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December 29, 2011

Board of Directors  
Fort Wayne-Allen County Airport Authority  
3801 W. Ferguson Road, Suite 209  
Fort Wayne, IN 46809-3194

We have reviewed the audit report prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period January 1, 2010 to December 31, 2010. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Fort Wayne-Allen County Airport Authority, as of December 31, 2010 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY  
A COMPONENT UNIT OF ALLEN COUNTY  
FORT WAYNE, INDIANA**



**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED DECEMBER 31, 2010**

**Prepared by:**

**Ronnie C. Portis, CPA  
Controller**

**Sabrina P. Driver  
Accounting**

**Janice R. Lewis  
Accounting**

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
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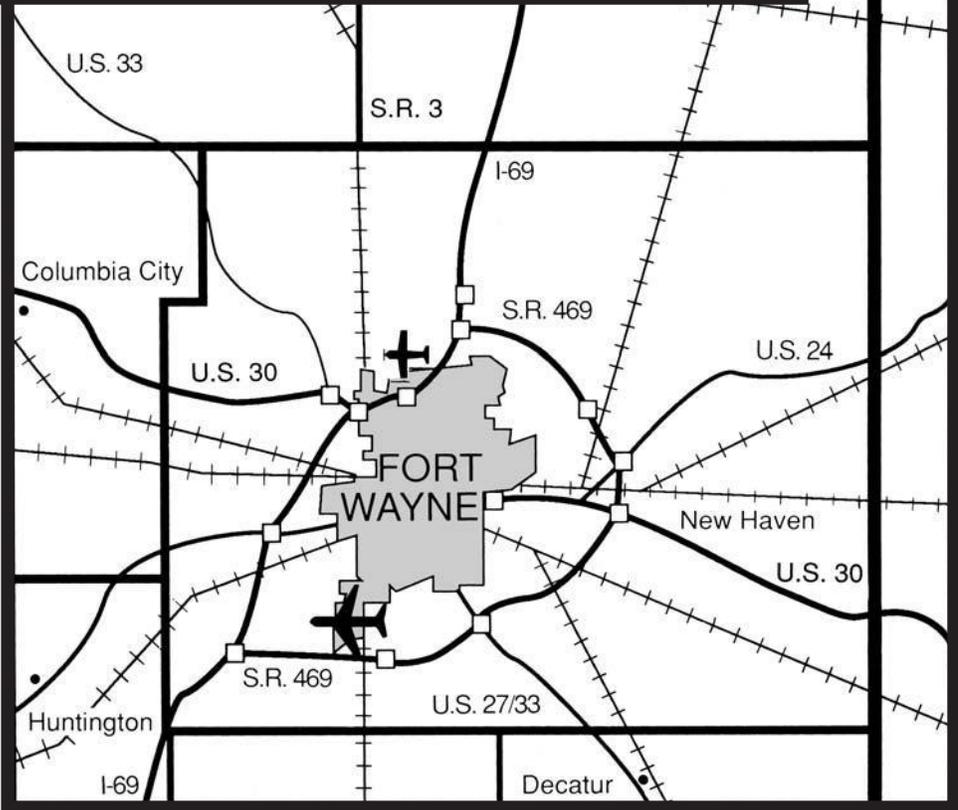
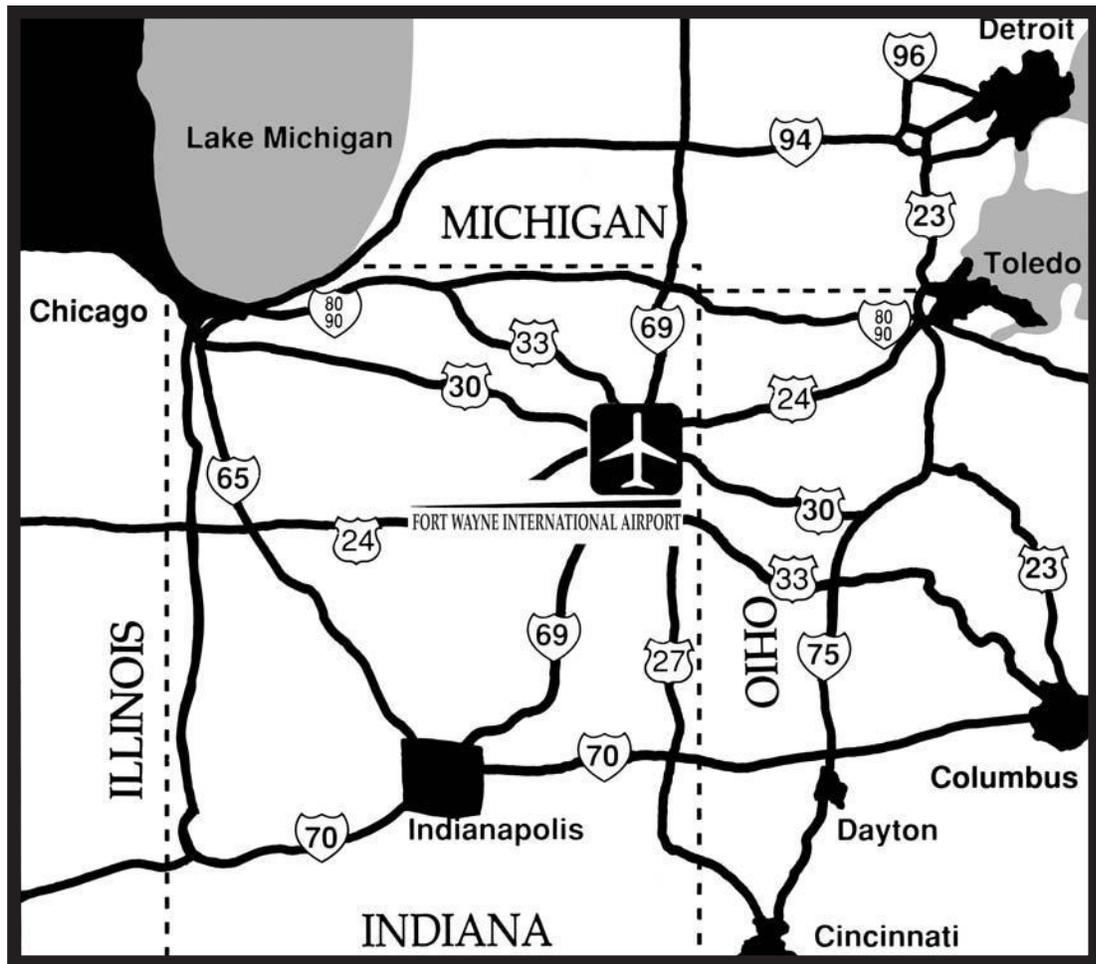
Fort Wayne International Airport (FWA)



Smith Field Airport (SMD)

# **INTRODUCTORY SECTION**

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**FORT  
WAYNE  
INTERNATIONAL  
AIRPORT**

  
**SMITH FIELD**

*Fort Wayne-Allen County Airport Authority*  
Board and Executive Director



Michael S. Gouloff, President



Richard B. "Barry" Sturges, Jr., Vice President



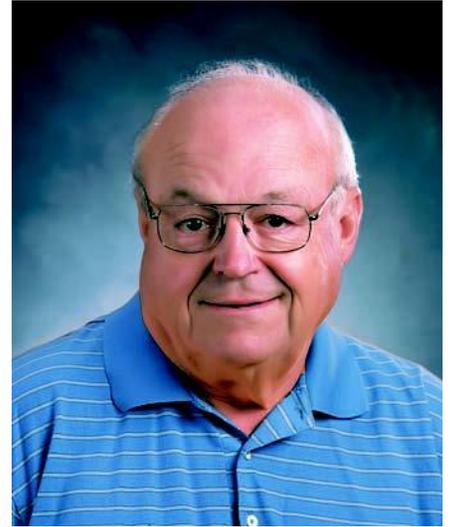
Timothy J. Haffner, Secretary



Cornelius "Neil" B. Hayes, Member



Jerome "Jerry" Henry, Jr., Member



Benjamin "Ben" T. Johnston, Member



Torrance A. Richardson, A.A.E.  
Executive Director of Airports



June 15, 2011

To the Members of the Board, and Citizens of Fort Wayne and Allen County:

The Comprehensive Annual Financial Report (CAFR) of the Fort Wayne-AlLEN County Airport Authority, a component unit of Allen County, Indiana (the Authority), for the fiscal year ended December 31, 2010 is submitted with this letter. This report was prepared by the Authority's financial staff.

The financial statements, note disclosures, and other information are the representations of management. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that has been established for this purpose. Internal control is designed to provide reasonable, but not absolute, assurance that the financial statements are free of material misstatements. Reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits of such control.

Crowe Horwath LLP, Certified Public Accountants, have issued an unqualified opinion on the Authority's financial statements for the year ended December 31, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the report of independent auditors in the financial section of this report. The MD&A includes financial highlights, overview of the financial statements, condensed financial information and analysis, and capital asset and long-term debt activity. MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the Government** - The Authority is an Indiana Municipal Corporation established July 1, 1985 under authority granted by Indiana Statute (IC 8-22-3-1). As detailed in the statute, the Authority was established for the general purpose of acquiring, maintaining, operating, and financing airports in and bordering on Allen County, Indiana. The Authority is empowered to, among other things, issue general obligation and revenue bonds and levy taxes in accordance with statutory provisions. The Authority manages an airport system in Allen County, Indiana composed of Fort Wayne International Airport, a non-hub primary commercial service airport, located in southwest Allen County, and Smith Field Airport, a general aviation airport, located in the north central part of the county.

The Authority's Board consists of six members. Three are appointed by the Mayor of the City of Fort Wayne and three are appointed by the Allen County Commissioners. The appointments are non-authoritative in nature. That is, there is no continuing linkage between the appointing authority and the board member. Board members cannot be removed without cause, and Indiana law provides an impeachment procedure to be utilized in the event that there is reasonable cause for removal of a board member.

The Allen County Council may review and modify the Authority's operating budget and the tax levy to support it. Also, issuance of general obligation bonds must be approved by the County Council and revenue bonds must be approved by the County Commissioners.

Based upon the degree of fiscal dependency and resulting financial accountability exercised by the Allen County Council and Commissioners, the Authority is considered a component unit of Allen County, Indiana, under the criteria set forth by the Government Accounting Standards Board. These criteria, as they specifically apply to the Authority, are detailed on pages 27 and 28 of the notes to the financial statements.

The Authority's component units, the Fort Wayne International Airport Building Corporation (FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC), are autonomous quasi-governmental units. Although FWIABC and FWIAATCBC are legally separate from the Authority, they are reported as if they were part of the Authority because their sole purpose is to finance construction projects for the Authority. Additional information on these component units can be found in the notes to the financial statements on pages 28 and 29.

The annual budget of the Authority is prepared by the staff and adopted by ordinance of the Board. The budget is reviewed and approved by the State Department of Local Government Finance.

Budgetary control is maintained at the major expense category level by the encumbrance of purchase orders against available legally adopted appropriations. Open purchase orders or encumbrances at the end of the fiscal year are automatically added to the subsequent year's budget under state law. For budget purposes, expenses are recognized in the year encumbered. For financial statement purposes, expenses are recognized when incurred.

**Local Economy** - During 2010, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 10.4 (non-seasonally adjusted) percent, after beginning the year at 11.8 percent in January and ending at 9.3 percent in December. The lowest rate of 9.3 percent occurred in October and December, and the highest rate of 11.9 percent occurred in February.

Several major industries are located within Allen County and the Fort Wayne region: health care, defense/aerospace engineering, financial services, automotive manufacturing, and educational institutions of higher learning.

Despite this industry diversification, the Fort Wayne regional economy continues to be dominated by the manufacturing sector. According to John Stafford, Director of the Community Research Institute, Indiana-Purdue University of Fort Wayne in an article written for the Indiana Business Review, the Fort Wayne Metropolitan Statistical Areas (MSA) (Allen, Wells and Whitley counties) lost 8,900 (23.9 percent) manufacturing jobs during the recession, nearly 10 percentage points more than the number of manufacturing jobs lost nationally. Mr. Stafford states that "...The local manufacturing sector was both a substantial portion of the Fort Wayne area job loss during the recession, accounting for over one-half of all jobs lost, and the leading sector in the current recovery to date. Total local employment has grown by approximately 1,400 jobs since the end (June 2009) of the recession. The manufacturing sector has gained 2,600 jobs during the last 15 months, more than offsetting continued job losses in several other sectors..." Mr. Stafford predicts that 2011 will look a lot like 2010. He states that "...Positive economic announcements involving new business investment and job creation will be mixed with negative announcements of company restructuring and the gradual phase out of more than 1,000 jobs associated with the Navistar operations in Fort Wayne. Job growth will continue to be very modest-perhaps a net of 1,500 to 2,000 in total employment for the Fort Wayne MSA..."

The economic downturn continued to impact the number of operations at for the Fort Wayne International Airport as the number of commercial flight operations decreased by 14.6 percent during 2010. However, the number of enplaned passengers increased 4.1 percent to 277,101. The increase in enplanements combined with reduced operations is causing record high load factors into and out of the airport. The expectations are that the level of enplanements will be stable during 2011. With this increase in enplanements, the airlines' cost per enplaned passenger decreased from \$10.77 in 2009 to \$10.18 in 2010. This decrease is caused by both the increase in enplanements and a focus by the Authority to keep costs flat. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport.

The schedule on page 81 of this report details some diversity in the local economy, as the area is not dependent on the fortunes of a single employer. The ten largest employers in Allen County make up only 14.1 percent of total employment. On page 68, it can be discerned that local government is not dependent on a single taxpayer or group of taxpayers for its revenue base. The top ten taxpayers in Allen County provide only 8.8 percent of taxable assessed valuation. Another positive development is that the number of building permits issued by the Allen County Building department for single-family and duplex residential building construction increased from 655 in 2009 to 706 in 2010. Although not a robust increase, this 7.8 percent increase is the second consecutive annual increase after six consecutive years of decline.

**Long-term Financial Planning** - The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's general aviation airport, and Fort Wayne International. The

Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger facility charges, federal and state grants, cumulative building tax revenues, and local airport revenues. Included in the capital improvement plan are provisions to make substantial improvements to the infrastructure and facilities at Smith Field: construct new T-hangars; construct common use and terminal building ramps; construct a new terminal and hangar access road; construct fuel farm; storm water and other improvements; land acquisitions for runway extensions; and additional infrastructure and building improvements. These substantial improvements are needed for safety reasons and also to increase the attractiveness and utilization of Smith Field Airport.

At Fort Wayne International, the Authority plans to modernize the passenger terminal; renovate the restaurant and bar areas; rehabilitate and replace jet bridges; reconstruct Runway 14-32; reconstruct Runway 5-23 and Taxiway C; construct Runway 5-23 shoulders; construct a new west ramp access road; and replace the perimeter security fence. Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. Rehabilitating and replacing jet bridges will improve passenger safety and convenience. Reconstructing the runways and taxiways will enhance safety on the airfield. Constructing the new access road will allow tenants to have easier access to westside facilities.

**Major Initiatives** - The Authority contracted with an aviation consulting firm to prepare a Master Plan for Fort Wayne International Airport. The Airport Master Plan will provide planning and development guidance to address landside and airside facilities and land development considerations for the next 20 years and beyond. It will serve as a strategic plan and marketing tool for the improvement of the Airport. The Plan is expected to be completed by the firm in 2011 and submitted to the Authority Board. Once approved by the Board, the Plan will be submitted to the Federal Aviation Authority for its approval. The Plan will cost approximately \$1.2 million. Federal and state grants will pay approximately 97 percent of the cost.

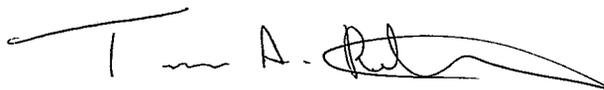
**Awards and Acknowledgements** - The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fort Wayne-Allen County Airport Authority for its CAFR for the fiscal year ended December 31, 2009. This was the twenty-first (1989 - 2009) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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 our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

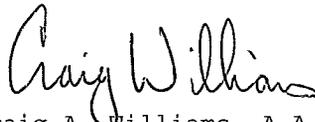
Without the strong commitment of the Authority Board to the highest standards of financial reporting, disclosure, and professionalism, this report would not have been possible. Our sincerest appreciation is expressed to all of you. The preparation of this report would not have been possible without the efficient and dedicated services of the accounting staff, Sabrina P. Driver and Janice R. Lewis. We would like to express our appreciation to the accounting staff, and others who assisted and contributed to the preparation of this report. We acknowledge the assistance of Crowe Horwath LLP, Certified Public Accountants; Tera Klutz, Allen County Auditor; and Rebecca D. Ross, Property Manager.

Respectfully submitted,

FOR WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



Torrance A. Richardson, A.A.E.  
Executive Director of Airports



Craig A. Williams, A.A.E.  
Director of Administration and Finance



Ronnie C. Portis, CPA  
Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Wayne-Allen County  
Airport Authority, Indiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

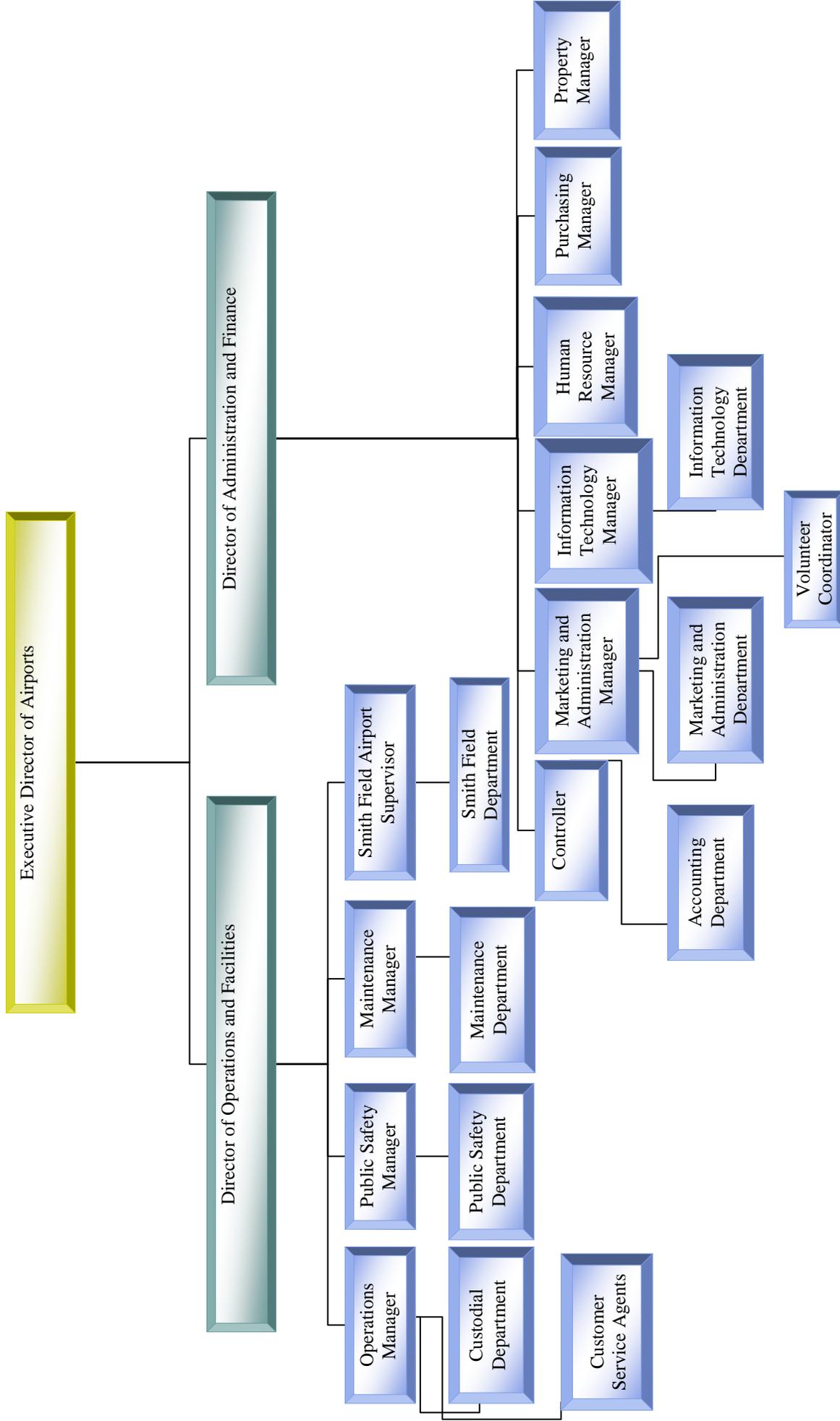
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# Fort Wayne Allen County Airport Authority



**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Principal Officials and Management**

<b>NAME</b>	<b>TITLE</b>	<b>YEARS OF SERVICE</b>
Michael S. Gouloff	President	14
Richard B. "Barry" Sturges, Jr.	Vice President	4
Timothy J. Haffner	Secretary	17
Cornelius "Neil" B. Hayes	Member	8
Jerome "Jerry" F. Henry, Jr.	Member	4
Benjamin "Ben" T. Johnston	Member	3

**STAFF**

Torrance A. Richardson, AAE	Executive Director of Airports	8
Scott D. Hinderman, AAE	Director of Operations and Facilities	4
Craig A. Williams, AAE	Director of Administration and Finance	4
Ronnie C. Portis, CPA	Controller/Treasurer	19

**ATTORNEYS**

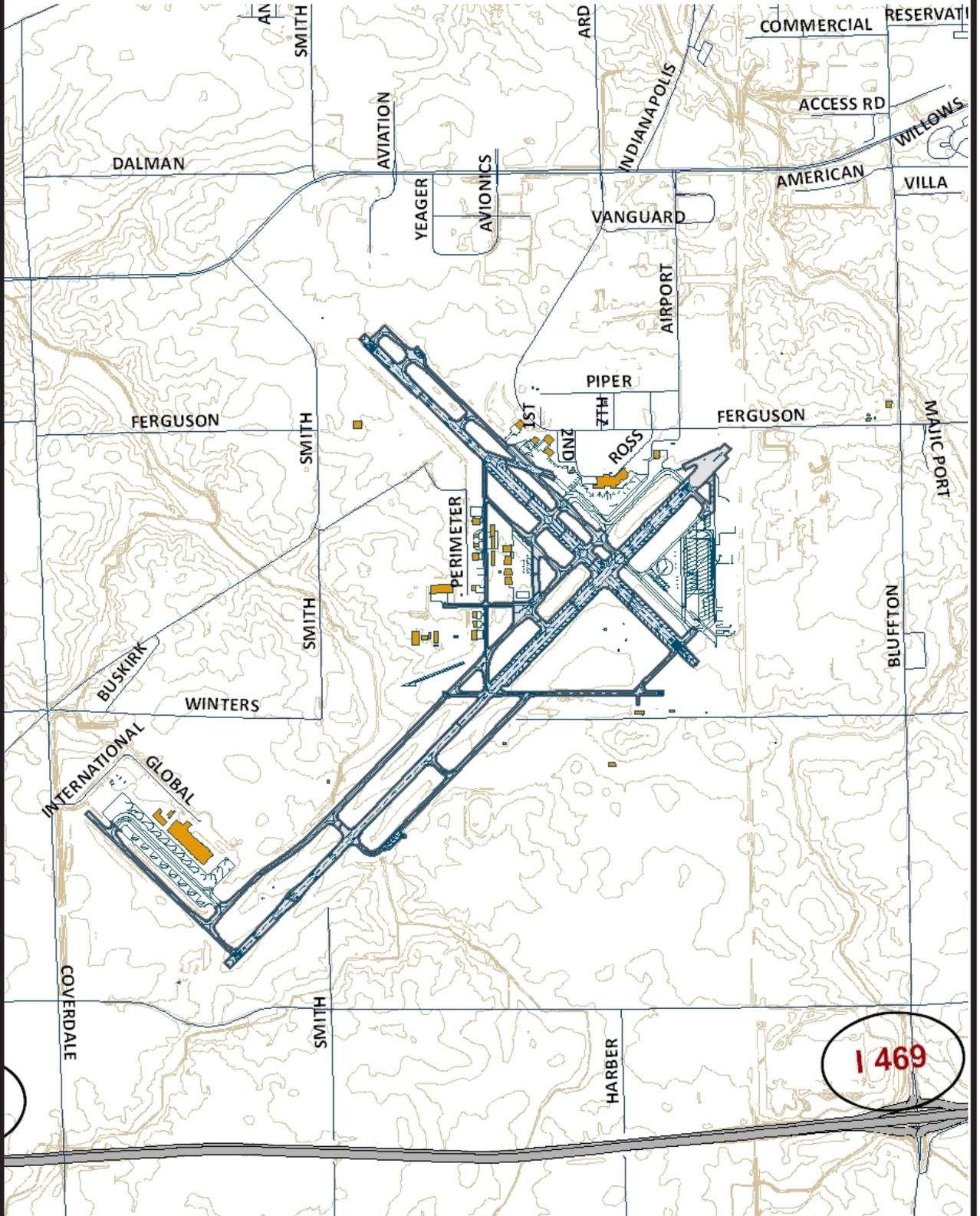
Rothberg, Logan and Warsco	20
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**CERTIFIED PUBLIC ACCOUNTANTS**

Crowe Horwath LLP	11
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# FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**FINANCIAL  
SECTION**

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Fort Wayne-Allen County Airport Authority:

We have audited the accompanying statement of net assets of the Fort Wayne-Allen County Airport Authority, (the Authority), as of December 31, 2010 and the related statements of revenues, expenses and changes in fund net assets and of cash flows for the year then ended. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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. 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 audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 14 through 21 and the Required Supplementary Information on pages 48 through 49 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Combining Schedules from pages 52 through 56 and Other Supplementary Information from pages 58 through 61 are presented for purposes of additional analysis and are not a part of the basic financial statements. The Combining Schedules and Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections as listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Crowe Horwath LLP

Fort Wayne, Indiana  
June 15, 2011

## **Management's Discussion and Analysis**

The management of the Fort Wayne-Allen County Airport Authority (the Authority) provides the following narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2010. Please read it in conjunction with the letter of transmittal to the Authority Board, located on pages 3 through 7.

### **Financial Highlights**

The Authority's net assets increased \$4,108,265 as a result of this year's operations.

Restricted net assets increased 9.4 percent due to an accumulation of Cumulative Building Fund account cash and investments from tax revenues for future terminal renovation, and an increase in federal and state grants receivable.

Investment in capital assets (net of related debt) increased \$2,396,342 (or 3.0 percent) because of a substantial increase in capital asset additions funded with federal grants coupled with a reduction in long term debt.

The Authority's long-term liabilities decreased by \$3,160,794, or 14.4 percent. This was due primarily to normal retirement of long-term debt as bond maturities came due.

Operating revenues decreased \$305,094 from 2009 to 2010, due to decreases in the airfield, buildings and grounds, and the terminal revenue categories. Decreases in these categories were partially offset by increases in parking and the reliever airport.

Nonoperating revenues (expenses) decreased 1,213,417 due primarily to decreases in property and other tax revenues, interest income and the loss on disposal of capital assets.

Nonoperating expenses decreased \$131,603 or 10.7 percent due to a reduction in interest expense.

### **Overview of the Financial Statements**

The Authority financial report consists of three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets, 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). The reporting entity consists of the Authority and its component units, the Fort Wayne International Airport Building Corporation

(FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC). The Authority and its relationship with its component units are more fully described in the notes to the financial statements. The Authority, the FWIABC and the FWIAATCBC are structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and (except for land, land improvements and construction in progress) are depreciated over their estimated useful lives.

**Statement of Net Assets** - This Statement presents information on the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net assets are shown in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

**Statement of Revenues, Expenses and Changes in Fund Net Assets** - This is the operating statement for the Authority. Revenues and expenses are categorized as either operating or non-operating based upon GASB Statements 33 and 34. Federal and state operating grants are reported as non-operating revenues, and capital grants are reported on this Statement as capital contributions.

**Statement of Cash Flows** - This Statement is used to report the classification of cash receipts and payments according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities. The Authority reports cash flows from operating activities using the direct method, as required by GASB Statement 34. Using the direct method, the Authority reports cash flows from operating activities directly by showing major classes of operating cash receipts and payments (for example, receipts from customers, payments to suppliers, payments to employees, etc.) A reconciliation of operating income to net cash flow from operating activities is also required, and is located on the second page of this statement.

**Notes to the financial statements** - The Notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 27 through 46 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees, and funding progress for its retiree healthcare plan. Required supplementary information can be found on pages 48 and 49 of this report.

## Condensed Financial Information

**Net assets** - The Authority's net assets increased by 4.1 percent, increasing from \$100,633,130 in 2009 to \$104,741,395 in 2010. The growth in net assets is attributed to increases in all net asset classifications with a large percentage increase in restricted net assets as described below. The increase in net assets indicates that the Authority's financial position improved from 2009. As noted previously, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Current assets increased 8.0 percent due to an increase in federal and state grants receivable. This increase in grants receivable resulted from an increase in construction projects eligible for the FAA Airport Improvement Program.

Bonds and other long-term debt decreased 14.4 percent during the year. This was due to the retirement of bonds as they matured during the year.

Unrestricted net assets increased by 6.9 percent due to reductions in the accounts payable and accrued compensated absences balances, and an increase in cash and investments.

Restricted net assets increased 9.4 percent due primarily to an increase in federal and state grants receivable. In addition, restricted net assets also increased due to the accumulation of Cumulative Building Fund account cash and investments from tax revenues that will be used for future airport terminal renovations.

Investment in capital assets (net of related debt) increased 3.0 percent due to substantial increase in capital asset additions funded with federal grants coupled with the normal reduction in long-term debt as bond principal matures.

The Authority's investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment), net of related debt, is the largest portion (78.4 percent) of net assets. These capital assets are used to provide services to customers. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from other sources such as operating and nonoperating revenues, since the capital assets themselves cannot be liquidated to pay these liabilities.

In addition, 11.5 percent of the Authority's net assets represent resources that are subject to external restrictions on how they may be used. The restricted balances represent bond reserves that are subject to external restrictions on how they can be used under bond covenants; passenger facility charges that are restricted by Federal regulations; cumulative building fund

cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (10.1 percent) of \$10,610,157 is unrestricted net assets, which may be used to meet the Authority's ongoing obligation to its citizens, customers, and creditors within FAA operating guidelines.

A summary of the Authority's 2010 net assets compared to 2009 follows:

<b>Authority's Net Assets</b>				
	2010	2009	Increase (Decrease)	Percent Change
Current assets. . . . .	\$ 20,098,028	\$18,610,338	\$ 1,487,690	8.0%
Other noncurrent assets. . . . .	5,748,817	5,861,196	(112,379)	(1.9)
Capital assets (net) . . . . .	<u>104,058,745</u>	<u>104,662,750</u>	<u>(604,005)</u>	(0.6)
Total assets. . . . .	<u>129,905,590</u>	<u>129,134,284</u>	<u>771,306</u>	0.6
Current liabilities . . . . .	5,023,644	5,208,100	(184,456)	(3.5)
Noncurrent liabilities				
Other noncurrent liabilities . . . . .	1,351,122	1,342,831	8,291	0.6
Bonds and other long-term debt	<u>18,789,429</u>	<u>21,950,223</u>	<u>(3,160,794)</u>	(14.4)
Total liabilities	<u>25,164,195</u>	<u>28,501,154</u>	<u>(3,336,959)</u>	(11.7)
Net assets:				
Invested in capital assets, net of related debt. . . . .	82,143,769	79,747,527	2,396,242	3.0
Restricted . . . . .	11,987,469	10,956,010	1,031,459	9.4
Unrestricted . . . . .	<u>10,610,157</u>	<u>9,929,593</u>	<u>680,564</u>	6.9
Total net assets. . . . .	<u>\$104,741,395</u>	<u>\$100,633,130</u>	<u>\$ 4,108,265</u>	4.1

**Changes in Net Assets** - Operating revenues decreased by \$305,094 (or 3.4 percent) from 2009 to 2010. Buildings and grounds revenue decreased 21.8 percent due to lease terminations on several hangars at Fort Wayne International Airport. Parking lot revenue increased 6.5 percent due to increased usage by passengers. This increase partially offset the decline in buildings and grounds revenue.

Nonoperating revenues (expenses) decreased 13.5 percent from 2009 to 2010. This decrease was the result of a 9.3 percent decrease in property and other tax revenues, a 52.8 percent decrease in interest income, and a loss on disposal of assets. Property and other tax revenues fell because of a reduction in the debt service levy. In 2009, the first year of the levy, the Authority received tax revenues to cover three debt service payments: two payments for 2009 and the first payment due in January 2010. Normally, property tax distributions are only distributed in May, June, November, and December. By receiving tax revenues for three debt service payment in 2009, the Authority had tax revenues available to make the January 2010 payment. In 2010, the Authority received its normal debt service tax distribution to cover two debt service payments.

Interest income decreased due to a continued reduction in interest rates. Loss on disposal of capital assets was the result of replacing a perimeter road that was not fully depreciated. The perimeter road was replaced because it did not meet the required specifications for heavy vehicles.

Operating expenses, as a whole, were virtually unchanged from 2009 to 2010. However, several components of operating expenses changed significantly. Building and grounds expenses increased by 12.9 percent due to an increase in facility marketing and property management services associated with Air Trade Center facilities. Terminal expenses decreased 7.9 percent due to a reduction in personnel within the terminal cost center. Administration expenses decreased 9.2 percent due to a decrease in the cost of personal services as several positions became vacant during 2010 and were not filled.

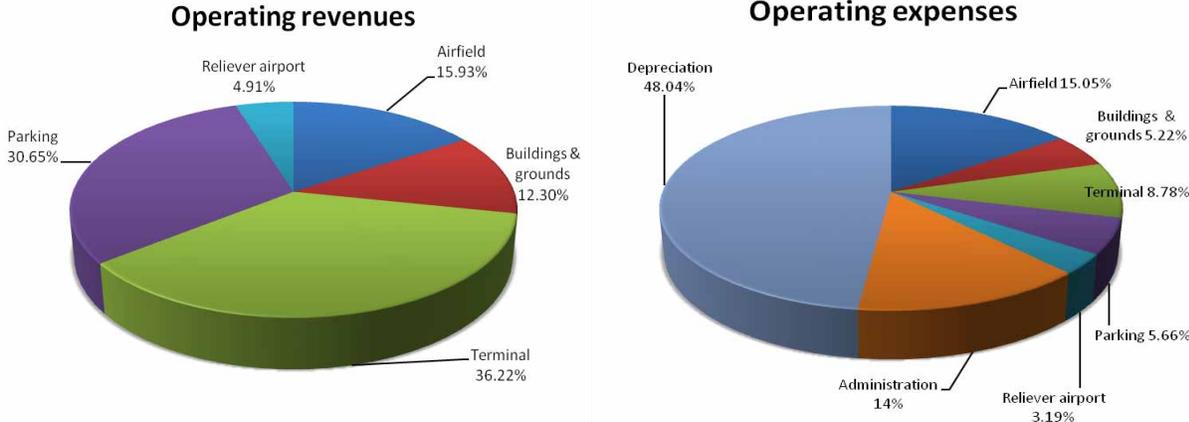
Nonoperating expenses decreased 10.7 percent due to a reduction in interest expense. Interest expense decreased due to declining bond principal balances as bonds reached their maturity dates.

A summary of the Authority's 2010 changes in net assets compared to 2009 follows below.

**Authority's Changes in Net Assets**

	2010	2009	Increase (Decrease)	Percent Change
<b>Operating revenues:</b>				
Airfield. . . . .	\$ 1,361,743	\$ 1,429,261	\$ (67,518)	(4.7)%
Buildings and grounds . .	1,051,735	1,344,797	(293,062)	(21.8)
Terminal. . . . .	3,096,831	3,219,115	(122,284)	(3.8)
Parking . . . . .	2,620,565	2,460,847	159,718	6.5
Reliever airport. . . . .	<u>420,083</u>	<u>402,031</u>	<u>18,052</u>	4.5
Total operating revenues. .	8,550,957	8,856,051	(305,094)	(3.4)
<b>Nonoperating revenues (expenses):</b>				
Property and other taxes.	6,783,287	7,477,987	(694,700)	(9.3)
Federal operating grant .	131,891	130,869	1,022	0.8
Passenger facility charges	1,102,936	1,031,684	71,252	6.9
Interest income . . . . .	162,487	344,026	(181,539)	(52.8)
Gain (Loss) on capital asset disposal. . . . .	<u>(409,452)</u>	<u>---</u>	<u>(409,452)</u>	
Net nonoperating revenues (expenses)	7,771,149	8,984,566	(1,213,417)	(13.5)
Total revenues. . . . .	<u>16,322,106</u>	<u>17,840,617</u>	<u>(1,518,511)</u>	(8.5)
<b>Operating expenses:</b>				
Airfield. . . . .	2,643,833	2,676,184	(32,351)	(1.2)
Buildings and grounds . .	918,107	812,862	105,245	12.9
Terminal. . . . .	1,542,356	1,674,314	(131,958)	(7.9)
Parking . . . . .	994,218	980,619	13,599	1.4
Reliever airport. . . . .	559,963	573,816	(13,853)	(2.4)
Administration. . . . .	2,472,908	2,723,372	(250,464)	(9.2)
Depreciation. . . . .	<u>8,440,999</u>	<u>8,316,488</u>	<u>124,511</u>	1.5
Total Operating expenses. .	17,572,384	17,757,655	(185,271)	(1.0)
Nonoperating expenses . . .	<u>1,103,069</u>	<u>1,234,672</u>	<u>(131,603)</u>	(10.7)
Total expenses. . . . .	<u>18,675,453</u>	<u>18,992,327</u>	<u>(316,874)</u>	(1.7)
Deficiency before capital contributions . .	(2,353,347)	(1,151,710)	(1,201,637)	104.3
Capital contributions . . .	<u>6,461,612</u>	<u>6,333,715</u>	<u>127,897</u>	2.0
Increase (Decrease) in net assets. . . . .	4,108,265	5,182,005	(1,073,740)	(20.7)
Total net assets, beginning	<u>100,633,130</u>	<u>95,451,125</u>	<u>5,182,005</u>	5.4
Total net assets, ending. .	<u>\$104,741,395</u>	<u>\$100,633,130</u>	<u>\$ 4,108,265</u>	4.1

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2010:



**Capital Asset Activity**

During 2010, the Authority expended \$8,307,441 for capital improvements. The Authority completed the following projects at Fort Wayne International: Northwest Perimeter Road Reconstruction at a cost of \$4,525,500; land purchases for \$920,000; Terminal improvements for \$160,000; Air Trade Center ramp improvements for \$141,000; maintenance vehicle purchases for \$85,000; and several projects, including a master plan, were unfinished at yearend.

In addition, the Authority completed the following projects at Smith Field Airport: Runway 5-23 rehabilitation at a cost of \$1,048,000; and various smaller projects totaling \$69,000.

For additional information on capital asset activity, see note 5.

**Long-Term Debt Activity**

The 2004 Airport Improvement Refunding bonds were issued by the Fort Wayne International Airport Building Corporation, an Authority component unit. These bonds are insured and have a rating by Moody's of Aaa, and an underlying rating also by Moody's of Aa3.

The Authority's 1998 First Mortgage Bonds were issued by the Fort Wayne International Airport Air Trade Center Building Corporation, an Authority component unit. These Bonds have an uninsured portion and an insured portion. The uninsured portion, with a balance of \$1,265,000 at December 31, 2010, had current ratings of Aa3 and AA by Moody's and Fitch, respectively. These Bonds mature beginning January 15, 2011 through July 15, 2011. Bonds maturing on January 15, 2015 (\$4,975,000), January 15, 2017 (\$3,270,000) and January 15, 2020 (\$5,565,000) were insured, and had a rating of Aaa and AAA by Moody's and Fitch, respectively.

The 1998 First Mortgage Bonds were refunded on February 24, 2011 as described

in note 13. The 2011 First Mortgage Federally Taxable Refunding Bonds were issued by the Fort Wayne International Airport Air Trade Center Building Corporation, a component unit of the Authority. The primary purpose of the refunding was to eliminate certain restrictions in the bond covenant.

The bond ratings were not changed during 2010.

The Authority has a legal debt limit of \$87,419,628 which represents 2 percent of the adjusted value of Allen County property. The adjusted value is one-third of the assessed value as certified by the State Department of Local Government Finance. Since the Authority has no general obligation debt outstanding, the legal debt margin is also \$87,419,628 as of December 31, 2010. Bonds issued by a building corporation do not count against the legal debt limit. As a result, the Authority has no debt limitations that will affect the financing of planned facilities or services.

For additional information on bonds and other long-term debt, see note 9.

### **Currently Known Facts**

The Authority's property tax rates include a debt service levy in addition to the operating and cumulative building fund. In 2011, the operating, debt service and cumulative building tax rates are .0276, .0138, and .0033, respectively. The rates are per \$100 of assessed value and will be applied on an assessed value of \$12,674,957,960. These rates compare to the 2010 rates for operating, debt service and cumulative building of .0260, .0147 and .0033, respectively.

In late December, the Authority received a \$203,000 Small Community Air Service Development grant from the U.S. Department of Transportation. This grant will be used to partially finance a shared use system for infrastructure flexibility that allows for airline collocation and cross utilization of gates within the Terminal building. This flexibility will provide the cost savings needed to allow Fort Wayne International to be more economically attractive to airlines, particularly during periods of reduced demand. This shared use system will be completed during 2011.

### **Requests for Information**

This financial report is designed to provide the Authority's taxpayers, citizens, investors, creditors and customers with a general overview of the Authority's finances, and to show the Authority's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration and Finance, 3801 W. Ferguson Road, Suite 209, Fort Wayne, Indiana 46809-3194.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Statement of Net Assets**  
**December 31, 2010**

<b>ASSETS</b>	<u><b>Totals</b></u>
<b>CURRENT ASSETS:</b>	
Unrestricted assets:	
Cash and cash equivalents--note 2.....	\$ 3,295,299
Investments--note 2.....	8,700,000
Accounts receivable, net of allowance.....	193,357
Unbilled revenue.....	88,715
Property tax receivables, net of allowance--note 1.....	43,230
Other receivables.....	47,418
Inventory--note 4.....	229,699
Prepaid items.....	<u>160,672</u>
Total unrestricted assets.....	<u>12,758,390</u>
Restricted assets:	
Cash and cash equivalents-including \$2,554,077 held by trustee--notes 2 and 3.....	3,855,453
Investments--note 2.....	600,000
Passenger facility charge receivable.....	147,957
Federal and state grants receivable.....	2,672,334
Property tax receivables, net of allowance--note 1.....	24,442
Other receivables.....	<u>39,452</u>
Total restricted assets.....	<u>7,339,638</u>
Total current assets.....	<u>20,098,028</u>
<b>NONCURRENT ASSETS:</b>	
Restricted assets:	
Cash and cash equivalents-including \$7,977 held by trustee--notes 2 and 3.....	847,963
Investments--notes 2 and 3.....	4,650,000
Property tax receivable, net of allowance--note 1.....	5,487
Net pension assets.....	<u>96,064</u>
Total restricted assets.....	<u>5,599,514</u>
Capital assets, net--note 5.....	<u>104,058,745</u>
Other assets:	
Bond issue costs, less accumulated amortization of \$647,006.....	<u>149,303</u>
Total noncurrent assets.....	<u>109,807,562</u>
Total assets.....	<u><u>\$ 129,905,590</u></u>

<b>LIABILITIES AND NET ASSETS</b>	<b>Totals</b>
<b>CURRENT LIABILITIES:</b>	
Payable from unrestricted:	
Accounts payable.....	\$ 859,894
Accrued liabilities.....	412,412
	<hr/>
Total unrestricted.....	1,272,306
	<hr/>
Payable from restricted:	
Accounts payable.....	74,727
Current portion of long-term debt--note 9.....	3,125,547
Accrued interest on long-term debt.....	551,064
	<hr/>
Total restricted.....	3,751,338
	<hr/>
Total current liabilities.....	5,023,644
	<hr/>
<b>NONCURRENT LIABILITIES:</b>	
Net other postemployment benefits obligation.....	325,892
Accrued compensated absences.....	1,025,230
Bonds and other long-term debt, net--note 9.....	18,789,429
	<hr/>
Total noncurrent liabilities.....	20,140,551
	<hr/>
Total liabilities.....	25,164,195
	<hr/>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt.....	82,143,769
Restricted for:	
Debt service.....	4,076,178
Capital projects.....	8,130,072
Other purposes (deficit).....	(218,781)
Unrestricted.....	10,610,157
	<hr/>
Total net assets.....	104,741,395
	<hr/>
	<hr/>
Total liabilities and net assets.....	<u>\$ 129,905,590</u>

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

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2010**

	<b>Totals</b>
<b>OPERATING REVENUES:</b>	
Airfield.....	\$ 1,361,743
Buildings and grounds.....	1,051,735
Terminal.....	3,096,831
Parking.....	2,620,565
Reliever airport.....	420,083
Total operating revenues.....	8,550,957
<b>OPERATING EXPENSES:</b>	
Airfield.....	2,643,833
Buildings and grounds.....	918,107
Terminal.....	1,542,356
Parking.....	994,218
Reliever airport.....	559,963
Administration.....	2,472,908
Depreciation.....	8,440,999
Total operating expenses.....	17,572,384
<b>LOSS FROM OPERATIONS.....</b>	<b>(9,021,427)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Property and other taxes.....	6,783,287
Federal operating grant.....	131,891
Passenger facility charge.....	1,102,936
Interest income.....	162,487
Interest expense.....	(1,103,069)
Loss on disposal of capital assets.....	(409,452)
Net nonoperating revenues (expenses).....	6,668,080
<b>LOSS BEFORE CAPITAL CONTRIBUTIONS.....</b>	<b>(2,353,347)</b>
<b>CAPITAL CONTRIBUTIONS:</b>	
Federal and state grants.....	6,461,612
<b>INCREASE IN NET ASSETS.....</b>	<b>4,108,265</b>
<b>NET ASSETS:</b>	
Total net assets, beginning of year.....	100,633,130
Total net assets, end of year.....	\$ 104,741,395

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

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers.....	\$ 8,685,091
Payments to suppliers.....	(3,712,169)
Payments to employees.....	(3,943,890)
Payments of benefits on behalf of employees.....	(1,391,808)
Refunds and return of customer deposits.....	(25,225)
Net cash used in operating activities.....	(388,001)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:</b>	
Receipts of property and other taxes.....	4,475,835
Operating grant receipts.....	132,324
Other income.....	8,267
Net cash provided by noncapital financing activities.....	4,616,426
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Receipts of property and other taxes .....	2,376,640
Acquisition and construction of capital assets.....	(8,526,088)
Sale of capital assets.....	52,728
Principal paid on bonds and other long-term debt.....	(2,965,000)
Interest paid on bonds and other long-term debt.....	(1,209,817)
Capital grant receipts.....	5,111,182
Passenger facility charge receipts.....	1,083,141
Net cash used in capital and related financing activities.....	(4,077,214)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investment securities.....	(17,450,000)
Proceeds from sale and maturities of investment securities.....	13,800,000
Interest received on investments.....	131,967
Net cash used in investing activities.....	(3,518,033)
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(3,366,822)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	11,365,538
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 7,998,716

continued

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Statement of Cash Flows-Continued**  
**For the Year Ended December 31, 2010**

	<b>Totals</b>
Reconciliation of operating loss to net cash used in operating activities:	
Loss from operations.....	\$ (9,021,427)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation.....	8,440,999
Amortization of bond issuance cost.....	50,248
Changes in assets and liabilities:	
Accounts receivable and unbilled revenue.....	111,446
Inventory.....	25,262
Net pension assets.....	44,812
Prepaid items.....	7,223
Accounts payable.....	(61,475)
Accrued liabilities.....	14,911
Net cash used in operating activities.....	\$ (388,001)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital assets included in accounts payable.....	\$ 471,024
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The accompanying notes are an integral part of the financial statements.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** - The Fort Wayne-Allen County Airport Authority (the Authority) is a municipal corporation established July 1, 1985, under authority granted by Indiana statute (1961 Acts, Chapter 283, IC 1979 19-6-2, superseded by IC 8-22-3-1). The Authority, a component unit of Allen County, Indiana, was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in and bordering on Allen County, Indiana, and in connection therewith is authorized, among other things, to issue general obligation and revenue bonds and to levy taxes in accordance with the provisions of the statute. The Authority administers an airport system composed of Fort Wayne International Airport, a non-hub primary commercial service airport, and Smith Field, a general aviation airport. The Authority has no stockholders or equity holders and all revenues and other receipts must be disbursed in accordance with such statute.

**Reporting Entity** - As required by accounting principles generally accepted in the United States of America, these financial statements present Fort Wayne-Allen County Airport Authority, a component unit of Allen County, Indiana, and the component units of the Authority: Fort Wayne International Airport Building Corporation (FWIABC) and Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC).

The Authority's Board consists of six members, three appointed by the Mayor of the City of Fort Wayne, and three by the Allen County Commissioners.

Based upon the fiscal independence or dependence criterion set forth by the Governmental Accounting Standards Board (GASB) the Authority is considered a component unit of Allen County.

In reaching the aforementioned conclusion, the Authority considered the following reporting entity definition criteria:

A. Financial Benefit or Burden Relationship

1. Responsibility for financing deficits lies exclusively with the Authority.
2. No other governmental entity is entitled to any portion of a surplus the Authority generates.
3. All guarantees of, or "moral responsibility" for, debt are borne by the Authority. Subject to approval, the Authority is empowered to and has issued Revenue Bonds payable solely from revenues derived from the operation of the airport system. The Authority also has outstanding General Obligation Bonds and, subject to approval, is empowered to issue such bonds in the future. These bonds are not general obligations of any other governmental entity, and neither

**Fort Wayne-Allen County Airport Authority**  
**Notes to Financial Statements-Continued**

the faith and credit nor the taxing power of any other governmental entity is pledged to their payment.

Although Allen County officials do not appoint a majority of the Authority's Board and no financial benefit or burden relationship exists, Allen County is financially accountable based upon fiscal dependency as follows:

B. Fiscal Dependency

1. The Authority's budget and the tax levy to meet it may be reviewed or modified by the Allen County Council.
2. The Authority may not issue general obligation bonds without the Allen County Council's approval, nor issue revenue bonds without the Allen County Commissioners' approval.

Since the Authority does not have the ability to complete the above essential events without substantive approval by Allen County officials, it is fiscally dependent upon Allen County and Allen County is financially accountable for the Authority. The Authority is therefore a component unit of Allen County.

The Authority's component units, FWIABC and FWIAATCBC, are autonomous quasi-governmental units. Although FWIABC and FWIAATCBC are legally separate from the Authority, they are reported as if they were part of the Authority because their sole purpose is to finance construction projects for the Authority. FWIABC sold tax-exempt bonds to finance these construction projects, which include the Terminal Building Modernization and Local Access Roads and Parking Facilities projects. FWIAATCBC sold tax-exempt bonds to finance Air Trade Center construction projects, which include an air freight hub, aircraft maintenance facility, air cargo sorting facilities, parking, fueling and related facilities, and personal property connected to the above. These bonds are collateralized by lease agreements with the Authority and will be retired through lease payments from the Authority. These lease agreements constitute the imposition of a financial burden on the Authority, and FWIABC and FWIAATCBC provide services exclusively to the Authority. Since FWIABC and FWIAATCBC are so intertwined with the Authority, their balances and transactions are blended with the Authority's balances and transactions. Because these arrangements with the blended component units are essentially lease agreements, and after eliminations have been made, there are no material activity and no material balances remaining. Therefore, there are no separate funds reported.

**Fort Wayne-Allen County Airport Authority**  
**Notes to Financial Statements-Continued**

Financial information for FWIABC and FWIAATCBC can be obtained at the following addresses:

Fort Wayne International Airport  
Building Corporation  
3801 W. Ferguson Road, Suite 209  
Fort Wayne, IN 46809

Fort Wayne International Airport Air  
Trade Center Building Corporation  
3801 W. Ferguson Road, Suite 209  
Fort Wayne, IN 46809

**Basis of Accounting and Reporting** - The financial statements consist of a single enterprise fund, which is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority reports revenues and expenses as operating or nonoperating. Operating revenues and expenses result from providing services in connection with the Authority's ongoing operations. The Authority classifies revenues from airlines, concessions, car rental companies, parking, and building and ground lessees as operating revenues. All expenses relating to operating the Authority such as personnel and administrative expenses, supplies, repairs to property and equipment, charges for professional and other contractual services, utilities, and depreciation expense on capital assets are reported as operating expenses.

All other revenues such as revenues from grants, property and other taxes, passenger facility charges, and interest income are considered nonoperating revenues. Interest expense is reported as nonoperating expense.

When both restricted and unrestricted resources are available for use, the Authority's policy is to use restricted resources first, then unrestricted resources as they are needed.

Capital lease transactions between the Authority and the FWIABC and FWIAATCBC have been eliminated in the financial statements.

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets, effective on January 1, 2010. This Statement establishes standards of accounting and financial reporting for intangible assets that lack physical substance, have a nonfinancial nature, and that have an initial life extending beyond a single reporting period. The provisions of this statement apply to all intangible assets except those that are acquired or created for obtaining income or profit; assets acquired through

**Fort Wayne-Allen County Airport Authority**  
**Notes to Financial Statements-Continued**

capital lease transactions; and goodwill. Prior to adoption, all intangible assets (master plans and software) with definite useful lives have been amortized since their acquisition based upon their useful lives. None of the intangible assets (avigation easements) that have indefinite useful lives have been amortized. The disclosures required by this statement have no effect on the Authority's beginning net assets.

In accordance with the provisions of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting, the Authority applies all applicable GASB pronouncements plus all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Authority has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The same application of FASB pronouncements are used for the Authority's component units.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents, which are stated at cost, consist of short-term government money market funds.

**Investments** - Indiana statutes authorize the Authority to invest in United States obligations and issues of federal agencies, secured repurchase agreements, certificates of deposit, money market deposit accounts, passbook savings accounts and negotiable order of withdrawal (NOW) accounts.

The Authority invests exclusively in short-term nonnegotiable certificates of deposit that are stated at cost. The Authority's component units (FWIABC and FWIAATCBC) may invest in short-term highly liquid money-market investments and U.S. government securities that have maturities less than one year. These investments are valued at amortized cost. There is no material difference between the amortized cost and the fair value of these investments.

**Unbilled Revenue** - The Authority accrues revenue for rentals and fees earned but not yet billed as of year-end.

**Inventories** - At yearend, the Authority had a significant amount of supplies inventory on hand. Inventories are valued at cost using the first-in-first-out method.

**Capital Assets** - On July 1, 1985, under an intergovernmental joint agreement between Allen County and the City of Fort Wayne, and pursuant to Indiana Statute 8-22-3-1, the Authority was established and thereupon assumed all assets, obligations and equity of the City's airport operations. Prior to that date, the airport operated as an agency of the City under the Board of Aviation.

**Fort Wayne-Allen County Airport Authority**  
**Notes to Financial Statements-Continued**

Capital assets, which include property, equipment, infrastructure (e.g., taxiways, runways, roads, terminal apron), and intangible assets are defined by the Authority as assets with an initial cost of \$5,000 or more and estimated useful life of two or more years. These assets are recorded at historical cost.

Capital assets assumed by the Authority from the City on July 1, 1985, are carried at historical cost, net of accumulated depreciation, in the accompanying financial statements and aggregated \$4,195,664 at December 31, 2010.

Maintenance and repairs that do not add value to the assets or materially extend assets lives are not capitalized. When capital assets are disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to expense. Runways, taxiways, parking areas, sewers and other similar items are written off when fully depreciated unless clearly identified as still being in use.

Except for inexhaustible capital assets such as land, land improvements, aviation easements and construction in progress, all capital assets, including infrastructure assets are depreciated or amortized (intangibles) using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings and improvements	5-30
Infrastructure items	10-50
Intangibles	3-10
Equipment	3-20

In accordance with Financial Accounting Standards Board Statement No. 34, interest during construction periods, when significant, is capitalized and included in the cost of capital assets. The Authority incurred total interest cost of \$1,103,069 for the year ended December 31, 2010. The Authority did not capitalize any interest in 2010.

**Bond Issue Costs** - Bond issue costs are deferred and amortized over the life of the respective bond issue using the interest method.

**Original Issue Discount and Premium** - Original issue discount and premium on bonds are amortized using the interest method over the life of the bonds to which it relates.

**Compensated Absences** - All full-time employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated for the various categories of absence is generally based on length of service. Vacation that has been earned but not paid has been accrued in the financial statements. Accumulated unused sick leave benefits are nonvesting and are only paid out upon retirement. The maximum accumulation per employee is 1,460 hours for Public Safety employees and 1,040 hours for all other employees.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

In accordance with GASB Statement No. 16, the Authority accrues accumulated unused sick leave benefits for employees with at least 10 years of service regardless of age and employees age 50 or older regardless of length of service. Based upon historical information, it was determined that these employees would most likely meet the conditions necessary to receive their sick leave benefits.

**Net Assets** - The difference between the Authority's assets and liabilities is net assets. Net assets consist of three components: Invested in capital assets, net of related debt; restricted and unrestricted. Invested in capital assets, net of related debt consist of capital assets, restricted and unrestricted, net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Authority's restricted assets are expendable. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Capital Grant Funds** - Certain expenditures for airport capital improvements receive significant federal funding through the Airport Improvement Program of the Federal Aviation Administration (FAA), and the Department of the Army, National Guard Bureau, Department of Defense. Funds are also received for airport development from the State of Indiana. The Authority funds the remaining balance of such expenditures. Capital funding provided under government grants is considered earned as the related approved capital improvement expenditures are disbursed.

**Passenger Facility Charge (PFC) Revenue** - The Authority received approval from the FAA to impose and use a PFC of \$3 per enplaned passenger beginning July 1, 1993. The charge is used for construction and debt service payments on two projects:

- (1) Loop Access Roadway and Parking Improvements, and
- (2) Terminal Expansion and Renovation

During 2005, the Authority received approval from the FAA to increase the PFC from \$3 to \$4.50 per enplaned passenger beginning December 1, 2005. In addition, the Authority received approval to purchase firefighting and snow removal equipment, in addition to the two projects above, with the new PFC collections. The following projects (equipment) were approved:

- (1) Aircraft Rescue and Firefighting Vehicle
- (2) 4 X 4 High Speed Runway Snow Blower
- (3) 4 X 4 High Speed Snowplow
- (4) 4 X 4 High Speed Snowplow, and
- (5) Mobile Deicer Collector Unit

PFC's are collected by the airlines and are recognized as revenue by the Authority as they are earned, and are included in nonoperating revenues.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**Rental Income** - All leases of the Authority are accounted for as operating leases. Rental income is generally recognized as it becomes receivable over the respective lease terms. The Authority has no significant leases that would require the recording of income in accordance with GASB No. 13, Accounting for Operating Leases with Scheduled Rent Increases.

**Property Taxes** - The following summarizes the property tax calendar for the current year:

Lien date	March 1, 2009
Levy date	January 1, 2010
Tax bills mailed	April 1 and October 1, 2010
First installment payment due	May 10, 2010
Second installment payment due	November 10, 2010
Authority collection dates	June and December, 2010
Tax sale - 2010 delinquent property taxes	August, 2012

Property taxes levied are collected by the Allen County Treasurer and periodically remitted to the Authority.

Property taxes are accrued when levied, and receivables (current and noncurrent) aggregated \$286,975 with an allowance of \$213,816 for delinquent taxes, at December 31, 2010.

**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 carries commercial insurance to protect against all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three years. There was no reduction in insurance coverage during 2010.

**Budgetary Compliance** - The State of Indiana requires the Authority to legally adopt a budget annually. The basis of budgetary adoption and compliance is primarily cash basis accounting. Open purchase orders are added to budgetary expenditures at year-end to measure compliance. Additionally, open purchase orders are automatically added to the following year's budget without the necessity of the additional appropriation legal process. All remaining unencumbered appropriations lapse at year-end.

The legal level of budgetary control is by major expense category. Budgeted amounts may be transferred within major expense categories solely upon approval from the Authority's Board. However, any revision that alters the total appropriation of any major expense category must, in addition, be approved by the State Department of Local Government Finance. During the year, several appropriation transfers were made to ensure that expenditures did not exceed budgeted appropriations.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments included in the statement of net assets at December 31, 2010, consist of the following:

Cash and Cash Equivalents:	<u>Amount</u>
Current . . . . .	\$ 3,295,299
Current, restricted . . . . .	3,855,453
Noncurrent, restricted . . . . .	<u>847,963</u>
	<u>7,998,715</u>
 Investments:	
Current . . . . .	8,700,000
Current, restricted . . . . .	600,000
Noncurrent, restricted . . . . .	<u>4,650,000</u>
	<u>13,950,000</u>
	<u>\$21,948,715</u>

The carrying amounts of deposits and investments by type of investment at December 31, 2010 are as follows:

Cash deposits . . . . .	\$ 5,435,482
Certificates of deposit . . . . .	<u>13,950,000</u>
 Total deposits . . . . .	 <u>\$19,385,482</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of \$250,000 at each bank are insured by the Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under IC 5-13-12-1. Authority deposits totaling \$1,187,559 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2010, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds . . . . .	<u>\$ 2,562,053</u>
--	---------------------

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. FWIABC and FWIAATCBC, the Authority's component units, policies are to invest primarily in U.S. Government money market funds. Although not guaranteed by the FDIC or the IPDIF, these funds invest their assets exclusively in obligations of the U.S. Treasury and other obligations guaranteed by the U.S. Treasury. A portion of the Authority's bank deposits that are invested overnight in repurchase agreements are uninsured and held in the

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

financial institution's name. The Authority's policy is to follow IC 5-13-9-2.5, which requires that repurchase agreements be collateralized with U.S. Government securities.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risks associated with investments, the Authority's policy is to follow IC 5-13-9-2.5, which limits investments to money market funds rated AAAM by Standard and Poor's Corporation or Aaa by Moody's Investors Service, Inc., repurchase agreements fully collateralized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2010, the Authority's investments met these criteria.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy to minimize interest rate risk is to abide by the Indiana Code, which limits investments to securities with a stated maturity of not more than two years. This maturity limitation reduces the Authority's exposure to declines in fair values related to increases in interest rates. FWIABC and FWIAATCBC investment policy is to limit investments to money market funds that have a weighted average maturity of 90 days or less. These investments are available for redemption daily without penalty.

Foreign currency risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. All Authority deposits and investments are denominated in U.S. currency.

**NOTE 3 RESTRICTED ASSETS**

**Cash, Cash Equivalents and Investments** - Cash, cash equivalents and investments are restricted as follows:

Pursuant to the FWIABC Improvement Refunding	
Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account . . . . .	\$ 1,069,613
Bond Operation and Reserve Account . . . . .	7,977
 Pursuant to the FWIAATCBC First Mortgage	
Bonds of 1998 Trust Indenture:	
Bond Sinking Fund Account . . . . .	5,802
Bond Operation and Reserve Account . . . . .	1,478,662
Property Tax Revenues Reserved for Debt Service . . . . .	1,008,908
 Pursuant to the Aviation Safety and Capacity Expansion	
Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account . . . . .	881,548
 Pursuant to the Cumulative Building Fund	
Account Established in 2001 . . . . .	5,415,258

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

Pursuant to IC 6-1.1-18.5-17, Levy Excess Fund . . . . .	10,921
Security Deposits. . . . .	<u>74,727</u>
Total. . . . .	<u>\$ 9,953,416</u>

**Airport Improvement Refunding Bonds of 2004**

The Trust Indenture adopted December 23, 2004, in conjunction with the issuance of the Airport Improvement Refunding Bonds of 2004 (the 2004 Bonds), provided that certain accounting procedures be followed and certain accounts be established. The Trust Indenture requires the Trustee to establish the following accounts: Sinking Fund and Operation and Reserve.

Sinking Fund Account - In addition to any balance remaining in the Bond Issuance Expense Account, the Trustee will also deposit all rental payments received from the Authority, or an amount, which when added to the balance in the Sinking Fund Account equals the sum of the interest and principal due on or before or within 20 days after such payment becomes due. Any portion of rental payments remaining after such deposit shall be deposited into the Operation and Reserve Account. Principal and interest on the 2004 Bonds will be paid from the Sinking Fund Account as they become due.

Operation and Reserve Account - This account is used to pay incidental expenses of FWIABC, the principal, interest and redemption premium on the Bonds and, if the amount in the Sinking Fund Account is less than the required amount, the Trustee will transfer funds from the Operation and Reserve Account to raise the Sinking Fund Account to the appropriate level.

**First Mortgage Bonds of 1998**

The Trust Indenture adopted August 15, 1998 with the issuance of the First Mortgage Bonds of 1998, provided that certain accounts be maintained by the Trustee: Sinking Fund and Operation and Reserve accounts.

Sinking Fund Account - This account is used to deposit rental payments received, and to pay principal and interest as they become due.

Operation and Reserve Account - This account is used to pay the following: necessary incidental expenses of the FWIAATCBC; rebate or redemption penalties; principal and interest payments; and, if the amount in the Sinking Fund Account is less than the required amount, transfer funds to raise the Sinking Fund Account to the appropriate level.

The Authority levies a property tax for the payment of principal and interest on these bonds. The levy became effective for taxes collected during 2009.

The Authority is in compliance with all significant financial bond covenants as of December 31, 2010.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**NOTE 4 INVENTORIES**

Inventory of supplies and materials at December 31 consists of the following:

	Amount
Supply inventories held for consumption. . . . .	\$ 210,118
Fixed based operator inventories held for resale . . . .	19,581
Total inventories. . . . .	\$ 229,699

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31 consists of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land. . . . .	\$ 15,681,835	\$ 929,201	\$ ---	\$ 16,611,036
Intangibles . . . . .	118,357			118,357
Work in progress. . .	1,108,529	5,545,705	5,496,270	1,157,964
Total capital assets, <b>not</b> being depreciated . . . . .	16,908,721	6,474,906	5,496,270	17,887,357
Capital assets, being depreciated:				
Buildings and improvements. .	73,727,273	178,711	2,236,585	71,669,399
Infrastructure items. . . . .	125,900,991	6,999,443	1,244,584	131,655,850
Intangibles . . . . .	1,886,262	---	---	1,886,262
Equipment . . . . .	8,537,601	141,905	179,339	8,500,167
Total capital assets, being depreciated . . . . .	210,052,127	7,320,059	3,660,508	213,711,678
Less accumulated depreciation for:				
Buildings and improvements. .	36,510,349	2,779,514	2,231,350	37,058,513
Infrastructure items. . . . .	79,920,438	4,956,396	788,118	84,088,716
Intangibles . . . . .	1,272,502	185,377	---	1,457,879
Equipment . . . . .	4,594,809	519,712	179,339	4,935,182
Total accumulated depreciation	122,298,098	8,440,999	3,198,807	127,540,290
Net capital assets . . . . .	\$104,662,750	\$ 5,353,966	\$ 5,957,971	\$104,058,745

All depreciation expense, \$8,440,999 for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**NOTE 6 PROPERTY TAX**

The applicable property tax rates and related levies in 2010 are as follows:

	<u>Rate</u> <u>Per \$100</u>	<u>Property Tax</u> <u>Levies</u>
Operating. . . . .	\$ .0260	\$ 3,409,366
Debt Service . . . . .	.0147	1,927,603
Cumulative Building. . . . .	<u>.0033</u>	<u>432,727</u>
 Total. . . . .	 <u>\$ .0440</u>	 <u>\$ 5,769,696</u>

**NOTE 7 PENSION PLAN**

On January 1, 1997, the statewide Indiana Public Employee's Retirement Fund (PERF) separated the Authority from Allen County's PERF account and established a separate account for the Authority. On the above date, the Authority assumed no liabilities and received no assets for employee service prior to this date. Assets and liabilities of the plan for Authority employee's prior to January 1, 1997 were transferred from Allen County on July 1, 2002. The Authority has adopted Governmental Accounting Standards Board (GASB) Statement Number 27, Accounting for Pensions by State and Local Governmental Employers. The Authority's Pension Plan has both a defined benefit and a defined contribution component.

**Defined Benefit**

**Plan Description** - The Authority's defined benefit pension plan, Indiana Public Employee's Retirement Fund (PERF), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERF is a statewide agent multiple-employer pension plan that acts as a common investment and administrative agent for state and local governmental units in Indiana. PERF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained by writing to the Indiana Public Employee's Retirement Fund, 1 North Capitol, Suite 001, Indianapolis, Indiana 46204, or by calling 1-317-233-4123.

**Funding Policy** - Indiana Statutes (IC 5-10.2 and 5-10.3) govern most requirements of the defined benefit plan, and give the Authority the authority to contribute to the plan. The contribution requirements of the Authority are established by the Board of Trustees of PERF, and may be amended by this Board. Authority employees do not contribute to the defined benefit plan. The Authority is required to contribute at an actuarially determined rate; the current rate is 5.25 percent of annual covered payroll.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**Annual Pension Cost and Net Pension Obligation (Asset)** - The Authority's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 220,931
Interest on net pension obligation	(10,214)
Adjustment to annual required contribution	<u>11,639</u>
Annual pension cost	222,356
Contributions made	<u>(177,544)</u>
Increase (Decrease) in net pension obligation	44,812
Net pension obligation, beginning of year	<u>(140,876)</u>
Net pension obligation, end of year	<u>\$ (96,064)</u>

The annual required contribution was determined as part of the July 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return (net of administrative and investment expenses), (b) projected salary increases per year are based upon PERF experience from 2000 to 2005, and (c) 1.0 percent post-retirement benefit increases. The actuarial value of PERF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Authority's excess of assets over actuarial accrued liability is being amortized by level percentage of projected payroll on a closed basis over a thirty-year period (15 years in the case of cost of living adjustments). The remaining amortization period at December 31, 2010, was 18 years.

**Three Year Trend Information** - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The negative amount for net pension obligation is an indication that the Authority's annual contribution has exceeded the annual pension costs.

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 161,365	90%	\$(163,658)
2009	187,286	88	(140,876)
2010	222,356	80	(96,064)

**Funded Status and Funding Progress** - As of July 1, 2010, the most recent actuarial valuation date, the plan was 70.6 percent funded. The actuarial accrued liability for benefits was \$3.5 million and the actuarial value of assets was \$2.5 million, resulting in an unfunded actuarial liability of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.6 million, and the ratio of the unfunded actuarial liability to covered payroll was 30.4 percent.

The schedule of funding progress presented as RSI 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 liability for benefits.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**Defined Contribution**

The Authority's defined contribution plan is the other component of the Authority's pension plan that is also administered by PERF. PERF accumulates employee contributions and allocates investment income into a separate system wide fund for all members. Upon retirement, employees may elect a lump sum distribution of all or part of the savings account. Employees who leave employment before qualifying for benefits under the defined benefit component receive a refund of this savings account.

Employees are required to contribute 3 percent of their annual salary to an annuity savings account. Since 1987, the Authority has been funding the employee contribution requirement. The contribution rate is established by the Indiana State Legislature, and may be amended only by this body. During 2010, the Authority contributed \$108,268 on behalf of the employees. This amount represents the employers' required contribution to the plan.

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**Plan Description** - The Authority administers a single-employer defined benefit retiree healthcare plan. The plan provides medical and dental benefits to eligible retirees and their spouses. Eligible employees must be at least 60 years of age with 10 years of continuous full time employment. Coverage ends at Medicare eligibility date. The Retiree Health Plan does not issue a publicly available financial report.

**Funding Policy** - The contribution requirements of plan members are established by the Authority Board and may be amended annually. Retiree contributions vary based upon the option they choose: Option 1 is a traditional paid provider plan and Option 2 is a high deductible paid provider plan. Under Option 1, each retiree contributes \$134 per month for the retiree and the same amount for the spouse. Under Option 2, each retiree contributes \$54 per month for the retiree and \$107 for the spouse. For the year ended December 31, 2010, retirees contributed \$573 and the Authority contributed \$1,748 to the plan.

**Annual OPEB Cost and Net OPEB** - The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to the Plan.

Annual required contribution	\$ 117,148
Interest on net OPEB obligation	8,573
Adjustment to annual required contribution	<u>(11,918)</u>
Annual OPEB cost (expense)	113,803
Contributions made	<u>(1,748)</u>
Increase (Decrease) in net OPEB obligation	112,055
Net OPEB obligation, beginning of year	<u>213,837</u>
Net OPEB obligation, end of year	<u>\$ 325,892</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding two years were as follows:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 114,704	11.1%	\$ 101,946
2009	115,557	3.2	213,837
2010	112,055	1.6	325,892

**Funding Status and Funding Progress** - As of December 31, 2010, the most recent valuation date, the actuarial accrued liability for benefits was \$964,500, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3.6 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26.7 percent.

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, mortality, and the health care 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.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) 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, 2010 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 10 percent for medical care initially, reduced by decrements to an ultimate rate of 5 percent after 11 years. The trend rate for dental care remains at 5 percent. The unfunded actuarial accrued liability is being amortized using the level dollar amortization method on a closed basis. The remaining amortization period at December 31, 2010 was 27 years.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**NOTE 9 BONDS AND OTHER LONG-TERM DEBT**

Bonds and Other Long-Term Debt consist of:

Amount

**Revenue Bonds**

Airport Improvement Refunding Bonds of 2004:

Fort Wayne International Airport

Building Corporation--

Principal payable semi-annually on January 1, 2011  
to January 1, 2014 in payments ranging from  
\$1,055,000 in 2014 to \$2,045,000 in 2013.

Interest at 3.5 to 5.0% due semi-annually on

January 1 and July 1 . . . . . \$ 6,850,000

Plus: Unamortized premium and deferred amount. . . . . 80,272

6,930,272

First Mortgage Bonds of 1998:

Fort Wayne International Airport Air

Trade Center Building Corporation

Principal payable semi-annually on January 15, 2011  
to January 15, 2020 in payments ranging from  
\$985,000 in 2020 to \$1,900,000 in 2019.

Interest at 5.0 to 5.3% due semi- annually

on January 15 and July 15 . . . . . 15,075,000

Less: Unamortized discount. . . . . (90,296)

14,984,704

Total bonds . . . . . 21,914,976

Less: Current portion. . . . . (3,125,547)

\$18,789,429

The Authority has a legal debt limit of \$87,419,628 which represents 2 percent of the adjusted value of Allen County property. Adjusted value is calculated by multiplying one-third times assessed value as certified by the State Department of Local Government Finance. Since the Authority has no general obligation debt outstanding, the legal debt margin of the Authority is also \$87,419,628 as of December 31, 2010.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**Airport Improvement Refunding Bonds of 2004**

The Fort Wayne International Airport Building Corporation (FWIABC) Airport Improvement Refunding Bonds of 2004 (the 2004 Bonds) are collateralized by the revenues and assets of the Trust, and rent and other payments made by the Authority under the lease between the FWIABC (Lessor) and the Authority (Lessee) described below.

FWIABC agreed to sell the 2004 Bonds in the original amount of \$15,475,000 to refund the 1993 and 1994 Airport Improvement Bonds (the 1993 and 1994 bonds). The Authority will make semi-annual lease-purchase payments, which approximate bond principal and interest payments. The lease payments by the authority will be made from operating revenues and, in the event such revenues are insufficient, from unlimited ad valorem taxes to be levied by the Authority on all taxable property within Allen County.

The previously issued and now refunded 1993 and 1994 Bonds were used to provide funds for constructing a loop access roadway, parking facilities and utilities located generally north of the terminal building; and for constructing, renovating, and equipping the terminal building. These facilities were completed in 1996.

FWIABC retains title to these facilities until the option to purchase is exercised or the lease term is ended. At such time, the facilities become the property of the Authority.

The 2004 Bonds are not subject to optional redemption prior to maturity.

**First Mortgage of 1998**

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) First Mortgage Bonds of 1998 (the 1998 First Mortgage Bonds) are collateralized by revenues and assets of the Trust, and semiannual lease rental payments to be paid by the Authority pursuant to the terms of the Master Lease agreement between the FWIAATCBC (Lessor) and the Authority (Lessee) described below. Payment of the principal and interest on the bonds maturing on January 15, 2015, January 15, 2017 and January 15, 2020 are guaranteed by a financial guaranty insurance policy.

The original amount of the 1998 First Mortgage Bond issue was \$25,375,000. The proceeds from the sale were used to construct and equip an air freight hub, aircraft maintenance facility, air cargo sorting facilities, parking, fueling and related facilities, and personal property connected with the above.

In 1998, the Authority entered into a Master Lease with FWIAATCBC. The FWIAATCBC agreed to sell bonds to finance the construction of the project described above. In addition, the Authority agreed to sublet the project through a building lease with an unrelated air cargo company. In accordance with the terms of the building lease, the lease payments payable by the Authority were to be paid directly to the Trustee by the air cargo company. On October 29, 2007, the air cargo company

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

filed petitions for reorganization under the Chapter 11 Bankruptcy Code, and ceased operations at Fort Wayne International Airport. Consequently, lease payments ceased to be paid by this cargo company shortly after their bankruptcy filing. Since the provisions of the Master Lease agreement require the Authority to levy taxes on all taxable property within Allen County if revenues from the building lease are insufficient, the Authority obtained approval from the Allen County Council during 2008 to levy a debt service tax on all taxable property within Allen County.

FWIAATCBC retains title to the facilities until the option to purchase is exercised or the lease term is ended. At such time, the facilities become the property of the Authority.

The First Mortgage Bonds are subject to redemption prior to maturity at the Authority's option at par.

**Debt Defeasance**

The Authority has no outstanding defeased debt.

Annual debt service requirements to maturity for revenue bonds are as follows as of December 31, 2010:

**Debt Service Requirements**

Years ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011 . . . . .	\$ 3,100,000	\$ 1,063,848	\$ 4,163,848
2012 . . . . .	3,250,000	907,429	4,157,429
2013 . . . . .	3,445,000	744,928	4,189,928
2014 . . . . .	2,530,000	572,935	3,102,935
2015 . . . . .	1,550,000	471,163	2,021,163
2016-2020 . . . . .	<u>8,050,000</u>	<u>1,047,148</u>	<u>9,097,148</u>
	21,925,000	4,807,451	26,732,451
Minus: Unamortized discount, premium and deferred amount.	<u>(10,024)</u>	<u>---</u>	<u>(10,024)</u>
	<u>\$21,914,976</u>	<u>\$ 4,807,451</u>	<u>\$26,722,427</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**Changes in Bonds and Long-Term Liabilities**

Bonds and long-term liability activity for the year ended December 31, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term liabilities:					
Compensated absences . . . . .	\$ 1,354,369	\$ 310,519	\$ (419,515)	\$1,245,374	\$ 220,144
Bonds and other long-term debt:					
Revenue bonds . . . . .	24,890,000	---	(2,965,000)	21,925,000	3,100,000
Plus or minus deferred amounts:					
Premiums . . . . .	164,257	---	(62,268)	101,989	50,304
Discounts . . . . .	(102,997)	---	12,701	(90,296)	(13,650)
On refunding . . . . .	<u>(36,037)</u>	<u>---</u>	<u>14,320</u>	<u>(21,717)</u>	<u>(11,107)</u>
Total bonds and other long-term debt . . . . .	<u>24,915,223</u>	<u>---</u>	<u>(3,000,247)</u>	<u>21,914,976</u>	<u>3,125,547</u>
Total bonds and long-term liabilities . . . . .	<u>\$26,269,592</u>	<u>\$ 310,519</u>	<u>\$ (3,419,762)</u>	<u>\$23,160,350</u>	<u>\$ 3,345,691</u>

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Capital Improvements** - At December 31, 2010, the Authority was obligated for completion of airfield infrastructure, a master plan study, and various smaller projects under commitments aggregating \$801,467 with an estimated \$397,000 eligible for reimbursement at 96.25 percent from the FAA and State of Indiana.

**Rebatable Arbitrage** - Based upon calculations through December 31, 2010, there are no rebatable arbitrage liabilities.

**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. Accounts receivable and unbilled revenue balances relate primarily to these activities. Amounts due from passenger airlines represent approximately 30 percent of the accounts receivable balances as of December 31, 2010.

**Litigation** - The nature of the business of the Authority generates certain litigation against the Authority arising in the ordinary course of business. However, the Authority believes the ultimate outcome of these matters in the aggregate should not have a materially adverse effect on its financial position or results of operations.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Notes to Financial Statements-Continued**

**NOTE 11 RENTAL INCOME UNDER OPERATING LEASES**

A significant portion of the operating revenue of the Authority is generated through the leasing of airport and building space to airlines and others on a fixed fee as well as a contingent rental basis. Ownership risks are retained by the Authority and, accordingly, such leases are treated as operating leases.

The following is a schedule of minimum future rentals on non-cancelable operating leases to be received in each of the next five years and thereafter:

Years ending December 31:	
2011 . . . . .	\$1,575,610
2012 . . . . .	1,481,212
2013 . . . . .	740,419
2014 . . . . .	420,412
2015 . . . . .	313,117
Later Years . . . . .	583,160

The schedule above includes changes in rental rates that became effective on January 1, 2011. These rates are adjusted annually.

Contingent rentals and fees aggregated \$4,576,474 for the year ended December 31, 2010.

Substantially all the assets classified under capital assets in the statement of net assets are held by the Authority for the purpose of rental or related use.

**NOTE 12 MAJOR CUSTOMERS**

During the year ended December 31, 2010, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 15 percent of operating revenues.

**NOTE 13 SUBSEQUENT EVENTS**

On February 24, 2011, the Authority refunded the First Mortgage Bonds of 1998. As described more fully in Note 9, proceeds from the 1998 bonds were used to construct and equip air freight facilities in the Authority's Air Trade Center. Since the bonds were tax exempt, this restricted the use of the facilities to aeronautical use only. To eliminate this restriction and allow non-aeronautical use of these facilities, the Authority refunded the bonds with a taxable bond issue. Although the primary purpose of the refunding was to eliminate the use restriction, the Authority also realized a net present value savings of approximately \$100,000.

**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Funding Progress**

**Employees Retirement Plan**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) -Entry Age (2)	Excess Assets (Unfunded AAL) (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Excess Assets (Unfunded AAL) as a Percentage of Covered Payroll ((1 - 2) / 3)
7/1/01	\$ 798,529	\$ 864,731	\$ (66,202)	92.3%	\$2,736,700	(2.42) %
7/1/02 (A)	1,978,599	1,563,222	415,377	126.6	2,856,043	14.54
7/1/03	1,996,738	1,448,753	547,985	137.8	2,851,475	19.22
7/1/04	2,101,867	1,508,381	593,486	139.3	2,910,443	20.39
7/1/05	2,193,053	1,943,705	249,348	112.8	2,981,697	8.36
7/1/06	2,603,064	2,028,014	575,050	128.4	3,049,154	18.86
7/1/07	2,932,891	2,430,873	502,018	120.7	3,294,131	15.24
7/1/08	3,248,909	2,966,134	282,775	109.5	3,535,802	8.00
7/1/09	3,159,739	3,172,161	(12,422)	100.0	3,642,394	(0.34)
7/1/10	2,475,767	3,506,990	(1,031,223)	70.6	3,389,644	(30.42)

Note A: On January 1, 1997, the Indiana Public Employees Retirement Fund separated the Authority from Allen County's PERF account and established a separate account for the Authority. On that date, the Authority assumed no liabilities and received no assets for employee service prior to this date. Initially, assets and liabilities of the plan for Authority employee service prior to January 1, 1997, remained with Allen County's account. However, on July 1, 2002, the Indiana Public Employees Retirement Fund transferred these assets and liabilities to the Authority's account.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Funding Progress**

**Retiree Healthcare Plan**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Projected Unit Credit (2)	Unfunded AAL (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Unfunded AAL as a Percentage of Covered Payroll ((1 - 2)/3)
12/31/07	\$0	\$798,194	\$798,194	0.0%	\$3,326,274	24.0%
12/31/08	0	880,772	880,772	0.0	3,375,564	26.1
12/31/09	0	978,354	978,354	0.0	3,652,914	26.8
12/31/10	0	964,500	964,500	0.0	3,608,928	26.7

The Authority implemented GASB 45 during 2008. Actuarial information prior to 2007 is not available.

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

## **ENTERPRISE FUND COMBINING SCHEDULES**

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The Board intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Fort Wayne-Allen County Airport Authority (Authority) - This fund is used to account for the activities of the Authority.

The Fort Wayne International Airport Building Corporation (FWIABC) - This blended component unit was created to finance the construction of the Authority's Terminal Building Modernization, and Local Access Roads and Parking Facilities projects. Capital lease balances and transactions between the Authority and the FWIABC have been eliminated.

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) - This blended component unit was created to finance the construction of an air freight hub, aircraft maintenance facilities, air cargo sorting facilities, parking, fueling and related facilities within the Authority's Air Trade Center. Capital lease balances and transactions between the Authority and the FWIAATCBC have been eliminated.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**ENTERPRISE FUND**  
**Combining Schedule of Net Assets**  
**December 31, 2010**

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
<b>CURRENT ASSETS:</b>				
Unrestricted assets:				
Cash and cash equivalents.....	\$ 3,295,299	\$ -	\$ -	\$ 3,295,299
Investments.....	8,700,000	-	-	8,700,000
Accounts receivable, net of allowance.....	193,357	-	-	193,357
Unbilled revenue.....	88,715	-	-	88,715
Property tax receivable, net of allowance.....	43,230	-	-	43,230
Other receivables.....	47,418	-	-	47,418
Inventory.....	229,699	-	-	229,699
Prepaid items.....	160,672	-	-	160,672
<b>Total unrestricted assets.....</b>	<b>12,758,390</b>	<b>-</b>	<b>-</b>	<b>12,758,390</b>
Restricted assets:				
Cash and cash equivalents.....	2,832,713	-	1,022,740	3,855,453
Investments.....	600,000	-	-	600,000
Passenger facility charge receivable.....	147,957	-	-	147,957
Federal and state grants receivable.....	2,672,334	-	-	2,672,334
Property tax receivable, net of allowance.....	24,442	-	-	24,442
Other receivables.....	39,327	-	125	39,452
<b>Total restricted assets.....</b>	<b>6,316,773</b>	<b>-</b>	<b>1,022,865</b>	<b>7,339,638</b>
<b>Total current assets.....</b>	<b>19,075,163</b>	<b>-</b>	<b>1,022,865</b>	<b>20,098,028</b>
<b>NONCURRENT ASSETS:</b>				
Restricted assets:				
Cash and cash equivalents.....	839,629	8,334	-	847,963
Investments.....	4,650,000	-	-	4,650,000
Property tax receivable, net of allowance.....	5,487	-	-	5,487
Net pension assets.....	96,064	-	-	96,064
<b>Total restricted assets.....</b>	<b>5,591,180</b>	<b>8,334</b>	<b>-</b>	<b>5,599,514</b>
Capital assets, net.....	104,058,745	-	-	104,058,745
Other assets:				
Bond issue costs, less accumulated amortization of \$647,006...	149,303	-	-	149,303
<b>Total noncurrent assets.....</b>	<b>109,799,228</b>	<b>8,334</b>	<b>-</b>	<b>109,807,562</b>
<b>Total assets.....</b>	<b>\$ 128,874,391</b>	<b>\$ 8,334</b>	<b>\$ 1,022,865</b>	<b>\$ 129,905,590</b>

	Authority	FWIABC	FWIAATCBC	Totals
<b>CURRENT LIABILITIES:</b>				
Payable from unrestricted:				
Accounts payable.....	\$ 859,894	\$ -	\$ -	\$ 859,894
Accrued liabilities.....	412,412	-	-	412,412
<b>Total unrestricted.....</b>	<b>1,272,306</b>	<b>-</b>	<b>-</b>	<b>1,272,306</b>
Payable from restricted:				
Accounts payable.....	74,727	-	-	74,727
Current portion of long-term debt.....	3,125,547	-	-	3,125,547
Accrued interest on long-term debt.....	551,064	-	-	551,064
<b>Total restricted.....</b>	<b>3,751,338</b>	<b>-</b>	<b>-</b>	<b>3,751,338</b>
<b>Total current liabilities.....</b>	<b>5,023,644</b>	<b>-</b>	<b>-</b>	<b>5,023,644</b>
<b>NONCURRENT LIABILITIES:</b>				
Net other postemployment benefits obligation.....	325,892	-	-	325,892
Accrued compensated absences.....	1,025,230	-	-	1,025,230
Bonds and other long-term debt, net.....	18,789,429	-	-	18,789,429
<b>Total noncurrent liabilities.....</b>	<b>20,140,551</b>	<b>-</b>	<b>-</b>	<b>20,140,551</b>
<b>Total liabilities.....</b>	<b>25,164,195</b>	<b>-</b>	<b>-</b>	<b>25,164,195</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt.....	82,143,769	-	-	82,143,769
Restricted for:				
Debt service.....	3,044,979	8,334	1,022,865	4,076,178
Capital projects.....	8,130,072	-	-	8,130,072
Other purposes (deficit).....	(218,781)	-	-	(218,781)
Unrestricted.....	10,610,157	-	-	10,610,157
<b>Total net assets.....</b>	<b>103,710,196</b>	<b>8,334</b>	<b>1,022,865</b>	<b>104,741,395</b>
<b>Total liabilities and net assets.....</b>	<b>\$ 128,874,391</b>	<b>\$ 8,334</b>	<b>\$ 1,022,865</b>	<b>\$ 129,905,590</b>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**ENTERPRISE FUND**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2010**

	Authority	FWIABC	FWIAATCBC	Totals
<b>OPERATING REVENUES:</b>				
Airfield.....	\$ 1,361,743	\$ -	\$ -	\$ 1,361,743
Buildings and grounds.....	1,051,735	-	-	1,051,735
Terminal.....	3,096,831	-	-	3,096,831
Parking.....	2,620,565	-	-	2,620,565
Reliever airport.....	420,083	-	-	420,083
Total operating revenues.....	<u>8,550,957</u>	<u>-</u>	<u>-</u>	<u>8,550,957</u>
 <b>OPERATING EXPENSES:</b>				
Airfield.....	2,643,833	-	-	2,643,833
Buildings and grounds.....	918,107	-	-	918,107
Terminal.....	1,542,356	-	-	1,542,356
Parking.....	994,218	-	-	994,218
Reliever airport.....	559,963	-	-	559,963
Administration.....	2,465,267	-	7,641	2,472,908
Depreciation.....	8,440,999	-	-	8,440,999
Total operating expenses.....	<u>17,564,743</u>	<u>-</u>	<u>7,641</u>	<u>17,572,384</u>
LOSS FROM OPERATIONS.....	<u>(9,013,786)</u>	<u>-</u>	<u>(7,641)</u>	<u>(9,021,427)</u>
 <b>NONOPERATING REVENUES (EXPENSES):</b>				
Property and other taxes.....	6,783,287	-	-	6,783,287
Federal operating grant.....	131,891	-	-	131,891
Passenger facility charge.....	1,102,936	-	-	1,102,936
Interest income.....	160,971	7	1,509	162,487
Interest expense.....	(1,103,069)	-	-	(1,103,069)
Loss on disposal of capital assets.....	(409,452)	-	-	(409,452)
Net nonoperating revenues (expenses).....	<u>6,666,564</u>	<u>7</u>	<u>1,509</u>	<u>6,668,080</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,347,222)	7	(6,132)	(2,353,347)
 <b>CAPITAL CONTRIBUTIONS:</b>				
Federal and state grants.....	6,461,612	-	-	6,461,612
INCREASE (DECREASE) IN NET ASSETS.....	4,114,390	7	(6,132)	4,108,265
 <b>NET ASSETS:</b>				
Total net assets, beginning of year.....	<u>99,595,806</u>	<u>8,327</u>	<u>1,028,997</u>	<u>100,633,130</u>
Total net assets, end of year.....	<u>\$ 103,710,196</u>	<u>\$ 8,334</u>	<u>\$ 1,022,865</u>	<u>\$ 104,741,395</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**ENTERPRISE FUND**  
**Combining Schedule of Cash Flows**  
**For the Year Ended December 31, 2010**

	Authority	FWIABC	FWIAATCBC	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$ 8,685,091	\$ -	\$ -	\$ 8,685,091
Payments to suppliers.....	(3,704,529)	-	(7,640)	(3,712,169)
Payments to employees.....	(3,943,890)	-	-	(3,943,890)
Payments of benefits on behalf of employees.....	(1,391,808)	-	-	(1,391,808)
Return of customer deposits.....	(25,225)	-	-	(25,225)
Net cash used in operating activities.....	(380,361)	-	(7,640)	(388,001)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:</b>				
Receipts of property and other taxes.....	4,475,835	-	-	4,475,835
Operating grant receipts.....	132,324	-	-	132,324
Other income.....	8,267	-	-	8,267
Net cash provided by noncapital financing activities.....	4,616,426	-	-	4,616,426
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Receipts of property and other taxes.....	2,376,640	-	-	2,376,640
Acquisition and construction of capital assets.....	(8,526,088)	-	-	(8,526,088)
Sale of capital assets.....	52,728	-	-	52,728
Principal paid on bonds and other long-term debt.....	(2,965,000)	-	-	(2,965,000)
Interest paid on bonds and other long-term debt.....	(1,209,817)	-	-	(1,209,817)
Capital grant receipts.....	5,111,182	-	-	5,111,182
Passenger facility charge receipts.....	1,083,141	-	-	1,083,141
Net cash used in capital and related financing activities.....	(4,077,214)	-	-	(4,077,214)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investment securities.....	(17,450,000)	-	-	(17,450,000)
Proceeds from sale and maturities of investment securities.....	13,800,000	-	-	13,800,000
Interest received on investments.....	130,451	7	1,509	131,967
Net cash provided by (used in) investing activities.....	(3,519,549)	7	1,509	(3,518,033)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.</b>	<b>(3,360,698)</b>	<b>7</b>	<b>(6,131)</b>	<b>(3,366,822)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....</b>	<b>10,328,340</b>	<b>8,327</b>	<b>1,028,871</b>	<b>11,365,538</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR.....</b>	<b>\$ 6,967,642</b>	<b>\$ 8,334</b>	<b>\$ 1,022,740</b>	<b>\$ 7,998,716</b>

continued

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**ENTERPRISE FUND**  
**Combining Schedule of Cash Flows-Continued**  
**For the Year Ended December 31, 2010**

	Authority	FWIABC	FWIAATCBC	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Loss from operations.....	\$ (9,013,787)	\$ -	\$ (7,640)	\$ (9,021,427)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation.....	8,440,999	-	-	8,440,999
Amortization of bond issuance cost.....	50,248	-	-	50,248
Change in assets and liabilities:				
Accounts receivable and unbilled revenue.....	111,446	-	-	111,446
Inventory.....	25,262	-	-	25,262
Net pension assets.....	44,812	-	-	44,812
Prepaid items.....	7,223	-	-	7,223
Accounts payable.....	(61,475)	-	-	(61,475)
Accrued liabilities.....	14,911	-	-	14,911
Net cash used in operating activities.....	\$ (380,361)	\$ -	\$ (7,640)	\$ (388,001)

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:**

**CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital assets included in accounts payable.....	\$ 471,024	\$ -	\$ -	\$ 471,024
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**OTHER SUPPLEMENTARY  
INFORMATION**

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Schedule of Debt Service Requirements to Maturity  
December 31, 2010**

	Principal	Interest	Total
2011.....	3,100,000	1,063,848	4,163,848
2012.....	3,250,000	907,429	4,157,429
2013.....	3,445,000	744,929	4,189,929
2014.....	2,530,000	572,935	3,102,935
2015.....	1,550,000	471,163	2,021,163
2016.....	1,635,000	388,622	2,023,622
2017.....	1,720,000	300,775	2,020,775
2018.....	1,810,000	212,375	2,022,375
2019.....	1,900,000	120,750	2,020,750
2020.....	985,000	24,625	1,009,625
Totals.....	\$ 21,925,000 (1)	\$ 4,807,451	\$ 26,732,451

(1) Excludes unamortized discount, premium and deferred amount of (\$10,024).

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Schedule of Capital Assets and Accumulated Depreciation  
For the Year Ended December 31, 2010**

Capital Assets (1)

Category	Balance at 01/01/10	Additions	Deletions (2)	Balance at 12/31/10
Land.....	\$ 15,681,835	\$ 929,201	\$ -	\$ 16,611,036
Avigation easements.....	118,357			118,357
Runways and taxiways.....	106,324,528	1,628,998	430,608	107,522,918
Buildings.....	73,727,273	178,711	2,236,585	71,669,399
Roads and parking.....	19,576,463	5,370,445	813,976	24,132,932
Snow equipment.....	3,853,531			3,853,531
Vehicles.....	2,603,092	85,116	105,622	2,582,586
Other equipment.....	2,080,978	56,789	73,717	2,064,050
Software and data base.....	258,653			258,653
Master plans.....	1,627,609			1,627,609
Work in progress.....	1,108,529	5,545,705	5,496,270	1,157,964
<b>Total capital assets.....</b>	<b>\$ 226,960,848</b>	<b>\$ 13,794,965</b>	<b>\$ 9,156,778</b>	<b>\$ 231,599,035</b>

Accumulated Depreciation

Category	Balance at 01/01/10	Additions	Deletions (2)	Balance at 12/31/10
Runways and taxiways.....	\$ 71,825,375	\$ 4,118,622	\$ 430,608	\$ 75,513,389
Buildings.....	36,510,349	2,779,514	2,231,350	37,058,513
Roads and parking.....	8,098,027	834,810	357,510	8,575,327
Snow equipment.....	1,794,398	243,819		2,038,217
Vehicles.....	1,248,543	166,148	105,622	1,309,069
Other equipment.....	1,548,904	112,709	73,717	1,587,896
Software and data base.....	156,742	25,567		182,309
Master plans.....	1,115,760	159,810		1,275,570
<b>Total depreciation.....</b>	<b>\$ 122,298,098</b>	<b>\$ 8,440,999</b>	<b>\$ 3,198,807</b>	<b>\$ 127,540,290</b>

(1) Capital assets are carried at historical cost except for assets assumed by the Authority at July 1, 1985, that are carried at historical cost, net of accumulated depreciation. Assets are depreciated or amortized using the straight-line method over their useful lives.

(2) Deletions consist of disposals and assets traded in that were no longer in service.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Schedule of Revenues - Budget and Actual  
For the Year Ended December 31, 2010**

Major Revenue Categories	2010 Actual			2010 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield use fees.....	\$ 1,538,115	\$ (53,332)	\$ 1,484,783	\$ 1,571,509	\$ (86,726)
Building rent and services.....	3,086,323	(45,934)	3,040,389	3,135,431	(95,042)
Land rent.....	393,907	621	394,528	353,750	40,778
Parking.....	2,609,642	-	2,609,642	2,651,673	(42,031)
Auto rental.....	797,778	(22,984)	774,794	784,400	(9,606)
Restaurant.....	97,557	295	97,852	104,088	(6,236)
Other income.....	159,526	(32,918)	126,608	171,438	(44,830)
Interest income.....	162,487	(32,036)	130,451	235,688	(105,237)
Property and other taxes.....	6,783,287	69,188	6,852,475	(2,438,157)	9,290,632
Passenger facility charges.....	1,102,936	(19,795)	1,083,141	10,044,332	(8,961,191)
<b>Total revenues.....</b>	<b>16,731,558</b>	<b>(136,895)</b>	<b>16,594,663</b>	<b>16,614,152</b>	<b>(19,489)</b>
Capital contributions:					
Federal grants.....	6,356,810	(1,327,866)	5,028,944		5,028,944
State grants.....	104,802	(22,564)	82,238		82,238
<b>Total capital contributions.....</b>	<b>6,461,612</b>	<b>(1,350,430)</b>	<b>5,111,182</b>	<b>-</b>	<b>5,111,182</b>
<b>Total.....</b>	<b>\$ 23,193,170</b>	<b>\$ (1,487,325)</b>	<b>\$ 21,705,845</b>	<b>\$ 16,614,152</b>	<b>\$ 5,091,693</b>

(1) Indiana state statutes require budgetary compliance accounting on a cash basis.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Schedule of Expenses-Budget and Actual  
For the Year Ended December 31, 2010**

Major Expense Categories	2010 Actual					2010 Budget	Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2010 Actual		
<b>PERSONAL SERVICES:</b>							
Salaries and wages.....	\$ 3,859,845	\$ 84,045	\$ 3,943,890	\$ -	\$ 3,949,319	\$ 4,241,619	\$ (292,300)
Employee benefits.....	1,529,207	(137,399)	1,391,808	5,429	1,391,808	1,821,759	(429,951)
<b>Total personal services.....</b>	<b>5,389,052</b>	<b>(53,354)</b>	<b>5,335,698</b>	<b>5,429</b>	<b>5,335,698</b>	<b>6,063,378</b>	<b>(722,251)</b>
<b>SUPPLIES.....</b>	<b>854,476</b>	<b>(68,162)</b>	<b>786,314</b>	<b>65,908</b>	<b>795,001</b>	<b>1,068,990</b>	<b>(273,989)</b>
<b>CONTRACTUAL SERVICES:</b>							
Professional services.....	475,409	(6,280)	469,129	8,687	477,816	555,882	(78,066)
Utilities.....	626,467	(27,053)	599,414	5,503	604,917	798,413	(193,496)
Contracted repairs.....	178,296	(2,417)	175,879	24,212	200,091	284,954	(84,863)
Debt service payments.....	1,103,069	3,067,356	4,170,425	-	4,170,425	4,170,425	-
Other contracted services.....	1,607,685	(11,283)	1,596,402	301,319	1,596,402	2,417,170	(820,768)
<b>Total contractual services....</b>	<b>3,990,926</b>	<b>3,020,323</b>	<b>7,011,249</b>	<b>339,721</b>	<b>7,011,249</b>	<b>8,226,844</b>	<b>(1,177,193)</b>
<b>CAPITAL EXPENDITURES</b>	<b>-</b>	<b>8,594,241</b>	<b>8,594,241</b>	<b>1,438,588</b>	<b>8,594,241</b>	<b>12,263,958</b>	<b>(3,669,717)</b>
<b>DEPRECIATION EXPENSE</b>	<b>8,440,999</b>	<b>(8,440,999)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals.....</b>	<b>\$ 18,675,453</b>	<b>\$ 3,052,049</b>	<b>\$ 21,727,502</b>	<b>\$ 1,849,646</b>	<b>\$ 21,736,189</b>	<b>\$ 27,623,170</b>	<b>\$ (5,843,150)</b>

(1) State of Indiana budgetary compliance requires cash expenditures plus purchase commitments not to exceed annual appropriations.

(2) Balance equals funds not committed by the Authority.

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

# STATISTICAL SECTION

This part of the Authority's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends Data</b>	64
These schedules contain trend information to help the reader understand how the Authority's financial position has changed over time.	
<b>Revenue Capacity</b>	68
These schedules contain information to help the reader assess the Authority's ability to generate its most significant revenues.	
<b>Debt Capacity</b>	76
These schedules present information to help the reader assess the Authority's current debt level and its ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	80
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	
<b>Operating Information</b>	82
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Annual Revenues, Expenses and Changes in Fund Net Assets  
Last Ten Fiscal Years  
(Accrual Basis)**

Revenues:	2010	2009	2008	2007
Airfield.....	\$ 1,361,743	\$ 1,429,261	\$ 1,300,430	\$ 1,987,586
Buildings and grounds.....	1,051,735	1,344,797	1,074,401	2,751,377
Terminal.....	3,096,831	3,219,115	2,974,312	3,003,368
Parking.....	2,620,565	2,460,847	2,234,673	2,063,274
Reliever airport.....	420,083	402,031	472,174	3,450
	<u>8,550,957</u>	<u>8,856,051</u>	<u>8,055,990</u>	<u>9,809,055</u>
Interest .....	162,487	344,026	586,039	708,481
Property and other taxes.....	6,783,287	7,477,987	4,472,751	4,438,807
Federal operating grant.....	131,891	130,869	133,531	32,976
Passenger facility charge.....	1,102,936	1,031,684	1,114,786	1,136,120
Gain (Loss) on disposal of capital assets.....	(409,452)	-	41,302	21,617
Total revenues.....	<u>16,322,106</u>	<u>17,840,617</u>	<u>14,404,399</u>	<u>16,147,056</u>
<b>Expenses:</b>				
Salaries.....	3,859,845	4,040,982	4,032,946	3,689,607
Benefits.....	1,529,207	1,659,885	1,683,232	1,457,312
Utilities.....	626,467	634,279	713,684	548,287
Supplies and other services.....	3,115,866	3,106,021	3,192,897	3,261,589
Depreciation.....	8,440,999	8,316,488	8,212,367	8,510,935
Total operating expenses.....	<u>17,572,384</u>	<u>17,757,655</u>	<u>17,835,126</u>	<u>17,467,730</u>
Interest.....	<u>1,103,069</u>	<u>1,234,672</u>	<u>1,358,583</u>	<u>1,447,799</u>
Total expenses.....	<u>18,675,453</u>	<u>18,992,327</u>	<u>19,193,709</u>	<u>18,915,529</u>
Capital contributions.....	<u>6,461,612</u>	<u>6,333,715</u>	<u>2,747,422</u>	<u>573,692</u>
Increase (Decrease) in net assets.....	<u>\$ 4,108,265</u>	<u>\$ 5,182,005</u>	<u>\$ (2,041,888)</u>	<u>\$ (2,194,781)</u>
<b>Net assets at year end composed of:</b>				
Invested in capital assets, net of related debt.	\$ 82,143,769	\$ 79,747,527	\$ 77,203,394	\$ 78,495,625
Restricted.....	12,260,528	10,956,010	8,526,620	6,950,303
Unrestricted.....	<u>10,380,330</u>	<u>9,929,593</u>	<u>9,721,111</u>	<u>12,047,085</u>
Total net assets.....	<u>\$ 104,784,627</u>	<u>\$ 100,633,130</u>	<u>\$ 95,451,125</u>	<u>\$ 97,493,013</u>

Note: GASB Statements 34 and 35 were implemented in 2002, therefore the composition of total net assets is not available prior to 2002.

Source: Authority's audited financial statements.

	2006	2005	2004	2003	2002	2001
\$	2,516,471	\$ 2,355,553	\$ 2,372,285	\$ 2,322,102	\$ 2,358,826	\$ 2,503,278
	3,158,585	3,194,286	3,217,660	3,115,449	3,081,669	3,070,028
	3,009,862	3,067,835	3,096,247	3,161,047	3,116,932	2,912,244
	1,912,344	1,947,262	1,992,504	1,682,480	1,592,208	1,661,857
	10,188	10,166	10,355	22,043	42,130	49,157
	<u>10,607,450</u>	<u>10,575,102</u>	<u>10,689,051</u>	<u>10,303,121</u>	<u>10,191,765</u>	<u>10,196,564</u>
	875,498	653,412	347,459	401,133	651,582	1,067,565
	4,307,566	4,069,893	4,221,616	3,768,107	3,698,807	3,747,541
	-	-	332,513	65,487	203,903	-
	1,059,924	812,956	887,160	794,951	768,351	803,711
	64,985	184,937	-	1,257	12,934	12,899
	<u>16,915,423</u>	<u>16,296,300</u>	<u>16,477,799</u>	<u>15,334,056</u>	<u>15,527,342</u>	<u>15,828,280</u>
	3,263,059	3,103,932	3,053,622	3,029,513	3,153,805	3,205,169
	1,366,665	1,261,433	1,025,317	947,868	994,007	707,264
	499,924	474,522	438,094	430,869	378,929	390,118
	2,780,524	3,486,298	3,827,577	2,921,292	2,526,089	2,143,133
	8,064,551	7,764,453	7,787,031	7,531,646	7,821,960	7,690,603
	<u>15,974,723</u>	<u>16,090,638</u>	<u>16,131,641</u>	<u>14,861,188</u>	<u>14,874,790</u>	<u>14,136,287</u>
	1,655,703	1,740,318	2,256,248	2,404,165	2,572,497	2,714,736
	<u>17,630,426</u>	<u>17,830,956</u>	<u>18,387,889</u>	<u>17,265,353</u>	<u>17,447,287</u>	<u>16,851,023</u>
	7,999,576	5,098,268	3,350,896	2,839,984	1,967,232	3,121,820
\$	<u>7,284,573</u>	<u>3,563,612</u>	<u>1,440,806</u>	<u>908,687</u>	<u>47,287</u>	<u>2,099,077</u>
\$	80,087,834	\$ 71,421,904	\$ 66,434,837	\$ 64,761,424	\$ 63,484,036	NA
	12,174,175	6,858,838	5,955,696	6,653,265	4,318,564	NA
	7,425,785	14,122,479	16,449,076	15,984,114	18,687,516	NA
\$	<u>99,687,794</u>	<u>92,403,221</u>	<u>88,839,609</u>	<u>87,398,803</u>	<u>86,490,116</u>	<u>86,442,829</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Principal Revenue Sources, Cost per Enplaned Passenger and Airline Rates and Charges  
Last Ten Fiscal Years**

	2010	2009	2008	2007
<u>Operating Revenues:</u>				
Airfield.....	\$ 83,070	\$ 80,212	\$ 105,077	\$ 150,318
Passenger airline service charge revenues:				
Landing fees.....	771,177	777,156	742,078	708,285
Jetway rental.....	60,060	61,140	68,410	74,700
Apron fees.....	93,771	98,110	79,058	99,430
Terminal rent.....	1,695,299	1,742,964	1,496,500	1,575,750
Boarding security.....	199,381	186,484	156,490	155,153
PA system.....	1,152	1,216	1,504	1,536
Air Trade Center cargo airline service charge revenues:				
Landing fees.....	-	84,106	-	546,868
Apron fees.....	-	-	-	43,970
Building rent.....	-	214,364	85,000	1,527,754
Ground rent.....	-	-	-	201,957
Landing fees-other cargo.....	413,725	389,676	374,216	438,715
Building and grounds.....	774,349	849,470	829,016	862,507
Terminal.....	236,144	233,305	244,209	251,575
Car rental.....	797,778	890,941	896,925	833,162
Restaurant.....	97,557	87,323	110,274	111,493
Parking.....	2,609,642	2,460,847	2,234,673	2,063,274
Farming.....	297,769	296,706	160,386	159,158
Reliever airport.....	420,083	402,031	472,174	3,450
 Total operating revenues.....	 8,550,957	 8,856,051	 8,055,990	 9,809,055
<u>Non-operating revenues:</u>				
Interest income.....	162,487	344,026	586,039	708,481
Property and other taxes.....	6,783,287	7,477,987	4,472,751	4,438,807
FAA operating grant.....	131,891	130,869	133,531	32,976
Passenger facility charge.....	1,102,936	1,031,684	1,114,786	1,136,120
Gain on disposal of fixed assets.....	-	-	41,302	21,617
 Total non-operating revenues.....	 8,180,601	 8,984,566	 6,348,409	 6,338,001
 Total revenues.....	 <u>\$ 16,731,558</u>	 <u>\$ 17,840,617</u>	 <u>\$ 14,404,399</u>	 <u>\$ 16,147,056</u>
 Enplaned passengers.....	 <u>277,101</u>	 <u>266,176</u>	 <u>287,343</u>	 <u>298,639</u>
 Passenger airline cost per enplaned passenger.....	 <u>\$ 10.18</u>	 <u>\$ 10.77</u>	 <u>\$ 8.85</u>	 <u>\$ 8.76</u>
<u>Signatory airlines rates and charges (1):</u>				
Landing fee (per 1,000 lbs. of max. gross landed weight).....	\$ 2.40	\$ 2.30	\$ 2.06	\$ 1.86
Apron fee (per 1,000 lbs of max. gross landed weight).....	0.29	0.29	0.22	0.26
Annual terminal rental rate (per square foot).....	36.61	38.44	35.77	36.27
<u>Revenue Funding Ratios:</u>				
Parking revenue/commissions per enplaned passenger (2).....	\$ 9.42	\$ 9.25	\$ 7.78	\$ 6.91
Car rental commissions per enplaned passenger.....	2.88	3.35	3.12	2.79
Restaurant commissions per enplaned passenger.....	0.35	0.33	0.38	0.37

Notes: (1) Rates and charges are calculated based upon the Airport Use and Lease Agreement.

(2) The Authority changed from a concessions agreement to a management agreement for its parking lot operations on October 1, 2008.

Source: Authority's audited financial statements, and rates and charges reports.

	2006	2005	2004	2003	2002	2001
\$	114,741	\$ 125,048	\$ 127,092	\$ 136,379	\$ 139,192	\$ 160,873
	708,779	810,523	772,745	771,740	843,067	842,741
	86,770	67,900	61,050	52,930	58,200	57,460
	98,459	127,494	119,553	115,597	116,161	119,948
	1,542,946	1,710,820	1,608,441	1,720,773	1,703,037	1,565,023
	169,006	164,476	155,193	108,032	71,542	138,008
	1,536	1,504	2,080	1,920	1,824	2,016
	1,041,899	905,647	1,003,269	949,837	978,700	710,244
	52,765	56,856	54,411	57,565	39,757	36,893
	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
	214,734	208,424	203,338	199,205	195,425	190,873
	499,828	329,985	295,215	290,984	241,949	632,579
	763,330	807,303	858,527	769,302	737,916	735,877
	292,350	230,078	150,258	226,762	270,800	211,993
	814,862	782,533	1,002,472	957,022	925,403	851,119
	102,392	110,524	116,753	93,608	86,126	86,625
	1,912,344	1,947,262	1,992,504	1,682,480	1,592,208	1,661,857
	155,221	153,259	130,495	121,642	123,028	117,978
	10,188	10,166	10,355	22,043	42,130	49,157
	10,607,450	10,575,102	10,689,051	10,303,121	10,191,765	10,196,564
	875,498	653,412	347,459	401,133	651,582	1,067,565
	4,307,566	4,069,893	4,221,616	3,768,107	3,698,807	3,747,541
	-	-	332,513	65,487	203,903	-
	1,059,924	812,956	887,160	794,951	768,351	803,711
	64,985	184,937	-	1,257	12,934	12,899
	6,307,973	5,721,198	5,788,748	5,030,935	5,335,577	5,631,716
\$	<u>16,915,423</u>	<u>\$ 16,296,300</u>	<u>\$ 16,477,799</u>	<u>\$ 15,334,056</u>	<u>\$ 15,527,342</u>	<u>\$ 15,828,280</u>
	<u>274,889</u>	<u>316,339</u>	<u>338,681</u>	<u>306,077</u>	<u>301,044</u>	<u>307,255</u>
\$	<u>9.49</u>	<u>\$ 9.11</u>	<u>\$ 8.03</u>	<u>\$ 9.05</u>	<u>\$ 9.28</u>	<u>\$ 8.87</u>
\$	1.83	\$ 1.77	\$ 1.63	\$ 1.68	\$ 1.68	\$ 1.60
	0.25	0.28	0.25	0.25	0.23	0.23
	32.24	32.70	32.26	31.82	32.32	31.31
\$	6.96	\$ 6.16	\$ 5.88	\$ 5.50	\$ 5.29	\$ 5.57
	2.96	2.47	2.96	3.13	3.07	2.77
	0.37	0.35	0.34	0.31	0.29	0.28

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Allen County  
Principal Taxpayers  
Current Year and Nine Years Ago**

Principal Taxpayers - Name	2010			2001		
	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
GGP-Glenbrook-LLC.....	\$ 199,625,930	1	1.5 %			
Verizon North Inc (3).....	183,280,190	2	1.4	154,841,250	2	1.7 %
General Motors Corp.....	159,649,180	3	1.2	260,432,490	1	2.9
Indiana Michigan Power.....	143,566,840	4	1.1	101,938,770	4	1.1
IOM Health Systems.....	133,036,420	5	1.0	43,744,200	9	0.5
Parkview Health System Inc.....	89,452,740	6	0.7			
Walmart Stores East LP/RE Bus.....	79,651,790	7	0.6			
IMI Jefferson Pointe LLC.....	65,376,560	8	0.5			
Regency Canterbury LP.....	58,562,100	9	0.4			
St Joseph Health System LLC.....	58,184,970	10	0.4			
Dana Corporation.....				116,178,420	3	1.3
Uniroyal BF Goodrich.....				74,272,320	5	0.8
Lake County Trust/Landau & Hayden...				56,645,310	6	0.6
General Electric Company.....				48,284,460	7	0.5
Northern Indiana Public Service Co.....				46,425,030	8	0.5
Slater Steel.....				42,429,780	10	0.5
<b>Total of Ten Largest Taxpayers.....</b>	<b>\$ 1,170,386,720</b>		<b>8.8 %</b>	<b>\$ 945,192,030</b>		<b>10.5 %</b>

- (1) Represents assessed valuations for taxes due and payable in 2010.
- (2) Represents assessed valuations for taxes due and payable in 2001.
- (3) Formerly named General Telephone Operations during 2001.

Source: Allen County Auditor's Office.

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Tax Levies and Collections  
Last Ten Fiscal Years (1)  
(Cash Basis)**

	2010	2009	2008	2007
Operating excise tax.....	\$ 249,758	\$ 250,714	\$ 252,375	\$ 251,464
Aircraft excise tax.....	16,382	17,134	19,726	15,777
Operating intangibles tax.....	15,125	12,438	26,446	26,217
Operating property tax.....	3,151,024	3,154,607	3,113,273	3,052,156
Operating commercial vehicle tax.....	17,016	14,504	27,753	26,431
Cumulative building property tax.....	399,938	421,466	513,690	503,606
Cumulative building excise tax.....	31,700	33,496	41,642	41,492
Cumulative building commercial vehicle tax...	2,160	1,938	4,579	4,361
Cumulative building intangibles tax.....	1,920	1,662	4,363	4,325
County option income tax.....	1,015,608	577,664	468,904	485,097
Debt service property tax.....	1,781,540	2,669,282	---	---
Debt service excise tax.....	141,210	212,142	---	---
Debt service commercial vehicle tax.....	9,620	12,272	---	---
Debt service intangibles tax.....	8,552	10,524	---	---
<b>Total Authority tax receipts.....</b>	<b>\$ 6,841,553</b>	<b>\$ 7,389,843</b>	<b>\$ 4,472,751</b>	<b>\$ 4,410,926</b>
 Rate per \$100 of assessed valuation.....	 0.0440	 0.0489	 0.0233	 0.0233

(1) All tax receipts are shown on a cash basis.

(2) County Auditor did not distribute all tax receipts due to a delay in reassessment. The balance of tax receipts was paid in June 2004. Total tax receipts for 2003 (including the amounts received in 2004) were \$3,961,978.

(3) Due to a delay in reassessment, tax receipts for 2004 included \$1,608,192 from the 2003 tax levy.

**Allen County Property Tax  
Levies and Collections  
Last Ten Fiscal Years (1)**

	2010	2009	2008	2007
Total tax levy.....	\$ 319,525,460	\$ 337,853,052	\$ 468,378,102	\$ 450,324,056
Current tax collections (2).....	307,284,280	322,439,869	454,185,187	433,282,315
Percent of levy collected.....	96.2%	95.4%	97.0%	96.2%
Delinquent tax collections.....	5,437,834	12,026,170	10,843,230	16,618,199
Total tax collections.....	312,722,114	334,466,039	465,028,417	449,900,514
Percent of total tax collections to levy.....	97.9%	99.0%	99.3%	99.9%
Outstanding delinquent taxes.....	15,892,667	19,209,633	18,780,143	23,314,369
Percent of delinquent taxes to levy.....	5.0%	5.7%	4.0%	5.2%

(1) The Authority does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.

(2) Taxes collected in subsequent years was not available.

Source: Allen County Auditor's office

2006	2005	2004 (3)	2003 (2)	2002	2001
\$ 250,611	\$ 260,396	\$ 351,912	\$ 189,667	\$ 262,536	\$ 264,319
20,780	21,196	20,175	23,451	27,963	27,604
26,570	26,464	52,879	---	26,078	25,680
2,953,015	2,806,723	3,859,042	1,422,378	2,335,574	2,274,912
25,343	24,041	44,178	---	21,144	20,116
460,045	454,029	726,709	200,592	328,260	323,434
39,382	42,123	65,129	30,055	37,024	37,599
3,983	3,889	7,754	---	2,982	2,862
4,175	4,281	9,287	---	3,678	3,653
525,511	430,294	563,196	487,643	653,568	767,362
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ 4,309,415</u>	<u>\$ 4,073,436</u>	<u>\$ 5,700,261</u>	<u>\$ 2,353,786</u>	<u>\$ 3,698,807</u>	<u>\$ 3,747,541</u>
0.0243	0.0237	0.0225	0.0217	0.0267	0.0267

2006	2005	2004	2003	2002	2001
\$ 423,667,496	\$ 404,939,852	\$ 392,189,991	\$ 352,474,267	\$ 343,127,157	\$ 308,115,752
411,472,985	392,526,880	377,612,575	341,253,361	324,143,475	306,771,546
97.1%	96.9%	96.3%	96.8%	94.5%	99.6%
9,072,693	6,754,184	4,320,258	10,779,907	10,442,943	11,186,590
420,545,678	399,281,064	381,932,833	352,033,268	334,586,418	317,958,136
99.3%	98.6%	97.4%	99.9%	97.5%	103.2%
15,360,588	16,878,058	22,056,911	14,866,299	16,300,389	13,378,002
3.6%	4.2%	5.6%	4.2%	4.8%	4.3%

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Assessed Values of Property  
Last Ten Fiscal Years (4)**

Allen County	2010	2009	2008	2007
Total assessed value (1) (2)(3).....	\$ 13,112,944,238	\$ 13,297,615,974	\$ 15,850,468,135	\$ 15,270,870,109

(1) Assessed values for real property for 2000 - 2002 represent 1995 values.

The most recent general reassessment for real property was completed in 2003. Currently, property values are adjusted annually through trending based upon market value.

(2) Assessed values for personal property are updated annually.

(3) Beginning in 2003, Indiana changed to a market based approach for property assessments. For comparison purposes, assessed values and rates previously presented from 2000 to 2002 have been adjusted: assessed values have been multiplied by 3 and rates below have been divided by 3.

(4) Source: Allen County Auditor's Office.

**Property Tax Rates and Tax Levies  
Direct and Overlapping Governments  
Last Ten Years (2)**

Allen County	2010	2009	2008	2007
Rates per \$100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating.....	\$ 0.0260	\$ 0.0247	\$ 0.0200	\$ 0.0200
Cumulative Building.....	0.0033	0.0033	0.0033	0.0033
Debt Service.....	0.0147	0.0209	-	-
Total direct rates.....	<u>0.0440</u>	<u>0.0489</u>	<u>0.0233</u>	<u>0.0233</u>
Other municipal corporations.....	0.2234	0.2145	0.1736	0.1744
School Districts.....	0.9201	0.8986	1.4403	1.3876
Allen County.....	0.5187	0.4638	0.5795	0.5343
City of Fort Wayne.....	0.7880	0.7484	0.6274	0.6512
State of Indiana.....	0.0000	0.0000	0.0205	0.0206
Other.....	0.1110	0.1159	0.0922	0.0915
Totals.....	<u>\$ 2.6052</u>	<u>\$ 2.4902</u>	<u>\$ 2.9567</u>	<u>\$ 2.8829</u>

Levies:

Airport Authority.....	\$ 5,769,696	\$ 6,502,534	\$ 3,693,159	\$ 3,558,113
Other municipal corporations.....	29,291,300	28,526,107	27,512,551	26,639,938
School districts.....	120,653,166	119,496,983	228,289,216	211,904,942
Allen County.....	68,016,841	61,673,323	91,851,010	81,596,517
City of Fort Wayne.....	103,327,209	99,523,973	99,440,267	99,440,911
State of Indiana.....	-	-	3,249,346	3,145,800
Other.....	14,558,483	15,414,198	14,608,308	13,972,693
Totals.....	<u>\$ 341,616,695</u>	<u>\$ 331,137,118</u>	<u>\$ 468,643,857</u>	<u>\$ 440,258,914</u>

(1) School districts, the City, municipal corporations, and other rates represent countywide averages.

(2) Source: Allen County Auditor's Office

2006	2005	2004	2003	2002	2001
\$ 14,061,977,670	\$ 13,932,934,665	\$ 14,211,493,429	\$ 14,231,573,124	\$ 9,984,972,264	\$ 9,516,063,021

2006	2005	2004	2003	2002	2001
\$ 0.0210	\$ 0.0204	\$ 0.0192	\$ 0.0184	\$ 0.0234	\$ 0.0234
0.0033	0.0033	0.0033	0.0033	0.0033	0.0033
-	-	-	-	-	-
0.0243	0.0237	0.0225	0.0217	0.0267	0.0267
0.1841	0.1806	0.1629	0.1654	0.2222	0.1726
1.5274	1.4790	1.4768	1.3042	1.7585	1.7071
0.5675	0.5452	0.4945	0.4215	0.4656	0.5983
0.5871	0.5566	0.5188	0.4500	0.5886	0.5948
0.0239	0.0235	0.0024	0.0223	0.1455	0.0294
0.0991	0.1011	0.0817	0.0830	0.1017	0.1090
<u>\$ 3.0133</u>	<u>\$ 2.9098</u>	<u>\$ 2.7597</u>	<u>\$ 2.4681</u>	<u>\$ 3.3088</u>	<u>\$ 3.2378</u>

\$ 3,417,060	\$ 3,302,106	\$ 3,197,586	\$ 3,088,251	\$ 2,665,988	\$ 2,547,133
25,888,641	25,169,342	23,150,614	23,536,130	22,183,865	16,422,060
214,781,057	206,066,666	209,871,643	185,602,124	175,582,419	162,444,019
79,801,724	75,962,361	70,275,834	59,980,764	46,494,034	56,931,432
82,560,277	77,554,663	73,735,533	64,047,843	58,773,603	56,602,688
3,360,193	3,273,613	341,076	3,177,037	14,528,110	2,794,551
13,938,331	14,092,706	11,617,705	11,816,101	10,152,003	10,373,869
<u>\$ 423,747,283</u>	<u>\$ 405,421,457</u>	<u>\$ 392,189,991</u>	<u>\$ 351,248,250</u>	<u>\$ 330,380,022</u>	<u>\$ 308,115,752</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Allen County  
Property Values and Construction  
Last Ten Fiscal Years**

	Building Permits (1)			Property Value (2)
	Number Issued	Value of Buildings	Average Building Cost	
2010.....	706	\$ 122,188,517	173,072	\$ 13,112,944,238
2009.....	655	112,930,358	172,413	13,297,615,974
2008.....	632	117,262,580	185,542	15,850,468,135
2007.....	1,034	176,636,110	170,828	15,270,870,109
2006.....	1,167	205,597,856	176,176	14,061,977,670
2005.....	1,742	310,649,789	178,329	13,932,934,665
2004.....	1,799	306,494,445	170,369	14,211,493,429
2003.....	1,972	324,607,452	164,608	14,231,573,124
2002.....	2,070	315,471,492	152,402	9,984,972,264
2001.....	1,810	288,854,514	159,588	9,516,063,021

Notes: (1) New single-family residences and duplexes

(2) Property value is the assessed value for taxes due and payable in the year stated.

Source: U.S. Census Bureau, and Allen County Auditor's Office.

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**FORT WAYNE-ALLEN COUNTY  
AIRPORT AUTHORITY**

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FORT WAYNE INTERNATIONAL AIRPORT  
SMITH FIELD AIRPORT

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Ratios of Outstanding Debt  
Last Ten Fiscal Years**

	2010	2009	2008	2007
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds.....	\$ 6,930,272	\$ 8,738,220	\$ 10,478,179	\$ 12,166,033
First Mortgage Bonds.....	14,984,704	16,177,003	17,313,911	18,394,288
Revenue Bonds.....	-	-	-	-
Non-interest bearing loan.....	-	-	16,600	33,200
Financing agreement.....	-	-	-	-
Total outstanding debt.....	\$ 21,914,976	\$ 24,915,223	\$ 27,808,690	\$ 30,593,521
Enplaned passengers.....	277,101	266,176	287,343	298,639
Debt per enplaned passenger.....	\$ 79.09	\$ 93.60	\$ 96.78	\$ 102.44
 <u>Debt service per enplaned passenger</u>				
Net debt service.....	\$ 4,174,816	\$ 4,086,272	\$ 4,100,183	\$ 5,487,179
Enplaned passengers.....	277,101	266,176	287,343	298,639
Debt service per enplaned passenger.....	\$ 15.07	\$ 15.35	\$ 14.27	\$ 18.37

Notes: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) Tax-backed bonds are revenue bonds backed by ad valorem taxes that would be levied if airport revenues are insufficient.

Source: Authority's audited financial statements

	2006	2005	2004	2003	2002	2001
\$	13,694,365	\$ 15,150,665	\$ 15,871,805	\$ 17,612,789	\$ 18,792,025	\$ 19,906,262
	19,428,207	20,411,069	21,353,931	22,256,793	23,119,656	23,942,518
	1,443,497	2,116,301	3,132,230	4,088,788	5,006,773	5,876,216
	49,800	66,400	83,000	99,600	116,200	132,800
	-	-	-	-	16,920	33,004
\$	34,615,869	\$ 37,744,435	\$ 40,440,966	\$ 44,057,970	\$ 47,051,574	\$ 49,890,800
	274,889	316,339	338,681	306,077	301,044	307,255
\$	125.93	\$ 119.32	\$ 119.41	\$ 143.94	\$ 156.29	\$ 162.38
\$	4,752,303	\$ 4,470,762	\$ 5,482,530	\$ 5,470,958	\$ 5,470,181	\$ 5,625,815
	274,889	316,339	338,681	306,077	301,044	307,255
\$	17.29	\$ 14.13	\$ 16.19	\$ 17.87	\$ 18.17	\$ 18.31

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Pledged-Revenue Coverage  
Last Ten Fiscal Years**

	2010	2009	2008	2007
<b>1995 and 1998 Revenue Bonds:</b>				
Gross revenues.....	\$ 16,742,569	\$ 17,840,617	\$ 14,404,399	\$ 16,147,056
Less:				
Building rental revenue (1).....	-	214,364	85,000	1,527,754
Passenger facility charges.....	1,102,936	1,031,684	1,114,786	1,136,120
Gain on disposal of capital assets.....	-	-	41,302	21,617
Operating expenses (2).....	9,140,132	9,441,167	9,622,759	8,956,795
	<u>10,243,068</u>	<u>10,687,215</u>	<u>10,863,847</u>	<u>11,642,286</u>
Net revenues available.....	<u>\$ 6,499,501</u>	<u>\$ 7,153,402</u>	<u>\$ 3,540,552</u>	<u>\$ 4,504,770</u>
Debt Service				
Principal.....	\$ -	\$ -	\$ -	\$ 705,000
Interest.....	-	-	-	26,140
Total debt service.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 731,140</u>
Debt service coverage.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.16</u>
<b>1998 First Mortgage Bonds:</b>				
Gross revenues.....	<u>\$ -</u>	<u>\$ 214,364</u>	<u>\$ 85,000</u>	<u>\$ 1,527,754</u>
Debt Service				
Principal.....	\$ 1,205,000	\$ 1,150,000	\$ 1,095,000	\$ 1,050,000
Interest.....	818,316	873,846	925,191	973,951
Total debt service.....	<u>\$ 2,023,316</u>	<u>\$ 2,023,846</u>	<u>\$ 2,020,191</u>	<u>\$ 2,023,951</u>
Debt service coverage.....	<u>-</u>	<u>0.11</u>	<u>0.04</u>	<u>0.75</u>

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds. If building rental revenue is insufficient, then the levy of an ad valorem tax is mandatory. The Authority began levying property taxes in 2009.  
(2) Operating expenses exclude depreciation expense

Source: Authority's audited financial statements and bond trust indentures.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 16,915,423	\$ 16,296,300	\$ 16,477,799	\$ 15,334,056	\$ 15,527,342	\$ 15,828,280
2,025,300	2,025,300	2,025,300	2,025,300	2,025,300	2,025,300
1,059,924	812,956	887,160	794,951	768,351	803,711
-	184,937	-	1,257	12,934	12,899
<u>7,910,172</u>	<u>8,326,185</u>	<u>8,344,610</u>	<u>7,329,542</u>	<u>7,052,830</u>	<u>6,445,682</u>
<u>10,995,396</u>	<u>11,349,378</u>	<u>11,257,070</u>	<u>10,151,050</u>	<u>9,859,415</u>	<u>9,287,592</u>
<u>\$ 5,920,027</u>	<u>\$ 4,946,922</u>	<u>\$ 5,220,729</u>	<u>\$ 5,183,006</u>	<u>\$ 5,667,927</u>	<u>\$ 6,540,688</u>
\$ 675,000	\$ 1,020,000	\$ 965,000	\$ 930,000	\$ 885,000	\$ 835,000
<u>74,701</u>	<u>111,470</u>	<u>165,432</u>	<u>215,894</u>	<u>263,684</u>	<u>308,299</u>
<u>\$ 749,701</u>	<u>\$ 1,131,470</u>	<u>\$ 1,130,432</u>	<u>\$ 1,145,894</u>	<u>\$ 1,148,684</u>	<u>\$ 1,143,299</u>
<u>7.90</u>	<u>4.37</u>	<u>4.62</u>	<u>4.52</u>	<u>4.93</u>	<u>5.72</u>
<u>\$ 2,025,300</u>					
\$ 1,000,000	\$ 960,000	\$ 920,000	\$ 880,000	\$ 840,000	\$ 810,000
<u>1,014,664</u>	<u>1,058,545</u>	<u>1,100,107</u>	<u>1,139,920</u>	<u>1,177,982</u>	<u>1,214,404</u>
<u>\$ 2,014,664</u>	<u>\$ 2,018,545</u>	<u>\$ 2,020,107</u>	<u>\$ 2,019,920</u>	<u>\$ 2,017,982</u>	<u>\$ 2,024,404</u>
<u>1.01</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Allen County Demographic and Economic Statistics**

<u>Year</u>	<u>Population (1)(4)</u>	<u>Personal Income (Thousands) (2)(4)</u>	<u>Per Capita Personal Income (2)(4)</u>	<u>Unemployment Rate (3)</u>
2010	355,329	N/A	N/A	10.3 %
2009	353,888	\$ 12,059,652	\$ 34,078	10.2
2008	350,523	12,297,412	35,021	6.0
2007	349,488	12,056,930	34,515	4.7
2006	346,144	11,600,969	33,531	4.9
2005	343,112	10,888,231	31,754	5.2
2004	340,922	10,705,324	31,424	5.2
2003	339,292	10,321,724	30,423	5.3
2002	337,076	10,247,924	30,403	5.0
2001	334,909	10,048,076	29,999	4.1
2000	331,849	9,707,297	29,173	2.6

N/A - Not Available

(1) Source: U.S. Census Bureau: 2000 - Census figures; all other years are July 1 intercensal estimates

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA). Per capita personal income was computed by the BEA using midyear population estimates.

(3) Source: U.S. Department of Labor, Bureau of Labor Statistics

(4) Previously reported estimates from 2000 to 2008 have been revised

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Allen County  
Principal Employers  
Current Year and Nine Years Ago**

Principal Employers - Name	2010			2001		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Fort Wayne Community Schools.....	4,159	1	2.4 %	3,578	1	2.2 %
Lutheran Health Network.....	3,756	2	2.2	1,524	7	0.9
General Motors - Truck & Bus Group...	3,341	4	1.9	3,010	2	1.8
Parkview Memorial Hospital.....	3,210	3	1.9	2,376	3	1.5
The City of Fort Wayne.....	2,003	6	1.2	1,671	5	1.0
Lincoln Financial Group.....	1,750	8	1.0	1,400	10	0.8
Allen County Government.....	1,605	5	0.9	1,548	6	0.9
BF Goodrich.....	1,584	9	0.9			
ITT Aerospace-Communications Div....	1,581	7	0.9	1,412	9	0.9
East Allen County Schools.....	1,307	10	0.8			
Verizon North, Inc.....				2,186	4	1.3
Shambaugh & Sons.....				1,500	8	0.9
<b>Total of Ten Largest Employers.....</b>	<b>24,296</b>		<b>14.1 %</b>	<b>20,205</b>		<b>12.2 %</b>

Source: the Community Research Institute of IPFW and the Bureau of Labor Statistics.

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**  
**Fort Wayne International Airport Information**

Airport Classification: Primary Commercial Service Airport  
 Airfield Size: 3,705 Acres Owned Fee Simple

Runway System (and Equipment)	2010	2009	2008	2007
Primary Runway				
Runway 5-23 NE to SW (150' Wide) (Cat. II, ILS) Length - Feet...	11,981	11,981	11,981	11,981
Secondary Runways				
Runway 14-32 SE to NW (150' Wide)(Cat I, ILS) Length - Feet....	8,001	8,001	8,001	8,001
Runway 09-27 East to West (75" Wide) Length - Feet.....	4,001	4,001	4,001	4,001
<b>Terminal Complex</b>				
Total Space (Sq Feet).....	114,813	114,813	114,813	114,813
Rentable Space (Sq Feet).....	104,505	104,505	104,505	104,505
Airline Exclusive Space (Sq Feet).....	6,059	6,059	14,373	14,373
Common Space (Sq Feet).....	39,557	39,557	38,123	38,468
Restaurant Space (Sq Feet).....	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet).....	1,536	1,536	1,920	1,920
Taxi/Limousine Space (Sq Feet).....	768	384	384	384
Passenger Gates.....	8	8	8	8
Jetway Boarding Bridges.....	4	4	4	4
Regional Boarding Ramps.....	1	1	1	1
Passenger Airlines.....	4	5	6	6
Daily Departures.....	18	28	25	33
Car Rental Firms.....	4	4	5	5
Parking Spaces.....	2,167	2,167	2,167	2,167
<b>Air Trade Center</b>				
Land Area - Acres (Includes 85 in Foreign Trade Zone).....	450	450	450	450
Cargo Sorting Facility (Sq Feet).....	250,299	250,299	250,299	250,299
Operations Building (Sq Feet).....	33,429	33,429	33,429	33,429
Maintenance Building (Sq Feet).....	10,280	10,280	10,280	10,280
<b>Ancillary Services</b>				
Cargo Airlines.....	2	2	2	3
General Aviation				
Fixed Base Operators.....	1	1	1	1
Based Aircraft.....	55	64	68	66
Military Based Aircraft.....	21	17	15	15
Airpark Buildings Owned.....	27	27	27	27
<b>Employees</b>				
Administration Full-time.....	16	18	18	19
Administration Part-time.....	2	2	1	1
Maintenance Full-time.....	18	19	19	19
Maintenance Seasonal.....	10	10	10	10
Custodial Full-time.....	6	7	7	8
Custodial Part-time.....	-	-	-	-
Public Safety Full-time.....	11	12	13	13
Public Safety Part-time.....	13	13	14	13
CSA Part-time.....	9	8	9	9
Smith Field Full-time.....	1	2	3	3
Smith Field Part-time.....	2	2	2	-

2006	2005	2004	2003	2002	2001
11,981	12,000	12,000	12,000	12,000	12,000
8,001	8,001	8,001	8,001	8,001	8,001
4,001	4,001	4,001	4,001	4,001	4,001
114,813	114,813	114,813	114,813	114,813	114,813
104,505	104,505	104,505	104,505	104,505	104,505
14,373	14,373	14,373	14,373	14,373	14,373
38,468	38,468	38,468	38,468	38,687	38,687
7,858	7,858	7,858	7,858	7,639	7,639
1,920	1,920	1,920	1,920	1,920	1,920
384	384	384	-	-	-
8	8	8	8	8	8
4	4	4	4	4	4
1	1	1	-	-	-
5	5	6	9	10	8
33	35	37	34	34	36
5	5	5	4	4	4
2,068	2,068	1,485	1,505	1,505	1,490
450	450	450	450	450	450
250,299	250,299	250,299	250,299	250,299	250,299
33,429	33,429	33,429	33,429	33,429	33,429
10,280	10,280	10,280	10,280	10,280	10,280
3	3	3	3	4	3
1	1	2	2	2	2
68	69	78	84	89	87
15	15	15	15	15	15
27	22	22	28	32	32
18	18	17	17	18	18
1	1	2	2	2	2
19	19	19	19	19	19
9	10	10	10	8	8
8	8	8	8	8	8
-	-	-	-	-	-
13	13	13	13	13	16
16	-	-	35	35	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Fort Wayne International Airport  
Enplaned Passengers  
(Listed by Current Rank)**

Airline	2010	Percent of Total 2010	2009	2008	2007
Pinnacle Airlines-Delta/Northwest Airli	85,836	30.98 %	47,446	38,689	41,845
American Eagle.....	67,379	24.32	62,818	73,304	83,863
Allegiant Air.....	43,537	15.71	37,220	37,332	35,288
Skywest-Delta/United Express.....	40,689	14.68	24,804	13,663	15,063
ASA-Delta Express.....	14,933	5.39	31,511	39,007	36,115
Comair (1).....	9,928	3.58	3,133	---	14
Mesaba-Delta/Northwest Airlink.....	8,633	3.12	11,240	13,936	7,677
Chautaugua- Delta Express.....	4,324	1.56	30,854	35,076	39,253
Charter.....	1,842	0.66	1,963	1,587	1,084
Continental Connection-Commutair(1).	---	---	8,799	16,112	13,115
Mesa Airlines-United Express(1).....	---	---	6,388	18,637	25,322
Air Wisconsin (1).....	---	---	---	---	---
Chicago Express- ATA Connection (1)..	---	---	---	---	---
Atlantic Coast (1).....	---	---	---	---	---
Shuttle America (1).....	---	---	---	---	---
Trans States (1).....	---	---	---	---	---
Chautaugua Airlines-USAir Express (1)	---	---	---	---	---
PSA Airlines (1).....	---	---	---	---	---
Allegheny (1).....	---	---	---	---	---
Piedmont Airlines (1).....	---	---	---	---	---
Trans World Express (1).....	---	---	---	---	---
Air Georgian (1).....	---	---	---	---	---
Continental Express (1).....	---	---	---	---	---
<b>Total.....</b>	<b><u>277,101</u></b>	<b><u>100.00 %</u></b>	<b><u>266,176</u></b>	<b><u>287,343</u></b>	<b><u>298,639</u></b>
<b>Percentage change.....</b>	<b><u>4.10%</u></b>		<b><u>-7.37%</u></b>	<b><u>-3.78%</u></b>	<b><u>8.21%</u></b>

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
43,170	43,774	51,826	47,244	36,162	38,381
74,913	77,308	70,897	60,690	60,726	63,601
---	---	---	---	---	---
28,991	21,842	27,301	---	---	---
20,564	44,601	23,540	39,929	39,480	36,203
15,545	55,600	43,168	11,880	47,045	34,327
12,604	22,198	18,754	15,050	21,017	25,999
43,188	---	9,914	---	---	---
801	1,788	1,858	2,089	2,122	1,643
12,352	12,099	10,539	3,677	---	---
23,846	8,009	---	---	---	---
---	25,190	6,344	11,384	12,219	42,404
---	3,930	17,001	---	---	---
---	---	41,913	69,055	37,054	---
---	---	15,626	27,115	13,024	---
---	---	---	17,964	12,113	---
---	---	---	---	14,458	39,544
---	---	---	---	2,504	---
---	---	---	---	1,670	---
---	---	---	---	1,450	---
---	---	---	---	---	20,773
---	---	---	---	---	2,418
---	---	---	---	---	1,962
<u>275,974</u>	<u>316,339</u>	<u>338,681</u>	<u>306,077</u>	<u>301,044</u>	<u>307,255</u>
<u>-12.76%</u>	<u>-6.60%</u>	<u>10.65%</u>	<u>1.67%</u>	<u>-2.02%</u>	<u>-14.65%</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Fort Wayne International Airport  
Airline Landing Weights (2)  
(Listed by Current Rank Within Category)**

Scheduled Air Carriers:	Percent of Total				
	2010	2010	2009	2008	2007
Pinnacle Airlines-Delta/Northwest Airli	101,849,000	20.70 %	72,662,000	67,116,000	65,914,100
American Eagle.....	75,029,219	15.25	78,882,778	98,087,976	105,730,596
Skywest-United Express.....	52,157,100	10.60	37,297,000	28,146,000	28,294,000
Allegiant Air.....	44,848,000	9.11	37,748,000	41,924,500	39,483,000
ASA-Delta Express.....	16,027,000	3.26	36,895,000	46,362,000	44,462,000
Comair.....	11,374,000	2.31	3,976,100	---	161,000
Mesaba-Delta/Northwest Airlink.....	9,754,500	1.98	11,599,500	17,043,000	10,488,000
Charter.....	5,389,200	1.10	4,910,520	3,764,336	2,310,580
Chautauqua-Delta Express.....	4,595,292	0.93	34,718,220	43,667,502	53,547,450
Mesa Airlines-United Express.....	67,000	0.01	11,212,000	29,601,000	42,654,000
Continental Connection - Commutair(1)	---	---	21,942,000	37,845,000	20,681,300
Northwest(1).....	---	---	---	481,000	---
Air Wisconsin(1).....	---	---	---	---	---
Shuttle America(1).....	---	---	---	---	---
Chicago Express- ATA(1).....	---	---	---	---	---
Atlantic Coast Airlines(1).....	---	---	---	---	---
Trans States Airlines(1).....	---	---	---	---	---
Chautauqua-USAir Express(1).....	---	---	---	---	---
PSA(1).....	---	---	---	---	---
Allegheny(1).....	---	---	---	---	---
Piedmont Airlines(1).....	---	---	---	---	---
American Connection(1).....	---	---	---	---	---
Trans World Express(1).....	---	---	---	---	---
Air Georgian/Canada(1).....	---	---	---	---	---
Continental Express(1).....	---	---	---	---	---
<b>Subtotal.....</b>	<b>321,090,311</b>	<b>65.26</b>	<b>351,843,118</b>	<b>414,038,314</b>	<b>413,726,026</b>
<b>Cargo Carriers:</b>					
United Parcel Service.....	86,520,000	17.58	86,568,000	96,600,000	95,955,500
Federal Express.....	83,537,700	16.98	82,010,000	82,963,000	82,486,000
Kalitta Charters.....	750,000	0.15	---	---	---
Northern Air Cargo.....	107,000	0.02	---	---	---
Mountain Air Cargo.....	44,660	0.01	17,000	8,500	25,500
Kitty Hawk Inc.(1).....	---	---	---	---	294,015,200
ABX Air(1).....	---	---	---	---	28,300,000
Arrow Cargo(1).....	---	---	---	---	---
Centurion Air Cargo(1).....	---	---	---	---	---
Evergreen International Airlines(1)....	---	---	---	---	---
Gemini Air Cargo(1).....	---	---	---	---	---
World Airways(1).....	---	---	---	---	---
Custom Air Transport(1).....	---	---	---	---	---
Air Transport Intl(1).....	---	---	---	---	---
Kalitta Air(1).....	---	---	---	---	---
Air Cargo Carriers(1).....	---	---	---	---	---
UPS-Supply Chain Solutions(1).....	---	---	---	---	---
Capital Cargo International(1).....	---	---	---	---	---
Royal Air Freight(1).....	---	---	---	---	---
Air Cargo Express(1).....	---	---	---	---	---
<b>Subtotal.....</b>	<b>170,959,360</b>	<b>34.74</b>	<b>168,595,000</b>	<b>179,571,500</b>	<b>500,782,200</b>
<b>Grand Total.....</b>	<b>492,049,671</b>	<b>100.00 %</b>	<b>520,438,118</b>	<b>593,609,814</b>	<b>914,508,226</b>
Percentage change.....	<u>-5.45%</u>		<u>-12.33%</u>	<u>-35.09%</u>	<u>-25.74%</u>

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

Source: Compiled from airline station manager's monthly reports.

2006	2005	2004	2003	2002	2001
61,899,000	69,513,000	80,887,000	64,296,000	22,842,000	---
91,725,601	93,301,303	89,112,842	84,372,923	85,090,368	95,196,213
42,856,000	33,437,000	39,151,000	---	---	---
---	---	---	---	---	---
29,234,000	63,403,000	27,689,000	55,174,000	53,979,000	47,139,000
26,098,000	88,151,000	65,961,000	20,089,000	81,800,000	67,727,000
15,304,500	24,567,000	19,821,900	17,027,200	29,170,700	38,247,000
2,142,180	3,045,000	3,681,956	4,017,848	2,778,000	3,679,300
60,871,656	---	11,972,309	---	---	---
35,800,000	11,722,000	---	---	---	---
20,102,600	19,222,800	17,911,400	7,951,400	---	---
---	---	---	15,110,000	60,473,900	105,998,000
---	34,904,500	10,058,000	15,587,500	17,987,813	58,241,288
---	9,819,200	30,083,200	44,200,000	25,704,000	---
---	8,265,000	23,427,000	---	---	---
---	---	57,959,176	104,587,384	56,006,020	---
---	---	---	22,800,260	20,602,040	---
---	---	---	---	23,065,600	60,626,297
---	---	---	---	4,754,221	---
---	---	---	---	4,450,500	---
---	---	---	---	2,691,000	---
---	---	---	---	2,673,860	---
---	---	---	---	---	37,250,279
---	---	---	---	---	7,370,400
---	---	---	---	---	3,303,400
<u>386,033,537</u>	<u>459,350,803</u>	<u>477,715,783</u>	<u>455,213,515</u>	<u>494,069,022</u>	<u>524,778,177</u>
101,508,120	95,965,500	95,031,500	88,726,500	89,410,500	86,848,500
81,547,000	82,982,500	82,755,500	82,131,000	80,745,000	70,964,000
---	---	---	---	---	---
---	8,500	17,000	---	---	42,000
494,552,574	519,577,143	613,005,670	523,443,013	533,616,560	667,758,729
61,818,000	---	---	---	---	---
29,020,000	---	---	---	---	---
28,613,000	---	---	---	---	---
13,680,000	---	---	---	---	---
11,013,000	---	---	---	---	---
10,104,000	---	---	---	---	---
6,907,000	---	---	---	---	---
3,646,000	---	---	54,484,000	---	---
3,085,000	---	---	---	---	---
48,700	---	---	---	---	---
---	1,857,820	---	---	---	---
---	975,000	---	---	483,000	322,000
---	28,660	---	---	---	---
---	---	---	2,086,240	7,737,760	6,898,315
<u>845,542,394</u>	<u>701,395,123</u>	<u>790,809,670</u>	<u>750,870,753</u>	<u>711,992,820</u>	<u>832,833,544</u>
<u>1,231,575,931</u>	<u>1,160,745,926</u>	<u>1,268,525,453</u>	<u>1,206,084,268</u>	<u>1,206,061,842</u>	<u>1,357,611,721</u>
<u>6.10%</u>	<u>-8.50%</u>	<u>5.18%</u>	<u>0.00%</u>	<u>-11.16%</u>	<u>-5.99%</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Aircraft Operations (5) (7)**

Fort Wayne International Airport:

Type of Operation	2010	Percent of Total 2010	2009	2008	2007
Large Air Carrier (1).....	18,900	46.1 %	22,129	23,079	27,360
Small Air Carrier (2).....	---	---	1,272	2,334	2,367
Air Carrier (3).....	---	---	---	---	---
Air Taxi (4).....	---	---	---	---	---
General Aviation.....	20,193	49.3	26,592	39,502	31,963
Military.....	1,868	4.7	4,271	4,239	3,861
Subtotal-International.....	<u>40,961</u>	<u>100.0</u>	<u>54,264</u>	<u>69,154</u>	<u>65,551</u>
<u>Smith Field Airport:</u>					
General Aviation(6).....	---	---	9,043	9,125	7,141
Subtotal-Smith Field.....	<u>0</u>	<u>0</u>	<u>9,043</u>	<u>9,125</u>	<u>7,141</u>
Total Airport Authority.....	<u>40,961</u>	<u>100.0</u> %	<u>63,307</u>	<u>78,279</u>	<u>72,692</u>
Percentage change.....	<u>-35.30%</u>		<u>-12.91%</u>	<u>7.69%</u>	<u>-9.79%</u>

(1) Aircraft that seat, or are capable of seating, 31 or more passengers.

(2) Aircraft that seat, or are capable of seating, more than 9 passengers but less than 31 passenger seats.

(3) Aircraft that seat, or are capable of seating, 60 or more passengers.

(4) Aircraft that seat, or are capable of seating, less than 60 passengers.

(5) An aircraft operation can be either a landing or a take-off.

(6) The Authority no longer reports operations at Smith Field.

(7) Sources: Fort Wayne International Airport FAA Air Traffic Control Tower; Kruse Aviation, Smith Field; and Smith Field Air Service, Smith Field.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
31,078	34,865	38,649	---	---	---
2,422	2,316	2,158	---	---	---
---	---	---	12,388	11,982	12,557
---	---	---	27,108	28,012	32,356
34,953	37,111	38,881	36,135	46,785	52,884
<u>4,692</u>	<u>4,196</u>	<u>3,657</u>	<u>4,483</u>	<u>5,204</u>	<u>5,911</u>
<u>73,145</u>	<u>78,488</u>	<u>83,345</u>	<u>80,114</u>	<u>91,983</u>	<u>103,708</u>
<u>7,440</u>	<u>11,876</u>	<u>13,249</u>	<u>8,733</u>	<u>8,431</u>	<u>4,133</u>
<u>7,440</u>	<u>11,876</u>	<u>13,249</u>	<u>8,733</u>	<u>8,431</u>	<u>4,133</u>
<u>80,585</u>	<u>90,364</u>	<u>96,594</u>	<u>88,847</u>	<u>100,414</u>	<u>107,841</u>
<u>-10.82%</u>	<u>-6.45%</u>	<u>8.72%</u>	<u>-11.52%</u>	<u>-6.89%</u>	<u>-18.41%</u>

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY**

**Fort Wayne International Airport  
Scheduled Airline Service**

<u>Carrier</u>	<u>Non-stop Service Destination</u>	<u>Service Type</u>
Allegiant Air	Orlando/Sanford (SFB) Tampa/St. Petersburg/Clearwater (PIE) Myrtle Beach (MYR) - Seasonal	Jet (MD-80/87) Jet (MD-80/87) Jet (MD-80/87)
American Eagle	Chicago (ORD) Dallas/Fort Worth (DFW)	Jet (ERJ) Jet (ERJ)
Delta Connection		
Chautauqua	Cincinnati (CVG)	Jet (CRJ)
Mesaba	Detroit (DTW)	Turbo Prop (SAAB 340)
Pinnacle	Detroit (DTW)	Jet (CRJ)
Pinnacle	Atlanta (ATL)	Jet (CRJ)
Pinnacle	Minneapolis (MSP) - Seasonal	Jet (CRJ)
United Express		
Sky West	Chicago (ORD)	Jet (CRJ)

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY**  
**Fort Wayne, Indiana**

**REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH THE  
U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133**

**Year Ended December 31, 2010**

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY**  
**Fort Wayne, Indiana**

**REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH THE U.S. OFFICE OF  
MANAGEMENT AND BUDGET CIRCULAR A-133**  
**Year Ended December 31, 2010**

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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*

Board of Directors  
Fort Wayne – Allen County Airport Authority  
Fort Wayne, Indiana

We have audited the financial statements of the Fort Wayne – Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana  
June 15, 2011

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

Board of Directors  
Fort Wayne – Allen County Airport Authority  
Fort Wayne, Indiana

Compliance

We have audited the compliance of the Fort Wayne – Allen County Airport Authority (the Authority) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2010, as well as Passenger Facility Charges. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the 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, 2010.

### Internal Control Over Compliance

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

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

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

### **Supplementary Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the Authority as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Crowe Horwath LLP

Indianapolis, Indiana  
June 15, 2011

**FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2010**

Federal Grant Description	Federal CFDA Number	12/31/10 YTD Expenditures
US Department of Transportation		
FAA: Airport Improvement Program (AIP): American Reinvestment and Recovery Act (ARRA)		
3-18-0024-09	20.106	14,788
3-18-0022-51	20.106	179,041
Total AIP funded by ARRA		<u>193,829</u>
FAA: Airport Improvement Program		
3-18-0024-10	20.106	33,234
3-18-0024-11	20.106	882,982
3-18-0022-49	20.106	38,042
3-18-0022-53	20.106	208,353
3-18-0022-54	20.106	782,394
3-18-0022-55	20.106	63,908
3-18-0022-56	20.106	94,284
3-18-0022-57	20.106	3,996,027
Total AIP not funded by ARRA		<u>6,099,224</u>
Total AIP		6,293,053
Transportation Security Administration		
Law Enforcement Officer Reimbursement Program	97.090	<u>131,891</u>
Total expenditures of federal awards		<u>\$ 6,424,944</u>
Federal Aviation Regulation, Part 158		
Passenger Facility Charges		<u>\$ 900,000</u>
Total Expenditures		<u>\$ 7,324,944</u>

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended December 31, 2010**

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**1. Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs received by the Fort Wayne – Allen County Airport Authority (the Authority). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

**2. Basis of Accounting:**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

**3. Special Tests and Provisions:**

Special tests and provisions for the Airport Improvement Program (AIP) include review of the Authority's policy for using airport revenue to determine whether all airport revenue is accounted for and used for the capital or operating costs of the airport.

The Passenger Facility Charges (PFC) were tested for compliance with requirements outlined in Federal Aviation Regulation, Part 158. While this program is not federally funded, it is included in the Supplementary Schedule of Expenditures of Federal Awards as an annual audit of the program is required by Federal Aviation Regulation, Part 158. In accordance with instructions for completing the Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, PFC expenditures were not included as federal awards expended during the fiscal year as shown in Part III of Form SF-SAC. They are included in the Schedule of Expenditures of Federal Awards for informational purposes only.

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2010**

**SECTION 1 – SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?  Yes  No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation Federal Aviation Administration: Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

There were no findings for the year ended December 31, 2010.

**SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN OMB CIRCULAR A-133 SECTION 510(a).**

There were no findings for the year ended December 31, 2010.

**FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2010**

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**SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

There were no findings or questioned costs reported for the year ended December 31, 2009.