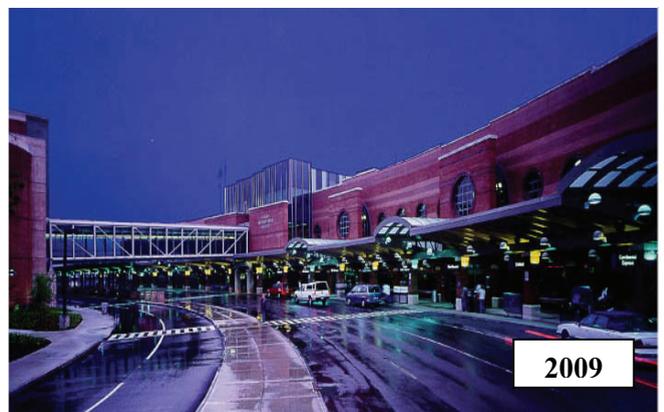




# ALBANY COUNTY AIRPORT AUTHORITY



## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2009

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

# Albany County Airport Authority

As of December 31, 2009

## Authority Board Members



**David E. Langdon**  
Chair

Term Expires: December 31, 2008



**Elliott A. Shaw**  
Treasurer

Term Expires: December 31, 2009



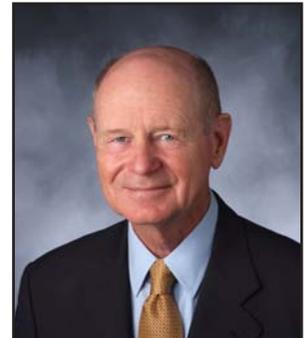
**Dorsey M. Whitehead**  
Secretary

Term Expires: December 31, 2008



**Rev. Kenneth J. Doyle**  
Member

Term Expires: December 31, 2011



**Dennis J. Fitzgerald**  
Member

Term Expires: December 31, 2012



**Anthony Gorman**  
Member

Term Expires: December 31, 2012



**John A. Graziano, Jr.**  
Member

Term Expires: December 31, 2009

## 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, 2009

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](http://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 .....	3-13
Organizational Chart .....	14
Certificate of Achievement for Excellence in Financial Reporting .....	15

## 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 Statement of Fiduciary Fund Net Assets.....	40
OPEB Statement of Changes in Fiduciary Fund Net Assets .....	41
Notes to Financial Statements .....	43-73
Required Supplementary Information:	
OPEB Trust Schedule of Funding Progress .....	76
Other Supplementary Information:	
Schedule of Debt Service Requirements to Maturity .....	78-79
Schedule of Governmental Payments and Services .....	80

## III. STATISTICAL SECTION

Total Annual Revenues, Expenses and Changes in Net Assets .....	82-83
Changes in Cash and Cash Equivalents.....	84-85
Principal Revenue Sources and Cost per Enplaned Passenger .....	86-87
Ratios of Outstanding Debt .....	88-89
Revenue Bond Debt Service .....	90-91
Population in the Air Trade Area .....	92
Major Employers in Air Trade Area .....	93

Colleges and Universities in the Air Trade Area .....	94
Airport Information.....	95
Enplaned Passengers .....	96-97
Airline Landed Weights .....	98-99
Aircraft Operations .....	100-102
Airlines Serving the Albany International Airport .....	103
Scheduled Jet Airline Service.....	104
Scheduled Commuter Airline Service.....	105
Primary Origination and Destination Passenger Markets .....	106

#### 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> .....	108-109
Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance and Notes thereto .....	110-111
Independent Auditors' Report on Compliance with Requirements Applicable to the Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 .....	112-113
Independent Auditors' Report on Compliance with Requirements Applicable to State Transportation Assistance Expended and on Internal Control over Compliance .....	114-115
Schedule of Findings and Questioned Costs .....	116
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance .....	117-118
Schedule of Passenger Facility Charges Collected and Expended And Notes thereto .....	119
Passenger Facility Charge Program Schedule of Findings And Questioned Costs .....	120
Biographies of the Members of the Albany County Airport Authority .....	121
Biographies of the Albany County Airport Authority Senior Staff .....	123

# Introduction





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](http://www.albanyairport.com)

## Chairman's Message

March 1, 2010

The economic recession that has gripped the nation continued its stronghold on the airline industry and air travelers during 2009. Fewer flights, smaller aircraft and a decline in passenger volume required the Airport Authority to carefully review its daily operations, revenue sources and expenditures to uphold budgetary goals and maintain our high level of customer service.

Facing the softening economy, many airlines downsized their fleets in an effort to improve load factors and revenue on a per flight basis. Enplaned passengers at Albany declined 4.5%. However, parking revenue declined by only 2.6% as a result of increased revenue per enplaned passenger due to an increase in the parking fees imposed by the Authority.

Albany International Airport did make other adjustments to ensure fiscal integrity. Until the 3<sup>rd</sup> quarter of 2009, Albany was able to avoid increasing its Passenger Facility Charge (PFC). This year, Albany became the last commercial airport in New York State to raise its PFC to \$4.50, a move our Board found necessary to ensure the strong fiscal health of the Airport.

Another adjustment made by the Authority was to create and fund an Other Post-Employment Benefit (OPEB) Trust to address the Authority's obligation to retirees, making future contributions very manageable.

The Authority also worked diligently to control expenses and enhance revenues. With the cooperation of the Airport's management firm, AFCO Avports, staffing was held to 160 employees. The Authority also authorized significant upgrades to the Food and Beverage services with the addition of Starbucks, Dunkin Donuts, Brioche Doree and Silks Saratoga Bistro in an effort to increase revenues.

Albany was fortunate to receive a \$6.7 million federal stimulus grant to proceed with the Latham Water Tower removal project. Other significant grants enabled the purchase of firefighting and glycol recovery vehicles, as well as the acquisition of 43 acres of land located within the Runway 1 protection zone.

Airport security continued to play a major role in Airport Operations. The Airport was the recipient of a number of new and faster explosive detection devices which the Transportation Security Administration (TSA) installed in each of our airline bag make-up rooms. A TSA grant was also received in the amount of \$1.7 million which provides funding to maintain the positions of seven Albany County sheriffs deputies. And, we were honored that Ms. Kim Herrera, an Albany TSA screener was named national TSA Employee of the Year.

I am proud to say that the hard work and dedication of all Airport employees enabled the Airport to complete 2009 on sound financial footing and positioned us well as we enter the new year.

  
David E. Langdon  
Chairman

# ALBANY INTERNATIONAL AIRPORT



Airport Website

[www.albanyairport.com](http://www.albanyairport.com)



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March 1, 2010

## **TO THE MEMBERS OF THE AUTHORITY:**

The Comprehensive Annual Financial Report of the Albany County Airport Authority (Authority) for the fiscal year ended December 31, 2009 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 2009 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, 2009 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, 2009 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, 2009 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 Go Albany, 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 1,156-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 2008 the Airport ranked 78th in total enplanements. The Airport ranked 119th in total aircraft operations and 88th in total cargo based upon statistics compiled by Airports Council International – North America (ACI-NA) for 2008.

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 \$5 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. Just across the nearby Hudson River, Rensselaer Polytechnic Institute recently completed construction of a new Center for Biotechnology and Interdisciplinary Studies. This new technology research center will rank among the world's most advanced research facilities and is rapidly recruiting world-class faculty to lead research. In late July 2009 Global Foundries broke ground on construction of a \$4.2 billion computer chip plant approximately 20 miles north of the Airport which will complement the existing technology facilities already in the region. One would expect that all these developments should contribute to long-term growth for the airlines, impact air cargo positively and increase the number of passengers using the Albany International Airport.

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 number of employees and their operating expenses. The recession brought about low fuel prices which did provide a stabilizing effect on the financial health of the airlines. The predictions for 2010 and beyond are that the level of travelers will remain consistent and combined with the reduced fuel prices, the airlines should sustain their business models until the overall economy improves.

Some of the potential factors that can impact the airlines and therefore the number of flights and enplanements at this Airport are: (1) a prolong recession combined with increases in fuel cost could cause a spike in ticket prices or reduction in airline revenues; (2) a decline in air passenger travel in 2010 that challenges the Airport's ability to grow operating revenues; (3) airline seat capacity reductions and low fares could weaken airline profits and cause some airlines to further reduce service; (4) airline financial weakness may result in failure or consolidation of airlines, reducing competition and exacerbating the decline in seat capacity; and (5) 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, for a five year term with an option to extend 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 using 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 current Airline Use and Lease Agreement with the signatory airlines incorporates a hybrid method for calculating airline rates and charges with 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 2009 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 2010 assumed enplanements would approximate 2009 enplanement levels projected at the time of 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 \$8.50, excluding FBO costs per enplaned passengers, and debt service coverage should remain at 1.25. Certain assumptions are used in determining the projected growth rates 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 \$43.7 million 2010 operating budget, which is on the Authority's web site.

#### *CAPITAL FINANCIAL PLANNING*

A five-year capital improvement program from 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. For the 2005-2009 program, through 2009, the Authority expended \$67 million financed by \$39 million Federal and State grants, \$20 million of bond proceeds, and \$8 million of capital interest earnings and Authority funds. The largest capital project currently in 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. 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 is expected to cover 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 design 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 completion in 2009, or scheduled for completion in 2010, have their projected additional operating costs and related revenues incorporated into the Authority's 2010 operating budget.

### *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 2010 budget, the Authority has projected no growth in enplanements, aircraft operations, or landed weights from 2009 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 2010 under the Airline Use and Lease Agreement to meet all projected obligations. For 2009, signatory landing fees have been set at \$2.65 per 1,000 pounds, an increase from \$2.37 in 2009; apron fees at \$1.46 per square foot, a decrease from \$1.51 in 2009; and the terminal rental rate at \$78.57, an increase from \$87.11 per square foot in 2009. The Authority received a 4 year \$1.7 million Law Enforcement Officer grant in 2009 that has helped lower the terminal security costs and rental rate.

As of December 31, 2009, the Authority has \$7.3 million in an operating and maintenance reserve, more than sufficient to meet two months of operating expenditures totaling \$5.1 million, and \$500,000 in an equipment repair and replacement reserve. In addition, the Authority has \$14.2 million in debt service reserve funds, plus \$4.0 million in Passenger Facility Funds on-hand, that combined exceeds the total annual debt service principal and estimated interest payments of \$14.7 million due in 2010 using variable rates in effect at December 31, 2009. The Authority does not anticipate experiencing any cash flow deficiencies during 2010 requiring short-term cash flow financing or requiring 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, 2009, there is \$144.7 million of debt outstanding issued directly by the Authority to be reduced by \$7.2 million of principal payments and swaption loan amortization during 2010. 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, 2009, the amount of future reimbursements to the County total \$3.4 million of which \$1.0 million will be paid during 2009. Debt service coverage was 1.25 for 2009 and is projected to be 1.25 for 2010 based on the adopted budget.

In January 2008, the Authority issued \$83,200,000 Series 2008A variable rate bonds to refund the Series 1997 bonds as synthetic fixed rate transaction. The Series 2008A variable rate refunding bonds are subject to an integrated interest rate exchange agreement (swap agreement). Details on the Series 2008A refunding transaction, swap agreement and other terms and conditions related to the bonds and swap agreement are more fully described in the notes to the financial statements.

## **AUTHORITY'S INITIATIVES**

While the Airport is performing in one of the most challenging operating and financial environments the aviation industry has ever experienced, this Airport has moved forward with various activities during 2009 to enhance the services provided to the airlines, the traveling public, and other uses of the Airport. These initiatives include:

- HMS Host commenced operating under a new Food and Beverage Concession Contract and made substantial progress in opening six new restaurant themes: Dunkin Donuts, Starbucks, Saratoga Silks, Hudson Valley Wine Bar, Brioche Dorée and The Adirondack Lodge.
- A new 10-year agreement for the Rental Car Concessions began January 1, 2009.
- The Authority was awarded \$6.7 million in FAA American Recovery and Reinvestment Act funds to provide 100% funding of the final phases of the Obstruction Removal project to relocate the Latham Water Tower.
- In May of 2009 the Authority was awarded a 4 year \$1.7 million Law Enforcement Officer grant retroactive to October 1, 2008.
- The Authority raised the collection rate on its Passenger Facility Charge fee from \$3.00 to \$4.50 effective September 1, 2009
- The Authority acquired 43 acres of property in the runway protection zone.
- The Authority converted a number of properties acquired with FAA Noise Compatibility Grants funds to Airport Revenue property in accordance FAA Program Guidance Letter 08-02.
- The Authority retired \$485,000 of debt in advance to lower the 2010 landing fee rate.
- The Authority created and funded an Other Post Employment Benefit Trust to accumulate resources to fund its obligation to retirees and prevent an OPEB debt from developing on its Statement of Net Assets.
- The Authority undertook projects to lower the cost of its utilities that incorporated sizeable subsidies from the Utility Company and the New York State Energy Research and Development Authority.

## **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, 2008. This was the twelfth 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 2009 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 2009. 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 2010 budget has been submitted to the GFOA to determine its eligibility for an award.

#### **ACKNOWLEDGMENTS**

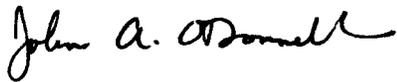
It is the strong continuing commitment of the Authority Board to the highest standards of financial reporting, disclosure and professionalism that the preparation of this report has been accomplished and for that we extend our sincere appreciation. We also give credit for the dedication, service and 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. During 2009 Southwest Airlines named Albany its "Station of the Year" for 2008 – we congratulate the Albany based employees of Southwest Airlines for this significant accomplishment. It is the willingness to work together and to succeed that has made this Airport one of the best in the country.

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.

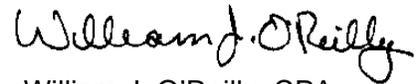
**CERTIFICATION**

The following sections of this report include the basic financial statements of Authority for the fiscal year ended December 31, 2009 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:



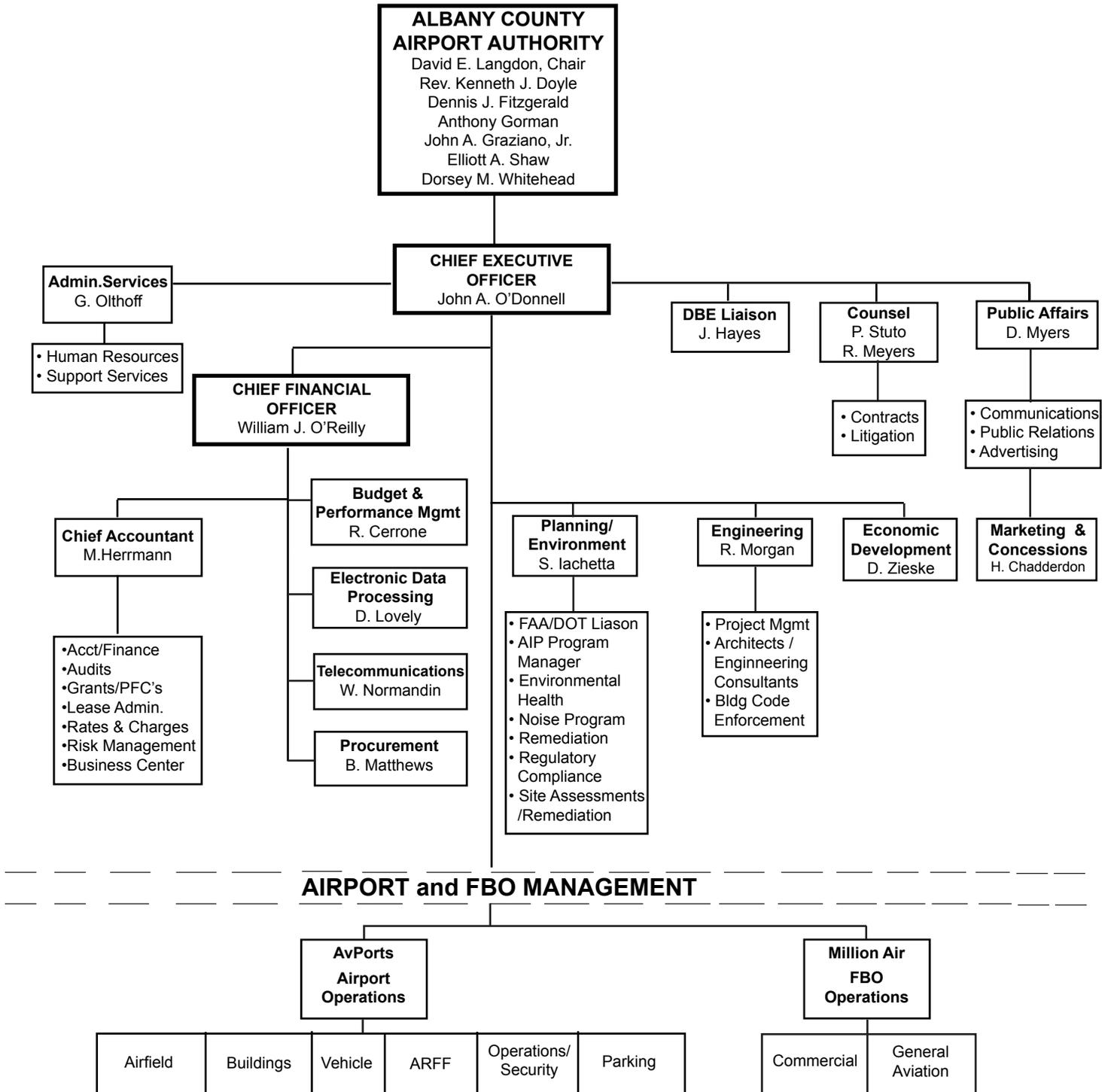
John A. O'Donnell  
Chief Executive Officer



William J. O'Reilly, CPA  
Chief Financial Officer

# ALBANY INTERNATIONAL AIRPORT ORGANIZATIONAL CHART

As of December 31, 2009



# 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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



Twenty-five non-stop destinations are served from Albany with a total of 71 daily departures

SERVICE PROVIDED BY

Carrier	Daily (March 2010)		Percent of Total	
	Dept's	Seats	Dept's	Seats
Southwest	14	1,918	19.7%	39.2%
US Airways	19	1,167	26.8%	23.9%
Delta	12	680	16.9%	13.9%
United	8	620	11.3%	12.7%
Continental	7	385	9.9%	7.9%
Cape Air	9	81	12.7%	1.7%
Air Canda	2	38	2.8%	0.8%
<b>Total</b>	<b>71</b>	<b>4,889</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Official Airlines Guides Schedules, February 2010

# Financial





## INDEPENDENT AUDITORS' REPORT

To the Members  
Albany County Airport Authority

Kevin J. McCoy  
Thomas W. Donovan  
Frank S. Venezia  
James E. Amell  
Carol A. Hausamann  
Benjamin R. Lasher  
Daniel J. Litz

We have audited the accompanying basic financial statements 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, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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.

11 British American Blvd.  
Latham, NY 12110  
Ph: 518-785-0134  
Fx: 518-785-0299

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Albany County Airport Authority as of December 31, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Email:

[contact@marvincpa.com](mailto:contact@marvincpa.com)

Web:

<http://www.marvincpa.com>

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010 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.



The management discussion and analysis and the Schedule of Funding Progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Albany County Airport Authority taken as a whole. The accompanying Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance for the year ended December 31, 2009, which is the responsibility of the Authority's management, is presented for purposes of additional analysis as required by U.S. Office and 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 basic financial statements. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year ended December 31, 2009, which is also the responsibility of the Authority's management, 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 basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section, the schedule of debt service requirements to maturity, the schedule of governmental payments and services, and the statistical section are the responsibility of the Authority's management and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, the schedules and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Marvin and Company, P.C.*

March 8, 2010

## 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, 2009 with selected comparative information for the years ended December 31, 2008 and December 31, 2007. 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 Statement of Fiduciary Net Assets; Statement of Changes in Fiduciary Net Assets; and a Schedule of Funding Progress for the Airports Fiduciary Fund which 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 *Statement 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 this time.

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

### 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.

→ Go-Albany, 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 fueling, ground handling and hangaring of general aviation aircraft) pursuant to a management services agreement, 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 decreased to 72 in December 2009 from 77 in December 2008 after an increase from 71 in December 2007.

	2009		2008		2007	
	<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	23	4	22
Regional Carriers	11	30	9	26	11	34
Commuter Service						
Regional Carriers	5	22	5	26	3	14
Foreign Carriers	1	2	1	2	1	1
Total	21	72	19	77	19	71

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, with the corresponding reduction in gross landing weights, negatively impacts landing fee rate, but landing fee revenues remain stable due to the 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.

	2009	2008	2007
Total Available Seats	1,859,721	1,919,343	2,030,417
Passenger Load Factor	71%	72%	71%

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

	2009	2008	2007
Enplanements	1,318,819	1,380,483	1,440,385
<i>% increase/(decrease)</i>	-4.5%	-4.2%	-0.5%
Aircraft Landed Weight	1,613,441,400	1,691,306,632	1,753,689,173
<i>% increase/(decrease)</i>	-4.6%	-3.6%	-0.1%
Operations (take-offs and landings)			
Commercial	58,451	59,469	67,546
General Aviation	29,522	28,841	37,820
Military	6,540	5,214	5,409
Total	94,513	93,524	110,775
<i>% increase/(decrease)</i>	1.1%	-15.6%	-5.9%

As of December 31, 2009, two regularly scheduled express mail and various special cargo carriers serve the airport.

	2009	2008	2007
Mail and Express Cargo Tons	18,253	23,875	28,959
<i>% increase/(decrease)</i>	-23.5%	-17.6%	1.8%

The downsizing of aircraft combined with the corresponding reduction of weight 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 2009 compared to 2008 and 2008 compared to 2007 is as follows:

	Notes	2009 vs. 2008		2008 vs. 2007	
		Change in Operations	Change in Landed Weight	Change in Operations	Change in Landed Weight
Air Canada		(194)	(1,610,196)	(46)	(381,793)
American Eagle	1	(1,774)	(36,951,763)	(376)	(8,387,357)
Cape Air	2	4,498	15,405,651	1,732	5,932,101
Continental		(18)	1,649,298	(1,300)	1,780,280
Delta		(1,070)	(30,558,346)	(2,120)	(19,188,543)
Northwest		250	(7,208,383)	72	(12,592,914)
Southwest		(188)	(13,980,000)	(170)	(344,000)
United		78	(540,957)	(224)	(6,348,953)
US Airways		(474)	(4,232,519)	(1,156)	(21,498,259)
Charters		2	161,983	(12)	(1,353,107)
Total		1,110	(77,865,232)	(3,600)	(62,382,545)

Notes:

1 – American Eagle discontinued service in November 2008

2 – Cape Air began service in September 2008

## ENPLANEMENTS

Enplanements for 2009 compared to 2008 have decreased by 61,664 passengers, compared to a decrease of 59,902 in 2008 vs. 2007. The changes in enplanements by airline, including their express carriers is as follows:

	2009 Market Share	Total 2009 Enplanements	2009 vs. 2008	Total 2008 Enplanements	2008 vs. 2007
Air Canada	0.3%	4,153	(2,924)	7,077	(683)
American Eagle	0.0%	-	(35,344)	35,344	(8,484)
Cape Air	0.6%	8,013	5,776	2,237	2,237
Continental	8.2%	107,791	924	106,867	590
Delta	9.8%	128,876	(22,613)	151,489	(7,028)
Northwest	8.1%	107,154	(4,932)	112,086	(976)
Southwest	38.8%	511,094	9,657	501,437	(14,779)
United	14.1%	186,592	8,355	178,237	(9,971)
US Airways	20.1%	265,146	(20,563)	285,709	(20,808)
<b>Total</b>	<b>100.0%</b>	<b>1,318,819</b>	<b>(61,664)</b>	<b>1,380,483</b>	<b>(59,902)</b>

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

## FBO OPERATIONS

Go-Albany, Inc. (d/b/a Million Air) assumed responsibilities as of October 1, 2005 for managing 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 2009, 2008 and 2007:

	2009	2009 vs. 2008	2008	2008 vs. 2007	2007
Revenues	\$ 7,579,581	-25.6%	\$ 10,193,452	15.6%	\$ 8,817,614
Expenses (inc. cost of sales)	\$ 7,152,650	-27.5%	\$ 9,869,118	21.0%	\$ 8,158,671
Retail Gallons Sold					
Jet A	847,733	-19.7%	1,056,042	-0.2%	1,058,498
AvGas	81,193	-31.6%	118,788	-25.3%	158,999
Commercial AvGas	217,750	259.8%	60,513	-	-
Glycol Gallons - Consortium	107,171	-28.4%	149,613	35.2%	110,625
Glycol Gallons - Sprayed	34,455	-31.4%	50,241	-7.6%	54,360
Jet A Fuel Into-Plane Gallons	19,241,600	-7.4%	20,781,139	-6.9%	22,317,200

## CONCESSIONS

Although enplanements have declined since 2007, the Authority's concession revenues in 2009 exceed both 2008 and 2007 because the Authority entered into new concession agreements with all rental car companies and the major food and beverage concessionaire effective January 1, 2009. These new-ten year agreements provide better terms to the Authority, increased minimum annual guarantees, and provide for \$3.2 million in new investment in the concession facilities by the major food and beverage concessionaire.

Concession revenue highlights for 2009 compared to 2008 and 2007 are as follows:

	2009	2009 vs. 2008	2008	2008 vs. 2007	2007
Rental Car Revenues					
Sales	\$ 37,621,884	-4.8%	\$ 39,520,973	-3.4%	\$ 40,918,219
Authority Revenues	\$ 3,834,429	5.1%	\$ 3,649,493	-3.6%	\$ 3,785,642
Food & Beverage					
Sales	\$ 5,173,546	-4.4%	\$ 5,409,375	-2.8%	\$ 5,562,567
Authority Revenues	\$ 571,279	14.2%	\$ 500,406	-2.7%	\$ 514,479
Retail					
Sales	\$ 3,044,255	-5.5%	\$ 3,222,120	-4.3%	\$ 3,365,900
Authority Revenues	\$ 387,523	-7.2%	\$ 417,760	-5.5%	\$ 442,203
Total Authority Concession Revenues	\$ 6,044,347	10.3%	\$ 5,480,004	-3.6%	\$ 5,686,723
Concession Revenue per Enplanement	\$ 4.58	15.5%	\$ 3.97	0.8%	\$ 3.94

## PARKING

The Airport directly manages all on-airport parking operations which at December 31, 2009 consisted of 353 short-term garage/surface, 1,907 long-term garage, 1,117 long term-surface, and 2,783 remote shuttle served parking spaces. Revenue for 2009 compared to 2008 and 2007 are as follows:

	2009	2009 vs. 2008	2008	2008 vs. 2007	2007
Public Parking					
Revenues	\$ 10,600,827	-2.6%	\$ 10,886,182	-1.9%	\$ 11,093,567
# of Vehicles Parked	701,159	-8.8%	768,445	-8.1%	836,220
Parking Revenue per Enplanement	\$ 8.04	1.9%	\$ 7.89	2.4%	\$ 7.70

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:

	2009	2008	2007
Operating revenues	\$ 42,250,839	\$ 45,675,300	\$ 42,634,770
Operating expenses	(29,625,483)	(34,231,193)	(31,974,922)
Revenues in excess of expenses			
before depreciation	12,625,356	11,444,107	10,659,848
Depreciation	(14,067,322)	(13,626,882)	(12,968,042)
Loss before non-operating income			
and expenses	(1,441,966)	(2,182,775)	(2,308,194)
Non-operating income and (expenses), net	(1,810,700)	(2,366,810)	(1,354,217)
Loss before capital contributions	(3,252,666)	(4,549,585)	(3,662,411)
Capital contributions	6,524,938	8,379,148	4,825,854
Net assets			
Increase in net assets	3,272,272	3,829,563	1,163,443
Total net assets, beginning of year	187,664,319	183,834,756	182,671,313
Total net asset, end of year	\$ 190,936,591	\$ 187,664,319	\$ 183,834,756

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. Because the price of fuel increased sharply in 2008 and then declined, operating revenues and expenses peaked in 2008. The table under FBO Operations shows that the difference between FBO net revenues actually improved in 2009 as absolute revenues and expenses declined. The table below summarizes FBO Revenues, Expenses and net revenues:

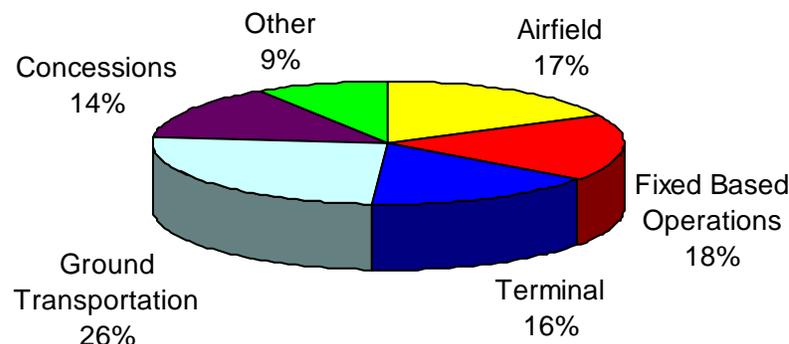
	2009	2008	2007
FBO revenues	\$ 7,579,581	\$ 10,193,452	\$ 8,817,614
FBO expenses	7,152,650	9,869,118	8,158,671
FBO net revenues	\$ 426,931	\$ 324,334	\$ 658,943

The increase in FBO net revenues in 2009 from 2008 is mainly attributable to reducing the cost of delivering fuel and FBO services while at the same time increasing gross margins on fuel sold.

## OPERATING REVENUES AND NON-OPERATING INCOME HIGHLIGHTS

Total change in total operating and non-operating revenues between 2007 and 2009 were effected by a variety of factors, not the least of which was interest income. Under signatory airline use and lease agreement, all interest income, other than interest on Passenger Facility Charge funds, was credited to offset the airfield landing fee requirement. Accordingly, the landing fee rate and Airfield Revenues are sensitive to interest earnings. As interest income declined from 2007 through 2009, there became less interest income available to offset the landing fee requirement resulting in higher landing fees and increased Airfield Revenue. While one would not normally be tempted to add Airfield Revenue and Interest Income together, the sum of those two items reflect the cost of operating the airfield and related debt service, which has remained fairly flat in total from 2007 through 2009. During 2009 the Authority also received new and significant non-operating income in the form of a \$6.7 million grant under the American Recovery and Reinvestment Act (ARRA) and a \$1.7 million Law Enforcement Officer (LEO) grant. The ARRA grant is being used to fund the relocation of a local community water tower which is being reported as a flow through grant. The AARA grant will cover pass through grant spending in 2009 and 2010. The LEO grant is payable monthly through September 30, 2012 and is reported as non-operating income. The airport Passenger Facility Charge (PFC) fee was increased from \$3 per enplaned passenger to the \$4.50 per enplaned passenger effective September 1, 2009 and resulted an increase in PFC collections in the last four months of 2009. The increased PFC collection rate should have a greater impact on 2010 and future financial results as it will be in force for the full year.

Allocation of 2009 Revenues by Category

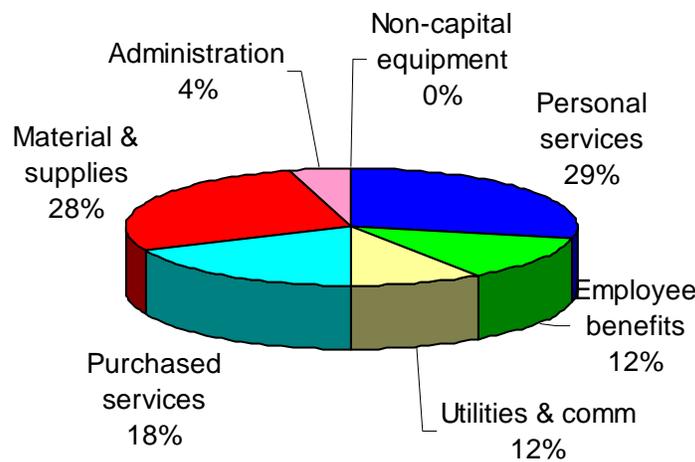


	2009	2008	2007
<b>Operating Revenues</b>			
Airfield	\$ 7,303,064	\$ 6,828,222	\$ 5,597,334
Fixed Based Operations	7,579,581	10,193,452	8,817,614
Terminal	6,513,311	7,689,690	7,574,748
Ground Transportation	10,818,594	11,122,678	11,340,151
Concessions	6,044,347	5,480,004	5,686,723
Other	3,991,942	4,361,254	3,618,200
<b>Non-Operating Income</b>			
Passenger Facility Charges	4,077,806	3,716,492	4,081,962
Grant Income	5,480,166	2,501,420	-
Improvement Charges	368,400	276,300	276,300
Insurance Recovery	-	-	2,929
Investments Received	-	-	297,413
Interest Income	265,017	836,612	1,810,589
<b>Total</b>	<b>\$ 52,442,228</b>	<b>\$ 53,006,124</b>	<b>\$ 49,103,963</b>
<i>Percentage of Increase</i>	<i>-1.1%</i>	<i>7.9%</i>	<i>6.9%</i>

**OPERATING EXPENSES AND NON-OPERATING EXPENSES HIGHLIGHTS**

Total 2009 expenses decreased \$1.9 million or 3.2% over 2008. Major decreases in operating expenses included the cost of purchased fuel reported under “Material and Supplies” and the cost of Utilities both of which are based upon reductions in market pricing. Major increases in operating expenses include increases in grant expenses which reflect spending under flow-through grants for a runway obstruction removal project and increases in administrative costs due to an adjustment in 2008 to reverse a prior year contingency thus lowering the 2008 administration costs.

Allocation of Expenses by Category



	2009	2008	2007
Operating Expenses			
Personal services	\$ 8,416,911	\$ 9,144,507	\$ 9,195,389
Employee benefits	3,619,760	3,561,890	3,107,449
Utilities & communications	2,771,592	3,969,307	3,537,556
Purchased services	5,476,326	5,421,146	5,287,637
Material & supplies	8,020,529	11,031,520	9,914,404
Administration	1,286,145	993,415	858,717
Non-capital equipment	34,220	109,408	73,770
Depreciation	14,067,322	13,626,882	12,968,042
Non-Operating Expenses			
Property Damage	-	-	2,929
Loss on Investments	82,204	26,614	126,600
Grant Expense	4,943,468	2,794,322	-
Interest	6,845,764	6,751,363	7,616,204
Amortization of Bond Issuance Costs	130,653	125,335	77,677
<b>Total</b>	<b>\$ 55,694,894</b>	<b>\$ 57,555,709</b>	<b>\$ 52,766,374</b>
<i>Percentage of Increase</i>	<i>-3.2%</i>	<i>9.1%</i>	<i>6.3%</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 \$190.9 million at December 31, 2009, a \$3.2 million increase from December 31, 2008 due principally to increase in capital contributions received during 2009.

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

	2009	2008	2007
<b>ASSETS</b>			
Capital assets	\$ 293,204,200	\$ 299,518,167	\$ 304,240,595
Other assets	46,401,169	44,731,222	44,045,477
<b>Total Assets</b>	<b>339,605,369</b>	<b>344,249,389</b>	<b>348,286,072</b>
<b>LIABILITIES</b>			
Long-term debt outstanding	133,269,313	139,825,082	155,029,925
Other liabilities	15,399,465	16,759,988	9,421,391
<b>Total Liabilities</b>	<b>148,668,778</b>	<b>156,585,070</b>	<b>164,451,316</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of debt	161,268,212	159,283,066	155,507,466
Restricted	18,703,079	18,634,971	19,100,901
Unrestricted	10,965,300	9,746,282	9,226,389
<b>Total Net Assets</b>	<b>\$ 190,936,591</b>	<b>\$ 187,664,319</b>	<b>\$ 183,834,756</b>

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 (84% at December 31, 2009). 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.

*Restricted net assets* (10% at December 31, 2009), principally representing bond reserves and PFC funds, are restricted as to use pursuant to bond resolutions and Federal regulations.

*Unrestricted net assets* totaling \$11.0 million (6% at December 31, 2009) 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, 2009, signatories in the Agreement include seven commercial, five 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 2008 and 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:

	2009	2008	2007
Landing Fees (per 1,000 lbs. MGLW)	\$ 3.11	\$ 2.71	\$ 1.80
Landing Fee Surcharge (per 1,000 lbs. MGLW)	\$ 0.10	\$ 0.08	\$ 0.08
Terminal Rental Rate (per square foot)	\$ 79.61	\$ 84.00	\$ 83.42
Apron Fees (per square foot)	\$ 1.46	\$ 1.48	\$ 1.10
Loading Bridge (annual rate)	\$ 36,299	\$ 36,978	\$ 36,183
Airline Cost per Enplanement	\$ 8.80	\$ 8.91	\$ 7.67
Revenue Sharing (Charge) Credit to Airlines	\$ 119,882	\$ (1,716,511)	\$ 400,453

## CASH MANAGEMENT POLICIES AND CASH FLOW ACTIVITIES

All cash receipts are deposited daily into interest-bearing accounts. The Authority’s cash temporarily idle during 2009 was invested in short-term investments to attain the highest possible return consistent with the Authority’s liquidity needs and desired level of risk. The investment vehicles are (1) interest-bearing money market depository accounts, (2) certificates of deposits and (3) United States Treasury obligations. All investments are in compliance with the laws of the State and the Investment Policy adopted by the Authority governing the investment of public funds.

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 2009, 2008 and 2007:

	2009	2008	2007
Cash flows from (used):			
Operating activities	\$ 13,793,538	\$ 7,225,498	\$ 11,047,111
Noncapital financing activities	536,698	(292,902)	-
Investing activities	374,198	945,119	2,091,649
Capital and related financing activities	(10,717,097)	(12,822,822)	(20,112,661)
Net increases/(decreases) in cash and cash equivalents	3,987,337	(4,945,107)	(6,973,901)
Cash and cash equivalents:			
Beginning of period	34,376,599	39,321,706	46,295,607
End of period	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</u>	<u>\$ 39,321,706</u>

The Authority's available cash and cash equivalents increased in 2009 by \$3,987,100 due to the positive flow of funds provided by operating and investing activities less activity from capital construction and debt service net of capital funds and PFCs received. Cash and cash equivalents are composed of:

	2009	2008	2007
Funds available for unrestricted operations	\$ 11,611,221	\$ 9,253,593	\$ 12,505,683
Restricted for:			
Capital projects	7,615,868	6,014,133	7,169,345
PFCs available for debt service payments	3,964,838	3,725,788	4,167,236
Revenue bond reserves	14,218,253	14,346,210	14,560,640
Other restrictions	953,756	1,036,875	918,802
Total	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</u>	<u>\$ 39,321,706</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 \$139.39 million over five years of which \$85.1 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 they will be 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, 2009, the Authority has \$8.0 million outstanding capital commitments. Debt financed projects approved in the plan are very likely to be deferred.

The following is a summary of the approved 2010 – 2014 capital plan and the activity during the five-year plan ending 2005 – 2009 as well as the actual amounts approved for the 2005 – 2009 plan recently completed :

	Total 2010- 2014 Plan	Total 2005- 2009 Plan	Total 2005- 2009 Activity
Approved Projects			
Airfield	\$ 51,050,000	\$ 56,900,000	\$ 29,168,779
Terminal	14,000,000	64,000,000	7,476,025
Landside	64,250,000	134,000,000	23,673,394
Major Equipment	10,000,000	10,000,000	7,063,782
Total	<u>\$ 139,300,000</u>	<u>\$ 264,900,000</u>	<u>\$ 67,381,980</u>
Projected Funding Sources			
Federal Funds	\$ 81,050,000	\$ 74,710,000	\$ 36,132,829
State Funds	1,900,000	2,340,000	3,100,550
Debt Issuances	42,000,000	178,280,000	20,360,000
Authority Funds	14,350,000	9,570,000	7,788,601
Total	<u>\$ 139,300,000</u>	<u>\$ 264,900,000</u>	<u>\$ 67,381,980</u>

## 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, 2009 for General Airport Revenue Bonds (GARB) (excluding amortization of cost of issuance) is \$141,308,250 compared to \$148,891,114 at December 31, 2008, 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 Authority long-term debt outstanding as of December 31, 2009 and 2008 is summarized below:

	Original Issue	Outstanding at 12-31-09	Outstanding at 12-31-08
Authority Revenue Bonds/Debt Obligations			
1997 GARB	\$ 93,605,000	\$ -	\$ -
1998 GARB Series B & C	30,695,000	17,570,000	19,105,000
1999 NYS EFC	7,895,303	4,452,000	4,815,000
2000 A NYS EFC	2,374,936	-	720,000
2000 GARB Series B	14,500,000	12,105,000	12,425,000
2003 GARB Series A	8,885,000	5,945,000	6,465,000
2004 NYS EFC	388,316	175,000	210,000
Unamortized Swaption Loan	5,330,000	4,416,250	4,886,114
2006 GARB Series A & B	14,230,000	12,850,000	13,330,000
2006 GARB Series C	6,330,000	6,075,000	6,205,000
2008 Refunding Series A	83,200,000	77,720,000	80,730,000
Total Authority Debt Obligations	<u>\$ 267,433,555</u>	<u>\$ 141,308,250</u>	<u>\$ 148,891,114</u>
County of Albany General Obligation (GO) bonds	21,100,121	3,418,256	4,419,356
Total Debt Obligations including reimbursement to County	<u>\$ 288,533,676</u>	<u>\$ 144,726,506</u>	<u>\$ 153,310,470</u>

At December 31, 2009 the Authority maintained debt service reserve funds in the amount of \$14.0 million and Passenger Facility Charge Funds in the amount of \$4.0 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 \$123.1 million.

## INTEREST RATE SWAPTION AND INTEREST RATE EXCHANGE AGREEMENT

The Authority entered into a forward starting Interest Rate Exchange Agreement (swaption) in March 2005 with Deutsche Bank AG New York (the Bank) based on a notional amount of \$84.9 million as a synthetic refunding of its Series 1997 General Airport Revenue Bonds. The Authority received an upfront payment of \$5,330,000 from the Bank, which, net of transaction expenses, was used to acquire land to expand remote parking capacity and to purchase the Airport's fixed-based operator's on-airport assets.

The 2005 swaption gave the Bank the option to terminate the swaption on or prior to December 15, 2007, the initial call date for the Series 1997 Bonds. Prior to that date, the Authority and Bank negotiated an extension of the option to February 1, 2008. On January 31, 2008 the Authority paid \$240,000 for a partial termination of the swaption's notional amount whereby the notional amount of the forward starting swap was reduced by \$1.7 million in 2008 and by \$1.3 million in each subsequent year through 2023. On January 31, 2008 the Authority issued \$83,200,000 of Series 2008A variable rate bonds to refund all of the then outstanding Series 1997 bonds. The forward starting Interest Rate Exchange Agreement, as extended, also became effective on January 31 2008, whereby the Authority pays monthly fixed interest payments at annual rate of interest equal to 4.56% net of 70% on the One Month London Inter Bank Offer Rate (LIBOR). The transaction is a synthetic fixed rate refunding whereby the payments on the Authority's Series 2008A variable rate bonds are expected to approximate 70% of One Month LIBOR. Thus, when the actual interest paid at variable rates on the Series 2008A bonds is added to the monthly swap payment, which is the 4.56% fixed rate net of 70% of One Month LIBOR, the combined payments are intended to approximately equal a fixed rate of interest equal to 4.56% annually. The upfront payment received in 2005 from the bank, net of the issuance costs and partial termination payment paid in 2008, is being reported as a loan and amortized as a reduction of the interest expense reported on the Series 2008A refunding bonds. See the footnotes to the financial statements for further details.

The following table shows the total amount of debt outstanding, the components of fixed rate and synthetic fixed rate debt, funds on hand restricted to repay debt, the fair value of the potential swap termination payment, and amount of debt plus potential swap termination payment net of debt and PFC reserves on hand at the end of each of the most recent five years:

12/31	Fixed-Rate	Variable Rate Swapped to Synthetic Fixed Rate	Total Debt	Debt Service Reserves and PFC Funds on Hand	Debt Outstanding, Net of Debt Reserves and PFCs	(Potential Termination Payment) Fair Value of Swap	Debt and Potential Swap Payment, net of Debt and PFC Reserves
2005	\$ 137,288,316	\$ -	\$ 137,288,316	\$ 17,882,335	\$ 119,405,981	\$ 6,919,697	\$ 126,325,678
2006	\$ 153,007,316	\$ -	\$ 153,007,316	\$ 19,256,139	\$ 133,751,177	\$ 6,091,750	\$ 139,842,927
2007	\$ 147,480,000	\$ -	\$ 147,480,000	\$ 17,170,313	\$ 130,309,687	\$ 8,914,746	\$ 139,224,433
2008	\$ 63,275,000	\$ 80,730,000	\$ 144,005,000	\$ 18,514,235	\$ 125,490,765	\$ 18,217,330	\$ 143,708,095
2009	\$ 59,172,000	\$ 77,720,000	\$ 136,892,000	\$ 18,387,834	\$ 118,504,166	\$ 11,112,763	\$ 129,616,929

## CREDIT RATINGS AND BOND INSURANCE

The ratings on the Authority's General Airport Revenue Bonds outstanding are enhanced by municipal bond insurance policies or a bank letter of credit. Bond insurance policies in effect were issued by Assured Guaranty Municipal Corporation (AGMC) and Financial Guaranty Insurance Corporation/MBIA, Inc. (FGIC/MBIA). The Series 2008A bonds are supported by a bank letter of credit issued by Bank of America, N.A. The table below presents the enhanced and underlying ratings on each of the Authority's outstanding bonds.

Series	Letter of Credit Provider/ Bond Insurer	Moody's/Fitch/S&P Enhanced Rating	Moody's/Fitch/S&P Underlying Rating
2008A - Long-term rating	Bank of America, N.A.	Aa3/A+/NR	NR
- short term rating		VMIG1/F1+/NR	NR
2006C	AGMC	Aa3/NR/NR	A3/A-/NR
2006B	AGMC	Aa3/NR/AAA	A3/A-/BBB+
2006A	AGMC	Aa3/NR/AAA	A3/A-/BBB+
2003A	AGMC	Aa3/NR/AAA	A3/A-/BBB+
2000B	FGIC/MBIA REINSURED	A3/A-/A	A3/A-/BBB+
1998B	AGMC	Aa3/NR/AAA	A3/A-/BBB+

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 2009 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, 2009 the reserve requirement was \$5.1 million and for which the Authority had \$7.3 million on hand. The Authority also had \$3.4 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, 2009 the debt service reserve funds totaled \$14.2 million.

## 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 the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020. Through December 31, 2009, the Authority has collected PFCs, including interest earnings thereon, totaling \$58,430,922, or 50.0% 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 90.9% of its enplanements.

## **PENSION PROGRAM**

The Authority is a member of the New York State and Local Employees' Retirement System (ERS). ERS is the public employees' retirement system for substantially all of the State and local employees in the State of New York. The Authority contributes a percentage (9.1% in 2007, 7.6% in 2008 and currently estimated at 7.6% for 2009) of employees' payroll. Employer contribution rates are established annually by the New York State Comptroller based upon the actuarial funding requirements of the ERS. Employees who join the ERS after July 27, 1976 with less than ten years of eligible service are required to contribute three (3) percent of their gross pay to the ERS. State legislation passed in 2009 created a new Tier V for employees joining the plan on or after January 1, 2010. Tier V requires employees to contribute 3% of their salary for their entire career and extends the earliest retirement age from 55 to 62. The Authority also provides to employees the opportunity to participate in a voluntary deferred compensation plan (IRC 457(b)). The Authority does not contribute to this plan.

## **OTHER POST EMPLOYMENT BENEFITS**

The Authority also provides eligible retired employees with health insurance coverage equal to what they had during their active employment under a written plan adopted by the Authority. During 2009, the Authority created a legally separate trust to accumulate resources to fund its obligation to provide for retired employee health care insurance. The Authority contributed the amounts it had budgeted for this expense in 2008 and 2009 which reflected the actuarial determined cost assuming it did not have a trust. After creating and funding the Albany County Airport Authority OPEB Trust (the Trust), the Authority was able to recalculate its liability and annual expense for its obligation to provide benefits to eligible retirees. This recalculation resulted in the recognition of an asset of \$121,674, rather than a liability, reported as *Net Assets Held In Trust for OPEB*. The OPEB net asset represents progress toward funding the Authority's 2010 Annual Required Contribution under its Other Post Employment Benefit plan. The Annual Required Contribution for 2009 was \$252,724. If the Authority does not make an Annual Required Contribution in 2010, the OPEB net asset will become an OPEB obligation. More information about the Trust activities can be found in the fiduciary fund financial statements, the notes to the financial statements, and the schedule of funding progress found in the Required Supplementary Information section.

## **RISK MANAGEMENT**

The Authority has a comprehensive insurance program covering all Airport facilities and operations to limit the cost of any personal injury or property damage claims. The Authority also acquires construction builders' risk policies for all major construction projects. This insurance covers the contractors working on the project. Acquiring one large policy results in a lower premium for the coverage and lower bids from contractors, who do not have to provide insurance. The events of September 11, 2001 resulted in all insurance companies canceling their war risk liability coverage for airlines and Airports. The Authority subsequently obtained certain war risk liability insurance coverage.

## **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](mailto: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

Albany County Airport Authority  
 Statements of Net Assets  
 As of December 31, 2009 and December 31, 2008

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Unrestricted Assets:		
Cash and cash equivalents	\$ 11,611,221	\$ 9,253,593
Accounts receivable - net	2,007,882	3,909,410
Investments	-	144,196
Accrued interest receivable	-	-
Prepaid expenses	1,019,946	566,041
Total Unrestricted Assets	<u>14,639,049</u>	<u>13,873,240</u>
Restricted Assets:		
Capital Funds:		
Cash and cash equivalents	7,615,868	6,014,133
Grant funds receivable	1,539,345	2,731,269
Passenger Facility Charge Funds:		
Cash and cash equivalents	3,964,838	3,725,788
Passenger Facility Charges receivable	362,460	249,492
Revenue Bond Funds:		
Cash and cash equivalents	14,218,253	14,346,210
Investments	442,237	442,237
Accrued interest receivable	10,590	14,494
ANCLUC Trust Funds:		
Cash and cash equivalents	346,157	245,665
Concession Improvement Trust Funds:		
Cash and cash equivalents	607,599	791,210
Total Restricted Assets	<u>29,107,347</u>	<u>28,560,498</u>
Total Current Assets	<u>43,746,396</u>	<u>42,433,738</u>
<b>NON-CURRENT ASSETS</b>		
Net Assets held in trust for OPEB	121,674	-
Deferred charges	2,135,206	2,297,484
Prepaid expenses	397,893	413,328
Capital Assets:		
Land and easements	43,571,394	38,454,904
Buildings, improvements and equipment, net of depreciation	247,587,448	253,000,043
Construction in progress	2,045,358	7,649,892
Total Capital Assets	<u>293,204,200</u>	<u>299,104,839</u>
Total Non-Current Assets	<u>295,858,973</u>	<u>301,815,651</u>
<b>TOTAL ASSETS</b>	<u>\$ 339,605,369</u>	<u>\$ 344,249,389</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority  
 Statements of Net Assets  
 As of December 31, 2009 and December 31, 2008

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
<u>LIABILITIES AND EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Payable from Unrestricted Assets:		
Accounts payable	\$ 539,257	\$ 403,058
Accrued expenses	2,627,362	2,899,824
Due to Albany County	751,295	367,193
Accrued interest payable	41,691	236,656
Current maturities of long - term debt	963,847	1,001,100
Total Payable from Unrestricted Assets	<u>4,923,452</u>	<u>4,907,831</u>
Payable from Restricted Assets:		
Construction contracts payable	1,543,971	748,992
Construction contract retainages	268,931	524,503
Accrued interest payable	295,299	143,250
ANCLUC Trust funds	346,157	245,665
Concession Improvement Trust funds	607,599	791,210
Current maturities of long - term debt	7,180,345	7,582,864
Total Payable From Restricted Assets	<u>10,242,302</u>	<u>10,036,484</u>
Total Current Liabilities	<u>15,165,754</u>	<u>14,944,315</u>
<u>NON -CURRENT LIABILITIES</u>		
Accrued expenses	-	421,041
Accrued interest payable	233,711	212,514
Long-term debt	133,269,313	141,007,200
Total Non-Current Liabilities	<u>133,503,024</u>	<u>141,640,755</u>
Total Liabilities	<u>148,668,778</u>	<u>156,585,070</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of Related Debt	161,268,212	159,283,066
Restricted:		
Bond reserve funds	14,375,781	14,659,691
Passenger facility charge funds	4,327,298	3,975,280
Total Restricted:	<u>18,703,079</u>	<u>18,634,971</u>
Unrestricted	<u>10,965,300</u>	<u>9,746,282</u>
Total Net Assets	<u>190,936,591</u>	<u>187,664,319</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 339,605,369</u>	<u>\$ 344,249,389</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, 2009 and December 31, 2009

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Operating Revenues		
Airfield	\$ 7,303,064	\$ 6,828,222
Fixed Based Operations	7,579,581	10,193,452
Terminal	6,513,311	7,689,690
Concessions	6,044,347	5,480,004
Ground transportation	10,818,594	11,122,678
Other revenue	3,991,942	4,361,254
Total Operating Revenues	<u>42,250,839</u>	<u>45,675,300</u>
Operating Expenses		
Airfield	2,737,533	2,899,413
Fixed Based Operations	6,254,104	8,957,197
Terminal	5,090,880	5,785,346
Loading bridges	231,438	287,694
Landside	4,125,173	4,755,049
Public safety	3,532,336	3,155,547
Aircraft Rescue and Fire Fighting	1,411,609	1,453,357
Vehicle maintenance	1,073,379	1,209,556
Administration	5,169,031	5,728,034
Total Operating Expenses	<u>29,625,483</u>	<u>34,231,193</u>
Revenues in excess of expenses before depreciation	12,625,356	11,444,107
Depreciation	<u>14,067,322</u>	<u>13,626,882</u>
Operating Loss Before Non-Operating Income and Expenses	<u>(1,441,966)</u>	<u>(2,182,775)</u>
Non-Operating Income and (Expenses)		
Passenger Facility Charges	4,077,806	3,716,492
Grant income	5,480,166	2,501,420
Improvement charges	368,400	276,300
Interest income	265,017	836,612
Decrease in fair value of investments	(82,204)	(26,614)
Grant expense	(4,943,468)	(2,794,322)
Interest expense	(6,845,764)	(6,751,363)
Amortization of bond issue costs	(130,653)	(125,335)
Total Non-Operating Income and (Expenses)	<u>(1,810,700)</u>	<u>(2,366,810)</u>
Loss before Capital Contributions	(3,252,666)	(4,549,585)
Capital Contributions	<u>6,524,938</u>	<u>8,379,148</u>
Net Assets		
Increase in Net Assets	3,272,272	3,829,563
Total Net Assets, beginning of year	<u>187,664,319</u>	<u>183,834,756</u>
Total Net Assets, end of year	<u>\$ 190,936,591</u>	<u>\$ 187,664,319</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority  
Statements of Cash Flows  
For the years ended December 31, 2009 and December 31, 2009

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Cash Flows From Operating Activities		
Cash received from providing services	\$ 44,152,367	\$ 44,028,857
Cash paid to suppliers	(29,110,669)	(35,545,627)
Cash paid to employees	<u>(1,248,160)</u>	<u>(1,257,735)</u>
Net Cash Provided By Operating Activities	<u>13,793,538</u>	<u>7,225,495</u>
Cash Flows From Noncapital Financing Activities		
Grant income	5,480,166	2,501,420
Grant expense	<u>(4,943,468)</u>	<u>(2,794,322)</u>
Net Cash Provided/(Used) By Noncapital Financing Activities	<u>536,698</u>	<u>(292,902)</u>
Cash Flows From Investing Activities		
Interest received	268,921	832,708
Sale of investments	61,992	-
Interest on passenger facility charges	<u>43,285</u>	<u>112,411</u>
Net Cash Provided by Investing Activities	<u>374,198</u>	<u>945,119</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	(7,627,276)	(8,971,021)
Principal payments made on bonds and notes payable	(8,177,659)	(6,885,016)
Interest paid	(6,835,858)	(7,398,066)
Payment of 1997 refunded bonds	-	(82,416,000)
Proceeds from 2008A refunding bonds	-	83,200,000
Less: cost of issuance	-	(889,198)
ANCLUC Trust funds	100,492	18,689
Concession Improvement Trust funds	(183,611)	99,384
Improvement charges	368,400	276,300
Contributed capital	7,716,862	6,528,726
Passenger facility charges	<u>3,921,553</u>	<u>3,613,383</u>
Net Cash Used By Capital and Related Financing Activities	<u>(10,717,097)</u>	<u>(12,822,819)</u>
Net increase/(decrease) in cash and cash equivalents	3,987,337	(4,945,107)
Cash and cash equivalents, beginning of year	<u>34,376,599</u>	<u>39,321,706</u>
Cash and cash equivalents, end of year	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Loss before non-operating income and expenses	\$ (1,441,966)	\$ (2,182,775)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	14,067,322	13,626,882
(Increase) decrease in assets:		
Accounts receivable	1,901,528	(1,646,443)
Net Assets held in trust for OPEB	(121,674)	
Prepaid expenses	(438,470)	(281,843)
Increase (Decrease) in liabilities:		
Due to/from County of Albany	384,102	3,361
Accounts payable and accrued expenses	<u>(557,304)</u>	<u>(2,293,687)</u>
Net Cash Provided By Operating Activities	<u>\$ 13,793,538</u>	<u>\$ 7,225,495</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, 2009

ASSETS

Cash and cash equivalents	\$ 777,295
Total Assets	<u>777,295</u>

LIABILITIES

Accounts payable	-
Total Liabilities	<u>-</u>

NET ASSETS

Net assets held in trust for OPEB	777,295
Total Liabilities and Net Assets	<u>\$ 777,295</u>

Albany County Airport Authority OPEB Trust  
Statement of Changes in Fiduciary Fund Net Assets  
For the year ended December 31, 2009

## Additions to Net Assets Attributed to:

## Contributions

Employer	\$ 777,278
Interest Income	17
Total Additions	<u>777,295</u>

## Deductions from Net Assets Attributed to:

Retirement benefits	-
Administrative expenses	-
Total Deductions	<u>-</u>

Increase in Net Assets 777,295

Net Assets Held in Trust for OPEB, Beginning of Year -

Net Assets Held in Trust for OPEB, End of Year \$ 777,295

Albany County Airport Authority  
Notes to Financial Statements

Note	Page
1	Organization and Reporting Entity .....43
2	Summary of Significant Accounting Policies .....44
3	Cash, Cash Equivalents and Investments .....49
4	Receivables .....49
5	ANCLUC Trust Funds .....50
6	Due To / (From) County of Albany .....50
7	Capital Assets .....51
8	Long-Term Indebtedness .....51
9	Contributed Capital and Net Assets .....67
10	Airline Lease and Use Agreements.....68
11	Airport Tenant Agreements .....69
12	Pension Plan .....69
13	Other Post Employment Benefits (OPEB).....70
14	Risk Management .....71
15	Commitments and Contingencies .....72

# ALBANY COUNTY AIRPORT AUTHORITY

## Notes to Financial Statements

December 31, 2009

### **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 five year term expiring December 31, 2010. The Authority has also contracted with Go-Albany, 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 does not have any component units and is not involved in any joint ventures.

The Authority has established a single employer defined Other Post Employment Benefit Plan (OPEB) providing retiree health care for qualified retired employees ages 55 or older with the plan year ended December 31, 2009. The Authority has established a legally separate trust known as the Albany County Airport Authority OPEB Trust for which the Authority reported 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 activities are accounted for similar to those often found in the private sector using 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, rental cars and parking are reported as operating revenues. Transactions which are capital, financing or investing related are reported as other income. All expenses related to operating the Airport are reported as expenses. Interest expense and financing costs are reported as other 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 can not 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 1998, 2000, 2003, 2006 and 2008 general airport revenue bond (GARB) proceeds and 1999, and 2004 Environmental Facilities Corporation (EFC) bond proceeds held in Bond Reserve Accounts which equals the larger of one year's outstanding principal and interest payments.

*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 expended as incurred. When properties 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.

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 2009 or 2008.

**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 is amortized using the effective interest method over the life of the debt to which it relates. Interest on capital appreciation bonds 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.

**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, 2009, the Authority has collected PFCs including interest earnings thereon totaling \$58,430,922.

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 2008A 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 in one year, together with the interest earned thereon, are applied towards the debt service payments made in the subsequent year. Through December 2009, the Authority has applied \$43.2 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 costs 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.

**Reclassifications:**

Certain reclassifications of prior year amounts have been made to conform with the current year presentation.

**Implementation of Accounting Standards not yet in Effect**

In June of 2007 the Governmental Accounting Standards Board issued Statement 51 - Accounting and Financial Reporting for Intangible Assets. In June of 2008 the Governmental Accounting Standards Board

issued Statement 53 - Accounting and Financial Reporting for Derivative Instruments. Both standards must be implemented in the Authorities fiscal year beginning January 1, 2010. The Authority is still evaluating the effect these accounting standards will have on the Authority's future financial statements.

### 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	
	2009	2008	2009	2008
Cash and Cash Equivalents				
Cash on hand	\$ 122,175	\$ 120,196		
Cash in bank accounts	38,241,758	34,256,400	\$ 40,958,678	\$ 35,872,132
Total Cash and Cash Equivalents	<u>38,363,933</u>	<u>34,376,596</u>		
Investments				
U.S. Treasury SLUG bond maturing 2019 at 5.073%	442,237	442,237		
Stock distributions	-	144,196		
Total Investments	<u>442,237</u>	<u>586,433</u>		
Total cash, cash equivalents and investments	<u>\$ 38,806,170</u>	<u>\$ 34,963,029</u>		

The Authority's deposits are secured by insurance from the Federal Depository Insurance Corporation covering \$654,684 in 2009 and \$500,000 in 2008 plus \$40,643,523 and \$35,298,764 of pledged collateral held by a third party trustee bank at December 31, 2009 and 2008, respectively. 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 12-31-09	As of 12-31-08
Airlines	\$ 1,275,264	\$ 3,366,839
Concessions	42,137	68,512
Other	690,482	502,543
Sub-Total	2,007,882	3,937,893
Less Allowances	-	(28,483)
Net Accounts Receivable	<u>\$ 2,007,882</u>	<u>\$ 3,909,410</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 12-31-09	As of 12-31-08
Opening Balance	\$ 245,665	\$ 226,976
Revenues received	249,539	15,189
Funds expended	-	(2,200)
Funds transferred	(166,175)	-
Interest received	17,128	5,700
Ending Balance	<u>\$ 346,157</u>	<u>\$ 245,665</u>

During 2009 the Authority deposited \$311,923 to convert the 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.

**NOTE 6 - Due to County of Albany**

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

	As of 12-31-09	As of 12-31-08
Reimbursement of expenses due to County	<u>\$ 751,295</u>	<u>\$ 367,193</u>
	<u>\$ 751,295</u>	<u>\$ 367,193</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 2008 totaled \$3,563,775 and \$3,225,652, respectively, including \$1,161,623 and \$1,207,739, 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, 2009 was as follows:

	Total 12-31-08	Additions	Transfers	Total 12-31-09
Capital Assets that are not depreciated:				
Land and Easements	\$ 38,454,904		\$ 5,116,490	\$ 43,571,394
Construction in Progress	7,649,892	\$ 8,166,680	(13,771,214)	2,045,358
Total	46,104,796	8,166,680	(8,654,724)	45,616,752
Capital Assets that are depreciated:				
Buildings	201,056,629		139,396	201,196,025
Improvements, other than buildings	177,729,859		6,046,108	183,775,967
Machinery and Equipment	8,920,556		2,469,220	11,389,776
Sub-total	387,707,044	-	8,654,724	396,361,768
Less accumulated depreciation:				
Buildings	(63,431,249)	(6,711,191)		(70,142,440)
Improvements	(64,752,958)	(6,253,671)		(71,006,629)
Machinery and Equipment	(6,522,794)	(1,102,457)		(7,625,251)
Sub-total	(134,707,001)	(14,067,319)	-	(148,774,320)
Total depreciable Capital Assets, net	253,000,043	(14,067,319)	8,654,724	247,587,448
Total Capital Assets, Net	\$ 299,104,839	\$ (5,900,639)	\$ -	\$ 293,204,200

**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 (net of cost of issuances and original issue discount) during 2009 were as follows:

	Outstanding at 12-31-08	Issued	Payments	Outstanding at 12-31-09
Authority Revenue Bonds/Debt Obligations				
1998 GARB Series B & C	\$ 18,745,219		\$ 1,545,866	\$ 17,199,353
1999 NYS EFC	4,777,120		360,454	4,416,666
2000 A NYS EFC	710,469		710,469	-
2000 GARB Series B	12,145,499		328,138	11,817,361
2003 GARB Series A	6,197,878		524,784	5,673,094
2004 NYS EFC	207,219		34,537	172,682
Unamortized Swaption Loan	4,301,151		469,864	3,831,287
2006 GARB Series A & B	13,347,044		480,677	12,866,367
2006 GARB Series C	6,094,646		128,128	5,966,518
2008 Refunding Series A	76,422,224		2,451,703	73,970,521
Total Authority Debt Obligations	\$ 142,948,469	\$ -	\$ 7,034,620	\$ 135,913,849
County of Albany General Obligation (GO) bonds	4,580,151	-	958,337	3,621,814
Total Debt Obligations including reimbursement to County	\$ 147,528,620	\$ -	\$ 7,992,957	\$ 139,535,663

**Authority Debt Issues:****1998 Series B & C General Airport Revenue Bonds**

In 1998, the Authority closed on the sale of two General Airport Revenue Bond issues totaling \$30,695,000. The bonds were sold to finance two capital projects at the Albany International Airport:

The 1998 B (non AMT) issue totaling \$18,455,000 was sold to finance in part the construction of a new 1,900 space parking garage. The garage was partially opened on December 2, 1998 for use by short-term visitors to the Airport. An additional portion of the parking garage for long-term parking was opened in February 1999. These twenty year Airport revenue bonds with principal payments due in the years 2009 through 2018 were competitively sold at a net interest cost of 4.95%. Outstanding indebtedness on the 1998 Series B General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
1998 Series B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$1,605,000 in 2010 to \$2,335,000 in 2018 with interest at 4.80% to 4.75% due semi-annually on June 15 and December 15	\$ 17,570,000	\$ 18,455,000
Less amortization of:		
Cost of Issuance	(220,046)	(231,126)
Original Issue Discount	(150,601)	(119,927)
Net 1998 Series B GARB outstanding	17,199,353	18,103,947
Less current portion including amortization	1,644,034	904,594
Long - Term Portion	<u>\$ 15,555,319</u>	<u>\$ 17,199,353</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of cost of issuance and original issue discount) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 1,605,000	\$ 840,310	\$ 2,445,310
2011	1,685,000	761,665	2,446,665
2012	1,770,000	677,415	2,447,415
2013	1,850,000	594,225	2,444,225
2014	1,940,000	506,350	2,446,350
2015-2018	8,720,000	1,059,725	9,779,725
TOTAL	<u>\$ 17,570,000</u>	<u>\$ 4,439,690</u>	<u>\$ 22,009,690</u>

### 1998 Series B & C General Airport Revenue Bonds, Con't

The 1998 C (AMT) issue totaling \$12,240,000 was sold to finance the construction of a new 50,500 square foot air cargo building which was opened in 1998 for use by Airborne Express, Federal Express and United Parcel Service. These eleven year Airport revenue bonds with principal payments due in the years 1999 through 2009 were competitively sold at a net interest cost of 4.42%. These bonds were paid off as of December 31, 2009:

	As of 12-31-09	As of 12-31-08
1998 Series C General Airport Revenue Bond Issue:		
Principal paid annually on December 15, with a final payment of \$650,000 in 2009 with interest 4.50% due semi-annually on June 15 and December 15	\$ ---	\$ 650,000
Less amortization of:		
Cost of Issuance	---	(8,728)
Net 1998 Series C GARB outstanding	---	641,272
Less current portion including amortization	---	641,272
Long - Term Portion	\$ ---	\$ 641,272

### 2000 Series B NYS Environmental Facilities Corporation Bonds

In July 2000, the Authority, through the New York State Environmental Facilities Corporation (EFC), entered into a \$2.4 million Series B loan agreement with the New York State Water Pollution Control Revolving Fund to finance the construction of a glycol polishing filtration system. Under the Agreement with the EFC, the interest thereon is subsidized by the New York State Water Pollution Control Revolving Fund. On December 28, 2009 the Authority placed cash and a US Treasury Obligation into an irrevocable trust to fund in advance the remaining portion of these bonds as described later in this note. Outstanding indebtedness on the 2000 NYS EFC Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2000 Series B Airport Revenue Bond Issue:		
Principal paid annually on July 15, in payments of \$235,000 in 2009 to \$485,000 in 2010 with interest at 4.60% to 5.082% due semi-annually on January 15 and July 15	\$ ---	\$ 720,000
Less amortization of:		
Cost of Issuance	---	(9,531)
Net 2000 Series B Revenue Bond issue outstanding	---	710,469
Less current portion including amortization	---	710,469
Long - Term Portion	\$ ---	\$ ---

### 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 will be 100 percent subsidized and the remaining \$4.5 million will be 50 percent subsidized by the New York State Water Pollution Control Revolving Fund. Outstanding indebtedness on the 1999 NYS EFC Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
1999 Series A Airport Revenue Bond Issue:		
Principal paid annually on October 1, in payments of \$368,000 in 2010 to \$879,000 in 2019 with interest at 4.43% to 5.43% due semi-annually on April 15 and October 15	\$ 4,452,000	\$ 4,815,000
Less amortization of:		
Cost of Issuance	<u>(36,046)</u>	<u>(37,880)</u>
Net 1999 Series A Revenue Bond issue outstanding	4,415,954	4,777,120
Less current portion including amortization	<u>370,387</u>	<u>361,166</u>
Long - Term Portion	<u>\$ 4,045,567</u>	<u>\$ 4,415,954</u>

Maturities of the long-term Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of cost of issuance) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Int. Subsidy	Total
2010	\$ 368,000	\$ 236,584	\$ (143,791)	\$ 460,793
2011	374,000	217,506	(130,161)	461,345
2012	385,000	197,951	(116,403)	466,548
2013	390,000	177,731	(102,392)	465,339
2014	396,000	157,124	(88,254)	464,870
2015-2019	2,539,000	461,543	(223,874)	2,776,669
TOTAL	<u>\$ 4,452,000</u>	<u>\$ 1,448,439</u>	<u>\$ (804,875)</u>	<u>\$ 5,095,564</u>

## 2000 Series B General Airport Revenue Bonds

In December 2000, the Authority issued \$14,500,000 of General Airport Revenue Bonds to finance the construction of a new New York State Police Executive Hangar. The State Police Executive Hangar is used to consolidate the State's current aircraft and maintenance support facilities. These thirty year General Airport Revenue Bonds with principal payments due in the years 2001 through 2030 were sold at a net interest cost of 5.31%. Outstanding indebtedness on the 2000 Series B Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2000 Series B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$340,000 in 2010 to \$910,000 in 2030 with interest at 4.25% to 5.25% due semi-annually on June 15 and December 15	\$ 12,105,000	\$ 12,425,000
Less amortization of:		
Cost of Issuance	(180,605)	(185,379)
Original Issue Discount	(107,034)	(94,122)
Net 2000 Series B GARB issue outstanding	11,817,361	12,145,499
Less current portion including amortization	348,473	328,138
Long - Term Portion	<u>\$ 11,468,888</u>	<u>\$ 11,817,361</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of cost of issuance and original issue discount) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 340,000	\$ 622,138	\$ 962,138
2011	355,000	605,138	960,138
2012	370,000	589,163	959,163
2013	390,000	570,663	960,663
2014	410,000	552,138	962,138
2015-2019	2,370,000	2,432,440	4,802,440
2020-2024	3,040,000	1,762,001	4,802,001
2025-2029	3,920,000	877,276	4,797,276
2030	910,000	47,767	957,767
TOTAL	<u>\$ 12,105,000</u>	<u>\$ 8,058,724</u>	<u>\$ 20,163,724</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%. Outstanding indebtedness of the 2003 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2003 Series A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$535,000 in 2010 to \$135,000 in 2033 with interest at 1.75% to 4.25% due semi-annually on June 15 and December 15	\$ 5,945,000	\$ 6,465,000
Less amortization of:		
Cost of Issuance	<u>(271,906)</u>	<u>(267,122)</u>
Net 2003 Series A GARB issue outstanding	5,673,094	6,197,878
Less current portion including amortization	<u>539,784</u>	<u>524,784</u>
Long - Term Portion	<u>\$ 5,133,310</u>	<u>\$ 5,673,094</u>

Maturities of the long-term General Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of cost of issuance) based on the amount outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 535,000	\$ 212,444	\$ 747,444
2011	555,000	194,388	749,388
2012	570,000	174,963	744,963
2013	585,000	157,863	742,863
2014	335,000	140,313	475,313
2015-2019	1,570,000	532,237	2,102,237
2020-2024	780,000	306,255	1,086,255
2025-2029	520,000	173,068	693,068
2030-2033	495,000	53,974	548,974
TOTAL	<u>\$ 5,945,000</u>	<u>\$ 1,945,505</u>	<u>\$ 7,890,505</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. Outstanding indebtedness of the 2004 NYS EFC Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2004 Series B Airport Revenue Bond Issue:		
Principal paid annually on November 15, in payments of \$35,000 in 2010 to \$70,000 in 2013 with interest at 1.056% to 3.375% due semi-annually on May 15 and November 15	\$ 175,000	\$ 210,000
Less amortization of:		
Cost of Issuance	<u>(2,318)</u>	<u>(2,781)</u>
Net 2004 Series B issue outstanding	172,682	207,219
Less current portion including amortization	<u>34,537</u>	<u>34,537</u>
Long - Term Portion	<u>\$ 138,145</u>	<u>\$ 172,682</u>

Maturities of the long-term General Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of cost of issuance) based on the amount outstanding at December 31, 2009:

Year Ended	Principal	Interest	Int. Subsidy	Total
2010	\$ 35,000	\$ 5,462	\$ (2,673)	\$ 37,789
2011	35,000	4,508	(2,004)	37,504
2012	35,000	3,474	(1,336)	37,138
2013	70,000	2,362	(668)	71,694
TOTAL	<u>\$ 175,000</u>	<u>\$ 15,806</u>	<u>\$ (6,681)</u>	<u>\$ 184,125</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%. Outstanding indebtedness on the 2006 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
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 4.5% 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 outstanding	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 cost of issuance and original issue discount) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ -	\$ 290,650	\$ 290,650
2011	-	290,650	290,650
2012	-	290,650	290,650
2013	-	290,650	290,650
2014	-	290,650	290,650
2015-2019	-	1,453,250	1,453,250
2020-2024	4,205,000	1,093,375	5,298,375
2025-2026	2,110,000	143,550	2,253,550
TOTAL	<u>\$ 6,315,000</u>	<u>\$ 4,143,425</u>	<u>\$ 10,458,425</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%. Outstanding indebtedness on the 2006 Series B General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2006 Series B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$505,000 in 2010 to \$300,000 in 2020 with interest at 4.5% to 4.75% due semi-annually on June 15 and December 15	\$ 6,535,000	\$ 7,015,000
Less Amortization of:		
Cost of Issuance	<u>12,135</u>	<u>12,812</u>
Net 2006 Series B GARB outstanding	6,547,135	7,486,768
Less current portion including amortization	<u>506,944</u>	<u>480,677</u>
Long - Term Portion	<u>\$ 6,040,191</u>	<u>\$ 6,547,135</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of cost of issuance and original issue discount) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 505,000	\$ 307,837	\$ 812,837
2011	525,000	285,112	810,112
2012	550,000	261,488	811,488
2013	575,000	235,363	810,363
2014	605,000	208,050	813,050
2015-2019	3,475,000	581,399	4,056,399
2020	300,000	14,250	314,250
TOTAL	<u>\$ 6,535,000</u>	<u>\$ 1,893,499</u>	<u>\$ 8,428,499</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%. Outstanding indebtedness on the 2006 Series C General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2006 Series C General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$135,000 in 2009 to \$380,000 in 2035 with interest at 4.0% to 4.25% due semi-annually on June 15 and December 15	\$ 6,075,000	\$ 6,205,000
Less amortization of:		
Cost of Issuance	<u>(108,482)</u>	<u>(110,354)</u>
Net 2006 Series C GARB outstanding	5,966,518	6,094,646
Less current portion including amortization	<u>133,026</u>	<u>128,128</u>
Long - Term Portion	<u>\$ 5,833,492</u>	<u>\$ 5,966,518</u>

Maturities of the long-term General Authority Revenue Bond Issue will require the following principal and interest payments (excluding amortization of cost of issuance and original issue discount) based on the amounts outstanding at December 31, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 135,000	\$ 267,063	\$ 402,063
2011	140,000	261,663	401,663
2012	145,000	256,063	401,063
2013	150,000	250,263	400,263
2014	160,000	244,263	404,263
2015-2019	885,000	1,121,115	2,006,115
2020-2024	1,085,000	923,513	2,008,513
2025-2026	1,335,000	673,226	2,008,226
2030-2034	1,660,000	346,825	2,006,825
2035	380,000	19,000	399,000
TOTAL	<u>\$ 6,075,000</u>	<u>\$ 4,362,994</u>	<u>\$ 10,437,994</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.

## 2008 Series A General Airport Revenue Bonds

On January 31, 2008, the Authority issued \$83,200,000 of General Airport Revenue Bonds (GARB) maturing in the years 2008 through 2023 to refund \$80,800,000 of Series 1997 bonds then outstanding. At the time of the transactions, this resulted in an estimated \$7,862,290 in future cash flow savings with an estimated present value gain of \$6,868,889. These savings are based upon an estimate of future debt service and remarketing fees and letter of support costs on the bonds which are integrated with an interest rate exchange agreement (swap agreement) as more fully described later. Actual savings ultimately realized will vary with changes in estimated interest rates, swap rates, letter of credit fees and other support costs. The refunding transaction, while resulting in lower estimated future debt service costs, resulted in a loss in the year it occurred equivalent to the difference between the carrying amount of the bonds refunded (\$78,889,236) and their reacquisition price (\$82,992,384). This loss of \$4,103,148 has been deferred and is being amortized into future interest costs over the life of the new bonds which is the same as the remaining life of the refunded bonds, using the effective interest method.

The 2008 Series A bonds pay a variable rate of interest, which resets weekly to a rate determined by the bond remarketing agent. The 2008 Series A bond is supported by a direct pay letter of credit (the Support Facility) issued by a bank. Under the bank letter of credit agreement, the paying agent is authorized to draw on the letter of credit bank for the entire principal on the bonds outstanding, plus up to 35 days of interest calculated at a rate of 12 percent. The 2008 Series A bond, at the option of the holder, can be tendered back to the letter of credit bank on 7 days notice. The bonds are also subject to early mandatory tender if the then-effective Support Facility for the 2008 Series A Bonds is to expire or terminate on any date (the "Expiration Date"), and no substitute Alternate Support Facility has been obtained. The 2008 Series A bonds shall be subject to mandatory tender for purchase at the applicable Purchase Price on the 5th Business Day preceding the Expiration Date. The Support Facility expires on January 30, 2011 subject to termination or renewal as permitted in the agreement.

The original proceeds of the Series 1997 Bonds were issued in 1997 and were used to finance the Terminal Improvement Project, certain capital improvement projects previously financed with County bond anticipation notes, bond reserve and capitalized interest funds, and related debt issuance costs. The remaining outstanding indebtedness on the 2008 Series A General Airport Revenue Bonds consists of the following:

	As of 12-31-09	As of 12-31-08
2008A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$3,010,000 in 2009 to \$6,625,000 in 2023 with interest at variable rates due monthly on the first business day	\$ 77,720,000	\$ 80,730,000
Less amortization of:		
Cost of Issuance	(436,473)	(588,647)
Deferred Loss on Refunding	<u>(3,313,006)</u>	<u>(3,719,309)</u>
Net 2008 Series A GARB outstanding	73,970,521	76,422,224
Less current portion including amortization	<u>2,746,958</u>	<u>2,451,703</u>
Long - Term Portion	<u>\$ 71,223,563</u>	<u>\$ 73,970,521</u>

The Authority entered into a forward starting interest rate exchange agreement, commonly referred to as a swaption, in March 2005 that provided the Authority an up-front payment of \$5,330,000 from a bank counterparty. Under the agreement, the Authority agreed to grant an option to the bank counterparty where at the bank counterparty's option, the Authority would issue variable rate refunding bonds on December 15, 2007 (the commitment date) that would be subject to an interest rate exchange agreement related to the principal amount of the remaining maturities of its then outstanding Series 1997 bonds (the notional amount) until their final maturity. Prior to the expiration of the commitment date, the Authority obtained an agreement for an extension of time to execute the bank counterparty's option and a partial termination of the notional amount of the swap transaction. The Authority paid a partial termination fee of \$240,000 and an extension fee of \$121,000 at the extended option exercise date, January 31, 2008. The option was executed by the bank counterparty and the Authority issued the 2008 Series A refunding bonds on January 31, 2008. The partial termination fee has been recorded as a reduction of the original upfront payment received and the extension fee has been recorded as a part of the 2008 Series A bond issuance costs. The remaining upfront payment is being amortized as a reduction in the reported interest cost of the 2008 Series A bonds. The unamortized balance of the upfront payment is reported on the balance sheet as an outstanding loan.

The synthetic fixed swap rate payment is based upon 4.56% of the 2008 Series A bonds outstanding offset by 70 percent of the One Month London Interbank Offered Rate (1M-LIBOR). The offsetting payment from the swap counterparty bank, based upon 70 percent of 1M-LIBOR, is intended to reimburse the Authority for the cost of the variable rate interest payments on its 2008 Series A bonds. The transaction is subject to netting whereby Authority pays only the swap counterparty's bank a net settlement amount each month.

The following table represents the future minimum debt service payments remaining to maturity on the 2009 Series A bonds and swap agreement based upon rates in effect on December 31, 2009.

Year Ended	Principal	Interest	Net Future Swap Payments	Less Amortization of Upfront Swap Loan	Interest Net of Swap Amortization	Total Interest, Swap and Principal Payments
2010	\$ 3,200,000	\$ 272,020	\$ 3,790,917	\$ (452,345)	\$ 3,610,592	\$ 7,262,937
2011	3,415,000	260,820	3,634,832	(433,721)	3,461,932	7,310,652
2012	3,635,000	248,868	3,468,260	(413,845)	3,303,283	7,352,128
2013	4,470,000	236,145	3,290,957	(392,688)	3,134,414	7,997,102
2014	4,885,000	220,500	3,072,926	(366,672)	2,926,754	8,178,426
2015-2019	29,795,000	818,545	11,407,383	(1,361,168)	10,864,760	42,020,928
2020-2023	28,320,000	247,065	3,443,140	(410,847)	3,279,358	32,010,205
	<u>\$ 77,720,000</u>	<u>\$ 2,303,963</u>	<u>\$ 32,108,416</u>	<u>\$ (3,831,286)</u>	<u>\$ 30,581,092</u>	<u>\$ 112,132,379</u>

The 2008 Series A Bonds have been assigned a long-term rating of "Aa3" and a short-term rating of "VMIG1" by Moody's Investors Service and a long-term rating of "A+-" and a short-term rating of "F1+" by Fitch Rating, Inc.

### Interest Rate Exchange Agreement (swap)

The Authority's 2008 Series A bonds are subject to a swap agreement. The intention of the swap agreement was to effectively change the Authority's interest rate on the 2008 Series A bonds to a synthetic fixed rate of approximately 4.56 percent.

The following table includes the terms for the Authority's swap transaction:

Corresponding bond series .....	2008 Series A
Final maturity of bonds.....	December 15, 2023
Final maturity of related swap agreement .....	December 15, 2023
Swap current notional amount .....	\$77,720,000
Variable rate bonds.....	\$77,720,000
Fixed payment rate paid to counter party .....	4.56%
Variable rate payments received, computed as.....	70% of One Month LIBOR

As of December 31, 2009, rates in effect were as follows:

Effective fixed payment to counterparty .....	4.56%
Less variable payment received from counter party .....	<u>0.16%</u>
Net interest rate swap payments.....	4.40%
Variable bond rate.....	<u>0.31%</u>
Approximate synthetic interest rate on bonds .....	4.71%

#### *Fair Value of the Interest Rate Swap Agreement*

Due to the fact that interest rates have changed since execution of the swaps, the swaps had an estimated fair value at December 31, 2009 equal to their termination cost which would have required the Authority to pay \$11,112,763 to the swap counterparty at December 31, 2009 had it terminated the swap at that date. Swap termination payments potentially owed by the Authority are secured by a subordinate lien on the Authority's Net Revenues which is junior and inferior to the lien on and pledge of Net Revenues created for the payment and security of the Revenue Bonds and any other bonds, notes, certificates, and certain other obligations provided for in the agreement. The fair value of the swap fluctuates with the change in the One Month LIBOR rate which affects the amount of the payments the Authority is due each month from its swap counterparty. Because the interest the Authority pays on variable rate bond adjusts with changing market based interest rates, the bonds do not have a corresponding change in their fair value. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

*Credit Risk of the Interest Rate Swap Agreement*

The swap agreement requires the counterparty to post collateral in certain circumstances including circumstances whereby its Rating or its credit support provider have a Rating below A3 or A- assigned by anyone of the Rating Agencies. The swap counterparty ratings were Standard & Poor's A+, Moody's Aa3, and Fitch AA-.

*Basis Risk of the Interest Rate Swap Agreements-*

The swap agreement exposes the Authority to basis risk should the relationship between the One Month LIBOR and actual variable rate payments converge, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate 4.56 percent for the 2008 Series A notional amount and the actual synthetic rate.

*Termination Risk of the Interest Rate Swap Agreements*

The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swaps may be terminated if either the Authority's or the counterparty's credit quality rating falls below certain levels. Either the Authority or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the contract. If the swap agreement is terminated, the related variable rate bonds would no longer be hedged and the Authority would no longer effectively be paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap agreement's fair value.

**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. Outstanding indebtedness issued by the County consists of the following:

Bond Issues:	As of 12-31-09	As of 12-31-08
1993 Drainage System:		
Principal paid annually on October 1, in payments ranging from \$278,847 in 2010 to \$81,180 in 2014 with interest at 3.3% to 5.0% due semi-annually on April 1 and October 1	\$ 998,256	\$ 1,274,355
Less amortization of:		
Discount	(17,696)	(23,596)
Bond Issue Costs	(17,845)	(21,603)
Accretion of capital appreciation	257,366	234,940
	<u>1,220,081</u>	<u>1,464,096</u>
2002 Refunding:		
Principal paid annually on June 1, in payments ranging from \$685,000 in 2010 to \$410,000 in 2013 with interest at 5.35% to 5.85% due semi-annually on June 1 and December 1	2,420,000	3,145,000
Less amortization of Deferred Refunding	<u>(18,267)</u>	<u>(28,945)</u>
	<u>2,401,733</u>	<u>3,116,055</u>
Total County Bond Issues outstanding	3,621,814	4,580,151
Less current portion including amortization	<u>963,847</u>	<u>1,003,189</u>
Long-Term Portion	<u>\$ 2,657,967</u>	<u>\$ 3,576,962</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, 2009:

Year Ended	Principal	Interest	Total
2010	\$ 963,847	\$ 122,043	\$ 1,085,890
2011	943,731	84,053	1,027,784
2012	926,422	46,189	972,611
2013	503,074	202,338	705,412
2014	81,182	181,665	262,845
TOTAL	<u>\$ 3,418,256</u>	<u>\$ 636,287</u>	<u>\$ 4,054,541</u>

Summary of Authority Revenue Bonds outstanding, net of cost of issuance and original issue discount plus reimbursement of County issued bonds:

	Current	Long-Term	Total
Authority Revenue Bonds/Debt Obligations			
1998 GARB Series B & C	\$ 1,644,035	\$ 15,555,319	\$ 17,199,354
1999 NYS EFC	370,387	4,046,279	4,416,666
2000 GARB Series B	348,473	11,468,888	11,817,361
2003 GARB Series A	539,784	5,133,310	5,673,094
2004 NYS EFC	34,537	138,145	172,682
Unamortized Swaption Loan	452,345	3,378,942	3,831,287
2006 GARB Series A & B	506,944	12,359,420	12,866,364
2006 GARB Series C	133,026	5,833,492	5,966,518
2008 Refunding Series A	2,746,958	71,223,563	73,970,521
Total Authority Debt Obligations	<u>\$ 6,776,489</u>	<u>\$ 129,137,358</u>	<u>\$ 135,913,847</u>
County of Albany General Obligation (GO) bonds	922,352	2,699,462	3,621,814
Total Debt Obligations including reimbursement to County	<u>\$ 7,698,841</u>	<u>\$ 131,836,820</u>	<u>\$ 139,535,661</u>

#### 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, 2009, the Authority had \$144.7 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.

### Defeased Debt Obligations Outstanding

On December 28, 2009, the Authority deposited \$510,860 in an irrevocable trust to fund in advance its obligation to pay the New York State Environmental Facilities Corporation (NYS EFC) \$510,860 in 2010 for its EFC Series 2000B obligation, which constituted the final payments due on this obligation. The deposit was used to purchase U.S. government securities in the amount of \$485,000, which along with the cash not used to purchase securities, will be used by the trustee to pay the NYS EFC for debt service and administrative fees due through July 1, 2010. As a result, the EFC Series 2000 B obligation are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets. At December 31, 2009 \$485,000 in principal amount of the Authority’s EFC Series 2000B Obligation remained outstanding. The Authority paid additional expenses totaling \$2,500 to accomplish this advanced repayment, constituting a cash flow loss. No debt was issued to accomplish this defeasance. The defeasance and associated expenses were paid from current cash resources of the Authority.

### 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 2009	Year Ended 2008
County of Albany	\$ 46,824,500	\$ -	\$ -
Federal	107,058,328	6,291,022	7,692,456
State	66,324,185	233,916	686,692
Total	<u>\$ 220,207,013</u>	<u>\$ 6,524,938</u>	<u>\$ 8,379,148</u>

Unrestricted net assets consist of the following:

	2009	2008
Funds available for unrestricted operations	\$ 11,611,221	\$ 9,253,593
Restricted for:		
Capital Projects	7,615,868	6,014,133
PFCs available for debt service payments	3,964,838	3,725,788
Revenue bond reserves	14,218,253	14,346,210
Other restrictions	953,756	1,036,875
Total	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</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**

Six commercial passenger airlines, three affiliated commercial passenger airlines and three cargo airlines serving the Airport have executed an 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 2009, 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 \$119,882 for the Rates & Charges Settlements representing the remaining portion due the airlines from out of \$577,545 credited to them in 2009. In 2008, the airlines were billed \$1.7 million as part of the final settlement for 2008.

## 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 2009 of \$8,331,493 by \$578,207. In 2008 the revenues exceeded the MAG amounts due of \$7,001,747 by \$1,462,108. 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:

2010	\$	7,784,938
2011		7,516,738
2012		7,226,883
2013		7,207,187
2014		7,076,364
2015-2031		46,345,386
Total	\$	<u>83,157,496</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, 2009, 2008, 2007 and 2006 were \$137,614, \$129,096, \$153,768 and \$165,682, respectively, or approximately 7.6%, 7.6%, 9.1%, and 10.4%, 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 Albany County immediately preceding becoming an Authority employee) who retires 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 dependants can continue to receive OPEB benefits as long as they do remain otherwise eligible to be a dependant 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 and the OPEB liability at transition was zero. 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 2009 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%
- 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 2010 and gradually decline to 5% in 2014 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 .....	\$252,724
Interest on Net OPEB Obligation .....	\$12,800
Adjustment to the Annual Required Contribution .....	\$(14,119)
Annual OPEB Cost (Expense).....	\$251,404
Age Adjusted Contributions Made .....	\$794,119
Change in Net OPEB Obligation (NOO) .....	<u>\$(542,715)</u>
Net OPEB Obligation (NOO) – Beginning of Year .....	<u>\$421,041</u>
Net OPEB Obligation (NOO) (Asset) – End of Year .....	<u>\$(121,674)</u>

During 2009 the Authority made \$794,119 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, 2009
Actuarial Value of Assets (a) .....	\$777,295
Actuarial Accrued Liability (b) .....	\$2,506,648
Unfunded Actuarial Accrued Liability (UAAL) (b-a) .....	\$1,729,353
Funded Ratio (a/b) .....	31.01%
Covered Payroll (c).....	\$1,858,000
UAAL as a Percentage of Covered Payroll ((b-a)/c) .....	93.08%

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

Fiscal year end .....	December 31, 2009
Annual OPEB cost.....	\$251,404
Age adjusted contribution .....	\$794,119
Percentage of Annual OPEB cost contributed .....	315.87%
Net OPEB obligation (asset).....	<u>\$(121,674)</u>

**NOTE 14 - Risk Management**

The Authority is exposed to various risk or losses 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, Go-Albany (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, 2009 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, 2009. There was no reduction in insurance coverage during 2009. Changes in the balance of claims paid directly by the Authority during the past three years are as follows:

	Year Ended 2009	Year Ended 2008	Year Ended 2007
Unpaid claims, beginning of year	\$ -	\$ -	\$ -
Claims incurred	39,823	2,934	1,584
Claims paid	(39,823)	(2,934)	(1,584)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTE 15 - Commitments and Contingencies

*FBO Operations* – As of October 1, 2005 the Authority entered into a three-year agreement with Go-Albany, Inc., (d/b/a 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 expiring December 31, 2010, subject optional extension. 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 \$420,000 in years one and two. The fee increased to \$436,000 in years three through five. AvPorts may be entitled to an additional incentive fee of \$50,000 each year based on performance indicators negotiated between the parties.

*Capital Improvement Programs* - As of December 31, 2009, the Authority has outstanding contractual commitments for completion of certain capital improvement projects totaling \$8.0 million of which an estimated 78% 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 63.5% of accounts receivable and airline revenues represent 27.5% of operating revenues for the year ended December 31, 2009.

*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, 2009 and 2008 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.

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Required  
Supplemental  
Information



Albany County Airport Authority OPEB Trust  
 Schedule of Funding Progress  
 December 31, 2009

Valuation date	Actuarial value of assets (AVA)	Actuarial accrued liability (AAL)	Unfunded actuarial accrued asset (liability) (UAAL)	Funded ratio	Annual covered payroll	UAAL as % of payroll
(1)	(2)	(3)	(2) - (3) (4)	(2)/(3) (5)	(6)	(4)/(6) (7)
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		Total			Authority
	Fixed	Variable	Principal	Interest	Interest Subsidy	Total
2010	\$ 3,523,000	\$ 3,200,000	\$ 6,723,000	\$ 6,699,576	\$ (146,464)	\$ 10,076,112
2011	3,669,000	3,415,000	7,084,000	6,376,438	(132,165)	9,913,273
2012	3,825,000	3,635,000	7,460,000	6,034,859	(117,739)	9,742,120
2013	4,010,000	4,470,000	8,480,000	5,679,608	(103,060)	9,586,548
2014	3,846,000	4,885,000	8,731,000	5,274,088	(88,254)	9,031,834
2015	3,996,000	5,395,000	9,391,000	4,848,642	(73,990)	8,770,652
2016	4,162,000	5,665,000	9,827,000	4,389,798	(59,598)	8,492,200
2017	4,358,000	5,945,000	10,303,000	3,909,061	(44,952)	8,222,109
2018	4,539,000	6,240,000	10,779,000	3,404,587	(30,180)	7,913,407
2019	2,504,000	6,550,000	9,054,000	2,876,669	(15,154)	5,365,515
2020	1,715,000	6,885,000	8,600,000	2,422,135	-	4,137,135
2021	1,810,000	7,225,000	9,035,000	1,992,636	-	3,802,636
2022	1,900,000	7,585,000	9,485,000	1,539,578	-	3,439,578
2023	2,000,000	6,625,000	8,625,000	1,063,925	-	3,063,925
2024	1,985,000	-	1,985,000	638,856	-	2,623,856
2025	2,075,000	-	2,075,000	547,907	-	2,622,907
2026	2,180,000	-	2,180,000	450,213	-	2,630,213
2027	1,150,000	-	1,150,000	347,413	-	1,497,413
2028	1,215,000	-	1,215,000	290,737	-	1,505,737
2029	1,265,000	-	1,265,000	230,850	-	1,495,850
2030	1,330,000	-	1,330,000	167,704	-	1,497,704
2031	435,000	-	435,000	101,325	-	536,325
2032	455,000	-	455,000	82,050	-	537,050
2033	480,000	-	480,000	60,237	-	540,237
2034	365,000	-	365,000	37,250	-	402,250
2035	380,000	-	380,000	19,000	-	399,000
<b>TOTAL</b>	<b>\$ 59,172,000</b>	<b>\$ 77,720,000</b>	<b>\$ 136,892,000</b>	<b>\$ 59,485,142</b>	<b>\$ (811,556)</b>	<b>\$ 117,845,586</b>

Albany County Airport Authority  
Debt Service Requirements to Maturity

COMBINED COUNTY AND AUTHORITY

YEAR	Principal		Total		Interest Subsidy	Total
	Fixed	Variable	Principal	Interest		
2010	\$ 4,486,847	\$ 3,200,000	\$ 7,686,847	\$ 6,821,619	\$ (146,464)	\$ 11,162,002
2011	4,612,731	3,415,000	8,027,731	6,460,491	(132,165)	10,941,057
2012	4,751,422	3,635,000	8,386,422	6,081,048	(117,739)	10,714,731
2013	4,513,074	4,470,000	8,983,074	5,881,946	(103,060)	10,291,960
2014	3,927,180	4,885,000	8,812,180	5,455,753	(88,254)	9,294,679
2015	3,996,000	5,395,000	9,391,000	4,848,642	(73,990)	8,770,652
2016	4,162,000	5,665,000	9,827,000	4,389,798	(59,598)	8,492,200
2017	4,358,000	5,945,000	10,303,000	3,909,061	(44,952)	8,222,109
2018	4,539,000	6,240,000	10,779,000	3,404,587	(30,180)	7,913,407
2019	2,504,000	6,550,000	9,054,000	2,876,669	(15,154)	5,365,515
2020	1,715,000	6,885,000	8,600,000	2,422,135	-	4,137,135
2021	1,810,000	7,225,000	9,035,000	1,992,636	-	3,802,636
2022	1,900,000	7,585,000	9,485,000	1,539,578	-	3,439,578
2023	2,000,000	6,625,000	8,625,000	1,063,925	-	3,063,925
2024	1,985,000	-	1,985,000	638,856	-	2,623,856
2025	2,075,000	-	2,075,000	547,907	-	2,622,907
2026	2,180,000	-	2,180,000	450,213	-	2,630,213
2027	1,150,000	-	1,150,000	347,413	-	1,497,413
2028	1,215,000	-	1,215,000	290,737	-	1,505,737
2029	1,265,000	-	1,265,000	230,850	-	1,495,850
2030	1,330,000	-	1,330,000	167,704	-	1,497,704
2031	435,000	-	435,000	101,325	-	536,325
2032	455,000	-	455,000	82,050	-	537,050
2033	480,000	-	480,000	60,237	-	540,237
2034	365,000	-	365,000	37,250	-	402,250
2035	380,000	-	380,000	19,000	-	399,000
TOTAL	\$ 62,590,254	\$ 77,720,000	\$ 140,310,254	\$ 60,121,429	\$ (811,556)	\$ 121,900,127

Albany County Airport Authority  
Governmental Payments and Services  
For the Years Ended December 31, 2009 and 2008

	2009	2008
<b>FEDERAL AVIATION ADMINISTRATION (FAA)</b>		
Runway 1-19 Airways Facilities Relocation	\$ -	\$ 35,020
<b>UNITED STATES - Department of Agriculture</b>		
Dept. of Agriculture - Wildlife Management Program	13,192	7,276
<b>STATE OF NEW YORK</b>		
Department of Civil Service - Health Insurance	359,059	298,575
State and Local Employees' Retirement System	133,534	122,177
Unemployment Insurance	551	3,303
Dept. of Environmental Conservation-Oil Spill Fee	3,546	-
Dept. of Taxation & Finance-Sales Tax	299,552	524,597
Dept. of Taxation & Finance-Petroleum Business Tax	106,143	145,433
Dept. of Transportation	220,000	-
Air Pollution & SPDES Program Fees	1,894	1,700
Total State of New York	1,124,279	1,095,785
<b>COUNTY OF ALBANY</b>		
Direct Costs:		
County Clerk	60	36
Sheriff	2,266,635	1,874,697
Code Enforcement	10,000	35,100
Dept of Public Works - Salt for Roadways	102,782	30,934
Sewer District Charges	9,080	63,583
Sub Total	2,388,557	2,004,350
County Indirect Cost Allocation Plan	13,595	13,563
Debt Service - Bond Principal & Interest	1,161,623	1,207,739
Total County of Albany	3,563,775	3,225,652
<b>LATHAM WATER DISTRICT - Water Service</b>	92,764	85,403
<b>TOWN OF COLONIE, RECEIVER OF TAXES</b>		
Sewer Taxes	76,525	89,234
Verdoy Fire Dept.	2,325	1,950
Albany County Tax	8,231	5,823
Town of Colonie Tax	6,137	4,909
School Taxes - North Colonie	22,973	30,202
Total Town of Colonie, Receiver of Taxes	116,191	132,118
<b>TOWN OF COLONIE</b>		
Landfill Charges	1,544	1,876
Runway #28 Water Tank Relocation:		
Legal Services	-	714
Legal Notice	-	109
Engineering Services	507,373	225,082
Utility Easements	195,034	-
Construction Services	4,371,416	1,696,228
Total Town of Colonie	5,075,367	1,924,009
<b>VILLAGE OF COLONIE</b>		
Wastewater Conveyance	7,500	25,136
<b>TOTAL PAYMENTS TO OTHER GOVERNMENTAL ENTITIES</b>	\$ 9,985,568	\$ 6,505,263

Statistical



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

	2000	2001	2002	2003
<b>REVENUES</b>				
Airfield	\$ 5,133,211	\$ 6,746,631	\$ 7,019,194	\$ 8,280,150
Fixed Based Operations	-	-	-	-
Terminal	5,041,551	5,554,460	6,783,704	7,297,162
Concessions	4,233,407	4,120,911	4,070,543	4,008,054
Ground transportation	7,263,009	8,798,313	8,562,950	9,048,073
Other	2,082,166	2,577,134	2,682,166	3,167,570
	<u>23,753,344</u>	<u>27,797,449</u>	<u>29,118,557</u>	<u>31,801,009</u>
<b>OTHER REVENUES</b>				
Interest income	2,590,317	1,745,503	522,038	366,157
Passenger Facility Charges	4,729,277	4,513,604	4,125,044	3,871,885
Grant income	-	-	-	-
Insurance recovery	-	-	-	-
Investments received	-	-	-	-
Improvement charges	23,025	276,300	276,300	276,300
	<u>7,342,619</u>	<u>6,535,407</u>	<u>4,923,382</u>	<u>4,514,342</u>
<b>TOTAL REVENUES</b>	<u>31,095,963</u>	<u>34,332,856</u>	<u>34,041,939</u>	<u>36,315,351</u>
<b>EXPENSES</b>				
Salaries and benefits	8,208,486	9,220,935	9,450,926	9,937,522
Services and supplies	8,332,743	9,558,428	9,980,135	11,574,119
Depreciation	8,873,271	9,203,633	10,084,325	10,617,922
	<u>25,414,500</u>	<u>27,982,996</u>	<u>29,515,386</u>	<u>32,129,563</u>
<b>OTHER EXPENSES</b>				
Property damage	-	-	-	-
Grant expense	-	-	-	-
Interest expense	7,492,574	8,092,198	7,732,596	7,780,055
Amortization of bond issuance costs	49,200	83,733	82,996	91,339
Decrease in fair value of investments	-	-	-	-
	<u>7,541,774</u>	<u>8,175,931</u>	<u>7,815,592</u>	<u>7,871,394</u>
<b>TOTAL EXPENSES</b>	<u>32,956,274</u>	<u>36,158,927</u>	<u>37,330,978</u>	<u>40,000,957</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>4,811,809</u>	<u>5,090,319</u>	<u>4,202,431</u>	<u>16,890,954</u>
<b>INCREASE IN NET ASSETS</b>	<u>\$ 2,951,498</u>	<u>\$ 3,264,248</u>	<u>\$ 913,392</u>	<u>\$ 13,205,348</u>
<b>NET ASSETS AT YEAR END COMPOSED OF:</b>				
Investment in Capital Assets, net of Related Debt	\$ 116,778,260	\$ 120,972,589	\$ 120,360,570	\$ 132,220,219
Restricted	15,738,825	15,940,542	16,913,925	17,069,227
Unrestricted	4,001,150	2,869,355	3,421,383	4,611,780
	<u>\$ 136,518,235</u>	<u>\$ 139,782,486</u>	<u>\$ 140,695,878</u>	<u>\$ 153,901,226</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,**

2004	2005	2006	2007	2008	2009
\$ 8,393,905	\$ 7,605,974	\$ 5,881,654	\$ 5,597,334	\$ 6,828,222	\$ 7,303,064
-	1,637,840	7,307,383	8,817,614	10,193,452	7,579,581
7,236,402	8,826,365	7,406,907	7,574,748	7,689,690	6,513,311
4,575,990	5,124,925	5,269,221	5,686,723	5,480,004	6,044,347
10,233,061	10,971,728	10,885,205	11,340,151	11,122,678	10,818,594
3,652,982	3,341,100	3,366,356	3,618,200	4,361,254	3,991,942
34,092,340	37,507,932	40,116,726	42,634,770	45,675,300	42,250,839
375,317	789,591	1,193,635	1,810,589	836,612	265,017
4,378,871	4,314,667	4,165,815	4,081,962	3,716,492	4,077,806
-	-	-	-	2,501,420	5,480,166
-	-	184,000	2,929	-	-
-	-	-	297,413	-	-
276,300	276,300	276,300	276,300	276,300	368,400
5,030,488	5,380,558	5,819,750	6,469,193	7,330,824	10,191,389
39,122,828	42,888,490	45,936,476	49,103,963	53,006,124	52,442,228
10,247,096	11,851,491	12,299,502	12,302,838	12,706,397	12,036,671
12,346,379	15,296,745	17,578,229	19,672,084	21,524,796	17,588,812
11,210,367	11,540,462	12,315,365	12,968,042	13,626,882	14,067,322
33,803,842	38,688,698	42,193,096	44,942,964	47,858,075	43,692,805
-	-	184,000	2,929	-	-
-	-	-	-	2,794,322	4,943,468
7,675,355	7,443,523	7,188,094	7,616,204	6,751,363	6,845,764
117,988	133,659	61,003	77,677	125,335	130,653
-	-	-	126,600	26,614	82,204
7,793,343	7,577,182	7,433,097	7,823,410	9,697,634	12,002,089
41,597,185	46,265,880	49,626,193	52,766,374	57,555,709	55,694,894
7,524,212	17,048,492	13,738,847	4,825,854	8,379,148	6,524,938
\$ 5,049,855	\$ 13,671,102	\$ 10,049,130	\$ 1,163,443	\$ 3,829,563	\$ 3,272,272
\$ 135,120,442	\$ 147,526,592	\$ 154,937,110	\$ 155,507,466	\$ 159,048,126	\$ 161,268,212
17,694,772	17,972,351	19,259,403	19,100,901	18,634,971	18,703,079
6,135,867	7,123,240	8,474,800	9,226,389	9,981,222	10,965,300
\$ 158,951,081	\$ 172,622,183	\$ 182,671,313	\$ 183,834,756	\$ 187,664,319	\$ 190,936,591

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

	2000	2001	2002	2003
<b>Cash Flows From Operating Activities</b>				
Cash received from providing services	\$ 24,042,501	\$ 27,398,310	\$ 28,907,430	\$ 30,030,811
Cash paid to suppliers	(14,567,091)	(17,784,861)	(18,015,704)	(20,796,379)
Cash paid to employees	(832,466)	(952,716)	(1,052,565)	(826,527)
Net Cash Provided By Operating Activities	<u>8,642,944</u>	<u>8,660,733</u>	<u>9,839,161</u>	<u>8,407,905</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Grant Income	-	-	-	-
Grant Expense	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>				
Interest received	2,611,282	1,881,435	523,911	366,157
Purchase of Investments	(4,000,000)	-	-	(237,494)
Sale of Investments	3,352,430	4,000,000	-	-
Interest on Passenger Facility Charges	324,969	240,006	109,883	67,590
Net Cash Provided (Used) by Investing Activities	<u>2,288,681</u>	<u>6,121,441</u>	<u>633,794</u>	<u>196,253</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of capital assets	(28,470,908)	(25,242,166)	(16,699,981)	(22,846,180)
Principal payments on bonds and notes payable	(3,704,259)	(4,228,603)	(4,436,973)	(4,691,864)
Interest paid	(7,453,733)	(8,174,887)	(7,879,154)	(7,862,118)
Proceeds from debt issuance	16,874,936	-	-	8,885,000
Proceeds from Interest rate swaption	-	-	-	-
Payment of 1997 refunding bonds	-	-	-	-
Less: Cost of Issuance	(305,708)	-	-	(177,700)
ANCLUC Trust Funds	(32,840)	32,549	23,304	24,601
Concession Improvement Trust Funds	60,576	71,208	71,155	74,234
Improvement charges	23,025	276,300	276,300	276,300
Capital contributions	9,214,611	6,342,630	4,044,486	16,324,205
Passenger facility charges	3,780,112	4,128,834	4,054,540	3,809,789
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(10,014,188)</u>	<u>(26,794,135)</u>	<u>(20,546,323)</u>	<u>(6,183,733)</u>
Net increase (decrease)	917,437	(12,011,961)	(10,073,368)	2,420,425
Cash and cash equivalents, beginning of year	<u>44,951,156</u>	<u>45,868,593</u>	<u>33,856,632</u>	<u>23,783,264</u>
Cash and cash equivalents, end of year	<u>\$ 45,868,593</u>	<u>\$ 33,856,632</u>	<u>\$ 23,783,264</u>	<u>\$ 26,203,689</u>

Source: Authority's audited financial statements

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

2004	2005	2006	2007	2008	2009
\$ 34,323,417	\$ 37,428,970	\$ 40,772,537	\$ 43,116,237	\$ 44,028,857	\$ 44,152,367
(21,669,596)	(26,122,792)	(26,620,178)	(30,878,585)	(35,545,624)	(29,110,669)
(986,392)	(1,091,777)	(1,120,799)	(1,190,541)	(1,257,735)	(1,248,160)
11,667,429	10,214,401	13,031,560	11,047,111	7,225,498	13,793,538
-	-	-	-	2,501,420	5,480,166
-	-	-	-	(2,794,322)	(4,943,468)
-	-	-	-	(292,902)	536,698
375,220	789,586	1,151,141	1,853,089	832,708	265,803
-	-	-	-	-	-
237,494	-	-	-	-	65,110
66,626	140,766	235,444	238,560	112,411	43,285
679,340	930,352	1,386,585	2,091,649	945,119	374,198
(10,963,359)	(23,930,371)	(20,863,387)	(15,733,030)	(8,971,021)	(7,627,276)
(5,298,838)	(5,711,504)	(5,879,556)	(6,554,932)	(6,885,016)	(8,177,659)
(7,823,638)	(7,588,462)	(7,192,138)	(7,647,211)	(7,398,066)	(6,835,858)
338,315	-	20,560,000	-	83,200,000	-
-	5,330,000	-	-	-	-
-	-	-	-	(82,416,000)	-
(5,141)	(344,962)	(98,929)	-	(889,198)	-
31,896	29,086	27,795	(84,659)	18,689	100,492
82,636	39,976	104,252	119,314	99,384	(183,611)
276,300	276,300	276,300	276,300	276,300	368,400
8,473,103	15,286,472	14,429,114	5,582,880	6,528,726	7,716,862
4,039,368	4,278,885	4,002,738	3,928,677	3,613,380	3,921,553
(10,849,358)	(12,334,580)	5,366,189	(20,112,661)	(12,822,822)	(10,717,097)
1,497,411	(1,189,827)	19,784,334	(6,973,901)	(4,945,107)	3,987,337
26,203,689	27,701,100	26,511,273	46,295,607	39,321,706	34,376,599
\$ 27,701,100	\$ 26,511,273	\$ 46,295,607	\$ 39,321,706	\$ 34,376,599	\$ 38,363,936

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

	2000	2001	2002
<b>PRINCIPAL REVENUE SOURCES</b>			
<b>AIRLINE REVENUE</b>			
Landing Fees	\$ 2,779,631	\$ 3,851,233	\$ 4,421,003
Landing Fee Surcharge	174,292	174,741	173,038
Apron Fees	774,688	791,224	678,315
Fixed Based Operations	-	-	-
Terminal Rents	4,440,134	4,992,621	5,447,121
Loading Bridge Rentals	367,189	327,545	348,716
<b>TOTAL AIRLINE REVENUE</b>	<b>8,535,934</b>	<b>10,137,364</b>	<b>11,068,193</b>
Percent of Total Revenues	27.5%	29.5%	32.5%
<b>NON-AIRLINE REVENUES</b>			
Parking	7,043,032	8,585,782	8,342,849
Rental Car	3,024,062	2,854,422	2,768,177
Other	5,150,316	6,219,881	6,939,338
<b>TOTAL NON-AIRLINE REVENUES</b>	<b>15,217,410</b>	<b>17,660,085</b>	<b>18,050,364</b>
Percent of Total Revenues	48.9%	51.4%	53.0%
<b>NON-OPERATING REVENUES</b>			
PFCs	4,729,277	4,513,604	4,125,044
Grant Income	-	-	-
Interest	2,590,317	1,745,503	522,038
Insurance Recovery	-	-	-
Decrease in fair value of investments	-	-	-
Other	23,025	276,300	276,300
<b>TOTAL NON-OPERATING REVENUES</b>	<b>7,342,619</b>	<b>6,535,407</b>	<b>4,923,382</b>
Percent of Total Revenues	23.6%	19.0%	14.5%
<b>TOTAL REVENUES</b>	<b>\$ 31,095,963</b>	<b>\$ 34,332,856</b>	<b>\$ 34,041,939</b>
Enplaned Passengers	1,442,867	1,517,858	1,476,988
<b>TOTAL REVENUE PER ENPLANED PASSENGER</b>	<b>\$ 21.55</b>	<b>\$ 22.62</b>	<b>\$ 23.05</b>
<b>SIGNATORY AIRLINES RATES AND CHARGES</b>			
Landing Fee (per 1,000 lbs MGLW)	\$ 1.63	\$ 1.97	\$ 2.18
Landing Fee Surcharge (per 1,000 lbs MGLW)	0.08	0.08	0.08
Apron Fees (per sq. foot) effective June 8, 1998	1.18	1.15	0.99
Annual Terminal Rental Rates (per sq. foot)	78.99	75.31	68.35
Annual Loading Bridge Rental (per bridge) effective June 8, 1998	28,245.00	25,196.00	26,824.00
Airline Cost per Enplanement: Airport Operations	5.91	6.68	7.49

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,**

2003	2004	2005	2006	2007	2008	2009
\$ 5,043,951	\$ 5,528,586	\$ 5,221,661	\$ 3,711,782	\$ 3,328,473	\$ 4,422,523	\$ 4,770,538
171,565	172,939	170,834	167,426	166,975	168,250	170,810
782,704	805,182	839,471	854,022	916,131	893,046	879,251
-	-	661,406	1,886,304	2,645,682	2,916,524	3,040,483
6,034,518	6,058,515	7,561,456	5,970,930	6,096,652	6,422,724	5,273,885
414,277	377,110	408,297	564,292	542,738	542,738	508,181
12,447,015	12,942,332	14,863,125	13,154,756	13,696,651	15,365,805	14,643,148
34.3%	33.1%	34.7%	28.6%	27.9%	29.0%	27.9%
8,710,698	10,039,495	10,718,645	10,639,526	11,093,567	10,886,182	10,818,593
2,672,448	2,937,657	3,414,418	3,517,740	3,785,642	3,649,493	3,902,274
7,970,848	8,172,856	8,511,744	12,804,704	14,058,910	15,773,820	12,886,824
19,353,994	21,150,008	22,644,807	26,961,970	28,938,119	30,309,495	27,607,691
53.3%	54.1%	52.8%	58.7%	58.9%	57.2%	52.6%
3,871,885	4,378,871	4,314,667	4,165,815	4,081,962	3,716,492	4,077,806
-	-	-	-	-	2,501,420	5,480,166
366,157	375,317	789,591	1,193,635	1,810,589	836,612	265,017
-	-	-	184,000	2,929	-	-
-	-	-	-	297,413	-	-
276,300	276,300	276,300	276,300	276,300	276,300	368,400
4,514,342	5,030,488	5,380,558	5,819,750	6,469,193	7,330,824	10,191,389
12.4%	12.9%	12.5%	12.7%	13.2%	13.8%	19.4%
\$ 36,315,351	\$ 39,122,828	\$ 42,888,490	\$ 45,936,476	\$ 49,103,963	\$ 53,006,124	\$ 52,442,228
1,435,848	1,556,796	1,550,402	1,380,483	1,318,819	1,380,483	1,318,819
\$ 25.29	\$ 25.13	\$ 27.66	\$ 33.28	\$ 37.23	\$ 38.40	\$ 39.76
\$ 2.62	\$ 2.53	\$ 2.36	\$ 1.82	\$ 1.81	\$ 2.71	\$ 3.11
0.08	0.08	0.08	0.08	0.08	0.08	0.10
0.99	1.02	1.04	1.05	1.10	1.48	1.46
73.58	78.10	81.98	82.58	83.42	84.00	79.61
34,523.00	26,936.00	29,164.00	37,619.00	36,183.00	36,978.00	36,299.00
8.67	8.31	9.16	7.78	7.67	8.91	8.80

Note - <1> The revenue basis to which these rates apply and their principal payers can be found on pages 96-97, 98-99 and 100-101

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

	2000	2001	2002
<b>Ratio of Authority issued Revenue Bond Debt Service to Total Expenses</b>			
Principal	\$ 2,648,000	\$ 3,167,303	\$ 3,364,000
Interest <1>	6,793,209	7,487,331	7,295,703
Total Debt Service	\$ 9,441,209	\$ 10,654,634	\$ 10,659,703
Total Expenses	\$ 32,956,274	\$ 36,158,927	\$ 37,330,978
Ratio of Debt Service to Total Expenses	28.65%	29.47%	28.55%
<b>Debt Service per Enplaned Passenger</b>			
Net Debt Service	\$ 6,233,040	\$ 6,551,327	\$ 6,290,863
Enplaned Passengers	1,442,867	1,517,858	1,476,988
Debt Service per Enplaned Passenger	\$ 4.32	\$ 4.32	\$ 4.26
<b>Outstanding Debt (Authority and County) per Enplaned Passenger</b>			
Outstanding debt by type:			
County of Albany Debt Issued for the Authority <2>	\$ 13,101,369	\$ 11,980,680	\$ 10,805,655
General Airport Revenue Bond (GARB)	134,314,742	131,719,494	128,937,602
NYS EFC	9,854,314	9,341,648	8,817,441
Total Outstanding Debt	\$ 157,270,425	\$ 153,041,822	\$ 148,560,698
Enplaned Passengers	1,442,867	1,517,858	1,476,988
Outstanding Debt per Enplaned Passenger	\$ 109	\$ 101	\$ 101
<b>Debt Limit per Enplaned Passenger</b>			
Debt Limit <3>	\$ 175,000,000	\$ 175,000,000	\$ 175,000,000
Enplaned Passengers	1,442,867	1,517,858	1,476,988
Debt Limit per Enplaned Passenger	\$ 121	\$ 115	\$ 118

<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,**

2003	2004	2005	2006	2007	2008	2009
\$ 3,619,936	\$ 4,305,000	\$ 5,711,504	\$ 5,879,556	\$ 6,554,932	\$ 6,885,016	\$ 8,177,659
7,361,251	7,384,667	7,577,183	7,249,097	7,693,877	7,513,131	6,976,417
\$ 10,981,187	\$ 11,689,667	\$ 13,288,687	\$ 13,128,653	\$ 14,248,809	\$ 14,398,147	\$ 15,154,076
\$ 40,000,957	\$ 41,597,185	\$ 46,265,880	\$ 49,626,193	\$ 52,766,374	\$ 57,555,709	\$ 55,694,894
27.45%	28.10%	28.72%	26.46%	27.00%	25.02%	27.21%
\$ 6,816,764	\$ 7,812,290	\$ 9,182,693	\$ 8,721,259	\$ 10,010,625	\$ 10,230,911	\$ 11,428,288
1,435,848	1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819
\$ 4.75	\$ 5.02	\$ 5.92	\$ 6.02	\$ 6.95	\$ 7.41	\$ 8.67
\$ 9,668,325	\$ 8,560,352	\$ 7,519,274	\$ 6,527,880	\$ 5,543,982	\$ 4,580,151	\$ 3,621,814
134,615,512	130,949,190	131,855,484	148,071,630	143,175,122	137,253,661	131,479,501
8,292,297	8,100,927	7,515,515	6,920,238	6,310,821	5,694,808	4,434,348
\$ 152,576,134	\$ 147,610,469	\$ 146,890,273	\$ 161,519,748	\$ 155,029,925	\$ 147,528,620	\$ 139,535,663
1,435,848	1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819
\$ 106	\$ 95	\$ 95	\$ 112	\$ 108	\$ 107	\$ 106
\$ 175,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
1,435,848	1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819
\$ 122	\$ 183	\$ 184	\$ 197	\$ 198	\$ 206	\$ 216

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

	2000	2001	2002
<b>NET REVENUES</b>			
Operating Revenues	\$ 23,753,344	\$ 27,797,449	\$ 29,118,557
Interest Income	2,590,317	1,745,503	522,038
Investments Received	-	-	-
Improvement Charges	23,025	276,300	276,300
<b>Total Revenues</b>	<b>\$ 26,366,686</b>	<b>\$ 29,819,252</b>	<b>\$ 29,916,895</b>
LESS: Total Operating Expenses	(16,541,229)	(18,779,367)	(19,431,061)
LESS: Albany County Debt Service	(1,878,013)	(1,829,826)	(1,672,098)
<b>Net Revenues</b>	<b>\$ 7,947,444</b>	<b>\$ 9,210,059</b>	<b>\$ 8,813,736</b>
<b>DEBT SERVICE</b>			
1997 Revenue Bonds	\$ 6,542,939	\$ 6,590,453	\$ 6,638,694
Less: PFC Revenues used for Debt Service	(3,208,169)	(4,103,307)	(4,368,840)
1998 B & C Revenue Bonds	2,376,154	2,376,322	2,378,240
1999 NYS EFC Revenue Bonds	580,791	759,979	702,834
Less: 1999 NYS EFC Interest Subsidy	(108,438)	(267,645)	(249,380)
2000 NYS EFC Revenue Bonds	30,250	310,942	284,700
Less: 2000 NYS EFC Interest Subsidy	-	(49,241)	(52,455)
2000 B Revenue Bonds	19,513	933,824	957,070
2003 A Revenue Bonds	-	-	-
2004 NYS EFC Revenue Bonds	-	-	-
Less: 2004 NYS EFC Interest Subsidy	-	-	-
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
Less: Interest paid from bond proceeds	-	-	-
<b>Net Debt Service</b>	<b>\$ 6,233,040</b>	<b>\$ 6,551,327</b>	<b>\$ 6,290,863</b>
<b>DEBT SERVICE COVERAGE &lt;1&gt;</b>	<b>1.28</b>	<b>1.41</b>	<b>1.40</b>
<b>&lt;1&gt; Does not include required amounts held in Bond Reserve Accounts as follows:</b>			
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	-	-	-
2004 NYS EFC Bonds	-	-	-
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
<b>Total Bond Reserve Accounts</b>	<b>\$ 12,423,846</b>	<b>\$ 12,423,846</b>	<b>\$ 12,423,846</b>

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,**

	2003	2004	2005	2006	2007	2008	2009
\$	31,801,009	\$ 34,092,340	\$ 37,507,962	\$ 40,116,726	\$ 42,634,760	\$ 45,675,304	\$ 42,250,595
	366,157	375,317	789,591	1,193,635	1,225,878	597,990	233,567
	-	-	-	-	170,813	-	(79,087)
	276,300	276,300	276,300	276,300	276,300	276,300	368,400
\$	32,443,466	\$ 34,743,957	\$ 38,573,853	\$ 41,586,661	\$ 44,307,751	\$ 46,549,594	\$ 42,773,475
	(21,511,641)	(22,593,481)	(27,148,236)	(29,877,731)	(31,974,921)	(34,231,189)	(29,625,492)
	(1,678,326)	(1,515,706)	(1,407,817)	(1,311,243)	(1,263,510)	(1,202,184)	(1,156,056)
\$	9,253,499	\$ 10,634,770	\$ 10,017,800	\$ 10,397,687	\$ 11,069,320	\$ 11,116,221	\$ 11,991,927
\$	6,729,880	\$ 6,778,459	\$ 6,907,143	\$ 6,941,298	\$ 6,989,961	\$ 388,433	\$ -
	(4,164,423)	(3,877,378)	(4,105,994)	(4,407,394)	(4,238,184)	(4,167,236)	(3,725,788)
	2,357,686	2,362,420	2,363,016	2,360,300	2,358,007	2,360,653	2,444,052
	712,041	693,011	676,755	664,221	651,283	634,745	617,141
	(241,545)	(223,448)	(215,167)	(201,777)	(188,258)	(174,600)	(157,301)
	292,226	295,693	287,232	281,054	276,551	275,149	279,829
	(46,936)	(41,773)	(36,254)	(30,635)	(25,319)	(18,996)	(12,846)
	960,790	958,518	960,735	955,940	960,402	957,753	957,471
	151,647	765,337	752,027	748,049	743,885	748,863	748,637
	-	41,490	43,487	43,282	46,064	41,985	41,289
	-	(4,172)	(5,994)	(5,325)	(4,716)	(4,009)	(3,341)
	-	-	-	330,294	1,099,763	1,099,926	1,099,188
	-	-	-	-	290,356	402,054	402,048
	-	-	-	-	-	6,348,023	6,902,639
	-	-	-	(330,294)	(290,356)	-	-
\$	6,751,366	\$ 7,748,157	\$ 7,626,986	\$ 7,349,013	\$ 8,669,439	\$ 8,892,743	\$ 9,593,018
	1.37	1.37	1.31	1.41	1.28	1.25	1.25
\$	8,370,000	\$ 8,370,000	\$ 8,370,000	\$ 8,370,000	\$ 8,370,000	\$ -	\$ -
	2,447,415	2,447,415	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	442,237	442,237
	237,494	237,494	237,494	237,494	237,494	237,494	237,494
	926,700	926,700	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
	-	-	-	1,128,600	1,128,600	1,128,600	1,128,600
	-	-	-	404,263	404,263	404,263	404,263
	-	-	-	-	-	8,232,976	8,232,976
\$	12,937,946	\$ 12,976,777	\$ 12,976,777	\$ 14,509,640	\$ 14,509,640	\$ 14,372,616	\$ 14,372,616

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

	2008	2000	2000 vs. 1990	1990	1990 vs. 1980	1980
<b><u>PRIMARY TRADE AREA</u></b>						
State of New York						
Albany County	298,130	294,565	0.7%	292,594	2.3%	285,909
Columbia County	62,006	63,094	0.2%	62,982	5.9%	59,487
Fulton County	55,024	55,073	1.6%	54,191	-1.7%	55,153
Greene County	48,992	48,195	7.7%	44,739	9.5%	40,861
Montgomery County	48,679	49,708	-4.4%	51,981	-2.7%	53,439
Rensselaer County	155,261	152,538	-1.2%	154,429	1.6%	151,966
Saratoga County	217,191	200,635	10.7%	181,276	17.9%	153,759
Schenectady County	151,427	146,555	-1.8%	149,285	-0.4%	149,946
Schoharie County	31,910	31,582	-0.9%	31,859	7.2%	29,710
Warren County	65,971	63,303	6.9%	59,209	7.9%	54,854
Washington County	62,804	61,042	2.9%	59,330	8.3%	54,795
State of Massachusetts						
Berkshire County	129,395	134,953	-3.2%	139,352	-4.0%	145,170
State of Vermont						
Bennington County	36,382	36,994	3.2%	35,845	7.1%	33,470
<b>PRIMARY TRADE AREA</b>	<b>1,363,172</b>	<b>1,338,237</b>	<b>1.6%</b>	<b>1,317,072</b>	<b>3.8%</b>	<b>1,268,519</b>
<b><u>SECONDARY TRADE AREA</u></b>						
State of New York						
Delaware County	46,085	48,055	1.8%	47,225	0.9%	46,824
Dutchess County	292,878	280,150	8.0%	259,462	5.9%	245,055
Essex County	37,826	38,851	4.6%	37,152	2.7%	36,176
Hamilton County	5,021	5,379	1.9%	5,279	4.9%	5,034
Herkimer County	62,200	64,427	-2.1%	65,797	-0.6%	66,174
Otsego County	61,962	61,676	1.9%	60,517	2.4%	59,075
Ulster County	181,670	177,749	7.5%	165,304	4.5%	158,158
State of Connecticut						
Litchfield County	187,745	182,193	4.7%	174,092	11.1%	156,769
State of Massachusetts						
Franklin County	71,735	71,535	2.1%	70,092	9.0%	64,317
Hampden County	460,840	456,228	0.0%	456,310	3.0%	443,018
Hampshire County	154,983	152,251	3.9%	146,568	5.6%	138,813
State of Vermont						
Addison County	36,617	35,974	9.2%	32,953	12.1%	29,406
Rutland County	63,331	63,400	2.0%	62,142	6.5%	58,347
Windham County	43,176	44,216	6.3%	41,588	12.6%	36,933
Windsor County	56,566	57,418	6.2%	54,055	5.9%	51,030
<b>SECONDARY TRADE AREA</b>	<b>1,762,635</b>	<b>1,739,502</b>	<b>3.6%</b>	<b>1,678,536</b>	<b>5.2%</b>	<b>1,595,129</b>
<b>TOTAL PRIMARY AND SECONDARY TRADE AREA POPULATION</b>	<b>3,125,807</b>	<b>3,077,739</b>	<b>2.7%</b>	<b>2,995,608</b>	<b>4.6%</b>	<b>2,863,648</b>
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		2009
			2000	2009	% of Total
New York State	Albany	State Government	58,700	53,800	40.2%
Golub Corporation	Schenectady	Retail Grocery	5,850	9,715	7.3%
General Electric	Schenectady	Turbines, Industrial Machinery	9,000	7,000	5.2%
United States of America	Albany	US Government Offices	9,000	6,900	5.2%
Albany Medical Center	Albany	Health Care	5,270	6,083	4.6%
Hannaford Brothers	Rensselaer	Retail Food & Drugs	2,240	3,580	2.7%
St. Peter's Health Care Services	Albany	Health Care	N/A	3,550	2.7%
Northeast Health	Rensselaer	Health Care	3,189	3,415	2.6%
Verizon Communications	Albany	Telecommunications Services	2,810	3,000	2.2%
Albany County	Albany	County Government	2,946	2,921	2.2%
KAPL, A Lockheed Martin Co.	Schenectady	Navel Nuclear Propulsion	2,650	2,600	1.9%
Ellis Hospital	Schenectady	Health Care	1,495	2,535	1.9%
Glens Falls Hospital	Warren	Health Care	1,759	2,341	1.8%
Center for Disability Services	Albany	Health Care	N/A	2,322	1.7%
Rensselaer Polytechnic Institute	Rensselaer	Higher Education	1,474	1,902	1.4%
Shenendehowa School District	Saratoga	K-12 Education	1,257	1,900	1.4%
City of Schenectady School District	Schenectady	K-12 Education	1,287	1,800	1.3%
Rensselaer County	Rensselaer	County Government	1,687	1,600	1.2%
Empire Blue Cross/Blue Shield	Albany	Health Care	1,828	1,562	1.2%
Schenectady County	Schenectady	County Government	1,485	1,500	1.1%
City of Albany	Albany	City Government	1,700	1,493	1.1%
KeyCorp	Albany	Financial Services	2,333	1,466	1.1%
Seton Health Systems	Rensselaer	Health Care	1,067	1,345	1.0%
Stewart's Ice Cream Co., Inc.	Saratoga	Dairy Products	2,007	1,283	1.0%
Saratoga Hospital	Saratoga	Health Care	1,195	1,271	1.0%
Albany City School District	Albany	K-12 Education	1,458	1,270	1.0%
National Grid	Albany	Electric and Gas Utility	1,583	1,158	0.9%
State Farm Insurance Co.	Saratoga	Insurance	1,249	1,136	0.8%
Bank of America	Albany	Financial Services	1,165	1,101	0.8%
Saratoga County	Saratoga	County Government	N/A	1,100	0.8%
Columbia Memorial Hospital	Columbia	Health Care	N/A	1,017	0.8%

N/A-Not Available

Source: Capital District Business Review, Book of Lists, 2000 &amp; 2009

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

Name	County		# of Students Registered	
			2000	2009
Excelsior College	Albany	Private	N/A	33,057
State University of New York at Albany	Albany	Public	14,290	18,126
Hudson Valley Comm. College	Rensselaer	Public	6,713	12,787
Empire State College	Albany	Public	500	11,104
Rensselaer Polytechnic Institute	Rensselaer	Private	6,284	7,417
Schenectady Comm. College	Schenectady	Public	2,242	5,128
College Of Saint Rose	Albany	Private	3,045	5,102
Adirondack Comm. College	Warren	Public	2,097	3,536
Siena College	Albany	Private	2,784	3,305
The Sage Colleges	Rensselaer	Private	2,867	2,635
Skidmore College	Saratoga	Private	2,345	2,484
Fulton Montgomery Comm. College	Fulton-Montgomery	Public	1,456	2,400
Union College	Schenectady	Private	2,289	2,240
Williams College	Berkshire, MA	Private	2,100	2,150
Massachusetts College of Liberal Arts	Berkshire, MA	Public	1,400	1,925
Columbia-Greene Comm. College	Columbia-Greene	Public	1,070	1,840
Albany College Of Pharmacy	Albany	Private	660	1,536
Albany Law School	Albany	Private	679	793
Maria College	Albany	Private	543	775
Albany Medical College	Albany	Private	626	758
Bryant & Stratton Business Institute	Albany	Private	355	689
Bennington College	Bennington, VT	Private	501	600
Mildred Elley College For Careers	Albany	Private	504	541
Southern Vermont College	Bennington, VT	Public	370	500
Bard College at Simon's Rock	Berkshire, MA	Private	360	420
Union Graduate College	Schenectady	Private	N/A	400
Ellis Hospital School of Nursing	Albany	Private	N/A	155
New School of Radio and Television	Albany	Private	N/A	80
Total			56,080	122,483

N/A-Not Available

Sources: Capital District Business Review, Book of Lists, 2000 & 2009  
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		
		2000	2009
Acres (+/-):		1,000	1,156
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	92,107
	Tenants - sq ft	34,459	41,639
	Public/Common - sq ft	102,016	104,837
	Mechanical - sq ft	59,928	51,702
	Total - sq ft	<u>292,327</u>	<u>290,285</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	4	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	1269	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	28.5
	Airport Operations	159.5	161.0
	Fixed Based Operator	N/A	35.0
	Total	<u>186.5</u>	<u>224.5</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  
2000-2009**

AIRLINE	2009	Percent of Total 2009	2008	Percent of Total 2008
Southwest Airlines	511,094	38.7%	501,437	36.3%
US Airways	104,799	7.9%	130,192	9.4%
United Airlines	75,828	5.7%	70,027	5.1%
Delta Connection (ASA)	72,330	5.5%	75,522	5.5%
Northwest Airlines	63,724	4.8%	85,038	6.2%
US Airways Express (Republic)	62,626	4.7%	50,137	3.6%
Continental (Express Jet)	57,528	4.4%	66,314	4.8%
United Express (Go Jet)	52,875	4.0%	58,784	4.3%
US Airways Express (Piedmont)	52,723	4.0%	39,701	2.9%
Delta Connection (Comair)	40,369	3.1%	50,476	3.7%
Continental Connection (Colgan)	40,255	3.0%	35,090	2.5%
United Express (Trans States)	33,266	2.5%	49,426	3.6%
US Airways Express (Air Wisconsin)	31,665	2.4%	36,777	2.7%
United Express (Mesa)	24,623	1.9%		
Northwest Airlink (Pinnacle)	21,995	1.7%	9,939	0.7%
Northwest Airlink (Mesaba)	21,435	1.6%	17,109	1.2%
Delta Connection (Freedom)	11,116	0.8%	25,233	1.8%
Continental Connection (Commutair)	9,201	0.7%	5,463	0.4%
Cape Air	8,013	0.6%	2,237	0.2%
US Airways Express (Colgan Air)	7,092	0.5%	10,011	0.7%
Delta Connection (Chautauqua)	5,061	0.4%	66	0.0%
Air Canada	4,153	0.3%	7,077	0.5%
US Airways Express (Mesa)	3,971	0.3%	16,906	1.2%
US Airways Express (PSA)	2,270	0.2%	1,985	0.1%
Continental Airlines	807	0.1%		
American Eagle			35,344	2.6%
Delta Connection (Big Sky)			192	0.0%
Delta Connection (Sky West)				
US Airways Express (Chautaugua)				
Delta Airlines				
United Express (Shuttle America)				
United Express (Sky West)				
Independence Air				
United Express (Air Wisconsin)				
United Express (Chautaugua)				
US Airways Express (Trans States)				
United Express (Atlantic Coast)				
US Airways Express (Allegheny)				
US Airways Express (Midway)				
Delta Connection (Atlantic Coast)				
American Airlines				
US Airways Express (Potomac)				
US Airways Express (Commutair)				
Shuttle America				
Trans States Airlines				
Sub Total	1,318,819	99.9%	1,380,483	99.9%
Charters	1,600	0.1%	1,988	0.1%
TOTAL	1,320,419	100.0%	1,382,471	100.0%

Source: Albany County Airport Authority

**Albany International Airport  
Enplaned Passengers  
2000-2009**

2007	2006	2005	2004	2003	2002	2001	2000
516,216	488,646	415,074	350,941	349,981	340,975	317,734	204,699
130,070	139,668	204,510	276,933	279,497	327,291	405,904	396,524
76,867	60,074	71,048	75,655	94,965	70,086	88,433	84,309
79,584	56,186	6,408					
98,125	98,733	111,415	108,287	112,686	112,747	106,808	110,270
43,507	42,782	1,167					
100,472	99,570	100,089	93,692	82,988	85,177	77,487	67,436
60,273	37,694						
41,945	29,035	16,504	1,004	3,241	4,852	18,771	2,430
41,514	45,496	50,485	10,799	22,583	18,023	10,243	
51,007	46,200	37,489	38,461	1,158			
38,992	54,486	10,250					
14,937	12,516	34,682	37,576	23,521	2,311		
	2,461						
26,112	9,696						
5,805	12,096	31,078	95,545	85,493	71,212	36,442	1,984
13,661	14,211	12,214	27,361	23,261	10,153		
540	345						
7,760	7,986	6,659	6,598	6,322	9,514	9,475	5,868
19,536	12,825	28,112	11,675	703			
17,298	31,586	14,767	7,275				
43,828	47,147	53,568	68,899	61,590	41,778	41,495	58,757
5106							
5,574							
1,508	8,415	15,664	939	8,431			
87	45,323	178,495	226,913	183,102	185,306	180,254	237,359
61	25,482	21,011					
	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		2,912	
			26,423	58,409	59,872	55,902	50,901
			70	20,573	58,815	77,097	78,513
				2,939			
				2,204	7,210		
					71,666	83,724	98,423
						5,177	
							39,600
							3,882
							1,912
1,440,385	1,447,553	1,550,402	1,556,796	1,435,848	1,476,988	1,517,858	1,442,867
2,436	2,611	2,134	1,860	1,539	2,353	3,186	2,371
1,442,821	1,450,164	1,552,536	1,558,656	1,437,387	1,479,341	1,521,044	1,445,238

**Albany International Airport  
Airline Landed Weight (lbs.)  
2000-2009**

<u>Commercial Carriers</u>	2009	Percent of Total 2009	2008	Percent of Total 2008	2007
Southwest Airlines	592,288,000	33.5%	606,268,000	32.5%	606,612,000
US Airways	120,409,823	6.8%	165,434,995	8.9%	157,816,799
United Airlines	101,716,477	5.8%	87,446,407	4.7%	92,214,768
US Airways Express (Republic)	88,692,047	5.0%	68,929,242	3.7%	64,857,593
US Airways Express (Piedmont)	80,372,091	4.5%	55,772,703	3.0%	52,059,000
Delta Connection (ASA)	77,199,700	4.4%	79,578,000	4.3%	84,128,000
Northwest Airlines	74,479,110	4.2%	98,588,000	5.3%	124,050,000
United Express (Go Jet)	74,035,000	4.2%	74,102,000	4.0%	74,504,000
Continental Connection (Express Jet)	61,830,055	3.5%	72,763,757	3.9%	105,515,474
Continental Connection (Colgan)	46,934,000	2.7%	40,672,000	2.2%	
Delta Connection (Comair)	46,718,101	2.6%	64,628,000	3.5%	48,663,000
US Airways Express (Air Wisconsin)	42,065,000	2.4%	50,290,000	2.7%	51,747,000
United Express (Trans States)	32,549,986	1.8%	52,548,013	2.8%	53,654,292
US Airways Express (Mesa)	26,215,500	1.5%	16,317,000	0.9%	19,771,510
US Airways Express (Colgan)	25,958,476	1.5%	31,632,517	1.7%	40,199,202
Northwest AirlinK (Pinnacle)	23,443,397	1.3%	10,227,296	0.5%	16,625,206
Northwest AirlinK (Mesaba)	22,951,402	1.3%	19,266,996	1.0%	
Cape Air	21,337,751	1.2%	5,932,101	0.3%	
Delta Connection (Freedom)	13,956,071	0.8%	29,389,767	1.6%	39,934,580
Air Canada	10,707,003	0.6%	12,317,199	0.7%	12,698,992
Continental Connection (Commutair)	9,694,500	0.5%	4,933,500	0.3%	11,073,502
Delta Connection (Chautauqua)	5,573,926	0.3%	85,097	0.0%	695,111
United Express (Mesa)	5,254,000	0.3%			
US Airways Express (PSA)	3,269,000	0.2%	2,838,000	0.2%	24,432,000
Continental Airlines	1,560,000	0.1%			
Delta Connection (Big Sky)		0.0%	325,280	0.0%	11,843,996
Charters	4,230,983	0.2%	4,069,000	0.2%	5,422,107
American Eagle		0.0%	36,951,763	2.0%	45,339,119
Delta Connection (Sky West)					7,800,000
US Airways Express (Chautauqua)					1,829,609
Delta Airlines					130,000
United Express (Shuttle America)					72,313
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					
US Airways Express (Potomac)					
US Airways Express (Commutair)					
Shuttle America					
Trans States Airlines					
	1,613,441,399	91.3%	1,691,306,633	90.5%	1,753,689,173
<u>Cargo Carriers</u>					
United Parcel Service	98,163,713	5.6%	97,346,000	5.2%	97,764,985
Federal Express	42,947,679	2.4%	42,687,000	2.3%	41,735,000
Wiggins Airways	7,520,270	0.4%	7,667,000	0.4%	7,812,267
Ameriflight	5,646,338	0.3%	245,000		
Air Now	184,014	0.0%	2,397,398	0.1%	2,323,206
DHL		0.0%	26,503,603	1.4%	50,877,892
Misc Cargo Carriers		0.0%		0.0%	8,752,406
	154,462,014	8.7%	176,846,001	9.5%	209,265,756
Grand Total	1,767,903,413	100.0%	1,868,152,634	100.0%	1,962,954,929

Source: Albany County Airport Authority

**Albany International Airport  
Airline Landed Weight (lbs.)  
2000-2009**

2006	2005	2004	2003	2002	2001	2000
563,734,000	518,932,000	422,446,000	414,586,000	420,429,000	416,155,000	275,013,000
159,841,799	271,790,013	401,439,400	394,749,800	456,002,601	548,551,900	543,132,300
75,168,921	91,972,289	102,180,283	128,838,073	94,993,078	118,994,320	119,054,000
57,054,164	1,735,487					
38,001,587	24,971,997	1,500,603	5,401,801	9,039,901	21,289,197	3,627,300
63,177,000	7,529,000					
132,614,109	157,034,120	179,518,300	170,795,158	154,405,503	158,106,100	169,038,350
54,002,000						
106,856,144	105,272,684	101,763,400	91,519,085	97,543,307	91,764,380	79,342,088
51,025,000	57,221,903	12,429,000	25,128,000	17,968,708	10,340,000	
63,638,000	16,168,000					
57,696,448	49,747,465	55,178,000	1,457,000			
14,847,000	43,589,575	17,189,289	434,256			
39,567,647	38,327,497	59,713,215	50,090,797	22,097,811		
14,681,201	41,407,000	50,337,000	27,965,000	3,055,000		
3,315,699						
17,287,881						
13,080,797	11,387,601	12,765,400	12,333,797	19,505,004	21,198,191	11,414,200
18,625,199	77,754,400	241,745,800	233,578,600	222,001,693	162,497,298	9,160,900
808,430						
47,622,000	19,741,000	10,006,692				
8,909,783	5,642,000	3,895,000	3,829,801	5,394,000	6,809,021	6,592,800
33,744,507	39,339,116	57,728,600	49,784,424	46,407,621	68,461,860	99,132,500
10,293,329	16,884,899	1,000,800	7,005,602			
54,154,000	230,357,000	290,395,000	240,572,000	261,038,510	273,123,500	323,225,000
34,131,266	28,635,553					
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		10,484,995	
		32,430,000	73,782,258	81,401,794	82,292,574	78,525,910
		169,502	36,544,199	141,430,802	207,671,404	157,194,300
			3,948,000			
			2,982,059	9,470,831		
			198,594	91,600,680	125,022,000	137,846,000
					6,746,101	
						92,188,600
						12,915,000
						3,914,400
1,755,804,771	2,022,847,644	2,184,457,023	1,986,404,359	2,153,785,844	2,329,507,841	2,121,316,648
99,582,507	101,730,004	98,271,500	97,406,000	91,514,000	86,582,500	88,965,000
43,869,000	43,352,004	42,988,000	42,980,000	42,499,000	41,874,500	37,630,500
8,134,500	9,554,000	9,924,708	10,281,300	10,460,500	8,040,000	3,988,900
3,793,000	2,765,000	2,952,500	2,676,000	4,490,200	6,435,400	7,272,200
51,589,707	33,802,604	25,733,300	26,067,900	26,005,700	26,080,500	26,134,300
11,340,584	14,651,722	16,964,914	16,221,342	18,188,658	24,492,700	16,196,650
218,309,298	205,855,334	196,834,922	195,632,542	193,158,058	193,505,600	180,187,550
1,974,114,069	2,228,702,978	2,381,291,945	2,182,036,901	2,346,943,902	2,523,013,441	2,301,504,198

**Albany International Airport  
Aircraft Operations  
2000-2009**

<u>Commercial Carriers</u>	2009	Percent of Total 2009	2008	Percent of Total 2008	2007
Southwest Airlines	9,510	17.8%	9,698	17.8%	9,868
Cape Air	6,230	11.7%	1,732	3.2%	
US Airways Express (Piedmont)	4,538	8.5%	3,102	5.7%	2,838
Continental Connection (Express Jet)	2,902	5.4%	3,382	6.2%	4,986
Delta Connection (ASA)	2,414	4.5%	2,428	4.5%	2,658
US Airways Express (Republic)	2,396	4.5%	1,872	3.4%	1,780
United Express (Go Jet)	2,210	4.1%	2,212	4.1%	2,224
US Airways	2,070	3.9%	2,944	5.4%	2,692
Delta Connection (Comair)	1,974	3.7%	2,368	4.4%	1,856
US Airways Express (Colgan)	1,904	3.6%	2,646	4.9%	3,566
US Airways (Air Wisconsin)	1,788	3.3%	2,140	3.9%	2,202
United Airlines	1,538	2.9%	1,474	2.7%	1,632
United Express (Trans States)	1,530	2.9%	2,470	4.5%	2,522
Continental Connection (Colgan)	1,514	2.8%	1,312	2.4%	
Northwest Airlines	1,356	2.5%	1,696	3.1%	2,090
Air Canada	1,290	2.4%	1,484	2.7%	1,530
Northwest Airlink (Pinnacle)	1,004	1.9%	438	0.8%	712
United Express (Mesa)	956	1.8%			
Northwest Airlink (Mesaba)	764	1.4%	740	1.4%	
Continental Connection (Commutair)	562	1.1%	324	0.6%	1,332
Delta Connection (Freedom)	496	0.9%	1,380	2.5%	2,162
Delta Connection (Chautauqua)	264	0.5%	4	0.0%	34
US Airways Express (PSA)	134	0.3%	108	0.2%	872
US Airways Express (Mesa)	122	0.2%	614	1.1%	538
Charters	42	0.1%	40	0.1%	52
Continental Airlines	22	0.0%		0.0%	
American Eagle			1,774	3.3%	2,150
Delta Connection (Big Sky)			38	0.1%	1,410
Delta Connection (Sky West)					208
US Airways Express (Chautauqua)					86
Delta Airlines					10
US Airways Express (Trans States)					8
United Express (Shuttle America)					2
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					
US Airways Express (Potomac)					
US Airways Express (Commutair)					
Shuttle America					
Trans States Airlines					
	49,530	92.7%	48,420	89.1%	52,020
<u>Cargo Carriers</u>					
Wiggins Airways	1,768	3.3%	1,804	3.3%	1,870
United Parcel Service	928	1.7%	926	1.7%	928
Ameriflight	642	1.2%	32		
Federal Express	528	1.0%	526	1.0%	514
Air Now	40	0.1%	496	0.9%	456
Airborne Express		0.0%	524	1.0%	1,014
Misc Cargo Carriers		0.0%	1,606	3.0%	2,928
	3,906	7.3%	5,914	10.8%	7,710
<b>Grand Total</b>	<b>53,436</b>	<b>100.0%</b>	<b>54,334</b>	<b>99.9%</b>	<b>59,730</b>

Source: Albany County Airport Authority

**Albany International Airport  
Aircraft Operations, Con't  
2000-2009**

2006	2005	2004	2003	2002	2001	2000
9,324	8,480	7,018	6,922	6,938	6,872	4,566
2,162	1,469	88	316	530	1,494	214
5,094	5,116	4,940	4,440	4,820	4,896	4,526
2,296	254					
1,580	48					
1,612						
2,782	5,410	7,296	6,806	7,836	9,560	9,838
1,970	1,796	374	768	732	440	
3,432	2,966	6,356	5,976	2,628		
2,712	688					
1,250	1,530	1,712	1,988	1,512	2,012	2,078
2,712	2,312	2,408	62			
2,130	2,656	2,842	2,848	2,846	3,080	3,318
1,582	1,370	1,568	1,472	2,350	2,440	1,384
628	1,762	2,142	1,190	130		
142						
2,244	9,368	29,094	28,152	26,864	20,186	1,138
970						
38						
1,738	766	494				
404	1,870	784	32			
48	76	78	50	100	69	66
2,454	2,672	3,434	3,425	3,274	4,812	7,026
484	794	210	444			
906	3,922	4,504	3,488	3,558	3,560	4,762
	262	530	224		900	
944	792					
640	920					
28	3,644	2,162				
	928	1,788	410			
	602	524				
		1,380	3,632	3,568	4,156	4,076
		10	2,156	8,344	12,252	9,278
			188	554		
			90			
				1,816	2,304	2,122
					160	
						11,448
						630
						334
52,306	62,473	81,736	75,079	78,400	79,193	66,804
1,914	2,248	2,334	2,418	2,456	1,824	938
960	978	1,042	948	930	854	868
540	534	530	530	526	548	532
884	612	642	576	1008	1420	1456
1,026	674	516	522	520	528	522
3,620	3,828	4,330	4,158	4,482	6,756	5590
8,944	8,874	9,394	9,152	9,922	11,930	9,906
61,250	71,347	91,130	84,231	88,322	91,123	76,710

**Albany International Airport  
Aircraft Operations  
2000-2009**

Year	Airlines	Cargo	General Aviation	Military	Total
2000	66,804	9,906	64,102	5,220	146,032
2001	79,193	11,930	51,889	5,319	148,331
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	52,306	8,218	50,311	6,830	117,665
2007	52,020	7,710	45,636	5,409	110,775
2008	48,420	5,882	34,008	5,214	93,524
2009	54,545	3,906	29,522	6,540	94,513
Annual Compounded Growth 2000-2009	-18.4%	-60.6%	-53.9%	25.3%	-35.3%

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

**MAJORS / NATIONALS**

Northwest 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  
Chautauqua Airlines d/b/a Delta Connection  
Colgan Air d/b/a Continental Connection  
Colgan Air d/b/a US Airways Express  
Comair d/b/a Delta Connection  
Commutair d/b/a Continental Connection  
Express Jet Airlines d/b/a Continental Connection  
Freedom d/b/a Delta Connection  
Go Jet d/b/a United Express  
Hyannis Air Service d/b/a Cape Air & Nantucket Airlines  
Mesaba d/b/a Northwest Airlink  
Mesa d/b/a United Express  
Mesa d/b/a US Airways Express  
Piedmont d/b/a US Airways Express  
Pinnacle d/b/a Northwest Airlink  
PSA d/b/a US Airways Express  
Republic d/b/a US Airways Express  
Trans States d/b/a United Express

**ALL-CARGO CARRIERS**

Federal Express  
United Parcel Service  
AirNet Systems  
Air Now  
Ameriflight  
Twin Cities Air Service  
Wiggins Airways

**Albany International Airport  
Major Carrier Airline Service**

SCHEDULED JET AIRLINE SERVICE

CARRIER	NON-STOP SERVICE	ONE-STOP, SAME-PLANE SERVICE
Continental Express	Cleveland (CLE) New York Newark (EWR)	
Delta	Atlanta (ATL) Cincinnati (CVG) Detroit (DTW) Minneapolis (MSP) New York J F Kennedy (JFK)	Austin (AUS) Greenville/Spartanburg (GSP) Houston Intercontinental (IAH) Lansing (LAN) Nashville (BNA) South Bend (SBN)
Southwest	Baltimore (BWI) Chicago Midway (MDW) Fort Lauderdale (FLL) Las Vegas (LAS) Orlando (MCO) Tampa (TPA)	Burbank (BUR) Jacksonville (JAX) Louisville (SDF) Norfolk (ORF) Raleigh/Durham (RDU) Salt Lake City (SLC) San Antonio (SAT) St. Louis (STL)
United	Chicago O'Hare (ORD) Washington Dulles (IAD)	
US Airways	Charlotte (CLT) Philadelphia (PHL) Washington National (DCA)	Baltimore (BWI) Charleston (CHS) Detroit (DTW) Fort Myers (RSW) Rochester (ROC) St. Louis (STL) Wilmington (ILM)

As of March 17, 2010

Source: Official Airline Guide Schedule Tapes, February 2010

**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	Massena (MSS) Ogdensburg (OGS) Watertown (ART)	
Continental Connection		
- Colgan	NY- Newark (EWR)	
- Commutair	NY- Newark (EWR)	
US Airways Express		
- Colgan	Boston (BOS)	
- Piedmont	Buffalo (BUF) Philadelphia (PHL)	

As of March 17, 2010

Source: Official Airline Guide Schedule Tapes, February 2010

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

Market	Length	Rank	2009 Passengers	Rank	2008 Passengers	Rank	2000 Passengers
Orlando	MH	1	236,300	1	266,580	1	225,900
Baltimore	SH	2	193,920	2	228,110	2	139,300
Southeast Florida (1)	MH	3	156,690	5	123,270	3	132,740
Tampa	MH	4	127,030	4	127,970	5	103,450
Chicago	MH	5	115,790	3	136,810	4	111,510
Las Vegas	LH	6	90,030	6	94,810	10	61,810
Los Angeles	LH	7	68,630	7	67,270	8	76,970
Denver	MH	8	58,230	8	61,620	18	38,320
Washington, DC (2)	SH	9	55,020	9	59,460	6	91,310
Atlanta	MH	10	54,030	10	59,140	7	86,160
Cleveland	SH	11	51,290	12	52,250		N/A
Phoenix	LH	12	49,890	11	53,090	11	51,570
Raleigh/Durham	SH	13	47,740	13	50,920	20	37,430
San Francisco	LH	14	46,770	20	37,880	16	39,220
Fort Myers	MH	15	46,250	15	45,730		Inc. in Tampa
Dallas/Ft. Worth	MH	16	45,440	14	46,900	17	39,110
Charlotte	SH	17	42,510	17	45,140		N/A
Houston	MH	18	39,290	19	39,290		N/A
Detriot	SH	19	36,040	16	45,650	14	40,510
San Diego	LH	20	35,060	18	39,630		N/A

## \* 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 &amp; 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

To the Members  
Albany County Airport Authority

We have audited the financial statements of 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, 2009 and have issued our report thereon dated March 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

¶

**Internal Control Over Financial Reporting**

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

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 opinion 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.

¶

Email:

[contact@marvincpa.com](mailto:contact@marvincpa.com)

Web:

<http://www.marvincpa.com>

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 the 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.



**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 8, 2010

**Albany County Airport Authority**  
**Schedule Expenditures of Federal**  
**New York State Department of Transportation Financial Assistance**  
**December 31, 2009**

Federal Project Number	NYS Project Number	Federal * Percent Participation	Description Of Project	CFDA Number	Total Grant Amount		Year Ended 12/31/09 Expenditures		
					Federal	NYS	Federal	NYS	
<b><u>CAPITAL CONTRIBUTIONS:</u></b>									
76-04	1913.69	95%	RW 19 Ext. & Safety Area Improvement:Phase 2	20.106	\$ 11,897,734	\$ 313,097	\$ -	\$ -	
77-04	1913.70	95%	Terminal Concourse "D" Design	20.106	1,672,000	44,000	-	-	
78-04	1913.71	95%	RW 19 Obstrctn Tree Removals Prop Acq	20.106	930,810	24,495	-	-	
80-05	1913.73	95%	Airfield Security Patrol Road Improvement	20.106	920,523	24,224	-	-	
81-05	1913.74	95%	Terminal Concourse "D" Security Checkpoint Improv	20.106	3,073,208	80,874	392,617	10,333	
82-05	1913.75	95%	Southern Terminal Ramp Construction-Phase 2	20.106	1,530,388	40,273	-	-	
85-05	1913.78	95%	Runway 01 & 10 FAR Part 77 Obstruction (Tree) Removal	20.106	579,025	15,238	-	-	
87-06	1913.80	95%	Terminal & General Aviation Apron Pavement Rehab	20.106	3,429,817	90,258	155,974	4,104	
88-06	1913.81	95%	Noise Abatement & Land Acquisition	20.106	1,898,725	49,966	172,394	4,536	
89-06	1913.82	95%	Terminal Checkpoint Mezzanine Improvement	20.106	356,155	9,373	-	-	
91-07	1913.84	95%	Terminal Bldg Security Checkpoint Escalators, stairs & flooring	20.106	2,137,975	56,263	428,830	11,285	
92-07	1913.85	95%	Noise Compatibility Program	20.106	4,655,000	122,500	91,039	2,396	
93-07	1913.86	95%	RW1 Lighting	20.106	1,818,623	47,859	108,566	2,857	
95-08	1913.88	95%	Air Rescue and Fire Fighting Truck Replacement; 3,000 Gallon Truck with High-Volume Low Attack Turret	20.106	694,590	18,279	693,402	18,247	
96-08	1913.89	95%	Runway 19 Obstruction (Tree) Removals and Property Acquisitions	20.106	476,543	12,541	465,618	12,253	
97-08	1913.90	95%	Remove Obst-Rw 10 Design & Acquisitions & USDA Wildlife	20.106	1,244,905	32,761	14,202	374	
99-08	1913.92	95%	Runway 19 RPZ Obstruction Removal (Historic House) Relocation	20.106	667,926	17,577	293,092	7,713	
100-08	1913.93	95%	Snow Blower & Structural Pumper	20.106	939,813	24,732	3,800	100	
101-09	1913.94	95%	Airport Safety Equipment Procurement: Glycol Recovery Vehicle and One Runway Deicing Vehicle	20.106	600,775	15,810	600,775	15,810	
104-09	1913.01	95%	Airport Snow Removal Equipment Procurement:	20.106	646,192	17,005	241,577	6,357	
105-09	1913.02	95%	Runway 01 RPZ Acquisition (Approx. 43.3 Acres)	20.106	2,375,000	62,500	2,375,000	62,500	
106-09	1913.03	95%	Runway 19 Obstruction (Tree) Removals and Property Acquisitions	20.106	220,987	5,815	254,135	6,688	
AIR99	1913.96	70%	Public Access Svc Road Rehabilitation Improvements	N/A	N/A	210,000	-	68,363	
AIR99	1913.97	44%	T-Hangars	N/A	N/A	270,000	-	-	
AIR99	1913.06	70%	Terminal Concourse 'A' Roofing Rehabilitation Improvements	N/A	N/A	140,000	-	-	
TOTAL CAPITAL CONTRIBUTIONS					<u>\$ 42,766,714</u>	<u>\$ 1,745,440</u>	<u>\$ 6,291,022</u>	<u>\$ 233,916</u>	
<b><u>NON-OPERATING GRANTS:</u></b>									
N/A	N/A	N/A	TSA Law Enforcement Officer Cooperative Agreement	97.090	\$ 2,139,590	N/A	\$ 536,698	\$ -	
79-04	1913.72	95%	Runway 28 Obstruction (Water Tanks) Removal PHASE 1	20.106	2,865,034	75,395	251,300	5,268	
98-08	1913.91	95%	Runway 28 Obstruction (Water Tanks) Removal PHASE 2	20.106	525,245	13,822	525,247	15,168	
102-09	1913.95	95%	Runway 28 Obstruction (Water Tanks) Removal PHASE 3	20.106	1,030,897	27,129	535,387	16,673	
103-09	N/A	100%	ARRA-Runway 28 Obstruction (Water Tanks) Removal PHASE 4	20.106	6,737,601	N/A	3,594,423	-	
TOTAL NON-OPERATING GRANTS					<u>\$ 11,158,777</u>	<u>\$ 116,346</u>	<u>\$ 5,443,055</u>	<u>\$ 37,109</u>	
GRAND TOTAL					<u>\$ 53,925,491</u>	<u>\$ 1,861,786</u>	<u>\$ 11,734,078</u>	<u>\$ 271,025</u>	

(\*) 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, 2009**

**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 I. During 2009, \$5,480,164 was passed through to the Town of Colonie.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO THE 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

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 are applicable to its major federal program for the year ended December 31, 2009. The Authority's major federal program is 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 its major federal 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.

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We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

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In our opinion, the Albany County Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.



**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 in order to determine our auditing procedures for the purpose of expressing our opinion on 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 control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

*A material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 8, 2010



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO STATE  
TRANSPORTATION ASSISTANCE EXPENDED 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

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, 2009. The program tested is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws and regulations 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.

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We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 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.

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In our opinion, the Albany County Airport Authority complied, in all material respects with the requirements referred to above that are applicable to its state transportation assistance program for the year ended December 31, 2009.



**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 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 in order to determine our auditing procedures for the purpose of expressing our opinion on 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of the state transportation assistance program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state transportation assistance program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state transportation assistance program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state transportation assistance program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 8, 2010

**Albany County Airport Authority  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2009**

**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), to include the New York State Department of Transportation (NYSDOT) matching grants for this program, was the major program for the year ended December 31, 2009.
8. The dollar threshold used to distinguish between Type A and B programs was \$352,022.
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

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, 2009.

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.

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We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 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.

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In our opinion, the Albany County Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2009.



**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 entity's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the Passenger Facility Charge Program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of the Passenger Facility Charge Program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of the Passenger Facility Charge Program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 8, 2010

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

For the Year Ended December 31, 2009

Quarter Ended	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	Net per Financial Statements
Beginning Balance	\$ 51,846,880	\$ 2,619,217	\$ 54,466,097	\$50,740,309	\$ 3,725,788
3/31/2008	656,900	3,131	660,031	178,937	
6/30/2008	1,087,894	980	1,088,874	178,950	
9/30/2008	883,886	1,456	885,342	119,300	
12/31/2008	1,292,861	37,717	1,330,578	3,248,588	
Total 2008	<u>3,921,541</u>	<u>43,284</u>	<u>3,964,825</u>	<u>3,725,775</u>	239,050
Receivable at 12/31/09	<u>362,460</u>	-	<u>362,460</u>	-	<u>362,460</u>
Total Program to Date	<u>\$ 56,130,881</u>	<u>\$ 2,662,501</u>	<u>\$ 58,793,382</u>	<u>\$54,466,084</u>	
PFC Funds to be used for future debt service payments:					<u>\$ 4,327,298</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, 2008. 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, 2009**

**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** 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. Fitzgerald is a graduate of Rensselaer Polytechnic Institute where he earned Bachelors and Masters 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. 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 and a member of The Albany County Airport Authority.

**John A. Graziano, Jr.** is the President of Capitol Hill Management Services, Inc., one of New York State's most respected association management and governmental affairs firms. Active in the community, he serves as a board member for the Albany County Airport Authority, Capital District Regional Planning Commission, Capital Region Youth Detention Center, and New York State Thoroughbred Breeding and Development Fund. Mr. Graziano was a member of the Albany County Legislature from 1995-2004 and served as Minority Leader. A graduate of the College of St. Rose, Mr. Graziano is a member of the American Society of Association Executives, Empire State Society of Association Executives, Albany-Colonie Regional Chamber of Commerce and New York State Thoroughbred Breeders Association.

## **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.

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