



**ALBANY COUNTY AIRPORT AUTHORITY
AUDIT COMMITTEE
AGENDA
March 24, 2022**

Audit Committee Members:

**Lyon M. Greenberg, M.D., Committee Chair
Steven H. Heider, Committee Member
Thomas A. Nardacci, Committee Member
Samuel A. Fresina, Ex Officio**

- 1. Minutes – November 15, 2021**
- 2. Financial - Audit**
 - 2.1 Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports.**
 - 2.2 Airlines Rates and Charges Settlement and Revenue Sharing Calculation Report for the year ended December 31, 2021 with draft consultant report.**
 - 2.3 Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report.**
 - 2.4 Performance Measurement Report for 2021.**
 - 2.5 Financial Statements – Other Post Employment Benefit Trust**

AGENDA ITEM NO. 1.1

**Acceptance of Minutes:
November 15, 2021**



Minutes of the Audit Committee Meeting of the Albany County Airport Authority

November 15, 2021

Pursuant to notice duly given and posted, the Audit Committee meeting of the Albany County Airport Authority was called to order on Monday, November 15, 2021 at 12:10 p.m. in the Third Floor Conference Room in the Main Terminal at the Albany International Airport, Albany, New York by the Audit Committee Chair, Lyon M. Greenberg, M.D., with the following present:

MEMBERS PRESENT

Lyon M. Greenberg, M.D. (Committee Chair)
Steve Heider (Committee Member)
Samuel Fresina (Ex Officio)
Sari O'Connor (Board Member)
Kevin Hicks (Board Member)

STAFF

Christine C. Quinn, Authority Counsel
Michael Zonsius, Chief Financial Officer
Margaret Herrmann, Chief Accountant
Liz Charland, Administrative Services
Ray Casey, Airport Consultant

ATTENDEES

James E. Amell, CPA, Marvin & Company, P.C.
Christopher J. Healy, CPA, Marvin & Company, P.C.

1. Approve Minutes

- 1.1** Dr. Greenberg stated that he had reviewed the minutes of the March 15, 2021 Audit Committee meeting and they accurately reflect the discussions held at that Audit Committee meeting.

Mr. Heider moved to approve the March 15, 2021 minutes. The motion was adopted unanimously.



2. Financial and Audit Items

2.1 Discussion of Audit Schedule

Mr. Zonsius advised the Board of the upcoming audit schedule.

2.2 Questions & Answers from the Audit Committee Members

Mr. Healey from Marvin & Company advised the Board that another Audit Committee meeting will be scheduled in February or March to discuss the Audit findings.

There being no further business, the meeting was adjourned at 12:15 p.m.



**ALBANY COUNTY AIRPORT AUTHORITY
AUDIT COMMITTEE
AGENDA
November 15, 2021**

- 1. Approval of Minutes**
 - 1.1 Acceptance of Minutes: March 15, 2021**
- 2. Financial and Audit Items**
 - 2.1 Discussion of Audit Schedule**
 - 2.2 Questions & Answers from Audit Committee Members**

AGENDA ITEM NO. 2.1

Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports;

AGENDA ITEM NO: 2.1

AUDIT COMMITTEE

MEETING DATE: March 24, 2022

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: Finance

Contact Person: *Audit Committee*
Michael F. Zonsius, Chief Financial Officer

**Separate
PURPOSE OF REQUEST:**

Review and acceptance of the Authority's:

- Twenty-eighth Comprehensive Annual Financial Report as of and for the year ended December 31, 2021 (with the draft audit and compliance reports of Marvin and Company, P.C., certified public accountants);
- The Authority's 2021 Rates and Charges Settlement Report to the Signatory Airlines and Signatory Cargo Carriers with draft Consultant Report;
- The Authority's Annual Investment Report in accordance with its Cash Management and Investment Policy and Section 2925 of the Public Authorities Law (with draft audit compliance report of Marvin and Company, P.C., certified public accountants);
- The Annual review and approval of the Cash Management and Investment Policy in accordance with Section 2925 of the Public Authorities Law;
- Review of mission statement and performance measures and acceptance of measurement report for 2021 required by Section 2800 of the Public Authorities Law; and
- Financial Statements for the year ended December 31, 2021 for the Other Post Employment Benefit Trust

BACKUP MATERIALS:

- Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports;
- Airlines Rates and Charges Settlement and Revenue Sharing Calculation Report for the year ended December 31, 2021 with draft consultant report;
- Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;
- Performance Measurement Report for 2021; and
- Financial Statements – Other Post Employment Benefit Trust

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

The Audit Committee will review the above documents at their March 24, 2022 meeting and will present their recommendations for approval by the Board.



FlyAlbany.com



Albany County Airport Authority

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

Annual Comprehensive Financial Report
For the year ended December 31, 2021

Albany County Airport Authority

As of December 31, 2021

Authority Board Members



Samuel A. Fresina

Chair

Term Expires: December 31, 2024



Kevin R. Hicks, Sr.

Vice-Chair

Term Expires: December 31, 2024



Lyon M. Greenberg, MD

Treasurer

Term Expires: December 31, 2021



Steven H. Heider

Secretary

Term Expires: December 31, 2021



Thomas A. Nardacci

Member

Term Expires: December 31, 2024



Sari O'Connor

Member

Term Expires: December 31, 2024



John-Raphael Pichardo

Member

Term Expires: December 31, 2023

Authority Management

Philip F. Calderone, Esq.

Michael F. Zonsius, CPA

Christine C. Quinn, Esq.

Chief Executive Officer

Chief Financial Officer

Authority Counsel



ALBANY COUNTY AIRPORT AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2021

Prepared by the
Finance Department

Michael F. Zonsius
Chief Financial Officer

Margaret Herrmann
Chief Accountant

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

www.albanyairport.com

CUSIP #012123XXX



Additional information relating to the Airport Authority is available at the Airport's website:
www.flyalbany.com

If you would like any further information, contact the Chief Financial Officer at (518) 242-2204 or at Albany County Airport Authority, 737 Albany Shaker Rd, Main Terminal, Suite 300, Albany, NY 12211

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Introduction

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Chairman's Message

March 24, 2022

Over the past two years our Airport and the aviation industry in general have been challenged in unprecedented ways by the effects of the pandemic. Passenger levels fell by as much as 96% in 2020 compared to 2019. Despite a partial rebound in 2021, the Delta and Omicron variants continued to effect the pace of recovery for our industry as a whole. That said, Albany International Airport, with strong leadership and Authority guidance, took numerous steps to respond to and mitigate the impact of COVID on Airport Operations.

True to the Authority's mission "to provide adequate, safe, secure and efficient aviation and transportation facilities at a reasonable cost to the people" our primary responsibility remains the safety and health of our passengers, airport users, and airport employees. As the pandemic continued into its second year, the Airport maintained its status for the Global Biorisk Advisory Council's (GBAC) full GBAC STAR Accreditation and the Airport Health Accreditation (AHA) from the Airports Council International (ACI) World.

Recognizing that Airports are essential to the community's economic success, the Airport moved forward in building new partnerships with important stakeholders in the region to further economic growth. The Airport also advanced its efforts of being a leader in sustainable aviation initiatives and in the use of cutting edge technologies in Airport operations.

Despite being in a worldwide pandemic, our Airport successfully added a new signatory airline and multiple new destinations in 2021. In addition, the airport's new approach to air service development has resulted in strengthened relationships with existing and prospective airlines for the airport, with a focus on adding additional new domestic and international flights going forward.

Also, in 2021, the Airport partnered with Hudson Valley Community College to create the region's first Aviation Maintenance Technician School .

(AMTS). Once certificated by the FAA, the school will train aircraft mechanics for careers in the airline industry. The program also aims to offer both degree and certificated programs and non-credit, short-term workforce training programs taught by the HVCC college faculty. Classes will be taught in 12,000 square feet of classrooms, labs and shop space located in Hangar 1.

Additionally, in 2021, the Airport completed pavement renovation for the entire 141,000 square yards of Taxiway A; the replacement of four (4) passenger boarding bridges and the installation of ten (10) automobile charging stations on the third floor of the South Parking Garage. Importantly, the Airport began the process of developing a new Master Plan, the first in nearly 30 years, to prepare the Airport for future growth and development in a post pandemic world.

The Airport also upheld its responsibility for its excellence in financial stewardship and was awarded both the Certificate of Achievement Financial Reporting and the Distinguished Budget Presentation award for the twenty-fifth (25th) and nineteenth (19th) year, respectively.

There is much that we are thankful for, and foremost, we extend our thoughts to everyone affected by the pandemic and we extend our gratitude to first responders and airport workers for their courage, service and commitment.

Samuel A. Fresina
Chairman



March 24, 2022

TO THE MEMBERS OF THE AUTHORITY:

The Annual Comprehensive Financial Report (ACFR) of the Albany County Airport Authority (Authority) for the fiscal year ended December 31, 2021 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 Annual Comprehensive Financial Report of the Authority has been prepared in accordance with general accepted accounting principles (GAAP) in the United States of America. This report consists of four sections: Introductory, Financial, Statistical, and Compliance. The basic financial statements included in the Financial Section have been audited by Marvin and Company, P.C.

This report is management's representations concerning the financial position and changes in net 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 basic financial statements for 2021. 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, 2021 is 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, 2021 is 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 audit under the Federal Uniform Guidance for the year ended December 31, 2021 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 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. On November 5, 2018, the termination date of the lease was extended from May 16, 2036 to December 31, 2049.

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.

Mr. Samuel A. Fresina became the Chair in 2021. Phillip F. Calderone, Esq., Chief Executive Officer is responsible for planning and directing the management of all operations at the Airport including its capital improvement programs. Michael F. Zonsius, CPA, Chief Financial Officer, is responsible for financial planning, budgeting, operating and capital accounting procedures and controls, debt management, 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 1,165 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 2019 the Airport ranked 82nd in total enplanements and 107th in total cargo landed weight. The Airport also ranked 247th in total aircraft operations in 2019.

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 approximately 1.382 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 1.75 million for a combined total population approximating 3.13 million in the combined areas.

The Airport's primary air trade area is at the core of the State Capital of the Nation's 4th 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. The College of Nanoscale Science and Engineering at the SUNY Polytechnic Institute campus in Albany 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. Nearby Rensselaer Polytechnic Institute is home to the Center for Biotechnology and Interdisciplinary Studies. This technology research center ranks among the world's most advanced research. Computer chip manufacturer GlobalFoundries built a major chip fab plant 20 miles north of the Airport that became operational in 2012. The combination of technology businesses and comparatively low unemployment rates position Albany for continued 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

In 2020, the COVID-19 pandemic took hold and devastated the airline industry with an estimated decrease of approximately \$57.0 billion in airline passenger revenue according to International Civil Aviation Organization (ICAO). Airlines responded to the pandemic by reducing fleet sizes, work forces, and airline seat capacity. Monthly non-stop scheduled flights at the airport decreased from 1,391 in January 2020, to 693 in December and seat capacity declined from 141,803 to 64,017 over the same period. Cargo tonnage fared better in 2020, increasing 10.0 percent versus the 5.7 percent domestic national level.

This past year, 2021, as vaccines were introduced and we learned how to cope with the COVID-19 influenza, the public began to fly again and the airline industry showed signs of improvement as shown below:

	Domestic Passengers	Flights	Load Factor	Net Income (\$000)	Operating Revenues (\$000)
2018	751,648,144	7,287,733	84.60	\$ 11,934,887	\$ 186,927,543
2019	789,572,445	7,576,795	85.18	14,810,754	195,920,438
2020	329,006,496	4,603,624	58.87	(35,065,018)	77,080,734
2021	546,593,774 ⁽¹⁾	5,641,948 ⁽¹⁾	77.57 ⁽¹⁾	(537,752) ⁽²⁾	88,571,792 ⁽²⁾

⁽¹⁾ Through November 2021

⁽²⁾ Through third quarter 2021

SOURCE: Bureau of Transportation Statistics T-100 Market Data.
Bureau of Transportation Statistics F41 Schedule P12 data.

Some of the potential factors that can impact the airlines and therefore the number of flights and enplanements at this Airport are: the availability and costs of aviation fuel and other necessary supplies; changes in demand; national and international disasters and hostilities; service and fare competition; mergers; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; the cost and availability of employees; strikes and employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns; federal and state bankruptcy and insolvency laws; acts of terrorism; world health concerns such as the COVID-19 pandemic; availability of satisfactory travel substitution such as video conference; and other risks.

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 goals 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 and the Airlines extended the five-year agreement that began January 1, 2016 with basically the same rates and charges model. After the initial one-year term in 2021, there are three one-year options and one two-year option extensions. The Agreement includes a majority-in-interest (MII) provision

that allows for airline disapproval of capital projects, subject to a number of exceptions, if they would add to airline rates and charges. The MII disapproval occurs if a project is disapproved by more than 50% of the signatory airlines representing not less than 50 percent of the maximum gross landed weight of all signatory airlines during the most recent six months or Airlines representing more than 50% of the total signatory terminal rentals for the most recent six months for projects in the Terminal. The Authority must also notify the Signatory Airlines of any project in excess of \$1,000,000, net of any state and federal grants, in the Airfield or Terminal.

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 2020 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 budget projections for 2022 assumed enplanements would be 1,200,000 due to the lingering effects of the COVID-19 pandemic. If the budget assumptions and activity projections prove to be reasonable, the projected airline cost per enplanement, net of revenue sharing, should approximate \$8.44, excluding FBO costs per enplaned passengers, and debt service coverage should be 1.58 (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 \$68.0 million 2022 Operating Budget (including debt service), which is on the Authority's web site.

CAPITAL FINANCIAL PLANNING

The current \$180 million 2020-2024 capital improvement program was approved by the Authority and County in 2019. The budget consists of: \$48 million in airfield improvements, \$63 million in terminal improvements, \$57 million in landside improvements and \$12 million in vehicle and equipment purchases.

All the projects included in the five-year program are designed to meet the objectives as set forth in the Airport's 2020-2024 Capital Plan. All projects have or will be subject to a Federal Environmental Assessment (FEA) pursuant to the National Environmental Policy Act of 1969 (NEPA), as amended, and a New York State Environmental Impact Statement (EIS) under the New York State Environmental Review Act (SEQR). Specific airfield related projects eligible for Federal or State funding support will also be subject to Federal Aviation Administration and New York State Department of Transportation review and approval.

The total effect any capital program will have on future operating budgets are evaluated at the time a specific project is authorized by the Authority to be started unless a project is mandated for safety or health purposes. All capital projects completed in 2021, or scheduled for completion in 2022, have their

projected additional operating costs and related revenues incorporated into the Authority's 2022 Operating Budget.

The following four Federal Aviation Administration Airport Improvement Program (AIP) Grants were awarded in 2021:

Capital Grants

AIP146-21	Rehab. Taxiway A, Design and Construction	\$5,989,151
AIP147-21	Acquire three (3) snow removal equipment pieces	<u>1,537,634</u>
		\$7,526,7854

Operating Grants

AIP144-21	Coronavirus Aid, Relief, and Economic, Security (CARES)	\$5,091,757
AIP145-21	CARES - Concession Relief	<u>320,510</u>
		\$5,412,267

In 2020, the Federal Aviation Administration approved the collection of approximately \$8.1 million of Passenger Facility Charges for eight airport projects. The expiration date for the collection of PFCs is now extended to March 1, 2023.

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 2022 Annual Budget, the Authority projected 1,200,000 enplanements, an increase of 224,061 of 2021 actual levels. The Authority has set its rates and charges for 2022 under the Airline Use and Lease Agreement to meet all projected obligations. For 2022, signatory landing fees have been set at \$3.53 per 1,000 pounds landed weight, compared to \$4.15 budgeted in 2021; apron fees at \$1.48 per square foot, compared to \$1.53 budgeted in 2021; and the terminal rental rate at \$78.76 per square foot, compared to \$74.14 budgeted in 2021.

As of December 31, 2021, the Authority had \$22.4 million in unrestricted funds available. The Authority also had \$7.1 million in restricted operating and maintenance reserves that is more than sufficient to meet two months of operating expenditures and \$500,000 in an equipment repair & replacement reserve fund. In addition, the Authority had \$7.4 million in debt service reserve funds, plus \$8.3 million in Passenger Facility Funds on-hand. The Authority does not anticipate experiencing any cash flow deficiencies during 2022 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, 2021, there is approximately \$69.0 million of debt outstanding issued directly by the Authority to be reduced by \$6.7 million of principal payments during 2022. Debt service coverage was 1.57 for 2021 and is projected to be 1.58 for 2022 based on the adopted budget. Currently the Authority's entire debt portfolio is fixed rate debt.

AUTHORITY'S INITIATIVES

The Airport moved forward with various activities during 2021 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 aggressively pursue the air service opportunities to Airlines and promoted underserved markets.
- Continued to upgrade and implement IT infrastructure and terminal amenities.
- Taxiway "A" was repaved
- Continued the first Master Plan in nearly thirty years.
- 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.
- Defeased \$669,030 of \$2017A Bonds.
- Continues to establish partnerships with strategic community stakeholders, corporations, colleges and universities to further regional growth and economic growth.

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, 2020. This was the twenty-sixth 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 2021 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 2021. 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 2021 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.

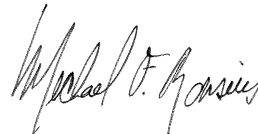
CERTIFICATION

The following sections of this report include the basic financial statements of Authority for the fiscal year ended December 31, 2021 including the Independent Auditor's Report on the basic financial statements. The Auditor's Report provides an unmodified 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:

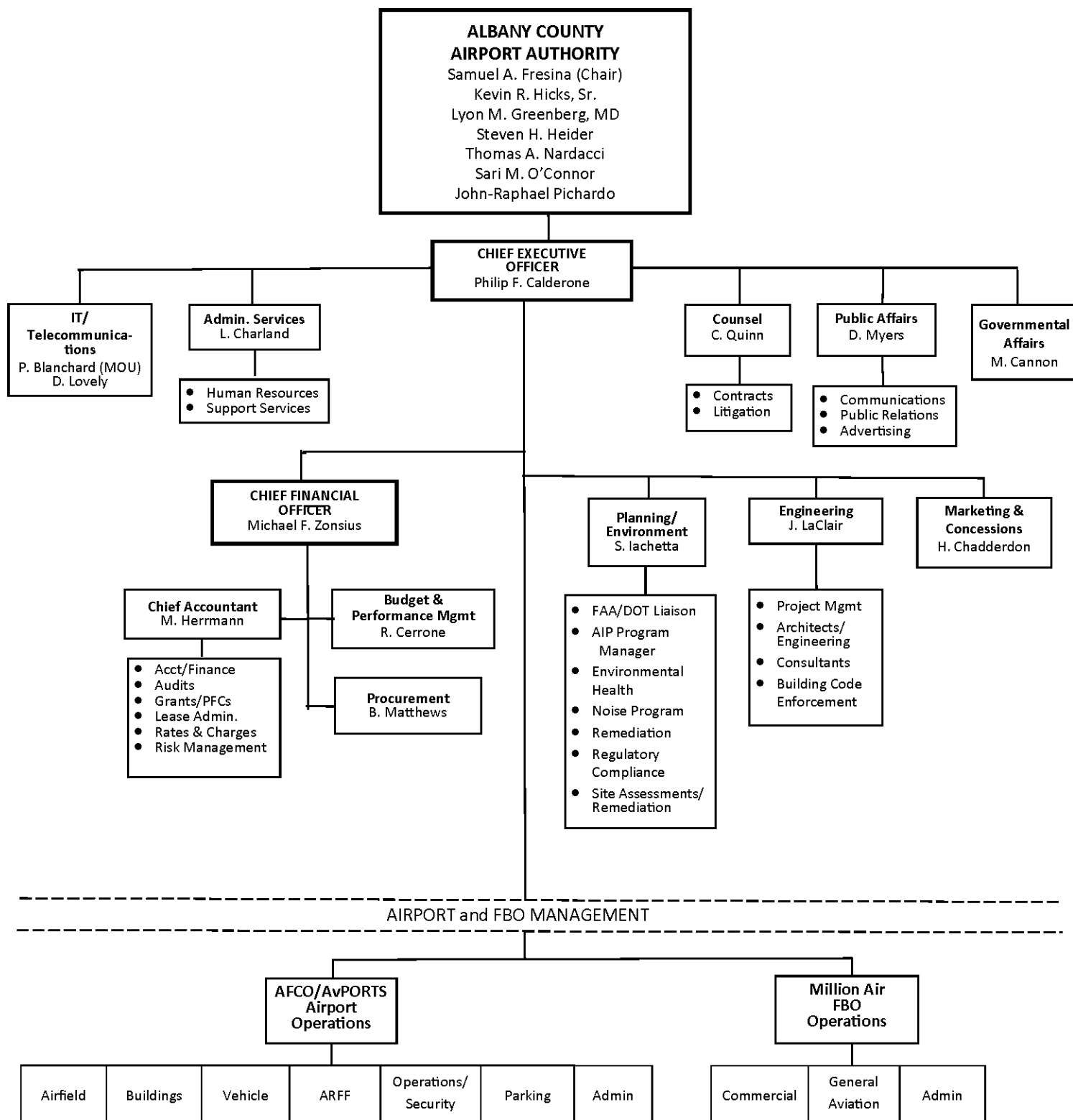


Phillip F. Calderone, Esq.
Chief Executive Officer



Michael F. Zonsius
Chief Financial Officer

ALBANY INTERNATIONAL AIRPORT ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Albany County Airport Authority
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



23 non-stop destinations are served from Albany
with
40 daily flights to 14 destinations

9 destinations are served with non-daily flights

Sources: OAG Passengers - USDOT, O&D Survey, via Cirium
Flight Schedules - Innovata Schedules, via Cirium

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Financial

INDEPENDENT AUDITOR'S REPORT

To the Members
Albany County Airport Authority

Report on the Audit of the Financial Statements

Opinion

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 year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2021, and the respective change in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2021 the Authority adopted new accounting guidance, GASBS No. 87, *Leases*, and GASBS No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net OPEB liability and related ratios, schedule of actuarially determined contribution - deficiency/(excess), schedule of OPEB actuarial methods and assumptions, schedules of proportionate share of net pension liability (asset) and schedule of authority contributions on pages 19 through 27, 71 through 76 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.

Supplementary Information

Our audit was 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 13, the schedule of debt service requirements to maturity and of governmental payments and services on page 78 and 79, the insurance schedule on page 80, the customer facility charges statement on page 82, the statistical section on pages 83 through 108, and the biographies of the Authority's members and senior staff on pages 126 through 129 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, 2021, 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, 2021, 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 was derived from and relates 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 _____, 2022 on our consideration of the Albany County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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.

Latham, NY
_____, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's 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, 2021 with selected comparative information for the years ended December 31, 2020 and December 31, 2019. 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.

Overview of the Financial Statements

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

The *Statement of Net Position* depict the Authority's financial position at December 31, 2021, the end of the Authority's previous fiscal year. The Statement reports 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 *Statement of Revenues, Expenses and Changes in Net Position* reports total operating revenues, operating expenses, non-operating income and expenses, capital contributions and the changes in net position during the year ended December 31, 2021. 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 *Statement of Cash Flows* presents information showing how the Authority's cash and cash equivalents position changed during the year ended December 31, 2021. The Statement classifies cash receipts and cash payments by Operating Activities, Noncapital Financing Activities, Investing Activities, and Capital and Related Financing Activities.

The *Statement of Fiduciary Fund Net Position* is a snapshot of account balances of the Authority's fiduciary fund at December 31, 2021 and indicates the assets available for future payments for retiree benefits and any current liabilities that are owed at this time.

The *Statement of Changes in Fiduciary Fund Net Position*, on the other hand, provides a view of current period additions to and deductions from the net position held in the Trust during the year ended December 31, 2021.

Airport Activities

In 2021, the Airport started to rebound from the COVID-19 pandemic. Enplanements increased from 520,029 in 2020 to 976,037 in 2021. Cargo tonnage continued to increase from 21,857 tons in 2020 to 23,049 in 2021. Operations, a landing or takeoff, increased as airlines added back scheduled service based on the traffic demand.

The following shows the major airport indicators during the past three years:

	2021	2020	2019
Enplanements	976,037	520,029	1,518,969
Operations	47,849	42,679	60,748
Cargo (tons)	23,049	21,858	20,009

Published available seats for 2021 increased by 82,747 or 7.5% and the passenger load factor increased to 83% in 2021 from 46% in 2020. The published available seats and the yearly load factors for the last three years are below:

	2021	2020	2019
Total Available Seats	1,189,312	1,106,565	1,833,990
Passenger Load Factor	83%	46%	83%

As of December 31, 2021, two regularly scheduled express mail and various special cargo carriers serve the Airport.

Financial Highlights

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 for the year ended December 31 is below:

	2021	2020	2019
Operating revenues	\$ 40,775,457	\$ 30,819,324	\$ 51,843,391
Operating expenses	(33,766,606)	(33,191,277)	(39,535,764)
Revenues in excess of expenses before depreciation	7,008,851	(2,371,953)	12,307,627
Depreciation	(18,387,208)	(17,465,299)	(15,344,151)
Loss before non-operating income and expenses	(11,378,357)	(19,837,252)	(3,036,524)
Non-operating income and (expenses), net	7,001,158	9,600,443	3,914,070
Income/(loss) before capital contributions	(4,377,199)	(10,236,809)	877,546
Capital contributions, special and extraordinary item	11,276,697	9,929,197	25,142,535
Net position			
Increase / (decrease) in net position	6,899,498	(307,612)	26,020,081
Total net position, beginning of year	240,282,129	240,589,741	214,569,660
Total net position, end of year	\$ 247,181,627	\$ 240,282,129	\$ 240,589,741

OPERATING REVENUE AND NON-OPERATING REVENUE

Total revenue are a combination of Operating and Non-Operating Revenue. Operating revenue is generated from the day-to-day activities of the airport, landing fees, parking fees, terminal rent, property rent. Non-operating revenue is revenue that is ancillary or a by-product of operating the airport, e.g. interest revenue. It may also be grant revenue that reimburses an operating expense or Passenger Facility Charges that are used for approved capital expenditures. Operating revenue and non-operating revenue for 2021, 2020 and 2019 are on the next page:

	2021	2020	2019
Operating Revenues			
Airfield	\$ 5,545,788	\$ 5,071,172	\$ 6,207,119
Terminal	5,363,151	5,657,600	5,178,553
Ground Transportation	9,327,909	5,719,989	16,906,909
Concessions	6,891,504	3,749,264	8,496,949
Fixed Based Operations	9,326,061	6,307,406	10,426,891
Other	4,321,044	4,313,893	4,626,970
	<u>40,775,457</u>	<u>30,819,324</u>	<u>51,843,391</u>
Non-Operating Income			
Passenger Facility Charges	4,055,447	1,858,876	6,194,834
Customer Facility Charges	-	50	757,428
Grant Income	4,810,756	11,053,631	150,480
Improvement Chargers	368,400	368,400	368,400
Insurance Recoveries	77,967	-	8,704
Interest Income	263,747	309,776	1,403,088
	<u>9,576,317</u>	<u>13,590,733</u>	<u>8,882,934</u>
Total	<u>\$ 50,351,774</u>	<u>\$ 44,410,057</u>	<u>\$ 60,726,325</u>
Percentage of Increase/(Decrease)	13.4%	-26.9%	5.1%

Operating Revenue

Total operating revenue increased to \$40,775,457 from \$30,819,324 in the prior year, an increase of \$9,956,133, or 32.3%. The majority of operating revenue is driven by enplanement levels.

Airfield revenue increased to \$5,545,788 from \$5,071,172 in the prior year, an increase of \$474,616, or 9.4%. Airfield revenue includes: passenger and cargo landing fees, apron fees and glycol disposal fees. Under the Signatory Airline Use and Lease Agreement (ULA), the airfield is a "residual cost center" requiring signatory airlines to pay the residual cost after all airfield and certain non-airfield revenues allocated to the airfield have been applied which includes interest income and PFCs applicable to airfield related debt service. Accordingly, airfield revenues are sensitive to airfield cost, interest earnings, PFCs revenues applied to airfield debt service, and the amount of airfield debt service.

Terminal revenue decreased to \$5,363,151 from \$5,657,600 in the prior year, an decrease of \$294,448, or 5.2%. Terminal revenue includes: airline and non-airline lease revenue and passenger boarding bridge fees. The terminal revenue is sensitive to the amount of rented space and terminal operating costs used to determine the annual rental rate.

Ground transportation revenue increased to \$9,327,909 from \$5,719,989 in the prior year, an increase of \$3,607,920, or 63.1%. Ground transportation revenue includes: parking revenue, taxi/hotel access fees, and transportation network charges (Lyft/Uber). Ground transportation revenue is sensitive to enplanement activity and the number of parking transactions (vehicles parked) increased to 401,689 from 245,365 in the prior year. The Airport directly manages all on-airport parking operations which at December 31, 2021 included 181 short-term garage/surface, 2,912 long-term garage, 1,880 long-term surface, and 2,763 remote shuttle served parking spaces. The remote economy lot was re-opened in November 2021 due to the increase in demand.

Concession revenue increased to \$6,891,504 from \$3,749,264 in the prior year, an increase of \$3,142,240, or 83.8%. Concession revenue is driven by enplanement activity which began to rebound in 2021 resulting in the all of the concessions reopening in 2021 with the exception of one.

Gross sales per enplanement levels remained stable as shown below:

	2021	2020	2019
Enplanements	976,037	520,029	1,518,969
Sales per Enplanement	\$ 9.08	\$ 8.90	\$ 9.28

Fixed Based Operator revenue increased to \$9,326,061 from \$6,307,406 in the prior year, an increase of \$3,018,655 or 47.9%. The Authority manages the daily operations of its FBO through REW Investments, Inc. (d/b/a Million Air). A summary of the operating revenue drivers, e.g. 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 2021, 2020 and 2019:

	2021	2020	2019
Retail Gallons Sold:			
Jet A	1,274,382	879,612	1,217,080
AvGas	49,815	62,368	65,993
Glycol - Consortium	52,419	54,214	87,349
Glycol - Sprayed	56,622	51,163	99,455
Jet A Fuel Airline Into-Plane Gallons	15,161,563	11,600,443	22,022,122

Other revenue increased to \$4,321,044 from, \$4,313,893 in the prior year, an increase of \$7,151, or 0.2%. Other revenue remains relatively the same from year to year and includes fixed lease rent from land, hangars, t-hangars, and buildings.

Non-Operating Income

Total Non-Operating income decreased to \$9,576,317 from \$13,590,733 in the prior year, a difference of \$4,014,416. This decrease is largely attributable to the decrease in Grant Income derived from Coronavirus and Relief Act (CARES Act) funding.

OPERATING EXPENSES AND NON-OPERATING EXPENSES HIGHLIGHTS

Total expenses are also a made up of Operating and Non-Operating components and depreciation. Operating expenses include those expenses necessary to operate the airport on a day-today- basis and include personnel salary and benefits, contract services, and materials and supplies. Non-operating expenses also include expenses that are ancillary or a by-product of operating the airport and predominantly include interest expense. Depreciation is the annual expense of the cost of a capital asset allocated over its annual useful life. Operating expenses and non-operating expenses for 2021, 2020 and 2019 are on the next page.

	2021	2020	2019
Operating Expenses			
Personnel services	\$ 10,390,542	\$ 10,439,280	\$ 11,178,561
Employee benefits	4,756,459	5,434,828	5,803,102
Utilities & communications	1,937,442	1,766,255	1,957,732
Purchased services	5,555,362	5,052,662	6,700,471
Material & supplies	8,662,515	8,923,259	11,107,421
Administration	1,641,707	1,122,655	2,419,525
Non-capital equipment	822,579	452,338	368,952
	<u>33,766,606</u>	<u>33,191,277</u>	<u>39,535,764</u>
Depreciation	18,387,208	17,465,299	15,344,151
Non-Operating Expenses			
Customer facility charges	-	-	302,039
Interest	2,575,159	3,699,761	4,369,737
Bond issuance costs	-	249,796	237,068
Amortization of Bond insurance premiums	-	40,733	60,020
	<u>2,575,159</u>	<u>3,990,290</u>	<u>4,968,864</u>
Total	<u>\$ 54,728,973</u>	<u>\$ 54,646,866</u>	<u>\$ 59,848,779</u>
Percentage of Increase	0.2%	-8.7%	4.6%

Operating Expenses

Total operating expenses increased to \$33,766,606 from \$33,191,277 in the prior year, an increase of \$575,329, or 1.7%. As shown below are the categories that comprise total operating expenses.

Combined, Personnel Services and Employee Benefits expense decreased to \$15,147,001 from \$15,874,108 in the prior year, a decrease of \$727,107 or 4.6%.

Utility and communication expense increased to \$1,937,442 from \$1,766,255 in the prior year, an increase of \$171,187 or 9.7%.

Purchased service expense increased to \$5,555,362 from \$5,052,662 in the prior year, an increase of \$502,700 or 9.9%.

Materials and supplies expense decreased to \$8,662,515 from \$8,923,259 in the prior year, a decrease of \$260,744 or 2.9%.

Administration expense increased to \$1,641,707 from \$1,122,655 in the prior year, an increase of \$519,052 or 46.2%.

Non-Capital equipment expense increased to \$822,579 from \$452,338 in the prior year, an increase of \$370,241 or 81.9%.

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 \$247.2 million at December 31, 2021, a \$6.9 million increase from December 31, 2020.

A condensed summary of the Authority's total net position at December 31, 2021 and December 31, 2020 and 2019 is on the next page.

	2021	2020	2019
ASSETS			
Capital assets	\$ 276,510,279	\$ 282,944,465	\$ 280,990,137
Other assets	82,182,999	54,340,679	83,389,548
Total Assets	358,693,278	337,285,144	364,379,685
DEFERRED OUTFLOWS OF RESOURCES	2,873,221	3,353,626	3,309,417
LIABILITIES			
Current (payable from unrestricted assets)	6,811,538	6,071,666	8,441,109
Current (payable from restricted assets)	8,288,244	8,179,556	20,608,481
Noncurrent liabilities	73,928,802	83,867,471	97,200,925
Total Liabilities	89,028,584	98,118,693	126,250,515
DEFERRED INFLOWS OF RESOURCES	25,356,288	2,237,950	848,846
NET POSITION			
Net investment in capital assets	209,491,889	204,476,085	189,798,618
Restricted	23,862,862	24,351,663	30,532,217
Unrestricted	13,826,876	11,454,379	20,258,906
Net Position	\$ 247,181,627	\$ 240,282,127	\$ 240,589,741

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 (84.7% at December 31, 2021). 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 (9.7% at December 31, 2021), 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 \$13.8 million (5.6% at December 31, 2021) 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.

Airlines 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. The five-year renewal option was renegotiated and the Authority and airlines agreed to a one-year option and one two-year option.

Cash Management Policies and Cash Flow Activities

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 2021, 2020 and 2019

	2021	2020	2019
Cash flows from (used):			
Operating activities	\$ 5,530,263	\$ (3,944,429)	\$ 13,913,726
Noncapital financing activities	4,810,756	11,053,631	150,480
Investing activities	278,122	401,850	14,220,061
Capital and related financing activities	(7,160,822)	(29,004,458)	(25,476,487)
Net increase/(decrease) in cash	3,458,319	(21,493,406)	2,807,780
Beginning of period	47,589,739	69,083,145	66,275,365
End of period	<u>\$ 51,048,058</u>	<u>\$ 47,589,739</u>	<u>\$ 69,083,145</u>

The Authority's available cash and cash equivalents increased during 2021 by \$3,458,319. Cash and cash equivalents as of December 31, 2021, 2020 and 2019 are composed of:

	2021	2020	2019
Funds available for unrestricted operations:	\$ 22,357,372	\$ 21,399,156	\$ 24,996,252
Funds restricted for:			
Operating and renewal reserves	7,085,564	7,102,131	6,844,994
CFC funds	449,616	448,906	447,971
Capital projects	4,559,084	1,163,703	6,538,342
PFCs available for debt service payments	8,289,838	9,294,517	15,660,918
Revenue bond reserves	7,403,497	7,279,664	12,831,704
Other restrictions	903,087	901,662	1,762,964
	<u>\$ 51,048,058</u>	<u>\$ 47,589,739</u>	<u>\$ 69,083,145</u>

Capital Activities

The Authority capitalized \$6.1 million in projects in 2021. The majority was \$3.5 million for Passenger boarding bridge improvements, \$0.8 million for Air Traffic Control Tower roofing and HVAC work, \$0.4 million for a new hangar roof, and \$1.0 million for 1 new snow blower and 2 dump trucks.

More detailed capital asset activity information can be found in Note 7 of the financial statements.

Debt Administration

The total Authority principal debt outstanding at December 31, 2021 for General Airport Revenue Bonds (GARB) was \$69,000,000 as compared to \$75,945,000 as of December 31, 2020. The aggregate par amount of bonds and bank loans issued by the Authority and outstanding as of December 31, 2021 and 2020 is summarized in the following table:

	Issued	Outstanding at 12-31-20	Outstanding at 12-31-21
Authority Revenue Bonds and Other Debt			
Series 2017A & B Refunding	\$ 14,395,000	\$ 9,920,000	\$ 8,300,000
Series 2018A & B GARB	22,590,000	21,935,000	21,560,000
Series 2019A GARB	9,620,000	9,480,000	9,315,000
Series 2020A & B Refunding	34,610,000	34,610,000	29,825,000
Total Authority Debt Obligations	<u>\$ 81,215,000</u>	<u>\$ 75,945,000</u>	<u>\$ 69,000,000</u>

At December 31, 2021 the Authority maintained debt service reserve funds in the amount of \$7.4 million and Passenger Facility Charge Funds in the amount of \$8.3 million, both of which are restricted to repayment of debt. Thus, the Authority's direct obligations outstanding, net of funds restricted for the repayment of debt, was \$59.3 million in aggregate par amount of bonds outstanding. For additional information about the Authority's long term debt (see Note 8).

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, 2021 the reserve requirement was \$6.6 million and for which the Authority had \$6.6 million on hand. The Authority also had \$15.8 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 \$0.5 million. Also provided for in the bond resolution for each bond issue, the Authority maintains debt service reserve funds.

Other Long-Term Debt

Under generally accepted accounting principles, the term "debt" includes bonds, notes, loans, leases and other obligations including the net unfunded obligations for employee benefits. As of December 31, 2021 and 2020 the Authority reported \$5,692,141 and \$5,723,486 respectively as its share of the unfunded OPEB liability (see Note 14). The Authority also reported \$3,491 and \$1,110,544 at December 31, 2021 and 2020 respectively for its proportionate share of the unfunded liability for employee pensions (see Note 13).

Line of Credit

On December 31, 2018 the Authority obtained a \$10 million Bank Line of Credit (LOC) to provide contingent and temporary financing of grants receivable from the State under the \$22,131,900 Upstate Airport Development & Revitalization Project funding agreement with the State. The State grant funds are paid on a reimbursement basis. As of December 31, 2021 the line was credit was closed.

Credit Ratings and Bond Insurance

The Authority's underlying credit ratings are: Moody's Investors Service "A3" and Standard and Poor's "A-".

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. On June 14, 2018, Standard and Poor’s raised the Authority’s underlying credit rating from “A-” to “A”. On January 23, 2018 AGMC received a rating of AA+ from Kroll Bond Rating Agency. Standard and Poor’s assigned an “A” rating on October 25, 2019 and Moody’s assigned an “A3” rating on October 29, 2019. Standard and Poor’s lower their rating from “A” to “A-” due to the material negative impact of the COVID19 pandemic on traffic levels.

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 email: mzonsius@albanyairport.com or in writing to, Albany County Airport Authority, Terminal Building, Third Floor, Albany, NY 12211-1057.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael F. Zonsius". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael F. Zonsius
Chief Financial Officer

Albany County Airport Authority
Statement of Net Position
As of December 31, 2021

	<u>December 31, 2021</u>
CURRENT ASSETS	
Unrestricted Assets:	
Cash and cash equivalents	\$ 22,357,372
Accounts receivable - net	3,330,780
Lease receivable	2,683,477
Prepaid expenses	669,395
Total Unrestricted Assets	<u>29,041,024</u>
Restricted Assets:	
Operating and Replacement Reserves:	
Cash and cash equivalents	7,085,564
CFC Funds:	
Cash and cash equivalents	449,616
Capital Funds:	
Cash and cash equivalents	4,559,084
Grant funds receivable	3,703,612
Passenger Facility Charge Funds:	
Cash and cash equivalents	8,289,838
Passenger Facility Charges receivable	535,512
Revenue Bond Funds:	
Cash and cash equivalents	7,403,497
FAA Restricted Funds:	
Cash and cash equivalents	203,871
Concession Improvement Funds:	
Cash and cash equivalents	699,214
Total Restricted Assets	<u>32,929,808</u>
Total Current Assets	<u>61,970,832</u>
NON-CURRENT ASSETS	
Prepaid expenses	209,668
Lease receivable	20,212,167
Capital Assets:	
Land and easements	48,201,829
Buildings, improvements and equipment, net of depreciation	220,100,901
Construction in progress	7,997,881
Total Capital Assets	<u>276,300,611</u>
Total Non-Current Assets	<u>296,722,446</u>
Total Assets	<u>358,693,278</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Refunding	1,344,958
OPEB Expenses	391,588
Pension Expenses	1,136,675
Total Deferred Outflows of Resources	<u>2,873,221</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statement of Net Position
As of December 31, 2021

	<u>December 31, 2021</u>
<u>LIABILITIES AND NET POSITION</u>	
<u>CURRENT LIABILITIES</u>	
Payable from Unrestricted Assets:	
Accounts payable	352,688
Accrued expenses	6,458,850
Total Payable from Unrestricted Assets	<u>6,811,538</u>
Payable from Restricted Assets:	
Construction contracts payable	556,292
Construction contract retainages	941,914
Accrued interest payable	105,038
Current maturities of long - term debt	6,685,000
Total Payable from Restricted Assets	<u>8,288,244</u>
Total Current Liabilities	<u>15,099,782</u>
<u>NON-CURRENT LIABILITIES</u>	
Bonds and other debt obligations	68,233,170
Net OPEB liability	5,692,141
Net pension liability - proportionate share	3,491
Total Non-Current Liabilities	<u>73,928,802</u>
Total Liabilities	<u>89,028,584</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Concession Improvement funds	705,686
OPEB expenses	1,156,601
Pension expenses	1,093,887
Leases	22,400,114
Total Deferred Inflows of Resources	<u>25,356,288</u>
<u>NET POSITION</u>	
Net investment in capital assets	209,491,889
Restricted:	
Bond reserve funds	7,298,461
Passenger facility charge funds	8,825,350
Operating and replacement reserves	7,085,564
Other restricted funds	653,487
Total Restricted	<u>23,862,862</u>
Unrestricted	<u>13,826,876</u>
Net Position	<u>\$ 247,181,627</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2021

	<u>December 31, 2021</u>
Operating Revenues	
Airfield	\$ 5,545,788
Fixed Based Operations	9,326,061
Terminal	5,363,151
Concessions	6,891,504
Ground transportation	9,327,909
Other revenue	<u>4,321,044</u>
Total Operating Revenues	<u>40,775,457</u>
Operating Expenses	
Personal Services	10,390,542
Employee Benefits	4,756,459
Utilities & Communications	1,937,442
Purchased Services	5,555,362
Materials & Supplies	8,662,515
Administrative Expenses	1,641,707
Non-Capital Equipment	<u>822,579</u>
Total Operating Expenses	<u>33,766,606</u>
Revenues in excess of expenses before depreciation	7,008,851
Depreciation	<u>18,387,208</u>
Loss Before Non-Operating Income and Expenses	<u>(11,378,357)</u>
Non-Operating Income and (Expenses)	
Passenger facility charges	4,055,447
Grant income	4,810,756
Improvement charges	368,400
Interest income	263,747
Insurance recoveries	77,967
Interest expense	<u>(2,575,159)</u>
Total Non-Operating Income and (Expenses)	<u>7,001,158</u>
Loss before Capital Contributions	(4,377,199)
Capital Contributions	<u>11,276,697</u>
Net Position	
Increase in Net Position	6,899,498
Net Position, Beginning of Year	<u>240,282,129</u>
Net Position, End of Year	<u><u>\$ 247,181,627</u></u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority
Statement of Cash Flows
For the Year Ended December 31, 2021

	<u>December 31, 2021</u>
Cash Flows From Operating Activities	
Cash received from providing services	\$ 39,222,233
Cash paid to suppliers	(32,267,789)
Cash paid to employees	(1,424,181)
Net Cash Provided By Operating Activities	<u>5,530,263</u>
Cash Flows From Noncapital Financing Activities	
Grant income	<u>4,810,756</u>
Net Cash Provided By Noncapital Financing Activities	<u>4,810,756</u>
Cash Flows From Investing Activities	
Interest received	263,747
Interest on passenger facility charges	14,375
Net Cash Provided by Investing Activities	<u>278,122</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of property and equipment	(12,086,065)
Principal payments made on bonds and notes payable	(6,365,000)
Bond Defeasance	(660,417)
Interest paid	(3,666,302)
Concession improvement funds	65,411
Improvement charges	368,400
Insurance recoveries	77,967
Capital grants	11,462,991
Passenger facility charges	3,642,193
Net Cash Used By Capital and Related Financing Activities	<u>(7,160,822)</u>
Net Increase in cash and cash equivalents	3,458,319
Cash and cash equivalents, beginning of year	47,589,739
Cash and cash equivalents, end of year	<u>\$ 51,048,058</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Loss before non-operating income and expenses	\$ (11,378,354)
Adjustments to reconcile loss from operations to net cash provided by operating activities:	
Depreciation	18,387,208
Decrease/(Increase) in assets:	
Accounts receivable	(1,553,223)
Lease receivable	(495,530)
Prepaid expenses	292,887
Deferred OPEB expenses	(314,258)
Deferred pension expenses	(150,689)
Increase in liabilities:	
Accounts payable and accrued expenses	742,222
Net Cash Provided By Operating Activities	<u>\$ 5,530,263</u>
Noncash Capital and Related Financing Activities:	
Capital Assets and related receivables	\$ 186,294
Total Noncash Capital and Related Financing Activities	<u>\$ 186,294</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust
Statement of OPEB Fund Net Position
As of December 31, 2021

	<u>December 31, 2021</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,880,572
Total Assets	<u>2,880,572</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>
Total Deferred Outflows of Resources	<u>-</u>
 <u>LIABILITIES</u>	 <u>-</u>
Total Liabilities	<u>-</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	 <u>-</u>
Total Deferred Inflows of Resources	<u>-</u>
 <u>NET POSITION</u>	
Net Position - Restricted for OPEB	<u>\$ 2,880,572</u>

The accompanying notes are an integral part of these financial statements

Albany County Airport Authority OPEB Trust
Statement of Changes in OPEB Fund Net Position
For the Year Ended December 31, 2021

	<u>December 31, 2021</u>
Additions to Net Position Attributed to:	
Contributions	
Employer	\$ 442,517
Interest Income	1,417
Total Additions	<u>443,934</u>
Deductions from Net Position Attributed to:	
Retirement benefits	205,200
Administrative expenses	39,931
Total Deductions	<u>245,131</u>
Increase in Net Position	<u>198,803</u>
Net Position - Restricted for OPEB, Beginning of Year	<u>2,681,769</u>
Net Position - Restricted for OPEB, End of Year	<u><u>\$ 2,880,572</u></u>

The accompanying notes are an integral part of these financial statements

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ALBANY COUNTY AIRPORT AUTHORITY

Notes to Financial Statements

December 31, 2021

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. On November 5, 2018 the term of the Lease was extended through December 31, 2049.

Pursuant to the State enabling Legislation, the Authority may not undertake any capital project (see Note 16), 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, 2022. 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, 2022. 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 on July 23, 2018. The policy allows the Authority to use any depository bank that is a State or Federally chartered commercial bank that can meet the Authority's requirements for cash vault services, is a member of the National Automated Clearing House Association (NACHA), and is able to act as an Originating Depository Financial Institution (ODFI) for direct deposit of payments. Additionally, the bank must have a minimum long term credit rating of "A" without regard to subcategories from at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO) and no rating below investment grade from any other NRSRO.

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

Lessor Receivable

The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

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.

Customer Facility Charges - These assets represent Customer Facility Charges (CFC) collections based on approved Amendment No. 1 to Rental Car Concession Agreements. These funds are restricted for designated capital projects related to the reallocation of Rental Car Company terminal counters and offices, and costs of relocating and reallocating the parking garage spaces. The Authority recognizes and reports as other income CFCs earned when all conditions have been met that entitles the Authority to retain the CFCs.

Revenue Bond Funds - These assets represent Series 2017, 2018, 2019 and 2020 general airport revenue bond (GARB) proceeds held in Bond Reserve Accounts. Bond reserve accounts for the Series 2017, Series 2018, Series 2019 and Series 2020 Bonds equal 125% of the average annual debt service due on bonds at the time of issuance.

FAA Restricted Funds - These assets represent proceeds from the disposition of property acquired with capital grants from the Federal Aviation Administration through the Airport Improvement Program and the Airport Noise Compatibility Grants under FAR150 or a combination of both. These Airport funds were generated through the disposition of 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 concessionaires’ leased areas 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 expended 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 during the construction period for capital assets acquired with debt was capitalized in certain years prior to 2007. After 2007 the Authority did not incur or pay any interest that was eligible for capitalization.

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 non-operating 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 have any special items in 2021.

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 March 31, 2023. In 2020, PFC Application 20-04 in the amount of \$8,142,737, was approved extending the collection date to March 1, 2023. Through December 31, 2021 the Authority has collected PFCs including interest earnings thereon totaling \$116,191,510.

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 and Series 2020 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, 2021, the Authority has applied \$99.6 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 Plans

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's participation in the plans are mandated by State law and includes the New York State and Local Employees' Retirement System (ERS) and the New York State Voluntary Defined Contribution (NYS VDC) plan (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 13.

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 (see Note 13) and Other Post-Employment Benefits (OPEB) (see Note 14) have the potential to vary more significantly over time than other estimates.

Adoption of New Accounting Standards

During 2021, the Authority adopted Governmental Accounting Standards Board Statement No. 87 - *Leases*. This Statement, originally issued in June 17, requires the recognition of certain lease assets, and liabilities for leases that previously were classified as operating leases and recognize them as inflows of resources or outflows of resources based on the payment provisions of the contract. The provisions of the Statement were originally effective for reporting periods after December 2019. However, due to the COVID19 pandemic, the effective date was extended to reporting periods with December 31, 2022, and the Authority chose to implement GASB87 early. This Statement had a material effect on the financial statement of the Authority, please refer to Note 11 and Note 12.

During 2021, the Authority adopted Governmental Accounting Standards Board Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the fiscal year ended December 31, 2021. This standard replaces an existing term but does not otherwise establish new accounting and financial requirements. The adoption of this accounting standard did not have a significant effect on the Authority's financial statements.

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses the accounting and financial reporting implications that result from a replacement of an interbank offered rate. This statement is effective for reporting periods ending after December 31, 2021. The adoption of this accounting standard did not have a significant effect on the Authority's financial statements.

In May 2020, the Government Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This statement is effective for reporting periods ending after June 15, 2022 and was implemented for the reporting period ending December 31, 2021. The adoption of this accounting standard did not have a significant effect on the Authority's financial statements.

In June 2020, the Government Accounting Standards Board issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with reporting certain pension and OPEB plans, and enhances the relevance, consistency and comparability of IRC Section 457 plans. This statement is effective for reporting periods ending after June 15, 2021. The adoption of this accounting standard did not have a significant effect on the Authority's financial statements.

Future Governmental Accounting Standards Board Statements To Be Implemented

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which addresses financial reporting issues related to public-private and public-public partnership arrangements. This statement is effective for reporting periods ending after June 15, 2022. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted.

NOTE 3 - Cash, Cash Equivalents and Investments

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

	Book Balance 2021	Bank Balance 2021
Cash and Cash Equivalents		
Cash on hand	\$ 33,085	
Cash in bank accounts	51,014,963	\$ 51,162,960
Total Cash and Cash Equivalents	<u>\$ 51,048,048</u>	

The Authority's deposits were secured by insurance from the Federal Depository Insurance Corporation (FDIC) covering \$500,000 on December 31, 2021 plus \$55,400,543 of pledged collateral held by a third party trustee bank at December 31, 2021. 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 12-31-21
Airlines	\$ 1,477,887
Concessions	805,415
Other	1,047,478
Sub-Total	3,330,780
Less Allowances	-
Net Accounts Receivable	<u>\$ 3,330,780</u>

NOTE 5 – FAA Restricted Funds

The Authority holds funds derived from the disposition of property acquired with grants received from the Federal Aviation Administration (FAA). These funds are restricted for use and limited to capital expenditures approved by the FAA. The following table presents the amounts and changes in such funds:

	2021
Airport Noise Compatibility Grants (FAR150)	
Opening Balance	\$ 203,549
Interest Received during the year	322
Ending Balance	<u>\$ 203,871</u>

NOTE 6 - Due from County of Albany

The net amount from the county consists of the following:

	As of 12-31-21
Reimbursement of expenses due from/(to) County	\$ 1,194
	<u>\$ 1,194</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, 2021 for these services totaled \$2,097,571.

NOTE 7 - Capital Assets

Capital Assets balances and activity for the year ended December 31, 2021 was as follows:

	Total 12-31-20	Additions	Deletions	Total 12-31-21
Capital Assets that are not depreciated:				
Land and Easements	\$ 48,201,829	\$ -	\$ -	\$ 48,201,829
Construction in Progress	2,199,658	11,968,455	(6,170,232)	7,997,881
Total	<u>50,401,487</u>	<u>11,968,455</u>	<u>(6,170,232)</u>	<u>56,199,710</u>
Capital Assets that are depreciated:				
Buildings	247,884,826	-	-	247,884,826
Improvements, other than buildings	268,278,069	5,148,278	-	273,426,347
Machinery and Equipment	19,113,483	1,021,954	-	20,135,437
Sub-total	<u>535,276,378</u>	<u>6,170,232</u>	<u>-</u>	<u>541,446,610</u>
Less accumulated depreciation:				
Buildings	(143,887,862)	(8,070,616)	-	(151,958,478)
Improvements	(145,885,899)	(9,727,337)	-	(155,613,236)
Machinery and Equipment	(13,184,739)	(589,256)	-	(13,773,995)
Sub-total	<u>(302,958,500)</u>	<u>(18,387,209)</u>	<u>-</u>	<u>(321,345,709)</u>
Total depreciable Capital Assets, net	232,317,878	(12,216,977)	-	220,100,901
Total Capital Assets, Net	<u>\$ 282,719,365</u>	<u>\$ (248,522)</u>	<u>\$ (6,170,232)</u>	<u>\$ 276,300,611</u>

NOTE 8 - Long-Term Indebtedness

A summary of the changes in the Authority's long-term indebtedness outstanding during 2021 was as follows:

	Outstanding at 12-31-20	Additions	Deletions	Outstanding at 12-31-21
Authority Revenue Bonds/Debt Obligations				
Bonds Payable				
Series 2017A & B Refunding	\$ 9,920,000	\$ -	\$ (1,620,000)	\$ 8,300,000
Series 2018A & B GARB	21,935,000	-	(375,000)	21,560,000
Series 2019A GARB	9,480,000	-	(165,000)	9,315,000
Series 2020A & B Refunding	34,610,000	-	(4,785,000)	29,825,000
Total Bonds Payable	<u>75,945,000</u>	<u>-</u>	<u>(6,945,000)</u>	<u>69,000,000</u>
Unamortized Premiums	7,538,441	-	(1,620,272)	5,918,169
Total Long-term Indebtedness	<u>\$ 83,483,441</u>	<u>\$ -</u>	<u>\$ (8,565,272)</u>	<u>\$ 74,918,169</u>

Authority Outstanding Debt Issues

Series 2017A General Airport Revenue Refunding Bonds - In March of 2017, the Authority closed on the sale of two General Airport Revenue Refunding Bond (non AMT) issues totaling \$7,795,000 to refund the Series 2003A Airport Revenue Bonds and Series 2006A. Coupon interest rates range from 3.125% to 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2033.

Year ending	Principal Outstanding	Unamortized Premium	Deferred Loss
December 31, 2021	\$ 5,015,000	\$ 290,136	\$ 82,043

Series 2017B General Airport Revenue Refunding Bonds – In March of 2017, The Authority issued \$6,600,000 (AMT) of Series 2017B General Airport Revenue Refunding Bonds to refund the Series 2006B Airport Revenue Bonds and Series 2006C. Coupon interest rates range from 3.250% to 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2035.

Year ending	Principal Outstanding	Unamortized Premium	Deferred Loss
December 31, 2021	\$ 5,015,000	\$ 290,136	\$ 82,043

Series 2018A General Airport Revenue Bonds - In November of 2018, the Authority issued \$14,770,000 (non AMT) of Series 2018A General Airport Revenue Bonds to fund a portion of the cost of the Upstate Airport Development & Revitalization Project at the Airport and other projects in the Authority's 2015-2019 capital plan. Coupon interest rates are 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2048.

Year ending	Principal Outstanding	Unamortized Premium
December 31, 2021	\$ 14,770,000	\$ 1,059,831

Series 2018B General Airport Revenue Bonds - In November of 2018, The Authority issued \$7,820,000 (AMT) of Series 2018B General Airport Revenue Bonds to fund projects in the Authority's 2015-2019 capital plan and to provide funds for a portion for the Upstate Airport Development & Revitalization Project at the Airport. The bonds are payable from a lien on net revenues derived by the Authority for the operation of the airport. Coupon interest rates are 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2034.

Year ending	Principal Outstanding	Unamortized Premium
December 31, 2021	\$ 6,790,000	\$ 508,653

Series 2019A General Airport Revenue Bonds - In November of 2019, the Authority issued \$9,620,000 (non AMT) of Series 2019A General Airport Revenue Bonds to fund a portion of the cost of the Upstate Airport Development & Revitalization Project at the Airport. Coupon interest rates range from 4.000% to 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2042.

Year ending	Principal Outstanding	Unamortized Premium
December 31, 2021	\$ 9,315,000	\$ 924,913

Series 2020A General Airport Revenue Forward Refunding Bonds - In March of 2020, the Authority issued \$4,390,000 (non AMT) of Series 2020A General Airport Revenue Forward Refunding Bonds to refund and defease a certain portion of the Series 2010A General Airport Revenue Refunding Bonds. Coupon interest rates are 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2030.

Year ending	Principal Outstanding	Unamortized Premium	Deferred Loss
December 31, 2021	\$ 4,045,000	\$ 596,456	\$ 965,912

Series 2020B General Airport Revenue Refunding Bonds - In March of 2020, the Authority issued \$30,220,000 (AMT) of Series 2020B General Airport Revenue Forward Refunding Bonds to refund and defease a certain portion of the Series 2010A General Airport Revenue Refunding Bonds. Coupon interest range are 5.000% and are due semi-annually on June 15th and December 15th. These bonds will mature on December 31, 2030.

Year ending	Principal Outstanding	Unamortized Premium	Deferred Loss
December 31, 2021	\$ 25,780,000	\$ 2,457,094	\$ 205,276

Below is a schedule of future bond payments by years:

Years Ending	Principal	Interest	Total
2022	\$ 6,685,000	\$ 3,335,200	\$ 10,020,200
2023	7,020,000	3,002,650	10,022,650
2024	7,280,000	2,653,400	9,933,400
2025	7,625,000	2,291,250	9,916,250
2026	8,030,000	1,910,000	9,940,000
2027-2031	7,405,000	6,817,019	14,222,019
2032-2036	6,150,000	5,203,456	11,353,456
2037-2041	6,425,000	3,721,550	10,146,550
2042-2046	8,080,000	2,052,750	10,132,750
2047-2049	4,300,000	301,700	4,601,700
TOTAL	\$ 69,000,000	\$ 31,288,975	\$ 100,288,975

Bond Defeasance

On August 3, 2021 the Authority defeased a certain portion of Airport Revenue Refunding Bonds, Series 2017A, ("2017A Bonds") by placing cash of \$659,688 in a trust account with Manufacturers and Traders Trust Company, the escrow agent for the defeasance. The cash deposit has an irrevocably pledge to the payment of a portion of the outstanding bonds. The escrow agent has been authorized to substitute assets that are not essentially risk-free in the trust portfolio. Principal and interest from the cash have been deemed sufficient to retire the principal and interest on the \$669,030 outstanding balance of the 2017A Bonds issued to refund 2006A Bonds that were used to finance renovation of the previous Authority administration building. Accordingly, the trust account assets and the liability for the defeased bonds are

not included in the Authority's financial statements. At December 31, 2021, \$490,420 of bonds remained outstanding and are considered defeased.

Annual estimated cash flows after December 31, 2021, in the escrow account for the defeasance are summarized below:

	Beginning Balance	Debt Service	Interest	Ending Balance
2021	\$ 659,688	\$ 104,080	\$ 841	\$ 556,449
2022	556,449	118,686	2,261	440,024
2023	440,024	119,068	2,153	323,109
2024	323,109	109,015	1,865	215,959
2025	215,959	108,892	1,421	108,488
2026	108,488	109,289	801	-
		669,030	9,342	

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, 2021, the Authority had \$69.0 million of principal debt outstanding issued which does not include deferred losses and bond premiums.

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 adviser, 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 2021.

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 shown below:

	Inception To Date	Year Ended 2021
County of Albany	\$ 486,324,500	\$ -
Federal	155,164,858	11,022,978
State	97,586,630	253,719
Total	<u>\$ 739,075,988</u>	<u>\$ 11,276,697</u>

Net position consists of the following:

	2021
Net investment in capital assets	\$ 209,491,889
Bond reserve funds	7,298,461
Passenger facility charge funds	8,825,350
Operating and replacement reserves	7,085,564
FAA and CFC funds	653,487
Unrestricted assets	13,826,878
	<u>\$ 247,181,629</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

Seven 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. In 2020, due to COVID, the Authority offered an extension of a one-year term ending December 31, 2021 and two one-year options and one two-year option extensions. 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 2021, 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 credit of \$1,510,974 for the rates and charges settlements and they also received \$1,497,841 for their share of the revenue sharing; totaling \$3,008,815.

NOTE 11 - Lessor Airport Tenant Agreements

The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

For the purposes of the GASB No. 87 implementation, Airport Leases have been categorized as follows:

1. GASB No. 87 Leases - Included
2. GASB No. 87 Leases - Excluded Leases - Regulated
3. GASB No. 87 Leases - Excluded Leases - Short Term

GASB No. 87 Leases - Included

In accordance with GASB No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases the Authority categorizes as GASB No. 87 - Included. For these leases, the Authority is reporting Lessor Lease Receivables of \$24,077,035 for the beginning of the year ending December 31, 2021. For the year 2021, the Authority reported lease revenue of \$1,181,391 and interest revenue of \$197,473 related to lease payments received. These GASB No. 87 - Included leases are summarized as follows:

	Beginning Lease Receivable	Implied Interest	Receivable Reduction	Annual Lease Revenue	Ending Lease Receivable
TL00049	\$ 252,157	\$ 2,000	\$ 20,301	\$ 22,301	\$ 231,856
TL00098	129,155	783	38,367	39,150	90,788
TL00111	437,711	3,457	36,860	40,317	400,851
TL00117	4,844,169	39,243	294,257	333,500	4,549,912
TL00119	274,157	2,099	30,780	32,879	243,377
TL00121	353,151	2,711	38,794	41,505	314,357
TL00122	226,704	1,747	24,152	25,899	202,552
TL00132	5,310,012	46,197	(46,197)	-	5,356,209
TL00206	379,172	2,500	89,343	91,843	289,829
TL00241	3,765,769	32,762	(32,762)	-	3,798,531
TL00266	257,140	2,011	23,971	25,982	233,169
TL00303	1,971,049	15,428	182,233	197,661	1,788,816
TL00305	5,876,689	46,535	481,292	527,827	5,395,397
	<u>\$ 24,077,035</u>	<u>\$ 197,473</u>	<u>\$ 1,181,391</u>	<u>\$ 1,378,864</u>	<u>\$ 22,895,644</u>

Ending lease receivable is \$2,683,477 and \$20,212,167 for current and non-current assets, respectively.

TL00098 New Cingular Wireless PCS, LLC

Antennae Lease

On May 1, 2009, the Authority entered into a five (5) year antennae agreement with New Cingular Wireless PCS, LLC for the use of a small area on the Concourse A roof and certain space within the second floor equipment of the same building located in the terminal building. The lease commenced on May 1, 2009 and ends April, 30, 2014, with four (4) x five (5) year extensions. The terms of this agreement include annual revenue of \$39,150 in 2021, paid in twelve monthly installments. Annual rental shall increase 1.25% in each five year increment. The Authority has included the lease revenue in its GASB 87 implementation until the expiration of its current renewal term, April 30, 2024. Thereafter, either party has the option not to renew the lease for successive five (5) year increment option period. Amendment No. 1 was executed June, 2018 and authorized an 84.41% increase in rent.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$129,155 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$38,367 and \$783, respectively. Also in 2021, the deferred inflow receivable was reduced by \$38,747. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$39,150
2023	39,150
2024	13,050
2025	-
2026	-
2027-2031	-

TL00111 Verizon Wireless

Antennae Lease

On November 29, 2010, the Authority entered into a five (5) year antennae agreement with Verizon Wireless for the use of 1,500 square feet of space on the roof located in the terminal building. The lease commenced on January 1, 2010 and ends December 31, 2015, with four (4) x five (5) year extensions.

The terms of this agreement include annual revenue of \$40,317 in 2021, paid in twelve monthly installments. Annual rent shall increase by three percent (3%) of the previous year's rent. The Authority is reasonably certain that three of the four options will be exercised.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$437,711 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$36,860 and \$3,457, respectively. Also in 2021, the deferred inflow receivable was reduced by \$44,139. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$41,325
2023	42,565
2024	43,842
2025	45,157
2026	46,512
2027-2031	196,044

TL00241 OHM Concession Group, LLC

Concessionaire Lease

On February 23, 2018, the Authority entered into a ten (10) year concessionaire agreement with OHM Concession Group, LLC for the use of 2,868 square feet of concession space and 286 square feet of storage space. located in the terminal building. The lease commenced on March 1, 2018 and ends February 28, 2028, pursuant to the first amendment to the lease dated May 13, 2019, the agreement includes two (2) x (2) year extensions. Due to the COVID-19 pandemic, no fixed revenue was recorded in year 2021.

The terms of this concessionaire agreement include one (1) variable revenue component that is not included in the measurement of the lease receivable; storage space based on one-half of the variable airline square footage fee of \$10,553.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$3,765,769 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$0 and \$25,126, respectively. Also in 2021, the deferred inflow receivable was reduced by \$0. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$400,179
2023	412,185
2024	424,551
2025	437,288
2026	450,407
2027-2031	1,809,298

TL00132 Host International, Inc.

Concessionaire Lease

On January 13, 2009, the Authority entered into a ten (10) year concessionaire agreement with Host International, Inc. for the use of 9,480 square feet of concession space and 568 square feet of storage space located in the terminal building. The lease commenced on January 1, 2009 and ends December 31, 2018, with two (2) x five (5) year extensions. Due to the COVID-19 pandemic, no fixed revenue was recorded in year 2021. The Authority is certain that the lease will extend through the first and second option which is December 31, 2029.

The terms of this concessionaire agreement include one (1) variable revenue component that is not included in the measurement of the lease receivable; storage space based on one-half of the variable airline square footage fee of \$20,959.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$5,310,012 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$0 and \$0, respectively. Also in 2021, the deferred inflow receivable was reduced by \$663,752. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$690,000
2023	690,000
2024	690,000
2025	690,000
2026	690,000
2027-2029	2,070,000

TL00117 Paradies - Albany, LLC

Concessionaire Lease

On December 13, 2013, the Authority entered into a ten (10) year concessionaire agreement with Paradies - Albany, LLC for the use of 3,176 square feet of concession space located in the terminal building. The lease commenced on January 1, 2014 and ends December 31, 2028, with no extension options. The terms of this agreement include annual revenue of \$333,500 in 2021, paid in twelve monthly installments.

An annual capital contribution of \$40,000 will be paid from 2014 to 2016, and will increase 3% thereafter until the end of the lease term.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$4,844,169 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$294,257 and \$39,243, respectively. Also in 2021, the deferred inflow receivable was reduced by \$605,521. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$ 667,000
2023	667,000
2024	667,000
2025	667,000
2026	667,000
2027-2028	1,334,000

TL00049 Bucknell Construction Corp (Sublessee - Control Tower Ice Cream)

Property Lease

On September 22, 1999, the Authority entered into a thirty (30) year lease agreement with Bucknell Construction Corp (Sublessee - Control Tower Ice Cream) for the use of approximately three (3) acres of land lease located at Spruce Land and NYS Route 7. The lease commenced on April 1, 2001 and ends March 31, 2031, with no extension options. The terms of this agreement include annual revenue of \$22,301 in 2021, paid in twelve monthly installments. The rent in years six (6) through thirty (30) shall escalate each year and in each year shall be equal to the rent in the immediately preceding year multiplied by the percentage increase for such year by CPI-U.

The Authority approved a sub lease effective February 1, 2006. Amendment No. 1 executed on September 3, 2009, authorized the Assignment and Assumption Agreement to Bucknell Construction Corp.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$252,157 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$20,301 and \$2,000, respectively. Also in 2021, the deferred inflow receivable was reduced by \$34,270. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$22,970
2023	23,659
2024	24,369
2025	25,100
2026	25,853
2027-2031	118,730

TL00206 TVC Albany, Inc. d/b/a Firstlight Fiber

Property Lease

On October 1, 2014, the Authority entered into a five (5) year and two (2) month lease agreement with TVC Albany, Inc. d/b/a Firstlight Fiber for the use of Building 216 located at 55 Sicker Road, Latham, NY. The lease commenced on October 1, 2014 and ends December 31, 2019, with two (2) x five (5) year extensions. The terms of this agreement include annual revenue of \$91,843 in 2021, paid in twelve monthly installments. Annual rent shall increase by three percent (3%) of the previous year's rent.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$379,172 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$89,343 and \$2,500,

respectively. Also in 2021, the deferred inflow receivable was reduced by \$94,793. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$ 94,598
2023	97,436
2024	100,359
2025	-
2026	-
2027-2031	-

TL00266 ELRAC, LLC d/b/a Enterprise Rent-A-Car

Property Lease

On February 1, 2020, the Authority entered into a five (5) year lease agreement with ELRAC, LLC d/b/a Enterprise Rent-A-Car for the use of Building 214 located at 70 Sicker Road, Latham, NY which includes 3,350 sq office and warehouse plus 0.2 acres of land. The lease commenced on February 1, 2020 and ends January 31, 2025, with three (3) x five (5) year extensions. The terms of this agreement include annual revenue of \$25,982 in 2021, paid in twelve monthly installments. Annual rent shall increase by three percent (3%) of the previous year's rent. The Authority is reasonably certain that the lessee will renew the lease for one (1) additional five year option.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$257,140 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$23,971 and \$2,011, respectively. Also in 2021, the deferred inflow receivable was reduced by \$28,309. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$26,762
2023	27,565
2024	28,392
2025	29,243
2026	30,121
2027-2031	98,642

TL00303 ELRAC, LLC d/b/a Enterprise Rent-A-Car

Property Lease

On October 1, 2011, the Authority entered into a five (5) year lease agreement with ELRAC, LLC d/b/a Enterprise Rent-A-Car for the use of seven (7) acres of land including Buildings 410 and 412 located at 11 Northway Lane, Colonie, New York. The lease commenced on May 1, 2016 and ends April 30, 2021, with three (3) x five (5) year extensions. The terms of this agreement include annual revenue of \$197,661 in 2021, paid in twelve monthly installments. The Authority is reasonably certain that the lessee will renew the lease for the 2 additional year options.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$1,971,049 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for 182,233 and

\$15,428, respectively. Also in 2021, the deferred inflow receivable was reduced by \$190,747. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$198,669
2023	198,669
2024	198,669
2025	198,669
2026	198,669
2027-2031	860,898

TL00305 Transportation Security Agency (TSA)

Property Lease

On February 1, 2021, the Authority entered into a ten (10) year lease agreement with Transportation Security Agency (TSA) for the use of 9,196 square feet located at in the terminal building. The lease commenced on February 1, 2021 and ends January 31, 2031, with no extension options. The terms of this agreement include annual revenue of \$527,827 in 2021, paid in twelve monthly installments. The terms of this agreement include a fixed monthly payment of \$47,130 in 2021. Annual rent shall increase 14% in year five (5). The Authority is reasonably certain that the lessee will renew the lease for the additional year options.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$5,876,689 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$481,292 and \$46,535, respectively. Also in 2021, the deferred inflow receivable was reduced by \$543,314. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$ 575,810
2023	575,810
2024	575,810
2025	575,810
2026	642,276
2027-2031	2,647,299

TL00122 Hertz

Rental Car Lease

On January 1, 2009, the Authority entered into a ten (10) year rental car lease agreement with Hertz for the use of one (1) rental car kiosks, 82 rental car return spaces and improvement charges located in the terminal and north parking garage. The lease commenced on January 1, 2009 and ends December 31, 2018, with no extension options. Amendment No. 1 was executed on February 1, 2019 extends the agreement ten (10) years or December 31, 2028. The terms of this agreement include annual revenue of \$25,899 in 2021, paid in twelve monthly installments.

The terms of this car rental agreement include three (3) variable revenue components that are not included in the measurement of the lease receivable:

1. an improvement charge based on a variable number of Ready/Return parking spaces, \$99,600;
2. concessionaire fee based on concession sales, \$1,502,410;
3. storage space based on one-half of the variable airline square footage fee. \$20,959.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$184,786 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$19,070 and \$1,429, respectively. Also in 2021, the deferred inflow receivable was reduced by \$23,098. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$21,599
2023	22,422
2024	23,319
2025	24,252
2026	25,222
2027-2028	53,510

TL00121 ELRAC, LLC d/b/a Enterprise Rent-A-Car

Rental Car Lease

On January 1, 2009, the Authority entered into a ten (10) year rental car lease agreement with ELRAC, LLC d/b/a Enterprise Rent-A-Car for the use of one (1) rental car kiosks, 139 rental car return spaces and improvement charges located in the terminal and north parking garage. The lease commenced on January 1, 2009 and ends December 31, 2018, with no extension options. Amendment No. 1 was executed on February 1, 2019 extends the agreement ten (10) years or December 31, 2028. The terms of this agreement include annual revenue of \$41,505 in 2021, paid in twelve monthly installments.

The terms of this car rental agreement include three (3) variable revenue components that are not included in the measurement of the lease receivable:

1. an improvement charge based on a variable number of Ready/Return parking spaces, \$166,800;
2. concessionaire fee based on concession sales, \$1,953,824;
3. storage space based on one-half of the variable airline square footage fee, \$33,726.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$353,151 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$38,795 and \$2,711, respectively. Also in 2021, the deferred inflow receivable was reduced by \$44,144. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$41,505
2023	42,950
2024	44,452
2025	46,014
2026	47,638
2027-2028	100,413

TL00119 Avis
Rental Car Lease

On January 1, 2009, the Authority entered into a ten (10) year rental car lease agreement with Avis for the use of two (2) rental car kiosks, 85 rental car return spaces and improvement charges located in the terminal and South Parking Garage. The lease commenced on January 1, 2009 and ends December 31, 2018, with no extension options. Amendment No. 1 was executed on February 1, 2019 extends the agreement ten (10) years or December 31, 2028. The terms of this agreement include annual revenue of \$32,879 in 2021, paid in twelve monthly installments.

The terms of this car rental agreement include three (3) variable revenue components that are not included in the measurement of the lease receivable:

1. an improvement charge based on a variable number of Ready/Return parking spaces, \$102,000;
2. concessionaire fee based on concession sales, \$1,418,821;
3. storage space based on one-half of the variable airline square footage fee, \$30,627.

The Authority implemented GASB No. 87 for the year ended December 31, 2021 and recorded \$274,157 balances for lease receivable and deferred inflows of resources on the Statement of Net Position. The lease receivable balance was reduced and interest income recognized for \$30,779 and \$2,099, respectively. Also in 2021, the deferred inflow receivable was reduced by \$32,878. In addition, the lease receivable was discounted to the net present value determined at approximately the year-end 2021, or 0.87 percent, the average of the Authority's five (5) year alternative minimum tax (AMT) borrowing rate.

Future minimum lease payments are as follows:

2022	\$32,879
2023	33,762
2024	34,680
2025	35,636
2026	36,629
2027-2028	76,288

GASB No. 87 Excluded Leases - Regulated

In accordance with GASB No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users. Regulated leases include the following:

Airline Use and Lease Agreement Signatory Airlines

The rights, services and privileges, including the lease of preferentially-assigned gates, an airline has in connection with the use of the airport and its facilities is addressed in the Airline Use and Lease Agreement (ULA). By definition, a ULA is considered a regulated lease and does not recognize a receivable and corresponded deferred inflow of resources.

The Authority and certain airlines entered into the original ULA that became effective January 1, 2006 and expired on December 31, 2015. A subsequent ULA was entered into January 1, 2016 and replaced the original 2006 agreement. The 2016 ULA had a five term with and an expiration date of December 31, 2020, it included one five-year option period. Due to the COVID-19 pandemic that began in March 2020, the five-year renewal term was modified to three one-year renewal terms (2021, 2022, and 2023) followed by one two-year (2024-2025) option term.

The Authority has entered into a ULA with seven (7) passenger airlines and recognized terminal, apron and passenger boarding bridge lease revenue of \$5,187,180, \$610,645, and \$508,023, respectively.

Due to the variable nature of the above revenues from year-to-year, expected future minimum payments are indeterminable.

TL00054 New York State Office of General Services

Property Lease

On May 3, 2021, the Authority entered into a ten (10) year lease agreement with New York State Office of General Services for the use of twenty two (22) acres of land located at 330 Old Niskayuna Road, Latham, NY. The lease commenced on August 1, 2021 and ends July 31, 2031, with no extension options. The terms of this agreement include annual revenue of \$264,755 in 2021, paid in twelve monthly installments.

Future minimum lease payments are as follows:

2022	\$ 300,000
2023	300,000
2024	300,000
2025	300,000
2026	306,250
2027-2031	1,443,750

TL00248 American Airlines , Inc.

Property Lease

On February 8, 2019, the Authority entered into a lease agreement with American Airlines, Inc. for the use of building/hangar 119 located at 22 Jetway Drive. The lease commenced on January 1, 2019 and ends December 31, 2023, with no extension options. The terms of this agreement include annual revenue of \$301,695 in 2021, paid in twelve monthly installments. Annual rent shall increase by two percent (2%) of the previous year's rent.

Future minimum lease payments are as follows:

2022	\$307,729
2023	313,884
2024	-
2025	-
2026	-
2027-2031	-

TL00093 Federal Aviation Administration

Property Lease

On September 13, 2021, the Authority entered into a ten (10) year lease agreement with Federal Aviation Administration for the use of 15,852 square feet of the Air Traffic Control Tower located at 128 Sicker Road. The lease commenced on October, 2020 and ends September 30, 2030, with no extension options. The terms of this agreement include annual revenue of \$527,904 in 2021, paid in twelve monthly installments. Annual rent shall increase by two percent (2%) of the previous year's rent.

Future minimum lease payments are as follows:

2022	\$565,554
2023	565,554
2024	565,554
2025	565,554
2026	641,421
2027-2030	1,440,401

TL00313 Champlain Enterprises, LLC. d/b/a Commutair

Property Lease

On May 12, 2021, the Authority entered into a three (3) year lease agreement with Champlain Enterprises, LLC. d/b/a Commutair for the use of building/hangar 211 located at 85 Sicker Road. The lease commenced on May 12, 2021 and ends May 11, 2024, with no extension options. Annual rent shall increase by three percent (3%) of the previous year's rent.

Future minimum lease payments are as follows:

2022	\$118,251
2023	121,798
2024	40,997
2025	-
2026	-
2027-2031	-

TL00314 Champlain Enterprises, LLC. d/b/a Commutair

Property Lease

On May 12, 2021, the Authority entered into a three (3) year lease agreement with Champlain Enterprises, LLC. d/b/a Commutair for the use of Building/Hangar 222 located at 85 Sicker Road. The lease commenced on May 12, 2021 and ends May 11, 2024, with no extension options. Annual rent shall increase by three percent (3%) of the previous year's rent.

Future minimum lease payments are as follows:

2022	\$100,894
2023	103,921
2024	34,980
2025	-
2026	-
2027-2031	-

TL00237 Prescott Holding, Inc.

Property Lease

On November 8, 2021, the Authority entered into a four (4) year lease agreement with Prescott Holding, Inc. for the use of Buildings 202 and 203 located at 743 and 745 Albany Shaker Road. The lease commenced on January 1, 2022 and ends December 31, 2026, with two (2) x five (5) year extensions. The terms of this agreement include annual revenue of \$41,164 in 2021, paid in twelve monthly installments.

Future minimum lease payments are as follows:

2022	\$43,058
2023	45,038
2024	47,110
2025	49,277
2026	51,544
2027-2031	295,543

TL00077 New York State Police

Property Lease

On April 1, 2000, the Authority entered into a thirty (30) year lease agreement with New York State Police for the use of Building/Hangar 200 located at 739 Albany Shaker Road. The lease commenced on April 1, 2000 and ends March 31, 2031, with no extension options. The terms of this agreement include annual revenue of \$1,123,083 in 2021, paid in twelve monthly installments.

Future minimum lease payments are as follows:

2022	\$1,123,083
2023	1,123,083
2024	1,123,083
2025	1,123,083
2026	1,123,083
2027-2031	3,650,020

T-Hangars

On various dates, the Authority entered into a month to month T-hangar lease agreements with tenants for the use of one (1) of forty (40) T hangars located at 360 Old Niskayuna Road. In 2021, \$127,815 in T-hangar revenue was recorded.

FBO Community Hangars tenants

On various dates, the Authority entered into a month to month agreements with tenants for the use of a specified amount of space located in one of two FBO/community hangars located at Building 109 (16 Jetway Dr.) and Building 112 (6 Jetway Dr.). In 2021, \$127,815 in FBO hangar revenue was recorded.

GASB No. 87 Excluded Leases Short-Term

In accordance with GASB No. 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for leases short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Short-Term leases include the following:

TL00282 Hyannis Air Service, Inc. d/b/a Cape Air & Nantucket Airlines**Property Lease**

On September 1, 2008, the Authority entered into a month to month lease-short term agreement with Hyannis Air Service, Inc. d/b/a Cape Air & Nantucket Airlines for the use of building/hangar 201 located at 741 Albany Shaker Road. The lease commenced on September 1, 2008 and ends September 30, 2010, with the option to extend for a length of time and rental rate to be negotiated at the written request of the lessee and approval of the Authority. The terms of this agreement include annual revenue of \$78,389 in 2021, paid in twelve monthly installments.

TL00015 DHL Express (USA), Inc.**Apron Lease**

On April 1, 2009, the Authority entered into an apron lease agreement with DHL Express (USA), Inc. for the use of 8,000 square feet of apron space located in the proximity of Hangar 1. The agreement is on a month-to-month basis. The terms of this agreement include annual revenue of \$20,000 in 2021, paid in twelve monthly installments.

NOTE 12 - Deferred Inflows of Resources - Lessor Receivable

In accordance with GASB No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases the Authority categorizes as GASB No. 87 - Included. For these leases, the Authority is reporting Deferred Inflows of \$24,077,035 for the beginning of the year ending December 31, 2021 and reported lease deferred lease revenue of \$1,676,923. These GASB No. 87 - Included leases are summarized below:

	Deferred Inflows Beginning Balance	Deferred Revenue Recognized	Deferred Inflows Ending Balance
TL00049	\$ 252,157	\$ 24,601	\$ 227,556
TL00098	129,155	38,747	90,408
TL00111	437,711	44,139	393,572
TL00117	4,844,169	605,521	4,238,648
TL00119	274,157	34,270	239,887
TL00121	353,151	44,144	309,007
TL00122	226,704	28,338	198,366
TL00132	5,310,012	0	5,310,012
TL00206	379,172	94,793	284,379
TL00241	3,765,769	0	3,765,769
TL00266	257,140	28,309	228,831
TL00303	1,971,049	190,747	1,780,302
TL00305	5,876,689	543,312	5,333,377
	<u>\$ 24,077,035</u>	<u>\$ 1,676,921</u>	<u>\$ 22,400,114</u>

NOTE 13 - Pension Plans

Plan Descriptions - The Authority participates in the New York State and Local Employees' Retirement System (ERS) cost-sharing multiple-employee retirement system. The ERS provides 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, 2021 was \$234,393 or approximately 14.1% 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, 2021, 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, 2021. 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, 2021:

	2021
Actuarial valuation date	April 1, 2020
Net pension asset/(liability)	\$ (3,491)
Authority's portion of the Plan's total net pension asset/(liability)	0.0035082%

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, 2022 were prepaid at a discounted amount of \$284,650 during the Authority's year ended December 31, 2021. Accordingly, the Authority did not owe any payables to the Pension System as of December 31, 2021.

Pension Expense - For the year ended December 31, 2021, the Authority recognized its proportionate share of pension expense of \$81,117.

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, 2021 was \$136,485.

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, 2021.

	Outflows of Resources 2021	Inflows of Resources 2021
Differences between expected and actual experiences	\$ 42,662	\$ -
Changes of assumptions	642,297	12,114
Net difference between projected and actual earnings on pension plan investments	-	1,003,468
Changes in proportion and differences between contributions and proportionate share of contributions	167,066	78,305
Contributions subsequent to the measurement date	284,650	-
Total	<u>\$ 1,136,675</u>	<u>\$ 1,093,887</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, 2022. 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, 2021.

Year ended:	2021
2021	\$ -
2022	(17,295)
2023	6,731
2024	(40,554)
2025	(190,745)
2026	-
Thereafter	-

The total pension liability as of March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

	2021
Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Inflation rate	2.7%
Salary Scale	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of Living Adjustments	1.4% annually

Decrement – Developed from the Plan's FT 2011-2015 experience

Mortality improvement - Society of Actuaries' Scale MP-2020

Pensioner mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2020.

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	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Credit	4.0%	3.63%
Opportunistic portfolio	3.0%	4.50%
Real assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100.0%</u>	

Discount rate - The discount rate used to calculate the total pension asset/(liability) was 5.9%. 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 5.9%, 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 (4.9%) or one percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9)%	Current Discount 5.9%	1% Increase (4.9)%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 969,592	\$ 3,493	\$ (887,476)

New York State Voluntary Defined Contribution (NYS 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 NYS VDC Plan instead of the ERS Plan. The NYS 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 NYS VDC Plan. The NYS 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 NYS 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 two employees who participate in the NYS VDC Plan. The Authority's employer contributions to the NYS VDC plan through December 31, 2021 was \$23,677.

NOTE 14 - 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 qualifying 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 adopted GASB Statement 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, prospectively which requires reporting, on an accrual basis, the liability associated with other postemployment benefits. The OPEB liability at transition was zero, being amortized over a thirty-year period. Effective January 1, 2018 the Authority adopted GASB Statement 75, which replaced GASB 45 and required the previously unrecognized liability for OPEB benefits to reported as a liability on the statement of Net Position and also changed the measurement focus to fair value measurement. 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 unaudited 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, Terminal Building, Third Floor, Albany, NY 12211-1057.

The OPEB Plan is a single-employer defined benefit healthcare plan trust administered by the Authority. The Plan provides medical insurance benefits to eligible retirees who elect to receive it, and their eligible dependents. Membership of the Plan consists of 44 plan members composed of; 20 active and 24 retired employees. The Plan is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was created by the Albany County Airport Authority to be managed by a sole trustee intended to be the Chief Financial Officer of the Authority who is the plan Trustee. The Plan is a component unit of the Albany County Airport Authority. The Trust has a fiduciary duty to provide plan benefits to eligible beneficiaries. As long as the Albany County Airport Authority provides the required benefits, the Trust's obligation is fulfilled and it may then reimburse the Albany County Airport Authority for the cost of the benefits provided, if requested to do so.

The Schedule of Changes in the net OPEB liability and other OPEB information is located in the Required Supplementary Information Section of this document.

Eligibility

An employee hired on or after January 1, 2005 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service. Those hired after January 1, 2017 must have 15 years of service and have reached the age of 55.

Contributions

Contributions to the Plan are likely to be entirely funded by the employer (the Authority). Participants hired prior to July 1, 2005 are not required to contribute to the plan. Participants hired on or after July 1, 2005 are required to contribute 10% of the cost of benefits to the plan, offset by the value of their unused sick leave up to 1,320 hours at the time of retirement. The Plan was established and may be amended by the Authority. The Authority has no obligation to fund the plan. Contributions made were provided for in the Authority's annual budgets for 2008 through 2021 along with interest earnings thereon. Any future contributions to the plan would be authorized by a future resolution of the Authority.

Net OPEB Liability

The net OPEB liability (NOL) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Investment Policy

The Authority has adopted an investment policy for the Trust that the Authority may amend from time to time. The Authority adopted an Investment Policy for effectively supervising, monitoring and evaluating the investment assets of the Plan. The investment policy allows for the plan assets to be comprised of:

Fixed Income	0%-60%
Cash Equivalent	5%-100%
Domestic Equity	0%-60%
International Equity	0%-60%
Other Equity	0%-20%

As of December 31, 2021 all plan assets were on deposit with M & T Bank, in an interest bearing demand deposit account, the entire balance of which was collateralized by obligations that are guaranteed by the U.S. Government and held by a 3rd party custodian. The Trustee believes the investment and management of the assets of the Plan have complied with the Trust investment policy adopted by the Authority.

Actuarially Determined Contribution (ADC)

The Airport's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with parameters of GASB Statement 74/75 which is composed of the service cost and amortization of the unfunded liability using a 30 year flat dollar amortization of such unfunded liability. The following table shows the components of the Airport's annual ADC for the fiscal year and the amount actually contributed to the plan:

	2021
Service Cost	\$ 200,491
30 year amortization of NOL	176,655
Actuarial determined contribution	377,146
Contributions in relation to the actuarially determined contribution	(442,517)
Contribution deficiency/(excess)	\$ (65,371)
 Covered Employee Payroll	 \$ 2,143,470
 Contributions as a % of covered employee payroll	 20.64%
 Discount Rate	 2.50%

Funded Policy, Status and Progress

The contribution requirements of plan members and the Authority are established and may be amended through Authority resolutions. For the period ending on the December 31, 2021 Measurement Date, total Authority premiums excluding implicit costs for the retiree medical program were \$205,200. The Authority also made a contribution to the OPEB Trust of \$197,386 for a total contribution during the measurement period of \$442,517 to be reported on the financial statement for the fiscal year ending December 31, 2021.

As of the December 31, 2021 Measurement Date, the plan was 33.6% funded. The Total OPEB Liability (TOL) for benefits was \$8,572,712, and the Fiduciary Net Position was \$2,880,572, resulting in a Net OPEB Liability (NOL) of \$5,692,140. The covered payroll (annual payroll of active employees covered by the plan) was \$2,143,470 and the ratio of the NOL to the covered payroll was 265.56%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Changes in the OPEB Liability

	2021
Net OPEB Liability at beginning of period	\$ 5,723,485
Service cost	200,491
Interest	212,098
Change in assumptions	-
Differences between expected and actual experience	-
Net investment income	(1,417)
Employer contributions to the trust	(442,517)
Benefit payments withdrawn from the trust	245,131
Benefit payments excluding implicit cost	(205,200)
Implicit cost amount	(39,931)
Net OPEB Liability at end of period	\$ 5,692,140

Changes in the Deferred Outflows/Inflows

	Outflows of Resources 2021	Inflows of Resources 2021
Beginning of the period	\$ 504,922	\$ (1,552,848)
Created during the period	68,079	-
Recognized during the period	(181,413)	396,247
End of the period	<u>\$ 391,588</u>	<u>\$ (1,156,601)</u>

The Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset/(liability) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of December 31, 2021.

	2021
Year ended:	
2021	-
2022	214,834
2023	207,445
2024	356,349
2025	(13,615)
2026	-
Thereafter	-

OPEB Expense Development

Components of the Airport's OPEB expenses for the fiscal years ending December 31, 2021.

	2021
Service Cost	\$ 200,491
Interest on the Net OPEB Liability (asset), service cost, and benefit payments	212,098
Deferred (Inflows)/outflows from plan design changes	-
Deferred (inflows)/outflows from plan experience	(229,197)
Deferred (inflows)/outflows from changes of assumptions	(20,735)
Projected earnings on OPEB plan investments	(69,496)
Deferred (inflows)/outflows from earnings on plan investments	35,098
Net financial statement OPEB expense	<u>\$ 128,259</u>

Money Weighted Rate of Return and Plan Cash Flows

	2021
Beginning value	\$ 2,681,769
Annual contribution to OPEB Trust	197,386
Annual interest earnings	1,417
Ending Value	<u>\$ 2,880,572</u>
Money weighted rate of return	0.05%

Discount rate

The following table presents the results if the discount rate was 1% lower or 1% higher:

Impact of a 1% Change in the Discount Rate as of the December 31, Measurement Date

		OPEB Liability		
		1% Decrease	Current Discount Rate	1% Increase
2021 (2.50%)	\$	10,091,445	\$ 8,572,712	\$ 7,335,582

		Service Cost		
		1% Decrease	Current Discount Rate	1% Increase
2021 (2.50%)	\$	267,739	\$ 200,491	\$ 150,040

Healthcare Trend

The healthcare cost trend used to calculate the total OPEB liability was 4.5%. The following table presents the results if the healthcare cost rate was 1% lower or 1% higher:

Impact of a 1% Change in the Healthcare Cost Trend as of the December 31, Measurement Date

		OPEB Liability		
		1% Decrease	Current Discount Rate	1% Increase
2021 (2.50%)	\$	7,256,090	\$ 8,572,712	\$ 10,254,760

		Service Cost		
		1% Decrease	Current Discount Rate	1% Increase
2021	\$	155,536	\$ 200,491	\$ 262,071

NOTE 15 - 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, 2021 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, 2021. There was no reduction in insurance coverage during 2021. Changes in the balance of claims paid directly by the Authority during the past two years is as follows:

	2021
Unpaid claims, beginning of year	\$ -
Claims incurred	1,549
Claims paid	(1,549)
Unpaid claims, end of year	<u>\$ -</u>

NOTE 16 - Commitments and Contingencies

FBO Operations – As of September 1, 2013 the Authority entered into an agreement with REW Investments, Inc., (Million Air) to manage the fixed based operations on airport. The Agreement has been modified and extended through August 31, 2021. Under the agreement, Million Air is obligated to manage 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 \$180,000 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 to an optional extension. The agreement has been extended through December 31, 2021. 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 \$425,000. 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, 2021, the Authority has outstanding contractual commitments for completion of certain capital improvement projects totaling \$6.8 million of which an estimated \$2.0 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 44.3% of accounts receivable and airline revenues represent 20.6% of operating revenues for the year ended December 31, 2021.

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, 2019 and 2018 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.

Potential Impact of Coronavirus - The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been characterized as a pandemic by the World Health Organization on March 11, 2020. The coronavirus will continue to impact the Authority's fiscal and operating results, the amount of which is uncertain.

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 data of March 31,	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of net pension liability	0.00351%	0.00419%	0.00452%	0.00472%	0.00464%	0.00497%	0.00525%
Proportion amount of net pension liability	\$ 3,491	\$ 1,110,544	\$ 320,236	\$ 152,292	\$ 436,071	\$ 797,486	\$ 177,342
Covered payroll	\$ 1,656,433	\$ 1,518,180	\$ 1,596,306	\$ 1,682,703	\$ 1,623,832	\$ 1,640,182	\$ 1,599,482
Authority's proportionate share of net pension liability as a percentage of covered payroll	0.21%	73.15%	20.06%	9.05%	26.85%	48.62%	11.09%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	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

As of December 31,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 284,650	\$ 234,393	\$ 243,034	\$ 256,525	\$ 252,468	\$ 260,215	\$ 305,211
Contributions in relation to the contractually required contribution	(284,650)	(234,393)	(243,034)	(256,525)	(252,468)	(260,215)	(305,211)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,748,058	\$ 1,648,401	\$ 1,488,995	\$ 1,635,511	\$ 1,674,841	\$ 1,608,253	\$ 1,650,458
Contributions as a percentage of covered payroll	16.28%	14.22%	16.32%	15.68%	15.07%	16.18%	18.49%

Data prior to 2015 is unavailable.

Albany County Airport Authority
Schedule of Changes in the Airport's Net OPEB Liability and Related Ratios
For the year ended December 31,

	2021	2020	2019	2018
Total OPEB Liability	\$ 8,572,712	\$ 8,405,254	\$ 10,028,123	\$ 8,842,670
Service Cost	200,491	179,110	276,198	217,039
Interest on total OPEB liability, service cost and benefit payments	212,098	328,041	338,961	325,272
Changes in benefit terms	-	-	-	-
Difference between expected & actual plan experience	-	(1,065,626)	(161,281)	(80,361)
Changes of assumptions	-	(835,252)	731,575	-
Benefit payments excluding implicit cost	(205,200)	(171,663)	-	(150,927)
Implicit cost amount	(39,931)	(57,479)	N/A	N/A
Net change in OPEB liability	167,458	(1,622,869)	1,185,453	311,023
Total OPEB liability - beginning of period	8,405,254	10,028,123	8,842,670	8,531,647
Total OPEB liability - end of period	<u>\$ 8,572,712</u>	<u>\$ 8,405,254</u>	<u>\$ 10,028,123</u>	<u>\$ 8,842,670</u>
Plan Fiduciary Net Position	\$ 2,880,572	\$ 2,681,769	\$ 2,429,013	\$ 2,220,686
Interest on fiduciary net position	-	-	-	-
Earning from plan investments	1,417	12,647	44,608	13,200
Employer contribution to trust	442,517	411,772	325,000	300,000
Benefit payments from trust, including refunds of member contributions	(245,131)	(171,663)	(161,281)	(150,927)
Administrative expense	-	-	-	-
Other	-	-	-	-
Net change in plan fiduciary net position	198,803	252,756	208,327	162,273
Plan fiduciary net position - beginning of period	2,681,769	2,429,013	2,220,686	2,058,413
Plan fiduciary net position - end of period	<u>\$ 2,880,572</u>	<u>\$ 2,681,769</u>	<u>\$ 2,429,013</u>	<u>\$ 2,220,686</u>
Net OPEB liability	\$ 5,692,140	\$ 5,723,485	\$ 7,599,110	\$ 6,621,984
Plan Fiduciary net position as a % of total OPEB liability	33.60%	31.91%	24.22%	25.11%
Covered employee payroll	\$ 2,143,470	\$ 2,081,039	\$ 1,962,761	\$ 1,966,055
Plan NOL as a % of covered employee payroll	265.56%	275.03%	387.16%	336.82%
Single discount rate to calculate plan liabilities	2.50%	2.50%	3.25%	3.75%

** Schedule is intended to show information for 10 years. Information will be provided as available until a full 10 years of data is included.

Albany County Airport Authority
Actuarially OPEB Determined Contribution - Deficiency/(Excess)
For the year ended December 31,

	2021	2020	2019	2018
Service Cost	\$ 200,491	\$ 179,110	\$ 276,198	\$ 217,039
30 year amortization of NOL	176,655	177,628	287,733	357,987
Actuarial determined contribution	377,146	356,738	563,931	575,026
Contributions in relation to the actuarially determined contribution	(442,517)	(411,772)	(325,000)	(300,000)
Contribution deficiency/(excess)	\$ (65,371)	\$ (55,034)	\$ 238,931	\$ 275,026
Covered Employee Payroll	\$ 2,143,470	\$ 2,081,039	\$ 1,962,761	\$ 1,966,055
Contributions as a % of covered employee payroll	20.64%	19.79%	16.56%	15.26%
Discount Rate	2.50%	2.50%	3.25%	3.75%
Money Weighted Rate of Return	0.05%	0.52%	2.01%	0.64%

** Schedule is intended to show information for 10 years. Information will be provided as available until a full 10 years of data is included.

Albany County Airport Authority

OPEB Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the written plan as currently approved by the Authority and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Investment rate of return	2.50%, net of OPEB plan investment expense, including inflation.
Municipal bond rate	2.25% as of December 31, 2021 (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG)
Actuarial Cost Method	Individual Entry Age Normal
Single equivalent discount rate	2.50%, net of OPEB plan investment expense, including inflation.
Inflation	2.50% as of December 31, 2021 and for future periods
Salary Increases	3.00% annually as of December 31, 2021 and for future periods
Cost of living adjustments	Not Applicable
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year

OPEB Plan Membership

At January 1, 2021, OPEB plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits:	24
Active Employees:	<u>20</u>
Total:	44

Events Subsequent to the OPEB Measurement Date

To the best of our knowledge there were no material events subsequent to the Measurement Date that would impact the figures shown in this report.

Changes in OPEB Assumptions from December 31, 2020 to December 31, 2021

None.

OPEB Contributions

The contribution requirements of plan members and the Airport are established and may be amended through Airport ordinances. The Airport contributed \$197,386 beyond the pay-as-you-go cost for the period ending on December 31, 2021 Measurement Date. For the year ending on December 31, 2021 Measurement Date total Airport premiums plus implicit costs for the retiree medical program were \$245,131. \$39,931 of the \$245,131 represents implicit cost.

Other Supplemental Information

Albany County Airport Authority
Debt Service Requirements to Maturity

GENERAL AIRPORT REVENUE BONDS

YEAR	Principal	Interest	Authority Total
2022	\$ 6,685,000	\$ 3,335,200	\$ 10,020,200
2023	7,020,000	3,002,652	10,022,652
2024	7,280,000	2,653,400	9,933,400
2025	7,625,000	2,291,250	9,916,250
2026	8,030,000	1,910,000	9,940,000
2027	1,455,000	1,508,500	2,963,500
2028	1,530,000	1,437,550	2,967,550
2029	1,585,000	1,366,275	2,951,275
2030	1,665,000	1,291,731	2,956,731
2031	1,170,000	1,212,963	2,382,963
2032	1,230,000	1,158,906	2,388,906
2033	1,285,000	1,101,800	2,386,800
2034	1,240,000	1,041,400	2,281,400
2035	1,290,000	981,750	2,271,750
2036	1,105,000	919,600	2,024,600
2037	1,165,000	864,350	2,029,350
2038	1,220,000	806,100	2,026,100
2039	1,285,000	745,100	2,030,100
2040	1,345,000	684,650	2,029,650
2041	1,410,000	621,350	2,031,350
2042	1,470,000	554,950	2,024,950
2043	1,540,000	485,700	2,025,700
2044	1,615,000	413,100	2,028,100
2045	1,690,000	336,950	2,026,950
2046	1,765,000	262,050	2,027,050
2047	1,840,000	183,700	2,023,700
2048	1,920,000	101,800	2,021,800
2049	540,000	16,200	556,200
TOTAL	\$ 69,000,000	\$ 31,288,977	\$ 100,288,977

Albany County Airport Authority
Governmental Payments and Services
For the Year Ended December 31, 2021

	<u>2021</u>
UNITED STATES - Department of Agriculture	
Dept. of Agriculture - Wildlife Management Program	\$ 39,560
STATE OF NEW YORK	
Department of Civil Service - Health Insurance	\$ 624,762
State and Local Employees' Retirement System	284,650
Unemployment Insurance	2,205
Bureau of Weights and Measures	98
Dept. of Taxation & Finance - Sales Tax	166,324
Dept. of Taxation & Finance - Petroleum Business Tax	105,949
Dept. of Labor Bureau of Public Works	7,708
DEC - Oil Spill Fee	8,720
DEC - SPDES Program Fees & Permits	2,300
Total State of New York	<u>1,202,716</u>
COUNTY OF ALBANY	
Direct Costs:	
Sheriff	2,097,571
Code Enforcement	90,187
Shared Services - IT & Legal	99,000
Sewer District Charges	5,000
Total County of Albany	<u>2,291,758</u>
LATHAM WATER DISTRICT - Water Service	67,992
TOWN OF COLONIE, RECEIVER OF TAXES	
Sewer Taxes	117,458
Verdoy Fire Dept.	1,681
Albany County Tax	5,770
Town of Colonie Tax	4,106
School Taxes - North Colonie	26,756
Total Town of Colonie, Receiver of Taxes	<u>155,771</u>
VILLAGE OF COLONIE	
Wastewater Conveyance	<u>7,500</u>
CAPITAL DISTRICT TRANSPORTATION AUTHORITY	
Employee Ground Transportation	<u>12,500</u>
TOTAL PAYMENTS TO OTHER GOVERNMENTAL ENTITIES	<u><u>\$ 3,777,797</u></u>

Albany County Airport Authority

Insurance Schedule

Policy	2022 Insurance Carrier	Policy Term	2021 Premium	2022 Premium	Deductible	Insurance Limits
Aviation Liability	ACE Property	12/31/21 - 12/31/22	\$ 168,817	\$ 189,919	\$ 10,000	\$100MM
Excess Aviation Liability	Lloyd's	12/31/21 - 12/31/22	\$ 55,000	\$ 55,932	\$ 0	\$200MM
Property incl. Business Income	Federal	12/31/21 - 12/31/22	\$ 332,159	\$ 362,880	\$ 25,000	\$367MM
Auto - subject to audit	Great Northern	12/31/21 - 12/31/22	\$ 73,042	\$ 71,572	\$ 0	\$5MM
Workers Compensation	Bankers Standard	12/31/21 - 12/31/22	\$ 5,903	\$ 5,954	N/A	Statutory
Public Officials	ACE American	12/31/21 - 12/31/22	\$ 33,726	\$ 41,132	\$ 50,000	\$7.5MM
Crime	Travelers	12/31/21 - 12/31/22	\$ 6,868	\$ 7,677	\$ 50,000	\$5MM
Tank Farm Property	Evanston	12/31/21 - 12/31/22	\$ 38,761	\$ 42,891	\$ 50,000	Per Tank Statement of Values
Violent & Malicious Acts	Lloyd's	12/31/21 - 12/31/22	\$ 15,390	\$ 15,970	\$ 0	\$1MM Liability; \$366MM Property
Pollution	Beazley	12/31/19 - 12/31/22	\$ 106,050		\$ 100,000	\$10MM
Cyber Liability	Ace American	12/31/21 - 12/31/22	\$ 21,303	\$ 35,445	\$ 25,000	\$1MM
Fiduciary Liability	Philadelphia Ins	9/1/20 - 12/31/22	\$ 1,690		\$ 10,000	\$2MM
Builders Risk	Chubb	12/31/21 - 12/31/22	\$ 20,860	\$ 20,860	\$ 25,000	\$3MM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members
Albany County Airport Authority
Administrative Building, Suite 200
Albany, New York 12211

We have performed the procedures enumerated below, which were agreed to by the Albany County Airport Authority, a component unit of the County of Albany, New York (the Authority and specified party) for the period January 1, 2021 - December 31, 2021. The Albany County Airport Authority's management is responsible for Compliance with Customer Facility Charges (CFC) for the period January 1, 2021 - December 31, 2021. The Albany County Airport Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are:

1. Excess CFC funds, if any, will be designated for future CFC projects. Determine any excess CFC funds are appropriately restricted by the Authority for future CFC use.

Findings: There were no exceptions noted as a result of applying this procedure.

We were engaged by the Albany County Airport Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Compliance with the Customer Facility Charges for the period January 1, 2021 - December 31, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Albany County Airport Authority and to meet our other ethical responsibilities, in accordance with the relevant requirements related to our agreed-upon procedures engagement.

The purpose of this report is to determine compliance with New York State law and the contracts between the concessionaries and the Authority based on the procedures noted above and is not suitable for any other purpose. This report is intended solely for the informational use of the Authority Board and management, The State of New York, and the concessionaries participating in the CFC program and is not intended to be and should not be used by anyone other than these specified parties.

Latham, NY
_____, 2022

Albany County Airport Authority
Customer Facility Charges
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2021

	<u>December 31, 2021</u>
Revenue	
Customer facility charges	\$ -
Interest income	710
Total Revenue	<u>710</u>
Expenses	
Customer facility charges cost for rental car improvements	-
Administrative expenses	<u>-</u>
Total Expenses	<u>-</u>
Increase in Net Position	<u>710</u>
Net Position - CFC, Beginning of Year	<u>448,906</u>
Net Position - CFC, End of Year	<u><u>\$ 449,616</u></u>

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 84-87

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

Revenue Capacity

Pages 88-89

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

Debt Capacity

Pages 90-93

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 94-97

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

Operating Information

Pages 98-107

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,

	2012	2013	2014	2015
REVENUES				
Airfield	\$ 6,517,132	\$ 6,382,280	\$ 6,320,065	\$ 6,457,974
Fixed based operations	9,732,965	9,641,415	10,348,396	8,570,119
Terminal	5,220,736	5,146,616	4,816,946	5,000,721
Concessions	6,490,578	6,390,371	7,027,934	7,268,718
Ground transportation	11,035,611	10,998,265	11,575,593	13,089,872
Other	3,703,440	3,656,336	3,505,150	3,850,200
	<u>42,700,462</u>	<u>42,215,283</u>	<u>43,594,084</u>	<u>44,237,604</u>
OTHER REVENUES				
Interest income	94,418	84,959	54,043	20,739
Passenger facility charges	4,843,563	4,693,348	4,777,691	5,080,183
Customer facility charges	-	-	-	-
Grant income	344,845	366,420	292,938	292,000
Insurance recovery	-	-	-	-
Improvement charges	368,400	368,400	368,400	368,400
	<u>5,651,226</u>	<u>5,513,127</u>	<u>5,493,072</u>	<u>5,761,322</u>
TOTAL REVENUES	<u>48,351,688</u>	<u>47,728,410</u>	<u>49,087,156</u>	<u>49,998,926</u>
EXPENSES				
Salaries and benefits	12,858,828	13,385,948	13,375,148	13,519,423
Services and supplies	17,939,145	18,275,162	18,948,402	17,850,888
Depreciation	13,537,373	13,716,881	13,957,515	13,893,673
	<u>44,335,346</u>	<u>45,377,991</u>	<u>46,281,065</u>	<u>45,263,984</u>
OTHER EXPENSES				
Interest expense	6,615,097	6,255,548	5,870,629	5,463,254
Insured expenses	-	-	-	-
Customer facility charges	-	-	-	-
Bond issuance costs	-	-	-	-
Amortization of bond issuance costs	164,459	156,676	133,008	109,988
	<u>6,779,556</u>	<u>6,412,224</u>	<u>6,003,637</u>	<u>5,573,242</u>
TOTAL EXPENSES	<u>51,114,902</u>	<u>51,790,215</u>	<u>52,284,702</u>	<u>50,837,226</u>
Capital contributions	4,385,124	4,009,502	6,414,378	8,942,652
Special Items	(980,110)	-	-	-
Extraordinary Item	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	<u>\$ 641,800</u>	<u>\$ (52,303)</u>	<u>\$ 3,216,832</u>	<u>\$ 8,104,352</u>
NET POSITION AT YEAR END COMPOSED OF:				
Net investment in capital assets	\$ 166,644,993	\$ 165,997,945	\$ 167,432,611	\$ 171,751,795
Restricted	16,852,644	17,049,812	17,573,958	19,387,387
Unrestricted	13,183,204	13,580,781	14,838,801	16,809,614
	<u>\$ 196,680,841</u>	<u>\$ 196,628,538</u>	<u>\$ 199,845,370</u>	<u>\$ 207,948,796</u>

<1> The 2015 Unrestricted net assets was adjusted by \$926 in accordance with GASB Statement No. 68

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,

	2016	2017	2018	2019	2020	2021
\$	5,882,274	\$ 6,678,085	\$ 6,588,133	\$ 6,207,119	\$ 5,071,172	\$ 5,545,788
	8,300,218	8,572,457	10,427,353	10,426,891	6,307,406	9,326,061
	4,777,241	5,019,779	5,538,045	5,178,553	5,657,600	5,363,151
	7,540,431	8,070,379	8,262,260	8,496,949	3,749,264	6,891,504
	15,163,022	15,325,640	15,721,089	16,906,909	5,719,989	9,327,909
	4,075,479	4,360,796	4,292,488	4,626,970	4,313,893	4,321,044
	45,738,665	48,027,136	50,829,368	51,843,391	30,819,324	40,775,457
	12,280	10,676	488,263	1,403,088	309,776	263,747
	5,385,946	5,431,444	5,638,922	6,194,834	1,858,876	4,055,447
	-	-	-	757,428	50	-
	222,772	138,700	300,997	150,480	11,053,631	4,810,756
	-	-	170,896	8,704	-	77,967
	368,400	368,400	368,400	368,400	368,400	368,400
	5,989,398	5,949,220	6,967,478	8,882,934	13,590,733	9,576,317
	51,728,063	53,976,356	57,796,846	60,726,325	44,410,057	50,351,774
	14,209,606	15,014,472	16,019,364	16,981,665	15,874,108	15,147,001
	17,904,007	18,380,540	21,330,763	22,554,099	17,317,169	18,619,605
	14,396,008	14,761,280	15,335,569	15,344,151	17,465,299	18,387,208
	46,509,621	48,156,292	52,685,696	54,879,915	50,656,576	52,153,814
	5,002,200	4,261,394	3,898,788	4,369,737	3,699,761	2,575,159
	-	-	170,896	-	-	-
	-	-	-	302,039	-	-
	-	252,877	390,361	237,068	249,796	-
	100,347	76,280	68,308	60,020	40,733	-
	5,102,547	4,590,551	4,528,353	4,968,864	3,990,290	2,575,159
	51,612,168	52,746,843	57,214,049	59,848,779	54,646,866	54,728,973
	2,389,827	4,616,709	3,297,047	25,142,535	10,850,904	11,276,697
	-	-	1,022,220	-	(921,707)	-
	-	-	148,595	-	-	-
\$	2,505,722	\$ 5,846,222	\$ 5,050,659	\$ 26,020,081	\$ (307,612)	\$ 6,899,498
\$	170,626,920	\$ 172,661,198	\$ 170,718,128	\$ 189,798,618	\$ 204,476,085	\$ 209,491,889
	21,191,423	22,238,003	26,650,235	30,532,217	24,351,663	23,862,862
	18,636,175	21,401,539	17,201,297	20,258,906	11,454,381	13,826,876
\$	210,454,518	\$ 216,300,740	\$ 214,569,660	\$ 240,589,741	\$ 240,282,129	\$ 247,181,627

<2> The 2018 Unrestricted net assets was adjusted by \$6,781,739 in accordance with GASB Statement No. 74

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

	2012	2013	2014
Cash Flows From Operating Activities			
Cash received from providing services	\$ 42,253,033	\$ 42,311,459	\$ 43,862,468
Cash paid to suppliers	(28,813,561)	(30,404,614)	(30,679,673)
Cash paid to employees	(1,104,020)	(1,149,945)	(1,114,606)
Net Cash Provided/(Used) By Operating Activities	<u>12,335,452</u>	<u>10,756,900</u>	<u>12,068,189</u>
Cash Flows from Noncapital Financing Activities			
Grant Income	344,845	366,420	292,938
Net Cash Provided by Noncapital Financing Activities	<u>344,845</u>	<u>366,420</u>	<u>292,938</u>
Cash Flows From Investing Activities			
Interest received	94,418	85,056	54,043
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on passenger facility charges	8,470	9,293	9,257
Net Cash Provided/(Used) by Investing Activities	<u>102,888</u>	<u>94,349</u>	<u>63,300</u>
Cash Flows From Capital and Related Financing Activities			
Purchase of capital assets	(5,954,942)	(7,804,302)	(8,249,851)
Principal payments on bonds and notes payable	(8,736,422)	(8,598,074)	(8,102,182)
Interest paid	(5,502,063)	(5,409,940)	(5,136,989)
Payment to refunding agent	-	-	-
Issuance of bonds	-	-	-
Defeasance of bonds	-	-	-
Cost of issuance	-	-	-
ANCLUC funds	449	490	395
Concession improvement funds	67,457	337,258	(359,380)
Customer facility charges	-	-	-
Improvement charges	368,400	368,400	368,400
Insurance receivables	-	-	-
Bank line of credit	-	-	-
LIBOR settlement	-	-	-
Sale of Land	-	-	-
Capital contributions	3,488,992	4,411,353	4,826,042
Passenger facility charges	4,794,831	4,727,885	4,745,288
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(11,473,298)</u>	<u>(11,966,930)</u>	<u>(11,908,277)</u>
Net increase/(decrease)	1,309,887	(749,261)	516,150
Cash and cash equivalents, beginning of year	<u>36,830,413</u>	<u>38,140,300</u>	<u>37,391,039</u>
Cash and cash equivalents, end of year	<u>\$ 38,140,300</u>	<u>\$ 37,391,039</u>	<u>\$ 37,907,189</u>

Source: Authority's audited financial statements.

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

	2015	2016	2017	2018	2019	2020	2021
\$	44,211,164	\$ 45,595,258	\$ 47,814,646	\$ 50,885,469	\$ 51,691,849	\$ 33,479,937	\$ 39,222,233
	(31,277,486)	(28,239,666)	(33,640,390)	(34,607,021)	(36,461,993)	(36,037,289)	(32,267,789)
	(1,143,581)	(1,190,846)	(1,237,120)	(1,301,582)	(1,316,130)	(1,387,077)	(1,424,181)
	11,790,097	16,164,746	12,937,136	14,976,866	13,913,726	(3,944,429)	5,530,263
	292,000	222,772	138,700	300,997	150,480	11,053,631	4,810,756
	292,000	222,772	138,700	300,997	150,480	11,053,631	4,810,756
	20,739	12,280	10,676	488,263	1,404,897	309,775	263,747
	-	-	-	(12,247,000)	-	-	-
	-	-	-	-	12,524,389	-	-
	11,688	14,941	18,476	97,262	290,775	92,075	14,375
	32,427	27,221	29,152	(11,661,475)	14,220,061	401,850	278,122
	(12,534,202)	(4,244,291)	(9,055,546)	(8,637,400)	(53,630,854)	(25,488,688)	(12,086,065)
	(8,266,000)	(8,567,000)	(8,803,000)	(9,419,000)	(7,554,000)	(7,390,000)	(6,365,000)
	(4,700,250)	(4,394,462)	(3,673,229)	(3,549,403)	(4,341,280)	(3,749,289)	(3,666,302)
	-	-	(16,794,552)	-	-	-	-
	-	-	15,826,250	24,865,926	10,556,850	(5,500,594)	-
	-	-	-	-	-	-	(660,417)
	-	-	(336,179)	(390,361)	-	-	-
	(1,334)	-	-	-	-	-	-
	101,374	(212,759)	107,689	75,447	(177,676)	(40,978)	65,411
	-	-	-	-	455,389	50	-
	368,400	368,400	368,400	368,400	368,400	368,400	368,400
	-	-	-	-	8,704	-	77,967
	-	-	-	-	6,542,341	(6,552,137)	-
	-	-	-	1,496,915	-	-	-
	-	-	-	858,257	-	-	-
	10,209,459	3,164,885	3,797,722	3,324,887	16,720,643	17,043,877	11,462,991
	4,939,384	5,356,286	5,338,723	5,759,701	5,574,996	2,304,901	3,642,193
	(9,883,169)	(8,528,941)	(13,223,722)	14,753,369	(25,476,487)	(29,004,458)	(7,160,822)
	2,231,355	7,885,798	(118,734)	18,369,757	2,807,780	(21,493,406)	3,458,319
	37,907,189	40,138,544	48,024,342	47,905,608	66,275,365	69,083,145	47,589,739
\$	40,138,544	\$ 48,024,342	\$ 47,905,608	\$ 66,275,365	\$ 69,083,145	\$ 47,589,739	\$ 51,048,058

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

	2012	2013	2014
PRINCIPAL REVENUE SOURCES			
AIRLINE REVENUE			
Landing fees	\$ 4,041,201	\$ 4,035,420	\$ 3,934,458
Landing fee surcharge	168,400	-	-
Apron fees	810,760	797,936	811,176
Fixed based operations	3,031,163	3,289,020	3,135,354
Terminal rental	3,980,775	3,925,842	3,697,979
Loading bridge rentals	528,303	471,669	437,980
TOTAL AIRLINE REVENUE	12,560,602	12,519,887	12,016,947
Percent of Total Revenues	26.0%	26.2%	24.5%
NON-AIRLINE REVENUES			
Parking	10,787,568	10,724,464	11,311,640
Rental car	4,723,808	4,679,586	4,854,354
Other	14,628,484	14,291,346	15,411,143
TOTAL NON-AIRLINE REVENUES	30,139,860	29,695,396	31,577,137
Percent of Total Revenues	62.3%	62.2%	64.3%
NON-OPERATING REVENUES			
Passenger facility charges	4,843,563	4,693,348	4,777,691
Customer facility charges	-	-	-
Grant income	344,845	366,420	292,938
Interest	94,418	84,959	54,043
Insurance recovery	-	-	-
Other	368,400	368,400	368,400
TOTAL NON-OPERATING REVENUES	5,651,226	5,513,127	5,493,072
Percent of Total Revenues	11.7%	11.6%	11.2%
TOTAL REVENUES	\$ 48,351,688	\$ 47,728,410	\$ 49,087,156
Enplaned Passengers	1,244,976	1,215,076	1,230,376
TOTAL REVENUE PER ENPLANED PASSENGER	\$ 38.84	\$ 39.28	\$ 39.90
SIGNATORY AIRLINES RATES AND CHARGES			
Landing Fee (per 1,000 lbs MGLW)	\$ 2.92	\$ 2.92	\$ 3.06
Landing Fee Surcharge (per 1,000 lbs MGLW)	0.11	-	-
Apron Fees (per sq. foot)	1.78	1.58	1.59
Annual Terminal Rental Rates (per sq. foot)	68.46	66.56	68.13
Annual Loading Bridge Rental (per bridge)	35,220.00	31,445.00	31,284.00
Airline Cost per Enplanement: Airport Operations	7.64	7.60	7.22

The Authority has entered into a series of five-year agreements with its signatory airlines that provides a rate setting methodology. The current agreement term ends on December 31, 2021.

<1> The revenue basis to which the signatory rates and charges apply and the principal airline revenue payers can be found on pages 98-103

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, Con't <1>
For Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021
\$	4,090,831	\$ 3,838,764	\$ 4,436,193	\$ 4,239,274	\$ 3,938,543	\$ 2,929,026	\$ 3,155,441
	-	-	-	-	-	-	-
	826,683	571,813	649,858	654,321	633,074	656,208	610,650
	2,645,138	2,564,049	2,753,266	3,320,378	3,144,641	1,715,933	2,109,228
	3,701,504	3,471,855	3,613,674	4,077,678	3,741,740	4,483,012	3,988,907
	626,660	565,362	614,076	670,939	655,170	394,805	508,023
	11,890,816	11,011,843	12,067,067	12,962,590	12,113,168	10,178,984	10,372,249
	23.8%	21.3%	22.4%	22.4%	19.9%	22.9%	20.6%
	12,810,052	14,870,476	14,985,272	15,248,081	16,249,822	5,474,391	9,038,813
	5,053,412	5,057,259	5,427,741	5,561,921	5,396,551	2,471,572	4,985,255
	14,483,324	14,799,086	15,547,056	17,056,776	18,083,850	12,694,377	16,379,140
	32,346,788	34,726,821	35,960,069	37,866,778	39,730,223	20,640,340	30,403,208
	64.7%	67.1%	66.6%	65.5%	65.4%	46.5%	60.4%
	5,080,183	5,385,947	5,431,444	5,638,922	6,194,834	1,858,876	4,055,447
	-	-	-	-	757,428	50	-
	292,000	222,772	138,700	300,997	150,480	11,053,631	4,810,756
	20,739	12,280	10,676	488,263	1,403,088	309,776	263,747
	-	-	-	170,896	8,704	-	77,967
	368,400	368,400	368,400	368,400	368,400	368,400	368,400
	5,761,322	5,989,399	5,949,220	6,967,478	8,882,934	13,590,733	9,576,317
	11.5%	11.6%	11.0%	12.1%	14.6%	30.6%	19.0%
\$	49,998,926	\$ 51,728,063	\$ 53,976,356	\$ 57,796,846	\$ 60,726,325	\$ 44,410,057	\$ 50,351,774
	1,297,749	1,407,005	1,417,835	1,466,706	1,518,969	520,029	976,037
\$	38.53	\$ 36.76	\$ 38.07	\$ 39.41	\$ 39.98	\$ 85.40	\$ 51.59
\$	3.27	\$ 2.73	\$ 3.12	\$ 2.92	\$ 2.75	\$ 3.20	\$ 3.15
	-	-	-	-	-	-	-
	1.52	1.19	1.33	1.31	1.16	1.27	1.15
	74.63	81.11	79.86	86.48	90.57	59.45	71.82
	44,761.00	40,383.00	47,237.00	51,611.00	40,948.00	28,200.00	36,287.00
	7.12	6.00	6.57	6.57	5.90	16.30	8.49

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

	2012	2013	2014
Ratio of Authority issued Revenue Bond Debt Service to Total Expenses			
Principal	\$ 8,736,422	\$ 8,598,074	\$ 8,102,182
Interest	6,779,556	5,361,990	5,077,305
Total Debt Service	\$ 15,515,978	\$ 13,960,064	\$ 13,179,487
Total Expenses	\$ 51,114,902	\$ 51,790,215	\$ 52,284,702
Ratio of Debt Service to Total Expenses	30.36%	26.96%	25.21%
Debt Service per Enplaned Passenger			
Net Debt Service	\$ 11,054,389	\$ 9,260,064	\$ 8,966,388
Enplaned Passengers	1,244,976	1,215,076	1,230,376
Debt Service per Enplaned Passenger	\$ 8.88	\$ 7.62	\$ 7.29
Outstanding Debt (Authority and County) per Enplaned Passenger			
Outstanding debt by type:			
County of Albany Debt Issued for the Authority <1>	\$ 584,256	\$ 81,182	\$ -
General Airport Revenue Bond (GARB)	117,950,000	110,315,000	102,690,000
NYS EFC	3,215,000	2,755,000	2,359,000
Subtotal	121,749,256	113,151,182	105,049,000
Unamortized Premiums/Discounts (net)	4,500,194	3,663,730	2,886,785
Total Outstanding Debt and Premiums	\$ 126,249,450	\$ 116,814,912	\$ 107,935,785
Enplaned Passengers	1,244,976	1,215,076	1,230,376
Outstanding Debt per Enplaned Passenger	\$ 101	\$ 96	\$ 88
Debt Limit per Enplaned Passenger			
Debt Limit	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
Enplaned Passengers	1,244,976	1,215,076	1,230,376
Debt Limit per Enplaned Passenger	\$ 229	\$ 235	\$ 232

<1> Airport share of debt issued by the County prior to the creation of the Albany County Authority 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,

2015	2016	2017	2018	2019	2020	2021
\$ 8,266,000	\$ 8,567,000	\$ 8,803,000	\$ 9,419,000	\$ 7,554,000	\$ 7,390,000	\$ 6,365,000
4,797,018	4,477,430	3,730,422	3,697,735	4,248,934	4,665,327	2,575,159
\$ 13,063,018	\$ 13,044,430	\$ 12,533,422	\$ 13,116,735	\$ 11,802,934	\$ 12,055,327	\$ 8,940,159
\$ 50,837,226	\$ 51,612,168	\$ 52,746,843	\$ 57,214,049	\$ 59,848,779	\$ 54,597,444	\$ 54,728,970
25.70%	25.27%	23.76%	22.93%	19.72%	22.08%	16.34%
\$ 9,769,698	\$ 9,436,220	\$ 8,923,166	\$ 10,281,822	\$ 8,039,474	\$ 7,914,410	\$ 5,047,159
1,297,749	1,407,005	1,417,835	1,466,706	1,518,969	520,029	976,037
\$ 7.53	\$ 6.71	\$ 6.29	\$ 7.01	\$ 5.29	\$ 15.22	\$ 5.17
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94,825,000	86,670,000	76,190,000	89,790,000	92,555,000	75,945,000	69,000,000
1,958,000	1,546,000	1,128,000	699,000	-	-	-
96,783,000	88,216,000	77,318,000	90,489,000	92,555,000	75,945,000	69,000,000
2,155,497	1,483,693	2,248,604	3,741,495	4,116,578	7,538,441	5,918,169
\$ 98,938,497	\$ 89,699,693	\$ 79,566,604	\$ 94,230,495	\$ 96,671,578	\$ 83,483,441	\$ 74,918,169
1,297,749	1,407,005	1,417,835	1,466,706	1,518,969	520,029	976,037
\$ 76	\$ 64	\$ 56	\$ 64	\$ 64	\$ 161	\$ 77
\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000
1,297,749	1,407,005	1,417,835	1,466,706	1,518,969	520,029	976,037
\$ 220	\$ 203	\$ 201	\$ 194	\$ 188	\$ 548	\$ 292

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

	2012	2013	2014	2015
NET REVENUES				
Operating Revenues	\$ 42,700,503	\$ 42,215,294	\$ 43,594,101	\$ 44,237,599
Interest Income <1>	76,334	59,013	51,374	10,784
Air Service Development Grant	-	75,000	-	-
TSA (LEO) Reimbursement	344,845	291,420	292,938	292,000
Grant income	-	-	-	-
Improvement Charges	368,400	368,400	368,400	368,400
Total Revenues	\$ 43,490,082	\$ 43,009,127	\$ 44,306,813	\$ 44,908,783
LESS: Total Operating Expenses <2>	(30,797,979)	(31,661,110)	(32,323,557)	(31,452,654)
LESS: Albany County Debt Service	(967,198)	(511,616)	(81,180)	-
LESS: Authority Share of Funds Remaining	-	-	-	-
LESS: Air Service Incentive Cost to Airport	-	-	-	(50,732)
Net Revenues	\$ 11,724,905	\$ 10,836,401	\$ 11,902,076	\$ 13,405,397
DEBT SERVICE				
1999 NYS EFC Revenue Bonds	\$ 451,094	\$ 452,309	\$ 453,637	\$ 452,972
Less: 1999 NYS EFC Interest Subsidy	(25,819)	(24,265)	(22,283)	(19,808)
2000 B Revenue Bonds	-	-	-	-
2003 A Revenue Bonds	744,250	742,130	474,876	464,391
2004 NYS EFC Revenue Bonds	38,642	72,452	-	-
Less: 2004 NYS EFC Interest Subsidy	(1,336)	(668)	-	-
2006 A & B Revenue Bonds	1,101,051	1,099,875	1,102,502	1,103,706
2006 C Revenue Bonds	400,822	400,013	403,996	402,588
2008 A Refunding Bonds	-	-	-	-
2010 A Refunding Bonds	9,621,151	9,622,600	9,627,239	9,625,169
Less: PFC Revenues used for Debt Service	(4,461,589)	(4,700,000)	(4,213,099)	(3,293,320)
2010 B Refunding Bonds	925,376	927,326	925,329	924,104
2017 A & B Refunding Bonds	-	-	-	-
2018 A & B Revenue Bonds	-	-	-	-
2019 Revenue Bonds	-	-	-	-
2020 A & B Revenue Bonds	-	-	-	-
Net Debt Service	\$ 8,793,642	\$ 8,591,772	\$ 8,752,197	\$ 9,659,802
DEBT SERVICE COVERAGE <3> <4>	1.33	1.26	1.36	1.39
<3> Does not include required amounts held in Bond Reserve Accounts as follows:				
1999 NYS EFC Bonds	\$ 277,389	\$ 277,389	\$ 277,389	\$ 277,389
2003 A Revenue Bonds	514,100	514,100	514,100	514,100
2004 NYS EFC Bonds	38,831	-	-	-
2006 A & B Revenue Bonds	1,128,600	1,128,600	1,128,600	1,128,600
2006 C Revenue Bonds	404,263	404,263	404,263	404,263
2010 A Refunding Bonds	9,523,517	9,523,517	9,523,517	9,523,517
2017 A & B Refunding Bonds	-	-	-	-
2018 A & B Revenue Bonds	-	-	-	-
2019 A Revenue Bonds	-	-	-	-
2020 A & B Revenue Bonds	-	-	-	-
Total Bond Reserve Accounts	\$ 11,886,700	\$ 11,847,869	\$ 11,847,869	\$ 11,847,869

<1> Includes only interest allocated to the airline revenue centers under the Master Bond Resolution.

<2> 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 Statements No. 68, No. 71 and No. 75.

<3> 2018 debt service coverage does not include \$1,496,915 received for a settlement for and alleged manipulation of LIBOR.

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,**

2016	2017	2018	2019	2020	2021
\$ 45,738,668	\$ 48,027,140	\$ 50,829,607	\$ 51,843,389	\$ 30,819,110	\$ 40,477,233
12,280	10,676	243,269	700,892	181,306	37,269
-	-	-	-	-	-
222,772	138,700	126,921	150,480	139,080	126,921
-	-	174,077	-	10,914,550	4,363,325
368,400	368,400	368,400	368,400	368,400	368,400
\$ 46,342,120	\$ 48,544,916	\$ 51,742,274	\$ 53,063,161	\$ 42,422,446	\$ 45,373,148
(31,521,233)	(33,373,689)	(36,935,812)	(37,622,202)	(32,620,872)	(34,060,350)
-	-	-	-	-	-
-	-	-	-	(232,741)	-
(539,720)	(67,041)	(244,691)	(1,489,603)	(619,410)	(126,162)
\$ 14,281,167	\$ 15,104,186	\$ 14,561,771	\$ 13,951,356	\$ 8,949,423	\$ 11,186,636
\$ 457,308	\$ 455,397	\$ 458,514	\$ 441,549	\$ -	\$ -
(16,856)	(13,277)	(9,241)	(4,803)	-	-
-	-	-	-	-	-
463,473	118,080	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,098,489	275,865	-	-	-	-
400,980	99,867	-	-	-	-
-	-	-	-	-	-
10,540,689	10,549,011	10,557,831	8,112,581	6,124,250	-
(3,608,210)	(3,610,256)	(2,834,913)	(3,763,460)	(4,140,917)	(3,494,931)
-	-	-	-	-	-
-	583,089	757,375	430,225	1,570,150	2,067,901
-	913,764	1,203,925	1,130,125	1,474,750	1,471,750
-	-	-	771,322	556,216	556,150
-	-	-	703,378	1,283,454	6,515,500
\$ 9,335,873	\$ 9,371,540	\$ 10,133,491	\$ 7,820,917	\$ 6,867,903	\$ 7,116,370
1.53	1.61	1.44	1.78	1.30	1.57
\$ 277,389	\$ 277,389	\$ 277,389	\$ -	\$ -	\$ -
514,100	-	-	-	-	-
-	-	-	-	-	-
1,128,600	-	-	-	-	-
404,263	-	-	-	-	-
9,523,517	9,523,517	9,523,517	9,523,517	-	-
-	1,261,495	1,261,495	1,261,496	1,261,496	1,261,496
-	-	1,475,750	1,475,750	1,475,750	1,475,750
-	-	-	556,850	556,850	556,850
-	-	-	-	3,948,630	3,948,630
\$ 11,847,869	\$ 11,062,401	\$ 12,538,151	\$ 12,817,613	\$ 7,242,726	\$ 7,242,726

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

	2020	2020 vs. 2010	2010	2010 vs. 2000	2000	2000 vs. 1990	1990
<u>PRIMARY TRADE AREA</u>							
State of New York							
Albany County	303,654	-0.2%	304,204	3.3%	294,565	0.7%	292,594
Columbia County	59,534	-5.6%	63,096	0.0%	63,094	0.2%	62,982
Fulton County	52,812	-4.9%	55,531	0.8%	55,073	1.6%	54,191
Greene County	47,177	-4.2%	49,221	2.1%	48,195	7.7%	44,739
Montgomery County	49,170	-2.1%	50,219	1.0%	49,708	-4.4%	51,981
Rensselaer County	158,108	-0.8%	159,429	4.5%	152,538	-1.2%	154,429
Saratoga County	230,298	4.9%	219,607	9.5%	200,635	10.7%	181,276
Schenectady County	155,358	0.4%	154,727	5.6%	146,555	-1.8%	149,285
Schoharie County	31,132	-4.9%	32,749	3.7%	31,582	-0.9%	31,859
Warren County	63,756	-3.0%	65,707	3.8%	63,303	6.9%	59,209
Washington County	60,606	-4.1%	63,216	3.6%	61,042	2.9%	59,330
State of Massachusetts							
Berkshire County	124,571	-5.1%	131,219	-2.8%	134,953	-3.2%	139,352
State of Vermont							
Bennington County	35,338	-4.8%	37,125	0.4%	36,994	3.2%	35,845
PRIMARY TRADE AREA	1,371,514	-1.0%	1,386,050	3.6%	1,338,237	1.6%	1,317,072
<u>SECONDARY TRADE AREA</u>							
State of New York							
Delaware County	43,938	-8.4%	47,980	-0.2%	48,055	1.8%	47,225
Dutchess County	293,293	-1.4%	297,488	6.2%	280,150	8.0%	259,462
Essex County	36,891	-6.3%	39,370	1.3%	38,851	4.6%	37,152
Hamilton County	4,345	-10.2%	4,836	-10.1%	5,379	1.9%	5,279
Herkimer County	60,945	-5.5%	64,519	0.1%	64,427	-2.1%	65,797
Otsego County	58,701	-5.7%	62,259	0.9%	61,676	1.9%	60,517
Ulster County	177,716	-2.6%	182,493	2.7%	177,749	7.5%	165,304
State of Connecticut							
Litchfield County	179,610	-5.4%	189,927	4.2%	182,193	4.7%	174,092
State of Massachusetts							
Franklin County	70,267	-1.5%	71,372	-0.2%	71,535	2.1%	70,092
Hampden County	463,986	0.1%	463,490	1.6%	456,228	0.0%	456,310
Hampshire County	161,401	2.1%	158,080	3.8%	152,251	3.9%	146,568
State of Vermont							
Addison County	36,851	0.1%	36,821	2.4%	35,974	9.2%	32,953
Rutland County	57,764	-6.3%	61,642	-2.8%	63,400	2.0%	62,142
Windham County	42,015	-5.6%	44,513	0.7%	44,216	6.3%	41,588
Windsor County	54,988	-3.0%	56,670	-1.3%	57,418	6.2%	54,055
SECONDARY TRADE AREA	1,742,711	-2.2%	1,781,460	2.4%	1,739,502	3.6%	1,678,536
TOTAL PRIMARY AND SECONDARY TRADE AREA POPULATION	3,114,225	-1.7%	3,167,510	2.9%	3,077,739	2.7%	2,995,608
State of New York	19,336,776	-0.2%	19,378,102	2.1%	18,976,457	5.5%	17,990,455
United States	331,449,281	7.4%	308,745,538	9.4%	282,171,936	13.5%	248,709,873

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

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

Rank	Employer	Industry	Employees	
			2021	2012
1	New York State	State Government	51,800	53,800
2	St. Peter's Health Partners	Health Care	12,130	3,494
3	Albany Medical Center	Health Care	8,652	5,977
4	Golub Corporation	Retail Grocery, Headquarters, and Dist. Center	8,208	4,135
5	U.S. Government	Federal Government	7,901	6,900
6	General Electric Company	Energy, Research, Industrial	7,000	3,200
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	2,651
10	Stewart's Shops Corp.	Dairy Products/Convenience Stores	3,099	1,272
11	Bechtel Marine Propulsion Corp.	Research and development	3,000	2,600
12	Glens Falls Hospital	Health Care	2,736	2,285
13	Center for Disability Services	Health Care	2,651	2,392
14	County of Albany	Government	2,497	2,219
15	Global Foundries	Semiconductor Manufacturing	2,400	N/A
16	Saratoga Hospital & Nursing Home	Health Care	2,187	1,131
17	Rensselaer Polytechnic Institute	Educational Services	1,968	1,908
18	City of Schenectady School District	Educational Services	1,808	2,100
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	1,572
23	Albany City School District	Educational Services	1,600	1,270
24	City of Albany	Local Government	1,488	1,646
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	1,268
28	Regeneron Pharmaceuticals Inc.	Health Services	1,100	N/A
29	Saratoga County	Local Government	1,099	1,200
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	
			2021	2012
Excelsior College	Albany	Private	40,103	31,000
State University of New York at Albany	Albany	Public	18,143	18,018
Hudson Valley Comm. College	Rensselaer	Public	11,587	13,500
SUNY Empire State College	Albany	Public	11,315	12,156
Rensselaer Polytechnic Institute	Rensselaer	Private	7,113	6,934
Schenectady Comm. College	Schenectady	Public	6,407	5,245
College Of Saint Rose	Albany	Private	4,442	5,160
SUNY Adirondack	Warren	Public	3,934	3,874
Siena College	Albany	Private	3,239	3,305
SUNY College of Agriculture & Tech at Cobleskill	Schoharie	Public	2,807	N/A
The Sage Colleges	Rensselaer	Private	2,713	2,805
SUNY Polytechnic	Albany	Public	2,705	N/A
Skidmore College	Saratoga	Private	2,686	2,632
Fulton-Montgomery Comm. College	Fulton-Montgomery	Public	2,634	2,420
Union College	Schenectady	Private	2,203	2,194
Williams College	Berkshire, MA	Private	2,150	2,083
Massachusetts College of Liberal Arts	Berkshire, MA	Public	1,925	1,985
Empire Education Corp	Albany	Private	1,702	N/A
Columbia-Greene Comm. College	Columbia-Greene	Public	1,645	2,039
Albany College Of Pharmacy	Albany	Private	1,247	1,567
Albany Medical College	Albany	Private	822	807
Maria College	Albany	Private	779	861
Mildred Elley	Albany	Private	683	410
Southern Vermont College	Bennington, VT	Public	475	500
Bryant & Stratton Business Institute	Albany	Private	448	776
Union Graduate College	Schenectady	Private	438	430
Bard College at Simon's Rock	Berkshire, MA	Private	420	394
Bennington College	Bennington, VT	Private	400	668
Albany Law School	Albany	Private	394	734
Samaritan Hospital School of Nursing	Rensselaer	Private	133	N/A
Memorial Hospital School of Nursing	Albany	Private	129	N/A
Ellis Hospital School of Nursing	Albany	Private	119	155
New School Center for Media	Albany	Private	80	80
			<u>136,020</u>	<u>122,732</u>

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		
		2012	2021
Acres (+/-):		1,171	1,171
Runways:	1/19 North/South ILS / VOR / GPS	8,500 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.	90,860	91,484
	Tenants - sq. ft.	42,828	44,501
	Public/Common - sq. ft.	105,218	103,509
	Mechanical - sq. ft.	51,382	50,794
	Total - sq. ft.	<u>290,288</u>	<u>290,288</u>
Number of passenger gates		21	21
Number of loading bridges		16	14
Number of Concessionaires in Terminal		6	6
Number of Rental Car Agencies in Terminal		6	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	1,912	2,912
	Short-term	341	181
	Long-term	1,098	1,880
	Economy	2,272	2,763
	Rental Cars	307	307
	Employees	537	336
Total		<u>6,467</u>	<u>8,379</u>
Cargo:	Air Cargo Building - sq. ft.	50,500	50,500
Employees:	Authority	23.0	20.5
	Airport Operations	157.0	142.75
	Fixed Based Operator	32.0	33.0
	Total	<u>212.0</u>	<u>196.25</u>

**Albany International Airport
Enplaned Passengers
2012-2021**

AIRLINE	2021	Percent of Total 2021	2020	Percent of Total 2020	2019
Southwest Airlines	319,869	32.8%	174,133	33.5%	488,147
Delta Airlines	96,631	9.9%	37,667	7.2%	171,022
Jet Blue	75,211	7.7%	29,793	5.7%	92,149
American Eagle (PSA)	67,978	7.0%	13,080	2.5%	57,755
American Eagle (Piedmont)	60,644	6.2%	38,271	7.4%	92,085
Allegiant Air	50,033	5.1%	28,588	5.5%	78,107
American Airlines	49,026	5.0%	45,182	8.7%	96,650
United Express (Commutair)	48,722	5.0%	32,102	6.2%	87,554
Delta Connection (Endeavor)	46,195	4.7%	18,904	3.6%	14,753
Frontier Airlines	31,693	3.2%	16,739	3.2%	60,804
American Eagle (Republic)	29,136	3.0%	17,358	3.3%	11,002
United Airlines	26,980	2.8%	9,332	1.8%	104,868
United Express (Go Jet)	18,761	1.9%	282	0.1%	658
Delta Connection (SkyWest)	11,283	1.2%	13,190	2.5%	51,147
United Express (Republic)	9,234	0.9%	3,057	0.6%	853
American Eagle (SkyWest)	8,706	0.9%	6,599	1.3%	27,580
United Express (SkyWest)	8,368	0.9%	9,113	1.8%	5,426
American Eagle (Envoy)	7,086	0.7%	13,545	2.6%	27,306
Delta Connection (Republic)	7,033	0.7%			155
United Express (Air Wisconsin)	2,899	0.3%	10,652	2.0%	17,488
United Express (Express Jet)			1,475	0.3%	7,019
United Express (Mesa)			252	0.0%	5,712
United Express (Transtates)			50	0.0%	1,418
Delta Connection (Go Jet)					13,739
Cape Air					3,275
American Eagle (Transtates)					
OneJet					
Elite Airways					
Boutique Air					
American Eagle (Air Wisconsin)					
Delta Connection (Express Jet)					
United Express (Shuttle America)					
Delta Connection (Shuttle America)					
Delta Connection (Compass)					
American Eagle (Mesa)					
Delta Connection (Chautauqua)					
United Express (Chautauqua)					
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 (Chautauqua)					
Sub Total	975,488	99.9%	519,364	99.9%	1,516,672
Charters	549	0.1%	665	0.1%	2,297
TOTAL	976,037	100.0%	520,029	100.0%	1,518,969

Source: Albany County Airport Authority

**Albany International Airport
Enplaned Passengers
2012-2021**

2018	2017	2016	2015	2014	2013	2012
565,731	566,801	569,101	557,183	525,585	504,095	504,987
164,105	173,086	158,638	160,607	112,905	68,589	72,590
89,609	90,744	87,036	5,492			
48,234	38,262	23,360	1,170	1,168	6,935	47
51,098	56,509	32,788	10,851	12,474	14,080	33,403
3,635						
109,476	115,904	115,298	101,734	84,127	89,607	87,207
96,702	80,981	72,990	62,159	51,507	22,692	18,075
10,109	19,527	39,496	29,856	42,722	78,580	85,535
11,123						
44,001	19,831	38,616	91,520	86,721	98,369	104,199
92,342	83,366	95,299	85,743	69,742	30,881	51,913
1,162	13,964	5,185	15,459	13,390	32,044	18,078
31,211	27,157	4,336				1,534
4,078	185	286	8,354	30,259	36,109	
	92	1,946				
15,390	17,881	14,603	4,862	5,258		
43,436	37,949	33,591				
10,683						
9,312	3,593	10,964	16,517	21,713	81,039	98,820
4,448	8,122	10,653	25,002	11,165	17,467	14,014
11,255	4,644	4,059	1,162			
22,203	3,651	4,768		756		
11,777	12,966	16,090	16,119	16,802	16,752	16,429
8,177	3,980					
3,964	989					
1,044						
827	1,852					
313	34,044	52,701	68,805	62,440	43,099	28,835
	524	13,525	26,626	38,219	26,924	12,054
	115	65	41		214	2
		1,611	6,473	64		
			1,632	4,265	18,941	10,992
			382	21,135	10,216	79
				14,558	2,878	10,743
				3,401	12,129	
					3,436	4,392
						49,998
						5,900
						5,278
						4,612
						3,843
						1,230
						146
						41
1,465,445	1,416,719	1,407,005	1,297,749	1,230,376	1,215,076	1,244,976
1,261	1,116	429	461	1,009	911	904
1,466,706	1,417,835	1,407,434	1,298,210	1,231,385	1,215,987	1,245,880

**Albany International Airport
Landed Weights
2012-2021**

	2021	Percent of Total 2021	2020	Percent of Total 2020	2019
Commercial Carriers					
Southwest Airlines	333,567,995	25.9%	323,968,000	29.9%	500,895,200
Delta Airlines	108,233,599	8.4%	63,701,610	5.9%	193,329,310
Jet Blue	82,397,589	6.4%	48,480,223	4.5%	105,034,143
American Eagle (PSA)	81,230,303	6.3%	20,267,607	1.9%	65,256,809
American Eagle (Piedmont)	67,133,700	5.2%	60,629,849	5.6%	94,895,104
Delta Connection (Endeavor)	57,227,300	4.4%	49,483,908	4.6%	16,654,910
American Airlines	54,674,892	4.3%	73,424,515	6.8%	115,775,436
United Express (Commutair)	54,296,000	4.2%	49,852,000	4.6%	96,448,000
Allegiant Air	51,877,867	4.0%	45,431,430	4.2%	84,122,513
Frontier Airlines	37,460,128	2.9%	25,711,365	2.4%	54,948,790
American Eagle (Republic)	33,952,352	2.6%	26,382,407	2.4%	13,263,507
United Airlines	30,980,057	2.4%	22,688,482	2.1%	130,077,387
United Express (Go Jet)	26,291,000	2.0%	549,000	0.1%	670,000
Delta Connection (Republic)	14,695,958	1.1%			514,116
Delta Connection (Sky West)	13,908,099	1.1%	20,571,505	1.9%	58,877,612
United Express (SkyWest)	12,075,108	0.9%	18,969,872	1.8%	6,227,313
United Express (Republic)	11,670,387	0.9%	5,907,531	0.5%	1,343,937
American Eagle (SkyWest)	10,787,000	0.8%	11,926,000	1.1%	34,103,000
American Eagle (Envoy)	7,644,899	0.6%	23,510,259	2.2%	32,802,755
Charters	4,338,054	0.3%	1,901,672	0.2%	5,514,002
United Express (Air Wisconsin)	2,444,000	0.2%	14,053,000	1.3%	18,659,000
Cape Air					4,644,301
Delta Connection (Go Jet)					16,331,904
United Express (Express Jet)			1,999,570	0.2%	9,487,770
United Express (Mesa)			603,000	0.1%	6,432,000
United Express (Transtates)			44,092	0.0%	1,489,869
OneJet					
American Eagle (Transtates)					
Boutique Air					
Elite Airways					
American Eagle (Air Wisconsin)					
Delta Connection (Express Jet)					
Delta Connection (Shuttle America)					
United Express (Shuttle America)					
Delta Connection (Compass)					
American Eagle (Mesa)					
Delta Connection (Chautauqua)					
United Express (Chautauqua)					
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)					
	1,096,886,287	85.3%	910,056,897	84.1%	1,667,798,688
Cargo Carriers					
United Parcel Service	122,675,761	9.5%	110,128,000	10.2%	103,060,000
Federal Express	54,846,000	4.3%	51,876,000	4.8%	53,262,000
Wiggins Airways	6,466,365	0.5%	4,326,509	0.4%	7,182,500
Ameriflight	5,333,131	0.4%	4,839,121	0.4%	4,390,800
Mountain Air Cargo			831,680	0.1%	
Misc Cargo Carriers					
	189,321,257	14.7%	172,001,310	15.9%	167,895,300
Grand Total	1,286,207,544	100.0%	1,082,058,207	100.0%	1,835,693,988

Source: Albany County Airport Authority

**Albany International Airport
Landed Weights
2012-2021**

2018	2017	2016	2015	2014	2013	2012
571,924,399	579,923,601	586,092,000	563,978,000	564,078,000	556,334,000	569,014,000
185,285,718	197,829,323	183,615,710	182,901,118	127,177,598	87,394,799	91,360,813
103,377,946	102,628,355	104,956,520	6,256,712			
60,450,498	48,282,802	29,126,003	1,476,401	1,157,201	8,104,000	134,000
52,247,399	61,141,955	39,101,103	12,780,307	14,116,804	16,170,306	46,331,413
12,478,297	21,488,406	42,351,100	32,467,901	46,824,798	85,479,997	91,611,511
129,717,613	142,955,406	139,386,707	114,046,440	91,538,758	92,454,358	84,659,102
103,927,006	96,037,006	83,099,012	73,147,505	62,790,000	25,018,500	19,233,003
3,884,529						
11,049,772						
54,108,619	24,958,355	50,137,054	102,046,749	31,496,000	136,527,617	136,105,502
111,690,471	96,782,482	126,927,674	107,841,768	85,883,301	41,049,688	71,647,362
1,273,000	14,472,000	5,427,000	16,214,000	15,075,000	38,659,000	20,368,000
514,123	291,888					
34,467,201	29,942,300	4,573,100				1,504,000
17,178,060	18,891,990	14,888,118	4,856,000	5,511,000		47,000
4,861,628	291,898	522,057	9,052,000	104,824,601	45,756,000	
67,000	134,000	2,867,000				
53,400,168	48,111,665	42,416,420				
2,964,555	2,376,000	1,012,000	1,164,000	2,756,784	2,500,198	4,119,338
11,562,000						
14,261,700	15,933,102	20,413,009	21,029,502	21,029,500	21,276,102	21,296,654
24,185,598	3,791,201	5,261,399	201,000	1,072,000	268,000	
11,104,057	4,112,026	11,818,840	16,833,427	22,487,074	87,352,775	103,135,949
4,623,000	8,860,000	11,524,000	26,666,000	12,328,000	19,832,000	15,745,000
11,342,682	4,305,591	4,156,332	1,241,634			
11,115,418	3,336,049					
8,162,550	4,146,748					
2,489,923	4,934,982					
2,182,000						
423,000	38,399,000	63,497,000	78,396,000	69,325,000	54,426,000	36,049,000
67,000	911,502	15,960,701	30,950,102	41,728,699	30,800,102	13,969,006
	147,268	1,489,218	6,601,260	72,310		
	144,623	72,311	144,624		462,795	289,241
			1,824,972	4,996,736	22,259,441	13,314,317
			588,003	24,402,000	12,862,500	73,500
				13,828,429	2,850,784	12,977,453
				3,574,118	14,211,365	
					6,092,200	8,797,995
						49,228,000
						11,780,000
						9,457,726
						5,624,606
						5,515,502
						4,617,006
						225,299
						42,549
1,616,386,930	1,575,561,524	1,590,691,388	1,412,705,425	1,368,073,711	1,408,142,527	1,448,273,847
102,199,838	102,618,000	103,574,000	100,192,000	101,441,920	99,121,840	98,839,841
51,876,000	50,420,000	51,084,000	50,886,000	51,480,000	50,651,000	51,171,000
9,163,514	10,166,496	9,992,302	7,471,500	7,493,598	7,250,511	7,378,000
4,670,805	4,233,647	4,100,650	4,273,641	4,066,902	3,996,509	3,961,299
						5,401
167,910,157	167,438,143	168,750,952	162,823,141	164,482,420	161,019,860	161,355,541
1,784,297,087	1,742,999,667	1,759,442,340	1,575,528,566	1,532,556,131	1,569,162,387	1,609,629,388

**Albany International Airport
Aircraft Operations
2012-2021**

Commercial Carriers	2021	Percent of Total 2021	2020	Percent of Total 2020	2019
Allegiant Airlines	724	2.7%	574	2.7%	
Southwest Airlines	4,890	18.0%	4,558	21.6%	7,524
American Eagle (Piedmont)	3,076	11.3%	2,092	9.9%	4,384
United Express (Commutair)	2,468	9.1%	2,552	12.1%	4,348
American Eagle (PSA)	2,308	8.5%			
Delta Airlines	1,664	6.1%	1,172	5.6%	446
Delta Connection (Endeavor)	1,610	5.9%	302	1.4%	1,738
Jet Blue	1,258	4.6%	602	2.9%	1,206
American Eagle (Republic)	906	3.3%	1,050	5.0%	1,660
United Express (Express Jet)	862	3.2%	104	0.5%	36
American Airlines	778	2.9%	690	3.3%	948
Frontier Airlines	498	1.8%	356	1.7%	354
United Airlines	418	1.5%	916	4.4%	2,838
United Express (Republic)	418	1.5%			1,018
Delta Connection (Republic)	396	1.5%			20
Delta Connection (Sky West)	372	1.4%	644	3.1%	1,478
United Express (SkyWest)	350	1.3%	14	0.1%	192
American Eagle (SkyWest)	322	1.2%	90	0.4%	432
American Eagle (Envoy)	204	0.8%	546	2.6%	2,450
United Express (Air Wisconsin)	138	0.5%	522	2.5%	1,588
Charters	38	0.1%			
American Eagle (Air Wisconsin)					14
American Eagle (Transtates)			554	2.6%	240
Boutique Air					
Cape Air			594	2.8%	794
Delta Connection (Express Jet)					
Delta Connection (Go Jet)			324	1.5%	760
Delta Connection (Shuttle America)					
Elite Airways					
OneJet					
United Express (Go Jet)					466
United Express (Mesa)			2	0.0%	68
United Express (Transtates)					1,356
United Express (Shuttle America)					
Delta Connection (Compass)					
American Eagle (Mesa)					
Delta Connection (Chautauqua)					
United Express (Chautauqua)					
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)					
	23,698	87.4%	18,258	\$ 0.87	36,358
Cargo Carriers					
Wiggins Airways	1,216	4.5%	944	4.5%	1,690
United Parcel Service	1,162	4.3%	860	4.1%	904
Federal Express	554	2.0%	480	2.3%	538
Ameriflight	486	1.8%	498	2.4%	546
Mountain Air Cargo		0.0%	14	0.1%	
Misc. Cargo Carriers					
	3,418	12.6%	2,796	13.3%	3,678
Grand Total	27,116	100.0%	21,054	100.0%	40,036

Source: Albany County Airport Authority

**Albany International Airport
Aircraft Operations
2012-2021**

2018	2017	2016	2015	2014	2013	2012	2011
1,222	1,134	190				64	
8,586	8,864	8,900	8,632	8,710	8,670	9,018	9,152
4,730	4,946	4,396	3,960	3,380	1,286	998	
1,568	1,446	1,510					
2,292	1,506	864	40	46	344	4	
496	188	540	768	1,022	3,946	4,716	1,716
578	610	530	176	226		2	
2,394	2,946	1,902	754	832	954	2,668	2,100
1,466	1,330	1,636	1,428	1,186	590	1,028	1,232
14	8						
744	424						
2	26	502	940	1,350	852	442	
2,770	3,040	2,792	2,718	1,842	1,250	1,318	786
92							
360	802	1,514	1,048	1,696	3,482	3,438	4,440
706	112	144	6	32	8		
138	264	344	796	368	592	470	792
56							
492							
518	196	190	58				2
	4	2	4		16	4	4
18	1,634	2,702	3,336	2,950	2,316	1,534	2,866
374	190						
502	978						
1,444	666	1,346	2,760	2,838	3,688	3,700	3,034
38	432	162	484	450	1,154	608	288
1,848	2,060	2,010	1,576	1,380	1,462	1,426	1,388
2	4	122					
1,454	1,446	1,476	88				
156							
48	38	16	48	58	41	67	69
130	8	14	292	1,016	1,476		
4,164	4,652	5,960	6,140	6,140	6,212	6,218	7,590
	4	70	300	2			2
			50	134	596	356	88
			16	664	350	2	18
				650	134	612	48
				168	668		
					734	1,060	988
						1,780	1,158
						432	1,962
						324	1,368
						298	1,582
						214	120
						188	1,268
						6	462
						2	
							1,222
							832
39,402	39,958	39,834	36,418	37,140	40,821	42,997	46,577
2,154	2,390	2,350	1,758	1,760	1,706	1,740	1,687
886	974	982	952	964	942	936	950
524	508	476	514	520	468	518	520
584	534	456	550	526	518	526	524
						2	6
4,148	4,406	4,264	3,774	3,770	3,634	3,722	3,687
43,550	44,364	44,098	40,192	40,910	44,455	46,719	50,264

**Albany International Airport
Aircraft Operations
2012-2021**

Year	Airlines	Cargo	General Aviation	Military	Total
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
2017	39,962	4,406	16,818	2,974	64,160
2018	39,402	4,148	17,753	3,300	64,603
2019	36,446	3,750	17,608	2,944	60,748
2020	19,604	3,174	16,414	3,487	42,679
2021	23,751	3,418	17,441	3,239	47,849

Source: Albany County Airport Authority

Albany International Airport
Airlines Serving the Albany International Airport

MAJORS / NATIONALS

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

REGIONAL / COMMUTERS

Air Wisconsin d/b/a United Express
CommutAir d/b/a United Express
Endeavor d/b/a Delta Connection
Envoy d/b/a American Eagle
Go Jet d/b/a United Express
Piedmont d/b/a American Eagle
PSA d/b/a American Eagle
Republic d/b/a American Eagle
Republic d/b/a Delta Connection
Republic d/b/a United Express
Sky West d/b/a American Eagle
Sky West d/b/a Delta Connection
Sky West 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
Allegiant	Orlando (SFB) Punta Gorda (PGD) St. Pete–Clearwater (PIE)
American	Charlotte (CLT) Chicago O'Hare (ORD) Miami (MIA) Philadelphia (PHL) Washington National (DCA)
Delta	Atlanta (ATL) Detroit (DTW)
Frontier	Miami (MIA) Orlando (MCO) Tampa (TPA)
JetBlue	Fort Lauderdale (FLL) Orlando (MCO)
Southwest	Baltimore (BWI) Chicago Midway (MDW) Orlando (MCO) Tampa (TPA)
United	Chicago O'Hare (ORD) Newark (EWR) Washington Dulles (IAD)

As of December 2021

Source: Official Airline Guide Schedule, November 2021

Albany International Airport
Primary Origination and Destination Passenger Markets

Market	Length	2021		2020		2012	
		Rank	Passengers	Rank	Passengers	Rank	Passengers
Orlando (1)	MH	1	190,235	1	203,030	1	201,620
Southeast Florida (2)	MH	2	108,238	2	123,654	2	162,160
Tampa (3)	MH	3	78,946	3	91,863	4	123,720
Denver	MH	4	64,658	6	53,300	10	56,790
Chicago (4)	MH	5	62,249	4	64,656	5	122,130
Atlanta	MH	6	53,748	7	51,205	8	55,740
Fort Myers (5)	MH	7	51,520	5	63,128	16	36,070
Charlotte	SH	8	40,289	10	40,221	12	52,030
Los Angeles	LH	9	33,315	11	34,420	9	56,880
Baltimore	SH	10	32,434	9	46,086	3	157,420
Phoenix	LH	11	30,314	13	28,789	13	41,480
Washington, DC (6)	SH	12	27,700	8	46,152	7	68,330
Nashville	MH	13	27,520	18	19,981		N/A
Las Vegas	LH	14	27,452	12	30,699	6	88,120
Myrtle Beach	MH	15	25,395		N/A		N/A
San Francisco	LH	16	20,544	16	23,745	11	52,560
Raleigh/Durham	SH	17	20,193	14	26,056	17	34,360
Detroit	MH	18	19,535	15	25,066	20	31,900
Seattle/Tacoma	LH	19	18,897		N/A		N/A
San Diego	LH	20	17,644	19	19,780	19	32,720

* 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 Orlando and Orlando Sanford

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

(3) Includes Tampa and St. Petersburg

(4) Includes Midway and O'Hare

(5) Includes National and Dulles

(6) Includes Fort Myers and Punta Gorda

N/A - Not Available

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

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Compliance

**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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____, 2022.

Report on 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) as a basis for designing 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.

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.

Report on 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 financial statements. 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.

Latham, NY
_____, 2022

DRAFT

Albany County Airport Authority
Schedule of Expenditures of Federal and NYS DOT Financial Assistance
For the Year Ended December 31, 2021

Federal Project Number	NYS Project Number	Federal * Percent Participation	Description of Project	CFDA Number	Total Grant Amount		Year Ended 12/31/21 Expenditures	
					Federal	State	Federal	State
<u>CAPITAL CONTRIBUTIONS:</u>								
Direct Award - Department of Transportation Airport Improvement Program								
134-17	1A00.23	90.00%	RWY 01-19 & Taxiway A,B,D,E,F,L,M,P,Q & R Edge Lighting Systems	20.106	\$ 3,812,623	\$ 211,812	\$ 408,550	\$ -
138-19	1A00.27	90.00%	Runway 10-28 and Associated Taxiways Edge Lighting	20.106	2,642,048	144,642	140,330	7,796
139-19	1A00.28	90.00%	Acquire Four Pieces of Snow Removal Equipment	20.106	1,247,214	68,886	907,990	50,444
140-19	1A00.29	90.00%	Airfield Drainage Improvements Phase II	20.106	1,638,140	91,008	262,303	14,572
141-20	N/A	100.00%	Airport Master Plan	20.106	751,154	N/A	211,693	-
142-20	N/A	100.00%	Replace Boarding Bridge A3, A5, B10 and C1; Remove OTW Bridges C2 and C3; Design and Construct; Phase 4 of 6	20.106	3,489,700	N/A	3,386,122	-
146-21	N/A	100.00%	Rehabilitate Taxiway A	20.106	6,385,392	N/A	5,700,990	-
147-21	N/A	100.00%	Acquire Three Pieces of Snow Removal Equipment	20.106	1,537,635	N/A	5,000	-
	1A00.96		Photovoltaic Solar Array		-	1,400,000	-	71,920
	1A00.97		Parking Garage & Terminal Moderization		-	22,131,901	-	4,987
	NYSERDA		26 Electric Vehicle Charging Stations		-	104,000	-	104,000
			TOTAL CAPITAL CONTRIBUTIONS		\$ 21,503,906	\$ 24,152,249	\$ 11,022,978	\$ 253,719
<u>NON-OPERATING GRANTS:</u>								
Direct Award - Department of Transportation								
143-20	N/A	100.00%	COVID-19 CARES Act	20.106	\$ 15,277,876	N/A	\$ 4,364,915	\$ -
145-21	N/A	100.00%	COVID-19 CRRSA-ACRGP	20.106	320,510	N/A	320,510	\$ -
Direct Award - U.S. Department of Homeland Security								
N/A	N/A	N/A	TSA Law Enforcement Officer Cooperative Agreement	97.09	126,921	N/A	126,921	\$ -
			TOTAL NON-OPERATING GRANTS		\$ 15,725,307	\$ -	\$ 4,812,346	\$ -
			GRAND TOTAL		\$ 37,229,213	\$ 24,152,249	\$ 15,835,324	\$ 253,719

(*) The remaining percentage is shared equally between the State of New York and the Authority.
See accompanying Notes to Schedule 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, 2021

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, 2021. 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. There were no funds provided to subrecipients.

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

Opinion on Each Major Federal Program

We have audited the Albany County Airport Authority's (the Authority), a component unit of the County of Albany, New York's, compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contract grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibility for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined

above. However, material weaknesses in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Latham, NY
_____, 2022

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**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

Opinion

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 identified as subject to audit 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, 2021.

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, 2021.

Basis for Opinion

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*. Our responsibility under those standards and the NYCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state transportation assistance program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to the state transportation assistance program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Preliminary Draft Part 43 of NYCRR* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the state transportation assistance program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the NYCRR, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses in internal control over compliance 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.

Latham, NY
_____, 2022

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**Albany County Airport Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021**

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, 2021.
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

**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

Opinion

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 identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its Passenger Facility Charge Program for the year ended December 31, 2021.

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, 2021.

Basis for Opinion

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. Our responsibility under those standards and the Guide are further described in the Auditor's Responsibilities for Audit of Compliance section of the report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state transportation assistance program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to its Passenger Facility Charge Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Passenger Facility Charge Audit Guide for Public Agencies* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses in internal control over compliance 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.

Latham, NY
_____, 2022

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

For the Year Ended December 31, 2021

Quarter Ended	PFC Charges Received	Interest Earned	Total Received	Expenditures on Approved Projects	
Beginning Balance	\$ 109,295,214	\$ 3,239,685	\$ 112,534,899	\$ 103,240,382	\$ 9,294,517
1/31/2021	331,528	5,612	337,140	606,407	
3/31/2021	993,956	3,362	997,318	1,069,242	
6/30/2021	1,183,524	3,065	1,186,589	909,642	
12/31/2021	1,133,227	2,337	1,135,564	2,076,008	
Total 2021	3,642,235	14,376	3,656,611	4,661,299	(1,004,688)
Total Program to Date	\$ 112,937,449	\$ 3,254,061	\$ 116,191,510	\$ 107,901,681	
PFC Funds to be used for future debt service payments:					<u>\$ 8,289,829</u>

Reconciliation of cash basis above to accrual basis in the financial statements:

PFC and Interest Received	12/31/20 PFC Receivable	12/31/2021 PFC Receivable	PFC Net Income Per Financials
\$ 3,656,611	\$ (136,633)	\$ 535,469	\$ 4,055,447

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, 2021. 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 to the PFC collection from \$3.00 per passenger to \$4.50 per passenger, with a current estimated collection period through March 31, 2023.

B. Basis of Accounting

The top schedule above was prepared on an cash 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, 2021**

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

Samuel Fresina is president of the New York State Professional Fire Fighters Association. He was elected in 2016, after his career as a full-time, professional fire fighter in the City of Albany. Previous to his current position, he served as the NYSPFFA's secretary-treasurer and executive vice president. Born and raised in Albany, NY, Sam graduated from the Christian Brothers Academy in 1985 to enlist in the U.S. Air Force, where he served as a crash/rescue and structural fire fighter. After four years of military service (two abroad) he received an honorable discharge to become a professional firefighter in Albany. During his two decades of service to Albany residents in firehouses around the city, Sam became actively involved in the union— first as a shop steward for Local 2007, then trustee on the union's executive board, before being elected president of the local in 1997, a position he retained for fourteen years. Additionally, Sam has served as vice president of the Capital District affiliate of the AFL- CIO and, since 2004, has worked as a field services representative for the International Association of Fire Fighters (IAFF). He also currently serves on the advisory board for the New York State Common Retirement Fund.

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.

Kevin Hicks, Sr. is a lifelong resident of Albany County. He is the retired President and Political Director of the Empire State Regional Council of Carpenters, representing over 20,000 Union Carpenters in New York State. During this tenure he served as a Board member of the Eastern Occupational Health and Safety Board. He is also President Emeritus of the Greater Capitol Region Building Trades Council and a former Board member of the New York State Building Trades Council. Kevin is a decorated United States Army Veteran of the Vietnam War. He presently serves as the Legislative Liaison for the Tri-County Council of Vietnam Veterans. In addition to serving on the Albany County Airport Authority, he also serves as a Board member on the Guilderland Industrial Development Agency. He remains active in many civic and Veterans organizations in the capital district. Kevin currently lives in Guilderland with his wife Deborah.

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.

Sari O'Connor, Principal at the Albany Consulting Group, has more than a decade of experience in community relations, development and fundraising, and communications to support non-profits in the greater Capital Region. Her professional experience includes arts and culture and human services serving as Executive Operating Officer at the Palace Performing Arts Center and Chief Development Officer at Northern Rivers Family Services. Sari graduated Adelphi University Cum Laude and earned a Master's Degree in Education from SUNY Stony Brook. She also achieved Certificates of Completion in Human Resources from Indiana/Purdue University and Performance Measurement for Effective Management of Nonprofit Organizations from the Harvard Business School Executive Education Program. In addition to supporting numerous educational, artistic and philanthropic organizations, Sari currently serves as the Volunteer Executive Director of the Albany Police and Fire Foundation. Prior service includes, a Mayoral appointee on the City of Albany Planning Board, Charter Review Commission and Board of Zoning Appeals. She was also the founder and volunteer chair of "A Community of Excellence" at The College of Saint Rose raising more than \$1.5 million for student scholarships and the Sullivan Institute during her ten years as chairwoman.

Tom Nardacci is the Founder & CEO of Aurelius Coworks, a socially responsible development company that builds, owns and operates coworking communities, flexible workspace and startup ecosystems. He opened Troy Innovation Garage in 2017, Bull Moose Club in Albany in 2018 and Westwey Club in Providence, R.I. in 2020. Aurelius also operates and manages spaces for other organizations and provides consulting services. Tom exited his first company in 2021, a leading New York public affairs firm called Gramercy, when he sold to The Martin Group, which Hearst Newspapers is a strategic investor. He is a Senior Advisor to the firm. Tom has been an active community volunteer for many years, and is the recipient of numerous awards and honors. He was named by *City & State* to its Power 50 list, 40 under 40 by the *Business Review*, Creative Spirit Award from the Arts Center of the Capital Region, New Patroon Award from The Albany Roundtable, and the Hall of Fame of the Boys & Girls Clubs of Southern Rensselaer County, to name a few. Tom is a graduate of Syracuse University and Columbia University.

John-Raphael Pichardo was born and raised in the Hudson Valley of NY. He currently serves as Research Counsel of the City of Albany Common Council and is the owner of his own general service law firm where he places an emphasis in immigration, labor & employment, real estate, and assists small businesses and entrepreneurs alike. John-Raphael graduated in 2012 from the University at Albany, SUNY with a B.A. in Political Science and Minor in Music. In 2015, John-Raphael received his J.D. from Quinnipiac University School of Law with a concentration in Tax Law in North Haven, Connecticut. During

his time at law school, John-Raphael served as the Northeast Regional Chair of the National Black Law Student Association overseeing all the 32 chapters of Northeast region and was a founding member of the Quinnipiac Chapter of Latino Law Student Association. Prior to starting his own law firm, John-Raphael worked as a Court Attorney in New York City Housing Court. He then served as a Law Clerk for the New York State Department of Labor where he prosecuted employers throughout the State for improper payment of wages and retaliation. Prior to starting law school, he had the distinct honor of serving as a Session Assistant to State Senator Liz Krueger in 2012. In his spare time, John-Raphael likes to be physically active by working out or doing outdoor calisthenics. He is also a classically trained opera singer.

Biographies of the Albany County Airport Authority Senior Staff

Philip F. Calderone, Esq., began serving as the Chief Executive Officer of the Authority on December 2, 2019. Previously, Mr. Calderone served as Albany County's Deputy County Executive since January 2014 when he was appointed to the position by County Executive Daniel P. McCoy. As Deputy County Executive, Mr. Calderone provided oversight and development of policies and operations for all executive departments and agencies. He also acted as counsel to the County Executive on a variety of legal issues. Prior to his service as Deputy County Executive, he served in a similar role for 19 years as the Deputy Mayor of Albany, having been appointed to that newly created position in 1996 by then Mayor Gerald D. Jennings. Prior to his years in public service, Mr. Calderone was an "A" rated attorney in the Albany law firm of Garry, Cahill, Edmunds and Calderone where he maintained a private legal practice focusing on civil litigation, commercial law and financial planning. Mr. Calderone serves on numerous non for profit boards in the community, was awarded the Commitment to Excellence Award by the Urban League and the Distinguished Alumni Award by the Albany Law School among other honors and recognitions.

Michael F. Zonsuis, CPA, AAE Chief Financial Officer, is responsible for financial planning, budgeting, operating and capital accounting procedures and controls, financial policies and procedures, cash and debt management, issuance of debt, post debt issuance compliance, financial reporting, original and continuing disclosure, procurement, insurance, information technology, and air service development. Mr. Zonsius was hired by the Authority in September 2019. Mr. Zonsius has held Chief Financial Officer positions for the Chicago Department of Aviation, the City of Kansas City Department of Aviation, the Greater Rockford Airport Authority and the Chicago Executive Airport. He has also worked as the General Manager for AvPorts Management, LLC at the Gary Chicago International Airport and the Assistant Treasurer for the Village of Tinley Park, Illinois.

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Albany County Airport Authority

737 Albany Shaker Rd

Main Terminal Suite 300

Albany, NY 12211

AGENDA ITEM NO. 2.2

**Airlines Rates and Charges Settlement and Revenue
Sharing Calculation Report for the year ended
December 31, 2021 with draft consultant report;**

AGENDA ITEM NO: 2.2

AUDIT COMMITTEE

MEETING DATE: March 24, 2022

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: Finance

Contact Person: *Audit Committee*
Michael F. Zonsius, Chief Financial Officer

**Separate
PURPOSE OF REQUEST:**

Review and acceptance of the Authority's:

- Twenty-eighth Comprehensive Annual Financial Report as of and for the year ended December 31, 2021 (with the draft audit and compliance reports of Marvin and Company, P.C., certified public accountants);
- The Authority's 2021 Rates and Charges Settlement Report to the Signatory Airlines and Signatory Cargo Carriers with draft Consultant Report;
- The Authority's Annual Investment Report in accordance with its Cash Management and Investment Policy and Section 2925 of the Public Authorities Law (with draft audit compliance report of Marvin and Company, P.C., certified public accountants);
- The Annual review and approval of the Cash Management and Investment Policy in accordance with Section 2925 of the Public Authorities Law;
- Review of mission statement and performance measures and acceptance of measurement report for 2021 required by Section 2800 of the Public Authorities Law; and
- Financial Statements for the year ended December 31, 2021 for the Other Post Employment Benefit Trust

BACKUP MATERIALS:

- Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports;
- Airlines Rates and Charges Settlement and Revenue Sharing Calculation Report for the year ended December 31, 2021 with draft consultant report;
- Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;
- Performance Measurement Report for 2021; and
- Financial Statements – Other Post Employment Benefit Trust

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

The Audit Committee will review the above documents at their March 24, 2022 meeting and will present their recommendations for approval by the Board.



2021

**AIRLINE RATES AND CHARGES
SETTLEMENT AND REVENUE SHARING TRANSFER
CALCULATION**

Year Ended December 31, 2021

MARCH 24, 2022

March 02, 2022

Members of the Albany County Airport Authority
Administration Building, 2nd Floor
Albany International Airport
Albany, New York 12211

Re: Rates and Charges Settlement and Revenue Sharing Transfer Calculation for Fiscal Year 2021

Honorable Members of the Authority:

The Albany County Airport Authority (the Authority) is required, pursuant to the terms of the 2016 Airline Use and Lease Agreement (the Airline Agreement), to perform certain calculations using audited financial information for such fiscal year (the Settlement Calculation). The Settlement Calculation must be performed within 180 days following the close of each fiscal year. Authority staff presents the results of each fiscal year's Settlement Calculation in a report titled the *Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation* (the Settlement Report).

As requested by the Authority, we have reviewed the Settlement Report covering fiscal year 2021 to assess its accuracy, completeness, and conformity with requirements. In connection with this review of the 2021 Settlement Report, we examined the 2021 Settlement Calculation, the Airline Agreement, and such other documents and calculations as were needed by us to achieve the necessary level of comfort with the accuracy and completeness of the 2021 Settlement Report.

Further and pursuant to the Authority's meeting with the airlines and presentation of FY 2021 Budget rates on September 17, 2020, and subsequent communications between the Authority and Signatory Airlines, a Capital Expenditure amount of \$3.3 million was utilized when calculating the FY 2021 Budget and Settlement Rates.

We found the operating revenues and operating expenses presented in the 2021 Settlement Report to be in agreement with the Authority's Comprehensive Annual Financial Report for the year ended December 31, 2021, and with the 2021 Settlement Calculation. We believe the methodology used in the 2021 Settlement Calculation is consistent with the requirements of the Airline Agreement and established practices.

We are pleased to have been of service to the Authority in this matter.

Respectfully submitted,



LeighFisher

ALBANY COUNTY AIRPORT AUTHORITY

ALBANY INTERNATIONAL AIRPORT

INTRODUCTION

This report presents the 2021 Signatory Airline rates and charges settlement and revenue sharing transfer calculation for Albany International Airport (Airport), as provided for in Schedule "G" of the 2016 Airline Use and Lease Agreement (Agreement). The results are based upon the Authority's financial statements as audited by Marvin & Company, PC, an independent public accounting firm and adjustment specified in the Airline Use and Lease Agreement.

The Authority and the Airlines completed negotiations in 2015 for a five year Airline Use and Lease Agreement to expire December 31, 2020. In 2020, due to COVID, the Authority offered an extension of a one-year term ending December 31, 2021 and two one-year options and one two-year option extensions. Under the Agreement the Authority charges signatory rates to carriers who have executed the Agreement ("Signatory Airlines") and non-signatory rates to those who have not ("Non-Signatory Airlines"). The Agreement permits Signatory Airlines to designate a non-signatory airline as an affiliate by providing a payment guarantee, thereby enabling its affiliate to enjoy the benefits of Signatory Airline Rates and Charges. During 2021, there were a total of seven signatory passenger carriers, seventeen signatory affiliate carriers, and two signatory cargo carriers operating at the Airport.

Overview:

Airport revenues and expenses in 2021 were impacted by certain factors, each of which had a significant effect on the rates and charges settlement calculation. These factors include enplanements, commercial and cargo landed weights and are summarized as follows:

	2021 Actual	2020 Actual	2021 vs. 2020	% inc/ (dec)	2021 Budget	2021 vs. Budget	% inc/ (dec)
Enplanements	976,037	520,029	456,008	87.7%	940,000	36,037	3.8%
Passenger Landed Weight (M-lbs)	1,096,699	910,057	186,642	20.5%	1,131,819	(35,120)	-3.1%
Cargo Landed Weight (M-lbs)	189,321	172,001	17,320	10.1%	169,391	19,930	11.8%

The results for 2021 after including the Rates and Charges adjustments and the results of the Revenue Sharing calculation can be summarized as follows:

	Budget	Actual
Revenues (before Revenue Sharing)	\$ 47,446,868	\$ 47,191,499
Expenses		
Operating & Non-Capital Equipment	37,134,328	34,060,350
Debt Service, net of PFCs	6,492,232	7,116,369
Capital Expenditures	3,300,000	3,300,000
Reserves	(280,904)	(280,904)
Total Expenses	46,645,656	44,195,815
Funds Remaining	\$ 801,212	\$ 2,995,684
Revenue Sharing		
Authority (50%)	\$ 400,606	\$ 1,497,842
Less: Cost of Air Service Incentives	(400,000)	(126,162)
Authority Net Share	\$ 606	\$ 1,371,680
Airlines (50%)	400,606	1,497,842
Total	\$ 801,212	\$ 2,995,684

The final rates and charges settlement and revenue sharing calculation for 2021 will result in the Authority crediting the Airlines \$3,008,815. The settlement impact on the Rates and Charges can be summarized as follows:

	Rates	Settlement
Landing Fee:		
Budget rate calculation	\$ 4.06	
Final rate per settlement	\$ 3.15	\$ (1,155,764)
Terminal Rental Fee:		
Budget rate calculation	\$ 73.79	
Final rate per settlement	\$ 71.82	(140,236)
Apron Fee:		
Budget rate calculation	\$ 1.50	
Final rate per settlement	\$ 1.15	(184,905)
Loading Bridge Fee:		
Budget rate calculation	\$ 38,435	
Final rate per settlement	\$ 36,287	(30,068)
Total Rates and Charges Settlement		(1,510,973)
Revenue Sharing		(1,497,842)
Total Due to the Airlines		\$ (3,008,815)

The remaining sections of this report discuss the various elements of the rates and charges settlement together with the revenue sharing calculation for 2021.

Tables 1 through 4 present a comparison of 2021 budget versus the audited financial statements. Tables 5 through 10 present the rates and charges settlements and the revenue sharing transfer calculation. The net settlement and revenue sharing for each signatory airline is summarized in Table 11.

REVENUES

Table 1 presents budget versus audited revenues for 2021. Revenues in 2021, after the settlement were \$45,693,655, lower than the amount budgeted of \$47,046,623 by \$1,352,968 or 2.9%.

In 2020 the Authority was awarded the CAREs Act grant in the amount of \$15,277,876 and during 2021 the Authority applied \$4,363,325 to cover payroll costs and \$320,510 for concession relief for a total of \$4,683,835. Below is the allocation of how the grant was applied to the cost centers to help reduce the effect of the loss of revenues on the settlement:

Allocation to Cost Centers:

Airfield	\$ 1,152,963
Terminal	1,572,567
Loading Bridges	95,984
Landside	401,538
Parking	1,012,549
FBO Commercial	67,374
FBO GA & Facilities	60,350
Terminal Concessions	320,510
	<u>\$ 4,683,835</u>

EXPENSES

Table 2 presents the 2021 adopted budget and audited expenses by category and cost center. The 2021 actual expenses were \$34,060,350, lower than the budget of \$37,134,329 by \$3,073,979 or 8.3%.

Personnel Services and Employee Benefits for AvPorts, Million Air and the Authority is summarized as follows:

	Budget			Actual		
	Salaries	Benefits	Total	Salaries	Benefits	Total
Airport Mgmt	\$ 7,647,491	\$ 3,858,497	\$ 11,505,988	\$ 6,915,483	\$ 3,726,577	\$ 10,642,060
FBO	1,512,605	488,129	2,000,734	1,358,268	497,395	1,855,663
Authority	2,062,821	1,367,260	3,430,081	2,116,818	952,562	3,069,380
Total	<u>\$ 11,222,917</u>	<u>\$ 5,713,886</u>	<u>\$ 16,936,803</u>	<u>\$ 10,390,569</u>	<u>\$ 5,176,534</u>	<u>\$ 15,567,103</u>

COST CENTER ALLOCATIONS

Under the Airline Use and Lease Agreement, the expense budget includes seven direct costs centers: airfield, terminal, loading bridges, parking, landside, FBO commercial and FBO General Aviation and five indirect costs centers: ARFF, operations, security, vehicle/equipment maintenance, and administration - including Airport Management, FBO and Authority. The expenses for four of the five indirect costs centers (excluding administration) are allocated to the direct costs centers based on an analysis of the staff hours worked or the related activities that occurred during the year. After those indirect costs are allocated to the direct cost centers, administration is allocated based on the total actual direct and indirect costs for each direct cost center. The allocated amounts for 2021 are set forth in Table 2-2.

CAPITAL EXPENDITURES FUND CONTRIBUTION

Table 4 shows the calculation of the Capital Expenditures Fund Contribution. In the 2016 Airline Use and Lease Agreement, capital expenditures up to \$3.0 million are not subject to the signatory Airlines majority-in-interest (MII) vote. The \$3.0 million shall be adjusted by the same percentage as the increase or decrease in current year non-airline revenue versus 2016 non-airline revenues. With the decrease in non-airline revenue due to the pandemic, the calculation of the capital expenditures was less than the base of \$3.0 million. The airlines agreed to a contribution for 2021 of \$3,300,000 on September 17, 2020.

RATES AND CHARGES IMPLICATIONS

All settlement calculations are based on the methodology set forth in the Airline Use and Lease Agreement. There are individual settlement calculations for landing fees, landing fee surcharges, apron fees, terminal rental rates, and loading bridge charges. Upon completion of the settlement calculation, the revenues for each of these items are updated to reflect the adjusted revenues and then a revenue sharing calculation is applied. Below is a summary of each of the settlement areas:

- ➔ Table 5 presents the landing fee revenues budgeted versus actual. The calculated signatory landing rate for 2021 of \$3.15 is determined by taking the Net Airfield Requirement and dividing by the signatory airline and cargo landed weight. The signatory landing fee rate budgeted in 2021 was \$4.06. \$1.2M of the CAREs Act grant was applied to the Airfield cost center.
- ➔ Table 5-1 presents the allocation of the \$0.91 landing fee rate differential resulting in an amount of \$1,155,764 due to the signatory carriers. The individual settlement for each signatory airline and cargo carrier is calculated by multiplying the \$0.91 times their landed weight to arrive at the settlement amount.
- ➔ Table 6 and Table 6-1 present the apron fee rate calculation and settlement. The apron fee of \$610,650 is an allocation equal to 10% of the airfield total requirement. The amount billed during 2021 was \$795,555 resulting in a credit of \$184,905 due

to the signatory carriers. This amount is allocated to the carriers based on the amount of apron area (in square feet) leased to each of the signatory carriers.

- ➔ Table 7 presents the terminal rental rate calculations budgeted versus actual. The calculated signatory terminal rental rate for 2021 of \$71.82 is determined by taking the Net Terminal Requirement and dividing by the total rentable terminal space. The terminal rental rate budgeted in 2021 was \$73.79, a \$1.97 decrease. The decrease in the rate is principally due to \$1.6M of the CAREs Act grant applied to the terminal cost center.
- ➔ Table 7-1 presents the allocation of the \$1.97 terminal rental settlement which results in a credit to the signatory carriers in the amount of \$140,236. \$105,202 of the settlement is an allocation to each of the signatory carriers is based on their pro-rated share of the airline area utilized in the terminal. Per the Agreement, the amount allocated to the baggage claim area is 20% split equally to each airline and 80% based on each signatory airline's enplanements, accounting for \$35,034 of the terminal rental settlement.
- ➔ Table 8 presents the loading bridge settlement. The total loading bridge requirement was \$508,023 and the amount billed was \$538,091. This resulted in a \$30,068 settlement due to the signatory carriers allocated based on the number of bridges each airline utilizes.

CALCULATION OF REVENUE SHARING TRANSFERS

Exhibit G-3 of the Agreement provides the methodology for the calculation of the net revenue sharing between the Authority and the signatory passenger airlines. This calculation allows the passenger signatory airlines to share in any net funds remaining after fulfillment of all the Airport's requirements.

- ➔ Table 9 presents the calculation and allocation of funds remaining. For 2021 the funds remaining resulted in a balance due to the signatory airlines of \$1,497,842.
- ➔ Table 10 presents the Airline Cost per Enplanement for 2021. This calculation is after including all the settlement and revenue sharing calculation shown in Tables 6 through 9. For 2021, the airline cost per enplanement from airport operations was \$8.49. This is an decrease from the \$11.51 budgeted.

ALLOCATION OF 2020 SETTLEMENT CALCULATION

- ➔ Table 11 presents a summary showing the allocation for each of the settlement items to each of the signatory carriers for the year 2021.

Table 1

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

REVENUES

(page 1 of 2)

	Budget 2021	Audited 2021
AIRFIELD		
Airline Landing Fees	\$ 4,641,839	\$ 3,455,009
Airline Airfield Revenue Sharing	(80,121)	(299,568)
Cargo Landing Fees	700,451	607,100
Glycol Disposal Fee	360,305	239,623
Airline Apron Fee	758,056	610,650
Tenant Maintenance	30,000	42,186
Control Tower Rental	665,776	890,792
	<u>\$ 7,076,305</u>	<u>\$ 5,545,792</u>
FBO		
Jet A Fuel Sales	\$ 4,960,000	\$ 5,978,464
Avgas Fuel Sales General Aviation	299,794	268,062
Auto Gas Fuel Sales	102,500	61,775
Diesel Fuel Sales	205,000	135,980
Into-plane	447,125	463,025
Fuel Farm	392,629	432,502
General Aviation Landing Fees	161,491	261,884
General Aviation Parking Fees	148,034	186,399
Avgas Fuel Sales Commercial	-	21,824
Deicing Type I - Sprayed	584,500	548,218
Deicing Type IV - Sprayed	79,030	63,138
Deicing Type I - Consortium	462,170	298,554
Deicing Type IV - Consortium	128,482	84,212
Deicing - GA	45,400	81,349
General Aviation Tenants	329,767	350,170
General Aviation Customer Services	67,543	90,505
	<u>\$ 8,413,465</u>	<u>\$ 9,326,061</u>
TERMINAL		
Airline Space Rental	5,285,348	5,187,180
Airline Terminal Revenue Sharing	(320,485)	(1,198,273)
TSA Space Rental	448,828	448,828
Nonairline Space Rental - Flat Rate	82,798	82,798
Nonairline Space Rental - Signatory Rate	42,346	42,346
Nonairline Space Rental	162,906	239,314
Non-Signatory Per Turn Fee	-	8,685
Loading Bridge Rentals	538,110	508,023
Tenant Maintenance	20,559	5,089
Utility Reimbursement	24,000	25,486
	<u>\$ 6,284,410</u>	<u>\$ 5,349,475</u>
GROUND TRANSPORTATION		
Parking	\$ 10,214,901	\$ 9,038,813
Access Fees	\$ 199,163	\$ 122,205
TNCs	\$ 175,000	\$ 166,891
	<u>\$ 10,589,064</u>	<u>\$ 9,327,909</u>

Table 1

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

REVENUES

(page 2 of 2)

	Budget 2021	Audited 2021
CONCESSIONS		
Rental Cars	\$ 2,998,600	\$ 4,985,255
Food and Beverage	451,200	742,735
Retail	404,200	379,070
Advertising	150,000	161,059
Operating Permits	253,800	250,480
Telephone - Payphones	-	-
Telephone - Tenants	52,008	44,945
Bank ATMs	30,180	25,229
Vending Machines	20,953	19,124
Baggage Cart Concessions	8,823	11,584
	<u>\$ 4,369,764</u>	<u>\$ 6,619,481</u>
OTHER AIRPORT		
Land Rental	\$ 330,336	\$ 396,761
Industrial Park	595,227	584,807
T Hangars	121,229	127,239
Tie Downs	2,891	2,935
T Hangar Avgas Fuel Sales	50,556	47,801
Parking Garage Space Rent	100,514	100,515
Hangar Rentals	456,441	530,429
Building Rental	112,523	132,982
Cargo Building Rental	433,316	495,539
Aircraft Maintenance & Service Center	346,926	301,695
State Executive Hangar/Maint	1,247,083	1,247,083
Utility Reimbursement	156,000	167,208
Reimbursement of Property Taxes	36,500	25,920
Internet and Cable Access	6,620	6,620
Fingerprinting	24,000	37,231
Tenant Maintenance	1,000	-
Purchasing Proposals	1,000	40
Scrap and Equipment Sales	5,000	16,702
Other	80,000	87,007
	<u>\$ 4,107,162</u>	<u>\$ 4,308,514</u>
TOTAL REVENUES	\$ 40,840,170	\$ 40,477,233
OTHER REVENUES		
Interest Earnings	\$ 700,892	\$ 37,269
TSA (LEO) Reimbursement	136,800	126,921
Cares Act- Airfield	1,052,024	1,152,963
Cares Act-Terminal	1,419,167	1,572,567
Cares Act-Loading Bridges	88,538	95,984
Cares Act-Landside	369,861	401,538
Cares Act-Parking	1,026,111	1,012,549
Cares Act-Vehicle		
Cares Act-Airport Mgmt		
Cares Act- ACAA		
Cares Act-FBO Commercial	399,442	67,374
Cares Act-FBO GA & Facilities	644,857	60,350
Cares Act - Concession	-	320,510
Improvement Charges	368,400	368,400
	<u>\$ 6,206,092</u>	<u>\$ 5,216,425</u>
TOTAL REVENUES	\$ 47,046,262	\$ 45,693,658
TOTAL REVENUES BEFORE REVENUE SHARING	\$ 47,446,868	\$ 47,191,499

Table 2

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

SUMMARY OF EXPENSES

	Budget 2021	Audited 2021
EXPENSES - SUMMARY		
Airport Management	\$ 23,613,340	\$ 21,632,244
FBO Management	3,290,585	3,130,302
FBO Cost of Sales	4,430,023	4,354,693
Authority	5,800,381	4,943,111
TOTAL EXPENSES	\$ 37,134,329	\$ 34,060,350
EXPENSES BY CATEGORY		
Personnel Services	\$ 11,222,917	\$ 10,390,569
Employee Benefits	5,713,886	5,176,534
Utilities & Communications	2,098,256	1,937,550
Purchased Services	5,411,017	5,555,055
Materials & Supplies	9,415,060	8,662,512
Office	764,998	559,511
Administration	2,023,694	956,040
Noncapital Equipment & Facilities	484,500	822,579
TOTAL EXPENSES	\$ 37,134,329	\$ 34,060,350
DEPARTMENT SUMMARY (Direct & Indirect)		
Direct Cost Centers		
Airfield	\$ 3,255,751	\$ 2,650,917
Terminal	5,771,960	5,472,109
Loading Bridges	308,399	282,974
Landside:		
Parking	4,006,816	3,121,818
Landside Development	1,242,504	1,467,810
FBO Commercial	2,136,047	1,607,154
FBO GA & Facilities	4,837,661	5,090,956
Total Direct Cost Centers	\$ 21,559,137	\$ 19,693,738
Indirect Cost Centers		
ARFF	\$ 2,243,062	\$ 2,238,683
Operations	1,220,637	1,166,207
Security	2,053,581	2,557,186
Vehicle/Equipment	1,824,798	1,337,038
Airport Management Administration	1,685,832	1,337,502
FBO Administration	746,900	786,885
Airport Authority Administration	5,800,381	4,943,111
Total Indirect Cost Centers	\$ 15,575,191	\$ 14,366,612
TOTAL EXPENSES	\$ 37,134,329	\$ 34,060,350

Table 2-1
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
EXPENSES
(Page 1 of 4)

	Budget 2021	Audited 2021
<u>AIRFIELD</u>		
Personnel Services	\$ 1,348,143	\$ 1,032,031
Employee Benefits	583,008	505,979
Utilities & Communications	118,871	123,016
Purchased Services	219,367	139,653
Materials & Supplies	969,488	800,852
Office	6,974	2,841
Administration	9,900	2,750
Noncapital Equipment & Facilities	-	43,795
	<u>\$ 3,255,751</u>	<u>\$ 2,650,917</u>
<u>TERMINAL</u>		
Personnel Services	\$ 1,544,167	\$ 1,484,017
Employee Benefits	815,656	731,123
Utilities & Communications	959,250	928,557
Purchased Services	1,009,563	928,295
Materials & Supplies	1,218,804	972,773
Office	38,020	37,203
Administration	-	97,036
Noncapital Equipment & Facilities	186,500	293,105
	<u>\$ 5,771,960</u>	<u>\$ 5,472,109</u>
<u>LOADING BRIDGES</u>		
Personnel Services	\$ 97,607	\$ 102,501
Employee Benefits	59,792	53,059
Utilities & Communications	68,250	68,250
Purchased Services	-	-
Materials & Supplies	82,750	59,164
Office	-	-
Administration	-	-
Noncapital Equipment & Facilities	-	-
	<u>\$ 308,399</u>	<u>\$ 282,974</u>

Table 2-1
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
EXPENSES
(Page 2 of 4)

	Budget 2021	Audited 2021
<u>PARKING</u>		
Personnel Services	\$ 1,518,135	\$ 1,292,823
Employee Benefits	785,718	648,166
Utilities & Communications	275,495	278,592
Purchased Services	145,635	84,515
Materials & Supplies	683,649	377,409
Office	85,134	16,139
Administration	513,050	362,365
Noncapital Equipment & Facilities	-	61,809
	<u>\$ 4,006,816</u>	<u>\$ 3,121,818</u>
<u>LANDSIDE</u>		
Personnel Services	\$ -	\$ -
Employee Benefits	-	-
Utilities & Communications	300,755	281,201
Purchased Services	87,149	58,871
Materials & Supplies	814,400	1,071,890
Office	2,200	641
Administration	38,000	38,312
Noncapital Equipment & Facilities	-	16,895
	<u>\$ 1,242,504</u>	<u>\$ 1,467,810</u>
<u>ARFF</u>		
Personnel Services	\$ 1,343,299	\$ 1,346,881
Employee Benefits	672,371	570,251
Utilities & Communications	31,365	19,042
Purchased Services	8,337	6,639
Materials & Supplies	131,436	116,525
Office	13,815	8,064
Administration	42,439	63,056
Noncapital Equipment & Facilities	-	108,225
	<u>\$2,243,062</u>	<u>\$2,238,683</u>

Table 2-1

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

EXPENSES

(Page 3 of 4)

	Budget 2021	Audited 2021
<u>OPERATIONS</u>		
Personnel Services	\$ 727,302	\$ 672,998
Employee Benefits	331,485	302,560
Utilities & Communications	75,365	58,532
Purchased Services	-	-
Materials & Supplies	-	-
Office	20,785	12,773
Administration	16,700	9,499
Noncapital Equipment & Facilities	49,000	109,845
	<u>\$ 1,220,637</u>	<u>\$ 1,166,207</u>
<u>SECURITY</u>		
Personnel Services	\$ 157,664	\$ 142,276
Employee Benefits	90,280	75,820
Utilities & Communications	4,100	3,333
Purchased Services	1,591,868	2,097,571
Materials & Supplies	168,500	182,209
Office	36,475	26,284
Administration	4,695	3,173
Noncapital Equipment & Facilities	-	26,520
	<u>\$2,053,581</u>	<u>\$2,557,186</u>
<u>VEHICLE/EQUIPMENT</u>		
Personnel Services	\$ 593,384	\$ 546,764
Employee Benefits	385,565	314,265
Utilities & Communications	20,035	13,931
Purchased Services	96,109	73,405
Materials & Supplies	436,290	346,740
Office	41,414	458
Administration	3,000	165
Noncapital Equipment & Facilities	249,000	41,310
	<u>\$ 1,824,798</u>	<u>\$ 1,337,038</u>
<u>FBO COMMERCIAL</u>		
Personnel Services	\$ 486,009	\$ 477,761
Employee Benefits	153,193	146,284
Utilities & Communications	17,957	17,057
Purchased Services	68,266	60,823
Materials & Supplies	1,405,622	905,229
Office	-	-
Administration	5,000	-
Noncapital Equipment & Facilities	-	-
	<u>\$ 2,136,047</u>	<u>\$ 1,607,154</u>
<u>FBO GENERAL AVIATION AND FACILITIES</u>		
Personnel Services	\$ 800,492	\$ 656,857
Employee Benefits	264,316	265,292
Utilities & Communications	60,195	62,027
Purchased Services	136,000	129,630
Materials & Supplies	3,464,157	3,820,577
Office	1,000	11,802
Administration	111,500	144,771
Noncapital Equipment & Facilities	-	-
	<u>\$ 4,837,661</u>	<u>\$ 5,090,956</u>

Table 2-1

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

EXPENSES

(Page 4 of 4)

	Budget 2021	Audited 2021
<u>FBO ADMINISTRATION</u>		
Personnel Services	\$ 226,104	\$ 223,650
Employee Benefits	71,620	85,819
Utilities & Communications	720	405
Purchased Services	399,351	441,794
Materials & Supplies	-	-
Office	45,605	33,264
Administration	3,500	1,953
Noncapital Equipment & Facilities	-	-
	<u>\$ 746,900</u>	<u>\$ 786,885</u>
<u>AIRPORT MANAGEMENT ADMINISTRATION</u>		
Personnel Services	\$ 317,790	\$ 295,192
Employee Benefits	133,623	525,354
Utilities & Communications	720	-
Purchased Services	432,254	466,374
Materials & Supplies	-	-
Office	46,445	40,738
Administration	755,000	9,844
Noncapital Equipment & Facilities	-	-
	<u>\$ 1,685,832</u>	<u>\$ 1,337,502</u>
<u>AIRPORT AUTHORITY ADMINISTRATION</u>		
Personnel Services	\$ 2,062,821	\$ 2,116,818
Employee Benefits	1,367,260	952,562
Utilities & Communications	165,178	83,607
Purchased Services	1,217,118	1,067,485
Materials & Supplies	39,963	9,144
Office	427,131	369,304
Administration	520,910	223,116
Noncapital Equipment & Facilities	-	121,075
	<u>\$ 5,800,381</u>	<u>\$ 4,943,111</u>
TOTAL EXPENSES	<u>\$ 37,134,329</u>	<u>\$ 34,060,350</u>

Table 2-2

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

**ALLOCATION OF INDIRECT COST CENTERS
TO DIRECT COST CENTERS**

(Page 1 of 3)

	Budget 2021	Audited 2021
ARFF		
Airfield	\$ 336,459	\$ 335,802
Terminal	1,076,670	1,074,568
Loading Bridges	22,431	22,387
Landside	538,335	537,284
Parking	134,584	134,321
FBO Commercial	67,292	67,160
FBO GA & Facilities	67,292	67,160
Total Allocated	\$ 2,243,062	\$ 2,238,683
OPERATIONS		
Airfield	\$ 488,255	\$ 466,483
Terminal	366,191	349,862
Loading Bridges	61,032	58,310
Landside	122,064	116,621
Parking	61,032	58,310
FBO Commercial	61,032	58,310
FBO GA & Facilities	61,032	58,310
Total Allocated	\$ 1,220,637	\$ 1,166,207
SECURITY		
Airfield	\$ 308,037	\$ 383,578
Terminal	1,026,791	1,278,593
Loading Bridges	61,607	76,716
Landside	205,358	255,719
Parking	410,716	511,437
FBO Commercial	20,536	25,572
FBO GA & Facilities	20,536	25,572
Total Allocated	\$ 2,053,581	\$ 2,557,186
VEHICLE/EQUIPMENT		
Airfield	\$ 638,679	\$ 467,963
Terminal	91,240	66,852
Loading Bridges	-	-
Landside	675,175	494,704
Parking	273,720	200,556
FBO Commercial	91,240	66,852
FBO GA & Facilities	54,744	40,111
Total Allocated	\$ 1,824,798	\$ 1,337,038

Table 2-2

Albany County Airport Authority

Albany International Airport

2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation

ALLOCATION OF INDIRECT COST CENTERS**TO DIRECT COST CENTERS**

(Page 2 of 3)

	Budget 2021	Audited 2021
Subtotal Allocation before Admin Departments		
Airfield	\$ 5,027,182	\$ 4,304,743
Terminal	8,332,852	8,241,984
Loading Bridges	453,468	440,387
Landside	2,783,436	2,872,137
Parking	4,886,867	4,026,442
FBO Commercial	2,376,146	1,825,049
FBO GA & Facilities	5,041,264	5,282,110
Total Allocated	\$ 28,901,215	\$ 26,992,852
Airport Management Administration		
Airfield	\$ 346,325	\$ 254,332
Terminal	574,054	486,951
Loading Bridges	31,240	26,019
Landside	191,752	169,691
Parking	336,659	237,889
FBO Commercial	86,528	68,797
FBO GA & Facilities	119,274	93,823
Total Allocated	\$ 1,685,832	\$ 1,337,502
FBO Administration		
Airfield	\$ -	\$ -
Terminal	-	-
Loading Bridges	-	-
Landside	-	-
Parking	-	-
FBO Commercial	314,029	332,895
FBO GA & Facilities	432,872	453,990
Total Allocated	\$ 746,900	\$ 786,885
Airport Authority Administration		
Airfield	\$ 1,158,507	\$ 910,085
Terminal	1,920,294	1,742,474
Loading Bridges	104,501	93,104
Landside	641,439	607,211
Parking	1,126,172	851,248
FBO Commercial	357,152	312,633
FBO GA & Facilities	492,316	426,357
Total Allocated	\$ 5,800,381	\$ 4,943,111

Table 2-2

Albany County Airport Authority

Albany International Airport

Albany International Airport

**ALLOCATION OF INDIRECT COST CENTERS
TO DIRECT COST CENTERS**

(Page 3 of 3)

	Budget 2021	Audited 2021
TOTAL INDIRECT ALLOCATIONS		
Airfield	\$ 3,276,262	\$ 2,818,243
Terminal	5,055,240	4,999,300
Loading Bridges	280,811	276,536
Landside	2,374,123	2,181,229
Parking	2,342,882	1,993,761
FBO Commercial	997,808	932,220
FBO GA & Facilities	1,248,065	1,165,323
Total Allocated	\$ 15,575,191	\$ 14,366,612
TOTAL DIRECT & INDIRECT EXPENSES BY COST CENTER		
Airfield	\$ 6,532,014	\$ 5,469,160
Terminal	10,827,200	10,471,409
Loading Bridges	589,209	559,510
Landside	3,616,627	3,649,039
Parking	6,349,698	5,115,579
FBO Commercial	3,133,855	2,539,374
FBO GA & Facilities	6,085,726	6,256,279
Total Allocated	<u>\$ 37,134,329</u>	<u>\$ 34,060,350</u>

Table 3
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
DEBT SERVICE SUMMARY

	Budget 2021	Audited 2021
Airport Revenue Bonds:		
2017 A Refunding Bonds	\$ 1,187,375	\$ 1,667,876
2017 B Refunding Bonds	400,025	400,025
2018 A Revenue Bonds	738,500	738,500
2018 B Revenue Bonds	733,250	733,250
2019 A Revenue Bonds	556,150	556,150
2020 A Revenue Refunding Bonds Debt Service	564,500	564,500
2020 B Revenue Refunding Bonds Debt Service	5,951,000	5,951,000
Less: PFC's Applied to 2020B Revenue Bonds	<u>(3,638,568)</u>	<u>(3,494,931)</u>
 TOTAL DEBT SERVICE	 <u>\$ 6,492,232</u>	 <u>\$7,116,370</u>
Allocation of Total Debt Service to Cost Centers		
Airfield	\$ 549,135	\$ 684,760
FBO	590,249	708,994
ARFF	18,578	18,578
Terminal	1,787,480	1,927,046
Loading Bridges	46,249	49,121
Landside and Other	<u>3,500,540</u>	<u>3,727,871</u>
 TOTAL ALLOCATION	 <u>\$ 6,492,232</u>	 <u>\$ 7,116,370</u>

Table 3-1
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
AIRPORT REVENUE BONDS DEBT SERVICE
(Page 1 of 3)

	Budget 2021	Audited 2021
2017 A Revenue Refunding Bonds Debt Service	\$ 1,187,375	\$ 1,667,876
Allocation of 2017 A Revenue Refunding Bonds Debt Service to Cost Centers		
Airfield	\$ 279,032	\$ 396,658
FBO	243,422	362,167
ARFF	18,578	18,578
Terminal	105,973	141,133
Landside and other	324,168	441,452
Parking	216,202	307,887
Total	<u>\$ 1,187,375</u>	<u>\$ 1,667,876</u>
2017 B Revenue Refunding Bonds Debt Service	\$ 400,025	\$ 400,025
Allocation of 2017 B Refunding Bonds Debt Service to Cost Centers		
Airfield	\$ -	\$ -
FBO	-	-
Parking	-	-
Landside and other	400,025	400,025
Terminal	-	-
Total	<u>\$ 400,025</u>	<u>\$ 400,025</u>

Table 3-1
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
AIRPORT REVENUE BONDS DEBT SERVICE
(Page 2 of 3)

	Budget 2021	Audited 2021
2018 A Revenue Bonds Debt Service	\$ 738,500	\$ 738,500
Allocation of 2018 A Revenue Bonds Debt Service to Cost Centers		
Airfield	-	-
FBO	-	-
ARFF	-	-
Terminal	6,647	6,647
Landside and other	-	-
Parking	731,854	731,854
Total	<u>\$ 738,500</u>	<u>\$ 738,500</u>
2018 B Revenue Bonds Debt Service	\$ 733,250	\$ 733,250
Allocation of 2018 B Revenue Bonds Debt Service to Cost Centers		
Airfield	\$ -	\$ -
FBO	346,827	346,827
ARFF	-	-
Terminal	261,037	261,037
Landside and other	125,386	125,386
Parking	-	-
Total	<u>\$ 733,250</u>	<u>\$ 733,250</u>

Table 3-1
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
AIRPORT REVENUE BONDS DEBT SERVICE
(Page 3 of 3)

	Budget 2021	Audited 2021
2019 A Revenue Bonds Debt Service	\$ 556,150	\$ 556,150
Allocation of 2019 A Revenue Bonds Debt Service to Cost Centers		
Airfield	\$ -	\$ -
FBO	-	-
ARFF	-	-
Terminal	-	-
Landside and other	-	-
Parking	556,150	556,150
Total	<u>\$ 556,150</u>	<u>\$ 556,150</u>
2020 A Revenue Refunding Bonds Debt Service	\$ 564,500	\$ 564,500
Allocation of 2020 A Bonds Debt Service to Cost Centers		
Airfield	\$ -	\$ -
FBO	-	-
ARFF	-	-
Terminal	-	-
Landside and other	564,500	564,500
Parking	-	-
Total	<u>\$ 564,500</u>	<u>\$ 564,500</u>
2020 B Revenue Refunding Bonds Debt Service	\$ 5,951,000	\$ 5,951,000
Allocation of 2020 B Bonds Debt Service to Cost Centers		
Airfield	\$ 726,022	\$ 726,022
Terminal	4,058,582	4,058,582
Loading Bridges	119,020	119,020
Landside	1,047,376	1,047,376
Parking	-	-
Total	<u>\$ 5,951,000</u>	<u>\$ 5,951,000</u>

Table 3-4
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
CALCULATION OF PFC REVENUES

	Budget 2021	Audited 2021
ENPLANEMENTS	940,000	976,037
PFC's charged	\$ 4.50	\$4.50
LESS: Carrier Compensation	(0.11)	(0.11)
Net PFC Revenue	\$ 4.39	\$4.39
% of PFCs collected on Enplanements	87.0%	85.0%
PFC's Available for Debt Service	\$ 3,590,142	\$3,642,235
LESS: Applied Pay-As-You-Go	0	0
PFC's Available for Debt Service	<u>\$ 3,590,142</u>	<u>\$3,642,235</u>
PFC DEBT SERVICE FUND ACTIVITY		
BEGINNING BALANCE	\$ 14,122,579	\$9,294,518
PLUS: Deposit of PFC's	3,590,142	3,642,235
PLUS: Interest Earnings on PFC's	168,271	14,375
LESS: Applied Towards Pay as you go Projects		(1,166,366)
LESS: Applied Towards 2020B Debt Service	(3,638,568)	(3,494,931)
ENDING BALANCE	<u>\$ 14,242,424</u>	<u>\$8,289,831</u>
PFC's APPLIED TO DEBT SERVICE	\$ 3,638,568	\$ 3,494,931
Allocation of PFC's to Cost Centers		
Airfield	\$ 455,919	\$ 437,921
Terminal	2,644,758	2,540,353
Loading Bridges	72,771	69,899
Landside	465,120	446,759
Total	<u>\$ 3,638,568</u>	<u>\$ 3,494,931</u>

Table 5
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
LANDING FEE RATES

	Budget 2021	Audited 2021
Airfield:		
Direct O&M Expenses	\$ 3,255,751	\$2,650,917
Indirect O&M Expenses	3,276,262	2,818,243
O&M Reserve Requirement	(49,412)	(49,412)
FBO:		
Commercial Direct O&M Expenses	1,015,925	946,548
Commercial Indirect O&M Expenses	997,808	932,220
Commercial O&M Reserve Requirement	(15,233)	(15,233)
Airfield Capital Charges:		
2010A Revenue Bond Debt Service	-	-
2017 A Refunding Revenue Bonds Debt Service	279,032	396,658
2017 B Refunding Revenue Bonds Debt Service	-	-
2020 B Revenue Refunding Bonds Debt Service	726,022	726,022
LESS: Applicable Approved PFC Revenues	(455,919)	(437,921)
Airfield Amortization Requirements	-	-
FBO Commercial Capital Charges	-	-
Airfield Capital Charge Coverage	-	-
FBO Commercial Capital Charge Coverage	-	-
Airfield Debt Service Reserve Requirement	-	-
FBO Commercial Debt Service Reserve Requirement	-	-
Airfield Extraordinary Coverage Protection	-	-
FBO Commercial Revenues Credit:		
Into Plane	(447,125)	(463,025)
Fuel Farm Throughput Fee	(392,629)	(432,502)
Avgas Fuel Sales Commercial	-	(21,824)
LESS: Cost of Sales, Avgas	4,500	18,111
Deicing - Commercial	(1,254,182)	(994,122)
LESS: Cost of Sales, Deicing	949,288	480,103
General Aviation Landing Fees	(161,491)	(261,884)
General Aviation Parking Fees	(148,034)	(186,399)
Total LANDING FEE REQUIREMENT	\$ 7,580,565	\$ 6,106,501
Total Landed Weight (000-lbs)	1,301,210	1,286,020
COMPENSATORY LANDING FEE RATE	\$ 5.83	\$ 4.75
LESS: Interest Earning Credit Allocated to Airfield	\$ 36,754	\$ 1,431
LESS: Glycol disposal Fee	360,305	239,623
LESS: Aircraft Aprons Fee Credit (Per Table 6)	758,056	610,650
LESS: Airfield Tenant Maintenance	30,000	42,186
LESS: Non-signatory Airline Landing Fee Credit	291,174	61,389
LESS: Cares Act	1,052,024	1,152,963
NET LANDING FEE REQUIREMENT	\$ 5,052,250	\$ 3,998,259
Signatory Commercial & Cargo Carrier Landed Wt (000-lbs)	1,244,117	1,270,070
Signatory Landing Fee Rate	\$ 4.06	\$ 3.15
SIGNATORY AIRLINE LANDING FEE REVENUE	\$ 4,413,058	\$3,441,526
NON-SIGNATORY PASSENGER LANDING FEE REVENUE	228,781	13,483
TOTAL AIRLINE LANDING FEE REVENUE	\$ 4,641,839	\$3,455,009
SIGNATORY CARGO LANDING FEE REVENUE	\$ 638,057	\$559,194
NON-SIGNATORY CARGO LANDING FEE REVENUE	62,393	47,906
TOTAL CARGO LANDING FEE REVENUE	\$ 700,451	\$607,100

Table 5-1

Albany County Airport Authority
 Albany International Airport
 2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF LANDING FEE PORTION OF SETTLEMENT

Landing Fee Rate as calculated	\$	3.15
Landing Fee Rate Billed	\$	4.06
LANDING FEE RATE SETTLEMENT	\$	(0.91)

ALLOCATION TO SIGNATORY AIRLINES	Landed Weights 000's	Total Allocated
COMMERCIAL AIRLINES:		
Allegiant Air	51,878	\$ (47,209)
American Airlines	54,675	(49,754)
American - Envoy	7,645	(6,957)
American - Piedmont	67,134	(61,092)
American - PSA	81,230	(73,919)
American - Republic	33,952	(30,896)
American - SkyWest	10,787	(9,816)
Delta	108,234	(98,493)
Delta - Endeavor	57,227	(52,077)
Delta - Republic	14,696	(13,373)
Delta - SkyWest	13,908	(12,656)
Frontier	37,460	(34,089)
jetBlue	82,398	(74,982)
Southwest	333,568	(303,547)
United	30,980	(28,192)
United - Air Wisconsin	2,444	(2,224)
United - Commutair	54,296	(49,409)
United - Go Jet	26,291	(23,925)
United - Republic	11,670	(10,620)
United - SkyWest	12,075	(10,988)
TOTAL COMMERCIAL AIRLINES:	1,092,548	\$ (994,219)
CARGO:		
FedEx	54,846	\$ (49,910)
United Parcel Service	122,676	(111,635)
TOTAL CARGO:	177,522	\$ (161,545)
TOTAL LANDING FEE SETTLEMENT	1,270,070	\$ (1,155,764)

Table 6
 Albany County Airport Authority
 Albany International Airport
 2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
 AIRCRAFT APRON FEE

	Budget 2021	Audited 2021
TOTAL AIRFIELD REQUIREMENT	\$ 7,580,565	\$6,106,501
10% of AIRFIELD REQUIREMENT	\$ 758,056	\$610,650
TOTAL APRON SQUARE FEET	505,472	530,370
AIRCRAFT APRON FEE (PER SQ FT)	\$ 1.50	\$1.15

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Table 6-1

Albany County Airport Authority
 Albany International Airport
 2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF APRON FEE PORTION OF SETTLEMENT

Total Airfield Requirement	\$	6,106,501
Aprons Fees (10% of Airfield Requirement)	\$	610,650
Total Aprons Fees Billed	\$	795,555
APRONS FEES SETTLEMENT	\$	(184,905)

ALLOCATION TO SIGNATORY AIRLINES

	<u>Square Footage</u>	<u>Total Allocated</u>
Allegiant	29,700	\$ (10,354)
American	128,070	(44,650)
Delta	106,326	(37,069)
Frontier	25,929	(9,040)
jetBlue	32,724	(11,409)
Southwest	126,018	(43,934)
United	81,603	(28,450)
Charter/Authority Use	-	\$ -
TOTAL APRONS FEE SETTLEMENT	530,370	\$ (184,905)

Table 7
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
TERMINAL RENTAL RATE CALCULATIONS

	Budget 2021	Audited 2021
Terminal Direct O&M Expenses	\$ 5,771,960	\$ 5,472,109
Terminal Indirect O&M Expenses	5,055,240	4,999,300
Terminal O&M Reserve Requirement	(81,903)	(81,903)
Terminal Capital Charges:		
2010A Revenue Bond Debt Service	-	-
2017 A Refunding Revenue Bonds Debt Service	105,973	141,133
2017 B Refunding Revenue Bonds Debt Service	-	-
2018 A Revenue Bonds Debt Service	6,647	6,647
2018 B Revenue Bonds Debt Service	261,037	261,037
2020 B Revenue Refunding Bonds Debt Service	4,058,582	4,058,582
LESS: Applicable PFC Revenues	(2,644,758)	(2,540,353)
Terminal Amortization Requirements	-	-
Terminal Capital Charge Coverage	-	-
Terminal Debt Service Reserve Requirement	-	-
TERMINAL Extraordinary Coverage Protection	-	-
TOTAL REQUIREMENT	\$ 12,532,777	\$ 12,316,552
Rentable Terminal Space	135,985	135,985
COMPENSATORY TERMINAL RENTAL RATE	\$ 92.16	\$ 90.57
LESS: Interest Earning Credit allocated to Terminal	\$ 162,084	\$ 6,256
LESS: Non-airline Terminal Space Rentals - Flat Rate	82,798	82,798
LESS: Non-airline Terminal Space Rentals - Signatory Rate	41,146	42,346
LESS: Non-airline Terminal Space Rentals - Calculated Rate	162,906	239,314
LESS: TSA Space Rental	448,828	448,828
LESS: TSA (LEO) Reimbursement	136,800	126,921
LESS: Utility Reimbursements	24,000	25,486
LESS: Terminal Tenant Maintenance Reimbursements	20,559	5,089
LESS: Cares Act	1,419,167	1,572,567
NET TERMINAL REQUIREMENT	\$ 10,034,490	\$ 9,766,947
Rentable Terminal Space	135,985	135,985
SIGNATORY TERMINAL RENTAL RATE	\$ 73.79	\$ 71.82
Signatory Airline Terminal Rental Space	51,626	53,402
SIGNATORY AIRLINE RENTAL REVENUE	\$ 3,809,483	\$ 3,835,332
MONTH TO MONTH AIRLINE REVENUE	0	74,602
TOTAL AIRLINE RENTAL REVENUE	\$ 3,809,483	\$ 3,909,933
Baggage Claim Room Square Footage	17,784	17,784
BAGGAGE CLAIM ROOM REVENUE	\$ 1,312,281	\$ 1,277,247
NONSIGNATORY AIRLINE RENTAL REVENUE	\$ 163,584	\$ -
AIRLINE RENTAL REVENUE	\$ 5,285,348	\$ 5,187,180

Table 7-1

Albany County Airport Authority
 Albany International Airport
 2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF TERMINAL RENTAL PORTION OF SETTLEMENT

TERMINAL RENTAL AREAS:

Terminal Rental Rate as calculated	\$	71.82
Terminal Rental Rate Billed	\$	73.79
TERMINAL RENTAL RATE SETTLEMENT	\$	(1.97)

ALLOCATION TO SIGNATORY AIRLINES

	<u>Square Footage</u>	<u>Total Allocated</u>
Allegiant	2,549	\$ (5,022)
American	12,765	(25,147)
Delta	7,496	(14,767)
Frontier	1,775	(3,497)
jetBlue	4,697	(9,253)
Southwest	14,337	(28,244)
United	9,783	(19,273)
TOTAL TERMINAL SETTLEMENT	53,402	\$ (105,202)

BAGGAGE CLAIM AREA - JOINT USE:

Terminal Rental Rate	\$	71.82
Terminal Rental Rate Billed - Baggage Claim Room	\$	73.79
TERMINAL RENTAL RATE SETTLEMENT - Baggage Claim	\$	(1.97)

Baggage Claim Square Footage 17,784
 Adjustment of Baggage Claim Area to 2021 Rate (\$35,034)

ALLOCATION OF COMMON USE SPACE:

<u>Signatory Airlines</u>	<u>Enplanements 2021</u>	<u>80 % Pro-Rated Allocation</u>	<u>20 % Fixed Portion</u>	<u>Total Allocation</u>
Allegiant	50,033	\$ (1,438)	\$ (1,001)	\$ (2,439)
American	222,576	(6,395)	(1,001)	(7,396)
Delta	161,142	(4,630)	(1,001)	(5,631)
Frontier	31,693	(911)	(1,001)	(1,912)
jetBlue	75,211	(2,161)	(1,001)	(3,162)
Southwest	319,869	(9,190)	(1,001)	(10,191)
United Airlines	114,964	(3,303)	(1,001)	(4,304)
TOTAL SIGNATORY ENPLANEMENTS	975,488	\$ (28,028)	\$ (7,007)	\$ (35,034)

TOTAL TERMINAL PORTION OF SETTLEMENT:

	<u>Total</u>
Allegiant	\$ (7,460)
American	(32,543)
Delta	(20,398)
Frontier	(5,408)
jetBlue	(12,415)
Southwest	(38,435)
United Airlines	(23,577)
TOTAL TERMINAL PORTION OF SETTLEMENT:	\$ (140,236)

Table 8

Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF LOADING BRIDGE PORTION OF SETTLEMENT

	Budget 2021	Actual 2021
LOADING BRIDGE RENTALS		
Tenant Loading Bridge Debt Service	\$ 119,020	\$ 119,020
LESS: Applicable PFC Revenues	(72,771)	(69,899)
LESS: Interest Earnings Credit Allocated to Loading Bridges	(4,352)	(167)
LESS: Cares Act	(88,538)	(95,984)
Direct Loading Bridge Expenses	308,399	282,974
Indirect Loading Bridge Expenses	280,811	276,536
Loading Bridge Expense Reserve	(4,457)	(4,457)
TOTAL LOADING BRIDGE REQUIREMENT	\$ 538,110	\$ 508,023
 Total Loading Bridge Rentals Billed		\$ 538,091
LOADING BRIDGE SETTLEMENT		\$ (30,068)
ALLOCATION TO SIGNATORY AIRLINES		
	<u># of Bridges</u>	<u>Total Allocated</u>
Allegiant	1	\$ (2,148)
American	3	(6,443)
Delta	3	(6,443)
Frontier	1	(2,148)
jetBlue	1	(2,148)
Southwest	2	(4,295)
United	3	(6,443)
TOTAL SIGNATORY LOADING BRIDGES	14	\$ (30,068)
 Charter/Authority Use	-	\$ -
TOTAL LOADING BRIDGE SETTLEMENT	14	\$ (30,068)

Table 9
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
CALCULATION AND ALLOCATION OF FUNDS REMAINING

	Budget 2021	Audited 2021
TOTAL REVENUES BEFORE REV SHARING	\$ 47,446,868	\$47,191,499
TOTAL EXPENSES	37,134,329	34,060,350
NET REVENUES	\$ 10,312,540	\$13,131,149
LESS:		
Capital Charges:		
Less: Applicable Approved PFC Revenues	\$ (3,638,568)	(3,494,931)
2017 A Revenue Refunding Bonds Debt Service	1,187,375	1,667,876
2017 B Revenue Refunding Bonds Debt Service	400,025	400,025
2018 A Revenue Bond	738,500	738,500
2018 B Revenue Bonds Debt Service	733,250	733,250
2019 Revenue Bond	556,150	556,150
2020 A Revenue Refunding Bonds Debt Service	564,500	564,500
2020 B Revenue Refunding Bonds Debt Service	5,951,000	5,951,000
Capital Charge Coverage	-	-
Debt Service Reserve Requirement	-	-
Capital Expenditures (Per Table 4)	3,300,000	3,300,000
Operating & Maintenance Reserve	(280,904)	(280,904)
Renewal and Replacement Reserve	-	-
Subtotal	\$ 9,511,328	10,135,466
FUNDS REMAINING	\$801,212	\$2,995,684
	50%	50%
Authority Share - 50%	400,606	1,497,842
Less Cost of Air Service Incentive Programs	(400,000)	(126,162)
Authority Share Net of Air Service Incentive	606	1,371,680
	50%	50%
Airline Share - 50%	400,606	1,497,842
Net Airline Share	400,606	1,497,842
	\$ 801,212	2,995,684
ALLOCATION OF AIRLINE SHARE		
Terminal	320,485	1,198,273
Airfield	80,121	299,568
TOTAL AIRLINE SHARE	\$ 400,606	\$1,497,842

Table 9-1

Albany County Airport Authority
 Albany International Airport
 2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF AIRFIELD PORTION OF REVENUE SHARING

AIRFIELD PORTION OF REVENUE SHARING \$ (299,568)

ALLOCATION TO SIGNATORY AIRLINES	Landed Weights	Total Allocated
COMMERCIAL AIRLINES:		
Allegiant	51,878	\$ (17,726)
American	54,675	(18,682)
Delta	108,234	(36,983)
Frontier	37,460	(12,800)
jetBlue	82,398	(28,155)
Southwest	333,568	(113,978)
United	30,980	(10,586)
TOTAL COMMERCIAL AIRLINES:	699,193	\$ (238,910)
CARGO:		
FedEx	54,846	\$ (18,741)
United Parcel Service	122,676	(41,918)
TOTAL CARGO:	177,522	\$ (60,658)
TOTAL LANDING FEE SETTLEMENT	876,715	\$ (299,568)

Table 9-2

Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION OF TERMINAL PORTION OF REVENUE SHARING

TERMINAL PORTION OF REVENUE SHARING \$ (1,198,273)

ALLOCATION OF DIRECT PORTION:

<u>Signatory Airlines</u>	<u>Square Footage</u>	<u>Total Allocated</u>
Allegiant	2,549	\$ (42,907)
American	12,765	(214,873)
Delta	7,496	(126,180)
Frontier	1,775	(29,879)
jetBlue	4,697	(79,065)
Southwest	14,337	(241,335)
United	9,783	(164,677)
	53,402	\$ (898,916)
JOINT USE SPACE:	17,784	\$ (299,358)
TOTAL	71,186	\$ (1,198,273)

ALLOCATION OF JOINT USE SPACE:

<u>Signatory Airlines</u>	<u>2021 Enplanements</u>	<u>80 % Pro-Rated Allocation</u>	<u>20 % Fixed Portion</u>	<u>Total Allocation</u>
Allegiant	50,033	\$ (12,283)	\$ (8,553)	\$ (20,836)
American	222,576	(54,643)	(8,553)	(63,196)
Delta	161,142	(39,561)	(8,553)	(48,114)
Frontier	31,693	(7,781)	(8,553)	(16,334)
jetBlue	75,211	(18,465)	(8,553)	(27,018)
Southwest	319,869	(78,529)	(8,553)	(87,082)
United Airlines	114,964	(28,224)	(8,553)	(36,777)
TOTAL SIGNATORY ENPLANEMENTS	975,488	\$ (239,486)	\$ (59,872)	\$ (299,358)

TOTAL TERMINAL PORTION OF REVENUE SHARING	<u>Total</u>
Allegiant	\$ (63,744)
American	(278,070)
Delta	(174,294)
Frontier	(46,212)
jetBlue	(106,082)
Southwest	(328,417)
United Airlines	(201,454)
TOTAL TERMINAL PORTION OF REVENUE SHARING	\$ (1,198,273)

Table 10
Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
AIRLINE COST PER ENPLANEMENT

	Budget 2021	Audited 2021
(Includes Settlement and Revenue Sharing Calculation)		
AIRPORT OPERATIONS:		
Airline Landing Fees	\$ 4,641,839	\$ 3,455,009
Airline Space Rental	5,285,348	5,187,180
Loading Bridge Rentals	538,110	508,023
Airline Apron Fee	758,056	610,650
Airline Share of Revenue Sharing	(400,606)	(1,497,842)
Total Airport Operations	\$ 10,822,747	\$ 8,263,020
FBO OPERATIONS:		
Avgas Fuel Sales Commercial	\$ -	\$ 21,824
Deicing	1,254,182	994,122
Into Plane & Fuel Farm	839,754	895,527
Total FBO Operations	\$ 2,093,936	\$ 1,911,473
TOTAL AIRLINES FEES & CHARGES	\$ 12,916,683	\$ 10,174,493
ENPLANEMENTS	940,000	976,037
COST PER ENPLANEMENT	\$ 11.51	\$ 8.49
FBO OPERATIONS COST PER ENPLANEMENT	\$ 2.23	\$ 1.94
TOTAL COMBINED COST PER ENPLANEMENT	\$ 13.74	\$ 10.42

Table 11

Albany County Airport Authority
Albany International Airport
2021 Airline Rates & Charges Settlement and Revenue Sharing Calculation
ALLOCATION SETTLEMENT AND REVENUE SHARING

TOTAL SETTLEMENT AND REVENUE SHARING

\$ (3,008,815)

	SETTLEMENTS				REVENUE SHARING		TOTAL
	<u>Landing Fee</u>	<u>Terminal Rent</u>	<u>Aprons Fees</u>	<u>Loading Bridges</u>	<u>Airfield</u>	<u>Terminal</u>	
Allegiant Air	\$ (47,209)	\$ (7,460)	\$ (10,354)	\$ (2,148)	\$ (17,726)	\$ (63,744)	\$ (148,641)
American Airlines	(49,754)	(32,543)	(44,650)	(6,443)	(18,682)	(278,070)	(430,142)
American - Envoy	(6,957)						(6,957)
American - Piedmont	(61,092)						(61,092)
American - PSA	(73,919)						(73,919)
American - Republic	(30,896)						(30,896)
American - SkyWest	(9,816)						(9,816)
Delta	(98,493)	(20,398)	(37,069)	(6,443)	(36,983)	(174,294)	(373,680)
Delta - Endeavor	(52,077)						(52,077)
Delta - Republic	(13,373)						(13,373)
Delta - SkyWest	(12,656)						(12,656)
FedEx	(49,910)				(18,741)		(68,650)
Frontier	(34,089)	(5,408)	(9,040)	(2,148)	(12,800)	(46,212)	(109,697)
jetBlue	(74,982)	(12,415)	(11,409)	(2,148)	(28,155)	(106,082)	(235,191)
Southwest	(303,547)	(38,435)	(43,934)	(4,295)	(113,978)	(328,417)	(832,607)
United	(28,192)	(23,577)	(28,450)	(6,443)	(10,586)	(201,454)	(298,701)
United - Air Wisconsin	(2,224)						(2,224)
United - Commutair	(49,409)						(49,409)
United - Go Jet	(23,925)						(23,925)
United - Republic	(10,620)						(10,620)
United - SkyWest	(10,988)						(10,988)
United Parcel Service	(111,635)				(41,918)		(153,553)
TOTAL SIGNATORY AIRLINE DISTRIBUTION	\$ (1,155,764)	\$ (140,236)	\$ (184,905)	\$ (30,068)	\$ (299,568)	\$ (1,198,273)	\$ (3,008,815)

AGENDA ITEM NO. 2.3

Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;

AGENDA ITEM NO: 2.3

AUDIT COMMITTEE

MEETING DATE: March 24, 2022

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: Finance

Contact Person: *Audit Committee*
Michael F. Zonsius, Chief Financial Officer

**Separate
PURPOSE OF REQUEST:**

Review and acceptance of the Authority's:

- Twenty-eighth Comprehensive Annual Financial Report as of and for the year ended December 31, 2021 (with the draft audit and compliance reports of Marvin and Company, P.C., certified public accountants);
- The Authority's 2021 Rates and Charges Settlement Report to the Signatory Airlines and Signatory Cargo Carriers with draft Consultant Report;
- The Authority's Annual Investment Report in accordance with its Cash Management and Investment Policy and Section 2925 of the Public Authorities Law (with draft audit compliance report of Marvin and Company, P.C., certified public accountants);
- The Annual review and approval of the Cash Management and Investment Policy in accordance with Section 2925 of the Public Authorities Law;
- Review of mission statement and performance measures and acceptance of measurement report for 2021 required by Section 2800 of the Public Authorities Law; and
- Financial Statements for the year ended December 31, 2021 for the Other Post Employment Benefit Trust

BACKUP MATERIALS:

- Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports;
- Airlines Rates and Charges Settlement and Revenue Sharing Calculation Report for the year ended December 31, 2021 with draft consultant report;
- Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;
- Performance Measurement Report for 2021; and
- Financial Statements – Other Post Employment Benefit Trust

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

The Audit Committee will review the above documents at their March 24, 2022 meeting and will present their recommendations for approval by the Board.



**ALBANY COUNTY AIRPORT AUTHORITY
ANNUAL INVESTMENT REPORT
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021**

**PREPARED IN ACCORDANCE WITH
SECTION 2925 OF THE PUBLIC AUTHORITIES LAW**

Introduction

In accordance with Sections 2925(6) and 2925(7) of the Public Authorities Law and as required by the Albany County Airport Authority (the Authority) Cash Management and Investment Policy (the "guidelines"), the Authority shall annually prepare and approve an Investment Report.

The organization of this report is structured to conform with the prescribed format specified in the section on "Reporting to Oversight Agencies" of the Guidelines. Section I of this Annual Investment Report contains the Authority's Investment Guidelines that were adopted by the Authority on December 7, 2009 and most recently approved on March 15, 2021. Section II presents the amendments to the guidelines since the last investment report. Section III contains a concise explanation of the Guidelines and amendments. Section IV presents the annual independent audit of investments. Section V summarizes the recorded results of the Corporation's investment activity for the year ended December 31, 2021. Section VI presents a list of fees, commissions or other charges paid to firms rendering investment associated services. Section VII presents a list of investments at December 31, 2021.

After the Authority has reviewed and accepted this report, copies of the report will be submitted to the chief executive officer and chief fiscal officer of the County of Albany and the Office of the State Comptroller.

Section I

ALBANY COUNTY AIRPORT AUTHORITY

CASH MANAGEMENT AND INVESTMENT POLICY

Last Amended:

July 23, 2018

ALBANY COUNTY AIRPORT AUTHORITY

CASH MANAGEMENT AND INVESTMENT POLICY

Last Amended:

July 23, 2018

Last Reviewed and Approved:

March 15, 2021

ALBANY COUNTY AIRPORT AUTHORITY

CASH MANAGEMENT AND INVESTMENT POLICY

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VII.	Designation of Depositories.....	2
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ALBANY COUNTY AIRPORT AUTHORITY

CASH MANAGEMENT AND INVESTMENT POLICY

I. SCOPE

This cash management and investment policy applies to all moneys and other financial resources held on its own behalf or on the behalf of any entity or individual and the investment of those moneys and resources.

II. OBJECTIVES

The primary objectives of the Authority's cash management and investment activities are, in priority order:

- To Conform with all applicable federal, state and other legal requirements (legal);
- To Adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity); and
- To obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

The governing board's responsibility for administration of the cash management and investment program for the Authority is delegated to the Chief Financial Officer who shall establish written procedures for the operation of the cash management and investment program consistent with these guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amount of receipts, disbursements, and investments, transaction dates, and other relevant information and regulate the activities of subordinate employees.

IV. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Authority to govern effectively.

Cash management and investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the cash management and investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION REQUIREMENTS

In order to safeguard principal from imprudent risks, it is the policy of Authority, where possible, to diversify a portfolio among the investment instruments which it may legally and prudently hold and also among investment firms with which it transacts business. However, since the Authority is legally limited in the type of securities it may invest in, the opportunity to diversify among investments is very limited. The terms of each investment will be consistent with the Authority's cash liquidity requirements. The term of Repurchase Agreements will be for periods no longer than ninety days.

VI. INTERNAL CONTROLS

It is the policy of the Authority for all moneys collected by any officer or employee of the Authority to transfer those funds to the Chief Financial Officer within one day for deposit, or within the time period specified in law, whichever is shorter.

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the Authority's authorization and recorded properly, and is managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITARIES

Any State or Federally chartered commercial bank that can meet the Authority's requirements for cash vault services, is a member of the National Automated Clearing House Association (NACHA), and is able to act as an Originating Depository Financial Institution (ODFI) for direct deposit of payments. The bank must have a minimum long term credit rating of "A" without regard to subcategories from at least one of the Nationally Recognized Statistical Rating Organizations (NRSRO) and no rating below investment grade from any other NRSRO.

VIII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of Title 32 of the Public Authorities Law, Section 2788, all deposits of the Authority including certificate of deposits and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by obligations with a market value equal at all times to the amount of the deposit. Obligations eligible for use as collateralization include those issued by the United States or issued by the State of New York or any municipality therein rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

IX. SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Authority deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Authority to exercise its right against the pledged securities. In the event the securities are not registered or inscribed in the name of the Authority, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Authority or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Authority will be kept separate and apart from the general assets of the custodial bank or trust company and will not in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Authority a perfected interest in the securities.

X. PERMITTED INVESTMENTS

Title 32 of the Public Authorities Law, Section 2788 authorized the Authority to invest in those obligations specified pursuant to the provisions of Section 98-a of the State Finance Law. In accordance therewith, the Authority authorized the Chief Financial Officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the investments designated in Appendix A to this policy.

All investment obligations shall be payable or redeemable at the option of the Authority within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bond or notes, shall be payable or redeemable at the option of the Authority within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Authority shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the Authority conducts business must be business worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Authority. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Financial Officer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such list shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS

The Chief Financial Officer is authorized to contract for the purchase of investments:

1. Directly, including by use of a repurchase agreement, from an authorized trading partner.
2. By utilizing an ongoing investment program with an authorized trading partner.

All purchased obligations, unless registered or inscribed in the name of the Authority shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Authority by the bank or trust. However, written contracts are not practical, nor is it a regular business practice to enter such contracts for permitted investments other than Repurchase Agreements. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Authority will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposits or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and

release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XIII. REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement;
2. Repurchase Agreements shall be for no more than 90 days and agreements which are “open” (continuing in nature) shall not be made;
3. Trading partners are limited to banks or trust companies authorized to do business in the State of New York and primary reporting dealers;
4. Obligations shall be limited to obligations of the United States and obligations of agencies of the United States where principal and interest are guaranteed by the United States;
5. The Authority or its custodian must take possession of the securities by physical delivery or book entry;
6. The custodian shall be a party other than the trading partner and shall be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of securities to the credit of the Authority.

The Master Repurchase Agreements must include:

1. The events of default which would permit the purchaser to liquidate the pledged collateral;
2. The relationship between parties to the agreement, which shall ordinarily be purchaser and seller;
3. Procedures which ensure that the Authority obtains a perfected security interest in the securities which are the subject of the agreement;
4. The method of computing margin maintenance requirements and providing for timely correction of margin deficiencies or excesses. Specific guidelines regarding margin maintenance shall be established, taking into consideration:
 - a. the type of collateral or purchased security;
 - b. the maturity of the collateral or purchased security;
 - c. the method by which additional margin will be maintained; and
5. Circumstances, if any, under which substitution of securities (collateral) subject to the agreement shall be permitted.

XIV. REQUIRED REPORTS

Internal Management Reporting

In accordance with Section 2925(5) of the Public Authorities, the Chief Financial Officer shall cause to be prepared and filed with the Authority's board of directors a quarterly report on any new investments, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, or auditors.

Reporting to Oversight Agencies

Annually, in accordance with Sections 2925(6) and 2925(7) of the Public Authorities Law, the Authority shall prepare and approve an investment report which shall include:

1. the investment guidelines;
2. amendments to such guidelines since the last investment report;
3. an explanation of the investment guidelines and amendments;
4. the results of the annual independent audit;
5. the investment income record of the Authority; and
6. a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the Authority since the last investment report.

Such investment report may be a part of any other annual report that the Authority is required to make. The Investment Report shall be submitted to the chief executive officer and chief fiscal officer of the County of Albany and the Office of the State Comptroller.

Performance Evaluation and Audit

The Authority shall annually engage its financial statement auditor to perform an audit of investments to determine whether: the Authority complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of Authority investment assets; a system of adequate internal controls is maintained; the Authority complied with the applicable laws and regulations.

The audit of investments shall be designed, to the extent practical, to satisfy both the common interests of the Authority and the public officials accountable to others.

A written audit report shall be prepared presenting the results of the annual independent audit of all investments and shall include:

- 1 a description of the scope and objectives of the audit;
- 2 a statement attesting that the audit was conducted in accordance with generally accepted government auditing standards;
- 3 a description of any material weaknesses found in the internal controls;
- 4 a description of all non-compliance with the Authority's own investment policies as well as applicable laws and regulations;
- 5 a statement of positive assurance of compliance on the items tested; and
- 6 a statement on any other material deficiency or finding identified during the audit not covered in (5) above.

DRAFT

APPENDIX A

SCHEDULE OF ELIGIBLE INVESTMENTS

(Pursuant to Section 98-a of the State Finance Law)

- X (i) Bonds and notes of the United States.
- X (ii) Bonds and notes of this state.
- X (iii) General obligation bonds and notes of any state other than this State, provided that such bonds and notes receive the highest rating of at least one independent rating agency designated by the State Comptroller.
- X (iv) Obligations for the payment of which the faith and credit of the United States or of this state are pledged. Notes, bonds, debentures, mortgages and other evidences of indebtedness of the United States Postal Service; the federal national mortgage association; federal home loan mortgage corporation; student loan marketing association; federal farm credit system or any other United States government sponsored agency, provided that at the time of the 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, provided, however, that no more than two hundred fifty million dollars may be invested in the obligations of any one agency.
- (v) Bonds and notes of the Savings and Loan Bank of the state of New York.
- (vi) Collateral trust notes issued by a trust company, all of the capital stock of which is owned by not less than twenty savings banks of the state of New York.
- (vii) Obligations of any corporation organized under the laws of any state in the United States maturing within six days provided that such obligations received the highest rating of two independent rating services designated by the State Comptroller and that the issuer of such obligations has maintained such ratings on similar obligations during the preceding year, provided however, that no more than one hundred million dollars may be invested in such obligations of any one corporation.
- (viii) Bonds and notes issued for any of the corporate purposes of the New York state housing finance agency.
- (ix) Judgments or awards of the court of claims of New York

- ____(x) Bonds and notes issued for any of the corporate purposes of the New York state medical care facilities finance agency.
- ____(xi) Bonds and notes issued for any of the corporate purposes of the New York state project finance agency.
- ____(xii) Bonds and notes issued for any of the corporate purposes of the municipal assistance corporation for New York City.
- X (xiii) Certificate of deposits of a bank or trust company in this state. Any certificate of deposit shall be fully secured by the issuer thereof.
- X (xiv) Repurchase agreements using United States Treasury obligations seven years or less.

All investments must conform to section 98-a of the State Finance Law as may be amended from time to time.

Section II

AMENDMENTS TO THE GUIDELINES SINCE THE LAST ANNUAL INVESTMENT REPORT

There have been no amendments to the Investment Guidelines since the last annual investment report.

DRAFT

Section III

Explanation of the Guidelines and Amendments

The Albany County Airport Authority "Cash Management and Investment Policy" most recently amended by the Board on July 23, 2018 is based on the principles of investment safety and control. The Authority's Guidelines contained in Section I are the Authority's Investment Guidelines which are currently in effect.

The Guidelines set forth the Authority's statement of policy regarding the investment of Authority funds and the objectives of such investments. By the Guidelines, the Authority has determined that the basic guide for the investment of Authority funds shall be the "prudent person rule" as further limited by statute and the Authority's Bond Resolutions. As indicated in the Guidelines, the Authority's objectives for its investment program are to:

- To conform with all applicable federal, state and other legal requirements (legal);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity);
- and
- To obtain a reasonable rate of return (yield).

The Authority has not amended its investment guidelines since July 23, 2018.

Section IV

Annual examination of Compliance with Investment Guidelines

DRAFT

INDEPENDENT ACCOUNTANT'S REPORT

To the Members
Albany County Airport Authority

We have examined the Albany County Airport Authority's (the Authority) compliance with its investment guidelines included in the attached annual investment report, and with the requirements of Section 2925 of the NYS Public Authorities Law for the year ended December 31, 2021. Management is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority's complied with those specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements and is not intended to provide any assurance as to the income from investments, fees paid, or investments at the end of the year in Section V through Section VII.

In our opinion, the Albany County Airport Authority complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2021.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies in that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with laws and regulations that could have a material effect on the Authority's compliance with Section 2925 of the NYS Public Authorities Law; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Authority complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters; accordingly, we express no such opinion. Our examination disclosed no matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Members of the Albany County Airport Authority, and the chief executive officer and chief fiscal officer of the County of Albany and the Office of the State Comptroller and is not intended to be, and should not be, used by anyone other than these specified parties.

Latham, NY
_____, 2022

Section V

The Authority's cash management and investment strategy is intended to comply with the Authority's Cash Management and Investment Policy, its' Master Bond Resolution, and other external restrictions.

The Authority's investment and cash management activity during 2021 resulted in \$80,649 in interest income to the Authority from interest on insured or collateralized bank demand deposits.

Based on the provisions of the Master Bond Resolution and the Federal Aviation Administration Passenger Facility Charge handbook, the interest earned by the Authority's cash and investments during 2021 were allocated as follows:

Passenger Facility Charges	\$	14,376
Debt Service Funds		16,236
Construction Funds		4,257
Development Fund		24,747
Operating Funds		<u>21,033</u>
	\$	<u><u>80,649</u></u>

Section VI

The Authority paid no fees, commissions or other charges to firms rendering investment associated services during 2021.

DRAFT

Section VII

The Authority's cash is invested when market conditions are appropriate based on the Chief Financial Officer's determination of the permissibility and risk of temporary or permanent loss of market value of any cash invested. Because investments, even Treasury Obligations, are reported at fair market value, there is no tolerance for market declines in Debt Service Reserve funds or Construction funds. Passenger Facility Charge (PFC) funds must be retained in interest bearing accounts. Investment of other funds is based upon an assessment of the value of additional potential income versus the loss of liquidity.

There were no investments held by the Authority at December 31, 2021.

AGENDA ITEM NO. 2.4

Performance Measurement Report for 2021

AGENDA ITEM NO: 2.4

AUDIT COMMITTEE

MEETING DATE: March 24, 2022

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: Finance

Contact Person: *Audit Committee*
Michael F. Zonsius, Chief Financial Officer

**Separate
PURPOSE OF REQUEST:**

Review and acceptance of the Authority's:

- Twenty-eighth Comprehensive Annual Financial Report as of and for the year ended December 31, 2021 (with the draft audit and compliance reports of Marvin and Company, P.C., certified public accountants);
- The Authority's 2021 Rates and Charges Settlement Report to the Signatory Airlines and Signatory Cargo Carriers with draft Consultant Report;
- The Authority's Annual Investment Report in accordance with its Cash Management and Investment Policy and Section 2925 of the Public Authorities Law (with draft audit compliance report of Marvin and Company, P.C., certified public accountants);
- The Annual review and approval of the Cash Management and Investment Policy in accordance with Section 2925 of the Public Authorities Law;
- Review of mission statement and performance measures and acceptance of measurement report for 2021 required by Section 2800 of the Public Authorities Law; and
- Financial Statements for the year ended December 31, 2021 for the Other Post Employment Benefit Trust

BACKUP MATERIALS:

- Comprehensive Annual Financial Report for the year-ended 2021 with draft auditor reports;
- Airlines Rates and Charges Settlement and Revenue Sharing Calculation Report for the year ended December 31, 2021 with draft consultant report;
- Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;
- **Performance Measurement Report for 2021; and**
- Financial Statements – Other Post Employment Benefit Trust

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

The Audit Committee will review the above documents at their March 24, 2022 meeting and will present their recommendations for approval by the Board.

ALBANY COUNTY AIRPORT AUTHORITY
Mission Statement and Performance Measurement Report
Year Ended December 31, 2021

BACKGROUND

The Public Authorities Reform Act of 2009 introduced a requirement that Public Authorities adopt a mission statement and performance measurements. During 2010, the Albany County Airport Authority adopted a new Mission Statement and related Performance Measurements. The Albany County Airport Authority adopted Mission Statement Performance Measurements that are consistent with the recommendations found in the Transportation Research Board ACRP Report 19, - *Developing and Airport Performance Measurement System* issued in 2010 and sponsored by the Federal Aviation Administration. The remainder of this report contains the previously adopted Mission Statement and actual performance measurements for 2017-2021.

MISSION STATEMENT AND PERFORMANCE MEASURES

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 of the New York Public Authorities Law. The State of New York (State) created the Authority in 1993 in order to promote the strengthening and improvement of the Airport, to facilitate the financing and construction of the Terminal Improvement Project (TIP) and subsequent capital improvement programs, and give the Authority the power to operate, maintain and improve the Airport.

The Authority is governed by seven members, with four members appointed by the majority leader of the County of Albany (County) Legislature and three members by the County Executive, all with approval of the 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 will be appointed to serve only the unexpired term.

Based on the County's responsibility for the appointment of the Authority members, their approval of any Airport capital improvement programs and the issuance of certain debt, the Authority is considered a component unit of the County under the criteria set forth by the Governmental Accounting Standards Board (GASB). The financial transactions of the Authority are accounted for in a single enterprise fund.

The Authority is responsible for the efficient planning, development, administration, operation and financial condition of the Airport. The Authority, as landlord, rents space and assesses fees and charges to the airlines and businesses providing goods and services to the traveling public and to the civilian, business, governmental and military users of the Airport. The Authority is responsible for assuring residents of the County, the Town of Colonie and the surrounding areas of minimal environmental impact from air navigation and transportation. The Authority contracted the services of AFCO AvPorts Management LLC ("AvPorts") and Aviation Facilities Company, Inc. to manage the daily operations and maintenance of the Airport and Cargo Facilities and the services of REW Investments, Inc., d/b/a Million Air to manage the daily operations of the Fixed Base Operation (FBO) and Fuel Farm.

The Authority's strategic direction for the Airport is based upon the following vision, mission, goals, and objectives.

VISION

The Authority's vision statement is a measurable statement describing the future results the Authority seeks to achieve. The Authority's vision for Albany International Airport is to provide an exemplary airport in which to visit, travel, and work.

MISSION

The Authority's mission statement is a broad statement of what the Authority has been charged to accomplish. The Authority's mission is to provide adequate, safe, secure and efficient aviation and transportation facilities at a reasonable cost to the people. To accomplish our mission we will:

- Provide world-class, customer-oriented transportation services;
- Promote airline, cargo, business and general aviation services on airport by providing quality airport facilities;
- Operate the airport and provide services in the most cost-effective manner;
- Foster inter-modal transportation;
- Implement the airport's Capital Improvement Plan; and,
- Maintain financial security.

GOAL

The Authority's goal for the airport is derived from its mission and vision for the airport and describes the enduring end state desired for the airport. The Authority's goal for Albany International Airport is:

- To be widely recognized as the best airport of its size in the Northeast as well as an innovative model for a facility with vitality, enthusiasm, friendliness, competence, and efficiency.

OBJECTIVES

The Authority's objectives describe the outcomes required to accomplish the goal. The Authority's objectives in operating the airport are:

- To promote safe, secure, efficient and economic air transportation by preserving and enhancing Airport capacity;
- To acquire, construct, reconstruct, continue, develop, equip, expand, improve, maintain, finance and operate aviation and other related facilities and services;
- To stimulate and promote economic development, trade and tourism;
- 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 assure inclusion of the Authority's facilities in state, national and international programs for air transportation and for airway capital improvements; and,
- 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.

VALUES

The Authority's values describe how the Authority will conduct itself, both internally and externally, while engaging in business activities. The Authority's values are:

Responsiveness – being proactive; having a bias for action and sense of urgency in getting things done; anticipating the needs of tenants and passengers by taking fast action to surpass their expectations; encouraging tenant and passenger input.

Integrity – possessing a commitment to doing the right things right, with consistent adherence to the highest professional standards; keeping commitments to our tenants, passengers, employees, and others.

Innovation – dedicating ourselves to learning and growing; constantly searching for better ways to get the job done; using our collective imagination effectively to solve problems for our tenants, passengers and employees; going beyond perceived boundaries to get desired results.

Teamwork – recognizing that every board member, employee, volunteer, tenant, and others are important to the complete satisfaction of Albany International Airport; feeling personally responsible for successful outcomes; treating everyone with respect; communicating regularly, directly and honestly with our board members, employees, volunteers, tenants, and others.

MISSION STATEMENT LEVEL PERFORMANCE MEASURES

The Authority has identified the following performance measurements to assess its success in achieving its mission and intended public purpose.

Area of Measurement	Performance Measure	Performance Measure Component	Final 2017	Final 2018	Final 2019	Final 2020	Final 2021
Safety	Employee Accidents and Incidents	Construction Injuries Lost Time Injury Rate	28	14	15	14	4
	Airfield Violations	Runway Incursions	0	0	0	1	1
		Runway Condition FAA Safety Compliance	0	0	0	0	0
		Inspection Discrepancies	9	3	3	4	9
Security	Security Incidents and Violations	Security Badge Breaches:					
		Letters of investigation	1	1	0	0	1
		Violations	1	0	0	1	3
Financial	Revenue Management	Total Airline Revenue per enplaned passenger	\$9.33	\$9.72	\$7.97	\$19.57*	\$10.63
		Total Non-Airline Revenue per enplaned passenger	\$24.54	\$24.93	\$26.16	\$39.69*	\$31.15
		Total Non-Operating Revenue per enplaned passenger	\$4.20	\$4.75	\$5.35	\$26.14*	\$9.81
		Total Revenue per enplaned passenger	\$38.07	\$39.41	\$39.48	\$85.40*	\$51.59
	Cost Performance	Operating Cost enplaned passenger	\$8.22	\$8.58	\$7.89	\$19.22*	\$7.25
		Airline Cost per enplaned passenger	\$6.57	\$6.57	\$5.90	\$16.30*	\$8.49
	Debt Management	Debt Service Coverage Ratio	1.61	1.44	1.78	1.30	1.57
		Debt per enplaned passenger	\$56	\$64	\$64	\$161*	\$77
	Liquidity	Days Unrestricted Cash on Hand	252	261	294	229	241
Operational	Aircraft Delays caused by Airport	Number of Aircraft Delay caused by Airport or Runway Closings	2	0	0	0	0
	Aircraft Delays caused by Fixed Base Operations						
		Number of Aircraft Fueling Delays	14	36	27	15	13
Customer Service	Service Quality	Terminal Cleanliness Concessions Quality and Variety (5 is the highest)	note 1	4.5	4.7	note 1	note 1
	Customer Satisfaction	Customer Survey Results (5 is the highest)	note 1	4.5	4.6	note 1	note 1
Environmental Sustainability	Environmental Compliance	Violations Identified by Regulatory Agency De-Icing Material Discharge Frequency and Severity of Spills:					
		SPDES violations	0	0	0	0	0
		DEC violations	0	0	0	0	0
	Noise	Noise Levels /Noise Complaints	14	36	11	40	7
People	Employee Satisfaction	Employee Turnover					
		AFCO AvPorts	14.1%	15.4%	15.4%	14.3%	10.0%
		Million Air FBO	24.0%	19.0%	25.0%	9%	31.3%
		Albany County Airport Authority	0%	0%	0%	0%	0%
	Workforce Diversity	Minority Representation in Workforce	24.4%	33.0%	22.4%	20.7%	20.7%

* The increase in 2020 is due to the large decrease in enplanements due to the COVID-19 pandemic.

Note 1 - An Insufficient number of customer satisfaction surveys were conducted to report on this performance measure.

AGENDA ITEM NO. 2.5

Financial Statements – Other Post Employment Benefit Trust

AGENDA ITEM NO: 2.5

AUDIT COMMITTEE

MEETING DATE: March 24, 2022

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: Finance

Contact Person: *Audit Committee*
Michael F. Zonsius, Chief Financial Officer

**Separate
PURPOSE OF REQUEST:**

Review and acceptance of the Authority's:

- Twenty-eighth Comprehensive Annual Financial Report as of and for the year ended December 31, 2021 (with the draft audit and compliance reports of Marvin and Company, P.C., certified public accountants);
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- Review of mission statement and performance measures and acceptance of measurement report for 2021 required by Section 2800 of the Public Authorities Law; and
- Financial Statements for the year ended December 31, 2021 for the Other Post Employment Benefit Trust

BACKUP MATERIALS:

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- Annual Investment Report which includes a copy of the Cash Management and Investment Policy (the Policy) and explanation of the Policy and draft auditor report;
- Performance Measurement Report for 2021; and
- Financial Statements – Other Post Employment Benefit Trust

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

The Audit Committee will review the above documents at their March 24, 2022 meeting and will present their recommendations for approval by the Board.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

FINANCIAL STATEMENTS
For the Year Ended December 31, 2020 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Trustee
Albany County Airport Authority OPEB Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of fiduciary net position of the Albany County Airport Authority OPEB Trust (the Trust), a component unit of the Albany County Airport Authority, as of December 31, 2021 and 2020, the statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Albany County Airport Authority OPEB Trust as of December 31, 2021 and 2020, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Albany County Airport Authority OPEB Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022 on our consideration of the Albany County Airport Authority OPEB Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Albany County Airport Authority OPEB Trust's 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 OPEB Trust's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
March 24, 2022

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

This section provides an overview and analysis of the financial activities of Albany County Airport Authority OPEB Trust (the Trust) for the year ended December 31, 2020 and 2021. The creation of the Trust and its initial funding was authorized on December 7, 2009 by the Albany County Airport Authority's (the Authority) Board of Directors. The Trust was created December 17, 2009 when the trust document was fully executed. Irrevocable transfer of assets to the Trust occurred in each year 2009 through 2021. The purpose of the Trust is to accumulate resources for the payment of medical insurance benefits to the Authority's retired employees who qualify for and elect to receive the benefit an for which the Authority is obligated to pay under the postemployment medical benefit plan it sponsors.

FINANCIAL HIGHLIGHTS

The net position of Albany County Airport Authority Other Post Employee Benefits plan (the Plan) at the close of fiscal years 2020 and 2021 are \$2,681,769 and \$2,880,572, respectively (net assets held in trust for retiree medical insurance benefits). All of the net assets are available to meet the Plan's ongoing obligations to Plan participants and beneficiaries. The Plan's funding objective is to meet long-term benefit obligations through contributions and investment income. The Plan was funded in 2020 and 2021 by the transfer of \$240,109 and \$197,386, respectively, from the Albany County Airport Authority plus interest earnings in the amount of \$12,644 and \$1,417, respectively, on the deposited balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements, which comprises these components:

- Statements of Plan Net Position
- Statements of Changes in Plan Net Position
- Notes to the Financial Statements

This report also contains required supplementary information in addition to the basic financial statements themselves.

The Statement of Plan Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments for retiree benefits and any current liabilities that are owed at this time.

The Statement of Changes in Plan Net Position, on the other hand, provides a view of current year/period additions to and deductions from the Plan. Both statements are in compliance with Governmental Accounting Standard Board Statements (GASB). This report uses the standards established by GASB's Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement No. 74 superseded Statement No. 43 of the same title. Statement No. 74 did not change the reporting in the two primary financial statements but added requirements for additional and multi-year disclosures in the Notes and RSI. Readers are encouraged to review the Notes and RSI to better understand the financial and operational results of the OPEB Trust.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

OVERVIEW OF THE FINANCIAL STATEMENTS, cont

The Statements of Plan Net Position and the Statements of Changes in Plan Net Position report information about the Plan's activities. These statements include all assets and liabilities, using the full accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Net Position, the difference between assets and liabilities, is one way to measure the plan's financial position. Over time, increase and decrease in Net Position is one indicator of whether its financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring the Plan's overall health. Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the financial statements the accompanying notes present information that is essential to understanding the financial statements. The Required Supplementary Information presents certain required information concerning the Plan's progress in funding its obligations to provide resources for retiree medical benefits to members.

FINANCIAL ANALYSIS

As previously noted, Net Position may serve over time as a useful indication of the Plan's financial position. The assets of the Plan exceeded its liabilities at the December 31, 2021 because the Plan had \$2,880,572 in assets and no recorded liabilities. The Trust is intended to accumulate net resources to fund the Albany County Airport Authority's obligation to pay for postemployment benefits (OPEB) of retired employees, other than pensions. This OPEB benefit is retiree medical care insurance. The Albany County Airport Authority's actuarial determined obligation for OPEB as of December 31, 2021 was \$8,572,712. Accordingly the Plans Net Position is not sufficient to fully fund this obligation and additional contributions will be necessary along with investment earnings to fully fund the Authority's estimated OPEB obligation. The Albany County Airport Authority's actuarial determined OPEB obligation is based upon significant assumptions and estimates about future events, costs, funding decisions and is subject to frequent change and revision.

CONTACTING THE TRUST'S FINANCIAL MANAGEMENT

This financial report is designed to provide the public with a general overview of the Plan's finances and to show the Plan's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the Albany County Airport Authority Other Post Employment Benefit Plan Trustee at c/o Albany County Airport Authority, Terminal Building, Third Floor, 737 Albany Shaker Road, Albany, NY 12211.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Statements of Fiduciary Fund Net Position
As of December 31, 2020 and 2021

	2020	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,681,769	\$ 2,683,186
Receivable from Albany County Airport Authority	<u>-</u>	<u>197,386</u>
Total Assets	2,681,769	2,880,572
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
	\$ <u>2,681,769</u>	\$ <u>2,880,572</u>
 <u>LIABILITIES</u>	 <u>-</u>	 <u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	 <u>-</u>	 <u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>
 <u>NET POSITION</u>	 <u>-</u>	 <u>-</u>
Net Position - Restricted for OPEB	\$ <u>2,681,769</u>	\$ <u>2,880,572</u>

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Statements of Changes In Fiduciary Fund Net Position
Years Ended December 31, 2020 and 2021

	2020	2021
Additions to Net Position Attributed to		
Contributions		
Employer	\$ 469,251	\$ 442,517
Interest Income	12,664	1,417
Implicit Cost Amount	<u>-</u>	<u>-</u>
Total Additions	<u>481,915</u>	<u>443,934</u>
Deductions from Net Position Attributed to		
Retirement Benefits	171,663	205,200
Implicit Cost Amount	57,479	39,931
Administration Expenses	<u>17</u>	<u>-</u>
	<u>229,159</u>	<u>245,131</u>
Increase in Net Position	252,756	198,803
Net Position – Restricted for OPEB, Beginning of Year	<u>2,429,013</u>	<u>2,681,769</u>
Net Position – Restricted for OPEB, End of Year	\$ <u>2,681,769</u>	\$ <u>2,880,572</u>

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Notes to Financial Statements
Year Ended December 31, 2020 and 2021

1. DESCRIPTION OF THE PLAN

The following information of the Albany County Airport Authority OPEB Trust (the Plan), a component unit of the Albany County Airport Authority (the Authority) provides only general information. Readers should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The OPEB Plan is a single-employer defined benefit healthcare plan trust administered by the Authority. The Plan provides medical insurance benefits to eligible retirees who elect to receive it and their eligible dependents. Membership of the Plan consists of 44 plan members composed of; 20 Active and 24 employees. The Plan is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was created by the Albany County Airport Authority to be managed by a sole trustee intended to be the Chief Financial Officer of the Authority who is the plan Trustee. The Plan is a component unit of the Albany County Airport Authority. The Trust has a fiduciary duty to provide plan benefits to eligible beneficiaries. So long as the Albany County Airport Authority provides the required benefits, the Trust's obligation is fulfilled and it may then reimburse the Albany County Airport Authority for the cost of the benefits provided, if requested to do so.

Contributions

Contributions to the Plan are likely to be entirely funded by the employer (the Authority). Participants hired prior to July 1, 2005 are not required to contribute to the plan. Participants hired on or after July 1, 2005 are required to contribute 10% of the cost of plan benefits to the plan, offset by the value of their unused sick leave up to 1,320 hours at the time of retirement. The Plan was established and may be amended by the Authority. The Authority has no obligation to fund the plan. Contributions made were provided for in the Authority's annual budgets for 2008 through 2021 along with interest earnings thereon. Any future contributions to the plan would be authorized by a future resolution of the Authority.

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

1. DESCRIPTION OF THE PLAN, continued

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the written plan as currently approved by the Authority and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2020 actuarial valuation, the individual entry age normal method was used. The actuarial assumptions included a 2.50 percent investment rate of return (net of administrative expenses), based on the plan being funded in an irrevocable employee benefit trust invested allowing for both an equity and fixed income portfolio. Healthcare cost trend rates are estimated at a rate of 4.5 percent. The actuarial value of assets was not determined in this actuarial valuation. At December 31, 2020 and 2021, the Plan held Net Position in the amount of \$2,681,769 and \$2,880,572, respectively, which consisted of amounts on deposit with the Trust.

Investment Options

The Trustee holds the Assets of the Plan. Contributions received from the Authority are allocated between assets available for investment and assets maintained for payment of benefits and administrative expenses.

Plan Termination

In the event of Plan termination or if the Trust were to fully accomplish its purpose, the net assets of the Trust would be allocated as prescribed in the Trust document, generally to pay in the order indicated:

- The Authority's remaining retiree medical benefit liabilities
- Reasonable expenses of administering the Plan

Any assets remaining in the Trust after paying off the above liabilities shall revert back to the Authority.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying basic financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned, and liabilities are recognized when incurred. Employer contributions are recognized when received because only one employer contributor exists. Benefits and refunds of contributions are recognized when due and payable or upon receipt of claim for reimbursement for payment of benefits by the Authority based upon a certificate signed by its Chief Executive Officer.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Governmental Accounting Standards

The financial statements of the plan have been prepared in accordance with generally accepted accounting principles (GAAP) followed in the United States of America. In the U.S. the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting.

Cash and Cash Equivalents

The Plan's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition.

Administrative Expenses

Certain internal costs of administering the Plan will be paid by the Plan. Administrative expenses for the year ended December 31, 2020 and 2021 were \$17 and \$-0-, respectively.

Benefits

Benefits will be recognized when paid or when a claim for reimbursement for payment of benefits is received from the Authority. The Plan has not yet paid any benefits or claims for reimbursement directly and the Authority continues to fund retiree health care costs directly.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

3. TAX STATUS

The Authority structured and intends that the Trust administering the Plan shall be a tax-exempt governmental trust under Section 115 of the Internal Revenue Code (the Code) and that income derived from the Trust Estate shall be excludable from gross income for federal tax purposes pursuant to Section 115 of the Code.

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

4. INVESTMENTS

The Authority has adopted an investment policy for the Trust that the Authority may amend from time to time. The Authority adopted an Investment Policy for effectively supervising, monitoring and evaluating the investment assets of the Plan. The investment policy allows for the plan assets to be comprised of:

Fixed Income	0%-60%
Cash Equivalent	5%-100%
Domestic Equity.....	0%-60%
International Equity.....	0%-60%
Other Equity.....	0%-20%

As of December 31, 2020 and 2021 all plan assets were on deposit with M&T Bank, in a cash in an interest bearing demand deposit account, the entire balance of which was collateralized by obligations that are guaranteed by the U.S. Government and held by a 3rd party custodian. The Trustee believes the investment and management of the assets of the Plan have complied with the Trust investment policy adopted by the Authority.

5. OTHER POSTEMPLOYMENT BENEFITS UNDER GASB 74

The components of the net OPEB liability of the Authority as of December 31, were as follows:

	2020	2021
Net OPEB Liability at beginning of period	\$7,599,110	\$5,723,485
Service Cost	179,110	200,491
Interest	328,041	212,098
Changes in assumptions	(835,252)	-
Differences between expected and actual experience	(1,065,626)	-
Net investment income	(12,647)	(1,417)
Employer contributions to the trust	(411,772)	(442,517)
Benefit payments withdrawn from the trust	171,663	245,131
Benefit payments excluding implicit cost	(171,663)	(205,200)
Implicit cost amount	(57,479)	(39,931)
	<u>\$5,723,485</u>	<u>\$5,692,140</u>

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

5. OTHER POSTEMPLOYMENT BENEFITS UNDER GASB 74, continued

Actuarial assumptions

Total OPEB liability was determined by actuarial valuations as of December 31, 2020. The following actuarial assumptions are as follows:

Investment rate of return	2.50%, net of OPEB plan investment expense, including inflation
Municipal bond rate	2.25% as of December 31, 2021 (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG)
Single equivalent discount rate:	2.50%, net of OPEB plan investment expense, including inflation..
Inflation	2.50% as of December 31, 2020 and for future periods
Salary Increases	3.00% annually as of December 31, 2020 and for future periods
Cost of living adjustments	Not Applicable
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.

Discount rate

The discount rate used to calculate the total OPEB liability was 2.5%. The following table presents the results if the discount rate was 1% lower or 1% higher:

Impact of a 1% Change in the Discount Rate as of the December 31, Measurement Date

	OPEB Liability		
	1% Decrease	Current	1% Decrease
2019 (3.75%)	\$11,887,781	\$10,028,123	\$8,549,823
2020 (2.50%)	9,875,873	8,405,254	7,336,189
2021 (2.50%)	10,091,445	8,572,712	7,335,582

	Service Cost		
	1% Decrease	Current	1% Decrease
2019 (3.75%)	\$364,677	\$276,198	\$211,365
2020 (2.50%)	238,609	179,110	140,812
2021 (2.50%)	267,739	200,491	150,040

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

5. OTHER POSTEMPLOYMENT BENEFITS UNDER GASB 74, continued

Healthcare Trend

The healthcare cost trend cost rate used to calculate the total OPEB liability was 5%. The following table presents the results if the healthcare cost rate was 1% lower or 1% higher:

Impact of a 1% Change in the Health Cost Trend as of the December 31, Measurement Date

	OPEB Liability		
	1% Decrease	Current	1% Decrease
2019 (3.75%)	\$8,375,461	\$10,028,123	\$12,143,887
2020 (2.50%)	7,119,673	8,405,254	10,044,296
2021 (2.50%)	7,256,090	8,572,712	10,254,760

	Service Cost		
	1% Decrease	Current	1% Decrease
2019 (3.75%)	\$219,125	\$276,198	\$351,316
2020 (2.50%)	139,047	179,110	233,915
2021 (2.50%)	155,536	200,491	262,071

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Required Supplementary Information
Schedule of Changes in the Airport's Net OPEB Liability and Related Ratios

	Service Cost		
	2019	2020	2021
Total Liability	\$10,028,123	\$8,405,254	\$8,572,712
Service Cost	276,198	179,110	200,491
Interest of total OPEB liability, service cost and benefit paymts.	338,961	328,041	212,098
Changes in benefit terms	-	-	-
Difference between expected & actual plan experience	(161,281)	(1,065,626)	-
Changes of assumptions	731,575	(835,252)	-
Benefit payments excluding implicit cost	-	(171,663)	(205,200)
Implicit cost amount	-	(57,479)	(39,931)
Net change in OPEB liability	1,185,453	(1,622,869)	167,458
Total OPEB liability – beginning of period	8,842,670	10,028,123	8,405,254
Total OPEB liability – end of period	<u>\$10,028,123</u>	<u>\$ 8,405,254</u>	<u>\$8,572,712</u>
Plan Fiduciary Net Position	\$2,429,013	\$2,681,769	\$2,880,572
Interest on fiduciary net position			
Earning from plan investments	44,608	12,647	1,417
Employer contribution to trust	325,000	411,772	442,517
Benefit payments from trust, incldng refunds of member contrb.	(161,281)	(171,663)	(245,131)
Administrative expense	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	208,327	252,756	198,803
Plan fiduciary net position – beginning of period	2,220,686	2,429,013	2,681,769
Plan fiduciary net position – end of period	<u>\$2,429,013</u>	<u>\$2,681,769</u>	<u>\$2,880,572</u>
Net OPEB Liability	\$7,599,110	\$5,723,485	\$5,692,140
Plan Fiduciary net position as a % of total OPEB liability	24.22%	31.91%	33.60%
Covered employee payroll	\$1,962,761	\$2,081,031	2,143,470
Plan NOL as a % of covered employee payroll	387.16%	275.03%	265.56%
Single discount rate to calculate plan liabilities	3.25%	2.50%	2.50%

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Required Supplementary Information
Schedule of Actuarially Determined Contributions

	Service Cost		
	2019	2020	2021
Service Cost	\$276,198	\$179,110	200,491
Thirty year amortization of NOL	<u>287,733</u>	<u>177,628</u>	<u>176,655</u>
Actuarial determined contribution	563,931	356,738	377,146
Contribution in relation to the actuarially determined contrib.	<u>(325,000)</u>	<u>(411,772)</u>	<u>(442,517)</u>
Contribution deficiency/(excess)	\$238,931	(\$ 55,034)	(65,371)
Covered employee payroll	\$1,962,761	\$2,081,031	\$2,143,470
Contributions as a % of Covered Employee Payroll	16.56%	19.79%	20.64%
Discount Rate	3.25%	2.50%	2.50%
Money Weighted Rate of Return	2.01%	0.52%	0.05%

ALBANY COUNTY AIRPORT AUTHORITY OPEB TRUST
(A Component Unit of the Albany County Airport Authority)

Required Supplementary Information
Schedule of Money-Weighted Investment Return

	2020	2021
Beginning Value	\$2,429,013	\$2,681,769
Annual contribution to OPEB Trust	240,109	197,386
Annual interest earnings	<u>12,647</u>	<u>1,417</u>
Ending Value	<u>\$2,681,769</u>	<u>\$2,880,572</u>
 Money weighted rate of return	 0.52%	 0.05%

**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 Trustee
Albany County Airport Authority OPEB Trust

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 statement of fiduciary net position of the Albany County Airport Authority OPEB Trust (the Trust), a component unit of the Albany County Airport Authority, as of December 31, 2021, the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 24, 2022.

Report on Internal Control over Financial Reporting

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

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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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 financial statements.

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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marvin and Company, P.C.

Latham, NY
March 24, 2022