



ALBANY COUNTY AIRPORT AUTHORITY



NEW YORK'S
TECH

VALLEY

AIRPORT



COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2011

A COMPONENT UNIT OF THE COUNTY OF ALBANY
LOCATED IN THE TOWN OF COLONIE NEW YORK

Albany County Airport Authority

As of December 31, 2011

Authority Board Members



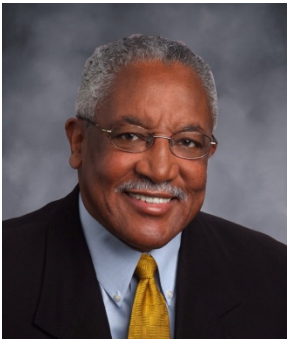
David E. Langdon
Chair

Term Expires: December 31, 2008



Elliott A. Shaw
Treasurer

Term Expires: December 31, 2009



Dorsey M. Whitehead
Secretary

Term Expires: December 31, 2012



Rev. Kenneth J. Doyle
Member

Term Expires: December 31, 2015



Dennis J. Fitzgerald
Member

Term Expires: December 31, 2012



Anthony Gorman
Member

Term Expires: December 31, 2012



Lyon M. Greenberg, MD
Member

Term Expires: December 31, 2013

Authority Management

John A. O'Donnell, PE
William J. O'Reilly, CPA
Peter F. Stuto, Esq.

Chief Executive Officer
Chief Financial Officer
Airport Counsel



ALBANY COUNTY AIRPORT AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2011

Prepared by the
Finance Department

William J. O'Reilly, CPA
Chief Financial Officer

Margaret Herrmann
Chief Accountant

A Component Unit of the County of Albany
Town of Colonie, New York

www.albanyairport.com

CUSIP #012123XXX

TABLE OF CONTENTS

PAGE(S)

I. INTRODUCTORY SECTION

Albany County Airport Authority:	
Members and Principal Officers	Inside Front Cover
Chairman's Message	1
Letter of Transmittal	2-12
Organizational Chart	13
Certificate of Achievement for Excellence in Financial Reporting	14

II. FINANCIAL SECTION

Independent Auditor's Report.....	18-19
Management's Discussion and Analysis	20-35
Financial Statements:	
Comparative Statements of Net Assets	36-37
Comparative Statements of Revenues, Expenses and Changes in Net Assets.....	38
Comparative Statements of Cash Flows	39
OPEB Trust Statements of Fiduciary Fund Net Assets	40
OPEB Statements of Changes in Fiduciary Fund Net Assets	41
Notes to Financial Statements	43-72
Required Supplementary Information:	
OPEB Trust Schedule of Funding Progress	74
Other Supplemental Information:	
Schedule of Debt Service Requirements to Maturity	76-77
Schedule of Governmental Payments and Services	78

III. STATISTICAL SECTION

Total Annual Revenues, Expenses and Changes in Net Assets	80-81
Changes in Cash and Cash Equivalents	82-83
Principal Revenue Sources and Cost per Enplaned Passenger	84-85
Ratios of Outstanding Debt	86-87
Revenue Bond Debt Service Coverage	88-89
Population in the Air Trade Area	90
Major Employers in Air Trade Area	91

Colleges and Universities in the Air Trade Area	92
Airport Information.....	93
Enplaned Passengers	94-95
Airline Landed Weights	96-97
Aircraft Operations	98-100
Airlines Serving the Albany International Airport	101
Scheduled Jet Airline Service.....	102
Scheduled Commuter Airline Service.....	103
Primary Origination and Destination Passenger Markets	104

IV. COMPLIANCE SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	106-107
Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance and Notes thereto	108-109
Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	110-111
Independent Auditors' Report on Compliance and Internal Control Over State Transportation Assistance Expended based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	112-113
Schedule of Findings and Questioned Costs	114
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance	115-116
Schedule of Passenger Facility Charges Collected and Expended And Notes thereto	117
Passenger Facility Charge Program Schedule of Findings And Questioned Costs	118
Biographies of the Members of the Albany County Airport Authority	119-120
Biographies of the Albany County Airport Authority Senior Staff	121

Introduction





ALBANY COUNTY AIRPORT AUTHORITY
ALBANY INTERNATIONAL AIRPORT
ADMINISTRATION BUILDING
SUITE 200
ALBANY, NEW YORK 12211-1057

TELEPHONE: 518-242-2222
ADMIN FAX: 518-242-2641
FINANCE FAX: 518-242-2640
SITE: www.albanyairport.com

Chairman's Message

March 19, 2012

The nation's airlines provided slightly more air service capacity through the early months of 2011 before reducing it after the summer in response to higher fuel prices. The FAA reports that domestic airline capacity for 2012 will be almost one percent less than 2011 as airlines hold seat capacity constrained to increase load factors and improve financial performance. In late November, American Airlines filed for bankruptcy reorganization. This event has the potential to cause another phase of realignment of the domestic airline market in the United States and perhaps the last major realignment for a while.

The Albany International Airport has experienced the pressures to retain and expand airline seat capacity experienced by similar size airports all the across the country despite the fact that our own regional economy continues to perform better than the New York State and United States national average and many of our destination markets.

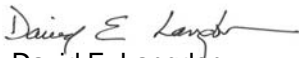
The Albany County Airport Authority has responded to the growing competition among airports for air service by taking a series of actions that form a comprehensive air service development strategy. These actions include: introducing a competitive Air Service Incentive Program; obtaining an Air Service Development marketing grant to assist in funding the costs of air service development; obtaining a U.S. Department of Transportation Small Community Air Service Development grant to offer airlines a revenue guarantee for strategic routes, enlisting the support of our Chambers of Commerce, Center for Economic Growth and the community to provide financial support and in-kind advertising aid for routes eligible for the revenue guarantee. The airport has been vigorously meeting with airlines to promote the business case for the routes which is basically the culmination of passenger traffic data, average fares paid, and all available airport incentives.

The near term outlook for air service enhancement is tempered by the reality of declining near term airline capacity. The Airport Authority has positioned itself to rely upon existing or even less airline seat capacity by holding down costs it can control, notwithstanding, the rising costs of fuel sold at the airport owned Fixed Based Operator. These measures include implementing a new five year term to the airline airport use and lease agreement that began January 1, 2011, controlling operating costs and advancing capital expenditures that do not require new sources of capital funding and are generally limited to aviation related projects only.

Albany International Airport witnessed a 1.7% overall decrease in passenger traffic during 2011. However, the decline in enplanements was mitigated by our own cost controls and sufficiently well-budgeted airline rates and charges. The Airport's net operating results improved sufficiently to allow for \$1 million in net revenues available to share with signatory airlines, nearly four times the \$250,000 amount budgeted for 2011.

As 2012 evolves the Authority will continue to vigorously market the airport trade area, airport incentives and available air service development grant funding to airlines while making prudent capital expenditures to enhance the airport facilities and maximize use of available capital funding. Borrowing for new projects has been curtailed since 2006.

In the coming year we will continue our mission to provide travelers with outstanding service in full recognition that our success as an airport is dependent on not only the quantity and quality of air service, but the skills and dedication of all the employees at Albany International Airport.


David E. Langdon
Chairman



ALBANY COUNTY AIRPORT AUTHORITY
ALBANY INTERNATIONAL AIRPORT
ADMINISTRATION BUILDING
SUITE 200
ALBANY, NEW YORK 12211-1057

TEL: 518-242-2222
ADMIN FAX: 518-242-2641
FINANCE FAX: 518-242-2640
SITE: www.albanyairport.com

March 19, 2012

TO THE MEMBERS OF THE AUTHORITY:

The Comprehensive Annual Financial Report (CAFR) of the Albany County Airport Authority (Authority) for the fiscal year ended December 31, 2011 is hereby submitted to the Authority Board and all others interested in the financial condition of Albany International Airport (Airport). This report is published in accordance with the requirements of the State of New York (State) enabling legislation creating the Authority, Article 9, Section 2800 of the Public Authorities Law, and the master bond resolution covering the issuance of indebtedness by the Authority. Pursuant to those requirements, this Comprehensive Annual Financial Report of the Authority has been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. This report consists of four sections: Introductory, Financial, Statistical, and Compliance. The basic financial statements included in the Financial Section have been audited by Marvin and Company, P.C.

This report is management's representations concerning the financial position and changes in net assets of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that has been designed to both protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this report is complete and reliable in all material respects.

This introductory letter of transmittal should be read in conjunction with Management's Discussion and Analysis (MD&A) which provides an introduction, overview and analysis of the 2011 basic financial statements. The MD&A is located immediately following the report of the independent auditor in the Financial Section. The MD&A is required supplementary information to the basic financial statements, but is not a part of the basic financial statements and was not audited.

INDEPENDENT REVIEW

FINANCIAL AUDIT

The goal of an independent audit is to provide reasonable assurance that the basic financial statements of the Authority for the year ended December 31, 2011 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concludes, based upon their audit, that there is a reasonable basis for rendering an unqualified (“clean”) opinion and that the Authority’s financial statements for the year ended December 31, 2011 are presented in conformity with U.S. GAAP. The independent auditor’s report is the first component of the Financial Section.

SINGLE AUDIT

The independent audit of the financial statements is part of the broader mandated provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, relative to financial funds received from the U.S. Government, the New York State Department of Transportation Draft Part 43 of the Codification of Rules and Regulations, relative to State transportation funds received, and also, in conformity with the provisions of the Passenger Facility Charge Audit Guide for Public Agencies. The standards governing these provisions require the independent auditor to report on the fair presentation of the financial statements and on the Authority’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state grant awards. The independent auditor’s reports are included in the Compliance Section.

As a recipient of federal and state financial assistance, the Authority also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As part of the Authority’s single audit, tests were made to determine the adequacy of the internal control structure, including that portion related to federal assistance awards, as well as to determine that the Authority has complied with applicable laws and regulations. The results of the Authority’s single audit for the year ended December 31, 2011 provided no instances of material weaknesses in the internal control structure and no instances of noncompliance that are required to be reported under Government Auditing Standards.

THE AUTHORITY

The Albany County Airport Authority (Authority) is a body corporate and politic constituting a public benefit corporation established and existing pursuant to the Albany County Airport Authority Act, Title 32 of Article 8, as amended, of the State of New York Public Authorities Law (Act). The State created the Authority in 1993 in order to promote the strengthening and improvement of the Airport

and to facilitate the financing and construction of the initial Terminal Improvement Project (TIP), other subsequent capital improvement plans and gave the Authority the power to operate, maintain and improve the Airport.

The County of Albany (County) and the Authority entered into a permanent Airport Lease Agreement dated December 5, 1995, which became effective May 16, 1996 following approval by the Federal Aviation Administration (FAA) of the United States Department of Transportation for the transfer of the sponsorship of the Airport from the County to the Authority. Under the Lease Agreement, that expires forty (40) years after the effective date, the County leases to the Authority the Airport, including all lands, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances pertaining to the Airport.

The Act creating the Authority set forth the following for its creation:

GOALS– To provide adequate, safe, secure and efficient aviation and transportation facilities at a reasonable cost to the people.

OBJECTIVES – (1) To promote safe, secure, efficient and economic air transportation by preserving and enhancing Airport capacity; (2) to acquire, construct, reconstruct, continue, develop, equip, expand, improve, maintain, finance and operate aviation and other related facilities and services; (3) to stimulate and promote economic development, trade and tourism; (4) to form an integral part of a safe and effective nationwide system of Airports to meet the present and future needs of civil aeronautics and national defense and to assume inclusion of the Authority's facilities in state, national and international programs for air transportation and for airway capital improvements; and (5) to ensure that aviation facilities shall provide for the protection and enhancement of the natural resources and the quality of the environment of the state and the capital district area.

THE REPORTING ENTITY

The Authority is composed of seven members with four members appointed by the majority leader of the Albany County Legislature and three members by the Albany County Executive, all with approval of the Albany County Legislature. The Authority members are appointed for a term of four years or until a successor is appointed, except that any person appointed to fill a vacancy is appointed to serve only the unexpired term.

David E. Langdon became the Chair of the Board in 2006. John A. O'Donnell, P.E., Chief Executive Officer, is responsible for planning and directing the management of all operations at the Airport including its capital improvement programs. William O'Reilly, CPA, Chief Financial Officer, is responsible for financial planning, budgeting, operating and capital accounting procedures and controls, debt management, airline affairs, and all Authority financial policies and procedures.

The Authority has engaged the services of AFCO AvPorts Management LLC, (d/b/a Avports) to manage the daily operations of the Airport and REW Investments, Inc. (d/b/a Million Air) to manage

the daily operations of the Fixed Base Operations (FBO). An Organizational Chart is included in this Introductory Section.

Based on the County's responsibility for the appointment of Authority members and their approval of all Airport capital improvement programs and for the issuance of certain debt, the Authority is defined as a component unit of the County under the criteria established by the Governmental Accounting Standards Board (GASB). The Authority has one component unit created in 2009 – the Albany County Airport Authority OPEB Trust – which is reported as a fiduciary fund.

PROFILE OF ALBANY INTERNATIONAL AIRPORT

Albany International Airport is the gateway to the New York State Greater Capital Region. The Airport, located on approximately a 1,171-acre site in the Town of Colonie, is the primary provider of commercial air transportation to the Albany area, including the northeast-central region of the State, southern Vermont and western Massachusetts. The Airport, located seven miles from downtown City of Albany, is accessible via U.S. Interstate 87, 88 and 90 highways. The Airport is strategically located at the center of New York's Capital Region and represents the heart of the burgeoning Hudson Valley Corridor known as "Tech Valley."

The Airport is defined by the FAA as a small air traffic hub, an Airport which handles between 0.05 percent and 0.249 percent of the enplaned passengers by U.S. air carriers nationwide. Based on the latest FAA data available, in 2010 the Airport ranked 80th in total enplanements. The Airport ranked 116th in total aircraft operations and 97th in total cargo based upon statistics compiled by Airports Council International – North America (ACI-NA) for 2010.

The Airport has two primary runways, 1-19 and 10-28. The Airport services commercial, cargo, general aviation and military operations with a 24-hour operating air traffic control tower, U.S. Customs and Border Protections support services, and general aviation FBO facilities. Additional Airport data information is included in the Statistical Section of this report.

AIRPORT ECONOMICS AND DEMOGRAPHICS

The Airport's 13 county primary air-trade service area for drawing passengers, located in New York State, southern Vermont and western Massachusetts, is home within a 75-mile radius to 1.4 million people and many businesses. Albany's secondary air-trade service area extends in a 150-mile radius from the Airport deeper into New England and upstate New York and adds an additional population of approximately 1.8 million for a combined total population exceeding 3.1 million in the primary and secondary areas.

The Airport's primary air trade area is at the core of "Tech Valley," an ongoing high-technology development program. High-tech development continues in the region. Albany's College of Nanoscale Science and Engineering continues to expand its nanotechnology research and development programs. This nanotechnology center is located within a few miles of the Airport and is the first college in the world dedicated to research, development, education, and deployment in

the emerging disciplines of nanoscience, nanoengineering, nanobioscience, and nanoeconomics. With over \$7 billion in public and private investments, CNSE's Albany NanoTech Complex has attracted over 250 global corporate partners and is the most advanced research complex at any university in the world. On September 27, 2011 a public announcement revealed that the Albany nanocollege will be the new home of research for the 450 millimeter wafer and the focus of a new \$4.4 billion investment lead by Intel, IBM, GLOBALFOUNDRIES, TSMC and Samsung. Just across the nearby river, Rensselaer Polytechnic Institute recently completed construction of a new Center for Biotechnology and Interdisciplinary Studies. In 2010 the international consortium of semiconductor manufacturers, Sematech, moved all of its operations to Albany. In late July 2009 Global Foundries broke ground on construction of a \$4.6 billion computer chip plant approximately 20 miles north of the Airport which will complement the existing technology facilities already in the region. On June 1, 2010 an expansion of this plant to 1.3 million square feet was announced. This plant is set to become operational in mid-2012. In nearby Schenectady, General Electric Company is establishing a new industrial electronic storage device plant and also it's Renewable Energy Wind Power Global Headquarters. The combination of significant growth in the technology businesses and comparatively low unemployment rates (6.9 percent as of February 2012), position Albany for a return to growth in airline activities and passenger usage of the airport.

The area is also home to the State of New York's capital and has long benefited from significant levels of government employment. While the State government is clearly dealing with a difficult budget situation impacting state employment levels, a recent report by the State Comptroller reported residents in the four county capital district region receive about \$1.1 billion a year in state pension payments. Thus, many area residents leaving employment with the state government may join the large ranks of state retirees in the area mitigating the impact to personal income in the region.

The Airport's air-trade service area is also the home to world-class summer and winter vacation and recreation attractions that draw individuals and families from across the nation and from around the globe. The Adirondack, Berkshire, Catskill and Green Mountains, Lake George, the Hudson River Valley, and the Mohawk River - Erie Canal corridor offers a cornucopia of excellent entertainment and recreation venues. Features such as the Baseball Hall of Fame in Cooperstown, the Olympic Village in Lake George, the 130-year-old Saratoga Thoroughbred Race Track, and the Tanglewood and Saratoga Performing Arts Centers highlight this region. This area is also home for numerous major colleges, universities and hospitals, the largest of which are set forth in the Statistical Section of this report.

AIRLINE ECONOMICS

The airlines have endured major financial impacts resulting from a series of events beginning in 2001 that have caused business and leisure passengers to reassess their use of commercial air travel or to elect to use other means of transportation. In 2008, the airlines were especially impacted by high jet fuel prices, forcing a reduction in capacity and reducing the number of flights throughout the system. During the latter part of 2008 the recession reduced the level of travelers and weakened the airlines financial stability. The airlines responded by reducing the size of their

work forces, their operating expenses, and airline seat capacity and some consolidation among carriers. The recession brought about low fuel prices which did provide a stabilizing effect on the financial health of the airlines. As the economic recovery began, the airlines were able to raise airfares. According to the FAA, U.S. reporting passenger airlines reported net income of \$7.4 billion and commercial air carriers (including cargo) reported operating profits of \$9.5 billion compared to \$848.8 million in 2009. Early reports for 2011 indicate the U.S. Airlines will report more modest profits in 2011 after absorbing the impact of a \$2 billion loss reported by American Airlines which filed for bankruptcy reorganization on November 29th, 2011.

Some of the potential factors that can impact the airlines and therefore the number of flights and enplanements at this Airport are: (1) any contraction or break in the current economic recovery for any reason; (2) sustained higher fuel costs which have recently been surging as the result of global conflict which could cause a spike in ticket prices or reduction in airline revenues; (3) potential for contraction in air passenger travel in 2012 or beyond; (4) airline seat capacity reductions and market constraints to raising fares could weaken airline profits and cause some airlines to further reduce service; (5) airline financial weakness may result in failure or even further consolidation of airlines, reducing competition and exacerbating the decline in seat capacity; and (6) capacity constraints in the National Airspace System may restrict airline flights.

AUTHORITY'S FINANCIAL RESOURCES

The information presented in the Financial Section is best understood when it is considered from the broader perspective of the specific environment within which the Airport operates. The Authority's and Airport's profile, its goal and objectives, the Airport's economic and demographics and the Authority's financial resources are all components of the Airport's financial health and its ability to meet its financial obligations and service commitments.

FINANCIAL CONTROLS

The Authority prepares an annual operating budget on the modified accrual basis of accounting. This basis differs from full accrual basis of accounting in that certain expenses are included on a cash basis. These include an expenditure classification for the principal portion of long-term debt obligations, the local share for certain capital projects, and the lack of depreciation expense. All other major revenues and expenses are included in the budget on the accrual basis. The Authority adopts an annual operating budgetary basis of accounting to facilitate calculation of the rates and charges billed to the airlines. A separate capital improvement program budget is prepared for capital projects given their multi-year nature.

The Authority's current Airline Use and Lease Agreement (Agreement) became effective January 1, 2006, and was renewed in 2010, effective January 1, 2011, for an additional five years to December 31, 2015. The Agreement includes a majority-in-interest provision that allows for airline disapproval of certain capital projects. This provision applies to costs in excess of \$1,500,000, net of any state and federal grants, for the Airfield, if disapproved by more than 50% of the signatory airlines based upon the maximum gross landed weight of all signatory airlines during the most

recent six months and, for the Terminal, if disapproved by signatory airlines representing more than 50% of the total signatory terminal rentals for the most recent six months.

The Agreement with the signatory airlines incorporates a hybrid method for calculating airline rates and charges which applies a residual rate making methodology for the airfield and a compensatory methodology for the terminal. The Agreement provides for the signatory passenger airlines to receive 50% of the Airport's net revenues, as defined in Agreement. The Authority also has the ability under the Agreement to adjust airline rates and charges at any time throughout the year to ensure adherence to all financial covenants in its bond resolutions. No such adjustments were required during 2011 or in any prior year.

OPERATING FINANCIAL PLANNING

As part of preparing its operating budget, each year the Authority prepares a multi-year projection of revenues and expenses for airline activities covering the next five years in accordance with the current Airline Use and Lease Agreement, and beyond assuming that the Agreement remains substantially unchanged. The projections for 2012 assumed enplanements would approximate 2011 enplanement levels projected at the time the budget was developed. If the budget assumptions and activity projections prove to be reasonable, the projected airline cost per enplanement, net of revenue sharing, should approximate \$8.30, excluding FBO costs per enplaned passengers, and debt service coverage should be 1.30 (Net Revenues to Net Debt Service calculated under the provisions of the master bond resolution). Certain assumptions are used in determining the projected activity levels and the related projected revenues and expenditures at this Airport and accordingly, subsequent actual results in any one year, or for the entire period, could differ substantially from those projected. Details for these projections are included in the Authority's adopted \$45.7 million 2012 operating budget, which is on the Authority's web site.

CAPITAL FINANCIAL PLANNING

A five-year capital improvement program for the years 2010 through 2014 totaling \$139.3 million has been approved by the Authority and the County. The program consists of \$51.05 million for airfield projects, \$14.0 million for terminal improvements and expansion, \$64.25 million for landside development and \$10 million for major equipment and vehicles. Many of the projects therein are dependent on their eligibility for available Federal and State funding, or on the ability of the Authority to issue indebtedness. Therefore, the timing for starting any individual project is dependent upon the Airport's needs and ability to obtain adequate funding. The largest capital project currently in the capital plan progress is the relocation of two water towers in the Town of Latham Water District to remove a runway obstruction at a total estimated cost of \$11 million over several phases and is nearly complete. This project was 97.5% grant funded when it started in 2008 and the Airport received a \$6.7 million FAA American Recovery and Reinvestment Act grant in 2009 which provided 100% of the costs of finishing this project. While the project is included in the five-year capital improvement program, the revenue and expenses associated with this project are reported as Non-Operating Income and Non-Operating Expense as the majority of the

expenditures will not result in creation of a capital asset reported by the Airport. The remaining projects, if initiated, will require future Federal and State entitlement and discretionary funds, plus Authority resources, either from Airport operating funds or from the issuance of Authority indebtedness.

All the projects included in the five-year program are designed to meet the objectives as set forth in the Airport's Master Plan and Safety Improvement Program. All projects have or will be subject to a Federal Environmental Assessment (FEA) pursuant to the National Environmental Policy Act of 1969 (NEPA), as amended, and a New York State Environmental Impact Statement (EIS) under the New York State Environmental Review Act (SEQR). Specific airfield related projects eligible for Federal or State funding support will also be subject to Federal Aviation Administration and New York State Department of Transportation review and approval.

The total effect any capital program will have on future operating budgets are evaluated at the time a specific project is authorized by the Authority to be started unless a project is mandated for safety or health purposes. All capital projects completed in 2011, or scheduled for completion in 2012, have their projected additional operating costs and related revenues incorporated into the Authority's 2012 operating budget and project funding in place with no anticipated additional borrowing. The largest project to start in 2012 is an expansion of an Aircraft Maintenance, Repair and Overhaul facility with an estimated cost of \$4.2 million. This project is 90% funded by a grant from the State of New York. The Authority has planned several other projects with an estimated cost over \$1 million to start in 2012 which include Glycol Processing Plant Improvements (\$2.3 million); runway friction material storage building (\$1.3 million); electrical vault utility Improvements (\$1.1 million); aircraft apron ramp improvements (\$1.3 million); and administration building improvements (\$1.2 million). With the exception of the administration building, all of these projects are eligible for at least 90 percent grant funding which is reflective of the Authority's prioritization process for capital spending.

FISCAL CAPACITY

The Authority has the ongoing ability and willingness, as needed, to raise revenues, incur debt, control expenses and meet its financial obligations as they become due. Given the current economic status of the airlines, in adopting its 2012 budget, the Authority has projected no growth in enplanements, aircraft operations, or landed weights from 2011 levels. In addition, the Airport continues to face increased passenger screening and baggage security costs resulting from the continually evolving security laws and directives issued by the Transportation Security Administration. To meet these requirements, the Authority has set its rates and charges for 2012 under the Airline Use and Lease Agreement to meet all projected obligations. For 2012, signatory landing fees have been set at \$3.15 per 1,000 pounds, an increase from \$2.85 budgeted in 2011; apron fees at \$1.91 per square foot, an increase from \$1.89 in 2011; and the terminal rental rate at \$71.96, a decrease from \$72.09 per square foot in 2011.

As of December 31, 2011, the Authority has \$9.2 million in an operating and maintenance reserve, more than sufficient to meet two months of operating expenditures totaling \$5.6 million, and

\$500,000 in an equipment repair and replacement reserve. In addition, the Authority has \$11.9 million in debt service reserve funds, plus \$4.3 million in Passenger Facility Funds on-hand, that when combined, exceeds the total annual debt service principal and estimated interest payments of \$13.3 million due in 2012. The Authority does not anticipate experiencing any cash flow deficiencies during 2012 requiring short-term cash flow financing or increases during the year to the rates and charges billed to the Airlines.

DEBT CAPACITY

The Albany County Airport Authority Act sets the Authority's debt limit at \$285 million. At December 31, 2011, there is \$129.0 million of debt outstanding issued directly by the Authority to be reduced by \$7.8 million of principal payments during 2012. In addition, the Authority is obligated under its lease Agreement with the County to reimburse the County for certain Airport related debt for Airport related projects that the County financed prior to transferring the Airport to the Authority. At December 31, 2011, the amount of future reimbursements to the County total \$1.5 million of which \$900 thousand will be paid during 2012. Debt service coverage was 1.33 for 2011 and is projected to be 1.30 for 2012 based on the adopted budget.

In August of 2010 the Authority issued \$109.9 million of Series 2010 fixed rate bonds to refund \$111.0 million in existing debt, which included \$77.7 million in variable rate bonds. Currently the Authority's entire debt portfolio is fixed rate debt. The Authority has not issued debt to obtain new proceeds since 2006 and has no plans to issue any additional debt during 2012.

AUTHORITY'S INITIATIVES

While the Airport is performing in a challenging period, it moved forward with various activities during 2011 to enhance and maintain the services provided to the airlines, the traveling public, and other uses of the Airport. These initiatives include:

- The Authority applied for and was awarded an economic development grant that will provide up to \$75,000 in funds from our regional utility and local business organizations to cover the cost of air service development marketing.
- The Authority applied for and was awarded a U.S. Department of Transportation Small Community Air Service Development (SCASD) grant which, along with funds from the business community, will provide almost \$1 million in revenue guarantee for an airline offering to provide direct service to the Southwest or Western United States.
- The Authority received pledges of approximately \$300 thousand in community advertising in-kind aid for SCASD grant funded air service
- The Authority adopted a revised Air Service Incentive Program that will provide enhanced incentives to an incumbent airline who provides new service to a qualifying targeted destination.
- The Authority commenced a new five year term on its signatory airline agreements with Southwest Airlines, Delta Airlines, US Airways, United Airlines, Cape Air, United Parcel Service and FedEx.

- The Authority continued to control costs and maintained reasonable rates and charges for an airport that provides a high level of services to its airlines including jet bridge maintenance, all janitorial services, waste removal and utilities.

AWARDS

FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2010. This was the fourteenth consecutive year that the Authority has achieved this prestigious award. In order to receive this award a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this 2011 CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for a certificate.

DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association of the United States and Canada (GFOA) also has presented an award of Distinguished Presentation to the Authority for its annual budget for 2011. In order to qualify for this award, a governmental unit must publish a budget document judged proficient in several categories including as a policy document, as an operations guide, as a financial plan, and as a communications device. The 2012 budget has been submitted to the GFOA to determine its eligibility for an award.

ACKNOWLEDGMENTS

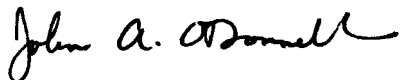
It is the strong continuing commitment of the Authority Board to the highest standards of financial reporting, disclosure and professionalism that the preparation of this report has been accomplished and for that we extend our sincere appreciation. We also give credit for the dedication, service and performance by all the employees of the Authority, AvPorts and Million Air in cooperation with all the employees of the airlines and other tenants located at the Airport for serving all the travelers, users and visitors to the Airport.

The preparation of this report on a timely and efficient basis is achieved by the professionalism, efficiency and dedicated services contributed by the entire staff of the Finance Department under the guidance of Margaret Herrmann, Chief Accountant. We wish to express our appreciation for their continuing efforts for maintaining the highest standards of professionalism in managing the financial operations of the Authority in a progressive and responsible manner. It is recognized and a source of pride to the Authority. We also express our specific appreciation to all members of the Finance Department who contributed to assembling and formatting the data included in this report.

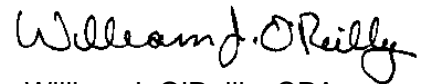
CERTIFICATION

The following sections of this report include the basic financial statements of Authority for the fiscal year ended December 31, 2011 including the Independent Auditor's Report on the basic financial statements. The Auditor's Report provides an unqualified opinion. Based on our knowledge the information provided in the basic financial statements is accurate, correct and does not contain any untrue statement of material fact; does not omit any material fact which, if omitted, would cause the basic financial statements to be misleading in light of the circumstances under which such statements are made; and fairly presents in all material respects the financial condition and results of operations of the Authority as of, and for, the periods presented in the basic financial statements.

Respectfully submitted:



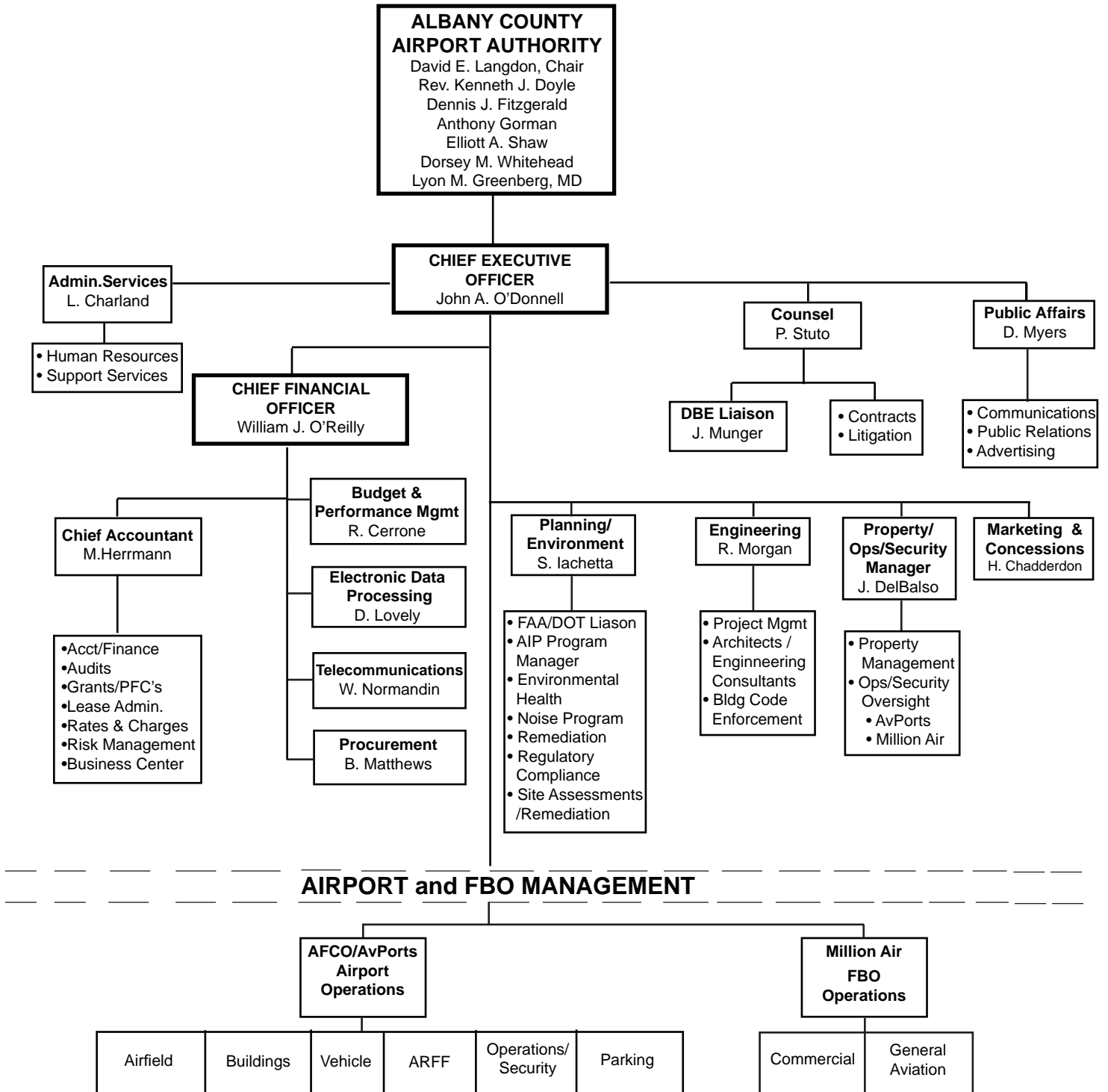
John A. O'Donnell
Chief Executive Officer



William J. O'Reilly, CPA
Chief Financial Officer

ALBANY INTERNATIONAL AIRPORT ORGANIZATIONAL CHART

As of December 31, 2011



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Albany County Airport Authority
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



Twenty-two non-stop destinations are served from Albany with a total of 67 daily departures

SERVICE PROVIDED BY

Carrier	Daily (March 2012)		Percent of Total	
	Departures	Seats	Departures	Seats
US Airways	16	1,052	23.9%	22.2%
Southwest	14	1,918	20.9%	40.5%
Cape Air	12	108	17.9%	2.3%
Delta	10	748	14.9%	15.8%
United	6	462	9.0%	9.8%
Continental	7	406	10.4%	8.6%
Air Canada	2	38	3.0%	0.8%
Total	67	4,732	100.0%	100.0%

Source: Official Airlines Guides Schedules, March 2012

This page intentionally left blank

Financial





Marvin and
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

We have audited the accompanying financial statements of the business-type activities and fiduciary funds of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary funds of the Albany County Airport Authority as of December 31, 2011 and 2010, and the respective changes in its net assets, and where applicable, cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012 on our consideration of the Albany County Airport Authority'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299



Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>



U.S. generally accepted accounting principles require that the management's discussion and analysis and OPEB Trust Schedule of Funding Progress on pages 20 through 35 and 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 financial statements, and other knowledge we obtained during our audit of the basic 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.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Albany County Airport Authority's financial statements as a whole. The introductory section, the schedules of debt service requirements to maturity and of governmental payments and services on pages 76 through 78, the statistical section and the biographies of the Authority's members and senior staff on pages 119 through 121 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance for the year ended December 31, 2011, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and by the New York State Department of Transportation *Preliminary Draft Part 43 of the New York Codification of Rules and Regulations* and is not a required part of the financial statements. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year ended December 31, 2011, is also presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is also not a required part of the financial statements. The schedule of debt service requirements to maturity, the schedule of government payments and services, the Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance, and the Schedule of Passenger Facility Charges Collected and Expended are the responsibility of the Authority's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, the statistical section, and the biographies have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Marvin and Company, P.C.

March 19, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) of the Albany County Airport Authority (the Authority) provides an introduction of the basic financial statements for the year ended December 31, 2011 with selected comparative information for the years ended December 31, 2010 and December 31, 2009. Management prepared this unaudited MD&A, which should be read in conjunction with the financial statements, and the notes thereto, which follow in this section.

BASIC FINANCIAL STATEMENTS

The Authority is a business-type activity and the Authority's basic financial statements include: the *Statements of Net Assets*, the *Statements of Revenues, Expenses and Changes in Net Assets* and the *Statements of Cash Flows*. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). Also included are the *Statements of Fiduciary Net Assets*; the *Statements of Changes in Fiduciary Net Assets*; and a *Schedule of Funding Progress* for the Airports Fiduciary Fund which also has a December 31st year end.

The *Statements of Net Assets* depict the Authority's financial position at December 31, the end of the Authority's fiscal year. The Statements show all the financial assets and liabilities of the Authority. Net assets represent the residual interest in the Authority's assets after liabilities are deducted. Net assets are displayed in three components: Invested in Capital Assets net of Related Debt, Restricted, and Unrestricted.

The *Statements of Revenues, Expenses and Changes in Net Assets* report total operating revenues, operating expenses, non-operating income and expenses, capital contributions and the changes in net assets during the fiscal year ending December 31st. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows.

The *Statements of Cash Flows* present information showing how the Authority's cash and cash equivalents position changed during the fiscal year. The Statements classify cash receipts and cash payments by Operating Activities, Investing Activities, and Capital and Related Financing Activities.

The *Statements of Fiduciary Fund Net Assets* is a snapshot of account balances of the Authority's fiduciary fund at year-end. It indicates the assets available for future payments for retiree benefits and any current liabilities that are owed at December 31.

The *Statements of Changes in Fiduciary Fund Net Assets*, on the other hand, provides a view of current year/period additions to and deductions from the fund.

AIRPORT ACTIVITIES HIGHLIGHTS

The County of Albany owns the Airport and entered into an Airport Lease Management Agreement, pursuant to which the County leased the Airport to the Authority for a 40 year term commencing May 16, 1996. The Authority employs two firms to manage the daily operations of the Airport:

→ AFCO AvPorts Management LLC, (d/b/a Avports) manages the daily operations of the airport including airfield, terminal, security, ARFF, landside, building and vehicle maintenance and public parking pursuant to a management services agreement, dated October 11, 2005.

→ REW Investments, Inc., (d/b/a Million Air) manages the daily operations of the Fixed Based Operations (FBO) on airport including fuel farm management, commercial aviation into-plane fueling, and ground handling, fueling and hangaring of general aviation aircraft pursuant to a management services agreement. Million Air assumed responsibility as of October 1, 2005.

The Authority's revenues are derived primarily from Airline rates and charges for the use of the Airport's facilities in the form of landing fees, terminal rentals, apron fees and loading bridge charges received from airlines using the Airport; concession fees from vendors serving the passengers including food, retail and rental cars; public parking fees including surface and garage parking; and FBO activities from general aviation activities.

AIRPORT REVENUES

Three major factors impact airport revenues: commercial airline operations, enplanements and FBO operations.

COMMERCIAL OPERATIONS

Regular scheduled daily passenger flights departing from Albany increased to 66 in December 2011 from 65 in December 2010 and decreased from 72 in December 2009.

	2011		2010		2009	
	<i>Carriers</i>	<i>Flights</i>	<i>Carriers</i>	<i>Flights</i>	<i>Carriers</i>	<i>Flights</i>
Jet Service						
Major Carriers	4	18	4	16	4	18
Regional Carriers	8	22	11	28	11	30
Commuter Service						
Regional Carriers	6	24	5	19	5	22
Foreign Carriers	1	2	1	2	1	2
Total	19	66	21	65	21	72

The changes in aircraft size by most of the airlines from full size jets to RJs and/or turboprops, has decreased the number of available seats. This downsizing of aircraft, reductions in operations, with the corresponding reduction in gross landing weights, negatively impacts landing fee rate, but landing fee revenues remain stable due to the higher landing fee rate which is adjusted with the annual airport budget and final rate settlement calculations under the signatory airline use and lease agreement.

	2011	2010	2009
Total Available Seats	1,709,392	1,728,276	1,859,721
Passenger Load Factor	73%	73%	71%

The following shows major indicators of the total commercial activities during the past three years:

	2011	2010	2009
Enplanements	1,242,399	1,264,381	1,318,819
% increase/(decrease)	-1.7%	-4.1%	-4.5%
Aircraft Landed Weight	1,484,333,528	1,516,417,163	1,613,441,400
% increase/(decrease)	-2.1%	-6.0%	-4.6%
Operations (take-offs and landings)			
Commercial	54,560	55,677	58,451
General Aviation	21,615	25,683	29,522
Military	4,226	7,137	6,540
Total	80,401	88,497	94,513
% increase/(decrease)	-9.1%	-6.4%	1.1%

As of December 31, 2011, two regularly scheduled express mail and various special cargo carriers serve the airport.

	2011	2010	2009
Mail and Express Cargo Tons	17,203	16,227	18,253
% increase/(decrease)	6.0%	-11.1%	-23.5%

The downsizing of aircraft combined with the corresponding reduction of landed weight and reduction of the number of aircraft operations has impacted gross landing weights which is the basis for establishing the airline landing fee rate. This reduction in gross landed weight by airline for 2011 compared to 2010 and 2010 compared to 2009 is as follows:

	2011 vs. 2010		2010 vs. 2009	
	Change in Operations	Change in Landed Weight	Change in Operations	Change in Landed Weight
Air Canada	(352)	(2,921,599)	50	415,000
Cape Air	1,346	4,610,045	14	47,955
Continental	(4)	(1,320,130)	(184)	(6,082,768)
Delta	(280)	1,332,131	(824)	(35,895,580)
Southwest	(30)	(180,000)	(328)	(20,188,000)
United	(126)	(10,985,915)	(84)	12,967,334
US Airways	(946)	(21,041,230)	(1,232)	(49,780,128)
Charters	13	(1,576,936)	14	1,491,950
Total	(379)	(32,083,634)	(2,574)	(97,024,237)

ENPLANEMENTS

Enplanements for 2011 compared to 2010 have decreased by 21,982 passengers, compared to a decrease of 54,438 in 2010 vs. 2009. The changes in enplanements by airline, including their express carriers is as follows:

	2011 Market Share	Total 2011 Enplanements	2011 vs. 2010	Total 2010 Enplanements	2010 vs. 2009
Air Canada	0.4%	4,482	(300)	4,782	629
Cape Air	1.3%	16,284	7,607	8,677	664
Continental	7.4%	92,512	(9,258)	101,770	(6,021)
Delta	16.2%	201,804	1,246	200,558	71,682
Southwest	41.2%	511,735	99	511,636	542
United	14.6%	181,513	(1,139)	182,652	(3,940)
US Airways	18.8%	234,069	(20,237)	254,306	(10,840)
Total	100.0%	1,242,399	(21,982)	1,264,381	(54,438)

Further airport and airline data for the past ten years is included in the Statistical Section of this annual report.

FBO OPERATIONS

REW Investments, Inc. (d/b/a Million Air) manages the daily operations of the FBO. A summary of the operating revenues and expenses, the gallons of Jet A and Aviation Gasoline sold, gallons of glycol sold and sprayed and the Jet A transferred to the commercial and cargo airlines is as follows for 2011, 2010 and 2009:

	2011	2011 vs. 2010	2010	2010 vs. 2009	2009
Revenues	\$ 10,816,078	29.7%	\$ 8,339,501	10.0%	\$ 7,579,581
Expenses (inc. cost of sales)	\$ 9,661,561	25.9%	7,674,871	6.9%	\$ 7,177,870
Retail Gallons Sold					
Jet A	910,143	10.9%	820,963	-3.2%	847,733
AvGas	71,747	-2.3%	73,430	-9.6%	81,193
Commercial AvGas	233,142	5.9%	220,084	1.1%	217,750
Glycol Gallons - Consortium	135,952	45.0%	93,776	-12.5%	107,171
Glycol Gallons - Sprayed	70,970	53.9%	46,128	33.9%	34,455
Jet A Fuel Into-Plane Gallons	18,218,999	-0.3%	18,280,810	-5.0%	19,241,600

CONCESSIONS

Although enplanements have declined since 2007, the Authority's concession revenues, with the exception of retail revenues in 2011 exceed both 2010 and 2009 due to new concession agreements with all rental car companies and the major food and beverage concessionaire effective January 1, 2009. These ten year agreements provided better terms to the Authority, increased minimum annual guarantees, and provide for \$3.2 million in new investments in the concession facilities by the major food and beverage concessionaire.

Concession revenue highlights for 2011 compared to 2010 and 2009 are as follows:

	2011	2011 vs. 2010	2010	2010 vs. 2009	2009
Rental Car Revenues					
Sales	\$ 44,967,151	14.0%	\$ 39,430,522	4.8%	\$ 37,621,884
Authority Revenues	\$ 4,718,960	10.7%	\$ 4,263,770	9.3%	\$ 3,902,274
Food & Beverage					
Sales	\$ 6,148,719	4.7%	\$ 5,871,870	13.5%	\$ 5,173,546
Authority Revenues	\$ 661,701	-0.3%	\$ 663,990	16.2%	\$ 571,279
Retail					
Sales	\$ 2,884,799	-0.1%	\$ 2,888,290	-5.1%	\$ 3,044,255
Authority Revenues	\$ 362,720	-0.1%	\$ 363,244	-6.3%	\$ 387,523
Total Authority Concession Revenues	\$ 6,531,954	6.5%	\$ 6,135,012	1.5%	\$ 6,044,347
Concession Revenue per Enplanement	\$ 5.26	8.4%	\$ 4.85	5.9%	\$ 4.58

PARKING

The Airport directly manages all on-airport parking operations which at December 31, 2011 consisted of 345 short-term garage/surface, 1,912 long-term garage, 1,076 long-term surface, and 2,202 remote shuttle served parking spaces. Revenue for 2011 compared to 2010 and 2009 are as follows:

	2011	2011 vs. 2010	2010	2010 vs. 2009	2009
Public Parking					
Revenues	\$ 10,478,603	0.5%	\$ 10,428,141	-1.6%	\$ 10,600,827
# of Vehicles Parked	636,875	-3.9%	662,469	-5.5%	701,159
Parking Revenue per Enplanement	\$ 8.43	2.3%	\$ 8.25	2.6%	\$ 8.04

The Authority last adjusted its parking rates in November of 2008 which has resulted in an increase in parking revenue per enplanement.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The changes in net assets over time may serve as a useful indicator of changes in the Authority's financial position. A summary of the Authority's change in net assets at December 31 is set forth below:

	2011	2010	2009
Operating revenues	\$ 43,994,349	\$ 40,952,558	\$ 42,250,839
Operating expenses	(32,672,751)	(29,887,368)	(29,625,483)
Revenues in excess of expenses			
before depreciation	11,321,598	11,065,190	12,625,356
Depreciation	(13,406,698)	(13,585,503)	(14,067,322)
Loss before non-operating income			
and expenses	(2,085,100)	(2,520,313)	(1,441,966)
Non-operating income and (expenses), net	(1,508,751)	(70,452)	(1,810,700)
Loss before capital contributions	(3,593,851)	(2,590,765)	(3,252,666)
Capital contributions, special and extraordinary items	7,063,708	5,161,620	6,524,938
Net assets			
Increase in net assets	3,469,857	2,570,855	3,272,272
Total net assets, beginning of year	193,507,446	190,936,591	187,664,319
Total net asset, end of year	<u>\$ 196,977,303</u>	<u>\$ 193,507,446</u>	<u>\$ 190,936,591</u>

The Authority's operating revenues and expenses include the sales and cost of sales of fuel purchased and sold to general aviation customers through the FBO and accordingly are sensitive to the price of fuel, among other things. Average weekly jet fuel prices in 2008 reached \$5.15 and fell in 2009 to \$3.81. Fuel prices began to rise again and the average weekly jet fuel prices in 2010 were \$4.52 and \$5.60 in 2011. The increase in jet fuel prices account for the majority of the increase in revenues from 2009 to 2011, along with an increase of 7.4% in jet fuel gallons sold from 2009 to 2011. Along with the increasing revenues that are generated from the higher fuel prices, increases in the expenses are also seen as the cost to purchase fuel increased. Increases in the general aviation landing, parking and net deicing revenues account for the remaining increase in revenues. The table below summarizes FBO revenues, expenses and net revenues:

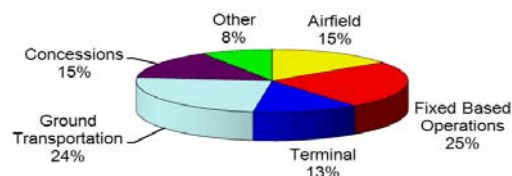
	2011	2010	2009
FBO revenues	\$ 10,816,078	\$ 8,339,501	\$ 7,579,581
FBO expenses	9,648,516	7,674,871	7,177,870
FBO net revenues	<u>\$ 1,167,562</u>	<u>\$ 664,630</u>	<u>\$ 401,711</u>

OPERATING REVENUES AND NON-OPERATING INCOME HIGHLIGHTS

The change in total operating and non-operating revenues between 2009 and 2011 was the result of a variety of factors. Revenues for the Airfield, Terminal, and Fixed Base of Operations (FBO) are sensitive to the costs of maintaining these facilities or providing fuel in the case of the FBO. Under the signatory airline use and lease agreement, the airfield is a "residual cost center" requiring signatory airlines to pay the residual cost after all airfield and certain non-airfield revenues allocable to the airfield have been applied which include all interest income and PFCs applicable to airfield related debt service. Accordingly airfield revenues are sensitive to airfield cost, interest earnings, PFC revenues applied to airfield debt service, and the amount of airfield debt service. The terminal revenue is sensitive to the amount of rented space and terminal operating costs used to determine the annual rental rate. FBO revenues are sensitive to the price of purchased fuel and the volume of fuel sold. Ground transportation revenue is sensitive to airline passenger activity. Concession and Other revenue are based upon passenger and other activity but are generally reinforced with minimum annual revenue guarantees and property leases.

Airfield revenue has declined since 2009 as result of lower airfield costs to be recovered from signatory airlines. Lower airfield costs requirements resulted in a decrease in the airfield revenue requirement achieved by raising the PFC collection rate in September of 2009 from \$3.00 per enplaned passenger to \$4.50 per enplaned passenger, refunding and restructure of debt in 2010, and elimination of the capital charge coverage in 2010 all of which was partially offset by higher direct and indirect operating expenses in 2011. The signatory landing fee rate declined from \$3.11 per 1,000 pounds of landed weight in 2009 to \$2.61 per thousand pounds of landed weight in 2011. The terminal revenue has declined from 2009 due to a variety of factors including lower utility costs, lower debt service requirements, higher PFC revenue, elimination of capital charge coverage, partially offset by a reduction in space rented by airlines due to airline consolidation. The signatory airline terminal rental rate has declined from \$79.61 per square foot in 2009 to \$69.55 per square foot in 2011. Grant income has declined since 2009 as the result of reduced spending under a \$6.7 million American Recovery and Reinvestment Act (ARRA) grant used to fund the relocation of a local community water tower which is being reported as a flow through grant.

Allocation of 2011 Revenues by Category

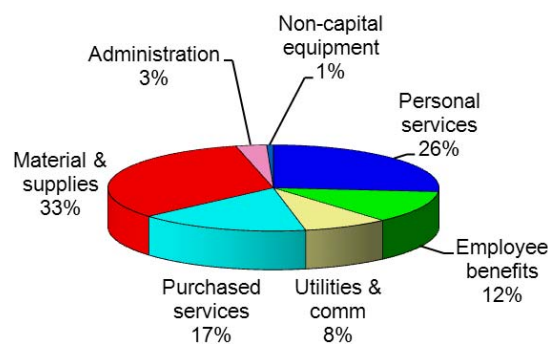


	2011	2010	2009
Operating Revenues			
Airfield	\$ 6,620,031	\$ 6,249,734	\$ 7,303,064
Fixed Based Operations	10,816,078	8,339,501	7,579,581
Terminal	5,549,272	5,760,454	6,513,311
Ground Transportation	10,737,419	10,695,016	10,818,594
Concessions	6,531,954	6,135,012	6,044,347
Other	3,739,595	3,772,841	3,991,942
Non-Operating Income			
Passenger Facility Charges	4,832,209	5,043,851	4,077,806
Grant Income	1,112,504	3,442,758	5,480,166
Improvement Charges	368,400	368,400	368,400
Interest Income	102,137	196,224	265,017
Total	\$ 50,409,599	\$ 50,003,791	\$ 52,442,228
<i>Percentage of Increase/(Decrease)</i>	<i>0.8%</i>	<i>-4.6%</i>	<i>-1.1%</i>

OPERATING EXPENSES AND NON-OPERATING EXPENSES HIGHLIGHTS

Total 2011 expenses increased \$1.4 million or 2.7% over 2010. Operating expenses increased \$2.8 million from 2010, which was mainly driven by a \$2.4 million increase in the cost of Materials and Supplies related to higher purchase cost of fuel sold at the FBO. Non-Operating expenses decreased by \$1.2 million from 2010 largely because of a \$2.3 million decrease in grant expenses for spending under flow-through grant for a runway obstruction removal project, offset by a \$1 million increase in interest expense on bonds, including the net effects of amortization of bond issuance premiums and deferred refunding.

Allocation of 2011 Expenses by Category



	2011	2010	2009
Operating Expenses			
Personal services	\$ 8,637,469	\$ 8,674,598	\$ 8,416,911
Employee benefits	3,971,189	3,859,040	3,619,760
Utilities & communications	2,709,645	2,829,179	2,771,592
Purchased services	5,434,072	4,878,780	5,476,326
Material & supplies	10,727,433	8,299,868	8,020,529
Administration	979,015	1,176,923	1,286,145
Non-capital equipment	213,928	168,980	34,220
Depreciation	13,406,698	13,585,503	14,067,322
Non-Operating Expenses			
Property Damage	-	-	-
Loss on Investments	-	-	82,204
Grant Expense	683,300	3,013,773	4,943,468
Interest	6,971,497	5,961,984	6,845,764
Amortization of Bond Issuance Costs	269,204	145,928	130,653
Total	\$ 54,003,450	\$ 52,594,556	\$ 55,694,894
<i>Percentage of Increase/(Decrease)</i>	<i>2.7%</i>	<i>-5.6%</i>	<i>-3.2%</i>

FINANCIAL POSITION SUMMARY

The Statements of Net Assets depict the Authority's financial position as of one point in time – December 31 – and includes all assets and liabilities of the Authority. Net assets represent the residual interest in the Authority's assets after deducting liabilities. The Authority's assets exceeded liabilities by \$197.0 million at December 31, 2011, a \$3.5 million increase from December 31, 2010.

A condensed summary of the Authority's total net assets at December 31 is set forth below:

	2011	2010	2009
ASSETS			
Capital assets	\$ 281,501,522	\$ 286,302,408	\$ 293,204,200
Other assets	43,641,775	44,272,423	52,512,719
Total Assets	<u>325,143,297</u>	<u>330,574,831</u>	<u>345,716,919</u>
LIABILITIES			
Long-term debt outstanding	115,257,651	122,600,242	133,269,313
Other liabilities	12,908,343	14,467,143	21,511,015
Total Liabilities	<u>128,165,994</u>	<u>137,067,385</u>	<u>154,780,328</u>
NET ASSETS			
Invested in capital assets, net of debt	168,143,940	165,929,895	161,268,212
Restricted	16,487,232	16,539,805	18,703,079
Unrestricted	12,346,131	11,037,746	10,965,300
Total Net Assets	<u>\$ 196,977,303</u>	<u>\$ 193,507,446</u>	<u>\$ 190,936,591</u>

Net assets are comprised of three components as follows:

Investment in capital assets (e.g., land, buildings, improvements, and equipment), less the related indebtedness outstanding used to acquire those capital assets, represents the largest portion of the Authority's net assets (85% at December 31, 2011). The Authority uses these capital assets to provide services to the airlines, passengers and to service providers and users located on Airport; consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is net of related debt, the resources required to repay this debt annually are paid from operations, since it is unlikely that the capital assets will be liquidated to pay liabilities. During 2010 the Authority recorded \$722 thousand in capital asset impairment charges. Capital asset impairment charges reported in 2010 were a \$553 thousand *Special Item* reflecting a write down of costs related to permanently stalled improvement projects and \$169 thousand to write down the carrying value of land held for sale to its fair value less costs to dispose.

Restricted net assets (8% at December 31, 2011), principally representing bond reserves and PFC funds, are restricted as to use pursuant to bond resolutions and Federal regulations.

Unrestricted net assets totaling \$12.3 million (7% at December 31, 2011) are available to meet any of the Authority's ongoing obligations.

AIRLINE SIGNATORY RATES AND CHARGES

The Authority and airlines entered into a Use and Lease Agreement (“Agreement”) effective January 1, 2006 for five years, with an option for a five-year renewal, which establishes how the airlines that signed the Agreement will be assessed annual rates and charges for their use of the Airport. In the Agreement, signatory airlines have the option to designate some or all of their affiliate carriers as signatory airlines. This entitles the affiliates to signatory rates and charges for use of the Airport. As of December 31, 2011, signatories in the Agreement include five commercial, fifteen affiliate carriers and two cargo airlines.

The Agreement with the signatory airlines is based on a hybrid rates and charges methodology. A residual cost methodology is used for the airfield and a commercial rental rate methodology for the terminal. The apron charge is based on a 10% allocation of total airfield costs and loading bridge rental rates is based on total actual operating costs for all the loading bridges. The resulting funds remaining each year are split fifty/fifty between the Authority and the signatory airlines. Each year the Authority prepares and issues an actual airline rates and charges analysis report in accordance with the Agreement and financial statements prepared in accordance with GAAP as audited by independent public accountants as of December 31. The Authority has the ability under the Agreement to adjust airline rates and charges at any time throughout the year to ensure adherence to all financial covenants in its bond resolutions, namely “Extraordinary Coverage Protection”, if necessary. The Authority can also impose a “Capital Charge Coverage” equal to 25% of its required debt service. This provides for revenues less expenses, to be not less than one-hundred twenty-five percent (125%) of annual debt service. The Authority exercised the “Capital Charge” provision in 2009 to meet the debt service coverage requirement, but has never imposed the “Extraordinary Coverage Protection” provision. The final rates and charges, after all year-end settlement adjustments and the revenue sharing allocations in accordance with the definitions and formulas contained in the Agreement with the signatory airlines are as follows:

	2011	2010	2009
Landing Fees (per 1,000 lbs. MGLW)	\$ 2.61	\$ 2.45	\$ 3.11
Landing Fee Surcharge (per 1,000 lbs. MGLW)	\$ 0.11	\$ 0.10	\$ 0.10
Terminal Rental Rate (per square foot)	\$ 69.55	\$ 72.70	\$ 79.61
Apron Fees (per square foot)	\$ 1.75	\$ 1.51	\$ 1.46
Loading Bridge (annual rate)	\$ 33,422	\$ 35,557	\$ 36,299
Airline Cost per Enplanement	\$ 7.92	\$ 7.82	\$ 8.80
Revenue Sharing (Charge) Credit to Airlines	\$ 929,813	\$ 1,544,787	\$ 119,882

CASH MANAGEMENT POLICIES AND CASH FLOW ACTIVITIES

All cash receipts are initially deposited daily into collateralized or insured bank accounts. After initial deposit of receipts, all funds are transferred to various segregated bank accounts comprising the various funds defined in the Authority’s Master Bond Resolution. Most of the bank accounts are interest-bearing accounts. The Authority’s temporarily idle cash is maintained in collateralized or insured bank accounts consistent with the Authority’s liquidity, available short-term investment opportunities, and desired level of risk. The Authority’s maintains some debt service reserves in United States Treasury obligations. All deposits and investments are in compliance with the laws of the State and the Cash Management and Investment Policy adopted by the Authority. Additional information about cash and investments can found under “Note 3 – Cash, Cash Equivalents and Investments” in the Notes to the Financial Statements.

Cash equivalents represent cash-on-hand, bank deposits and liquid investments with a maturity of three months or less. The following shows a summary of the major sources and uses of cash and cash equivalents for 2011, 2010 and 2009:

	2011	2010	2009
Cash flows from (used):			
Operating activities	\$ 11,235,210	\$ 11,268,737	\$ 13,793,538
Noncapital financing activities	429,204	428,985	536,698
Investing activities	113,139	383,696	374,198
Capital and related financing act	(12,045,463)	(13,347,031)	(10,717,097)
Net increases/(decreases) in cash and cash equivalents	(267,910)	(1,265,613)	3,987,337
Cash and cash equivalents:			
Beginning of period	37,098,323	38,363,936	34,376,599
End of period	<u>\$ 36,830,413</u>	<u>\$ 37,098,323</u>	<u>\$ 38,363,936</u>

The Authority's available cash and cash equivalents decreased in 2011 by \$267,910 due to the negative flow of funds from capital construction and debt service funds net of capital funds and PFCs received. During 2010 the Authority refunded its Series 1998, 1999, 2000 and 2008 bonds and unamortized Swaption loan outstanding by issuing new bonds and causing net releases of \$2.3 million in debt reserve funds and \$1.0 million in operating funds to reduce the amount of refunding debt issued in the refunding transactions. While these net cash releases resulted in lower available cash on hand at year end, they resulted in a greater reduction in long-term debt by reducing the amount of refunding bonds issued, lowering issuance costs and reducing future cash debt service requirements. Cash and cash equivalents are composed of:

	2011	2010	2009
Funds available for unrestricted operations	\$ 12,840,930	\$ 11,905,392	\$ 11,611,221
Restricted for:			
Capital projects	6,937,129	8,002,413	7,615,868
PFCs available for debt service payments	4,351,224	4,342,432	3,964,838
Revenue bond reserves	11,763,714	11,803,446	14,218,253
Other restrictions	937,416	1,044,640	953,756
Total	<u>\$ 36,830,413</u>	<u>\$ 37,098,323</u>	<u>\$ 38,363,936</u>

CAPITAL ACTIVITIES

The enabling legislation creating the Authority set forth that every five years the Authority must submit to the County legislature for approval a capital plan for the subsequent five year period. The plan for 2010 – 2014 was approved by the County December 7, 2009. The plan provides for total spending of up to \$139.3 million over five years of which \$82.3 million is eligible for 97.5% grant funding. Much of the remainder is contingent upon economic development opportunities materializing, which there can be no assurance of, and the projects are therefore deferred. The plan does not represent a firm commitment of the Authority. The Authority has included every known possible project that could conceivably occur during the five year period for disclosure purposes. As of this date, the Authority has no plans to issue additional debt and there is no assurance that future Federal or State grant funds will be awarded to the Authority. At December 31, 2011, the Authority has \$2.9 million outstanding capital commitments. Approved Projects requiring additional financing in the plan are very likely to be deferred.

The following is a summary of the approved 2010 – 2014 capital plan including the activity through December 31, 2011:

	Total 2010- 2014 Plan	Total 2010- 2014 Activity
Approved Projects		
Airfield	\$ 51,050,000	\$ 12,357,478
Terminal	14,000,000	961,113
Landside	64,250,000	1,768,700
Major Equipment	10,000,000	4,245,024
Total	\$ 139,300,000	\$ 19,332,315
Projected Funding Sources		
Federal Funds	\$ 81,050,000	\$ 14,533,767
State Funds	1,900,000	329,684
Debt Issuances	42,000,000	-
Authority Funds	14,350,000	4,468,864
Total	\$ 139,300,000	\$ 19,332,315

Additional information about capital assets can be found under “Note 7 – Capital Assets” in the Notes to the Financial Statements.

LONG-TERM DEBT ADMINISTRATION

The Authority issued Airport Revenue Bonds to provide funds for the acquisition and construction of major capital facilities. Airport Revenue Bonds are direct obligations and are pledged by the full faith and credit of the Authority. Certain outstanding bonds may be redeemed prior to their normal maturity dates in accordance with the terms of the related bond indentures. The Authority has never defaulted on any principal or interest payments.

The Authority's limit for Debt Obligations was increased from \$175 million to \$285 million during 2004 by State legislation enacted (Chapter 500), amending the Albany County Airport Authority Act, Title 32 of Article 8, of the New York State Public Authorities Law. The total Authority principal debt outstanding at December 31, 2011 for General Airport Revenue Bonds (GARB) is \$128,975,000 compared to \$136,605,887 at December 31, 2010, not including the County of Albany General Obligation (GO) Bonds which the Authority is obligated to reimburse for various airport projects financed by the County before the Authority was created, that are not covered by the debt limitation. Specific details on all the outstanding debt issues are in Note 8 to the financial statements of this report. The aggregate par amount of bonds issued by the Authority and bond related debt owed to the County of Albany outstanding as of December 31, 2010 and 2011 is summarized in the following table:

	Original Par Amount Issue	Outstanding at 12-31-10	Outstanding at 12-31-11
Authority Revenue Bonds/Debt Obligations			
1999 NYS EFC	7,895,303	3,905,887	3,530,000
2003 GARB Series A	8,885,000	5,410,000	4,855,000
2004 NYS EFC	388,316	140,000	105,000
2006 GARB Series A & B	14,230,000	12,345,000	11,820,000
2006 GARB Series C	6,330,000	5,940,000	5,800,000
2010 Refunding Series A & B	N/A	108,865,000	102,865,000
Total Authority Debt Obligations	\$ 37,728,619	\$ 136,605,887	\$ 128,975,000
County of Albany General Obligation (GO) bonds	21,100,121	2,454,409	1,510,678
Total Bonds and Debt Obligations	\$ 58,828,740	\$ 139,060,296	\$ 130,485,678

The table above includes provides a comparison of the current amounts of bonds and debt outstanding to the original amounts issued for project financing and reveals the aggregate amount of bonds and debt obligations outstanding declined by \$8,574,618 during 2011. In the table above the bonds and debt obligation are presented on a stated par amount basis. Under generally accepted accounting principles certain items associated with the debts above are deferred and amortized into future periods by subtracting or adding the deferred items to the stated par amounts outstanding and expensing those deferred items in future periods as the debt matures using a systematic and rational method that conforms with generally accepted accounting described in Note 2 and Note 8 to the Financial Statements. The reported amount of bonds issued by the Authority and bond related debt owed to the County of Albany that was outstanding as of December 31, 2010, additions and/or deletions during 2011, and the balances reported at December 31, 2011 with adjustments to the reported value required by generally accepted accounting principles is summarized in the following table:

	Outstanding at 12-31-10	Additions	Deletions	Outstanding at 12-31-11
Authority Revenue Bonds/Debt Obligations				
Bonds Payable				
1999 NYS EFC	\$ 3,905,887	\$ -	\$ (375,887)	\$ 3,530,000
2003 GARB Series A	5,410,000	-	(555,000)	4,855,000
2004 NYS EFC	140,000	-	(35,000)	105,000
2006 GARB Series A & B	12,345,000	-	(525,000)	11,820,000
2006 GARB Series C	5,940,000	-	(140,000)	5,800,000
2010 Series A Refunding	104,755,000	-	(5,235,000)	99,520,000
2010 Series B Refunding	4,110,000	-	(765,000)	3,345,000
Total Bonds Payable	136,605,887	-	(7,630,887)	128,975,000
Deferred Loss on Refunding	(15,507,463)	-	2,202,620	(13,304,843)
Unamortized Premiums/Discounts (net)	6,354,402	-	(934,992)	5,419,410
Net Bonds Payable	127,452,826	-	(6,363,259)	121,089,567
Obligation for County of Albany Bonds (net)	2,454,409	-	(943,731)	1,510,678
Total Long-term Indebtedness	\$ 129,907,235	\$ -	\$ (7,306,990)	\$ 122,600,245

At December 31, 2011 the Authority maintained debt service reserve funds in the amount of \$11.9 million and Passenger Facility Charge Funds in the amount of \$4.3 million, both of which are restricted to repayment of debt. Thus, the Authority's direct obligations outstanding, net of funds restricted for the repayment of debt, was \$106.4 million in aggregate par amount of bonds outstanding. Additional information about the long-term Indebtedness can found under "Note 8 – Long-Term Indebtedness" in the Notes to the Financial Statements.

PASSENGER FACILITY CHARGE (PFC)

The Authority initially received approval from the FAA to impose a PFC of \$3.00 per enplaned passenger beginning March 1, 1994, not to exceed \$40,726,364, principally to finance the Terminal Improvement Program. During 1996, the Authority requested and received approval to increase the amount of PFCs to \$116,888,308 to be collected through the year 2022. Effective September 1, 2009, the Authority implemented an approved change in the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020. Through December 31, 2011, the Authority has collected PFCs, including interest earnings thereon, totaling \$68,343,371, or 58.5% of the total authorized. Passengers pay PFCs on the first two and last two portions of any trip. No PFCs are collected from non-revenue passengers such as a passenger using a frequent flier award ticket. The Authority calculates that it is collecting PFCs on approximately 91.0% of its enplanements. Under the master bond resolution, the Authority calculates the bonded debt service coverage ratio based upon the ratio of net revenues, excluding

PFCs, after payment of operating expenses, to debt service to be funded net of PFCs applied to debt service. For 2011 the bonded debt service coverage ratio was 1.33 compared to 1.27 in 2010 and 1.25 in 2009. Additional information about PFC activity can found under "Note 2 – Summary of Significant Accounting Policies" in the Notes to the Financial Statements.

CREDIT RATINGS AND BOND INSURANCE

The ratings on the Authority's General Airport Revenue Bonds outstanding are enhanced by municipal bond insurance. Bond insurance policies in effect were issued by Assured Guaranty Municipal Corporation (AGMC). The table below presents the enhanced and underlying ratings on each of the Authority's outstanding bonds.

Series *	Bond Insurer	Moody's/Fitch/S&P Enhanced Rating	Moody's/Fitch/S&P Underlying Rating
Series 2010A	AGMC	Aa3/NR/AA-	A3/A-/BBB+
Series 2010B	AGMC	Aa3/NR/AA-	A3/A-/BBB+
2006C	AGMC	Aa3/NR/NR	A3/A-/NR
2006B	AGMC	Aa3/NR/AA-	A3/A-/BBB+
2006A	AGMC	Aa3/NR/AA-	A3/A-/BBB+
2003A	AGMC	Aa3/NR/AA-	A3/A-/BBB+

* Not all maturities within a Series are insured.

NR = Not Rated

Fitch Ratings has withdrawn its insured rating of all bonds insured by AGMC effective February 25, 2010. The Authority's underlying credit ratings remained unchanged during 2011 and are: Moody's Investors Service "A3", Fitch Ratings "A-" and Standard and Poor's "BBB+".

RESERVES

Under the Authority's master bond resolution adopted in 1997, it is required to maintain an operating reserve equal to two months operating expenses. At December 31, 2011 the reserve requirement was \$5.4 million and for which the Authority had \$9.1 million on hand. The Authority also had \$3.9 million in its airport Development Fund which can be used to restore a deficiency in any other fund and it had a repair and replacement reserve fund of \$500,000. Also provided for in the bond resolution for each bond issue, the Authority maintains debt service reserve funds. As of December 31, 2011 the debt service reserve funds totaled \$11.9 million.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority operates as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their estimated useful lives. Certain funds are reported as restricted based upon constraints placed on their use by contributors, grantors and debt covenants. See the Notes to the Financial Statements for a summary of the Authority's significant accounting policies.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report is designed to provide detailed information on the Authority's operations and to the Authority's Board, management, investors, creditors, customers and all others with an interest in the Authority's financial affairs and to demonstrate the Authority's accountability for the assets it controls and the funds it receives and expends. Questions concerning any of the information provided in this report or any request for additional information should be addressed to the Chief Financial Officer by e-mail: boreilly@albanyairport.com or in writing to, Albany County Airport Authority, Administration Building, Suite 204, Albany, NY 12211-1057.

Respectfully submitted,



William J. O'Reilly, CPA
Chief Financial Officer

This page intentionally left blank

Albany County Airport Authority
Statements of Net Assets
As of December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 12,840,930	\$ 11,905,392
Accounts receivable - net	1,919,685	2,252,529
Due from Albany County	-	92,194
Prepaid expenses	983,244	1,020,449
Total Unrestricted Assets	<u>15,743,859</u>	<u>15,270,564</u>
Restricted Assets:		
Capital Funds:		
Cash and cash equivalents	6,937,129	8,002,413
Grant funds receivable	829,087	345,351
Passenger Facility Charge Funds:		
Cash and cash equivalents	4,351,224	4,342,432
Passenger Facility Charges receivable	326,059	355,421
Revenue Bond Funds:		
Cash and cash equivalents	11,763,714	11,803,446
Investments	277,389	277,389
Accrued interest receivable	1,906	1,906
ANCLUC Trust Funds:		
Cash and cash equivalents	195,404	347,296
Concession Improvement Trust Funds:		
Cash and cash equivalents	742,012	697,344
Total Restricted Assets	<u>25,423,924</u>	<u>26,172,998</u>
Total Current Assets	<u>41,167,783</u>	<u>41,443,562</u>
NON-CURRENT ASSETS		
Net Assets held in trust for OPEB	18,722	121,003
Prepaid expenses	367,023	382,458
Deferred charges	2,088,247	2,325,400
Capital Assets:		
Land and easements	46,584,447	45,925,587
Buildings, improvements and equipment, net of depreciation	233,397,924	238,623,249
Construction in progress	1,519,151	1,753,572
Total Capital Assets	<u>281,501,522</u>	<u>286,302,408</u>
Total Non-Current Assets	<u>283,975,514</u>	<u>289,131,269</u>
TOTAL ASSETS	<u>\$ 325,143,297</u>	<u>\$ 330,574,831</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statements of Net Assets
As of December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts payable	\$ 531,172	\$ 761,365
Accrued expenses	2,978,821	3,681,334
Due to Albany County	266,359	-
Accrued interest payable	7,121	12,554
Current maturities of long - term debt	887,148	943,731
Total Payable from Unrestricted Assets	<u>4,670,621</u>	<u>5,398,984</u>
Payable from Restricted Assets:		
Construction contracts payable	271,640	687,031
Construction contract retainages	229,590	451,414
Accrued interest payable	233,060	240,789
ANCLUC Trust funds	-	347,296
Concession Improvement Trust funds	742,012	697,344
Current maturities of long - term debt	6,455,443	6,363,259
Total Payable From Restricted Assets	<u>7,931,745</u>	<u>8,787,133</u>
Total Current Liabilities	<u>12,602,366</u>	<u>14,186,117</u>
NON -CURRENT LIABILITIES		
Accrued interest payable	305,977	281,026
Bonds and other debt obligations	115,257,651	122,600,242
Total Non-Current Liabilities	<u>115,563,628</u>	<u>122,881,268</u>
Total Liabilities	<u>128,165,994</u>	<u>137,067,385</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of Related Debt	168,143,940	165,929,895
Restricted:		
Bond reserve funds	11,809,949	11,841,952
Passenger facility charge funds	4,677,283	4,697,853
Total Restricted:	<u>16,487,232</u>	<u>16,539,805</u>
Unrestricted	<u>12,346,131</u>	<u>11,037,746</u>
Total Net Assets	<u>196,977,303</u>	<u>193,507,446</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 325,143,297</u>	<u>\$ 330,574,831</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
 Statements of Revenues, Expenses and Changes in Net Assets
 For the years ended December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Operating Revenues		
Airfield	\$ 6,620,031	\$ 6,249,734
Fixed Based Operations	10,816,078	8,339,501
Terminal	5,549,272	5,760,454
Concessions	6,531,954	6,135,012
Ground transportation	10,737,419	10,695,016
Other revenue	3,739,595	3,772,841
Total Operating Revenues	<u>43,994,349</u>	<u>40,952,558</u>
Operating Expenses		
Airfield	2,765,968	2,508,930
Fixed Based Operations	8,715,880	6,756,543
Terminal	4,840,165	5,048,330
Loading bridges	249,885	282,504
Landside	4,235,578	4,008,319
Public safety	3,465,540	2,708,579
Aircraft Rescue and Fire Fighting	1,538,966	1,443,497
Vehicle maintenance	1,308,686	1,223,129
Administration	5,552,083	5,907,537
Total Operating Expenses	<u>32,672,751</u>	<u>29,887,368</u>
Revenues in excess of expenses before depreciation	11,321,598	11,065,190
Depreciation	<u>13,406,698</u>	<u>13,585,503</u>
Operating Loss Before Non-Operating Income and Expenses	<u>(2,085,100)</u>	<u>(2,520,313)</u>
Non-Operating Income and (Expenses)		
Passenger Facility Charges	4,832,209	5,043,851
Grant income	1,112,504	3,442,758
Improvement charges	368,400	368,400
Interest income	102,137	196,224
Grant expense	(683,300)	(3,013,773)
Interest expense	(6,971,497)	(5,961,984)
Amortization of bond issue costs	(269,204)	(145,928)
Total Non-Operating Income and (Expenses)	<u>(1,508,751)</u>	<u>(70,452)</u>
Loss before Capital Contributions	(3,593,851)	(2,590,765)
Capital Contributions, Special and Extraordinary Items		
Capital Contributions	7,063,708	5,883,974
Special Item - cost of permanently stalled projects	-	(553,347)
Extraordinary Item - decrease in fair value of land for sale	-	(169,007)
Total Capital Contributions, Special and Extraordinary Items	<u>7,063,708</u>	<u>5,161,620</u>
Net Assets		
Increase in Net Assets	3,469,857	2,570,855
Total Net Assets, beginning of period	<u>193,507,446</u>	<u>190,936,591</u>
Total Net Assets, end of period	<u>\$ 196,977,303</u>	<u>\$ 193,507,446</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statements of Cash Flows
As of December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Cash Flows From Operating Activities		
Cash received from providing services	\$ 44,327,193	\$ 40,707,911
Cash paid to suppliers	(31,992,962)	(28,284,795)
Cash paid to employees	(1,099,021)	(1,154,379)
Net Cash Provided By Operating Activities	<u>11,235,210</u>	<u>11,268,737</u>
Cash Flows From Noncapital Financing Activities		
Grant income	1,112,504	3,442,758
Grant expense	(683,300)	(3,013,773)
Net Cash Provided By Noncapital Financing Activities	<u>429,204</u>	<u>428,985</u>
Cash Flows From Investing Activities		
Interest received	102,137	204,908
Purchase of Investments	-	(277,389)
Sale of investments	-	442,237
Interest on passenger facility charges	11,002	13,940
Net Cash Provided by Investing Activities	<u>113,139</u>	<u>383,696</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	(9,243,027)	(8,080,522)
Principal payments made on bonds and notes payable	(8,574,618)	(3,531,847)
Interest paid	(5,724,131)	(5,931,827)
Payments to refunding agent	-	(125,391,340)
Proceeds from issuance of bonds	-	119,021,872
Cost of issuance	-	(2,007,569)
ANCLUC Trust funds	(347,296)	1,139
Concession Improvement Trust funds	44,668	89,745
Improvement charges	368,400	368,400
Contributed capital	6,579,972	7,077,968
Passenger facility charges	4,850,569	5,036,950
Net Cash Used By Capital and Related Financing Activities	<u>(12,045,463)</u>	<u>(13,347,031)</u>
Net decrease in cash and cash equivalents	(267,910)	(1,265,613)
Cash and cash equivalents, beginning of year	<u>37,098,323</u>	<u>38,363,936</u>
Cash and cash equivalents, end of year	<u>\$ 36,830,413</u>	<u>\$ 37,098,323</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Loss before non-operating income and expenses	\$ (2,085,100)	\$ (2,520,313)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	13,406,698	13,585,503
(Increase) decrease in assets:		
Accounts receivable	332,844	(244,647)
Due from County of Albany	92,194	-
Net Assets held in trust for OPEB	102,281	671
Prepaid expenses	52,640	14,932
Decrease in liabilities:		
Due to County of Albany	266,359	(843,489)
Accounts payable and accrued expenses	(932,706)	1,276,080
Net Cash Provided By Operating Activities	<u>\$ 11,235,210</u>	<u>\$ 11,268,737</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust
 Statements of Fiduciary Fund Net Assets
 As of December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,207,189	\$ 1,051,859
Total Assets	<u>1,207,189</u>	<u>1,051,859</u>
<u>LIABILITIES</u>		
Accounts payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>		
Net assets held in trust for OPEB	1,207,189	1,051,859
Total Liabilities and Net Assets	<u>\$ 1,207,189</u>	<u>\$ 1,051,859</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust
 Statements of Changes in Fiduciary Fund Net Assets
 For the years ended December 31, 2011 and December 31, 2010

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Additions to Net Assets Attributed to:		
Contributions		
Employer	\$ 151,000	\$ 271,716
Interest Income	4,330	2,848
Total Additions	<u>155,330</u>	<u>274,564</u>
Deductions from Net Assets Attributed to:		
Retirement benefits	-	-
Administrative expenses	-	-
Total Deductions	<u>-</u>	<u>-</u>
Increase in Net Assets	<u>155,330</u>	<u>274,564</u>
Net Assets Held in Trust for OPEB, Beginning of Year	<u>1,051,859</u>	<u>777,295</u>
Net Assets Held in Trust for OPEB, End of Year	<u>\$ 1,207,189</u>	<u>\$ 1,051,859</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Notes to Financial Statements

Note	Page
1	Organization and Reporting Entity43
2	Summary of Significant Accounting Policies44
3	Cash, Cash Equivalents and Investments49
4	Receivables50
5	ANCLUC Trust Funds50
6	Due To / (From) County of Albany50
7	Capital Assets51
8	Long-Term Indebtedness52
9	Contributed Capital and Net Assets65
10	Airline Lease and Use Agreements.....66
11	Airport Tenant Agreements66
12	Pension Plan67
13	Other Post Employment Benefits (OPEB).....67
14	Risk Management69
15	Commitments and Contingencies70

ALBANY COUNTY AIRPORT AUTHORITY

Notes to Financial Statements

December 31, 2011 and December 31, 2010

NOTE 1 - Organization and Reporting Entity

Organization:

The Albany County Airport Authority (Authority), a body corporate and politic, constituting a public benefit corporation, was established by the State of New York (State) August 4, 1993, pursuant to the provisions of Chapter 686 of the Laws of 1993 as set forth in Title 32 of the State's Public Authorities Law. As a public benefit corporation, the Authority is independent, distinct from, and not an agent of the State or any other of the State's political subdivisions, including the County of Albany (County).

The Authority consists of seven members, four appointed by the majority leader of the County Legislature and three by the County Executive, who jointly designate one of the seven members as chairperson, and all with approval of the County Legislature. The Authority members serve for a term of four years or until their successor is appointed, except that any person appointed to fill a vacancy will be appointed to serve only the unexpired term. Members of the Authority are eligible for reappointment.

On March 15, 1994, the Authority and the County entered into an Interim Agreement, whereby the County granted, and the Authority accepted, sole possession, use, occupancy and management of the Airport, including all rights, interest, powers, privileges and other benefits in each and every contract relating to the maintenance, operation, leasing, management or construction of the Airport, and all other rights, privileges or entitlement necessary to continue to use, operate and develop the Airport.

The Authority and the County entered into a permanent Airport Lease Agreement, dated December 5, 1995, which upon its approval by the Federal Aviation Administration (FAA) became effective on May 16, 1996 for a term of forty (40) years, whereby the Authority has the exclusive right to operate, maintain and improve the Airport and do anything else permitted by law, subject only to the restrictions and conditions stated in such Airport Lease Agreement and in accordance with applicable Federal, State and local laws.

Pursuant to the State enabling Legislation, the Authority may not undertake any capital project, other than the redevelopment project described in the enabling legislation, known as the Terminal Improvement Program (see Note 15), unless the project has first been approved by the County as part of a five-year Capital Improvement Program. For these purposes, the term "capital project" is defined as the construction, reconstruction or acquisition of airport or aviation facilities.

Prior to March 15, 1994, the Airport operated as a fund of the County. As of March 15, 1994 the County transferred the use of all assets and substantially all liabilities of the County's Airport Enterprise Fund to the Authority. These assets and liabilities were recorded by the Authority at a Net Asset value equal to \$46,824,500.

The Authority is not subject to Federal, State or local income, property or sales taxes, except for property taxes due on properties acquired by the Authority until they are removed from the tax rolls as of the next assessment date. However, the Authority may agree to make certain payments in lieu of taxes for real property owned or used by the Authority for purposes other than public aviation purposes and under other limited circumstances.

The Authority has contracted with AFCO AvPorts Management LLC, (d/b/a Avports), to manage the daily operations of the airport under a three year term expiring December 31, 2015. The Authority has also contracted with REW Investments, Inc., (d/b/a Million Air), to manage the fixed based operations of the airport under a five year term expiring August 31, 2013. Both agreements are renewable with the approval of both parties.

Reporting Entity:

The Authority meets the criteria set forth in generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the County's basic financial statements based on the County's responsibility for the appointment of the Authority members, and their approval of capital programs and certain debt issuances. As such, the Authority is included in the County's basic financial statements. The accompanying financial statements present the financial position and the changes in net assets and cash flows of the Authority only. The Authority is not involved in any joint ventures.

The Authority has established a written, single employer, defined benefit plan to provide healthcare benefits to eligible former employees and/or their qualifying dependents. The Authority also established a legally separate trust known as the Albany County Airport Authority OPEB Trust to receive and manage contributions from the Authority to fund its obligations for retiree health care benefits under the written plan. The Albany County Airport Authority OPEB Trust is included in the Authority's financial statements as a separate Fiduciary Fund of the Authority under accounting principles promulgated by GASB.

NOTE 2 - Summary of Significant Accounting Policies**Basis of Accounting:**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of the GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the Authority has elected not to apply all Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

The Authority's operations are presented as a single enterprise fund. Enterprise funds distinguish operating revenues and expenses from non-operating items in accordance with the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net assets, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Revenues from airlines, FBO operations, concessions, property rentals, operating permits, and parking fees are reported as operating revenues. All expenses related to operating the Airport are reported as expenses. Passenger facility charges, noncapital grants, capital improvement charges, interest and investment income are reported as non-operating income. Interest expense, financing costs and grant expenses are reported as non-operating expenses. Capital contributions, special and extraordinary items are reported separately after non-operating revenues and non-operating expenses.

Cash, Cash Equivalents and Investments:

The deposit and investment of Authority monies is governed by provisions in its enabling legislation and by a Cash Management and Investment Policy adopted by the Authority on September 13, 1994 and last amended December 7, 2009. Any bank or trust company with a full service office in the County is authorized for the deposit of monies up to the maximum amount of \$35 million for operating funds and \$35 million for capital funds.

Monies not needed for immediate expenditure may be invested in (1) United States Treasury obligations with maturities of seven years or less, (2) obligations backed by the United States Government full faith and credit, (3) New York State, New York State agency or New York State subdivisions (cities, towns, villages, counties) obligations with, (4) certificates of deposit fully collateralized from a bank or trust company in New York State, (5) notes, bonds, debentures, mortgages and other evidences of indebtedness of certain agencies sponsored by the United States government provided at the time of investment such agency or its obligations are rated and the agency receives, or its obligations receive, the highest rating of all independent rating agencies that rate such agency or its obligations, and (6) repurchase agreements using United States Treasury obligations with maturities of seven years or less. Investments are stated at fair value or amortized cost.

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents, which are stated at cost, consist of certificates of deposit, and treasury notes. Investments are reported at fair value.

Note 3 sets forth information about the use of federal depository insurance (FDIC) and collateralization to insure the Authority's deposits.

Receivables:

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, aviation industry trends and current information regarding the credit worthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Restricted Assets:

Restricted assets consist of monies and other resources which are restricted legally as described below:

Capital Funds - These assets represent capital debt proceeds and grant funds that are restricted for designated capital projects and cannot be expended for any other item.

Passenger Facility Charges Funds - These assets represent Passenger Facility Charges (PFC) collections based on an approved FAA application to "Impose" such charges on enplaned passengers at the Airport. These funds are restricted for designated capital projects and any debt incurred to finance the construction of those projects. The Authority recognizes and reports as other income PFCs earned when all conditions have been met that entitles the Authority to retain the PFCs. PFCs received prior to this time are reported as restricted net assets.

Revenue Bond Funds - These assets represent Series 2003, 2006 and 2010 general airport revenue bond (GARB) proceeds and Series 1999 and 2004 Environmental Facilities Corporation (EFC) bond proceeds held in Bond Reserve Accounts. Bond reserve accounts for the 2010 Series Bonds equal 125% of the average annual debt service due on bonds at the time of issuance. Bond Reserve Accounts on the 1999 Series Bonds through 2006 Series Bonds equal the maximum annual amount of principal and interest payments due on the bonds.

ANCLUC Trust Funds - These assets represent Airport Noise Control and Land Use Compatibility (ANCLUC) program funds. These Airport funds were generated through the sale or rental of airport noise abatement properties acquired with Federal and State aid and interest earnings thereon. The use of such revenues is restricted to Airport Improvement Program eligible project costs contingent upon FAA concurrence.

Concession Improvement Trust Funds - These assets represent 1% of gross revenues of all food and beverage and retail concessions held in escrow to potentially fund the planning, developing, construction, remodeling, renovating or replacing of any of the concessionaire's leased area during the term of the concession agreement. Use of the funds during the term of the lease is subject to the Authority's sole approval. Funds remaining at the end of a concession agreement are retained by the Authority.

Capital Assets:

Capital Assets assumed by the Authority on March 15, 1994 are carried at historical cost, net of accumulated depreciation. Subsequent acquisitions of new assets and expenditures which substantially increase the useful lives of existing assets exceeding \$50,000 are recorded at cost.

Maintenance and repairs are expensed as incurred. When depreciable assets are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to an expense. Capital Assets are written off when fully depreciated unless clearly identified as still being in use. Capital Assets are written-down due to impairment if circumstances indicate a significant or unexpected decline in an assets service utility has occurred. Impaired Capital assets are written down using an approach that best reflects the decline in service utility. Assets to be disposed of and assets held for sale are reported at the lower of carrying value or fair value less costs to dispose of.

Depreciation of capital assets is computed using the straight-line method at various rates considered adequate to allocate costs over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

	<u>Years</u>
Buildings and improvements	30
Vehicles, machinery and equipment	5-15

Capitalization of Interest:

Interest costs incurred that relate to the acquisition or construction of capital assets acquired with tax-exempt debt are capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested debt proceeds over the same period. Capitalized interest cost is prorated to completed projects based on the completion date of each project. No interest was capitalized in 2011 or 2010.

Bond Issue Costs, Original Issue Discount and Deferred Loss on Bond Refundings:

Bond issue costs are deferred and amortized over the life of the respective issue on an effective interest method. Original issue discounts and deferred loss on refundings on long-term indebtedness are amortized using the effective interest method over the life of the debt to which it relates. Interest on capital appreciation debt is accreted using the effective interest method.

Capital Contributions:

Certain expenditures for airport capital assets are significantly funded through the Airport Improvement Program (AIP) of the Federal Aviation Administration (FAA), with certain matching funds provided by the State and the Authority, or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studies are reported in the *Statements of Revenues, Expenses and Changes in Net Assets*, after other income and expenses, as capital contributions.

Revenue Recognition:

Airfield Landing Fee Charges - Landing fees are principally generated from scheduled airlines, cargo carriers and non-scheduled commercial aviation and are based on the gross landed weight of the aircraft. The estimated landing fee structure is determined annually pursuant to an agreement between the Authority and the signatory airlines based on the adopted operating budget of the Authority and is adjusted at year end for the actual landed weight of all aircraft. Landing fees are recognized as revenue when the related facilities are utilized.

FBO, Terminal Rents, Concessions and Ground Transportation - FBO revenues are generated from commercial and general aviation users, rental and concession fees are generated from airlines, parking lots, food and beverage, retail, rental cars, advertising and other commercial tenants. Leases are for terms from one to ten years and generally require rentals based on the volume of business, with specific minimum annual rental payments required. Rental revenue is recognized over the life of the respective leases and concession revenue is recognized based on reported concessionaire revenue.

Other - All other types of revenues are recognized when earned.

Special Items and Extraordinary Items:

Special Items - Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

Extraordinary Items - Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence.

Passenger Facility Charges:

Passenger Facility Charges (PFC) at the rate of \$3 per enplaned passenger have been levied by the Airport since March 1, 1994 under an FAA approved application to impose \$40,726,364 with collection thereof estimated to be complete in the year 2005. During 1996, the Authority received approval to increase the amount of PFC collections to \$116,888,308 extending the estimated collection period through the year 2022. In 2009, the Authority received approval to change the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020. Through December 31, 2011, the Authority has collected PFCs including interest earnings thereon totaling \$68,343,371.

PFCs, along with related interest earnings, are recorded as restricted net assets until authorized for construction and related debt service payments under an FAA approved Application to Use. Once authorized to use, PFC receipts are recognized and recorded as non-operating revenues.

The Authority previously expended \$11.2 million of PFCs on projects funded on a pay-as-you-go basis. The Authority also covenanted in the Resolution authorizing the Series 2010A Refunding Bonds to apply future PFC collections to pay a portion of the debt service related to the FAA approved projects included in the Applications. Pursuant to the Resolution, PFCs collected and deposited in a segregated account, together with the interest earned thereon, are applied towards the subsequent debt service payments reducing the amount of debt to be funded from net operating revenue. Through December 2011, the Authority has applied \$52.7 million of PFC's towards the payment of debt service.

Compensated Absences:

Employees accrue vacation in varying amounts based on length of service. Employees can accumulate up to 300 hours, or 37.5 days of vacation time. Unused vacation time can be liquidated for cash upon separation, retirement or death.

Sick leave is earned by regular, full-time employees at the rate of one day per month. Employees can accumulate up to 1,320 hours or 165 days of sick leave. Any sick leave hours unused at the time of an employee's retirement can be applied as additional service credit in calculating retirement benefits in the New York State Employees' Retirement System. It is the policy of the Authority not to pay accumulated sick leave to employees who terminate prior to retirement.

The liability for compensated absences earned through year-end, but not yet taken, is accrued by charging the expense for the change in the liability from the prior year.

Pension Plan:

The provision for retirement pension cost is recorded when the related payroll is accrued and the obligation is incurred.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, through subsequent events, actual results could differ from those estimated. Some estimates, such as the liability for Other Post Employment Benefits (OPEB) (Note 13) have the potential to vary more significantly over time than other estimates.

Adoption of New Accounting Standards:

During the fiscal year ended December 31, 2010, the Authority adopted Governmental Accounting Standards Board Statement Number 51 - *Accounting and Financial Reporting for Intangible Assets* and Statement Number 53 - *Financial Reporting for Derivative Instruments*. Intangible assets include, but are not limited to items of a nonfinancial nature such as land easements, right of ways, and software that was internally generated or significantly customized. The adoption GASB Statement Number 51 did not have an impact on the Authority's financial statements. The adoption of GASB Statement Number 53 resulted in the restatement of the Authority's Statement of Net Assets for 2009 in order to report the Fair Value of an Interest Rate Exchange Agreement (swap agreement), which reduced the Authority's exposure to potentially higher future interest rates on then outstanding variable rate debt. The swap agreement was terminated during 2010 when the variable rate debt it was integrated with was refunded with fixed rate debt.

NOTE 3 - Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the Authority at December 31 consist of the following:

	Carrying Value		Bank Balance	
	2011	2010	2011	2010
Cash and Cash Equivalents				
Cash on hand	\$ 108,210	\$ 53,998		
Cash in bank accounts	36,722,203	37,044,325	\$ 38,179,462	\$ 38,444,726
Total Cash and Cash Equivalents	<u>36,830,413</u>	<u>37,098,323</u>		
Investments				
U.S. Treasury SLUG bond maturing 2019 at 5.073%	277,389	277,389		
Total Investments	<u>277,389</u>	<u>277,389</u>		
Total cash, cash equivalents and investments	<u>\$ 37,107,802</u>	<u>\$ 37,375,712</u>		

The Authority's deposits were secured by insurance from the Federal Depository Insurance Corporation (FDIC) covering \$687,508 on December 31, 2011 and \$2,334,517 on December 31, 2010 plus \$36,535,674 and \$37,506,395 of pledged collateral held by a third party trustee bank at December 31, 2011 and 2010,

respectively. The current FDIC insurance program provides unlimited coverage on accounts that pay no interest. The majority of the Authority's bank accounts are interest bearing and not eligible for the expanded FDIC insurance program. Accordingly, FDIC insured amounts vary daily. All investments were registered in the Authority's name.

NOTE 4 - Receivables

Accounts receivable are recorded net of allowances for possible uncollectible accounts.

	As of 12-31-11	As of 12-31-10
Airlines	\$ 1,251,016	\$ 1,415,334
Concessions	55,832	44,528
Other	612,837	792,667
Sub-Total	1,919,685	2,252,529
Less Allowances	-	-
Net Accounts Receivable	<u>\$ 1,919,685</u>	<u>\$ 2,252,529</u>

NOTE 5 - ANCLUC Trust Funds

Changes in the Federal Airport Noise Control Land Use Compatibility (ANCLUC FAR150) Trust Fund are as follows:

	As of 12-31-11	As of 12-31-10
Opening Balance	\$ 347,296	\$ 346,157
Revenues received	-	-
Funds expended	(347,227)	-
Funds transferred	195,325	-
Interest received	10	1,139
Ending Balance	<u>\$ 195,404</u>	<u>\$ 347,296</u>

During 2009 the Authority deposited \$311,923 to convert certain land to Airport Revenue Property in conformance with the requirements of FAA Program Guidance Letter (PGL) 08-02. The Authority also released \$228,560 from the fund representing the \$166,175 in previously restricted revenue and \$62,385 representing the State and Authority original proportional share interest in the funds deposited in satisfaction of PGL 08-02. In 2011 the Authority received \$195,325 in net proceeds from the sale of land pursuant to the PGL 08-02.

NOTE 6 - Due to/(from) County of Albany

The net amount due to the county consists of the following:

	As of 12-31-11	As of 12-31-10
Reimbursement of expenses due to/(from) County	\$ 266,359	\$ (92,194)
	<u>\$ 266,359</u>	<u>\$ (92,194)</u>

The County provides certain services to the Authority including sheriff officers for public safety, code enforcement inspections, sewer district charges, various support services and the Airport's share of the County's indirect cost allocation plan. The total expenditures incurred by the Authority during the years ended December 31, 2009 and 2010 totaled \$3,269,950 and \$3,601,413, respectively, including \$1,027,784 and \$1,085,890, respectively, representing the Airport's reimbursement of debt service payments on the County's general obligation debt issued for Airport capital projects.

NOTE 7 - Capital Assets

Capital Assets balances and activity for the year ended December 31, 2011 was as follows:

	Total 12-31-10	Additions/ Deletions	Transfers	Total 12-31-11
Capital Assets that are not depreciated:				
Land and Easements	\$ 45,925,587	(195,404)	\$ 854,264	\$ 46,584,447
Construction in Progress	1,753,572	\$ 8,943,045	(9,177,466)	1,519,151
Total	47,679,159	8,747,641	(8,323,202)	48,103,598
Capital Assets that are depreciated:				
Buildings	201,118,389	(10,800)	26,420	201,134,009
Improvements, other than buildings	185,996,216	(74,846)	6,976,146	192,897,516
Machinery and Equipment	13,770,821	(1,433,242)	1,320,636	13,658,215
Sub-total	400,885,426	(1,518,888)	8,323,202	407,689,740
Less accumulated depreciation:				
Buildings	(76,841,235)	(6,641,161)		(83,482,396)
Improvements	(76,503,254)	(5,679,707)		(82,182,961)
Machinery and Equipment	(8,917,688)	291,229		(8,626,459)
Sub-total	(162,262,177)	(12,029,639)	-	(174,291,816)
Total depreciable Capital Assets, net	238,623,249	(13,548,527)	8,323,202	233,397,924
Total Capital Assets, Net	\$ 286,302,408	\$ (4,800,886)	\$ -	\$ 281,501,522

During 2010 the Authority determined that two airport improvement projects began before the 2008 recession and airline contraction are now permanently stalled and has written down the cost invested in these projects to zero by recognizing a Special Item expense of \$553,347 as an impaired asset write down. During 2010 the Authority also held land for sale pursuant to a 2008 Federal Aviation Administration Program Guidance Letter and has determined that it is likely it will sell the land for less than its' carrying value. As a result of the regulatory requirement to dispose of this land, the Authority wrote down the carrying value of the land held for disposal to the expected market value based sales proceeds less costs to dispose of it. This write down of land held for disposal has been reported as an Extraordinary Item expense of \$169,007. During 2011, the Authority disposed of machinery and equipment with a capitalized cost of \$1,433,242 that was fully depreciated. This amount was also removed from accumulated depreciation. Also during 2011, the Authority sold land with a carrying rate of \$195,404 and removed this from the reported amount of land and easements.

NOTE 8 - Long-Term Indebtedness

A summary of the changes in the Authority's long-term indebtedness outstanding and the amount due to the County during 2011 were as follows:

	Outstanding at 12-31-10	Additions	Deletions	Outstanding at 12-31-11
Authority Revenue Bonds/Debt Obligations				
Bonds Payable				
1999 NYS EFC	\$ 3,905,887	\$ -	\$ (375,887)	\$ 3,530,000
2003 GARB Series A	5,410,000	-	(555,000)	4,855,000
2004 NYS EFC	140,000	-	(35,000)	105,000
2006 GARB Series A & B	12,345,000	-	(525,000)	11,820,000
2006 GARB Series C	5,940,000	-	(140,000)	5,800,000
2010 Series A Refunding	104,755,000	-	(5,235,000)	99,520,000
2010 Series B Refunding	4,110,000	-	(765,000)	3,345,000
Total Bonds Payable	136,605,887	-	(7,630,887)	128,975,000
Deferred Loss on Refunding	(15,507,463)	-	2,202,620	(13,304,843)
Unamortized Premiums/Discounts (net)	6,354,402	-	(934,992)	5,419,410
Net Bonds Payable	127,452,826	-	(6,363,259)	121,089,567
Obligation for County of Albany Bonds (net)	2,454,409	-	(943,731)	1,510,678
Total Long-term Indebtedness	\$ 129,907,235	\$ -	\$ (7,306,990)	\$ 122,600,245

Authority Outstanding Debt Issues:**1999 Series A NYS Environmental Facilities Corporation Bonds**

In 1998, the Authority, through the New York State Environmental Facilities Corporation (EFC), entered into a \$7.5 million Series A, no interest, loan agreement with the New York State Water Pollution Control Revolving Fund to finance the total construction of a new glycol wastewater treatment system. In July 1999, the loan was replaced with a new twenty year bond issued by the EFC. Under the Agreement with the EFC, the interest on the first \$3 million was and is 100 percent subsidized and the remaining \$4.5 million was and is 50 percent subsidized by the New York State Water Pollution Control Revolving Fund. During 2010, EFC refunded bonds they had previously issued to provide financing to the Authority and reduce the amount of the remaining debt service due from the Authority to EFC. On June 24, 2010 the Authority's obligation to EFC on the remaining partially subsidized bonds then outstanding was amended and restated to lower the Authority's cost of borrowing on the remaining bonds outstanding. The net carrying amount on the 1999 Series A EFC Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
1999 Series A Airport Revenue Bond Issue:		
Principal paid annually on October 1, in payments of \$385,000 in 2012 to \$699,000 in 2019 with interest at 0.972% to 3.382% due semi-annually on April 15 and October 15	\$ 3,530,000	\$ 3,905,887
Less amortization of:		
Deferred Loss	(14,644)	(17,838)
Cost of Issuance	(9,923)	(12,089)
Net 1999 Series A Revenue Bond net carrying amount	3,505,433	3,875,960
Less current portion including amortization	380,115	370,387
Long - Term Portion	<u>\$ 3,125,318</u>	<u>\$ 3,505,433</u>

Maturities of the long-term 1999 Series A Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Int. Subsidy	Total
2012	\$ 385,000	\$ 60,600	\$ (25,819)	\$ 419,781
2013	390,000	57,493	(24,265)	423,228
2014	396,000	53,528	(22,283)	427,245
2015	401,000	48,579	(19,808)	429,770
2016	412,000	42,675	(16,856)	437,819
2017-2019	1,546,000	81,529	(27,321)	1,600,208
TOTAL	<u>\$ 3,530,000</u>	<u>\$ 344,403</u>	<u>\$ (136,353)</u>	<u>\$ 3,738,051</u>

2003 Series A General Airport Revenue Bonds

In May 2003, the Authority issued \$8,885,000 of General Airport Revenue Bonds to finance various land, hangars, and equipment acquisitions, apron and runway expansions, taxiway, runway and hangar rehabilitations, certain terminal expansion and leasehold improvements. These twenty year General Airport Revenue Bonds with principal payments due in the years 2004 through 2033 were sold at a net interest cost of 3.79%. The net carrying amount of the 2003 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2003 Series A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$570,000 in 2012 to \$135,000 in 2033 with interest at 3.0% to 4.25% due semi-annually on June 15 and December 15	\$ 4,855,000	\$ 5,410,000
Less amortization of:		
Cost of Issuance	<u>(276,105)</u>	<u>(274,072)</u>
Net 2003 Series A GARB net carrying amount	4,578,895	5,135,928
Less current portion including amortization	<u>548,879</u>	<u>557,033</u>
Long - Term Portion	<u>\$ 4,030,016</u>	<u>\$ 4,578,895</u>

Maturities of the long-term 2003 Series A General Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 570,000	\$ 174,963	\$ 744,963
2013	585,000	157,863	742,863
2014	335,000	140,313	475,313
2015	335,000	129,844	464,844
2016	345,000	118,956	463,956
2017-2021	1,220,000	427,018	1,647,018
2022-2026	645,000	244,793	889,793
2027-2031	560,000	128,136	688,136
2032-2033	260,000	16,787	276,787
TOTAL	<u>\$ 4,855,000</u>	<u>\$ 1,538,673</u>	<u>\$ 6,393,673</u>

2004 Series B NYS Environmental Facilities Corporation Bonds

In 2004 the Authority, through the New York State Environmental Facilities Corporation (EFC) entered into a \$388,316 Series 2004 B loan agreement with the New York State Water Pollution Control Revolving Fund to finance a portion of the costs for the construction of certain water and sewer system improvements in the Airport's Industrial Park. The bonds dated March 4, 2004 pay principal annually and interest semi-annually until final maturity in November 15, 2013. The bonds were sold by the EFC at a 3.42% true interest cost. Under the agreement with the EFC, the interest thereon is 50% subsidized by the New York State Water Pollution Control Revolving Fund. The net carrying amount of the 2004 Series B NYS EFC Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2004 Series B Airport Revenue Bond Issue:		
Principal paid annually on November 15, in payments of \$35,000 in 2012 to \$70,000 in 2013 with interest at 2.955% to 3.375% due semi-annually on May 15 and November 15	\$ 105,000	\$ 140,000
Less amortization of:		
Cost of Issuance	<u>(1,392)</u>	<u>(1,855)</u>
Net 2004 Series B issue net carrying amount	103,608	138,145
Less current portion including amortization	<u>34,537</u>	<u>34,537</u>
Long - Term Portion	<u>\$ 69,071</u>	<u>\$ 103,608</u>

Maturities of the long-term on the 2004 Series B Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Int. Subsidy	Total
2012	\$ 35,000	\$ 3,474	\$ (1,336)	\$ 37,138
2013	70,000	2,362	(668)	71,694
TOTAL	<u>\$ 105,000</u>	<u>\$ 5,836</u>	<u>\$ (2,004)</u>	<u>\$ 108,832</u>

2006 Series A & B General Airport Revenue Bonds

In 2006, the Authority closed on the sale of two General Airport Revenue Bond issues totaling \$14,230,000. The bonds were sold to finance capital projects at the Albany International Airport:

The 2006 Series A (non AMT) issue totaling \$6,315,000 was sold to finance certain property acquisitions, parking expansions and to purchase equipment used in the operation of the Airport. These twenty year Airport revenue bonds with principal payments due in the years 2020 through 2026 were competitively sold at a net interest cost of 4.57%. The net carrying amount on the 2006 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2006 Series A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$500,000 in 2020 to \$1,080,000 in 2026 with interest at 4.25% to 5.0% due semi-annually on June 15 and December 15	\$ 6,315,000	\$ 6,315,000
Less Amortization of:		
Cost of Issuance	<u>4,229</u>	<u>4,229</u>
Net 2006 Series A GARB net carrying amount	6,319,229	6,319,229
Less current portion including amortization	<u>—</u>	<u>—</u>
Long - Term Portion	<u>\$ 6,319,229</u>	<u>\$ 6,319,229</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ -	\$ 290,650	\$ 290,650
2013	-	290,650	290,650
2014	-	290,650	290,650
2015	-	290,650	290,650
2016	-	290,650	290,650
2017-2021	1,360,000	1,428,250	2,788,250
2022-2026	4,955,000	680,625	5,635,625
TOTAL	<u>\$ 6,315,000</u>	<u>\$ 3,562,125</u>	<u>\$ 9,877,125</u>

2006 Series A & B General Airport Revenue Bonds, Con't

The 2006 Series B (AMT) issue totaling \$7,915,000 was sold to finance certain terminal renovations, general aviation hangar renovations, construction of additional general aviation T-hangars, fuel farm upgrades and equipment for use by airport management contractors. These fourteen year Airport revenue bonds with principal payments due in the years 2007 through 2020 were competitively sold at a net interest cost of 4.70%. The net carrying amount on the 2006 Series B General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2006 Series B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$550,000 in 2012 to \$300,000 in 2020 with interest at 4.5% to 4.75% due semi-annually on June 15 and December 15	\$ 5,505,000	\$ 6,030,000
Less Amortization of:		
Cost of Issuance	<u>8,296</u>	<u>10,191</u>
Net 2006 Series B GARB net carrying amount	5,513,296	6,040,191
Less current portion including amortization	<u>557,901</u>	<u>526,895</u>
Long - Term Portion	<u>\$ 4,955,395</u>	<u>\$ 5,513,296</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 550,000	\$ 261,488	\$ 811,488
2013	575,000	235,363	810,363
2014	605,000	208,050	813,050
2015	635,000	179,312	814,312
2016	660,000	149,150	809,150
2017-2020	2,480,000	267,187	2,747,187
TOTAL	<u>\$ 5,505,000</u>	<u>\$ 1,300,550</u>	<u>\$ 6,805,550</u>

2006 Series C General Airport Revenue Bonds

In December 2006, the Authority issued \$6,330,000 General Airport Revenue Bonds to finance the construction of an aviation service and maintenance facility. These Airport revenue bonds with principal payments due in the years 2007 through 2035 were competitively sold at a net interest cost of 4.56%. The net carrying amount on the 2006 Series C General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2006 Series C General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$145,000 in 2012 to \$380,000 in 2035 with interest at 4.0% to 4.25% due semi-annually on June 15 and December 15	\$ 5,800,000	\$ 5,940,000
Less amortization of:		
Cost of Issuance	<u>(104,176)</u>	<u>(106,508)</u>
Net 2006 Series C GARB net carrying amount	5,695,824	5,833,492
Less current portion including amortization	<u>142,431</u>	<u>137,668</u>
Long - Term Portion	<u>\$ 5,553,393</u>	<u>\$ 5,695,824</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 145,000	\$ 256,063	\$ 401,063
2013	150,000	250,263	400,263
2014	160,000	244,263	404,263
2015	165,000	237,863	402,863
2016	170,000	231,263	401,263
2017-2021	960,000	1,048,189	2,008,189
2022-2026	1,175,000	829,626	2,004,626
2027-2031	1,455,000	554,988	2,009,988
2032-2035	1,420,000	181,750	1,601,750
TOTAL	<u>\$ 5,800,000</u>	<u>\$ 3,834,268</u>	<u>\$ 9,634,268</u>

The facility financed by these bonds was constructed for and initially leased to Eclipse Aviation. In late 2008 Eclipse Aviation filed for bankruptcy reorganization which in early 2009 was converted to a Chapter 7 liquidation. On August 31, 2009 the Authority received notice from the bankruptcy trustee that bankruptcy estate of Eclipse Aviation formally rejected its lease with the Authority. The Authority received \$133,750 in lease payments related to this facility in 2009. In January 2010, the Authority hired a commercial real estate broker to locate a new tenant for the facility. During 2011 the Authority rented the hangar space to transient general aviation aircraft storage tenants while it continued to search for a major tenant.

2010 Series A General Airport Revenue Refunding Bonds

In August of 2010, the Authority issued \$105,745,000 (non AMT) of General Airport Revenue Refunding Bonds to refund the 1998 Series B Airport Revenue Bonds, the 2000 Series B Airport Revenue Bonds, and the 2008 Series A Airport Revenue Bonds. The net carrying amount on the 2010 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2010 Series A General Airport Revenue Refunding Bond Issue:		
Principal paid annually on December 15, in payments of \$5,335,000 in 2012 to \$690,000 in 2030 with interest at 2.00% to 5.00% due semi-annually on June 15 and December 15	\$ 99,520,000	\$ 104,755,000
Plus amortization of:		
Bond Premium	5,419,410	6,354,402
Less amortization of:		
Deferred Loss on Refunding	(12,604,645)	(14,473,364)
Cost of Issuance	(1,651,977)	(1,855,017)
Net 2010 Series A GARB issue net carrying amount	90,682,788	94,781,021
Less current portion including amortization	4,285,116	4,098,233
Long - Term Portion	<u>\$ 86,397,672</u>	<u>\$ 90,682,788</u>

Maturities of the long-term 2010 Series A General Airport Revenue Refunding Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 5,335,000	\$ 4,293,181	\$ 9,628,181
2013	5,505,000	4,124,481	9,629,481
2014	5,675,000	3,959,331	9,634,331
2015	5,845,000	3,789,081	9,634,081
2016	6,980,000	3,575,231	10,555,231
2017-2021	32,465,000	12,989,856	45,454,856
2022-2026	35,115,000	5,447,238	40,562,238
2027-2030	2,600,000	295,225	2,895,225
TOTAL	<u>\$ 99,520,000</u>	<u>\$ 38,473,625</u>	<u>\$ 137,993,625</u>

2010 Series B General Airport Revenue Refunding Bonds

In August of 2010, the Authority issued \$4,110,000 General Airport Revenue Refunding Bonds (Taxable) to pay a portion of the termination payment for the interest rate exchange agreement integrated with the 2008 Series A bonds refunded at the same time. The net carrying amount on the 2010 Series B General Airport Revenue Bonds consists of the following:

	As of 12-31-11	As of 12-31-10
2010 Series B General Airport Revenue Refunding Bond Issue:		
Principal paid annually on December 15, in payments of \$790,000 in 2012 to \$885,000 in 2015 with interest at 3.03% to 4.60% due semi-annually on June 15 and December 15	\$ 3,345,000	\$ 4,110,000
Less amortization of:		
Deferred Loss on Refunding	(685,554)	(1,016,261)
Cost of Issuance	<u>(36,639)</u>	<u>(54,313)</u>
Net 2010 Series B GARB issue net carrying amount	2,622,807	3,039,426
Less current portion including amortization	<u>506,464</u>	<u>416,619</u>
Long - Term Portion	<u>\$ 2,116,343</u>	<u>\$ 2,622,807</u>

Maturities of the long-term 2010 Series B General Airport Revenue Refunding Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 790,000	\$ 136,538	\$ 926,538
2013	820,000	108,651	928,651
2014	850,000	76,835	926,835
2015	885,000	40,740	925,740
TOTAL	<u>\$ 3,345,000</u>	<u>\$ 362,764</u>	<u>\$ 3,707,764</u>

Refunding of Debt

During 2010 the Authority refunded \$113.6 million in debt by issuing \$112.4 million in new debt and using \$8.4 million of the Authority's funds on hand at the time of the refunding.

On June 24, 2010 the Environmental Facilities Corporation (EFC) refunded a portion of its bonds and restructured a portion of the debt service the Authority pays to the EFC under the Authority's 1999 Series A Bonds. As a result of the refunding, the Authority's obligation on \$2.7 million of its Series 1999A bonds was reduced to \$2.5 million through executing a new debt service agreement with EFC. The Authority's obligation to pay debt service to EFC for its Series 1999A was reduced by \$258,490 with a net present value

of \$236,838. The Authority's Series 1999A bonds are held by EFC and were not exchanged or refunded, however the impact of the change in future debt service is depicted as a refunding.

On August 10, 2010 the Authority issued \$109,855,000 of Series 2010 Bonds to refund the 1998 B Series Bonds (\$17.6 million), 2000 Series B Bonds (\$12.1 million), 2008 Series A Bonds (\$77.7 million) and the unamortized 2005 swaption loan (\$3.6 million) which was integrated with the 2008 Series A Bonds. As part of the refunding, the debt related to the 2008 Series A Bonds were restructured on a level debt service basis over a term ending December 15, 2026, which is three years longer than the term that remained on the 2008 Series A Bonds. The extension of the term of repayment on this portion of the 2010 Series A Bonds has resulted in both a cash flow and present value loss.

The impact of these refundings is summarized below:

Description	Bonds Issued	Bonds/Debt Refunded	Cash Flow Gain/(Loss)	Present Value Gain/(Loss)
Series 2010A and 2010B Bonds	\$109,855,000	\$110,962,418	(\$5,911,162)	(\$626,682)
Series EFC 1999A Bonds	2,773,887	2,952,000	258,490	236,838
Total Series 2010 Bonds	\$112,628,887	\$113,914,418	(\$5,652,672)	(\$389,844)

Terminated Hedging Derivative Associated with Refunded Debt

On July 28, 2010, the day the Authority completed pricing of its 2010 Series A Refunding Revenue Refunding Bonds and 2010 Series B Airport Revenue Refunding Bonds, the Authority terminated a pay-fixed-receive-variable interest rate swap agreement integrated with its 2008 Series A Airport Revenue Refunding Bonds. Prior to termination, the swap agreement required the Authority to pay the swap counterparty bank a fixed rate of interest of 4.56% related to its 2008 Series A Airport Revenue Refunding Bonds and receive a floating rate of interest equal to 70% of One Month London Interbank Offer Rate intended to offset the variable rate of interest the Authority paid its bond holders. The 4.56% fixed rate of interest paid was an above market rate of interest at the time it was bid in 2005 which had resulted in a payment to the Authority in 2005 which the Authority reported as a "swap loan" which was amortized into a portion of the interest payments the Authority paid the bank counterparty under the transaction. The unamortized portion of the swap loan was \$3,831,286 at January 1, 2010 and \$3,567,417 at the date of termination on July 28, 2010.

The Authority identified the swap as a hedging derivative instrument intended to hedge against potentially higher variable interest rates applicable to the 2008 Series A Airport Revenue Refunding Bonds by creating a synthetically fixed rate of interest to be paid on the variable rate bonds. The Authority tested the effectiveness of the swap as a hedging derivative instrument during 2010 and found it to be an effective hedge using the Synthetic Instruments Method of Evaluation described in GASB Statement Number 53 which provides among other things that a potential hedging derivative is effective if the actual synthetic rate of interest is substantially fixed. GASB Statement Number 53 provides that under the Synthetic Instruments Method a derivative hedging instrument's actual synthetic rate of interest must be within 90% and 111% of the Intended Synthetic Rate of Interest during the measurement period to be deemed an effective hedging instrument. GASB Statement Number 53 requires that derivative instruments be reported at fair value at each financial statement date and that the change in the fair value of effective hedging instruments be reported as a deferral on the Statement of Net Assets.

The swap fair value, excluding the unamortized swap loan balance, was \$7,281,477 at January 1, 2010 and \$11,904,847 at the date of termination on July 28, 2010, representing a change in value of \$3,813,370 during 2010 through the date of termination. Because the swap was determined to be an effective derivative hedging instrument from the implementation date of GASB Statement Number 53, January 1, 2010, and the date of termination, July 28, 2010, the termination payment, representing fair value of the swap and termination costs, were included in the carrying value of the 2008 Series A Airport Revenue Refunding Bonds and the unamortized Swaption Loan at the date the 2010 Series A Airport Revenue Refunding Bonds and 2010 Series B Airport Revenue Refunding Bonds were issued. Accordingly, the difference between the carrying value of these refunded debts and their reacquisition cost is reported as a deferred loss on refunding.

Debt Issued by the County:

As of March 15, 1994, under the Airport Lease Agreement, the Authority assumed responsibility for making payments to the County equal to the principal and interest payments due on \$21,100,121 of certain long-term indebtedness issued by the County to finance certain Airport capital projects. During 2002, the County refunded the remaining \$7,860,000 outstanding principal of the 1994 Consolidated Issue generating an interest savings of \$690,197. The increase in principal amount is being amortized over the life of the issue. The net carrying amount issued by the County consists of the following:

	As of 12-31-11	As of 12-31-10
1993 Drainage System:		
Principal paid annually on October 1, in payments ranging from \$271,422 in 2012 to \$81,180 in 2014 with interest at 3.3% to 5.0% due semi-annually on April 1 and October 1	\$ 445,678	\$ 719,409
Less amortization of:		
Discount	(5,896)	(11,796)
Bond Issue Costs	(10,329)	(14,087)
Accretion of capital appreciation	305,972	281,021
	<u>735,425</u>	<u>974,547</u>
2002 Refunding:		
Principal paid annually on June 1, in payments ranging from \$655,000 in 2012 to \$410,000 in 2013 with interest at 5.35% to 5.85% due semi-annually on June 1 and December 1	1,065,000	1,735,000
Less amortization of Deferred Refunding	<u>(4,337)</u>	<u>(10,085)</u>
	<u>1,060,663</u>	<u>1,724,915</u>
Total County Bond Issues outstanding	1,796,088	2,699,462
Less current portion including amortization	<u>887,148</u>	<u>953,276</u>
Long-Term Portion	<u>\$ 908,940</u>	<u>\$ 1,746,186</u>

Maturities of the long-term outstanding County bond issues will require the following principal and interest payments (excluding amortization of loss on refunding, discount and accretion) based on the amounts outstanding at December 31, 2011:

Year Ended	Principal	Interest	Total
2012	\$ 926,422	\$ 46,189	\$ 972,611
2013	503,074	202,338	705,412
2014	81,180	181,665	262,845
TOTAL	<u>\$ 1,510,676</u>	<u>\$ 430,192</u>	<u>\$ 1,940,868</u>

The table below provides a summary of Authority Revenue Bonds plus reimbursement of County issued bonds net of unamortized amounts for cost of issuance, net premium/discount and deferred loss on refunding:

	Current	Long-Term	Total
Authority Revenue Bonds/Debt Obligations			
1999 NYS EFC	\$ 380,115	\$ 3,125,318	\$ 3,505,433
2003 GARB Series A	548,879	4,030,016	4,578,895
2004 NYS EFC	34,537	69,071	103,608
2006 GARB Series A & B	557,901	11,274,624	11,832,525
2006 GARB Series C	142,431	5,553,393	5,695,824
2010 Refunding Series A	4,285,116	86,397,672	90,682,788
2010 Refunding Series B	506,464	2,116,343	2,622,807
Total Authority Debt Obligations	\$ 6,455,443	\$ 112,566,437	\$ 119,021,880
Obligation for County of Albany Bonds (net)	887,148	908,940	1,796,088
Total Long-term Indebtedness	\$ 7,342,591	\$ 113,475,377	\$ 120,817,968

Debt Limit:

The Authority's debt limit was increased from \$175 million to \$285 million during 2004 by State legislation enacted (Chapter 500), amending the Albany County Airport Authority Act, Title 32 of Article 8, of the New York State Public Authorities Law. The Act authorizes the Authority to issue bonds, notes or other obligations in the aggregate outstanding principal amount not exceeding \$285,000,000. In addition, the Authority is authorized to issue refunding bonds, provided that upon a refunding the aggregate principal amount of bonds, notes or other obligations outstanding under the Act may be greater than \$285,000,000 only if the present value of the aggregate debt service of the refunding bonds, notes or other obligations does not exceed the present value of the refunded bonds, notes or other obligations (calculated as provided in the Act). As of December 31, 2011, the Authority had \$129.0 million of principal debt outstanding (excluding amortization and cost of issuance) issued exclusively by the Authority which does not include the reimbursement of debt obligations issued by the County and the Authority's cost of issuances and original issue discounts.

The Authority adopted a Derivatives Policy which allows for the use of Derivative Financial products for capital financing. The Derivatives Policy prohibits the use of Derivative Financial products for either investment or speculation. The Derivatives Policy recognizes derivatives as non-traditional financial products, including but not limited to, floating to fixed rate swaps, swaptions, caps, floors, collars and municipal warrants. The Derivatives Policy requires:

- that transactions entered into under the policy must be for a market transaction for which competing good faith quotations may be obtained at the discretion of the Authority and with the advice and recommendation of the Authority's swap advisor, and other financial professionals;
- that transactions should produce material economic benefit believed to not otherwise be attainable under the current existing market conditions, or existing conventional debt structures, and improve the flexibility of debt management strategies;
- employ a structure that will attempt to minimize any additional floating rate basis risk, tax law risk or credit risk to the Authority and justify the acceptance of these risks for a particular transaction, based on the additional benefits to the Authority; and

- limits the total amount of derivative financial product transactions so as not to exceed thirty-three percent (33%) of the total authorized debt limit of the Authority (currently \$285 million).

The Authority adopted a Variable Rate Debt Policy which allows for the use of variable rate debt within prescribed limitations. The Variable Rate Debt Policy recognizes permanent and interim uses of variable rate debt. Interim use of variable rate debt may occur during the construction phase of a project for which the Authority intends to obtain permanent financing at the conclusion of the construction phase. The Variable Rate Debt Policy provides that:

- “Permanent Variable Rate Debt Exposure” includes variable rate debt which the Authority does not intend to be refinanced by a long-term fixed rate debt;
- “Net Permanent Variable Rate Debt Exposure” is permanent variable rate debt that is not offset by the cash, cash equivalent and short-term investment assets of the Authority;
- permanent variable rate debt excludes, with some exceptions, variable debt that has been synthetically changed to fixed rate debt by the use of a financial derivative hedge product with a fixed-payer interest rate swap;
- net permanent variable rate debt, excluding synthetic fixed rate transactions, should not generally exceed twenty percent (20%) of the Authority’s outstanding indebtedness.

NOTE 9 - Capital Contributions and Net Assets

Since its inception, the Authority has received capital contributions from the County of Albany in the form of Net Assets transferred as of the date of inception and from Federal and State grants as follows:

	Inception To Date	Year Ended 2011	Year Ended 2010
County of Albany	\$ 46,824,500	\$ -	\$ -
Federal	119,604,011	6,868,075	5,677,608
State	66,726,188	195,633	206,370
Total	<u>\$ 233,154,699</u>	<u>\$ 7,063,708</u>	<u>\$ 5,883,978</u>

Unrestricted net assets consist of the following:

	2011	2010
Designation of unrestricted net assets		
Operations and maintenance reserve	\$ 9,160,146	\$ 8,210,345
Renewal and replacement reserve	502,964	501,647
Total designations	9,663,110	8,711,992
Undesignated unrestricted net assets	2,683,021	2,325,754
Total unrestricted net assets	<u>\$ 12,346,131</u>	<u>\$ 11,037,746</u>

Under the master bond resolution adopted in 1997, the Authority agreed to create and maintain two reserves. Both were to be funded by depositing funds in separate bank accounts in accordance with the master bond resolution and are included as a component of unrestricted cash and cash equivalents on the statements of net assets. The Operating and Maintenance Reserve is to be equal to two months operating and maintenance expenses and is to be used only if the Authority does not have sufficient funds in its current operating accounts to pay these expenses on a timely basis.

The Renewal and Replacement Reserve is to be equal to \$500,000 and can be used solely for non-recurring major maintenance, repairs, renewals, or replacements related to Airport facilities. Both reserves have been funded as required.

NOTE 10 - Airline Lease and Use Agreements

Five commercial passenger airlines, fifteen affiliated commercial passenger airlines and two cargo airlines serving the Airport have executed the first five year renewal option on the Airline Use and Lease Agreement ("Agreement"). This Agreement has a five-year term effective January 1, 2006 with an option for one five year renewal to extend the Agreement to December 31, 2015. The Authority charges signatory rates to carriers who have executed the Agreement and non-signatory rates to all other airlines.

In general, the rate formulas under the Agreement provided that at the end of each year the total financial requirements in each of airport cost centers be determined first with specific revenue offsets then applied to each requirement. The landing fee calculation uses a residual cost methodology. The terminal calculation uses a commercial total cost per square foot methodology. The Agreement also contains a calculation of an amount for capital expenditures not subject to majority-in-interest (MII) approval by the signatory airlines in the rates and charges calculation. This amount is deducted after the net amount available for revenue sharing between the signatory airlines and the Authority is determined; therefore, not affecting the initial rates and charges established for billing the airlines. The net requirement is then divided by appropriate usage factors to determine the rates and fees applicable to signatory airlines.

Further, the Agreement provided an income sharing mechanism by which the passenger Signatory Airlines receive a percentage of the Airport's net income (as defined in the Agreement) during the term of the agreement in the form of a rate credit offset.

In 2011, the net revenue sharing was fifty percent to the airlines and fifty percent to the Authority. Under this formula, the airlines received a credit of \$430,468 for the rates & charges settlements and \$499,345 for their share of the revenue sharing. In 2010, the airlines were given total credits of \$1,544,787 for their share of final settlement for 2010.

NOTE 11 - Airport Tenant Agreements

The Authority has entered into agreements with tenants for the use of certain Airport facilities including ready/return rental car parking areas, buildings, terminals, hangars and customer service areas. The Authority entered into concession agreements with all tenants who became occupants of the new terminal facility which opened in June of 1998. These agreements include: advertising, food and beverage, retail, on-airport rental cars, vending machines, baggage delivery services, baggage cart management, ATM machines and trip insurance. Normally the terms of the agreements include a fixed minimum annual guaranteed (MAG) payment to the Airport as well as additional contingent payments based on the tenants' annual sales volume of business. Revenues exceeded the MAG amounts due in 2011 of \$9,383,027 by \$1,499,542. In 2010 the revenues exceeded the MAG amounts due of \$8,348,088 by \$1,582,746. Some of the agreements provide for a periodic review and redetermination of the payment amounts.

Future MAG payments due to the Authority under non-cancelable agreements are as follows for the years ending December 31:

2012	\$ 8,661,079
2013	8,588,056
2014	8,240,463
2015	8,256,630
2016	8,206,241
2017-2031	37,288,854
Total	<u>\$ 79,241,323</u>

NOTE 12 - Pension Plan

Plan Description - The Authority participates in the New York State and Local Employees' Retirement System (ERS) cost-sharing multiple-employee retirement system and the Public Employees' Group Life Insurance Plan (Systems). The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and amend rules and regulations for the administration and transaction of the business of the systems and for the custody and control of their funds. The Systems issue a publicly available annual financial report that includes audited financial statements and required supplementary information. This report may be obtained by writing to the New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12207.

Funding Policy - The ERS is non-contributory, except for employees who joined after July 27, 1976 and prior to January 1, 2020, and have less than 10 years of eligible service, who contribute 3% of their salary. Employees who join on or after January 1, 2010 are required to contribute 3% of their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as portions of payroll of members, which shall be used in computing the contributions required to be made by employees to the pension accumulation fund.

The Authority is required to contribute at an actuarially determined rate. The required contributions for the years ended December 31, 2011, 2010 and 2009 were \$207,679, \$183,191 and \$130,695, respectively, or approximately 14.1%, 11.3% and 7.6%, respectively of the covered employees' payrolls. The Authority's contributions made to the Systems were equal to 100% of the required contributions for each year.

NOTE 13 - Other Post Employment Benefits (OPEB)

During 2009 the Authority adopted a formal written OPEB plan and created a legally separate trust to accumulate resources to fund the Authority's obligation to pay for OPEB benefits under the plan. The OPEB plan provides that all full-time and regular part-time employees with ten or more years of service with the Authority (including any years with the State of New York or County of Albany immediately preceding becoming an Authority employee) who retire from the Authority and are collecting retirement benefits through the New York State and Local Employees' Retirement System, shall receive health insurance benefits from the Authority as a retired employee. Such benefits shall be equal to the health insurance benefits received by the employee at the time of their retirement and the costs thereof to the retired employee shall be at the

same rate or percentage sharing the employee was paying at the time of their retirement. A qualifying retiree's surviving spouse and eligible dependents can continue to receive OPEB benefits as long as they do remain otherwise eligible to be a dependent of the deceased employee. Retired employees are required to contribute to the cost of the plan benefit in proportion to the amount they contributed toward the cost of their health insurance prior to retirement. The Authority allows each employee to accumulate up to 1,320 hours of unused sick time and apply the value of this to fund their required contribution. The plan is a single-employer defined benefit plan. Effective January 1, 2008, the Authority implemented GASB Statement 45 prospectively which requires reporting, on an accrual basis, the liability associated with other postemployment benefits. The OPEB liability at transition was zero. The accrued liability is based upon an actuarial valuation that reflects a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Albany County Airport Authority OPEB Trust has issued a separate financial statement which may be obtained by contacting the Albany County Airport Authority OPEB Trustee c/o the Albany County Airport Authority, 737 Albany Shaker Road, Administration Building, Suite 204, Albany, NY 12211-1057.

The Authority used the following facts, actuarial methods and assumptions in determination of the OPEB liability and 2011 OPEB Expense:

- The plan is identified as a Single-Employer defined-benefit Plan.
- Premiums paid for coverage under the Community Rated Plan (insurance premiums are based upon multiple employers).
- The future Rate of Return on the Authority's unrestricted funds deposits will be 3.04% equal to the Authority's average rate of interest earned on deposits of money over the past five years.
- The future rate of Payroll growth will be 3%.
- The general rate of inflation will be 3% (the same as the future rate of payroll growth).
- Amortization period of Unfunded Accrued OPEB liability is 30 years commencing 2008.
- Amortization method chosen was "Level Percent of Payroll", closed amortization period.
- The annual rate of health care costs increase would be 9% in 2011 and gradually decline to 5% in 2015 and thereafter.
- The actuarial cost method chosen was the "Entry Age Actuarial Cost Method".
- The Unfunded Actuarial Accrued Liability and Annual Required Contribution was calculated using the Alternative Measurement Method.
- Actuarial table used was RP2000 Mortality Table for Males and Females Projected 10 years.

Based upon the above assumptions and methods the Authority's Net OPEB Obligation was determined to be as follows:

Annual Required Contribution.....	\$252,454
Interest on Net OPEB Obligation	\$(3,678)
Adjustment to the Annual Required Contribution.....	\$4,506
Annual OPEB Cost (Expense).....	\$253,282
Age Adjusted Contributions Made	\$(151,000)
Change in Net OPEB Obligation (NOO)	<u>\$102,282</u>
Net OPEB Obligation (NOO) – Beginning of Year.....	<u>\$(121,003)</u>
Net OPEB Obligation (NOO) (Asset) – End of Year	<u>\$ (18,722)</u>

During 2011 the Authority made \$151,000 in contributions toward the OPEB plan. The following table provides a schedule of the Authority's Funding Progress of the OPEB liability:

Actuarial Valuation Date	December 31, 2011
Actuarial Value of Assets (a).....	\$1,207,190
Actuarial Accrued Liability (b)	\$3,167,283
Unfunded Actuarial Accrued Liability (UAAL) (b-a).....	\$1,960,093
Funded Ratio (a/b)	38.11%
Covered Payroll (c)	\$1,858,000
UAAL as a Percentage of Covered Payroll ((b-a)/c).....	105.50%

The following table presents the History of the Authority's Net OPEB Obligation:

	2011	2010	2009
Annual OPEB cost	\$ 253,281	\$ 272,387	\$ 251,404
Age adjusted contribution	\$ 151,000	\$ 271,716	\$ 794,119
Percentage of annual OPEB cost contributed	59.6%	99.8%	315.9%
Net OPEB obligation (asset)	\$ (18,722)	\$ (121,003)	\$ (121,674)

The schedule of funding progress in the Required Supplemental Information following the notes to the financial statements presents multiyear trend information comparing the changes in the actuarial value of plan assets relative to the actuarial liability for benefits.

NOTE 14 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts and named the operator of the Airport, AFCO AvPorts Management LLC (AvPorts) as an additional insured. In addition, the FBO, REW Investments (Million Air) and all tenants and users of the Airport are required to have insurance coverage naming the Authority and the County as additional insured.

No liability is recorded at December 31, 2011 for outstanding claims or for any potential claims incurred but not reported as of that date. Settled claims have not exceeded these commercial coverages by any material amounts during the three years ended December 31, 2011. There was no reduction in insurance coverage during 2011. Changes in the balance of claims paid directly by the Authority during the past three years are as follows:

	Year Ended 2011	Year Ended 2010	Year Ended 2009
Unpaid claims, beginning of year	\$ -	\$ -	\$ -
Claims incurred	39,318	6,509	39,823
Claims paid	(39,318)	(6,509)	(39,823)
Unpaid claims, end of year	\$ -	\$ -	\$ -

NOTE 15 - Commitments and Contingencies

FBO Operations – As of October 1, 2005 the Authority entered into an agreement with REW Investments, Inc., (Million Air) to manage the fixed based operations on airport. Million Air is granted the nonexclusive privilege for managing a full and complete general aviation support function including ground handling, apron services, repair and maintenance, and hangar storage. The agreement also provides for operating and managing the Airport's fuel farm and deicing program for all commercial and general aviation aircraft. Million Air receives full reimbursement of all their on-airport pre-approved related expenses plus a base management fee of \$100,000 per annum and various incentive fees based on certain revenue performance indicators.

Airport Operations – AFCO AvPorts Management LLC (d/b/a AvPorts) manages the daily operations and maintenance of the airport under an agreement dated October 11, 2005 and initially expiring December 31, 2010, subject optional extension. The agreement has been extended through December 31, 2015. Operational centers include the airfield, terminal, parking, ARFF, operations, security and vehicle and equipment maintenance. AvPorts receives full reimbursement of all their on-airport pre-approved related expenses plus a base management fee of \$390,000. AvPorts may be entitled to an additional incentive fee of \$55,000 each year based on performance indicators negotiated between the parties.

Capital Improvement Programs - As of December 31, 2011, the Authority has outstanding contractual commitments for completion of certain capital improvement projects totaling \$2.9 million of which an estimated 35% is eligible for partial reimbursement from the FAA and the State. The remaining amount is expected to be funded from Airport funds.

Concentration of Credit Risk - The Authority leases facilities to the airlines under certain leases and/or use agreements and to other businesses under agreements to operate concessions at the Airport. Amounts due from airlines represent approximately 65.2 of accounts receivable and airline revenues represent 27.4% of operating revenues for the year ended December 31, 2011.

Environmental Remediation - Pursuant to the enabling legislation creating the Authority, the Airport completed an environmental audit in 1994. It is the opinion of the Authority that all audit findings have been resolved with no material adverse effect on the financial position of the Authority. In prior years, elevated levels of propylene glycol had been detected in Shaker Creek which runs through the Airport. The Authority now operates a glycol collection and disposal system completed in 1999 which successfully addresses this issue.

Compliance Audits - The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. An independent audit of these programs has been performed for the years ended December 31, 2011 and 2010 in compliance with: 1) requirements stated in the Single Audit Act of 1996 and OMB Circular A-133; 2) compliance requirements described in the Passenger Facility Charge Audit Guide For Public Agencies issued by the Federal Aviation Administration; and 3) compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations applicable to state transportation assistance. The amounts, if any, of expenditures that may be disallowed by the granting government or agency cannot be determined at this time, although any such amounts, if any, are expected to be immaterial.

Litigation - The nature of the business of the Authority generates certain litigation against the Authority arising in the ordinary course of business. The Authority is a defendant in various lawsuits. In the opinion of the Authority's counsel the resolution of any legal actions in the aggregate will not have a material adverse effect on the financial position of the Authority. In addition, the Authority has acquired certain lands, buildings and air right easements based upon independent appraisals. Certain owners have filed claims against the Authority seeking amounts in excess of the appraised values. In the opinion of the Authority's counsel, the resolution of these claims will not have a material adverse effect on the financial position of the Authority.

This page intentionally left blank

Required
Supplemental
Information



Albany County Airport Authority OPEB Trust
 Schedule of Funding Progress
 December 31, 2011

Valuation date	Actuarial value of assets (AVA)	Actuarial accrued liability (AAL)	Unfunded actuarial accrued asset (liability) (UAAL)	Funded Ratio	Annual covered payroll	UAAL as a % of payroll
(1)	(2)	(3)	(2) - (3) (4)	(2) / (3) (5)	(6)	(4) / (6) (7)
December 31, 2011	\$ 1,207,190	\$ 3,267,283	\$ (2,060,093)	36.95%	\$ 1,858,000	-110.88%
December 31, 2010	\$ 1,051,859	\$ 3,157,605	\$ (2,105,746)	33.31%	\$ 1,858,000	-113.33%
December 31, 2009	\$ 777,295	\$ 2,506,648	\$ (1,729,353)	31.01%	\$ 1,858,000	-93.08%
December 31, 2008	\$ -	\$ 3,226,067	\$ (3,226,067)	0.00%	\$ 1,881,000	-171.51%

Other
Supplemental
Information



Albany County Airport Authority
Debt Service Requirements to Maturity

AIRPORT AUTHORITY - TOTAL
GENERAL AIRPORT REVENUE BONDS AND EFC BONDS

YEAR	Principal	Interest	Interest Subsidy	Authority Total
2012	\$ 7,810,000	\$ 5,476,957	\$ (27,155)	\$ 13,259,802
2013	8,095,000	5,227,126	(24,933)	13,297,193
2014	8,021,000	4,972,970	(22,283)	12,971,687
2015	8,266,000	4,716,069	(19,808)	12,962,261
2016	8,567,000	4,407,925	(16,856)	12,958,069
2017	8,988,000	4,001,974	(13,277)	12,976,697
2018	9,334,000	3,647,713	(9,241)	12,972,472
2019	7,359,000	3,208,798	(4,802)	10,562,996
2020	7,000,000	2,863,550	-	9,863,550
2021	7,350,000	2,519,993	-	9,869,993
2022	7,705,000	2,173,012	-	9,878,012
2023	8,090,000	1,793,406	-	9,883,406
2024	8,340,000	1,436,087	-	9,776,087
2025	8,675,000	1,099,313	-	9,774,313
2026	9,080,000	700,463	-	9,780,463
2027	980,000	284,638	-	1,264,638
2028	1,030,000	242,987	-	1,272,987
2029	1,060,000	198,412	-	1,258,412
2030	1,110,000	150,987	-	1,260,987
2031	435,000	101,325	-	536,325
2032	455,000	82,050	-	537,050
2033	480,000	60,237	-	540,237
2034	365,000	37,250	-	402,250
2035	380,000	19,000	-	399,000
TOTAL	\$ 128,975,000	\$ 49,422,245	\$ (138,357)	\$ 178,258,888

Albany County Airport Authority
Debt Service Requirements to Maturity

COMBINED COUNTY AND AUTHORITY

YEAR	Total			
	Principal	Interest	Interest Subsidy	Total
2012	\$ 8,736,422	\$ 5,523,145	\$ (27,155)	\$ 14,232,413
2013	8,598,074	5,429,464	(24,933)	14,002,605
2014	8,102,180	5,154,635	(22,283)	13,234,532
2015	8,266,000	4,716,069	(19,808)	12,962,261
2016	8,567,000	4,407,925	(16,856)	12,958,069
2017	8,988,000	4,001,974	(13,277)	12,976,697
2018	9,334,000	3,647,713	(9,241)	12,972,472
2019	7,359,000	3,208,798	(4,802)	10,562,996
2020	7,000,000	2,863,550	-	9,863,550
2021	7,350,000	2,519,993	-	9,869,993
2022	7,705,000	2,173,012	-	9,878,012
2023	8,090,000	1,793,406	-	9,883,406
2024	8,340,000	1,436,087	-	9,776,087
2025	8,675,000	1,099,313	-	9,774,313
2026	9,080,000	700,463	-	9,780,463
2027	980,000	284,638	-	1,264,638
2028	1,030,000	242,987	-	1,272,987
2029	1,060,000	198,412	-	1,258,412
2030	1,110,000	150,987	-	1,260,987
2031	435,000	101,325	-	536,325
2032	455,000	82,050	-	537,050
2033	480,000	60,237	-	540,237
2034	365,000	37,250	-	402,250
2035	380,000	19,000	-	399,000
TOTAL	\$ 130,485,676	\$ 49,852,436	\$ (138,357)	\$ 180,199,756

Albany County Airport Authority
Governmental Payments and Services
For the Years Ended December 31, 2011 and 2010

	2011	2010
FEDERAL AVIATION ADMINISTRATION (FAA)		
Runway 1-19 Airways Facilities Relocation	\$ -	\$ 4,082
UNITED STATES - Department of Agriculture		
Dept. of Agriculture - Wildlife Management Program	12,081	39,917
STATE OF NEW YORK		
Department of Civil Service - Health Insurance	366,848	358,749
State and Local Employees' Retirement System	210,324	199,743
Unemployment Insurance	4,103	3,859
Dept. of Environmental Conservation-Oil Spill Fee	-	6,750
Dept. of State	75	-
Dept. of Taxation & Finance-Sales Tax	433,979	249,869
Dept. of Taxation & Finance-Petroleum Business Tax	110,260	89,331
Dept. of Transportation	-	-
Air Pollution & SPDES Program Fees	-	2,125
Total State of New York	1,125,589	910,426
COUNTY OF ALBANY		
Direct Costs:		
County Clerk	-	240
Dept. of Consumer Affairs/Weights and Measures	-	40
Director of Finance - Closing costs on land purchase	65,521	-
Sheriff	2,045,281	2,429,952
Code Enforcement	15,162	10,000
Dept. of Public Works - Salt for Roadways	85,303	54,011
Sewer District Charges	18,740	10,280
Sub Total	2,230,007	2,504,523
County Indirect Cost Allocation Plan	12,159	11,000
Debt Service - Bond Principal & Interest	1,027,784	1,085,890
Total County of Albany	3,269,950	3,601,413
LATHAM WATER DISTRICT - Water Service	123,917	112,971
TOWN OF COLONIE, RECEIVER OF TAXES		
Sewer Taxes	84,199	75,362
Verdoy Fire Dept.	1,340	1,557
Albany County Tax	4,349	4,286
Town of Colonie Tax	2,783	2,711
School Taxes - North Colonie	22,280	19,392
Total Town of Colonie, Receiver of Taxes	114,951	103,308
TOWN OF COLONIE		
Landfill Charges	3,355	138
Runway #28 Water Tank Relocation:		
Construction Services	639,301	3,084,651
Engineering Services	117,034	195,128
Land Purchase	100,000	-
SPDES Program Fees	500	-
Utility Easements	14,650	19,193
Total Town of Colonie	874,840	3,299,110
VILLAGE OF COLONIE		
Wastewater Conveyance	7,500	7,500
TOTAL PAYMENTS TO OTHER GOVERNMENTAL ENTITIES	\$ 5,528,828	\$ 8,078,727

Statistical

This section of the Authority's comprehensive annual financial report presents detailed information for understanding and supporting the information in the financial statements, note disclosures and required supplementary information.

Financial Trends

Pages 80-83

These tables contain trend information to assist the reader understand how the Authority's financial performance has changed over time.

Revenue Capacity

Pages 84-85

These tables contain trend information to assist the reader understand the Authority's most significant revenue source, airline rates and charges.

Debt Capacity

Pages 86-88

These tables contain trend information to assist the reader understand the Authority's current debt outstanding, debt history and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information

Pages 90-92

These tables contain trend information to assist the reader understand the environment within which the Authority's financial activities take place.

Operating Information

Pages 93-104

These tables contain trend information to assist the reader understand the underlying factors affecting the Authority's ability to generate revenue, highlighting trends in operations, activities and resources.

Albany County Airport Authority
Total Annual Revenues, Expenses and Changes in Net Assets
For Years Ended December 31,

	2002	2003	2004	2005
REVENUES				
Airfield	\$ 7,019,194	\$ 8,280,150	\$ 8,393,905	\$ 7,605,974
Fixed Based Operations	-	-	-	1,637,840
Terminal	6,783,704	7,297,162	7,236,402	8,826,365
Concessions	4,070,543	4,008,054	4,575,990	5,124,925
Ground transportation	8,562,950	9,048,073	10,233,061	10,971,728
Other	2,682,166	3,167,570	3,652,982	3,341,100
	<u>29,118,557</u>	<u>31,801,009</u>	<u>34,092,340</u>	<u>37,507,932</u>
OTHER REVENUES				
Interest income	522,038	366,157	375,317	789,591
Passenger Facility Charges	4,125,044	3,871,885	4,378,871	4,314,667
Grant income	-	-	-	-
Insurance recovery	-	-	-	-
Investments received	-	-	-	-
Improvement charges	276,300	276,300	276,300	276,300
	<u>4,923,382</u>	<u>4,514,342</u>	<u>5,030,488</u>	<u>5,380,558</u>
TOTAL REVENUES	<u>34,041,939</u>	<u>36,315,351</u>	<u>39,122,828</u>	<u>42,888,490</u>
EXPENSES				
Salaries and benefits	9,450,926	9,937,522	10,247,096	11,851,491
Services and supplies	9,980,135	11,574,119	12,346,379	15,296,745
Depreciation	10,084,325	10,617,922	11,210,367	11,540,462
	<u>29,515,386</u>	<u>32,129,563</u>	<u>33,803,842</u>	<u>38,688,698</u>
OTHER EXPENSES				
Property damage	-	-	-	-
Grant expense	-	-	-	-
Interest expense	7,732,596	7,780,055	7,675,355	7,443,523
Amortization of bond issuance costs	82,996	91,339	117,988	133,659
Decrease in fair value of investments	-	-	-	-
	<u>7,815,592</u>	<u>7,871,394</u>	<u>7,793,343</u>	<u>7,577,182</u>
TOTAL EXPENSES	<u>37,330,978</u>	<u>40,000,957</u>	<u>41,597,185</u>	<u>46,265,880</u>
Capital Contributions	4,202,431	16,890,954	7,524,212	17,048,492
Special Item	-	-	-	-
Extraordinary Item	-	-	-	-
INCREASE IN NET ASSETS	<u>\$ 913,392</u>	<u>\$ 13,205,348</u>	<u>\$ 5,049,855</u>	<u>\$ 13,671,102</u>
NET ASSETS AT YEAR END COMPOSED OF:				
Investment in Capital Assets, net of Related Debt	\$ 120,360,570	\$ 132,220,219	\$ 135,120,442	\$ 147,526,592
Restricted	16,913,925	17,069,227	17,694,772	17,972,351
Unrestricted	3,421,383	4,611,780	6,135,867	7,123,240
	<u>\$ 140,695,878</u>	<u>\$ 153,901,226</u>	<u>\$ 158,951,081</u>	<u>\$ 172,622,183</u>

Source: Authority's audited financial statements.

Albany County Airport Authority
Total Annual Revenues, Expenses and Changes in Net Assets, Con't
For Years Ended December 31,

2006	2007	2008	2009	2010	2011
\$ 5,881,654	\$ 5,597,334	\$ 6,828,222	\$ 7,303,064	\$ 6,249,734	\$ 6,620,031
7,307,383	8,817,614	10,193,452	7,579,581	8,339,501	10,816,078
7,406,907	7,574,748	7,689,690	6,513,311	5,760,454	5,549,272
5,269,221	5,686,723	5,480,004	6,044,347	6,135,012	6,531,954
10,885,205	11,340,151	11,122,678	10,818,594	10,695,016	10,737,419
3,366,356	3,618,200	4,361,254	3,991,942	3,772,841	3,739,595
40,116,726	42,634,770	45,675,300	42,250,839	40,952,558	43,994,349
1,193,635	1,810,589	836,612	265,017	196,224	102,137
4,165,815	4,081,962	3,716,492	4,077,806	5,043,851	4,832,209
-	-	2,501,420	5,480,166	3,442,758	1,112,504
184,000	2,929	-	-	-	-
-	297,413	-	-	-	-
276,300	276,300	276,300	368,400	368,400	368,400
5,819,750	6,469,193	7,330,824	10,191,389	9,051,233	6,415,250
45,936,476	49,103,963	53,006,124	52,442,228	50,003,791	50,409,599
12,299,502	12,302,838	12,706,397	12,036,671	12,532,967	12,608,658
17,578,229	19,672,084	21,524,796	17,588,812	17,354,401	20,064,093
12,315,365	12,968,042	13,626,882	14,067,322	13,585,503	13,406,698
42,193,096	44,942,964	47,858,075	43,692,805	43,472,871	46,079,449
184,000	2,929	-	-	-	-
-	-	2,794,322	4,943,468	3,013,773	683,300
7,188,094	7,616,204	6,751,363	6,845,764	5,961,984	6,971,497
61,003	77,677	125,335	130,653	145,928	269,204
-	126,600	26,614	82,204	-	-
7,433,097	7,823,410	9,697,634	12,002,089	9,121,685	7,924,001
49,626,193	52,766,374	57,555,709	55,694,894	52,594,556	54,003,450
13,738,847	4,825,854	8,379,148	6,524,938	5,883,974	7,063,708
-	-	-	-	(553,347)	-
-	-	-	-	(169,007)	-
\$ 10,049,130	\$ 1,163,443	\$ 3,829,563	\$ 3,272,272	\$ 2,570,855	\$ 3,469,857
\$ 154,937,110	\$ 155,507,466	\$ 159,048,126	\$ 161,268,212	\$ 165,929,895	\$ 168,143,940
19,259,403	19,100,901	18,634,971	18,703,079	16,539,805	16,487,232
8,474,800	9,226,389	9,981,222	10,965,300	11,037,746	12,346,131
\$ 182,671,313	\$ 183,834,756	\$ 187,664,319	\$ 190,936,591	\$ 193,507,446	\$ 196,977,303

Albany County Airport Authority
Changes in Cash and Cash Equivalents
For Years Ended December 31,

	2002	2003	2004	2005
Cash Flows From Operating Activities				
Cash received from providing services	\$ 28,907,430	\$ 30,030,811	\$ 34,323,417	\$ 37,428,970
Cash paid to suppliers	(18,015,704)	(20,796,379)	(21,669,596)	(26,122,792)
Cash paid to employees	(1,052,565)	(826,527)	(986,392)	(1,091,777)
Net Cash Provided By Operating Activities	<u>9,839,161</u>	<u>8,407,905</u>	<u>11,667,429</u>	<u>10,214,401</u>
Cash Flows from Noncapital Financing Activities				
Grant Income	-	-	-	-
Grant Expense	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities				
Interest received	523,911	366,157	375,220	789,586
Purchase of Investments	-	(237,494)	-	-
Sale of Investments	-	-	237,494	-
Interest on Passenger Facility Charges	109,883	67,590	66,626	140,766
Net Cash Provided (Used) by Investing Activities	<u>633,794</u>	<u>196,253</u>	<u>679,340</u>	<u>930,352</u>
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(16,699,981)	(22,846,180)	(10,963,359)	(23,930,371)
Principal payments on bonds and notes payable	(4,436,973)	(4,691,864)	(5,298,838)	(5,711,504)
Interest paid	(7,879,154)	(7,862,118)	(7,823,638)	(7,588,462)
Payment to refunding agent	-	-	-	-
Proceeds from debt issuance	-	8,885,000	338,315	-
Proceeds from Interest rate swaption	-	-	-	5,330,000
Payment of 1997 refunding bonds	-	-	-	-
Less: Cost of Issuance	-	(177,700)	(5,141)	(344,962)
ANCLUC Trust Funds	23,304	24,601	31,896	29,086
Concession Improvement Trust Funds	71,155	74,234	82,636	39,976
Improvement charges	276,300	276,300	276,300	276,300
Capital contributions	4,044,486	16,324,205	8,473,103	15,286,472
Passenger facility charges	4,054,540	3,809,789	4,039,368	4,278,885
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(20,546,323)</u>	<u>(6,183,733)</u>	<u>(10,849,358)</u>	<u>(12,334,580)</u>
Net increase (decrease)	(10,073,368)	2,420,425	1,497,411	(1,189,827)
Cash and cash equivalents, beginning of year	<u>33,856,632</u>	<u>23,783,264</u>	<u>26,203,689</u>	<u>27,701,100</u>
Cash and cash equivalents, end of year	<u>\$ 23,783,264</u>	<u>\$ 26,203,689</u>	<u>\$ 27,701,100</u>	<u>\$ 26,511,273</u>

Source: Authority's audited financial statements

Albany County Airport Authority
Changes in Cash and Cash Equivalents, Con't
For Years Ended December 31,

2006	2007	2008	2009	2010	2011
\$ 40,772,537	\$ 43,116,237	\$ 44,028,857	\$ 44,152,367	\$ 40,707,911	\$ 45,257,005
(26,620,178)	(30,878,585)	(35,545,624)	(29,110,669)	(28,284,795)	(32,922,774)
(1,120,799)	(1,190,541)	(1,257,735)	(1,248,160)	(1,154,379)	(1,099,021)
13,031,560	11,047,111	7,225,498	13,793,538	11,268,737	11,235,210
-	-	2,501,420	5,480,166	3,442,758	1,071,409
-	-	(2,794,322)	(4,943,468)	(3,013,773)	(642,205)
-	-	(292,902)	536,698	428,985	429,204
1,151,141	1,853,089	832,708	265,803	204,908	102,137
-	-	-	-	(277,389)	-
-	-	-	65,110	442,237	-
235,444	238,560	112,411	43,285	13,940	11,002
1,386,585	2,091,649	945,119	374,198	383,696	113,139
(20,863,387)	(15,733,030)	(8,971,021)	(7,627,276)	(8,080,522)	(9,243,027)
(5,879,556)	(6,554,932)	(6,885,016)	(8,177,659)	(3,531,847)	(8,574,618)
(7,192,138)	(7,647,211)	(7,398,066)	(6,835,858)	(5,931,827)	(5,724,131)
-	-	-	-	(125,391,340)	-
20,560,000	-	83,200,000	-	119,021,872	-
-	-	-	-	-	-
-	-	(82,416,000)	-	-	-
(98,929)	-	(889,198)	-	(2,007,569)	-
27,795	(84,659)	18,689	100,492	1,139	(347,296)
104,252	119,314	99,384	(183,611)	89,745	44,668
276,300	276,300	276,300	368,400	368,400	368,400
14,429,114	5,582,880	6,528,726	7,716,862	7,077,968	6,579,972
4,002,738	3,928,677	3,613,380	3,921,553	5,036,950	4,850,569
5,366,189	(20,112,661)	(12,822,822)	(10,717,097)	(13,347,031)	(12,045,463)
19,784,334	(6,973,901)	(4,945,107)	3,987,337	(1,265,613)	(267,910)
26,511,273	46,295,607	39,321,706	34,376,599	38,363,936	37,098,323
\$ 46,295,607	\$ 39,321,706	\$ 34,376,599	\$ 38,363,936	\$ 37,098,323	\$ 36,830,413

Albany County Airport Authority
Principal Revenue Sources, Revenue per Enplaned Passenger and
Signatory Airlines Rates and Charges <1>
For Years Ended December 31,

	2002	2003	2004
PRINCIPAL REVENUE SOURCES			
AIRLINE REVENUE			
Landing Fees	\$ 4,421,003	\$ 5,043,951	\$ 5,528,586
Landing Fee Surcharge	173,038	171,565	172,939
Apron Fees	678,315	782,704	805,182
Fixed Based Operations	-	-	-
Terminal Rents	5,447,121	6,034,518	6,058,515
Loading Bridge Rentals	348,716	414,277	377,110
TOTAL AIRLINE REVENUE	11,068,193	12,447,015	12,942,332
Percent of Total Revenues	32.5%	34.3%	33.1%
NON-AIRLINE REVENUES			
Parking	8,342,849	8,710,698	10,039,495
Rental Car	2,768,177	2,672,448	2,937,657
Other	6,939,338	7,970,848	8,172,856
TOTAL NON-AIRLINE REVENUES	18,050,364	19,353,994	21,150,008
Percent of Total Revenues	53.0%	53.3%	54.1%
NON-OPERATING REVENUES			
PFCs	4,125,044	3,871,885	4,378,871
Grant Income	-	-	-
Interest	522,038	366,157	375,317
Insurance Recovery	-	-	-
Decrease in fair value of investments	-	-	-
Other	276,300	276,300	276,300
TOTAL NON-OPERATING REVENUES	4,923,382	4,514,342	5,030,488
Percent of Total Revenues	14.5%	12.4%	12.9%
TOTAL REVENUES	\$ 34,041,939	\$ 36,315,351	\$ 39,122,828
Enplaned Passengers	1,476,988	1,435,848	1,556,796
TOTAL REVENUE PER ENPLANED PASSENGER	\$ 23.05	\$ 25.29	\$ 25.13
SIGNATORY AIRLINES RATES AND CHARGES			
Landing Fee (per 1,000 lbs MGLW)	\$ 2.18	\$ 2.62	\$ 2.53
Landing Fee Surcharge (per 1,000 lbs MGLW)	0.08	0.08	0.08
Apron Fees (per sq. foot) effective June 8, 1998	0.99	0.99	1.02
Annual Terminal Rental Rates (per sq. foot)	68.35	73.58	78.10
Annual Loading Bridge Rental (per bridge) effective June 8, 1998	26,824.00	34,523.00	26,936.00
Airline Cost per Enplanement: Airport Operations	7.49	8.67	8.31

The Authority negotiated a new ten year airline agreement which governed the calculation of rates and fees charged to signatory airlines effective January 1, 1996. A new five year agreement became effective January 1, 2006.

Source: Authority's audited financial statements and statistics reports

Albany County Airport Authority
Principal Revenue Sources, Revenue per Enplaned Passenger and
Signatory Airlines Rates and Charges <1>
For Years Ended December 31,

	2005	2006	2007	2008	2009	2010	2011
\$	5,221,661	\$ 3,711,782	\$ 3,328,473	\$ 4,422,523	\$ 4,770,538	\$ 3,843,738	\$ 3,964,651
	170,834	167,426	166,975	168,250	170,810	169,427	168,015
	839,471	854,022	916,131	893,046	879,251	807,430	847,651
	661,406	1,886,304	2,645,682	2,916,524	3,040,483	3,261,577	3,979,252
	7,561,456	5,970,930	6,096,652	6,422,724	5,273,885	4,530,851	4,358,719
	408,297	564,292	542,738	542,738	508,181	533,360	501,336
	14,863,125	13,154,756	13,696,651	15,365,805	14,643,148	13,146,383	13,819,624
	34.7%	28.6%	27.9%	29.0%	27.9%	26.3%	27.4%
	10,718,645	10,639,526	11,093,567	10,886,182	10,818,593	10,428,141	10,478,603
	3,414,418	3,517,740	3,785,642	3,649,493	3,902,274	4,263,770	4,718,960
	8,511,744	12,804,704	14,058,910	15,773,820	12,886,824	13,114,264	14,977,162
	22,644,807	26,961,970	28,938,119	30,309,495	27,607,691	27,806,175	30,174,725
	52.8%	58.7%	58.9%	57.2%	52.6%	55.6%	59.9%
	4,314,667	4,165,815	4,081,962	3,716,492	4,077,806	5,043,851	4,832,209
	-	-	-	2,501,420	5,480,166	3,442,758	1,112,504
	789,591	1,193,635	1,810,589	836,612	265,017	196,224	102,137
	-	184,000	2,929	-	-	-	-
	-	-	297,413	-	-	-	-
	276,300	276,300	276,300	276,300	368,400	368,400	368,400
	5,380,558	5,819,750	6,469,193	7,330,824	10,191,389	9,051,233	6,415,250
	12.5%	12.7%	13.2%	13.8%	19.4%	18.1%	12.7%
\$	42,888,490	\$ 45,936,476	\$ 49,103,963	\$ 53,006,124	\$ 52,442,228	\$ 50,003,791	\$ 50,409,599
	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381	1,242,399
\$	27.66	\$ 31.73	\$ 34.09	\$ 38.40	\$ 39.76	\$ 39.55	\$ 40.57
\$	2.36	\$ 1.82	\$ 1.81	\$ 2.71	\$ 3.11	\$ 2.45	\$ 2.61
	0.08	0.08	0.08	0.08	0.10	0.10	0.11
	1.04	1.05	1.10	1.48	1.46	1.51	1.75
	81.98	82.58	83.42	84.00	79.61	72.70	69.55
	29,164.00	37,619.00	36,183.00	36,978.00	36,299.00	35,532.00	33,422.00
	9.16	7.78	7.67	8.91	8.80	7.82	7.92

Note - <1> The revenue basis to which these rates apply and their principal payers can be found on pages 94-95, 96-97 and 98-99

**Albany County Airport Authority
Ratios of Outstanding Debt
For Years Ended December 31,**

	2002	2003	2004
Ratio of Authority issued Revenue Bond Debt Service to Total Expenses			
Principal	\$ 3,364,000	\$ 3,619,936	\$ 4,305,000
Interest <1>	7,295,703	7,361,251	7,384,667
Total Debt Service	\$ 10,659,703	\$ 10,981,187	\$ 11,689,667
Total Expenses	\$ 37,330,978	\$ 40,000,957	\$ 41,597,185
Ratio of Debt Service to Total Expenses	28.55%	27.45%	28.10%
Debt Service per Enplaned Passenger			
Net Debt Service	\$ 6,290,863	\$ 6,816,764	\$ 7,812,290
Enplaned Passengers	1,476,988	1,435,848	1,556,796
Debt Service per Enplaned Passenger	\$ 4.26	\$ 4.75	\$ 5.02
Outstanding Debt (Authority and County) per Enplaned Passenger			
Outstanding debt by type:			
County of Albany Debt Issued for the Authority <2>	\$ 10,805,655	\$ 9,668,325	\$ 8,560,352
General Airport Revenue Bond (GARB)	128,937,602	134,615,512	130,949,190
NYS EFC	8,817,441	8,292,297	8,100,927
Total Outstanding Debt	\$ 148,560,698	\$ 152,576,134	\$ 147,610,469
Enplaned Passengers	1,476,988	1,435,848	1,556,796
Outstanding Debt per Enplaned Passenger	\$ 101	\$ 106	\$ 95
Debt Limit per Enplaned Passenger			
Debt Limit <3>	\$ 175,000,000	\$ 175,000,000	\$ 285,000,000
Enplaned Passengers	1,476,988	1,435,848	1,556,796
Debt Limit per Enplaned Passenger	\$ 118	\$ 122	\$ 183

<1> Interest does not include capitalized interest or interest paid from bond proceeds.

<2> The County pays this indebtedness and is reimbursed by the Authority.

<3> Debt limit is fixed by State Law creating Authority. The Law was amended in 2004 increasing the debt limit.

Source: Authority's audited financial statements and statistics reports

**Albany County Airport Authority
Ratios of Outstanding Debt, Con't
For Years Ended December 31,**

2005	2006	2007	2008	2009	2010	2011
\$ 5,711,504	\$ 5,879,556	\$ 6,554,932	\$ 6,885,016	\$ 8,177,659	\$ 3,531,847	\$ 8,574,618
7,577,183	7,249,097	7,693,877	7,513,131	6,976,417	6,107,912	5,973,071
\$ 13,288,687	\$ 13,128,653	\$ 14,248,809	\$ 14,398,147	\$ 15,154,076	\$ 9,639,759	\$ 14,547,689
\$ 46,265,880	\$ 49,626,193	\$ 52,766,374	\$ 57,555,709	\$ 55,694,894	\$ 52,594,556	\$ 54,003,450
28.72%	26.46%	27.00%	25.02%	27.21%	18.33%	26.94%
\$ 9,182,693	\$ 8,721,259	\$ 10,010,625	\$ 10,230,911	\$ 11,428,288	\$ 5,913,971	\$ 9,694,913
1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381	1,242,399
\$ 5.92	\$ 6.02	\$ 6.95	\$ 7.41	\$ 8.67	\$ 4.68	\$ 7.80
\$ 7,519,274	\$ 6,527,880	\$ 5,543,982	\$ 4,580,151	\$ 3,418,256	\$ 2,454,409	\$ 1,510,678
131,855,484	148,071,630	143,175,122	137,253,661	136,681,250	132,560,000	125,340,000
7,515,515	6,920,238	6,310,821	5,694,808	4,627,000	4,045,887	3,635,000
\$ 146,890,273	\$ 161,519,748	\$ 155,029,925	\$ 147,528,620	\$ 144,726,506	\$ 139,060,296	\$ 130,485,678
1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381	1,242,399
\$ 95	\$ 112	\$ 108	\$ 107	\$ 110	\$ 110	\$ 105
\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381	1,242,399
\$ 184	\$ 197	\$ 198	\$ 206	\$ 216	\$ 225	\$ 229

<4>Debt service does not include \$5,145,000 of principal retired and certain accrued interest on \$107,395,000 of bonds refunded in 2010 for which the Authority contributed \$8,398,522 in cash on hand to reduce the amount of refunding bonds issued and scheduled debt service due in 2010.

**Albany County Airport Authority
Revenue Bond Debt Service Coverage
For Years Ended December 31,**

	2002	2003	2004
NET REVENUES			
Operating Revenues	\$ 29,118,557	\$ 31,801,009	\$ 34,092,340
Interest Income	522,038	366,157	375,317
Investments Received	-	-	-
TSA (LEO) Reimbursement	-	-	-
Improvement Charges	276,300	276,300	276,300
Total Revenues	\$ 29,916,895	\$ 32,443,466	\$ 34,743,957
LESS: Total Operating Expenses	(19,431,061)	(21,511,641)	(22,593,481)
LESS: Albany County Debt Service	(1,672,098)	(1,678,326)	(1,515,706)
Net Revenues	\$ 8,813,736	\$ 9,253,499	\$ 10,634,770
DEBT SERVICE			
1997 Revenue Bonds	\$ 6,638,694	\$ 6,729,880	\$ 6,778,459
Less: PFC Revenues used for Debt Service	(4,368,840)	(4,164,423)	(3,877,378)
1998 B & C Revenue Bonds	2,378,240	2,357,686	2,362,420
1999 NYS EFC Revenue Bonds	702,834	712,041	693,011
Less: 1999 NYS EFC Interest Subsidy	(249,380)	(241,545)	(223,448)
2000 NYS EFC Revenue Bonds	284,700	292,226	295,693
Less: 2000 NYS EFC Interest Subsidy	(52,455)	(46,936)	(41,773)
2000 B Revenue Bonds	957,070	960,790	958,518
2003 A Revenue Bonds	-	151,647	765,337
2004 NYS EFC Revenue Bonds	-	-	41,490
Less: 2004 NYS EFC Interest Subsidy	-	-	(4,172)
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
2010 A Refunding Bonds	-	-	-
2010 B Refunding Bonds	-	-	-
Less: Interest paid from bond proceeds	-	-	-
Net Debt Service	\$ 6,290,863	\$ 6,751,366	\$ 7,748,157
DEBT SERVICE COVERAGE <1>	1.40	1.37	1.37
<1> Does not include required amounts held in Bond Reserve Accounts as follows:			
1997 Revenue Bonds	\$ 8,370,000	\$ 8,370,000	\$ 8,370,000
1998 B & C Revenue Bonds	2,447,415	2,447,415	2,447,415
1999 NYS EFC Bonds	442,237	442,237	442,237
2000 NYS EFC Bonds	237,494	237,494	237,494
2000 B Revenue Bonds	926,700	926,700	926,700
2003 A Revenue Bonds	-	514,100	514,100
2004 NYS EFC Bonds	-	-	38,831
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
2010 A Refunding Bonds	-	-	-
Total Bond Reserve Accounts	\$ 12,423,846	\$ 12,937,946	\$ 12,976,777

Source: Authority's audited financial statements and statistics reports

Albany County Airport Authority
Revenue Bond Debt Service Coverage, Con't
For Years Ended December 31,

2005	2006	2007	2008	2009	2010	2011
\$ 37,507,962	\$ 40,116,726	\$ 42,634,760	\$ 45,675,304	\$ 42,250,595	\$ 40,952,560	\$ 43,994,350
789,591	1,193,635	1,225,878	597,990	233,567	184,276	83,120
-	-	170,813	-	(79,087)	-	-
-	-	-	-	-	428,984	429,204
276,300	276,300	276,300	276,300	368,400	368,400	368,400
\$ 38,573,853	\$ 41,586,661	\$ 44,307,751	\$ 46,549,594	\$ 42,773,475	\$ 41,934,220	\$ 44,875,074
(27,148,236)	(29,877,731)	(31,974,921)	(34,231,189)	(29,625,492)	(29,886,704)	(32,675,747)
(1,407,817)	(1,311,243)	(1,263,510)	(1,202,184)	(1,156,056)	(1,080,407)	(1,022,352)
\$ 10,017,800	\$ 10,397,687	\$ 11,069,320	\$ 11,116,221	\$ 11,991,927	\$ 10,967,109	\$ 11,176,975
\$ 6,907,143	\$ 6,941,298	\$ 6,989,961	\$ 388,433	\$ -	\$ -	\$ -
(4,105,994)	(4,407,394)	(4,238,184)	(4,167,236)	(3,725,788)	(2,806,622)	(4,852,776)
2,363,016	2,360,300	2,358,007	2,360,653	2,444,052	1,455,142	-
676,755	664,221	651,283	634,745	617,141	577,873	443,618
(215,167)	(201,777)	(188,258)	(174,600)	(157,301)	(143,792)	(26,907)
287,232	281,054	276,551	275,149	279,829	-	-
(36,254)	(30,635)	(25,319)	(18,996)	(12,846)	-	-
960,735	955,940	960,402	957,753	957,471	511,813	-
752,027	748,049	743,885	748,863	748,637	746,692	748,577
43,487	43,282	46,064	41,985	41,289	40,893	39,362
(5,994)	(5,325)	(4,716)	(4,009)	(3,341)	(2,673)	(2,004)
-	330,294	1,099,763	1,099,926	1,099,188	1,102,531	1,099,788
-	-	290,356	402,054	402,048	401,838	401,429
-	-	-	6,348,023	6,902,639	3,963,413	-
-	-	-	-	-	2,707,162	9,628,519
-	-	-	-	-	62,112	923,852
-	(330,294)	(290,356)	-	-	-	-
\$ 7,626,986	\$ 7,349,013	\$ 8,669,439	\$ 8,892,743	\$ 9,593,018	\$ 8,616,382	\$ 8,403,458
1.31	1.41	1.28	1.25	1.25	1.27	1.33
\$ 8,370,000	\$ 8,370,000	\$ 8,370,000	\$ -	\$ -	\$ -	\$ -
2,447,415	2,447,415	2,447,415	2,447,415	2,447,415	-	-
442,237	442,237	442,237	442,237	442,237	277,389	277,389
237,494	237,494	237,494	237,494	237,494	-	-
926,700	926,700	926,700	926,700	926,700	-	-
514,100	514,100	514,100	514,100	514,100	514,100	514,100
38,831	38,831	38,831	38,831	38,831	38,831	38,831
-	1,128,600	1,128,600	1,128,600	1,128,600	1,128,600	1,128,600
-	404,263	404,263	404,263	404,263	404,263	404,263
-	-	-	8,232,976	8,232,976	-	-
-	-	-	-	-	9,523,517	9,523,517
\$ 12,976,777	\$ 14,509,640	\$ 14,509,640	\$ 14,372,616	\$ 14,372,616	\$ 11,886,700	\$ 11,886,700

<1>Debt service does not include \$5,145,000 of principal retired and certain accrued interest on \$107,395,000 of bonds refunded in 2010 for which the Authority contributed \$8,398,522 in cash on hand to reduce the amount of refunding bonds issued and scheduled debt service due in 2010.

**Albany International Airport
Population in the Air Trade Area**

	2009	2000	2000 vs. 1990	1990	1990 vs. 1980	1980
<u>PRIMARY TRADE AREA</u>						
State of New York						
Albany County	298,284	294,565	0.7%	292,594	2.3%	285,909
Columbia County	61,618	63,094	0.2%	62,982	5.9%	59,487
Fulton County	55,053	55,073	1.6%	54,191	-1.7%	55,153
Greene County	48,947	48,195	7.7%	44,739	9.5%	40,861
Montgomery County	48,616	49,708	-4.4%	51,981	-2.7%	53,439
Rensselaer County	155,541	152,538	-1.2%	154,429	1.6%	151,966
Saratoga County	220,069	200,635	10.7%	181,276	17.9%	153,759
Schenectady County	152,169	146,555	-1.8%	149,285	-0.4%	149,946
Schoharie County	31,529	31,582	-0.9%	31,859	7.2%	29,710
Warren County	66,021	63,303	6.9%	59,209	7.9%	54,854
Washington County	62,753	61,042	2.9%	59,330	8.3%	54,795
State of Massachusetts						
Berkshire County	129,288	134,953	-3.2%	139,352	-4.0%	145,170
State of Vermont						
Bennington County	36,411	36,994	3.2%	35,845	7.1%	33,470
PRIMARY TRADE AREA	1,366,299	1,338,237	1.6%	1,317,072	3.8%	1,268,519
<u>SECONDARY TRADE AREA</u>						
State of New York						
Delaware County	45,514	48,055	1.8%	47,225	0.9%	46,824
Dutchess County	293,562	280,150	8.0%	259,462	5.9%	245,055
Essex County	37,686	38,851	4.6%	37,152	2.7%	36,176
Hamilton County	4,923	5,379	1.9%	5,279	4.9%	5,034
Herkimer County	62,236	64,427	-2.1%	65,797	-0.6%	66,174
Otsego County	61,602	61,676	1.9%	60,517	2.4%	59,075
Ulster County	181,440	177,749	7.5%	165,304	4.5%	158,158
State of Connecticut						
Litchfield County	188,728	182,193	4.7%	174,092	11.1%	156,769
State of Massachusetts						
Franklin County	71,778	71,535	2.1%	70,092	9.0%	64,317
Hampden County	471,081	456,228	0.0%	456,310	3.0%	443,018
Hampshire County	156,044	152,251	3.9%	146,568	5.6%	138,813
State of Vermont						
Addison County	36,760	35,974	9.2%	32,953	12.1%	29,406
Rutland County	63,014	63,400	2.0%	62,142	6.5%	58,347
Windham County	43,471	44,216	6.3%	41,588	12.6%	36,933
Windsor County	56,552	57,418	6.2%	54,055	5.9%	51,030
SECONDARY TRADE AREA	1,774,391	1,739,502	3.6%	1,678,536	5.2%	1,595,129
TOTAL PRIMARY AND SECONDARY TRADE AREA POPULATION	3,140,690	3,077,739	2.7%	2,995,608	4.6%	2,863,648
State of New York	19,541,453	18,976,457	5.5%	17,990,455	2.5%	17,558,165
United States	307,006,550	282,171,936	13.5%	248,709,873	9.8%	226,542,000

Sources: U.S. Department of Commerce, Bureau of the Census

**Albany International Airport
Major Employers in Primary Air Trade Area**

Employer	County	Product or Service	FTE Employment		2011
			2011	2002	% of Total
New York State	Albany	State Government	51,409	58,000	38.8%
U.S. Government	Albany	Federal Government	7,901	8,600	6.0%
Albany Medical Center	Albany	Health Care	6,257	6,529	4.7%
Golub Corporation	Schenectady	Retail Grocery, Headquarters, and Distribution Center	5,864	3,803	4.4%
GE Energy	Schenectady	Turbines, Industrial Machinery	3,750	9,200	2.8%
Hannaford Brothers	Rensselaer	Retail Grocery	3,580	2,100	2.7%
St. Peter's Health Care Services	Albany	Health Care	3,554	3,321	2.7%
Northeast Health	Rensselaer	Health Care	3,304	3,166	2.5%
Verizon	Albany	Telecommunications Service	3,000	3,030	2.3%
Bechtel Marine Propulsion Corp.	Schenectady	Research and development	2,800	N/A	2.1%
Ellis Hospital	Schenectady	Health Care	2,792	1,375	2.1%
Knolls Atomic Power Laboratory (Lockheed-Martin)	Schenectady	Security Technology	2,600	2,650	2.0%
County of Albany	Albany	Local Government	2,512	2,866	1.9%
Glens Falls Hospital	Warren	Health Care	2,335	2,458	1.8%
Center for the Disabled	Albany	Health Care	2,175	N/A	1.6%
GE Global Research	Schenectady	Research and development	2,000	N/A	1.5%
Rensselaer Polytechnic Institute	Rensselaer	Educational Services	1,872	1,720	1.4%
Rensselaer County	Rensselaer	Local Government	1,802	1,687	1.4%
Shenendehowa School District	Saratoga	Educational Services	1,800	1,230	1.4%
City of Schenectady School District	Schenectady	Educational Services	1,633	1,237	1.2%
Empire Blue Cross/Blue Shield	Albany	Health Insurance	1,600	1,800	1.2%
Global Foundries	Saratoga	Semiconductor Manufacturing/Technology Solutions	1,465	N/A	1.1%
Albany City School District	Albany	Educational Services	1,453	1,507	1.1%
Saratoga County	Saratoga	Local Government	1,416	1,244	1.1%
Seton Health Systems	Rensselaer	Health Care	1,392	1,247	1.1%
Saratoga Hospital	Saratoga	Health Care	1,387	N/A	1.0%
Schenectady County	Schenectady	Local Government	1,385	1,485	1.0%
St Mary's Hospital	Schenectady	Health Care	1,299	N/A	1.0%
City of Albany	Albany	Local Government	1,240	1,550	0.9%
Stewart's Ice Cream Co., Inc.	Saratoga	Dairy Products	1,237	1,423	0.9%
Columbia Memorial Hospital	Columbia	Health Care	1,203	N/A	0.9%
National Grid	Albany	Electric and Gas Utility	1,153	1,575	0.9%
State Farm Insurance Company	Saratoga	Insurance Company	1,136	1,877	0.9%
KeyCorp	Albany	Banking/Financial services	1,100	1,900	0.8%
MVP	Albany	Health Insurance	1,040	N/A	0.8%

N/A-Not Available
Sources: Various

**Albany International Airport
Colleges and Universities in Primary Air Trade Area**

Name	County		# of Students Registered	
			2002	2011
Excelsior College	Albany	Private	N/A	31,000
State University of New York at Albany	Albany	Public	12,908	18,018
Hudson Valley Comm. College	Rensselaer	Public	6,600	13,500
Empire State College	Albany	Public	N/A	12,156
Rensselaer Polytechnic Institute	Rensselaer	Private	6,570	6,934
Schenectady Comm. College	Schenectady	Public	2,325	5,245
College Of Saint Rose	Albany	Private	3,144	5,160
Adirondack Comm. College	Warren	Public	2,173	3,874
Siena College	Albany	Private	2,982	3,305
The Sage Colleges	Rensselaer	Private	2,417	2,805
Skidmore College	Saratoga	Private	2,342	2,632
Fulton Montgomery Comm. College	Fulton-Montgomery	Public	1,485	2,420
Union College	Schenectady	Private	2,289	2,194
Williams College	Berkshire, MA	Private	2,110	2,083
Columbia-Greene Comm. College	Columbia-Greene	Public	1,038	2,039
Massachusetts College of Liberal Arts	Berkshire, MA	Public	1,350	1,985
Albany College Of Pharmacy	Albany	Private	692	1,567
Maria College	Albany	Private	544	861
Albany Medical College	Albany	Private	637	807
Bryant & Stratton Business Institute	Albany	Private	369	776
Mildred Elley College For Careers	Albany	Private	450	754
Albany Law School	Albany	Private	700	734
Bennington College	Bennington, VT	Private	541	668
Southern Vermont College	Bennington, VT	Public	370	500
Union Graduate College	Schenectady	Private	N/A	430
Bard College at Simon's Rock	Berkshire, MA	Private	360	394
Total			<u>54,396</u>	<u>122,841</u>

N/A-Not Available

Sources: Capital District Business Review, Book of Lists, 2002 & 2011
College Websites

**Albany International Airport
Airport Information
As of December 31,**

Airport Code:	ALB		
Location:	7 miles Northwest of downtown Albany, New York, the capital of the State of New York		
Elevation:	285 ft.		
International:	Customs / Immigration F.I.S. Facility		
Tower:	TRACON 24 / 7 - 365		
FBO:	Million Air		
		2002	2011
Acres (+/-):		1,100	1,171
Runways:	1/19 North/South ILS / VOR / GPS	7,200 X 150 ft.	8,500 X 150 ft.
	10/28 East/West VOR / GPS	6,000 X 150 ft.	7,200 X 150 ft.
Terminal:	Airlines - sq ft	95,924	90,528
	Tenants - sq ft	34,459	43,160
	Public/Common - sq ft	102,016	105,218
	Mechanical - sq ft	52,928	51,382
	Total - sq ft	<u>285,327</u>	<u>290,288</u>
	Number of passenger gates	21	21
	Number of loading bridges	13	16
	Number of Concessionaires in Terminal	7	6
	Number of Rental Car Agencies in Terminal	5	6
Apron:	Commercial Airlines - sq ft	749,853	810,901
	Cargo Airlines - sq ft	181,730	210,600
	FBO - sq ft	640,000	640,000
Parking:	Spaces assigned		
	Garage	1,898	1,907
	Short-term	356	353
	Long-term	1,059	1,117
	Economy	1,269	2,783
	Rental Cars	307	307
	Employees	369	514
	Total	<u>5,258</u>	<u>6,981</u>
Cargo:	Air Cargo Building - sq ft	50,500	50,500
	Former U.S. Post Office* - sq ft	N/A	5,595
Employees:	Authority	27.0	23.0
	Airport Operations	215.0	162.5
	Fixed Based Operator	N/A	34.0
	Total	<u>242.0</u>	<u>219.5</u>

N/A-Not applicable

* - Former U.S. Post Office Air Cargo facility is rented to a land transport cargo tenant

**Albany International Airport
Enplaned Passengers
2002-2011**

AIRLINE	2011	Percent of Total 2011	2010	Percent of Total 2010
Southwest Airlines	511,735	41.2%	511,636	40.4%
Delta Connection (Pinnacle)	100,678	8.1%	54,130	4.3%
US Airways	81,980	6.6%	83,513	6.6%
US Airways Express (Republic)	76,919	6.2%	90,263	7.1%
United Airlines	64,408	5.2%	66,191	5.2%
US Airways Express (Air Wisconsin)	51,029	4.1%	35,060	2.8%
Delta Airlines	46,606	3.7%	18,251	1.4%
Continental (Express Jet)	40,463	3.3%	63,067	5.0%
Delta Connection (ASA)	37,155	3.0%	48,212	3.8%
United Express (Express Jet)	36,282	2.9%	26,609	2.1%
United Express (Colgan)	33,298	2.7%		
Continental Connection (Colgan)	28,434	2.3%	30,702	2.4%
Continental Connection (Commutair)	23,615	1.9%	8,001	0.6%
United Express (Mesa)	21,460	1.7%	25,230	2.0%
United Express (ASA)	18,491	1.5%	12,284	1.0%
US Airways Express (Piedmont)	16,393	1.3%	29,701	2.3%
Cape Air	16,284	1.3%	8,677	0.7%
Delta Connection (Mesaba)	12,302	1.0%	30,699	2.4%
United Express (Go Jet)	7,489	0.6%	47,605	3.8%
US Airways Express (Colgan Air)	6,902	0.6%	8,408	0.7%
Air Canada	4,482	0.4%	4,782	0.4%
Delta Connection (Compass)	2,665	0.2%	18,447	1.5%
Delta Connection (Comair)	1,762	0.1%	26,189	2.1%
US Airways Express (Mesa)	846	0.1%	5,368	0.4%
Delta Connection (Chautauqua)	576	0.0%	4,437	0.4%
Delta Connection (Shuttle America)	60	0.0%		
United Express (Shuttle America)	47	0.0%		
United Express (Trans States)	38	0.0%	4,733	0.4%
US Airways Express (PSA)			1,993	0.2%
Northwest Airlines			193	0.0%
Northwest Airlin (Pinnacle)				
Northwest Airlin (Mesaba)				
Delta Connection (Freedom)				
Continental Airlines				
American Eagle				
Delta Connection (Big Sky)				
Delta Connection (Sky West)				
US Airways Express (Chautauqua)				
United Express (Sky West)				
Independence Air				
United Express (Air Wisconsin)				
United Express (Chautauqua)				
US Airways Express (Trans States)				
United Express (Atlantic Coast)				
US Airways Express (Allegheny)				
US Airways Express (Midway)				
Delta Connection (Atlantic Coast)				
American Airlines				
Sub Total	1,242,399	99.9%	1,264,381	99.9%
Charters	1,131	0.1%	1,493	0.1%
TOTAL	1,243,530	100.0%	1,265,874	100.0%

Source: Albany County Airport Authority

**Albany International Airport
Enplaned Passengers
2002-2011**

2009	2008	2007	2006	2005	2004	2003	2002
511,094	501,437	516,216	488,646	415,074	350,941	349,981	340,975
104,799	130,192	130,070	139,668	204,510	276,933	279,497	327,291
62,626	50,137	43,507	42,782	1,167			
75,828	70,027	76,867	60,074	71,048	75,655	94,965	70,086
31,665	36,777	38,992	54,486	10,250			
		87	45,323	178,495	226,913	183,102	185,306
57,528	66,314	100,472	99,570	100,089	93,692	82,988	85,177
72,330	75,522	79,584	56,186	6,408			
40,255	35,090						
9,201	5,463	5,805	12,096	31,078	95,545	85,493	71,212
24,623							
52,723	39,701	41,945	29,035	16,504	1,004	3,241	4,852
8,013	2,237						
52,875	58,784	60,273	37,694				
7,092	10,011	13,661	14,211	12,214	27,361	23,261	10,153
4,153	7,077	7,760	7,986	6,659	6,598	6,322	9,514
40,369	50,476	41,514	45,496	50,485	10,799	22,583	18,023
3,971	16,906	19,536	12,825	28,112	11,675	703	
5,061	66	540	345				
		61	25,482	21,011			
33,266	49,426	51,007	46,200	37,489	38,461	1,158	
2,270	1,985	17,298	31,586	14,767	7,275		
63,724	85,038	98,125	98,733	111,415	108,287	112,686	112,747
21,995	9,939	14,937	12,516	34,682	37,576	23,521	2,311
21,435	17,109		2,461				
11,116	25,233	26,112	9,696				
807							
	35,344	43,828	47,147	53,568	68,899	61,590	41,778
	192	5106					
		5,574					
		1,508	8,415	15,664	939	8,431	
			18,296	26,838			
			598	60,055	26,522		
				26,288	43,991	7,675	
				12,055	11,545		
				4,477	9,692	4,526	
					26,423	58,409	59,872
					70	20,573	58,815
						2,939	
						2,204	7,210
							71,666
1,318,819	1,380,483	1,440,385	1,447,553	1,550,402	1,556,796	1,435,848	1,476,988
1,600	1,988	2,436	2,611	2,134	1,860	1,539	2,353
1,320,419	1,382,471	1,442,821	1,450,164	1,552,536	1,558,656	1,437,387	1,479,341

**Albany International Airport
Airline Landed Weight (lbs.)
2002-2011**

<u>Commercial Carriers</u>	2011	Percent of Total 2011	2010	Percent of Total 2010	2009
Southwest Airlines	571,920,000	34.7%	572,100,000	34.3%	592,288,000
US Airways Express (Republic)	111,779,265	6.8%	123,518,991	7.4%	88,692,047
Delta Connection (Pinnacle)	110,381,509	6.7%	60,855,208	3.6%	
United Airlines	86,114,744	5.2%	89,909,713	5.4%	101,716,477
US Airways	81,480,800	4.9%	80,754,302	4.8%	120,409,823
US Airways Express (Air Wisconsin)	67,351,000	4.1%	49,914,000	3.0%	42,065,000
Delta Airlines	53,982,509	3.3%	20,349,608	1.2%	
Continental Connection (Express Jet)	42,769,610	2.6%	63,076,374	3.8%	61,830,055
Delta Connection (ASA)	42,377,404	2.6%	54,193,008	3.2%	77,199,700
Continental Connection (Colgan)	39,308,000	2.4%	40,405,906	2.4%	46,934,000
United Express (Express Jet)	37,630,283	2.3%	28,116,619	1.7%	
United Express (Colgan)	35,898,000	2.2%			
US Airways Express (Piedmont)	35,475,009	2.2%	48,466,505	2.9%	80,372,091
Continental Connection (Commutair)	29,176,504	1.8%	10,453,508	0.6%	9,694,500
United Express (Mesa)	26,532,000	1.6%	30,218,000	1.8%	5,254,000
Cape Air	25,995,749	1.6%	21,385,706	1.3%	21,337,751
United Express (ASA)	19,552,000	1.2%	12,831,000	0.8%	
US Airways Express (Colgan)	19,266,005	1.2%	25,450,508	1.5%	25,958,476
Delta Connection (Mesaba)	15,802,598	1.0%	37,117,103	2.2%	
United Express (Go Jet)	9,695,000	0.6%	59,831,000	3.6%	74,035,000
Air Canada	8,200,404	0.5%	11,122,003	0.7%	10,707,003
Charters	4,145,995	0.3%	5,722,930	0.3%	4,230,983
Delta Connection (Compass)	3,298,107	0.2%	20,613,616	1.2%	
Delta Connection (Comair)	2,820,000	0.2%	29,995,506	1.8%	46,718,101
Continental Airlines	1,361,544	0.1%			1,560,000
Delta Connection (Chautauqua)	1,021,174	0.1%	5,105,879	0.3%	5,573,926
US Airways Express (Mesa)	808,500	0.0%	6,100,505	0.4%	26,215,500
Delta Connection (Shuttle America)	74,958	0.0%			
United Express (Shuttle America)	72,309	0.0%			
United Express (Trans States)	42,548	0.0%	5,616,465	0.3%	32,549,986
US Airways Express (PSA)			2,997,000	0.2%	3,269,000
Northwest Airlines			196,200	0.0%	74,479,110
Northwest AirlinK (Pinnacle)					23,443,397
Northwest AirlinK (Mesaba)					22,951,402
Delta Connection (Freedom)					13,956,071
Delta Connection (Big Sky)					
American Eagle					
Delta Connection (Sky West)					
US Airways Express (Chautauqua)					
United Express (Sky West)					
Independence Air					
United Express (Air Wisconsin)					
United Express (Chautauqua)					
US Airways Express (Trans States)					
United Express (Atlantic Coast)					
US Airways Express (Allegheny)					
US Airways Express (Midway)					
Delta Connection (Atlantic Coast)					
American Airlines					
	1,484,333,528	90.1%	1,516,417,163	90.8%	1,613,441,399
<u>Cargo Carriers</u>					
United Parcel Service	100,395,604	6.1%	98,503,762	5.9%	98,163,713
Federal Express	51,337,000	3.1%	42,670,000	2.6%	42,947,679
Wiggins Airways	7,514,000	0.5%	7,684,009	0.5%	7,520,270
Ameriflight	4,054,101	0.2%	4,142,604	0.2%	5,646,338
Air Now				0.0%	184,014
DHL					
Misc Cargo Carriers	45,901	0.0%			
	163,346,606	9.9%	153,000,375	9.2%	154,462,014
Grand Total	1,647,680,134	100.0%	1,669,417,538	100.0%	1,767,903,413

Source: Albany County Airport Authority

**Albany International Airport
Airline Landed Weight (lbs.)
2002-2011**

2008	2007	2006	2005	2004	2003	2002
606,268,000	606,612,000	563,734,000	518,932,000	422,446,000	414,586,000	420,429,000
68,929,242	64,857,593	57,054,164	1,735,487			
87,446,407	92,214,768	75,168,921	91,972,289	102,180,283	128,838,073	94,993,078
165,434,995	157,816,799	159,841,799	271,790,013	401,439,400	394,749,800	456,002,601
50,290,000	51,747,000	63,638,000	16,168,000			
	130,000	54,154,000	230,357,000	290,395,000	240,572,000	261,038,510
72,763,757	105,515,474	106,856,144	105,272,684	101,763,400	91,519,085	97,543,307
79,578,000	84,128,000	63,177,000	7,529,000			
40,672,000						
55,772,703	52,059,000	38,001,587	24,971,997	1,500,603	5,401,801	9,039,901
4,933,500	11,073,502	18,625,199	77,754,400	241,745,800	233,578,600	222,001,693
5,932,101						
31,632,517	40,199,202	39,567,647	38,327,497	59,713,215	50,090,797	22,097,811
74,102,000	74,504,000	54,002,000				
12,317,199	12,698,992	13,080,797	11,387,601	12,765,400	12,333,797	19,505,004
4,069,000	5,422,107	8,909,783	5,642,000	3,895,000	3,829,801	5,394,000
64,628,000	48,663,000	51,025,000	57,221,903	12,429,000	25,128,000	17,968,708
85,097	695,111	808,430				
16,317,000	19,771,510	14,847,000	43,589,575	17,189,289	434,256	
	72,313	34,131,266	28,635,553			
52,548,013	53,654,292	57,696,448	49,747,465	55,178,000	1,457,000	
2,838,000	24,432,000	47,622,000	19,741,000	10,006,692		
98,588,000	124,050,000	132,614,109	157,034,120	179,518,300	170,795,158	154,405,503
10,227,296	16,625,206	14,681,201	41,407,000	50,337,000	27,965,000	3,055,000
19,266,996		3,315,699				
29,389,767	39,934,580	17,287,881				
325,280	11,843,996					
36,951,763	45,339,119	33,744,507	39,339,116	57,728,600	49,784,424	46,407,621
	7,800,000					
	1,829,609	10,293,329	16,884,899	1,000,800	7,005,602	
		21,400,000	30,745,000			
		526,860	85,634,000	50,807,000		
			30,806,000	53,280,022	5,759,000	
			14,325,164	14,083,717		
			5,896,881	12,455,000	5,121,055	
				32,430,000	73,782,258	81,401,794
				169,502	36,544,199	141,430,802
					3,948,000	
					2,982,059	9,470,831
					198,594	91,600,680
1,691,306,633	1,753,689,173	1,755,804,771	2,022,847,644	2,184,457,023	1,986,404,359	2,153,785,844
97,346,000	97,764,985	99,582,507	101,730,004	98,271,500	97,406,000	91,514,000
42,687,000	41,735,000	43,869,000	43,352,004	42,988,000	42,980,000	42,499,000
7,667,000	7,812,267	8,134,500	9,554,000	9,924,708	10,281,300	10,460,500
245,000						
2,397,398	2,323,206	3,793,000	2,765,000	2,952,500	2,676,000	4,490,200
26,503,603	50,877,892	51,589,707	33,802,604	25,733,300	26,067,900	26,005,700
	8,752,406	11,340,584	14,651,722	16,964,914	16,221,342	18,188,658
176,846,001	209,265,756	218,309,298	205,855,334	196,834,922	195,632,542	193,158,058
1,868,152,634	1,962,954,929	1,974,114,069	2,228,702,978	2,381,291,945	2,182,036,901	2,346,943,902

**Albany International Airport
Aircraft Operations
2002-2011**

<u>Commercial Carriers</u>	2011	Percent of Total 2011	2010	Percent of Total 2010	2009
Southwest Airlines	9,152	18.2%	9,182	18.1%	9,510
Cape Air	7,590	15.1%	6,244	12.3%	6,230
Delta Connection (Pinnacle)	4,440	8.8%	2,360	4.7%	
US Airways Express (Republic)	3,034	6.0%	3,360	6.6%	2,396
US Airways (Air Wisconsin)	2,866	5.7%	2,124	4.2%	1,788
US Airways Express (Piedmont)	2,100	4.2%	2,754	5.4%	4,538
Continental Connection (Express Jet)	1,962	3.9%	2,964	5.8%	2,902
United Express (Express Jet)	1,716	3.4%	1,286	2.5%	
Continental Connection (Commutair)	1,582	3.1%	606	1.2%	562
US Airways	1,388	2.8%	1,348	2.7%	2,070
US Airways Express (Colgan)	1,368	2.7%	1,866	3.7%	1,904
Continental Connection (Colgan)	1,268	2.5%	1,246	2.5%	1,514
United Airlines	1,232	2.5%	1,280	2.5%	1,538
Delta Connection (ASA)	1,222	2.4%	1,624	3.2%	2,414
United Express (Colgan)	1,158	2.3%			
Air Canada	988	2.0%	1,340	2.6%	1,290
United Express (ASA)	832	1.7%	546	1.1%	
United Express (Mesa)	792	1.6%	988	1.9%	956
Delta Airlines	786	1.6%	342	0.7%	
Delta Connection (Mesaba)	462	0.9%	1,088	2.1%	
United Express (Go Jet)	288	0.6%	1,786	3.5%	2,210
Delta Connection (Comair)	120	0.2%	1,238	2.4%	1,974
Delta Connection (Compass)	88	0.2%	550	1.1%	
Charters	69	0.1%	56	0.1%	42
Delta Connection (Chautauqua)	48	0.1%	246	0.5%	264
US Airways Express (Mesa)	18	0.0%	166	0.3%	122
United Express (Shuttle America)	4	0.0%			
Delta Connection (Shuttle America)	2	0.0%			
United Express (Trans States)	2	0.0%	264	0.5%	1,530
US Airways Express (PSA)			102	0.2%	134
Northwest Airlines					1,356
Northwest AirlinK (Pinnacle)					1,004
Northwest AirlinK (Mesaba)					764
Delta Connection (Freedom)					496
Continental Airlines					22
American Eagle					
Delta Connection (Big Sky)					
Delta Connection (Sky West)					
US Airways Express (Chautauqua)					
US Airways Express (Trans States)					
United Express (Sky West)					
Independence Air					
United Express (Air Wisconsin)					
United Express (Chautauqua)					
United Express (Atlantic Coast)					
US Airways Express (Allegheny)					
Delta Connection (Atlantic Coast)					
US Airways Express (Midway)					
American Airlines					
	46,577	92.7%	46,956	92.6%	49,530
<u>Cargo Carriers</u>					
Wiggins Airways	1,687	3.4%	1,770	3.5%	1,768
United Parcel Service	950	1.9%	934	1.8%	928
Ameriflight	524	1.0%	542	1.1%	642
Federal Express	520	1.0%	516	1.0%	528
Air Now					40
Airborne Express					
Misc Cargo Carriers	6				
	3,687	7.3%	3,762	7.4%	3,906
Grand Total	50,264	100.0%	50,718	100.0%	53,436

Source: Albany County Airport Authority

**Albany International Airport
Aircraft Operations, Con't
2002-2011**

2008	2007	2006	2005	2004	2003	2002
9,698	9,868	9,324	8,480	7,018	6,922	6,938
1,732						
1,872	1,780	1,580	48			
2,140	2,202	2,712	688			
3,102	2,838	2,162	1,469	88	316	530
3,382	4,986	5,094	5,116	4,940	4,440	4,820
324	1,332	2,244	9,368	29,094	28,152	26,864
2,944	2,692	2,782	5,410	7,296	6,806	7,836
2,646	3,566	3,432	2,966	6,356	5,976	2,628
1,312						
1,474	1,632	1,250	1,530	1,712	1,988	1,512
2,428	2,658	2,296	254			
1,484	1,530	1,582	1,370	1,568	1,472	2,350
	10	906	3,922	4,504	3,488	3,558
2,212	2,224	1,612				
2,368	1,856	1,970	1,796	374	768	732
40	52	48	76	78	50	100
4	34	38				
614	538	404	1,870	784	32	
	2	944	792			
2,470	2,522	2,712	2,312	2,408	62	
108	872	1,738	766	494		
1,696	2,090	2,130	2,656	2,842	2,848	2,846
438	712	628	1,762	2,142	1,190	130
740		142				
1,380	2,162	970				
1,774	2,150	2,454	2,672	3,434	3,425	3,274
38	1,410					
	208					
	86	484	794	210	444	
	8		262	530	224	
		640	920			
		28	3,644	2,162		
			928	1,788	410	
			602	524		
				1,380	3,632	3,568
				10	2,156	8,344
					188	554
					90	
						1,816
48,420	52,020	52,306	62,473	81,736	75,079	78,400
1,804	1,870	1,914	2,248	2,334	2,418	2,456
926	928	960	978	1,042	948	930
32						
526	514	540	534	530	530	526
496	456	884	612	642	576	1008
524	1,014	1,026	674	516	522	520
1,606	2,928	3,620	3,828	4,330	4,158	4,482
5,914	7,710	8,944	8,874	9,394	9,152	9,922
54,334	59,730	61,250	71,347	91,130	84,231	88,322

**Albany International Airport
Aircraft Operations
2002-2011**

Year	Airlines	Cargo	General Aviation	Military	Total
2002	78,400	9,922	51,686	4,869	144,877
2003	75,079	9,152	49,867	4,771	138,869
2004	81,739	9,394	37,974	5,818	134,925
2005	62,473	8,874	40,614	4,981	116,942
2006	52,258	8,944	49,633	6,830	117,665
2007	51,968	7,710	45,688	5,409	110,775
2008	48,380	5,882	34,048	5,214	93,524
2009	49,488	3,906	34,579	6,540	94,513
2010	46,900	3,762	30,698	7,137	88,497
2011	46,508	3,687	25,980	4,226	80,401
Annual Compounded Growth 2002-2011	-40.7%	-62.8%	-49.7%	-13.2%	-44.5%

**Albany International Airport
Airlines Serving the Albany International Airport**

MAJORS / NATIONALS

Delta Airlines
Southwest Airlines
United Airlines
US Airways

REGIONAL / COMMUTERS

Air Georgian d/b/a Air Canada
Air Wisconsin d/b/a US Airways Express
Atlantic Southeast Airlines d/b/a Delta Connection
Atlantic Southeast Airlines d/b/a United Express
Colgan Air d/b/a Continental Connection
Colgan Air d/b/a United Express
Colgan Air d/b/a US Airways Express
Commutair d/b/a Continental Connection
Express Jet Airlines d/b/a Continental Connection
Express Jet Airlines d/b/a United Express
Go Jet d/b/a United Express
Hyannis Air Service d/b/a Cape Air & Nantucket Airlines
Mesaba d/b/a Delta Connection
Mesa d/b/a United Express
Mesa d/b/a US Airways Express
Piedmont d/b/a US Airways Express
Pinnacle d/b/a Delta Connection
Republic d/b/a US Airways Express

ALL-CARGO CARRIERS

Federal Express
United Parcel Service
Ameriflight
Wiggins Airways

**Albany International Airport
Major Carrier Airline Service**

SCHEDULED JET AIRLINE SERVICE

<u>CARRIER</u>	<u>NON-STOP SERVICE</u>	<u>ONE-STOP, SAME-PLANE SERVICE</u>
Continental Express	Cleveland (CLE)	
Delta - ASA - Pinnacle	Atlanta (ATL) Detroit (DTW) Minneapolis (MSP) New York J F Kennedy (JFK)	
Southwest	Baltimore (BWI) Chicago Midway (MDW) Fort Lauderdale (FLL) Las Vegas (LAS) Orlando (MCO) Tampa (TPA)	Atlanta (ATL) Burbank (BUR) Houston Hobby (HOU) Los Angeles (LAX) Louisville (SDF) Raleigh/Durham (RDU) Seattle/Tacoma (SEA) St. Louis (STL) West Palm Beach (PBI)
United - Express Jet - Mesa	Chicago O'Hare (ORD)	
US Airways - Air Wisconsin - Republic	Charlotte (CLT) Philadelphia (PHL) Washington National (DCA)	Columbus (CMH) Dallas/Fort Worth (DFW) Detroit (DTW) Huntsville (HSV) Orlando (MCO)

As of February 2012

Source: Official Airline Guide Schedule Tapes, January 2012

**Albany International Airport
Commuter Airline Service**

SCHEDULED COMMUTER AIRLINE SERVICE

<u>CARRIER</u>	<u>NON-STOP SERVICE</u>	<u>ONE-STOP, SAME-PLANE SERVICE</u>
Air Canada	Toronto (YYZ)	
Cape Air	Boston (BOS) Massena (MSS) Ogdensburg (OGS)	
Continental Connection - Colgan - Commutair	New York Newark (EWR) Washington Dulles (IAD)	
United Express - Colgan	Washington Dulles (IAD)	
US Airways Express - Colgan - Piedmont	Boston (BOS) NY- LaGuardia (LGA)	

As of February 2012

Source: Official Airline Guide Schedule Tapes, January 2012

**Albany International Airport
Primary Origination and Destination Passenger Markets**

Market	Length	Rank	2011 Passengers	Rank	2010 Passengers	Rank	2002 Passengers
Orlando	MH	1	206,840	1	217,980	2	237,000
Baltimore	SH	2	163,470	2	182,070	1	238,050
Southeast Florida (1)	MH	3	149,320	3	159,180	3	156,710
Chicago	MH	4	117,390	4	119,880	5	104,790
Tampa	MH	5	111,750	5	119,040	4	118,780
Las Vegas	LH	6	93,490	6	85,370	6	103,510
Los Angeles	LH	7	57,660	7	59,870	8	77,000
Denver	MH	8	54,800	9	55,260	12	47,810
Atlanta	MH	9	53,830	8	55,740	7	77,150
Washington, DC (2)	SH	10	52,550	10	49,990	11	52,780
Charlotte	SH	11	51,880	17	39,140		N/A
San Francisco	LH	12	46,710	11	46,180		N/A
Phoenix	LH	13	42,700	12	45,690	9	65,450
Dallas/Ft. Worth	MH	14	40,510	15	42,330	15	41,730
Raleigh/Durham	SH	15	39,530	13	43,720	10	56,670
Fort Myers	MH	16	38,900	14	43,330		Inc. in Tampa
Houston	MH	17	37,390	16	39,810	17	37,870
Detroit	SH	18	35,490	18	34,670	18	33,930
Minneapolis	MH	19	34,520	19	33,270		N/A
San Diego	LH	20	32,840	22	31,550	13	45,130

* Notes:

SH Short Haul = 0 to 600 miles

MH Medium Haul = 601 to 1,800 miles

LH Long Haul = over 1,801 miles

(1) Includes Fort Lauderdale, Miami, and West Palm Beach

(2) Includes National and Dulles

N/A - Not Available

Source: O & D Passenger Survey of Airline Passenger Traffic, U.S. DOT, Databank 12

Compliance





**INDEPENDENT AUDITORS' 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**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

We have audited the financial statements of the business-type activities and fiduciary funds of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York, as of and for the year ended December 31, 2011 which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Albany County Airport Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of the Members of the Albany County Airport Authority, management, the United States Department of Transportation, the Federal Aviation Administration, and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

March 19, 2012

Albany County Airport Authority
Schedule of Expenditures of Federal and
New York State Department of Transportation Financial Assistance
December 31, 2011

Federal Project Number	NYS Project Number	Federal * Percent Participation	Description Of Project	CFDA Number	Total Grant Amount		Year Ended 12/31/11 Expenditures	
					Federal	NYS	NYS	NYS
<u>CAPITAL CONTRIBUTIONS:</u>								
92-07	1913.85	95.00%	Noise Compatibility Program	20.106	\$ 4,655,000	\$ 122,500	\$ 1,110,801	\$ 19,616
97-08	1913.90	95.00%	Remove Obst-Rw 10 Design & Acquisitions & USDA Wildlife	20.106	1,244,905	32,761	586,650	15,438
99-08	1913.92	95.00%	Runway 19 RPZ Obstruction Removal (Historic House) Relocation	20.106	768,114	20,213	100,188	(282)
107-09	1913.04	95.00%	Safety Equip/ Rwy 19 Obst (Tree) Removals and Property Acq P4	20.106	2,141,800	56,363	785,090	20,594
108-10	1913.05	95.00%	Taxiway "A", and Ramp Pavement Rehabilitation Improvements	20.106	2,545,232	66,980	832,026	21,895
109-11	1913.05	95.00%	Runway 10-28, Taxiways "C", "K", "J", "H", "M", "N" and Air Cargo Pavement Rehabilitation	20.106	3,570,106	93,950	3,258,667	85,754
110-11	1913.05	95.00%	NW Quadrant Drainage and Security Improvements	20.106	435,155	11,452	162,590	4,279
Homeland Security	1913.08	95.00%	Homeland Security-In-Line Baggage Handling System Improvements	97.067	1,377,500	36,250	32,063	844
			Unallocated - NYSERDA				N/A	27,495
			TOTAL CAPITAL CONTRIBUTIONS		\$ 16,737,812	\$ 440,469	\$ 6,868,075	\$ 195,633
<u>NON-OPERATING GRANTS:</u>								
N/A	N/A	N/A	TSA Law Enforcement Officer Cooperative Agreement	97.090	\$ 428,983	\$ -	\$ 429,204	\$ -
102-09	1913.95	95.00%	Runway 28 Obstruction (Water Tanks) Removal PHASE 3	20.106	1,030,898	27,129	211,647	5,848
103-09	N/A	100.00%	ARRA-Runway 28 Obstruction (Water Tanks) Removal PHASE 4	20.106	6,737,601	N/A	465,805	N/A
			TOTAL NON-OPERATING GRANTS		\$ 8,197,482	\$ 27,129	\$ 1,106,656	\$ 5,848
			GRAND TOTAL		\$ 24,935,294	\$ 467,598	\$ 7,974,731	\$ 201,481

(* The remaining percentage is shared equally between the State of New York and the Authority.
See accompanying Notes to Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance.

Albany County Airport Authority
Notes to Schedule of Expenditures of Federal and
New York State Department of Transportation Financial Assistance
For the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Audit Pursuant to OMB Circular A-133

The Albany County Airport Authority (Authority) is a body corporate and politic constituting a public benefit corporation. The Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance includes all of the federal award programs and the New York State Department of Transportation matching grant award for the FAA's Airport Improvement Act (CFDA #20.106) administered by the Albany County Airport Authority, an entity defined in the financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance was prepared on the accrual basis of accounting.

2. SUBRECIPIENTS

The Authority has a subrecipient agreement with the Town of Colonie, New York to operate grant 20.106-Runway 19 Obstruction – Water Tank Removal/Property Acquisition Phase 3 and Phase 4. During 2011, \$683,300 was passed through to the Town of Colonie.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2011. The Authority's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Albany County Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Albany County Airport Authority, management, the United States Department of Transportation, the Federal Aviation Administration, and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

March 19, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER STATE
TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the *Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations* (NYCRR) that are applicable to its state transportation assistance program for the year ended December 31, 2011. Compliance with the requirements of laws, regulations, contracts and grants applicable to the state transportation program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Preliminary Draft Part 43 of NYCRR*. Those standards and *Preliminary Draft Part 43 of NYCRR* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance program has occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

In our opinion, the Albany County Airport Authority complied, in all material respects with the compliance requirements referred to above that are applicable to its State transportation assistance program for the year ended December 31, 2011.



Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the State transportation assistance program. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on the State transportation assistance program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state transportation assistance program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the state transportation assistance program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Albany County Airport Authority, management, and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

March 19, 2012

**Albany County Airport Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Albany County Airport Authority.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Albany County Airport Authority were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for the Albany County Airport Authority expresses an unqualified opinion.
6. There were no audit findings related to the major federal award program for the Albany County Airport Authority.
7. The Airport Improvement Program (CFDA #20.106), including the New York State Department of Transportation (NYSDOT) matching grants for this program, and the TSA Law Enforcement Officer Cooperative Agreement (CFDA #97.090) were the major programs for the year ended December 31, 2011.
8. The dollar threshold used to distinguish between Type A and B programs was \$300,000.
9. The Albany County Airport Authority was considered a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AND NYS DOT AWARD PROGRAM AUDIT

NONE



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO THE PASSENGER
FACILITY CHARGE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2011. Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge program is the responsibility of the Albany County Airport Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program has occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

In our opinion, the Albany County Airport Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2011.



Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement in accordance with the Guide on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement in accordance with the Guide will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of the Albany County Airport Authority, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

March 19, 2012

Albany County Airport Authority
Schedule of Passenger Facility Charges
Collected and Expended

For the Year Ended December 31, 2011

Quarter Ended	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	Net per Financial Statements
Beginning Balance	\$ 60,805,363	\$ 2,676,442	\$ 63,481,805	\$ 59,139,373	\$ 4,342,432
3/31/2011	1,027,171	3,076	1,030,247	1,213,194	
6/30/2011	1,346,076	2,588	1,348,664	1,213,194	
9/30/2011	1,192,565	2,655	1,195,220	1,213,194	
12/31/2011	1,284,751	2,684	1,287,435	1,213,194	
Total 2011	<u>4,850,563</u>	<u>11,003</u>	<u>4,861,566</u>	<u>4,852,776</u>	8,790
Receivable at 12/31/11	<u>326,059</u>	-	<u>326,059</u>	-	<u>326,059</u>
Total Program to Date	<u>\$ 65,981,985</u>	<u>\$ 2,687,445</u>	<u>\$ 68,669,430</u>	<u>\$ 63,992,149</u>	
PFC Funds to be used for future debt service payments:					<u>\$ 4,677,281</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Scope of Audit Pursuant to September 2000 Passenger Facility Charge Audit Compliance and Reporting Guide for Public Agencies.

The Albany County Airport Authority is a body corporate and politic, constituting a public benefit corporation. The Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the Authority beginning May 1, 1994 through December 31, 2011. Passenger Facility Charges are collected pursuant to a Federal Aviation Administration (FAA) approved application in 1994 to Impose \$40,726,364. During 1996, the Authority requested and received approval to increase the amount of PFCs to \$116,888,308 projected to be collected through the year 2022. Effective September 1, 2009, the Authority implemented an approved change the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020.

B. Basis of Accounting

The above schedule was prepared on an accrual basis of accounting. Passenger Facility Charges are recorded as deferred revenue until used for debt service payments under an FAA approved application to use.

**Albany County Airport Authority
Passenger Facility Charge Program
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

A. SUMMARY OF AUDIT RESULTS

1. No material weaknesses were identified during the audit of the passenger facility program.
2. The auditor's report on compliance for the passenger facility charge program expresses an unqualified opinion.
3. There were no audit findings related to the passenger facility charge program.

B. FINDINGS AND QUESTIONED COSTS

NONE

Biographies of the Members of the Albany County Airport Authority

David E. Langdon, Chair, a Fordham University graduate, served in the Peace Corps in India and is a M.A. graduate of the University of Wisconsin School of Public Policy and Administration. Following graduate school, Mr. Langdon worked for not-for-profits in the areas of education and public health in the Appalachian region of Northern Georgia and subsequently moved to Albany, New York where he served with the New York State Cable Television Commission.

In 1975, Mr. Langdon joined the staff of Assembly Speaker Stanley Steingut. From 1979 thru 1986 he served as Press Secretary and Counselor to the Speaker of the New York State Assembly. The alter ego, counselor and advisor to Speaker Stanley Fink, Mr. Langdon, served along with the Speaker's counsel, as the main negotiators and strategists for the Assembly Majority in all matters relating to the Governor, his staff and the Senate Majority. Mr. Langdon devised and executed all press strategies for the Speaker during the terms of Governors Hugh Carey and Mario Cuomo.

From 1987 thru 1994 Mr. Langdon served a similar role for the Senate Minority. He served as the principal negotiator for the Senate Minority with the Governor and his staff and with the Senate Majority and the Assembly.

From 1995 to the present, Mr. Langdon has served as a strategist, advisor and lobbyist for foundations, trade associations, not for profits, individuals and businesses.

Elliott A. Shaw, Treasurer, is the Director of Government Affairs for WellCare of New York, a managed care company providing government sponsored health insurance throughout New York State. Elliott joined WellCare in April of 2007. Prior to that, Elliott was the Director of Government Affairs at The Business Council of New York State, where he worked for 23 years. During his tenure at The Business Council, Elliott served on numerous governmental Committees and Task Forces, including the OGS Procurement Council, the SUNY School of Public Health Community Advisory Board and the Workers' Compensation Board Managed Care Board. In 2009, Elliott was given a Distinguished Alumni Award by the Ticonderoga High School Alumni Association. A graduate of Siena College, Elliott lives in Delmar with his wife and two children.

Dorsey M. Whitehead, Secretary, is a native of Rocky Mount, North Carolina, is a graduate of Virginia State University, Webster University and Northwestern University. A much decorated military retiree, he flew and instructed both fixed and rotary wing aircraft. Dorsey is also a retiree of the New York State Senate as a Legislative Analyst. He serves on several boards and belongs to numerous fraternal, civic and service organizations. Dorsey volunteers with the American Cancer Society and the Watervliet Arsenal Retirement Services Office. He resides in Albany with his wife Elaine and enjoys bridge, tennis, gardening and reading.

Rev. Kenneth J. Doyle, Vice-Chair is a native of Troy, New York. He attended the Mater Christi Seminary in Albany, New York and later graduated with a Master of Arts in philosophy from Basselin College, Catholic University of America in Washington, D.C. Father Doyle is a graduate of the Theological College, Catholic University of American, Washington D.C. He was ordained in 1966. Father Doyle later graduated from Albany Law School and was admitted to the New York State Bar in 1978. Father Doyle has undertaken a number of assignments for the Roman Catholic Church including instructor in religion at Cardinal McCloskey High School, Albany, NY; Assistant Editor of the Evangelist diocesan newspaper; Bureau Chief National Catholic News Service, Rome, Italy; Director of Government Relations, New York State Catholic Conference; Albany, New York and Director for Media Relations, United States Catholic Conference, Washington, DC. Father Doyle current serves as Pastor, Parish of Mater Christi, Albany, New York and as Chancellor for Public Information, Roman Catholic Diocese of Albany.

Dennis J. Fitzgerald completed over 31 years of transit management at the Capital District Transportation Authority (CDTA) in Albany, NY. CDTA is the Capital District's regional public transportation provider. Mr. Fitzgerald is a graduate of Rensselaer Polytechnic Institute where he earned a Bachelor's and Master's degrees in Civil Engineering. He is a registered Professional Engineer in New York State and has served on the boards of numerous not-for-profit agencies. He also serves on the board of the NYSDOT Public Transportation Safety Board. Mr. Fitzgerald served over four years in the U. S. Navy, including service in the Cuban Missile Blockade.

Anthony Gorman is a lifelong resident of Capital Region and lives in Colonie. A graduate of The Albany Academy and Georgetown University. Anthony Gorman has been principal in The Gorman Group, a highway construction company, since 1972. He has been continuously active in numerous charitable and civic groups for the last 25 years. He currently is a trustee at The Fort Orange Club in Albany.

Lyon M. Greenberg, M.D. is a Dartmouth College graduate and the founding partner in the Capital Region Otolaryngology Head and Neck Group in Albany, New York since 1964. Dr. Greenberg has held numerous positions on medical committees, including President of the Upstate New York Alumni Association at Johns Hopkins University; National Program Chairman, Section on Otolaryngology, American Academy of Pediatrics; Executive Committee, Section on Otolaryngology, American Academy of Pediatrics; CME Chairman, Section on Otolaryngology, American Academy of Pediatrics; Legislative Chairman, New York State Society of Otolaryngologists; Secretary/Treasurer of The Child's Hospital; President of New York State Society of Otolaryngologists; Chairman of the American Society of Pediatric Otolaryngology; Membership Committee of the American Society of Pediatric Otolaryngology; Education Committee of the American Society of Pediatric Otolaryngology; President of the Eastern New York Dartmouth Alumni Club; Vice-President of Congregation Beth-Abraham Jacob and Member of the Dr. David Axelrod Committee at the School of Public Health. Dr. Greenberg has received numerous awards over his career including The Willard W. Eggleston Memorial Botany Prize (1954) (Dartmouth College); Outstanding Service Award (1973) (Dartmouth College); Air Defense Command Commendation, U.S.A.F. (1962); Air Force Commendation Medal, U.S.A.F. (1962) and The Class of 1954 Award (2004) (Dartmouth College). Dr. Greenberg currently resides in Slingerlands with his wife Marcia and has four grown children.

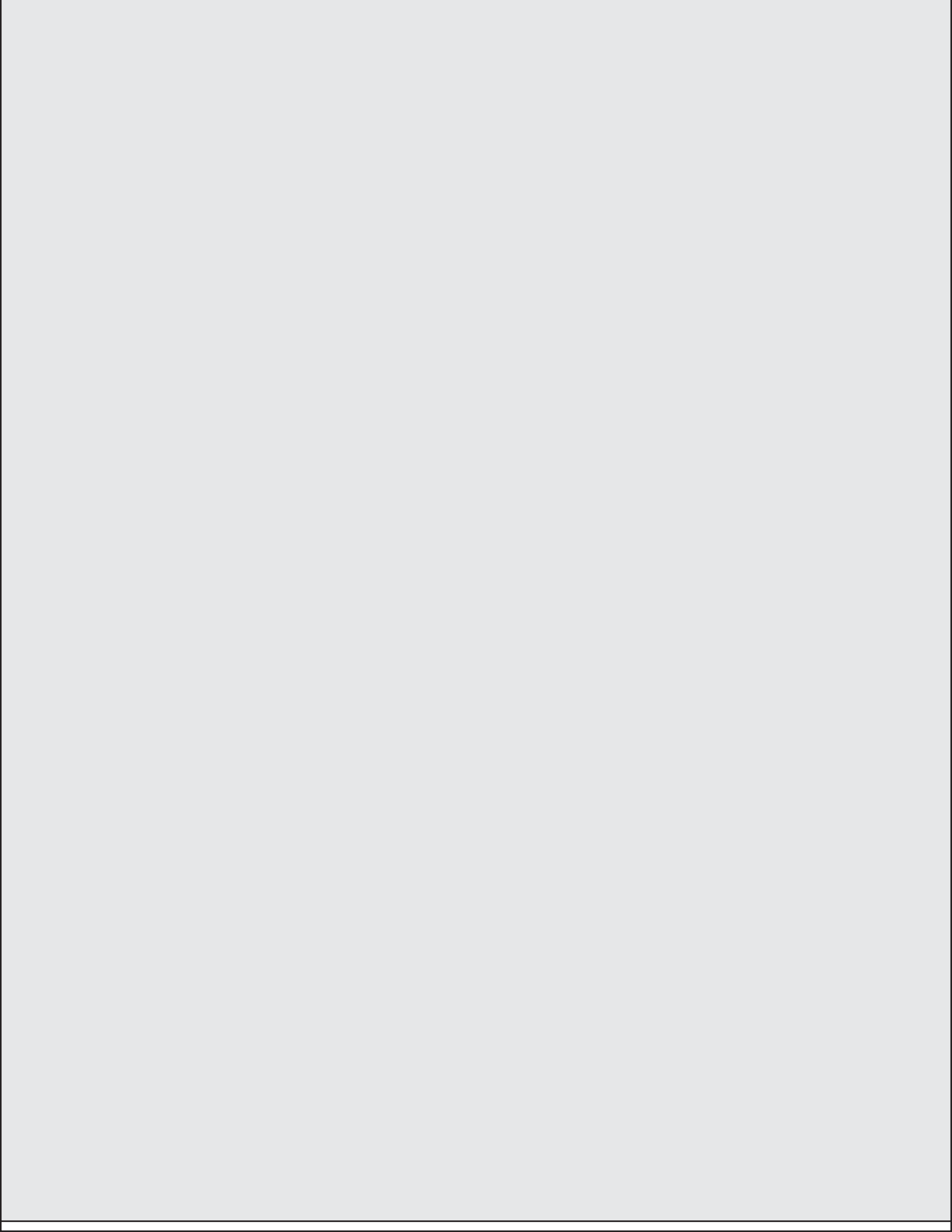
Biographies of the Albany County Airport Authority Senior Staff

John A. O'Donnell, PE, is the Chief Executive Officer of the Authority and is responsible for the oversight of the affairs of the Authority. Prior to his appointment in 2003, Mr. O'Donnell served as Chief Operating Officer (2000-2003) and Director of Project Development (1996-2000) for the Authority. Prior to the Authority, Mr. O'Donnell served as Director of Consultant Services for the Office of General Services for the State of New York and Assistant to the Chief Engineer of Callahan Industries.

William J. O'Reilly, CPA, is the Chief Financial Officer of the Authority and is responsible for financial planning, budgeting, operating and capital accounting procedures and controls, and financial policies and procedures. Mr. O'Reilly was previously employed from 1986-2008 with the Office of the State Comptroller for the State of New York where he held positions in accounting, auditing, public authority administration, cash and debt management, and budget and policy analysis.

Peter F. Stuto, Esq., Airport Counsel, is responsible for the day to day legal affairs of the Authority. Mr. Stuto was most recently Senior Assistant Counsel in the Office of the Majority Counsel of the New York State Assembly. Mr. Stuto has held positions of financial consultant with Merrill Lynch, attorney with Hiscock & Barclay, and Floor Counsel to New York State Senate Minority Leader.







Albany County Airport Authority
Administration Building, Suite 200
Albany, NY 12211-1057
518-242-2222
www.albanyairport.com