

ALBANY INTERNATIONAL CORP /DE/
Form 11-K
June 27, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

**Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934**

(☒) Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the fiscal year ended December 31, 2016

OR

**(☐) Transition report pursuant to Section 15(d) of the Securities
Exchange Act of 1934 (No Fee Required)**

For the transition period from to

Commission file number 1-10026

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Albany International Corp. Prosperity Plus Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Albany International Corp.

216 Airport Drive, Rochester, New Hampshire 03867

Albany International Corp. Prosperity Plus Savings Plan

Financial Statements and Supplemental Schedule

December 31, 2016 and 2015

Albany International Corp.

Prosperity Plus Savings Plan
December 31, 2016 and 2015

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Report of Independent Registered Public Accounting Firm

The Participants, Administrator and Compensation Committee of Albany International Corp. Prosperity Plus Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Albany International Corp. Prosperity Plus Savings Plan (the Plan) as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2016 has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2016 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2016 is fairly stated in all material respects in relation to the 2016 financial statements as a whole.

/s/ KPMG LLP

Albany, New York
June 27, 2017

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Albany International Corp.

Prosperity Plus Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

| | 2016 | 2015 |
|---|----------------|----------------|
| Assets | | |
| Investments, at fair value: | | |
| Registered investment companies | \$ 217,763,130 | \$ 201,309,496 |
| Common stocks and other investments | 402,175 | 1,169,612 |
| Common collective trust funds | 39,317,394 | 42,478,897 |
| Albany International Corp. common stock | 27,490,144 | 25,243,739 |
| Total investments | 284,972,843 | 270,201,744 |
| Receivables: | | |
| Employer contribution receivable | 2,642,259 | 2,202,538 |
| Notes receivable from participants | 5,262,701 | 5,355,515 |
| Other assets | 49,971 | 162,648 |
| Total assets | 292,927,774 | 277,922,445 |
| Liabilities | | |
| Other liabilities | - | 9,955 |
| Total liabilities | - | 9,955 |
| Net assets available for benefits | \$ 292,927,774 | \$ 277,912,490 |

The accompanying notes are an integral part of these financial statements.

Albany International Corp.

Prosperity Plus Savings Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|--|---------------|---------------|
| Investment income: | | |
| Interest and dividends | \$7,366,996 | \$6,223,187 |
| Net appreciation/(depreciation) in fair value of investments | 19,157,248 | (9,123,953) |
| Net investment income/(loss) | 26,524,244 | (2,900,766) |
| Contributions: | | |
| Employer | 8,161,252 | 6,918,238 |
| Participants | 11,441,528 | 10,025,896 |
| Rollovers due to acquisition | 1,993,534 | - |
| Interest income notes receivable from participants | 224,580 | 231,017 |
| Total contributions | 21,820,894 | 17,175,151 |
| Total additions | 48,345,138 | 14,274,385 |
| Deductions: | | |
| Benefits paid to participants | (33,126,776) | (18,914,620) |
| Administrative expenses and other deductions | (203,078) | (162,011) |
| Total deductions | (33,329,854) | (19,076,631) |
| Net increase/(decrease) | 15,015,284 | (4,802,246) |
| Net assets available for benefits: | | |
| Beginning of year | 277,912,490 | 282,714,736 |
| End of year | \$292,927,774 | \$277,912,490 |

The accompanying notes are an integral part of these financial statements.

Albany International Corp.

Prosperity Plus Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

1. Description of Plan

The following description of the Albany International Corp. (the “Company”) Prosperity Plus Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan covers all full time domestic employees of the Company and its subsidiaries, except those covered by a collective bargaining agreement that does not provide for participation in the Plan, temporary employees, leased employees, contractors, interns and co-op students. Eligible employees hired on or after January 1, 2009, automatically become participants in the Plan for purposes of making Pre-Tax Participant Contributions, unless otherwise elected by the participant.

On April 8, 2016, the Company and Plan Sponsor acquired the outstanding shares of Harris Corporation’s composite aerostructures business. During 2016, participants contributed amounts representing distributions from other qualified defined benefit or defined contribution plans of \$1,993,534 of assets, which are included in Rollovers due to acquisition within the Statements of Changes in Net Assets Available for Benefits.

Contributions

Participants may make voluntary contributions to the Plan, that do not exceed the greater of 100% of the Participant’s Compensation, or \$15,000, subject to certain limitations, on a before-tax and/or after-tax basis as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions, as well as the employer contributions, into various investment options offered by the Plan. The Plan currently offers various investment options including registered investment companies, common stock, common collective trusts, a participant directed brokerage option and Albany International Class A common stock. The Company makes a matching contribution to the Plan up to 5% of the participant’s eligible compensation of which 100% is of the first 4%, and 50% is of the next 2% deferred by the participant.

Profit-Sharing Contribution

The Plan provides for a discretionary annual profit-sharing contribution. Profit-sharing contributions are based upon a minimum 1% employee participation in the Plan and are in addition to, and separate from, Company non-discretionary matching contributions. In order to receive a profit-sharing contribution, an employee must be an active contributing participant in the Plan on the last day of the year for which the profit-sharing contribution is made. If an employee is eligible, yet chooses to participate for less than a full year, the profit-sharing contribution will be pro-rated. The amount of the profit sharing contribution is based on a formula stated at the beginning of the year. The Company’s contribution for profit-sharing is in the form of cash and was \$2,642,259 and \$2,202,538 for the years ended December 31, 2016 and 2015, respectively.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Albany International Corp.

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Notes to Financial Statements

December 31, 2016 and 2015

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000, minus the participant's highest outstanding note balance over the last 12 months, or 50% of their account balance. Interest rates on notes are determined by the Compensation Committee from time to time with the rate remaining constant throughout the life of the note (rates range between 4.25% and 10.25% at December 31, 2016 and 2015). Notes are to be repaid through payroll deductions, although they may be repaid in a lump sum amount, generally over a period from 1 to 5 years except for notes for the purchase of a primary residence, which range from 5 to 20 years.

Vesting

Participants are vested immediately in their and the Company's contributions plus actual earnings thereon.

Payment of Benefits

Upon termination of service, total disability, death or retirement, participants have the option to receive an amount equal to the value of their accounts in a lump sum payment or, in the case of total disability or retirement, monthly installments over a period not to exceed 15 years. Participants may also elect prior to retirement to withdraw up to 100% of their after-tax contributions and up to 100% of before-tax contributions if the Internal Revenue Service's criteria for "financial hardship" are met.

Plan Termination

The Company intends to continue the Plan indefinitely but reserves the right to modify, amend, suspend or terminate the Plan. In the event of plan termination, distributions would be allocated based on the value of the participant accounts.

Administrative Costs

Certain direct costs incurred in administering the Plan are borne by the Company. The Company paid Plan administrative expenses of \$143,577 and \$135,856 during 2016 and 2015, respectively, which principally consisted of plan fiduciary services. Expenses paid by the Plan included investment advisory fees, and securities brokerage fees.

2.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of

assets and liabilities and disclosure of contingent assets and liabilities at the Statement of Net Assets Available for Benefits date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Albany International Corp.

Prosperity Plus Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Risks and Uncertainties

The Plan provides for various investment options in any combination of stocks, common collective trusts, registered investment companies and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Investment Valuation and Income Recognition

Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers and custodians. See Note 3 for discussion of fair value measurements.

Security transactions are recorded on a trade-date basis. Gains or losses on sales of securities are based on average cost.

Dividend income is recorded on the ex-dividend date. Dividends declared by the Board of Directors of the Company on Albany International Corp. Class A common stock may be reinvested in the Plan or received as a cash distribution as elected by the participant. Total cash dividends received by participants were \$358,664 and \$389,113 for the years ended December 31, 2016 and 2015, respectively. Interest income is recorded as earned.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation/depreciation in the fair value of its investments, which consists of realized gains and losses and unrealized appreciation/depreciation on those investments.

Payment of Benefits

Benefit payments are recorded when paid.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Fees related to participant loans are paid by the participants. No allowance for credit losses has been recorded as of December 31, 2016 or 2015. Delinquent participant loans are recorded as deemed distributions on the basis of the terms of the Plan agreement.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Investment related expenses are included in net appreciation/depreciation of fair value of investments.

Recent Accounting Pronouncements

The Company has not adopted any recent accounting pronouncements which had a significant effect on these financial statements, nor are there any accounting pronouncements that were recently issued which have not yet been adopted.

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Prosperity Plus Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

Subsequent Events

Management has evaluated the events and transactions that have occurred through the date the financial statements were available for issuance and noted no items requiring adjustment of the financial statements or additional disclosures.

3. Fair Value Measurements

The *Fair Value Measurement topic* of the FASB *Accounting Standards Codification* provides the framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset and liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs are unobservable and significant to the fair value measurement. Level 3 inputs are unobservable inputs for the asset or liability, and include situations in which there is little, if any, market activity for the asset or liability. The unobservable inputs reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value.

Investments in registered investment companies are valued using the quoted sales price on the last business day of the year, which represents the net asset value of shares held by the Plan at year end.

The common stock of Albany International Corp. and exchange traded funds, which are classified as registered investment companies, are valued using active markets at the latest quoted sales price on the last business day of the year on its principal exchange.

Investments in common collective trust funds are valued at the net asset values (NAV) per share using available inputs to measure the fair value of such funds held by the Plan at year end. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investments for an amount different than the reported NAV. Participant transactions (purchases

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Notes to Financial Statements

December 31, 2016 and 2015

and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. There are no penalties or restrictions for withdrawing assets from the common collective trust funds at any time.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015.

| | Assets at Fair Value as of December 31, 2016 | | | |
|---|--|--|---------------------------------------|--------------|
| | Quoted prices in active market | Significant other observable inputs | Significant unobservable inputs | Total |
| | Level 1 | Level 2 | Level 3 | |
| Registered investment companies | | | | |
| Balanced funds | \$85,699,955 | \$- | \$ - | \$85,699,955 |
| Bond funds | 18,611,508 | - | - | 18,611,508 |
| Domestic stock funds | 96,679,336 | - | - | 96,679,336 |
| International stock funds | 14,669,294 | - | - | 14,669,294 |
| Money market funds | 2,094,751 | - | - | 2,094,751 |
| Commodities | 8,286 | - | - | 8,286 |
| Common stocks and other investments | 402,175 | - | - | 402,175 |
| Common collective trust funds | - | 39,317,394 | - | 39,317,394 |
| Albany International Class A common stock | 27,490,144 | - | - | 27,490,144 |
| Total investments in the fair value hierarchy | \$245,655,449 | \$39,317,394 | \$ - | 284,972,843 |

| | Assets at Fair Value as of December 31, 2015 | | | |
|---------------------------------|--|--|---------------------------------------|--------------|
| | Quoted prices in active market | Significant other observable inputs | Significant unobservable inputs | Total |
| | Level 1 | Level 2 | Level 3 | |
| Registered investment companies | | | | |
| Balanced funds | \$77,127,728 | \$ - | \$ - | \$77,127,728 |
| Bond funds | 19,113,937 | - | - | 19,113,937 |
| Domestic stock funds | 89,517,491 | - | - | 89,517,491 |
| International stock funds | 14,591,527 | - | - | 14,591,527 |
| Money market funds | 859,974 | - | - | 859,974 |

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| | | | | |
|--|---------------|---------------|------|-------------|
| Commodities | 98,839 | - | - | 98,839 |
| Common stocks and other investments | 1,169,612 | - | - | 1,169,612 |
| Common collective trust funds | - | 42,478,897 | - | 42,478,897 |
| Albany International Class A common stock | 25,243,739 | - | - | 25,243,739 |
| Total investments | \$227,722,847 | \$ 42,478,897 | \$ - | 270,201,744 |

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Albany International Corp.

Prosperity Plus Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

There were no transfers between Level 1, Level 2 and Level 3 for the years ended December 31, 2016 and 2015.

During 2016 and 2015, the Plan's investments earned interest and dividend income as follows:

| | 2016 | 2015 |
|-------------------------------------|-------------|-------------|
| Registered investment companies | \$6,502,025 | \$5,331,922 |
| Common stocks and other investments | 48,744 | 62,192 |
| Common collective trust | 816,227 | 829,073 |
| | \$7,366,996 | \$6,223,187 |

4. Related Party and Party in Interest Transactions

The Plan invests in shares of mutual funds (including the Vanguard brokerage option) managed by an affiliate of Vanguard Fiduciary Trust Company ("VFTC"). VFTC acts as trustee for the investments held by the Plan. The Plan also invests in shares of the Plan Sponsor's Albany International Class A common stock. The Plan purchased \$1,402,029 and \$1,990,400 and sold \$5,409,118 and \$5,467,785 of Albany International Class A common stock during the years ended December 31, 2016 and 2015, respectively. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Participant loans also qualify as party-in-interest transactions.

5. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated November 21, 2016, that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, the Plan administrator believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Reconciliation of Financial Statements to Form 5500

Notes receivable from participants that are in default continue to be treated on the financial statements as notes receivable, but are treated on Form 5500 as deemed distributions, which are considered taxable distributions from the Plan.

Albany International Corp.

Prosperity Plus Savings Plan

Notes to Financial Statements

December 31, 2016 and 2015

A reconciliation of total investments per the financial statements at December 31, 2016 and 2015 to the annual report filed on Form 5500, Schedule H as required by the Department of Labor follows.

| | | |
|--|---------------|---------------|
| Total investments per financial statements | \$284,972,843 | \$270,201,744 |
| Notes receivable from participants | 5,262,701 | 5,355,515 |
| Deemed distributions | 21,665 | 24,521 |
| Total notes receivable per Form 5500 | 5,241,036 | 5,330,994 |
| Total investments per Form 5500 | \$290,213,879 | \$275,532,738 |

A reconciliation of deductions per the financial statements for the years ended December 31, 2016 and 2015 to the annual report filed on Form 5500, Schedule H as required by the Department of Labor follows.

| | 2016 | 2015 |
|---|--------------|--------------|
| Total deductions from net assets per financial statements | \$33,329,854 | \$19,076,631 |
| Other income included in Administrative expenses and other deductions | 52,386 | 5,085 |
| Changes in deemed distributions | (2,856) | 8,866 |
| Total expenses per Form 5500 | \$33,379,384 | \$19,090,582 |

The following is a reconciliation of net assets available for benefits per the financial statements Form 5500 at December 31, 2016 and 2015:

| | 2016 | 2015 |
|--|---------------|---------------|
| Net assets available for benefits per the financial statements | \$292,927,774 | \$277,912,490 |
| Deemed distributions | (21,665) | (24,521) |
| Net assets available for benefits per Form 5500 | \$292,906,109 | \$277,887,969 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to Form 5500 for the years ended December 31, 2016 and 2015:

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| | 2016 | 2015 |
|--|--------------|---------------|
| Net increase/(decrease) in available for benefits per the financial statements | \$15,015,284 | \$(4,802,246) |
| Changes in deemed distributions | 2,856 | (8,866) |
| Net increase/(decrease) in assets available for benefits per Form 5500 | \$15,018,140 | \$(4,811,112) |

Supplemental Schedule

Albany International Corp.

Prosperity Plus Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2016

| (a)(b) | (c) Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) | (e) |
|--|---|---------|------------------|
| Identity of Issue/Borrower, Lessor or Similar Party | | Cost ** | Current Value |
| * Alps Alerian Mlp Etf | Registered Investment Company | - | 10,710 |
| * Cambria Dhandho Junoon Etf | Registered Investment Company | - | 1,988 |
| * Dodge & Cox International Stock Fund | Registered Investment Company | - | 14,657,856 |
| * Doubleline Total Return Bond CI N | Registered Investment Company | - | 9,332 |
| * Duff & Phelps Global Utility Income | Registered Investment Company | - | 4,650 |
| * Fidelity Advisor Emerging Markets Income CI I | Registered Investment Company | - | 11,743 |
| * Fidelity Floating Rate High Income | Registered Investment Company | - | 4,391 |
| * Gamco Global Gold Natural Res & Income Trust Com Sh Ben Int | Registered Investment Company | | 1,723 |
| * Global X Superdividend Etf | Registered Investment Company | - | 3,122 |
| * Goldman Sachs Small Cap value Fund; Institutional Shares | Registered Investment Company | - | 5,500,973 |
| * JPMorgan Core Bond Fund; Class R6 Shares | Registered Investment Company | - | 18,267,965 |
| * Merger Fund Investor CI | Registered Investment Company | - | 9,874 |
| * Metropolitan West Intermediate Bond CI M | Registered Investment Company | - | 5,853 |
| * Nuveen Build America Bond Fund | Registered Investment Company | - | 6,189 |
| * Nuveen Floating Rate Income Opportunity Fund | Registered Investment Company | - | 10,057 |
| * Powershares Build America Bond Etf | Registered Investment Company | - | 9,658 |
| * Powershares Cef Income Composite Etf | Registered Investment Company | - | 16,808 |
| * Principal Diversified Real Asset Fund; Institutional Class | Registered Investment Company | - | 310,426 |
| * Sprott Physical Gold Trust Unit | Registered Investment Company | - | 1,944 |
| * T. Rowe Price Equity Income Fund; Retail Class | Registered Investment Company | - | 18,116,079 |
| * Vanguard Energy Etf | Registered Investment Company | - | 2,274 |
| * Vanguard Federal Money Market Fund | Registered Investment Company | - | 1,697,846 |
| * Vanguard Federal Money Market Investor CI | Registered Investment Company | - | 130,091 |
| * Vanguard Healthcare Investor CI | Registered Investment Company | - | 20,155 |
| * Vanguard High Yield Corp Investor CI | Registered Investment Company | - | 5,009 |
| * Vanguard Institutional Index Fund | Registered Investment Company | - | 46,591,963 |
| * Vanguard Institutional Target Retirement 2010 Fund | Registered Investment Company | - | 1,918,600 |
| * Vanguard Institutional Target Retirement 2015 Fund | Registered Investment Company | - | 8,898,480 |
| * Vanguard Institutional Target Retirement 2020 Fund | Registered Investment Company | - | 9,331,535 |
| * Vanguard Institutional Target Retirement 2025 Fund | Registered Investment Company | - | 24,726,530 |

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| | | | |
|--|-------------------------------|---|-------------|
| * Vanguard Institutional Target Retirement 2030 Fund | Registered Investment Company | - | 4,965,718 |
| * Vanguard Institutional Target Retirement 2035 Fund | Registered Investment Company | - | 14,002,415 |
| * Vanguard Institutional Target Retirement 2040 Fund | Registered Investment Company | - | 3,355,918 |
| * Vanguard Institutional Target Retirement 2045 Fund | Registered Investment Company | - | 9,641,512 |
| * Vanguard Institutional Target Retirement 2050 Fund | Registered Investment Company | - | 3,206,910 |
| * Vanguard Institutional Target Retirement 2055 Fund | Registered Investment Company | - | 1,561,315 |
| * Vanguard Institutional Target Retirement 2060 Fund | Registered Investment Company | - | 515,701 |
| * Vanguard Institutional Target Retirement Income Fund | Registered Investment Company | - | 3,375,164 |
| * Vanguard Intermediate Term Treasury Investor Cl | Registered Investment Company | - | 21,327 |
| * Vanguard Mid-Cap Index Fund Institutional Shares | Registered Investment Company | - | 18,466,369 |
| * Vanguard Morgan Growth Fund Admiral Shares | Registered Investment Company | - | 7,954,914 |
| * Vanguard Precious Metals & Mining Investor Cl | Registered Investment Company | - | 6,012 |
| * Vanguard Prime Money Market Fund | Registered Investment Company | - | 58,559 |
| * Vanguard Prime Money Market Investor Cl | Registered Investment Company | - | 208,255 |
| * Vanguard Reit Index Admiral Cl | Registered Investment Company | - | 60,831 |
| * Vanguard Total Stock Market Index Admiral Cl | Registered Investment Company | - | 65,517 |
| * Vanguard Wellington Investor Cl | Registered Investment Company | - | 12,871 |
| | | | 217,763,130 |
| * Albany International Class A | Company Stock Fund | - | 27,490,144 |

Albany International Corp.

Prosperity Plus Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2016

| (a)(b)(c) | (d) | (e) |
|---|------------|------------------|
| Description of Investments Including Identity of Maturity Date, Rate of Interest, Issue/Borrower, Lessor or Collateral, Par, or Maturity Value Similar Party | Cost ** | Current Value |
| Aberdeen | | |
| Asia | | |
| * Pacific Mutual Funds | - | 5,093 |
| Income Fund | | |
| Inc | | |
| American | | |
| * Airlines Common Stock | - | 17,349 |
| Group Inc | | |
| Annaly | | |
| * Capital Common Stock | - | 3,689 |
| Management Inc | | |
| * Apple Common Stock | - | 18,781 |
| Inc | | |
| * Arconic Common Stock | - | 158,170 |
| Inc | | |
| Ares | | |
| * Capital Common Stock | - | 2,968 |
| Corp | | |
| * At&T Common Stock | - | 15,651 |
| Inc | | |
| Avalon | | |
| * Advanced Common Stock | - | 344 |
| Materials Inc | | |
| Banco | | |
| Santander | | |
| * S Common Stock | - | 5,299 |
| A Sponsored | | |
| Adr | | |

| | | |
|------------------|---|--------|
| Blackrock | | |
| Energy | | |
| * & Mutual Funds | - | 4,332 |
| Resources | | |
| Trust | | |
| Blackrock | | |
| Utility | | |
| * & Mutual Funds | - | 5,523 |
| Infras | | |
| Tr | | |
| Cliffs | | |
| * Natural | | |
| Common Stock | - | 8,424 |
| Res | | |
| Inc | | |
| Fidelity | | |
| * Select | | |
| Mutual Funds | - | 2,067 |
| American | | |
| Gold | | |
| Geckosystems | | |
| * International | | |
| Common Stock | - | 1,901 |
| Corp | | |
| Ishares | | |
| * Gold | | |
| Common Stock | - | 1,385 |
| Trust | | |
| * Itonis | | |
| Common Stock | - | 1,162 |
| Inc | | |
| Kinder | | |
| * Morgan | | |
| Common Stock | | 10,885 |
| Inc | | |
| De | | |
| Lynas | | |
| * Common Stock | - | 56 |
| Corp | | |
| Ltd | | |
| Mgt | | |
| Capital | | |
| * In | | |
| Common Stock | - | 438 |
| Inc | | |
| New | | |
| Mistral | | |
| Ventures | | |
| * Inc | | |
| Common Stock | | 70 |
| Com | | |
| Par | | |
| \$0.001 | | |
| New | | |
| Residential | | |
| * In | | |
| Common Stock | | 2,672 |
| Corp | | |
| New | | |
| * On | | |
| Common Stock | | 5,314 |
| Healthcare | | |

| | | |
|-------------------|---|--------|
| Investors | | |
| Inc | | |
| Peoples | | |
| * UtCommon Stock | - | 8,055 |
| Bancorp | | |
| * Pharmagen | | |
| Common Stock | - | 3 |
| Inc | | |
| Potash | | |
| Corp | | |
| * OfCommon Stock | - | 2,612 |
| Saskatchewan | | |
| Inc | | |
| Protagenic | | |
| * TheCommon Stock | - | 5 |
| Inc | | |
| Rare | | |
| * Element | | |
| Common Stock | - | 15 |
| Resources | | |
| Ltd | | |
| Royal | | |
| Dutch | | |
| Shell | | |
| Plc | | |
| * SpCommon Stock | - | 5,797 |
| Adr | | |
| Repstg | | |
| B | | |
| Shares | | |
| * Seadrill | | |
| Common Stock | - | 1,083 |
| Ltd | | |
| Solo | | |
| * International | | |
| Common Stock | - | 7 |
| Inc | | |
| New | | |
| * Starbucks | | |
| Common Stock | - | 11,583 |
| Corp | | |
| Union | | |
| * Pacific | | |
| Common Stock | - | 16,308 |
| Corp | | |
| United | | |
| Parcel | | |
| * Service | | |
| Common Stock | - | 21,094 |
| Inc | | |
| Cl | | |
| B | | |
| Valeant | | |
| Pharm | | |
| * IntCommon Stock | - | 3,630 |
| Inc | | |
| Cda | | |
| * Common Stock | - | 16 |

| | | |
|--|---|-------------------|
| Vantage Drilling Company Verizon * Communications Inc Vodafone Group Plc * New Common Stock Sponsored Adr No Par Xg Technology * In Common Stock Par \$.00001 Zoom Technologies * In Common Stock Par \$0.01 | - | 34,413 |
| | - | 12,215 |
| | - | 13,765 |
| | - | 1 |
| | | 402,175 |
| Vanguard Retirement * Savings Common Collective Trust Master Trust | - | 39,317,394 |
| Participant * Participant loans (for a term not exceeding 20 years at interest rates ranging from 4.25% Notes to 10.25%), maturities from 5/24/2018 through 5/24/2037 Receivable | - | 5,262,701 |
| | | \$ 290,235,544 |
| * Party-in-interest | | |
| ** Cost information is not required for participant-directed investments and therefore, is not included | | |

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALBANY
INTERNATIONAL
CORP.

By:/s/ John B. Cozzolino
Name: John B. Cozzolino
Title: Chief Financial
Officer and Treasurer and
Chairman, Albany
International Corp.
Pension Administration
Committee

June 27, 2017