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June 26, 2014

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, 2013 to December 31, 2013. 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, 2013 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

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



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2013**

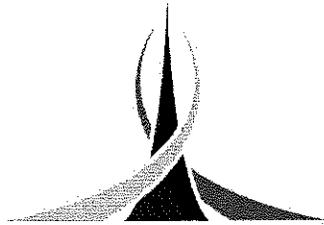
Prepared by:

**Ronnie C. Portis, CPA
Controller**

**Sabrina P. Driver
Accounting**

**Janice R. Lewis
Accounting**

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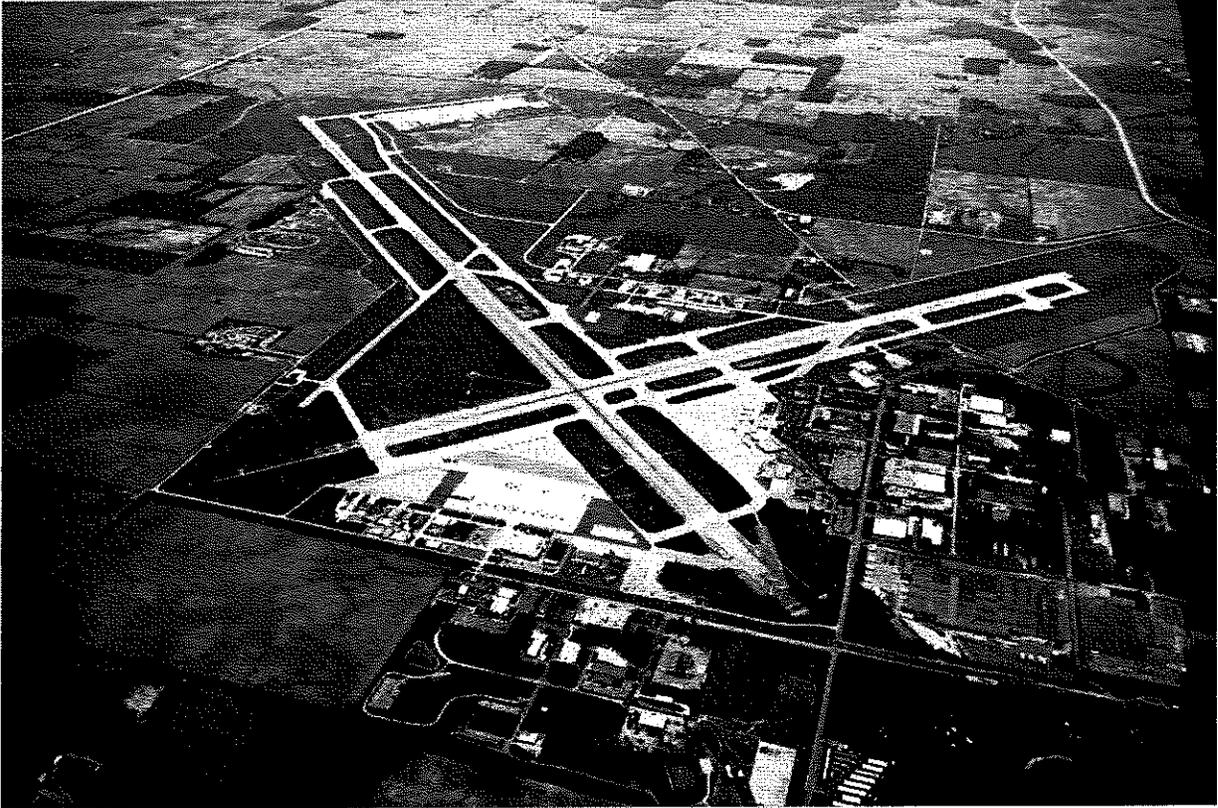


**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

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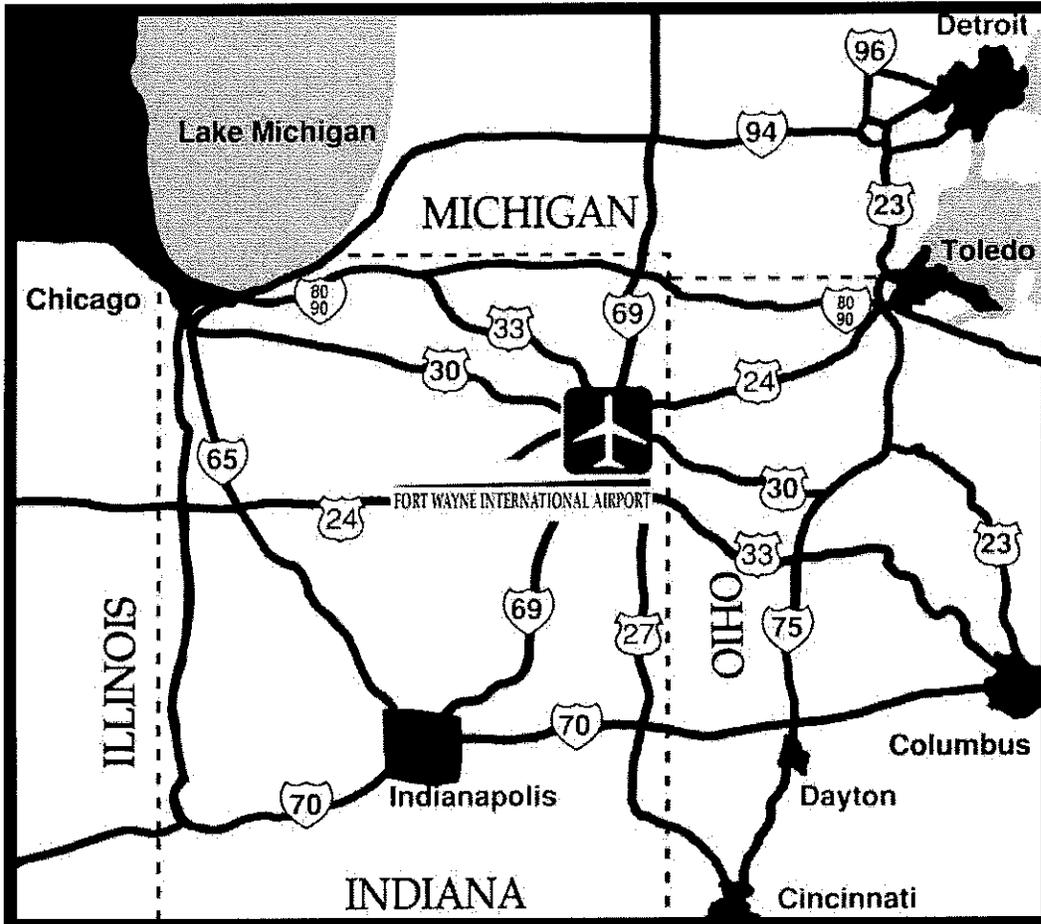
Fort Wayne International Airport (FWA)



Smith Field Airport (SMD)

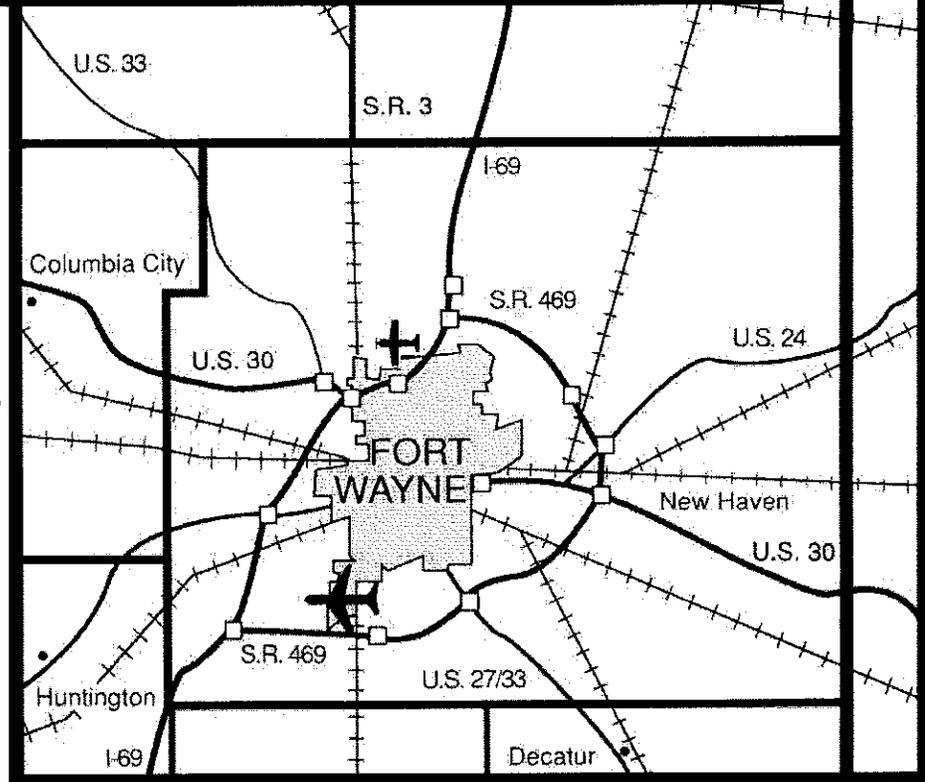
**INTRODUCTORY
SECTION**

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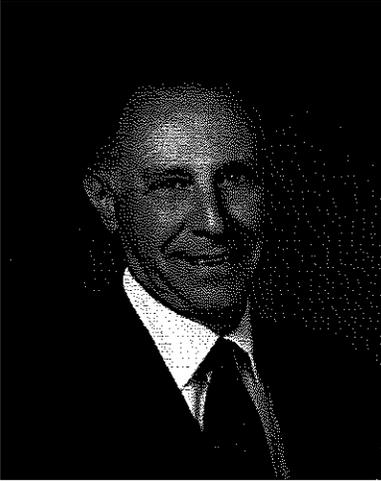

FORT
WAYNE
INTERNATIONAL
AIRPORT


SMITH FIELD

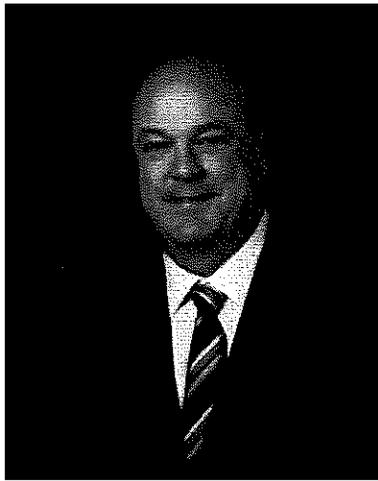


Fort Wayne-Allen County Airport Authority

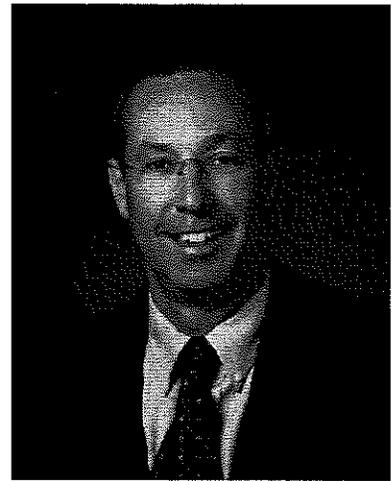
Board and Executive Director



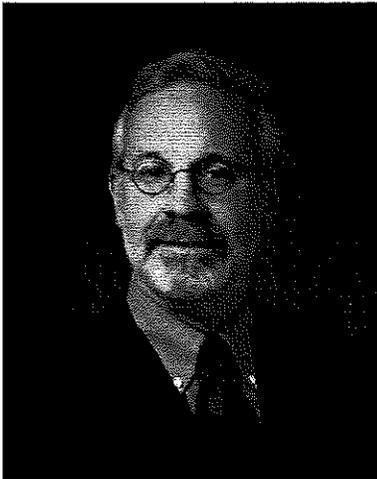
Michael S. Gouloff, President



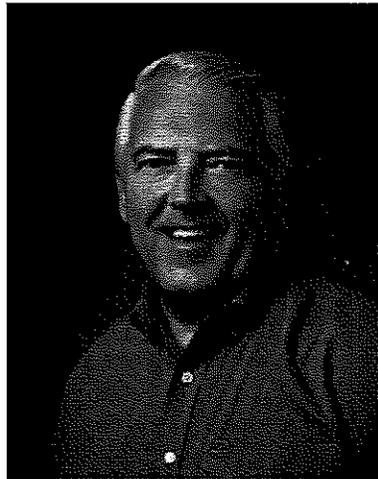
Richard B. "Barry" Sturges, Jr., Vice President



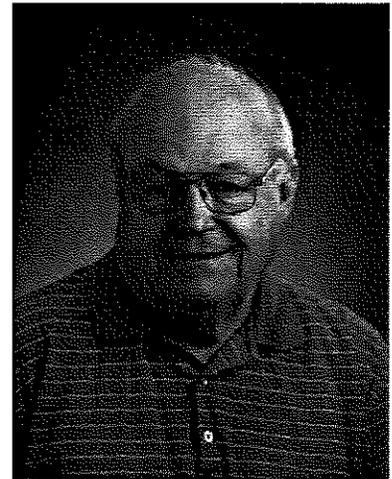
Timothy J. Haffner, Secretary



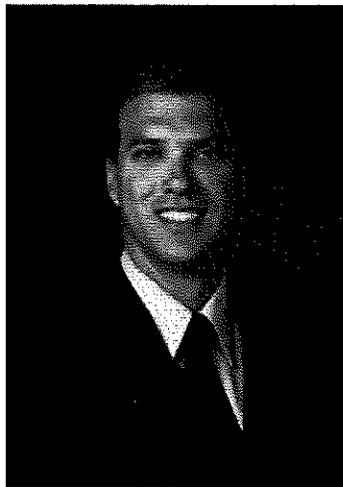
Cornelius "Neil" B. Hayes, Member



Jerome "Jerry" Henry, Jr., Member



Benjamin "Ben" T. Johnston, Member



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



June 9, 2014

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, 2013 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, 2013. 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.

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.

Since the Authority's budget and issuance of bonds must be approved by Allen County officials, it is fiscally dependent on Allen County. In addition, since Allen County is ultimately responsible to levy a backup tax levy to pay the debt service on the Authority's 2004 Bonds if the Authority is unable to do so, the Authority imposes a financial burden on Allen County. Therefore, 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.

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 2013, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 7.2 (non-seasonally adjusted) percent, after beginning the year at 8.6 percent in January. The rate declined steadily throughout the year ending at the lowest rate of 5.9 percent in December.

According to the Community Research Institute in its Targeted Industry and Manufacturing Business Dynamics Report 2013 prepared for the Northeast Indiana Regional Partnership, "Since the end of the Great Recession in 2010, job growth in Northeast Indiana (Adams, Allen, DeKalb, Huntington, LaGrange, Noble, Steuben, Wabash, Wells, and Whitley counties) has averaged approximately 6,200 jobs each of the past three years. Although manufacturing was a driver of much of this growth, job increase in manufacturing has slowed over the last three years." According to the report, "manufacturing increases accounted for almost 60 percent of all employment gains in 2011 and less than 40 percent of those gains in 2013." This is an indication of the growing diversity within the local economy.

The 10 counties within the Northeast Indiana region referred to above are all within the Fort Wayne International Airport catchment area. The activity at Fort Wayne International Airport continues to reflect improvements in the local economy as the number of passenger enplanements increased 5.0 percent from 284,465 in 2012 to 298,661 in 2013. This is the fourth consecutive year of enplanement increases. The expectations are that the level of enplanements will continue to rise during 2014. The airlines' cost per enplaned passenger decreased from \$9.40 in 2012 to \$8.39 in 2013. 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 the last quarter of 2013, the Authority was successful in obtaining new air service to Phoenix, Arizona. 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 15.1 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 705 in 2012 to 845 in 2013. This is the largest number of building permits issued since 2007.

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 hangar access road; upgrade new taxiway and construct new taxiways; construct vehicular parking lot expansion; 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. The Authority will finance most of the projects above with federal and state grants.

At Fort Wayne International, the Authority plans to replace several jet bridges; purchase several snow removal equipment units; 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.

Major Initiatives - The Authority has completed the purchase of several tracts of land just west of the airport to construct a new road to improve access to general aviation facilities. The Authority received federal and state grants to pay almost 92.5 percent of the construction costs for this roadway. In addition, the Authority will relocate its fixed based operations (FBO) building to the west side of the Airport during 2015. This will allow future expansion of the passenger terminal to the area currently occupied by the FBO building. The new road will provide direct access to this new FBO building. In addition, the Authority is on a marketing campaign to improve air service at Fort Wayne International. The Authority is seeking new air service to the East and Northeast to provide better service for Fort Wayne and surrounding communities. The Authority received a Small Community Air Service Development grant from the Department of Transportation to assist in obtaining new nonstop eastbound air service to a major connecting hub. The \$600,000 grant requires participation with matching funds from the local community. The Authority has received commitments from members of the local community to provide the required matching funds. We anticipate obtaining the new air service during the last half of 2014. The Authority is also reaching out to airlines to increase their seat capacities at Fort Wayne International.

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, 2012. This was the twenty-fourth (1989 - 2012) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



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



Robin Strasser, CPA
Director of Administration and Finance



Ronnie C. Portis, CPA
Controller/Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

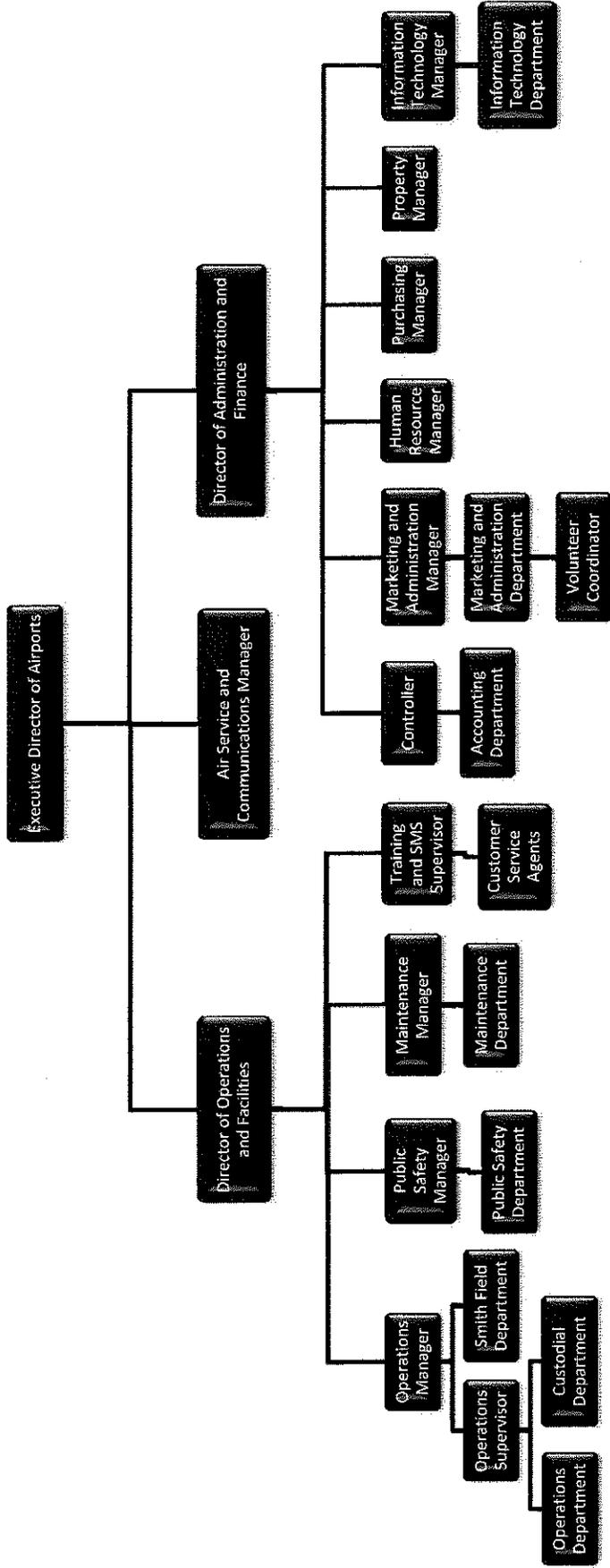
**Fort Wayne-Allen County
Airport Authority, Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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	17
Richard B. "Barry" Sturges, Jr.	Vice President	7
Timothy J. Haffner	Secretary	20
Cornelius "Neil" B. Hayes	Member	11
Jerome "Jerry" F. Henry, Jr.	Member	7
Benjamin "Ben" T. Johnston	Member	6

STAFF

Scott D. Hinderman, AAE	Executive Director of Airports	3
Craig A. Williams, AAE	Director of Operations and Facilities	3
Robin R. Strasser, CPA	Director of Administration and Finance	1
Ronnie C. Portis, CPA	Controller/Treasurer	22

ATTORNEYS

Rothberg, Logan and Warsco LLP	23
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INDEPENDENT AUDITOR

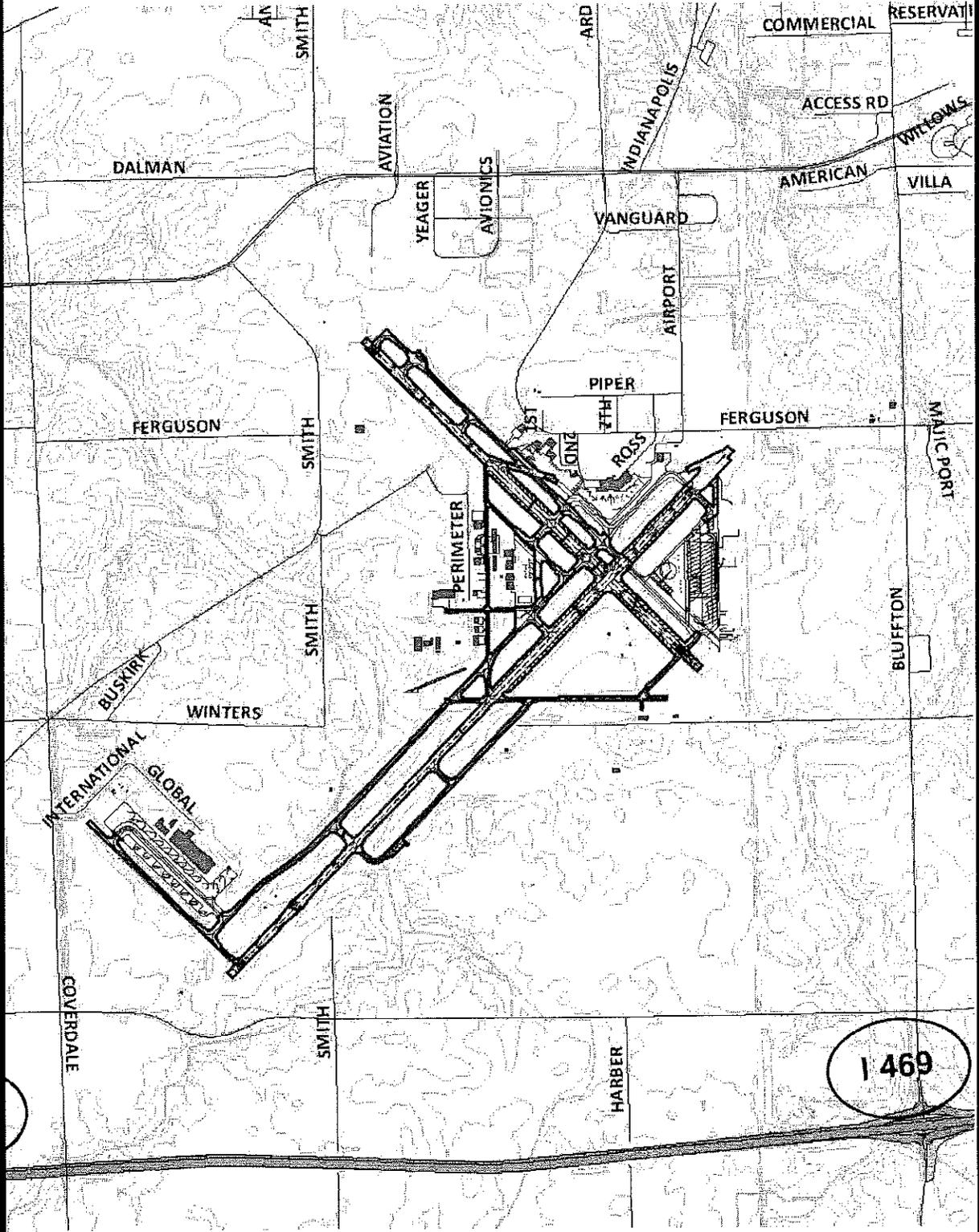
Crowe Horwath LLP	14
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FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP

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**FINANCIAL
SECTION**

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"), a component unit of Allen County, Indiana, which comprise the statement of net position as of December 31, 2013, and the related statements of revenues, expenses and changes in 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. 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, 2013, 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 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 an 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 2, 2014

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, 2013. 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 \$3.1 million as a result of this year's operations. The restricted component of net position increased approximately \$1.3 million or 14.2 percent.

Current assets increased approximately \$2.2 million due to a substantial reduction in capital asset purchases compared to 2012.

Current liabilities decreased \$604,276 due primarily to a reduction in the current portion of long-term debt.

The Authority's bonds and other long-term liabilities decreased by \$2.6 million. This was due primarily to the normal retirement of long-term debt as bond maturities came due.

Capital contributions increased \$439,103 or 16.0 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 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 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, property and other taxes, 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 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 47 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 \$3,142,280 or 2.9 percent from 2012 to 2013. The growth in net position is attributed to increases in all components of net position: net investment in capital assets increased approximately \$1.7 million; restricted net position increased

approximately \$1.3 million; and unrestricted net position increased \$169,562. Net investment in capital assets increased due to the normal retirement of long-term debt as bond maturities came due. Restricted net position increased primarily due to increases in federal and state grants receivable, and increases in cumulative building cash and investments. Unrestricted net position increased due to increases in cash and investments that more than offset increases in accounts payable and advance rent. The increase in net position indicates that the Authority's financial position improved from 2012. 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 increased approximately \$2.2 million or 10.8 percent due to a reduction in the use of cash and investments to purchase capital assets. During 2012, the Authority used approximately \$3.9 million in cash to purchase land for the construction of a new roadway to the west side of the Airport. The Authority also used approximately \$4.5 million to purchase or to construct other capital assets.

Current liabilities decreased \$604,276 or 11.2 percent due to a reduction in the current portion of long-term debt. This reduction in the current portion of long-term debt was due to the retirement of the Authority's 2004 bonds on January 1, 2014. The reduction in the current portion of long-term debt more than offset increases in accounts payable and advance rent.

Deferred outflows of resources decreased 26.6 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 (77.9 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, 9.2 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; debt service cash, restricted by state law, that can only be used to pay debt service on the 2011 bonds; 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 (12.9 percent) of \$14,266,614 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 2013 net position compared to 2012 follows:

Authority's Net Position				
	2013	2012	Increase (Decrease)	Percent Change
Current assets	\$ 22,270,316	\$20,095,404	\$2,174,912	10.8%
Other noncurrent assets	5,950,653	6,263,382	(312,729)	(5.0)
Capital assets (net)	<u>98,436,763</u>	<u>100,234,798</u>	<u>(1,798,035)</u>	(1.8)
Total assets	<u>126,657,732</u>	<u>126,593,584</u>	<u>64,148</u>	0.1
Deferred outflows of resources.	<u>92,311</u>	<u>125,747</u>	<u>(33,436)</u>	(26.6)
Total assets and deferred outflows of resources.	126,750,043	126,719,331	30,712	0.0
Current liabilities	4,808,472	5,412,748	(604,276)	(11.2)
Noncurrent liabilities				
Other noncurrent liabilities . .	1,438,818	1,381,110	57,708	4.2
Bonds and other long-term debt	<u>9,525,000</u>	<u>12,090,000</u>	<u>(2,565,000)</u>	(21.2)
Total liabilities	<u>15,772,290</u>	<u>18,883,858</u>	<u>(3,111,568)</u>	(16.5)
Net position:				
Net investment in capital assets	86,439,074	84,742,931	1,696,143	2.0
Restricted	10,272,065	8,995,490	1,276,575	14.2
Unrestricted	<u>14,266,614</u>	<u>14,097,052</u>	<u>169,562</u>	1.2
Total net position	<u>\$110,977,753</u>	<u>\$107,835,473</u>	<u>\$3,142,280</u>	2.9

Changes in Net Position - Operating revenues increased \$366,804 (or 3.8 percent) from 2012 to 2013. An increase (12.3 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. The Airfield (\$143,318 increase) accounted for some of the increase due to revenues from the temporary increase in air cargo activity during September, November and December 2013.

Federal operating grant revenues decreased \$84,766. The Authority received a Law Enforcement Officer Reimbursement grant from the U.S. Department of Homeland Security in 2012. The Authority did not receive this grant in 2013.

Reliever airport expenses increased approximately \$109,000, or 18.9 percent, due to various increases in supplies, materials and equipment: Repair parts increased \$6,500; signage for the airfield and renovated fixed base operations (FBO) building increased \$11,000; computer equipment and supplies increased \$12,000; small furnishings, artwork and equipment for the FBO building increased \$10,500; and fuel and oil supplies for resale increased \$28,500. In addition, other services and charges, including a hangar assessment for building code compliance and broker commissions, accounted for the remaining increase.

Administrative operating expenses increased approximately \$333,000, or 13.6 percent, due to an approximate \$195,000 increase in personal service expenses for filling positions that had been vacant in 2012. In addition, increases in other services and charges accounted for the remaining increase.

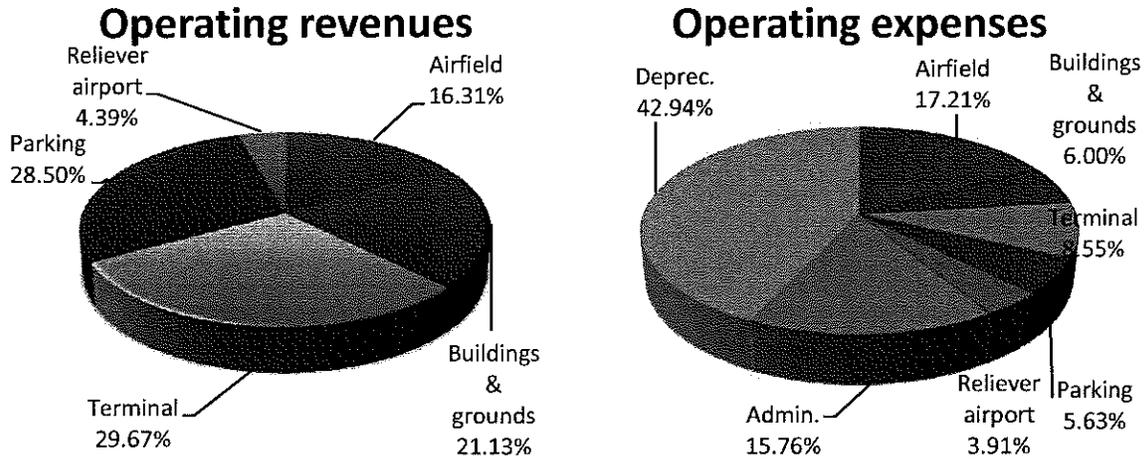
Capital contributions increased 16.0 percent due to increases in the amount of federal and state grants received.

A summary of the Authority's 2013 changes in net position compared to 2012 follows below.

Authority's Changes in Net Position

	2013	2012	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	\$ 1,618,892	\$ 1,475,574	\$ 143,318	9.7%
Buildings and grounds . . .	2,097,557	1,867,646	229,911	12.3
Terminal.	2,944,923	3,056,045	(111,122)	(3.6)
Parking	2,829,131	2,695,420	133,711	5.0
Reliever airport.	435,806	464,820	(29,014)	(6.2)
Total operating revenues. . .	<u>9,926,309</u>	<u>9,559,505</u>	366,804	3.8
Nonoperating revenues:				
Property and other taxes. .	6,674,720	6,713,816	(39,096)	(0.6)
Federal operating grant . .	---	84,766	(84,766)	(100.0)
Passenger facility charges.	1,215,576	1,138,258	77,318	6.8
Customer facility charges .	244,493	210,792	33,701	16.0
Interest income	76,289	94,787	(18,498)	(19.5)
Gain on capital asset disposal	9,811	20,395	(10,584)	(51.9)
Net nonoperating revenues . .	<u>8,220,889</u>	<u>8,262,814</u>	(41,925)	(0.5)
 Total revenues.	 <u>18,147,198</u>	 <u>17,822,319</u>	 <u>324,879</u>	 1.8
Operating expenses:				
Airfield.	3,026,447	2,909,812	116,635	4.0
Buildings and grounds . . .	1,055,449	1,121,225	(65,776)	(5.9)
Terminal.	1,502,978	1,620,862	(117,884)	(7.3)
Parking	989,986	1,009,371	(19,385)	(1.9)
Reliever airport.	688,311	578,843	109,468	18.9
Administration.	2,771,753	2,438,987	332,766	13.6
Depreciation.	7,551,117	7,559,693	(8,576)	(0.1)
Total Operating expenses. . .	<u>17,586,041</u>	<u>17,238,793</u>	347,248	2.0
Nonoperating expenses	<u>607,545</u>	<u>731,133</u>	(123,588)	(16.9)
 Total expenses.	 <u>18,193,586</u>	 <u>17,969,926</u>	 <u>223,660</u>	 1.2
Loss before capital contributions . . .				
	(46,388)	(147,607)	101,219	(68.6)
Capital contributions	<u>3,188,668</u>	<u>2,749,565</u>	439,103	16.0
Increase in net position. . .	3,142,280	2,601,958	540,322	20.8
Total net position, beginning	<u>107,835,473</u>	<u>105,233,515</u>	<u>2,601,958</u>	2.5
Total net position, ending. .	<u>\$110,977,753</u>	<u>\$107,835,473</u>	<u>\$3,142,280</u>	2.9

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2013:



Capital Asset Activity

During 2013, the Authority expended approximately \$5.8 million for capital improvements. The Authority completed the following projects at Fort Wayne International: purchased the final parcel of land for roadway construction for \$478,000; and purchased 2 way digital radio systems for \$260,000. In addition, the Authority completed two projects that began in 2012 or earlier: Perimeter fence for \$2.1 million and runway guard light installation for \$615,000. Several projects, including the construction of a west side access road, Terminal building electrical capacity, and overlay zoning projects were unfinished at yearend. These projects are being financed primarily with federal and state grants.

In addition, the Authority completed the renovation of the fixed based operations building for \$234,000 and completed the installation of a fuel farm for \$323,000 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 2013. The Authority has a legal debt limit of \$85,202,752 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 \$85,202,752 as of December 31, 2013. 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 2014, the operating, debt service and cumulative building tax rates are .0293, .0151, and .0033, respectively. The rates are per \$100 of assessed value and will be applied on an assessed value of \$12,913,262,282. These rates compare to the 2013 rates for operating, debt service and cumulative building of .0289, .0149 and .0033, 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, 2013

ASSETS	Totals
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2.....	\$ 7,871,336
Investments--note 2.....	8,930,000
Accounts receivable, net of allowance.....	124,446
Unbilled revenue.....	107,928
Property tax receivables, net of allowance--note 1.....	54,559
Other receivables.....	24,987
Inventory--note 4.....	164,305
Prepaid items.....	265,660
Total unrestricted assets.....	<u>17,543,221</u>
Restricted assets:	
Cash and cash equivalents-including \$1,088,323 held by trustee--notes 2 and 3.....	2,849,250
Investments--notes 2 and 3.....	260,024
Passenger facility charge receivable.....	120,375
Federal and state grants receivable.....	1,452,370
Property tax receivables, net of allowance--note 1.....	28,129
Other receivables.....	16,947
Total restricted assets.....	<u>4,727,095</u>
Total current assets.....	<u>22,270,316</u>
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including \$7,259 held by trustee--notes 2 and 3.....	134,447
Investments--notes 2 and 3.....	5,809,976
Property tax receivable, net of allowance--note 1.....	6,230
Total restricted assets.....	<u>5,950,653</u>
Capital assets, net--note 5.....	<u>98,436,763</u>
Total noncurrent assets.....	<u>104,387,416</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding bonds.....	92,311
Total assets and deferred outflows of resources.....	<u>\$ 126,750,043</u>

LIABILITIES AND NET POSITION

	<u>Totals</u>
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable.....	\$ 1,104,472
Accrued liabilities.....	429,906
Advance rent.....	<u>303,411</u>
 Total unrestricted.....	 <u>1,837,789</u>
Payable from restricted:	
Accounts payable.....	127,188
Current portion of long-term debt--note 9.....	2,565,000
Accrued interest on long-term debt.....	<u>278,495</u>
 Total restricted.....	 <u>2,970,683</u>
 Total current liabilities.....	 <u>4,808,472</u>
 NONCURRENT LIABILITIES:	
Net other postemployment benefits obligation--note 8.....	503,584
Net pension obligation--note 7.....	54,903
Accrued compensated absences.....	880,331
Bonds and other long-term debt, net--note 9.....	<u>9,525,000</u>
 Total noncurrent liabilities.....	 <u>10,963,818</u>
 Total liabilities.....	 <u>15,772,290</u>
 NET POSITION:	
Net investment in capital assets.....	86,439,074
Restricted for:	
Debt service.....	2,110,167
Capital projects.....	8,161,898
Unrestricted.....	<u>14,266,614</u>
 Total net position.....	 <u>110,977,753</u>
 Total liabilities and net position.....	 <u>\$ 126,750,043</u>

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

	Totals
OPERATING REVENUES:	
Airfield.....	\$ 1,618,892
Buildings and grounds.....	2,097,557
Terminal.....	2,944,923
Parking.....	2,829,131
Reliever airport.....	435,806
Total operating revenues.....	9,926,309
OPERATING EXPENSES:	
Airfield.....	3,026,447
Buildings and grounds.....	1,055,449
Terminal.....	1,502,978
Parking.....	989,986
Reliever airport.....	688,311
Administration.....	2,771,753
Depreciation.....	7,551,117
Total operating expenses.....	17,586,041
LOSS FROM OPERATIONS.....	(7,659,732)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes.....	6,674,720
Passenger facility charge.....	1,215,576
Customer facility charge.....	244,493
Interest income.....	76,289
Interest expense.....	(607,545)
Gain on disposal of capital assets.....	9,811
Net nonoperating revenues (expenses).....	7,613,344
LOSS BEFORE CAPITAL CONTRIBUTIONS.....	(46,388)
CAPITAL CONTRIBUTIONS:	
Federal and state grants.....	3,188,668
INCREASE IN NET POSITION.....	3,142,280
NET POSITION:	
Total net position, beginning of year.....	107,835,473
Total net position, end of year.....	\$ 110,977,753

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, 2013

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers.....	\$ 10,124,115
Payments to suppliers.....	(4,387,128)
Payments to employees.....	(3,884,895)
Payments of benefits on behalf of employees.....	(1,606,973)
Refunds and return of customer deposits.....	(3,160)
Net cash provided by operating activities.....	241,959
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes.....	4,412,115
Net cash provided by noncapital financing activities.....	4,412,115
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes.....	2,267,743
Acquisition and construction of capital assets.....	(5,390,482)
Sale of capital assets.....	32,832
Principal paid on bonds and other long-term debt.....	(3,510,000)
Interest paid on bonds and other long-term debt.....	(659,927)
Capital grant receipts.....	2,229,947
Passenger facility charge receipts.....	1,247,276
Customer facility charge receipts.....	228,017
Net cash used in capital and related financing activities.....	(3,554,594)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(20,000,000)
Proceeds from sale and maturities of investment securities.....	25,000,000
Interest received on investments.....	88,536
Net cash provided by investing activities.....	5,088,536
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	6,188,016
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	4,667,017
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 10,855,033

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2013

	Totals
Reconciliation of operating loss to net cash used in operating activities:	
Loss from operations.....	\$ (7,659,732)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation.....	7,551,117
Bad debt expense.....	8,522
Changes in assets and liabilities:	
Accounts receivable and unbilled revenue.....	139,929
Other assets.....	103,494
Accounts payable.....	(3,456)
Accrued liabilities.....	7,118
Net OPEB and net pension obligation.....	94,967
Net cash provided by operating activities.....	\$ 241,959

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital assets included in accounts payable.....	\$ 798,524
Capital assets acquired in lease transaction.....	155,000
Capital contributions from federal and state grants.....	958,721

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 financial benefit or burden relationship with Allen County in addition to 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:

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

A. 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.

B. Financial Benefit or Burden Relationship

Allen County is ultimately responsible to levy a backup tax to pay the debt service on the Authority's 2004 Bonds if the Authority is unable to do so.

In addition to meeting the fiscal dependency criterion, the Authority receives a financial benefit from Allen County in that Allen County entered into an agreement to levy a tax to pay debt service to the Fort Wayne International Airport Building Corporation, if the Authority did not have sufficient revenues to pay the revenues and was unable to levy a backup tax.

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 by selling tax-exempt bonds. 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-Allen County Airport Authority
Notes to Financial Statements-Continued

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 FWIAATCEC 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

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

Pronouncements.

The Authority adopted GASB Statement No. 61, The Financial Reporting Entity: Omnibus, effective on January 1, 2013. This Statement is an amendment of GASB Statements No. 14 and No. 34. It modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the financial reporting entity display and disclosure requirements. The adoption of this Statement has no 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.

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

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 \$3,694,355 at December 31, 2013.

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

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

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

In accordance with Financial Accounting Standards Board Statement No. 34, interest during construction periods, when significant, is capitalized and included in the cost of capital assets. The Authority incurred total interest cost of \$607,545 for the year ended December 31, 2013. The Authority did not capitalize any interest in 2013.

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.

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

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

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

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, 2012
Levy date	January 1, 2013
Tax bills mailed	April 1 and October 1, 2013
First installment payment due	May 10, 2013
Second installment payment due	November 10, 2013
Authority collection dates	June and December, 2013
Tax sale - 2013 delinquent property taxes	August, 2015

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 \$199,114 with an allowance of \$110,196 for delinquent taxes, at December 31, 2013.

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 2013.

Budgetary Compliance - The State of Indiana requires the Authority to legally adopt a budget annually. The basis of budgetary adoption and compliance is

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

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, 2013, consist of the following:

	<u>Amount</u>
Cash and Cash Equivalents:	
Current.	\$ 7,871,336
Current, restricted	2,849,250
Noncurrent, restricted	<u>134,447</u>
	<u>10,855,033</u>
Investments:	
Current.	8,930,000
Current, restricted.	260,024
Noncurrent, restricted	<u>5,809,976</u>
	<u>15,000,000</u>
	<u>\$25,855,033</u>

Deposits and investments with financial institutions at December 31, 2013 are as follows:

Cash deposits.	\$ 9,858,877
Certificates of deposit (CD's)	<u>15,000,000</u>
Total deposits	<u>\$24,858,877</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and CD's are insured by the

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

Federal Deposit Insurance Corporation (FDIC) at each bank for a combined total of up to \$250,000. Deposits in excess of \$250,000 for cash deposits and CD's 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 \$1,250,000 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2013, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds \$ 1,095,582

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 collateralized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2013, 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.

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

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:

	<u>Amount</u>
Pursuant to the FWIABC Improvement Refunding Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account	\$ 1,080,337
Bond Operation and Reserve Account	7,986
 Pursuant to the FWIAATCBC First Mortgage Taxable Refunding Bonds of 2011 Trust Indenture:	
Bond Sinking Fund Account	7,259
Bond Operation and Reserve Account	---
Property Tax Revenues Reserved for Debt Service.	621,223
 Pursuant to the Aviation Safety and Capacity Expansion Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account	643,728
 Pursuant to the Cumulative Building Fund	
Account Established in 2001.	6,565,976
 Security Deposits.	127,188
 Total.	\$ 9,053,697

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.

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Notes to Financial Statements-Continued

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, 2013.

NOTE 4 INVENTORIES

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

	<u>Amount</u>
Supply inventories held for consumption.	\$ 114,994
Fixed based operator inventories held for resale	<u>49,311</u>
Total inventories.	<u>\$ 164,305</u>

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

NOTE 5 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 19,928,927	\$ 477,579	\$ ---	\$ 20,406,506
Intangibles	118,357	---	---	118,357
Work in progress	<u>3,159,283</u>	<u>4,021,340</u>	<u>3,442,669</u>	<u>3,737,954</u>
Total capital assets, not being depreciated	<u>23,206,567</u>	<u>4,498,919</u>	<u>3,442,669</u>	<u>24,262,817</u>
Capital assets, being depreciated:				
Buildings and improvements . .	73,588,309	659,200	192,828	74,054,681
Infrastructure items	133,710,153	2,949,113	226,786	136,432,480
Intangibles	2,598,997	25,570	147,606	2,476,961
Equipment	<u>9,055,174</u>	<u>1,085,970</u>	<u>237,218</u>	<u>9,903,926</u>
Total capital assets, being depreciated	<u>218,952,633</u>	<u>4,719,853</u>	<u>804,438</u>	<u>222,868,048</u>
Less accumulated depreciation for:				
Buildings and improvements . .	42,536,389	2,745,213	169,873	45,111,729
Infrastructure items	92,429,736	4,079,866	226,720	96,282,882
Intangibles	1,141,873	204,623	147,606	1,198,890
Equipment	<u>5,816,404</u>	<u>521,415</u>	<u>237,218</u>	<u>6,100,601</u>
Total accumulated depreciation	<u>141,924,402</u>	<u>7,551,117</u>	<u>781,417</u>	<u>148,694,102</u>
Net capital assets	<u>\$100,234,798</u>	<u>\$ 1,667,655</u>	<u>\$ 3,465,690</u>	<u>\$ 98,436,763</u>

All depreciation expense, \$7,551,117 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 2013 are as follows:

	Rate Per \$100	Property Tax Levies
Operating	\$.0289	\$ 3,693,539
Debt Service0149	1,904,282
Cumulative Building	<u>.0033</u>	<u>421,754</u>
Total	<u>\$.0471</u>	<u>\$ 6,019,575</u>

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

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 9 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	\$ 306,276
Interest on net pension obligation	2,583
Adjustment to annual required contribution	<u>(3,007)</u>
Annual pension cost	305,852
Contributions made	<u>(289,215)</u>
Increase in net pension obligation	16,637
Net pension obligation, beginning of year	<u>38,266</u>
Net pension obligation, end of year	<u>\$ 54,903</u>

The annual required contribution was determined as part of the June 30, 2013 actuarial valuation using the entry age normal actuarial cost method. The

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

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, 2013, was 15 years.

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

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 301,613	64%	\$ 12,560
2012	320,587	92	38,266
2013	305,852	95	54,903

Funded Status and Funding Progress - As of June 30, 2013, the most recent actuarial valuation date, the plan was 43.6 percent funded. The actuarial accrued liability for benefits was \$4.5 million and the actuarial value of assets was \$2.1 million, resulting in an unfunded actuarial liability of \$2.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.5 million, and the ratio of the unfunded actuarial liability to covered payroll was 79.2 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

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

State Legislature, and may be amended only by this body. During 2013, the Authority contributed \$105,156 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 \$179 per month for the retiree and \$197 for the spouse. Under Option 2, each retiree contributes \$120 per month for the retiree and \$150 for the spouse. For the year ended December 31, 2013, five (number of participants currently eligible) retirees contributed \$12,041 and the Authority contributed \$45,472 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	\$ 132,108
Interest on net OPEB obligation	12,758
Adjustment to annual required contribution	<u>(21,064)</u>
Annual OPEB cost (expense)	123,802
Contributions made	<u>(45,472)</u>
Increase in net OPEB obligation	78,330
Net OPEB obligation, beginning of year	<u>425,254</u>
Net OPEB obligation, end of year	<u>\$ 503,584</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years were

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
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as follows:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 84,289	32.1%	\$ 383,144
2012	87,007	51.6	425,254
2013	123,802	36.7	503,584

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

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

method on an open basis. The remaining amortization period at December 31, 2013 was 24 years.

NOTE 9 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

<u>Revenue Bonds</u>	<u>Amount</u>
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport Building Corporation--	
Final principal of \$1,055,000 is payable on January 1, 2014.	
Final interest at 3.75 to 5.0% is due on January 1, 2014	
	\$ 1,055,000
First Mortgage Federally Taxable Refunding Bonds of 2011:	
Fort Wayne International Airport Air Trade Center Building Corporation	
Principal payable semi-annually on January 15, 2014 to January 15, 2020 in payments ranging from \$975,000 in 2020 to \$1,875,000 in 2019.	
Interest at 3.3 to 5.54% due semi- annually on January 15 and July 15	
	<u>11,035,000</u>
Total bonds	12,090,000
Less: Current portion.	(2,565,000)
	<u>\$ 9,525,000</u>

The Authority has a legal debt limit of \$85,202,752 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 \$85,202,752 as of December 31, 2013.

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

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

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.

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Notes to Financial Statements-Continued

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, 2013:

Debt Service Requirements

Years ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	<u>2,850,000</u>	<u>159,275</u>	<u>3,009,275</u>
	<u>\$12,090,000</u>	<u>\$ 2,026,460</u>	<u>\$14,116,460</u>

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2013, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term liabilities:					
Compensated absences.	\$ <u>1,138,547</u>	\$ <u>248,796</u>	\$ <u>(297,165)</u>	\$ <u>1,090,178</u>	\$ <u>209,848</u>
Bonds and other long-term debt:					
Revenue bonds	15,600,000	---	(3,510,000)	12,090,000	2,565,000
Plus premiums	<u>17,614</u>	---	<u>(17,614)</u>	---	---
Total bonds and other long-term debt	<u>15,617,614</u>	---	<u>(3,527,614)</u>	<u>12,090,000</u>	<u>2,565,000</u>
Total bonds and long-term liabilities	<u>\$16,756,161</u>	<u>\$ 248,796</u>	<u>\$(3,824,779)</u>	<u>\$13,180,178</u>	<u>\$ 2,774,848</u>

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Notes to Financial Statements-Continued

NOTE 10 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2013, the Authority was obligated for completion of road development, master plan, terminal building improvements, land and equipment purchases, and various smaller projects under commitments aggregating \$3,231,682 with an estimated \$2,664,951 eligible for reimbursement at 92.5 percent from the FAA and the State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2013, 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 59.3 percent of the accounts receivable balances as of December 31, 2013.

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:	
2014	\$ 3,297,827
2015	2,386,095
2016	1,782,506
2017	1,442,007
2018	507,940
Later Years	<u>1,302,031</u>
Total	<u>\$10,718,406</u>

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

The schedule above includes changes in rental rates that became effective on January 1, 2014. These rates are adjusted annually.

Contingent rentals and fees aggregated \$5,431,123 for the year ended December 31, 2013.

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

NOTE 12 MAJOR CUSTOMERS

During the year ended December 31, 2013, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 10.6 percent of operating revenues.

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

**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)
7/1/04	\$2,101,867	\$1,508,381	\$ 593,486	139.3%	\$2,910,443	20.4%
7/1/05	2,193,053	1,943,705	249,348	112.8	2,981,697	8.4
7/1/06	2,603,064	2,028,014	575,050	128.4	3,049,154	18.9
7/1/07	2,932,891	2,430,873	502,018	120.7	3,294,131	15.2
7/1/08	3,248,909	2,966,134	282,775	109.5	3,535,802	8.0
7/1/09	3,159,739	3,172,161	(12,422)	100.0	3,642,394	(0.3)
7/1/10	2,475,767	3,506,990	(1,031,223)	70.6	3,389,644	(30.4)
6/30/11	1,981,528	3,504,141	(1,522,613)	56.5	3,442,666	(44.2)
6/30/12	1,868,775	3,914,381	(2,045,606)	47.7	3,644,027	(56.1)
6/30/13	2,111,405	4,485,456	(2,734,051)	43.6	3,450,666	(79.2)

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

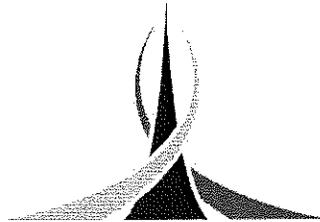
Retiree Healthcare Plan

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
12/31/13 (B)	0	N/A	N/A	N/A	3,505,194	N/A

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

Note B: No actuarial valuations were completed on December 31, 2011 and December 31, 2013.

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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, 2013

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents.....	\$ 7,871,336	\$ -	\$ -	\$ 7,871,336
Investments.....	8,930,000	-	-	8,930,000
Accounts receivable, net of allowance.....	124,446	-	-	124,446
Unbilled revenue.....	107,928	-	-	107,928
Property tax receivable, net of allowance.....	54,559	-	-	54,559
Other receivables.....	24,987	-	-	24,987
Inventory.....	164,305	-	-	164,305
Prepaid items.....	265,660	-	-	265,660
Total unrestricted assets.....	17,543,221	-	-	17,543,221
Restricted assets:				
Cash and cash equivalents.....	2,841,237	8,013	-	2,849,250
Investments.....	260,024	-	-	260,024
Passenger facility charge receivable.....	120,375	-	-	120,375
Federal and state grants receivable.....	1,452,370	-	-	1,452,370
Property tax receivable, net of allowances.....	28,129	-	-	28,129
Other receivables.....	16,947	-	-	16,947
Total restricted assets.....	4,719,082	8,013	-	4,727,095
Total current assets.....	22,262,303	8,013	-	22,270,316
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents.....	127,188	-	7,259	134,447
Investments.....	5,809,976	-	-	5,809,976
Property tax receivable, net of allowance.....	6,230	-	-	6,230
Total restricted assets.....	5,943,394	-	7,259	5,950,653
Capital assets, net.....	98,436,763	-	-	98,436,763
Total noncurrent assets.....	104,472,468	-	7,259	104,387,416
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding bonds.....	92,311	-	-	92,311
Total assets and deferred outflows of resources.....	\$ 126,734,771	\$ 8,013	\$ 7,259	\$ 126,750,043

	Authority	FWIABC	FWIAATCBC	Totals
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable.....	\$ 1,104,472	\$ -	\$ -	\$ 1,104,472
Accrued liabilities.....	429,906	-	-	429,906
Advance rent.....	303,411	-	-	303,411
Total unrestricted.....	1,837,789	-	-	1,837,789
Payable from restricted:				
Accounts payable.....	127,188	-	-	127,188
Current portion of long-term debt.....	2,565,000	-	-	2,565,000
Accrued interest on long-term debt.....	278,495	-	-	278,495
Total restricted.....	2,970,683	-	-	2,970,683
Total current liabilities.....	4,808,472	-	-	4,808,472
NONCURRENT LIABILITIES:				
Net other postemployment benefits obligation.....	503,584	-	-	503,584
Net pension obligation.....	54,903	-	-	54,903
Accrued compensated absences.....	880,331	-	-	880,331
Bonds and other long-term debt, net.....	9,525,000	-	-	9,525,000
Total noncurrent liabilities.....	10,963,818	-	-	10,963,818
Total liabilities.....	15,772,290	-	-	15,772,290
NET POSITION:				
Net investment in capital assets.....	86,439,074	-	-	86,439,074
Restricted for:				
Debt service.....	2,094,895	8,013	7,259	2,110,167
Capital projects.....	8,161,898	-	-	8,161,898
Unrestricted.....	14,266,614	-	-	14,266,614
Total net position.....	110,962,481	8,013	7,259	110,977,753
Total liabilities and net position.....	\$ 126,734,771	\$ 8,013	\$ 7,259	\$ 126,750,043

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

	Authority	FWIABC	FWIAATCBC	Totals
OPERATING REVENUES:				
Airfield.....	\$ 1,618,892	\$ -	\$ -	\$ 1,618,892
Buildings and grounds.....	2,097,557	-	-	2,097,557
Terminal.....	2,944,923	-	-	2,944,923
Parking.....	2,829,131	-	-	2,829,131
Reliever airport.....	435,806	-	-	435,806
Total operating revenues.....	9,926,309	-	-	9,926,309
OPERATING EXPENSES:				
Airfield.....	3,026,447	-	-	3,026,447
Buildings and grounds.....	1,055,449	-	-	1,055,449
Terminal.....	1,502,978	-	-	1,502,978
Parking.....	989,986	-	-	989,986
Reliever airport.....	688,311	-	-	688,311
Administration.....	2,771,753	-	-	2,771,753
Depreciation.....	7,551,117	-	-	7,551,117
Total operating expenses.....	17,586,041	-	-	17,586,041
LOSS FROM OPERATIONS.....	(7,659,732)	-	-	(7,659,732)
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes.....	6,674,720	-	-	6,674,720
Passenger facility charge.....	1,215,576	-	-	1,215,576
Customer facility charge.....	244,493	-	-	244,493
Interest income.....	76,259	10	20	76,289
Interest expense.....	(607,545)	-	-	(607,545)
Gain on disposal of capital assets.....	9,811	-	-	9,811
Net nonoperating revenues.....	7,613,314	10	20	7,613,344
GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	(46,418)	10	20	(46,388)
CAPITAL CONTRIBUTIONS:				
Federal and state grants.....	3,188,668	-	-	3,188,668
INCREASE IN NET POSITION.....	3,142,250	10	20	3,142,280
NET POSITION:				
Total net position, beginning of year.....	107,820,231	8,003	7,239	107,835,473
Total net position, end of year.....	\$ 110,962,481	\$ 8,013	\$ 7,259	\$ 110,977,753

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2013

	Authority	FWIABC	FWIAATCBC	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 10,124,115	\$ -	\$ -	\$ 10,124,115
Payments to suppliers.....	(4,387,128)	-	-	(4,387,128)
Payments to employees.....	(3,884,895)	-	-	(3,884,895)
Payments of benefits on behalf of employees.....	(1,606,973)	-	-	(1,606,973)
Return of customer deposits.....	(3,160)	-	-	(3,160)
Net cash provided by operating activities.....	241,959	-	-	241,959
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes.....	4,412,115	-	-	4,412,115
Net cash provided by noncapital financing activities.....	4,412,115	-	-	4,412,115
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes.....	2,267,743	-	-	2,267,743
Acquisition and construction of capital assets.....	(5,390,482)	-	-	(5,390,482)
Sale of capital assets.....	32,832	-	-	32,832
Principal paid on bonds and other long-term debt.....	(3,510,000)	-	-	(3,510,000)
Interest paid on bonds and other long-term debt.....	(659,927)	-	-	(659,927)
Capital grant receipts.....	2,229,947	-	-	2,229,947
Passenger facility charge receipts.....	1,247,276	-	-	1,247,276
Customer facility charge receipts.....	228,017	-	-	228,017
Net cash used in capital and related financing activities.....	(3,554,594)	-	-	(3,554,594)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities.....	(20,000,000)	-	-	(20,000,000)
Proceeds from sale and maturities of investment securities.....	25,000,000	-	-	25,000,000
Interest received on investments.....	88,506	10	20	88,536
Net cash provided by investing activities.....	5,088,506	10	20	5,088,536
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	6,187,986	10	20	6,188,016
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	4,651,775	8,003	7,239	4,667,017
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>\$ 10,839,761</u>	<u>\$ 8,013</u>	<u>\$ 7,259</u>	<u>\$ 10,855,033</u>

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2013

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
Reconciliation of operating loss to net cash used in operating activities:				
Loss from operations.....	\$ (7,659,732)	\$ -	\$ -	\$ (7,659,732)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation.....	7,551,117	-	-	7,551,117
Bad debt expense.....	8,522	-	-	8,522
Change in assets and liabilities:				
Accounts receivable and unbilled revenue.....	139,929	-	-	139,929
Other assets.....	103,494	-	-	103,494
Accounts payable.....	(3,456)	-	-	(3,456)
Accrued liabilities.....	7,118	-	-	7,118
Net OPEB and net pension obligation.....	94,967	-	-	94,967
Net cash used in operating activities.....	<u>\$ 241,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,959</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital assets included in accounts payable.....	\$ 798,524	\$ -	\$ -	\$ 798,524
Capital assets acquired in lease transaction.....	155,000	-	-	155,000
Capital contributions from federal and state grants.....	958,721	-	-	958,721

**OTHER SUPPLEMENTARY
INFORMATION**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Debt Service Requirements to Maturity
December 31, 2013**

	Principal	Interest	Total
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	27,008	1,002,008
Totals.....	\$ 12,090,000	\$ 2,026,460	\$ 14,116,460

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2013**

Capital Assets (1)

<u>Category</u>	<u>Balance at 01/01/13</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/13</u>
Land.....	\$ 19,928,927	\$ 477,579		\$ 20,406,506
Avigation easements.....	118,357			118,357
Runways and taxiways.....	109,447,844	838,585	\$ 62,726	110,223,703
Buildings.....	73,588,309	659,200	192,828	74,054,681
Roads and parking.....	24,262,309	2,110,528	164,060	26,208,777
Snow equipment.....	4,029,592			4,029,592
Vehicles.....	2,660,140	109,472	93,996	2,675,616
Other equipment.....	2,365,442	976,498	143,222	3,198,718
Software and data base.....	402,687	25,570		428,257
Master plans.....	2,196,310		147,606	2,048,704
Work in progress.....	3,159,283	4,021,340	3,442,669	3,737,954
Total capital assets.....	\$ 242,159,200	\$ 9,218,772	\$ 4,247,107	\$ 247,130,865

Accumulated Depreciation

<u>Category</u>	<u>Balance at 01/01/13</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/13</u>
Runways and taxiways.....	\$ 81,837,097	\$ 3,005,088	\$ 62,726	\$ 84,779,459
Buildings.....	42,536,390	2,745,213	169,873	45,111,730
Roads and parking.....	10,592,639	1,074,778	163,994	11,503,423
Snow equipment.....	2,482,133	208,782		2,690,915
Vehicles.....	1,581,284	139,306	93,996	1,626,594
Other equipment.....	1,752,986	173,327	143,222	1,783,091
Software and data base.....	260,361	41,080		301,441
Master plans.....	881,512	163,543	147,606	897,449
Total depreciation.....	\$ 141,924,402	\$ 7,551,117	\$ 781,417	\$ 148,694,102

(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, 2013**

Major Revenue Categories	2013 Actual			2013 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield use fees.....	\$ 1,892,889	\$ (33,871)	\$ 1,859,018	\$ 1,723,851	\$ 135,167
Building rent and services.....	3,690,030	242,372	3,932,402	3,547,005	385,397
Land rent.....	388,025	4,664	392,689	397,450	(4,761)
Parking.....	2,829,131	-	2,829,131	2,702,168	126,963
Auto rental.....	958,629	40,574	999,203	900,601	98,602
Restaurant.....	123,007	(1,356)	121,651	113,400	8,251
Other income.....	54,409	21,401	75,810	21,915	53,895
Interest income.....	76,289	12,247	88,536	78,425	10,111
Property and other taxes.....	6,674,720	5,138	6,679,858	6,641,363	38,495
Passenger facility charges.....	1,215,576	31,700	1,247,276	1,073,970	173,306
Customer facility charges.....	244,493	(16,476)	228,017	236,355	(8,338)
Total revenues.....	18,147,198	306,393	18,453,591	17,436,503	1,017,088
Capital contributions:					
Federal grants.....	3,102,488	(955,564)	2,146,924	3,525,000	(1,378,076)
State grants.....	86,180	(3,157)	83,023	97,916	(14,893)
Total capital contributions.....	3,188,668	(958,721)	2,229,947	3,622,916	(1,392,969)
Total.....	\$ 21,335,866	\$ (652,328)	\$ 20,683,538	\$ 21,059,419	\$ (375,881)

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

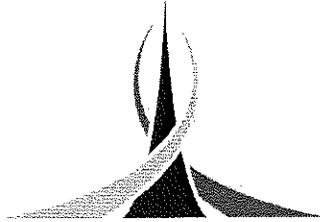
**Schedule of Expenses-Budget and Actual
For the Year Ended December 31, 2013**

Major Expense Categories	2013 Actual					2013 Budget	Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2013 Actual		
PERSONAL SERVICES:							
Salaries and wages.....	\$ 3,685,895	\$ 199,000	\$ 3,884,895	\$ -	\$ 3,884,895	\$ 4,083,802	\$ (198,907)
Employee benefits.....	1,770,599	(163,626)	1,606,973	61,698	1,668,671	1,932,372	(263,701)
Total personal services.....	5,456,494	35,374	5,491,868	61,698	5,553,566	6,016,174	(462,608)
SUPPLIES.....	1,247,238	(125,613)	1,121,625	51,551	1,173,176	1,582,008	(408,832)
CONTRACTUAL SERVICES:							
Professional services.....	632,687	(28,997)	603,690	83,677	687,367	787,539	(100,172)
Utilities.....	671,411	5,132	676,543	4,348	680,891	801,727	(120,836)
Contracted repairs.....	205,036	(44,899)	160,137	50,163	210,300	281,556	(71,256)
Debt service payments.....	607,545	3,558,444	4,165,989	-	4,165,989	4,165,990	(1)
Other contracted services.....	1,822,058	(73,780)	1,748,278	221,148	1,969,426	2,675,101	(705,675)
Total contractual services....	3,938,737	3,415,900	7,354,637	359,336	7,713,973	8,711,913	(997,940)
CAPITAL EXPENDITURES	-	5,478,764	5,478,764	3,766,939	9,245,703	10,500,722	(1,255,019)
DEPRECIATION EXPENSE	7,551,117	(7,551,117)	-	-	-	-	-
Totals.....	\$ 18,193,586	\$ 1,253,308	\$ 19,446,894	\$ 4,239,524	\$ 23,686,418	\$ 26,810,817	\$ (3,124,399)

(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

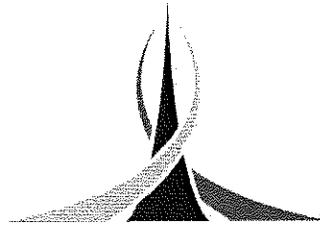
STATISTICAL SECTION

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>
Financial Trends Data These schedules contain trend information to help the reader understand how the Authority's financial position has changed over time.	66
Revenue Capacity These schedules contain information to help the reader assess the Authority's ability to generate its most significant revenues.	70
Debt Capacity These schedules present information to help the reader assess the Authority's current debt level and its ability to issue additional debt in the future.	78
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	82
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	84

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 Net Position
Last Ten Fiscal Years
(Accrual Basis)**

Revenues:	2013	2012	2011	2010
Airfield.....	\$ 1,618,892	\$ 1,475,574	\$ 1,461,088	\$ 1,361,743
Buildings and grounds.....	2,097,557	1,867,646	1,311,808	1,051,735
Terminal.....	2,944,923	3,056,045	3,065,071	3,096,831
Parking.....	2,829,131	2,695,420	2,625,381	2,620,565
Reliever airport.....	435,806	464,820	443,839	420,083
	<u>9,926,309</u>	<u>9,559,505</u>	<u>8,907,187</u>	<u>8,550,957</u>
Interest.....	76,289	94,787	102,068	162,487
Property and other taxes.....	6,674,720	6,713,816	6,310,443	6,783,287
Federal operating grant.....	-	84,766	312,639	131,891
Passenger facility charge.....	1,215,576	1,138,258	1,099,255	1,102,936
Customer facility charge.....	244,493	210,792	32,229	-
Gain (Loss) on disposal of capital assets.....	9,811	20,395	235,461	(409,452)
	<u>18,147,198</u>	<u>17,822,319</u>	<u>16,999,282</u>	<u>16,322,106</u>
Expenses:				
Salaries.....	3,685,895	3,853,582	3,901,809	3,859,845
Benefits.....	1,770,599	1,768,080	1,710,328	1,529,207
Utilities.....	671,411	643,569	653,524	626,467
Supplies and other services.....	3,907,019	3,413,869	3,468,209	3,115,866
Depreciation.....	7,551,117	7,559,693	7,852,015	8,440,999
	<u>17,586,041</u>	<u>17,238,793</u>	<u>17,585,885</u>	<u>17,572,384</u>
Interest.....	607,545	731,133	883,650	1,103,069
	<u>18,193,586</u>	<u>17,969,926</u>	<u>18,469,535</u>	<u>18,675,453</u>
Capital contributions.....	3,188,668	2,749,565	1,962,373	6,461,612
Increase (Decrease) in net position.....	<u>\$ 3,142,280</u>	<u>\$ 2,601,958</u>	<u>\$ 492,120</u>	<u>\$ 4,108,265</u>
Net position at year end is composed of:				
Net Investment in capital assets.....	\$ 86,439,074	\$ 84,742,931	\$ 80,453,062	\$ 82,143,769
Restricted.....	10,272,065	8,995,490	9,288,875	12,260,528
Unrestricted.....	14,266,614	14,097,052	15,491,578	10,380,330
	<u>\$ 110,977,753</u>	<u>\$ 107,835,473</u>	<u>\$ 105,233,515</u>	<u>\$ 104,784,627</u>

Source: Authority's audited financial statements.

2009	2008	2007	2006	2005	2004
\$ 1,429,261	\$ 1,300,430	\$ 1,987,586	\$ 2,516,471	\$ 2,355,553	\$ 2,372,285
1,344,797	1,074,401	2,751,377	3,158,585	3,194,286	3,217,660
3,219,115	2,974,312	3,003,368	3,009,862	3,067,835	3,096,247
2,460,847	2,234,673	2,063,274	1,912,344	1,947,262	1,992,504
402,031	472,174	3,450	10,188	10,166	10,355
8,856,051	8,055,990	9,809,055	10,607,450	10,575,102	10,689,051
344,026	586,039	708,481	875,498	653,412	347,459
7,477,987	4,472,751	4,438,807	4,307,566	4,069,893	4,221,616
130,869	133,531	32,976	-	-	332,513
1,031,684	1,114,786	1,136,120	1,059,924	812,956	887,160
-	-	-	-	-	-
-	41,302	21,617	64,985	184,937	-
17,840,617	14,404,399	16,147,056	16,915,423	16,296,300	16,477,799
4,040,982	4,032,946	3,689,607	3,263,059	3,103,932	3,053,622
1,659,885	1,683,232	1,457,312	1,366,665	1,261,433	1,025,317
634,279	713,684	548,287	499,924	474,522	438,094
3,106,021	3,192,897	3,261,589	2,780,524	3,486,298	3,827,577
8,316,488	8,212,367	8,510,935	8,064,551	7,764,453	7,787,031
17,757,655	17,835,126	17,467,730	15,974,723	16,090,638	16,131,641
1,234,672	1,358,583	1,447,799	1,655,703	1,740,318	2,256,248
18,992,327	19,193,709	18,915,529	17,630,426	17,830,956	18,387,889
6,333,715	2,747,422	573,692	7,999,576	5,098,268	3,350,896
\$ 5,182,005	\$ (2,041,888)	\$ (2,194,781)	\$ 7,284,573	\$ 3,563,612	\$ 1,440,806
\$ 79,747,527	\$ 77,203,394	\$ 78,495,625	\$ 80,087,834	\$ 71,421,904	\$ 66,434,837
10,956,010	8,526,620	6,950,303	12,174,175	6,858,838	5,955,696
9,929,593	9,721,111	12,047,085	7,425,785	14,122,479	16,449,076
\$ 100,633,130	\$ 95,451,125	\$ 97,493,013	\$ 99,687,794	\$ 92,403,221	\$ 88,839,609

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2013	2012	2011	2010
<u>Operating Revenues:</u>				
Airfield.....	\$ 143,519	\$ 88,432	\$ 87,860	\$ 85,097
Passenger airline service charge revenues:				
Landing fees.....	790,258	801,832	838,598	771,177
Jetway rental.....	-	-	-	60,060
Apron fees.....	133,522	146,711	117,899	93,771
Terminal rent.....	1,388,401	1,540,790	1,617,504	1,695,299
Boarding security.....	192,706	183,463	193,652	199,381
PA system.....	-	-	-	1,152
Air Trade Center cargo airline service charge revenues:				
Landing fees.....	-	-	-	-
Apron fees.....	-	-	-	-
Building rent.....	987,752	586,614	165,282	-
Ground rent.....	46,613	135,000	163,910	-
Landing fees-other cargo.....	550,936	438,301	416,731	413,725
Building and grounds.....	777,341	811,403	706,890	774,349
Terminal.....	270,393	250,162	236,029	236,144
Car rental.....	958,629	965,279	913,857	797,778
Restaurant.....	123,007	116,351	111,624	97,557
Parking.....	2,829,131	2,695,420	2,625,381	2,609,642
Farming.....	298,295	334,927	268,131	297,769
Reliever airport.....	435,806	464,820	443,839	420,083
Total operating revenues.....	9,926,309	9,559,505	8,907,187	8,552,984
<u>Non-operating revenues:</u>				
Interest income.....	76,289	94,787	102,068	162,487
Property and other taxes.....	6,674,720	6,713,816	6,310,443	6,783,287
FAA operating grant.....	-	84,766	312,639	131,891
Passenger facility charge.....	1,215,576	1,138,258	1,099,255	1,102,936
Customer facility charge.....	244,493	210,792	32,229	-
Gain on disposal of capital assets.....	9,811	20,395	235,461	-
Total non-operating revenues.....	8,220,889	8,262,814	8,092,095	8,180,601
Total revenues.....	<u>\$ 18,147,198</u>	<u>\$ 17,822,319</u>	<u>\$ 16,999,282</u>	<u>\$ 16,733,585</u>
Enplaned passengers.....	<u>298,661</u>	<u>284,465</u>	<u>277,938</u>	<u>277,101</u>
Passenger airline cost per enplaned passenger.....	<u>\$ 8.39</u>	<u>\$ 9.40</u>	<u>\$ 9.96</u>	<u>\$ 10.18</u>
<u>Signatory airlines rates and charges (1):</u>				
Landing fee (per 1,000 lbs. of max. gross landed weight)....	\$ 2.45	\$ 2.45	\$ 2.44	\$ 2.40
Apron fee (per 1,000 lbs of max. gross landed weight).....	0.42	0.45	0.34	0.29
Annual terminal rental rate (per square foot).....	30.61	33.91	34.80	36.61
<u>Revenue Funding Ratios:</u>				
Parking revenue/commissions per enplaned passenger (2)....	\$ 9.47	\$ 9.48	\$ 9.45	\$ 9.42
Car rental commissions per enplaned passenger.....	3.21	3.39	3.29	2.88
Restaurant commissions per enplaned passenger.....	0.41	0.41	0.40	0.35

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.

2009	2008	2007	2006	2005	2004
\$ 80,212	\$ 105,077	\$ 150,318	\$ 114,741	\$ 125,048	\$ 127,092
777,156	742,078	708,285	708,779	810,523	772,745
61,140	68,410	74,700	86,770	67,900	61,050
98,110	79,058	99,430	98,459	127,494	119,553
1,742,964	1,496,500	1,575,750	1,542,946	1,710,820	1,608,441
186,484	156,490	155,153	169,006	164,476	155,193
1,216	1,504	1,536	1,536	1,504	2,080
84,106	-	546,868	1,041,899	905,647	1,003,269
-	-	43,970	52,765	56,856	54,411
214,364	85,000	1,527,754	2,025,300	2,025,300	2,025,300
-	-	201,957	214,734	208,424	203,338
389,676	374,216	438,715	499,828	329,985	295,215
849,470	829,016	862,507	763,330	807,303	858,527
233,305	244,209	251,575	292,350	230,078	150,258
890,941	896,925	833,162	814,862	782,533	1,002,472
87,323	110,274	111,493	102,392	110,524	116,753
2,460,847	2,234,673	2,063,274	1,912,344	1,947,262	1,992,504
296,706	160,386	159,158	155,221	153,259	130,495
402,031	472,174	3,450	10,188	10,166	10,355
8,856,051	8,055,990	9,809,055	10,607,450	10,575,102	10,689,051
344,026	586,039	708,481	875,498	653,412	347,459
7,477,987	4,472,751	4,438,807	4,307,566	4,069,893	4,221,616
130,869	133,531	32,976	-	-	332,513
1,031,684	1,114,786	1,136,120	1,059,924	812,956	887,160
-	-	-	-	-	-
-	41,302	21,617	64,985	184,937	-
8,984,566	6,348,409	6,338,001	6,307,973	5,721,198	5,788,748
<u>\$ 17,840,617</u>	<u>\$ 14,404,399</u>	<u>\$ 16,147,056</u>	<u>\$ 16,915,423</u>	<u>\$ 16,296,300</u>	<u>\$ 16,477,799</u>
<u>266,176</u>	<u>287,343</u>	<u>298,639</u>	<u>274,889</u>	<u>316,339</u>	<u>338,681</u>
<u>\$ 10.77</u>	<u>\$ 8.85</u>	<u>\$ 8.76</u>	<u>\$ 9.49</u>	<u>\$ 9.11</u>	<u>\$ 8.03</u>
\$ 2.30	\$ 2.06	\$ 1.86	\$ 1.83	\$ 1.77	\$ 1.63
0.29	0.22	0.26	0.25	0.28	0.25
38.44	35.77	36.27	32.24	32.70	32.26
\$ 9.25	\$ 7.78	\$ 6.91	\$ 6.96	\$ 6.16	\$ 5.88
3.35	3.12	2.79	2.96	2.47	2.96
0.33	0.38	0.37	0.37	0.35	0.34

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

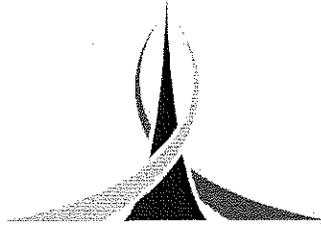
Principal Taxpayers - Name	2013			2004		
	Taxable Assessed Valuation (1)	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation (2)	Rank	Percent of Total Taxable Assessed Valuation
General Motors Corp.....	\$ 236,238,040	1	1.8 %	\$ 187,835,480	1	1.3 %
GGP-Glenbrook-LLC.....	177,681,300	2	1.4	114,700,800	3	0.8
IOM Health Systems.....	143,186,140	3	1.1	69,007,150	6	0.5
Indiana Michigan Power.....	139,773,380	4	1.1	110,710,969	4	0.8
Frontier North Inc.....	107,617,210	5	0.8			
Parkview Health System Inc.....	78,350,726	6	0.6			
Walmart Stores East LP/RE Bus.....	76,470,720	7	0.6			
Frontier Communications Online & LD.	75,963,810	8	0.6			
Uniroyal BF Goodrich.....	61,657,700	9	0.5	70,159,470	5	0.5
St Joseph Health System LLC.....	61,593,490	10	0.5			
Verizon North Inc.....				161,388,790	2	1.1
Meijer.....				57,625,260	7	0.4
Verizon Data Services.....				56,553,910	8	0.4
Regency Canterbury LP.....				54,224,130	9	0.4
ITT Corporation.....				50,256,380	10	0.4
Total of Ten Largest Taxpayers.....	\$ 1,158,532,516		9.1 %	\$ 932,462,339		6.6 %

(1) Represents assessed valuations for taxes due and payable in 2013.

(2) Represents assessed valuations for taxes due and payable in 2004.

Source: Allen County Auditor's Office.

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

1000 WEST WASHINGTON STREET, FORT WAYNE, INDIANA 46802-1000
**FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2013	2012	2011	2010
Operating excise tax.....	\$ 266,372	\$ 271,389	\$ 260,647	\$ 249,758
Aircraft excise tax.....	18,088	18,307	18,071	16,382
Operating intangibles tax.....	15,321	15,256	16,277	15,125
Operating property tax.....	3,301,247	3,253,654	3,212,343	3,151,024
Operating commercial vehicle tax.....	18,037	17,681	18,065	17,016
Cumulative building property tax.....	376,959	357,671	384,085	399,938
Cumulative building excise tax.....	30,416	29,833	31,164	31,700
Cumulative building commercial vehicle tax..	2,060	1,944	2,160	2,160
Cumulative building intangibles tax.....	1,750	1,677	1,946	1,920
County option income tax.....	793,049	783,478	598,423	1,015,608
Debt service property tax.....	1,702,027	1,788,356	1,606,172	1,781,540
Debt service excise tax.....	137,334	149,167	130,324	141,210
Debt service commercial vehicle tax.....	9,299	9,718	9,032	9,620
Debt service intangibles tax.....	7,899	8,386	8,138	8,552
Total Authority tax receipts.....	\$ 6,679,858	\$ 6,706,517	\$ 6,296,847	\$ 6,841,553
Rate per \$100 of assessed valuation.....	0.0471	0.0468	0.0447	0.0440

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

(2) 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)**

	2013	2012	2011	2010
Total tax levy.....	\$ 331,494,358	\$ 324,449,495	\$ 316,973,671	\$ 319,525,460
Current tax collections (2).....	321,700,333	313,264,561	306,407,599	307,284,280
Percent of levy collected.....	97.0%	96.6%	96.7%	96.2%
Delinquent tax collections.....	\$ 9,896,607	\$ 9,423,276	\$ 7,492,374	\$ 5,437,834
Total tax collections.....	331,596,940	322,687,837	313,899,973	312,722,114
Percent of total tax collections to levy.....	100.0%	99.5%	99.0%	97.9%
Outstanding delinquent taxes.....	12,265,024	\$ 14,007,744	\$ 13,781,018	\$ 15,892,667
Percent of delinquent taxes to levy.....	3.7%	4.3%	4.3%	5.0%

(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

2009	2008	2007	2006	2005	2004 (2)
\$ 250,714	\$ 252,375	\$ 251,464	\$ 250,611	\$ 260,396	\$ 351,912
17,134	19,726	15,777	20,780	21,196	20,175
12,438	26,446	26,217	26,570	26,464	52,879
3,154,607	3,113,273	3,052,156	2,953,015	2,806,723	3,859,042
14,504	27,753	26,431	25,343	24,041	44,178
421,466	513,690	503,606	460,045	454,029	726,709
33,496	41,642	41,492	39,382	42,123	65,129
1,938	4,579	4,361	3,983	3,889	7,754
1,662	4,363	4,325	4,175	4,281	9,287
577,664	468,904	485,097	525,511	430,294	563,196
2,669,282	---	---	---	---	---
212,142	---	---	---	---	---
12,272	---	---	---	---	---
10,524	---	---	---	---	---
<u>\$ 7,389,843</u>	<u>\$ 4,472,751</u>	<u>\$ 4,410,926</u>	<u>\$ 4,309,415</u>	<u>\$ 4,073,436</u>	<u>\$ 5,700,261</u>
0.0489	0.0233	0.0233	0.0243	0.0237	0.0225

2009	2008	2007	2006	2005	2004
\$ 337,853,052	\$ 468,378,102	\$ 450,324,056	\$ 423,667,496	\$ 404,939,852	\$ 392,189,991
322,439,869	454,185,187	433,282,315	411,472,985	392,526,880	377,612,575
95.4%	97.0%	96.2%	97.1%	96.9%	96.3%
\$ 12,026,170	\$ 10,843,230	\$ 16,618,199	\$ 9,072,693	\$ 6,754,184	\$ 4,320,258
334,466,039	465,028,417	449,900,514	420,545,678	399,281,064	381,932,833
99.0%	99.3%	99.9%	99.3%	98.6%	97.4%
\$ 19,209,633	\$ 18,780,143	\$ 23,314,369	\$ 15,360,588	\$ 16,878,058	\$ 22,056,911
5.7%	4.0%	5.2%	3.6%	4.2%	5.6%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Assessed Values of Property
Last Ten Fiscal Years (2)**

Allen County	2013	2012	2011	2010
Total assessed value (1).....	\$ 12,780,412,897	\$ 12,741,704,078	\$ 12,674,957,960	\$ 13,112,944,238

(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	2013	2012	2011	2010
Rates per \$100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating.....	\$ 0.0289	\$ 0.0282	\$ 0.0276	\$ 0.0260
Cumulative Building.....	0.0033	0.0031	0.0033	0.0033
Debt Service.....	0.0149	0.0155	0.0138	0.0147
Total direct rates.....	0.0471	0.0468	0.0447	0.0440
Other municipal corporations.....	0.2471	0.2437	0.2365	0.2234
School districts.....	1.0379	0.9519	0.9765	0.9201
Allen County.....	0.5404	0.5279	0.5155	0.5187
City of Fort Wayne.....	0.8295	0.8320	0.8365	0.7880
State of Indiana.....	-	-	-	-
Other.....	0.1337	0.1281	0.1178	0.1110
Totals.....	\$ 2.8358	\$ 2.7304	\$ 2.7275	\$ 2.6052

Levies:				
Airport Authority.....	\$ 6,019,575	\$ 5,963,118	\$ 5,665,706	\$ 5,769,696
Other municipal corporations.....	31,585,725	31,048,245	29,974,604	29,291,300
School districts.....	132,650,109	121,283,379	123,771,008	120,653,166
Allen County.....	69,065,351	67,263,457	65,339,408	68,016,841
City of Fort Wayne.....	106,014,996	106,017,165	106,024,105	103,327,209
State of Indiana.....	-	-	-	-
Other.....	17,088,049	16,316,212	14,936,479	14,558,483
Totals.....	\$ 362,423,805	\$ 347,891,576	\$ 345,711,310	\$ 341,616,695

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

2009	2008	2007	2006	2005	2004
\$ 13,297,615,974	\$ 15,850,468,135	\$ 15,270,870,109	\$ 14,061,977,670	\$ 13,932,934,665	\$ 14,211,493,429

2009	2008	2007	2006	2005	2004
\$ 0.0247	\$ 0.0200	\$ 0.0200	\$ 0.0210	\$ 0.0204	\$ 0.0192
0.0033	0.0033	0.0033	0.0033	0.0033	0.0033
0.0209	-	-	-	-	-
0.0489	0.0233	0.0233	0.0243	0.0237	0.0225
0.2145	0.1736	0.1744	0.1841	0.1806	0.1629
0.8986	1.4403	1.3876	1.5274	1.4790	1.4768
0.4638	0.5795	0.5343	0.5675	0.5452	0.4945
0.7484	0.6274	0.6512	0.5871	0.5566	0.5188
-	0.0205	0.0206	0.0239	0.0235	0.0024
0.1159	0.0922	0.0915	0.0991	0.1011	0.0817
\$ 2.4902	\$ 2.9567	\$ 2.8829	\$ 3.0133	\$ 2.9098	\$ 2.7597

\$ 6,502,534	\$ 3,693,159	\$ 3,558,113	\$ 3,417,060	\$ 3,302,106	\$ 3,197,586
28,526,107	27,512,551	26,639,938	25,888,641	25,169,342	23,150,614
119,496,983	228,289,216	211,904,942	214,781,057	206,066,666	209,871,643
61,673,323	91,851,010	81,596,517	79,801,724	75,962,361	70,275,834
99,523,973	99,440,267	99,440,911	82,560,277	77,554,663	73,735,533
-	3,249,346	3,145,800	3,360,193	3,273,613	341,076
15,414,198	14,608,308	13,972,693	13,938,331	14,092,706	11,617,705
\$ 331,137,118	\$ 468,643,857	\$ 440,258,914	\$ 423,747,283	\$ 405,421,457	\$ 392,189,991

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)
2013.....	845	\$ 187,009,335	\$ 221,313	\$ 12,780,412,897
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

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**

	2013	2012	2011	2010
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds (2).....	\$ 1,055,000	\$ 3,117,614	\$ 5,066,685	\$ 6,951,989
First Mortgage Bonds (2).....	11,035,000	12,500,000	13,935,000	14,984,704
Revenue Bonds (2).....	-	-	-	-
Non-interest bearing loan.....	-	-	-	-
Financing agreement.....	-	-	-	-
 Total outstanding debt.....	 \$ 12,090,000	 \$ 15,617,614	 \$ 19,001,685	 \$ 21,936,693
 Enplaned passengers.....	 298,661	 284,465	 277,938	 277,101
 Debt per enplaned passenger.....	 \$ 40.48	 \$ 54.90	 \$ 68.37	 \$ 79.16
 <u>Debt service per enplaned passenger</u>				
Net debt service.....	\$ 4,169,927	\$ 4,132,603	\$ 4,263,259	\$ 4,174,816
Enplaned passengers.....	298,661	284,465	277,938	277,101
Debt service per enplaned passenger.....	\$ 13.96	\$ 14.53	\$ 15.34	\$ 15.07

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.

(2) Bond balances from 2004 to 2011 have been restated to remove unamortized deferred amount on refunding in accordance with GASB Statement 65.

Source: Authority's audited financial statements

2009	2008	2007	2006	2005	2004
\$ 8,774,257	\$ 10,535,215	\$ 12,254,179	\$ 13,831,074	\$ 15,350,349	\$ 16,148,920
16,177,003	17,313,911	18,394,288	19,428,207	20,411,069	21,353,932
-	-	-	1,443,497	2,116,301	3,132,230
-	16,600	33,200	49,800	66,400	83,000
-	-	-	-	-	-
\$ 24,951,260	\$ 27,865,726	\$ 30,681,667	\$ 34,752,578	\$ 37,944,119	\$ 40,718,082
266,176	287,343	298,639	274,889	316,339	338,681
\$ 93.74	\$ 96.98	\$ 102.74	\$ 126.42	\$ 119.95	\$ 120.23
\$ 4,086,272	\$ 4,100,183	\$ 5,487,179	\$ 4,752,303	\$ 4,470,762	\$ 5,482,530
266,176	287,343	298,639	274,889	316,339	338,681
\$ 15.35	\$ 14.27	\$ 18.37	\$ 17.29	\$ 14.13	\$ 16.19

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
1995 and 1998 Revenue Bonds:				
Gross revenues.....	\$ 18,147,198	\$ 17,822,319	\$ 16,999,282	\$ 16,742,569
Less:				
Building rental revenue (1).....	-	-	152,552	-
Passenger facility charge.....	1,215,576	1,138,258	1,099,255	1,102,936
Customer facility charge.....	244,493	210,792	32,229	-
Gain on disposal of capital assets.....	9,811	20,395	235,461	-
Operating expenses (2).....	<u>10,034,924</u>	<u>9,679,100</u>	<u>9,733,870</u>	<u>9,140,132</u>
	<u>11,504,804</u>	<u>11,048,545</u>	<u>11,253,367</u>	<u>10,243,068</u>
Net revenues available.....	<u>\$ 6,642,394</u>	<u>\$ 6,773,774</u>	<u>\$ 5,745,915</u>	<u>\$ 6,499,501</u>
Debt Service				
Principal.....	\$ -	\$ -	\$ -	\$ -
Interest.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt service coverage.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1998 First Mortgage Bonds (3) and 2011 First Mortgage Taxable Refunding Bonds				
Gross revenues.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,552</u>	<u>\$ -</u>
Debt Service				
Principal.....	\$ 1,465,000	\$ 1,435,000	\$ 1,400,000	\$ 1,205,000
Interest.....	<u>535,427</u>	<u>564,790</u>	<u>720,947</u>	<u>818,316</u>
Total debt service.....	<u>\$ 2,000,427</u>	<u>\$ 1,999,790</u>	<u>\$ 2,120,947</u>	<u>\$ 2,023,316</u>
Debt service coverage.....	<u>-</u>	<u>-</u>	<u>0.07</u>	<u>-</u>

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.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 17,840,617	\$ 14,404,399	\$ 16,147,056	\$ 16,915,423	\$ 16,296,300	\$ 16,477,799
214,364	85,000	1,527,754	2,025,300	2,025,300	2,025,300
1,031,684	1,114,786	1,136,120	1,059,924	812,956	887,160
-	-	-	-	-	-
-	41,302	21,617	-	184,937	-
9,441,167	9,622,759	8,956,795	7,910,172	8,326,185	8,344,610
<u>10,687,215</u>	<u>10,863,847</u>	<u>11,642,286</u>	<u>10,995,396</u>	<u>11,349,378</u>	<u>11,257,070</u>
<u>\$ 7,153,402</u>	<u>\$ 3,540,552</u>	<u>\$ 4,504,770</u>	<u>\$ 5,920,027</u>	<u>\$ 4,946,922</u>	<u>\$ 5,220,729</u>
\$ -	\$ -	\$ 705,000	\$ 675,000	\$ 1,020,000	\$ 965,000
-	-	26,140	74,701	111,470	165,432
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 731,140</u>	<u>\$ 749,701</u>	<u>\$ 1,131,470</u>	<u>\$ 1,130,432</u>
<u>-</u>	<u>-</u>	<u>6.16</u>	<u>7.90</u>	<u>4.37</u>	<u>4.62</u>
<u>\$ 214,364</u>	<u>\$ 85,000</u>	<u>\$ 1,527,754</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>
\$ 1,150,000	\$ 1,095,000	\$ 1,050,000	\$ 1,000,000	\$ 960,000	\$ 920,000
873,846	925,191	973,951	1,014,664	1,058,545	1,100,107
<u>\$ 2,023,846</u>	<u>\$ 2,020,191</u>	<u>\$ 2,023,951</u>	<u>\$ 2,014,664</u>	<u>\$ 2,018,545</u>	<u>\$ 2,020,107</u>
<u>0.11</u>	<u>0.04</u>	<u>0.75</u>	<u>1.01</u>	<u>1.00</u>	<u>1.00</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

<u>Year</u>	<u>Population (1) (2)</u>	<u>Personal Income (Thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2013	363,014	N/A	N/A	7.3 %
2012	360,412	\$ 13,469,114	\$ 37,371	7.9
2011	358,536	12,830,031	35,784	9.1
2010	355,795	12,078,402	33,948	10.3
2009	353,693	11,860,261	33,533	10.2
2008	351,264	12,255,906	34,891	6.0
2007	349,534	12,085,828	34,577	4.7
2006	346,314	11,736,144	33,889	4.9
2005	343,238	10,990,868	32,021	5.2
2004	340,916	10,786,245	31,639	5.2

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**

Principal Employers - Name	2013			2004		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems.....	4,710	1	2.7 %	4,254	1	2.4 %
Lutheran Health Network.....	4,301	2	2.5	2,889	3	1.9
Fort Wayne Community Schools.....	4,230	3	2.4	3,445	2	1.6
General Motors - Truck & Bus Group...	3,909	4	2.2	2,847	4	1.6
Lincoln Financial Group.....	1,970	6	1.1	2,000	5	1.1
The City of Fort Wayne.....	1,814	5	1.0	1,671	7	1.1
Allen County Government.....	1,605	7	0.9	1,993	6	0.9
BF Goodrich.....	1,580	8	0.9			
IPFW.....	1,255	9	0.7			
ITT Exelis.....	1,165	10	0.7			
ITT Aerospace-Communications Div....				1,634	8	0.9
Shambaugh & Sons.....				1,500	9	0.8
SIRVA.....				1,500	10	0.8
Total of Ten Largest Employers.....	26,539		15.1 %	23,733		13.1 %

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

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

Airport Classification: Primary Commercial Service Airport
 Airfield Size: 3,899 Acres Owned Fee Simple

Runway System (and Equipment)	2013	2012	2011	2010
Runway System (and Equipment)				
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	384	768
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	4
Daily Departures.....	19	18	18	18
Car Rental Firms.....	8	8	6	6
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	54	55
Military Based Aircraft.....	20	18	18	21
Airpark Buildings Owned.....	27	27	27	27
Employees				
Administration Full-time.....	16	15	16	16
Administration Part-time.....	1	1	1	2
Maintenance Full-time.....	16	17	16	18
Maintenance Seasonal.....	6	5	6	10
Custodial Full-time.....	5	7	7	6
Public Safety Full-time.....	11	12	12	11
Public Safety Part-time.....	22	16	16	13
CSA Part-time.....	8	8	8	9
Smith Field Full-time.....	2	2	2	1
Smith Field Part-time.....	2	2	2	2
Operations Full-time.....	4	4	4	-

2009	2008	2007	2006	2005	2004
11,981	11,981	11,981	11,981	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
6,059	14,373	14,373	14,373	14,373	14,373
39,557	38,123	38,468	38,468	38,468	38,468
7,858	7,858	7,858	7,858	7,858	7,858
1,536	1,920	1,920	1,920	1,920	1,920
384	384	384	384	384	384
8	8	8	8	8	8
4	4	4	4	4	4
1	1	1	1	1	1
5	6	6	5	5	6
28	25	33	33	35	37
5	5	5	5	5	5
2,167	2,167	2,167	2,068	2,068	1,485
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	2	3	3	3	3
1	1	1	1	1	2
64	68	66	68	69	78
17	15	15	15	15	15
27	27	27	27	22	22
18	18	19	18	18	17
2	1	1	1	1	2
19	19	19	19	19	19
10	10	10	9	10	10
7	7	8	8	8	8
12	13	13	13	13	13
13	14	13	16	-	-
8	9	9	-	-	-
2	3	3	-	-	-
2	2	-	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Airline	2013	Percent of Total 2013	2012	2011	2010
Endeavor Air-Delta/Northwest Airlin.....	106,034	35.50 %	95,552	93,168	85,836
American Eagle.....	75,798	25.38	78,346	73,427	67,379
Allegiant Air.....	61,699	20.66	48,412	41,641	43,537
Skywest-Delta/United Express.....	33,461	11.20	35,884	33,995	40,689
Expressjet-Delta Express.....	19,901	6.66	23,023	7,972	14,933
Charter.....	1,768	0.59	1,590	1,536	1,842
Comair (1).....	---	---	1,658	25,862	9,928
Mesaba-Delta/Northwest Airlin (1).....	---	---	---	245	8,633
Chautaugua- Delta Express (1).....	---	---	---	92	4,324
Continental Connection-Commutair(1).....	---	---	---	---	---
Mesa Airlines-United Express (1).....	---	---	---	---	---
Air Wisconsin (1).....	---	---	---	---	---
Chicago Express- ATA Connection (1).....	---	---	---	---	---
Atlantic Coast (1).....	---	---	---	---	---
Shuttle America (1).....	---	---	---	---	---
Total.....	298,661	100.00 %	284,465	277,938	277,101
Percentage change.....	4.99%		2.35%	0.30%	4.10%

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
47,446	38,689	41,845	43,170	43,774	51,826
62,818	73,304	83,863	74,913	77,308	70,897
37,220	37,332	35,288	---	---	---
24,804	13,663	15,063	28,991	21,842	27,301
31,511	39,007	36,115	20,564	44,601	23,540
1,963	1,587	1,084	801	1,788	1,858
3,133	---	14	15,545	55,600	43,168
11,240	13,936	7,677	12,604	22,198	18,754
30,854	35,076	39,253	43,188	---	9,914
8,799	16,112	13,115	12,352	12,099	10,539
6,388	18,637	25,322	23,846	8,009	---
---	---	---	---	25,190	6,344
---	---	---	---	3,930	17,001
---	---	---	---	---	41,913
---	---	---	---	---	15,626
<u>266,176</u>	<u>287,343</u>	<u>298,639</u>	<u>275,974</u>	<u>316,339</u>	<u>338,681</u>
<u>-7.37%</u>	<u>-3.78%</u>	<u>8.21%</u>	<u>-12.76%</u>	<u>-6.60%</u>	<u>10.65%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Scheduled Air Carriers:	Percent of Total		2012	2011	2010
	2013	2013 %			
Endeavor Air-Delta/Northwest Airlin.....	116,446,600	21.29 %	113,956,100	120,299,500	101,849,000
American Eagle.....	81,796,913	14.95	87,259,196	84,325,073	75,029,219
Allegiant Air.....	57,629,149	10.53	48,509,000	41,819,000	44,848,000
Skywest-United Express.....	45,878,000	8.39	49,450,000	47,644,000	52,157,100
Expressjet-Delta Express.....	21,781,000	3.98	26,455,100	9,460,000	16,027,000
Charter.....	3,636,484	0.66	5,394,484	4,905,484	5,389,200
Comair.....	344,300	0.06	1,927,000	34,263,000	11,374,000
Go Jet.....	198,000	0.04	—	—	—
Mesa Airlines-United Express.....	67,000	0.01	134,000	134,000	67,000
Mesaba-Delta/Northwest Airlin.....	—	—	—	235,000	9,754,500
Chautauqua-Delta Express.....	—	—	—	85,098	4,595,292
Continental Connection - Commutair(1).....	—	—	—	—	—
Northwest(1).....	—	—	—	—	—
Air Wisconsin(1).....	—	—	—	—	—
Shuttle America(1).....	—	—	—	—	—
Chicago Express- ATA(1).....	—	—	—	—	—
Atlantic Coast Airlines(1).....	—	—	—	—	—
Subtotal.....	327,777,446	59.92	333,084,880	343,170,155	321,090,311
Cargo Carriers:					
Federal Express.....	96,830,000	17.70	91,009,000	83,194,000	83,537,700
United Parcel Service.....	86,100,000	15.74	86,100,000	85,260,000	86,520,000
IFL Group.....	15,741,276	2.88	—	—	—
Kalitta Charters.....	11,929,880	2.18	997,440	1,187,460	750,000
USA Jet Airlines.....	5,277,960	0.96	—	—	—
Lynden Air Cargo.....	1,705,000	0.31	—	—	—
C & M Airways, Inc.....	735,300	0.13	—	—	—
Northern Air Cargo.....	694,800	0.13	—	114,000	107,000
Aeronaves T.S.M.....	244,250	0.04	—	—	—
Mountain Air Cargo.....	—	—	44,660	17,000	44,660
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).....	—	—	—	—	—
Subtotal.....	219,258,466	40.08	178,151,100	169,772,460	170,959,360
Grand Total.....	547,035,912	100.00 %	511,235,980	512,942,615	492,049,671
Percentage change.....	7.00%		-0.33%	4.25%	-5.45%

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (3) (5)

Fort Wayne International Airport:

Type of Operation	2013	Percent of Total 2013	2012	2011	2010
Large Air Carrier (1).....	17,855	48.5 %	18,181	19,713	18,900
Small Air Carrier (2).....	---	---	---	---	---
General Aviation.....	15,908	43.2	18,512	15,786	20,193
Military.....	3,082	8.5	3,734	2,859	1,868
Subtotal-International.....	<u>36,845</u>	<u>100.0</u>	<u>40,427</u>	<u>38,358</u>	<u>40,961</u>

Smith Field Airport:

General Aviation(4).....	---	---	---	---	---
Subtotal-Smith Field.....	---	---	---	---	---
Total Airport Authority.....	<u>36,845</u>	<u>100.0 %</u>	<u>40,427</u>	<u>38,358</u>	<u>40,961</u>
Percentage change.....	<u>-8.86%</u>		<u>5.39%</u>	<u>-6.35%</u>	<u>-35.30%</u>

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

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

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

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

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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
22,129	23,079	27,360	31,078	34,865	38,649
1,272	2,334	2,367	2,422	2,316	2,158
26,592	39,502	31,963	34,953	37,111	38,881
<u>4,271</u>	<u>4,239</u>	<u>3,861</u>	<u>4,692</u>	<u>4,196</u>	<u>3,657</u>
<u>54,264</u>	<u>69,154</u>	<u>65,551</u>	<u>73,145</u>	<u>78,488</u>	<u>83,345</u>
<u>9,043</u>	<u>9,125</u>	<u>7,141</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>
<u>9,043</u>	<u>9,125</u>	<u>7,141</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>
<u>63,307</u>	<u>78,279</u>	<u>72,692</u>	<u>80,585</u>	<u>90,364</u>	<u>96,594</u>
<u>-19.13%</u>	<u>7.69%</u>	<u>-9.79%</u>	<u>-10.82%</u>	<u>-6.45%</u>	<u>8.72%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Fort Wayne International Airport
Scheduled Airline Service**

<u>Carrier</u>	<u>Non-stop Service Destination</u>	<u>Service Type</u>
Allegiant Air	Orlando/Sanford (SFB)	Jet (MD-82/83/87/88)
	Tampa/St. Petersburg/Clearwater (PIE)	Jet (MD-82/83/87/88)
	Phoenix/Mesa (AZA)	Jet (A319)
	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		
Endeavor Air	Detroit (DTW)	Jet (CRJ)
Endeavor Air	Atlanta (ATL)	Jet (CRJ)
Endeavor Air	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, 2013

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, 2013**

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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 Fort Wayne – Allen County Airport Authority (the "Authority"), a component unit of Allen County, Indiana, which comprise the statement of net position as of December 31, 2013, and the related statement 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, and have issued our report thereon dated June 2, 2014.

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

Fort Wayne, Indiana
June 2, 2014

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, 2013. 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, 2013.

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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the Authority as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 2, 2014, which contained an 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 expenditures 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

Fort Wayne, Indiana
June 2, 2014

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2013

<u>Federal Grant Description</u>	<u>Federal CFDA Number</u>	<u>2013 Expenditures</u>
US Department of Transportation		
Federal Aviation Administration: Airport Improvement Program (AIP)		
3-18-0024-014	20.106	115,650
3-18-0022-060	20.106	387,413
3-18-0022-061	20.106	305,864
3-18-0022-062	20.106	847,428
3-18-0222-063	20.106	<u>1,446,134</u>
	Total AIP	<u>3,102,490</u>
Total expenditures of federal awards		<u><u>\$ 3,102,490</u></u>

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2013

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.

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended December 31, 2013

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

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

Type of auditor’s report issued on compliance for major programs: Unmodified

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? Yes No

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

There were no findings for the year ended December 31, 2013.

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 or questioned costs reported for the year ended December 31, 2013.

SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs reported for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE PASSENGER FACILITY CHARGE (PFC) PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE AND THE SCHEDULE OF PASSENGER FACILITY
CHARGES COLLECTED AND EXPENDED

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

Report on Compliance of Passenger Facility Charges

We have audited the Fort Wayne – Allen County Airport Authority's (the "Authority") compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration ("Guide"), that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2013.

Management's Responsibility

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, and regulations, applicable to the passenger facility charge program. Management of the Airport is also responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

Opinion on Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2013.

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 requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the Authority as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 2, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the 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 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 passenger facility charges collected and expended is fairly stated in all material respects, in relation to the financial statements as a whole.

Crowe Horwath LLP
Crowe Horwath LLP

Fort Wayne, Indiana
June 2, 2014

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
 Year ended December 31, 2013

<u>Program</u>	<u>Record of Decision</u>	<u>Impose Authority</u>	<u>Use Authority</u>	<u>PFC Collected</u>	<u>Interest Collected</u>	<u>Expenditures</u>
Passenger Facility Charge Program	92-01-C-01-FWA	\$ 26,563,457	\$ 26,563,457	\$ 19,810,576	\$ 543,112	\$ 18,980,590
	05-03-C-00-FWA	<u>2,045,000</u>	<u>2,045,000</u>	-	-	<u>735,637</u>
Totals		<u>\$ 28,608,457</u>	<u>\$ 28,608,457</u>	<u>\$ 19,810,576</u>	<u>\$ 543,112</u>	<u>\$ 19,716,227</u>
	Cumulative balance as of December 31, 2012			\$ 18,563,300	\$ 542,821	\$ 18,476,227
	Activity for the year ended December 31, 2013			<u>1,247,276</u>	<u>291</u>	<u>1,240,000</u>
	Cumulative balance as of December 31, 2013			<u>\$ 19,810,576</u>	<u>\$ 543,112</u>	<u>\$ 19,716,227</u>

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2013

Summary of Auditor's Results

We have issued an unmodified opinion, dated June 2, 2014 on the financial statements of Fort Wayne – Allen County Airport Authority as of and for the year ended December 31, 2013.

Our audit disclosed no material weaknesses or significant deficiencies that are considered to be material weaknesses in relation to internal control over financial reporting or internal control over the passenger facility charge program.

Our audit disclosed no instances of non-compliance which are material to Fort Wayne – Allen County Airport Authority's financial statements.

We have issued an unmodified opinion, dated June 2, 2014 on Fort Wayne – Allen County Airport Authority's compliance for the passenger facility charge program.

Our audit disclosed no findings required to be reported under the provisions of the Passenger Facility Charge Audit Guide for Public Agencies.

Findings Relating to the Financial Statements

Our audit disclosed no findings which are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies.

Findings and Questioned Costs for the Passenger Facility Charge Program

Our audit disclosed no findings or questioned costs for passenger facility charge program as defined by the Passenger Facility Charge Audit Guide for Public Agencies.

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF PRIOR AUDIT PASSENGER FACILITY CHARGES
FINDINGS AND THEIR RESOLUTION
Year ended December 31, 2013

The prior year's audit disclosed no findings required to be reported in accordance with the provisions of the Passenger Facility Charge Audit Guide for Public Agencies.