration and discussion. The Board of Directors is an independent body responsible for control and management of the affairs and property of the Corporation and to adopt rules, regulations, and policies governing the Corporation. The Board looks to management to implement said policies. The Board of Directors shall ensure overall financial accountability, and hire management to oversee the day-to-day affairs of the Corporation in the delivery of its mission.

5. **Has the Board acknowledged that they have read and understood the responses to each of these questions?** The Capitalize Albany Corporation Board of Directors participated in the drafting, presentation for discussion, and approval of these responses.

MEMO

TO: Capitalize Albany Corporation Audit Committee

FROM: Capitalize Albany Corporation Staff

RE: Management Assessment of the Effectiveness of Internal Controls

DATE: March 19, 2021

This statement certifies that management has documented and assessed the internal control structure and procedures of the Capitalize Albany Corporation for the year ending December 31, 2020. This assessment found the internal controls to be adequate and the assessment did not identify any deficiencies.

2020 Assessment of the Effectiveness of Internal Controls

Capitalize Albany Corporation (“Corporation”) Major Business Functions:

The primary mission of the Corporation is as follows:

Facilitate economic development projects within the City of Albany

The Capitalize Albany Corporation (formerly the Albany Local Development Corporation) was incorporated in 1979 to primarily provide financing to eligible businesses in order to create and retain employment and investment within the City of Albany. The Corporation also plays an active role in facilitating large-scale transformational real estate projects that the Corporation identifies as a priority.

No changes have occurred with respect to funding sources, mission or objectives of the Corporation during 2020. Accomplishments, including financial status, committee accomplishments and legal requirements are outlined on a monthly basis via publically advertised and open meetings. Minutes of these meetings as well as supporting documents are maintained on the agency’s website.

Risks Associated with the Corporation’s Operations:

Public meeting rules are in place and regularly followed. The Chair of the Board of Directors is regularly engaged as are other board members. The Audit and Finance Committees regularly reviews financial information which is then presented to the board at publically open meetings. Additionally, for both legal and financial aspects, the Corporation utilizes outside sources with expertise in the associated functions to lend additional controls. As such, risks are deemed to be low for all activities and functions within the Corporation. A review for 2019 finds no change to the differing levels of involvement and approval.

Internal Control Systems in Place

There has been a longstanding set of policies, procedures and guidelines in place at the Corporation that are designed to ensure the Corporation's mission is carried out in full and to minimize risk. These items remained in place during 2020. Some of the key internal controls in place include:

- Public meeting and disclosure requirements are in effect and regularly followed.
- Board of Directors annually reviews and accepts the NYS PAAA policies.
- As noted previously, the use of external parties provides additional levels of internal control. Additionally, personnel with appropriate backgrounds and experience are utilized to help identify such items as legal or financial risks.
- Consistent reports are provided to management as well as the various committees and the full Board of Directors.
- The Corporation annually has a financial audit. The financial audit provides an opinion on the financial statements and also includes the audit related assessment of internal controls.
- The Corporation’s board actions have addressed internal controls through review and adoption of policies and procedures. These policy and procedures include the following:
 - Annual Board adoption and acceptance of NYS PAAA policies
 - Annual Board adoption and acceptance of PARIS reports
 - Annual external financial audit with Audit Committee oversight

- Annual completion of Board self-evaluation.
- Annual meeting of membership to appoint Board of Directors
- Annual review and acceptance of the Corporation's performance goals
- Annual completion of the Board's Conflict of Interest Declaration forms
- Annual Review and adoption of the Corporation's Procurement Policy
- Annual Review and adoption of the Corporation's Investment Policy
- Annual Review of the Corporation's investment performance
- Annual Review and adoption of the Corporation's Property Acquisition and Disposition Policy.

Extent to Which the Internal Control System is Effective

Management has reviewed the internal control system for 2020 and finds that the items as outlined above remain in place and functioning as expected. The Corporation's most recent financial audit (for the calendar year 2019 and the year ended December 31, 2019) identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed sufficient. As noted previously, the Corporation's staff regularly reviews updates to pertinent rules.

Corrective Action

No specific corrective action is required at this time. Management consistently works to strengthen controls as possible.

CAPITALIZE ALBANY CORPORATION

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors of the Capitalize Albany Corporation (CAC; formerly known as the Albany Local Development Corporation), a not-for-profit corporation established under the laws of the State of New York, on this 31st day of October, 1979.

Purpose

The purpose of the Audit Committee shall be to (1) assure that the Corporation's Board fulfills its responsibilities for the Corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, and the Board of Directors.

Powers of the Audit Committee

It shall be the responsibility of the Audit Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Corporation employees, all of whom should be directed by the Board to cooperate with Committee requests.
- Meet with Corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.

The CAC board will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit Committee shall be established as set forth in and pursuant to Article IV, Section 9 of the Corporation's bylaws. The Audit Committee shall consist of at least three "independent" members of the Board of Directors. The term "independent director" shall mean: a director who: (a) is not, and in the past two years has not been, employed by CAC or CAC affiliate in an executive capacity; (b) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars for goods and services provided to CAC or received any other form of financial assistance valued at more than fifteen thousand dollars from CAC; (c) is not a relative of an executive officer or employee in an executive position of CAC or CAC affiliate; and (d) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of CAC or CAC affiliate. For purposes of this subparagraph, "payment" does not include charitable contributions.

Approved September 2014

The Corporation's Chairperson will appoint the Audit Committee members and the Audit Committee Chair.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of financial reporting and auditing.

Meetings

The Audit Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill the obligations and duties outlined in the Charter.

Members of the Audit Committee are expected to attend each Committee meeting, in person or via telephone or videoconference. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit Committee will meet with the Corporation's independent auditor at least annually to discuss the financial statements of the Corporation.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials three (3) business days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Corporation's internal auditors; (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Corporation.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Appoint, compensate and oversee the independent auditors retained by the Corporation and pre-approve all audit services provided by the independent auditor. Such oversight of the independent auditors will include:
 - Review with the independent auditor the scope and planning of the audit prior to the audit commencement; and
 - Upon completion of the audit, review and discuss with the independent auditor: (A) any material risks and weaknesses in internal controls identified by the auditor; (B) any restrictions on the scope of the auditor's activities or access to requested information; (C) any significant disagreements between the auditor

and management; and (D) the adequacy of the corporation's accounting and financial reporting processes; and

- Annually consider the performance and independence of the independent auditor.

- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Corporation, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications.

- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.

- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit Committee shall:

- Review management's assessment of the effectiveness of the Corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit Committee shall:

- Ensure that the Corporation has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Corporation or any persons having business dealings with the Corporation or breaches of internal control.

Approved September 2014

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate outside body for further investigation.

D. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Present annually to the Corporation's Board a written report of how it has discharged its duties and met its responsibilities as outlined in the Charter.
- Obtain any information and training needed to enhance the Committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the Committee's Charter annually, reassess its adequacy, and recommend any proposed changes to the Board of the Corporation. The Audit Committee Charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Charter and request the Board approval for proposed changes.

March 19, 2021

To: Chairman and Board, Capitalize Albany Corporation (“CAC”)

From: Chairman, CAC Audit Committee

Subj: CAC Audit Committee Annual Report for 2020

The CAC Audit Committee Charter provides that the Audit Committee “shall present annually to the Corporation’s Board a written report of how it has discharged its duties and responsibilities as outlined in the Charter.”

Below is the Committee’s Annual Report for 2020. The format below identifies each of the Committee’s four major areas of responsibilities followed by a summary of the Committee’s 2020 activities.

I. Independent Audit

A. “Appoint, compensate and oversee the independent auditors”

§ Committee engaged CAC’s independent auditor;

§ Committee met with the independent auditor to review the scope/planning of audit prior to audit commencement and ensured CAC’s full transparency/cooperation with the audit process;

§ Committee met with the independent auditor during, and following, the audit to oversee the audit process and review/approve CAC’s audited financial results, report on internal controls, and related auditor communications; and

§ Committee reviewed both the 2018 audit process and the performance/independence of the independent auditor, and found no deficiencies.

II. Internal Controls

A. “Review the Management’s assessment of internal controls and the independent auditor’s report on internal controls”

§ Committee reviewed CAC management’s assessment of internal controls and the independent auditor’s report on internal controls.

III. Special Investigations

A. “Ensure . . . confidential mechanism to report suspected fraudulent activities, allegations of corruption, fraud . . . and oversee special investigations as needed”

§ No allegations/reports of any improper activity were received by the Committee.

IV. Other Responsibilities

A. “Review Committee’s Charter annually . . . and recommend any proposed changes to the Board”

§ No proposed changes to the Charter were recommended in 2020.

B. “Conduct an annual self-evaluation of [Committee] performance, including its . . . compliance with the Charter and request Board approval for proposed changes”

§ Committee reports that it complied with the Charter and has no request for Charter changes.