



ALBANY COUNTY AIRPORT AUTHORITY



COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2010

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

Albany County Airport Authority

As of December 31, 2010

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

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, 2010

Prepared by the
Finance Department

William J. O'Reilly, CPA
Chief Financial Officer

Margaret Herrmann
Chief Accountant

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

www.albanyairport.com

CUSIP #012123XXX

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Introduction



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

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

Chairman's Message

March 21, 2011

The nation's airlines continued their pattern of fiscal restraint during 2010, applying cost-cutting measures that included fewer available seats coupled with new fees for many services which previously were free. These actions ended the pattern of red ink for a number of carriers. Nationwide, we witnessed an upturn in business travel, but the lack luster economy held leisure travelers on the ground.

Three Airline mergers highlighted the year. Delta Airlines assumed the operations of Northwest Airlines and began flying under a single certificate. Continental Airlines and United Airlines announced their plans to merge and Southwest Airlines announced its plan to purchase AirTran. These consolidations should help to provide cost advantages to an industry that has remained fragmented.

Albany International Airport witnessed a 4.1% overall decrease in passenger traffic during the year. However, the decline in enplanements was mitigated by our own cost controls. The Airport's net operating results provided a \$1.5 million credit to the Signatory Airlines in 2010.

Albany International Airport did make some adjustments to ensure fiscal integrity. Until 2009, the Airport had been able to avoid increasing its Passenger Facility Charge (PFC) and we were the last commercial airport in New York State to raise its PFC to \$4.50. In 2010 the Airport realized a full years' benefit of the higher PFC's which strengthened our fiscal position.

In spite of the challenging environment the Airport ended the year stronger. The Airport refunded its 2008 Series A variable rate bonds and eliminated the Airport's exposure to the uncertainty of the municipal bond market along with the need to secure a new letter of credit. The Airport also refinanced three series of fixed rate bonds to take advantage of more attractive rates. The Airport used \$1.0 million of its Development Funds, \$4.0 million in PFC funds, \$2.1 in million debt reserves and \$1.3 million in debt service funds to reduce amounts borrowed to complete the refunding.

The Airport entered into a new five-year term, to be effective January 1, 2011, with its signatory airlines, extending the term of the current agreement until December 31, 2015.

To assist our passengers and airlines, the Airport Authority developed a comprehensive aircraft diversion plan that utilizes the staff of Airport Operations, US Customs, the TSA and Albany County Sheriffs Department. The program will ensure that those traveling on domestic or international flights are afforded food and shelter in a secure and controlled environment should their flights bring them to Albany.

A number of Airport projects were undertaken during the year. The Authority made significant improvements to the Airport's fuel farm, retrofitted the 10-year-old parking garage with new and efficient lighting, and created a new and more efficient Information Desk while relocating the Airport's popular DEPARTURE, The Shop of Area Museums, to a more visible location on first

level of the terminal. In addition, the Airport concession program was complimented with the opening of the Hudson Valley Wine Bar on Concourse-B.

In April, the Airport Authority opened the Captain John McKenna IV Military Courtesy Room on the third floor of the terminal. The room, staffed by volunteers provides a respite for traveling soldiers along with snacks, TV and Wi-Fi e-mail connections. The room proved to be an instant success, drawing over 3,000 members of the military and their families.

The Albany International Airport was once again selected by Mercedes as the starting point for national auto writers that were test driving the automakers' new models.

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



David E. Langdon
Chairman



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

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

March 21, 2011

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, 2010 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 2010 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, 2010 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, 2010 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, 2010 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 1,157-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 2009 the Airport ranked 84th in total enplanements. The Airport ranked 119th in total aircraft operations and 99th in total cargo based upon statistics compiled by Airports Council International – North America (ACI-NA) for 2009.

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. The size of this project has expanded but is still expected to become operational in 2012. As this significant hi-tech manufacturing plant approaches operational status, a number of related supporting businesses are relocating to the area to be a business partner in close proximity to one of their major customers. 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 area is also home to the State of New York's capital and has long benefited from significant levels of government employment. While the State government is clearly dealing with a difficult budget situation impacting state employment levels, a recent report by the State Comptroller reported residents in the county four capital district regions receive about \$1.1 billion a year in state pension payments. Thus, many area residents leaving employment with the state government may join the large ranks of state retirees in the area mitigating the impact to personal income in the region.

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

AIRLINE ECONOMICS

The airlines have endured major financial impacts resulting from a series of events beginning in 2001 that have caused business and leisure passengers to reassess their use of commercial air travel or to elect to use other means of transportation. In 2008, the airlines were especially impacted by high jet fuel prices, forcing a reduction in capacity and reducing the number of flights throughout the system. During the latter part of 2008 the recession reduced the level of travelers and weakened the airlines financial stability. The airlines responded by reducing the size of their work forces, their operating expenses, and airline seat capacity and some consolidation among carriers. The recession brought about low fuel prices which did provide a stabilizing effect on the

financial health of the airlines. As the economic recovery began, the airlines were able to raise airfares. According the FAA, in 2010, U.S. commercial air carriers (including cargo) reported operating profits of \$9.5 billion compared to \$848.8 million in 2009. The predictions for 2011 and beyond are subject to the long-term effects of many factors not the least of which is recently surging fuel prices.

Some of the potential factors that can impact the airlines and therefore the number of flights and enplanements at this Airport are: (1) any contraction or break in the current economic recovery for any reason; (2) sustained higher fuel costs which have recently been surging as the result of global conflict which could cause a spike in ticket prices or reduction in airline revenues; (3) potential for contraction in air passenger travel in 2011 or beyond; (4) airline seat capacity reductions and market constraints to raising fares could weaken airline profits and cause some airlines to further reduce service; (5) airline financial weakness may result in failure or even further consolidation of airlines, reducing competition and exacerbating the decline in seat capacity; and (6) capacity constraints in the National Airspace System may restrict airline flights.

AUTHORITY'S FINANCIAL RESOURCES

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

FINANCIAL CONTROLS

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

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

The Agreement with the signatory airlines incorporates a hybrid method for calculating airline rates and charges which applies a residual rate making methodology for the airfield and a compensatory methodology for the terminal. The Agreement provides for the signatory passenger airlines to receive 50% of the Airport's net revenues, as defined in Agreement. The Authority also has the ability under the Agreement to adjust airline rates and charges at any time throughout the year to ensure adherence to all financial covenants in its bond resolutions. No such adjustments were required during 2010 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 2011 assumed enplanements would approximate 2010 enplanement levels projected at the time the budget was developed. If the budget assumptions and activity projections prove to be reasonable, the projected airline cost per enplanement, net of revenue sharing, should approximate \$8.53, excluding FBO costs per enplaned passengers, and debt service coverage should remain at 1.26. 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 \$42.8 million 2011 operating budget, which is on the Authority's web site.

CAPITAL FINANCIAL PLANNING

A five-year capital improvement program for the years 2010 through 2014 totaling \$139.3 million has been approved by the Authority and the County. The program consists of \$51.05 million for airfield projects, \$14.0 million for terminal improvements and expansion, \$64.25 million for landside development and \$10 million for major equipment and vehicles. Many of the projects therein are dependent on their eligibility for available Federal and State funding, or on the ability of the Authority to issue indebtedness. Therefore, the timing for starting any individual project is dependent upon the Airport's needs and ability to obtain adequate funding. The largest capital project currently in 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 completed in 2010, or scheduled for completion in 2011, have their projected additional operating costs and related revenues incorporated into the Authority's 2011 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 2011 budget, the Authority has projected no growth in enplanements, aircraft operations, or landed weights from 2010 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 2011 under the Airline Use and Lease Agreement to meet all projected obligations. For 2011, signatory landing fees have been set at \$2.85 per 1,000 pounds, an increase from \$2.65 in 2010; apron fees at \$1.89 per square foot, an increase from \$1.46 in 2010; and the terminal rental rate at \$72.09, a decrease from \$78.57 per square foot in 2010. The Authority received a 4 year \$1.7 million Law Enforcement Officer grant in 2009 that is has helped lower the terminal security costs and rental rate.

As of December 31, 2010, the Authority has \$8.2 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 \$12.1 million in debt service reserve funds, plus \$4.3 million in Passenger Facility Funds on-hand, that combined exceeds the total annual debt service principal and estimated interest payments of \$13.2 million due in 2011. The Authority does not anticipate experiencing any cash flow deficiencies during 2011 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, 2010, there is \$136.7 million of debt outstanding issued directly by the Authority to be reduced by \$5.5 million of principal payments during 2011. 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, 2010, the amount of future reimbursements to the County total \$2.5 million of which \$1.0 million will be paid during 2011. Debt service coverage was 1.27 for 2010 and is projected to be 1.26 for 2011 based on the adopted budget.

In August of 2010 the Authority issued \$109.9 million of Series 2010 fixed rate bonds to refund \$111.0 million in existing debt, which included \$77.7 million in variable rate bonds. Currently the Authority's entire debt portfolio is fixed rate debt. The Authority has not issued debt to obtain new proceeds since 2006 and has no plans to issue any additional debt during 2011.

AUTHORITY'S INITIATIVES

While the Airport is performing in a challenging period, it has moved forward with various activities during 2010 to enhance and maintain the services provided to the airlines, the traveling public, and other uses of the Airport. These initiatives include:

- The Authority completed upgrades of its parking garage lighting to provide an estimated annual savings of \$48 thousand on a project that cost \$156 thousand, of which \$54 thousand was funded by the New York State Energy Research and Development Authority.
- The Authority began the installation of a new automated parking plaza to provide interstate highway access to its economy parking lot at a cost of \$305 thousand which will open in early 2011.
- The Authority acquired additional capital equipment including a new Airport Rescue and Fire Fighting Truck, 3 runway brooms, and 2 snow runway snow blowers for \$2.3 million.
- The Authority began a \$2.4 million rehabilitation of Taxiway A.
- The Authority began a \$1 million parking garage preservation project.
- HMS Host completed construction of six new restaurant themes: Dunkin Donuts, Starbucks, Saratoga Silks, Hudson Valley Wine Bar, Brioche Dorée and The Adirondack Lodge.

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, 2009. This was the thirteenth 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 2010 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 2010. 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 2011 budget has been submitted to the GFOA to determine its eligibility for an award.

ACKNOWLEDGMENTS

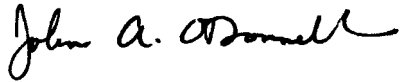
It is the strong continuing commitment of the Authority Board to the highest standards of financial reporting, disclosure and professionalism that the preparation of this report has been accomplished and for that we extend our sincere appreciation. We also give credit for the dedication, service and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

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

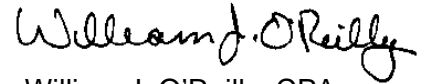
CERTIFICATION

The following sections of this report include the basic financial statements of Authority for the fiscal year ended December 31, 2010 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:



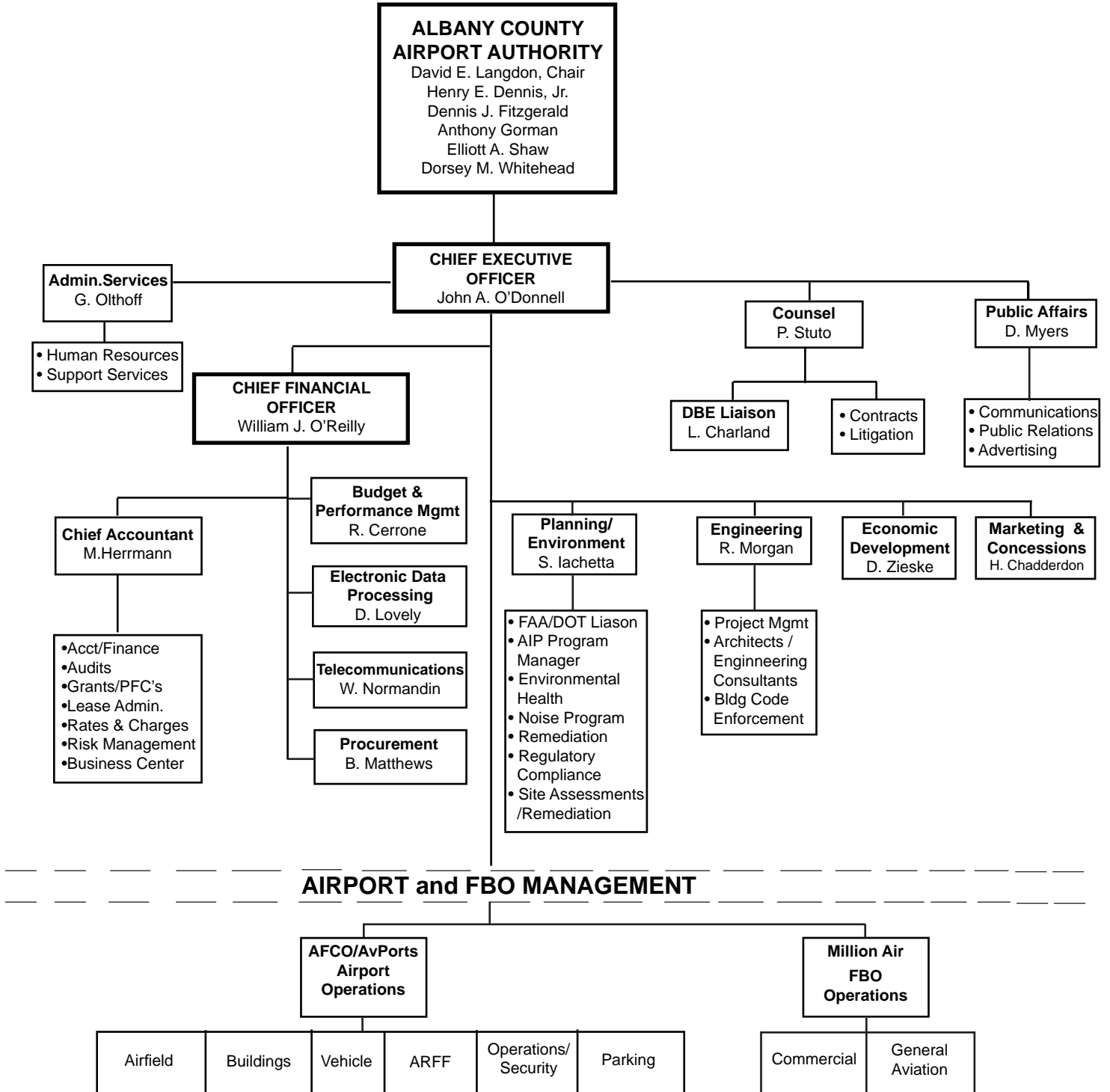
John A. O'Donnell
Chief Executive Officer



William J. O'Reilly, CPA
Chief Financial Officer

ALBANY INTERNATIONAL AIRPORT ORGANIZATIONAL CHART

As of December 31, 2010



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, 2009

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 stylized, handwritten signature in black ink.

Executive Director



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

SERVICE PROVIDED BY

Carrier	Daily (March 2011)		Percent of Total	
	Departures	Seats	Departures	Seats
US Airways	17	1,098	23.9%	23.3%
Southwest	14	1,903	19.7%	40.4%
Cape Air	12	108	16.9%	2.3%
Delta	11	702	15.5%	14.9%
United	8	486	11.3%	10.3%
Continental	7	372	9.9%	7.9%
Air Canada	2	38	2.8%	0.8%
Total	71	4,707	100.0%	100.0%

Source: Official Airlines Guides Schedules, March 2011

Financial





INDEPENDENT AUDITORS' REPORT

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

We have audited the accompanying financial statements of the business-type activities and fiduciary funds of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary funds of the Albany County Airport Authority as of December 31, 2010 and 2009, and the respective changes in its net assets and cash flows, where applicable thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2011 on our consideration of the Albany County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>



U.S. generally accepted accounting principles require that the management's discussion and analysis and OPEB Trust Schedule of Funding Progress on pages 20 through 37 and 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Albany County Airport Authority's 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance for the year ended December 31, 2010, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and by the New York State Department of Transportation *Preliminary Draft Part 43 of the New York Codification of Rules and Regulations* and is not a required part of the basic financial statements. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year ended December 31, 2010, 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 Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance, and the Schedule of Passenger Facility Charges Collected and Expended are the responsibility of the Authority's management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedules are fairly stated in all material respects in relation to the financial statements 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Marvin and Company, P.C.

March 21, 2011

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, 2010 with selected comparative information for the years ended December 31, 2009 and December 31, 2008. Management prepared this unaudited MD&A, which should be read in conjunction with the financial statements, and the notes thereto, which follow in this section.

BASIC FINANCIAL STATEMENTS

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

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

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

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

The *Statements of Fiduciary Fund Net Assets* is a snapshot of account balances of the Authority's fiduciary fund at year-end. It indicates the assets available for future payments for retiree benefits and any current liabilities that are owed at December 31, 2010.

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

AIRPORT ACTIVITIES HIGHLIGHTS

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

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

→ 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 ground handling, fueling and hangaring of general aviation aircraft pursuant to a management services agreement. Million Air assumed responsibility as of October 1, 2005.

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

AIRPORT REVENUES

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

COMMERCIAL OPERATIONS

Regular scheduled daily passenger flights departing from Albany decreased to 65 in December 2010 from 72 in December 2009 and from 77 in December 2008.

	2010		2009		2008	
	<i>Carriers</i>	<i>Flights</i>	<i>Carriers</i>	<i>Flights</i>	<i>Carriers</i>	<i>Flights</i>
Jet Service						
Major Carriers	4	16	4	18	4	23
Regional Carriers	11	28	11	30	9	26
Commuter Service						
Regional Carriers	5	19	5	22	5	26
Foreign Carriers	1	2	1	2	1	2
Total	21	65	21	72	19	77

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

	2010	2009	2008
Total Available Seats	1,728,276	1,859,721	1,919,343
Passenger Load Factor	73%	71%	72%

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

	2010	2009	2008
Enplanements	1,264,381	1,318,819	1,380,483
% increase/(decrease)	-4.1%	-4.5%	-4.2%
Aircraft Landed Weight	1,516,417,163	1,613,441,400	1,691,306,632
% increase/(decrease)	-6.0%	-4.6%	-3.6%
Operations (take-offs and landings)			
Commercial	55,677	58,451	59,469
General Aviation	25,683	29,522	28,841
Military	7,137	6,540	5,214
Total	88,497	94,513	93,524
% increase/(decrease)	-6.4%	1.1%	-15.6%

As of December 31, 2010, two regularly scheduled express mail and various special cargo carriers serve the airport.

	2010	2009	2008
Mail and Express Cargo Tons	16,227	18,253	23,875
% increase/(decrease)	-11.1%	-23.5%	-17.6%

The downsizing of aircraft combined with the corresponding reduction of landed weight and reduction of the number of aircraft operations has impacted gross landing weights which is the basis for establishing the airline landing fee rate. This reduction in gross landed weight by airline for 2010 compared to 2009 and 2009 compared to 2008 is as follows:

	Notes	2010 vs. 2009		2009 vs. 2008	
		Change in Operations	Change in Landed Weight	Change in Operations	Change in Landed Weight
Air Canada		50	415,000	(194)	(1,610,196)
American Eagle	1	-	-	(1,774)	(36,951,763)
Cape Air	2	14	47,955	4,498	15,405,651
Continental		(184)	(6,082,768)	(18)	1,649,298
Delta	3	(824)	(35,895,580)	(1,070)	(30,558,346)
Northwest	3	-	-	250	(7,208,383)
Southwest		(328)	(20,188,000)	(188)	(13,980,000)
United		(84)	12,967,334	78	(540,957)
US Airways		(1,232)	(49,780,128)	(474)	(4,232,519)
Charters		14	1,491,950	2	161,983
Total		(2,574)	(97,024,237)	1,110	(77,865,232)

Notes:

- 1 – American Eagle discontinued service in November 2008
- 2 – Cape Air began service in September 2008
- 3 – Enplanements for Northwest have been combined into Delta

ENPLANEMENTS

Enplanements for 2010 compared to 2009 have decreased by 54,438 passengers, compared to a decrease of 61,664 in 2009 vs. 2008. The changes in enplanements by airline, including their express carriers is as follows:

	2010 Market Share	Total 2010 Enplanements	2010 vs. 2009	Total 2009 Enplanements	2009 vs. 2008
Air Canada	0.4%	4,782	629	4,153	(2,924)
American Eagle	0.0%	-	-	-	(35,344)
Cape Air	0.7%	8,677	664	8,013	5,776
Continental	8.0%	101,770	(6,021)	107,791	924
Delta	15.9%	200,558	71,682	128,876	(22,613)
Northwest	0.0%	-	(107,154)	107,154	(4,932)
Southwest	40.5%	511,636	542	511,094	9,657
United	14.4%	182,652	(3,940)	186,592	8,355
US Airways	20.1%	254,306	(10,840)	265,146	(20,563)
Total	100.0%	1,264,381	(54,438)	1,318,819	(61,664)

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 2010, 2009 and 2008:

	2010	2010 vs. 2009	2009	2009 vs. 2008	2008
Revenues	\$ 8,339,601	10.0%	\$ 7,579,581	-25.6%	\$ 10,193,452
Expenses (inc. cost of sales)	\$ 7,674,871	6.9%	\$ 7,177,870	-27.3%	\$ 9,874,057
Retail Gallons Sold					
Jet A	820,963	-3.2%	847,733	-19.7%	1,056,042
AvGas	73,430	-9.6%	81,193	-31.6%	118,788
Commercial AvGas	220,084	1.1%	217,750	259.8%	60,513
Glycol Gallons - Consortium	93,776	-12.5%	107,171	-28.4%	149,613
Glycol Gallons - Sprayed	46,128	33.9%	34,455	-31.4%	50,241
Jet A Fuel Into-Plane Gallons	18,280,810	-5.0%	19,241,600	-7.4%	20,781,139

CONCESSIONS

Although enplanements have declined since 2007, the Authority's concession revenues, with the exception of retail revenues in 2010 exceed both 2009 and 2008 due to new concession agreements with all rental car companies and the major food and beverage concessionaire effective January 1, 2009. These ten year agreements provided better terms to the Authority, increased minimum annual guarantees, and provide for \$3.2 million in new investments in the concession facilities by the major food and beverage concessionaire.

Concession revenue highlights for 2010 compared to 2009 and 2008 are as follows:

	2010	2010 vs. 2009	2009	2009 vs. 2008	2008
Rental Car Revenues					
Sales	\$ 40,145,342	4.6%	\$ 38,393,673	-5.3%	\$ 40,529,109
Authority Revenues	\$ 4,263,770	9.3%	\$ 3,902,274	6.9%	\$ 3,649,493
Food & Beverage					
Sales	\$ 5,871,870	13.5%	\$ 5,173,546	-4.4%	\$ 5,409,375
Authority Revenues	\$ 663,990	16.2%	\$ 571,279	14.2%	\$ 500,406
Retail					
Sales	\$ 2,888,290	-5.1%	\$ 3,044,255	-5.5%	\$ 3,222,120
Authority Revenues	\$ 363,244	-6.3%	\$ 387,523	-7.2%	\$ 417,760
Total Authority Concession Revenues	\$ 6,135,012	1.5%	\$ 6,044,347	10.3%	\$ 5,480,004
Concession Revenue per Enplanement	\$ 4.85	5.9%	\$ 4.58	15.5%	\$ 3.97

PARKING

The Airport directly manages all on-airport parking operations which at December 31, 2010 consisted of 345 short-term garage/surface, 1,912 long-term garage, 1,076 long term-surface, and 2,202 remote shuttle served parking spaces. Revenue for 2010 compared to 2009 and 2008 are as follows:

	2010	2010 vs. 2009	2009	2009 vs. 2008	2008
Public Parking					
Revenues	\$ 10,428,141	-1.6%	\$ 10,600,827	-2.6%	\$ 10,886,182
# of Vehicles Parked	662,469	-5.5%	701,159	-8.8%	768,445
Parking Revenue per Enplanement	\$ 8.25	2.6%	\$ 8.04	1.9%	\$ 7.89

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:

	2010	2009	2008
Operating revenues	\$ 40,952,558	\$ 42,250,839	\$ 45,675,300
Operating expenses	(29,887,368)	(29,625,483)	(34,231,193)
Revenues in excess of expenses			
before depreciation	11,065,190	12,625,356	11,444,107
Depreciation	(13,585,503)	(14,067,322)	(13,626,882)
Loss before non-operating income			
and expenses	(2,520,313)	(1,441,966)	(2,182,775)
Non-operating income and (expenses), net	(70,452)	(1,810,700)	(2,366,810)
Loss before capital contributions	(2,590,765)	(3,252,666)	(4,549,585)
Capital Contributions, Special and Extraordinary items	5,161,620	6,524,938	8,379,148
Net assets			
Increase in net assets	2,570,855	3,272,272	3,829,563
Total net assets, beginning of year	190,936,591	187,664,319	183,834,756
Total net asset, end of year	\$ 193,507,446	\$ 190,936,591	\$ 187,664,319

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 2010 as absolute revenues and expenses declined. The table below summarizes FBO revenues, expenses and net revenues:

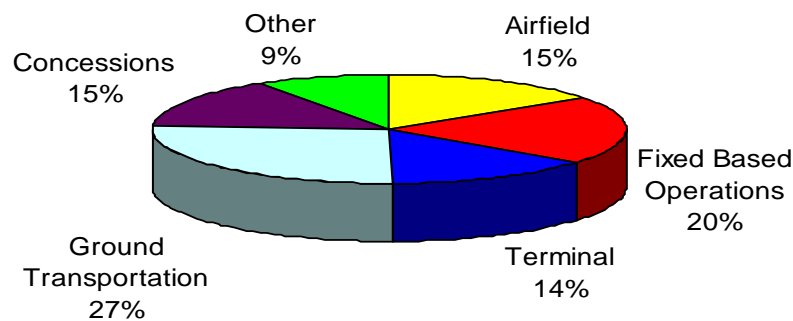
	2010	2009	2008
FBO revenues	\$ 8,339,501	\$ 7,579,581	\$ 10,193,452
FBO expenses	7,674,871	7,177,870	9,874,057
FBO net revenues	\$ 664,630	\$ 401,711	\$ 319,395

The increase in FBO net revenues in 2010 from 2009 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

The change in total operating and non-operating revenues between 2008 and 2010 were effected by a variety of factors. Under the signatory airline use and lease agreement, all interest income, other than interest on Passenger Facility Charge funds, is 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 2008 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 remained fairly flat in total in 2008 and 2009 before decreasing in 2010. The reduction in Airfield Revenue in 2010 from 2009 is principally related to a lower airfield costs and debt service requirements resulting in a lower signatory airline landing fee rate which declined from \$3.11 per 1,000 pounds of landed weight in 2009 to \$2.45 per thousand pounds of landed weight in 2010. The lower landing fee rate was the result of reductions in debt service due to partial debt retirements in 2009 and refundings in 2010, reduced staff costs, and lower costs of supplies and materials. During 2009 the Authority also began to receive 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 ARRA 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 resulting in significantly increased PFC collections in 2010.

Allocation of 2010 Revenues by Category

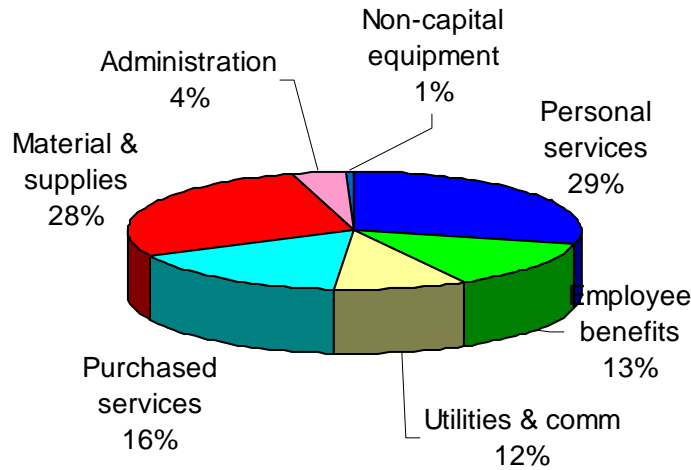


	2010	2009	2008
Operating Revenues			
Airfield	\$ 6,249,734	\$ 7,303,064	\$ 6,828,222
Fixed Based Operations	8,339,501	7,579,581	10,193,452
Terminal	5,760,454	6,513,311	7,689,690
Ground Transportation	10,695,016	10,818,594	11,122,678
Concessions	6,135,012	6,044,347	5,480,004
Other	3,772,841	3,991,942	4,361,254
Non-Operating Income			
Passenger Facility Charges	5,043,851	4,077,806	3,716,492
Grant Income	3,442,758	5,480,166	2,501,420
Improvement Charges	368,400	368,400	276,300
Interest Income	196,224	265,017	836,612
Total	\$ 50,003,791	\$ 52,442,228	\$ 53,006,124
<i>Percentage of Increase/(Decrease)</i>	<i>-4.6%</i>	<i>-1.1%</i>	<i>7.9%</i>

OPERATING EXPENSES AND NON-OPERATING EXPENSES HIGHLIGHTS

Total 2010 expenses decreased \$3.1 million or 5.6% below 2009. The spending decreases were composed of decreases of \$262 thousand in operating expenses and decreases in non-operating expenses including decreases in grant expenses for spending under flow-through grants for a runway obstruction removal project and decreases in interest on bonds as the result of retirements and refundings which are described in more detail in Note 8 to the financial statements.

Allocation of Expenses by Category



	2010	2009	2008
Operating Expenses			
Personal services	\$ 8,674,598	\$ 8,416,911	\$ 9,144,507
Employee benefits	3,859,040	3,619,760	3,561,890
Utilities & communications	2,829,179	2,771,592	3,969,307
Purchased services	4,878,780	5,476,326	5,421,146
Material & supplies	8,299,868	8,020,529	11,031,520
Administration	1,176,923	1,286,145	993,415
Non-capital equipment	168,980	34,220	109,408
Depreciation	13,585,503	14,067,322	13,626,882
Non-Operating Expenses			
Loss on Investments	-	82,204	26,614
Grant Expense	3,013,773	4,943,468	2,794,322
Interest	5,961,984	6,845,764	6,751,363
Amortization of Bond Issuance Costs	145,928	130,653	125,335
Total	\$ 52,594,556	\$ 55,694,894	\$ 57,555,709
<i>Percentage of Increase/(Decrease)</i>	<i>-5.6%</i>	<i>-3.2%</i>	<i>9.1%</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 \$193.5 million at December 31, 2010, a \$2.5 million increase from December 31, 2009.

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

	2010	2009	2008
ASSETS			
Capital assets	\$ 286,302,408	\$ 293,204,200	\$ 299,518,167
Other assets	44,272,186	52,512,719	44,731,222
Total Assets	<u>330,574,594</u>	<u>345,716,919</u>	<u>344,249,389</u>
LIABILITIES			
Long-term debt outstanding	123,497,617	133,269,313	139,825,082
Other liabilities	13,569,531	21,511,015	16,759,988
Total Liabilities	<u>137,067,148</u>	<u>154,780,328</u>	<u>156,585,070</u>
NET ASSETS			
Invested in capital assets, net of debt	165,929,895	161,268,212	159,283,066
Restricted	16,539,805	18,703,079	18,634,971
Unrestricted	11,037,746	10,965,300	9,746,282
Total Net Assets	<u>\$ 193,507,446</u>	<u>\$ 190,936,591</u>	<u>\$ 187,664,319</u>

Net assets are comprised of three components as follows:

Investment in capital assets (e.g., land, buildings, improvements, and equipment), less the related indebtedness outstanding used to acquire those capital assets, represents the largest portion of the Authority's net assets (86% at December 31, 2010). The Authority uses these capital assets to provide services to the airlines, passengers and to service providers and users located on Airport; consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is net of related debt, the resources required to repay this debt annually are paid from operations, since it is unlikely that the capital assets will be liquidated to pay liabilities. During 2010 the Authority did record \$722 thousand in capital asset impairment charges. These capital asset impairment charges are reported as a \$553 thousand *Special Item* reflecting a write down of costs related to permanently stalled improvement projects and \$169 thousand to write down the carrying value of land held for sale to its fair value less costs to dispose.

Restricted net assets (9% at December 31, 2010), 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 (5% at December 31, 2010) 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, 2010, 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:

	2010	2009	2008
Landing Fees (per 1,000 lbs. MGLW)	\$ 2.45	\$ 3.11	\$ 2.71
Landing Fee Surcharge (per 1,000 lbs. MGLW)	\$ 0.10	\$ 0.10	\$ 0.08
Terminal Rental Rate (per square foot)	\$ 72.70	\$ 79.61	\$ 84.00
Apron Fees (per square foot)	\$ 1.51	\$ 1.46	\$ 1.48
Loading Bridge (annual rate)	\$ 35,557	\$ 36,299	\$ 36,978
Airline Cost per Enplanement	\$ 7.82	\$ 8.80	\$ 8.91
Revenue Sharing (Charge) Credit to Airlines	\$ 1,544,787	\$ 119,882	\$ (1,716,511)

CASH MANAGEMENT POLICIES AND CASH FLOW ACTIVITIES

All cash receipts are deposited daily into interest-bearing accounts. The Authority’s cash temporarily idle during 2010 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 2010, 2009 and 2008:

	2010	2009	2008
Cash flows from (used):			
Operating activities	\$ 11,268,737	\$ 13,793,538	\$ 7,225,498
Noncapital financing activities	428,984	536,698	(292,902)
Investing activities	383,696	374,198	945,119
Capital and related financing activities	(13,347,031)	(10,717,097)	(12,822,822)
Net increases/(decreases) in cash and cash equivalents	(1,265,614)	3,987,337	(4,945,107)
Cash and cash equivalents:			
Beginning of period	38,363,936	34,376,599	39,321,706
End of period	<u>\$ 37,098,322</u>	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</u>

The Authority's available cash and cash equivalents decreased in 2010 by \$1,265,841 due to the negative flow of funds from capital construction and debt service funds net of capital funds and PFCs received. During 2010 the Authority refunded its Series 1998, 1999, 2000 and 2008 bonds and unamortized Swaption loan outstanding by issuing new bonds and causing net releases of \$2.3 million in debt reserve funds and \$1.0 million in operating funds to reduce the amount of refunding debt issued in the refunding transactions. While these net cash releases resulted in lower available cash on hand at year end, they resulted in a greater reduction in long-term debt by reducing the amount of refunding bonds issued, lowering issuance costs and reducing future cash debt service requirements. Cash and cash equivalents are composed of:

	2010	2009	2008
Funds available for unrestricted operations	\$ 11,905,155	\$ 11,611,221	\$ 9,253,593
Restricted for:			
Capital projects	8,002,413	7,615,868	6,014,133
PFCs available for debt service payments	4,342,432	3,964,838	3,725,788
Revenue bond reserves	11,803,446	14,218,253	14,346,210
Other restrictions	1,044,639	953,756	1,036,875
Total	<u>\$ 37,098,085</u>	<u>\$ 38,363,936</u>	<u>\$ 34,376,599</u>

CAPITAL ACTIVITIES

The enabling legislation creating the Authority set forth that every five years the Authority must submit to the County legislature for approval a capital plan for the subsequent five year period. The plan for 2010 – 2014 was approved by the County December 7, 2009. The plan provides for total spending of up to \$139.3 million over five years of which \$82.3 million is eligible for 97.5% grant funding. Much of the remainder is contingent upon economic development opportunities materializing, which there can be no assurance of, and the projects are therefore deferred. The plan does not represent a firm commitment of the Authority. The Authority has included every known possible project that could conceivably occur during the five year period for disclosure purposes. As of this date, the Authority has no plans to issue additional debt and there is no assurance that future Federal or State grant funds will be awarded to the Authority. At December 31, 2010, the Authority has \$5.2 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 including the activity through December 31, 2010:

	<u>Total 2010- 2014 Plan</u>	<u>Total 2010- 2014 Activity</u>
Approved Projects		
Airfield	\$ 51,050,000	\$ 5,373,051
Terminal	14,000,000	200,933
Landside	64,250,000	928,438
Major Equipment	10,000,000	2,605,536
Total	<u>\$ 139,300,000</u>	<u>\$ 9,107,958</u>
Projected Funding Sources		
Federal Funds	\$ 81,050,000	\$ 7,590,805
State Funds	1,900,000	136,039
Debt Issuances	42,000,000	-
Authority Funds	14,350,000	1,381,114
Total	<u>\$ 139,300,000</u>	<u>\$ 9,107,958</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, 2010 for General Airport Revenue Bonds (GARB) is \$136,605,887 compared to \$141,308,250 at December 31, 2009, not including the County of Albany General Obligation (GO) Bonds which the Authority is obligated to reimburse for various airport projects financed by the County before the Authority was created, that are not covered by the debt limitation. Specific details on all the outstanding debt issues are in Note 8 to the financial statements of this report. The aggregate par amount of bonds issued by the Authority and bond related debt owed to the County of Albany outstanding as of December 31, 2010 and 2009 is summarized in the following table:

	Original Par Amount Issue	Outstanding at 12-31-09	Outstanding at 12-31-10
Authority Revenue Bonds/Debt Obligations			
1997 GARB	\$ 93,605,000	\$ -	\$ -
1998 GARB Series B&C	30,695,000	29,675,000	-
1999 NYS EFC	7,895,303	4,452,000	3,905,887
2003 GARB Series A	8,885,000	5,945,000	5,410,000
2004 NYS EFC	388,316	175,000	140,000
Unamortized Swaption Loan	5,330,000	4,416,250	-
2006 GARB Series A & B	14,230,000	12,850,000	12,345,000
2006 GARB Series C	6,330,000	6,075,000	5,940,000
2008 Refunding Series A	N/A	77,720,000	-
2010 Refunding Series A & B	N/A	-	108,865,000
Total Authority Debt Obligations	\$ 167,358,619	\$ 141,308,250	\$ 136,605,887
County of Albany General Obligation (GO) bonds	21,100,121	3,418,256	2,454,409
Total Bonds and Debt Obligations	\$ 188,458,740	\$ 144,726,506	\$ 139,060,296

The table above includes provides a comparison of the current amounts of bonds and debt outstanding to the original amounts issued for project financing and reveals the aggregate amount of bonds and debt obligations outstanding declined by \$5,666,210 during 2010. In the table above the bonds and debt obligation are presented on a stated par amount basis. Under generally accepted accounting principles certain items associated with the debts above are deferred and amortized into future periods by subtracting or adding the deferred items to the stated par amounts outstanding and expensing those deferred items in future periods as the debt matures using a systematic and rational method that conforms with generally accepted accounting described in Note 2 and Note 8 to the financial statements. The reported amount of bonds issued by the Authority and bond related debt owed to the County of Albany that was outstanding as of December 31, 2009, additions and/or deletions during 2010, and the balances reported at December 31, 2010 with adjustments to the reported value required by generally accepted accounting principles is summarized in the following table:

	Outstanding at 12-31-09	Additions	Deletions	Outstanding at 12-31-10
Authority Revenue Bonds/Debt Obligations				
Bonds Payable				
1998 GARB Series B & C	\$ 17,570,000	\$ -	\$ (17,570,000)	\$ -
1999 NYS EFC	4,452,000	-	(546,113)	3,905,887
2000 GARB Series B	12,105,000	-	(12,105,000)	-
2003 GARB Series A	5,945,000	-	(535,000)	5,410,000
2004 NYS EFC	175,000	-	(35,000)	140,000
Unamortized Swaption Loan	4,416,250	-	(4,416,250)	-
2006 GARB Series A & B	12,850,000	-	(505,000)	12,345,000
2006 GARB Series C	6,075,000	-	(135,000)	5,940,000
2008 Series A Refunding	77,720,000	-	(77,720,000)	-
2010 Series A Refunding		105,745,000	(990,000)	104,755,000
2010 Series B Refunding		4,110,000	-	4,110,000
Total Bonds Payable	141,308,250	109,855,000	(114,557,363)	136,605,887
Deferred Loss on Refunding	(3,313,006)	(16,252,631)	4,058,174	(15,507,463)
Unamortized Premiums/Discounts (net)	-	6,677,456	(323,054)	6,354,402
Net Bonds Payable	137,995,244	100,279,825	(110,822,243)	127,452,826
Obligation for County of Albany Bonds (net)	3,418,256	-	(963,847)	2,454,409
Total Long-term Indebtedness	\$ 141,413,500	\$ 100,279,825	\$ (111,786,090)	\$ 129,907,235

At December 31, 2010 the Authority maintained debt service reserve funds in the amount of \$12.1 million and Passenger Facility Charge Funds in the amount of \$4.3 million, both of which are restricted to repayment of debt. Thus, the Authority's direct obligations outstanding, net of funds restricted for the repayment of debt, was \$120.2 million in aggregate par amount of bonds outstanding.

REFUNDING AND RESTRUCTURE OF BONDS ISSUED IN 2010

On August 10, 2010 the Authority refunded Series 1998B, Series 2000A, Series 2008A and the unamortized balance of the 2005 swaption loan related to the Series 2008A bonds. The swaption loan was the result of a 2005 swaption agreement with an investment bank related to a synthetic refunding of the Authority's original Series 1997 bonds. Under the swaption agreement the investment bank provided the Authority with an initial payment of \$5.3 million in exchange for the Authority's forward starting commitment to make future fixed rates payments (an interest rate swap) of 4.56% net of 70% on the One Month London Inter Bank Offer Rate (LIBOR) to the investment bank and to refund its fixed rate Series 1997 bonds with variable rate bonds supported by a direct pay bank letter of credit and weekly remarketing agreement. The Authority executed these forward starting commitments on January 31, 2008 with the issuance of the Series 2008A Variable Rate Refunding Bonds, subject to the Alternative Minimum Tax (AMT). The term and notional amount of the interest rate exchange agreement was integrated with the Series 2008A Bonds. The fixed swap rate was competitively bid at an above market rate for a forward starting agreement which was the basis for the \$5.3 million payment to the Authority in 2005, the majority of which was reported as a swaption loan.

Subsequent to the issuance of the Series 2008A Bonds, banks in general experienced a liquidity crisis resulting in a much more costly market for bank letter of credits and other liquidity support agreements related to variable rate debt obligations and also substantially reduced borrower access to the bank provided variable rate debt liquidity support products. The ensuing economic recession lead to federal legislation that also allowed for the refunding of bonds issued between 2004 and 2008 and subject to the AMT to be refunded as fully tax-exempt bonds. Also, the market for variable rate bonds in general has at times, subsequent to the issuance of the Series 2008A bonds, dislocated as investors sought investments perceived to have less credit and liquidity risk to the investor.

Because of the evolutionary events that occurred in the municipal bond market after the issuance of the Series 2008A bonds, the Authority chose to refund the Series 2008A Variable Rate Refunding Bonds (AMT) with fully tax-exempt fixed rate bonds and terminate the agreement.

Because interest rates had fallen since the date of the 2005 swaption agreement and the interest rate swap rate agreement included "off-market" terms resulting in an up-front cash payment to the Authority at the time it was entered, the Authority was required to make a termination payment to the swap counterparty to exit the agreement. The majority of this payment was financed from the Authority's Series 2010 Bonds. The portion of the termination payment related to the off-market swap rate was not eligible to be financed with tax-exempt bond proceeds. The total cost of terminating the swap agreement was \$14.8 million of which \$10.1 million related to the on-market portion of the swap rate and \$4.7 million related to the off-market portion of the swap rate. The Authority issued \$4.1 million in Series 2010B taxable bonds which along with other funds was used to fund the off-market portion of the interest rate exchange agreement. The remainder of the \$10.1 million swap termination payment was funded from a portion of the tax-exempt Series 2010A bond proceeds and other cash funds on hand.

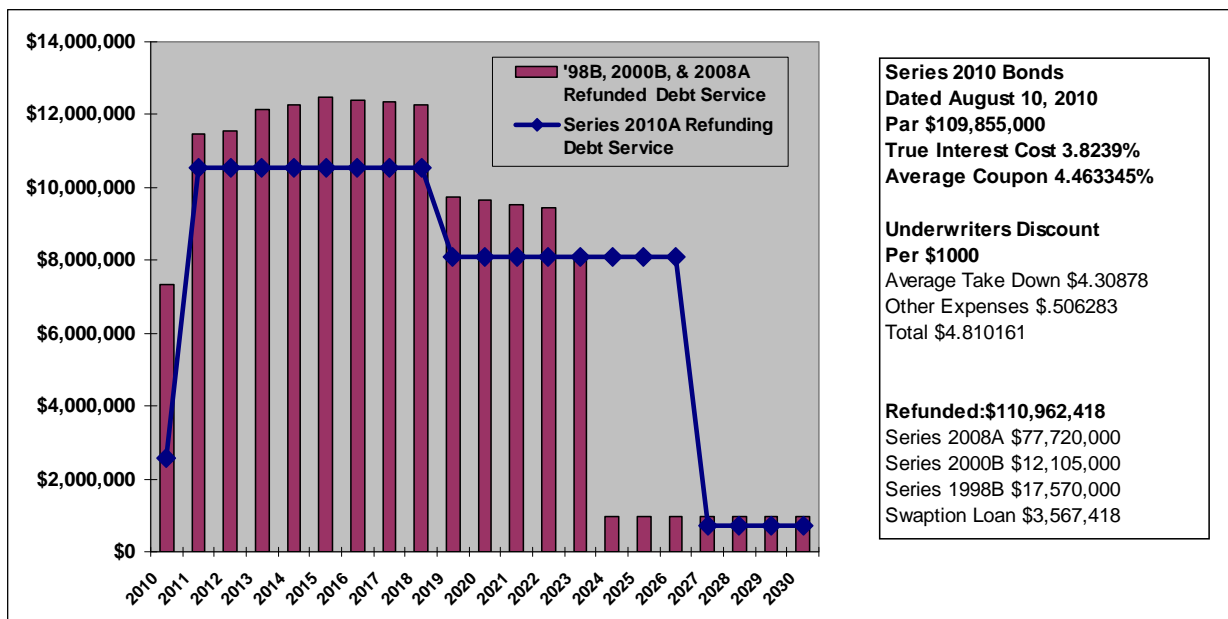
The cost of the swap termination payment was countered by historically low interest rates for fixed-rate financing at the time of the issuance of the Series 2010 bonds, the ability to refund the Series 2008A AMT Bonds as fully tax-bonds, avoidance of expected higher bank letter of credit costs and elimination of all future municipal bond market risk. The then prevailing fixed interest rates also allowed the Authority to refund its Series 1998B and Series 2000B bonds at a savings. The \$105,745,000 Series 2010A Bonds (tax-exempt) along with other funds of the Authority were used to refund the Series 1998B, Series 2000B, and the Series 2008A Bonds and the on-market portion of integrated interest rate swap agreement. The Authority issued \$78,855,000 of the Series 2010A Bonds to provide most of the funds required to refund the Series 2008A variable rate bonds and terminate the integrated interest rate swap agreement and the Authority issued the remaining \$26,890,000 of the Series 2010 Bonds to refund the Series 1998B and Series 2000B Bonds.

At the time of the refunding the Authority also choose to extend the remaining term of repayment related to the Series 2008A bonds from 2023 to 2026, extending the original term of financing from 26 years to 29 years to increase future affordability of the Authority’s debt for the remainder of the term of repayment. The Authority retained the original repayment structure of the Series 1998B and Series 2000B Bonds in the portion of the Series 2010A Bonds issued for these purposes.

As part of the plan of finance for the Series 2010 Refunding Bonds, the Authority choose to advance fund payments that would normally be due on December 15th of 2010 and apply additional funds on hand to lower the amount of refunding bonds to be issued increasing future affordability of debt. As part of the plan of refunding, the Authority released \$8.4 million of funds on hand that included \$4 million in Passenger Facility Charge Funds, \$2.1 million from Debt Service Reserves net of new reserves, \$1.3 million in debt service funds, and \$1 million from its unrestricted Airport Development Fund. Because of the early release of this \$8.4 million in Authority funds to reduce amounts borrowed in the refunding, principal payments due on the refunding bonds in 2010 were structured at \$1 million, which is an amount less than would typically have been redeemed in 2010.

The chart on the following page illustrates the estimated future payments on the synthetic fixed rate debt service refunded and the more affordable future debt service on the Series 2010 Refunding Bonds.

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CREDIT RATINGS AND BOND INSURANCE

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

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

* Not all maturities within a Series are insured.

NR = Not Rated

Fitch Ratings has withdrawn its insured rating of all bonds insured by AGMC effective February 25, 2010. The Authority's underlying credit ratings remained unchanged during 2010 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, 2010 the reserve requirement was \$5.1 million and for which the Authority had \$8.2 million on hand. The Authority also had \$3.0 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, 2010 the debt service reserve funds totaled \$12.1 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 in the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020. Through December 31, 2010, the Authority has collected PFCs, including interest earnings thereon, totaling \$63,481,805, or 54.3% 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 90.7% 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 (7.6% in 2008, 7.6% in 2009 and currently estimated at 11.3% for 2010) 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. In 2008 the Authority was required to implement Governmental Accounting Standards Board Statement Number 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASBS 45). One of the immediate effects of GASBS 45 was that Authority was required to recognize the cost of providing retiree health insurance when establishing its budget, preparing its financial statements, and establishing airline rates and charges. As a result of recognizing this accrued expense, it's fair to say the Authority began to retain revenues based upon inclusion of this expense in its airline revenue sharing calculation under its signatory airline lease agreement. During 2009, the Authority created a legally separate trust to accumulate the resources it was collecting to fund its obligation to provide for retired employee health care insurance. In late 2009, the Authority contributed the amounts it had budgeted for this expense in 2008 and 2009 which reflected the actuarial determined cost when 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 fund retiree health care benefits. 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 at December 31, 2009*. In December of 2010 the Authority contributed \$271,716 to the Trust which equaled it's actuarially determined annual required contribution for 2010. This resulted in a Net OPEB Asset held in trust at December 31, 2010 in the amount of \$121,003. 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.

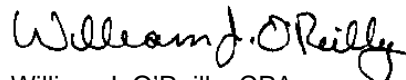
FINANCIAL STATEMENTS

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 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, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 11,905,392	\$ 11,611,221
Accounts receivable - net	2,252,529	2,007,882
Due from Albany County	92,194	-
Prepaid expenses	1,020,449	1,019,946
Total Unrestricted Assets	<u>15,270,564</u>	<u>14,639,049</u>
Restricted Assets:		
Capital Funds:		
Cash and cash equivalents	8,002,413	7,615,868
Grant funds receivable	345,351	1,539,345
Passenger Facility Charge Funds:		
Cash and cash equivalents	4,342,432	3,964,838
Passenger Facility Charges receivable	355,421	362,460
Revenue Bond Funds:		
Cash and cash equivalents	11,803,446	14,218,253
Investments	277,389	442,237
Accrued interest receivable	1,906	10,590
ANCLUC Trust Funds:		
Cash and cash equivalents	347,296	346,157
Concession Improvement Trust Funds:		
Cash and cash equivalents	697,344	607,599
Total Restricted Assets	<u>26,172,998</u>	<u>29,107,347</u>
Total Current Assets	<u>41,443,562</u>	<u>43,746,396</u>
NON-CURRENT ASSETS		
Net Assets held in trust for OPEB	121,003	121,674
Prepaid expenses	382,458	397,893
Deferred charges	2,325,400	2,135,206
Deferred potential swap termination payment	-	7,281,477
Capital Assets:		
Land and easements	45,925,587	43,571,394
Buildings, improvements and equipment, net of depreciation	238,623,249	247,587,448
Construction in progress	1,753,572	2,045,358
Total Capital Assets	<u>286,302,408</u>	<u>293,204,200</u>
Total Non-Current Assets	<u>289,131,269</u>	<u>303,140,450</u>
TOTAL ASSETS	<u>\$ 330,574,831</u>	<u>\$ 346,886,846</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statements of Net Assets
As of December 31, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>LIABILITIES AND EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Payable from Unrestricted Assets:		
Accounts payable	\$ 761,365	\$ 539,257
Accrued expenses	3,681,334	2,627,362
Due to Albany County	-	751,295
Accrued interest payable	12,554	41,691
Current maturities of long - term debt	943,731	963,847
Total Payable from Unrestricted Assets	<u>5,398,984</u>	<u>4,923,452</u>
Payable from Restricted Assets:		
Construction contracts payable	687,031	1,543,971
Construction contract retainages	451,414	268,931
Accrued interest payable	240,789	295,299
ANCLUC Trust funds	347,296	346,157
Concession Improvement Trust funds	697,344	607,599
Current maturities of long - term debt	6,363,259	7,180,345
Total Payable From Restricted Assets	<u>8,787,133</u>	<u>10,242,302</u>
Total Current Liabilities	<u>14,186,117</u>	<u>15,165,754</u>
<u>NON -CURRENT LIABILITIES</u>		
Accrued interest payable	281,026	233,711
Potential swap termination payment	-	7,281,477
Long-term debt	122,600,242	133,269,313
Total Non-Current Liabilities	<u>122,881,268</u>	<u>140,784,501</u>
Total Liabilities	<u>137,067,385</u>	<u>155,950,255</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of Related Debt	165,929,895	161,268,212
Restricted:		
Bond reserve funds	11,841,952	14,375,781
Passenger facility charge funds	4,697,853	4,327,298
Total Restricted:	<u>16,539,805</u>	<u>18,703,079</u>
Unrestricted	<u>11,037,746</u>	<u>10,965,300</u>
Total Net Assets	<u>193,507,446</u>	<u>190,936,591</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 330,574,831</u>	<u>\$ 346,886,846</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, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Operating Revenues		
Airfield	\$ 6,249,734	\$ 7,303,064
Fixed Based Operations	8,339,501	7,579,581
Terminal	5,760,454	6,513,311
Concessions	6,135,012	6,044,347
Ground transportation	10,695,016	10,818,594
Other revenue	3,772,841	3,991,942
Total Operating Revenues	<u>40,952,558</u>	<u>42,250,839</u>
Operating Expenses		
Airfield	2,508,930	2,737,533
Fixed Based Operations	6,756,543	6,254,104
Terminal	5,048,330	5,090,880
Loading bridges	282,504	231,438
Landside	4,008,319	4,125,173
Public safety	2,708,579	3,532,336
Aircraft Rescue and Fire Fighting	1,443,497	1,411,609
Vehicle maintenance	1,223,129	1,073,379
Administration	5,907,537	5,169,031
Total Operating Expenses	<u>29,887,368</u>	<u>29,625,483</u>
Revenues in excess of expenses before depreciation	11,065,190	12,625,356
Depreciation	<u>13,585,503</u>	<u>14,067,322</u>
Operating Loss Before Non-Operating Income and Expenses	<u>(2,520,313)</u>	<u>(1,441,966)</u>
Non-Operating Income and (Expenses)		
Passenger Facility Charges	5,043,851	4,077,806
Grant income	3,442,758	5,480,166
Improvement charges	368,400	368,400
Interest income	196,224	265,017
Decrease in fair value of investments	-	(82,204)
Grant expense	(3,013,773)	(4,943,468)
Interest expense	(5,961,984)	(6,845,764)
Amortization of bond issue costs	(145,928)	(130,653)
Total Non-Operating Income and (Expenses)	<u>(70,452)</u>	<u>(1,810,700)</u>
Loss before Capital Contributions, Special and Extraordinary Items	(2,590,765)	(3,252,666)
Capital Contributions, Special and Extraordinary Items		
Capital Contributions	5,883,974	6,524,938
Special Item - cost of permanently stalled projects	(553,347)	-
Extraordinary Item - decrease in fair value of land for sale	(169,007)	-
Total Capital Contributions, Special and Extraordinary Items	<u>5,161,620</u>	<u>6,524,938</u>
Net Assets		
Increase in Net Assets	2,570,855	3,272,272
Total Net Assets, beginning of year	<u>190,936,591</u>	<u>187,664,319</u>
Total Net Assets, end of year	<u>\$ 193,507,446</u>	<u>\$ 190,936,591</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, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Cash Flows From Operating Activities		
Cash received from providing services	\$ 40,707,911	\$ 44,152,367
Cash paid to suppliers	(28,284,795)	(29,110,669)
Cash paid to employees	(1,154,379)	(1,248,160)
Net Cash Provided By Operating Activities	<u>11,268,737</u>	<u>13,793,538</u>
Cash Flows From Noncapital Financing Activities		
Grant income	3,442,758	5,480,166
Grant expense	(3,013,773)	(4,943,468)
Net Cash Provided By Noncapital Financing Activities	<u>428,985</u>	<u>536,698</u>
Cash Flows From Investing Activities		
Interest received	204,908	268,921
Purchase of Investments	(277,389)	-
Sale of investments	442,237	61,992
Interest on passenger facility charges	13,940	43,285
Net Cash Provided by Investing Activities	<u>383,696</u>	<u>374,198</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	(8,080,522)	(7,627,276)
Principal payments made on bonds and notes payable	(3,531,847)	(8,177,659)
Interest paid	(5,931,827)	(6,835,858)
Payments to refunding agent	(125,391,340)	-
Proceeds from issuance of bonds	119,021,872	-
Cost of issuance	(2,007,569)	-
ANCLUC Trust funds	1,139	100,492
Concession Improvement Trust funds	89,745	(183,611)
Improvement charges	368,400	368,400
Contributed capital	7,077,968	7,716,862
Passenger facility charges	5,036,950	3,921,553
Net Cash Used By Capital and Related Financing Activities	<u>(13,347,031)</u>	<u>(10,717,097)</u>
Net increase/(decrease) in cash and cash equivalents	(1,265,613)	3,987,337
Cash and cash equivalents, beginning of year	<u>38,363,936</u>	<u>34,376,599</u>
Cash and cash equivalents, end of year	<u>\$ 37,098,323</u>	<u>\$ 38,363,936</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Loss before non-operating income and expenses	\$ (2,520,313)	\$ (1,441,966)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	13,585,503	14,067,322
(Increase) decrease in assets:		
Accounts receivable	(244,647)	1,901,528
Net Assets held in trust for OPEB	671	(121,674)
Prepaid expenses	14,932	(438,470)
Increase (Decrease) in liabilities:		
Due to/from County of Albany	(843,489)	384,102
Accounts payable and accrued expenses	1,276,080	(557,304)
Net Cash Provided By Operating Activities	<u>\$ 11,268,737</u>	<u>\$ 13,793,538</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, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,051,859	\$ 777,295
Total Assets	<u>1,051,859</u>	<u>777,295</u>
<u>LIABILITIES</u>		
Accounts payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>		
Net assets held in trust for OPEB	1,051,859	777,295
Total Liabilities and Net Assets	<u>\$ 1,051,859</u>	<u>\$ 777,295</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust
 Statements of Changes in Fiduciary Fund Net Assets
 As of December 31, 2010 and December 31, 2009

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Additions to Net Assets Attributed to:		
Contributions		
Employer	\$ 271,716	\$ 777,278
Interest Income	2,848	17
Total Additions	<u>274,564</u>	<u>777,295</u>
Deductions from Net Assets Attributed to:		
Retirement benefits	-	-
Administrative expenses	-	-
Total Deductions	<u>-</u>	<u>-</u>
Increase in Net Assets	<u>274,564</u>	<u>777,295</u>
Net Assets Held in Trust for OPEB, Beginning of Year	<u>777,295</u>	<u>-</u>
Net Assets Held in Trust for OPEB, End of Year	<u>\$ 1,051,859</u>	<u>\$ 777,295</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Notes to Financial Statements

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ALBANY COUNTY AIRPORT AUTHORITY

Notes to Financial Statements

December 31, 2010

NOTE 1 - Organization and Reporting Entity

Organization:

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

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

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

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

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

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

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

The Authority has contracted with AFCO AvPorts Management LLC, (d/b/a Avports), to manage the daily operations of the airport under a three year term expiring December 31, 2015. The Authority has also contracted with 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 is not involved in any joint ventures.

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

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting:

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

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

Revenues from airlines, FBO operations, concessions, property rentals, operating permits, and parking fees are reported as operating revenues. All expenses related to operating the Airport are reported as expenses.

Passenger facility charges, noncapital grants, capital improvement charges, interest and investment income are reported as non-operating income. Interest expense, financing costs and grant expenses are reported as non-operating expenses. Capital contributions, special and extraordinary items are reported separately after non-operating revenues and non-operating expenses.

Cash, Cash Equivalents and Investments:

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

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

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

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

Receivables:

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

Restricted Assets:

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

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

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

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

Capital Assets:

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

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

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

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

Capitalization of Interest:

Interest costs incurred that relate to the acquisition or construction of capital assets acquired with tax-exempt debt are capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested debt proceeds over the same period. Capitalized interest cost is prorated to completed projects based on the completion date of each project. No interest was capitalized in 2010 or 2009.

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

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

Capital Contributions:

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

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

Revenue Recognition:

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

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

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

Special Items and Extraordinary Items:

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

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

Passenger Facility Charges:

Passenger Facility Charges (PFC) at the rate of \$3 per enplaned passenger have been levied by the Airport since March 1, 1994 under an FAA approved application to impose \$40,726,364 with collection thereof estimated to be complete in the year 2005. During 1996, the Authority received approval to increase the amount of PFC collections to \$116,888,308 extending the estimated collection period through the year 2022. In 2009, the Authority received approval to change the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through 2020. Through December 31, 2010, the Authority has collected PFCs including interest earnings thereon totaling \$63,481,805.

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

The Authority previously expended \$11.2 million of PFCs on projects funded on a pay-as-you-go basis. The Authority also covenanted in the Resolution authorizing the Series 2010A Refunding Bonds to apply future PFC collections to pay a portion of the debt service related to the FAA approved projects included in the Applications. Pursuant to the Resolution, PFCs collected in one year, together with the interest earned thereon, are applied towards the debt service payments made in the subsequent year. Through December 2010, the Authority has applied \$47.8 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.

Adoption of New Accounting Standards:

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

NOTE 3 - Cash, Cash Equivalents and Investments

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

	Carrying Value		Bank Balance	
	2010	2009	2010	2009
Cash and Cash Equivalents				
Cash on hand	\$ 53,998	\$ 122,175		
Cash in bank accounts	37,044,325	38,241,761	\$ 38,444,726	\$ 40,958,678
Total Cash and Cash Equivalents	<u>37,098,323</u>	<u>38,363,936</u>		
Investments				
U.S. Treasury SLUG bond maturing 2019 at 5.073%	277,389	442,237		
Total Investments	<u>277,389</u>	<u>442,237</u>		
Total cash, cash equivalents and investments	<u>\$ 37,375,712</u>	<u>\$ 38,806,173</u>		

The Authority's deposits were secured by insurance from the Federal Depository Insurance Corporation (FDIC) covering \$2,334,517 on December 31, 2010 and \$654,684 on December 31, 2009 plus \$37,506,395 and \$40,643,523 of pledged collateral held by a third party trustee bank at December 31, 2010 and 2009, respectively. The current FDIC insurance program provides unlimited coverage on accounts that pay no interest. The majority of the Authority's bank accounts are interest bearing and not eligible for the expanded FDIC insurance program. Accordingly, FDIC insured amounts vary daily. All investments were registered in the Authority's name.

NOTE 4 - Receivables

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

	As of 12-31-10	As of 12-31-09
Airlines	\$ 1,415,334	\$ 1,275,264
Concessions	44,528	42,137
Other	792,667	690,482
Sub-Total	2,252,529	2,007,882
Less Allowances	-	-
Net Accounts Receivable	<u>\$ 2,252,529</u>	<u>\$ 2,007,882</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 12-31-10	As of 12-31-09
Opening Balance	\$ 346,157	\$ 245,665
Revenues received	-	249,539
Funds expended	-	-
Funds transferred	-	(166,175)
Interest received	1,139	17,128
Ending Balance	<u>\$ 347,296</u>	<u>\$ 346,157</u>

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

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

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

	As of 12-31-10	As of 12-31-09
Reimbursement of expenses due to/(from) County	\$ (92,194)	\$ 751,295
	<u>\$ (92,194)</u>	<u>\$ 751,295</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, 2010 and 2009 totaled \$3,601,413 and \$3,563,775, respectively, including \$1,085,890 and \$1,161,623, 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, 2010 was as follows:

	Total 12-31-09	Additions/ Deletions	Transfers	Total 12-31-10
Capital Assets that are not depreciated:				
Land and Easements	\$ 43,571,394	(169,007)	\$ 2,523,200	\$ 45,925,587
Construction in Progress	2,045,358	\$ 7,406,065	(7,697,851)	1,753,572
Total	45,616,752	7,237,058	(5,174,651)	47,679,159
Capital Assets that are depreciated:				
Buildings	201,196,025		(77,636)	201,118,389
Improvements, other than buildings	183,775,967	(650,993)	2,871,242	185,996,216
Machinery and Equipment	11,389,776		2,381,045	13,770,821
Sub-total	396,361,768	(650,993)	5,174,651	400,885,426
Less accumulated depreciation:				
Buildings	(70,142,440)	(6,698,795)		(76,841,235)
Improvements	(71,006,629)	(5,496,625)		(76,503,254)
Machinery and Equipment	(7,625,251)	(1,292,437)		(8,917,688)
Sub-total	(148,774,320)	(13,487,857)	-	(162,262,177)
Total depreciable Capital Assets, net	247,587,448	(14,138,850)	5,174,651	238,623,249
Total Capital Assets, Net	\$ 293,204,200	\$ (6,901,792)	\$ -	\$ 286,302,408

During 2010 the Authority determined that two airport improvement projects began before the 2008 recession and airline contraction are now permanently stalled and has written down the cost invested in these projects to zero by recognizing a Special Item expense of \$553,347 as an impaired asset write down. During 2010 the Authority also held land for sale pursuant to a 2008 Federal Aviation Administration Program Guidance Letter and has determined that it is likely it will sell the land for less than its' carrying value. As a result of the regulatory requirement to dispose of this land, the Authority wrote down the carrying value of the land held for disposal to the expected market value based sales proceeds less costs to dispose of it. This write down of land held for disposal has been reported as an Extraordinary Item expense of \$169,007.

NOTE 8 - Long-Term Indebtedness

A summary of the changes in the Authority's long-term indebtedness outstanding and the amount due to the County during 2010 were as follows:

	Outstanding at 12-31-09	Additions	Deletions	Outstanding at 12-31-10	Due Within One Year
Authority Revenue Bonds/Debt Obligations					
Bonds Payable					
1998 GARB Series B & C	\$ 17,570,000	\$ -	\$ (17,570,000)	\$ -	\$ -
1999 NYS EFC	4,452,000	-	(546,113)	3,905,887	375,887
2000 GARB Series B	12,105,000	-	(12,105,000)	-	-
2003 GARB Series A	5,945,000	-	(535,000)	5,410,000	555,000
2004 NYS EFC	175,000	-	(35,000)	140,000	35,000
Unamortized Swaption Loan	4,416,250	-	(4,416,250)	-	-
2006 GARB Series A & B	12,850,000	-	(505,000)	12,345,000	525,000
2006 GARB Series C	6,075,000	-	(135,000)	5,940,000	140,000
2008 Series A Refunding	77,720,000	-	(77,720,000)	-	-
2010 Series A Refunding		105,745,000	(990,000)	104,755,000	5,235,000
2010 Series B Refunding		4,110,000	-	4,110,000	765,000
Total Bonds Payable	141,308,250	109,855,000	(114,557,363)	136,605,887	7,630,887
Deferred Loss on Refunding	(3,313,006)	(16,252,631)	4,058,174	(15,507,463)	(2,202,620)
Unamortized Premiums/Discounts (net)	-	6,677,456	(323,054)	6,354,402	934,992
Net Bonds Payable	137,995,244	100,279,825	(110,822,243)	127,452,826	6,363,259
Obligation for County of Albany Bonds (net)	3,418,256	-	(963,847)	2,454,409	943,731
Total Long-term Indebtedness	\$ 141,413,500	\$ 100,279,825	\$ (111,791,905)	\$ 129,907,235	\$ 7,306,990

Authority Outstanding Debt Issues:

1998 Series B General Airport Revenue Bonds

In 1998, the Authority issued 1998 Series B and 1998 Series C General Airport Revenue Bond totaling \$30,695,000 under a common plan of finance to be repaid in level annual debt service payments through December 15, 2018. The Series 1998 C bonds were fully redeemed as of December 15, 2009.

The Series 1998 B (non AMT) issue totaling \$18,455,000 was issued to finance, in part, the construction of a 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.

On August 10, 2010 the 1998 Series B bonds that remained outstanding in the principal amount of \$17,570,000 were refunded by a portion of the 2010 Series A Refunding Bonds (non AMT) maturing over the same period at a reduced interest cost to lower the cost of borrowing on the remaining maturities.

1999 Series A NYS Environmental Facilities Corporation Bonds

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

EFC on the remaining partially subsidized bonds then outstanding was amended and restated to lower the Authority's cost of borrowing on the remaining bonds outstanding. The net carrying amount on the 1999 Series A EFC Airport Revenue Bonds consists of the following:

	As of 12-31-10	As of 12-31-09
1999 Series A Airport Revenue Bond Issue:		
Principal paid annually on October 1, in payments of \$375,887 in 2011 to \$699,000 in 2019 with interest at 0.972% to 3.382% due semi-annually on April 15 and October 15	\$ 3,905,887	\$ 4,452,000
Less amortization of:		
Deferred Loss	(17,838)	--
Cost of Issuance	(12,089)	(36,046)
Net 1999 Series A Revenue Bond net carrying amount	3,875,960	4,415,954
Less current portion including amortization	370,527	370,387
Long - Term Portion	<u>\$ 3,505,433</u>	<u>\$ 4,045,567</u>

Maturities of the long-term 1999 Series A Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2010:

Year Ended	Principal	Interest	Int. Subsidy	Total
2011	\$ 375,887	\$ 61,795	\$ (26,907)	\$ 410,775
2012	385,000	60,600	(25,819)	419,781
2013	390,000	57,493	(24,265)	423,228
2014	396,000	53,528	(22,283)	427,245
2015	401,000	48,579	(19,808)	429,770
2016-2019	1,958,000	124,204	(44,178)	2,038,027
TOTAL	<u>\$ 3,905,887</u>	<u>\$ 406,199</u>	<u>\$ (163,260)</u>	<u>\$ 4,148,826</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 the New York State Police Executive Hangar. The State Police Executive Hangar is used as the aircraft and maintenance support facilities for the State of New York. These bonds as issued matured over thirty years ending in 2030.

On August 10, 2010 the 2000 Series B bonds that remained outstanding in the principal amount of \$12,105,000 were refunded by a portion of the 2010 Series A (non AMT) Refunding bonds maturing over the same period as the original term on the bonds then outstanding.

2003 Series A General Airport Revenue Bonds

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

	As of 12-31-10	As of 12-31-09
2003 Series A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$555,000 in 2011 to \$135,000 in 2033 with interest at 3.0% to 4.25% due semi-annually on June 15 and December 15	\$ 5,410,000	\$ 5,945,000
Less amortization of:		
Cost of Issuance	<u>(274,072)</u>	<u>(271,906)</u>
Net 2003 Series A GARB net carrying amount	5,135,928	5,673,094
Less current portion including amortization	<u>557,033</u>	<u>539,784</u>
Long - Term Portion	<u>\$ 4,578,895</u>	<u>\$ 5,133,310</u>

Maturities of the long-term 2003 Series A General Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2010:

Year Ended	Principal	Interest	Total
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	335,000	129,844	464,844
2016-2020	1,400,000	477,587	1,877,587
2021-2025	710,000	274,080	984,080
2026-2030	540,000	151,086	691,086
2031-2033	380,000	32,937	412,937
TOTAL	<u>\$ 5,410,000</u>	<u>\$ 1,733,061</u>	<u>\$ 7,143,061</u>

2004 Series B NYS Environmental Facilities Corporation Bonds

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

	As of 12-31-10	As of 12-31-09
2004 Series B Airport Revenue Bond Issue:		
Principal paid annually on November 15, in payments of \$35,000 in 2011 to \$70,000 in 2013 with interest at 2.955% to 3.375% due semi-annually on May 15 and November 15	\$ 140,000	\$ 175,000
Less amortization of:		
Cost of Issuance	<u>(1,855)</u>	<u>(2,318)</u>
Net 2004 Series B issue net carrying amount	138,145	172,682
Less current portion including amortization	<u>34,537</u>	<u>34,537</u>
Long - Term Portion	<u>\$ 103,608</u>	<u>\$ 138,145</u>

Maturities of the long-term on the 2004 Series B Airport Revenue Bond issue will require the following principal and interest payments (excluding amortization of deferred items) based on the amounts outstanding at December 31, 2010:

Year Ended	Principal	Interest	Int. Subsidy	Total
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>\$ 140,000</u>	<u>\$ 10,344</u>	<u>\$ (4,008)</u>	<u>\$ 146,336</u>

2006 Series A & B General Airport Revenue Bonds

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

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

	As of 12-31-10	As of 12-31-09
2006 Series A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$500,000 in 2020 to \$1,080,000 in 2026 with interest at 4.25% to 5.0% due semi-annually on June 15 and December 15	\$ 6,315,000	\$ 6,315,000
Less Amortization of:		
Cost of Issuance	<u>4,229</u>	<u>4,229</u>
Net 2006 Series A GARB net carrying amount	6,319,229	6,319,229
Less current portion including amortization	<u>—</u>	<u>—</u>
Long - Term Portion	<u>\$ 6,319,229</u>	<u>\$ 6,319,229</u>

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

Year Ended	Principal	Interest	Total
2011	\$ -	\$ 290,650	\$ 290,650
2012	-	290,650	290,650
2013	-	290,650	290,650
2014	-	290,650	290,650
2015	-	290,650	290,650
2016-2020	500,000	1,453,250	1,953,250
2021-2025	4,735,000	897,675	5,632,675
2026	1,080,000	48,600	1,128,600
TOTAL	<u>\$ 6,315,000</u>	<u>\$ 3,852,775</u>	<u>\$ 10,167,775</u>

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

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

	As of 12-31-10	As of 12-31-09
2006 Series B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$525,000 in 2011 to \$300,000 in 2020 with interest at 4.5% to 4.75% due semi-annually on June 15 and December 15	\$ 6,030,000	\$ 6,535,000
Less Amortization of:		
Cost of Issuance	<u>10,191</u>	<u>12,135</u>
Net 2006 Series B GARB net carrying amount	6,040,191	6,547,135
Less current portion including amortization	<u>526,895</u>	<u>506,944</u>
Long - Term Portion	<u>\$ 5,513,296</u>	<u>\$ 6,040,191</u>

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

Year Ended	Principal	Interest	Total
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	635,000	179,312	814,312
2016-2020	3,140,000	416,337	3,556,337
TOTAL	<u>\$ 6,030,000</u>	<u>\$ 1,585,662</u>	<u>\$ 7,615,662</u>

2006 Series C General Airport Revenue Bonds

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

	As of 12-31-10	As of 12-31-09
2006 Series C General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$140,000 in 2011 to \$380,000 in 2035 with interest at 4.0% to 4.25% due semi-annually on June 15 and December 15	\$ 5,940,000	\$ 6,075,000
Less amortization of:		
Cost of Issuance	<u>(106,508)</u>	<u>(108,482)</u>
Net 2006 Series C GARB net carrying amount	5,833,492	5,966,518
Less current portion including amortization	<u>137,668</u>	<u>133,026</u>
Long - Term Portion	<u>\$ 5,695,824</u>	<u>\$ 5,833,492</u>

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

Year Ended	Principal	Interest	Total
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	165,000	237,863	402,863
2016-2020	920,000	1,085,477	2,005,477
2021-2025	1,130,000	877,651	2,007,651
2026-2030	1,395,000	615,763	2,010,763
2031-2035	1,735,000	266,925	2,001,925
TOTAL	<u>\$ 5,940,000</u>	<u>\$ 4,095,931</u>	<u>\$ 10,035,931</u>

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

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. 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.

On August 10, 2010 the 2008 Series A bonds that remained outstanding in the principal amount of \$77,720,000 were refunded by a portion of the 2010 Series A Refunding Bonds (non AMT) maturing over a period ending December 15, 2026, which is three years longer than the original bonds.

2010 Series A General Airport Revenue Refunding Bonds

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

	As of 12-31-10	As of 12-31-09
2010 Series A General Airport Revenue Refunding Bond Issue:		
Principal paid annually on December 15, in payments of \$5,235,000 in 2011 to \$690,000 in 2030 with interest at 2.00% to 5.00% due semi-annually on June 15 and December 15	\$ 104,755,000	N/A
Plus amortization of:		
Bond Premium	6,354,402	
Less amortization of:		
Deferred Loss on Refunding	(14,473,364)	
Cost of Issuance	(1,855,017)	N/A
Net 2010 Series A GARB issue net carrying amount	94,781,021	N/A
Less current portion including amortization	4,098,233	N/A
Long - Term Portion	<u>\$ 90,682,788</u>	<u>N/A</u>

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

Year Ended	Principal	Interest	Total
2011	\$ 5,235,000	\$ 4,397,881	\$ 9,632,881
2012	5,335,000	4,293,181	9,628,181
2013	5,505,000	4,124,481	9,629,481
2014	5,675,000	3,959,331	9,634,331
2015	5,845,000	3,789,081	9,634,081
2016-2020	33,330,000	14,573,106	47,903,106
2021-2025	33,585,000	6,972,406	40,557,406
2026-2030	10,245,000	762,038	11,007,038
TOTAL	<u>\$ 104,755,000</u>	<u>\$ 42,871,506</u>	<u>\$ 147,626,506</u>

2010 Series B General Airport Revenue Refunding Bonds

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

	As of 12-31-10	As of 12-31-09
2010 Series B General Airport Revenue Refunding Bond Issue:		
Principal paid annually on December 15, in payments of \$765,000 in 2011 to \$885,000 in 2015 with interest at 3.03% to 4.60% due semi-annually on June 15 and December 15	\$ 4,110,000	N/A
Less amortization of:		
Deferred Loss on Refunding	(1,016,261)	
Cost of Issuance	<u>(54,313)</u>	<u>N/A</u>
Net 2010 Series B GARB issue net carrying amount	3,039,426	N/A
Less current portion including amortization	<u>416,619</u>	<u>N/A</u>
Long - Term Portion	<u>\$ 2,622,807</u>	<u>N/A</u>

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

Year Ended	Principal	Interest	Total
2011	\$ 765,000	\$ 159,718	\$ 924,718
2012	790,000	136,538	926,538
2013	820,000	108,651	928,651
2014	850,000	76,835	926,835
2015	885,000	40,710	925,710
Total	<u>\$ 4,110,000</u>	<u>\$ 522,452</u>	<u>\$ 4,632,452</u>

Refunding of Debt

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

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

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

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

The impact of these refundings is summarized below:

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

Terminated Hedging Derivative Associated with Refunded Debt

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

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

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

Debt Issued by the County:

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

	As of 12-31-10	As of 12-31-09
1993 Drainage System:		
Principal paid annually on October 1, in payments ranging from \$273,731 in 2011 to \$81,180 in 2014 with interest at 3.3% to 5.0% due semi-annually on April 1 and October 1	\$ 719,409	\$ 998,256
Less amortization of:		
Discount	(11,796)	(17,696)
Bond Issue Costs	(14,087)	(17,845)
Accretion of capital appreciation	281,021	257,366
	974,547	1,220,081
2002 Refunding:		
Principal paid annually on June 1, in payments ranging from \$670,000 in 2011 to \$410,000 in 2013 with interest at 5.35% to 5.85% due semi-annually on June 1 and December 1	1,735,000	2,420,000
Less amortization of Deferred Refunding	(10,085)	(18,267)
	1,724,915	2,401,733
Total County Bond Issues outstanding	2,699,462	3,621,814
Less current portion including amortization	953,276	963,847
Long-Term Portion	\$ 1,746,186	\$ 2,657,967

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, 2010:

Year Ended	Principal	Interest	Total
2011	\$ 943,731	\$ 84,053	\$ 1,027,784
2012	926,422	46,189	972,611
2013	503,074	202,338	705,412
2014	81,180	181,665	262,845
TOTAL	<u>\$ 2,454,407</u>	<u>\$ 514,245</u>	<u>\$ 2,968,652</u>

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

	Current	Long-Term	Total
Authority Revenue Bonds/Debt Obligations			
1999 NYS EFC	\$ 370,527	\$ 3,505,433	\$ 3,875,960
2003 GARB Series A	557,033	4,578,895	5,135,928
2004 NYS EFC	34,537	103,608	138,145
2006 GARB Series A & B	526,895	11,832,525	12,359,420
2006 GARB Series C	137,668	5,695,824	5,833,492
2010 Refunding Series A	4,098,233	90,682,788	94,781,021
2010 Refunding Series B	416,619	2,622,807	3,039,426
Total Authority Debt Obligations	\$ 6,141,512	\$ 119,021,880	\$ 125,163,392
Obligation for County of Albany Bonds (net)	953,276	1,746,186	2,699,462
Total Long-term Indebtedness	<u>\$ 7,094,788</u>	<u>\$ 120,768,066</u>	<u>\$ 127,862,854</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, 2010, the Authority had \$136.6 million of principal debt outstanding (excluding amortization and cost of issuance) issued exclusively by the Authority which does not include the reimbursement of debt obligations issued by the County and the Authority's cost of issuances and original issue discounts.

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

- that transactions entered into under the policy must be for a market transaction for which competing good faith quotations may be obtained at the discretion of the Authority and with the advice and recommendation of the Authority's swap advisor, and other financial professionals;
- that transactions should produce material economic benefit believed to not otherwise be attainable under the current existing market conditions, or existing conventional debt structures, and improve the flexibility of debt management strategies;
- employ a structure that will attempt to minimize any additional floating rate basis risk, tax law risk or credit risk to the Authority and justify the acceptance of these risks for a particular transaction, based on the additional benefits to the Authority; and
- limits the total amount of derivative financial product transactions so as not to exceed thirty-three percent (33%) of the total authorized debt limit of the Authority (currently \$285 million).

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

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

NOTE 9 - Capital Contributions and Net Assets

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

	Inception To Date	Year Ended 2010	Year Ended 2009
County of Albany	\$ 46,824,500	\$ -	\$ -
Federal	112,735,936	5,677,608	6,291,022
State	66,530,555	206,370	233,916
Total	<u>\$ 226,090,991</u>	<u>\$ 5,883,978</u>	<u>\$ 6,524,938</u>

Unrestricted net assets consist of the following:

	2010	2009
Designation of unrestricted net assets		
Operations and maintenance reserve	\$ 8,210,345	\$ 7,336,276
Renewal and replacement reserve	501,647	505,691
Total designations	8,711,992	7,841,967
Undesignated unrestricted net assets	2,325,754	3,123,333
Total unrestricted net assets	<u>\$ 11,037,746</u>	<u>\$ 10,965,300</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 2010, 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 \$588,010 for the Rates & Charges Settlements and \$956,777 for their share of the revenue sharing. In 2009, the airlines were given credit for \$119,882 as part of the final settlement for 2009.

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 2010 of \$8,348,088 by \$1,582,746. In 2009 the revenues exceeded the MAG amounts due of \$8,331,493 by \$578,207. 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:

2011	\$	7,538,393
2012		7,265,469
2013		7,299,669
2014		7,134,845
2015		7,199,016
2016-2031		37,822,417
Total	\$	<u>74,259,809</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, 2010, 2009 and 2008 were \$183,191, \$130,695 and \$129,096, respectively, or

approximately 11.3%, 7.6% and 7.6%, respectively of the covered employees' payrolls. The Authority's contributions made to the Systems were equal to 100% of the required contributions for each year.

NOTE 13 - Other Post Employment Benefits (OPEB)

During 2009 the Authority adopted a formal written OPEB plan and created a legally separate trust to accumulate resources to fund the Authority's obligation to pay for OPEB benefits under the plan. The OPEB plan provides that all full-time and regular part-time employees with ten or more years of service with the Authority (including any years with the State of New York or County of Albany immediately preceding becoming an Authority employee) who retire from the Authority and are collecting retirement benefits through the New York State and Local Employees' Retirement System, shall receive health insurance benefits from the Authority as a retired employee. Such benefits shall be equal to the health insurance benefits received by the employee at the time of their retirement and the costs thereof to the retired employee shall be at the same rate or percentage sharing the employee was paying at the time of their retirement. A qualifying retiree's surviving spouse and eligible 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. The OPEB liability at transition was zero. The accrued liability is based upon an actuarial valuation that reflects a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Albany County Airport Authority OPEB Trust has issued a separate financial statement which may be obtained by contacting the Albany County Airport Authority OPEB Trustee c/o the Albany County Airport Authority, 737 Albany Shaker Road, Administration Building, Suite 204, Albany, NY 12211-1057.

The Authority used the following facts, actuarial methods and assumptions in determination of the OPEB liability and 2010 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 2011 and gradually decline to 5% in 2015 and thereafter.
- The actuarial cost method chosen was the "Entry Age Actuarial Cost Method"
- The Unfunded Actuarial Accrued Liability and Annual Required Contribution was calculated using the Alternative Measurement Method
- Actuarial table used was RP2000 Mortality Table for Males and Females Projected 10 years

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

Annual Required Contribution.....	\$271,016
Interest on Net OPEB Obligation	\$(3,699)
Adjustment to the Annual Required Contribution.....	\$4,370
Annual OPEB Cost (Expense)	\$272,387
Age Adjusted Contributions Made	\$271,716
Change in Net OPEB Obligation (NOO)	<u>\$671</u>
Net OPEB Obligation (NOO) – Beginning of Year.....	<u>\$(121,674)</u>
Net OPEB Obligation (NOO) (Asset) – End of Year	\$(121,003)

During 2010 the Authority made \$271,227 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, 2010
Actuarial Value of Assets (a).....	\$1,051,859
Actuarial Accrued Liability (b)	\$3,157,605
Unfunded Actuarial Accrued Liability (UAAL) (b-a).....	\$2,105,746
Funded Ratio (a/b)	33.31%
Covered Payroll (c)	\$1,858,000
UAAL as a Percentage of Covered Payroll ((b-a)/c).....	113.33%

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

	2010	2009	2008
Annual OPEB cost	\$ 272,387	\$ 251,404	\$ 437,689
Age adjusted contribution	\$ 271,716	\$ 794,119	\$ 16,648
Percentage of annual OPEB cost contributed	99.8%	315.9%	3.8%
Net OPEB obligation (asset)	\$ (121,003)	\$ (121,674)	\$ 421,041

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

NOTE 14 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts and named the operator of the Airport, AFCO AvPorts Management LLC (AvPorts) as an additional insured. In addition, the FBO, 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, 2010 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, 2010. There was no reduction in insurance coverage during 2010. Changes in the balance of claims paid directly by the Authority during the past three years are as follows:

	Year Ended 2010	Year Ended 2009	Year Ended 2008
Unpaid claims, beginning of year	\$ -	\$ -	\$ -
Claims incurred	6,509	39,823	2,934
Claims paid	(6,509)	(39,823)	(2,934)
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 initially expiring December 31, 2010, subject optional extension. The agreement has been extended through December 31, 2015. Operational centers include the airfield, terminal, parking, ARFF, operations, security and vehicle and equipment maintenance. AvPorts receives full reimbursement of all their on-airport pre-approved related expenses plus a base management fee of \$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, 2010, the Authority has outstanding contractual commitments for completion of certain capital improvement projects totaling \$5.2 million of which an estimated 61% 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 62.8% of accounts receivable and airline revenues represent 26.3% of operating revenues for the year ended December 31, 2010.

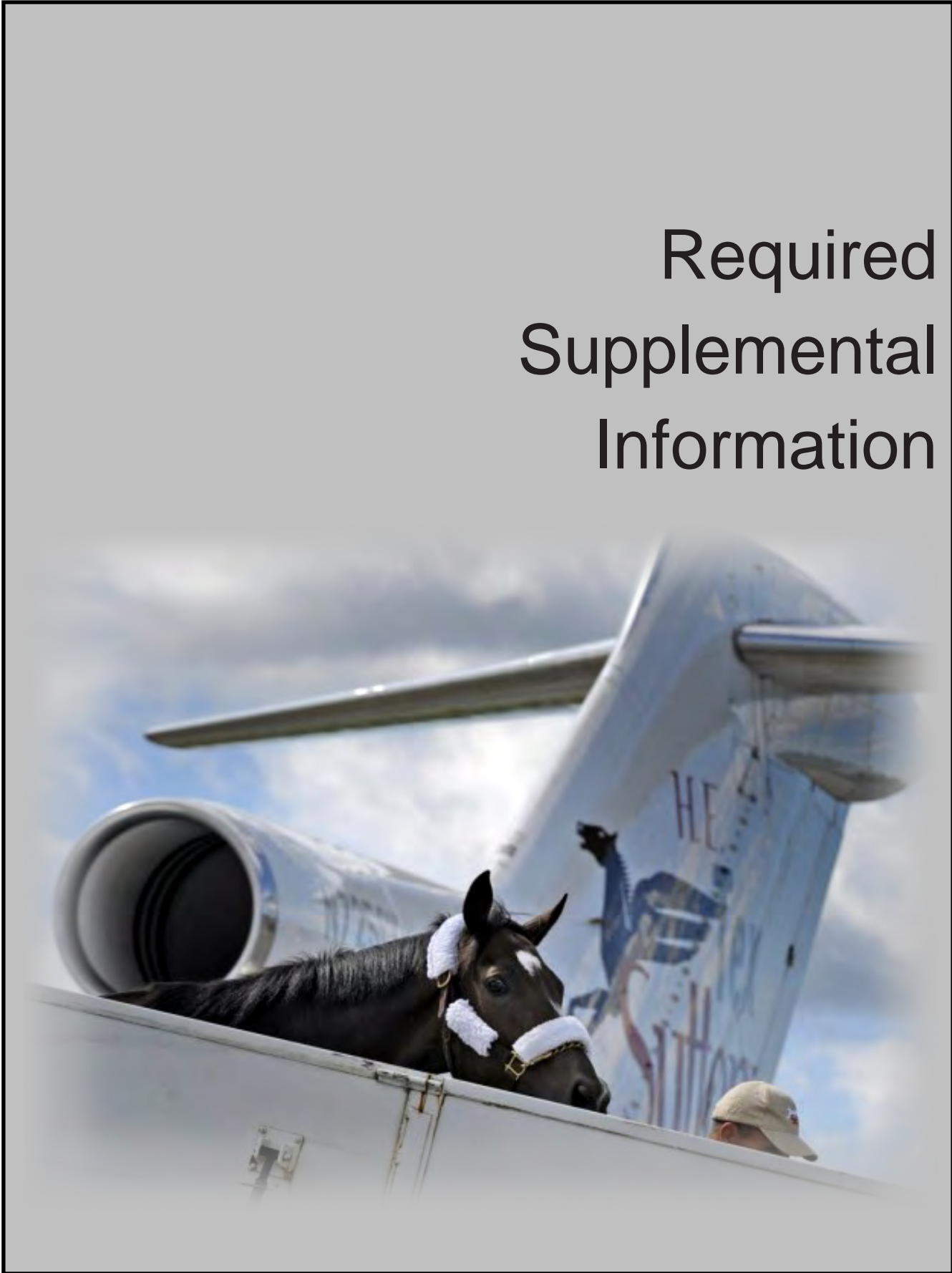
Environmental Remediation - Pursuant to the enabling legislation creating the Authority, the Airport completed an environmental audit in 1994. It is the opinion of the Authority that all audit findings have been resolved with no material adverse effect on the financial position of the Authority. In prior 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, 2010 and 2009 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.

Required Supplemental Information



Albany County Airport Authority OPEB Trust
 Schedule of Funding Progress
 December 31, 2010

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, 2010	\$ 1,051,859	\$ 3,157,605	\$ (2,105,746)	33.31%	1,858,000	-113.33%
December 31, 2009	\$ 777,295	\$ 2,506,648	\$ (1,729,353)	31.01%	1,858,000	-93.08%
December 31, 2008	\$ -	\$ 3,226,067	\$ (3,226,067)	0.00%	1,881,000	-171.51%

Other Supplemental Information



Albany County Airport Authority
Debt Service Requirements to Maturity

AIRPORT AUTHORITY - TOTAL
GENERAL AIRPORT REVENUE BONDS AND EFC BONDS

YEAR	Principal	Interest	Interest Subsidy	Authority Total
2011	\$7,630,887	\$5,655,715	(\$28,911)	\$13,257,690
2012	7,810,000	5,476,957	(27,155)	13,259,802
2013	8,095,000	5,227,126	(24,933)	13,297,193
2014	8,021,000	4,972,970	(22,283)	12,971,687
2015	8,266,000	4,716,069	(19,808)	12,962,261
2016	8,567,000	4,407,925	(16,856)	12,958,069
2017	8,988,000	4,001,974	(13,277)	12,976,697
2018	9,334,000	3,647,713	(9,241)	12,972,472
2019	7,359,000	3,208,798	(4,802)	10,562,996
2020	7,000,000	2,863,550	-	9,863,550
2021	7,350,000	2,519,993	-	9,869,993
2022	7,705,000	2,173,012	-	9,878,012
2023	8,090,000	1,793,406	-	9,883,406
2024	8,340,000	1,436,087	-	9,776,087
2025	8,675,000	1,099,313	-	9,774,313
2026	9,080,000	700,463	-	9,780,463
2027	980,000	284,638	-	1,264,638
2028	1,030,000	242,987	-	1,272,987
2029	1,060,000	198,412	-	1,258,412
2030	1,110,000	150,987	-	1,260,987
2031	435,000	101,325	-	536,325
2032	455,000	82,050	-	537,050
2033	480,000	60,237	-	540,237
2034	365,000	37,250	-	402,250
2035	380,000	19,000	-	399,000
TOTAL	<u>\$136,605,887</u>	<u>\$55,077,960</u>	<u>(\$167,268)</u>	<u>\$191,516,578</u>

Albany County Airport Authority
Debt Service Requirements to Maturity

COMBINED COUNTY AND AUTHORITY

YEAR	Total			Total
	Principal	Interest	Interest Subsidy	
2011	\$8,574,618	\$5,739,768	(\$28,911)	\$14,285,474
2012	8,736,422	5,523,145	(27,155)	14,232,413
2013	8,598,074	5,429,464	(24,933)	14,002,605
2014	8,102,180	5,154,635	(22,283)	13,234,532
2015	8,266,000	4,716,069	(19,808)	12,962,261
2016	8,567,000	4,407,925	(16,856)	12,958,069
2017	8,988,000	4,001,974	(13,277)	12,976,697
2018	9,334,000	3,647,713	(9,241)	12,972,472
2019	7,359,000	3,208,798	(4,802)	10,562,996
2020	7,000,000	2,863,550	-	9,863,550
2021	7,350,000	2,519,993	-	9,869,993
2022	7,705,000	2,173,012	-	9,878,012
2023	8,090,000	1,793,406	-	9,883,406
2024	8,340,000	1,436,087	-	9,776,087
2025	8,675,000	1,099,313	-	9,774,313
2026	9,080,000	700,463	-	9,780,463
2027	980,000	284,638	-	1,264,638
2028	1,030,000	242,987	-	1,272,987
2029	1,060,000	198,412	-	1,258,412
2030	1,110,000	150,987	-	1,260,987
2031	435,000	101,325	-	536,325
2032	455,000	82,050	-	537,050
2033	480,000	60,237	-	540,237
2034	365,000	37,250	-	402,250
2035	380,000	19,000	-	399,000
TOTAL	\$139,060,294	\$55,592,204	(\$167,268)	\$194,485,230

Albany County Airport Authority
Governmental Payments and Services
For the Years Ended December 31, 2010 and 2009

	2010	2009
FEDERAL AVIATION ADMINISTRATION (FAA)		
Runway 1-19 Airways Facilities Relocation	\$ 4,082	\$ -
UNITED STATES - Department of Agriculture		
Dept. of Agriculture - Wildlife Management Program	39,917	13,192
STATE OF NEW YORK		
Department of Civil Service - Health Insurance	358,749	359,059
State and Local Employees' Retirement System	199,743	133,534
Unemployment Insurance	3,859	551
Dept. of Environmental Conservation-Oil Spill Fee	6,750	3,546
Dept. of Taxation & Finance-Sales Tax	249,869	299,552
Dept. of Taxation & Finance-Petroleum Business Tax	89,331	106,143
Dept. of Transportation	-	220,000
Air Pollution & SPDES Program Fees	2,125	1,894
Total State of New York	910,426	1,124,279
COUNTY OF ALBANY		
Direct Costs:		
County Clerk	240	60
Dept of Consumer Affairs/Weights and Measures	40	
Sheriff	2,429,952	2,266,635
Code Enforcement	10,000	10,000
Dept of Public Works - Salt for Roadways	54,011	102,782
Sewer District Charges	10,280	9,080
Sub Total	2,504,523	2,388,557
County Indirect Cost Allocation Plan	11,000	13,595
Debt Service - Bond Principal & Interest	1,085,890	1,161,623
Total County of Albany	3,601,413	3,563,775
LATHAM WATER DISTRICT - Water Service	112,971	92,764
TOWN OF COLONIE, RECEIVER OF TAXES		
Sewer Taxes	75,362	76,525
Verdoy Fire Dept.	1,557	2,325
Albany County Tax	4,286	8,231
Town of Colonie Tax	2,711	6,137
School Taxes - North Colonie	19,392	22,973
Total Town of Colonie, Receiver of Taxes	103,308	116,191
TOWN OF COLONIE		
Landfill Charges	138	1,544
Runway #28 Water Tank Relocation:		
Engineering Services	195,128	507,373
Utility Easements	19,193	195,034
Construction Services	3,084,651	4,371,416
Total Town of Colonie	3,299,110	5,075,367
VILLAGE OF COLONIE		
Wastewater Conveyance	7,500	7,500
TOTAL PAYMENTS TO OTHER GOVERNMENTAL ENTITIES	\$ 8,078,727	\$ 9,993,068

Statistical



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

	2001	2002	2003	2004
REVENUES				
Airfield	\$ 6,746,631	\$ 7,019,194	\$ 8,280,150	\$ 8,393,905
Fixed Based Operations	-	-	-	-
Terminal	5,554,460	6,783,704	7,297,162	7,236,402
Concessions	4,120,911	4,070,543	4,008,054	4,575,990
Ground transportation	8,798,313	8,562,950	9,048,073	10,233,061
Other	2,577,134	2,682,166	3,167,570	3,652,982
	<u>27,797,449</u>	<u>29,118,557</u>	<u>31,801,009</u>	<u>34,092,340</u>
OTHER REVENUES				
Interest income	1,745,503	522,038	366,157	375,317
Passenger Facility Charges	4,513,604	4,125,044	3,871,885	4,378,871
Grant income	-	-	-	-
Insurance recovery	-	-	-	-
Investments received	-	-	-	-
Improvement charges	276,300	276,300	276,300	276,300
	<u>6,535,407</u>	<u>4,923,382</u>	<u>4,514,342</u>	<u>5,030,488</u>
TOTAL REVENUES	<u>34,332,856</u>	<u>34,041,939</u>	<u>36,315,351</u>	<u>39,122,828</u>
EXPENSES				
Salaries and benefits	9,220,935	9,450,926	9,937,522	10,247,096
Services and supplies	9,558,428	9,980,135	11,574,119	12,346,379
Depreciation	9,203,633	10,084,325	10,617,922	11,210,367
	<u>27,982,996</u>	<u>29,515,386</u>	<u>32,129,563</u>	<u>33,803,842</u>
OTHER EXPENSES				
Property damage	-	-	-	-
Grant expense	-	-	-	-
Interest expense	8,092,198	7,732,596	7,780,055	7,675,355
Amortization of bond issuance costs	83,733	82,996	91,339	117,988
Decrease in fair value of investments	-	-	-	-
	<u>8,175,931</u>	<u>7,815,592</u>	<u>7,871,394</u>	<u>7,793,343</u>
TOTAL EXPENSES	<u>36,158,927</u>	<u>37,330,978</u>	<u>40,000,957</u>	<u>41,597,185</u>
Capital Contributions	5,090,319	4,202,431	16,890,954	7,524,212
Special Item	-	-	-	-
Extraordinary Item	-	-	-	-
INCREASE IN NET ASSETS	<u>\$ 3,264,248</u>	<u>\$ 913,392</u>	<u>\$ 13,205,348</u>	<u>\$ 5,049,855</u>
NET ASSETS AT YEAR END COMPOSED OF:				
Investment in Capital Assets, net of Related Debt	\$ 120,972,589	\$ 120,360,570	\$ 132,220,219	\$ 135,120,442
Restricted	15,940,542	16,913,925	17,069,227	17,694,772
Unrestricted	2,869,355	3,421,383	4,611,780	6,135,867
	<u>\$ 139,782,486</u>	<u>\$ 140,695,878</u>	<u>\$ 153,901,226</u>	<u>\$ 158,951,081</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,

2005	2006	2007	2008	2009	2010
\$ 7,605,974	\$ 5,881,654	\$ 5,597,334	\$ 6,828,222	\$ 7,303,064	\$ 6,249,734
1,637,840	7,307,383	8,817,614	10,193,452	7,579,581	8,339,501
8,826,365	7,406,907	7,574,748	7,689,690	6,513,311	5,760,454
5,124,925	5,269,221	5,686,723	5,480,004	6,044,347	6,135,012
10,971,728	10,885,205	11,340,151	11,122,678	10,818,594	10,695,016
3,341,100	3,366,356	3,618,200	4,361,254	3,991,942	3,772,841
37,507,932	40,116,726	42,634,770	45,675,300	42,250,839	40,952,558
789,591	1,193,635	1,810,589	836,612	265,017	196,224
4,314,667	4,165,815	4,081,962	3,716,492	4,077,806	5,043,851
-	-	-	2,501,420	5,480,166	3,442,758
-	184,000	2,929	-	-	-
-	-	297,413	-	-	-
276,300	276,300	276,300	276,300	368,400	368,400
5,380,558	5,819,750	6,469,193	7,330,824	10,191,389	9,051,233
42,888,490	45,936,476	49,103,963	53,006,124	52,442,228	50,003,791
11,851,491	12,299,502	12,302,838	12,706,397	12,036,671	12,532,967
15,296,745	17,578,229	19,672,084	21,524,796	17,588,812	17,354,401
11,540,462	12,315,365	12,968,042	13,626,882	14,067,322	13,585,503
38,688,698	42,193,096	44,942,964	47,858,075	43,692,805	43,472,871
-	184,000	2,929	-	-	-
-	-	-	2,794,322	4,943,468	3,013,773
7,443,523	7,188,094	7,616,204	6,751,363	6,845,764	5,961,984
133,659	61,003	77,677	125,335	130,653	145,928
-	-	126,600	26,614	82,204	-
7,577,182	7,433,097	7,823,410	9,697,634	12,002,089	9,121,685
46,265,880	49,626,193	52,766,374	57,555,709	55,694,894	52,594,556
17,048,492	13,738,847	4,825,854	8,379,148	6,524,938	5,883,974
-	-	-	-	-	(553,347)
-	-	-	-	-	(169,007)
\$ 13,671,102	\$ 10,049,130	\$ 1,163,443	\$ 3,829,563	\$ 3,272,272	\$ 2,570,855
\$ 147,526,592	\$ 154,937,110	\$ 155,507,466	\$ 159,048,126	\$ 161,268,212	\$ 165,929,895
17,972,351	19,259,403	19,100,901	18,634,971	18,703,079	16,539,805
7,123,240	8,474,800	9,226,389	9,981,222	10,965,300	11,037,746
\$ 172,622,183	\$ 182,671,313	\$ 183,834,756	\$ 187,664,319	\$ 190,936,591	\$ 193,507,446

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

	2001	2002	2003	2004
Cash Flows From Operating Activities				
Cash received from providing services	\$ 27,398,310	\$ 28,907,430	\$ 30,030,811	\$ 34,323,417
Cash paid to suppliers	(17,784,861)	(18,015,704)	(20,796,379)	(21,669,596)
Cash paid to employees	(952,716)	(1,052,565)	(826,527)	(986,392)
Net Cash Provided By Operating Activities	8,660,733	9,839,161	8,407,905	11,667,429
Cash Flows from Noncapital Financing Activities				
Grant Income	-	-	-	-
Grant Expense	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing	-	-	-	-
Cash Flows From Investing Activities				
Interest received	1,881,435	523,911	366,157	375,220
Purchase of Investments	-	-	(237,494)	-
Sale of Investments	4,000,000	-	-	237,494
Interest on Passenger Facility Charges	240,006	109,883	67,590	66,626
Net Cash Provided (Used) by Investing Activities	6,121,441	633,794	196,253	679,340
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(25,242,166)	(16,699,981)	(22,846,180)	(10,963,359)
Principal payments on bonds and notes payable	(4,228,603)	(4,436,973)	(4,691,864)	(5,298,838)
Interest paid	(8,174,887)	(7,879,154)	(7,862,118)	(7,823,638)
Payment to refunding agent	-	-	-	-
Proceeds from debt issuance	-	-	8,885,000	338,315
Proceeds from Interest rate swaption	-	-	-	-
Payment of 1997 refunding bonds	-	-	-	-
Less: Cost of Issuance	-	-	(177,700)	(5,141)
ANCLUC Trust Funds	32,549	23,304	24,601	31,896
Concession Improvement Trust Funds	71,208	71,155	74,234	82,636
Improvement charges	276,300	276,300	276,300	276,300
Capital contributions	6,342,630	4,044,486	16,324,205	8,473,103
Passenger facility charges	4,128,834	4,054,540	3,809,789	4,039,368
Net Cash Provided (Used) By Capital and Related Financing Activities	(26,794,135)	(20,546,323)	(6,183,733)	(10,849,358)
Net increase (decrease)	(12,011,961)	(10,073,368)	2,420,425	1,497,411
Cash and cash equivalents, beginning of year	45,868,593	33,856,632	23,783,264	26,203,689
Cash and cash equivalents, end of year	\$ 33,856,632	\$ 23,783,264	\$ 26,203,689	\$ 27,701,100

Source: Authority's audited financial statements

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

2005	2006	2007	2008	2009	2010
\$ 37,428,970	\$ 40,772,537	\$ 43,116,237	\$ 44,028,857	\$ 44,152,367	\$ 40,684,505
(26,122,792)	(26,620,178)	(30,878,585)	(35,545,624)	(29,110,669)	(28,261,389)
(1,091,777)	(1,120,799)	(1,190,541)	(1,257,735)	(1,248,160)	(1,154,379)
10,214,401	13,031,560	11,047,111	7,225,498	13,793,538	11,268,737
-	-	-	2,501,420	5,480,166	3,442,758
-	-	-	(2,794,322)	(4,943,468)	(3,013,773)
-	-	-	(292,902)	536,698	428,985
789,586	1,151,141	1,853,089	832,708	265,803	204,908
-	-	-	-	-	(277,389)
-	-	-	-	65,110	442,237
140,766	235,444	238,560	112,411	43,285	13,940
930,352	1,386,585	2,091,649	945,119	374,198	383,696
(23,930,371)	(20,863,387)	(15,733,030)	(8,971,021)	(7,627,276)	(8,080,522)
(5,711,504)	(5,879,556)	(6,554,932)	(6,885,016)	(8,177,659)	(3,531,847)
(7,588,462)	(7,192,138)	(7,647,211)	(7,398,066)	(6,835,858)	(5,931,827)
-	-	-	-	-	(125,391,340)
-	20,560,000	-	83,200,000	-	119,021,872
5,330,000	-	-	-	-	-
-	-	-	(82,416,000)	-	-
(344,962)	(98,929)	-	(889,198)	-	(2,007,569)
29,086	27,795	(84,659)	18,689	100,492	1,139
39,976	104,252	119,314	99,384	(183,611)	89,745
276,300	276,300	276,300	276,300	368,400	368,400
15,286,472	14,429,114	5,582,880	6,528,726	7,716,862	7,077,968
4,278,885	4,002,738	3,928,677	3,613,380	3,921,553	5,036,950
(12,334,580)	5,366,189	(20,112,661)	(12,822,822)	(10,717,097)	(13,347,031)
(1,189,827)	19,784,334	(6,973,901)	(4,945,107)	3,987,337	(1,265,613)
27,701,100	26,511,273	46,295,607	39,321,706	34,376,599	38,363,936
\$ 26,511,273	\$ 46,295,607	\$ 39,321,706	\$ 34,376,599	\$ 38,363,936	\$ 37,098,323

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

	2001	2002	2003
PRINCIPAL REVENUE SOURCES			
AIRLINE REVENUE			
Landing Fees	\$ 3,851,233	\$ 4,421,003	\$ 5,043,951
Landing Fee Surcharge	174,741	173,038	171,565
Apron Fees	791,224	678,315	782,704
Fixed Based Operations	-	-	-
Terminal Rents	4,992,621	5,447,121	6,034,518
Loading Bridge Rentals	327,545	348,716	414,277
TOTAL AIRLINE REVENUE	10,137,364	11,068,193	12,447,015
Percent of Total Revenues	29.5%	32.5%	34.3%
NON-AIRLINE REVENUES			
Parking	8,585,782	8,342,849	8,710,698
Rental Car	2,854,422	2,768,177	2,672,448
Other	6,219,881	6,939,338	7,970,848
TOTAL NON-AIRLINE REVENUES	17,660,085	18,050,364	19,353,994
Percent of Total Revenues	51.4%	53.0%	53.3%
NON-OPERATING REVENUES			
PFCs	4,513,604	4,125,044	3,871,885
Grant Income	-	-	-
Interest	1,745,503	522,038	366,157
Insurance Recovery	-	-	-
Decrease in fair value of investments	-	-	-
Other	276,300	276,300	276,300
TOTAL NON-OPERATING REVENUES	6,535,407	4,923,382	4,514,342
Percent of Total Revenues	19.0%	14.5%	12.4%
TOTAL REVENUES	\$ 34,332,856	\$ 34,041,939	\$ 36,315,351
Enplaned Passengers	1,517,858	1,476,988	1,435,848
TOTAL REVENUE PER ENPLANED PASSENGER	\$ 22.62	\$ 23.05	\$ 25.29
SIGNATORY AIRLINES RATES AND CHARGES			
Landing Fee (per 1,000 lbs MGLW)	\$ 1.97	\$ 2.18	\$ 2.62
Landing Fee Surcharge (per 1,000 lbs MGLW)	0.08	0.08	0.08
Apron Fees (per sq. foot) effective June 8, 1998	1.15	0.99	0.99
Annual Terminal Rental Rates (per sq. foot)	75.31	68.35	73.58
Annual Loading Bridge Rental (per bridge) effective June 8, 1998	25,196.00	26,824.00	34,523.00
Airline Cost per Enplanement: Airport Operations	6.68	7.49	8.67

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.

Note -

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,

2004	2005	2006	2007	2008	2009	2010
\$ 5,528,586	\$ 5,221,661	\$ 3,711,782	\$ 3,328,473	\$ 4,422,523	\$ 4,770,538	\$ 3,843,738
172,939	170,834	167,426	166,975	168,250	170,810	169,427
805,182	839,471	854,022	916,131	893,046	879,251	807,430
-	661,406	1,886,304	2,645,682	2,916,524	3,040,483	3,261,577
6,058,515	7,561,456	5,970,930	6,096,652	6,422,724	5,273,885	4,530,851
377,110	408,297	564,292	542,738	542,738	508,181	533,360
12,942,332	14,863,125	13,154,756	13,696,651	15,365,805	14,643,148	13,146,383
33.1%	34.7%	28.6%	27.9%	29.0%	27.9%	26.3%
10,039,495	10,718,645	10,639,526	11,093,567	10,886,182	10,818,593	10,428,141
2,937,657	3,414,418	3,517,740	3,785,642	3,649,493	3,902,274	4,263,770
8,172,856	8,511,744	12,804,704	14,058,910	15,773,820	12,886,824	13,114,264
21,150,008	22,644,807	26,961,970	28,938,119	30,309,495	27,607,691	27,806,175
54.1%	52.8%	58.7%	58.9%	57.2%	52.6%	55.6%
4,378,871	4,314,667	4,165,815	4,081,962	3,716,492	4,077,806	5,043,851
-	-	-	-	2,501,420	5,480,166	3,442,758
375,317	789,591	1,193,635	1,810,589	836,612	265,017	196,224
-	-	184,000	2,929	-	-	-
-	-	-	297,413	-	-	-
276,300	276,300	276,300	276,300	276,300	368,400	368,400
5,030,488	5,380,558	5,819,750	6,469,193	7,330,824	10,191,389	9,051,233
12.9%	12.5%	12.7%	13.2%	13.8%	19.4%	18.1%
\$ 39,122,828	\$ 42,888,490	\$ 45,936,476	\$ 49,103,963	\$ 53,006,124	\$ 52,442,228	\$ 50,003,791
1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381
\$ 25.13	\$ 27.66	\$ 31.73	\$ 34.09	\$ 38.40	\$ 39.76	\$ 39.55
\$ 2.53	\$ 2.36	\$ 1.82	\$ 1.81	\$ 2.71	\$ 3.11	\$ 2.42
0.08	0.08	0.08	0.08	0.08	0.10	0.10
1.02	1.04	1.05	1.10	1.48	1.46	1.49
78.10	81.98	82.58	83.42	84.00	79.61	72.65
26,936.00	29,164.00	37,619.00	36,183.00	36,978.00	36,299.00	35,532.00
8.31	9.16	7.78	7.67	8.91	8.80	7.80

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

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

	2001	2002	2003
Ratio of Authority issued Revenue Bond Debt Service to Total Expenses			
Principal	\$ 3,167,303	\$ 3,364,000	\$ 3,619,936
Interest <1>	7,487,331	7,295,703	7,361,251
Total Debt Service	\$ 10,654,634	\$ 10,659,703	\$ 10,981,187
Total Expenses	\$ 36,158,927	\$ 37,330,978	\$ 40,000,957
Ratio of Debt Service to Total Expenses	29.47%	28.55%	27.45%
Debt Service per Enplaned Passenger			
Net Debt Service	\$ 6,551,327	\$ 6,290,863	\$ 6,816,764
Enplaned Passengers	1,517,858	1,476,988	1,435,848
Debt Service per Enplaned Passenger	\$ 4.32	\$ 4.26	\$ 4.75
Outstanding Debt (Authority and County) per Enplaned Passenger			
Outstanding debt by type:			
County of Albany Debt Issued for the Authority <2>	\$ 11,980,680	\$ 10,805,655	\$ 9,668,325
General Airport Revenue Bond (GARB)	131,719,494	128,937,602	134,615,512
NYS EFC	9,341,648	8,817,441	8,292,297
Total Outstanding Debt	\$ 153,041,822	\$ 148,560,698	\$ 152,576,134
Enplaned Passengers	1,517,858	1,476,988	1,435,848
Outstanding Debt per Enplaned Passenger	\$ 101	\$ 101	\$ 106
Debt Limit per Enplaned Passenger			
Debt Limit <3>	\$ 175,000,000	\$ 175,000,000	\$ 175,000,000
Enplaned Passengers	1,517,858	1,476,988	1,435,848
Debt Limit per Enplaned Passenger	\$ 115	\$ 118	\$ 122

<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,**

2004	2005	2006	2007	2008	2009	2010
\$ 4,305,000	\$ 5,711,504	\$ 5,879,556	\$ 6,554,932	\$ 6,885,016	\$ 8,177,659	\$ 3,531,847
7,384,667	7,577,183	7,249,097	7,693,877	7,513,131	6,976,417	6,107,912
\$ 11,689,667	\$ 13,288,687	\$ 13,128,653	\$ 14,248,809	\$ 14,398,147	\$ 15,154,076	\$ 9,639,759
\$ 41,597,185	\$ 46,265,880	\$ 49,626,193	\$ 52,766,374	\$ 57,555,709	\$ 55,694,894	\$ 52,594,556
28.10%	28.72%	26.46%	27.00%	25.02%	27.21%	18.33%
\$ 7,812,290	\$ 9,182,693	\$ 8,721,259	\$ 10,010,625	\$ 10,230,911	\$ 11,428,288	\$ 5,913,971
1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381
\$ 5.02	\$ 5.92	\$ 6.02	\$ 6.95	\$ 7.41	\$ 8.67	\$ 4.68
\$ 8,560,352	\$ 7,519,274	\$ 6,527,880	\$ 5,543,982	\$ 4,580,151	\$ 3,418,256	\$ 2,454,409
130,949,190	131,855,484	148,071,630	143,175,122	137,253,661	136,681,250	132,560,000
8,100,927	7,515,515	6,920,238	6,310,821	5,694,808	4,627,000	4,045,887
\$ 147,610,469	\$ 146,890,273	\$ 161,519,748	\$ 155,029,925	\$ 147,528,620	\$ 144,726,506	\$ 139,060,296
1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381
\$ 95	\$ 95	\$ 112	\$ 108	\$ 107	\$ 110	\$ 110
\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
1,556,796	1,550,402	1,447,553	1,440,385	1,380,483	1,318,819	1,264,381
\$ 183	\$ 184	\$ 197	\$ 198	\$ 206	\$ 216	\$ 225

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

	2001	2002	2003
NET REVENUES			
Operating Revenues	\$ 27,797,449	\$ 29,118,557	\$ 31,801,009
Interest Income	1,745,503	522,038	366,157
Investments Received	-	-	-
TSA (LEO) Reimbursement	-	-	-
Improvement Charges	276,300	276,300	276,300
Total Revenues	\$ 29,819,252	\$ 29,916,895	\$ 32,443,466
LESS: Total Operating Expenses	(18,779,367)	(19,431,061)	(21,511,641)
LESS: Albany County Debt Service	(1,829,826)	(1,672,098)	(1,678,326)
Net Revenues	\$ 9,210,059	\$ 8,813,736	\$ 9,253,499
DEBT SERVICE			
1997 Revenue Bonds	\$ 6,590,453	\$ 6,638,694	\$ 6,729,880
Less: PFC Revenues used for Debt Service	(4,103,307)	(4,368,840)	(4,164,423)
1998 B & C Revenue Bonds	2,376,322	2,378,240	2,357,686
1999 NYS EFC Revenue Bonds	759,979	702,834	712,041
Less: 1999 NYS EFC Interest Subsidy	(267,645)	(249,380)	(241,545)
2000 NYS EFC Revenue Bonds	310,942	284,700	292,226
Less: 2000 NYS EFC Interest Subsidy	(49,241)	(52,455)	(46,936)
2000 B Revenue Bonds	933,824	957,070	960,790
2003 A Revenue Bonds	-	-	151,647
2004 NYS EFC Revenue Bonds	-	-	-
Less: 2004 NYS EFC Interest Subsidy	-	-	-
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
2010 A Refunding Bonds	-	-	-
2010 B Refunding Bonds	-	-	-
Less: Interest paid from bond proceeds	-	-	-
Net Debt Service	\$ 6,551,327	\$ 6,290,863	\$ 6,751,366
DEBT SERVICE COVERAGE <1>	1.41	1.40	1.37
<1> Does not include required amounts held in Bond Reserve Accounts as follows:			
1997 Revenue Bonds	\$ 8,370,000	\$ 8,370,000	\$ 8,370,000
1998 B & C Revenue Bonds	2,447,415	2,447,415	2,447,415
1999 NYS EFC Bonds	442,237	442,237	442,237
2000 NYS EFC Bonds	237,494	237,494	237,494
2000 B Revenue Bonds	926,700	926,700	926,700
2003 A Revenue Bonds	-	-	514,100
2004 NYS EFC Bonds	-	-	-
2006 A & B Revenue Bonds	-	-	-
2006 C Revenue Bonds	-	-	-
2008 A Refunding Bonds	-	-	-
2010 A Refunding Bonds	-	-	-
Total Bond Reserve Accounts	\$ 12,423,846	\$ 12,423,846	\$ 12,937,946

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,

	2004	2005	2006	2007	2008	2009	2010
\$	34,092,340	\$ 37,507,962	\$ 40,116,726	\$ 42,634,760	\$ 45,675,304	\$ 42,250,595	\$ 40,952,560
	375,317	789,591	1,193,635	1,225,878	597,990	233,567	184,276
	-	-	-	170,813	-	(79,087)	-
	-	-	-	-	-	-	428,984
	276,300	276,300	276,300	276,300	276,300	368,400	368,400
\$	34,743,957	\$ 38,573,853	\$ 41,586,661	\$ 44,307,751	\$ 46,549,594	\$ 42,773,475	\$ 41,934,220
	(22,593,481)	(27,148,236)	(29,877,731)	(31,974,921)	(34,231,189)	(29,625,492)	(29,886,704)
	(1,515,706)	(1,407,817)	(1,311,243)	(1,263,510)	(1,202,184)	(1,156,056)	(1,080,407)
\$	10,634,770	\$ 10,017,800	\$ 10,397,687	\$ 11,069,320	\$ 11,116,221	\$ 11,991,927	\$ 10,967,109
\$	6,778,459	\$ 6,907,143	\$ 6,941,298	\$ 6,989,961	\$ 388,433	\$ -	\$ -
	(3,877,378)	(4,105,994)	(4,407,394)	(4,238,184)	(4,167,236)	(3,725,788)	(2,806,622)
	2,362,420	2,363,016	2,360,300	2,358,007	2,360,653	2,444,052	1,455,142
	693,011	676,755	664,221	651,283	634,745	617,141	577,873
	(223,448)	(215,167)	(201,777)	(188,258)	(174,600)	(157,301)	(143,792)
	295,693	287,232	281,054	276,551	275,149	279,829	-
	(41,773)	(36,254)	(30,635)	(25,319)	(18,996)	(12,846)	-
	958,518	960,735	955,940	960,402	957,753	957,471	511,813
	765,337	752,027	748,049	743,885	748,863	748,637	746,692
	41,490	43,487	43,282	46,064	41,985	41,289	40,893
	(4,172)	(5,994)	(5,325)	(4,716)	(4,009)	(3,341)	(2,673)
	-	-	330,294	1,099,763	1,099,926	1,099,188	1,102,531
	-	-	-	290,356	402,054	402,048	401,838
	-	-	-	-	6,348,023	6,902,639	3,963,413
	-	-	-	-	-	-	2,707,162
	-	-	-	-	-	-	62,112
	-	-	(330,294)	(290,356)	-	-	-
\$	7,748,157	\$ 7,626,986	\$ 7,349,013	\$ 8,669,439	\$ 8,892,743	\$ 9,593,018	\$ 8,616,382
	1.37	1.31	1.41	1.28	1.25	1.25	1.27
\$	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	-
	442,237	442,237	442,237	442,237	442,237	442,237	2,777,389
	237,494	237,494	237,494	237,494	237,494	237,494	-
	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	38,831
	-	-	1,128,600	1,128,600	1,128,600	1,128,600	1,128,600
	-	-	404,263	404,263	404,263	404,263	404,263
	-	-	-	-	8,232,976	8,232,976	-
	-	-	-	-	-	-	9,523,517
\$	12,976,777	\$ 12,976,777	\$ 14,509,640	\$ 14,509,640	\$ 14,372,616	\$ 14,372,616	\$ 14,386,700

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

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

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

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

Employer	County	Product or Service	FTE Employment		2010
			2001	2010	% of Total
New York State	Albany	State Government	58,700	53,800	44.2%
United States of America	Albany	US Government Offices	9,000	6,900	5.7%
Albany Medical Center	Albany	Health Care	5,825	5,977	4.9%
Golub Corporation	Schenectady	Retail Grocery	5,909	4,135	3.4%
Hannaford Brothers	Rensselaer	Retail Food & Drugs	2,240	3,580	2.9%
St. Peter's Health Care Services	Albany	Health Care	3,200	3,494	2.9%
Northeast Health	Rensselaer	Health Care	2,955	3,377	2.8%
General Electric	Schenectady	Turbines, Industrial Machinery	9,000	3,200	2.6%
Verizon Communications	Albany	Telecommunications Services	3,030	3,000	2.5%
Ellis Hospital	Schenectady	Health Care	1,560	2,651	2.2%
KAPL, A Lockheed Martin Co.	Schenectady	Navel Nuclear Propulsion	2,650	2,600	2.1%
Center for Disability Services	Albany	Health Care	N/A	2,392	2.0%
Glens Falls Hospital	Warren	Health Care	1,785	2,285	1.9%
Albany County	Albany	County Government	2,946	2,219	1.8%
City of Schenectady School District	Schenectady	K-12 Education	1,287	2,100	1.7%
Rensselaer Polytechnic Institute	Rensselaer	Higher Education	1,485	1,908	1.6%
Shenendehowa School District	Saratoga	K-12 Education	1,257	1,900	1.6%
City of Albany	Albany	City Government	1,700	1,646	1.4%
Rensselaer County	Rensselaer	County Government	1,485	1,600	1.3%
Empire Blue Cross/Blue Shield	Albany	Health Care	1,770	1,572	1.3%
Schenectady County	Schenectady	County Government	1,485	1,500	1.2%
Seton Health Systems	Rensselaer	Health Care	1,050	1,370	1.1%
KeyCorp	Albany	Financial Services	1,950	1,317	1.1%
Stewart's Ice Cream Co., Inc.	Saratoga	Dairy Products	2,033	1,272	1.0%
Albany City School District	Albany	K-12 Education	1,458	1,270	1.0%
National Grid	Albany	Electric and Gas Utility	1,406	1,268	1.0%
Saratoga County	Saratoga	County Government	1,195	1,200	1.0%
Saratoga Hospital	Saratoga	Health Care	1,195	1,131	0.9%
Columbia Memorial Hospital	Columbia	Health Care	N/A	1,110	0.9%

N/A-Not Available

Source: Capital District Business Review, Book of Lists, 2001 & 2010

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

Name	County		# of Students Registered	
			2001	2010
Excelsior College	Albany	Private	N/A	31,000
State University of New York at Albany	Albany	Public	12,908	18,018
Hudson Valley Comm. College	Rensselaer	Public	6,600	13,500
Empire State College	Albany	Public	N/A	12,156
Rensselaer Polytechnic Institute	Rensselaer	Private	6,570	6,934
Schenectady Comm. College	Schenectady	Public	2,325	5,245
College Of Saint Rose	Albany	Private	3,144	5,160
Adirondack Comm. College	Warren	Public	2,173	3,874
Siena College	Albany	Private	2,982	3,305
The Sage Colleges	Rensselaer	Private	2,417	2,805
Skidmore College	Saratoga	Private	2,342	2,632
Fulton Montgomery Comm. College	Fulton-Montgomery	Public	1,485	2,420
Union College	Schenectady	Private	2,289	2,194
Williams College	Berkshire, MA	Private	2,110	2,083
Columbia-Greene Comm. College	Columbia-Greene	Public	1,038	2,039
Massachusetts College of Liberal Arts	Berkshire, MA	Public	1,350	1,985
Albany College Of Pharmacy	Albany	Private	692	1,567
Maria College	Albany	Private	544	861
Albany Medical College	Albany	Private	637	807
Bryant & Stratton Business Institute	Albany	Private	369	776
Mildred Elley College For Careers	Albany	Private	450	754
Albany Law School	Albany	Private	700	734
Bennington College	Bennington, VT	Private	541	668
Southern Vermont College	Bennington, VT	Public	370	500
Union Graduate College	Schenectady	Private	N/A	430
Bard College at Simon's Rock	Berkshire, MA	Private	360	394
Total			<u>54,396</u>	<u>122,841</u>

N/A-Not Available

Sources: Capital District Business Review, Book of Lists, 2001 & 2010
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		
		2001	2010
Acres (+/-):		1,100	1,157
Runways:	1/19 North/South ILS / VOR / GPS	7,200 X 150 ft.	8,500 X 150 ft.
	10/28 East/West VOR / GPS	6,000 X 150 ft.	7,200 X 150 ft.
Terminal:	Airlines - sq ft	95,924	90,860
	Tenants - sq ft	34,459	42,828
	Public/Common - sq ft	102,016	105,218
	Mechanical - sq ft	59,928	51,382
	Total - sq ft	<u>292,327</u>	<u>290,288</u>
	Number of passenger gates	21	21
	Number of loading bridges	13	16
	Number of Concessionaires in Terminal	7	6
	Number of Rental Car Agencies in Terminal	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	1,269	2,783
	Rental Cars	307	307
	Employees	369	514
	Total	<u>5,258</u>	<u>6,981</u>
Cargo:	Air Cargo Building - sq ft	50,500	50,500
	Former U.S. Post Office* - sq ft	N/A	5,595
Employees:	Authority	27.0	23.5
	Airport Operations	159.5	155.5
	Fixed Based Operator	N/A	33.0
	Total	<u>186.5</u>	<u>212.0</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
2001-2010**

AIRLINE	2010	Percent of Total 2010	2009	Percent of Total 2009
Southwest Airlines	511,636	40.4%	511,094	38.7%
US Airways Express (Republic)	90,263	7.1%	62,626	4.7%
US Airways	83,513	6.6%	104,799	7.9%
United Airlines	66,191	5.2%	75,828	5.7%
Continental (Express Jet)	63,067	5.0%	57,528	4.4%
Delta Connection (Pinnacle)	54,130	4.3%		
Delta Connection (ASA)	48,212	3.8%	72,330	5.5%
United Express (Go Jet)	47,605	3.8%	52,875	4.0%
US Airways Express (Air Wisconsin)	35,060	2.8%	31,665	2.4%
Continental Connection (Colgan)	30,702	2.4%	40,255	3.0%
Delta Connection (Mesaba)	30,699	2.4%		
US Airways Express (Piedmont)	29,701	2.3%	52,723	4.0%
United Express (Express Jet)	26,609	2.1%		
Delta Connection (Comair)	26,189	2.1%	40,369	3.1%
United Express (Mesa)	25,230	2.0%	24,623	1.9%
Delta Connection (Compass)	18,447	1.5%		
Delta Airlines	18,251	1.4%		
United Express (ASA)	12,284	1.0%		
Cape Air	8,677	0.7%	8,013	0.6%
US Airways Express (Colgan Air)	8,408	0.7%	7,092	0.5%
Continental Connection (Commutair)	8,001	0.6%	9,201	0.7%
US Airways Express (Mesa)	5,368	0.4%	3,971	0.3%
Air Canada	4,782	0.4%	4,153	0.3%
United Express (Trans States)	4,733	0.4%	33,266	2.5%
Delta Connection (Chautauqua)	4,437	0.4%	5,061	0.4%
US Airways Express (PSA)	1,993	0.2%	2,270	0.2%
Northwest Airlines	193	0.0%	63,724	4.8%
Northwest Airlin (Pinnacle)			21,995	1.7%
Northwest Airlin (Mesaba)			21,435	1.6%
Delta Connection (Freedom)			11,116	0.8%
Continental Airlines			807	0.1%
American Eagle				
Delta Connection (Big Sky)				
Delta Connection (Sky West)				
US Airways Express (Chautauqua)				
United Express (Shuttle America)				
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)				
Sub Total	1,264,381	99.9%	1,318,819	99.9%
Charters	1,493	0.1%	1,600	0.1%
TOTAL	1,265,874	100.0%	1,320,419	100.0%

Source: Albany County Airport Authority

**Albany International Airport
Enplaned Passengers
2001-2010**

2008	2007	2006	2005	2004	2003	2002	2001
501,437	516,216	488,646	415,074	350,941	349,981	340,975	317,734
50,137	43,507	42,782	1,167				
130,192	130,070	139,668	204,510	276,933	279,497	327,291	405,904
70,027	76,867	60,074	71,048	75,655	94,965	70,086	88,433
66,314	100,472	99,570	100,089	93,692	82,988	85,177	77,487
75,522	79,584	56,186	6,408				
58,784	60,273	37,694					
36,777	38,992	54,486	10,250				
35,090							
39,701	41,945	29,035	16,504	1,004	3,241	4,852	18,771
50,476	41,514	45,496	50,485	10,799	22,583	18,023	10,243
	87	45,323	178,495	226,913	183,102	185,306	180,254
2,237							
10,011	13,661	14,211	12,214	27,361	23,261	10,153	
5,463	5,805	12,096	31,078	95,545	85,493	71,212	36,442
16,906	19,536	12,825	28,112	11,675	703		
7,077	7,760	7,986	6,659	6,598	6,322	9,514	9,475
49,426	51,007	46,200	37,489	38,461	1,158		
66	540	345					
1,985	17,298	31,586	14,767	7,275			
85,038	98,125	98,733	111,415	108,287	112,686	112,747	106,808
9,939	14,937	12,516	34,682	37,576	23,521	2,311	
17,109		2,461					
25,233	26,112	9,696					
35,344	43,828	47,147	53,568	68,899	61,590	41,778	41,495
192	5106						
	5,574						
	1,508	8,415	15,664	939	8,431		
	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
				70	20,573	58,815	77,097
					2,939		
					2,204	7,210	
						71,666	83,724
							5,177
1,380,483	1,440,385	1,447,553	1,550,402	1,556,796	1,435,848	1,476,988	1,517,858
1,988	2,436	2,611	2,134	1,860	1,539	2,353	3,186
1,382,471	1,442,821	1,450,164	1,552,536	1,558,656	1,437,387	1,479,341	1,521,044

**Albany International Airport
Airline Landed Weight (lbs.)
2001-2010**

<u>Commercial Carriers</u>	2010	Percent of Total 2010	2009	Percent of Total 2009	2008
Southwest Airlines	572,100,000	34.3%	592,288,000	33.5%	606,268,000
US Airways Express (Republic)	123,518,991	7.4%	88,692,047	5.0%	68,929,242
United Airlines	89,909,713	5.4%	101,716,477	5.8%	87,446,407
US Airways	80,754,302	4.8%	120,409,823	6.8%	165,434,995
Continental Connection (Express Jet)	63,076,374	3.8%	61,830,055	3.5%	72,763,757
Delta Connection (Pinnacle)	60,855,208	3.6%			
United Express (Go Jet)	59,831,000	3.6%	74,035,000	4.2%	74,102,000
Delta Connection (ASA)	54,193,008	3.2%	77,199,700	4.4%	79,578,000
US Airways Express (Air Wisconsin)	49,914,000	3.0%	42,065,000	2.4%	50,290,000
US Airways Express (Piedmont)	48,466,505	2.9%	80,372,091	4.5%	55,772,703
Continental Connection (Colgan)	40,405,906	2.4%	46,934,000	2.7%	40,672,000
Delta Connection (Mesaba)	37,117,103	2.2%			
United Express (Mesa)	30,218,000	1.8%	5,254,000	0.3%	
Delta Connection (Comair)	29,995,506	1.8%	46,718,101	2.6%	64,628,000
United Express (Express Jet)	28,116,619	1.7%			
US Airways Express (Colgan)	25,450,508	1.5%	25,958,476	1.5%	31,632,517
Cape Air	21,385,706	1.3%	21,337,751	1.2%	5,932,101
Delta Connection (Compass)	20,613,616	1.2%			
Delta Airlines	20,349,608	1.2%			
United Express (ASA)	12,831,000	0.8%			
Air Canada	11,122,003	0.7%	10,707,003	0.6%	12,317,199
Continental Connection (Commutair)	10,453,508	0.6%	9,694,500	0.5%	4,933,500
US Airways Express (Mesa)	6,100,505	0.4%	26,215,500	1.5%	16,317,000
Charters	5,722,843	0.3%	4,230,983	0.2%	4,069,000
United Express (Trans States)	5,616,465	0.3%	32,549,986	1.8%	52,548,013
Delta Connection (Chautauqua)	5,105,879	0.3%	5,573,926	0.3%	85,097
US Airways Express (PSA)	2,997,000	0.2%	3,269,000	0.2%	2,838,000
Northwest Airlines	196,200	0.0%	74,479,110	4.2%	98,588,000
Northwest AirlinK (Pinnacle)			23,443,397	1.3%	10,227,296
Northwest AirlinK (Mesaba)			22,951,402	1.3%	19,266,996
Delta Connection (Freedom)			13,956,071	0.8%	29,389,767
Continental Airlines			1,560,000	0.1%	
Delta Connection (Big Sky)					325,280
American Eagle					36,951,763
Delta Connection (Sky West)					
US Airways Express (Chautauqua)					
United Express (Shuttle America)					
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)					
	1,516,417,076	90.8%	1,613,441,399	91.3%	1,691,306,633
<u>Cargo Carriers</u>					
United Parcel Service	98,503,762	5.9%	98,163,713	5.6%	97,346,000
Federal Express	42,670,000	2.6%	42,947,679	2.4%	42,687,000
Wiggins Airways	7,684,009	0.5%	7,520,270	0.4%	7,667,000
Ameriflight	4,142,604	0.2%	5,646,338	0.3%	245,000
Air Now			184,014	0.0%	2,397,398
DHL					26,503,603
Misc Cargo Carriers					
	153,000,375	9.2%	154,462,014	8.7%	176,846,001
Grand Total	1,669,417,451	100.0%	1,767,903,413	100.0%	1,868,152,634

Source: Albany County Airport Authority

**Albany International Airport
Airline Landed Weight (lbs.)
2001-2010**

2007	2006	2005	2004	2003	2002	2001
606,612,000	563,734,000	518,932,000	422,446,000	414,586,000	420,429,000	416,155,000
64,857,593	57,054,164	1,735,487				
92,214,768	75,168,921	91,972,289	102,180,283	128,838,073	94,993,078	118,994,320
157,816,799	159,841,799	271,790,013	401,439,400	394,749,800	456,002,601	548,551,900
105,515,474	106,856,144	105,272,684	101,763,400	91,519,085	97,543,307	91,764,380
74,504,000	54,002,000					
84,128,000	63,177,000	7,529,000				
51,747,000	63,638,000	16,168,000				
52,059,000	38,001,587	24,971,997	1,500,603	5,401,801	9,039,901	21,289,197
48,663,000	51,025,000	57,221,903	12,429,000	25,128,000	17,968,708	10,340,000
40,199,202	39,567,647	38,327,497	59,713,215	50,090,797	22,097,811	
130,000	54,154,000	230,357,000	290,395,000	240,572,000	261,038,510	273,123,500
12,698,992	13,080,797	11,387,601	12,765,400	12,333,797	19,505,004	21,198,191
11,073,502	18,625,199	77,754,400	241,745,800	233,578,600	222,001,693	162,497,298
19,771,510	14,847,000	43,589,575	17,189,289	434,256		
5,422,107	8,909,783	5,642,000	3,895,000	3,829,801	5,394,000	6,809,021
53,654,292	57,696,448	49,747,465	55,178,000	1,457,000		
695,111	808,430					
24,432,000	47,622,000	19,741,000	10,006,692			
124,050,000	132,614,109	157,034,120	179,518,300	170,795,158	154,405,503	158,106,100
16,625,206	14,681,201	41,407,000	50,337,000	27,965,000	3,055,000	
	3,315,699					
39,934,580	17,287,881					
11,843,996						
45,339,119	33,744,507	39,339,116	57,728,600	49,784,424	46,407,621	68,461,860
7,800,000						
1,829,609	10,293,329	16,884,899	1,000,800	7,005,602		
72,313	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
			169,502	36,544,199	141,430,802	207,671,404
				3,948,000		
				2,982,059	9,470,831	
				198,594	91,600,680	125,022,000
						6,746,101
1,753,689,173	1,755,804,771	2,022,847,644	2,184,457,023	1,986,404,359	2,153,785,844	2,329,507,841
97,764,985	99,582,507	101,730,004	98,271,500	97,406,000	91,514,000	86,582,500
41,735,000	43,869,000	43,352,004	42,988,000	42,980,000	42,499,000	41,874,500
7,812,267	8,134,500	9,554,000	9,924,708	10,281,300	10,460,500	8,040,000
2,323,206	3,793,000	2,765,000	2,952,500	2,676,000	4,490,200	6,435,400
50,877,892	51,589,707	33,802,604	25,733,300	26,067,900	26,005,700	26,080,500
8,752,406	11,340,584	14,651,722	16,964,914	16,221,342	18,188,658	24,492,700
209,265,756	218,309,298	205,855,334	196,834,922	195,632,542	193,158,058	193,505,600
1,962,954,929	1,974,114,069	2,228,702,978	2,381,291,945	2,182,036,901	2,346,943,902	2,523,013,441

**Albany International Airport
Aircraft Operations
2001-2010**

<u>Commercial Carriers</u>	2010	Percent of Total 2010	2009	Percent of Total 2009	2008
Southwest Airlines	9,182	18.1%	9,510	17.8%	9,698
Cape Air	6,244	12.3%	6,230	11.7%	1,732
US Airways Express (Republic)	3,360	6.6%	2,396	4.5%	1,872
Continental Connection (Express Jet)	2,964	5.8%	2,902	5.4%	3,382
US Airways Express (Piedmont)	2,754	5.4%	4,538	8.5%	3,102
Delta Connection (Pinnacle)	2,360	4.7%			
US Airways (Air Wisconsin)	2,124	4.2%	1,788	3.3%	2,140
US Airways Express (Colgan)	1,866	3.7%	1,904	3.6%	2,646
United Express (Go Jet)	1,786	3.5%	2,210	4.1%	2,212
Delta Connection (ASA)	1,624	3.2%	2,414	4.5%	2,428
US Airways	1,348	2.7%	2,070	3.9%	2,944
Air Canada	1,340	2.6%	1,290	2.4%	1,484
United Express (Express Jet)	1,286	2.5%			
United Airlines	1,280	2.5%	1,538	2.9%	1,474
Continental Connection (Colgan)	1,246	2.5%	1,514	2.8%	1,312
Delta Connection (Comair)	1,238	2.4%	1,974	3.7%	2,368
Delta Connection (Mesaba)	1,088	2.1%			
United Express (Mesa)	988	1.9%	956	1.8%	
Continental Connection (Commutair)	606	1.2%	562	1.1%	324
Delta Connection (Compass)	550	1.1%			
United Express (ASA)	546	1.1%			
Delta Airlines	342	0.7%			
United Express (Trans States)	264	0.5%	1,530	2.9%	2,470
Delta Connection (Chautauqua)	246	0.5%	264	0.5%	4
US Airways Express (Mesa)	166	0.3%	122	0.2%	614
US Airways Express (PSA)	102	0.2%	134	0.3%	108
Charters	56	0.1%	42	0.1%	40
Northwest Airlines			1,356	2.5%	1,696
Northwest Airlink (Pinnacle)			1,004	1.9%	438
Northwest Airlink (Mesaba)			764	1.4%	740
Delta Connection (Freedom)			496	0.9%	1,380
Continental Airlines			22	0.0%	
American Eagle					1,774
Delta Connection (Big Sky)					38
Delta Connection (Sky West)					
US Airways Express (Chautauqua)					
US Airways Express (Trans States)					
United Express (Shuttle America)					
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)					
	46,956	92.6%	49,530	92.7%	48,420
<u>Cargo Carriers</u>					
Wiggins Airways	1,770	3.5%	1,768	3.3%	1,804
United Parcel Service	934	1.8%	928	1.7%	926
Ameriflight	542	1.1%	642	1.2%	32
Federal Express	516	1.0%	528	1.0%	526
Air Now			40	0.1%	496
Airborne Express					524
Misc Cargo Carriers					1,606
	3,762	7.4%	3,906	7.3%	5,914
Grand Total	50,718	100.0%	53,436	100.0%	54,334

Source: Albany County Airport Authority

**Albany International Airport
Aircraft Operations, Con't
2001-2010**

2007	2006	2005	2004	2003	2002	2001
9,868	9,324	8,480	7,018	6,922	6,938	6,872
1,780	1,580	48				
4,986	5,094	5,116	4,940	4,440	4,820	4,896
2,838	2,162	1,469	88	316	530	1,494
2,202	2,712	688				
3,566	3,432	2,966	6,356	5,976	2,628	
2,224	1,612					
2,658	2,296	254				
2,692	2,782	5,410	7,296	6,806	7,836	9,560
1,530	1,582	1,370	1,568	1,472	2,350	2,440
1,632	1,250	1,530	1,712	1,988	1,512	2,012
1,856	1,970	1,796	374	768	732	440
1,332	2,244	9,368	29,094	28,152	26,864	20,186
10	906	3,922	4,504	3,488	3,558	3,560
2,522	2,712	2,312	2,408	62		
34	38					
538	404	1,870	784	32		
872	1,738	766	494			
52	48	76	78	50	100	69
2,090	2,130	2,656	2,842	2,848	2,846	3,080
712	628	1,762	2,142	1,190	130	
	142					
2,162	970					
2,150	2,454	2,672	3,434	3,425	3,274	4,812
1,410						
208						
86	484	794	210	444		
8		262	530	224		900
2	944	792				
	640	920				
	28	3,644	2,162			
		928	1,788	410		
		602	524			
			1,380	3,632	3,568	4,156
			10	2,156	8,344	12,252
				188	554	
				90		
					1,816	2,304
						160
52,020	52,306	62,473	81,736	75,079	78,400	79,193
1,870	1,914	2,248	2,334	2,418	2,456	1,824
928	960	978	1,042	948	930	854
514	540	534	530	530	526	548
456	884	612	642	576	1008	1420
1,014	1,026	674	516	522	520	528
2,928	3,620	3,828	4,330	4,158	4,482	6,756
7,710	8,944	8,874	9,394	9,152	9,922	11,930
59,730	61,250	71,347	91,130	84,231	88,322	91,123

**Albany International Airport
Aircraft Operations
2001-2010**

Year	Airlines	Cargo	General Aviation	Military	Total
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	52,258	8,944	49,633	6,830	117,665
2007	51,968	7,710	45,688	5,409	110,775
2008	48,380	5,882	34,048	5,214	93,524
2009	49,488	3,906	34,579	6,540	94,513
2010	46,900	3,762	30,698	7,137	88,497
Annual Compounded Growth 2001-2010	-40.8%	-68.5%	-40.8%	34.2%	-40.3%

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

MAJORS / NATIONALS

Delta Airlines
Southwest Airlines
United Airlines
US Airways

REGIONAL / COMMUTERS

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

ALL-CARGO CARRIERS

Federal Express
United Parcel Service
Ameriflight
Wiggins Airways

**Albany International Airport
Major Carrier Airline Service**

SCHEDULED JET AIRLINE SERVICE

<u>CARRIER</u>	<u>NON-STOP SERVICE</u>	<u>ONE-STOP, SAME-PLANE SERVICE</u>
Continental Express	Cleveland (CLE)	
Delta - ASA - Chautauqua - Mesaba - Pinnacle	Atlanta (ATL) Detroit (DTW) Minneapolis (MSP) New York J F Kennedy (JFK)	Dallas/Fort Worth (DFW) Traverse City (TVC)
Southwest	Baltimore (BWI) Chicago Midway (MDW) Fort Lauderdale (FLL) Las Vegas (LAS) Orlando (MCO) Tampa (TPA)	Birmingham (BHM) Chicago Midway (MDW) Detroit (DTW) Houston Hobby (HOU) Norfolk (ORF) Oakland (OAK) Orlando (MCO) Phoenix (PHX) West Palm Beach (PBI)
United - ASA - Express Jet - Mesa	Chicago O'Hare (ORD) Washington Dulles (IAD)	
US Airways - Air Wisconsin - Republic	Charlotte (CLT) Philadelphia (PHL) Washington National (DCA)	Detroit (DTW) Indianapolis (IND) Jacksonville (JAX) Savannah (SAV) Wilmington (ILM)

As of February 2011

Source: Official Airline Guide Schedule Tapes, January 2011

**Albany International Airport
Commuter Airline Service**

SCHEDULED COMMUTER AIRLINE SERVICE

CARRIER	NON-STOP SERVICE	ONE-STOP, SAME-PLANE SERVICE
Air Canada	Toronto (YYZ)	
Cape Air	Massena (MSS) Ogdensburg (OGS) Watertown (ART)	
Continental Connection - Colgan - Commutair	Cleveland (CLE) NY- Newark (EWR)	
US Airways Express - Colgan - Piedmont	Boston (BOS) NY- LaGuardia (LGA) Philadelphia (PHL)	

As of February 2011

Source: Official Airline Guide Schedule Tapes, January 2011

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

Market	Length	Rank	2010 Passengers	Rank	2009 Passengers	Rank	2001 Passengers
Orlando	MH	1	217,980	1	236,300	1	274,591
Baltimore	SH	2	182,070	2	193,920	2	268,050
Southeast Florida (1)	MH	3	159,180	3	156,690	3	160,550
Chicago	MH	4	119,880	5	115,790	5	115,080
Tampa	MH	5	119,040	4	127,030	7	91,978
Las Vegas	LH	6	85,370	6	90,030	6	101,840
Los Angeles	LH	7	59,870	7	68,630	8	85,290
Atlanta	MH	8	55,740	10	54,030	9	84,710
Denver	MH	9	55,260	8	58,230	17	45,100
Washington, DC (2)	SH	10	49,990	9	55,020	6	80,220
San Francisco	LH	11	46,180	14	46,770		N/A
Phoenix	LH	12	45,690	12	49,890	11	76,880
Raleigh/Durham	SH	13	43,720	13	47,740	12	61,930
Fort Myers	MH	14	43,330	15	46,250		Inc. in Tampa
Dallas/Ft. Worth	MH	15	42,330	16	45,440	15	46,880
Houston	MH	16	39,810	18	39,290	18	39,760
Charlotte	SH	17	39,140	17	42,510		N/A
Detroit	SH	18	34,670	19	36,040		N/A
Minneapolis	MH	19	33,270	23	33,270		N/A
Seattle/Tacoma	LH	20	32,550	22	33,400		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 & D Passenger Survey of Airline Passenger Traffic, U.S. DOT, Databank 12

Compliance





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

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

We have audited the financial statements of the business-type activities and fiduciary funds of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York, as of and for the year ended December 31, 2010 which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 21, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

http://www.marvincpa.com



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 21, 2011

**Albany County Airport Authority
Schedule of Expenditures of Federal and
New York State Department of Transportation Financial Assistance
December 31, 2010**

Federal Project Number	NYS Project Number	Federal * Percent Participation	Description Of Project	CFDA Number	Total Grant Amount		Year Ended 12/31/10 Expenditures	
					Federal	NYS	Federal	NYS
<i>CAPITAL CONTRIBUTIONS:</i>								
92-07	1913.85	95.00%	Noise Compatibility Program	20.106	4,655,000	122,500	500,743	13,175
97-08	1913.90	95.00%	Remove Obst-Rw 10 Design & Acquisitions & USDA Wildlife	20.106	1,244,905	32,761	572,133	15,056
99-08	1913.92	95.00%	Runway 19 RPZ Obstruction Removal (Historic House) Relocation	20.106	667,926	17,577	1,598	2,679
100-08	1913.93	95.00%	Snow Blower & Structural Pumper	20.106	977,582	25,726	973,782	25,626
104-09	1913.01	95.00%	Airport Snow Removal Equipment Procurement	20.106	646,192	17,005	404,615	10,648
105-09	1913.02	95.00%	Runway 01 RPZ Acquisition (Approx. 43.3 Acres)	20.106	2,396,213	63,058	21,213	558
107-10	1913.04	95.00%	Safety Equip/ Rwy 19 Obst (Tree) Removals and Property Acq P4	20.106	2,141,800	56,363	1,608,363	42,325
108-10	1913.05	95.00%	Taxiway "A", and Ramp Pavement Rehabilitation Improvements	20.106	2,545,232	66,980	1,595,161	41,978
			Unallocated - NYSERDA				-	54,325
			TOTAL CAPITAL CONTRIBUTIONS		15,274,850	401,970	5,677,608	206,370
<i>NON-OPERATING GRANTS:</i>								
N/A	N/A	N/A	TSA Law Enforcement Officer Cooperative Agreement	97.090	428,983	-	428,983	-
102-09	1913.95	95.00%	Runway 28 Obstruction (Water Tanks) Removal PHASE 3	20.106	1,030,898	27,129	319,314	6,309
103-09	N/A	100.00%	ARRA-Runway 28 Obstruction (Water Tanks) Removal PHASE 4	20.106	6,737,601	N/A	2,688,147	-
			TOTAL NON-OPERATING GRANTS		8,197,482	27,129	3,436,444	6,309
			GRAND TOTAL		\$ 23,472,332	\$ 429,099	\$ 9,114,052	\$ 212,679

(*) 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, 2010

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 2010, \$3,013,770 was passed through to the Town of Colonie.



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

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2010. 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.

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

In our opinion, the Albany County Airport Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

Internal Control Over Compliance

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

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

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

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

Marvin and Company, P.C.

March 21, 2011



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

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the *Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations* (NYCRR) that are applicable to its state transportation assistance program for the year ended December 31, 2010. Compliance with the requirements of laws, regulations, contracts and grants applicable to the state transportation program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

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

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

In our opinion, the Albany County Airport Authority complied, in all material respects with the requirements referred to above that are applicable to its state transportation assistance program for the year ended December 31, 2010.



Internal Control Over Compliance

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

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

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

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

Marvin and Company, P.C.

March 21, 2011

**Albany County Airport Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2010**

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, 2010.
8. The dollar threshold used to distinguish between Type A and B programs was \$300,000.
9. The Albany County Airport Authority was considered a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

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

NONE



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

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the Members
Albany County Airport Authority

Compliance

We have audited the compliance of the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2010. Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge program is the responsibility of the Albany County Airport Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

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

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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, 2010.



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 to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Marvin and Company, P.C.

March 21, 2011

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

For the Year Ended December 31, 2010

Quarter Ended	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	Net per Financial Statements
Beginning Balance	\$ 55,768,420	\$ 2,662,502	\$ 58,430,922	\$ 54,466,085	\$ 3,964,837
3/31/2010	1,139,312	3,337	1,142,649	341,211	
6/30/2010	1,319,419	4,122	1,323,541	341,211	
9/30/2010	1,223,517	3,515	1,227,032	3,990,867	
12/31/2010	1,354,696	2,966	1,357,662	-	
Total 2010	<u>5,036,944</u>	<u>13,940</u>	<u>5,050,884</u>	<u>4,673,289</u>	<u>377,595</u>
Receivable at 12/31/10	<u>355,421</u>	-	<u>355,421</u>	-	<u>355,421</u>
Total Program to Date	<u>\$ 61,160,785</u>	<u>\$ 2,676,442</u>	<u>\$ 63,837,227</u>	<u>\$ 59,139,374</u>	
PFC Funds to be used for future debt service payments:					<u><u>\$ 4,697,853</u></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, 2010. 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, 2010**

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.

Biographies of the Albany County Airport Authority Senior Staff

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

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

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



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