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STATE OF INDIANA

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Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

July 30, 2013

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, 2012 to December 31, 2012. 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, 2012 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

B42432

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, 2012

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

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
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Smith Field Airport (SMD)

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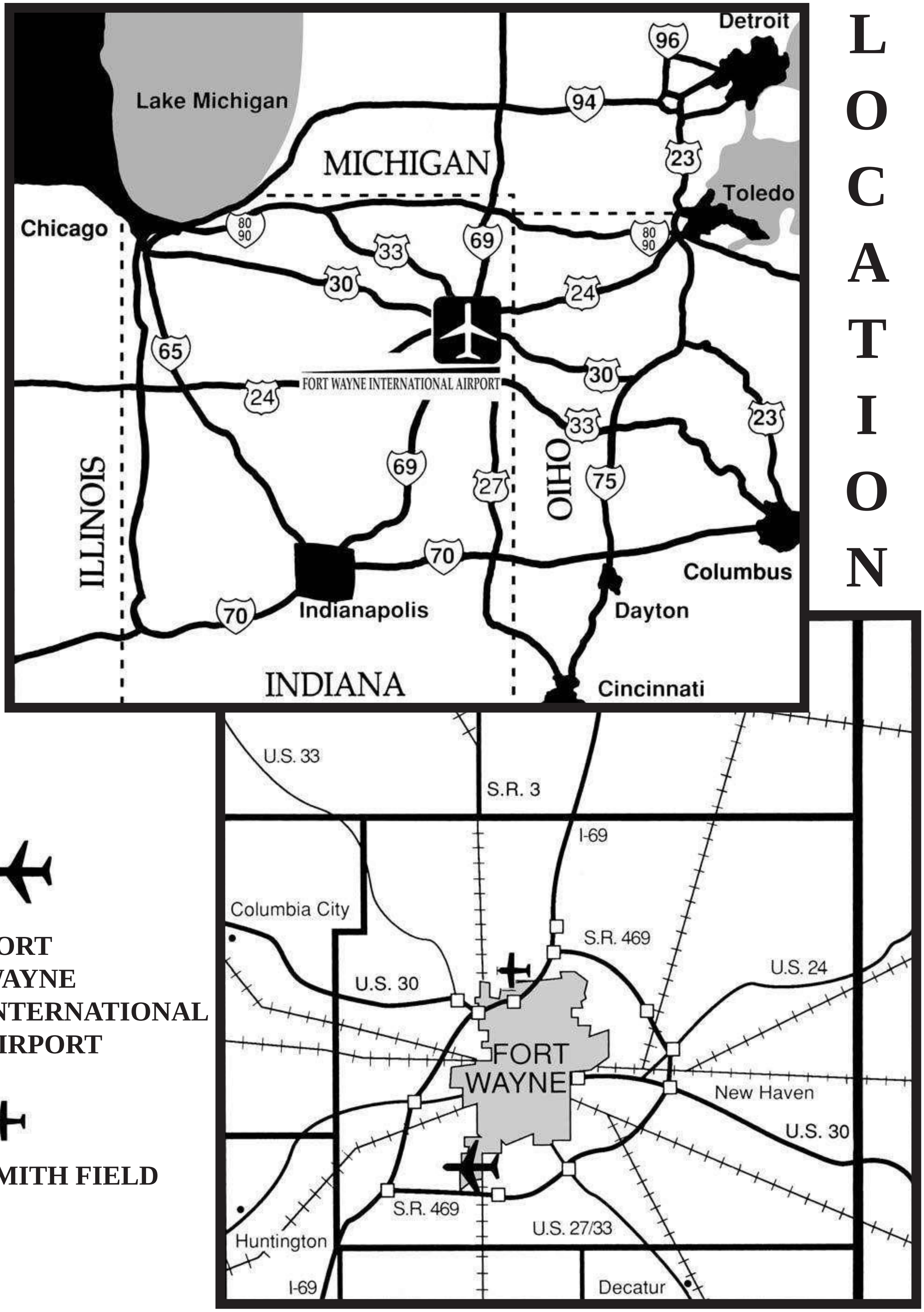


FORT WAYNE INTERNATIONAL AIRPORT

SMITH FIELD

Fort Wayne-Allen County Airport Authority

Board and Executive Director

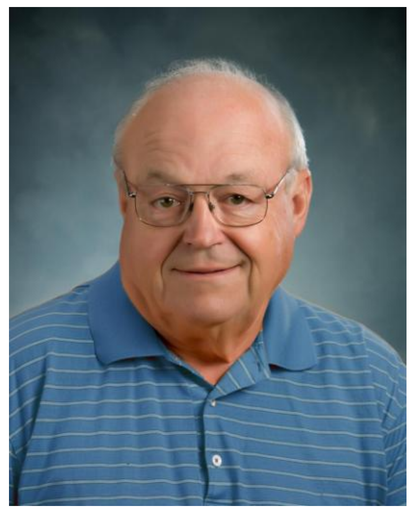

Michael S. Gouloff, President


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


Scott D. Hinderman, A.A.E.
Executive Director of Airports

June 17, 2013

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, 2012 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, 2012. The independent auditor's report is located at the front of the financial section on pages 12 and 13 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.

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 Allen County Council adopts the Authority's annual budget and the tax levy to support it. The annual budget of the Authority is prepared by the staff and approved by the Board before it is sent to the Allen County Council for adoption. After it is adopted by the Allen County Council, the budget is reviewed and approved by the State Department of Local Government Finance.

Also, issuance of general obligation bonds must be approved by the County Council and revenue bonds must be approved by the County Commissioners.

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 2012, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 8.2 (non-seasonally adjusted) percent, after beginning the year at 9.0 percent in January and ending at 8.2 percent in December. The lowest rate of 7.6 percent occurred in October; and the highest rate of 9.0 percent occurred in January.

After receiving good news about the economy of the Fort Wayne MSA during 2011, this area received recognition again in a "report from Garner Economics LLC for being one of only 23 metro areas (out of 372 nationally) to have outpaced national monthly job growth in each of the past 23 months" since September 2010, according to John Stafford, Director, and Valerie Richardson of the Community Research Institute. They also state that the streak for Fort Wayne actually started prior to September 2010 and continued at least through September 2012 (most recent data available when article was written) for 29 consecutive months. According to Mr. Stafford and Ms. Richardson, "the Fort Wayne MSA was within 100 jobs of reaching its September 2007 employment level. ... Between September 2009 and September 2012, the Fort Wayne MSA labor force has grown by 3.7 percent. There are now 7,630 more local residents in the labor force today than three years ago."

The turnaround in the local economy was also evident at the Fort Wayne International Airport as the number of passenger enplanements increased 2.4 percent during 2012 from 277,938 to 284,465. The expectations are that the level of enplanements will continue to rise slightly during 2013. The airlines' cost per enplaned passenger decreased from $9.96 in 2011 to $9.40 in 2012. This decrease was caused by both keeping airline costs flat and continuing to use additional passenger facility charges to pay debt service, thereby reducing the terminal rental rate for the airlines. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport. During 2012, the Authority was instrumental in obtaining new air service to Punta Gorda, Florida. This new service offers leisure travelers and others a new vacation destination.

The local economy is well diversified with several major industries located within Allen County and the Fort Wayne region: health care, defense/aerospace engineering, financial services, automotive manufacturing, luggage and handbag manufacturing, and educational institutions of higher learning.

The schedule on page 83 of this report details additional information regarding 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 15 percent of total employment. On page 70, 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 9.1 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 657 in 2011 to 705 in 2012. This follows a slight decrease last year. This is the third increase in the last four years.

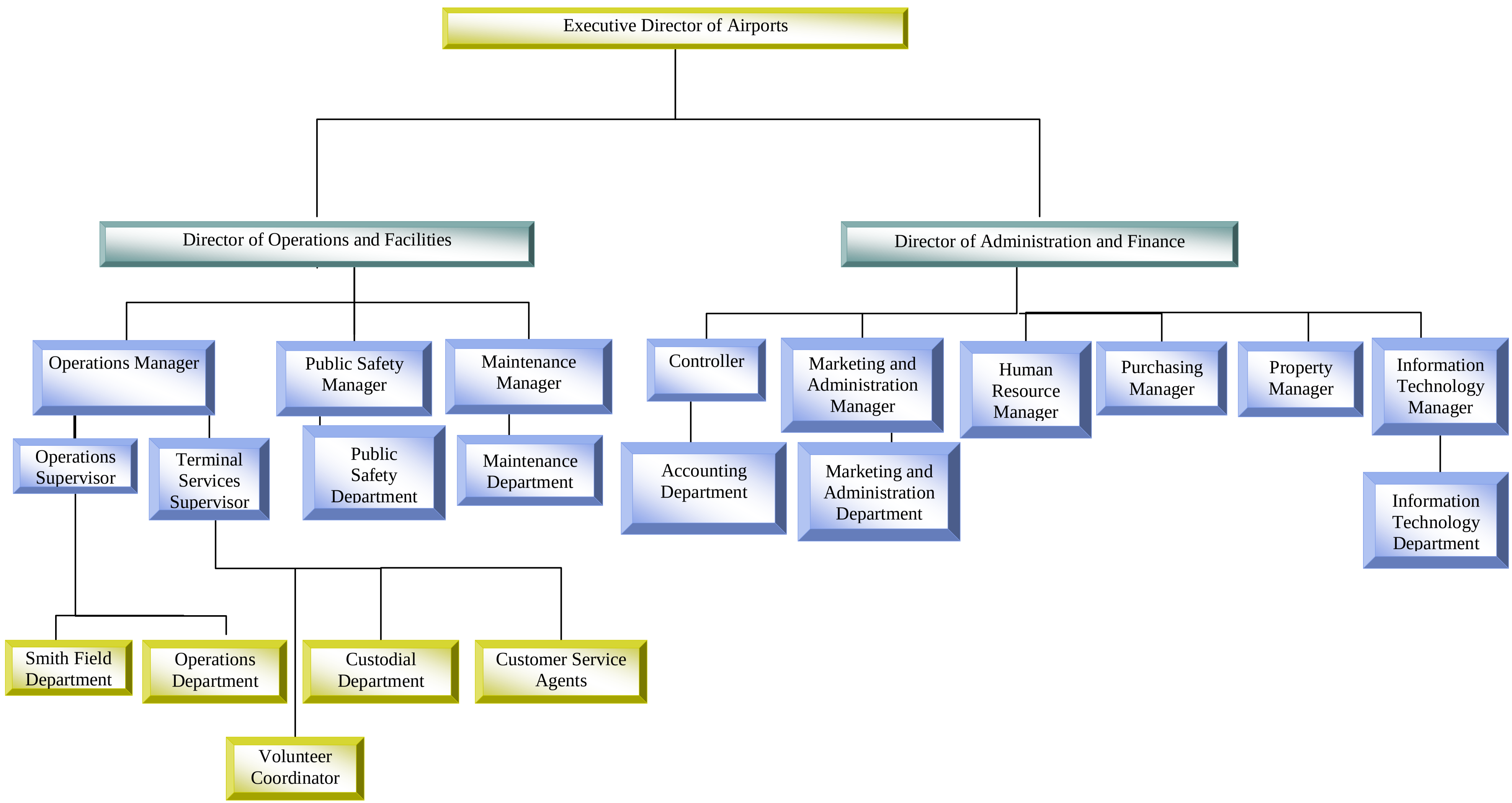
Long-term Financial Planning – The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's general aviation airport, and Fort Wayne International. The Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger and customer 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 common use and terminal building ramps; construct a new terminal and hangar access road; construct a fuel farm; construct new T-hangars; storm water and other improvements; acquire land for runway extensions; and complete 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 upgrade the electrical capacity within the passenger terminal, complete gate electrification and install preconditioned air inside all jet bridges; replace several jet bridges; reconstruct Runway 14-32; reconstruct Runway 5-23 and Taxiway C; construct Runway 5-23 shoulders; construct a new access road to general aviation facilities; relocate and reconstruct the car rental parking lot; and modernize the passenger terminal. 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 west side facilities. Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. The Authority plans to maximize the use of federal and state grants from the Airport Improvement Program for airfield projects; use passenger facility charges to finance eligible terminal projects and airfield equipment purchases; and use customer facility charges to relocate and reconstruct the car rental parking lot. The Authority has received a Voluntary Airport Low Emission Program grant to finance 92.5 percent of the cost to complete the terminal gate electrification project.

Major Initiatives – The Authority made great strides in increasing the marketability of facilities within its Air Trade Center. During 2011, the Authority refunded the 1998 First Mortgage bonds with a federally taxable issue that removed the aeronautical use only restriction. Removal of this restriction allowed the Authority to market the facilities to non-aeronautical users, a much bigger market. As a result, after being vacant since February 2008, the facilities are now occupied by several tenants with leases covering approximately 80 percent of the leasable space. This is the primary reason why operating revenues have increased from 2011. The Authority has purchased land just west of the airport to construct a road to improve access to general aviation facilities. Construction of this roadway will have a negative impact on the Authority's cash balance during the next year. In addition, the Authority will relocate its fixed base operations at Smith Field airport to a much newer facility formerly occupied by Ivy Tech Community College. This move coincides with the Airport's master plan and will improve service to the Authority's customers.

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, 2011. This was the twenty-third (1989 – 2011) 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

Fort Wayne Allen County Airport Authority



FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Principal Officials and Management

NAME	TITLE	YEARS OF SERVICE
Michael S. Gouloff	President	16
Richard B. “Barry” Sturges, Jr.	Vice President	6
Timothy J. Haffner	Secretary	19
Cornelius “Neil” B. Hayes	Member	10
Jerome “Jerry” F. Henry, Jr.	Member	6
Benjamin “Ben” T. Johnston	Member	5

STAFF

Scott D. Hinderman, AAE	Executive Director of Airports	2
Craig A. Williams, AAE	Director of Operations and Facilities	2
Robin Strasser, CPA	Director of Administration and Finance	1
Ronnie C. Portis, CPA	Controller/Treasurer	21

ATTORNEYS

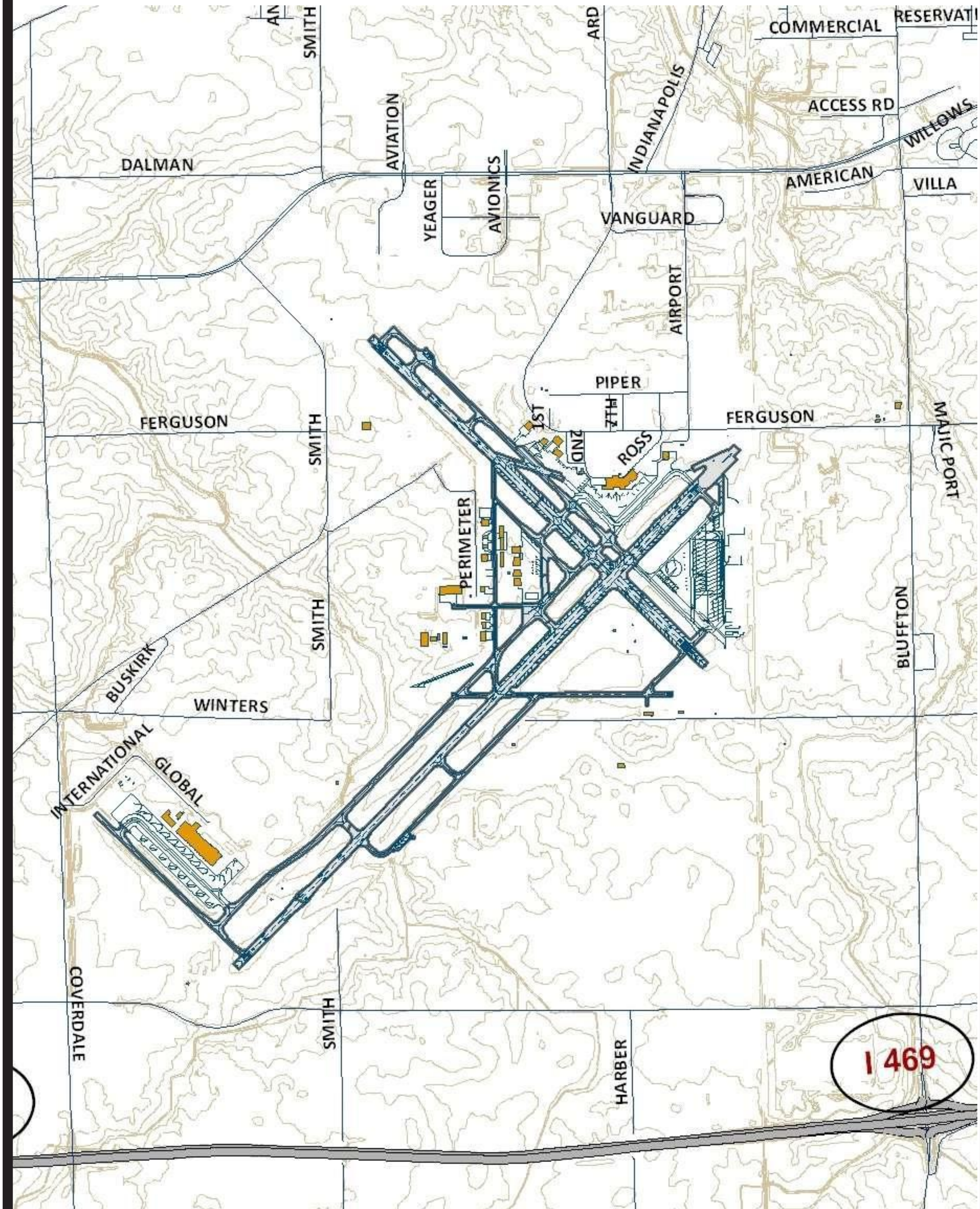
Rothberg, Logan and Warsco LLP	22

CERTIFIED PUBLIC ACCOUNTANTS

Crowe Horwath LLP	13

A I R P O R T L A Y O U T M A P

FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP



FINANCIAL SECTION

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Fort Wayne-Allen County Airport Authority, (the Authority), which comprise the statements of net position as of December 31, 2012, and the related statements of revenues, expenses and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2012, and the changes in its net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 21 and the Schedules of Funding Progress for the Employees Retirement Plan and Retiree Healthcare Plan on pages 50 through 51 to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's financial statements. The Combining Schedules from pages 54 through 58, Other Supplementary Information from pages 60 through 63, and the Introductory and Statistical Sections from pages 1 through 11 and pages 66 through 92 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining Schedules and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedules and Other Supplementary Information are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe Horwath LLP

Crowe Horwath LLP

Fort Wayne, Indiana
June 14, 2013

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, 2012. 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 position increased approximately $2.6 million as a result of this year's operations. The unrestricted component of net position decreased $1.4 million or 9 percent. The Authority used a substantial amount of cash to purchase land and other capital assets. Partly as a result of these purchases, the net investment in capital assets component of net position increased approximately $4.3 million or 5.3 percent.

Current assets decreased approximately $3.3 million or 14.2 percent due to the use of cash and investments to purchase land and other capital assets.

Other noncurrent assets increased $958,316 or 18.1 percent due to a reclassification of current assets and the continued accumulation of cumulative building tax receipts.

Current liabilities decreased $517,193 or 8.7 percent due to a reduction in construction contracts payable at the end of 2012.

The Authority's bonds and other long-term liabilities decreased by $3.6 million, or 22.8 percent. This was due primarily to the normal retirement of long-term debt as bond maturities came due.

Operating revenues increased $652,318 from 2011 to 2012, due to new leases with tenants located in the Air Trade Center area.

Nonoperating expenses decreased $152,517 or 17.3 percent as a result of a reduction in the bond balance as bond principal payments were made. This resulted in interest rates being applied against smaller balances during 2012.

Capital contributions increased $787,102 or 40.1 percent due to increases in the amount of federal and state grants received.

Overview of the Financial Statements

The Authority's financial report consists of three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position, and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). 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 Position - This Statement presents information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference among all other elements in the Statement. Net position is displayed in three components: net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Fund Net Position - 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. On this statement, federal operating grants and passenger and customer facility charges are reported as non-operating revenues; and capital grants are reported 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 48 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 50 and 51 of this report.

Condensed Financial Information

Net position - The Authority's net position increased $2,601,958 from 2011 to 2012. The growth in net position is attributed to an increase in net investment in capital assets that more than offset decreases in the restricted and unrestricted components of net position. Net investment in capital assets increased approximately $4.3 million due to purchases of several tracts of land and other capital assets. These acquisitions coupled with reductions in debt more than offset a $7.5 million increase in accumulated depreciation. Most of the land purchases were for the future construction of an access road to general aviation facilities on the west side of the Airport. The increase in net position indicates that the Authority's financial position improved from 2011. As noted previously, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Current assets decreased approximately $3.3 million or 14.2 percent due to the use of cash and investments to purchase land and other capital assets for approximately $3.9 million and $4.5 million, respectively.

Other noncurrent assets increased $958,316 or 18.1 percent due to the reclassification of a $500,000 investment from current assets that would no longer be available for use in the following year. In addition, the Authority received cash from a cumulative building tax levy that is held as a restricted asset for future Airport terminal building expansion.

Deferred outflows of resources decreased 24.8 percent due to the amortization of deferred amount on refunding of the 2004 and 2011 bonds. This amortization is included in interest expense.

The Authority's net investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment) is the largest component (78.6 percent) of net position. 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 and deferred outflows of resources, 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, 8.3 percent of the Authority's net position represents 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 cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (13.1 percent) of $14,097,052 is the unrestricted component of net position, 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 2012 net position compared to 2011 follows:

Authority's Net Position

	2012	2011	Increase (Decrease)	Percent Change
Current assets.	$ 20,095,404	$23,410,900	$(3,315,496)	(14.2)%
Other noncurrent assets. . . .	6,263,382	5,305,066	958,316	18.1
Capital assets (net)	100,234,798	99,287,482	47,316	1.0
Total assets.	126,593,584	128,003,448	(1,902,142)	(1.1)
Deferred outflows of resources.	125,747	167,264	(41,517)	(24.8)
Total assets and deferred outflows of resources	126,719,331	128,170,712	(1,451,381)	(1.1)
Current liabilities	5,412,748	5,929,941	(517,193)	(8.7)
Noncurrent liabilities				
Other noncurrent liabilities .	1,381,110	1,348,125	32,985	2.4
Bonds and other long-term debt	12,090,000	15,659,131	(3,569,131)	(22.8)
Total liabilities . . .	18,883,858	22,937,197	(4,053,339)	(17.7)
Net position:				
Net investment in capital assets.	84,742,931	80,453,062	4,289,869	5.3
Restricted	8,995,490	9,288,875	(293,385)	(3.2)
Unrestricted	14,097,052	15,491,578	1,394,526)	(9.0)
Total net position. . . .	$107,835,473	$105,233,55	$ 2,601,958	2.5

Changes in Net Position - Operating revenues increased $652,318 (or 7.3 percent) from 2011 to 2012. An increase (42.4 percent) in buildings and grounds revenue accounted for most of the operating revenue increase due to new lease agreements with tenants in the Air Trade Center.

Property and other taxes increased $403,373, or 6.4 percent due primarily to an increase of $185,000 in county option income tax revenues, and an increase ($203,000) in debt service taxes.

Federal operating grant revenues decreased $227,873 or 72.9 percent. The Authority received a Small Community Air Service Development grant from the US Department of Transportation for approximately $180,000 in 2011. No such grant was received in 2012. In addition, the Authority's Law Enforcement Reimbursement Officer grant received from the US Department of Homeland Security was reduced by approximately $47,000.

Customer facility charge revenues increased by $178,563 in 2012. The Authority's Board authorized a customer facility charge of $1.50 per transaction per day for up to four days. The collection of this charge by car rental companies did not begin until the fourth quarter of 2011.

Buildings and grounds operating expenses increased approximately $108,000 due primarily to an increase in bond issue cost expense. As a result of applying GASB 65, the remaining balance of bond issue costs for Airport terminal expansion and Air Trade Center facilities were expensed and included in this operating expense category.

Administrative operating expenses decreased $207,771 or 7.9 percent due to an approximate $107,000 reduction in personal service expenses and an $88,000 reduction in legal fees.

Gain on capital asset disposal decreased $215,066 in 2012. During 2011, the Authority realized a gain of approximately $216,000 on sale of land that was no longer included in the Authority's master plan.

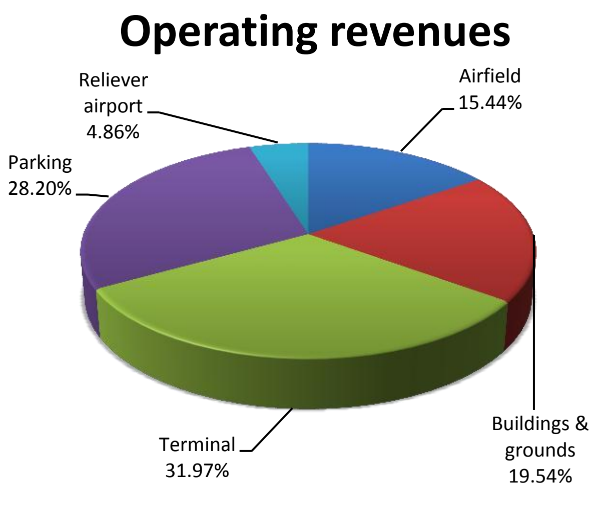
Capital contributions increased 40.1 percent due to increases in the amount of federal and state grants received.

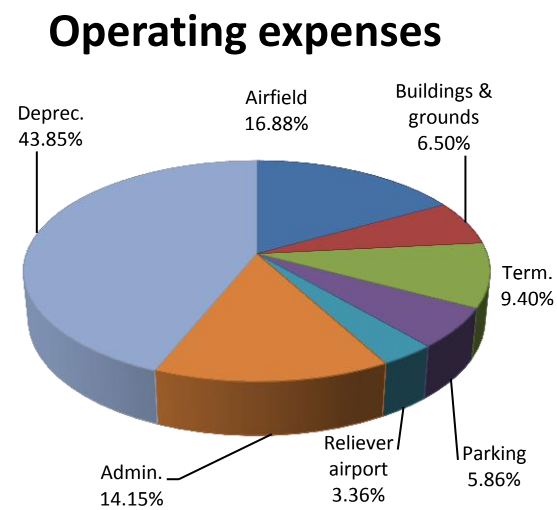
A summary of the Authority’s 2012 changes in net position compared to 2011 follows below.

Authority’s Changes in Net Position

	2012	2011	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	$ 1,475,574	$ 1,461,088	$ 14,486	1.0%
Buildings and grounds . . .	1,867,646	1,311,808	555,838	42.4
Terminal.	3,056,045	3,065,071	(9,026)	(0.3)
Parking	2,695,420	2,625,381	70,039	2.7
Reliever airport.	464,820	443,839	20,981	4.7
Total operating revenues. . .	9,559,505	8,907,187	652,318	7.3
Nonoperating revenues:				
Property and other taxes. .	6,713,816	6,310,443	403,373	6.4
Federal operating grant . .	84,766	312,639	(227,873)	(72.4)
Passenger facility charges.	1,138,258	1,099,255	39,003	3.5
Customer facility charges .	210,792	32,229	178,563	554.0
Interest income	94,787	102,068	(7,281)	(7.1)
Gain on capital asset disposal	20,395	235,461	(215,066)	(91.3)
Net nonoperating revenues . .	8,262,814	8,092,095	170,037	2.1
Total revenues.	17,822,319	16,999,282	823,037	4.8
Operating expenses:				
Airfield.	2,909,812	2,921,657	(11,845)	(0.4)
Buildings and grounds . . .	1,121,225	1,013,593	107,632	10.6
Terminal.	1,620,862	1,605,688	15,174	0.9
Parking	1,009,371	1,023,453	(14,082)	(1.4)
Reliever airport.	578,843	522,721	56,122	10.7
Administration.	2,438,987	2,646,758	(207,771)	(7.9)
Depreciation.	7,559,693	7,852,015	(292,322)	(3.7)
Total Operating expenses. . .	17,238,793	17,585,885	(347,092)	(2.0)
Nonoperating expenses	731,133	883,650	(152,517)	(17.3)
Total expenses.	17,969,926	18,469,535	(499,609)	(2.7)
Loss before capital contributions . . .	(147,607)	(1,470,253)	1,322,646	(90.0)
Capital contributions	2,749,565	1,962,373	787,192	40.1
Increase in net position. . .	2,601,958	492,120	2,109,838	428.7
Total net position, beginning	105,233,515	104,741,395	492,120	0.5
Total net position, ending. .	$107,835,473	$105,233,515	$ 2,601,958	2.5

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2012:





Capital Asset Activity

During 2012, the Authority expended approximately $8.5 million for capital improvements. The Authority completed the following projects at Fort Wayne International: purchased land for future construction for $3.9 million; retrofitted Air Trade Center facilities for $783,000; and purchased runway friction testing equipment for $179,000. In addition, the Authority completed two projects that began in 2011 or earlier: master plan for $1.2 million and runway 5-23 shoulder project for $1.5 million. Several projects, including runway guard light installation and overlay zoning projects were unfinished at yearend.

In addition, the Authority completed the construction of a T-Hangar building and ramp for $913,000 at Smith Field Airport.

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.

In February of 2011, the 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, to refund the 1998 First

Mortgage Bonds. The primary purpose of the refunding was to eliminate certain restrictions in the bond covenant. The bonds have a rating of AA+ by Fitch Ratings and Aa3 by Moody's.

Bond ratings did not change during 2012. The Authority has a legal debt limit of $84,944,693 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 $84,944,693 as of December 31, 2012. 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 2013, the operating, debt service and cumulative building tax rates are .0289, .0149, and .0033, respectively. The rates are per $100 of assessed value and will be applied on an assessed value of $12,780,412,897. These rates compare to the 2012 rates for operating, debt service and cumulative building of .0282, .0155 and .0031, respectively.

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 Position
December 31, 2012

ASSETS	**Totals**
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2	$ 2,375,511
Investments--note 2	13,531,998
Accounts receivable, net of allowance	114,675
Unbilled revenue	249,674
Property tax receivables, net of allowance--note 1	56,827
Other receivables	28,164
Inventory--note 4	242,391
Prepaid items	297,069
Total unrestricted assets	16,896,309
Restricted assets:	
Cash and cash equivalents-including $1,092,253 held by trustee--notes 2 and 3	1,924,982
Investments--note 2	578,002
Passenger facility charge receivable	152,075
Federal and state grants receivable	493,649
Property tax receivables, net of allowance--note 1	30,371
Other receivables	20,016
Total restricted assets	3,199,095
Total current assets	20,095,404
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including $7,244 held by trustee--notes 2 and 3	366,524
Investments--notes 2 and 3	5,890,000
Property tax receivable, net of allowance--note 1	6,858
Total restricted assets	6,263,382
Capital assets, net--note 5	100,234,798
Total noncurrent assets	106,498,180
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding bonds	125,747
Total assets and deferred outflows of resources	$ 126,719,331

LIABILITIES AND NET POSITION	**Totals**
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable	$ 884,207
Accrued liabilities	427,720
Advance rent	106,220
Total unrestricted	1,418,147
Payable from restricted:	
Accounts payable	120,288
Current portion of long-term debt--note 9	3,527,614
Accrued interest on long-term debt	346,699
Total restricted	3,994,601
Total current liabilities	5,412,748
NONCURRENT LIABILITIES:	
Net other postemployment benefits obligation	425,254
Net pension obligation	38,266
Accrued compensated absences	917,590
Bonds and other long-term debt, net--note 9	12,090,000
Total noncurrent liabilities	13,471,110
Total liabilities	18,883,858
NET POSITION:	
Net investment in capital assets	84,742,931
Restricted for:	
Debt service	2,337,569
Capital projects	6,657,921
Unrestricted	14,097,052
Total net position	107,835,473
Total liabilities and net position	$ 126,719,331

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 Position
For the Year Ended December 31, 2012

	Totals
OPERATING REVENUES:	
Airfield	$ 1,475,574
Buildings and grounds	1,867,646
Terminal	3,056,045
Parking	2,695,420
Reliever airport	464,820
Total operating revenues	9,559,505
OPERATING EXPENSES:	
Airfield	2,909,812
Buildings and grounds	1,121,225
Terminal	1,620,862
Parking	1,009,371
Reliever airport	578,843
Administration	2,438,987
Depreciation	7,559,693
Total operating expenses	17,238,793
LOSS FROM OPERATIONS	(7,679,288)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes	6,713,816
Federal operating grant	84,766
Passenger facility charge	1,138,258
Customer facility charge	210,792
Interest income	94,787
Interest expense	(731,133)
Gain on disposal of capital assets	20,395
Net nonoperating revenues (expenses)	7,531,681
LOSS BEFORE CAPITAL CONTRIBUTIONS	(147,607)
CAPITAL CONTRIBUTIONS:	
Federal and state grants	2,749,565
INCREASE IN NET POSITION	2,601,958
NET POSITION:	
Total net position, beginning of year	105,233,515
Total net position, end of year	$ 107,835,473

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, 2012

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 9,543,403
Payments to suppliers	(3,953,307)
Payments to employees	(3,921,169)
Payments of benefits on behalf of employees	(1,719,394)
Refunds and return of customer deposits	(11,302)
Net cash used in operating activities	(61,769)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes	4,359,763
Operating grant receipts	229,465
Net cash provided by noncapital financing activities	4,589,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes	2,346,752
Acquisition and construction of capital assets	(8,925,892)
Sale of capital assets	20,395
Principal paid on bonds and other long-term debt	(3,350,000)
Interest paid on bonds and other long-term debt	(782,604)
Capital grant receipts	3,085,888
Passenger facility charge receipts	1,124,671
Customer facility charge receipts	210,792
Net cash used in capital and related financing activities	(6,269,998)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(27,390,000)
Proceeds from sale and maturities of investment securities	24,390,000
Interest received on investments	102,177
Net cash used in investing activities	(2,897,823)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,640,362)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,307,379
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,667,017

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2012

		Totals
Reconciliation of operating loss to net cash used in operating activities:		
Loss from operations	$	(7,679,288)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		7,559,693
Changes in assets and liabilities:		
Accounts receivable and unbilled revenue		65,738
Other assets		183,556
Accounts payable		(352,384)
Accrued liabilities		93,100
Net OPEB and net pension obligation		67,816
Net cash used in operating activities	$	(61,769)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets included in accounts payable	$	567,903
Capital contributions from federal and state grants		336,323

The accompanying notes are an integral part of the 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.

Use of Estimates in Preparation of Financial Statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

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 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 must be approved 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 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.

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, customer 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting. The Authority follows GASB pronouncements as codified under GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which was adopted in the current year.

In addition to GASB Statement No. 62, the Authority also adopted GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements and GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, which had no impact on the financial statements.

The Authority adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective on January 1, 2012. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, which are distinct from assets and liabilities. This Statement amends the net asset reporting requirements in previous statements and pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The disclosures required by this Statement have no effect on the Authority's beginning net position.

The Authority adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, effective on January 1, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Bond issue costs, previously reported as an asset, are now recognized as an expense. The remaining balance is considered immaterial and has now been reclassified as a component of the buildings and grounds expense in the current period. In addition, deferred amounts on bond refunding were previously reported by the Authority as a valuation account, a deduction from bonds payable. Deferred amounts on bond refunding are now included as deferred outflows of resources. The disclosures required by this Statement have no material effect on the Authority's beginning net position.

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 year-end, 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.
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 $3,787,143 at December 31, 2012.

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, avigation 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:

	Years
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 $731,133 for the year ended December 31, 2012. The Authority did not capitalize any interest in 2012.

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.

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 Position – The residual of all elements presented in the Authority's Statement of Net Position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position has three components: Net investment in capital assets; restricted and unrestricted. Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction, or improvement of those assets. Deferred outflows and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Authority's restricted assets are expendable. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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.

Customer Facility Charge (CFC) Revenue – The Authority received approval by the Board in 2011 to collect a CFC from all car rental companies that operate on the Airport. The CFC is $1.50 per car rental transaction per day for up to four days. CFC revenues will be used to construct a new car rental parking area and car rental parking area maintenance on the Airport. CFC’s are recognized as revenue by the Authority as they are earned, and are included in nonoperating revenues.

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, <u>Accounting for Operating Leases with Scheduled Rent Increases</u>.

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

Lien date	March 1, 2011
Levy date	January 1, 2012
Tax bills mailed	April 1 and October 1, 2012
First installment payment due	May 10, 2012
Second installment payment due	November 10, 2012
Authority collection dates	June and December, 2012
Tax sale - 2012 delinquent property taxes	August, 2014

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 $233,869 with an allowance of $139,813 for delinquent taxes, at December 31, 2012.

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 2012.

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.

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments included in the statement of net position at December 31, 2012, consist of the following:

	Amount
Cash and Cash Equivalents:	
Current	$ 2,375,511
Current, restricted	1,924,982
Noncurrent, restricted	366,524
	4,667,017
Investments:	
Current	13,531,998
Current, restricted	578,002
Noncurrent, restricted	5,890,000
	20,000,000
	$24,667,017

The carrying amounts of deposits and investments by type of investment at December 31, 2012 are as follows:

Cash deposits	$ 3,599,063
Certificates of deposit (CD's)	20,000,000
Total deposits	$23,599,063

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 CD's are insured by the Federal Deposit Insurance Corporation (FDIC). Within this group, savings accounts and CD's are insured up to $250,000. Separately, also within this group, the Authority's checking accounts (interest-bearing and noninterest-bearing) are also insured up to $250,000 at the same bank. Deposits in excess of $250,000 for savings accounts and CD's and in excess of $250,000 for checking accounts 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 $1,000,000 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2012, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds	$ 1,099,497

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 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 collaterized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2012, 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:

	Amount
Pursuant to the FWIABC Improvement Refunding Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account.	$ 1,084,275
Bond Operation and Reserve Account	7,978
Pursuant to the FWIAATCBC First Mortgage Taxable Refunding Bonds of 2011 Trust Indenture:	
Bond Sinking Fund Account.	---
Bond Operation and Reserve Account	7,244
Property Tax Revenues Reserved for Debt Service.	767,091
Pursuant to the Aviation Safety and Capacity Expansion Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account.	635,234
Pursuant to the Cumulative Building Fund Account Established in 2001.	6,137,398
Security Deposits.	120,288
Total.	$ 8,759,508

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 Taxable Refunding Bonds of 2011

The Trust Indenture adopted February 17, 2011 with the issuance of the First Mortgage Taxable Refunding Bonds of 2011, 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 necessary incidental expenses (e.g., trustee fees, accounting fees, appraisals, meetings, cost of rebate calculations, etc.) of the FWIAATCBC. If the amount in the sinking fund account is less than the required amount, the trustee shall transfer funds from the operation and reserve account 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, 2012.

NOTE 4 INVENTORIES

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

	Amount
Supply inventories held for consumption.	$ 219,079
Fixed based operator inventories held for resale	23,312
Total inventories.	$ 242,391

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.	$ 15,991,393	$3,937,534	$ ---	$ 19,928,927
Intangibles	118,357	---	---	118,357
Work in progress. . .	3,534,490	3,210,565	3,585,772	3,159,283
Total capital assets, **not** being depreciated	19,644,240	7,148,099	3,585,772	23,206,567
Capital assets, being depreciated:				
Buildings and improvements. .	72,207,045	1,429,488	48,224	73,588,309
Infrastructure items.	131,854,782	2,004,432	149,061	133,710,153
Intangibles	2,010,811	1,208,528	620,342	2,598,997
Equipment	8,857,742	302,234	104,802	9,055,174
Total capital assets, being depreciated	214,930,380	4,944,682	922,429	218,952,633
Less accumulated depreciation for:				
Buildings and improvements. .	39,777,700	2,806,913	48,224	42,536,389
Infrastructure items.	88,505,451	4,073,346	149,061	92,429,736
Intangibles	1,582,367	179,848	620,342	1,141,873
Equipment	5,421,620	499,586	104,802	5,816,404
Total accumulated depreciation	135,287,138	7,559,693	922,429	141,924,402
Net capital assets	$ 99,287,482	$ 4,533,088	$ 3,585,772	$100,234,798

All depreciation expense, $7,559,693 for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

NOTE 6 PROPERTY TAXES

The applicable property tax rates and related levies in 2012 are as follows:

	Rate Per $100	Property Tax Levies
Operating.	$ .0282	$ 3,593,161
Debt Service	.0155	1,974,964
Cumulative Building.	.0031	394,993
Total.	$ .0468	$ 5,963,118

NOTE 7 PENSION PLAN

On January 1, 1997, the statewide Indiana Public Employees' 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 employees 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 50, Pension Disclosures, an amendment of GASB Statements Number 25 and Number 27. 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 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 Retirement System, One 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 7.5 percent of annual covered payroll.

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	$ 320,720
Interest on net pension obligation	879
Adjustment to annual required contribution	(1,012)
Annual pension cost	320,587
Contributions made	(294,881)
Increase (Decrease) in net pension obligation	25,706
Net pension obligation, beginning of year	12,560
Net pension obligation, end of year	$ 38,266

The annual required contribution was determined as part of the June 30, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.75 percent investment rate of return (net of administrative and investment expenses); (b) projected salary increases per year are age-based rates ranging from 3.25 to 4.5 percent, based upon PERF experience from 2005 to 2010, and includes a 3.0 percent assumption attributable to the effects of inflation on salaries; 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 (with a 20 percent corridor) of investments over a four-year period. The Authority's unfunded 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, 2012, was 16 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.

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	$ 222,356	80%	$(96,064)
2011	301,613	64	12,560
2012	320,587	92	38,266

Funded Status and Funding Progress – As of June 30, 2012, the most recent actuarial valuation date, the plan was 47.7 percent funded. The actuarial accrued liability for benefits was $3.9 million and the actuarial value of assets was $1.9 million, resulting in an unfunded actuarial liability of $2.0 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 56.1 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.

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 2012, the Authority contributed $106,190 on behalf of the employees. This amount represents the employer's 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 $150 per month for the retiree and $165 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, 2012, five (number of participants currently eligible) retirees contributed $16,089 and the Authority contributed $44,897 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	$ 89,375
Interest on net OPEB obligation	15,489
Adjustment to annual required contribution	(17,857)
Annual OPEB cost (expense)	87,007
Contributions made	(44,897)
Increase (Decrease) in net OPEB obligation	42,110
Net OPEB obligation, beginning of year	383,144
Net OPEB obligation, end of year	$ 425,254

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding two years were as follows:

Year	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation
2010	$ 112,055	1.6%	$ 325,892
2011	84,289	32.1	383,144
2012	87,007	51.6	425,254

Funded Status and Funding Progress – As of December 31, 2012, the most recent valuation date, the actuarial accrued liability for benefits was $1,126,517, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $3.5 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 31.8 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, 2012 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 actuary did not factor an inflation rate into the calculations. A discount rate of 4 percent was used to discount projected benefits to their present value. This rate was based upon historical and expected future returns on the assets expected to be available to pay or provide OPEB when due. The unfunded actuarial accrued liability is being amortized using the level dollar amortization method on an open basis. The remaining amortization period at December 31, 2012 was 25 years.

NOTE 9 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

Revenue Bonds	Amount
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport Building Corporation-- Principal payable semi-annually on January 1, 2013 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.	
	$ 3,100,000
Plus: Unamortized premium.	17,614
	3,117,614
First Mortgage Federally Taxable Refunding Bonds of 2011:	
Fort Wayne International Airport Air Trade Center Building Corporation Principal payable semi-annually on January 15, 2013 to January 15, 2020 in payments ranging from $975,000 in 2020 to $1,875,000 in 2019. Interest at 2.63 to 5.54% due semi- annually on January 15 and July 15	12,500,000
Total bonds	15,617,614
Less: Current portion.	(3,527,614)
	$12,090,000

The Authority has a legal debt limit of $84,944,693 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 $84,944,693 as of December 31, 2012.

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 Federally Taxable Refunding Bonds of 2011

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) First Mortgage Federally Taxable Bonds of 2011 (the 2011 Bonds) are secured by 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.

FWIAATCBC agreed to sell the 2011 Bonds in the original amount of $14,710,000 to refund the 1998 First Mortgage Bonds (the 1998 Bonds). The previously issued 1998 Bonds 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. 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. Subsequently, on October 29, 2007, the air cargo company filed petitions for reorganization under the Chapter 11 Bankruptcy Code, and ceased operations at Fort Wayne International Airport. 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. However, this levy may be reduced by amounts on deposit in the Authority's lease rental reserve account that consists of net lease rentals received, if any, from future tenants of the facilities.

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 not subject to optional redemption prior to maturity, but some of the bonds are subject to mandatory sinking fund redemption.

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, 2012:

Debt Service Requirements

Years ending December 31:	Principal	Interest	Total
2013	$ 3,510,000	$ 659,927	$ 4,169,927
2014	2,565,000	519,337	3,084,337
2015	1,565,000	441,101	2,006,101
2016	1,630,000	376,895	2,006,895
2017	1,700,000	305,364	2,005,364
2018-2020.	4,630,000	383,833	5,013,833
	15,600,000	2,686,457	18,286,457
Plus: Unamortized premium	17,614	---	17,614
	$15,617,614	$ 2,686,457	$18,304,071

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2012, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term liabilities:					
Compensated absences.	$ 1,162,718	$ 280,695	$ (304,866)	$ 1,138,547	$ 220,958
Bonds and other long-term debt:					
Revenue bonds	18,950,000	---	(3,350,000)	15,600,000	3,510,000
Plus premiums	51,685	---	(34,071)	17,614	17,614
Total bonds and other long-term debt . . .	19,001,685	---	(3,384,071)	15,617,614	3,527,614
Total bonds and long-term liabilities . . .	$20,164,403	$ 280,695	$(3,688,937)	$16,756,161	$ 3,748,572

NOTE 10 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2012, the Authority was obligated for completion of airfield infrastructure, terminal building improvements, land compatibility use, land and equipment purchases, and various smaller projects under commitments aggregating $2,917,714 with an estimated $1,767,970 eligible for reimbursement at 92.5 percent from the FAA and the State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2012, 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 41.7 percent of the accounts receivable balances as of December 31, 2012.

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.

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:	
2013	$ 3,198,342
2014	2,579,053
2015	2,025,442
2016	1,643,049
2017	1,311,584
Later Years	1,369,601
Total	$12,127,071

The schedule above includes changes in rental rates that became effective on January 1, 2013. These rates are adjusted annually.

Contingent rentals and fees aggregated $5,430,703 for the year ended December 31, 2012.

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, 2012, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 12.1 percent of operating revenues.

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))
7/1/03	$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)
7/1/11	1,981,528	3,504,141	(1,522,613)	56.5	3,442,666	(44.23)
6/30/12	1,868,775	3,914,381	(2,045,606)	47.7	3,644,027	(56.14)

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(A)	$ 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
12/31/11(B)	0	N/A	N/A	N/A	3,654,941	N/A
12/31/12	0	1,126,517	1,126,517	0.0	3,539,674	31.8

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

Note B: No actuarial valuation was completed on December 31, 2011.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

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 Position
December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents..........	$ 2,375,511	$ -	$ -	$ 2,375,511
Investments..........	13,531,998	-	-	13,531,998
Accounts receivable, net of allowance..........	114,675	-	-	114,675
Unbilled revenue..........	249,674	-	-	249,674
Property tax receivable, net of allowance..........	56,827	-	-	56,827
Other receivables..........	28,164	-	-	28,164
Inventory..........	242,391	-	-	242,391
Prepaid items..........	297,069	-	-	297,069
Total unrestricted assets..........	16,896,309	-	-	16,896,309
Restricted assets:				
Cash and cash equivalents..........	1,924,982	-	-	1,924,982
Investments..........	578,002	-	-	578,002
Passenger facility charge receivable..........	152,075	-	-	152,075
Federal and state grants receivable..........	493,649	-	-	493,649
Property tax receivable, net of allowances..........	30,371	-	-	30,371
Other receivables..........	20,016	-	-	20,016
Total restricted assets..........	3,199,095	-	-	3,199,095
Total current assets..........	20,095,404	-	-	20,095,404
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents..........	351,282	8,003	7,239	366,524
Investments..........	5,890,000	-	-	5,890,000
Property tax receivable, net of allowance..........	6,858	-	-	6,858
Total restricted assets..........	6,248,140	8,003	7,239	6,263,382
Capital assets, net..........	100,234,798	-	-	100,234,798
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding bonds..........	125,747	-	-	125,747
Total noncurrent assets..........	106,608,685	8,003	7,239	106,623,927
Total assets and deferred outflows of resources..........	$ 126,704,089	$ 8,003	$ 7,239	$ 126,719,331

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable	$ 884,207	$ -	$ -	$ 884,207
Accrued liabilities	427,720	-	-	427,720
Advance rent	106,220	-	-	106,220
Total unrestricted	1,418,147	-	-	1,418,147
Payable from restricted:				
Accounts payable	120,288	-	-	120,288
Current portion of long-term debt	3,527,614	-	-	3,527,614
Accrued interest on long-term debt	346,699	-	-	346,699
Total restricted	3,994,601	-	-	3,994,601
Total current liabilities	5,412,748	-	-	5,412,748
NONCURRENT LIABILITIES:				
Net other postemployment benefits obligation	425,254	-	-	425,254
Net pension obligation	38,266	-	-	38,266
Accrued compensated absences	917,590	-	-	917,590
Bonds and other long-term debt, net	12,090,000	-	-	12,090,000
Total noncurrent liabilities	13,471,110	-	-	13,471,110
Total liabilities	18,883,858	-	-	18,883,858
NET POSITION:				
Net investment in capital assets	84,742,931	-	-	84,742,931
Restricted for:				
Debt service	2,322,327	8,003	7,239	2,337,569
Capital projects	6,657,921	-	-	6,657,921
Unrestricted	14,097,052	-	-	14,097,052
Total net position	107,820,231	8,003	7,239	107,835,473
Total liabilities and net position	$ 126,704,089	$ 8,003	$ 7,239	$ 126,719,331

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
OPERATING REVENUES:				
Airfield	$ 1,475,574	$ -	$ -	$ 1,475,574
Buildings and grounds	1,867,646	-	-	1,867,646
Terminal	3,056,045	-	-	3,056,045
Parking	2,695,420	-	-	2,695,420
Reliever airport	464,820	-	-	464,820
Total operating revenues	9,559,505	-	-	9,559,505
OPERATING EXPENSES:				
Airfield	2,909,812	-	-	2,909,812
Buildings and grounds	1,121,225	-	-	1,121,225
Terminal	1,620,862	-	-	1,620,862
Parking	1,009,371	-	-	1,009,371
Reliever airport	578,843	-	-	578,843
Administration	2,438,987	-	-	2,438,987
Depreciation	7,559,693	-	-	7,559,693
Total operating expenses	17,238,793	-	-	17,238,793
LOSS FROM OPERATIONS	(7,679,288)	-	-	(7,679,288)
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes	6,713,816	-	-	6,713,816
Federal operating grant	84,766	-	-	84,766
Passenger facility charge	1,138,258	-	-	1,138,258
Customer facility charge	210,792	-	-	210,792
Interest income	94,787	-	-	94,787
Interest expense	(730,794)	(339)	-	(731,133)
Gain on disposal of capital assets	20,395	-	-	20,395
Net nonoperating revenues (expenses)	7,532,020	(339)	-	7,531,681
LOSS BEFORE CAPITAL CONTRIBUTIONS	(147,268)	(339)	-	(147,607)
CAPITAL CONTRIBUTIONS:				
Federal and state grants	2,749,565	-	-	2,749,565
INCREASE (DECREASE) IN NET POSITION	2,602,297	(339)	-	2,601,958
NET POSITION:				
Total net position, beginning of year	105,217,934	8,342	7,239	105,233,515
Total net position, end of year	$ 107,820,231	$ 8,003	$ 7,239	$ 107,835,473

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 9,543,403	$ -	$ -	$ 9,543,403
Payments to suppliers	(3,953,307)	-	-	(3,953,307)
Payments to employees	(3,921,169)	-	-	(3,921,169)
Payments of benefits on behalf of employees	(1,719,394)	-	-	(1,719,394)
Return of customer deposits	(11,302)	-	-	(11,302)
Net cash used in operating activities	(61,769)	-	-	(61,769)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes	4,359,763	-	-	4,359,763
Operating grant receipts	229,465	-	-	229,465
Net cash provided by noncapital fiancing activities	4,589,228	-	-	4,589,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes	2,346,752	-	-	2,346,752
Acquisition and construction of capital assets	(8,925,892)	-	-	(8,925,892)
Sale of capital assets	20,395	-	-	20,395
Principal paid on bonds and other long-term debt	(3,350,000)	-	-	(3,350,000)
Interest paid on bonds and other long-term debt	(782,265)	(339)	-	(782,604)
Capital grant receipts	3,085,888	-	-	3,085,888
Passenger facility charge receipts	1,124,671	-	-	1,124,671
Customer facility charge receipts	210,792	-	-	210,792
Net cash used in capital and related financing activities	(6,269,659)	(339)	-	(6,269,998)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	(27,390,000)	-	-	(27,390,000)
Proceeds from sale and maturities of investment securities	24,390,000	-	-	24,390,000
Interest received on investments	102,177	-	-	102,177
Net cash used in investing activities	(2,897,823)	-	-	(2,897,823)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,640,023)	(339)	-	(4,640,362)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,291,798	8,342	7,239	9,307,379
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,651,775	$ 8,003	$ 7,239	$ 4,667,017

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Loss from operations	$ (7,679,288)	$ -	$ -	$ (7,679,288)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	7,559,693	-	-	7,559,693
Change in assets and liabilities:				
Accounts receivable and unbilled revenue	65,738	-	-	65,738
Other assets	183,556	-	-	183,556
Accounts payable	(352,384)	-	-	(352,384)
Accrued liabilities	93,100	-	-	93,100
Net OPEB and net pension obligation	67,816	-	-	67,816
Net cash used in operating activities	$ (61,769)	$ -	$ -	$ (61,769)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

	Authority	FWIABC	FWIAATCBC	Totals
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets included in accounts payable	$ 567,903	$ -	$ -	$ 567,903
Capital contributions from federal and state grants	336,323	-	-	336,323

OTHER SUPPLEMENTARY INFORMATION

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Debt Service Requirements to Maturity
December 31, 2012

	Principal	Interest	Total
2013................................	$ 3,510,000	$ 659,927	$ 4,169,927
2014................................	2,565,000	519,337	3,084,337
2015................................	1,565,000	441,101	2,006,101
2016................................	1,630,000	376,895	2,006,895
2017................................	1,700,000	305,364	2,005,364
2018................................	1,780,000	224,488	2,004,488
2019................................	1,875,000	132,267	2,007,267
2020................................	975,000	27,078	1,002,078
Totals......................	$ 15,600,000 (1)	$ 2,686,457	$ 18,286,457

(1) Excludes unamortized premium

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2012

Capital Assets (1)

Category	Balance at 01/01/12	Additions	Deletions (2)	Balance at 12/31/12
Land…………………………	$ 15,991,393	$ 3,937,534	$ -	$ 19,928,927
Avigation easements………	118,357	-	-	118,357
Runways and taxiways……	107,547,461	1,995,367	94,984	109,447,844
Buildings……………………	72,207,045	1,429,488	48,224	73,588,309
Roads and parking…………	24,307,321	9,065	54,077	24,262,309
Snow equipment……………	3,850,531	179,061	-	4,029,592
Vehicles……………………	2,624,916	58,044	22,820	2,660,140
Other equipment……………	2,382,295	65,129	81,982	2,365,442
Software and data base…..	383,202	19,485	-	402,687
Master plans………………	1,627,609	1,189,043	620,342	2,196,310
Work in progress…………	3,534,490	3,210,565	3,585,772	3,159,283
Total capital assets………	$ 234,574,620	$ 12,092,781	$ 4,508,201	$ 242,159,200

Accumulated Depreciation

Category	Balance at 01/01/12	Additions	Deletions (2)	Balance at 12/31/12
Runways and taxiways……	$ 78,901,697	$ 3,030,384	$ 94,984	$ 81,837,097
Buildings……………………	39,777,701	2,806,913	48,224	42,536,390
Roads and parking…………	9,603,754	1,042,962	54,077	10,592,639
Snow equipment……………	2,257,599	224,534	-	2,482,133
Vehicles……………………	1,462,745	141,359	22,820	1,581,284
Other equipment……………	1,701,275	133,693	81,982	1,752,986
Software and data base…..	215,619	44,742	-	260,361
Master plans………………	1,366,748	135,106	620,342	881,512
Total depreciation………	$ 135,287,138	$ 7,559,693	$ 922,429	$ 141,924,402

(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 that were no longer in service.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2012

	2012 Actual				
Major Revenue Categories	GAAP Basis	GAAP Adjustments	Cash Basis (1)	2012 Budget As Adjusted	Variance Over (Under)
Airfield use fees	$ 1,734,453	$ (31,618)	$ 1,702,835	$ 1,638,069	$ 64,766
Building rent and services	3,523,918	66,904	3,590,822	3,088,880	501,942
Land rent	437,176	5,207	442,383	393,057	49,326
Parking	2,684,626	-	2,684,626	2,806,010	(121,384)
Auto rental	965,279	(23,326)	941,953	759,706	182,247
Restaurant	116,351	(21,794)	94,557	113,400	(18,843)
Other income	118,097	(59,390)	58,707	17,864	40,843
Interest income	94,787	7,390	102,177	78,425	23,752
Property and other taxes	6,713,816	(7,301)	6,706,515	6,997,701	(291,186)
Passenger facility charges	1,138,258	(13,587)	1,124,671	1,070,106	54,565
Customer facility charges	210,792	-	210,792	195,113	15,679
Federal grants - operating	84,766	144,699	229,465	131,000	98,465
Total revenues	17,822,319	67,184	17,889,503	17,289,331	600,172
Capital contributions:					
Federal grants	2,669,642	371,337	3,040,979	4,864,665	(1,823,686)
State grants	79,923	(35,014)	44,909	64,009	(19,100)
Total capital contributions	2,749,565	336,323	3,085,888	4,928,674	(1,842,786)
Total	$ 20,571,884	$ 403,507	$ 20,975,391	$ 22,218,005	$ (1,242,614)

(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, 2012

	2012 Actual						
Major Expense Categories	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2012 Actual	2012 Budget	Variance Over (Under)(2)
PERSONAL SERVICES:							
Salaries and wages................	$ 3,853,582	$ 18,959	$ 3,872,541	$ -	$ 3,872,541	$ 4,088,247	$ (215,706)
Employee benefits................	1,768,080	(58)	1,768,022	14,830	1,782,852	1,969,017	(186,165)
Total personal services........	5,621,662	18,901	5,640,563	14,830	5,655,393	6,057,264	(401,871)
SUPPLIES.............................	921,390	(12,974)	908,416	94,098	1,002,514	1,315,171	(312,657)
CONTRACTUAL SERVICES:							
Professional services............	562,492	28,278	590,770	53,491	644,261	719,528	(75,267)
Utilities.................................	643,569	13,176	656,745	5,901	662,646	812,313	(149,667)
Contracted repairs................	181,548	(67,536)	114,012	16,888	130,900	247,937	(117,037)
Debt service payments..........	731,133	3,415,470	4,146,603	-	4,146,603	4,248,996	(102,393)
Other contracted services......	1,748,439	7,688	1,756,127	207,826	1,963,953	2,643,523	(679,570)
Total contractual services....	3,867,181	3,397,076	7,264,257	284,106	7,548,363	8,672,297	(1,123,934)
CAPITAL EXPENDITURES	-	8,451,812	8,451,812	4,115,454	12,567,266	14,610,785	(2,043,519)
DEPRECIATION EXPENSE	7,559,693	(7,559,693)	-	-	-	-	-
Totals....................................	$ 17,969,926	$ 4,295,122	$ 22,265,048	$ 4,508,488	$ 26,773,536	$ 30,655,517	$ (3,881,981)

(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

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.

<u>**Contents**</u> <u>**Page**</u>

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

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Revenues:	2012	2011	2010	2009
Airfield	$ 1,475,574	$ 1,461,088	$ 1,361,743	$ 1,429,261
Buildings and grounds	1,867,646	1,311,808	1,051,735	1,344,797
Terminal	3,056,045	3,065,071	3,096,831	3,219,115
Parking	2,695,420	2,625,381	2,620,565	2,460,847
Reliever airport	464,820	443,839	420,083	402,031
	9,559,505	8,907,187	8,550,957	8,856,051
Interest	94,787	102,068	162,487	344,026
Property and other taxes	6,713,816	6,310,443	6,783,287	7,477,987
Federal operating grant	84,766	312,639	131,891	130,869
Passenger facility charge	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge	210,792	32,229	-	-
Gain (Loss) on disposal of capital assets	20,395	235,461	(409,452)	-
Total revenues	17,822,319	16,999,282	16,322,106	17,840,617
Expenses:				
Salaries	3,853,582	3,901,809	3,859,845	4,040,982
Benefits	1,768,080	1,710,328	1,529,207	1,659,885
Utilities	643,569	653,524	626,467	634,279
Supplies and other services	3,413,869	3,468,209	3,115,866	3,106,021
Depreciation	7,559,693	7,852,015	8,440,999	8,316,488
Total operating expenses	17,238,793	17,585,885	17,572,384	17,757,655
Interest	731,133	883,650	1,103,069	1,234,672
Total expenses	17,969,926	18,469,535	18,675,453	18,992,327
Capital contributions	2,749,565	1,962,373	6,461,612	6,333,715
Increase (Decrease) in net position	$ 2,601,958	$ 492,120	$ 4,108,265	$ 5,182,005
Net position at year end is composed of:				
Net Investment in capital assets	$ 84,742,931	$ 80,453,062	$ 82,143,769	$ 79,747,527
Restricted	8,995,490	9,288,875	12,260,528	10,956,010
Unrestricted	14,097,052	15,491,578	10,380,330	9,929,593
Total net position	$ 107,835,473	$ 105,233,515	$ 104,784,627	$ 100,633,130

Source: Authority's audited financial statements.

2008	2007	2006	2005	2004	2003
$ 1,300,430	$ 1,987,586	$ 2,516,471	$ 2,355,553	$ 2,372,285	$ 2,322,102
1,074,401	2,751,377	3,158,585	3,194,286	3,217,660	3,115,449
2,974,312	3,003,368	3,009,862	3,067,835	3,096,247	3,161,047
2,234,673	2,063,274	1,912,344	1,947,262	1,992,504	1,682,480
472,174	3,450	10,188	10,166	10,355	22,043
8,055,990	9,809,055	10,607,450	10,575,102	10,689,051	10,303,121
586,039	708,481	875,498	653,412	347,459	401,133
4,472,751	4,438,807	4,307,566	4,069,893	4,221,616	3,768,107
133,531	32,976	-	-	332,513	65,487
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	64,985	184,937	-	1,257
14,404,399	16,147,056	16,915,423	16,296,300	16,477,799	15,334,056
4,032,946	3,689,607	3,263,059	3,103,932	3,053,622	3,029,513
1,683,232	1,457,312	1,366,665	1,261,433	1,025,317	947,868
713,684	548,287	499,924	474,522	438,094	430,869
3,192,897	3,261,589	2,780,524	3,486,298	3,827,577	2,921,292
8,212,367	8,510,935	8,064,551	7,764,453	7,787,031	7,531,646
17,835,126	17,467,730	15,974,723	16,090,638	16,131,641	14,861,188
1,358,583	1,447,799	1,655,703	1,740,318	2,256,248	2,404,165
19,193,709	18,915,529	17,630,426	17,830,956	18,387,889	17,265,353
2,747,422	573,692	7,999,576	5,098,268	3,350,896	2,839,984
$ (2,041,888)	$ (2,194,781)	$ 7,284,573	$ 3,563,612	$ 1,440,806	$ 908,687
$ 77,203,394	$ 78,495,625	$ 80,087,834	$ 71,421,904	$ 66,434,837	$ 64,761,424
8,526,620	6,950,303	12,174,175	6,858,838	5,955,696	6,653,265
9,721,111	12,047,085	7,425,785	14,122,479	16,449,076	15,984,114
$ 95,451,125	$ 97,493,013	$ 99,687,794	$ 92,403,221	$ 88,839,609	$ 87,398,803

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2012	2011	2010	2009
Operating Revenues:				
Airfield	$ 88,432	$ 87,860	$ 85,097	$ 80,212
Passenger airline service charge revenues:				
Landing fees	801,832	838,598	771,177	777,156
Jetway rental	-	-	60,060	61,140
Apron fees	146,711	117,899	93,771	98,110
Terminal rent	1,540,790	1,617,504	1,695,299	1,742,964
Boarding security	183,463	193,652	199,381	186,484
PA system	-	-	1,152	1,216
Air Trade Center cargo airline service charge revenues:				
Landing fees	-	-	-	84,106
Apron fees	-	-	-	-
Building rent	586,614	165,282	-	214,364
Ground rent	135,000	163,910	-	-
Landing fees-other cargo	438,301	416,731	413,725	389,676
Building and grounds	811,403	706,890	774,349	849,470
Terminal	250,162	236,029	236,144	233,305
Car rental	965,279	913,857	797,778	890,941
Restaurant	116,351	111,624	97,557	87,323
Parking	2,695,420	2,625,381	2,609,642	2,460,847
Farming	334,927	268,131	297,769	296,706
Reliever airport	464,820	443,839	420,083	402,031
Total operating revenues	9,559,505	8,907,187	8,552,984	8,856,051
Non-operating revenues:				
Interest income	94,787	102,068	162,487	344,026
Property and other taxes	6,713,816	6,310,443	6,783,287	7,477,987
FAA operating grant	84,766	312,639	131,891	130,869
Passenger facility charge	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge	210,792	32,229	-	-
Gain on disposal of capital assets	20,395	235,461	-	-
Total non-operating revenues	8,262,814	8,092,095	8,180,601	8,984,566
Total revenues	$ 17,822,319	$ 16,999,282	$ 16,733,585	$ 17,840,617
Enplaned passengers	284,465	277,938	277,101	266,176
Passenger airline cost per enplaned passenger	$ 9.40	$ 9.96	$ 10.18	$ 10.77
Signatory airlines rates and charges (1):				
Landing fee (per 1,000 lbs. of max. gross landed weight)	$ 2.45	$ 2.44	$ 2.40	$ 2.30
Apron fee (per 1,000 lbs of max. gross landed weight)	0.45	0.34	0.29	0.29
Annual terminal rental rate (per square foot)	33.91	34.80	36.61	38.44
Revenue Funding Ratios:				
Parking revenue/commissions per enplaned passenger (2)	$ 9.48	$ 9.45	$ 9.42	$ 9.25
Car rental commissions per enplaned passenger	3.39	3.29	2.88	3.35
Restaurant commissions per enplaned passenger	0.41	0.40	0.35	0.33

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.

2008	2007	2006	2005	2004	2003
$ 105,077	$ 150,318	$ 114,741	$ 125,048	$ 127,092	$ 136,379
742,078	708,285	708,779	810,523	772,745	771,740
68,410	74,700	86,770	67,900	61,050	52,930
79,058	99,430	98,459	127,494	119,553	115,597
1,496,500	1,575,750	1,542,946	1,710,820	1,608,441	1,720,773
156,490	155,153	169,006	164,476	155,193	108,032
1,504	1,536	1,536	1,504	2,080	1,920
-	546,868	1,041,899	905,647	1,003,269	949,837
-	43,970	52,765	56,856	54,411	57,565
85,000	1,527,754	2,025,300	2,025,300	2,025,300	2,025,300
-	201,957	214,734	208,424	203,338	199,205
374,216	438,715	499,828	329,985	295,215	290,984
829,016	862,507	763,330	807,303	858,527	769,302
244,209	251,575	292,350	230,078	150,258	226,762
896,925	833,162	814,862	782,533	1,002,472	957,022
110,274	111,493	102,392	110,524	116,753	93,608
2,234,673	2,063,274	1,912,344	1,947,262	1,992,504	1,682,480
160,386	159,158	155,221	153,259	130,495	121,642
472,174	3,450	10,188	10,166	10,355	22,043
8,055,990	9,809,055	10,607,450	10,575,102	10,689,051	10,303,121
586,039	708,481	875,498	653,412	347,459	401,133
4,472,751	4,438,807	4,307,566	4,069,893	4,221,616	3,768,107
133,531	32,976	-	-	332,513	65,487
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	64,985	184,937	-	1,257
6,348,409	6,338,001	6,307,973	5,721,198	5,788,748	5,030,935
$ 14,404,399	$ 16,147,056	$ 16,915,423	$ 16,296,300	$ 16,477,799	$ 15,334,056
287,343	298,639	274,889	316,339	338,681	306,077
$ 8.85	$ 8.76	$ 9.49	$ 9.11	$ 8.03	$ 9.05
$ 2.06	$ 1.86	$ 1.83	$ 1.77	$ 1.63	$ 1.68
0.22	0.26	0.25	0.28	0.25	0.25
35.77	36.27	32.24	32.70	32.26	31.82
$ 7.78	$ 6.91	$ 6.96	$ 6.16	$ 5.88	$ 5.50
3.12	2.79	2.96	2.47	2.96	3.13
0.38	0.37	0.37	0.35	0.34	0.31

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Principal Taxpayers
Current Year and Nine Years Ago

	2012				2003			
Principal Taxpayers - Name	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation		Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation	
General Motors Corp……………………	$ 230,553,370	1	1.8	%	$ 195,756,640	1	1.4	%
GGP-Glenbrrok-LLC……………………	188,944,690	2	1.5					
IOM Health Systems……………………	148,844,180	3	1.2		69,132,300	6	0.5	
Indiana Michigan Power………………	135,076,095	4	1.1		85,301,600	3	0.6	
Frontier North Inc……………………..	109,542,310	5	0.9					
Walmart Stores East LP/RE Bus………	79,870,230	6	0.6					
Parkview Health System Inc………….	77,131,457	7	0.6					
Frontier Communications Online & LD.	74,381,260	8	0.6					
St Joseph Health System LLC………..	59,681,220	9	0.5		58,905,540	7	0.4	
Regency Canterbury LP………………..	59,254,300	10	0.5		54,762,850	9	0.4	
Dana Corporation……………………..					69,815,900	5	0.5	
Uniroyal BF Goodrich…………………					71,881,080	4	0.5	
Lake County Trust/Landau & Hayden…					144,584,400	2	1.0	
Meijer…………………………………					56,120,520	8	0.4	
Sommerfeld Nicholas…………………					48,964,800	10	0.3	
Total of Ten Largest Taxpayers………	$ 1,163,279,112		9.1	%	$ 855,225,630		6.0	%

(1) Represents assessed valuations for taxes due and payable in 2012.
(2) Represents assessed valuations for taxes due and payable in 2003.

Source: Allen County Auditor's Office.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2012	2011	2010	2009
Operating excise tax	$ 271,389	$ 260,647	$ 249,758	$ 250,714
Aircraft excise tax	18,307	18,071	16,382	17,134
Operating intangibles tax	15,256	16,277	15,125	12,438
Operating property tax	3,253,654	3,212,343	3,151,024	3,154,607
Operating commercial vehicle tax	17,681	18,065	17,016	14,504
Cumulative building property tax	357,671	384,085	399,938	421,466
Cumulative building excise tax	29,833	31,164	31,700	33,496
Cumulative building commercial vehicle tax	1,944	2,160	2,160	1,938
Cumulative building intangibles tax	1,677	1,946	1,920	1,662
County option income tax	783,478	598,423	1,015,608	577,664
Debt service property tax	1,788,356	1,606,172	1,781,540	2,669,282
Debt service excise tax	149,167	130,324	141,210	212,142
Debt service commercial vehicle tax	9,718	9,032	9,620	12,272
Debt service intangibles tax	8,386	8,138	8,552	10,524
Total Authority tax receipts	$ 6,706,517	$ 6,296,847	$ 6,841,553	$ 7,389,843
Rate per $100 of assessed valuation	0.0468	0.0447	0.0440	0.0489

(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)

	2012	2011	2010	2009
Total tax levy	$ 324,449,495	$ 316,973,671	$ 319,525,460	$ 337,853,052
Current tax collections (2)	313,264,561	306,407,599	307,284,280	322,439,869
Percent of levy collected	96.6%	96.7%	96.2%	95.4%
Delinquent tax collections	$ 9,423,276	$ 7,492,374	$ 5,437,834	$ 12,026,170
Total tax collections	322,687,837	313,899,973	312,722,114	334,466,039
Percent of total tax collections to levy	99.5%	99.0%	97.9%	99.0%
Outstanding delinquent taxes	$ 14,007,744	$ 13,781,018	$ 15,892,667	$ 19,209,633
Percent of delinquent taxes to levy	4.3%	4.3%	5.0%	5.7%

(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

2008	2007	2006	2005	2004 (3)	2003 (2)
$ 252,375	$ 251,464	$ 250,611	$ 260,396	$ 351,912	$ 189,667
19,726	15,777	20,780	21,196	20,175	23,451
26,446	26,217	26,570	26,464	52,879	---
3,113,273	3,052,156	2,953,015	2,806,723	3,859,042	1,422,378
27,753	26,431	25,343	24,041	44,178	---
513,690	503,606	460,045	454,029	726,709	200,592
41,642	41,492	39,382	42,123	65,129	30,055
4,579	4,361	3,983	3,889	7,754	---
4,363	4,325	4,175	4,281	9,287	---
468,904	485,097	525,511	430,294	563,196	487,643
---	---	---	---	---	---
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---	---	---	---	---	---
$ 4,472,751	$ 4,410,926	$ 4,309,415	$ 4,073,436	$ 5,700,261	$ 2,353,786
0.0233	0.0233	0.0243	0.0237	0.0225	0.0217

2008	2007	2006	2005	2004	2003
$ 468,378,102	$ 450,324,056	$ 423,667,496	$ 404,939,852	$ 392,189,991	$ 352,474,267
454,185,187	433,282,315	411,472,985	392,526,880	377,612,575	341,253,361
97.0%	96.2%	97.1%	96.9%	96.3%	96.8%
$ 10,843,230	$ 16,618,199	$ 9,072,693	$ 6,754,184	$ 4,320,258	$ 10,779,907
465,028,417	449,900,514	420,545,678	399,281,064	381,932,833	352,033,268
99.3%	99.9%	99.3%	98.6%	97.4%	99.9%
$ 18,780,143	$ 23,314,369	$ 15,360,588	$ 16,878,058	$ 22,056,911	$ 14,866,299
4.0%	5.2%	3.6%	4.2%	5.6%	4.2%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Assessed Values of Property
Last Ten Fiscal Years (2)

Allen County	2012	2011	2010	2009
Total assessed value (1)……………………	$ 12,741,704,078	$ 12,674,957,960	$ 13,112,944,238	$ 13,297,615,974

(1) Assessed values for personal property are updated annually.
(2) Source: Allen County Auditor's Office.

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

Allen County	2012	2011	2010	2009
Rates per $100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating………………………………	$ 0.0282	$ 0.0276	$ 0.0260	$ 0.0247
Cumulative Building……………………	0.0031	0.0033	0.0033	0.0033
Debt Service…………………………..	0.0155	0.0138	0.0147	0.0209
Total direct rates………………………	0.0468	0.0447	0.0440	0.0489
Other municipal corporations……………	0.2437	0.2365	0.2234	0.2145
School districts……………………………	0.9519	0.9765	0.9201	0.8986
Allen County………………………………	0.5279	0.5155	0.5187	0.4638
City of Fort Wayne………………………	0.8320	0.8365	0.7880	0.7484
State of Indiana……………………………	-	-	-	-
Other………………………………………	0.1281	0.1178	0.1110	0.1159
Totals……………………………………	$ 2.7304	$ 2.7275	$ 2.6052	$ 2.4902
Levies:				
Airport Authority…………………………	$ 5,963,118	$ 5,665,706	$ 5,769,696	$ 6,502,534
Other municipal corporations……………	31,048,245	29,974,604	29,291,300	28,526,107
School districts……………………………	121,283,379	123,771,008	120,653,166	119,496,983
Allen County………………………………	67,263,457	65,339,408	68,016,841	61,673,323
City of Fort Wayne………………………	106,017,165	106,024,105	103,327,209	99,523,973
State of Indiana……………………………	-	-	-	-
Other………………………………………	16,316,212	14,936,479	14,558,483	15,414,198
Totals……………………………………	$ 347,891,576	$ 345,711,310	$ 341,616,695	$ 331,137,118

(1) School districts, the City, municipal corporations, and other rates represent countywide averages.
(2) Source: Allen County Auditor's Office

2008	2007	2006	2005	2004	2003
$ 15,850,468,135	$ 15,270,870,109	$ 14,061,977,670	$ 13,932,934,665	$ 14,211,493,429	$ 14,231,573,124

2008	2007	2006	2005	2004	2003
$ 0.0200	$ 0.0200	$ 0.0210	$ 0.0204	$ 0.0192	$ 0.0184
0.0033	0.0033	0.0033	0.0033	0.0033	0.0033
-	-	-	-	-	-
0.0233	0.0233	0.0243	0.0237	0.0225	0.0217
0.1736	0.1744	0.1841	0.1806	0.1629	0.1654
1.4403	1.3876	1.5274	1.4790	1.4768	1.3042
0.5795	0.5343	0.5675	0.5452	0.4945	0.4215
0.6274	0.6512	0.5871	0.5566	0.5188	0.4500
0.0205	0.0206	0.0239	0.0235	0.0024	0.0223
0.0922	0.0915	0.0991	0.1011	0.0817	0.0830
$ 2.9567	$ 2.8829	$ 3.0133	$ 2.9098	$ 2.7597	$ 2.4681
$ 3,693,159	$ 3,558,113	$ 3,417,060	$ 3,302,106	$ 3,197,586	$ 3,088,251
27,512,551	26,639,938	25,888,641	25,169,342	23,150,614	23,536,130
228,289,216	211,904,942	214,781,057	206,066,666	209,871,643	185,602,124
91,851,010	81,596,517	79,801,724	75,962,361	70,275,834	59,980,764
99,440,267	99,440,911	82,560,277	77,554,663	73,735,533	64,047,843
3,249,346	3,145,800	3,360,193	3,273,613	341,076	3,177,037
14,608,308	13,972,693	13,938,331	14,092,706	11,617,705	11,816,101
$ 468,643,857	$ 440,258,914	$ 423,747,283	$ 405,421,457	$ 392,189,991	$ 351,248,250

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Property Values and Construction
Last Ten Fiscal Years

	Building Permits (1)			
	Number Issued	Value of Buildings	Average Building Cost	Property Value (2)
2012…………..	705	$ 154,256,028	218,803	$ 12,741,704,078
2011…………..	657	121,972,417	185,651	12,674,957,960
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

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: Allen County Building Department and Allen County Auditor's Office.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Ratios of Outstanding Debt
Last Ten Fiscal Years

	2012	2011	2010	2009
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds……………	$ 3,114,421	$ 5,056,074	$ 6,930,272	$ 8,738,220
First Mortgage Bonds……………………	12,377,446	13,778,346	14,984,704	16,177,003
Revenue Bonds……………………………	-	-	-	-
Non-interest bearing loan…………………	-	-	-	-
Financing agreement………………………	-	-	-	-
Total outstanding debt………………………	$ 15,491,867	$ 18,834,420	$ 21,914,976	$ 24,915,223
Enplaned passengers…………………………	284,465	277,938	277,101	266,176
Debt per enplaned passenger…………………	$ 54.46	$ 67.76	$ 79.09	$ 93.60
<u>Debt service per enplaned passenger</u>				
Net debt service………………………………	$ 4,132,603	$ 4,263,259	$ 4,174,816	$ 4,086,272
Enplaned passengers…………………………	284,465	277,938	277,101	266,176
Debt service per enplaned passenger………	$ 14.53	$ 15.34	$ 15.07	$ 15.35

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

2008	2007	2006	2005	2004	2003
$ 10,478,179	$ 12,166,033	$ 13,694,365	$ 15,150,665	$ 15,871,805	$ 17,612,789
17,313,911	18,394,288	19,428,207	20,411,069	21,353,931	22,256,793
-	-	1,443,497	2,116,301	3,132,230	4,088,788
16,600	33,200	49,800	66,400	83,000	99,600
-	-	-	-	-	-
$ 27,808,690	$ 30,593,521	$ 34,615,869	$ 37,744,435	$ 40,440,966	$ 44,057,970
287,343	298,639	274,889	316,339	338,681	306,077
$ 96.78	$ 102.44	$ 125.93	$ 119.32	$ 119.41	$ 143.94
$ 4,100,183	$ 5,487,179	$ 4,752,303	$ 4,470,762	$ 5,482,530	$ 5,470,958
287,343	298,639	274,889	316,339	338,681	306,077
$ 14.27	$ 18.37	$ 17.29	$ 14.13	$ 16.19	$ 17.87

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Pledged-Revenue Coverage
Last Ten Fiscal Years

	2012	2011	2010	2009
1995 and 1998 Revenue Bonds:				
Gross revenues……	$ 17,822,319	$ 16,999,282	$ 16,742,569	$ 17,840,617
Less:				
Building rental revenue (1)……	-	152,552	-	214,364
Passenger facility charge……	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge……	210,792	32,229	-	-
Gain on disposal of capital assets……	20,395	235,461	-	-
Operating expenses (2)……	9,679,100	9,733,870	9,140,132	9,441,167
	11,048,545	11,253,367	10,243,068	10,687,215
Net revenues available……	$ 6,773,774	$ 5,745,915	$ 6,499,501	$ 7,153,402
Debt Service				
Principal……	$ -	$ -	$ -	$ -
Interest……	-	-	-	-
Total debt service……	$ -	$ -	$ -	$ -
Debt service coverage……	-	-	-	-
1998 First Mortgage Bonds (3) and 2011 First Mortgage Taxable Refunding Bonds				
Gross revenues……	$ -	$ 152,552	$ -	$ 214,364
Debt Service				
Principal……	$ 1,435,000	$ 1,400,000	$ 1,205,000	$ 1,150,000
Interest……	564,790	720,947	818,316	873,846
Total debt service……	$ 1,999,790	$ 2,120,947	$ 2,023,316	$ 2,023,846
Debt service coverage……	-	0.07	-	0.11

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds or 2011 First Mortgage Taxable Refunding 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
(3) The 1998 First Mortgage Bonds were refunded with the 2011 First Mortgage Taxable Refunding Bonds on February 24, 2011.

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

2008	2007	2006	2005	2004	2003
$ 14,404,399	$ 16,147,056	$ 16,915,423	$ 16,296,300	$ 16,477,799	$ 15,334,056
85,000	1,527,754	2,025,300	2,025,300	2,025,300	2,025,300
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	-	184,937	-	1,257
9,622,759	8,956,795	7,910,172	8,326,185	8,344,610	7,329,542
10,863,847	11,642,286	10,995,396	11,349,378	11,257,070	10,151,050
$ 3,540,552	$ 4,504,770	$ 5,920,027	$ 4,946,922	$ 5,220,729	$ 5,183,006
$ -	$ 705,000	$ 675,000	$ 1,020,000	$ 965,000	$ 930,000
-	26,140	74,701	111,470	165,432	215,894
$ -	$ 731,140	$ 749,701	$ 1,131,470	$ 1,130,432	$ 1,145,894
-	6.16	7.90	4.37	4.62	4.52
$ 85,000	$ 1,527,754	$ 2,025,300	$ 2,025,300	$ 2,025,300	$ 2,025,300
$ 1,095,000	$ 1,050,000	$ 1,000,000	$ 960,000	$ 920,000	$ 880,000
925,191	973,951	1,014,664	1,058,545	1,100,107	1,139,920
$ 2,020,191	$ 2,023,951	$ 2,014,664	$ 2,018,545	$ 2,020,107	$ 2,019,920
0.04	0.75	1.01	1.00	1.00	1.00

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

Year	Population (1) (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2012	360,412	N/A	N/A	7.9 %
2011	358,327	$ 12,612,682	$ 35,199	9.1
2010	355,786	11,982,281	33,678	10.3
2009	353,693	11,693,248	33,060	10.2
2008	351,264	12,239,833	34,845	6.0
2007	349,534	12,056,930	34,494	4.7
2006	346,314	11,600,969	33,498	4.9
2005	343,238	10,888,231	31,722	5.2
2004	340,916	10,705,324	31,402	5.2
2003	339,569	10,321,724	30,397	5.3

N/A - Not Available

(1) Source: U.S. Census Bureau: 2010 - Census figures; all other years are July 1 intercensal estimates, statistics for prior years have been updated to reflect current 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. Statistics for prior years have been updated to reflect current estimates.

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Principal Employers
Current Year and Nine Years Ago

	2012			2003		
Principal Employers - Name	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems…..…………	4,710	1	2.6 %	3,648	1	2.2 %
Lutheran Health Network…………….	4,301	2	2.4	2,889	4	1.7
Fort Wayne Community Schools………	4,230	3	2.3	3,445	2	2.0
General Motors - Truck & Bus Group…	3,880	4	2.2	3,050	3	1.8
The City of Fort Wayne……………….	2,003	5	1.1	1,671	7	1.0
Lincoln Financial Group……………….	1,970	6	1.1	2,108	6	1.2
Allen County Government…………….	1,605	7	0.9	1,585	8	0.9
BF Goodrich………………………….	1,580	8	0.9			
Frontier Communications Corp..………	1,564	9	0.9			
IPFW………………………………….	1,255	10	0.7			
Verizon Telephone Operations……….				2,214	5	1.3
Shambaugh & Sons…………………….				1,580	9	0.9
Supervalu/Scott's Foods Stores, Inc……				1,575	10	0.9
Total of Ten Largest Employers……….	27,098		15.0 %	23,765		14.0 %

Source: the Community Research Institue 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: 3,912 Acres Owned Fee Simple

Runway System (and Equipment)	2012	2011	2010	2009
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
Terminal Complex				
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	6,059	6,059
Common Space (Sq Feet)……………………………………………	39,557	39,557	39,557	39,557
Restaurant Space (Sq Feet)…………………………………………	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet)…………………………………………	1,536	1,536	1,536	1,536
Taxi/Limousine Space (Sq Feet)……………………………………	384	384	768	384
Passenger Gates……………………………………………………	8	8	8	8
Jetway Boarding Bridges……………………………………………	4	4	4	4
Regional Boarding Ramps…………………………………………	1	1	1	1
Passenger Airlines…………………………………………………	4	4	4	5
Daily Departures……………………………………………………	18	18	18	28
Car Rental Firms……………………………………………………	8	6	6	5
Parking Spaces………………………………………………………	2,167	2,167	2,167	2,167
Air Trade Center				
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
Ancillary Services				
Cargo Airlines………………………………………………………	2	2	2	2
General Aviation				
Fixed Base Operators……………………………………………	1	1	1	1
Based Aircraft………………………………………………………	54	54	55	64
Military Based Aircraft……………………………………………	18	18	21	17
Airpark Buildings Owned…………………………………………	27	27	27	27
Employees				
Administration Full-time……………………………………………	15	16	16	18
Administration Part-time……………………………………………	1	1	2	2
Maintenance Full-time………………………………………………	17	16	18	19
Maintenance Seasonal………………………………………………	5	6	10	10
Custodial Full-time…………………………………………………	7	7	6	7
Public Safety Full-time………………………………………………	12	12	11	12
Public Safety Part-time………………………………………………	16	16	13	13
CSA Part-time………………………………………………………	8	8	9	8
Smith Field Full-time………………………………………………	2	2	1	2
Smith Field Part-time………………………………………………	2	2	2	2
Operations Full-time………………………………………………	4	4	-	-

2008	2007	2006	2005	2004	2003
11,981	11,981	11,981	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
38,123	38,468	38,468	38,468	38,468	38,468
7,858	7,858	7,858	7,858	7,858	7,858
1,920	1,920	1,920	1,920	1,920	1,920
384	384	384	384	384	-
8	8	8	8	8	8
4	4	4	4	4	4
1	1	1	1	1	-
6	6	5	5	6	9
25	33	33	35	37	34
5	5	5	5	5	4
2,167	2,167	2,068	2,068	1,485	1,505
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
2	3	3	3	3	3
1	1	1	1	2	2
68	66	68	69	78	84
15	15	15	15	15	15
27	27	27	22	22	28
18	19	18	18	17	17
1	1	1	1	2	2
19	19	19	19	19	19
10	10	9	10	10	10
7	8	8	8	8	8
13	13	13	13	13	13
14	13	16	-	-	35
9	9	-	-	-	-
3	3	-	-	-	-
2	-	-	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Airline	2012	Percent of Total 2012	2011	2010	2009
Pinnacle Airlines-Delta/Northwest Airlink…	95,552	33.59 %	93,168	85,836	47,446
American Eagle……………………………	78,346	27.54	73,427	67,379	62,818
Allegiant Air………………………………	48,412	17.02	41,641	43,537	37,220
Skywest-Delta/United Express…………….	35,884	12.61	33,995	40,689	24,804
Expressjet-Delta Express…………………	23,023	8.09	7,972	14,933	31,511
Comair (1)…………………………………	1,658	0.58	25,862	9,928	3,133
Charter……………………………………	1,590	0.56	1,536	1,842	1,963
Mesaba-Delta/Northwest Airlink………….	---	---	245	8,633	11,240
Chautaugua- Delta Express……………….	---	---	92	4,324	30,854
Continental Connection-Commutair(1)…….	---	---	---	---	8,799
Mesa Airlines-United Express(1)………….	---	---	---	---	6,388
Air Wisconsin (1)………………………….	---	---	---	---	---
Chicago Express- ATA Connection (1)…….	---	---	---	---	---
Atlantic Coast (1)………………………….	---	---	---	---	---
Shuttle America (1)……………………….	---	---	---	---	---
Trans States (1)…………………………….	---	---	---	---	---
Total………………………………………	284,465	100.00 %	277,938	277,101	266,176
Percentage change………………………….	2.35%		0.30%	4.10%	-7.37%

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

2008	2007	2006	2005	2004	2003
38,689	41,845	43,170	43,774	51,826	47,244
73,304	83,863	74,913	77,308	70,897	60,690
37,332	35,288	---	---	---	---
13,663	15,063	28,991	21,842	27,301	---
39,007	36,115	20,564	44,601	23,540	39,929
---	14	15,545	55,600	43,168	11,880
1,587	1,084	801	1,788	1,858	2,089
13,936	7,677	12,604	22,198	18,754	15,050
35,076	39,253	43,188	---	9,914	---
16,112	13,115	12,352	12,099	10,539	3,677
18,637	25,322	23,846	8,009	---	---
---	---	---	25,190	6,344	11,384
---	---	---	3,930	17,001	---
---	---	---	---	41,913	69,055
---	---	---	---	15,626	27,115
---	---	---	---	---	17,964
287,343	298,639	275,974	316,339	338,681	306,077
-3.78%	8.21%	-12.76%	-6.60%	10.65%	1.67%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Scheduled Air Carriers:	2012	Percent of Total 2012	2011	2010	2009
Pinnacle Airlines-Delta/Northwest Airlink....	113,956,100	22.29 %	120,299,500	101,849,000	72,662,000
American Eagle....	87,259,196	17.07	84,325,073	75,029,219	78,882,778
Skywest-United Express....	49,450,000	9.67	47,644,000	52,157,100	37,297,000
Allegiant Air....	48,509,000	9.49	41,819,000	44,848,000	37,748,000
Expressjet-Delta Express....	26,455,100	5.17	9,460,000	16,027,000	36,895,000
Charter....	5,394,484	1.06	4,905,484	5,389,200	4,910,520
Comair	1,927,000	0.38	34,263,000	11,374,000	3,976,100
Mesa Airlines-United Express....	134,000	0.03	134,000	67,000	11,212,000
Mesaba-Delta/Northwest Airlink....	---	---	235,000	9,754,500	11,599,500
Chautauqua-Delta Express....	---	---	85,098	4,595,292	34,718,220
Continental Connection - Commutair(1)....	---	---	---	---	21,942,000
Northwest(1)....	---	---	---	---	---
Air Wisconsin(1)....	---	---	---	---	---
Shuttle America(1)....	---	---	---	---	---
Chicago Express- ATA(1)....	---	---	---	---	---
Atlantic Coast Airlines(1)....	---	---	---	---	---
Trans States Airlines(1)....	---	---	---	---	---
Subtotal....	333,084,880	65.15	343,170,155	321,090,311	351,843,118
Cargo Carriers:					
Federal Express....	91,009,000	17.80	83,194,000	83,537,700	82,010,000
United Parcel Service....	86,100,000	16.84	85,260,000	86,520,000	86,568,000
Kalitta Charters....	997,440	0.20	1,187,460	750,000	---
Mountain Air Cargo....	44,660	0.01	17,000	44,660	17,000
Northern Air Cargo....	---	---	114,000	107,000	---
Kitty Hawk Inc.(1)....	---	---	---	---	---
ABX Air(1)....	---	---	---	---	---
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)....	---	---	---	---	---
Subtotal....	178,151,100	34.85	169,772,460	170,959,360	168,595,000
Grand Total....	511,235,980	100.00 %	512,942,615	492,049,671	520,438,118
Percentage change....	-0.33%		4.25%	-5.45%	-12.33%

(1) No longer serves Fort Wayne International Airport.
(2) Expressed in pounds.
Source: Compiled from airline station manager's monthly reports.

2008	2007	2006	2005	2004	2003
67,116,000	65,914,100	61,899,000	69,513,000	80,887,000	64,296,000
98,087,976	105,730,596	91,725,601	93,301,303	89,112,842	84,372,923
28,146,000	28,294,000	42,856,000	33,437,000	39,151,000	---
41,924,500	39,483,000	---	---	---	---
46,362,000	44,462,000	29,234,000	63,403,000	27,689,000	55,174,000
3,764,336	2,310,580	2,142,180	3,045,000	3,681,956	4,017,848
---	161,000	26,098,000	88,151,000	65,961,000	20,089,000
29,601,000	42,654,000	35,800,000	11,722,000	---	---
17,043,000	10,488,000	15,304,500	24,567,000	19,821,900	17,027,200
43,667,502	53,547,450	60,871,656	---	11,972,309	---
37,845,000	20,681,300	20,102,600	19,222,800	17,911,400	7,951,400
481,000	---	---	---	---	15,110,000
---	---	---	34,904,500	10,058,000	15,587,500
---	---	---	9,819,200	30,083,200	44,200,000
---	---	---	8,265,000	23,427,000	---
---	---	---	---	57,959,176	104,587,384
---	---	---	---	---	22,800,260
414,038,314	413,726,026	386,033,537	459,350,803	477,715,783	455,213,515
82,963,000	82,486,000	81,547,000	82,982,500	82,755,500	82,131,000
96,600,000	95,955,500	101,508,120	95,965,500	95,031,500	88,726,500
---	---	---	---	---	---
8,500	25,500	---	8,500	17,000	---
---	---	---	---	---	---
---	294,015,200	494,552,574	519,577,143	613,005,670	523,443,013
---	28,300,000	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	---	---
---	---	---	28,660	---	---
---	---	---	---	---	2,086,240
179,571,500	500,782,200	845,542,394	701,395,123	790,809,670	750,870,753
593,609,814	914,508,226	1,231,575,931	1,160,745,926	1,268,525,453	1,206,084,268
-35.09%	-25.74%	6.10%	-8.50%	5.18%	0.00%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (5) (7)

Type of Operation	2012	Percent of Total 2012	2011	2010	2009
Fort Wayne International Airport:					
Large Air Carrier (1)……………..	18,181	45.0 %	19,713	18,900	22,129
Small Air Carrier (2)…………….	---	---	---	---	1,272
Air Carrier (3)……………………	---	---	---	---	---
Air Taxi (4)………………………	---	---	---	---	---
General Aviation…………………	18,512	45.8	15,786	20,193	26,592
Military…………………………..	3,734	9.3	2,859	1,868	4,271
Subtotal-International……………	40,427	100.0	38,358	40,961	54,264
Smith Field Airport:					
General Aviation(6)……………..	---	---	---	---	9,043
Subtotal-Smith Field…………….	---	---	---	---	9,043
Total Airport Authority…………	40,427	100.0 %	38,358	40,961	63,307
Percentage change………………	5.39%		-39.41%	-35.30%	-19.13%

(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.

2008	2007	2006	2005	2004	2003
23,079	27,360	31,078	34,865	38,649	---
2,334	2,367	2,422	2,316	2,158	---
---	---	---	---	---	12,388
---	---	---	---	---	27,108
39,502	31,963	34,953	37,111	38,881	36,135
4,239	3,861	4,692	4,196	3,657	4,483
69,154	65,551	73,145	78,488	83,345	80,114
9,125	7,141	7,440	11,876	13,249	8,733
9,125	7,141	7,440	11,876	13,249	8,733
78,279	72,692	80,585	90,364	96,594	88,847
7.69%	-9.79%	-10.82%	-6.45%	8.72%	-17.61%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne International Airport
Scheduled Airline Service

Carrier	Non-stop Service Destination	Service Type
Allegiant Air	Orlando/Sanford (SFB)	Jet (MD-82/83/87/88)
	Tampa/St. Petersburg/Clearwater (PIE)	Jet (MD-82/83/87/88)
	Myrtle Beach (MYR) - Seasonal	Jet (MD-82/83/87/88)
	Punta Gorda (PGD)	Jet (MD-82/83/87/88)
American Eagle	Chicago (ORD)	Jet (ERJ)
	Dallas/Fort Worth (DFW)	Jet (ERJ)
Delta Connection		
Pinnacle	Detroit (DTW)	Jet (CRJ)
Pinnacle	Atlanta (ATL)	Jet (CRJ)
Pinnacle	Minneapolis (MSP)	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, 2012

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, 2012

CONTENTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Fort Wayne – Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 14, 2013.

Internal Control Over Financial Reporting

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

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

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

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 or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 14, 2013

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *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, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June <>, 2013, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 14, 2013

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

Federal Grant Description	Federal CFDA Number	2012 Expenditures
US Department of Transportation		
Federal Aviation Administration: Airport Improvement Program (AIP)		
3-18-0024-013	20.106	325,000
3-18-0022-054	20.106	3,996
3-18-0022-056	20.106	16,172
3-18-0022-058	20.106	201,346
3-18-0022-059	20.106	170,108
3-18-0022-060	20.106	1,473,804
3-18-0022-061	20.106	349,684
3-18-0022-062	20.106	129,533
	Total AIP	2,669,643
Total expenditures of federal awards		$ 2,669,643
Federal Aviation Regulation, Part 158		
Passenger Facility Charges		$ 1,240,000
	Total expenditures	$ 3,909,643

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.

(Continued)

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

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	__X___ No
Significant deficiencies identified not considered to be material weaknesses?	______ Yes	__X___ None Reported
Noncompliance material to financial statements noted?	______ Yes	__X___ No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	______ Yes	__X___ No
Significant deficiencies identified not considered to be material weaknesses?	______ Yes	__X___ 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	__X___ 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? __X___ 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, 2012.

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, 2012.

SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs reported for the year ended December 31, 2011.

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, 2012

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

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

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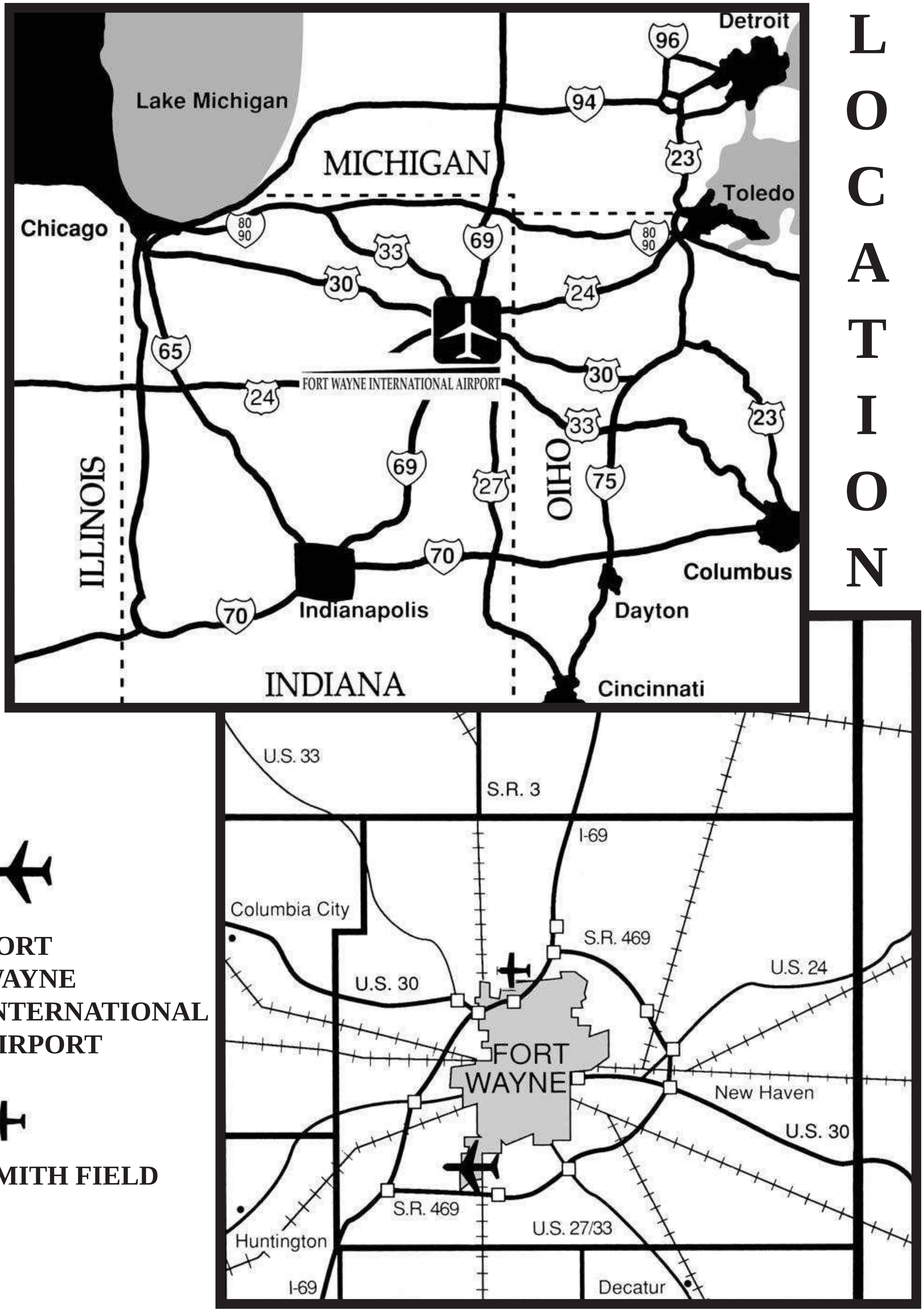
Fort Wayne International Airport (FWA)

Smith Field Airport (SMD)

INTRODUCTORY SECTION

LOCATION



FORT WAYNE INTERNATIONAL AIRPORT

SMITH FIELD

Fort Wayne-Allen County Airport Authority

Board and Executive Director

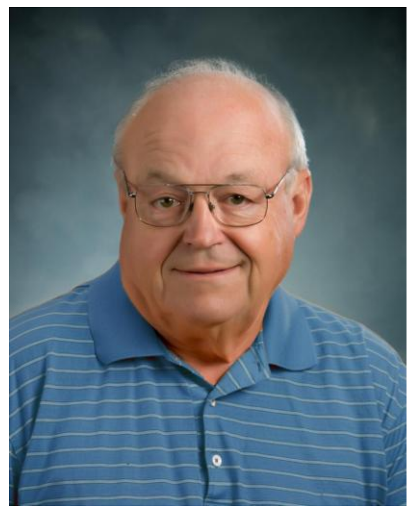

Michael S. Gouloff, President


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


Scott D. Hinderman, A.A.E.
Executive Director of Airports

June 17, 2013

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, 2012 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, 2012. The independent auditor's report is located at the front of the financial section on pages 12 and 13 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.

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 Allen County Council adopts the Authority’s annual budget and the tax levy to support it. The annual budget of the Authority is prepared by the staff and approved by the Board before it is sent to the Allen County Council for adoption. After it is adopted by the Allen County Council, the budget is reviewed and approved by the State Department of Local Government Finance.

Also, issuance of general obligation bonds must be approved by the County Council and revenue bonds must be approved by the County Commissioners.

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 2012, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 8.2 (non-seasonally adjusted) percent, after beginning the year at 9.0 percent in January and ending at 8.2 percent in December. The lowest rate of 7.6 percent occurred in October; and the highest rate of 9.0 percent occurred in January.

After receiving good news about the economy of the Fort Wayne MSA during 2011, this area received recognition again in a “report from Garner Economics LLC for being one of only 23 metro areas (out of 372 nationally) to have outpaced national monthly job growth in each of the past 23 months” since September 2010, according to John Stafford, Director, and Valerie Richardson of the Community Research Institute. They also state that the streak for Fort Wayne actually started prior to September 2010 and continued at least through September 2012 (most recent data available when article was written) for 29 consecutive months. According to Mr. Stafford and Ms. Richardson, "the Fort Wayne MSA was within 100 jobs of reaching its September 2007 employment level. ... Between September 2009 and September 2012, the Fort Wayne MSA labor force has grown by 3.7 percent. There are now 7,630 more local residents in the labor force today than three years ago."

The turnaround in the local economy was also evident at the Fort Wayne International Airport as the number of passenger enplanements increased 2.4 percent during 2012 from 277,938 to 284,465. The expectations are that the level of enplanements will continue to rise slightly during 2013. The airlines' cost per enplaned passenger decreased from $9.96 in 2011 to $9.40 in 2012. This decrease was caused by both keeping airline costs flat and continuing to use additional passenger facility charges to pay debt service, thereby reducing the terminal rental rate for the airlines. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport. During 2012, the Authority was instrumental in obtaining new air service to Punta Gorda, Florida. This new service offers leisure travelers and others a new vacation destination.

The local economy is well diversified with several major industries located within Allen County and the Fort Wayne region: health care, defense/aerospace engineering, financial services, automotive manufacturing, luggage and handbag manufacturing, and educational institutions of higher learning.

The schedule on page 83 of this report details additional information regarding 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 15 percent of total employment. On page 70, 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 9.1 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 657 in 2011 to 705 in 2012. This follows a slight decrease last year. This is the third increase in the last four years.

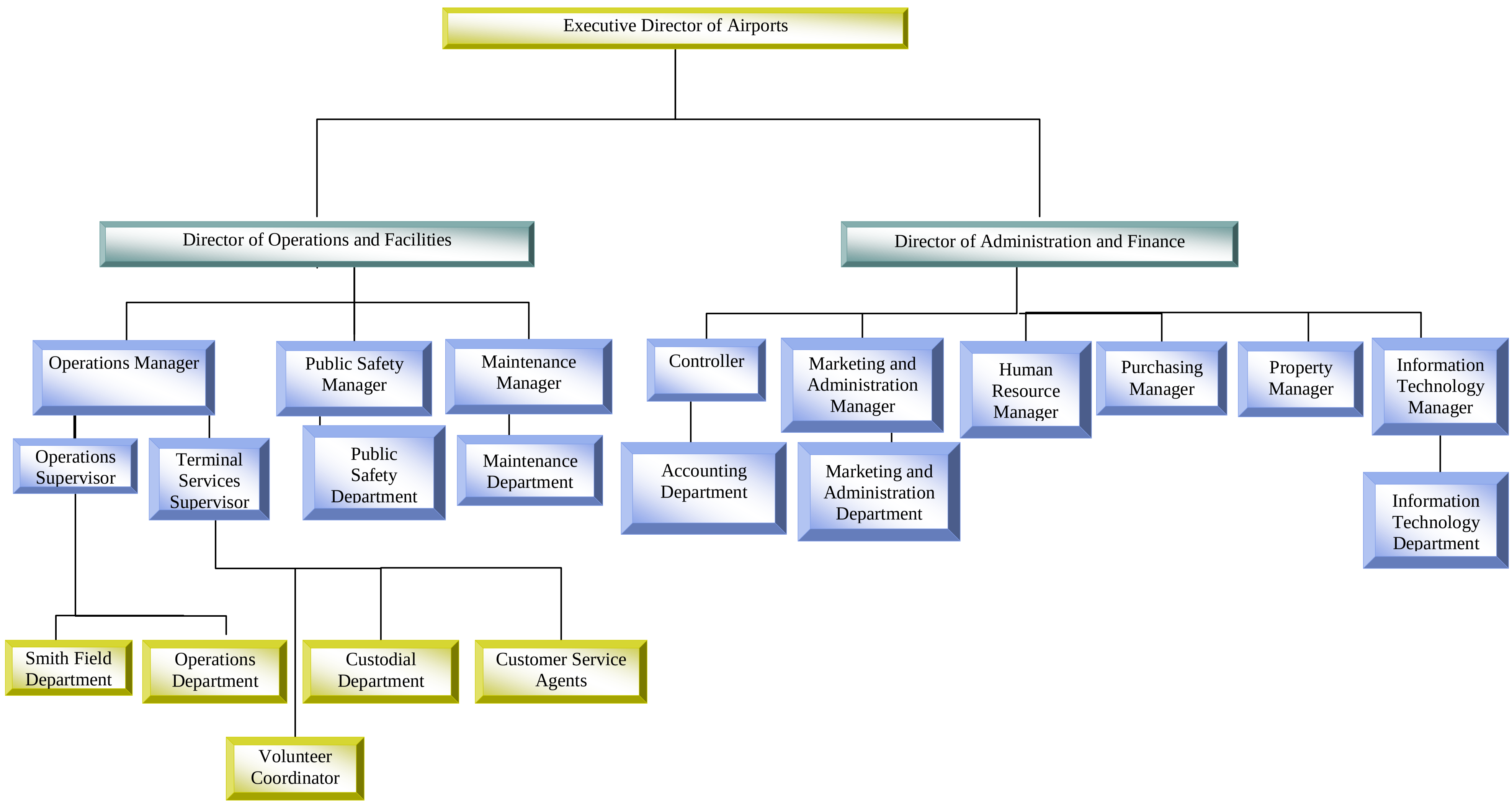
Long-term Financial Planning – The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's general aviation airport, and Fort Wayne International. The Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger and customer 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 common use and terminal building ramps; construct a new terminal and hangar access road; construct a fuel farm; construct new T-hangars; storm water and other improvements; acquire land for runway extensions; and complete 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 upgrade the electrical capacity within the passenger terminal, complete gate electrification and install preconditioned air inside all jet bridges; replace several jet bridges; reconstruct Runway 14-32; reconstruct Runway 5-23 and Taxiway C; construct Runway 5-23 shoulders; construct a new access road to general aviation facilities; relocate and reconstruct the car rental parking lot; and modernize the passenger terminal. 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 west side facilities. Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. The Authority plans to maximize the use of federal and state grants from the Airport Improvement Program for airfield projects; use passenger facility charges to finance eligible terminal projects and airfield equipment purchases; and use customer facility charges to relocate and reconstruct the car rental parking lot. The Authority has received a Voluntary Airport Low Emission Program grant to finance 92.5 percent of the cost to complete the terminal gate electrification project.

Major Initiatives – The Authority made great strides in increasing the marketability of facilities within its Air Trade Center. During 2011, the Authority refunded the 1998 First Mortgage bonds with a federally taxable issue that removed the aeronautical use only restriction. Removal of this restriction allowed the Authority to market the facilities to non-aeronautical users, a much bigger market. As a result, after being vacant since February 2008, the facilities are now occupied by several tenants with leases covering approximately 80 percent of the leasable space. This is the primary reason why operating revenues have increased from 2011. The Authority has purchased land just west of the airport to construct a road to improve access to general aviation facilities. Construction of this roadway will have a negative impact on the Authority's cash balance during the next year. In addition, the Authority will relocate its fixed base operations at Smith Field airport to a much newer facility formerly occupied by Ivy Tech Community College. This move coincides with the Airport's master plan and will improve service to the Authority's customers.

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, 2011. This was the twenty-third (1989 – 2011) 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

Fort Wayne Allen County Airport Authority



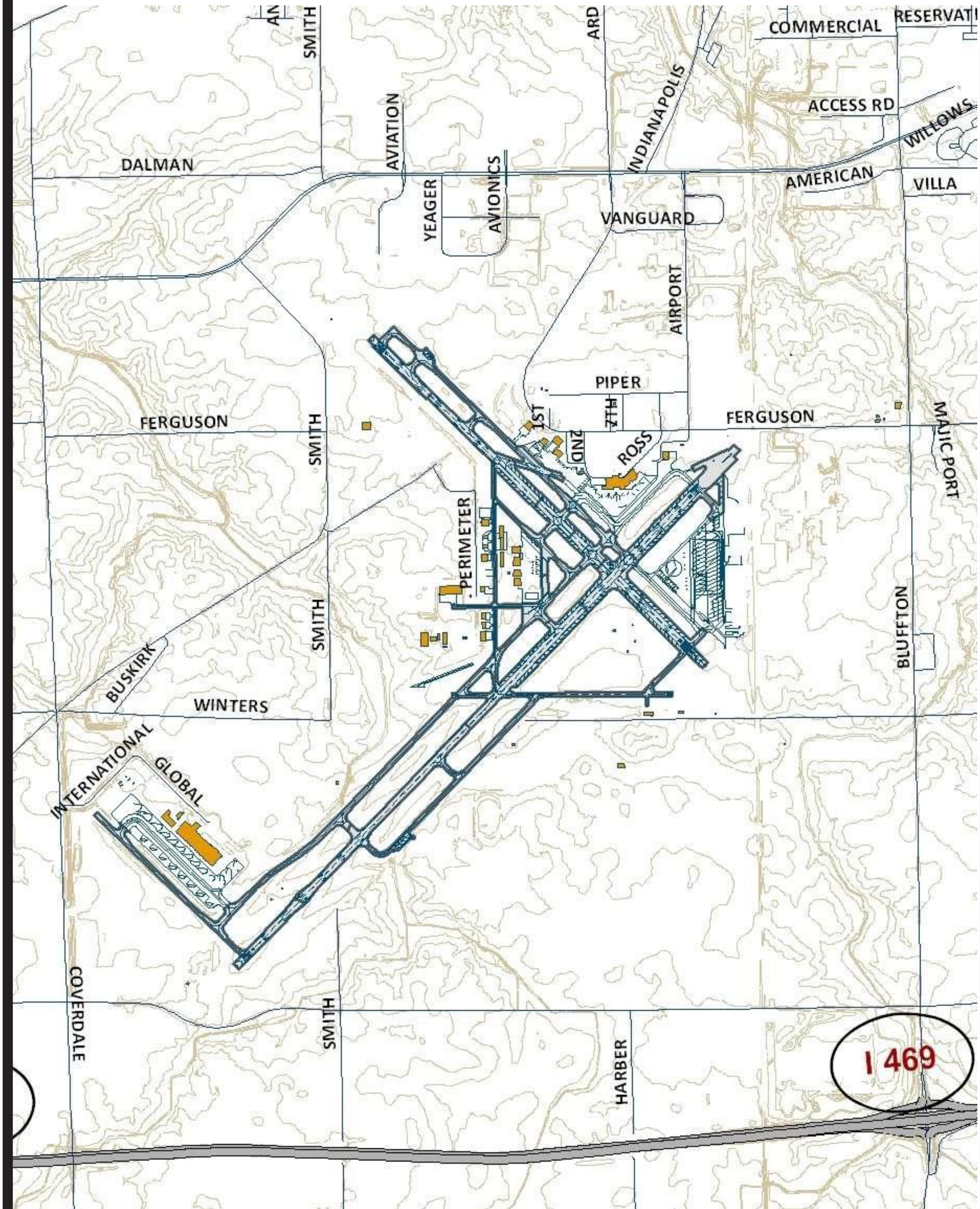
FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Principal Officials and Management

NAME	TITLE	YEARS OF SERVICE
Michael S. Gouloff	President	16
Richard B. “Barry” Sturges, Jr.	Vice President	6
Timothy J. Haffner	Secretary	19
Cornelius “Neil” B. Hayes	Member	10
Jerome “Jerry” F. Henry, Jr.	Member	6
Benjamin “Ben” T. Johnston	Member	5
STAFF		
Scott D. Hinderman, AAE	Executive Director of Airports	2
Craig A. Williams, AAE	Director of Operations and Facilities	2
Robin Strasser, CPA	Director of Administration and Finance	1
Ronnie C. Portis, CPA	Controller/Treasurer	21
ATTORNEYS		
Rothberg, Logan and Warsco LLP		22
CERTIFIED PUBLIC ACCOUNTANTS		
Crowe Horwath LLP		13

A I R P O R T L A Y O U T M A P

FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP



FINANCIAL SECTION

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Fort Wayne-Allen County Airport Authority, (the Authority), which comprise the statements of net position as of December 31, 2012, and the related statements of revenues, expenses and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2012, and the changes in its net position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 21 and the Schedules of Funding Progress for the Employees Retirement Plan and Retiree Healthcare Plan on pages 50 through 51 to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's financial statements. The Combining Schedules from pages 54 through 58, Other Supplementary Information from pages 60 through 63, and the Introductory and Statistical Sections from pages 1 through 11 and pages 66 through 92 are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining Schedules and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedules and Other Supplementary Information are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe Horwath LLP

Crowe Horwath LLP

Fort Wayne, Indiana
June 14, 2013

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, 2012. 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 position increased approximately $2.6 million as a result of this year's operations. The unrestricted component of net position decreased $1.4 million or 9 percent. The Authority used a substantial amount of cash to purchase land and other capital assets. Partly as a result of these purchases, the net investment in capital assets component of net position increased approximately $4.3 million or 5.3 percent.

Current assets decreased approximately $3.3 million or 14.2 percent due to the use of cash and investments to purchase land and other capital assets.

Other noncurrent assets increased $958,316 or 18.1 percent due to a reclassification of current assets and the continued accumulation of cumulative building tax receipts.

Current liabilities decreased $517,193 or 8.7 percent due to a reduction in construction contracts payable at the end of 2012.

The Authority's bonds and other long-term liabilities decreased by $3.6 million, or 22.8 percent. This was due primarily to the normal retirement of long-term debt as bond maturities came due.

Operating revenues increased $652,318 from 2011 to 2012, due to new leases with tenants located in the Air Trade Center area.

Nonoperating expenses decreased $152,517 or 17.3 percent as a result of a reduction in the bond balance as bond principal payments were made. This resulted in interest rates being applied against smaller balances during 2012.

Capital contributions increased $787,102 or 40.1 percent due to increases in the amount of federal and state grants received.

Overview of the Financial Statements

The Authority's financial report consists of three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position, and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). 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 Position - This Statement presents information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference among all other elements in the Statement. Net position is displayed in three components: net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Fund Net Position - 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. On this statement, federal operating grants and passenger and customer facility charges are reported as non-operating revenues; and capital grants are reported 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 48 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 50 and 51 of this report.

Condensed Financial Information

Net position - The Authority's net position increased $2,601,958 from 2011 to 2012. The growth in net position is attributed to an increase in net investment in capital assets that more than offset decreases in the restricted and unrestricted components of net position. Net investment in capital assets increased approximately $4.3 million due to purchases of several tracts of land and other capital assets. These acquisitions coupled with reductions in debt more than offset a $7.5 million increase in accumulated depreciation. Most of the land purchases were for the future construction of an access road to general aviation facilities on the west side of the Airport. The increase in net position indicates that the Authority's financial position improved from 2011. As noted previously, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Current assets decreased approximately $3.3 million or 14.2 percent due to the use of cash and investments to purchase land and other capital assets for approximately $3.9 million and $4.5 million, respectively.

Other noncurrent assets increased $958,316 or 18.1 percent due to the reclassification of a $500,000 investment from current assets that would no longer be available for use in the following year. In addition, the Authority received cash from a cumulative building tax levy that is held as a restricted asset for future Airport terminal building expansion.

Deferred outflows of resources decreased 24.8 percent due to the amortization of deferred amount on refunding of the 2004 and 2011 bonds. This amortization is included in interest expense.

The Authority's net investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment) is the largest component (78.6 percent) of net position. 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 and deferred outflows of resources, 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, 8.3 percent of the Authority's net position represents 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 cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (13.1 percent) of $14,097,052 is the unrestricted component of net position, 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 2012 net position compared to 2011 follows:

Authority's Net Position

	2012	2011	Increase (Decrease)	Percent Change
Current assets.	$ 20,095,404	$23,410,900	$(3,315,496)	(14.2)%
Other noncurrent assets. . . .	6,263,382	5,305,066	958,316	18.1
Capital assets (net)	100,234,798	99,287,482	47,316	1.0
Total assets.	126,593,584	128,003,448	(1,902,142)	(1.1)
Deferred outflows of resources.	125,747	167,264	(41,517)	(24.8)
Total assets and deferred outflows of resources	126,719,331	128,170,712	(1,451,381)	(1.1)
Current liabilities	5,412,748	5,929,941	(517,193)	(8.7)
Noncurrent liabilities				
Other noncurrent liabilities .	1,381,110	1,348,125	32,985	2.4
Bonds and other long-term debt	12,090,000	15,659,131	(3,569,131)	(22.8)
Total liabilities . . .	18,883,858	22,937,197	(4,053,339)	(17.7)
Net position:				
Net investment in capital assets.	84,742,931	80,453,062	4,289,869	5.3
Restricted	8,995,490	9,288,875	(293,385)	(3.2)
Unrestricted	14,097,052	15,491,578	1,394,526)	(9.0)
Total net position. . . .	$107,835,473	$105,233,55	$ 2,601,958	2.5

Changes in Net Position - Operating revenues increased $652,318 (or 7.3 percent) from 2011 to 2012. An increase (42.4 percent) in buildings and grounds revenue accounted for most of the operating revenue increase due to new lease agreements with tenants in the Air Trade Center.

Property and other taxes increased $403,373, or 6.4 percent due primarily to an increase of $185,000 in county option income tax revenues, and an increase ($203,000) in debt service taxes.

Federal operating grant revenues decreased $227,873 or 72.9 percent. The Authority received a Small Community Air Service Development grant from the US Department of Transportation for approximately $180,000 in 2011. No such grant was received in 2012. In addition, the Authority's Law Enforcement Reimbursement Officer grant received from the US Department of Homeland Security was reduced by approximately $47,000.

Customer facility charge revenues increased by $178,563 in 2012. The Authority's Board authorized a customer facility charge of $1.50 per transaction per day for up to four days. The collection of this charge by car rental companies did not begin until the fourth quarter of 2011.

Buildings and grounds operating expenses increased approximately $108,000 due primarily to an increase in bond issue cost expense. As a result of applying GASB 65, the remaining balance of bond issue costs for Airport terminal expansion and Air Trade Center facilities were expensed and included in this operating expense category.

Administrative operating expenses decreased $207,771 or 7.9 percent due to an approximate $107,000 reduction in personal service expenses and an $88,000 reduction in legal fees.

Gain on capital asset disposal decreased $215,066 in 2012. During 2011, the Authority realized a gain of approximately $216,000 on sale of land that was no longer included in the Authority's master plan.

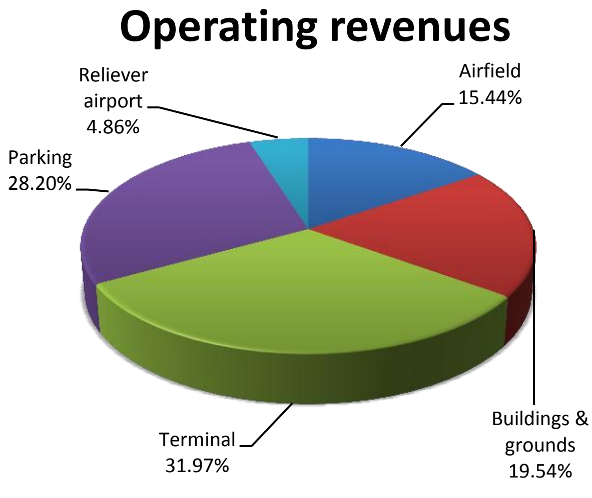
Capital contributions increased 40.1 percent due to increases in the amount of federal and state grants received.

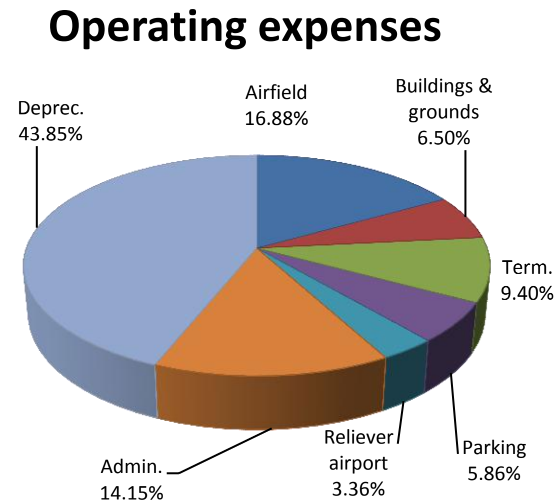
A summary of the Authority's 2012 changes in net position compared to 2011 follows below.

Authority's Changes in Net Position

	2012	2011	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	$ 1,475,574	$ 1,461,088	$ 14,486	1.0%
Buildings and grounds . . .	1,867,646	1,311,808	555,838	42.4
Terminal.	3,056,045	3,065,071	(9,026)	(0.3)
Parking	2,695,420	2,625,381	70,039	2.7
Reliever airport.	464,820	443,839	20,981	4.7
Total operating revenues. . .	9,559,505	8,907,187	652,318	7.3
Nonoperating revenues:				
Property and other taxes. .	6,713,816	6,310,443	403,373	6.4
Federal operating grant . .	84,766	312,639	(227,873)	(72.4)
Passenger facility charges.	1,138,258	1,099,255	39,003	3.5
Customer facility charges .	210,792	32,229	178,563	554.0
Interest income	94,787	102,068	(7,281)	(7.1)
Gain on capital asset disposal	20,395	235,461	(215,066)	(91.3)
Net nonoperating revenues . .	8,262,814	8,092,095	170,037	2.1
Total revenues.	17,822,319	16,999,282	823,037	4.8
Operating expenses:				
Airfield.	2,909,812	2,921,657	(11,845)	(0.4)
Buildings and grounds . . .	1,121,225	1,013,593	107,632	10.6
Terminal.	1,620,862	1,605,688	15,174	0.9
Parking	1,009,371	1,023,453	(14,082)	(1.4)
Reliever airport.	578,843	522,721	56,122	10.7
Administration.	2,438,987	2,646,758	(207,771)	(7.9)
Depreciation.	7,559,693	7,852,015	(292,322)	(3.7)
Total Operating expenses. . .	17,238,793	17,585,885	(347,092)	(2.0)
Nonoperating expenses	731,133	883,650	(152,517)	(17.3)
Total expenses.	17,969,926	18,469,535	(499,609)	(2.7)
Loss before capital contributions . . .	(147,607)	(1,470,253)	1,322,646	(90.0)
Capital contributions	2,749,565	1,962,373	787,192	40.1
Increase in net position. . .	2,601,958	492,120	2,109,838	428.7
Total net position, beginning	105,233,515	104,741,395	492,120	0.5
Total net position, ending. .	$107,835,473	$105,233,515	$ 2,601,958	2.5

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2012:





Capital Asset Activity

During 2012, the Authority expended approximately $8.5 million for capital improvements. The Authority completed the following projects at Fort Wayne International: purchased land for future construction for $3.9 million; retrofitted Air Trade Center facilities for $783,000; and purchased runway friction testing equipment for $179,000. In addition, the Authority completed two projects that began in 2011 or earlier: master plan for $1.2 million and runway 5-23 shoulder project for $1.5 million. Several projects, including runway guard light installation and overlay zoning projects were unfinished at yearend.

In addition, the Authority completed the construction of a T-Hangar building and ramp for $913,000 at Smith Field Airport.

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.

In February of 2011, the 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, to refund the 1998 First

Mortgage Bonds. The primary purpose of the refunding was to eliminate certain restrictions in the bond covenant. The bonds have a rating of AA+ by Fitch Ratings and Aa3 by Moody's.

Bond ratings did not change during 2012. The Authority has a legal debt limit of $84,944,693 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 $84,944,693 as of December 31, 2012. 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 2013, the operating, debt service and cumulative building tax rates are .0289, .0149, and .0033, respectively. The rates are per $100 of assessed value and will be applied on an assessed value of $12,780,412,897. These rates compare to the 2012 rates for operating, debt service and cumulative building of .0282, .0155 and .0031, respectively.

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 Position
December 31, 2012

ASSETS	**Totals**
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2	$ 2,375,511
Investments--note 2	13,531,998
Accounts receivable, net of allowance	114,675
Unbilled revenue	249,674
Property tax receivables, net of allowance--note 1	56,827
Other receivables	28,164
Inventory--note 4	242,391
Prepaid items	297,069
Total unrestricted assets	16,896,309
Restricted assets:	
Cash and cash equivalents-including $1,092,253 held by trustee--notes 2 and 3	1,924,982
Investments--note 2	578,002
Passenger facility charge receivable	152,075
Federal and state grants receivable	493,649
Property tax receivables, net of allowance--note 1	30,371
Other receivables	20,016
Total restricted assets	3,199,095
Total current assets	20,095,404
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including $7,244 held by trustee--notes 2 and 3	366,524
Investments--notes 2 and 3	5,890,000
Property tax receivable, net of allowance--note 1	6,858
Total restricted assets	6,263,382
Capital assets, net--note 5	100,234,798
Total noncurrent assets	106,498,180
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding bonds	125,747
Total assets and deferred outflows of resources	$ 126,719,331

LIABILITIES AND NET POSITION	Totals
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable	$ 884,207
Accrued liabilities	427,720
Advance rent	106,220
Total unrestricted	1,418,147
Payable from restricted:	
Accounts payable	120,288
Current portion of long-term debt--note 9	3,527,614
Accrued interest on long-term debt	346,699
Total restricted	3,994,601
Total current liabilities	5,412,748
NONCURRENT LIABILITIES:	
Net other postemployment benefits obligation	425,254
Net pension obligation	38,266
Accrued compensated absences	917,590
Bonds and other long-term debt, net--note 9	12,090,000
Total noncurrent liabilities	13,471,110
Total liabilities	18,883,858
NET POSITION:	
Net investment in capital assets	84,742,931
Restricted for:	
Debt service	2,337,569
Capital projects	6,657,921
Unrestricted	14,097,052
Total net position	107,835,473
Total liabilities and net position	$ 126,719,331

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 Position
For the Year Ended December 31, 2012

	Totals
OPERATING REVENUES:	
Airfield	$ 1,475,574
Buildings and grounds	1,867,646
Terminal	3,056,045
Parking	2,695,420
Reliever airport	464,820
Total operating revenues	9,559,505
OPERATING EXPENSES:	
Airfield	2,909,812
Buildings and grounds	1,121,225
Terminal	1,620,862
Parking	1,009,371
Reliever airport	578,843
Administration	2,438,987
Depreciation	7,559,693
Total operating expenses	17,238,793
LOSS FROM OPERATIONS	(7,679,288)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes	6,713,816
Federal operating grant	84,766
Passenger facility charge	1,138,258
Customer facility charge	210,792
Interest income	94,787
Interest expense	(731,133)
Gain on disposal of capital assets	20,395
Net nonoperating revenues (expenses)	7,531,681
LOSS BEFORE CAPITAL CONTRIBUTIONS	(147,607)
CAPITAL CONTRIBUTIONS:	
Federal and state grants	2,749,565
INCREASE IN NET POSITION	2,601,958
NET POSITION:	
Total net position, beginning of year	105,233,515
Total net position, end of year	$ 107,835,473

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, 2012

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 9,543,403
Payments to suppliers	(3,953,307)
Payments to employees	(3,921,169)
Payments of benefits on behalf of employees	(1,719,394)
Refunds and return of customer deposits	(11,302)
Net cash used in operating activities	(61,769)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes	4,359,763
Operating grant receipts	229,465
Net cash provided by noncapital financing activities	4,589,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes	2,346,752
Acquisition and construction of capital assets	(8,925,892)
Sale of capital assets	20,395
Principal paid on bonds and other long-term debt	(3,350,000)
Interest paid on bonds and other long-term debt	(782,604)
Capital grant receipts	3,085,888
Passenger facility charge receipts	1,124,671
Customer facility charge receipts	210,792
Net cash used in capital and related financing activities	(6,269,998)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(27,390,000)
Proceeds from sale and maturities of investment securities	24,390,000
Interest received on investments	102,177
Net cash used in investing activities	(2,897,823)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,640,362)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,307,379
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,667,017

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2012

		Totals
Reconciliation of operating loss to net cash used in operating activities:		
Loss from operations	$	(7,679,288)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		7,559,693
Changes in assets and liabilities:		
Accounts receivable and unbilled revenue		65,738
Other assets		183,556
Accounts payable		(352,384)
Accrued liabilities		93,100
Net OPEB and net pension obligation		67,816
Net cash used in operating activities	$	(61,769)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets included in accounts payable	$	567,903
Capital contributions from federal and state grants		336,323

The accompanying notes are an integral part of the 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.

Use of Estimates in Preparation of Financial Statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

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 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 must be approved 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 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.

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, customer 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting. The Authority follows GASB pronouncements as codified under GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which was adopted in the current year.

In addition to GASB Statement No. 62, the Authority also adopted GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements and GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, which had no impact on the financial statements.

The Authority adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective on January 1, 2012. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, which are distinct from assets and liabilities. This Statement amends the net asset reporting requirements in previous statements and pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The disclosures required by this Statement have no effect on the Authority’s beginning net position.

The Authority adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, effective on January 1, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Bond issue costs, previously reported as an asset, are now recognized as an expense. The remaining balance is considered immaterial and has now been reclassified as a component of the buildings and grounds expense in the current period. In addition, deferred amounts on bond refunding were previously reported by the Authority as a valuation account, a deduction from bonds payable. Deferred amounts on bond refunding are now included as deferred outflows of resources. The disclosures required by this Statement have no material effect on the Authority’s beginning net position.

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 year-end, 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.
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 $3,787,143 at December 31, 2012.

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, avigation 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:

	Years
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 $731,133 for the year ended December 31, 2012. The Authority did not capitalize any interest in 2012.

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.

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 Position – The residual of all elements presented in the Authority’s Statement of Net Position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position has three components: Net investment in capital assets; restricted and unrestricted. Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction, or improvement of those assets. Deferred outflows and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Authority’s restricted assets are expendable. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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.

Customer Facility Charge (CFC) Revenue – The Authority received approval by the Board in 2011 to collect a CFC from all car rental companies that operate on the Airport. The CFC is $1.50 per car rental transaction per day for up to four days. CFC revenues will be used to construct a new car rental parking area and car rental parking area maintenance on the Airport. CFC’s are recognized as revenue by the Authority as they are earned, and are included in nonoperating revenues.

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, 2011
Levy date	January 1, 2012
Tax bills mailed	April 1 and October 1, 2012
First installment payment due	May 10, 2012
Second installment payment due	November 10, 2012
Authority collection dates	June and December, 2012
Tax sale - 2012 delinquent property taxes	August, 2014

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 $233,869 with an allowance of $139,813 for delinquent taxes, at December 31, 2012.

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 2012.

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.

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments included in the statement of net position at December 31, 2012, consist of the following:

	Amount
Cash and Cash Equivalents:	
Current	$ 2,375,511
Current, restricted	1,924,982
Noncurrent, restricted	366,524
	4,667,017
Investments:	
Current	13,531,998
Current, restricted	578,002
Noncurrent, restricted	5,890,000
	20,000,000
	$24,667,017

The carrying amounts of deposits and investments by type of investment at December 31, 2012 are as follows:

Cash deposits	$ 3,599,063
Certificates of deposit (CD’s)	20,000,000
Total deposits	$23,599,063

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 CD’s are insured by the Federal Deposit Insurance Corporation (FDIC). Within this group, savings accounts and CD’s are insured up to $250,000. Separately, also within this group, the Authority’s checking accounts (interest-bearing and noninterest-bearing) are also insured up to $250,000 at the same bank. Deposits in excess of $250,000 for savings accounts and CD’s and in excess of $250,000 for checking accounts 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 $1,000,000 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2012, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds	$ 1,099,497

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 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 collaterized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2012, 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:

	Amount
Pursuant to the FWIABC Improvement Refunding Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account.	$ 1,084,275
Bond Operation and Reserve Account	7,978
Pursuant to the FWIAATCBC First Mortgage Taxable Refunding Bonds of 2011 Trust Indenture:	
Bond Sinking Fund Account.	---
Bond Operation and Reserve Account	7,244
Property Tax Revenues Reserved for Debt Service.	767,091
Pursuant to the Aviation Safety and Capacity Expansion Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account.	635,234
Pursuant to the Cumulative Building Fund Account Established in 2001.	6,137,398
Security Deposits.	120,288
Total.	$ 8,759,508

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 Taxable Refunding Bonds of 2011

The Trust Indenture adopted February 17, 2011 with the issuance of the First Mortgage Taxable Refunding Bonds of 2011, 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 necessary incidental expenses (e.g., trustee fees, accounting fees, appraisals, meetings, cost of rebate calculations, etc.) of the FWIAATCBC. If the amount in the sinking fund account is less than the required amount, the trustee shall transfer funds from the operation and reserve account 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, 2012.

NOTE 4 INVENTORIES

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

	Amount
Supply inventories held for consumption.	$ 219,079
Fixed based operator inventories held for resale	23,312
Total inventories.	$ 242,391

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.	$ 15,991,393	$3,937,534	$ ---	$ 19,928,927
Intangibles	118,357	---	---	118,357
Work in progress. . .	3,534,490	3,210,565	3,585,772	3,159,283
Total capital assets, **not** being depreciated	19,644,240	7,148,099	3,585,772	23,206,567
Capital assets, being depreciated:				
Buildings and improvements. .	72,207,045	1,429,488	48,224	73,588,309
Infrastructure items.	131,854,782	2,004,432	149,061	133,710,153
Intangibles	2,010,811	1,208,528	620,342	2,598,997
Equipment	8,857,742	302,234	104,802	9,055,174
Total capital assets, being depreciated	214,930,380	4,944,682	922,429	218,952,633
Less accumulated depreciation for:				
Buildings and improvements. .	39,777,700	2,806,913	48,224	42,536,389
Infrastructure items.	88,505,451	4,073,346	149,061	92,429,736
Intangibles	1,582,367	179,848	620,342	1,141,873
Equipment	5,421,620	499,586	104,802	5,816,404
Total accumulated depreciation	135,287,138	7,559,693	922,429	141,924,402
Net capital assets	$ 99,287,482	$ 4,533,088	$ 3,585,772	$100,234,798

All depreciation expense, $7,559,693 for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

NOTE 6 PROPERTY TAXES

The applicable property tax rates and related levies in 2012 are as follows:

	Rate Per $100	Property Tax Levies
Operating.	$ .0282	$ 3,593,161
Debt Service	.0155	1,974,964
Cumulative Building.	.0031	394,993
Total.	$ .0468	$ 5,963,118

NOTE 7 PENSION PLAN

On January 1, 1997, the statewide Indiana Public Employees' 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 employees 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 50, Pension Disclosures, an amendment of GASB Statements Number 25 and Number 27. 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 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 Retirement System, One 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 7.5 percent of annual covered payroll.

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	$ 320,720
Interest on net pension obligation	879
Adjustment to annual required contribution	(1,012)
Annual pension cost	320,587
Contributions made	(294,881)
Increase (Decrease) in net pension obligation	25,706
Net pension obligation, beginning of year	12,560
Net pension obligation, end of year	$ 38,266

The annual required contribution was determined as part of the June 30, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.75 percent investment rate of return (net of administrative and investment expenses); (b) projected salary increases per year are age-based rates ranging from 3.25 to 4.5 percent, based upon PERF experience from 2005 to 2010, and includes a 3.0 percent assumption attributable to the effects of inflation on salaries; 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 (with a 20 percent corridor) of investments over a four-year period. The Authority's unfunded 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, 2012, was 16 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.

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	$ 222,356	80%	$(96,064)
2011	301,613	64	12,560
2012	320,587	92	38,266

Funded Status and Funding Progress – As of June 30, 2012, the most recent actuarial valuation date, the plan was 47.7 percent funded. The actuarial accrued liability for benefits was $3.9 million and the actuarial value of assets was $1.9 million, resulting in an unfunded actuarial liability of $2.0 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 56.1 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.

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 2012, the Authority contributed $106,190 on behalf of the employees. This amount represents the employer's 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 $150 per month for the retiree and $165 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, 2012, five (number of participants currently eligible) retirees contributed $16,089 and the Authority contributed $44,897 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	$ 89,375
Interest on net OPEB obligation	15,489
Adjustment to annual required contribution	(17,857)
Annual OPEB cost (expense)	87,007
Contributions made	(44,897)
Increase (Decrease) in net OPEB obligation	42,110
Net OPEB obligation, beginning of year	383,144
Net OPEB obligation, end of year	$ 425,254

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the preceding two years were as follows:

Year	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation
2010	$ 112,055	1.6%	$ 325,892
2011	84,289	32.1	383,144
2012	87,007	51.6	425,254

Funded Status and Funding Progress – As of December 31, 2012, the most recent valuation date, the actuarial accrued liability for benefits was $1,126,517, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $3.5 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 31.8 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, 2012 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 actuary did not factor an inflation rate into the calculations. A discount rate of 4 percent was used to discount projected benefits to their present value. This rate was based upon historical and expected future returns on the assets expected to be available to pay or provide OPEB when due. The unfunded actuarial accrued liability is being amortized using the level dollar amortization method on an open basis. The remaining amortization period at December 31, 2012 was 25 years.

NOTE 9 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

Revenue Bonds	Amount
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport	
Building Corporation--	
Principal payable semi-annually on January 1, 2013 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.	
	$ 3,100,000
Plus: Unamortized premium.	17,614
	3,117,614
First Mortgage Federally Taxable Refunding Bonds of 2011:	
Fort Wayne International Airport Air	
Trade Center Building Corporation	
Principal payable semi-annually on January 15, 2013 to January 15, 2020 in payments ranging from $975,000 in 2020 to $1,875,000 in 2019. Interest at 2.63 to 5.54% due semi- annually on January 15 and July 15	12,500,000
Total bonds	15,617,614
Less: Current portion.	(3,527,614)
	$12,090,000

The Authority has a legal debt limit of $84,944,693 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 $84,944,693 as of December 31, 2012.

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 Federally Taxable Refunding Bonds of 2011

The Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC) First Mortgage Federally Taxable Bonds of 2011 (the 2011 Bonds) are secured by 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.

FWIAATCBC agreed to sell the 2011 Bonds in the original amount of $14,710,000 to refund the 1998 First Mortgage Bonds (the 1998 Bonds). The previously issued 1998 Bonds 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. 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. Subsequently, on October 29, 2007, the air cargo company filed petitions for reorganization under the Chapter 11 Bankruptcy Code, and ceased operations at Fort Wayne International Airport. 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. However, this levy may be reduced by amounts on deposit in the Authority’s lease rental reserve account that consists of net lease rentals received, if any, from future tenants of the facilities.

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 not subject to optional redemption prior to maturity, but some of the bonds are subject to mandatory sinking fund redemption.

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, 2012:

Debt Service Requirements

Years ending December 31:	Principal	Interest	Total
2013	$ 3,510,000	$ 659,927	$ 4,169,927
2014	2,565,000	519,337	3,084,337
2015	1,565,000	441,101	2,006,101
2016	1,630,000	376,895	2,006,895
2017	1,700,000	305,364	2,005,364
2018-2020.	4,630,000	383,833	5,013,833
	15,600,000	2,686,457	18,286,457
Plus: Unamortized premium	17,614	---	17,614
	$15,617,614	$ 2,686,457	$18,304,071

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2012, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term liabilities:					
Compensated absences.	$ 1,162,718	$ 280,695	$ (304,866)	$ 1,138,547	$ 220,958
Bonds and other long-term debt:					
Revenue bonds	18,950,000	---	(3,350,000)	15,600,000	3,510,000
Plus premiums	51,685	---	(34,071)	17,614	17,614
Total bonds and other long-term debt . . .	19,001,685	---	(3,384,071)	15,617,614	3,527,614
Total bonds and long-term liabilities . . .	$20,164,403	$ 280,695	$(3,688,937)	$16,756,161	$ 3,748,572

NOTE 10 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2012, the Authority was obligated for completion of airfield infrastructure, terminal building improvements, land compatibility use, land and equipment purchases, and various smaller projects under commitments aggregating $2,917,714 with an estimated $1,767,970 eligible for reimbursement at 92.5 percent from the FAA and the State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2012, 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 41.7 percent of the accounts receivable balances as of December 31, 2012.

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.

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:	
2013	$ 3,198,342
2014	2,579,053
2015	2,025,442
2016	1,643,049
2017	1,311,584
Later Years	1,369,601
Total	$12,127,071

The schedule above includes changes in rental rates that became effective on January 1, 2013. These rates are adjusted annually.

Contingent rentals and fees aggregated $5,430,703 for the year ended December 31, 2012.

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, 2012, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 12.1 percent of operating revenues.

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))
7/1/03	$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)
7/1/11	1,981,528	3,504,141	(1,522,613)	56.5	3,442,666	(44.23)
6/30/12	1,868,775	3,914,381	(2,045,606)	47.7	3,644,027	(56.14)

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(A)	$ 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
12/31/11(B)	0	N/A	N/A	N/A	3,654,941	N/A
12/31/12	0	1,126,517	1,126,517	0.0	3,539,674	31.8

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

Note B: No actuarial valuation was completed on December 31, 2011.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

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 Position
December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents……	$ 2,375,511	$ -	$ -	$ 2,375,511
Investments……	13,531,998	-	-	13,531,998
Accounts receivable, net of allowance……	114,675	-	-	114,675
Unbilled revenue……	249,674	-	-	249,674
Property tax receivable, net of allowance……	56,827	-	-	56,827
Other receivables……	28,164	-	-	28,164
Inventory……	242,391	-	-	242,391
Prepaid items……	297,069	-	-	297,069
Total unrestricted assets……	16,896,309	-	-	16,896,309
Restricted assets:				
Cash and cash equivalents……	1,924,982	-	-	1,924,982
Investments……	578,002	-	-	578,002
Passenger facility charge receivable……	152,075	-	-	152,075
Federal and state grants receivable……	493,649	-	-	493,649
Property tax receivable, net of allowances……	30,371	-	-	30,371
Other receivables……	20,016	-	-	20,016
Total restricted assets……	3,199,095	-	-	3,199,095
Total current assets……	20,095,404	-	-	20,095,404
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents……	351,282	8,003	7,239	366,524
Investments……	5,890,000	-	-	5,890,000
Property tax receivable, net of allowance……	6,858	-	-	6,858
Total restricted assets……	6,248,140	8,003	7,239	6,263,382
Capital assets, net……	100,234,798	-	-	100,234,798
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding bonds……	125,747	-	-	125,747
Total noncurrent assets……	106,608,685	8,003	7,239	106,623,927
Total assets and deferred outflows of resources......	$ 126,704,089	$ 8,003	$ 7,239	$ 126,719,331

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable	$ 884,207	$ -	$ -	$ 884,207
Accrued liabilities	427,720	-	-	427,720
Advance rent	106,220	-	-	106,220
Total unrestricted	1,418,147	-	-	1,418,147
Payable from restricted:				
Accounts payable	120,288	-	-	120,288
Current portion of long-term debt	3,527,614	-	-	3,527,614
Accrued interest on long-term debt	346,699	-	-	346,699
Total restricted	3,994,601	-	-	3,994,601
Total current liabilities	5,412,748	-	-	5,412,748
NONCURRENT LIABILITIES:				
Net other postemployment benefits obligation	425,254	-	-	425,254
Net pension obligation	38,266	-	-	38,266
Accrued compensated absences	917,590	-	-	917,590
Bonds and other long-term debt, net	12,090,000	-	-	12,090,000
Total noncurrent liabilities	13,471,110	-	-	13,471,110
Total liabilities	18,883,858	-	-	18,883,858
NET POSITION:				
Net investment in capital assets	84,742,931	-	-	84,742,931
Restricted for:				
Debt service	2,322,327	8,003	7,239	2,337,569
Capital projects	6,657,921	-	-	6,657,921
Unrestricted	14,097,052	-	-	14,097,052
Total net position	107,820,231	8,003	7,239	107,835,473
Total liabilities and net position	$ 126,704,089	$ 8,003	$ 7,239	$ 126,719,331

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
OPERATING REVENUES:				
Airfield	$ 1,475,574	$ -	$ -	$ 1,475,574
Buildings and grounds	1,867,646	-	-	1,867,646
Terminal	3,056,045	-	-	3,056,045
Parking	2,695,420	-	-	2,695,420
Reliever airport	464,820	-	-	464,820
Total operating revenues	9,559,505	-	-	9,559,505
OPERATING EXPENSES:				
Airfield	2,909,812	-	-	2,909,812
Buildings and grounds	1,121,225	-	-	1,121,225
Terminal	1,620,862	-	-	1,620,862
Parking	1,009,371	-	-	1,009,371
Reliever airport	578,843	-	-	578,843
Administration	2,438,987	-	-	2,438,987
Depreciation	7,559,693	-	-	7,559,693
Total operating expenses	17,238,793	-	-	17,238,793
LOSS FROM OPERATIONS	(7,679,288)	-	-	(7,679,288)
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes	6,713,816	-	-	6,713,816
Federal operating grant	84,766	-	-	84,766
Passenger facility charge	1,138,258	-	-	1,138,258
Customer facility charge	210,792	-	-	210,792
Interest income	94,787	-	-	94,787
Interest expense	(730,794)	(339)	-	(731,133)
Gain on disposal of capital assets	20,395	-	-	20,395
Net nonoperating revenues (expenses)	7,532,020	(339)	-	7,531,681
LOSS BEFORE CAPITAL CONTRIBUTIONS	(147,268)	(339)	-	(147,607)
CAPITAL CONTRIBUTIONS:				
Federal and state grants	2,749,565	-	-	2,749,565
INCREASE (DECREASE) IN NET POSITION	2,602,297	(339)	-	2,601,958
NET POSITION:				
Total net position, beginning of year	105,217,934	8,342	7,239	105,233,515
Total net position, end of year	$ 107,820,231	$ 8,003	$ 7,239	$ 107,835,473

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 9,543,403	$ -	$ -	$ 9,543,403
Payments to suppliers	(3,953,307)	-	-	(3,953,307)
Payments to employees	(3,921,169)	-	-	(3,921,169)
Payments of benefits on behalf of employees	(1,719,394)	-	-	(1,719,394)
Return of customer deposits	(11,302)	-	-	(11,302)
Net cash used in operating activities	(61,769)	-	-	(61,769)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes	4,359,763	-	-	4,359,763
Operating grant receipts	229,465	-	-	229,465
Net cash provided by noncapital fiancing activities	4,589,228	-	-	4,589,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes	2,346,752	-	-	2,346,752
Acquisition and construction of capital assets	(8,925,892)	-	-	(8,925,892)
Sale of capital assets	20,395	-	-	20,395
Principal paid on bonds and other long-term debt	(3,350,000)	-	-	(3,350,000)
Interest paid on bonds and other long-term debt	(782,265)	(339)	-	(782,604)
Capital grant receipts	3,085,888	-	-	3,085,888
Passenger facility charge receipts	1,124,671	-	-	1,124,671
Customer facility charge receipts	210,792	-	-	210,792
Net cash used in capital and related financing activities	(6,269,659)	(339)	-	(6,269,998)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	(27,390,000)	-	-	(27,390,000)
Proceeds from sale and maturities of investment securities	24,390,000	-	-	24,390,000
Interest received on investments	102,177	-	-	102,177
Net cash used in investing activities	(2,897,823)	-	-	(2,897,823)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,640,023)	(339)	-	(4,640,362)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,291,798	8,342	7,239	9,307,379
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,651,775	$ 8,003	$ 7,239	$ 4,667,017

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2012

	Authority	FWIABC	FWIAATCBC	Totals
Reconciliation of operating loss to net cash used in operating activities:				
Loss from operations	$ (7,679,288)	$ -	$ -	$ (7,679,288)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	7,559,693	-	-	7,559,693
Change in assets and liabilities:				
Accounts receivable and unbilled revenue	65,738	-	-	65,738
Other assets	183,556	-	-	183,556
Accounts payable	(352,384)	-	-	(352,384)
Accrued liabilities	93,100	-	-	93,100
Net OPEB and net pension obligation	67,816	-	-	67,816
Net cash used in operating activities	$ (61,769)	$ -	$ -	$ (61,769)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets included in accounts payable	$ 567,903	$ -	$ -	$ 567,903
Capital contributions from federal and state grants	336,323	-	-	336,323

OTHER SUPPLEMENTARY INFORMATION

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Debt Service Requirements to Maturity
December 31, 2012

	Principal	Interest	Total
2013.................................	$ 3,510,000	$ 659,927	$ 4,169,927
2014.................................	2,565,000	519,337	3,084,337
2015.................................	1,565,000	441,101	2,006,101
2016.................................	1,630,000	376,895	2,006,895
2017.................................	1,700,000	305,364	2,005,364
2018.................................	1,780,000	224,488	2,004,488
2019.................................	1,875,000	132,267	2,007,267
2020.................................	975,000	27,078	1,002,078
Totals......................	$ 15,600,000 (1)	$ 2,686,457	$ 18,286,457

(1) Excludes unamortized premium

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2012

Capital Assets (1)

Category	Balance at 01/01/12	Additions	Deletions (2)	Balance at 12/31/12
Land……………………	$ 15,991,393	$ 3,937,534	$ -	$ 19,928,927
Avigation easements……..	118,357	-	-	118,357
Runways and taxiways……	107,547,461	1,995,367	94,984	109,447,844
Buildings…………………	72,207,045	1,429,488	48,224	73,588,309
Roads and parking……….	24,307,321	9,065	54,077	24,262,309
Snow equipment…………	3,850,531	179,061	-	4,029,592
Vehicles………………….	2,624,916	58,044	22,820	2,660,140
Other equipment…………	2,382,295	65,129	81,982	2,365,442
Software and data base…..	383,202	19,485	-	402,687
Master plans………………	1,627,609	1,189,043	620,342	2,196,310
Work in progress………..	3,534,490	3,210,565	3,585,772	3,159,283
Total capital assets………	$ 234,574,620	$ 12,092,781	$ 4,508,201	$ 242,159,200

Accumulated Depreciation

Category	Balance at 01/01/12	Additions	Deletions (2)	Balance at 12/31/12
Runways and taxiways……	$ 78,901,697	$ 3,030,384	$ 94,984	$ 81,837,097
Buildings…………………	39,777,701	2,806,913	48,224	42,536,390
Roads and parking……….	9,603,754	1,042,962	54,077	10,592,639
Snow equipment…………	2,257,599	224,534	-	2,482,133
Vehicles………………….	1,462,745	141,359	22,820	1,581,284
Other equipment…………	1,701,275	133,693	81,982	1,752,986
Software and data base…..	215,619	44,742	-	260,361
Master plans………………	1,366,748	135,106	620,342	881,512
Total depreciation………	$ 135,287,138	$ 7,559,693	$ 922,429	$ 141,924,402

(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 that were no longer in service.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2012

	2012 Actual				
Major Revenue Categories	GAAP Basis	GAAP Adjustments	Cash Basis (1)	2012 Budget As Adjusted	Variance Over (Under)
Airfield use fees	$ 1,734,453	$ (31,618)	$ 1,702,835	$ 1,638,069	$ 64,766
Building rent and services	3,523,918	66,904	3,590,822	3,088,880	501,942
Land rent	437,176	5,207	442,383	393,057	49,326
Parking	2,684,626	-	2,684,626	2,806,010	(121,384)
Auto rental	965,279	(23,326)	941,953	759,706	182,247
Restaurant	116,351	(21,794)	94,557	113,400	(18,843)
Other income	118,097	(59,390)	58,707	17,864	40,843
Interest income	94,787	7,390	102,177	78,425	23,752
Property and other taxes	6,713,816	(7,301)	6,706,515	6,997,701	(291,186)
Passenger facility charges	1,138,258	(13,587)	1,124,671	1,070,106	54,565
Customer facility charges	210,792	-	210,792	195,113	15,679
Federal grants - operating	84,766	144,699	229,465	131,000	98,465
Total revenues	17,822,319	67,184	17,889,503	17,289,331	600,172
Capital contributions:					
Federal grants	2,669,642	371,337	3,040,979	4,864,665	(1,823,686)
State grants	79,923	(35,014)	44,909	64,009	(19,100)
Total capital contributions	2,749,565	336,323	3,085,888	4,928,674	(1,842,786)
Total	$ 20,571,884	$ 403,507	$ 20,975,391	$ 22,218,005	$ (1,242,614)

(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, 2012

Major Expense Categories	2012 Actual GAAP Basis	2012 Actual GAAP Adjustments	2012 Actual Cash Basis (1)	2012 Actual Open Purchase Orders	2012 Actual 2012 Actual	2012 Budget	Variance Over (Under)(2)
PERSONAL SERVICES:							
Salaries and wages................	$ 3,853,582	$ 18,959	$ 3,872,541	$ -	$ 3,872,541	$ 4,088,247	$ (215,706)
Employee benefits................	1,768,080	(58)	1,768,022	14,830	1,782,852	1,969,017	(186,165)
Total personal services........	5,621,662	18,901	5,640,563	14,830	5,655,393	6,057,264	(401,871)
SUPPLIES.............................	921,390	(12,974)	908,416	94,098	1,002,514	1,315,171	(312,657)
CONTRACTUAL SERVICES:							
Professional services............	562,492	28,278	590,770	53,491	644,261	719,528	(75,267)
Utilities.................................	643,569	13,176	656,745	5,901	662,646	812,313	(149,667)
Contracted repairs................	181,548	(67,536)	114,012	16,888	130,900	247,937	(117,037)
Debt service payments..........	731,133	3,415,470	4,146,603	-	4,146,603	4,248,996	(102,393)
Other contracted services......	1,748,439	7,688	1,756,127	207,826	1,963,953	2,643,523	(679,570)
Total contractual services....	3,867,181	3,397,076	7,264,257	284,106	7,548,363	8,672,297	(1,123,934)
CAPITAL EXPENDITURES	-	8,451,812	8,451,812	4,115,454	12,567,266	14,610,785	(2,043,519)
DEPRECIATION EXPENSE	7,559,693	(7,559,693)	-	-	-	-	-
Totals....................................	$ 17,969,926	$ 4,295,122	$ 22,265,048	$ 4,508,488	$ 26,773,536	$ 30,655,517	$ (3,881,981)

(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

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.

Contents **Page**

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

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Revenues:	2012	2011	2010	2009
Airfield	$ 1,475,574	$ 1,461,088	$ 1,361,743	$ 1,429,261
Buildings and grounds	1,867,646	1,311,808	1,051,735	1,344,797
Terminal	3,056,045	3,065,071	3,096,831	3,219,115
Parking	2,695,420	2,625,381	2,620,565	2,460,847
Reliever airport	464,820	443,839	420,083	402,031
	9,559,505	8,907,187	8,550,957	8,856,051
Interest	94,787	102,068	162,487	344,026
Property and other taxes	6,713,816	6,310,443	6,783,287	7,477,987
Federal operating grant	84,766	312,639	131,891	130,869
Passenger facility charge	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge	210,792	32,229	-	-
Gain (Loss) on disposal of capital assets	20,395	235,461	(409,452)	-
Total revenues	17,822,319	16,999,282	16,322,106	17,840,617
Expenses:				
Salaries	3,853,582	3,901,809	3,859,845	4,040,982
Benefits	1,768,080	1,710,328	1,529,207	1,659,885
Utilities	643,569	653,524	626,467	634,279
Supplies and other services	3,413,869	3,468,209	3,115,866	3,106,021
Depreciation	7,559,693	7,852,015	8,440,999	8,316,488
Total operating expenses	17,238,793	17,585,885	17,572,384	17,757,655
Interest	731,133	883,650	1,103,069	1,234,672
Total expenses	17,969,926	18,469,535	18,675,453	18,992,327
Capital contributions	2,749,565	1,962,373	6,461,612	6,333,715
Increase (Decrease) in net position	$ 2,601,958	$ 492,120	$ 4,108,265	$ 5,182,005
Net position at year end is composed of:				
Net Investment in capital assets	$ 84,742,931	$ 80,453,062	$ 82,143,769	$ 79,747,527
Restricted	8,995,490	9,288,875	12,260,528	10,956,010
Unrestricted	14,097,052	15,491,578	10,380,330	9,929,593
Total net position	$ 107,835,473	$ 105,233,515	$ 104,784,627	$ 100,633,130

Source: Authority's audited financial statements.

2008	2007	2006	2005	2004	2003
$ 1,300,430	$ 1,987,586	$ 2,516,471	$ 2,355,553	$ 2,372,285	$ 2,322,102
1,074,401	2,751,377	3,158,585	3,194,286	3,217,660	3,115,449
2,974,312	3,003,368	3,009,862	3,067,835	3,096,247	3,161,047
2,234,673	2,063,274	1,912,344	1,947,262	1,992,504	1,682,480
472,174	3,450	10,188	10,166	10,355	22,043
8,055,990	9,809,055	10,607,450	10,575,102	10,689,051	10,303,121
586,039	708,481	875,498	653,412	347,459	401,133
4,472,751	4,438,807	4,307,566	4,069,893	4,221,616	3,768,107
133,531	32,976	-	-	332,513	65,487
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	64,985	184,937	-	1,257
14,404,399	16,147,056	16,915,423	16,296,300	16,477,799	15,334,056
4,032,946	3,689,607	3,263,059	3,103,932	3,053,622	3,029,513
1,683,232	1,457,312	1,366,665	1,261,433	1,025,317	947,868
713,684	548,287	499,924	474,522	438,094	430,869
3,192,897	3,261,589	2,780,524	3,486,298	3,827,577	2,921,292
8,212,367	8,510,935	8,064,551	7,764,453	7,787,031	7,531,646
17,835,126	17,467,730	15,974,723	16,090,638	16,131,641	14,861,188
1,358,583	1,447,799	1,655,703	1,740,318	2,256,248	2,404,165
19,193,709	18,915,529	17,630,426	17,830,956	18,387,889	17,265,353
2,747,422	573,692	7,999,576	5,098,268	3,350,896	2,839,984
$ (2,041,888)	$ (2,194,781)	$ 7,284,573	$ 3,563,612	$ 1,440,806	$ 908,687
$ 77,203,394	$ 78,495,625	$ 80,087,834	$ 71,421,904	$ 66,434,837	$ 64,761,424
8,526,620	6,950,303	12,174,175	6,858,838	5,955,696	6,653,265
9,721,111	12,047,085	7,425,785	14,122,479	16,449,076	15,984,114
$ 95,451,125	$ 97,493,013	$ 99,687,794	$ 92,403,221	$ 88,839,609	$ 87,398,803

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2012	2011	2010	2009
Operating Revenues:				
Airfield	$ 88,432	$ 87,860	$ 85,097	$ 80,212
Passenger airline service charge revenues:				
Landing fees	801,832	838,598	771,177	777,156
Jetway rental	-	-	60,060	61,140
Apron fees	146,711	117,899	93,771	98,110
Terminal rent	1,540,790	1,617,504	1,695,299	1,742,964
Boarding security	183,463	193,652	199,381	186,484
PA system	-	-	1,152	1,216
Air Trade Center cargo airline service charge revenues:				
Landing fees	-	-	-	84,106
Apron fees	-	-	-	-
Building rent	586,614	165,282	-	214,364
Ground rent	135,000	163,910	-	-
Landing fees-other cargo	438,301	416,731	413,725	389,676
Building and grounds	811,403	706,890	774,349	849,470
Terminal	250,162	236,029	236,144	233,305
Car rental	965,279	913,857	797,778	890,941
Restaurant	116,351	111,624	97,557	87,323
Parking	2,695,420	2,625,381	2,609,642	2,460,847
Farming	334,927	268,131	297,769	296,706
Reliever airport	464,820	443,839	420,083	402,031
Total operating revenues	9,559,505	8,907,187	8,552,984	8,856,051
Non-operating revenues:				
Interest income	94,787	102,068	162,487	344,026
Property and other taxes	6,713,816	6,310,443	6,783,287	7,477,987
FAA operating grant	84,766	312,639	131,891	130,869
Passenger facility charge	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge	210,792	32,229	-	-
Gain on disposal of capital assets	20,395	235,461	-	-
Total non-operating revenues	8,262,814	8,092,095	8,180,601	8,984,566
Total revenues	$ 17,822,319	$ 16,999,282	$ 16,733,585	$ 17,840,617
Enplaned passengers	284,465	277,938	277,101	266,176
Passenger airline cost per enplaned passenger	$ 9.40	$ 9.96	$ 10.18	$ 10.77
Signatory airlines rates and charges (1):				
Landing fee (per 1,000 lbs. of max. gross landed weight)	$ 2.45	$ 2.44	$ 2.40	$ 2.30
Apron fee (per 1,000 lbs of max. gross landed weight)	0.45	0.34	0.29	0.29
Annual terminal rental rate (per square foot)	33.91	34.80	36.61	38.44
Revenue Funding Ratios:				
Parking revenue/commissions per enplaned passenger (2)	$ 9.48	$ 9.45	$ 9.42	$ 9.25
Car rental commissions per enplaned passenger	3.39	3.29	2.88	3.35
Restaurant commissions per enplaned passenger	0.41	0.40	0.35	0.33

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.

2008	2007	2006	2005	2004	2003
$ 105,077	$ 150,318	$ 114,741	$ 125,048	$ 127,092	$ 136,379
742,078	708,285	708,779	810,523	772,745	771,740
68,410	74,700	86,770	67,900	61,050	52,930
79,058	99,430	98,459	127,494	119,553	115,597
1,496,500	1,575,750	1,542,946	1,710,820	1,608,441	1,720,773
156,490	155,153	169,006	164,476	155,193	108,032
1,504	1,536	1,536	1,504	2,080	1,920
-	546,868	1,041,899	905,647	1,003,269	949,837
-	43,970	52,765	56,856	54,411	57,565
85,000	1,527,754	2,025,300	2,025,300	2,025,300	2,025,300
-	201,957	214,734	208,424	203,338	199,205
374,216	438,715	499,828	329,985	295,215	290,984
829,016	862,507	763,330	807,303	858,527	769,302
244,209	251,575	292,350	230,078	150,258	226,762
896,925	833,162	814,862	782,533	1,002,472	957,022
110,274	111,493	102,392	110,524	116,753	93,608
2,234,673	2,063,274	1,912,344	1,947,262	1,992,504	1,682,480
160,386	159,158	155,221	153,259	130,495	121,642
472,174	3,450	10,188	10,166	10,355	22,043
8,055,990	9,809,055	10,607,450	10,575,102	10,689,051	10,303,121
586,039	708,481	875,498	653,412	347,459	401,133
4,472,751	4,438,807	4,307,566	4,069,893	4,221,616	3,768,107
133,531	32,976	-	-	332,513	65,487
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	64,985	184,937	-	1,257
6,348,409	6,338,001	6,307,973	5,721,198	5,788,748	5,030,935
$ 14,404,399	$ 16,147,056	$ 16,915,423	$ 16,296,300	$ 16,477,799	$ 15,334,056
287,343	298,639	274,889	316,339	338,681	306,077
$ 8.85	$ 8.76	$ 9.49	$ 9.11	$ 8.03	$ 9.05
$ 2.06	$ 1.86	$ 1.83	$ 1.77	$ 1.63	$ 1.68
0.22	0.26	0.25	0.28	0.25	0.25
35.77	36.27	32.24	32.70	32.26	31.82
$ 7.78	$ 6.91	$ 6.96	$ 6.16	$ 5.88	$ 5.50
3.12	2.79	2.96	2.47	2.96	3.13
0.38	0.37	0.37	0.35	0.34	0.31

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Principal Taxpayers
Current Year and Nine Years Ago

	2012			2003		
Principal Taxpayers - Name	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
General Motors Corp………………….	$ 230,553,370	1	1.8 %	$ 195,756,640	1	1.4 %
GGP-Glenbrrok-LLC………………….	188,944,690	2	1.5			
IOM Health Systems………………….	148,844,180	3	1.2	69,132,300	6	0.5
Indiana Michigan Power………………	135,076,095	4	1.1	85,301,600	3	0.6
Frontier North Inc……………………..	109,542,310	5	0.9			
Walmart Stores East LP/RE Bus………	79,870,230	6	0.6			
Parkview Health System Inc………….	77,131,457	7	0.6			
Frontier Communications Online & LD.	74,381,260	8	0.6			
St Joseph Health System LLC………..	59,681,220	9	0.5	58,905,540	7	0.4
Regency Canterbury LP………………..	59,254,300	10	0.5	54,762,850	9	0.4
Dana Corporation……………………..				69,815,900	5	0.5
Uniroyal BF Goodrich…………………				71,881,080	4	0.5
Lake County Trust/Landau & Hayden…				144,584,400	2	1.0
Meijer…………………………………				56,120,520	8	0.4
Sommerfeld Nicholas…………………				48,964,800	10	0.3
Total of Ten Largest Taxpayers………	$ 1,163,279,112		9.1 %	$ 855,225,630		6.0 %

(1) Represents assessed valuations for taxes due and payable in 2012.
(2) Represents assessed valuations for taxes due and payable in 2003.

Source: Allen County Auditor's Office.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2012	2011	2010	2009
Operating excise tax	$ 271,389	$ 260,647	$ 249,758	$ 250,714
Aircraft excise tax	18,307	18,071	16,382	17,134
Operating intangibles tax	15,256	16,277	15,125	12,438
Operating property tax	3,253,654	3,212,343	3,151,024	3,154,607
Operating commercial vehicle tax	17,681	18,065	17,016	14,504
Cumulative building property tax	357,671	384,085	399,938	421,466
Cumulative building excise tax	29,833	31,164	31,700	33,496
Cumulative building commercial vehicle tax	1,944	2,160	2,160	1,938
Cumulative building intangibles tax	1,677	1,946	1,920	1,662
County option income tax	783,478	598,423	1,015,608	577,664
Debt service property tax	1,788,356	1,606,172	1,781,540	2,669,282
Debt service excise tax	149,167	130,324	141,210	212,142
Debt service commercial vehicle tax	9,718	9,032	9,620	12,272
Debt service intangibles tax	8,386	8,138	8,552	10,524
Total Authority tax receipts	$ 6,706,517	$ 6,296,847	$ 6,841,553	$ 7,389,843
Rate per $100 of assessed valuation	0.0468	0.0447	0.0440	0.0489

(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)

	2012	2011	2010	2009
Total tax levy	$ 324,449,495	$ 316,973,671	$ 319,525,460	$ 337,853,052
Current tax collections (2)	313,264,561	306,407,599	307,284,280	322,439,869
Percent of levy collected	96.6%	96.7%	96.2%	95.4%
Delinquent tax collections	$ 9,423,276	$ 7,492,374	$ 5,437,834	$ 12,026,170
Total tax collections	322,687,837	313,899,973	312,722,114	334,466,039
Percent of total tax collections to levy	99.5%	99.0%	97.9%	99.0%
Outstanding delinquent taxes	$ 14,007,744	$ 13,781,018	$ 15,892,667	$ 19,209,633
Percent of delinquent taxes to levy	4.3%	4.3%	5.0%	5.7%

(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

2008	2007	2006	2005	2004 (3)	2003 (2)
$ 252,375	$ 251,464	$ 250,611	$ 260,396	$ 351,912	$ 189,667
19,726	15,777	20,780	21,196	20,175	23,451
26,446	26,217	26,570	26,464	52,879	---
3,113,273	3,052,156	2,953,015	2,806,723	3,859,042	1,422,378
27,753	26,431	25,343	24,041	44,178	---
513,690	503,606	460,045	454,029	726,709	200,592
41,642	41,492	39,382	42,123	65,129	30,055
4,579	4,361	3,983	3,889	7,754	---
4,363	4,325	4,175	4,281	9,287	---
468,904	485,097	525,511	430,294	563,196	487,643
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$ 4,472,751	$ 4,410,926	$ 4,309,415	$ 4,073,436	$ 5,700,261	$ 2,353,786
0.0233	0.0233	0.0243	0.0237	0.0225	0.0217

2008	2007	2006	2005	2004	2003
$ 468,378,102	$ 450,324,056	$ 423,667,496	$ 404,939,852	$ 392,189,991	$ 352,474,267
454,185,187	433,282,315	411,472,985	392,526,880	377,612,575	341,253,361
97.0%	96.2%	97.1%	96.9%	96.3%	96.8%
$ 10,843,230	$ 16,618,199	$ 9,072,693	$ 6,754,184	$ 4,320,258	$ 10,779,907
465,028,417	449,900,514	420,545,678	399,281,064	381,932,833	352,033,268
99.3%	99.9%	99.3%	98.6%	97.4%	99.9%
$ 18,780,143	$ 23,314,369	$ 15,360,588	$ 16,878,058	$ 22,056,911	$ 14,866,299
4.0%	5.2%	3.6%	4.2%	5.6%	4.2%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Assessed Values of Property
Last Ten Fiscal Years (2)

Allen County	2012	2011	2010	2009
Total assessed value (1)………………………	$ 12,741,704,078	$ 12,674,957,960	$ 13,112,944,238	$ 13,297,615,974

(1) Assessed values for personal property are updated annually.
(2) Source: Allen County Auditor's Office.

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

Allen County	2012	2011	2010	2009
Rates per $100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating…………………………………	$ 0.0282	$ 0.0276	$ 0.0260	$ 0.0247
Cumulative Building……………………	0.0031	0.0033	0.0033	0.0033
Debt Service……………………………..	0.0155	0.0138	0.0147	0.0209
Total direct rates………………………	0.0468	0.0447	0.0440	0.0489
Other municipal corporations…………….	0.2437	0.2365	0.2234	0.2145
School districts……………………………	0.9519	0.9765	0.9201	0.8986
Allen County………………………………	0.5279	0.5155	0.5187	0.4638
City of Fort Wayne………………………	0.8320	0.8365	0.7880	0.7484
State of Indiana……………………………	-	-	-	-
Other………………………………………	0.1281	0.1178	0.1110	0.1159
Totals……………………………………	$ 2.7304	$ 2.7275	$ 2.6052	$ 2.4902
Levies:				
Airport Authority…………………………	$ 5,963,118	$ 5,665,706	$ 5,769,696	$ 6,502,534
Other municipal corporations…………….	31,048,245	29,974,604	29,291,300	28,526,107
School districts……………………………	121,283,379	123,771,008	120,653,166	119,496,983
Allen County………………………………	67,263,457	65,339,408	68,016,841	61,673,323
City of Fort Wayne………………………	106,017,165	106,024,105	103,327,209	99,523,973
State of Indiana……………………………	-	-	-	-
Other………………………………………	16,316,212	14,936,479	14,558,483	15,414,198
Totals……………………………………	$ 347,891,576	$ 345,711,310	$ 341,616,695	$ 331,137,118

(1) School districts, the City, municipal corporations, and other rates represent countywide averages.
(2) Source: Allen County Auditor's Office

2008	2007	2006	2005	2004	2003
$15,850,468,135	$ 15,270,870,109	$ 14,061,977,670	$ 13,932,934,665	$ 14,211,493,429	$ 14,231,573,124

2008	2007	2006	2005	2004	2003
$ 0.0200	$ 0.0200	$ 0.0210	$ 0.0204	$ 0.0192	$ 0.0184
0.0033	0.0033	0.0033	0.0033	0.0033	0.0033
-	-	-	-	-	-
0.0233	0.0233	0.0243	0.0237	0.0225	0.0217
0.1736	0.1744	0.1841	0.1806	0.1629	0.1654
1.4403	1.3876	1.5274	1.4790	1.4768	1.3042
0.5795	0.5343	0.5675	0.5452	0.4945	0.4215
0.6274	0.6512	0.5871	0.5566	0.5188	0.4500
0.0205	0.0206	0.0239	0.0235	0.0024	0.0223
0.0922	0.0915	0.0991	0.1011	0.0817	0.0830
$ 2.9567	$ 2.8829	$ 3.0133	$ 2.9098	$ 2.7597	$ 2.4681
$ 3,693,159	$ 3,558,113	$ 3,417,060	$ 3,302,106	$ 3,197,586	$ 3,088,251
27,512,551	26,639,938	25,888,641	25,169,342	23,150,614	23,536,130
228,289,216	211,904,942	214,781,057	206,066,666	209,871,643	185,602,124
91,851,010	81,596,517	79,801,724	75,962,361	70,275,834	59,980,764
99,440,267	99,440,911	82,560,277	77,554,663	73,735,533	64,047,843
3,249,346	3,145,800	3,360,193	3,273,613	341,076	3,177,037
14,608,308	13,972,693	13,938,331	14,092,706	11,617,705	11,816,101
$ 468,643,857	$ 440,258,914	$ 423,747,283	$ 405,421,457	$ 392,189,991	$ 351,248,250

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Property Values and Construction
Last Ten Fiscal Years

	Building Permits (1)			
	Number Issued	Value of Buildings	Average Building Cost	Property Value (2)
2012………….	705	$ 154,256,028	218,803	$ 12,741,704,078
2011………….	657	121,972,417	185,651	12,674,957,960
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

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: Allen County Building Department and Allen County Auditor's Office.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Ratios of Outstanding Debt
Last Ten Fiscal Years

	2012	2011	2010	2009
Outstanding debt per enplaned passenger				
Tax backed revenue bonds (1):				
Airport Improvement Bonds…………….	$ 3,114,421	$ 5,056,074	$ 6,930,272	$ 8,738,220
First Mortgage Bonds….……………….	12,377,446	13,778,346	14,984,704	16,177,003
Revenue Bonds…………………………….	-	-	-	-
Non-interest bearing loan………………….	-	-	-	-
Financing agreement……………………….	-	-	-	-
Total outstanding debt……………………….	$ 15,491,867	$ 18,834,420	$ 21,914,976	$ 24,915,223
Enplaned passengers………………………….	284,465	277,938	277,101	266,176
Debt per enplaned passenger…………………	$ 54.46	$ 67.76	$ 79.09	$ 93.60
Debt service per enplaned passenger				
Net debt service………………………………	$ 4,132,603	$ 4,263,259	$ 4,174,816	$ 4,086,272
Enplaned passengers………………………….	284,465	277,938	277,101	266,176
Debt service per enplaned passenger………..	$ 14.53	$ 15.34	$ 15.07	$ 15.35

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

	2008	2007	2006	2005	2004	2003
	$ 10,478,179	$ 12,166,033	$ 13,694,365	$ 15,150,665	$ 15,871,805	$ 17,612,789
	17,313,911	18,394,288	19,428,207	20,411,069	21,353,931	22,256,793
	-	-	1,443,497	2,116,301	3,132,230	4,088,788
	16,600	33,200	49,800	66,400	83,000	99,600
	-	-	-	-	-	-
	$ 27,808,690	$ 30,593,521	$ 34,615,869	$ 37,744,435	$ 40,440,966	$ 44,057,970
	287,343	298,639	274,889	316,339	338,681	306,077
	$ 96.78	$ 102.44	$ 125.93	$ 119.32	$ 119.41	$ 143.94
	$ 4,100,183	$ 5,487,179	$ 4,752,303	$ 4,470,762	$ 5,482,530	$ 5,470,958
	287,343	298,639	274,889	316,339	338,681	306,077
	$ 14.27	$ 18.37	$ 17.29	$ 14.13	$ 16.19	$ 17.87

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Pledged-Revenue Coverage
Last Ten Fiscal Years

	2012	2011	2010	2009
1995 and 1998 Revenue Bonds:				
Gross revenues	$ 17,822,319	$ 16,999,282	$ 16,742,569	$ 17,840,617
Less:				
Building rental revenue (1)	-	152,552	-	214,364
Passenger facility charge	1,138,258	1,099,255	1,102,936	1,031,684
Customer facility charge	210,792	32,229	-	-
Gain on disposal of capital assets	20,395	235,461	-	-
Operating expenses (2)	9,679,100	9,733,870	9,140,132	9,441,167
	11,048,545	11,253,367	10,243,068	10,687,215
Net revenues available	$ 6,773,774	$ 5,745,915	$ 6,499,501	$ 7,153,402
Debt Service				
Principal	$ -	$ -	$ -	$ -
Interest	-	-	-	-
Total debt service	$ -	$ -	$ -	$ -
Debt service coverage	-	-	-	-
1998 First Mortgage Bonds (3) and 2011 First Mortgage Taxable Refunding Bonds				
Gross revenues	$ -	$ 152,552	$ -	$ 214,364
Debt Service				
Principal	$ 1,435,000	$ 1,400,000	$ 1,205,000	$ 1,150,000
Interest	564,790	720,947	818,316	873,846
Total debt service	$ 1,999,790	$ 2,120,947	$ 2,023,316	$ 2,023,846
Debt service coverage	-	0.07	-	0.11

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds or 2011 First Mortgage Taxable Refunding 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
(3) The 1998 First Mortgage Bonds were refunded with the 2011 First Mortgage Taxable Refunding Bonds on February 24, 2011.

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

2008	2007	2006	2005	2004	2003
$ 14,404,399	$ 16,147,056	$ 16,915,423	$ 16,296,300	$ 16,477,799	$ 15,334,056
85,000	1,527,754	2,025,300	2,025,300	2,025,300	2,025,300
1,114,786	1,136,120	1,059,924	812,956	887,160	794,951
-	-	-	-	-	-
41,302	21,617	-	184,937	-	1,257
9,622,759	8,956,795	7,910,172	8,326,185	8,344,610	7,329,542
10,863,847	11,642,286	10,995,396	11,349,378	11,257,070	10,151,050
$ 3,540,552	$ 4,504,770	$ 5,920,027	$ 4,946,922	$ 5,220,729	$ 5,183,006
$ -	$ 705,000	$ 675,000	$ 1,020,000	$ 965,000	$ 930,000
-	26,140	74,701	111,470	165,432	215,894
$ -	$ 731,140	$ 749,701	$ 1,131,470	$ 1,130,432	$ 1,145,894
-	6.16	7.90	4.37	4.62	4.52
$ 85,000	$ 1,527,754	$ 2,025,300	$ 2,025,300	$ 2,025,300	$ 2,025,300
$ 1,095,000	$ 1,050,000	$ 1,000,000	$ 960,000	$ 920,000	$ 880,000
925,191	973,951	1,014,664	1,058,545	1,100,107	1,139,920
$ 2,020,191	$ 2,023,951	$ 2,014,664	$ 2,018,545	$ 2,020,107	$ 2,019,920
0.04	0.75	1.01	1.00	1.00	1.00

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

Year	Population (1) (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2012	360,412	N/A	N/A	7.9 %
2011	358,327	$ 12,612,682	$ 35,199	9.1
2010	355,786	11,982,281	33,678	10.3
2009	353,693	11,693,248	33,060	10.2
2008	351,264	12,239,833	34,845	6.0
2007	349,534	12,056,930	34,494	4.7
2006	346,314	11,600,969	33,498	4.9
2005	343,238	10,888,231	31,722	5.2
2004	340,916	10,705,324	31,402	5.2
2003	339,569	10,321,724	30,397	5.3

N/A - Not Available

(1) Source: U.S. Census Bureau: 2010 - Census figures; all other years are July 1 intercensal estimates, statistics for prior years have been updated to reflect current 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. Statistics for prior years have been updated to reflect current estimates.

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

Allen County
Principal Employers
Current Year and Nine Years Ago

	2012				2003			
Principal Employers - Name	Employees	Rank	Percent of Total Employment		Employees	Rank	Percent of Total Employment	
Parkview Health Systems…..…………	4,710	1	2.6	%	3,648	1	2.2	%
Lutheran Health Network………………	4,301	2	2.4		2,889	4	1.7	
Fort Wayne Community Schools………	4,230	3	2.3		3,445	2	2.0	
General Motors - Truck & Bus Group…	3,880	4	2.2		3,050	3	1.8	
The City of Fort Wayne…………………	2,003	5	1.1		1,671	7	1.0	
Lincoln Financial Group………………	1,970	6	1.1		2,108	6	1.2	
Allen County Government……………	1,605	7	0.9		1,585	8	0.9	
BF Goodrich……………………………	1,580	8	0.9					
Frontier Communications Corp..………	1,564	9	0.9					
IPFW……………………………………	1,255	10	0.7					
Verizon Telephone Operations…………					2,214	5	1.3	
Shambaugh & Sons……………………					1,580	9	0.9	
Supervalu/Scott's Foods Stores, Inc……					1,575	10	0.9	
Total of Ten Largest Employers………	27,098		15.0	%	23,765		14.0	%

Source: the Community Research Institue 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: 3,912 Acres Owned Fee Simple

Runway System (and Equipment)	2012	2011	2010	2009
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
Terminal Complex				
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	6,059	6,059
Common Space (Sq Feet)……………………………………………	39,557	39,557	39,557	39,557
Restaurant Space (Sq Feet)…………………………………………	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet)…………………………………………	1,536	1,536	1,536	1,536
Taxi/Limousine Space (Sq Feet)……………………………………	384	384	768	384
Passenger Gates……………………………………………………	8	8	8	8
Jetway Boarding Bridges……………………………………………	4	4	4	4
Regional Boarding Ramps…………………………………………	1	1	1	1
Passenger Airlines…………………………………………………	4	4	4	5
Daily Departures……………………………………………………	18	18	18	28
Car Rental Firms……………………………………………………	8	6	6	5
Parking Spaces………………………………………………………	2,167	2,167	2,167	2,167
Air Trade Center				
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
Ancillary Services				
Cargo Airlines………………………………………………………	2	2	2	2
General Aviation				
Fixed Base Operators……………………………………………	1	1	1	1
Based Aircraft……………………………………………………	54	54	55	64
Military Based Aircraft………………………………………………	18	18	21	17
Airpark Buildings Owned……………………………………………	27	27	27	27
Employees				
Administration Full-time……………………………………………	15	16	16	18
Administration Part-time……………………………………………	1	1	2	2
Maintenance Full-time………………………………………………	17	16	18	19
Maintenance Seasonal………………………………………………	5	6	10	10
Custodial Full-time…………………………………………………	7	7	6	7
Public Safety Full-time………………………………………………	12	12	11	12
Public Safety Part-time………………………………………………	16	16	13	13
CSA Part-time………………………………………………………	8	8	9	8
Smith Field Full-time………………………………………………	2	2	1	2
Smith Field Part-time………………………………………………	2	2	2	2
Operations Full-time………………………………………………	4	4	-	-

2008	2007	2006	2005	2004	2003
11,981	11,981	11,981	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
38,123	38,468	38,468	38,468	38,468	38,468
7,858	7,858	7,858	7,858	7,858	7,858
1,920	1,920	1,920	1,920	1,920	1,920
384	384	384	384	384	-
8	8	8	8	8	8
4	4	4	4	4	4
1	1	1	1	1	-
6	6	5	5	6	9
25	33	33	35	37	34
5	5	5	5	5	4
2,167	2,167	2,068	2,068	1,485	1,505
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
2	3	3	3	3	3
1	1	1	1	2	2
68	66	68	69	78	84
15	15	15	15	15	15
27	27	27	22	22	28
18	19	18	18	17	17
1	1	1	1	2	2
19	19	19	19	19	19
10	10	9	10	10	10
7	8	8	8	8	8
13	13	13	13	13	13
14	13	16	-	-	35
9	9	-	-	-	-
3	3	-	-	-	-
2	-	-	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Airline	2012	Percent of Total 2012	2011	2010	2009
Pinnacle Airlines-Delta/Northwest Airlink….	95,552	33.59 %	93,168	85,836	47,446
American Eagle…………………………….	78,346	27.54	73,427	67,379	62,818
Allegiant Air……………………………….	48,412	17.02	41,641	43,537	37,220
Skywest-Delta/United Express…………….	35,884	12.61	33,995	40,689	24,804
Expressjet-Delta Express………………….	23,023	8.09	7,972	14,933	31,511
Comair (1)………………………………….	1,658	0.58	25,862	9,928	3,133
Charter………………………………………	1,590	0.56	1,536	1,842	1,963
Mesaba-Delta/Northwest Airlink………….	---	---	245	8,633	11,240
Chautaugua- Delta Express………………..	---	---	92	4,324	30,854
Continental Connection-Commutair(1)…….	---	---	---	---	8,799
Mesa Airlines-United Express(1)………….	---	---	---	---	6,388
Air Wisconsin (1)………………………….	---	---	---	---	---
Chicago Express- ATA Connection (1)…….	---	---	---	---	---
Atlantic Coast (1)………………………….	---	---	---	---	---
Shuttle America (1)………………………..	---	---	---	---	---
Trans States (1)…………………………….	---	---	---	---	---
Total……………………………………….	284,465	100.00 %	277,938	277,101	266,176
Percentage change………………………….	2.35%		0.30%	4.10%	-7.37%

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

2008	2007	2006	2005	2004	2003
38,689	41,845	43,170	43,774	51,826	47,244
73,304	83,863	74,913	77,308	70,897	60,690
37,332	35,288	---	---	---	---
13,663	15,063	28,991	21,842	27,301	---
39,007	36,115	20,564	44,601	23,540	39,929
---	14	15,545	55,600	43,168	11,880
1,587	1,084	801	1,788	1,858	2,089
13,936	7,677	12,604	22,198	18,754	15,050
35,076	39,253	43,188	---	9,914	---
16,112	13,115	12,352	12,099	10,539	3,677
18,637	25,322	23,846	8,009	---	---
---	---	---	25,190	6,344	11,384
---	---	---	3,930	17,001	---
---	---	---	---	41,913	69,055
---	---	---	---	15,626	27,115
---	---	---	---	---	17,964
287,343	298,639	275,974	316,339	338,681	306,077
-3.78%	8.21%	-12.76%	-6.60%	10.65%	1.67%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Scheduled Air Carriers:	2012	Percent of Total 2012		2011	2010	2009
Pinnacle Airlines-Delta/Northwest Airlink….	113,956,100	22.29	%	120,299,500	101,849,000	72,662,000
American Eagle………………………………	87,259,196	17.07		84,325,073	75,029,219	78,882,778
Skywest-United Express………………………	49,450,000	9.67		47,644,000	52,157,100	37,297,000
Allegiant Air…………………………………	48,509,000	9.49		41,819,000	44,848,000	37,748,000
Expressjet-Delta Express……………………	26,455,100	5.17		9,460,000	16,027,000	36,895,000
Charter………………………………………	5,394,484	1.06		4,905,484	5,389,200	4,910,520
Comair ………………………………………	1,927,000	0.38		34,263,000	11,374,000	3,976,100
Mesa Airlines-United Express………………	134,000	0.03		134,000	67,000	11,212,000
Mesaba-Delta/Northwest Airlink……………	---	---		235,000	9,754,500	11,599,500
Chautauqua-Delta Express…………………	---	---		85,098	4,595,292	34,718,220
Continental Connection - Commutair(1)…….	---	---		---	---	21,942,000
Northwest(1)…………………………………	---	---		---	---	---
Air Wisconsin(1)……………………………	---	---		---	---	---
Shuttle America(1)…………………………	---	---		---	---	---
Chicago Express- ATA(1)……………………	---	---		---	---	---
Atlantic Coast Airlines(1)……………………	---	---		---	---	---
Trans States Airlines(1)………………………	---	---		---	---	---
Subtotal………………………………………	333,084,880	65.15		343,170,155	321,090,311	351,843,118
Cargo Carriers:						
Federal Express………………………………	91,009,000	17.80		83,194,000	83,537,700	82,010,000
United Parcel Service………………………	86,100,000	16.84		85,260,000	86,520,000	86,568,000
Kalitta Charters………………………………	997,440	0.20		1,187,460	750,000	---
Mountain Air Cargo…………………………	44,660	0.01		17,000	44,660	17,000
Northern Air Cargo………........................	---	---		114,000	107,000	---
Kitty Hawk Inc.(1)…………………………	---	---		---	---	---
ABX Air(1)…………………………………	---	---		---	---	---
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)………………………	---	---		---	---	---
Subtotal………………………………………	178,151,100	34.85		169,772,460	170,959,360	168,595,000
Grand Total…………………………………	511,235,980	100.00	%	512,942,615	492,049,671	520,438,118
Percentage change……………………………	-0.33%			4.25%	-5.45%	-12.33%

(1) No longer serves Fort Wayne International Airport.
(2) Expressed in pounds.
Source: Compiled from airline station manager's monthly reports.

2008	2007	2006	2005	2004	2003
67,116,000	65,914,100	61,899,000	69,513,000	80,887,000	64,296,000
98,087,976	105,730,596	91,725,601	93,301,303	89,112,842	84,372,923
28,146,000	28,294,000	42,856,000	33,437,000	39,151,000	---
41,924,500	39,483,000	---	---	---	---
46,362,000	44,462,000	29,234,000	63,403,000	27,689,000	55,174,000
3,764,336	2,310,580	2,142,180	3,045,000	3,681,956	4,017,848
---	161,000	26,098,000	88,151,000	65,961,000	20,089,000
29,601,000	42,654,000	35,800,000	11,722,000	---	---
17,043,000	10,488,000	15,304,500	24,567,000	19,821,900	17,027,200
43,667,502	53,547,450	60,871,656	---	11,972,309	---
37,845,000	20,681,300	20,102,600	19,222,800	17,911,400	7,951,400
481,000	---	---	---	---	15,110,000
---	---	---	34,904,500	10,058,000	15,587,500
---	---	---	9,819,200	30,083,200	44,200,000
---	---	---	8,265,000	23,427,000	---
---	---	---	---	57,959,176	104,587,384
---	---	---	---	---	22,800,260
414,038,314	413,726,026	386,033,537	459,350,803	477,715,783	455,213,515
82,963,000	82,486,000	81,547,000	82,982,500	82,755,500	82,131,000
96,600,000	95,955,500	101,508,120	95,965,500	95,031,500	88,726,500
---	---	---	---	---	---
8,500	25,500	---	8,500	17,000	---
---	---	---	---	---	---
---	294,015,200	494,552,574	519,577,143	613,005,670	523,443,013
---	28,300,000	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	---	---
---	---	---	28,660	---	---
---	---	---	---	---	2,086,240
179,571,500	500,782,200	845,542,394	701,395,123	790,809,670	750,870,753
593,609,814	914,508,226	1,231,575,931	1,160,745,926	1,268,525,453	1,206,084,268
-35.09%	-25.74%	6.10%	-8.50%	5.18%	0.00%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (5) (7)

Type of Operation	2012	Percent of Total 2012	2011	2010	2009
Fort Wayne International Airport:					
Large Air Carrier (1)……………..	18,181	45.0 %	19,713	18,900	22,129
Small Air Carrier (2)…………….	---	---	---	---	1,272
Air Carrier (3)……………………	---	---	---	---	---
Air Taxi (4)………………………	---	---	---	---	---
General Aviation…………………	18,512	45.8	15,786	20,193	26,592
Military……………………………	3,734	9.3	2,859	1,868	4,271
Subtotal-International……………	40,427	100.0	38,358	40,961	54,264
Smith Field Airport:					
General Aviation(6)…………….	---	---	---	---	9,043
Subtotal-Smith Field…………….	---	---	---	---	9,043
Total Airport Authority…………	40,427	100.0 %	38,358	40,961	63,307
Percentage change………………	5.39%		-39.41%	-35.30%	-19.13%

(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.

2008	2007	2006	2005	2004	2003
23,079	27,360	31,078	34,865	38,649	---
2,334	2,367	2,422	2,316	2,158	---
---	---	---	---	---	12,388
---	---	---	---	---	27,108
39,502	31,963	34,953	37,111	38,881	36,135
4,239	3,861	4,692	4,196	3,657	4,483
69,154	65,551	73,145	78,488	83,345	80,114
9,125	7,141	7,440	11,876	13,249	8,733
9,125	7,141	7,440	11,876	13,249	8,733
78,279	72,692	80,585	90,364	96,594	88,847
7.69%	-9.79%	-10.82%	-6.45%	8.72%	-17.61%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Fort Wayne International Airport
Scheduled Airline Service

Carrier	Non-stop Service Destination	Service Type
Allegiant Air	Orlando/Sanford (SFB)	Jet (MD-82/83/87/88)
	Tampa/St. Petersburg/Clearwater (PIE)	Jet (MD-82/83/87/88)
	Myrtle Beach (MYR) - Seasonal	Jet (MD-82/83/87/88)
	Punta Gorda (PGD)	Jet (MD-82/83/87/88)
American Eagle	Chicago (ORD)	Jet (ERJ)
	Dallas/Fort Worth (DFW)	Jet (ERJ)
Delta Connection		
Pinnacle	Detroit (DTW)	Jet (CRJ)
Pinnacle	Atlanta (ATL)	Jet (CRJ)
Pinnacle	Minneapolis (MSP)	Jet (CRJ)
United Express		
Sky West	Chicago (ORD)	Jet (CRJ)

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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, 2012

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, 2012

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Crowe Horwath LLP
Independent Member Crowe Horwath International

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Fort Wayne – Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 14, 2013.

Internal Control Over Financial Reporting

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

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

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

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 or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 14, 2013

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *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, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June <>, 2013, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 14, 2013

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

Federal Grant Description	Federal CFDA Number	2012 Expenditures
US Department of Transportation		
Federal Aviation Administration: Airport Improvement Program (AIP)		
3-18-0024-013	20.106	325,000
3-18-0022-054	20.106	3,996
3-18-0022-056	20.106	16,172
3-18-0022-058	20.106	201,346
3-18-0022-059	20.106	170,108
3-18-0022-060	20.106	1,473,804
3-18-0022-061	20.106	349,684
3-18-0022-062	20.106	129,533
	Total AIP	2,669,643
Total expenditures of federal awards		$ 2,669,643
Federal Aviation Regulation, Part 158		
Passenger Facility Charges		$ 1,240,000
	Total expenditures	$ 3,909,643

See accompanying notes to the Schedule of Expenditures of Federal Awards

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.

(Continued)

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

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	__X___ No
Significant deficiencies identified not considered to be material weaknesses?	______ Yes	__X___ None Reported
Noncompliance material to financial statements noted?	______ Yes	__X___ No

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	______ Yes	__X___ No
Significant deficiencies identified not considered to be material weaknesses?	______ Yes	__X___ 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	__X___ 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? __X___ 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, 2012.

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, 2012.

SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs reported for the year ended December 31, 2011.