

# ALBANY COUNTY AIRPORT AUTHORITY

Comprehensive Annual Financial Report  
Year Ended December 31, 2016



## New York's Tech Valley Airport

A component unit of the County of Albany,  
located in the Town of Colonie, New York

[flyalbany.com](http://flyalbany.com)

# Albany County Airport Authority

As of December 31, 2016

## Authority Board Members



**Rev. Kenneth J. Doyle**  
Chair

Term Expires: December 31, 2019



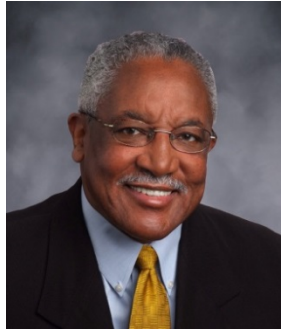
**Patricia M. Reilly**  
Vice-Chair

Term Expires: December 31, 2016



**Anthony Gorman**  
Secretary

Term Expires: December 31, 2016



**Dorsey M. Whitehead**  
Treasurer

Term Expires: December 31, 2016



**Lyon M. Greenberg, MD**  
Member

Term Expires: December 31, 2017



**Steven H. Heider**  
Member

Term Expires: December 31, 2017



**Paula T. Wilkerson**  
Member

Term Expires: December 31, 2016

## 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  
Years Ended December 31, 2016 and 2015

Prepared by the  
Finance Department

William J. O'Reilly, CPA  
Chief Financial Officer

Margaret Herrmann  
Chief Accountant

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

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

CUSIP #012123XXX

# TABLE OF CONTENTS

PAGE(S)

## I. INTRODUCTORY SECTION

Albany County Airport Authority:	
Members and Principal Officers .....	Inside Front Cover
Chairman's Message .....	1
Letter of Transmittal .....	2-11
Organizational Chart .....	12
Certificate of Achievement for Excellence in Financial Reporting .....	13

## II. FINANCIAL SECTION

Independent Auditor's Report.....	16-18
Management's Discussion and Analysis .....	19-34
Financial Statements:	
Comparative Statements of Net Position.....	36-37
Comparative Statements of Revenues, Expenses and Changes in Net Position.....	38
Comparative Statements of Cash Flows .....	39
OPEB Trust Statements of Fiduciary Fund Net Position .....	40
OPEB Statements of Changes in Fiduciary Fund Net Position .....	41
Notes to Financial Statements .....	43-70
Required Supplementary Information:	
Schedule for the Authority's Proportionate Share of Net Pension Liability.....	72
Schedule for the Authority's Contributions .....	72
OPEB Trust Schedule of Funding Progress .....	73
Other Supplemental Information:	
Schedule of Debt Service Requirements to Maturity.....	76
Schedule of Governmental Payments and Services .....	77

## III. STATISTICAL SECTION

Total Annual Revenues, Expenses and Changes in Net Position .....	80-81
Changes in Cash and Cash Equivalents .....	82-83
Principal Revenue Sources and Cost per Enplaned Passenger .....	84-85
Ratios of Outstanding Debt .....	86-87

Revenue Bond Debt Service Coverage .....	88-89
Population in the Air Trade Area .....	90
Major Employers in Air Trade Area .....	91
Colleges and Universities in the Air Trade Area .....	92
Airport Information.....	93
Enplaned Passengers .....	94-95
Airline Landed Weights .....	96-97
Aircraft Operations .....	98-100
Airlines Serving the Albany International Airport .....	101
Scheduled Jet Airline Service.....	102
Scheduled Commuter Airline Service.....	103
Primary Origination and Destination Passenger Markets .....	104

#### IV. COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	106-107
Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance and Notes thereto .....	108-109
Independent Auditor’s Report on Compliance for each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance .....	110-111
Independent Auditor’s Report on Compliance for the New York State Department of Transportation Financial Assistance Program and Report on Internal Control Over Compliance Required by New York State Codification of Rules and Regulations .....	112-113
Schedule of Findings and Questioned Costs .....	114
Independent Auditor’s Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance Required by the Federal Aviation Administration .....	115-116
Schedule of Passenger Facility Charges Collected and Expended And Notes thereto .....	117
Passenger Facility Charge Program Schedule of Findings And Questioned Costs .....	118
Biographies of the Members of the Albany County Airport Authority .....	119-120
Biographies of the Albany County Airport Authority Senior Staff .....	121

# Introduction





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

TELEPHONE: 518-242-2222  
ADMIN FAX: 518-242-2641  
FINANCE FAX: 518-242-2640  
SITE: [www.albanyairport.com](http://www.albanyairport.com)

## Chairman's Message

March 13, 2017

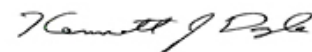
In 2016, the US Domestic Airlines experienced continued favorable jet fuel costs and recorded healthy profits. This favorable environment allowed the airlines to continue to increase available airline seats, airline jobs and airline wages while reducing airline fares and debt and also reinvesting in their product based upon reports from the industry trade association, *Airlines for America*. At Albany International Airport, the effects of the improved airline industry environment were evident in the 8.5% growth in enplanements in 2016, reaching their highest level since 2007.

Based upon scheduled and announced airline service at Albany International Airport, annual enplanements for 2017 are expected to approximate the 1.4 million as airline seat capacity is projected to approximate 2016. Based upon available airline passenger seats and service, it is reasonable to expect Albany International Airport will continue to be the busiest Airport between New York City and Buffalo in 2017.

In 2016, the Airport improvement projects included: terminal lighting efficiency, passenger boarding bridge improvements and expanded passenger surface parking. Based upon demand, the Airport has developed plans for an additional parking structure.

During 2016, the Airport implemented the first year of a new five-year Airport Use and Lease Agreement and Common Cargo Carrier Airfield Use Agreement with its six existing Signatory Airlines and two Signatory Cargo Carriers. These new agreements ensure the Airport's most important aviation business relationships are soundly in place for years to come and are expected to continue to produce attractive airline rates and charges and revenue for the Airport. In 2016, the prudent management of the Airport budget allowed the Airport cost per enplaned passenger to settle at \$6.00 which was less than the budgeted amount of \$6.50 and less than the prior year cost of \$7.12. The Airport also generated \$5.0 million in net revenue to be shared between the Airport and the airlines under the Airport Use and Lease Agreement.

During 2017, the Airport Authority will continue to nurture the development of air service at the Airport, plan and execute its Capital Plan to meet the growing needs of the Airport, and operate the Airport in accordance with its adopted budget. In the coming year, we will continue our mission to provide travelers with outstanding service in full recognition that our success as an airport is dependent on, not only the quantity and quality of air service, but the skills and dedication of all the employees at Albany International Airport.

  
Rev. Kenneth J. Doyle  
Chairman



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

TEL: 518-242-2222  
ADMIN FAX: 518-242-2641  
FINANCE FAX: 518-242-2640  
SITE: [www.albanyairport.com](http://www.albanyairport.com)

March 13, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the Albany County Airport Authority (Authority) for the fiscal year ended December 31, 2016 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 accounting principles general accepted in the United States of America (GAAP). 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 financial position 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 2016 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, 2016 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 unmodified (“clean”) opinion and that the Authority’s financial statements for the year ended December 31, 2016 are presented in conformity with GAAP. The independent auditor’s report is the first component of the Financial Section.

### *UNIFORM GUIDANCE AUDIT*

The independent audit of the financial statements is part of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards commonly called the “Uniform Guidance”, 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 Uniform Guidance 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, 2016 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.

Rev. Kenneth J. Doyle became the Acting Chair of the Board in 2012 and Chair in 2014. John A. O'Donnell, P.E., Chief Executive Officer, is responsible for planning and directing the management of all operations at the Airport including its capital improvement programs. William O'Reilly, CPA, Chief Financial Officer, is responsible for financial planning, budgeting, operating and capital accounting procedures and controls, debt management, airline affairs, and all Authority financial policies and procedures.

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

## **PROFILE OF ALBANY INTERNATIONAL AIRPORT**

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

The Airport is defined by the FAA as a small air traffic hub, an Airport which handles between 0.05 percent and 0.249 percent of the enplaned passengers by U.S. air carriers nationwide. Based on the latest FAA data available, in 2015 the Airport ranked 80th in total enplanements and 96th in total cargo weight. The Airport also ranked 236th in total aircraft operations in 2015.

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 the State Capital of the Nation's 4th<sup>rd</sup> largest state by population with more than fifty-thousand state employees and the "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 disciplines of nanoscience, nanoengineering, nanobioscience, and nanoeconomics. With over \$16 billion in public and private investments, CNSE's Albany NanoTech Complex has attracted over 250 global corporate partners - and is the most advanced research complex at any university in the world. On September 27, 2011 a public announcement revealed that the Albany nanocollege will be the new home of research for the 450 millimeter wafer and the focus of a new \$4.8 billion investment. Just across the nearby river Rensselaer Polytechnic Institute recently completed construction of a new Center for Biotechnology and Interdisciplinary Studies. This technology research center ranks among the world's most advanced research. In late July 2009 Global Foundries broke ground on construction of a \$4.6 billion computer chip plant approximately 20 miles north of the Airport which will complement the existing technology facilities already in the region. On June 1, 2010 an expansion of this plant to 1.3 million square feet was announced. In July of 2012 an additional expansion and investment of \$2.3 billion was announced. In September of 2016 Global Foundries announced it was preparing to invest "billions of additional dollars" to develop the next generation of computer chips at its nearby factory. The combination of significant growth in the technology businesses and comparatively low unemployment rates, position Albany for a return to growth in airline activities and passenger usage of the airport.

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

## **AIRLINE ECONOMICS**

The airlines have endured major financial impacts resulting from a series of events beginning in 2001 that have caused business and leisure passengers to reassess their use of commercial air travel or to elect to use other means of transportation. In 2008, the airlines were especially impacted by high jet fuel prices, forcing a reduction in capacity and reducing the number of flights throughout the system. During the latter part of 2008 the recession reduced the level of travelers and weakened the airlines financial stability. The airlines responded by reducing the 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 and charge additional fees for new and existing services such as internet access and baggage. According to Airlines for America, an industry trade association, U.S Airlines lost \$62.9 billion from 2001 through 2010, and began to produce growing profits for 2011 growing to \$12.2 billion in 2013. In 2014 the domestic airlines produced \$7.5 billion in net profit equal to 6% of Gross Revenue and began to add some seat capacity back. According to the U.S. Bureau of

Transportation Statistics, the U.S. Airlines reported profits of \$25.6 billion in 2015 and \$11.5 billion for the first three quarters of 2016.

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 (3) potential for contraction in air passenger travel in 2017 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 2006 Airline Use and Lease Agreement expired on December 31, 2015. The Authority and the Airlines entered into a new agreement that began January 1, 2016 that continues the same rates and charges model. 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 2016 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 2017 assumed enplanements would be 1,400,000 which is in line with the 2016 projected enplanement levels 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 \$6.74, excluding FBO costs per enplaned passengers, and debt service coverage should be 1.64 (Net Revenues to Net Debt Service calculated under the provisions of the master bond resolution). Certain assumptions are used in determining the projected activity levels and the related projected revenues and expenditures at this Airport and accordingly, subsequent actual results in any one year, or for the entire period, could differ substantially from those projected. Details for these projections are included in the Authority's adopted \$50.7 million 2017 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 totaled \$139.3 million of which \$41.5 million was spent through 2014. The \$120.5 million 2015-2019 capital improvement program has been approved by the Authority and the County in 2014. The program consists of \$34.5 million for airfield projects, \$14.0 million for terminal improvements and expansion, \$60.0 million for landside development and \$12 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 in the 2015-2019 capital plan is additional parking capacity. All of the Airfield projects, certain terminal projects and major equipment purchases will require future Federal entitlement funding equal to \$61.0 million and equal slightly more than 50% of the capital plan funding. The Authority is evaluating its capital funding options for the garage, but has included a potential borrowing for it in its capital plan.

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

The total affect 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 2016, or scheduled for completion in 2017, have their projected additional operating costs and related revenues incorporated into the Authority's 2017 operating budget and project funding in place with no anticipated additional borrowing. The largest non-grant funded Capital Project the Authority is likely to undertake during the remainder of the 2015-2019 Capital Plan is the development of an additional parking garage structure. This project is currently in the planning phase.

#### *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. In adopting its 2017 budget, the Authority projected 2017 enplanements would be 1,400,000 approximately the same as the actual 1,407,434 passengers for 2016. The Authority has set its rates and charges for 2017 under the Airline Use and Lease Agreement to meet all projected obligations. For 2017, signatory landing fees have been set at \$3.13 per 1,000 pounds, a decrease from \$3.31 budgeted in 2016; apron fees at \$1.36 per square foot, an increase from \$1.23 in 2016; and the terminal rental rate at \$80.78 per square foot, an increase from \$76.05 in 2016.

As of December 31, 2016, the Authority had \$21.9 million in unrestricted funds available which included \$12.4 million in an operating and maintenance reserve, more than sufficient to meet two months of operating expenditures totaling \$5.7 million, and \$9.0 million in its Development fund which can be used to restore a deficiency in any other fund, and \$500,000 in an equipment repair & replacement reserve fund. In addition, the Authority has \$11.8 million in debt service reserve funds, plus \$8.7 million in Passenger Facility Funds on-hand, that when combined, exceeds the total annual debt service principal and estimated interest payments of \$13.0 million due in 2017. The Authority does not anticipate experiencing any cash flow deficiencies during 2017 requiring short-term cash flow financing or increases during the year to the rates and charges billed to the Airlines.

#### *DEBT CAPACITY*

The Albany County Airport Authority Act sets the Authority's debt limit at \$285 million. At December 31, 2016, there is \$88.2 million of debt outstanding issued directly by the Authority to be reduced by \$8.6 million of principal payments during 2016. Debt service coverage was 1.53 for 2016 and is projected to be 1.64 for 2017 based on the adopted budget. Currently the Authority's entire debt portfolio is fixed rate debt. The Authority has not issued debt to obtain new proceeds since 2006

## **AUTHORITY'S INITIATIVES**

The Airport moved forward with various activities during 2016 to enhance and maintain the services provided to the airlines, the traveling public, and other uses of the Airport. These initiatives include:

- The Authority continued to market the air service opportunities to Airlines and promoted underserved markets.
- In 2016 the Authority completed preliminary planning on an additional parking garage and passenger way finding improvements.
- During 2016 the Authority continued to control costs and maintained reasonable rates and charges for an airport that provides a high level of services to its airlines including jet bridge maintenance, all janitorial services, waste removal and utilities.
- In 2016 the Authority surpassed its adopted budget expectations of \$4.4 million in revenue to share with the Airlines and achieved \$5.0 million to be split with the Airlines \$2.5 million giving the airlines substantial credit to apply to their 2017 airport charges and \$2.5 million for the Authority to put in its Airport Development Fund of which \$539,720 will be used to fund Air Service Incentive Program credits.

## **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, 2015. This was the twentieth 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 2016 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 2016. 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 2017 budget has been submitted to the GFOA to determine its eligibility for an award.



## ACKNOWLEDGMENTS

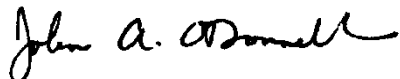
It is the strong continuing commitment of the Authority Board to the highest standards of financial reporting, disclosure and professionalism that the preparation of this report has been accomplished and for that we extend our sincere appreciation. We also give credit for the dedication, service and performance by all the employees of the Authority, AvPorts and Million Air-Albany 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, 2016 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:



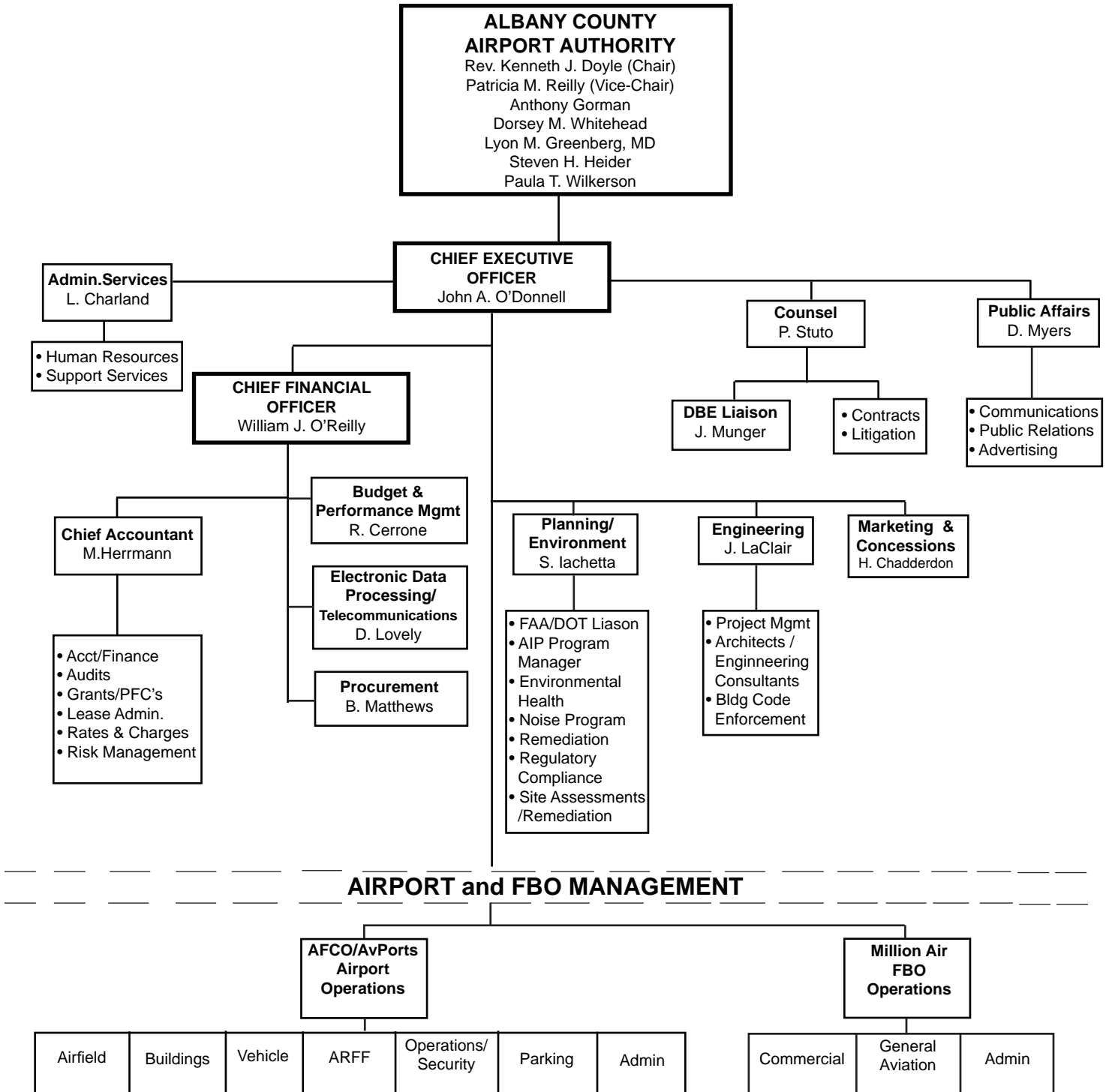
John A. O'Donnell  
Chief Executive Officer



William J. O'Reilly, CPA  
Chief Financial Officer

# ALBANY INTERNATIONAL AIRPORT ORGANIZATIONAL CHART

As of December 31, 2016





Government Finance Officers Association

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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emery". The signature is fluid and cursive.

Executive Director/CEO



Nineteen non-stop destinations are served from Albany with a total of 59 daily departures

SERVICE PROVIDED BY

Carrier	Daily (March 2017)		Percent of Total	
	Departures	Seats	Departures	Seats
American	15	1,124	25.4%	22.0%
Cape Air	9	81	15.3%	1.6%
Delta	8	781	13.6%	15.3%
Jet Blue	2	300	3.4%	5.9%
Southwest	15	2,177	25.4%	42.6%
United	10	647	16.9%	12.7%
	<u>59</u>	<u>5,110</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Official Airlines Guides Schedules, March 2017

Financial



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

*A History of Shaping Futures*

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Heather R. Lewis, CPA

Heather D. Patten, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Albany County Airport Authority

### Report on the Financial Statements

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, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

www.marvincpa.com

*An Independent Member  
of the BDO Alliance USA*

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

### **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, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB Trust Schedule of Funding Progress, schedules of proportionate share of net pension liability (asset) and schedule of authority contributions on pages 19 through 34, 72 and 73 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic 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.

#### *Other Information*

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. The introductory section on pages 1 through 14, the schedules of debt service requirements to maturity and of governmental payments and services on pages 76 and 77, the statistical section on pages 79 through 104, and the biographies of the Authority's members and senior staff on pages 119 through 121 are presented for purposes of additional analysis and are not a required part of the 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, 2016, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and by the New York State Department of Transportation *Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations* and are also 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, 2016, is 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 debt service requirements to maturity, the schedule of government payments and services, the Schedule of Expenditures of Federal and New York State Department of Transportation Financial Assistance, and the Schedule of Passenger Facility Charges Collected and Expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the statistical section and biographies 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.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Albany County Airport Authority's internal control over financial reporting and compliance.

*Marvin and Company, P.C.*

Latham, NY  
March 13, 2017



## 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, 2016 with selected comparative information for the years ended December 31, 2015 and December 31, 2014. 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 Position*, the *Statements of Revenues, Expenses and Changes in Net Position* 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 Fund Net Position*; and the *Statements of Changes in Fiduciary Fund Net Position* for the Authority's Fiduciary Fund which also has a December 31st year end.

The *Statements of Net Position* depict the Authority's financial position at December 31, the end of the Authority's fiscal year. The Statements report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Net position is displayed in three components: net investment in capital assets, restricted (distinguished between major categories of restrictions) and unrestricted.

The *Statements of Revenues, Expenses and Changes in Net Position* report total operating revenues, operating expenses, non-operating income and expenses, capital contributions and the changes in net position during the fiscal year ending December 31st. All changes in net position 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, Noncapital Financing Activities, Investing Activities, and Capital and Related Financing Activities.

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

The *Statements of Changes in Fiduciary Fund Net Position*, 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 Albany International Airport (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.

→ REW Investments, Inc., (d/b/a Million Air) manages the daily operations of the Fixed Based Operations (FBO) of the 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.

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 and beverage, retail and rental cars; public parking fees including surface and garage parking; and FBO activities from general aviation activities.

## AIRPORT REVENUES

Five major factors impact airport revenues: commercial operations, enplanements, FBO operations, concessions and parking:

### COMMERCIAL OPERATIONS

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

	2016	2015	2014
Enplanements	1,407,434	1,297,749	1,230,376
<i>% increase/(decrease)</i>	8.5%	5.5%	1.3%
Aircraft Landed Weight (lbs)	1,590,691,408	1,412,705,423	1,368,073,710
<i>% increase/(decrease)</i>	12.6%	3.3%	-2.9%
Operations (take-offs and landings)			
Commercial (inc corporate operations)	47,346	43,570	44,362
General Aviation	14,328	13,950	14,614
Military	3,057	2,481	2,316
Total	64,731	60,001	61,292
<i>% increase/(decrease)</i>	7.9%	-2.1%	-15.8%

Regular scheduled daily passenger flights departing from Albany increased to 57 in December 2016 from 55 in December 2015 and increased from 51 in December 2014. JetBlue began service on December 10, 2015 with two daily departures.

	2016		2015		2014	
	Carriers	Flights	Carriers	Flights	Carriers	Flights
Jet Service						
Major Carriers	5	23	5	24	4	18
Regional Carriers	10	19	7	15	5	15
Commuter Service						
Regional Carriers	3	15	3	16	3	18
Foreign Carriers	-	-	-	-	-	-
Total	18	57	15	55	12	51

Published available seats for 2016 increased by 188,024 or 12.3% while the passenger load factor declined from 85% to 82%, resulting in increased enplanements for 2016. The published available seats and the yearly load factors for 2016, 2015 and 2014 is below:

	2016	2015	2014
Total Available Seats	1,715,318	1,527,294	1,515,179
Passenger Load Factor	82%	85%	81%

Landing fee revenues are not sensitive to the number of operations or landed weight because the agreements with the airlines and cargo carriers provides for the Signatory Passenger and Cargo Airlines to fund the operating costs of the Airfield after receiving credit for all airfield revenue. Accordingly, landing fee revenue is sensitive to changes in the annual cost of operating the airfield that fluctuate with the weather and maintenance needs. The increase in airline operations and the increase in gross landed weight by airline for 2016 compared to 2015 and 2015 compared to 2014 is as follows:

	2016 vs. 2015		2015 vs. 2014	
	Change in Operations	Change in Landed Weight	Change in Operations	Change in Landed Weight
Air Canada	-	-	-	-
American (formerly US Airways)	1,974	57,197,408	(228)	3,969,536
Cape Air	(180)	(616,492)	-	2
Delta	150	(1,695,127)	(644)	19,245,782
JetBlue	1,388	98,699,808	88	6,256,712
Southwest	268	22,114,000	(78)	(100,000)
United	(152)	2,438,388	150	16,852,465
Charters	16	(152,000)	(8)	(1,592,784)
Total	3,464	177,985,985	(720)	44,631,713

As of December 31, 2016, two regularly scheduled express mail and various special cargo carriers serve this Airport.

	2016	2015	2014
Mail and Express Cargo Tons	18,692	19,373	19,509
% increase/(decrease)	-3.5%	-0.7%	5.2%

## ENPLANEMENTS

Enplanements for 2016 compared to 2015 increased by 109,685 passengers, compared to an increase of 67,373 in 2015 vs. 2014. The changes in enplanements by airline, including their express carriers is as follows:

	2016 Market Share	Total 2016 Enplanements	2016 vs. 2015	Total 2015 Enplanements	2015 vs. 2014	Total 2014 Enplanements
American (formerly US Airways)	21.2%	298,300	23,838	274,462	6,397	268,065
Cape Air	1.1%	16,090	(29)	16,119	(683)	16,802
Delta	15.8%	222,374	(2,820)	225,194	11,705	213,489
JetBlue	6.2%	87,036	81,544	5,492	5,492	-
Southwest	40.4%	569,101	11,918	557,183	31,598	525,585
United	15.2%	214,104	(5,195)	219,299	12,864	206,435
XTRA Airways	0.0%	429	429	-	-	-
Total	100.0%	1,407,434	109,685	1,297,749	67,373	1,230,376

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

## FBO OPERATIONS

REW Investments, Inc. (d/b/a Million Air) manages the daily operations of the FBO. A summary of the operating revenues and expenses, the gallons of Jet A and Aviation Gasoline sold, gallons of glycol sold and sprayed and the Jet A transferred to the commercial and cargo airlines is as follows for 2016, 2015 and 2014:

	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
Revenues	\$ 8,300,218	-3.1%	\$ 8,570,119	-17.2%	\$ 10,348,396
Expenses (inc. cost of sales and administration)	\$ 6,759,573	-13.5%	\$ 7,813,160	-18.0%	\$ 9,524,018
Retail Gallons Sold					
Jet A	1,031,066	6.6%	967,345	1.5%	952,761
AvGas	69,156	-1.8%	70,438	26.0%	55,902
Commercial AvGas	152,586	-12.2%	173,843	-3.9%	180,845
Glycol Gallons - Consortium	84,737	-1.5%	86,068	-14.3%	100,420
Glycol Gallons - Sprayed	43,583	16.1%	37,536	-30.5%	54,038
Jet A Fuel Into-Plane Gallons	18,602,032	10.5%	16,835,885	-0.8%	16,971,830

## CONCESSIONS

Concession revenues for 2016 were \$7,540,431, a 3.7% increase from 2015. Higher Food & Beverage and Retail sales accounted for this increase in revenues. Concession revenues for 2015 were 3.4% higher than revenues in 2014.

Concession revenue highlights for 2016 compared to 2015 and 2014 are as follows:

	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
<b>Rental Car Revenues</b>					
Sales	\$ 48,885,882	-3.0%	\$ 50,417,217	6.0%	\$ 47,567,443
Authority Revenues	\$ 5,057,260	0.1%	\$ 5,053,412	4.1%	\$ 4,854,354
<b>Food &amp; Beverage</b>					
Sales	\$ 8,063,285	13.6%	\$ 7,100,827	4.6%	\$ 6,787,788
Authority Revenues	\$ 785,197	17.6%	\$ 667,539	-0.5%	\$ 670,898
<b>Retail</b>					
Sales	\$ 3,661,638	21.7%	\$ 3,009,051	4.7%	\$ 2,872,790
Authority Revenues	\$ 787,075	11.3%	\$ 707,000	0.0%	\$ 707,000
<b>Total Authority Concession Revenues</b>	\$ 7,540,431	3.7%	\$ 7,268,718	3.4%	\$ 7,027,934
<b>Concession Revenue per Enplanement</b>	\$ 5.36	-4.3%	\$ 5.60	-1.9%	\$ 5.71

## PARKING

The Airport directly manages all on-airport parking operations which at December 31, 2016 consisted of 222 short-term garage/surface, 1,912 long-term garage, 1,589 long-term surface, and 2,574 remote shuttle served parking spaces. Revenue for 2016 compared to 2015 and 2014 are as follows:

	2016	2016 vs. 2015	2015	2015 vs. 2014	2014
<b>Public Parking</b>					
Revenues	\$ 14,870,476	16.1%	\$ 12,810,052	13.2%	\$ 11,311,640
# of Vehicles Parked	647,332	4.7%	618,304	1.0%	611,912
Parking Revenue per Enplanement	\$ 10.57	7.0%	\$ 9.87	7.4%	\$ 9.19

The Airport adjusted its garage and long-term parking fees in November of 2015. The November 2015 rate adjustment along with increased enplanements resulted in a 16.1% increase parking revenue in 2016 compared to 2015 and also resulted in growth in parking revenue per enplaned passenger in 2016 and to a lesser degree in 2015.

## SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The changes in net position 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 position at December 31 is set forth below:

	2016	2015	2014
Operating revenues	\$ 45,738,665	\$ 44,237,604	\$ 43,594,084
Operating expenses	(32,113,613)	(31,370,311)	(32,323,550)
Revenues in excess of expenses			
before depreciation	13,625,052	12,867,293	11,270,534
Depreciation	(14,396,008)	(13,893,673)	(13,957,515)
Loss before non-operating income			
and expenses	(770,956)	(1,026,380)	(2,686,981)
Non-operating income and (expenses), net	886,851	188,080	(510,565)
Income/(loss) before capital contributions	115,895	(838,300)	(3,197,546)
Capital contributions	2,389,827	8,942,652	6,414,378
Net position			
Increase (decrease) in net position	2,505,722	8,104,352	3,216,832
Total net position, beginning of year	207,948,796	199,845,370	196,628,538
Cumulative change in accounting principle	-	(926)	-
Total net position, end of year	<u>\$ 210,454,518</u>	<u>\$ 207,948,796</u>	<u>\$ 199,845,370</u>

The Authority's operating revenues and expenses include the sales and cost of sales of fuel purchased and sold to general aviation customers through the FBO and also revenues for deicing activities. Average weekly jet fuel sales prices were \$5.63, \$4.43 and \$4.13 in 2014 to 2016, respectively. Gallons of jet fuel sold were 952,761, 967,345, and 1,031,066 in 2014 to 2016. The FBO provides fueling services for all commercial airlines at the Airport. Some of the airlines provide their own aircraft deicing services. Accordingly, commercial aircraft deicing service revenue is sensitive to both demand for services and need for services based upon weather conditions. The total gallons of sprayed deicing services delivered in 2014 through 2016 were 54,038, 37,536 and 43,583 gallons, respectively. The table below summarizes FBO revenues, expenses and net revenues:

	2016	2015	2014
FBO revenues	\$ 8,300,218	\$ 8,570,119	\$ 10,348,396
FBO expenses	6,759,573	7,813,160	9,524,018
FBO net revenues	<u>\$ 1,540,645</u>	<u>\$ 756,959</u>	<u>\$ 824,378</u>

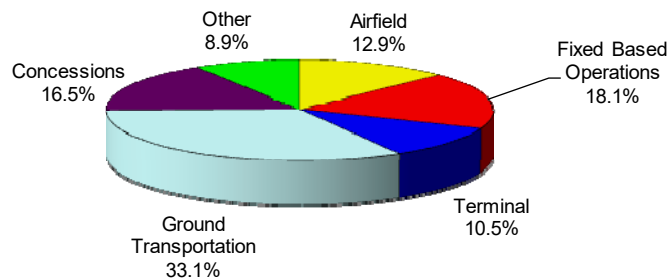
## OPERATING REVENUES AND NON-OPERATING INCOME HIGHLIGHTS

Total revenues for 2016 were \$1.7 million or 3.5% greater than 2015 and \$2.6 million or 5.3% greater than 2014. Airfield revenues declined in 2016 due to savings in airfield expenses resulting in lower landing fee revenues. Fixed based operations decreased due to a decrease in deicing revenues. Terminal revenues have remained stable since 2014. Ground Transportation revenues increased due to higher enplanements and parking rate increases during 2015. Concession revenues have increased over 2013 due to higher advertising revenues. Other revenues have increased slightly in 2016.

Under the signatory airline use and lease agreement, the airfield is a “residual cost center” requiring signatory airlines to pay the residual cost after all airfield and certain non-airfield revenues allocable to the airfield have been applied which include all interest income and PFCs applicable to airfield related debt service. Accordingly airfield revenues are sensitive to airfield cost, interest earnings, PFC revenues applied to airfield debt service, and the amount of airfield debt service. The terminal revenue is sensitive to the amount of rented space and terminal operating costs used to determine the annual rental rate. FBO revenues are sensitive to the price of purchased fuel and the volume of fuel sold. Ground transportation revenue is sensitive to airline passenger activity. Concession and Other revenue are based upon passenger and other activity but are generally reinforced with minimum annual revenue guarantees and property leases.

Airfield revenues are sensitive to airfield operating cost because the revenue center is a residual cost center. Variations in airfield revenue from year to year reflect variations in cost which are impacted by variations in the cost of snow removal and maintenance required based upon conditions that change from year to year. The signatory landing fee rate is also sensitive the volume of landed weight in any given year and its allocation to signatory airlines and other aircraft.

### Allocation of 2016 Operating Revenues by Category

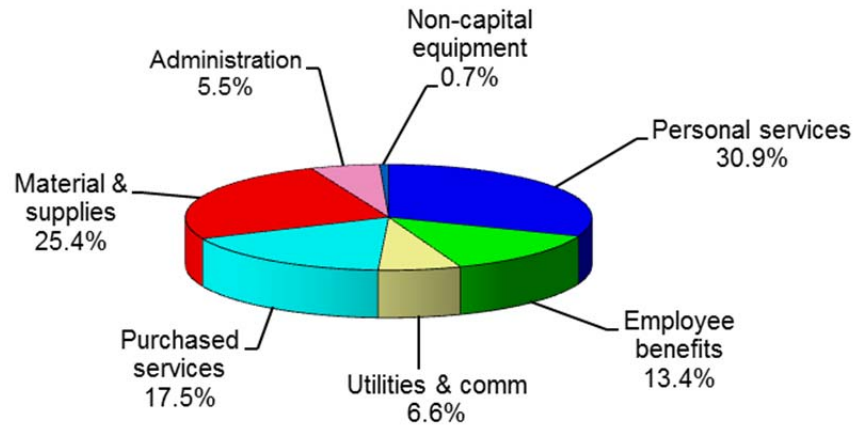


	2016	2015	2014
<b>Operating Revenues</b>			
Airfield	\$ 5,882,274	\$ 6,457,974	\$ 6,320,065
Fixed Based Operations	8,300,218	8,570,119	10,348,396
Terminal	4,777,241	5,000,721	4,816,946
Ground Transportation	15,163,022	13,089,872	11,575,593
Concessions	7,540,431	7,268,718	7,027,934
Other	4,075,479	3,850,200	3,505,150
<b>Non-Operating Income</b>			
Passenger Facility Charges	5,385,946	5,080,183	4,777,691
Grant Income	222,772	292,000	292,938
Improvement Charges	368,400	368,400	368,400
Interest Income	12,280	20,739	54,043
<b>Total</b>	<b>\$ 51,728,063</b>	<b>\$ 49,998,926</b>	<b>\$ 49,087,156</b>
<i>Percentage of Increase</i>	<i>3.5%</i>	<i>1.9%</i>	<i>2.8%</i>

## OPERATING EXPENSES AND NON-OPERATING EXPENSES HIGHLIGHTS

Total 2016 expenses increased \$0.8 million or 1.5% as compared to 2015. Operating expenses decreased \$0.7 million or 1.2% from 2014. The increase in 2016 was due to COLA salary increases and retroactive pay increases following the ratification of union contracts for the management company.

### Allocation of 2016 Operating Expenses by Category



	2016	2015	2014
Operating Expenses			
Personal services	\$ 9,913,293	\$ 9,250,876	\$ 9,100,944
Employee benefits	4,296,313	4,268,547	4,274,204
Utilities & communications	2,112,135	2,403,839	2,359,863
Purchased services	5,621,321	5,268,213	5,140,478
Material & supplies	8,171,161	8,684,849	10,335,716
Administration	1,770,835	1,104,200	1,016,302
Non-capital equipment	228,555	389,787	96,043
Depreciation	14,396,008	13,893,673	13,957,515
Non-Operating Expenses			
Interest	5,002,200	5,463,254	5,870,629
Amortization of Bond insurance premium	100,347	109,988	133,008
<b>Total</b>	<b>\$ 51,612,168</b>	<b>\$ 50,837,226</b>	<b>\$ 52,284,702</b>
<i>Percentage of Increase/(Decrease)</i>	<i>1.5%</i>	<i>-2.8%</i>	<i>1.0%</i>



## FINANCIAL POSITION SUMMARY

The Statements of Net Position depict the Authority's financial position as of one point in time – December 31 – and reflects the residual difference between all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. Net position represents the residual interest in the Authority's assets after deducting liabilities. The Authority's net position was \$210.5 million at December 31, 2016, a \$2.5 million increase from December 31, 2015.

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

	2016	2015	2014
<b>ASSETS</b>			
Capital assets	\$ 249,869,538	\$ 260,437,317	\$ 262,083,471
Other assets	53,736,552	46,790,027	44,997,624
<b>Total Assets</b>	<b>303,606,090</b>	<b>307,227,344</b>	<b>307,081,095</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,918,434</b>	<b>6,547,308</b>	<b>8,430,183</b>
<b>LIABILITIES</b>			
Current (payable from unrestricted assets)	7,063,124	4,654,674	5,474,919
Current (payable from restricted assets)	9,721,183	9,733,622	9,732,523
Noncurrent liabilities	81,509,179	90,548,839	99,669,785
<b>Total Liabilities</b>	<b>98,293,486</b>	<b>104,937,135</b>	<b>114,877,227</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>776,520</b>	<b>888,721</b>	<b>788,681</b>
<b>NET POSITION</b>			
Net investment in capital assets	170,626,920	171,751,795	167,432,611
Restricted	21,191,423	19,387,387	17,573,958
Unrestricted	18,636,175	16,809,614	14,838,801
<b>Net Position</b>	<b>\$ 210,454,518</b>	<b>\$ 207,948,796</b>	<b>\$ 199,845,370</b>

Net position is 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 position (81.1% at December 31, 2016). The Authority uses these capital assets to provide services to the airlines, passengers and to service providers and users located at the Airport; consequently, these assets are not available for future spending. Although the Authority's net investment in capital assets is net of related debt, the resources required to repay this debt annually are paid from operations, since it is unlikely that the capital assets will be liquidated to pay liabilities.

*Restricted net position* (10.0% at December 31, 2016), principally representing bond reserves and PFC funds, are restricted as to use pursuant to bond resolutions and Federal regulations. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted net position* totaling \$18.6 million (8.9% at December 31, 2016) are available to meet any of the Authority's ongoing obligations. The unrestricted component of net position is the net amount of the assets,

deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

## AIRLINE SIGNATORY RATES AND CHARGES

The Authority and airlines entered into a Use and Lease Agreement (“Agreement”) effective January 1, 2016 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, 2016, signatories in the Agreement include six commercial, sixteen 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. The Authority can impose a “Capital Charge Coverage” equal to 25% of its required debt service and also apply the Airline Share of Revenue sharing to meet debt service coverage if needed. Capital Charge Coverage provides for revenues less expenses, to be not less than one-hundred twenty-five percent (125%) of annual debt service. If needed to meet debt service coverage, the Airline Revenue Sharing is first suspended. The Authority may also impose “Extraordinary Coverage Protection”, if necessary to meet the covenant debt service coverage ratio. 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:

	2016	2015	2014
Landing Fees (per 1,000 lbs. MGLW)	\$ 2.73	\$ 3.27	\$ 3.06
Terminal Rental Rate (per square foot)	\$ 81.11	\$ 74.63	\$ 68.13
Apron Fees (per square foot)	\$ 1.19	\$ 1.52	\$ 1.59
Loading Bridge (annual rate)	\$ 40,383	\$ 44,761	\$ 31,284
Airline Cost per Enplanement	\$ 6.00	\$ 7.12	\$ 7.22
Rate Settlement/Revenue Sharing Credits	\$ 3,137,355	\$ 1,683,274	\$ 1,662,803

The Authority has from time to time adopted Air Service Development Incentive programs which can provide qualifying airlines with credits that maybe used to offset Airport rates in charges after the qualification period ends. In 2016 and 2015 the Authority provided air service development incentive credits to Airlines totaling \$539,720 and \$50,732 respectively. The incentive credits are reported as an expense in the Financial Statements in the year earned and is funded from the Authority’s portion of Revenue Sharing under the Agreement.

## CASH MANAGEMENT POLICIES AND CASH FLOW ACTIVITIES

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

Cash equivalents represent cash-on-hand, bank deposits and liquid investments with a maturity of three months or less. The following shows a summary of the major sources and uses of cash and cash equivalents for 2016, 2015 and 2014:

	2016	2015	2014
Cash flows from (used):			
Operating activities	\$ 16,164,746	\$ 11,790,097	\$ 12,068,189
Noncapital financing activities	222,772	292,000	292,938
Investing activities	27,221	32,427	63,300
Capital and related financing activities	<u>(8,528,941)</u>	<u>(9,883,169)</u>	<u>(11,908,277)</u>
Net increase/(decrease) in cash	7,885,798	2,231,355	516,150
Beginning of period	<u>40,138,544</u>	<u>37,907,189</u>	<u>37,391,039</u>
End of period	<u>\$ 48,024,342</u>	<u>\$ 40,138,544</u>	<u>\$ 37,907,189</u>

The Authority's available cash and cash equivalents increased in 2016 by \$7,885,798 primarily due to the positive flow of funds from operating activities offset by capital construction and debt service funds net of capital funds and PFCs received. Cash and cash equivalents are composed of:

	2016	2015	2014
Funds available for unrestricted operations	\$ 22,020,622	\$ 17,654,367	\$ 16,759,824
Restricted for:			
Capital projects	4,735,041	2,774,677	3,209,004
PFCs available for debt service payments	8,692,358	6,929,341	5,271,588
Revenue bond reserves	11,703,502	11,694,581	11,682,648
Other restrictions	<u>872,819</u>	<u>1,085,578</u>	<u>984,125</u>
Total	<u>\$ 48,024,342</u>	<u>\$ 40,138,544</u>	<u>\$ 37,907,189</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 2015 – 2019 was approved by the County on December 1, 2014. The plan provides for total spending of up to \$120.5 million over five years of which \$61 million is eligible for 95% 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, 2016, the Authority has \$6.5 million outstanding capital commitments. Approved Projects requiring additional financing in the plan are very likely to be deferred.

The following is a summary of the approved 2015 – 2019 capital plan including the activity through December 31, 2016:

	Total 2015- 2019 Plan	Total 2015- 12-31-16 Activity
Approved Projects		
Airfield	\$ 34,520,000	\$ 6,233,523
Terminal	14,000,000	4,606,572
Landside	60,000,000	10,943,462
Major Equipment	12,000,000	1,991,341
Total	<u>\$120,520,000</u>	<u>\$ 23,774,898</u>
Projected Funding Sources		
Federal Funds	\$ 61,020,000	\$ 1,333,207
State Funds	6,250,000	4,754,909
Debt Issuances	34,500,000	-
Authority Funds	18,750,000	17,686,782
Total	<u>\$120,520,000</u>	<u>\$ 23,774,898</u>

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

## LONG-TERM DEBT ADMINISTRATION

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

In accordance with Section 2785 of the New York Public Authorities Law, the Authority may issue Bonds, Notes and Other Obligations up to \$285 million outstanding at any time plus certain amounts issued for refunding purposes. The total Authority principal debt outstanding at December 31, 2016 for General Airport Revenue Bonds (GARB) was \$88,216,000 compared to \$96,783,000 at December 31, 2015. 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, 2015 and 2016 is summarized in the following table:

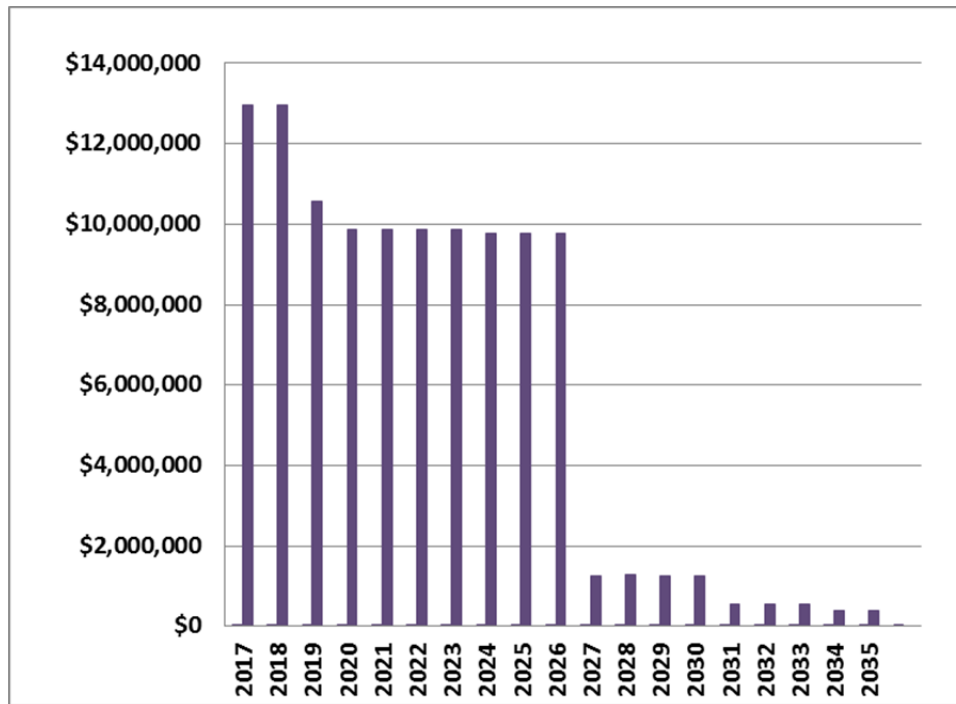
Authority Revenue Bonds/Debt Obligations	Original Par Amount Issue	Outstanding at 12-31-15	Outstanding at 12-31-16
Series 1999 NYS EFC	\$ 7,895,303	\$ 1,958,000	\$ 1,546,000
Series 2003A GARB	8,885,000	3,030,000	2,685,000
Series 2006A & B GARB	14,230,000	9,455,000	8,795,000
Series 2006C GARB	6,330,000	5,180,000	5,010,000
Series 2010A & B	109,855,000	77,160,000	70,180,000
Total Authority Debt Obligations	<u>\$ 147,583,619</u>	<u>\$ 96,783,000</u>	<u>\$ 88,216,000</u>

The table above provides a comparison of the current amounts of bonds and debt outstanding to the original amounts issued for project financing and reveals the aggregate amount of bonds and debt obligations outstanding declined by \$8.6 million during 2016. 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 that was outstanding as of December 31, 2015, additions and/or deletions during 2016, and the balances reported at December 31, 2016 with adjustments to the reported value required by generally accepted accounting principles is summarized in the following table:

Authority Revenue Bonds/Debt Obligations	Outstanding at 12-31-15	Additions	Deletions	Outstanding at 12-31-16
Bonds Payable				
Series 1999 NYS EFC	\$ 1,958,000	\$ -	\$ (412,000)	\$ 1,546,000
Series 2003A GARB	3,030,000	-	(345,000)	2,685,000
Series 2006A & B GARB	9,455,000	-	(660,000)	8,795,000
Series 2006C GARB	5,180,000	-	(170,000)	5,010,000
Series 2010A Refunding	77,160,000	-	(6,980,000)	70,180,000
Total Bonds Payable	96,783,000	-	(8,567,000)	88,216,000
Deferred Loss on Refunding	(6,159,053)	-	1,296,916	(4,862,137)
Unamortized Premiums/Discounts (net)	2,155,497	-	(671,804)	1,483,693
Net Bonds Payable	<u>\$ 92,779,444</u>	<u>\$ -</u>	<u>\$ (7,941,888)</u>	<u>\$ 84,837,556</u>

At December 31, 2016 the Authority maintained debt service reserve funds in the amount of \$11.8 million and Passenger Facility Charge Funds in the amount of \$8.7 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 \$67.7 million in aggregate par amount of bonds outstanding. Additional information about the long-term Indebtedness can found under "Note 8 – Long-Term Indebtedness" in the Notes to the Financial Statements.

The graph and table below presents combined annual debt service to maturity as of December 31, 2016:



Year/Debt Service					
<b>2017</b>	\$12,976,697	<b>2024</b>	\$ 9,776,087	<b>2031</b>	\$ 536,325
<b>2018</b>	12,972,472	<b>2025</b>	9,774,313	<b>2032</b>	537,050
<b>2019</b>	10,562,996	<b>2026</b>	9,780,463	<b>2033</b>	540,237
<b>2020</b>	9,863,550	<b>2027</b>	1,264,638	<b>2034</b>	402,250
<b>2021</b>	9,869,993	<b>2028</b>	1,272,987	<b>2035</b>	399,000
<b>2022</b>	9,878,012	<b>2029</b>	1,258,412		
<b>2023</b>	9,883,406	<b>2030</b>	1,260,987		

**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, 2016, the Authority has collected PFCs, including interest earnings thereon, totaling \$92,960,729, or 79.5% of the total authorized. Passengers pay PFCs on the first two and last two portions of any trip. No PFCs are collected from non-revenue passengers such as a passenger using a frequent flier award ticket. The Authority calculates that it is collecting PFCs on approximately 86.7% of its enplanements. Additional information about PFC activity can found under “Note 2 – Summary of Significant Accounting Policies” in the Notes to the Financial Statements.

## CREDIT RATINGS AND BOND INSURANCE

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

Series *	Bond Insurer	Moody's/Fitch/S&P Enhanced Rating	Moody's/Fitch/S&P Underlying Rating
Series 2010A	AGMC	A2/NR/AA	A3/A-/BBB+
2006C	AGMC	A2/NR/NR	A3/A-/NR
2006B	AGMC	A2/NR/AA	A3/A-/BBB+
2006A	AGMC	A2/NR/AA	A3/A-/BBB+
2003A	AGMC	A2/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. Moody's lowered their rating of AGMC from "A3" to "A2" on January 17, 2013. Standard and Poor's upgraded their enhanced rating of AGMC from "AA-" to "AA" on March 18, 2014. The Authority's underlying credit ratings remained unchanged during 2015 and are: Moody's Investors Service "A2", Fitch Ratings "A-" and Standard and Poor's "BBB+".

## RESERVES AND DEBT SERVICE COVERAGE

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, 2016 the reserve requirement was \$5.5 million and for which the Authority had \$12.4 million on hand. The Authority also had \$9.0 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, 2016 the debt service reserve funds totaled \$11.8 million.

Under the master bond resolution, the Authority calculates the bonded debt service coverage ratio based upon the ratio of net revenues, excluding PFC applied to Debt Service, after payment of operating expenses, to debt service to be funded net of PFCs applied to debt service. For 2016 the bonded debt service coverage ratio was 1.53 compared to 1.39 and 1.36 in 2015 and 2014, respectively.

## 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

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

Respectfully submitted,



William J. O'Reilly, CPA  
Chief Financial Officer



This page intentionally left blank

Albany County Airport Authority  
Statements of Net Position  
As of December 31, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	\$ 22,020,622	\$ 17,654,367
Accounts receivable - net	2,076,893	1,930,809
Due from County of Albany	262,136	292,593
Prepaid expenses	678,418	891,351
Total Unrestricted Assets	<u>25,038,069</u>	<u>20,769,120</u>
Restricted Assets:		
Capital Funds:		
Cash and cash equivalents	4,735,041	2,774,677
Grant funds receivable	869,839	1,644,897
Passenger Facility Charge Funds:		
Cash and cash equivalents	8,692,358	6,929,341
Passenger Facility Charges receivable	489,467	474,748
Revenue Bond Funds:		
Cash and cash equivalents	11,703,502	11,694,581
Investments	277,389	277,389
Accrued interest receivable	1,809	1,809
ANCLUC Funds:		
Cash and cash equivalents	196,857	196,857
Concession Improvement Funds:		
Cash and cash equivalents	675,962	888,721
Total Restricted Assets	<u>27,642,224</u>	<u>24,883,020</u>
Total Current Assets	<u>52,680,293</u>	<u>45,652,140</u>
NON-CURRENT ASSETS		
Bond Insurance Premiums	553,285	653,632
Net Assets held in trust for OPEB	216,131	181,976
Prepaid expenses	286,843	302,279
Capital Assets:		
Land and easements	48,005,527	48,005,527
Buildings, improvements and equipment, net of depreciation	199,684,753	200,515,156
Construction in progress	2,179,258	11,916,634
Total Capital Assets	<u>249,869,538</u>	<u>260,437,317</u>
Total Non-Current Assets	<u>250,925,797</u>	<u>261,575,204</u>
Total Assets	<u>303,606,090</u>	<u>307,227,344</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Refunding	4,862,134	6,159,053
Pension Expenses	1,056,300	388,255
Total Deferred Outflows of Resources	<u>5,918,434</u>	<u>6,547,308</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority  
Statements of Net Position  
As of December 31, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts payable	\$ 594,249	\$ 537,546
Accrued expenses	6,468,875	4,117,128
Total Payable from Unrestricted Assets	<u>7,063,124</u>	<u>4,654,674</u>
Payable from Restricted Assets:		
Construction contracts payable	332,956	433,722
Construction contract retainages	230,268	545,562
Accrued interest payable	169,959	187,338
Current maturities of long - term debt	8,988,000	8,567,000
Total Payable From Restricted Assets	<u>9,721,183</u>	<u>9,733,622</u>
Total Current Liabilities	<u>16,784,307</u>	<u>14,388,296</u>
NON-CURRENT LIABILITIES		
Bonds and other debt obligations	80,711,693	90,371,497
Net pension liability - proportionate share	797,486	177,342
Total Non-Current Liabilities	<u>81,509,179</u>	<u>90,548,839</u>
Total Liabilities	<u>98,293,486</u>	<u>104,937,135</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Concession Improvement funds	675,962	888,721
Pension	100,558	-
Total Deferred Inflows of Resources	<u>776,520</u>	<u>888,721</u>
<u>NET POSITION</u>		
Net investment in capital assets	170,626,920	171,751,795
Restricted:		
Bond reserve funds	11,812,741	11,786,441
Passenger facility charge funds	9,181,825	7,404,089
Other restricted funds	196,857	196,857
Total Restricted:	<u>21,191,423</u>	<u>19,387,387</u>
Unrestricted	<u>18,636,175</u>	<u>16,809,614</u>
Net Position	<u>210,454,518</u>	<u>207,948,796</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority  
 Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended December 31, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Operating Revenues		
Airfield	\$ 5,882,274	\$ 6,457,974
Fixed Based Operations	8,300,218	8,570,119
Terminal	4,777,241	5,000,721
Concessions	7,540,431	7,268,718
Ground transportation	15,163,022	13,089,872
Other revenue	4,075,479	3,850,200
Total Operating Revenues	<u>45,738,665</u>	<u>44,237,604</u>
Operating Expenses		
Airfield	3,072,752	2,588,916
Fixed Based Operations	6,170,676	7,147,195
Terminal	5,542,086	4,857,303
Loading bridges	272,130	327,047
Landside	4,885,754	4,508,757
Public safety	3,354,937	3,284,919
Aircraft Rescue and Fire Fighting	2,022,328	1,759,315
Vehicle maintenance	1,164,857	1,411,109
Administration	5,628,093	5,485,750
Total Operating Expenses	<u>32,113,613</u>	<u>31,370,311</u>
Revenues in excess of expenses before depreciation	13,625,052	12,867,293
Depreciation	<u>14,396,008</u>	<u>13,893,673</u>
Loss Before Non-Operating Income and Expenses	<u>(770,956)</u>	<u>(1,026,380)</u>
Non-Operating Income and (Expenses)		
Passenger Facility Charges	5,385,946	5,080,183
Grant income	222,772	292,000
Improvement charges	368,400	368,400
Interest income	12,280	20,739
Interest expense	(5,002,200)	(5,463,254)
Amortization of bond insurance premiums	(100,347)	(109,988)
Total Non-Operating Income and (Expenses)	<u>886,851</u>	<u>188,080</u>
Income/(Loss) before Capital Contributions	115,895	(838,300)
Capital Contributions	<u>2,389,827</u>	<u>8,942,652</u>
Net Position		
Increase in Net Position	2,505,722	8,104,352
Net Position, Beginning of Year	207,948,796	199,845,370
Cumulative change in accounting principle	-	(926)
Net Position, Beginning of Year, as restated	<u>207,948,796</u>	<u>199,844,444</u>
Net Position, End of Year	<u>\$ 210,454,518</u>	<u>\$ 207,948,796</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, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Cash Flows From Operating Activities		
Cash received from providing services	\$ 45,592,581	\$ 44,309,349
Cash paid to suppliers	(28,236,989)	(31,375,671)
Cash paid to employees	(1,190,846)	(1,143,581)
Net Cash Provided By Operating Activities	<u>16,164,746</u>	<u>11,790,097</u>
Cash Flows From Noncapital Financing Activities		
Grant income	<u>222,772</u>	<u>292,000</u>
Net Cash Provided By Noncapital Financing Activities	<u>222,772</u>	<u>292,000</u>
Cash Flows From Investing Activities		
Interest received	12,280	20,739
Interest on passenger facility charges	<u>14,941</u>	<u>11,688</u>
Net Cash Provided by Investing Activities	<u>27,221</u>	<u>32,427</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	(4,244,291)	(12,534,202)
Principal payments made on bonds and notes payable	(8,567,000)	(8,266,000)
Interest paid	(4,394,462)	(4,700,250)
ANCLUC funds	-	(1,334)
Concession improvement funds	(212,759)	101,374
Improvement charges	368,400	368,400
Capital Grants	3,164,885	10,209,459
Passenger facility charges	<u>5,356,286</u>	<u>4,939,384</u>
Net Cash Used By Capital and Related Financing Activities	<u>(8,528,941)</u>	<u>(9,883,169)</u>
Net Increase in cash and cash equivalents	7,885,798	2,231,355
Cash and cash equivalents, beginning of year	<u>40,138,544</u>	<u>37,907,189</u>
Cash and cash equivalents, end of year	<u>\$ 48,024,342</u>	<u>\$ 40,138,544</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:		
Loss before non-operating income and expenses	\$ (770,956)	\$ (1,026,380)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	14,396,008	13,893,673
(Increase)/Decrease in assets:		
Accounts receivable	(146,084)	71,745
Due from County of Albany	30,457	(178,519)
Net Assets held in trust for OPEB	(34,155)	(23,165)
Prepaid expenses	228,369	84,827
Deferred Pension Expenses	52,657	(211,839)
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	<u>2,408,450</u>	<u>(820,245)</u>
Net Cash Provided By Operating Activities	<u>\$ 16,164,746</u>	<u>\$ 11,790,097</u>
Noncash Capital and Related Financing Activities:		
Capital Assets and related receivables	<u>\$ 775,058</u>	<u>\$ 1,266,807</u>
Total Noncash Capital and Related Financing Activities	<u>\$ 775,058</u>	<u>\$ 1,266,807</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust  
 Statements of Fiduciary Fund Net Position  
 As of December 31, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,900,888	\$ 1,812,329
Total Assets	1,900,888	1,812,329
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Total Deferred Outflows of Resources	-	-
 <u>LIABILITIES</u>		
Total Liabilities	-	-
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Total Deferred Inflows of Resources	-	-
 <u>NET POSITION</u>		
Net Position - Restricted for OPEB	\$ 1,900,888	\$ 1,812,329

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust  
 Statements of Changes in Fiduciary Fund Net Position  
 For the Years Ended December 31, 2016 and December 31, 2015

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Additions to Net Position Attributed to:		
Contributions		
Employer	\$ 86,738	\$ 103,237
Interest Income	1,821	1,712
Total Additions	<u>88,559</u>	<u>104,949</u>
Deductions from Net Position Attributed to:		
Retirement benefits	-	-
Administrative expenses	-	-
Total Deductions	<u>-</u>	<u>-</u>
Increase in Net Position	<u>88,559</u>	<u>104,949</u>
Net Position - Restricted for OPEB, Beginning of Year	<u>1,812,329</u>	<u>1,707,380</u>
Net Position - Restricted for OPEB, End of Year	<u>\$ 1,900,888</u>	<u>\$ 1,812,329</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority  
Notes to Financial Statements

Note		Page
1	Organization and Reporting Entity .....	43
2	Summary of Significant Accounting Policies .....	44
3	Cash, Cash Equivalents and Investments .....	50
4	Receivables .....	50
5	ANCLUC Funds .....	51
6	Due From County of Albany .....	51
7	Capital Assets .....	51
8	Long-Term Indebtedness .....	52
9	Capital Contributions and Net Position .....	60
10	Airline Lease and Use Agreements .....	61
11	Airport Tenant Agreements .....	62
12	Pension Plan .....	62
13	Other Post Employment Benefits (OPEB) .....	66
14	Risk Management .....	68
15	Commitments and Contingencies .....	69



# ALBANY COUNTY AIRPORT AUTHORITY

## Notes to Financial Statements

December 31, 2016 and December 31, 2015

### **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 Albany International Airport (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 (see Note 15), other than the redevelopment project described in the enabling legislation, known as the Terminal Improvement Program, 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, 2018. The Authority has also contracted with REW Investments, Inc., (d/b/a Million Air), to manage the fixed based operations of the airport under a three year term expiring August 31, 2019. 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 position and cash flows of the Authority only. The Authority is not involved in any joint ventures.

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

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

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for state and local governments. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments in the United States of America.

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 position, 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 March 23, 2015. Any bank or trust company with a full service office in the County is authorized for the deposit of monies.

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

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

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

**Receivables:**

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

**Restricted Assets:**

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

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

*Passenger Facility Charges Funds* - These assets represent Passenger Facility Charges (PFC) collections based on an approved FAA application to "impose" such charges on enplaned passengers at the Airport. These funds are restricted for designated capital projects and any debt incurred to finance the construction

of those projects. The Authority recognizes and reports as other income PFCs earned when all conditions have been met that entitles the Authority to retain the PFCs. PFCs received prior to this time are reported as restricted net position.

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

*ANCLUC 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 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 include land, improvements to land, easements, buildings, building improvements, vehicles, equipment and all other tangible assets that are used in operations and have useful lives extending beyond a single reporting period. Capital Assets assumed by the Authority on March 15, 1994 are carried at historical cost, net of accumulated depreciation. Acquisitions of new assets costing \$50,000 or more 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 .....	5-30
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 2015 or 2016.

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

Bond insurance (an issuance cost) is 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 Position*, 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. The Authority did not report any Special Items in 2015 or 2016.

*Extraordinary Items* - Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. The Authority did not report any Extraordinary Items in 2015 or 2016.

**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, 2016, the Authority has collected PFCs including interest earnings thereon totaling \$92,960,729.

PFC funds, along with related interest earnings, are recorded as restricted net position until they are applied against future debt service payments under an FAA approved Application to Use. PFC receipts are recognized and recorded as non-operating revenues in the year they are collected.

The Authority previously expended \$11.2 million of PFCs on projects funded on a pay-as-you-go basis. The Authority also covenanted in the Resolution authorizing the Series 2010A Refunding Bonds to apply future PFC collections to pay a portion of the debt service related to the FAA approved projects included in the Applications. Pursuant to the Resolution, PFCs collected and deposited in a segregated account, together with the interest earned thereon, are applied towards the subsequent debt service payments reducing the amount of debt to be funded from net operating revenue. Through December 31, 2016, the Authority has applied \$81.8 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 Authority applies GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) to recognize the net pension asset (liability), deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the cost-sharing, multiple employer, defined benefit pension plan. The Authority also applies GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (GASB 71) to report additional deferred outflows. The Authority participation in the plans is mandated by State law and includes the New York State and Local Employees' Retirement System (ERS) and the Optional Voluntary Defined Contribution (VDC) (the Systems). The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. More information on pension activity for the Systems is included in Note 12.

**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 Net Pension (Note 12) and Other Post-Employment Benefits (OPEB) (Note 13) have the potential to vary more significantly over time than other estimates.

**Adoption of New Accounting Standards:**

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, became effective for the fiscal year ended December 31, 2016. During 2016 the Authority did not have any assets or liabilities that were subject to fair value measurement and reporting.

During the fiscal year ended December 31, 2015 the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements address accounting and financial reporting for pensions provided to Authority employees that are administered by the New York State and Local Employees' Retirement System (ERS). The statements also require various note disclosures (Note 12) and required supplementary information. As a result, beginning of year net position has been restated as follows:

Net position previously reported, January 1, 2015	\$ 199,845,370
Recognition of net pension liability, January 1, 2015	(237,218)
Eliminate prepaid pension expense, January 1, 2015	(78,765)
Record contributions made during the measurement period April 1, 2014 to March 31, 2015	315,057
Net position as restated, January 1, 2015	<u>\$ 199,844,444</u>

### NOTE 3 - Cash, Cash Equivalents and Investments

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

	Book Balance		Bank Balance	
	2016	2015	2016	2015
Cash and Cash Equivalents				
Cash on hand	\$ 6,750	\$ 6,750		
Cash in bank accounts	48,017,592	40,131,794	\$ 49,879,432	\$ 42,791,626
Total Cash and Cash Equivalents	<u>48,024,342</u>	<u>40,138,544</u>		
Investments				
U.S. Treasury SLGS note maturing 2019 at 3.093%				
	<u>277,389</u>	<u>277,389</u>		
Total Investments	<u>277,389</u>	<u>277,389</u>		
Total cash, cash equivalents and investments	<u>\$ 48,301,731</u>	<u>\$ 40,415,933</u>		

The U.S. Treasury State and Local Government Note represent the investment of the required debt reserve for the bonds issued to the 1999 NYS Environmental Facilities Corporation (NYS EFC) bonds discussed in Note 8. The Note is not marketable and is reported at cost. The interest earned is received by a trustee appointed by NYS EFC and remitted by the trustee to the Authority. The underlying bonds are not subject early redemption and the Note remains under the management of NYS EFC trustee.

The Authority's deposits were secured by insurance from the Federal Depository Insurance Corporation (FDIC) covering \$500,000 on December 31, 2016 and December 31, 2015 plus \$42,791,626 and \$49,879,432 of pledged collateral held by a third party trustee bank at December 31, 2015 and 2016, respectively. The FDIC bank insurance program Permanent Rule provides up to \$250,000 in coverage for the Authority's Savings Accounts and up to \$250,000 for the Authority's Demand Accounts. Collective balances in excess of these amounts are collateralized at 102% of the prior day closing bank balance.

### NOTE 4 - Receivables

Accounts receivable is recorded net of allowances for probable uncollectible accounts.

	As of 12-31-16	As of 12-31-15
Airlines	\$ 1,151,451	\$ 989,642
Concessions	182,387	162,385
Other	743,055	778,782
Sub-Total	<u>2,076,893</u>	<u>1,930,809</u>
Less Allowances	-	-
Net Accounts Receivable	<u>\$ 2,076,893</u>	<u>\$ 1,930,809</u>



**NOTE 5 - ANCLUC Funds**

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

	As of 12-31-16	As of 12-31-15
Opening Balance	\$ 196,857	\$ 196,778
Interest received	-	79
Ending Balance	<u>\$ 196,857</u>	<u>\$ 196,857</u>

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

The net amount from the county consists of the following:

	As of 12-31-16	As of 12-31-15
Reimbursement of expenses due from County	<u>\$ 262,136</u>	<u>\$ 292,593</u>
	<u>\$ 262,136</u>	<u>\$ 292,593</u>

The County provides certain services to the Authority including sheriff officers for public safety, code enforcement inspections, sewer district charges, and salt for the winter roadways. The total expenditures incurred by the Authority during the years ended December 31, 2016 and 2015 for these services totaled \$2,286,147 and \$2,173,867, respectively.

**NOTE 7 - Capital Assets**

Capital Assets balances and activity for the years ended December 31, 2016 and 2015 were as follows:

	Total 12-31-14	Additions	Deletions	Total 12-31-15	Additions	Deletions	Total 12-31-16
Capital Assets that are not depreciated:							
Land and Easements	\$ 48,005,527			\$ 48,005,527			\$ 48,005,527
Construction in Progress	9,006,143	\$ 12,247,519	(9,337,027)	11,916,635	\$ 3,828,228	(13,565,605)	2,179,258
Total	<u>57,011,670</u>	<u>12,247,519</u>	<u>(9,337,027)</u>	<u>59,922,162</u>	<u>3,828,228</u>	<u>(13,565,605)</u>	<u>50,184,785</u>
Capital Assets that are depreciated:							
Buildings	201,134,009	2,386,843		203,520,852			203,520,852
Improvements, other than buildings	204,927,932	4,751,316		209,679,248	13,565,605		223,244,853
Machinery and Equipment	13,906,774	2,198,868	(761,764)	15,343,878			15,343,878
Sub-total	<u>419,968,715</u>	<u>9,337,027</u>	<u>(761,764)</u>	<u>428,543,978</u>	<u>13,565,605</u>	<u>-</u>	<u>442,109,583</u>
Less accumulated depreciation:							
Buildings	(103,167,436)	(6,578,098)		(109,745,534)	(6,621,010)		(116,366,544)
Improvements	(100,295,462)	(6,574,919)		(106,870,381)	(7,195,463)		(114,065,844)
Machinery and Equipment	(11,434,016)	(740,656)	761,764	(11,412,908)	(579,534)		(11,992,442)
Sub-total	<u>(214,896,914)</u>	<u>(13,893,673)</u>	<u>761,764</u>	<u>(228,028,823)</u>	<u>(14,396,007)</u>	<u>-</u>	<u>(242,424,830)</u>
Total depreciable Capital Assets, net	<u>205,071,801</u>	<u>(4,556,646)</u>	<u>-</u>	<u>200,515,155</u>	<u>(830,402)</u>	<u>-</u>	<u>199,684,753</u>
Total Capital Assets, Net	<u>\$ 262,083,471</u>	<u>\$ 7,690,873</u>	<u>\$ (9,337,027)</u>	<u>\$ 260,437,317</u>	<u>\$ 2,997,826</u>	<u>\$ (13,565,605)</u>	<u>\$ 249,869,538</u>

## 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 2016 and 2015 were as follows:

	Outstanding at 12-31-14	Additions	Deletions	Outstanding at 12-31-15	Additions	Deletions	Outstanding at 12-31-16
Authority Revenue Bonds/Debt Obligations							
Bonds Payable							
Series 1999 NYS EFC	\$ 2,359,000	\$ -	\$ (401,000)	\$ 1,958,000	\$ -	\$ (412,000)	\$ 1,546,000
Series 2003A GARB	3,365,000	-	(335,000)	3,030,000	-	(345,000)	2,685,000
Series 2006A & B GARB	10,090,000	-	(635,000)	9,455,000	-	(660,000)	8,795,000
Series 2006C GARB	5,345,000	-	(165,000)	5,180,000	-	(170,000)	5,010,000
Series 2010A Refunding	83,005,000	-	(5,845,000)	77,160,000	-	(6,980,000)	70,180,000
Series 2010B Refunding	885,000	-	(885,000)	-	-	-	-
Total Bonds Payable	105,049,000	-	(8,266,000)	96,783,000	-	(8,567,000)	88,216,000
Unamortized Premiums	2,886,785	-	(731,288)	2,155,497	-	(671,804)	1,483,693
Total Long-term Indebtedness	\$ 107,935,785	\$ -	\$ (8,997,288)	\$ 98,938,497	\$ -	\$ (9,238,804)	\$ 89,699,693

**Authority Outstanding Debt Issues:****Series 1999A 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 Series 1999A EFC Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 1999A Airport Revenue Bond Issue:		
Principal paid annually on October 1, in payments of \$418,000 in 2017 to \$699,000 in 2019 with interest at 3.012% to 3.382% due semi-annually on April 15 and October 15	\$ 1,546,000	\$ 1,958,000
Less amortization of:		
Deferred Loss	(3,089)	(4,786)
Series 1999A Revenue Bond net carrying amount	1,542,911	1,953,214
Less current portion including amortization	416,630	410,303
Long - Term Portion	\$ 1,126,281	\$ 1,542,911

Maturities of the long-term Series 1999A 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, 2016:

Year Ended	Principal	Interest	Int. Subsidy	Total
2017	\$ 418,000	\$ 35,517	\$ (13,277)	\$ 440,240
2018	429,000	27,445	(9,241)	447,204
2019	699,000	18,567	(4,802)	712,765
TOTAL	\$ 1,546,000	\$ 81,529	\$ (27,321)	\$ 1,600,208

### Series 2003A 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 Series 2003A General Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 2003A General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$365,000 in 2017 to \$135,000 in 2033 with interest at 3.5% to 4.25% due semi-annually on June 15 and December 15	\$ 2,685,000	\$ 3,030,000
Less amortization of:		
Bond Insurance	(38,841)	(44,851)
Series 2003A GARB net carrying amount	2,646,159	2,985,149
Less current portion including amortization	359,676	338,990
Long - Term Portion	<u>\$ 2,286,483</u>	<u>\$ 2,646,159</u>

Maturities of the long-term Series 2003A 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, 2016:

Year Ended	Principal	Interest	Total
2017	\$ 365,000	\$ 107,313	\$ 472,313
2018	370,000	94,537	464,537
2019	155,000	81,587	236,587
2020	165,000	75,194	240,194
2021	165,000	68,387	233,387
2022-2026	645,000	244,793	889,793
2027-2031	560,000	128,136	688,136
2032-2033	260,000	16,787	276,787
TOTAL	<u>\$ 2,685,000</u>	<u>\$ 816,734</u>	<u>\$ 3,501,734</u>

### Series 2006A&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 Series 2006A (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 Series 2006A General Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 2006A 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:		
Bond Insurance	(29,774)	(33,828)
Series 2006A GARB net carrying amount	6,285,226	6,281,172
Less current portion including amortization	(4,054)	(4,054)
Long - Term Portion	<u>\$ 6,289,280</u>	<u>\$ 6,285,226</u>

Maturities of the long-term Series 2006A 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, 2016:

Year Ended	Principal	Interest	Total
2017	\$ -	\$ 290,650	\$ 290,650
2018	-	290,650	290,650
2019	-	290,650	290,650
2020	500,000	290,650	790,650
2021	860,000	265,650	1,125,650
2022-2026	4,955,000	680,625	5,635,625
TOTAL	<u>\$ 6,315,000</u>	<u>\$ 2,108,875</u>	<u>\$ 8,423,875</u>

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

The Series 2006B (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 Series 2006 B General Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 2006B General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$695,000 in 2017 to \$300,000 in 2020 with interest at 4.75% due semi-annually on June 15 and December 15	\$ 2,480,000	\$ 3,140,000
Less amortization of:		
Bond Insurance	(6,026)	(9,390)
Series 2006B GARB net carrying amount	2,473,974	3,130,610
Less current portion including amortization	692,343	656,636
Long - Term Portion	<u>\$ 1,781,631</u>	<u>\$ 2,473,974</u>

Maturities of the long-term Series 2006B 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, 2016:

Year Ended	Principal	Interest	Total
2017	\$ 695,000	\$ 117,800	\$ 812,800
2018	725,000	84,787	809,787
2019	760,000	50,350	810,350
2020	300,000	14,250	314,250
TOTAL	<u>\$ 2,480,000</u>	<u>\$ 267,187</u>	<u>\$ 2,747,187</u>

### Series 2006C 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 Series 2006C General Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 2006C General Airport Revenue Bond Issue:		
Principal paid annually on December 15, in payments of \$175,000 in 2017 to \$380,000 in 2035 with interest at 4.0% to 4.25% due semi-annually on June 15 and December 15	\$ 5,010,000	\$ 5,180,000
Less amortization of:		
Bond Insurance	(33,266)	(36,319)
Series 2006C GARB net carrying amount	4,976,734	5,143,681
Less current portion including amortization	172,047	166,947
Long - Term Portion	<u>\$ 4,804,687</u>	<u>\$ 4,976,734</u>

Maturities of the long-term Series 2006C 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, 2016:

Year Ended	Principal	Interest	Total
2017	\$ 175,000	\$ 224,463	\$ 399,463
2018	185,000	217,463	402,463
2019	190,000	210,063	400,063
2020	200,000	202,225	402,225
2021	210,000	193,975	403,975
2022-2026	1,175,000	829,626	2,004,626
2027-2031	1,455,000	554,988	2,009,988
2032-2035	1,420,000	181,750	1,601,750
TOTAL	<u>\$ 5,010,000</u>	<u>\$ 2,614,553</u>	<u>\$ 7,624,553</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 2015 and 2016 the Authority rented the hangar space to transient general aviation aircraft storage tenants, an aircraft and ground handling equipment maintenance company and a commercial airline.

### Series 2010A 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 Series 1998 B Airport Revenue Bonds, the Series 2000B Airport Revenue Bonds, and the Series 2008A Airport Revenue Bonds. The net carrying amount on the Series 2010A General Airport Revenue Bonds consists of the following:

	As of December 31, 2016	As of December 31, 2015
Series 2010A General Airport Revenue Refunding Bond Issue:		
Principal paid annually on December 15, in payments of \$7,335,000 in 2017 to \$690,000 in 2030 with interest at 4.00% to 5.00% due semi-annually on June 15 and December 15	\$ 70,180,000	\$ 77,160,000
Plus amortization of:		
Bond Premium	1,483,693	2,155,497
Less amortization of:		
Deferred Loss on Refunding	(4,859,048)	(6,154,272)
Bond Insurance	(445,378)	(529,244)
Series 2010A GARB net carrying amount	66,359,267	72,631,981
Less current portion including amortization	6,638,412	6,272,714
Long - Term Portion	\$ 59,720,855	\$ 66,359,267

Maturities of the long-term Series 2010A 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, 2016:

Year Ended	Principal	Interest	Total
2017	\$ 7,335,000	\$ 3,226,231	\$ 10,561,231
2018	7,625,000	2,932,831	10,557,831
2019	5,555,000	2,557,581	8,112,581
2020	5,835,000	2,281,231	8,116,231
2021	6,115,000	1,991,981	8,106,981
2022-2026	35,115,000	5,447,238	40,562,238
2027-2030	2,600,000	295,225	2,895,225
TOTAL	\$ 70,180,000	\$ 18,732,319	\$ 88,912,319

The Facilities financed with Series 2010A included portions of the terminal, the New York State Police Aviation Facility, the FAA Control Tower, parking facilities and other Airport improvements. Lease agreements with the State of New York and the Federal Aviation Administration provide revenue to support a portion of the debt service and remain in effect through 2030 and 2019 respectively.



The table below provides a summary of Authority Revenue 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			
Series 1999 NYS EFC	\$ 416,630	\$ 1,126,281	\$ 1,542,911
Series 2003A GARB	359,676	2,286,483	2,646,159
Series 2006A GARB	(4,054)	6,289,280	6,285,226
Series 2006B GARB	692,343	1,781,631	2,473,974
Series 2006C GARB	172,047	4,804,687	4,976,734
Series 2010A Refunding	6,638,412	59,720,855	66,359,267
Total Long-term Indebtedness	<u>\$ 8,275,054</u>	<u>\$ 76,009,217</u>	<u>\$ 84,284,271</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, 2016, the Authority had \$88.2 million of principal debt outstanding issued which does not include deferred losses, bond premiums and amortization of bond insurance costs.

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;
- the Authority did not utilize any derivative or variable rate debt products in 2016 or 2015.

### NOTE 9 - Capital Contributions and Net Position

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

	Inception To Date	Year Ended 2016	Year Ended 2015
County of Albany	\$ 46,824,500	\$ -	\$ -
Federal	140,603,959	2,035,679	6,854,066
State	71,867,723	354,148	2,088,586
Total	<u>\$ 259,296,182</u>	<u>\$ 2,389,827</u>	<u>\$ 8,942,652</u>

Unrestricted net position consists of the following:

	2016	2015
Designation of unrestricted net position		
Operations and maintenance reserve	\$ 12,383,961	\$ 9,761,410
Renewal and replacement reserve	500,000	500,000
Total designations	<u>12,883,961</u>	<u>10,261,410</u>
Undesignated unrestricted net position	<u>5,752,214</u>	<u>6,548,204</u>
Total unrestricted net position	<u>\$ 18,636,175</u>	<u>\$ 16,809,614</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 position. 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, fifteen affiliated commercial passenger airlines and two cargo airlines serving the Airport have executed the first five year renewal option on the Airline Use and Lease Agreement ("Agreement"). This Agreement has a five-year term effective January 1, 2016 with an option for one five year renewal to extend the Agreement to December 31, 2025. The Authority charges signatory rates to carriers who have executed the Agreement and non-signatory rates to all other airlines and Airport users.

In general, the rate formulas under the Airline and Cargo Carrier Agreements in effect provide that at the end of each year the total financial requirements for each of the Airport cost centers be determined by applying revenues related to that cost center before the rate required to be paid by Signatory Airlines and Cargo Carriers is determined. The landing fee calculation uses a residual cost methodology. The terminal rate is based upon calculation of the total cost per square foot subject to annual settlement based upon actual cost. 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.

The Agreements provide a net income sharing mechanism by which the Signatory Airlines and Cargo Carriers receive a percentage of the Airport's net income (as defined in the Agreements) during the term of the agreement in the form of a rate credit offset. The Agreements also provide for extraordinary coverage protection where the Signatory Airlines and Cargo carriers have agreed to provide additional revenue to the Airport should net revenues be less than the required amount under the Master Bond Resolution.

In 2016, the net revenue sharing was fifty percent to the airlines and fifty percent to the Authority. Under this formula, the airlines and cargo carriers received a charge of \$611,107 for the rates and charges settlements and the airlines received \$2,526,248 for their share of the revenue sharing; totaling \$3,137,355. In 2015, the airlines and cargo carriers were given total credits of \$1,683,274 for their share of the final settlement and revenue sharing. In 2014, the total credits were \$1,662,803.

## 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. These agreements include: advertising, food and beverage, retail, on-airport rental cars, vending machines, baggage delivery services, baggage cart management, ATMs, vending machines and foreign currency exchange. 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 2016 of \$11,174,508 by \$1,323,697. In 2015 the revenues exceeded the MAG amounts due of \$10,728,650 by \$1,210,358. 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:

2017	\$ 9,936,045
2018	9,713,560
2019	5,142,653
2020	3,374,912
2021	3,265,098
2022-2031	<u>13,668,258</u>
Total	<u>\$ 45,100,526</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 - Contributory and noncontributory requirements depend upon the point in time at which an employee last joined the System. Most members of the ERS who joined the System on or before July 26, 1976 are enrolled in a non-contributory plan. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory Plan. Tier 3 through Tier 5 employees must contribute 3 percent of their salary. Tier 3 and Tier 4 employees with more than ten years of membership or credited service within the System are not required to contribute. Tier 6 member contribution rates vary from 3 percent to 6 percent depending on salary. Tier 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

The Authority is required to contribute at an actuarially determined rate. The required contributions for the years ended December 31, 2016, 2015 and 2014 were \$260,201, \$305,211, and \$315,057 respectively, or approximately 16.0%, 19.9% and 22%, 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.

Pension Liability - At December 31, 2016, the Authority reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2016. The total net pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension asset/(liability) was based on a projection of the Authority's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS System in a report provided to the Authority. The net pension (liability) is included in the non-current liabilities on the Statement of Net Position for December 31, 2015 and 2016 is below:

	2016	2015
	April 1, 2015	April 1, 2014
Actuarial valuation date		
Net pension asset/(liability)	(\$797,486)	(\$177,341)
Authority's portion of the Plan's total net pension asset/(liability)	0.0049687%	0.5249500%

Pension Expense - For the year ended December 31, 2016, the Authority recognized its proportionate share of pension expense of \$284,899. For December 31, 2015, the Authority's pension expense was \$160,496.

Deferred Outflows and Inflows of Resources Related to Pension - The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for December 31, 2016 and 2015:

	Outflows of Resources 2016	Outflows of Resources 2015	Inflows of Resources 2016	Inflows of Resources 2015
Differences between expected and actual experiences	\$ 4,030	\$ 5,677	\$ 94,529	\$ -
Changes of assumptions	212,665	-	-	-
Net difference between projected and actual earnings on pension plan investments	473,112	30,802	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	106,278	46,565	6,029	-
Contributions subsequent to the measurement date	260,215	305,211	-	-
Total	<u>\$ 1,056,300</u>	<u>\$ 388,255</u>	<u>\$ 100,558</u>	<u>\$ -</u>

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows as of December 31, 2016 and 2015:

Year ended:	2016	2015
2016	\$ -	\$ 20,761
2017	179,438	20,761
2018	179,438	20,761
2019	179,438	20,761
2020	157,213	-
2021	-	-
Thereafter	-	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuation used the following actuarial assumptions for December 31, 2016 and 2015:

	2016	2015
Measurement date	March 31, 2016	March 31, 2015
Actuarial valuation date	April 1, 2015	April 1, 2014
Interest Rate	7.00%	7.50%
Salary Scale	3.80%	4.90%
Decrement tables	April 1, 2010 - April 1, 2015 System's Experience	April 1, 2005 - April 1, 2014 System's Experience
Inflation rate	2.50%	2.70%
Projected Cost of Living Adjustments	1.3% annually	1.4% annually

Pensioner mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below.

Asset class	Target allocation	Long-Term expected real rate of return
Domestic equity	38	7.30 %
International equity	13	8.55
Private equity	10	11.00
Real estate	8	8.25
Absolute return strategies	3	6.75
Opportunistic portfolio	3	8.60
Real assets	3	8.65
Bonds and mortgages	18	4.00
Cash	2	2.25
Inflation-Indexed bonds	2	4.00
	100	%

Discount rate - The discount rate used to calculate the total pension asset/(liability) was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption - The following presents the Authority's proportionate share of the net pension asset/(liability) calculated using the discount rate of 7.0%, as well as what the Authority's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	(6.0%)	(7.0%)	(8.0%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$1,798,273	\$797,486	(\$48,136)

Changes in assumptions - Changes in assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits. Most of the assumptions used to calculate the Pension Liability were changed for the 2016 Liability Measurement as the result of a five year experience cycle review. The table below summarizes the changes:

<b>Assumption</b>	<b>Used in the 2015 Measurement</b>	<b>Used in the 2016 Measurement</b>
Inflation/Cost of Living Allowance	2.7%/1.4%	2.5%/1.3%
Investment Return	7.5%	7.0%
Salary Scale	4.8% average (using FY 2014 data indexed by Service)	3.8% average (using FY 20154 data indexed by Service)
Asset Valuation Method	5 Year Smoothing	5 Year Smoothing – no change
Pensioner Mortality	Gender/Collar specific tables based upon FY 2006-2010 experience with Society Of Actuaries Scale MP-2014 loading for mortality improvement.	Gender/Collar specific tables based upon FY 2011-2015 experience with Society Of Actuaries Scale MP- 2014 loading for mortality improvement.
Active Member Decrements	Based upon FY 2006-2010 experience	Based upon FY 2011-2015 experience

Collective Pension Expense - Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period. The collective pension expense for the periods ended December 31, 2016 and 2015 were \$312,872 and \$172,137 respectively.

Payables to the pension plan - ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Payments to the ERS due February 1, 2017 were prepaid at a discounted amount of \$260,215 during the Authority's year ended December 31, 2016. Accordingly, the Authority did not owe any payables to the Pension System as of December 31, 2016 or 2015.

Optional Voluntary Defined Contribution (VDC) Plan - Under state legislation enacted in 2012, Authority Employees first hired after June 30, 2013 who earn least \$75,000 per year or more are eligible to join the New York State Voluntary Defined Contribution (VDC) Plan instead of the ERS Plan. The VDC Plan is administered by the State University of New York Optional Retirement Plan (SUNY OPR). SUNY OPR has contracted with TIAA-CREF to administer the VDC Plan. The VDC plan is portable among employers and eligible employees vest 366 days after first joining the plan or other employer funded contract with any of the VDC investment providers. The Authority's contribution rate is 8% of participating employee salary for the duration of employment. Participating employee contribution rates range from 5.75% to 6% based upon salary level. During the initial vesting period the Authority must contribute 4% interest to a vesting employee's contribution deduction not yet remitted to the Plan. The Authority has one employee who joined the plan in October 2015. The Authority paid employer contributions to the VDC plan through December 31, 2016 totaling \$10,452.

### **NOTE 13 - Other Post Employment Benefits (OPEB)**

During 2009 the Authority adopted a formal written OPEB plan and created a legally separate trust to accumulate resources to fund the Authority's obligation to pay for OPEB benefits under the plan. The OPEB plan provides that all full-time and regular part-time employees with ten or more years of service with the Authority (including any years with the State of New York or County of Albany immediately preceding becoming an Authority employee) who retire from the Authority and are collecting retirement benefits through



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

The Authority used the following facts, actuarial methods and assumptions in determination of the OPEB liability and 2016 OPEB Expense:

- The plan is identified as a Single-Employer defined-benefit Plan.
- Premiums paid for coverage under the Community Rated Plan (insurance premiums are based upon multiple employers).
- The future Rate of Return on the Authority's unrestricted funds deposits will be 3.04% equal to the Authority's average rate of interest earned on deposits of money over the past five years.
- The future rate of Payroll growth will be 3%.
- The general rate of inflation will be 3% (the same as the future rate of payroll growth).
- Amortization period of Unfunded Accrued OPEB liability is 30 years commencing 2008.
- Amortization method chosen was "Level Percent of Payroll", closed amortization period.
- The annual rate of health care costs increase would be 9% in 2017 and gradually decline to 5% in 2021 and thereafter.
- The actuarial cost method chosen was the "Entry Age Actuarial Cost Method".
- The Unfunded Actuarial Accrued Liability and Annual Required Contribution were 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.....	\$ 178,633
Interest on Net OPEB Obligation.....	(5,532)
Adjustment to the Annual Required Contribution.....	<u>8,309</u>
Annual OPEB Cost (Expense).....	181,410
Age Adjusted Contributions Made.....	<u>(215,565)</u>
Change in Net OPEB Obligation (NOO).....	(34,155)
Net OPEB Obligation (NOO) (Asset) – Beginning of Year.....	<u>(181,976)</u>
Net OPEB Obligation (NOO) (Asset) – End of Year.....	<u><u>\$ (216,131)</u></u>

During 2016 the Authority made \$215,565 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.....	12/31/2016
Actuarial Value of Assets (a).....	\$1,900,888
Actuarial Accrued Liability (b).....	\$3,331,358
Unfunded Actuarial Accrued Liability (UAAL) (b-a).....	\$1,430,470
Funded Ratio (a/b).....	57.06%
Covered Payroll ( c).....	\$1,825,392
UAAL as a Percentage of Covered Payroll ((b-a)/c).....	78.37%

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

	2016	2015	2014
Annual OPEB cost	\$ 181,410	\$ 176,253	\$ 189,680
Age adjusted contribution	\$ 215,565	\$ 196,418	\$ 201,481
Percentage of annual OPEB cost contributed	118.8%	111.4%	106.2%
Net OPEB obligation (asset)	\$ (216,131)	\$ (181,976)	\$ (158,811)

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

#### NOTE 14 - Risk Management

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

No liability is recorded at December 31, 2016 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, 2016. There was no reduction in insurance coverage during 2016. Changes in the balance of claims paid directly by the Authority during the past two years are as follows:

	Year Ended 2016	Year Ended 2015
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	4,249	892
Claims paid	(4,249)	(892)
Unpaid claims, end of year	\$ -	\$ -

## NOTE 15 - Commitments and Contingencies

*FBO Operations* – As of October 1, 2005 the Authority entered into an agreement with REW Investments, Inc., (Million Air) to manage the fixed based operations on airport. Million Air is granted the nonexclusive privilege for managing a full and complete general aviation support function including ground handling, apron services, repair and maintenance, and hangar storage. The agreement also provides for operating and managing the Airport's fuel farm and deicing program for all commercial and general aviation aircraft. Million Air receives full reimbursement of all their on-airport pre-approved related expenses plus a base management fee of \$165,000 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, 2018. 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 not less than \$410,000. AvPorts may be entitled to an additional incentive fee of \$55,000 each year based on performance indicators negotiated between the parties.

*Capital Improvement Programs* - As of December 31, 2016, the Authority has outstanding contractual commitments for completion of certain capital improvement projects totaling \$6.5 million of which an estimated \$3.8 million 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 55.4% of accounts receivable and airline revenues represent 20.3% of operating revenues for the year ended December 31, 2016.

*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, 2016 and 2015 in compliance with: 1) requirements stated in the Single Audit Act of 1996 and Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; 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  
 Schedule for the Authority's Proportionate Share of Net Pension Liability  
 New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2016	2015
Proportion percentage of net pension liability	0.00497%	0.00525%
Proportion amount of net pension liability	\$ 797,486	\$ 177,342
Covered-employee payroll	\$ 1,640,182	\$ 1,599,482
Authority's proportionate share of net pension liability as a percentage of covered-employee payroll	48.62%	11.09%
Plan fiduciary net position as a percentage of total pension liability	90.70%	97.90%

*Data prior to 2015 is unavailable.*

Albany County Airport Authority  
 Schedule for the Authority Contributions  
 New York State and Local Employees' Retirement System

December 31,	2016	2015
Contractually required contribution	\$ 260,215	\$ 305,211
Contributions in relation to the contractually required contribution	(260,215)	(305,211)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 1,640,182	\$ 1,599,482
Contributions as a percentage of covered payroll	15.87%	19.08%

*Data prior to 2015 is unavailable.*

Albany County Airport Authority OPEB Trust  
 Schedule of Funding Progress  
 December 31, 2016

Valuation date	Actuarial value of assets (AVA)	Actuarial accrued liability (AAL)	Unfunded actuarial accrued asset (liability) (UAAL)	Funded Ratio	Annual covered payroll	UAAL as a % of payroll
(1)	(2)	(3)	(2) - (3) (4)	(2) / (3) (5)	(6)	(4) / (6) (7)
December 31, 2016	\$1,900,888	\$3,331,358	(\$1,430,470)	57.06%	\$1,825,392	78.37%
December 31, 2015	\$1,812,329	\$3,131,944	(\$1,319,615)	57.87%	\$1,743,009	75.71%
December 31, 2014	\$1,707,380	\$3,131,218	(\$1,423,838)	54.53%	\$1,667,061	85.41%
December 31, 2013	\$1,595,499	\$3,075,878	(\$1,480,379)	51.87%	\$1,705,000	86.83%
December 31, 2012	\$1,462,710	\$3,079,341	(\$1,616,631)	47.50%	\$1,616,000	100.04%
December 31, 2011	\$1,207,190	\$3,267,283	(\$2,060,093)	36.95%	\$1,858,000	110.88%
December 31, 2010	\$1,051,859	\$3,157,605	(\$2,105,746)	33.31%	\$1,858,000	113.33%
December 31, 2009	\$777,295	\$2,506,648	(\$1,729,353)	31.01%	\$1,858,000	93.08%
December 31, 2008	\$0	\$3,226,067	(\$3,226,067)	0.00%	\$1,881,000	171.51%

This page intentionally left blank



Other  
Supplemental  
Information



Albany County Airport Authority  
Debt Service Requirements to Maturity

GENERAL AIRPORT REVENUE BONDS AND EFC BONDS

YEAR	Principal	Interest	Interest Subsidy	Authority Total
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
<b>TOTAL</b>	<b>\$ 88,216,000</b>	<b>\$ 24,621,197</b>	<b>\$ (27,321)</b>	<b>\$ 112,809,876</b>

**Albany County Airport Authority**  
**Governmental Payments and Services**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
UNITED STATES - Department of Agriculture		
Dept. of Agriculture - Wildlife Management Program	\$ 34,769	\$ 35,085
STATE OF NEW YORK		
Department of Civil Service - Health Insurance	529,699	476,868
State and Local Employees' Retirement System	260,215	305,211
Unemployment Insurance	4,571	5,510
Dept. of Taxation & Finance-Sales Tax	289,816	330,687
Dept. of Taxation & Finance-Petroleum Business Tax	124,848	122,039
DEC-Oil Spill Fee	12,351	127
DEC-SPDES Program Fees & Permits	2,425	2,410
Total State of New York	1,223,925	1,242,852
COUNTY OF ALBANY		
Direct Costs:		
Sheriff	2,216,172	2,084,342
Code Enforcement	45,904	43,837
Dept. of Public Works - Salt for Roadways	19,071	40,688
Sewer District Charges	5,000	5,000
Total County of Albany	2,286,147	2,173,867
LATHAM WATER DISTRICT - Water Service	97,577	123,737
TOWN OF COLONIE, RECEIVER OF TAXES		
Sewer Taxes	81,921	93,639
Verdoy Fire Dept.	1,648	1,635
Albany County Tax	5,633	5,703
Town of Colonie Tax	3,653	3,633
School Taxes - North Colonie	25,490	25,321
Total Town of Colonie, Receiver of Taxes	118,345	129,931
VILLAGE OF COLONIE		
Wastewater Conveyance	7,500	7,500
TOTAL PAYMENTS TO OTHER GOVERNMENTAL ENTITIES	\$3,886,608	\$3,842,903

This page intentionally left blank

# Statistical

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

## **Financial Trends**

**Pages 80-83**

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

## **Revenue Capacity**

**Pages 84-85**

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

## **Debt Capacity**

**Pages 86-89**

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

## **Demographic and Economic Information**

**Pages 90-92**

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

## **Operating Information**

**Pages 93-104**

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

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

	2007	2008	2009	2010
<b>REVENUES</b>				
Airfield	\$ 5,597,334	\$ 6,828,222	\$ 7,303,064	\$ 6,249,734
Fixed Based Operations	8,817,614	10,193,452	7,579,581	8,339,501
Terminal	7,574,748	7,689,690	6,513,311	5,760,454
Concessions	5,686,723	5,480,004	6,044,347	6,135,012
Ground transportation	11,340,151	11,122,678	10,818,594	10,695,016
Other	3,618,200	4,361,254	3,991,942	3,772,841
	<u>42,634,770</u>	<u>45,675,300</u>	<u>42,250,839</u>	<u>40,952,558</u>
<b>OTHER REVENUES</b>				
Interest income	1,810,589	836,612	265,017	196,224
Passenger Facility Charges	4,081,962	3,716,492	4,077,806	5,043,851
Grant income	-	2,501,420	5,480,166	3,442,758
Insurance recovery	2,929	-	-	-
Investments received	297,413	-	-	-
Improvement charges	276,300	276,300	368,400	368,400
	<u>6,469,193</u>	<u>7,330,824</u>	<u>10,191,389</u>	<u>9,051,233</u>
<b>TOTAL REVENUES</b>	<u>49,103,963</u>	<u>53,006,124</u>	<u>52,442,228</u>	<u>50,003,791</u>
<b>EXPENSES</b>				
Salaries and benefits	12,302,838	12,706,397	12,036,671	12,532,967
Services and supplies	19,672,084	21,524,796	17,588,812	17,354,401
Depreciation	12,968,042	13,626,882	14,067,322	13,585,503
	<u>44,942,964</u>	<u>47,858,075</u>	<u>43,692,805</u>	<u>43,472,871</u>
<b>OTHER EXPENSES</b>				
Property damage	2,929	-	-	-
Grant expense	-	2,794,322	4,943,468	3,013,773
Interest expense	7,616,204	6,751,363	6,845,764	5,961,984
Amortization of bond issuance costs	77,677	125,335	130,653	145,928
Decrease in fair value of investments	126,600	26,614	82,204	-
	<u>7,823,410</u>	<u>9,697,634</u>	<u>12,002,089</u>	<u>9,121,685</u>
<b>TOTAL EXPENSES</b>	<u>52,766,374</u>	<u>57,555,709</u>	<u>55,694,894</u>	<u>52,594,556</u>
Capital Contributions	4,825,854	8,379,148	6,524,938	5,883,974
Special Item	-	-	-	(553,347)
Extraordinary Item	-	-	-	(169,007)
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ 1,163,443</u>	<u>\$ 3,829,563</u>	<u>\$ 3,272,272</u>	<u>\$ 2,570,855</u>
<b>NET POSITION AT YEAR END COMPOSED OF:</b>				
Net investment in capital assets	\$ 155,507,466	\$ 159,048,126	\$ 161,268,212	\$ 164,991,633 <1>
Restricted	19,100,901	18,634,971	18,703,079	16,539,805
Unrestricted	9,226,389	9,981,222	10,965,300	11,037,746
	<u>\$ 183,834,756</u>	<u>\$ 187,664,319</u>	<u>\$ 190,936,591</u>	<u>\$ 192,569,184</u>

<1> The 2010 Investment in Capital Assets, net of Related Debt was adjusted by \$938,262 in accordance with GASB Statement 65. See the end of Note 2 - Summary of Significant Accounting Policies in the notes to the financial statements.

Source: Authority's audited financial statements.

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

2011	2012	2013	2014	2015	2016
\$ 6,620,031	\$ 6,517,132	\$ 6,382,280	\$ 6,320,065	\$ 6,457,974	\$ 5,882,274
10,816,078	9,732,965	9,641,415	10,348,396	8,570,119	8,300,218
5,549,272	5,220,736	5,146,616	4,816,946	5,000,721	4,777,241
6,531,954	6,490,578	6,390,371	7,027,934	7,268,718	7,540,431
10,737,419	11,035,611	10,998,265	11,575,593	13,089,872	15,163,022
3,739,595	3,703,440	3,656,336	3,505,150	3,850,200	4,075,479
43,994,349	42,700,462	42,215,283	43,594,084	44,237,604	45,738,665
102,137	94,418	84,959	54,043	20,739	12,280
4,832,209	4,843,563	4,693,348	4,777,691	5,080,183	5,385,946
1,112,504	344,845	366,420	292,938	292,000	222,772
-	-	-	-	-	-
-	-	-	-	-	-
368,400	368,400	368,400	368,400	368,400	368,400
6,415,250	5,651,226	5,513,127	5,493,072	5,761,322	5,989,398
50,409,599	48,351,688	47,728,410	49,087,156	49,998,926	51,728,063
12,608,658	12,858,828	13,385,948	13,375,148	13,519,423	14,209,606
20,064,093	17,939,145	18,275,162	18,948,402	17,850,888	17,904,007
13,406,698	13,537,373	13,716,881	13,957,515	13,893,673	14,396,008
46,079,449	44,335,346	45,377,991	46,281,065	45,263,984	46,509,621
-	-	-	-	-	-
683,300	-	-	-	-	-
6,971,497	6,615,097	6,255,548	5,870,629	5,463,254	5,002,200
269,204	164,459	156,676	133,008	109,988	100,347
-	-	-	-	-	-
7,924,001	6,779,556	6,412,224	6,003,637	5,573,242	5,102,547
54,003,450	51,114,902	51,790,215	52,284,702	50,837,226	51,612,168
7,063,708	4,385,124	4,009,502	6,414,378	8,942,652	2,389,827
-	(980,110)	-	-	-	-
-	-	-	-	-	-
\$ 3,469,857	\$ 641,800	\$ (52,303)	\$ 3,216,832	\$ 8,104,352	\$ 2,505,722
\$ 167,205,678	\$ 166,644,993	\$ 165,997,945	\$ 167,432,611	\$ 171,751,795	\$ 170,626,920
16,487,232	16,852,644	17,049,812	17,573,958	19,387,387	21,191,423
12,346,131	13,183,204	13,580,781	14,838,801	16,809,614	18,636,175
\$ 196,039,041	\$ 196,680,841	\$ 196,628,538	\$ 199,845,370	\$ 207,948,796	\$ 210,454,518

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

	2007	2008	2009	2010
<b>Cash Flows From Operating Activities</b>				
Cash received from providing services	\$ 43,116,237	\$ 44,028,857	\$ 44,152,367	\$ 40,707,911
Cash paid to suppliers	(30,878,585)	(35,545,624)	(29,110,669)	(28,284,795)
Cash paid to employees	(1,190,541)	(1,257,735)	(1,248,160)	(1,154,379)
<b>Net Cash Provided By Operating Activities</b>	<b>11,047,111</b>	<b>7,225,498</b>	<b>13,793,538</b>	<b>11,268,737</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Grant Income	-	2,501,420	5,480,166	3,442,758
Grant Expense	-	(2,794,322)	(4,943,468)	(3,013,773)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>-</b>	<b>(292,902)</b>	<b>536,698</b>	<b>428,985</b>
<b>Cash Flows From Investing Activities</b>				
Interest received	1,853,089	832,708	265,803	204,908
Purchase of Investments	-	-	-	(277,389)
Sale of Investments	-	-	65,110	442,237
Interest on Passenger Facility Charges	238,560	112,411	43,285	13,940
<b>Net Cash Provided by Investing Activities</b>	<b>2,091,649</b>	<b>945,119</b>	<b>374,198</b>	<b>383,696</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of capital assets	(15,733,030)	(8,971,021)	(7,627,276)	(8,080,522)
Principal payments on bonds and notes payable	(6,554,932)	(6,885,016)	(8,177,659)	(3,531,847)
Interest paid	(7,647,211)	(7,398,066)	(6,835,858)	(5,931,827)
Payment to refunding agent	-	-	-	(125,391,340)
Proceeds from debt issuance	-	83,200,000	-	119,021,872
Payment of 1997 refunding bonds	-	(82,416,000)	-	-
Less: Cost of Issuance	-	(889,198)	-	(2,007,569)
ANCLUC funds	(84,659)	18,689	100,492	1,139
Concession Improvement funds	119,314	99,384	(183,611)	89,745
Improvement charges	276,300	276,300	368,400	368,400
Capital contributions	5,582,880	6,528,726	7,716,862	7,077,968
Passenger facility charges	3,928,677	3,613,380	3,921,553	5,036,950
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>(20,112,661)</b>	<b>(12,822,822)</b>	<b>(10,717,097)</b>	<b>(13,347,031)</b>
<b>Net increase (decrease)</b>	<b>(6,973,901)</b>	<b>(4,945,107)</b>	<b>3,987,337</b>	<b>(1,265,613)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>46,295,607</b>	<b>39,321,706</b>	<b>34,376,599</b>	<b>38,363,936</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 39,321,706</b>	<b>\$ 34,376,599</b>	<b>\$ 38,363,936</b>	<b>\$ 37,098,323</b>

Source: Authority's audited financial statements



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

2011	2012	2013	2014	2015	2016
\$ 44,327,193	\$ 42,253,033	\$ 42,311,459	\$ 43,862,468	\$ 44,211,164	\$ 45,595,258
(31,992,962)	(28,813,561)	(30,404,614)	(30,679,673)	(31,277,486)	(28,239,666)
(1,099,021)	(1,104,020)	(1,149,945)	(1,114,606)	(1,143,581)	(1,190,846)
11,235,210	12,335,452	10,756,900	12,068,189	11,790,097	16,164,746
1,071,409	344,845	366,420	292,938	292,000	222,772
(642,205)	-	-	-	-	-
429,204	344,845	366,420	292,938	292,000	222,772
102,137	94,418	85,056	54,043	20,739	12,280
-	-	-	-	-	-
-	-	-	-	-	-
11,002	8,470	9,293	9,257	11,688	14,941
113,139	102,888	94,349	63,300	32,427	27,221
(9,243,027)	(5,954,942)	(7,804,302)	(8,249,851)	(12,534,202)	(4,244,291)
(8,574,618)	(8,736,422)	(8,598,074)	(8,102,182)	(8,266,000)	(8,567,000)
(5,724,131)	(5,502,063)	(5,409,940)	(5,136,989)	(4,700,250)	(4,394,462)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(347,296)	449	490	395	(1,334)	-
44,668	67,457	337,258	(359,380)	101,374	(212,759)
368,400	368,400	368,400	368,400	368,400	368,400
6,579,972	3,488,992	4,411,353	4,826,042	10,209,459	3,164,885
4,850,569	4,794,831	4,727,885	4,745,288	4,939,384	5,356,286
(12,045,463)	(11,473,298)	(11,966,930)	(11,908,277)	(9,883,169)	(8,528,941)
(267,910)	1,309,887	(749,261)	516,150	2,231,355	7,885,798
37,098,323	36,830,413	38,140,300	37,391,039	37,907,189	40,138,544
\$ 36,830,413	\$ 38,140,300	\$ 37,391,039	\$ 37,907,189	\$ 40,138,544	\$ 48,024,342

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

	2007	2008	2009	2010
<b>PRINCIPAL REVENUE SOURCES</b>				
<b>AIRLINE REVENUE</b>				
Landing Fees	\$ 3,328,473	\$ 4,422,523	\$ 4,770,538	\$ 3,843,738
Landing Fee Surcharge	166,975	168,250	170,810	169,427
Apron Fees	916,131	893,046	879,251	807,430
Fixed Based Operations	2,645,682	2,916,524	3,040,483	3,261,577
Terminal Rents	6,096,652	6,422,724	5,273,885	4,530,851
Loading Bridge Rentals	542,738	542,738	508,181	533,360
<b>TOTAL AIRLINE REVENUE</b>	<b>13,696,651</b>	<b>15,365,805</b>	<b>14,643,148</b>	<b>13,146,383</b>
Percent of Total Revenues	27.9%	29.0%	27.9%	26.3%
<b>NON-AIRLINE REVENUES</b>				
Parking	11,093,567	10,886,182	10,818,593	10,428,141
Rental Car	3,785,642	3,649,493	3,902,274	4,263,770
Other	14,058,910	15,773,820	12,886,824	13,114,264
<b>TOTAL NON-AIRLINE REVENUES</b>	<b>28,938,119</b>	<b>30,309,495</b>	<b>27,607,691</b>	<b>27,806,175</b>
Percent of Total Revenues	58.9%	57.2%	52.6%	55.6%
<b>NON-OPERATING REVENUES</b>				
PFCs	4,081,962	3,716,492	4,077,806	5,043,851
Grant Income	-	2,501,420	5,480,166	3,442,758
Interest	1,810,589	836,612	265,017	196,224
Insurance Recovery	2,929	-	-	-
Decrease in fair value of investments	297,413	-	-	-
Other	276,300	276,300	368,400	368,400
<b>TOTAL NON-OPERATING REVENUES</b>	<b>6,469,193</b>	<b>7,330,824</b>	<b>10,191,389</b>	<b>9,051,233</b>
Percent of Total Revenues	13.2%	13.8%	19.4%	18.1%
<b>TOTAL REVENUES</b>	<b>\$ 49,103,963</b>	<b>\$ 53,006,124</b>	<b>\$ 52,442,228</b>	<b>\$ 50,003,791</b>
Enplaned Passengers	1,440,385	1,380,483	1,318,819	1,264,381
<b>TOTAL REVENUE PER ENPLANED PASSENGER</b>	<b>\$ 34.09</b>	<b>\$ 38.40</b>	<b>\$ 39.76</b>	<b>\$ 39.55</b>
<b>SIGNATORY AIRLINES RATES AND CHARGES</b>				
Landing Fee (per 1,000 lbs MGLW)	\$ 1.81	\$ 2.71	\$ 3.11	\$ 2.45
Landing Fee Surcharge (per 1,000 lbs MGLW)	0.08	0.08	0.10	0.10
Apron Fees (per sq. foot)	1.10	1.48	1.46	1.51
Annual Terminal Rental Rates (per sq. foot)	83.42	84.00	79.61	72.70
Annual Loading Bridge Rental (per bridge)	36,183.00	36,978.00	36,299.00	35,532.00
Airline Cost per Enplanement: Airport Operations	7.67	8.91	8.80	7.82

The Authority entered a ten year airline agreement which governs the calculation of rates and fees charged to signatory airlines effective January 1, 2006, renewed in 2011 and renegotiated effective January 1, 2016.

<1> The revenue basis to which the signatory rates and charges apply and the principal airline revenue payers can be found on pages 94-99

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,**

2011	2012	2013	2014	2015	2016
\$ 3,964,651	\$ 4,041,201	\$ 4,035,420	\$ 3,934,458	\$ 4,090,831	\$ 3,838,764
168,015	168,400	-	-	-	-
847,651	810,760	797,936	811,176	826,683	571,813
3,979,252	3,031,163	3,289,020	3,135,354	2,645,138	2,064,220
4,358,719	3,980,775	3,925,842	3,697,979	3,701,504	3,471,855
501,336	528,303	471,669	437,980	626,660	565,362
13,819,624	12,560,602	12,519,887	12,016,947	11,890,816	10,512,014
27.4%	26.0%	26.2%	24.5%	23.8%	20.3%
10,478,603	10,787,568	10,724,464	11,311,640	12,810,052	14,870,476
4,718,960	4,723,808	4,679,586	4,854,354	5,053,412	5,057,259
14,977,162	14,628,484	14,291,346	15,411,143	14,483,324	15,298,915
30,174,725	30,139,860	29,695,396	31,577,137	32,346,788	35,226,650
59.9%	62.3%	62.2%	64.3%	64.7%	68.1%
4,832,209	4,843,563	4,693,348	4,777,691	5,080,183	5,385,947
1,112,504	344,845	366,420	292,938	292,000	222,772
102,137	94,418	84,959	54,043	20,739	12,280
-	-	-	-	-	-
-	-	-	-	-	-
368,400	368,400	368,400	368,400	368,400	368,400
6,415,250	5,651,226	5,513,127	5,493,072	5,761,322	5,989,399
12.7%	11.7%	11.6%	11.2%	11.5%	11.6%
\$ 50,409,599	\$ 48,351,688	\$ 47,728,410	\$ 49,087,156	\$ 49,998,926	\$ 51,728,063
1,242,399	1,244,976	1,215,076	1,297,749	1,297,749	1,407,005
\$ 40.57	\$ 38.84	\$ 39.28	\$ 37.82	\$ 38.53	\$ 36.76
\$ 2.61	\$ 2.92	\$ 2.92	\$ 3.06	\$ 3.27	\$ 2.73
0.11	0.11	-	-	-	-
1.75	1.78	1.58	1.59	1.52	1.19
69.55	68.46	66.56	68.13	74.63	81.11
33,422.00	35,220.00	31,445.00	31,284.00	44,761.00	40,383.00
7.92	7.64	7.60	7.22	7.12	6.00

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

	2007	2008	2009
<b>Ratio of Authority issued Revenue Bond Debt Service to Total Expenses</b>			
Principal	\$ 6,554,932	\$ 6,885,016	\$ 8,177,659
Interest <1>	7,693,877	7,513,131	6,976,417
Total Debt Service	\$ 14,248,809	\$ 14,398,147	\$ 15,154,076
Total Expenses	\$ 52,766,374	\$ 57,555,709	\$ 55,694,894
Ratio of Debt Service to Total Expenses	27.00%	25.02%	27.21%
<b>Debt Service per Enplaned Passenger</b>			
Net Debt Service	\$ 10,010,625	\$ 10,230,911	\$ 11,428,288
Enplaned Passengers	1,440,385	1,380,483	1,318,819
Debt Service per Enplaned Passenger	\$ 6.95	\$ 7.41	\$ 8.67
<b>Outstanding Debt (Authority and County) per Enplaned Passenger</b>			
Outstanding debt by type:			
County of Albany Debt Issued for the Authority <2>	\$ 5,543,982	\$ 4,580,151	\$ 3,418,256
General Airport Revenue Bond (GARB)	143,175,122	137,253,661	136,681,250
NYS EFC	6,310,821	5,694,808	4,627,000
Total Outstanding Debt	\$ 155,029,925	\$ 147,528,620	\$ 144,726,506
Enplaned Passengers	1,440,385	1,380,483	1,318,819
Outstanding Debt per Enplaned Passenger	\$ 108	\$ 107	\$ 110
<b>Debt Limit per Enplaned Passenger</b>			
Debt Limit	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
Enplaned Passengers	1,440,385	1,380,483	1,318,819
Debt Limit per Enplaned Passenger	\$ 198	\$ 206	\$ 216

<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.

Source: Authority's audited financial statements and statistics reports

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

2010	2011	2012	2013	2014	2015	2016
\$ 3,531,847	\$ 8,574,618	\$ 8,736,422	\$ 8,598,074	\$ 8,102,182	\$ 8,266,000	\$ 8,567,000
6,107,912	7,240,701	6,779,556	5,361,990	5,077,305	4,797,018	4,477,930
\$ 9,639,759 <3>	\$ 15,815,319	\$ 15,515,978	\$ 13,960,064	\$ 13,179,487	\$ 13,063,018	\$ 13,044,930
\$ 52,594,556	\$ 54,003,450	\$ 51,114,902	\$ 51,790,215	\$ 52,284,702	\$ 50,837,226	\$ 51,612,168
18.33%	29.29%	30.36%	26.96%	25.21%	25.70%	25.27%
\$ 5,913,971	\$ 10,962,543	\$ 11,054,389	\$ 9,260,064	\$ 8,966,388	\$ 9,769,698	\$ 9,436,720
1,264,381	1,242,399	1,244,976	1,215,076	1,230,376	1,297,749	1,407,005
\$ 4.68	\$ 8.82	\$ 8.88	\$ 7.62	\$ 7.29	\$ 7.53	\$ 6.71
\$ 2,454,409	\$ 1,510,678	\$ 584,256	\$ 81,182	\$ -	\$ -	\$ -
132,560,000	125,340,000	117,950,000	110,315,000	102,690,000	94,825,000	86,670,000
4,045,887	3,635,000	3,215,000	2,755,000	2,359,000	1,958,000	1,546,000
\$ 139,060,296	\$ 130,485,678	\$ 121,749,256	\$ 113,151,182	\$ 105,049,000	\$ 96,783,000	\$ 88,216,000
1,264,381	1,242,399	1,244,976	1,215,076	1,230,376	1,297,749	1,407,005
\$ 110	\$ 105	\$ 98	\$ 93	\$ 85	\$ 75	\$ 63
\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
1,264,381	1,242,399	1,244,976	1,215,076	1,230,376	1,297,749	1,407,005
\$ 225	\$ 229	\$ 229	\$ 235	\$ 232	\$ 220	\$ 203

<3> Debt service does not include \$5,145,000 of principal retired and certain accrued interest on \$107,395,000 of bonds refunded in 2010 for which the Authority contributed \$8,398,522 in cash on hand to reduce the amount of refunding bonds issued and scheduled debt service due in 2010.

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

	2007	2008	2009
<b>NET REVENUES</b>			
Operating Revenues	\$ 42,634,760	\$ 45,675,304	\$ 42,250,595
Interest Income	1,225,878	597,990	233,567
Investments Received	170,813	-	(79,087)
Air Service Development	-	-	-
TSA (LEO) Reimbursement	-	-	-
Improvement Charges	276,300	276,300	368,400
<b>Total Revenues</b>	<b>\$ 44,307,751</b>	<b>\$ 46,549,594</b>	<b>\$ 42,773,475</b>
LESS: Total Operating Expenses <1>	(31,974,921)	(34,231,189)	(29,625,492)
LESS: Albany County Debt Service	(1,263,510)	(1,202,184)	(1,156,056)
LESS: Air Service Incentive Cost to Airport	-	-	-
<b>Net Revenues</b>	<b>\$ 11,069,320</b>	<b>\$ 11,116,221</b>	<b>\$ 11,991,927</b>
<b>DEBT SERVICE</b>			
1997 Revenue Bonds	\$ 6,989,961	\$ 388,433	\$ -
Less: PFC Revenues used for Debt Service	(4,238,184)	(4,167,236)	(3,725,788)
1998 B & C Revenue Bonds	2,358,007	2,360,653	2,444,052
1999 NYS EFC Revenue Bonds	651,283	634,745	617,141
Less: 1999 NYS EFC Interest Subsidy	(188,258)	(174,600)	(157,301)
2000 NYS EFC Revenue Bonds	276,551	275,149	279,829
Less: 2000 NYS EFC Interest Subsidy	(25,319)	(18,996)	(12,846)
2000 B Revenue Bonds	960,402	957,753	957,471
2003 A Revenue Bonds	743,885	748,863	748,637
2004 NYS EFC Revenue Bonds	46,064	41,985	41,289
Less: 2004 NYS EFC Interest Subsidy	(4,716)	(4,009)	(3,341)
2006 A & B Revenue Bonds	1,099,763	1,099,926	1,099,188
2006 C Revenue Bonds	290,356	402,054	402,048
2008 A Refunding Bonds	-	6,348,023	6,902,639
2010 A Refunding Bonds	-	-	-
2010 B Refunding Bonds	-	-	-
Less: Interest paid from bond proceeds	(290,356)	-	-
<b>Net Debt Service</b>	<b>\$ 8,669,439</b>	<b>\$ 8,892,743</b>	<b>\$ 9,593,018</b>
<b>DEBT SERVICE COVERAGE &lt;2&gt;</b>	<b>1.28</b>	<b>1.25</b>	<b>1.25</b>
<b>&lt;2&gt; Does not include required amounts held in Bond Reserve Accounts as follows:</b>			
1997 Revenue Bonds	\$ 8,370,000	\$ -	\$ -
1998 B & C Revenue Bonds	2,447,415	2,447,415	2,447,415
1999 NYS EFC Bonds	442,237	442,237	442,237
2000 NYS EFC Bonds	237,494	237,494	237,494
2000 B Revenue Bonds	926,700	926,700	926,700
2003 A Revenue Bonds	514,100	514,100	514,100
2004 NYS EFC Bonds	38,831	38,831	38,831
2006 A & B Revenue Bonds	1,128,600	1,128,600	1,128,600
2006 C Revenue Bonds	404,263	404,263	404,263
2008 A Refunding Bonds	-	8,232,976	8,232,976
2010 A Refunding Bonds	-	-	-
<b>Total Bond Reserve Accounts</b>	<b>\$ 14,509,640</b>	<b>\$ 14,372,616</b>	<b>\$ 14,372,616</b>

<1> Beginning in 2015, Total Operating Expenses include contributions actually paid to employee benefit trusts, as provided for under the master bond resolution rather than the expense under GASB No. 68 and No. 71.

<2> Debt service does not include \$5,145,000 of principal retired and certain accrued interest on \$107,395,000 of bonds refunded in 2010 for which the Authority contributed \$8,398,522 in cash on hand to reduce the amount of refunding bonds issued and scheduled debt service due in 2010.

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,**

2010	2011	2012	2013	2014	2015	2016
\$ 40,952,560	\$ 43,994,350	\$ 42,700,503	\$ 42,215,294	\$ 43,594,101	\$ 44,237,599	\$ 45,738,668
184,276	83,120	76,334	59,013	51,374	10,784	12,280
-	-	-	-	-	-	-
-	-	-	75,000	-	-	-
428,984	429,204	344,845	291,420	292,938	292,000	222,772
368,400	368,400	368,400	368,400	368,400	368,400	368,400
\$ 41,934,220	\$ 44,875,074	\$ 43,490,082	\$ 43,009,127	\$ 44,306,813	\$ 44,908,783	\$ 46,342,120
(29,886,704)	(32,675,747)	(30,797,979)	(31,661,110)	(32,323,557)	(31,452,654)	(31,521,233)
(1,080,407)	(1,022,352)	(967,198)	(511,616)	(81,180)	-	-
-	-	-	-	-	(50,732)	(539,720)
\$ 10,967,109	\$ 11,176,975	\$ 11,724,905	\$ 10,836,401	\$ 11,902,076	\$ 13,405,397	\$ 14,281,167
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2,806,622)	(4,852,776)	(4,461,589)	(4,700,000)	(4,213,099)	(3,293,320)	(3,608,210)
1,455,142	-	-	-	-	-	-
577,873	443,618	451,094	452,309	453,637	452,972	457,308
(143,792)	(26,907)	(25,819)	(24,265)	(22,283)	(19,808)	(16,856)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
511,813	-	-	-	-	-	-
746,692	748,577	744,250	742,130	474,876	464,391	463,473
40,893	39,362	38,642	72,452	-	-	-
(2,673)	(2,004)	(1,336)	(668)	-	-	-
1,102,531	1,099,788	1,101,051	1,099,875	1,102,502	1,103,706	1,098,489
401,838	401,429	400,822	400,013	403,996	402,588	400,980
3,963,413	-	-	-	-	-	-
2,707,162	9,628,519	9,621,151	9,622,600	9,627,239	9,625,169	10,540,689
62,112	923,852	925,376	927,326	925,329	924,104	-
-	-	-	-	-	-	-
\$ 8,616,382	\$ 8,403,458	\$ 8,793,642	\$ 8,591,772	\$ 8,752,197	\$ 9,659,802	\$ 9,335,873
1.27	1.33	1.33	1.26	1.36	1.39	1.53
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
277,389	277,389	277,389	277,389	277,389	277,389	277,389
-	-	-	-	-	-	-
-	-	-	-	-	-	-
514,100	514,100	514,100	514,100	514,100	514,100	514,100
38,831	38,831	38,831	-	-	-	-
1,128,600	1,128,600	1,128,600	1,128,600	1,128,600	1,128,600	1,128,600
404,263	404,263	404,263	404,263	404,263	404,263	404,263
-	-	-	-	-	-	-
9,523,517	9,523,517	9,523,517	9,523,517	9,523,517	9,523,517	9,523,517
\$ 11,886,700	\$ 11,886,700	\$ 11,886,700	\$ 11,847,869	\$ 11,847,869	\$ 11,847,869	\$ 11,847,869

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

	2015	2010	2010 vs. 2000	2000	2000 vs. 1990	1990
<b><u>PRIMARY TRADE AREA</u></b>						
State of New York						
Albany County	309,381	304,204	3.3%	294,565	0.7%	292,594
Columbia County	61,509	63,096	0.0%	63,094	0.2%	62,982
Fulton County	53,992	55,531	0.8%	55,073	1.6%	54,191
Greene County	47,625	49,221	2.1%	48,195	7.7%	44,739
Montgomery County	49,642	50,219	1.0%	49,708	-4.4%	51,981
Rensselaer County	160,266	159,429	4.5%	152,538	-1.2%	154,429
Saratoga County	226,249	219,607	9.5%	200,635	10.7%	181,276
Schenectady County	154,604	154,727	5.6%	146,555	-1.8%	149,285
Schoharie County	31,330	32,749	3.7%	31,582	-0.9%	31,859
Warren County	64,688	65,707	3.8%	63,303	6.9%	59,209
Washington County	62,230	63,216	3.6%	61,042	2.9%	59,330
State of Massachusetts						
Berkshire County	127,828	131,219	-2.8%	134,953	-3.2%	139,352
State of Vermont						
Bennington County	36,317	37,125	0.4%	36,994	3.2%	35,845
<b>PRIMARY TRADE AREA</b>	<b>1,385,661</b>	<b>1,386,050</b>	<b>3.6%</b>	<b>1,338,237</b>	<b>1.6%</b>	<b>1,317,072</b>
<b><u>SECONDARY TRADE AREA</u></b>						
State of New York						
Delaware County	46,053	47,980	-0.2%	48,055	1.8%	47,225
Dutchess County	295,754	297,488	6.2%	280,150	8.0%	259,462
Essex County	38,478	39,370	1.3%	38,851	4.6%	37,152
Hamilton County	4,712	4,836	-10.1%	5,379	1.9%	5,279
Herkimer County	63,100	64,519	0.1%	64,427	-2.1%	65,797
Otsego County	60,636	62,259	0.9%	61,676	1.9%	60,517
Ulster County	180,143	182,493	2.7%	177,749	7.5%	165,304
State of Connecticut						
Litchfield County	183,603	189,927	4.2%	182,193	4.7%	174,092
State of Massachusetts						
Franklin County	70,601	71,372	-0.2%	71,535	2.1%	70,092
Hampden County	470,690	463,490	1.6%	456,228	0.0%	456,310
Hampshire County	161,292	158,080	3.8%	152,251	3.9%	146,568
State of Vermont						
Addison County	37,035	36,821	2.4%	35,974	9.2%	32,953
Rutland County	59,736	61,642	-2.8%	63,400	2.0%	62,142
Windham County	43,386	44,513	0.7%	44,216	6.3%	41,588
Windsor County	55,737	56,670	-1.3%	57,418	6.2%	54,055
<b>SECONDARY TRADE AREA</b>	<b>1,770,956</b>	<b>1,781,460</b>	<b>2.4%</b>	<b>1,739,502</b>	<b>3.6%</b>	<b>1,678,536</b>
<b>TOTAL PRIMARY AND SECONDARY TRADE AREA POPULATION</b>	<b>3,156,617</b>	<b>3,167,510</b>	<b>2.9%</b>	<b>3,077,739</b>	<b>2.7%</b>	<b>2,995,608</b>
State of New York	19,795,791	19,378,102	2.1%	18,976,457	5.5%	17,990,455
United States	321,418,820	308,745,538	9.4%	282,171,936	13.5%	248,709,873

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



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

Rank	Employer	Industry	Employees	
			2016	2007
1	New York State	State Government	51,800	53,800
2	St. Peter's Health Partners	Health Care	12,130	3,587
3	Albany Medical Center	Health Care	8,652	5,670
4	Golub Corporation	Retail Grocery, Headquarters, and Dist. Center	8,208	6,555
5	U.S. Government	Federal Government	7,901	6,900
6	General Electric Company	Energy, Research, Industrial	7,000	7,000
7	Hannaford Brothers	Retail Grocery	5,000	3,580
8	University of Albany	Educational Services	4,700	N/A
9	Ellis Medicine	Health Care	3,479	1,645
10	Stewart's Shops Corp.	Dairy Products/Convenience Stores	3,099	1,335
11	Bechtel Marine Propulsion Corp.	Research and development	3,000	2,600
12	Glens Falls Hospital	Health Care	2,736	2,347
13	Center for Disability Services	Health Care	2,651	2,198
14	County of Albany	Government	2,497	2,921
15	Global Foundries	Semiconductor Manufacturing	2,400	N/A
16	Saratoga Hospital & Nursing Home	Health Care	2,187	1,148
17	Rensselaer Polytechnic Institute	Educational Services	1,968	1,898
18	City of Schenectady School District	Educational Services	1,808	1,800
19	Shenendehowa School District	Educational Services	1,680	1,900
20	Rensselaer County	Local Government	1,657	1,600
21	St Mary's Healthcare	Health Care	1,610	N/A
22	Empire Blue Cross/Blue Shield	Health Insurance	1,600	1,689
23	Albany City School District	Educational Services	1,600	1,270
24	City of Albany	Local Government	1,488	1,493
25	Schenectady County	Local Government	1,412	1,500
26	Northern Rivers Family Services	Children and Family Services	1,250	N/A
27	National Grid	Electric and Gas Utility	1,100	1,350
28	Regeneron Pharmaceuticals Inc.	Health Services	1,100	N/A
29	Saratoga County	Local Government	1,099	1,100
30	Momentive Performance Materials	Manufacturing	1,000	N/A

N/A - Not Available

Sources: Various

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

Name	County	Public/Private	Enrollment	
			2016	2007
Excelsior College	Albany	Private	40,103	30,334
State University of New York at Albany	Albany	Public	17,178	17,434
SUNY Empire State College	Albany	Public	11,879	10,938
Hudson Valley Comm. College	Rensselaer	Public	11,833	12,000
Rensselaer Polytechnic Institute	Rensselaer	Private	7,113	7,299
Schenectady Comm. College	Schenectady	Public	6,076	2,915
College Of Saint Rose	Albany	Private	4,411	5,062
SUNY Adirondack	Warren	Public	3,993	3,514
Siena College	Albany	Private	3,179	3,222
SUNY Polytechnic	Albany	Public	3,060	N/A
The Sage Colleges	Rensselaer	Private	2,897	3,300
Fulton-Montgomery Comm. College	Fulton-Montgomery	Public	2,551	2,203
Skidmore College	Saratoga	Private	2,491	2,400
SUNY College of Agriculture & Tech at Cobleskill	Schoharie	Public	2,446	N/A
Union College	Schenectady	Private	2,269	2,128
Williams College	Berkshire, MA	Private	2,150	2,200
Massachusetts College of Liberal Arts	Berkshire, MA	Public	1,925	1,400
Columbia-Greene Comm. College	Columbia-Greene	Public	1,782	1,805
Empire Education Corp	Albany	Private	1,702	410
Albany College Of Pharmacy	Albany	Private	1,482	1,240
Maria College	Albany	Private	866	749
Albany Medical College	Albany	Private	822	758
Southern Vermont College	Bennington, VT	Public	475	413
Bryant & Stratton Business Institute	Albany	Private	448	265
Union Graduate College	Schenectady	Private	438	400
Bard College at Simon's Rock	Berkshire, MA	Private	420	390
Albany Law School	Albany	Private	415	662
Bennington College	Bennington, VT	Private	400	793
Samaritan Hospital School of Nursing	Rensselaer	Private	163	N/A
Ellis Hospital School of Nursing	Albany	Private	155	152
Memorial Hospital School of Nursing	Albany	Private	126	N/A
New School of Radio and Television	Albany	Private	80	86
			135,328	114,472

N/A - Not Available

Sources: Various

**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		
		<u>2007</u>	<u>2016</u>
Acres (+/-):		1,082	1,171
Runways:	1/19 North/South ILS / VOR / GPS	7,200 X 150 ft.	8,500 X 150 ft.
	10/28 East/West VOR / GPS	7,200 X 150 ft.	7,200 X 150 ft.
Terminal:	Airlines - sq ft	92,107	91,202
	Tenants - sq ft	41,639	44,499
	Public/Common - sq ft	104,837	104,078
	Mechanical - sq ft	51,702	50,506
	Total - sq ft	<u>290,285</u>	<u>290,285</u>
	Number of passenger gates	21	21
	Number of loading bridges	15	16
	Number of Concessionaires in Terminal	7	6
	Number of Rental Car Agencies in Terminal	5	6
Apron:	Commercial Airlines - sq ft	810,901	810,901
	Cargo Airlines - sq ft	210,600	210,600
	FBO - sq ft	640,000	640,000
Parking:	Spaces assigned		
	Garage	1,907	1,912
	Short-term	353	222
	Long-term	1,117	1,589
	Economy	2,783	2,574
	Rental Cars	307	307
	Employees	514	341
	Total	<u>6,981</u>	<u>6,945</u>
Cargo:	Air Cargo Building - sq ft	50,500	50,500
Employees:	Authority	33.0	22.0
	Airport Operations	172.5	154.25
	Fixed Based Operator	32.0	33.0
	Total	<u>237.5</u>	<u>209.25</u>

**Albany International Airport  
Enplaned Passengers  
2007-2016**

AIRLINE	2016	Percent of Total 2016	2015	Percent of Total 2015	2014
Southwest Airlines	569,101	40.4%	557,183	42.9%	525,585
Delta Airlines	158,638	11.3%	160,607	12.4%	112,905
American Airlines (formerly US Airways)	115,298	8.2%	101,734	7.8%	84,127
United Airlines	95,299	6.8%	85,743	6.6%	69,742
Jet Blue	87,036	6.2%	5,492	0.4%	
United Express (Commutair)	72,990	5.2%	62,159	4.8%	51,507
American Eagle (Air Wisconsin) formerly US Airways Expr	52,701	3.7%	68,805	5.3%	62,440
Delta Connection (Endeavor)	39,496	2.8%	29,856	2.3%	42,722
American Eagle (Republic) formerly US Airways Express	38,616	2.7%	91,520	7.0%	86,721
American Eagle (Envoy)	33,591	2.4%			
American Eagle (Piedmont) formerly US Airways Express	32,788	2.3%	10,851	0.8%	12,474
American Eagle (PSA) formerly US Airways Express	23,360	1.7%	1,170	0.1%	1,168
Cape Air	16,090	1.1%	16,119	1.2%	16,802
United Express (SkyWest)	14,603	1.0%	4,862	0.4%	5,258
Delta Connection (Express Jet)	13,525	1.0%	26,626	2.1%	38,219
United Express (Express Jet)	10,964	0.8%	16,517	1.3%	21,713
United Express (Mesa)	10,653	0.8%	25,002	1.9%	11,165
United Express (Go Jet)	5,185	0.4%	15,459	1.2%	13,390
Delta Connection (Go Jet)	4,768	0.3%			756
Delta Connection (SkyWest)	4,336	0.3%			
United Express (Trans States)	4,059	0.3%	1,162	0.1%	
American Eagle (SkyWest)	1,946	0.1%			
Delta Connection (Shuttle America)	1,611	0.1%	6,473	0.5%	64
United Express (Republic)	286	0.0%	8,354	0.6%	30,259
United Express (Shuttle America)	65	0.0%	41	0.0%	
Delta Connection (Compass)			1,632	0.1%	4,265
American Eagle (Mesa) formerly US Airways Express			382	0.0%	21,135
Delta Connection (Chautauqua)					14,558
United Express (Chautauqua)					3,401
Air Canada					
United Express (Colgan)					
Continental (Express Jet)					
Delta Connection (Comair)					
Continental Connection (Colgan)					
Continental Connection (Commutair)					
US Airways Express (Colgan Air)					
Delta Connection (Mesaba)					
US Airways Express (Chautaugua)					
Delta Connection (ASA)					
United Express (ASA)					
Northwest Airlines					
Northwest Airlin (Pinnacle)					
Northwest Airlin (Mesaba)					
Delta Connection (Freedom)					
Continental Airlines					
American Eagle					
Delta Connection (Big Sky)					
Sub Total	1,407,005	100.0%	1,297,749	100.0%	1,230,376
Charters	429	0.0%	461	0.0%	1,009
TOTAL	1,407,434	100.0%	1,298,210	100.0%	1,231,385

Source: Albany County Airport Authority

**Albany International Airport  
Enplaned Passengers  
2007-2016**

2013	2012	2011	2010	2009	2008	2007
504,095	504,987	511,735	511,636	511,094	501,437	516,216
68,589	72,590	46,606	18,251			87
89,607	87,207	81,980	83,513	104,799	130,192	130,070
30,881	51,913	64,408	66,191	75,828	70,027	76,867
22,692	18,075					
43,099	28,835	51,029	35,060	31,665	36,777	38,992
78,580	85,535	100,678	54,130			
98,369	104,199	76,919	90,263	62,626	50,137	43,507
14,080	33,403	16,393	29,701	52,723	39,701	41,945
6,935	47		1,993	2,270	1,985	17,298
16,752	16,429	16,284	8,677	8,013	2,237	
26,924	12,054					
81,039	98,820	36,282	26,609			
17,467	14,014	21,460	25,230	24,623		
32,044	18,078	7,489	47,605	52,875	58,784	60,273
	1,534					5,574
		38	4,733	33,266	49,426	51,007
		60				
36,109						
214	2	47				61
18,941	10,992	2,665	18,447			
10,216	79	846	5,368	3,971	16,906	19,536
2,878	10,743	576	4,437	5,061	66	540
12,129						
3,436	4,392	4,482	4,782	4,153	7,077	7,760
	49,998	33,298				
	5,900	40,463	63,067	57,528	66,314	100,472
	5,278	1,762	26,189	40,369	50,476	41,514
	4,612	28,434	30,702	40,255	35,090	
	3,843	23,615	8,001	9,201	5,463	5,805
	1,230	6,902	8,408	7,092	10,011	13,661
	146	12,302	30,699			
	41					1,508
		37,155	48,212	72,330	75,522	79,584
		18,491	12,284			
			193	63,724	85,038	98,125
				21,995	9,939	14,937
				21,435	17,109	
				11,116	25,233	26,112
				807		
					35,344	43,828
					192	5,106
1,215,076	1,244,976	1,242,399	1,264,381	1,318,819	1,380,483	1,440,385
911	904	1,131	1,493	1,600	1,988	2,436
1,215,987	1,245,880	1,243,530	1,265,874	1,320,419	1,382,471	1,442,821

**Albany International Airport  
Airline Landed Weight (lbs.)  
2007-2016**

<u>Commercial Carriers</u>	2016	Percent of Total 2016	2015	Percent of Total 2015	2014
Southwest Airlines	586,092,000	32.6%	563,978,000	35.8%	564,078,000
Delta Airlines	183,615,710	10.2%	182,901,118	11.6%	127,177,598
American Airlines (formerly US Airways)	139,386,707	7.8%	114,046,440	7.2%	91,538,758
United Airlines	126,927,674	7.1%	107,841,768	6.8%	85,883,301
Jet Blue	104,956,520	5.8%	6,256,712	0.4%	
United Express (Commutair)	83,099,012	4.6%	73,147,505	4.6%	62,790,000
American Eagle (Air Wisconsin) formerly US Airw:	63,497,000	3.5%	78,396,000	5.0%	69,325,000
American Eagle (Republic) formerly US Airways Exp	50,137,054	2.8%	102,046,749	6.5%	31,496,000
American Eagle (Envoy)	42,416,420	2.4%			
Delta Connection (Endeavor)	42,351,100	2.4%	32,467,901	2.1%	46,824,798
American Eagle (Piedmont) formerly US Airways Ex	39,101,103	2.2%	12,780,307	0.8%	14,116,804
American Eagle (PSA) formerly US Airways Express	29,126,003	1.6%	1,476,401	0.1%	1,157,201
Cape Air	20,413,009	1.1%	21,029,502	1.3%	21,029,500
Delta Connection (Express Jet)	15,960,701	0.9%	30,950,102	2.0%	41,728,699
United Express (SkyWest)	14,888,118	0.8%	4,856,000	0.3%	5,511,000
United Express (Express Jet)	11,818,840	0.7%	16,833,427	1.1%	22,487,074
United Express (Mesa)	11,524,000	0.6%	26,666,000	1.7%	12,328,000
United Express (Go Jet)	5,427,000	0.3%	16,214,000	1.0%	15,075,000
Delta Connections (Go Jet)	5,261,399	0.3%	201,000	0.0%	1,072,000
Delta Connection (Sky West)	4,573,100	0.3%			
United Express (Trans States)	4,156,332	0.2%	1,241,634	0.1%	
American Eagle (SkyWest)	2,867,000	0.2%			
Delta Connection (Shuttle America)	1,489,218	0.1%	6,601,260	0.4%	72,310
Charters	1,012,000	0.1%	1,164,000	0.1%	2,756,784
United Express (Republic)	522,057	0.0%	9,052,000	0.6%	104,824,601
United Express (Shuttle America)	72,311	0.0%	144,624	0.0%	
Delta Connection (Compass)			1,824,972	0.1%	4,996,736
American Eagle (Mesa) formerly US Airways Express			588,003	0.0%	24,402,000
Delta Connection (Chautauqua)					13,828,429
United Express (Chautauqua)					3,574,118
Air Canada					
United Express (Colgan)					
Continental Connection (Colgan)					
Continental Connection (Express Jet)					
Delta Connection (Comair)					
Continental Connection (Commutair)					
US Airways Express (Colgan)					
Delta Connection (Mesaba)					
US Airways Express (Chautauqua)					
Delta Connection (ASA)					
United Express (ASA)					
Continental Airlines					
Northwest Airlines					
Northwest Airlin (Pinnacle)					
Northwest Airlin (Mesaba)					
Delta Connection (Freedom)					
Delta Connection (Big Sky)					
American Eagle	1,590,691,388	88.5%	1,412,705,425	89.7%	1,368,073,711
<u>Cargo Carriers</u>					
United Parcel Service	103,574,000	5.8%	100,192,000	6.4%	101,441,920
Federal Express	51,084,000	2.8%	50,886,000	3.2%	51,480,000
Wiggins Airways	9,992,302	0.6%	7,471,500	0.5%	7,493,598
Ameriflight	41,650,000	2.3%	4,273,641	0.3%	4,066,902
Air Now					
DHL					
Misc Cargo Carriers					
	206,300,302	11.5%	162,823,141	10.3%	164,482,420
Grand Total	1,796,991,690	100.0%	1,575,528,566	100.0%	1,532,556,131

Source: Albany County Airport Authority

**Albany International Airport  
Airline Landed Weight (lbs.)  
2007-2016**

2013	2012	2011	2010	2009	2008	2007
556,334,000	569,014,000	571,920,000	572,100,000	592,288,000	606,268,000	606,612,000
87,394,799	91,360,813	53,982,509	20,349,608			130,000
92,454,358	84,659,102	81,480,800	80,754,302	120,409,823	165,434,995	157,816,799
41,049,688	71,647,362	86,114,744	89,909,713	101,716,477	87,446,407	92,214,768
25,018,500	19,233,003					
54,426,000	36,049,000	67,351,000	49,914,000	42,065,000	50,290,000	51,747,000
136,527,617	136,105,502	111,779,265	123,518,991	88,692,047	68,929,242	64,857,593
85,479,997	91,611,511	110,381,509	60,855,208			
16,170,306	46,331,413	35,475,009	48,466,505	80,372,091	55,772,703	52,059,000
8,104,000	134,000		2,997,000	3,269,000	2,838,000	24,432,000
21,276,102	21,296,654	25,995,749	21,385,706	21,337,751	5,932,101	
30,800,102	13,969,006					
	47,000					7,800,000
87,352,775	103,135,949	37,630,283	28,116,619			
19,832,000	15,745,000	26,532,000	30,218,000	5,254,000		
38,659,000	20,368,000	9,695,000	59,831,000	74,035,000	74,102,000	74,504,000
268,000	1,504,000					
		42,548	5,616,465	32,549,986	52,548,013	53,654,292
		74,958				
2,500,198	4,119,338	4,145,995	5,722,930	4,230,983	4,069,000	5,422,107
45,756,000						
462,795	289,241	72,309				72,313
22,259,441	13,314,317	3,298,107	20,613,616			
12,862,500	73,500	808,500	6,100,505	26,215,500	16,317,000	19,771,510
2,850,784	12,977,453	1,021,174	5,105,879	5,573,926	85,097	695,111
14,211,365						
6,092,200	8,797,995	8,200,404	11,122,003	10,707,003	12,317,199	12,698,992
	49,228,000	35,898,000				
	11,780,000	39,308,000	40,405,906	46,934,000	40,672,000	
	9,457,726	42,769,610	63,076,374	61,830,055	72,763,757	105,515,474
	5,624,606	2,820,000	29,995,506	46,718,101	64,628,000	48,663,000
	5,515,502	29,176,504	10,453,508	9,694,500	4,933,500	11,073,502
	4,617,006	19,266,005	25,450,508	25,958,476	31,632,517	40,199,202
	225,299	15,802,598	37,117,103			
	42,549					1,829,609
		42,377,404	54,193,008	77,199,700	79,578,000	84,128,000
		19,552,000	12,831,000			
		1,361,544		1,560,000		
			196,200	74,479,110	98,588,000	124,050,000
				23,443,397	10,227,296	16,625,206
				22,951,402	19,266,996	
				13,956,071	29,389,767	39,934,580
					325,280	11,843,996
					36,951,763	45,339,119
1,408,142,527	1,448,273,847	1,484,333,528	1,516,417,163	1,613,441,399	1,691,306,633	1,753,689,173
99,121,840	98,839,841	100,395,604	98,503,762	98,163,713	97,346,000	97,764,985
50,651,000	51,171,000	51,337,000	42,670,000	42,947,679	42,687,000	41,735,000
7,250,511	7,378,000	7,514,000	7,684,009	7,520,270	7,667,000	7,812,267
3,996,509	3,961,299	4,054,101	4,142,604	5,646,338	245,000	
				184,014	2,397,398	2,323,206
					26,503,603	50,877,892
	5,401	45,901				8,752,406
161,019,860	161,355,541	163,346,606	153,000,375	154,462,014	176,846,001	209,265,756
1,569,162,387	1,609,629,388	1,647,680,134	1,669,417,538	1,767,903,413	1,868,152,634	1,962,954,929

**Albany International Airport  
Aircraft Operations  
2007-2016**

<u>Commercial Carriers</u>	2016	Percent of Total 2016	2015	Percent of Total 2015	2014
Southwest Airlines	8,900	20.2%	8,632	21.5%	8,710
Cape Air	5,960	13.5%	6,140	15.3%	6,140
United Express (Commutair)	4,396	10.0%	3,960	9.9%	3,380
Delta Airlines	2,792	6.3%	2,718	6.8%	1,842
American Eagle (Air Wisconsin) formerly US Airways E	2,702	6.1%	3,336	8.3%	2,950
American Airlines (formerly US Airways)	2,010	4.6%	1,576	3.9%	1,380
American Eagle (Piedmont) formerly US Airways Express	1,902	4.3%	754	1.9%	832
United Airlines	1,636	3.7%	1,428	3.6%	1,186
Delta Connection (Endeavor)	1,514	3.4%	1,048	2.6%	1,696
American Eagle (Envoy)	1,510	3.4%			
Jet Blue	1,476	3.3%	88	0.2%	
American Eagle (Republic) formerly US Airways Express	1,346	3.1%	2,760	6.9%	2,838
American Eagle (PSA) formerly US Airways Express	864	2.0%	40	0.1%	46
United Express (Express Jet)	540	1.2%	768	1.9%	1,022
United Express (SkyWest)	530	1.2%	176	0.4%	226
Delta Connection (Express Jet)	502	1.1%	940	2.3%	1,350
United Express (Mesa)	344	0.8%	796	2.0%	368
United Express (Trans States)	190	0.4%	58	0.1%	
Delta Connection (Sky West)	190	0.4%			
United Express (Go Jet)	162	0.4%	484	1.2%	450
Delta Connection (Go Jet)	144	0.3%	6	0.0%	32
American Eagle (SkyWest)	122	0.3%			
Delta Connection (Shuttle America)	70	0.2%	300	0.7%	2
Charters	16	0.0%			58
United Express (Republic)	14	0.0%	292	0.7%	1,016
United Express (Shuttle America)	2	0.0%	4	0.0%	
Delta Connection (Compass)			50	0.1%	134
American Eagle (Mesa) formerly US Airways Express			16	0.0%	664
Delta Connection (Chautauqua)					650
United Express (Chautauqua)					168
Air Canada					
United Express (Colgan)					
Continental Connection (Express Jet)					
US Airways Express (Colgan)					
Continental Connection (Commutair)					
Delta Connection (Comair)					
Continental Connection (Colgan)					
Delta Connection (Mesaba)					
US Airways Express (Chautauqua)					
Delta Connection (ASA)					
United Express (ASA)					
Northwest Airlines					
Northwest AirlinK (Pinnacle)					
Northwest AirlinK (Mesaba)					
Delta Connection (Freedom)					
Continental Airlines					
American Eagle					
Delta Connection (Big Sky)					
US Airways Express (Trans States)					
	39,834	90.3%	36,370	90.6%	37,140
<u>Cargo Carriers</u>					
Wiggins Airways	2,350	5.3%	1,758	4.4%	1,760
United Parcel Service	982	2.2%	952	2.4%	964
Ameriflight	456	1.0%	550	1.4%	526
Federal Express	476	1.1%	514	1.3%	520
Air Now					
Airborne Express					
Misc Cargo Carriers					
	4,264	9.7%	3,774	9.4%	3,770
<b>Grand Total</b>	<b>44,098</b>	<b>100.0%</b>	<b>40,144</b>	<b>100.0%</b>	<b>40,910</b>

Source: Albany County Airport Authority



**Albany International Airport  
Aircraft Operations, Con't  
2007-2016**

2013	2012	2011	2010	2009	2008	2007
8,670	9,018	9,152	9,182	9,510	9,698	9,868
6,212	6,218	7,590	6,244	6,230	1,732	
1,286	998					
1,250	1,318	786	342			10
2,316	1,534	2,866	2,124	1,788	2,140	2,202
1,462	1,426	1,388	1,348	2,070	2,944	2,692
954	2,668	2,100	2,754	4,538	3,102	2,838
590	1,028	1,232	1,280	1,538	1,474	1,632
3,482	3,438	4,440	2,360			
3,688	3,700	3,034	3,360	2,396	1,872	1,780
344	4		102	134	108	872
3,946	4,716	1,716	1,286			
	2					
852	442					
592	470	792	988	956		
		2	264	1,530	2,470	2,522
	64					208
1,154	608	288	1,786	2,210	2,212	2,224
8						
		2				
41	67	69	56	42	40	52
1,476						
16	4	4				2
596	356	88	550			
350	2	18	166	122	614	538
134	612	48	246	264	4	34
668						
734	1,060	988	1,340	1,290	1,484	1,530
	1,780	1,158				
	432	1,962	2,964	2,902	3,382	4,986
	324	1,368	1,866	1,904	2,646	3,566
	298	1,582	606	562	324	1,332
	214	120	1,238	1,974	2,368	1,856
	188	1,268	1,246	1,514	1,312	
	6	462	1,088			
	2					86
		1,222	1,624	2,414	2,428	2,658
		832	546			
				1,356	1,696	2,090
				1,004	438	712
				764	740	
				496	1,380	2,162
				22		
					1,774	2,150
					38	1,410
						8
40,821	42,997	46,577	46,956	49,530	48,420	52,020
1,706	1,740	1,687	1,770	1,768	1,804	1,870
942	936	950	934	928	926	928
518	526	524	542	642	32	
468	518	520	516	528	526	514
				40	496	456
					524	1,014
	2	6			1,606	2,928
3,634	3,722	3,687	3,762	3,906	5,914	7,710
44,455	46,719	50,264	50,718	53,436	54,334	59,730

**Albany International Airport  
Aircraft Operations  
2007-2016**

Year	Airlines	Cargo	General Aviation	Military	Total
2007	51,968	7,710	45,688	5,409	110,775
2008	48,380	5,882	34,048	5,214	93,524
2009	49,488	3,906	34,579	6,540	94,513
2010	46,900	3,762	30,698	7,137	88,497
2011	46,508	3,687	25,980	4,226	80,401
2012	42,932	3,722	24,322	4,543	75,519
2013	40,780	3,676	23,873	4,436	72,765
2014	37,082	3,770	18,124	2,316	61,292
2015	36,370	3,774	17,376	2,481	60,001
2016	39,834	4,264	17,576	3,057	64,731
Annual Compounded Growth 2007-2016	-23.3%	-44.7%	-61.5%	-43.5%	-41.6%

Source: Albany County Airport Authority

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

**MAJORS / NATIONALS**

American Airlines  
Delta Air Lines  
Jet Blue Airways  
Southwest Airlines  
United Airlines

**REGIONAL / COMMUTERS**

Air Wisconsin Airlines d/b/a American Eagle  
CommutAir d/b/a United Express  
Endeavor d/b/a Delta Connection  
Envoy d/b/a American Eagle  
Express Jet Airlines d/b/a Delta Connection  
Express Jet Airlines d/b/a United Express  
Go Jet Airlines d/b/a Delta Connection  
Go Jet Airlines d/b/a United Express  
Hyannis Air Service d/b/a Cape Air & Nantucket Airlines  
Mesa Air d/b/a United Express  
Piedmont Airlines d/b/a American Eagle  
PSA d/b/a American Eagle  
Republic Airlines d/b/a American Eagle  
Sky West d/b/a Delta Connection  
Sky West d/b/a United Express  
TransStates 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

CARRIER	NON-STOP SERVICE	ONE-STOP, SAME-PLANE SERVICE
American Airlines - Air Wisconsin - Envoy - Piedmont - PSA - Trans States	Charlotte (CLT) Chicago (ORD) Philadelphia (PHL) Washington National (DCA)	Austin (AUS) Boston (BOS) Memphis (MEM) Norfolk (ORF) St. Louis (STL)
Delta Air Lines - Endeavor - SkyWest	Atlanta (ATL) Detroit (DTW) Minneapolis (MSP)	
JetBlue	Fort Lauderdale (FLL) Orlando (MCO)	
Southwest Airlines	Baltimore (BWI) Chicago (MDW) Fort Lauderdale (FLL) Fort Myers (RSW) Las Vegas (LAS) Orlando (MCO) Tampa (TPA)	Atlanta (ATL) Dallas (DAL) Denver (DEN) Grand Rapids (GRR) Indianapolis (IND) Kansas City (MCI) Memphis (MEM) Milwaukee (MKE) New Orleans (MSY) Phoenix (PHX) San Diego (SAN) Seattle (SEA) Tucson (TUS)
United Airlines - Commutair - GoJet	Chicago (ORD) New York (EWR) Washington Dulles (IAD)	

As of March 2017

Source: Official Airline Guide Schedule, February 2017

**Albany International Airport  
Commuter Airline Service**

## SCHEDULED COMMUTER AIRLINE SERVICE

CARRIER	NON-STOP SERVICE	ONE-STOP, SAME-PLANE SERVICE
American - Piedmont	Philadelphia (PHL)	
Cape Air	Boston (BOS) Massena (MSS) Ogdensburg (OGS)	
United Express - Commutair	New York Newark (EWR) Washington Dulles (IAD)	

As of March 2017

Source: Official Airline Guide Schedule, February 2017

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

Market	Length	Rank	2016 Passengers	Rank	2015 Passengers	Rank	2007 Passengers
Orlando	MH	1	296,106	1	217,640	1	274,910
Southeast Florida (1)	MH	2	213,539	2	165,990	3	145,300
Tampa	MH	3	142,869	3	138,850	5	126,610
Chicago (2)	MH	6	124,476	5	117,280	4	141,760
Baltimore	SH	4	93,511	4	103,370	2	222,340
Atlanta	MH	5	87,539	8	76,440	9	66,730
Las Vegas	LH	7	82,968	7	80,100	6	99,140
Washington, DC (3)	SH	8	75,053	6	85,450	7	69,520
Charlotte	SH	9	73,287	9	65,560	15	44,060
Denver	MH	10	69,202	11	63,870	10	60,890
Los Angeles	LH	11	66,471	10	60,760	8	69,090
San Francisco	LH	12	58,112	12	55,940		N/A
Fort Myers	MH	13	48,306	15	39,070	13	48,170
Phoenix	LH	14	48,031	13	52,060	11	55,120
Minneapolis	MH	15	42,585	16	40,870	20	35,750
Houston	MH	16	40,000	17	40,000	19	38,210
Seattle/Tacoma	LH	17	37,690	21	33,410		N/A
San Diego	LH	18	36,696	18	34,960	17	40,170
Raleigh/Durham	SH	19	35,139	19	33,670	12	49,170
Dallas/Ft. Worth	MH	20	33,894	14	44,480	14	46,790

## \* 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 Midway and O'Hare

(3) Includes National and Dulles

N/A - Not Available

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

# Compliance





Kevin J. McCoy, CPA  
 Thomas W. Donovan, CPA  
 Frank S. Venezia, CPA  
 James E. Amell, CPA  
 Carol A. Hausamann, CPA  
 Daniel J. Litz, CPA  
 Karl F. Newton, CPA  
 Kevin P. O'Leary, CPA  
 Heather R. Lewis, CPA  
 Heather D. Patten, CPA

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

To the Members  
 Albany County Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 13, 2017.

**Internal Control over Financial Reporting**

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

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

www.marvincpa.com

*An Independent Member  
 of the BDO Alliance USA*



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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Marvin and Company, P.C.*

Latham, NY  
March 13, 2017

**Albany County Airport Authority**  
**Schedule Of Federal Financial and NYS DOT Assistance**  
**December 31, 2016**

Federal Project Number	NYS Project Number	Federal * Percent Participation	Description Of Project	CFDA Number	Total Grant Amount		Year Ended 12/31/16 Expenditures	
					Federal	State	Federal	State
<i>CAPITAL CONTRIBUTIONS:</i>								
112-12	1A00.01	90.00%	Airfield Lighting Electrical Vault Rehabilitation	20.106	1,035,018	57,501	93,566	5,198
126-14	1A00.15	90.00%	Runway 01-19 Pavement and Centerline Lighting Rehabilitation	20.106	4,247,774	235,987	404,141	22,452
127-15	1A00.16	90.00%	Airfield Illuminated Sign Replacement (137-Units)	20.106	496,319	27,573	306,243	17,014
128-15	1A00.17	90.00%	Terminal Roofing Rehabilitation	20.106	1,338,705	74,372	101,712	5,650
129-16	1A00.18	90.00%	Security Fiber Optic Cable System	20.106	1,123,784	62,432	867,471	48,193
130-16	1A00.19	90.00%	Airfield Emergency Generator	20.106	211,513	11,750	179,665	9,981
131-16	1A00.20	90.00%	Passenger Boarding Bridges A4, B11 and C2	20.106	3,036,119	168,673	102,481	5,660
	1759.76	80.00%	CNG Facility Improvement	20.205	-	225,119	(19,600)	240,000
TOTAL CAPITAL CONTRIBUTION					\$ 11,489,232	\$ 863,407	\$ 2,035,679	\$ 354,148
<i>NON-OPERATING GRANTS:</i>								
N/A	N/A	N/A	TSA Law Enforcement Officer Cooperative Agreement	97.090	\$ 222,772	\$ -	\$ 222,772	\$ -
TOTAL NON-OPERATING GRANTS					\$ 222,772	\$ -	\$ 222,772	\$ -
GRAND TOTAL					\$ 11,712,004	\$ 863,407	\$ 2,258,451	\$ 354,148

(\*) 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, 2016**

1. Scope of Audit Pursuant to the Uniform Guidance

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 (the Schedule) 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.

2. Basis of Accounting

The accompanying Schedule includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and did not claim any indirect costs and has not claimed any indirect costs.

4. Federal Reimbursements

Federal reimbursements are based upon specific expenditures. Therefore, the amounts reported here represent grant income earned rather than cash received.



Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Heather R. Lewis, CPA

Heather D. Patten, CPA

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Members  
Albany County Airport Authority

### **Report on Compliance for Each Major Federal Program**

We have audited the Albany County Airport Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

www.marvincpa.com

*An Independent Member  
of the BDO Alliance USA*

### **Opinion on Each Major Federal Program**

In our opinion, the Albany County Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

### **Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Marvin and Company, P.C.*

Latham, NY  
March 13, 2017



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

*A History of Shaping Futures*

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Heather R. Lewis, CPA

Heather D. Patten, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR THE NEW YORK STATE DEPARTMENT OF  
TRANSPORTATION FINANCIAL ASSISTANCE  
PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY NEW YORK STATE  
CODIFICATION OF RULES AND REGULATIONS**

To the Members  
Albany County Airport Authority

**Report on Compliance**

We have audited the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York's, compliance 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 could have a direct and material effect on its state transportation assistance program for the year ended December 31, 2016.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the state transportation assistance program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Authority's compliance for the state transportation assistance program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Preliminary Draft Part 43 of NYCRR*. Those standards and the *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 on compliance for the state transportation assistance program. However, our audit does not provide a legal determination of the Authority's compliance.

www.marvincpa.com

*An Independent Member  
of the BDO Alliance USA*

## Opinion

In our opinion, the Albany County Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that are applicable to its state transportation assistance program for the year ended December 31, 2016.

## Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the state transportation assistance program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the state transportation assistance program and to test and report on internal control over compliance in accordance with the NYCRR, 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 the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the state transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations*. Accordingly, this report is not suitable for any other purpose.

*Marvin and Company, P.C.*

Latham, NY  
March 13, 2017

**Albany County Airport Authority  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified 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 unmodified opinion.
6. There were no audit findings related to the major federal award program for the Albany County Airport Authority.
7. The Airport Improvement Program (CFDA #20.106), including the New York State Department of Transportation (NYSDOT) matching grants for this program was the major program for the year ended December 31, 2016.
8. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
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





Kevin J. McCoy, CPA  
 Thomas W. Donovan, CPA  
 Frank S. Venezia, CPA  
 James E. Amell, CPA  
 Carol A. Hausamann, CPA  
 Daniel J. Litz, CPA  
 Karl F. Newton, CPA  
 Kevin P. O'Leary, CPA  
 Heather R. Lewis, CPA  
 Heather D. Patten, CPA

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION**

To the Members  
Albany County Airport Authority

### **Report on Compliance**

We have audited the Albany County Airport Authority (the Authority), a component unit of the County of Albany, New York's, compliance 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 could have a direct and material effect on its Passenger Facility Charge Program for the year ended December 31, 2016.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Passenger Facility Charge Program.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Authority's compliance for the Passenger Facility Charge Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program 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 on compliance for the Passenger Facility Charge Program. However, our audit does not provide a legal determination of the Authority's compliance.

www.marvincpa.com

*An Independent Member  
of the BDO Alliance USA*

## Opinion

In our opinion, the Albany County Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2016.

## Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the Passenger Facility Charge Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the Passenger Facility Charge Program 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 of the Passenger Facility Charge 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 Passenger Facility Charge Program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Passenger Facility Charge Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Accordingly, this report is not suitable for any other purpose.

*Marvin and Company, P.C.*

Latham, NY  
March 13, 2017

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

For the Year Ended December 31, 2016

Quarter Ended	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	
Beginning Balance	\$ 84,863,348	\$ 2,726,155	\$ 87,589,503	\$ 80,660,163	\$ 6,929,340
3/31/2016	1,300,561	3,468	1,304,029	1,082,463	
6/30/2016	1,318,374	3,600	1,321,974	1,082,463	
9/30/2016	1,517,017	3,801	1,520,818	1,082,463	
12/31/2016	1,220,334	4,072	1,224,406	360,821	
Total 2016	5,356,286	14,941	5,371,227	3,608,210	1,763,017
Total Program to Date	\$ 90,219,634	\$ 2,741,096	\$ 92,960,730	\$ 84,268,373	
PFC Funds to be used for future debt service payments:					<u>\$8,692,357</u>

PFC and Interest Received	12/31/2015 PFC Receivable	12/31/2016 PFC Receivable	PFC Net Income Per Financials
\$ 5,371,227	\$ (474,748)	\$ 489,467	\$ 5,385,946

## 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, 2016. 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, 2016**

**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 unmodified 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**

**Rev. Kenneth J. Doyle, Chair** is a native of Troy, New York. He attended the Mater Christi Seminary in Albany, New York and later graduated with a Master of Arts in philosophy from Basselin College, Catholic University of America in Washington, D.C. Father Doyle is a graduate of the Theological College, Catholic University of American, Washington D.C. He was ordained in 1966. Father Doyle later graduated from Albany Law School and was admitted to the New York State Bar in 1978. Father Doyle has undertaken a number of assignments for the Roman Catholic Church including instructor in religion at Cardinal McCloskey High School, Albany, NY; 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; Pastor, Parish of Mater Christi, Albany, New York and Chancellor for Public Information, Roman Catholic Diocese of Albany. Father Doyle currently resides in Albany.

**Anthony Gorman, Secretary** is a lifelong resident of Capital Region and lives in Colonie. He is 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.

**Dorsey M. Whitehead, Treasurer**, 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 and enjoys bridge, tennis, gardening and reading.

**Lyon M. Greenberg, M.D.** is a Dartmouth College and John Hopkins Medical School graduate and the founding partner of the Capital Region Otolaryngology Head and Neck Group in Albany, New York since 1964. Dr. Greenberg has held numerous positions on medical committees, including President of the Upstate New York Alumni Association at Johns Hopkins University; National Program Chairman, Section on Otolaryngology, American Academy of Pediatrics; Executive Committee, Section on Otolaryngology, American Academy of Pediatrics; CME Chairman, Section on Otolaryngology, American Academy of Pediatrics; Legislative Chairman, New York State Society of Otolaryngologists; Secretary/Treasurer of The Child's Hospital; President of New York State Society of Otolaryngologists; member of the founding Committee of the American Society of Pediatric Otolaryngology; President of the Eastern New York Dartmouth Alumni Club; Vice-President of Congregation Beth-Abraham Jacob and Member of the Dr. David Axelrod Committee at the School of Public Health SUNY. Dr. Greenberg has

received numerous awards over his career including The Willard W. Eggleston Memorial Botany Prize (1954) (Dartmouth College); Outstanding Service Award (1973) (Dartmouth College); Air Defense Command Commendation, U.S.A.F. (1962); Air Force Commendation Medal, U.S.A.F. (1962) and The Class of 1954 Award (2004) (Dartmouth College). Dr. Greenberg currently resides in Slingerlands with his wife Marcia and has four grown children.

**Patricia M. Reilly** enjoyed a 30-year career in New York State and Local government. As the Department of Motor Vehicles' Deputy Commissioner for Customer Service, she was an architect of DMV's "Reinvent" program, which won national praise for its forward thinking on the role of customer service in government. She also served as the Chief Legislative Representative for the New York City Council in Albany, where she represented the Speaker before the Legislative and the Executive branch. Finally, she served as Nassau County's Executive Director of the Traffic and Parking Violations Agency and was cited in a Newsday editorial for turning around an agency that was labeled by the Nassau County Comptroller as "the worst run agency in the worst run county in America". Ms. Reilly holds a BA and MA from St. John's University and taught Public Administration in their Government and Politics Department for 10 years. She currently is a consultant and resides in Slingerlands.

**Paula T. Wilkerson**, originally from Virginia, has been a resident of Albany County for the past 30 years. Throughout her professional career, Paula has devoted her life to public service. Most recently, her career has included management and leadership positions with the New York State Legislature, and the City and County of Albany. Paula also served for many years in the not for profit community. Currently, she is employed by the New York State Office of the State Comptroller. She is a graduate of the State University of New York Empire State College with a degree in Business Management and Economics and currently resides in the City of Albany.

**Steven Heider**, retired Chief of Police for the Town of Colonie Police Department, is nearly a lifelong resident of Colonie. He served as the Town's fifth Police Chief, retiring in 2015 after serving on the force for 42 ½ years. During his tenure as Colonie Police Chief, the Town of Colonie was rated the #1 community with the lowest crime rating in the country for two consecutive years. A graduate of Colonie Central High School, Hudson Valley Community College and Russell Sage College, he began his career in 1973 and continues today to be involved in many community activities. Throughout his long career he has served on many committees and boards to promote public safety and to advocate for those that lacked the resources to do so throughout the Capital Region and beyond. He also served as President of the New York State Association of Chiefs of Police, Inc., and is the secretary and treasurer of the Northeastern Chiefs of Police Conference. The retired Chief is also a former member of the Village of Colonie Planning board and the former First Vice Chairman for the Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network, of which he is still an active advisor to their policy board. In addition to the Albany County Airport Authority board, he also serves on the boards of the Colonie Youth Center Inc., and the Scautub Insurance Agency located in Scotia, New York.

## **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 Design Consultant Services for the Office of General Services for the State of New York and Assistant to the Chief Engineer at Callanan 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](http://www.albanyairport.com)