



CAPITALIZE ALBANY
CORPORATION

Monday October 16, 2023
21 Lodge St., Albany, NY
11:00 a.m.

Capitalize Albany Corporation
Finance and Investment Committee Meeting

Agenda

Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.

1. Review of the minutes from the Finance & Investment Committee meeting of September 25, 2023
2. Financial Update
 - a) Quarterly Financial Report & Investment Review
 - b) 2024 Draft Proposed Annual Budget
3. Other Business
 - a) Clinton Market Update
 - b) Liberty Park Update
4. Executive Session (if necessary)

MINUTES



CAPITALIZE ALBANY
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Date of Meeting: September 25, 2023

Meeting: Capitalize Albany Corporation Finance & Investment Committee Meeting

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 11:30 a.m., September 22, 2022 at 21 Lodge Street.

The following were in attendance:

Committee Members: Anders Tomson, John Harris and John Vero

Excused: none

Other: Thomas M. Owens, Esq., Tom Libertucci

Staff: Sarah Reginelli, Ashley Mohl

Chair Anders Tomson called the meeting of the Finance Committee to order at 11 37 a.m.

Review of the minutes from the Finance & Investment Committee meeting of June 20, 2023

The Committee reviewed the minutes of the meeting. John Vero made a motion for approval and John Harris seconded. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of June 20, 2023.

Financial Update – Quarterly Financial Report and Investment Review

BST reviewed the Q2 Quarterly Financials highlighting any variances from the 2024 approved budget. Staff noted that these were nearly a quarter old due to the summer break, and the Q3 Financials would be reviewed in detail at the next meeting.

Staff notified the Board that the borrower for the 412 Broadway loan had paid it off in full and the lien had been removed. The Committee discussed the success of the loan and the project.

2024 Draft Proposed Annual Budget

Staff reviewed with the Committee the Draft Proposed Annual Budget for Capitalize Albany Corporation. Staff reviewed major changes and assumptions in the 2023 budget and the accounting impact of the ongoing Clinton Market Collective construction and Liberty Park projects and associated grants. The Committee discussed the structural deficit related to executing the Corporation's work plan adequately given existing revenue. The Committee acknowledged the Corporation's strong performance and the current long-term efforts being made to positively impact the structural challenges. The Board discussed the financial impacts of staffing changes and asked staff to assess the risk of the existing loan pool. Staff indicated that the draft budget would be brought back to the Committee with any proposed changes at its next meeting for review and approval prior to the October 31 deadline.

Other Business

Clinton Market Update

Staff updated the Committee on ongoing construction activity at Clinton Market. Staff presented an opportunity to procure one to two vendor containers as originally designed for the site and reviewed three written quotes per the Corporation's procurement policy. The Committee discussed the project's current budget and the positive impacts adding the semi-permanent vendor locations would have both on the site's vibrancy, as well as on its

ongoing revenue-generation potential. The Committee recommended that the Board favorably consider the procurement.

Liberty Park Update

The Committee entered executive session to discuss current litigation and the proposed acquisition of real property when publicity would substantially affect the value thereof on a motion from Anders Tomson and second by John Harris at 12:57 p.m. The Committee exited executive session on a motion from John Harris, which was seconded by Anders Tomson at 1:03 p.m., reporting that no action was taken during the session.

Adjournment

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 1:05 p.m.

MEMORANDUM



To: Capitalize Albany Finance Committee
From: Capitalize Albany Staff
Date: October 13, 2023
Re: Capitalize Albany 3rd Quarter 2023 Financial Reports

CAPITALIZE ALBANY
CORPORATION

BUDGET PERFORMANCE

On a pre-audit basis, through June 30, 2023, Capitalize Albany Corporation had a net loss of \$127,357. The Corporation projected a year-to-date (YTD) budgeted net income of \$422,418. For comparison, the Corporation had a net loss of \$424,557 at June 30, 2023.

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

- **YTD 2023 revenue is \$2,598,458, which is \$1,035,473 (28%) below the 2023 budget.**
 - **Professional Service Agreement Income** Professional service agreement income is \$477,773 which is \$89,602 (22%) above. This is due to increase in funding agreement with City of Albany IDA after 2023 budget was completed.
 - **Fee Income** Fee income is \$0 which is \$7,250 below budget. This is due to the Corporation budgeting a loan in 2023 that has not occurred.
 - **Investment & Interest Income.** Interest and Investment Income is \$228,434 which is \$166,247 over budget. This variance is primarily due to investment performance in the Corporation's investment portfolio.
 - **Project & Program Revenue.** Project and Program revenue is \$1,456,078. This revenue is from grant monies realized for the Amplify Albany and façade grant programs, BIG grant program, the Liberty Park project as well Liberty Park operational income and estimated revenue for Clinton Markets. Most of these revenues have offsetting project and program expenses. Development costs for Clinton Market and Liberty Park are being capitalized.
- **YTD 2023 expenses are \$1,525,188 which is \$403,547 (21%) below the 2023 budget.**
 - **Salary & Fringe Expense.** Salary and Fringe expense are \$867,992 which is \$173,162 (17%) under budget. This variance is attributable to the Corporation having lower staffing levels than what was budgeted during the first three quarters of 2023.
 - **Professional Fees.** Professional fees are \$244,489, which is \$25,894 (12%) over budget. This is attributed to additional IT services and the purchase of conference room equipment that will be reimbursed by IDA in October 2023.
 - **Administrative expenses.** Administrative expenses are \$62,148 which is \$52,901 (46%) under budget. This is due to lower than budgeted insurance, travel and meeting costs.
 - **Occupancy Expenses.** Occupancy expenses are \$43,825 which is \$5,597 (15%) over budget. This is due to higher utility, maintenance expenses and repairs than budgeted.

- **Project & Program Expense.** Project and Program Expenses are \$304,699. These expenses were for the grant disbursements for the Amplify Albany, Façade and BIG grant programs as well as operating expenses incurred for the Liberty Park.

BALANCE SHEET

- At September 30, 2023, compared to December 31, 2022, unrestricted cash has decreased by \$306,237.
- Investments increased by \$174,607. This is primarily due to the investment performance in the Corporations LT equity portfolio.
- Restricted cash has increase by \$14,528 due to interest earned on the accounts
- Mortgage notes receivables have decreased by \$610,443 due to scheduled loan payments and two loan payoffs.

MORTGAGE RECEIVABLES

- In Q3 2023, the Corporation received a loan payoff from 412 Broadway Realty LCC in the amount of \$346,948.

	January 1, 2023 - December 31, 2023							
	YTD Actual	YTD Budget	Variance - \$	Variance - %	December Adjustment Forecast	2023 Projection	Original Budget	Projected Variance from Budget
REVENUE								
General Economic & Community Development Support Income	\$ 305,043	\$ 305,043	\$ -	0%	\$ 185,075	\$ 490,118	\$ 490,118	\$ -
Real Estate Income	55,292	60,247	(4,955)	-8%	172,566	227,858	236,896	(9,038)
Professional Service Agreement Income	477,773	388,171	89,602	23%	214,455	692,228	564,228	128,000
Loan Interest Income	46,837	29,412	17,425	59%	2,747	49,584	39,216	10,368
Fee Income	-	7,250	(7,250)	-100%	-	-	7,250	(7,250)
Direct Finance Lease Income	-	-	-	0%	-	-	-	-
Investment & Interest Income	153,815	62,187	91,628	147%	116,361	270,176	82,916	187,260
FMV Adj on Fidelity Inv	(110,304)	-	(110,304)	100%	-	(110,304)	-	(110,304)
G/L on Sale/Redemption	184,924	-	184,924	100%	-	184,924	-	184,924
Membership & Event Support	29,000	33,500	(4,500)	-13%	(602)	28,398	33,500	(5,102)
TOTAL REVENUE	\$ 1,142,380	\$ 885,810	\$ 256,570	29%	\$ 690,602	\$ 1,832,982	\$ 1,454,124	\$ 378,858
EXPENSE								
Salaries & Fringe Expense	\$ 867,992	\$ 1,041,154	\$ (173,162)	-17%	\$ 289,473	\$ 1,157,465	\$ 1,353,502	\$ (196,037)
Professional Fees	244,489	218,595	25,894	12%	53,071	297,560	277,859	19,701
Administrative Expenses	62,148	115,049	(52,901)	-46%	19,022	81,170	137,610	(56,440)
Interest Expense	-	-	-	0%	1,285	1,285	1,285	-
Real Estate Expenses	-	165	(165)	100%	1,986	1,986	2,486	(500)
Occupancy Expense	43,825	38,228	5,597	15%	9,860	53,685	50,375	3,310
Bad Debt Expense (recovery)	-	-	-	100%	-	-	-	-
Membership, Event & Marketing Expenses	2,035	-	2,035	#DIV/0!	20,465	22,500	27,500	(5,000)
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 1,220,489	\$ 1,413,191	\$ (192,702)	-14%	\$ 395,162	\$ 1,615,651	\$ 1,850,617	\$ (234,966)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (78,109)	\$ (527,381)	\$ 449,272	-85%	\$ 295,440	\$ 217,331	\$ (396,493)	\$ 613,824
DEPRECIATION	\$ -	\$ -	\$ -	#DIV/0!	\$ 206,822	\$ 206,822	\$ 206,822	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (78,109)	\$ (527,381)	\$ 449,272	85%	\$ 88,618	\$ 10,509	\$ (603,315)	\$ 613,824
PROJECT & PROGRAM REVENUE								
Liberty Park	\$ 84,152	\$ 460,621	\$ (376,469)	-82%	522,691	606,843	\$ 614,162	\$ (7,319)
Capitalize Albany Grant Programs and Clinton Markets Collective	1,285,983	2,287,500	(1,001,517)	100%	1,045,416	2,331,399	3,050,000	(718,601)
BIG ARPA funds	85,943	-	85,943	100%	-	85,943	-	85,943
Total Program Income	\$ 1,456,078	\$ 2,748,121	\$ (1,292,043)	-47%	\$ 1,568,107	\$ 3,024,185	\$ 3,664,162	\$ (639,977)
PROJECT & PROGRAM EXPENSE								
Liberty Park Expenses	\$ 156,297	\$ 328,044	\$ (171,747)	-52%	\$ 343,027	499,324	\$ 437,392	\$ 61,932
Capitalize Albany Grant Programs	148,402	187,500	(39,098)	-21%	\$ 2,400	150,801	250,000	(99,199)
Clinton Market Collective	-	-	-	100%	\$ -	-	100,000	(100,000)
Total Program Expense	\$ 304,699	\$ 515,544	\$ (210,845)	-41%	\$ 345,427	\$ 650,125	\$ 787,392	\$ (137,267)
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ 1,151,379	\$ 2,232,577	\$ (1,081,198)	48%	\$ 1,222,680	\$ 2,374,060	\$ 2,876,770	\$ (502,710)
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ 1,073,270	\$ 1,705,196	\$ (631,926)	37%	\$ 1,311,298	\$ 2,384,569	\$ 2,273,455	\$ 111,114

These financial statements omit substantially all disclosures required by US GAAP. They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.