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July 20, 2009

Board of Directors
Fort Wayne – Allen County Airport Authority
3801 W. Ferguson Rd, Suite 209
Fort Wayne, Indiana 46809-3194

We have reviewed the audit reports prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2008. In our opinion, the audit reports were prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinions, the financial statements included in the reports present fairly the financial condition of the Fort Wayne-Allen County Airport Authority, as of December 31, 2007 and 2008 and the results of its operations for the periods then ended, on the basis of accounting described in the reports.

The Independent Public Accountants' reports, and the respective supplemental reports on federal awards, are 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, 2007**

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

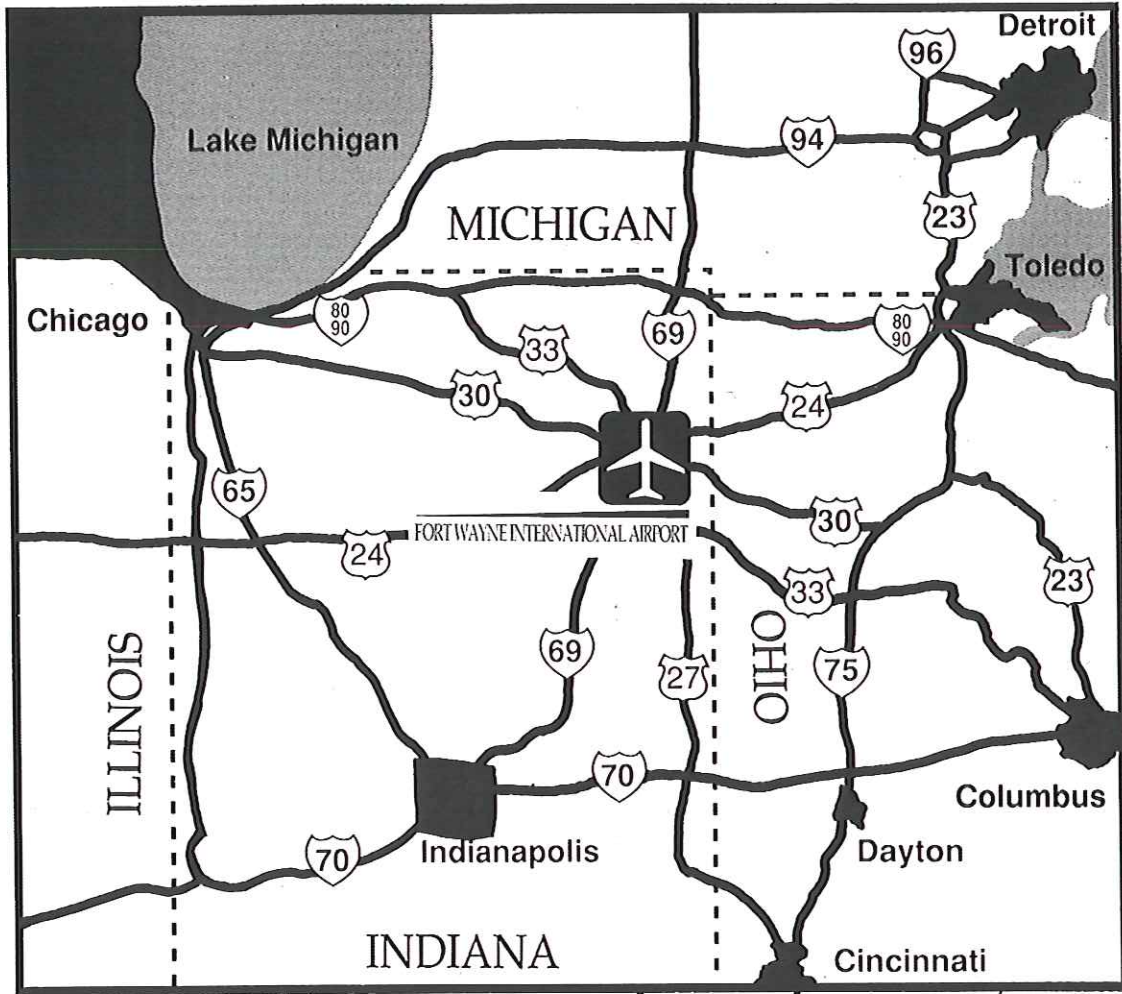
FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
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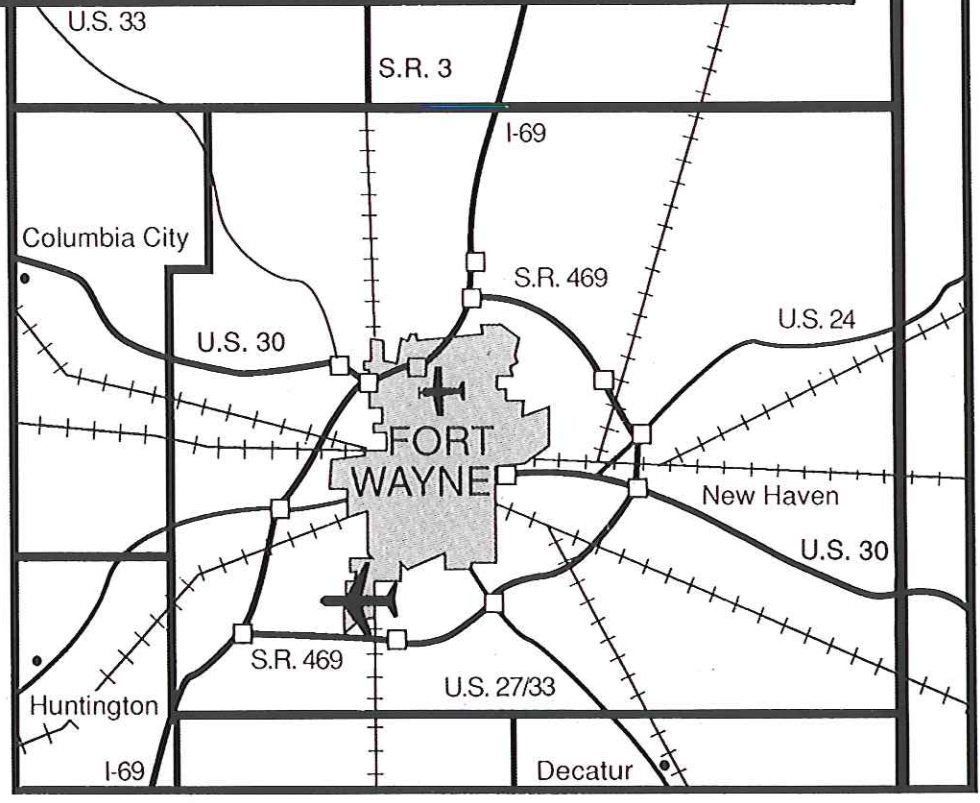


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FORT WAYNE INTERNATIONAL AIRPORT


SMITH FIELD



Fort Wayne-Allen County Airport Authority
Board and Executive Director



Michael S. Gouloff, President



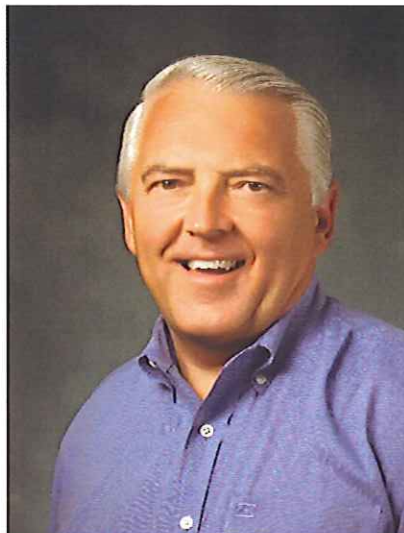
Cathy A. Gallmeyer, Vice President



Timothy J. Haffner, Secretary



Cornelius "Neil" B. Hayes, Member



Jerome "Jerry" Henry, Jr., Member



Richard B. "Barry" Sturges, Jr., Member



Torrance A. Richardson,
Executive Director of Airports



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

**FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT**

June 4, 2008

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

The Comprehensive Annual Financial Report (CAFR) of the Fort Wayne-Alten County Airport Authority, a component unit of Allen County, Indiana (the Authority), for the fiscal year ended December 31, 2007 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 Chizek and Company LLC, Certified Public Accountants, have issued an unqualified opinion on the Authority's financial statements for the year ended December 31, 2007. The independent auditor's report is located at the front of the financial section of this report.

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

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

Airport, a general aviation airport, located in the north central part of the County.

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

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

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

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

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

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

Local Economy - During 2007, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 4.7 (non-seasonally adjusted) percent, after beginning the year at 5.2 percent in January and February. The lowest rate of 4.3 percent occurred twice: in May and October. In the Indiana Business Review, John Stafford, Director of the

Community Research Institute, Indiana University-Purdue University Fort Wayne, stated that the Fort Wayne MSA continued to experience job growth through the fall of 2007, and has now experienced twenty-seven consecutive months of continuous job growth based on data (Current Employment Statistics) from the Bureau of Labor Statistics for the Fort Wayne MSA. Mr. Stafford's expectations are that the internal strength of the economy will continue to generate modest economic growth. He also expects the Fort Wayne-Huntington-Auburn Combined Statistical Area (which includes Adams, Allen, DeKalb, Huntington, Noble, Wells, and Whitley counties) to likely experience a continued net increase in total employment of 1,000 to 1,250 jobs in 2008.

The arrival of low-cost passenger airline service at Fort Wayne International in February of 2007 offset some of the upward pressure on ticket prices for leisure travelers. The carrier added five new non-stop destinations to the Airport that are popular destinations for leisure travelers. As a result, enplanements increased by 8.6 percent from 2006 to 2007. Primarily as a result of this increase in enplanements, the airlines' cost per enplaned passenger decreased from \$9.49 in 2006 to \$8.76 in 2007. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport.

The schedule on page 77 of this report details some diversity in the local economy, as the area is not dependent on the fortunes of a single employer. The ten largest employers in Allen County make up only 13.9 percent of total employment. On page 64, it can be discerned that local government is not dependent on a single taxpayer or group of taxpayers for its revenue base. The top ten taxpayers in Allen County provide only 8.0 percent of property tax revenues. The Allen County Building department issued 1,034 building permits which was a decrease of 11.4 percent compared to the 1,167 issued in 2006. The economic data on page 70 of this report indicates that property values increased by 8.6 percent during 2007 when compared to 2006. Most of the increase can be attributed to "trending," the result of annually adjusted property values as part of Indiana's move to a market-based assessment system that began in 2002.

Long-term Financial Planning - The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's General Aviation Airport, and Fort Wayne International. The Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger facility charges, federal and state grants, cumulative building tax revenues, and local airport revenues.

Included in the capital improvement plan are provisions to make substantial improvements to the infrastructure and facilities at Smith Field: overlay Runway 13-31, construct a new taxiway, storm water improvements, and other improvements with an estimated cost of \$3,166,000 in 2009; and land acquisitions for runway extensions, additional infrastructure and building improvements with an estimated cost of \$5,515,000 in future years. These substantial improvements

are needed for safety reasons and also to increase the attractiveness and utilization of Smith Field Airport.

At Fort Wayne International, the Authority plans to modernize the passenger terminal, upgrade the Northwest Perimeter Road, rehabilitate and replace jet bridges, rehabilitate Runway 14-32 and Runway 5-23, and construct a category II Instrument Landing System (ILS). Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. Upgrading the Northwest Perimeter Road will permit heavy snow removal equipment and other heavy maintenance equipment to use this roadway. Rehabilitating and replacing jet bridges will improve passenger safety and convenience. Rehabilitating the runways and constructing a category II ILS will enhance safety on the airfield.

Major Initiatives - During a strong marketing initiative, the Authority was successful in bringing low cost carrier services to Fort Wayne International Airport in February 2007. As a result of this initiative, the Airport added five new destinations. The Authority continues to market the Airport for improved passenger service. During late 2007, the Authority's largest cargo carrier ceased operations due to its reorganization under federal bankruptcy laws. Due to the vacancy of this cargo facility, the Authority has become more aggressive in marketing this facility and other property within the Air Trade Center.

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, 2006. This was the eighteenth (1989 - 2006) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Without the strong commitment of the Authority Board to the highest standards of financial reporting, disclosure, and professionalism, this report would not have been possible. Our sincerest appreciation is expressed to all of you. The preparation of this report would not have been possible without the efficient and dedicated services of the accounting staff, Sabrina P. Driver and Janice R. Lewis. We would like to express our appreciation to the accounting staff, and others who assisted and contributed to the preparation of this report. We

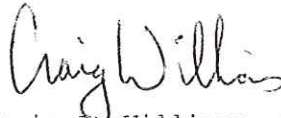
acknowledge the assistance of Crowe Chizek and Company LLC, Certified Public Accountants; Tera Klutz, Allen County Auditor's office; and Rebecca D. Ross, Property Manager.

Respectfully submitted,

FOR WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



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



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



Ronnie C. Portis, CPA
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Wayne-Allen County
Airport Authority
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



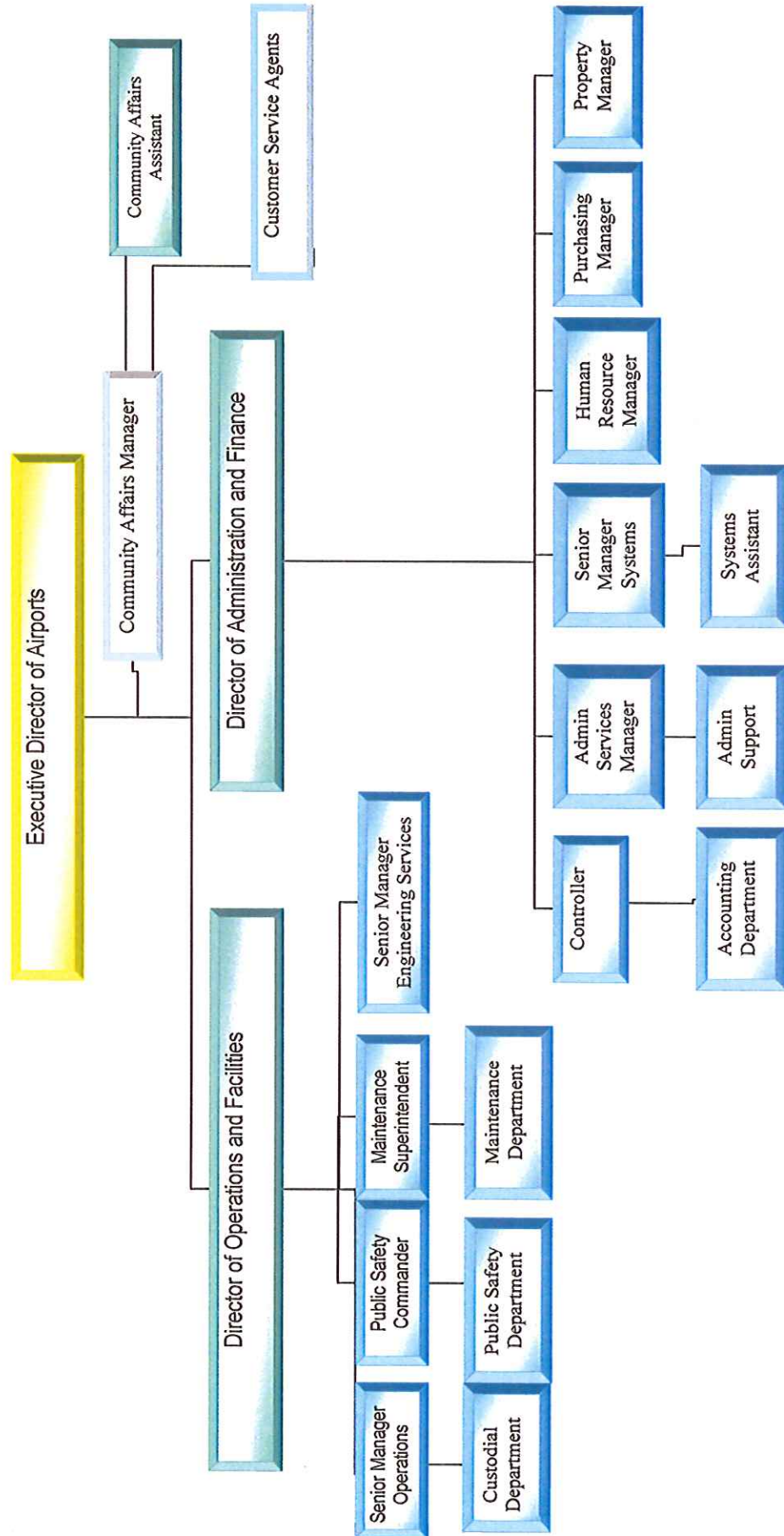
Chane S. Cox

President

Jeffrey R. Emer

Executive Director

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	11
Cathy A. Gallmeyer	Vice President	9
Timothy J. Haffner	Secretary	14
Cornelius "Neil" B. Hayes	Member	5
Jerome "Jerry" F. Henry, Jr.	Member	1
Richard B. "Barry" Sturges, Jr.	Member	1

STAFF

Torrance A. Richardson, AAE	Executive Director of Airports	5
Scott D. Hinderman, AAE	Director of Operations and Facilities	1
Craig A. Williams, AAE	Director of Administration and Finance	1
Ronnie C. Portis, CPA	Controller/Treasurer	16

ATTORNEYS

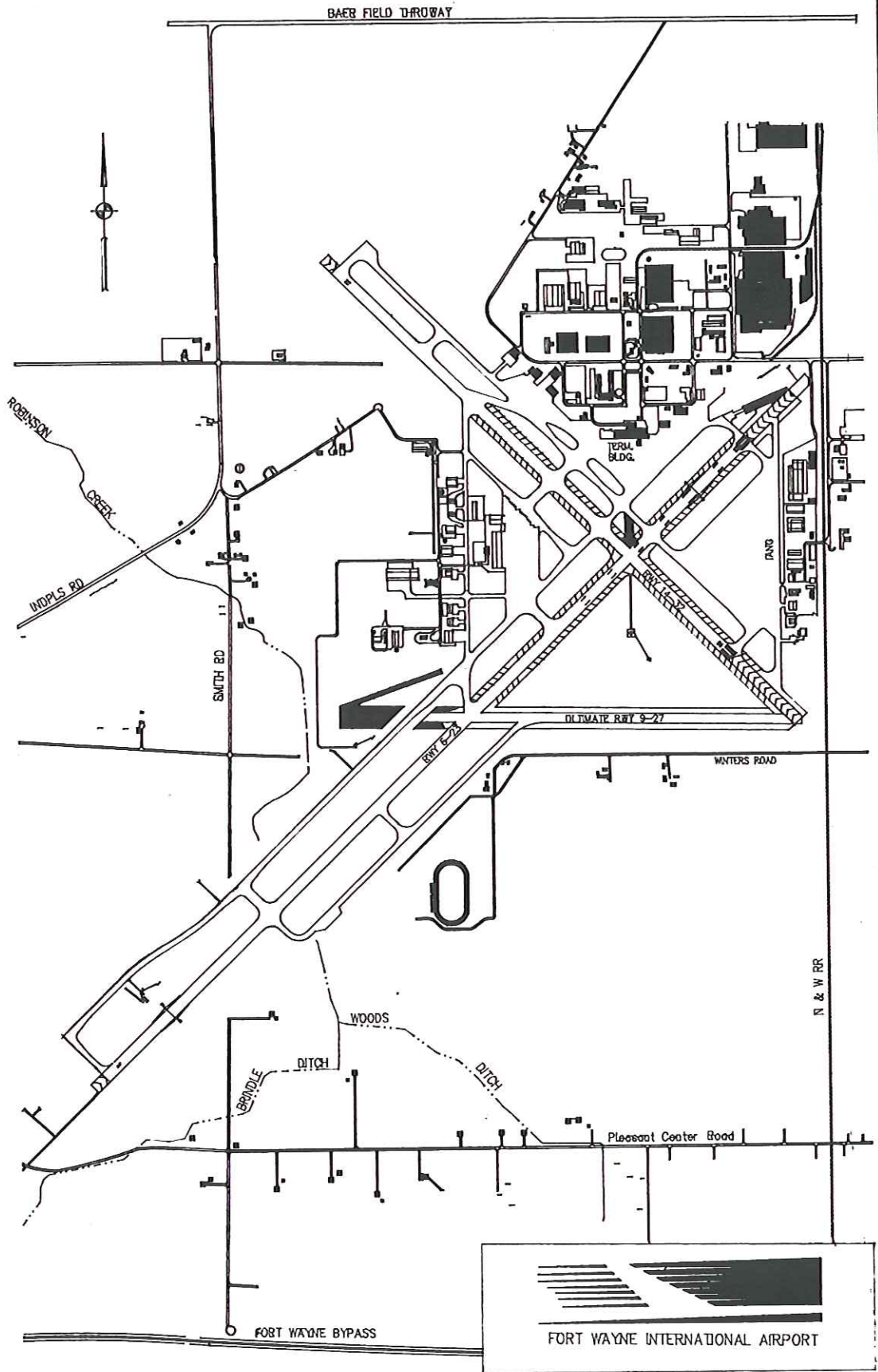
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AIRPORT LAYOUT MAP

FORT WAYNE INTERNATIONAL AIRPORT



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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT





Crowe Chizek and Company LL
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of net assets of the Fort Wayne-Allen County Airport Authority, (the Authority), as of December 31, 2007 and the related statement of revenues, expenses and changes in fund net assets and of cash flows for the year then ended. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 14 through 21 and the Required Supplementary Information on page 46 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Combining Schedules from pages 47 through 52 and Other Supplementary Information from pages 53 through 57 are presented for purposes of additional analysis and are not a part of the basic financial statements. The Combining Schedules and Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical information listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crowe Chizek and Company LLC

Crowe Chizek and Company LLC

Fort Wayne, Indiana
June 2, 2008

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, 2007. Please read it in conjunction with the letter of transmittal to the Authority Board, located on pages 3 through 7.

Financial Highlights

The Authority's net assets decreased \$2,194,781 as a result of this year's operations.

Restricted net assets decreased 34.6 percent due primarily to decreases in federal and state grants receivable related to the reconstruction of a runway project.

Unrestricted net assets increased \$3,608,591 (or 48.6 percent) due to cash remaining from deferring capital project expenditures.

Investment in capital assets (net of related debt) decreased \$1,592,209 (or 2.0 percent) because the increase in accumulated depreciation exceeded the cost of capital asset additions.

The Authority's long-term liabilities decreased by \$3,517,348, or 11.2 percent. This was due primarily to normal retirement of long-term debt as bond maturities came due.

Operating revenues decreased \$798,395 from 2006 to 2007, due to decreases in airfield and buildings and grounds revenue.

Capital contributions decreased by \$7,425,884 (or 92.8 percent) due to a substantial reduction in capital projects funded by federal and state grants. This amount will continue to fluctuate greatly from year to year because the amount is dependent upon the combination of Airport capital improvement needs and grant approval by federal and state governments.

Total operating expenses increased \$1,493,007 from 2006 to 2007 due to increases in airfield, terminal, administration and depreciation expenses.

Nonoperating expenses decreased \$207,904 (or 12.6 percent) due to a reduction in interest expense. Interest expense decreased due to the declining balance of revenue bonds.

Overview of the Financial Statements

The Authority financial report consists of three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets, and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The reporting entity consists of the Authority and its component units, the Fort Wayne International Airport Building Corporation (FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC). The Authority and its relationship with its component units are more fully described in the notes to the financial statements. The Authority, the FWIABC and the FWIAATCBC are structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and (except for land, land improvements and construction in progress) are depreciated over their estimated useful lives.

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

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

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

Notes to the financial statements - The Notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 27 through 44 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. Required supplementary information can be found on page 46 of this report.

Condensed Financial Information

Net assets - The Authority's net assets decreased by 2.2 percent, decreasing from \$99,687,794 in 2006 to \$97,493,013 in 2007. The decrease is attributed primarily to a decline in the Authority's investment in capital assets. The Authority's capital assets, net of accumulated depreciation, decreased approximately \$5.6 million which offset a corresponding decline in debt related to capital assets. This occurred because depreciation expense for 2007 exceeded the acquisition cost of capital assets. The decrease in net assets indicates that the Authority's financial position declined from 2006. As noted previously, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Other non-current assets decreased by 10.4 percent due to a decrease in cash and cash equivalents held by the Bond Trustee. Such assets were used to current refund the 1998 Revenue Bonds. Capital assets (net of accumulated depreciation) decreased by 4.9 percent due primarily to an increase in depreciation expense, and thus accumulated depreciation. The depreciation of recently completed large construction projects exceeded the acquisition costs of new projects.

Current liabilities decreased 14.1 percent due to decreases in the current portion of long-term debt and accounts payable when compared to 2006. The accounts payable balance decreased due to a reduction in the amount of funds withheld for certain construction contracts.

Bonds and other long-term debt decreased 11.2 percent during the year. This was due to the retirement of bonds as they matured during the year, and the current refunding of the 1998 Revenue Bonds.

Restricted net assets decreased 34.6 percent due primarily to decreases of \$3,508,519 in federal and state grants receivable for the Runway 23 and Runway 14-32 Intersection Reconstruction project.

Unrestricted net assets increased 48.6 percent due to an increase in cash and investments.

Investment in capital assets (net of related debt) decreased 2.0 percent due to increased accumulated depreciation on 2006 capital asset additions which offset capital asset acquisitions in the current year. Depreciation expense exceeded capital asset acquisitions significantly during 2007.

The Authority's investment in capital assets (e.g., land, buildings and

improvements, infrastructure items, and equipment), net of related debt, is the largest portion (80.5 percent) of net assets. These capital assets are used to provide services to customers. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from other sources such as operating and nonoperating revenues, since the capital assets themselves cannot be liquidated to pay these liabilities.

In addition, 8.2 percent of the Authority's net assets represent resources that are subject to external restrictions on how they may be used. The restricted balances represent bond reserves that are subject to external restrictions on how they can be used under bond covenants; passenger facility charges that are restricted by Federal regulations; cumulative building fund cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (11.3 percent) of \$11,034,376 is unrestricted net assets which may be used to meet the Authority's ongoing obligation to its citizens, customers, and creditors.

A summary of the Authority's 2007 net assets compared to 2006 follows:

Authority's Net Assets				
	2007	2006	Increase (Decrease)	Percent Change
Current assets	<u>\$17,465,239</u>	<u>\$17,824,969</u>	\$ (359,730)	(2.0)%
Noncurrent assets				
Other noncurrent assets	4,680,643	5,222,180	(541,537)	(10.4)
Capital assets (net)	<u>109,089,146</u>	<u>114,703,703</u>	<u>(5,614,557)</u>	(4.9)
Total assets	<u>131,235,028</u>	<u>137,750,852</u>	<u>(6,515,824)</u>	(4.7)
Current liabilities	4,952,725	5,763,070	(810,345)	(14.1)
Noncurrent liabilities				
Other noncurrent liabilities	937,369	930,719	6,650	0.7
Bonds and other long-term debt	<u>27,851,921</u>	<u>31,369,269</u>	<u>(3,517,348)</u>	(11.2)
Total liabilities	<u>33,742,015</u>	<u>38,063,058</u>	<u>(4,321,043)</u>	(11.4)
Net assets:				
Invested in capital assets, net of related debt	78,495,625	80,087,834	(1,592,209)	(2.0)
Restricted	7,963,012	12,174,175	(4,211,163)	(34.6)
Unrestricted	<u>11,034,376</u>	<u>7,425,785</u>	<u>3,608,591</u>	48.6
Total net assets	<u>\$97,493,013</u>	<u>\$99,687,794</u>	<u>\$(2,194,781)</u>	(2.2)

Changes in Net Assets - Operating revenues decreased by \$798,395 (or 7.5 percent) from 2006 to 2007. Airfield revenues decreased 21.0 percent due primarily to a decrease in maximum gross landed weight from 615,788 tons to 457,254 tons in 2007, a 25.7 percent reduction. Even though the rate for landing fees increased from \$1.83 to \$1.86 per 1,000 pounds of landed weight,

the decline in landed weight more than offset the fee increase, leading to a reduction in revenue. The decline in landed weight was due, in large part, to the departure in October of the Airport's largest cargo carrier. Buildings and grounds revenue decreased 12.9 percent due to the departure of this same carrier.

Nonoperating revenues increased only slightly from 2006 to 2007. However, passenger facility charge revenues, a component of Nonoperating revenues, increased \$76,196 (or 7.2 percent) due to an increase in the number of passenger enplanements from the arrival of a low-cost air passenger carrier. Likewise, property and other taxes increased \$131,241 due primarily to an 8.6 percent increase in assessed valuation. The increase in assessed valuation was partially offset by a reduction in tax rates from 2.1 cents to 2.0 cents per \$100 of assessed valuation. Conversely, interest income decreased 19.1 percent due a lower investment balance for more than half the year.

Capital contributions decreased 92.8 percent due to a reduction in Airport Improvement Program (AIP) eligible grant projects. The lack of funding for new grants from the Federal Aviation Administration, forced the Authority to defer projects originally budgeted for 2007 into 2008.

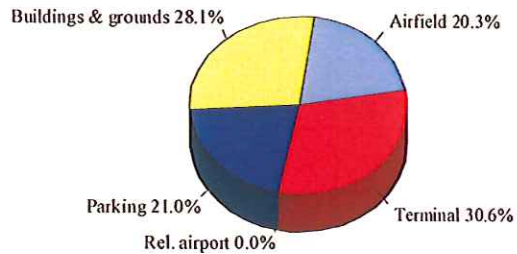
Operating expenses, as a whole, increased by \$1,493,007 from 2006 to 2007. Several components of operating expenses changed significantly. Airfield expense increased \$372,820 (or 15.7 percent) due to increases in sand and deicing material usage, maintenance labor, contracted repairs, engineering services, and US Customs fees. Administration expense increased 19.0 percent for the following reasons: higher personnel costs related to additional hiring of personnel, and an increase in health insurance; increase in legal fees due to bankruptcy claim filings; increase in Airport promotional expenses; increased lobbying costs; and employee recruitment costs. Depreciation expense increased in 2007 by \$446,384 (or 5.5 percent) due to the first year of depreciation for capital assets acquired or constructed near the end of 2006. Terminal expenses increased \$130,979 due to the additional hiring of personnel to provide shuttle bus services between the parking facilities and the Airport Terminal. Reliever Airport expenses increased by 24.0 percent due to the cost of airfield and other surveys, and an increase in utility expenses associated with new hangar facility.

A summary of the Authority's 2007 changes in net assets compared to 2006 follows below.

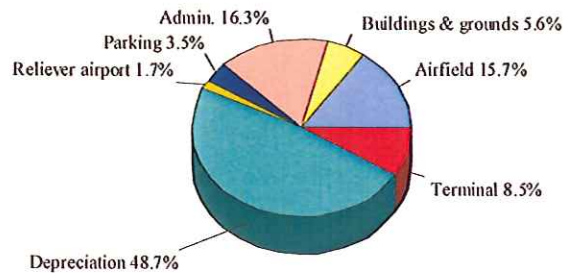
Authority's Changes in Net Assets				
	2007	2006	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	\$ 1,987,586	\$ 2,516,471	\$ (528,885)	(21.0)%
Buildings and grounds . .	2,751,377	3,158,585	(407,208)	(12.9)
Terminal.	3,003,368	3,009,862	(6,494)	(0.2)
Parking	2,063,274	1,912,344	150,930	7.9
Reliever airport.	<u>3,450</u>	<u>10,188</u>	<u>(6,738)</u>	(66.1)
Total operating revenues. .	9,809,055	10,607,450	(798,395)	(7.5)
Nonoperating revenues:				
Property and other taxes.	4,438,807	4,307,566	131,241	3.0
Federal operating grant .	32,976	-	32,976	-
Passenger facility charges	1,136,120	1,059,924	76,196	7.2
Interest income	708,481	875,498	(167,017)	(19.1)
Gain on capital asset disposal.	<u>21,617</u>	<u>64,985</u>	<u>(43,368)</u>	(66.7)
Total nonoperating revenues	6,338,001	6,307,973	30,028	0.5
Total revenues.	<u>16,147,056</u>	<u>16,915,423</u>	<u>(768,367)</u>	(4.5)
Operating expenses:				
Airfield.	2,748,205	2,375,385	372,820	15.7
Buildings and grounds . .	980,020	985,280	(5,260)	(0.5)
Terminal.	1,482,276	1,351,297	130,979	9.7
Parking	609,776	571,479	38,297	6.7
Reliever airport.	291,331	234,978	56,353	24.0
Administration.	2,845,187	2,391,753	453,434	19.0
Depreciation.	<u>8,510,935</u>	<u>8,064,551</u>	<u>446,384</u>	5.5
Total Operating expenses. .	17,467,730	15,974,723	1,493,007	9.3
Nonoperating expenses . . .	<u>1,447,799</u>	<u>1,655,703</u>	<u>(207,904)</u>	(12.6)
Total expenses.	<u>18,915,529</u>	<u>17,630,426</u>	<u>1,285,103</u>	7.3
Deficiency before capital contributions . .	(2,768,473)	(715,003)	(2,053,470)	287.2
Capital contributions . . .	<u>573,692</u>	<u>7,999,576</u>	<u>(7,425,884)</u>	(92.8)
Increase (Decrease) in net assets.	(2,194,781)	7,284,573	(9,479,354)	(130.1)
Total net assets, beginning	<u>99,687,794</u>	<u>92,403,221</u>	<u>7,284,573</u>	7.9
Total net assets, ending. .	<u>\$97,493,013</u>	<u>\$99,687,794</u>	<u>\$(2,194,781)</u>	(2.2)

The following chart shows the major sources and percentages of operating revenues and expenses for the year ended December 31, 2007:

Operating Revenues



Operating Expenses



Capital Asset Activity

During 2007, the Authority expended \$2,911,396 for capital improvements. The Authority completed the following projects at Smith Field Airport: Aviation and Maintenance Technical School at a cost of \$1,554,145; Electrical Improvements (Phase 1) at Smith Field Airport for \$153,775; Purchased and installed AWOS Equipment for \$74,538; and began development of a Storm Water Drainage Plan for \$72,585.

In addition, at Fort Wayne International, the Authority purchased several vehicles for \$137,190. The Authority also had several projects under construction which include the following: Design of the Runway 5-23 Shoulder Reconstruction project at a cost of \$96,500 and design of an Electronic Security System for \$303,556. The construction portions of these project are planned for 2008.

For additional information on capital asset activity, see note 4.

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 guaranteed under a municipal bond insurance policy issued by

XL Capital Assurance, Inc., with a rating by Moody's of Aaa, and an underlying rating also by Moody's of Aa3.

The Authority's 1998 First Mortgage Bonds were issued by the Fort Wayne International Airport Air Trade Center Building Corporation, an Authority component unit. These Bonds have an uninsured portion and an insured portion. The uninsured portion, with a balance of \$4,715,000 at December 31, 2007, has current ratings of Aa3 and AA by Moody's and Fitch, respectively. These Bonds mature beginning January 15, 2007 through July 15, 2011. Bonds maturing on January 15, 2015 (\$4,975,000), January 15, 2017 (\$3,270,000) and January 15, 2020 (\$5,565,000) are guaranteed by the MBIA Insurance Corporation, and are rated Aaa and AAA by Moody's and Fitch, respectively.

The bond ratings were not changed during 2007.

The Authority has a legal debt limit of \$101,805,801 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 \$101,805,801 as of December 31, 2007. 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 7.

Currently Known Facts

The Authority's largest cargo carrier and tenant ceased operations and departed the Airport after filing for reorganization under the chapter 11 bankruptcy code during October 2007. This departure will have a negative impact on the Authority's operating revenues until a replacement tenant is found. During 2007, operating revenues from this tenant for building and ground rent and the airfield were \$1,729,711 and \$590,838, respectively. The Authority is currently marketing the facilities for a replacement tenant.

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, Lt. Paul Baer Terminal, Suite 209, Fort Wayne, Indiana, 46809.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Net Assets
December 31, 2007

ASSETS	<u>Totals</u>
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2.....	\$ 4,811,935
Investments--note 2.....	6,850,000
Accounts receivable, net of allowance.....	129,273
Unbilled revenue.....	778,640
Property tax receivables, net of allowance--note 1.....	81,096
Other receivables.....	50,202
Net pension assets.....	179,349
Deposits and prepaid items.....	<u>168,817</u>
Total unrestricted assets.....	<u>13,049,312</u>
Restricted assets:	
Cash and cash equivalents-including \$2,848,611 held by trustee--notes 2 and 3.....	3,231,229
Passenger facility charge receivable.....	156,882
Federal and state grants receivable.....	1,015,067
Other receivables.....	<u>12,749</u>
Total restricted assets.....	<u>4,415,927</u>
Total current assets.....	<u>17,465,239</u>
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including \$6,123 held by trustee--notes 2 and 3.....	742,653
Investments--notes 2 and 3.....	3,600,000
Property tax receivable, net of allowance--note 1.....	<u>13,381</u>
Total restricted assets.....	<u>4,356,034</u>
Capital assets, net--note 4.....	<u>109,089,146</u>
Other assets:	
Bond issue costs, less accumulated amortization of \$577,909.....	<u>324,609</u>
Total noncurrent assets.....	<u>113,769,789</u>
Total assets.....	<u><u>\$ 131,235,028</u></u>

LIABILITIES AND NET ASSETS	<u>Totals</u>
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable.....	\$ 1,075,209
Accrued liabilities.....	332,899
Current portion of long-term debt--note 8.....	<u>16,600</u>
Total unrestricted.....	<u>1,424,708</u>
Payable from restricted:	
Accounts payable.....	60,392
Current portion of long-term debt--note 8.....	2,725,000
Accrued interest on long-term debt.....	<u>742,625</u>
Total restricted.....	<u>3,528,017</u>
Total current liabilities.....	<u>4,952,725</u>
NONCURRENT LIABILITIES:	
Accrued compensated absences.....	937,369
Bonds and other long-term debt, net--note 8.....	<u>27,851,921</u>
Total noncurrent liabilities.....	<u>28,789,290</u>
Total liabilities.....	<u>33,742,015</u>
NET ASSETS:	
Invested in capital assets, net of related debt.....	78,495,625
Restricted.....	7,968,944
Unrestricted.....	<u>11,028,444</u>
Total net assets.....	<u>97,493,013</u>
Total liabilities and net assets.....	<u>\$ 131,235,028</u>

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	Totals
OPERATING REVENUES:	
Airfield.....	\$ 1,987,586
Buildings and grounds.....	2,751,377
Terminal.....	3,003,368
Parking.....	2,063,274
Reliever airport.....	3,450
Total operating revenues.....	9,809,055
OPERATING EXPENSES:	
Airfield.....	2,748,205
Buildings and grounds.....	980,020
Terminal.....	1,482,276
Parking.....	609,776
Reliever airport.....	291,331
Administration.....	2,845,187
Depreciation.....	8,510,935
Total operating expenses.....	17,467,730
LOSS FROM OPERATIONS.....	(7,658,675)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes.....	4,438,807
Federal operating grant.....	32,976
Passenger facility charge.....	1,136,120
Interest income.....	708,481
Interest expense.....	(1,447,799)
Gain on disposal of capital assets.....	21,617
Net nonoperating revenues (expenses).....	4,890,202
LOSS BEFORE CAPITAL CONTRIBUTIONS.....	(2,768,473)
CAPITAL CONTRIBUTIONS:	
Federal and state grants.....	573,692
NET ASSETS:	
Decrease in net assets.....	(2,194,781)
Total net assets, beginning of year.....	99,687,794
Total net assets, end of year.....	\$ 97,493,013

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, 2007

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers.....	\$ 10,169,108
Payments to suppliers.....	(3,577,812)
Payments to employees.....	(3,629,219)
Payments of benefits on behalf of employees.....	(1,415,755)
Return of customer deposits.....	(2,759)
Net cash provided by operating activities.....	1,543,563
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes.....	3,857,143
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes	553,783
Acquisition and construction of capital assets.....	(3,227,588)
Sale of capital assets.....	21,617
Principal paid on bonds and other long-term debt.....	(3,986,600)
Interest paid on bonds and other long-term debt.....	(1,621,114)
Capital grant receipts.....	4,115,188
Passenger facility charge receipts.....	1,117,525
Net cash used in capital and related financing activities.....	(3,027,189)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(7,450,000)
Proceeds from sale and maturities of investment securities.....	3,600,000
Interest received on investments.....	676,163
Net cash used in investing activities.....	(3,173,837)
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(800,320)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	9,586,137
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 8,785,817

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2007

	Totals
Reconciliation of operating loss to net cash provided by operating activities:	
Loss from operations.....	\$ (7,658,675)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation.....	8,510,935
Amortization of bond issuance cost.....	77,743
Changes in assets and liabilities:	
Accounts receivable and unbilled revenue.....	142,502
Net pension assets.....	13,840
Deposits and prepaid items.....	12,470
Loans receivable.....	274,667
Accounts payable.....	109,292
Accrued liabilities.....	60,789
Net cash provided by operating activities.....	\$ 1,543,563

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital assets included in accounts payable.....	\$ 516,415
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The accompanying notes are an integral part of the financial statements.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

A. Financial Benefit or Burden Relationship

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

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

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

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

B. Fiscal Dependency

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

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

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

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

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

Fort Wayne International Airport
Building Corporation
c/o J.J.B. Hilliard, W.L. Lyons, Inc
1000 Commerce Building
Fort Wayne, IN 46802

Fort Wayne international Airport Air
Trade Center Building Corporation
C/O City Securities, Inc
116 E. Berry Street, Suite 1000
Fort Wayne, IN 46802

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

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

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

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

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

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures, and GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries. GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit

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

risk and concentrations of credit risk) interest rate risk, and foreign currency risk. This statement also establishes and modifies disclosure requirements for deposit risks: custodial credit risk and foreign currency risk. GASB Statement 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries.

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

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

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, and infrastructure assets (e.g., taxiways, runways, roads, terminal apron) are defined by the Authority as

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

assets with an initial cost of \$2,000 or more and estimated useful life of two or more years. These assets are recorded at historical cost.

Capital assets assumed by the Authority from the City on July 1, 1985, are carried at historical cost, net of accumulated depreciation, in the accompanying financial statements and aggregate \$4,805,430 at December 31, 2007.

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 and land improvements, and construction in progress, all capital assets, including infrastructure assets are depreciated 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
Equipment	3-20

In accordance with Financial Accounting Standards Board Statement No. 34, interest during construction periods, when significant, is capitalized and included in the cost of capital assets. The Authority incurred total interest cost of \$1,500,579 for the year ended December 31, 2007. The Authority capitalized \$52,779 of this amount in 2007.

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

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

Compensated Absences - All full-time employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated for the various categories of absence is generally based on length of service. Vacation which 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

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

historical information, it was determined that these employees would most likely meet the conditions necessary to receive their sick leave benefits.

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

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

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

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

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

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

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

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

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

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, 2006
Levy date	January 1, 2007
Tax bills mailed	April 1 and October 1, 2007
First installment payment due	May 10, 2007
Second installment payment due	November 10, 2007
Authority collection dates	June and December, 2007
Tax sale - 2007 delinquent property taxes	August, 2009

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 restricted) aggregated \$184,212 with an allowance of \$89,735 for delinquent taxes, at December 31, 2007.

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 2007.

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

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments included in the statement of net assets at December 31, 2007, consist of the following:

	<u>Amount</u>
Cash and Cash Equivalents:	
Current.	\$ 4,811,935
Current, restricted	3,231,229
Noncurrent, restricted	<u>742,653</u>
	<u>8,785,817</u>
Investments:	
Current.	6,850,000
Noncurrent, restricted	<u>3,600,000</u>
	<u>10,450,000</u>
	<u>\$19,235,817</u>

The carrying amounts of deposits and investments by type of investment at December 31, 2007 are as follows:

Cash deposits.	\$ 3,570,348
Certificates of deposit.	<u>10,450,000</u>
Total deposits	<u>\$14,020,348</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and certificates of deposit are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of \$100,000 at each bank are insured by the Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under IC 5-13-12-1. Eight hundred thousand dollars of the total deposits is insured by the FDIC and the remainder is insured by the IPDIF.

At December 31, 2007, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds	\$ 2,854,734
Repurchase agreements.	<u>2,359,785</u>
Total cash equivalents	<u>\$ 5,214,519</u>

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. FWIABC and FWIAATCBC, the Authority's component units, policies are to invest primarily in U.S. Government money market funds.

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

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, 2007, the Authority's investments met these criteria.

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

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

NOTE 3 RESTRICTED ASSETS

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

	<u>Amount</u>
Pursuant to the FWIABC Improvement Refunding	
Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account	\$ 1,083,943
Bond Operation and Reserve Account	6,123
Pursuant to the FWIAATCBC First Mortgage	
Bonds of 1998 Trust Indenture:	
Bond Sinking Fund Account	94,579
Bond Operation and Reserve Account	1,670,089
Pursuant to the Aviation Safety and Capacity Expansion	
Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account	982,618

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

Pursuant to the Cumulative Building Fund Account Established in 2001.	3,676,138
Security Deposits.	<u>60,392</u>
Total.	<u>\$ 7,573,882</u>

Airport Improvement Refunding Bonds of 2004

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

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

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

First Mortgage Bonds of 1998

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

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

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

The Authority is in compliance with all significant financial bond covenants as of December 31, 2007.

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

NOTE 4 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	\$ 14,910,221	\$ 51,942	\$ ---	\$ 14,962,163
Construction in progress	<u>936,790</u>	<u>2,603,558</u>	<u>3,223,212</u>	<u>317,136</u>
Total capital assets, not being depreciated	<u>15,847,011</u>	<u>2,655,500</u>	<u>3,223,212</u>	<u>15,279,299</u>
Capital assets, being depreciated:				
Buildings and improvements	68,377,101	2,341,936	---	70,719,037
Infrastructure items	120,973,452	820,290	---	121,793,742
Equipment	<u>8,031,177</u>	<u>301,864</u>	<u>597,439</u>	<u>7,735,602</u>
Total capital assets, being depreciated	<u>197,381,730</u>	<u>3,464,090</u>	<u>597,439</u>	<u>200,248,381</u>
Less accumulated depreciation for:				
Buildings and improvements	29,091,050	2,369,312	---	31,460,362
Infrastructure items	65,007,101	5,650,543	---	70,657,644
Equipment	<u>4,426,887</u>	<u>491,080</u>	<u>597,439</u>	<u>4,320,528</u>
Total accumulated depreciation	<u>98,525,038</u>	<u>8,510,935</u>	<u>597,439</u>	<u>106,438,534</u>
Net capital assets	<u>\$114,703,703</u>	<u>\$(2,391,345)</u>	<u>\$ 3,223,212</u>	<u>\$109,089,146</u>

All depreciation expense, \$8,510,935, for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

NOTE 5 PROPERTY TAX

The applicable property tax rates and related levies in 2007 were as follows:

	<u>Rate Per \$100</u>	<u>Property Tax Levies</u>
Operating	\$.0200	\$ 3,054,174
Cumulative Building	<u>.0033</u>	<u>503,939</u>
Total	<u>\$.0233</u>	<u>\$ 3,558,113</u>

Property tax rates and levies for 2008 are not available due to a delay in property reassessment.

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

NOTE 6 PENSION PLAN

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

Defined Benefit

Plan Description - The Authority's defined benefit pension plan, Indiana Public Employee's Retirement Fund (PERF), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERF is a statewide agent multiple-employer pension plan that acts as a common investment and administrative agent for state and local governmental units in Indiana. PERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Indiana Public Employee's Retirement Fund, 143 W. Market Street, Suite 800, Indianapolis, Indiana 46205, or by calling 1-317-233-4162.

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 4.25 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	\$ 135,834
Interest on net pension obligation	(14,006)
Adjustment to annual required contribution	<u>15,961</u>
Annual pension cost	137,789
Contributions made	<u>(123,949)</u>
Increase (Decrease) in net pension obligation	13,840
Net pension obligation, beginning of year	<u>(193,189)</u>
Net pension obligation, end of year	<u><u>\$(179,349)</u></u>

The annual required contribution was determined as part of the July 1, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return (net of administrative expenses), (b) projected salary increases per year are based upon PERF experience from 1995 to 2000, and (c) 1 percent post-retirement benefit increases. The actuarial value of PERF assets was determined using techniques

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

that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Authority's excess of assets over actuarial accrued liability is being amortized by level percentage of projected payroll on a closed basis over a thirty-year period (15 years in the case of cost of living adjustments). The remaining amortization period at December 31, 2007, was 21 years.

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

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2005	\$ 90,811	127%	\$(204,826)
2006	123,372	91	(193,189)
2007	137,789	90	(179,349)

Defined Contribution

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

Employees are required to contribute 3 percent of their annual salary to an annuity savings account. Since 1987, the Authority has been funding the employee contribution requirement. The contribution rate is established by the Indiana State Legislature, and may be amended only by this body. During 2007, the Authority contributed \$99,788 on behalf of the employees. This amount represents the employers' required contribution to the plan.

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

NOTE 7 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

	<u>Amount</u>
<u>Revenue Bonds</u>	
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport	
Building Corporation--	
Principal payable semi-annually on January 1, 2008	
to January 1, 2014 in payments ranging from	
\$1,055,000 in 2014 to \$2,045,000 in 2013.	
Interest at 2.5 to 5.0% due semi-annually on	
January 1 and July 1.	
	\$11,925,000
Plus: Unamortized premium and deferred amount.	
	241,033
	12,166,033
First Mortgage Bonds of 1998:	
Fort Wayne International Airport Air	
Trade Center Building Corporation	
Principal payable semi-annually on January 15, 2008	
to January 15, 2020 in payments ranging from	
\$985,000 in 2020 to \$1,900,000 in 2019.	
Interest at 4.6 to 5.3 % due semi- annually	
on January 15 and July 15	
	18,525,000
Less: Unamortized discount.	
	(130,712)
	18,394,288
Total revenue bonds	30,560,321
Other debt.	33,200
Total revenue bonds and other debt.	30,593,521
Less: Current portion.	(2,741,600)
	\$27,851,921

The Authority has a legal debt limit of \$101,805,801 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 is also \$101,805,801 as of December 31, 2007.

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

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

revenues and assets of the Trust, and rent and other payments made by the Authority under the lease between the FWIABC (Lessor) and the Authority (Lessee) described below.

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

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

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

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

Revenue Bonds of 1998

The Revenue Bonds of 1998 (the 1998 Bonds) are collateralized, on a parity with the Revenue Refunding Bonds of 1995, solely by a pledge of net revenues generated by the airport system, and cash and investments held in the 1998 Bond fund and reserve accounts pursuant to the 1998 Bond Trust Indenture.

The original amount of the 1998 bonds was \$5,500,000. The proceeds from the sale were used to construct a public use ramp and to provide utility distribution and roadways within the Air Trade Center at the Fort Wayne International Airport.

The 1998 Bonds were redeemed prior to maturity at par value on July 1, 2007.

First Mortgage of 1998

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

The original amount of the 1998 First Mortgage Bond issue was \$25,375,000. The proceeds from the sale were used to construct and equip an air freight hub,

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

aircraft maintenance facility, air cargo sorting facilities, parking, fueling and related facilities, and personal property connected with the above.

In 1998, the Authority entered into a Master Lease with FWIAATCBC. The FWIAATCBC agreed to sell bonds to finance the construction of the project described above. In addition, the Authority has agreed to sublet the project through a Building Lease with an unrelated Air Cargo Company. In accordance with the terms of the Building Lease, the lease payments payable by the Authority will be paid directly to the Trustee by the Air Cargo Company. In the event revenues from the building lease are not sufficient, lease payments will be payable from unlimited ad valorem taxes to be levied by the Authority on all taxable property within Allen County.

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

The First Mortgage Bonds are subject to redemption prior to maturity at the Authority's option on any date not earlier than January 15, 2008. The Bonds are redeemable at amounts ranging from 101 percent of principal beginning on January 15, 2008, to par beginning January 15, 2010 and thereafter.

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, 2007:

Debt Service Requirements

Years ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,725,000	\$ 1,457,754	\$ 4,182,754
2009	2,835,000	1,340,659	4,175,659
2010	2,965,000	1,209,816	4,174,816
2011	3,100,000	1,063,848	4,163,848
2012	3,250,000	907,429	4,157,429
2013-2017	10,880,000	2,478,423	13,358,423
2018-2020	4,695,000	357,750	5,052,750
	<u>30,450,000</u>	<u>8,815,679</u>	<u>39,265,679</u>
Plus: Unamortized discount, premium and deferred amount.	<u>110,321</u>	<u>---</u>	<u>110,321</u>
	<u>\$30,560,321</u>	<u>\$ 8,815,679</u>	<u>\$39,376,000</u>

Other debt consists of a non-interest bearing loan of \$166,000 received from the City of Fort Wayne in 1999 for Air Trade Center utility improvements. This loan will be repaid to the City at \$16,600 per year over a 10-year period. At December 31, 2007, the remaining balance is \$33,200.

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

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term liabilities:					
Compensated absences	\$ 1,122,909	\$ 313,829	\$ (268,303)	\$1,168,435	\$ 231,066
Bonds and other long-term debt:					
Revenue bonds	34,420,000	---	(3,970,000)	30,450,000	2,725,000
plus or minus deferred amounts:					
Premiums	431,074	---	(101,895)	329,179	88,964
Discounts	(148,296)	---	17,584	(130,712)	(14,623)
On refunding	(136,709)	---	48,564	(88,145)	(31,080)
Other debt	49,800	---	(16,600)	33,200	16,600
Total bonds and other long-term debt	<u>34,615,869</u>	<u>---</u>	<u>(4,022,347)</u>	<u>30,593,522</u>	<u>2,784,861</u>
Total bonds and long-term liabilities	<u>\$35,738,778</u>	<u>\$ 313,829</u>	<u>\$ (4,290,650)</u>	<u>\$31,761,957</u>	<u>\$ 3,015,927</u>

NOTE 8 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2007, the Authority was obligated for completion of airfield infrastructure, an electronic security system, terminal modifications, and various smaller projects under commitments aggregating \$955,773 of which an estimated \$179,913 is eligible for reimbursement at 97.5 percent from the FAA and State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2007, there are no rebatable arbitrage liabilities.

Environmental Investigation - The Environmental Protection Agency (EPA) contacted management of the Authority in 1988 regarding the dumping and burning of certain chemicals alleged to be hazardous materials. The EPA, through consulting engineers employed by it, has conducted an investigation of two sites at Fort Wayne International Airport. In late 1989, the EPA forwarded to the Authority a detailed analytical report on the engineers' findings. At this time the extent, if any, of remedial action which may be required cannot be ascertained until the Authority receives a summary of the report and recommendations from the EPA.

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 cargo carrier airlines represent approximately 16.9 percent of the accounts receivable balances as of December 31, 2007. Amounts due from passenger airlines represent approximately 22.5 percent of the balances as of December 31, 2007.

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

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 9 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:	
2008	\$2,803,753
2009	2,023,880
2010	1,001,522
2011	577,785
2012	308,987
Later Years	531,015

The schedule above includes changes in rental rates that became effective on January 1, 2008. These rates are adjusted annually.

Contingent rentals and fees aggregated \$3,357,945 for the year ended December 31, 2007.

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

NOTE 10 MAJOR CUSTOMERS

During the year ended December 31, 2007, the Authority received significant operating revenue from one airline cargo carrier. Rentals, landing fees, apron fees and other revenues from this cargo carrier aggregated 23.5 percent of operating revenues. The carrier filed petitions for reorganization under the Chapter 11 Bankruptcy Code, and ceased operations at Fort Wayne International Airport as of October 29, 2007.

**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)
7/1/98	\$ 179,068	\$ 182,716	\$ (3,648)	98.0%	\$2,058,231	(0.18) %
7/1/99	329,496	351,178	(21,682)	93.8	2,257,300	(0.96)
7/1/00	598,500	547,700	50,800	109.3	2,517,352	2.02
7/1/01	798,529	864,731	(66,202)	92.3	2,736,700	(2.42)
7/1/02 (A)	1,978,599	1,563,222	415,377	126.6	2,856,043	14.54
7/1/03	1,996,738	1,448,753	547,985	137.8	2,851,475	19.22
7/1/04	2,101,867	1,508,381	593,486	139.3	2,910,443	20.39
7/1/05	2,193,053	1,943,705	249,348	112.8	2,981,697	8.36
7/1/06	2,603,064	2,028,014	575,050	128.4	3,049,154	18.86
7/1/07	2,932,891	2,430,873	502,018	120.7	3,294,131	15.24

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

ENTERPRISE FUND COMBINING SCHEDULES

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

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

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

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Net Assets
December 31, 2007

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents.....	\$ 4,811,935	\$ -	\$ -	\$ 4,811,935
Investments.....	6,850,000	-	-	6,850,000
Accounts receivable, net of allowance.....	129,273	-	-	129,273
Unbilled revenue.....	778,640	-	-	778,640
Property tax receivable, net of allowance.....	81,096	-	-	81,096
Other receivables, net of allowance.....	50,202	-	-	50,202
Net pension assets.....	179,349	-	-	179,349
Deposits and prepaid items.....	168,817	-	-	168,817
	<u>13,049,312</u>	<u>-</u>	<u>-</u>	<u>13,049,312</u>
Restricted assets:				
Cash and cash equivalents.....	2,181,069	-	1,050,160	3,231,229
Passenger facility charge receivable.....	156,882	-	-	156,882
Federal and state grants receivable.....	1,015,067	-	-	1,015,067
Other receivables.....	6,816	-	5,933	12,749
	<u>3,359,834</u>	<u>-</u>	<u>1,056,093</u>	<u>4,415,927</u>
Total current assets.....	<u>16,409,146</u>	<u>-</u>	<u>1,056,093</u>	<u>17,465,239</u>
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents.....	736,530	6,123	-	742,653
Investments.....	3,600,000	-	-	3,600,000
Property tax receivable, net of allowance.....	13,381	-	-	13,381
	<u>4,349,911</u>	<u>6,123</u>	<u>-</u>	<u>4,356,034</u>
Capital assets, net.....	<u>109,089,146</u>	<u>-</u>	<u>-</u>	<u>109,089,146</u>
Other assets:				
Bond issue costs, less accumulated amortization of \$577,909...	324,609	-	-	324,609
Total noncurrent assets.....	<u>113,763,666</u>	<u>6,123</u>	<u>-</u>	<u>113,769,789</u>
Total assets.....	<u>\$ 130,172,812</u>	<u>\$ 6,123</u>	<u>\$ 1,056,093</u>	<u>\$ 131,235,028</u>

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable.....	\$ 1,075,209	\$ -	\$ -	\$ 1,075,209
Accrued liabilities.....	332,899	-	-	332,899
Current portion of long-term debt.....	16,600	-	-	16,600
Total unrestricted.....	1,424,708	-	-	1,424,708
Payable from restricted:				
Accounts payable.....	60,392	-	-	60,392
Current portion of long-term debt.....	2,725,000	-	-	2,725,000
Accrued interest on long-term debt.....	742,625	-	-	742,625
Total restricted.....	3,528,017	-	-	3,528,017
Total current liabilities.....	4,952,725	-	-	4,952,725
NONCURRENT LIABILITIES:				
Accrued compensated absences.....	937,369	-	-	937,369
Bonds and other long-term debt, net.....	27,851,921	-	-	27,851,921
Total noncurrent liabilities.....	28,789,290	-	-	28,789,290
Total liabilities.....	33,742,015	-	-	33,742,015
NET ASSETS:				
Invested in capital assets, net of related debt.....	78,495,625	-	-	78,495,625
Restricted.....	6,906,728	6,123	1,056,093	7,968,944
Unrestricted.....	11,028,444	-	-	11,028,444
Total net assets.....	96,430,797	6,123	1,056,093	97,493,013
Total liabilities and net assets.....	\$ 130,172,812	\$ 6,123	\$ 1,056,093	\$ 131,235,028

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	Authority	FWIABC	FWIAATCBC	Totals
OPERATING REVENUES:				
Airfield.....	\$ 1,987,586	\$ -	\$ -	\$ 1,987,586
Buildings and grounds.....	2,751,377	-	-	2,751,377
Terminal.....	3,003,368	-	-	3,003,368
Parking.....	2,063,274	-	-	2,063,274
Reliever airport.....	3,450	-	-	3,450
Total operating revenues.....	9,809,055	-	-	9,809,055
OPERATING EXPENSES:				
Airfield.....	2,748,205	-	-	2,748,205
Buildings and grounds.....	980,020	-	-	980,020
Terminal.....	1,482,276	-	-	1,482,276
Parking.....	609,776	-	-	609,776
Reliever airport.....	291,331	-	-	291,331
Administration.....	2,843,087	-	2,100	2,845,187
Depreciation.....	8,510,935	-	-	8,510,935
Total operating expenses.....	17,465,630	-	2,100	17,467,730
LOSS FROM OPERATIONS.....	(7,656,575)	-	(2,100)	(7,658,675)
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes.....	4,438,807	-	-	4,438,807
Federal operating grant.....	32,976	-	-	32,976
Passenger facility charge.....	1,136,120	-	-	1,136,120
Interest income.....	618,321	3,116	87,044	708,481
Interest expense.....	(1,447,799)	-	-	(1,447,799)
Gain on disposal of capital assets.....	21,617	-	-	21,617
Net nonoperating revenues (expenses).....	4,800,042	3,116	87,044	4,890,202
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,856,533)	3,116	84,944	(2,768,473)
CAPITAL CONTRIBUTIONS:				
Federal and state grants.....	573,692	-	-	573,692
NET ASSETS:				
Increase (decrease) in net assets.....	(2,282,841)	3,116	84,944	(2,194,781)
Total net assets, beginning of year.....	98,713,176	3,470	971,148	99,687,794
Total net assets, end of year.....	\$ 96,430,335	\$ 6,586	\$ 1,056,092	\$ 97,493,013

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2007

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 10,169,108	\$ -	\$ -	\$ 10,169,108
Payments to suppliers.....	(3,577,812)	-	-	(3,577,812)
Payments to employees.....	(3,629,219)	-	-	(3,629,219)
Payments of benefits on behalf of employees.....	(1,415,755)	-	-	(1,415,755)
Return of customer deposits.....	(2,759)	-	-	(2,759)
Net cash provided by operating activities.....	<u>1,543,563</u>	<u>-</u>	<u>-</u>	<u>1,543,563</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes.....	<u>3,857,143</u>	<u>-</u>	<u>-</u>	<u>3,857,143</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes	553,783	-	-	553,783
Acquisition and construction of capital assets.....	(3,227,588)	-	-	(3,227,588)
Sale of capital assets.....	21,617	-	-	21,617
Principal paid on bonds and other long-term debt.....	(3,986,600)	-	-	(3,986,600)
Interest paid on bonds and other long-term debt.....	(1,621,114)	-	-	(1,621,114)
Capital grant receipts.....	4,115,188	-	-	4,115,188
Passenger facility charge receipts.....	<u>1,117,525</u>	<u>-</u>	<u>-</u>	<u>1,117,525</u>
Net cash used in capital and related financing activities.....	<u>(3,027,189)</u>	<u>-</u>	<u>-</u>	<u>(3,027,189)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities.....	(7,450,000)	-	-	(7,450,000)
Proceeds from sale and maturities of investment securities.....	3,600,000	-	-	3,600,000
Interest received on investments.....	<u>584,891</u>	<u>2,653</u>	<u>88,619</u>	<u>676,163</u>
Net cash provided by (used in) investing activities.....	<u>(3,265,109)</u>	<u>2,653</u>	<u>88,619</u>	<u>(3,173,837)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.	(891,592)	2,653	88,619	(800,320)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	<u>8,621,126</u>	<u>3,470</u>	<u>961,541</u>	<u>9,586,137</u>
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>\$ 7,729,534</u>	<u>\$ 6,123</u>	<u>\$ 1,050,160</u>	<u>\$ 8,785,817</u>

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2007

	Authority	FWIABC	FWIAATCBC	Totals
Reconciliation of operating loss to net cash provided by operating activities:				
Loss from operations.....	\$ (7,658,675)	\$ -	\$ -	\$ (7,658,675)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation.....	8,510,935	-	-	8,510,935
Amortization of bond issuance cost.....	77,743	-	-	77,743
Change in assets and liabilities:				
Accounts receivable and unbilled revenue.....	142,502	-	-	142,502
Net pension assets.....	13,840	-	-	13,840
Deposits and prepaid items.....	12,470	-	-	12,470
Loans receivable.....	274,667	-	-	274,667
Accounts payable.....	109,292	-	-	109,292
Accrued liabilities.....	60,789	-	-	60,789
Net cash provided by operating activities.....	\$ 1,543,563	\$ -	\$ -	\$ 1,543,563

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital assets included in accounts payable.....	\$ 516,415	\$ -	\$ -	\$ 516,415
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**OTHER SUPPLEMENTARY
INFORMATION**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Debt Service Requirements to Maturity
December 31, 2007**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008.....	\$ 2,741,600	\$ 1,457,754	\$ 4,199,354
2009.....	2,851,600	1,340,659	4,192,259
2010.....	2,965,000	1,209,816	4,174,816
2011.....	3,100,000	1,063,848	4,163,848
2012.....	3,250,000	907,429	4,157,429
2013.....	3,445,000	744,928	4,189,928
2014.....	2,530,000	572,935	3,102,935
2015.....	1,550,000	471,163	2,021,163
2016.....	1,635,000	388,622	2,023,622
2017.....	1,720,000	300,775	2,020,775
2018.....	1,810,000	212,375	2,022,375
2019.....	1,900,000	120,750	2,020,750
2020.....	985,000	24,625	1,009,625
Totals.....	<u>\$ 30,483,200 (1)</u>	<u>\$ 8,815,679</u>	<u>\$ 39,298,879</u>

(1) Excludes unamortized discount, premium and deferred amount of \$ 110,321.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2007**

Capital Assets (1)

<u>Category</u>	<u>Balance at 01/01/07</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/07</u>
Land and easements.....	\$ 14,910,221	\$ 51,942	\$ -	\$ 14,962,163
Runways and taxiways.....	100,148,399	536,706		100,685,105
Buildings.....	68,377,101	2,341,936		70,719,037
Roads and parking.....	19,527,908	48,555		19,576,463
Snow equipment.....	2,977,462			2,977,462
Vehicles.....	3,013,661	137,190	548,066	2,602,785
Other equipment.....	2,040,054	164,674	49,373	2,155,355
Master plans.....	1,297,145	235,029		1,532,174
Construction work in progress.....	936,790	2,603,558	3,223,212	317,136
Total capital assets.....	\$ 213,228,741	\$ 6,119,590	\$ 3,820,651	\$ 215,527,680

Accumulated Depreciation

<u>Category</u>	<u>Balance at 01/01/07</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/07</u>
Runways and taxiways.....	\$ 58,661,938	\$ 4,700,960	\$ -	\$ 63,362,898
Buildings.....	29,091,051	2,369,312		31,460,363
Roads and parking.....	5,649,750	807,130		6,456,880
Snow equipment.....	1,315,190	214,753		1,529,943
Vehicles.....	1,498,024	159,592	548,066	1,109,550
Other equipment.....	1,613,674	116,735	49,373	1,681,036
Master plans.....	695,411	142,453		837,864
Total depreciation.....	\$ 98,525,038	\$ 8,510,935	\$ 597,439	\$ 106,438,534

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

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2007

Major Revenue Categories	2007 Actual			2007 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield use fees.....	\$ 1,991,036	\$ 160,838	\$ 2,151,874	\$ 2,207,123	\$ (55,249)
Building rent and services.....	4,336,530	(1,538,967)	2,797,563	3,118,578	(321,015)
Land rent.....	452,490	21,653	474,143	469,940	4,203
Utilities.....	4,207	(91)	4,116	3,819	297
Parking.....	2,063,274	(77,760)	1,985,514	1,773,659	211,855
Auto rental.....	833,161	3,620	836,781	805,486	31,295
Restaurant.....	107,286	(700)	106,586	96,132	10,454
Other income.....	73,420	(32,420)	41,000	6,430	34,570
Contractual reimbursements.....	-	-	-	23,320	(23,320)
Other commissions.....	2,244	-	2,244	1,506	738
Interest income.....	708,481	(32,318)	676,163	436,320	239,843
Property and other taxes.....	4,438,807	(27,881)	4,410,926	4,401,701	9,225
Passenger facility charges.....	1,136,120	(18,595)	1,117,525	1,002,018	115,507
Total revenues.....	16,147,056	(1,542,621)	14,604,435	14,346,032	258,403
Capital contributions:					
Federal grants.....	558,425	3,468,399	4,026,824	4,243,750	(216,926)
State grants.....	15,267	73,097	88,364	111,138	(22,774)
Total capital contributions.....	573,692	3,541,496	4,115,188	4,354,888	(239,700)
Total.....	\$ 16,720,748	\$ 1,998,875	\$ 18,719,623	\$ 18,700,920	\$ 18,703

(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, 2007

Major Expense Categories	2007 Actual						Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2007 Actual	2007 Budget	
PERSONAL SERVICES:							
Salaries and wages.....	\$ 3,689,607	\$ (60,388)	\$ 3,629,219	\$ -	\$ 3,629,219	\$ 3,737,020	\$ (107,801)
Employee benefits.....	1,457,312	(41,557)	1,415,755	75,839	1,491,594	1,589,659	(98,065)
Total personal services.....	5,146,919	(101,945)	5,044,974	75,839	5,120,813	5,326,679	(205,866)
SUPPLIES.....	789,424	(130,803)	658,621	159,118	817,739	1,016,483	(198,744)
CONTRACTUAL SERVICES:							
Professional services.....	686,242	(49,615)	636,627	50,693	687,320	739,641	(52,321)
Utilities.....	548,287	(7,767)	540,520	390	540,910	630,654	(89,744)
Contracted repairs.....	158,409	12,386	170,795	46,582	217,377	408,543	(191,166)
Debt service payments.....	1,447,799	1,042,685	2,490,484	-	2,490,484	2,538,126	(47,642)
Other contracted services.....	1,627,514	(89,934)	1,537,580	258,665	1,796,245	2,035,591	(239,346)
Total contractual services...	4,468,251	907,755	5,376,006	356,330	5,732,336	6,352,555	(620,219)
CAPITAL EXPENDITURES	-	3,227,588	3,227,588	2,378,615	5,606,203	9,049,615	(3,443,412)
DEPRECIATION EXPENSE	8,510,935	(8,510,935)	-	-	-	-	-
Totals.....	\$ 18,915,529	\$ (4,608,340)	\$ 14,307,189	\$ 2,969,902	\$ 17,277,091	\$ 21,745,332	\$ (4,468,241)

(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



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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Revenues:	2007	2006	2005	2004
Airfield.....	\$ 1,987,586	\$ 2,516,471	\$ 2,355,553	\$ 2,372,285
Buildings and grounds.....	2,751,377	3,158,585	3,194,286	3,217,660
Terminal.....	3,003,368	3,009,862	3,067,835	3,096,247
Parking.....	2,063,274	1,912,344	1,947,262	1,992,504
Reliever airport.....	3,450	10,188	10,166	10,355
	<u>9,809,055</u>	<u>10,607,450</u>	<u>10,575,102</u>	<u>10,689,051</u>
Interest	708,481	875,498	653,412	347,459
Property and other taxes.....	4,438,807	4,307,566	4,069,893	4,221,616
Federal operating grant.....	32,976	-	-	332,513
Passenger facility charge.....	1,136,120	1,059,924	812,956	887,160
Gain on disposal of capital assets.....	21,617	64,985	184,937	-
Total revenues.....	<u>16,147,056</u>	<u>16,915,423</u>	<u>16,296,300</u>	<u>16,477,799</u>
Expenses:				
Salaries.....	3,689,607	3,263,059	3,103,932	3,053,622
Benefits.....	1,457,312	1,366,665	1,261,433	1,025,317
Utilities.....	548,287	499,924	474,522	438,094
Supplies and other services.....	3,261,589	2,780,524	3,486,298	3,827,577
Depreciation.....	8,510,935	8,064,551	7,764,453	7,787,031
Total operating expenses.....	<u>17,467,730</u>	<u>15,974,723</u>	<u>16,090,638</u>	<u>16,131,641</u>
Interest.....	<u>1,447,799</u>	<u>1,655,703</u>	<u>1,740,318</u>	<u>2,256,248</u>
Total expenses.....	<u>18,915,529</u>	<u>17,630,426</u>	<u>17,830,956</u>	<u>18,387,889</u>
Capital contributions.....	<u>573,692</u>	<u>7,999,576</u>	<u>5,098,268</u>	<u>3,350,896</u>
Increase (Decrease) in net assets.....	<u>\$ (2,194,781)</u>	<u>\$ 7,284,573</u>	<u>\$ 3,563,612</u>	<u>\$ 1,440,806</u>
Net assets at year end composed of:				
Invested in capital assets, net of related debt.	\$ 78,495,625	\$ 80,087,834	\$ 71,421,904	\$ 66,434,837
Restricted.....	6,950,303	12,174,175	6,858,838	5,955,696
Unrestricted.....	<u>12,047,085</u>	<u>7,425,785</u>	<u>14,122,479</u>	<u>16,449,076</u>
Total net assets.....	<u>\$ 97,493,013</u>	<u>\$ 99,687,794</u>	<u>\$ 92,403,221</u>	<u>\$ 88,839,609</u>

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

Source: Authority's audited financial statements.

2003	2002	2001	2000	1999	1998
\$ 2,322,102	\$ 2,358,826	\$ 2,503,278	\$ 2,841,935	\$ 2,321,163	\$ 1,675,554
3,115,449	3,081,669	3,070,028	2,880,797	1,747,276	634,555
3,161,047	3,116,932	2,912,244	2,908,882	2,427,074	2,506,681
1,682,480	1,592,208	1,661,857	1,912,208	1,814,295	1,674,614
22,043	42,130	49,157	51,648	58,952	56,720
10,303,121	10,191,765	10,196,564	10,595,470	8,368,760	6,548,124
401,133	651,582	1,067,565	1,012,408	967,818	992,578
3,768,107	3,698,807	3,747,541	3,392,472	3,361,218	3,486,487
65,487	203,903	-	-	-	-
794,951	768,351	803,711	967,928	941,382	950,735
1,257	12,934	12,899	16,626	-	300
15,334,056	15,527,342	15,828,280	15,984,904	13,639,178	11,978,224
3,029,513	3,153,805	3,205,169	2,887,498	2,645,705	2,396,851
947,868	994,007	707,264	625,208	611,704	530,192
430,869	378,929	390,118	356,354	366,519	381,313
2,921,292	2,526,089	2,143,133	2,450,524	1,800,026	1,664,176
7,531,646	7,821,960	7,690,603	7,749,815	6,369,161	6,251,560
14,861,188	14,874,790	14,136,287	14,069,399	11,793,115	11,224,092
2,404,165	2,572,497	2,714,736	2,853,983	2,774,531	1,893,070
17,265,353	17,447,287	16,851,023	16,923,382	14,567,646	13,117,162
2,839,984	1,967,232	3,121,820	3,493,337	1,190,405	3,182,081
\$ 908,687	\$ 47,287	\$ 2,099,077	\$ 2,554,859	\$ 261,937	\$ 2,043,143
\$ 64,761,424	\$ 63,484,036	NA	NA	NA	NA
6,653,265	4,318,564	NA	NA	NA	NA
15,984,114	18,687,516	NA	NA	NA	NA
\$ 87,398,803	\$ 86,490,116	\$ 86,442,829	\$ 84,343,750	\$ 81,788,891	\$ 81,526,954

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2007	2006	2005	2004
<u>Operating Revenues:</u>				
Airfield.....	\$ 150,318	\$ 114,741	\$ 125,048	\$ 127,092
Passenger airline service charge revenues:				
Landing fees.....	708,285	708,779	810,523	772,745
Jetway rental.....	74,700	86,770	67,900	61,050
Apron fees.....	99,430	98,459	127,494	119,553
Terminal rent.....	1,575,750	1,542,946	1,710,820	1,608,441
Boarding security.....	155,153	169,006	164,476	155,193
PA system.....	1,536	1,536	1,504	2,080
Air Trade Center cargo airline service charge revenues (1):				
Landing fees.....	546,868	1,041,899	905,647	1,003,269
Apron fees.....	43,970	52,765	56,856	54,411
Building rent.....	1,527,754	2,025,300	2,025,300	2,025,300
ground rent.....	201,957	214,734	208,424	203,338
Landing fees-other cargo.....	438,715	499,828	329,985	295,215
Building and grounds.....	862,507	763,330	807,303	858,527
Terminal.....	251,575	292,350	230,078	150,258
Car rental.....	833,162	814,862	782,533	1,002,472
Restaurant.....	111,493	102,392	110,524	116,753
Parking.....	2,063,274	1,912,344	1,947,262	1,992,504
Farming.....	159,158	155,221	153,259	130,495
Reliever airport.....	3,450	10,188	10,166	10,355
Total operating revenues.....	9,809,055	10,607,450	10,575,102	10,689,051
<u>Non-operating revenues:</u>				
Interest income.....	708,481	875,498	653,412	347,459
Property and other taxes.....	4,438,807	4,307,566	4,069,893	4,221,616
FAA operating grant.....	32,976	-	-	332,513
Passenger facility charge.....	1,136,120	1,059,924	812,956	887,160
Gain on disposal of fixed assets.....	21,617	64,985	184,937	-
Total non-operating revenues.....	6,338,001	6,307,973	5,721,198	5,788,748
Total revenues.....	<u>\$ 16,147,056</u>	<u>\$ 16,915,423</u>	<u>\$ 16,296,300</u>	<u>\$ 16,477,799</u>
Enplaned passengers.....	<u>298,639</u>	<u>274,889</u>	<u>316,339</u>	<u>338,681</u>
Passenger airline cost per enplaned passenger.....	<u>\$ 8.76</u>	<u>\$ 9.49</u>	<u>\$ 9.11</u>	<u>\$ 8.03</u>
<u>Signatory airlines rates and charges (2):</u>				
Landing fee (per 1,000 lbs. of max. gross landed weight)....	\$ 1.86	\$ 1.83	\$ 1.77	\$ 1.63
Apron fee (per 1,000 lbs of max. gross landed weight).....	0.26	0.25	0.28	0.25
Annual terminal rental rate (per square foot).....	36.27	32.24	32.70	32.26
<u>Revenue Funding Ratios:</u>				
Parking commissions per enplaned passenger.....	\$ 6.91	\$ 6.96	\$ 6.16	\$ 5.88
Car rental commissions per enplaned passenger.....	2.79	2.96	2.47	2.96
Restaurant commissions per enplaned passenger.....	0.37	0.37	0.35	0.34

Notes: (1) The Airport's Air Trade Center opened in July 1999.

(2) Rates and charges are calculated based upon the Airport Use and Lease Agreement.

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

	2003	2002	2001	2000	1999	1998
\$	136,379	\$ 139,192	\$ 160,873	\$ 148,512	\$ 217,316	\$ 197,049
	771,740	843,067	842,741	936,444	948,974	1,094,022
	52,930	58,200	57,460	51,070	26,270	33,460
	115,597	116,161	119,948	146,527	105,682	116,349
	1,720,773	1,703,037	1,565,023	1,493,886	1,153,587	1,251,783
	108,032	71,542	138,008	137,061	128,218	122,456
	1,920	1,824	2,016	1,673	2,144	2,304
	949,837	978,700	710,244	1,274,404	736,183	-
	57,565	39,757	36,893	46,623	3,391	-
	2,025,300	2,025,300	2,025,300	2,025,300	1,012,650	-
	199,205	195,425	190,873	185,465	94,906	-
	290,984	241,949	632,579	289,425	309,617	268,134
	769,302	737,916	735,877	566,350	554,341	554,278
	226,762	270,800	211,993	253,518	208,517	233,033
	957,022	925,403	851,119	874,005	818,653	777,266
	93,608	86,126	86,625	97,669	89,685	86,379
	1,682,480	1,592,208	1,661,857	1,912,208	1,814,295	1,674,614
	121,642	123,028	117,978	103,682	85,379	80,277
	22,043	42,130	49,157	51,648	58,952	56,720
	10,303,121	10,191,765	10,196,564	10,595,470	8,368,760	6,548,124
	401,133	651,582	1,067,565	1,012,408	967,818	992,578
	3,768,107	3,698,807	3,747,541	3,392,472	3,361,218	3,486,487
	65,487	203,903	-	-	-	-
	794,951	768,351	803,711	967,928	941,382	950,735
	1,257	12,934	12,899	16,626	-	300
	5,030,935	5,335,577	5,631,716	5,389,434	5,270,418	5,430,100
\$	<u>15,334,056</u>	<u>15,527,342</u>	<u>15,828,280</u>	<u>15,984,904</u>	<u>13,639,178</u>	<u>11,978,224</u>
	<u>306,077</u>	<u>301,044</u>	<u>307,255</u>	<u>360,010</u>	<u>350,848</u>	<u>354,541</u>
\$	<u>9.05</u>	<u>9.28</u>	<u>8.87</u>	<u>7.68</u>	<u>6.74</u>	<u>7.39</u>
\$	1.68	\$ 1.68	\$ 1.60	\$ 1.60	\$ 1.81	\$ 1.88
	0.25	0.23	0.23	0.25	0.20	0.20
	31.82	32.32	31.31	28.94	22.68	24.73
\$	5.50	\$ 5.29	\$ 5.57	\$ 5.46	\$ 5.34	\$ 4.88
	3.13	3.07	2.77	2.43	2.33	2.19
	0.31	0.29	0.28	0.27	0.26	0.24

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Principal Taxpayers - Name	2007			1998		
	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.....	\$ 229,593,500	1	1.6 %	\$ 243,249,480	1	2.9 %
GGP-Glenbrook-LLC.....	185,388,970	2	1.3			
Verizon North Inc.....	179,642,100	3	1.3	125,053,140	2	1.5
Indiana Michigan Power.....	113,547,950	4	0.8	99,720,480	3	1.2
IOM Health Systems.....	100,819,480	5	0.7	55,383,420	8	0.6
IMI Jefferson Pointe LLC.....	80,936,200	6	0.6			
Regency Canterbury.....	66,910,800	7	0.5			
Rose Edward Development.....	57,201,950	8	0.4			
St Joseph Health System LLC.....	54,606,100	9	0.4			
Utility Center Inc.....	52,987,710	10	0.4			
Dana Corporation.....				98,132,760	4	1.2
Uniroyal BF Goodrich.....				74,915,640	5	0.9
General Electric Company.....				65,238,036	6	0.8
Lake County Trust/Landau & Hayden.				55,929,150	7	0.7
Ohio Cubco/Super Value Holding Inc.				46,813,380	9	0.5
Northern Indiana Public Service Co....				42,764,400	10	0.5
Total of Ten Largest Taxpayers.....	\$ 1,121,634,760		8.0 %	\$ 907,199,886		10.6 %

(1) Represents assessed valuations for taxes due and payable in 2007.

(2) Represents assessed valuations for taxes due and payable in 1998.

Source: Allen County Auditor's Office.

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FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2007	2006	2005	2004 (3)
Operating excise tax.....	\$ 251,464	\$ 250,611	\$ 260,396	\$ 351,912
Aircraft excise tax.....	15,777	20,780	21,196	20,175
Operating intangibles tax.....	26,217	26,570	26,464	52,879
Operating property tax.....	3,052,156	2,953,015	2,806,723	3,859,042
Operating commercial vehicle tax.....	26,431	25,343	24,041	44,178
Cumulative building property tax.....	503,606	460,045	454,029	726,709
Cumulative building excise tax.....	41,492	39,382	42,123	65,129
Cumulative building commercial vehicle tax...	4,361	3,983	3,889	7,754
Cumulative building intangibles tax.....	4,325	4,175	4,281	9,287
County option income tax.....	485,097	525,511	430,294	563,196
Debt service property tax.....	-	-	-	-
Debt service excise tax.....	-	-	-	-
Debt service intangibles tax.....	-	-	-	-
Total Authority tax receipts.....	\$ 4,410,926	\$ 4,309,415	\$ 4,073,436	\$ 5,700,261
Rate per \$100 of assessed valuation.....	0.0233	0.0243	0.0237	0.0225

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

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

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

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

	2007	2006	2005	2004
Total tax levy.....	\$ 450,324,056	\$ 423,667,496	\$ 404,939,852	\$ 392,189,991
Current tax collections (2).....	433,282,315	411,472,985	392,526,880	377,612,575
Percent of levy collected.....	96.2%	97.1%	96.9%	96.3%
Delinquent tax collections.....	\$ 16,618,199	\$ 9,072,693	\$ 6,754,184	\$ 4,320,258
Total tax collections.....	449,900,514	420,545,678	399,281,064	381,932,833
Percent of total tax collections to levy.....	99.9%	99.3%	98.6%	97.4%
Outstanding delinquent taxes.....	\$ 23,314,369	\$ 15,360,588	\$ 16,878,058	\$ 22,056,911
Percent of delinquent taxes to levy.....	5.2%	3.6%	4.2%	5.6%

(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

2003 (2)	2002	2001	2000	1999	1998
\$ 189,667	\$ 262,536	\$ 264,319	\$ 291,160	\$ 284,385	\$ 279,410
23,451	27,963	27,604	20,574	18,160	17,281
-	26,078	25,680	28,865	29,494	26,370
1,422,378	2,335,574	2,274,912	2,395,864	2,310,951	2,258,216
-	21,144	20,116	-	-	-
200,592	328,260	323,434	-	-	-
30,055	37,024	37,599	-	-	-
-	2,982	2,862	-	-	-
-	3,678	3,653	-	-	-
487,643	653,568	767,362	501,902	507,650	484,158
-	-	-	135,555	176,422	374,388
-	-	-	16,474	21,703	46,323
-	-	-	1,633	2,251	4,372
<u>\$ 2,353,786</u>	<u>\$ 3,698,807</u>	<u>\$ 3,747,541</u>	<u>\$ 3,392,027</u>	<u>\$ 3,351,016</u>	<u>\$ 3,490,518</u>
0.0217	0.0267	0.0267	0.0267	0.0273	0.0295

2003	2002	2001	2000	1999	1998
\$ 352,474,267	\$ 343,127,157	\$ 308,115,752	\$ 300,888,833	\$ 298,675,890	\$ 290,175,549
341,253,361	324,143,475	306,771,546	297,308,400	291,497,902	287,919,723
96.8%	94.5%	99.6%	98.8%	97.6%	99.2%
\$ 10,779,907	\$ 10,442,943	\$ 11,186,590	\$ 11,253,948	\$ 9,043,097	\$ 8,448,399
352,033,268	334,586,418	317,958,136	308,562,348	300,540,999	296,368,122
99.9%	97.5%	103.2%	102.6%	100.6%	102.1%
\$ 14,866,299	\$ 16,300,389	\$ 13,378,002	\$ 13,119,784	\$ 13,339,890	\$ 11,020,067
4.2%	4.8%	4.3%	4.4%	4.5%	3.8%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Allen County	2007	2006	2005	2004
Total assessed value (1) (2)(3).....	\$ 15,270,870,109	\$ 14,061,977,670	\$ 13,932,934,665	\$ 14,211,493,429

(1) Assessed values for real property for 1998 - 2002 represent 1995 values.

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

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

(3) Beginning in 2003, Indiana changed to a market based approach for property assessments. For comparison purposes, assessed values and rates previously presented from 1998 to 2002 have been adjusted: assessed values have been multiplied by 3 and rates below have been divided by 3.

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

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

Allen County	2007	2006	2005	2004
Rates per \$100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating.....	\$ 0.0200	\$ 0.0210	\$ 0.0204	\$ 0.0192
Cumulative Building.....	0.0033	0.0033	0.0033	0.0033
Debt Service.....	-	-	-	-
Total direct rates.....	0.0233	0.0243	0.0237	0.0225
Other municipal corporations.....	0.1744	0.1841	0.1806	0.1629
School Districts.....	1.3876	1.5274	1.4790	1.4768
Allen County.....	0.5343	0.5675	0.5452	0.4945
City of Fort Wayne.....	0.9441	0.8745	0.8133	0.5188
State of Indiana.....	0.0206	0.0239	0.0235	0.0024
Other.....	0.0915	0.0991	0.1011	0.0817
Totals.....	<u>\$ 3.1991</u>	<u>\$ 3.3250</u>	<u>\$ 3.1665</u>	<u>\$ 2.7597</u>
Levies:				
Airport Authority.....	\$ 3,558,113	\$ 3,417,060	\$ 3,302,106	\$ 3,197,586
Other municipal corporations.....	26,639,938	25,888,641	25,169,342	23,150,614
School districts.....	211,904,942	214,781,057	206,066,666	209,871,643
Allen County.....	81,596,517	79,801,724	75,962,361	70,275,834
City of Fort Wayne.....	144,166,763	122,972,778	113,321,220	73,735,533
State of Indiana.....	3,145,800	3,360,193	3,273,613	341,076
Other.....	13,972,693	13,938,331	14,092,706	11,617,705
Totals.....	<u>\$ 484,984,766</u>	<u>\$ 464,159,784</u>	<u>\$ 441,188,014</u>	<u>\$ 392,189,991</u>

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

(2) Source: Allen County Auditor's Office

2003	2002	2001	2000	1999	1998
\$14,231,573,124	\$9,984,972,264	\$9,516,063,021	\$9,202,872,822	\$9,022,170,408	\$8,805,731,715

2003	2002	2001	2000	1999	1998
\$ 0.0184	\$ 0.0234	\$ 0.0234	\$ 0.0253	\$ 0.0253	\$ 0.0253
0.0033	0.0033	0.0033	-	-	-
-	-	-	0.0014	0.0019	0.0042
<u>0.0217</u>	<u>0.0267</u>	<u>0.0267</u>	<u>0.0267</u>	<u>0.0273</u>	<u>0.0295</u>
0.1654	0.2222	0.1726	0.1869	0.1890	0.1846
1.3042	1.7585	1.7071	1.7434	1.7390	1.7894
0.4215	0.4656	0.5983	0.4167	0.4226	0.4056
0.4500	0.5886	0.5948	0.6224	0.6293	0.6081
0.0223	0.1455	0.0294	0.1836	0.2163	0.1923
0.0830	0.1017	0.1090	0.0894	0.0867	0.0861
<u>\$ 2.4681</u>	<u>\$ 3.3088</u>	<u>\$ 3.2378</u>	<u>\$ 3.2691</u>	<u>\$ 3.3101</u>	<u>\$ 3.2956</u>
\$ 3,088,251	\$ 2,665,988	\$ 2,547,133	\$ 2,497,858	\$ 2,460,046	\$ 2,599,755
23,536,130	22,183,865	16,422,060	17,199,432	17,050,660	16,258,490
185,602,124	175,582,419	162,444,019	160,443,258	156,893,272	157,569,358
59,980,764	46,494,034	56,931,432	38,345,072	38,126,494	35,711,934
64,047,843	58,773,603	56,602,688	57,276,624	56,774,815	53,544,929
3,177,037	14,528,110	2,794,551	16,900,202	19,522,048	16,944,508
11,816,101	10,152,003	10,373,869	8,226,387	7,789,828	7,546,575
<u>\$ 351,248,250</u>	<u>\$ 330,380,022</u>	<u>\$ 308,115,752</u>	<u>\$ 300,888,833</u>	<u>\$ 298,617,163</u>	<u>\$ 290,175,549</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	Building Permits (1)			Property Value (2)
	Number Issued	Value of Buildings	Average Building Cost	
2007.....	1,034	\$ 176,636,110	\$ 170,828	\$ 15,270,870,109
2006.....	1,167	205,597,856	176,176	14,061,977,670
2005.....	1,742	310,649,789	178,329	13,932,934,665
2004.....	1,799	306,494,445	170,369	14,211,493,429
2003.....	1,972	324,607,452	164,608	14,231,573,124
2002.....	2,070	315,471,492	152,402	9,984,972,264
2001.....	1,810	288,854,514	159,588	9,516,063,021
2000.....	1,651	267,201,528	161,842	9,202,872,822
1999.....	2,022	303,302,745	150,001	9,022,170,408
1998.....	1,936	295,367,138	152,566	8,805,731,715
1997.....	1,623	245,030,183	150,974	8,527,179,537

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

(2) Property value is the assessed value for taxes due and payable in 2007.

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**

	2007	2006	2005	2004
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds.....	\$ 12,166,033	\$ 13,694,365	\$ 15,150,665	\$ 15,871,805
First Mortgage Bonds.....	18,394,288	19,428,207	20,411,069	21,353,931
Revenue Bonds.....	-	1,443,497	2,116,301	3,132,230
Non-interest bearing loan.....	33,200	49,800	66,400	83,000
Financing agreement.....	-	-	-	-
Non-interest bearing note.....	-	-	-	-
Total outstanding debt.....	\$ 30,593,521	\$ 34,615,869	\$ 37,744,435	\$ 40,440,966
Enplaned passengers.....	298,639	274,889	316,339	338,681
Debt per enplaned passenger.....	\$ 102.44	\$ 125.93	\$ 119.32	\$ 119.41
<u>Debt service per enplaned passenger</u>				
Net debt service.....	\$ 5,487,179	\$ 4,752,303	\$ 4,470,762	\$ 5,482,530
Enplaned passengers.....	298,639	274,889	316,339	338,681
Debt service per enplaned passenger.....	\$ 18.37	\$ 17.29	\$ 14.13	\$ 16.19
<u>Outstanding general obligation debt per capita:</u>				
First Mortgage Bonds.....	\$ -	\$ -	\$ -	\$ -
Airport Improvement Bonds.....	-	-	-	-
Total general obligation debt.....	\$ -	\$ -	\$ -	\$ -
Population.....	349,488	346,144	343,112	340,922
Net debt per capita.....	\$ -	\$ -	\$ -	\$ -
Debt Limit (2).....	101,805,801	93,746,517	92,886,231	94,743,290

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) The debt limit is calculated by multiplying 2 percent times the property's adjusted value which is 1/3 of assessed value.

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
	\$ 17,612,789	\$ 18,792,025	\$ 19,906,262	\$ 20,960,499	\$ 22,064,737	\$ 23,203,974
	22,256,793	23,119,656	23,942,518	24,735,380	25,108,242	25,091,104
	4,088,788	5,006,773	5,876,216	6,694,642	7,374,037	7,630,149
	99,600	116,200	132,800	149,400	166,000	-
	-	16,920	33,004	50,991	66,666	83,079
	-	-	-	31,492	67,505	102,725
	<u>\$ 44,057,970</u>	<u>\$ 47,051,574</u>	<u>\$ 49,890,800</u>	<u>\$ 52,622,404</u>	<u>\$ 54,847,187</u>	<u>\$ 56,111,031</u>
	306,077	301,044	307,255	360,010	350,848	354,541
	\$ 143.94	\$ 156.29	\$ 162.38	\$ 146.17	\$ 156.33	\$ 158.26
	\$ 5,470,958	\$ 5,470,181	\$ 5,625,815	\$ 5,364,026	\$ 4,807,535	\$ 3,860,398
	306,077	301,044	307,255	360,010	350,848	354,541
	\$ 17.87	\$ 18.17	\$ 18.31	\$ 14.90	\$ 13.70	\$ 10.89
	\$ -	\$ -	\$ -	\$ 120,000	\$ 345,000	\$ 560,000
	-	-	-	-	-	150,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 345,000</u>	<u>\$ 710,000</u>
	339,292	337,076	334,909	331,849	328,699	325,489
	\$ -	\$ -	\$ -	\$ 0.36	\$ 1.05	\$ 2.18
	94,877,154	66,566,482	63,440,420	61,352,485	60,147,803	58,704,878

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
1995 and 1998 Revenue Bonds:				
Gross revenues.....	\$ 16,147,056	\$ 16,915,423	\$ 16,296,300	\$ 16,477,799
Less:				
Building rental revenue (1).....	1,527,754	2,025,300	2,025,300	2,025,300
Passenger facility charges.....	1,136,120	1,059,924	812,956	887,160
Gain on disposal of capital assets.....	21,617	-	184,937	-
Operating expenses (2).....	8,956,795	7,910,172	8,326,185	8,344,610
	<u>11,642,286</u>	<u>10,995,396</u>	<u>11,349,378</u>	<u>11,257,070</u>
Net revenues available.....	<u>\$ 4,504,770</u>	<u>\$ 5,920,027</u>	<u>\$ 4,946,922</u>	<u>\$ 5,220,729</u>
 Debt Service				
Principal.....	\$ 705,000	\$ 675,000	\$ 1,020,000	\$ 965,000
Interest.....	26,140	74,701	111,470	165,432
Total debt service.....	<u>\$ 731,140</u>	<u>\$ 749,701</u>	<u>\$ 1,131,470</u>	<u>\$ 1,130,432</u>
 Debt service coverage.....	<u>6.16</u>	<u>7.90</u>	<u>4.37</u>	<u>4.62</u>
 1998 First Mortgage Bonds:				
Gross revenues.....	<u>\$ 1,527,754</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>
Debt Service				
Principal.....	\$ 1,050,000	\$ 1,000,000	\$ 960,000	\$ 920,000
Interest.....	973,951	1,014,664	1,058,545	1,100,107
Total debt service.....	<u>\$ 2,023,951</u>	<u>\$ 2,014,664</u>	<u>\$ 2,018,545</u>	<u>\$ 2,020,107</u>
 Debt service coverage.....	<u>0.75</u>	<u>1.01</u>	<u>1.00</u>	<u>1.00</u>

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds. If building rental revenue is insufficient, then the levy of an ad valorem tax is mandatory.
(2) Operating revenues exclude depreciation expense

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

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 15,334,056	\$ 15,527,342	\$ 15,828,280	\$ 15,984,904	\$ 13,639,178	\$ 11,978,224
2,025,300	2,025,300	2,025,300	2,025,300	1,012,650	-
794,951	768,351	803,711	967,928	941,382	950,735
1,257	12,934	12,899	16,626	-	300
<u>7,329,542</u>	<u>7,052,830</u>	<u>6,445,682</u>	<u>6,319,584</u>	<u>5,418,526</u>	<u>4,972,532</u>
<u>10,151,050</u>	<u>9,859,415</u>	<u>9,287,592</u>	<u>9,329,438</u>	<u>7,372,558</u>	<u>5,923,567</u>
<u>\$ 5,183,006</u>	<u>\$ 5,667,927</u>	<u>\$ 6,540,688</u>	<u>\$ 6,655,466</u>	<u>\$ 6,266,620</u>	<u>\$ 6,054,657</u>
\$ 930,000	\$ 885,000	\$ 835,000	\$ 835,000	\$ 265,000	\$ 255,000
<u>215,894</u>	<u>263,684</u>	<u>308,299</u>	<u>302,329</u>	<u>380,161</u>	<u>152,089</u>
<u>\$ 1,145,894</u>	<u>\$ 1,148,684</u>	<u>\$ 1,143,299</u>	<u>\$ 1,137,329</u>	<u>\$ 645,161</u>	<u>\$ 407,089</u>
<u>4.52</u>	<u>4.93</u>	<u>5.72</u>	<u>5.85</u>	<u>9.71</u>	<u>14.87</u>
<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 1,012,650</u>	<u>\$ -</u>
\$ 880,000	\$ 840,000	\$ 810,000	\$ 390,000	\$ -	\$ -
<u>1,139,920</u>	<u>1,177,982</u>	<u>1,214,404</u>	<u>1,238,235</u>	<u>1,255,373</u>	<u>-</u>
<u>\$ 2,019,920</u>	<u>\$ 2,017,982</u>	<u>\$ 2,024,404</u>	<u>\$ 1,628,235</u>	<u>\$ 1,255,373</u>	<u>\$ -</u>
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.24</u>	<u>0.81</u>	<u>-</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

<u>Year</u>	<u>Population (1)(4)</u>	<u>Personal Income (Thousands) (2)(4)</u>	<u>Per Capita Personal Income (2)(4)</u>	<u>Unemployment Rate (3)</u>
2007	349,488	N/A	N/A	4.7 %
2006	346,144	\$ 11,304,246	\$ 32,658	4.9
2005	343,112	10,744,620	31,315	5.2
2004	340,922	10,448,559	30,648	5.2
2003	339,292	10,077,612	29,702	5.3
2002	337,076	10,065,472	28,861	5.0
2001	334,909	9,762,808	29,151	4.1
2000	331,849	9,677,492	29,082	2.6
1999	328,699	9,171,663	27,903	2.8
1998	325,489	8,854,201	27,203	2.6
1997	321,527	8,199,015	25,500	2.7
1996	318,087	7,882,085	24,780	3.3

N/A - Not Available

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

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis

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

(4) Previously reported estimates from 2001 to 2006 have been revised

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County
Principal Employers
Current Year and Nine Years Ago

Principal Employers - Name	2007			1998		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Fort Wayne Community Schools.....	4,201	1	2.3 %	3,298	1	1.9 %
Parkview Memorial Hospital.....	3,844	2	2.1	2,730	4	1.5
Lutheran Health Network.....	3,432	3	1.9			
General Motors - Truck & Bus Group...	2,981	4	1.7	3,156	2	1.8
Allen County Government.....	1,964	5	1.1			
ITT Aerospace-Communications Div...	1,910	6	1.1	2,111	6	1.2
The City of Fort Wayne.....	1,905	7	1.1	1,701	8	1.0
Lincoln Financial Group.....	1,750	8	1.0	2,978	3	1.7
BF Goodrich.....	1,502	9	0.8			
Verizon.....	1,459	10	0.8			
Dana Corporation, Spicer Axle Division				2,000	7	1.1
Scott's Food Stores, Inc.....				1,585	9	0.9
General Telephone Operations.....				2,187	5	1.2
General Electric Company.....				1,500	10	0.8
Total of Ten Largest Employers.....	<u>20,747</u>		<u>13.9 %</u>	<u>23,246</u>		<u>13.1 %</u>

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: 3,534 Acres Owned Fee Simple

<u>Runway System (and Equipment)</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Primary Runway				
Runway 5-23 NE to SW (150' Wide) (Cat. II, ILS) Length - Feet...	11,981	11,981	12,000	12,000
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).....	14,373	14,373	14,373	14,373
Common Space (Sq Feet).....	38,468	38,468	38,468	38,468
Restaurant Space (Sq Feet).....	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet).....	1,920	1,920	1,920	1,920
Taxi/Limousine Space (Sq Feet).....	384	384	384	384
Passenger Gates.....	8	8	8	8
Jetway Boarding Bridges.....	4	4	4	4
Regional Boarding Ramps.....	1	1	1	1
Passenger Airlines.....	6	5	5	6
Daily Departures.....	33	33	35	37
Car Rental Firms.....	5	5	5	5
Parking Spaces.....	2,167	2,068	2,068	1,485
Air Trade Center				
Land Area - Acres (Includes 50 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.....	3	3	3	3
General Aviation				
Fixed Base Operators.....	1	1	1	2
Based Aircraft.....	66	68	69	78
Military Based Aircraft.....	15	15	15	15
Airpark Buildings Owned.....	22	22	22	22
Employees				
Administration Full-time.....	19	18	18	17
Administration Part-time.....	1	1	1	2
Maintenance Full-time.....	19	19	19	19
Maintenance Seasonal.....	10	9	10	10
Custodial Full-time.....	8	8	8	8
Custodial Part-time.....	-	-	-	-
Public Safety Full-time.....	13	13	13	13
Public Safety Part-time.....	13	16	-	-
CSA Part-time.....	9	-	-	-

2003	2002	2001	2000	1999	1998
12,000	12,000	12,000	12,000	12,000	12,000
8,001	8,001	8,001	8,001	8,001	8,001
4,001	4,001	4,001	4,001	4,001	4,001
114,813	114,813	114,813	114,813	114,813	114,813
104,505	104,505	104,505	104,505	104,505	104,505
14,373	14,373	14,373	14,373	14,373	14,373
38,468	38,687	38,687	38,687	38,687	38,687
7,858	7,639	7,639	7,639	7,639	7,639
1,920	1,920	1,920	1,920	1,920	1,920
-	-	-	-	-	-
8	8	8	8	8	8
4	4	4	4	4	4
-	-	-	-	-	-
9	10	8	10	8	9
34	34	36	47	43	34
4	4	4	4	4	4
1,505	1,505	1,490	1,490	1,490	1,490
450	450	450	450	450	450
250,299	250,299	250,299	250,299	250,299	-
33,429	33,429	33,429	33,429	33,429	-
10,280	10,280	10,280	10,280	10,280	-
3	4	3	3	3	2
2	2	2	3	3	3
84	89	87	79	75	75
15	15	15	15	15	15
28	32	32	32	31	31
17	18	18	18	18	18
2	2	2	-	-	-
19	19	19	19	19	19
10	8	8	11	7	7
8	8	8	6	6	6
-	-	-	4	4	4
13	13	16	16	16	16
35	35	-	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Airline	2007	Percent of Total 2007	2006	2005	2004
American Eagle.....	83,863	28.08 %	74,913	77,308	70,897
Northwest.....	41,845	14.01	43,170	43,774	51,826
Chautaugua- Delta Express.....	39,253	13.14	42,103	-	9,914
ASA.....	36,115	12.09	20,564	44,601	23,540
Allegiant Air.....	35,288	11.82	-	-	-
Mesa Airlines.....	25,322	8.48	23,846	8,009	-
Skywest.....	15,063	5.04	28,991	21,842	27,301
Continental Connection-Commutair.....	13,115	4.39	12,352	12,099	10,539
Mesaba.....	7,677	2.57	12,604	22,198	18,754
Charter.....	1,084	0.36	801	1,788	1,858
Comair.....	14	0.00	15,545	55,600	43,168
Air Wisconsin (1).....	-	-	-	25,190	6,344
Chicago Express- ATA Connection (1).	-	-	-	3,930	17,001
Atlantic Coast (1).....	-	-	-	-	41,913
Shuttle America.....	-	-	-	-	15,626
Trans States (1).....	-	-	-	-	-
Chautaugua Airlines, Inc. (1).....	-	-	-	-	-
PSA Airlines (1).....	-	-	-	-	-
Allegheny (1).....	-	-	-	-	-
Piedmont Airlines (1).....	-	-	-	-	-
Trans World Express (1).....	-	-	-	-	-
Air Georgian (1).....	-	-	-	-	-
Continental Express (1).....	-	-	-	-	-
United Express (1).....	-	-	-	-	-
Skyways / Midwest Express (1).....	-	-	-	-	-
Delta (1).....	-	-	-	-	-
Total.....	<u>298,639</u>	<u>100.00 %</u>	<u>274,889</u>	<u>316,339</u>	<u>338,681</u>
Percentage change.....	<u>8.64%</u>		<u>-13.10%</u>	<u>-6.60%</u>	<u>10.65%</u>

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
60,690	60,726	63,601	67,584	59,679	69,676
47,244	36,162	38,381	37,734	39,526	34,069
-	-	-	-	-	-
39,929	39,480	36,203	39,792	13,075	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,677	-	-	-	-	-
15,050	21,017	25,999	31,064	34,463	24,218
2,089	2,122	1,643	4,855	5,834	4,730
11,880	47,045	34,327	61,092	69,560	46,577
11,384	12,219	42,404	30,903	-	-
-	-	-	-	-	-
69,055	37,054	-	-	-	-
27,115	13,024	-	-	-	-
17,964	12,113	-	-	-	-
-	14,458	39,544	41,715	46,627	50,006
-	2,504	-	-	-	-
-	1,670	-	-	-	-
-	1,450	-	-	-	-
-	-	20,773	21,282	17,106	18,462
-	-	2,418	2,483	-	-
-	-	1,962	14,373	15,323	13,520
-	-	-	5,229	49,655	46,987
-	-	-	1,904	-	-
-	-	-	-	-	46,296
<u>306,077</u>	<u>301,044</u>	<u>307,255</u>	<u>360,010</u>	<u>350,848</u>	<u>354,541</u>
<u>1.67%</u>	<u>-2.02%</u>	<u>-14.65%</u>	<u>2.61%</u>	<u>-1.04%</u>	<u>4.11%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Scheduled Air Carriers:	2007	Percent of Total 2007	2006	2005	2004
American Eagle.....	105,730,596	11.56 %	91,725,601	93,301,303	89,112,842
Pinnacle Airlines.....	65,914,100	7.21	61,899,000	69,513,000	80,887,000
Chautauqua-Delta Express.....	53,547,450	5.86	60,871,656	-	11,972,309
ASA.....	44,462,000	4.86	29,234,000	63,403,000	27,689,000
Mesa Airlines.....	42,654,000	4.66	35,800,000	11,722,000	-
Allegiant Air.....	39,483,000	4.32	-	-	-
Skywest.....	28,294,000	3.09	42,856,000	33,437,000	39,151,000
Continental Connection - Commutair	20,681,300	2.26	20,102,600	19,222,800	17,911,400
Mesaba	10,488,000	1.15	15,304,500	24,567,000	19,821,900
Charter.....	2,310,580	0.25	2,142,180	3,045,000	3,681,956
Comair.....	161,000	0.02	26,098,000	88,151,000	65,961,000
Air Wisconsin(1).....	-	-	-	34,904,500	10,058,000
Shuttle America(1).....	-	-	-	9,819,200	30,083,200
Chicago Express- ATA(1).....	-	-	-	8,265,000	23,427,000
Atlantic Coast Airlines(1).....	-	-	-	-	57,959,176
Trans States Airlines(1).....	-	-	-	-	-
Northwest.....	-	-	-	-	-
Chautauqua(1).....	-	-	-	-	-
PSA(1).....	-	-	-	-	-
Allegheny(1).....	-	-	-	-	-
Piedmont Airlines(1).....	-	-	-	-	-
American Connection(1).....	-	-	-	-	-
Trans World Express(1).....	-	-	-	-	-
Air Georgian/Canada(1).....	-	-	-	-	-
Continental Express(1).....	-	-	-	-	-
United Express (1).....	-	-	-	-	-
Skyway Airlines (1).....	-	-	-	-	-
Delta (1).....	-	-	-	-	-
Subtotal.....	413,726,026	45.24	386,033,537	459,350,803	477,715,783
Cargo Carriers:					
Kitty Hawk Inc.....	294,015,200	32.15	494,552,574	519,577,143	613,005,670
United Parcel Service.....	95,955,500	10.49	101,508,120	95,965,500	95,031,500
Federal Express.....	82,486,000	9.02	81,547,000	82,982,500	82,755,500
ABX Air.....	28,300,000	3.09	61,818,000	-	-
Mountain Air Cargo.....	25,500	-	-	8,500	17,000
Arrow Cargo.....	-	-	29,020,000	-	-
Centurion Air Cargo.....	-	-	28,613,000	-	-
Evergreen International Airlines.....	-	-	13,680,000	-	-
Gemini Air Cargo.....	-	-	11,013,000	-	-
World Airways.....	-	-	10,104,000	-	-
Custom Air Transport.....	-	-	6,907,000	-	-
Kalitta Air.....	-	-	3,085,000	-	-
Air Transport Intl.....	-	-	3,646,000	-	-
Air Cargo Carriers.....	-	-	48,700	-	-
UPS-Supply Chain Solutions.....	-	-	-	1,857,820	-
Capital Cargo International(1).....	-	-	-	975,000	-
Royal Air Freight.....	-	-	-	28,660	-
Air Cargo Express.....	-	-	-	-	-
American International (1).....	-	-	-	-	-
Subtotal.....	500,782,200	54.76	845,542,394	701,395,123	790,809,670
Grand Total.....	914,508,226	100.00 %	1,231,575,931	1,160,745,926	1,268,525,453
Percentage change.....	<u>-25.74%</u>		<u>6.10%</u>	<u>-8.50%</u>	<u>5.18%</u>

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

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

2003	2002	2001	2000	1999	1998
84,372,923	85,090,368	95,196,213	97,949,223	66,589,329	81,144,297
64,296,000	22,842,000	-	-	-	-
-	-	-	-	-	-
55,174,000	53,979,000	47,139,000	49,585,000	17,601,000	-
-	-	-	-	-	-
-	-	-	-	-	-
7,951,400	-	-	-	-	-
17,027,200	29,170,700	38,247,000	42,922,500	55,561,400	42,945,800
4,017,848	2,778,000	3,679,300	8,012,600	10,039,800	10,453,000
20,089,000	81,800,000	67,727,000	94,836,800	102,845,000	70,913,400
15,587,500	17,987,813	58,241,288	32,754,541	-	-
44,200,000	25,704,000	-	-	-	-
-	-	-	-	-	-
104,587,384	56,006,020	-	-	-	-
22,800,260	20,602,040	-	-	-	-
15,110,000	60,473,900	105,998,000	102,336,000	85,864,100	79,180,200
-	23,065,600	60,626,297	64,035,400	74,501,000	71,778,400
-	4,754,221	-	-	-	-
-	4,450,500	-	-	-	-
-	2,691,000	-	-	-	-
-	2,673,860	-	-	-	-
-	-	37,250,279	8,702,960	23,015,336	26,577,133
-	-	7,370,400	8,947,400	-	-
-	-	3,303,400	20,384,800	19,671,000	20,418,000
-	-	-	6,817,950	66,904,200	65,138,400
-	-	-	6,258,200	-	-
-	-	-	-	-	112,314,500
<u>455,213,515</u>	<u>494,069,022</u>	<u>524,778,177</u>	<u>543,543,374</u>	<u>522,592,165</u>	<u>580,863,130</u>
523,443,013	533,616,560	667,758,729	737,200,608	400,822,566	-
88,726,500	89,410,500	86,848,500	93,161,500	94,495,500	90,741,500
82,131,000	80,745,000	70,964,000	70,169,000	70,923,000	47,207,000
-	-	-	-	-	-
-	-	42,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,484,000	-	-	-	-	-
-	-	-	-	-	-
-	483,000	322,000	-	-	-
-	-	-	-	-	-
2,086,240	7,737,760	6,898,315	-	-	-
-	-	-	-	-	2,316,682
<u>750,870,753</u>	<u>711,992,820</u>	<u>832,833,544</u>	<u>900,531,108</u>	<u>566,241,066</u>	<u>140,265,182</u>
<u>1,206,084,268</u>	<u>1,206,061,842</u>	<u>1,357,611,721</u>	<u>1,444,074,482</u>	<u>1,088,833,231</u>	<u>721,128,312</u>
<u>0.00%</u>	<u>-11.16%</u>	<u>-5.99%</u>	<u>32.63%</u>	<u>50.99%</u>	<u>1.70%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (5) (6)

Fort Wayne International Airport:

Type of Operation	2007	Percent of Total 2007	2006	2005	2004
Large Air Carrier (1).....	27,360	37.6 %	31,078	34,865	38,649
Small Air Carrier (2).....	2,367	3.3	2,422	2,316	2,158
Air Carrier (3).....	-	-	-	-	-
Air Taxi (4).....	-	-	-	-	-
General Aviation.....	31,963	44.0	34,953	37,111	38,881
Military.....	3,861	5.4	4,692	4,196	3,657
Subtotal-International.....	<u>65,551</u>	<u>90.2</u>	<u>73,145</u>	<u>78,488</u>	<u>83,345</u>
<u>Smith Field Airport:</u>					
Air Taxi (4).....	-	-	-	-	-
General Aviation.....	<u>7,141</u>	<u>9.8</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>
Subtotal-Smith Field.....	<u>7,141</u>	<u>9.8</u>	<u>7,440</u>	<u>11,876</u>	<u>13,249</u>
Total Airport Authority.....	<u>72,692</u>	<u>100.0 %</u>	<u>80,585</u>	<u>90,364</u>	<u>96,594</u>
Percentage change.....	<u>-9.79%</u>		<u>-10.82%</u>	<u>-6.45%</u>	<u>8.72%</u>

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

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

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

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

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

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

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
-	-	-	-	-	-
-	-	-	-	-	-
12,388	11,982	12,557	15,190	14,547	12,990
27,108	28,012	32,356	40,000	29,857	24,674
36,135	46,785	52,884	62,696	68,723	63,835
<u>4,483</u>	<u>5,204</u>	<u>5,911</u>	<u>5,793</u>	<u>6,975</u>	<u>5,935</u>
<u>80,114</u>	<u>91,983</u>	<u>103,708</u>	<u>123,679</u>	<u>120,102</u>	<u>107,434</u>
-	2	-	29	160	224
<u>8,733</u>	<u>8,429</u>	<u>4,133</u>	<u>7,742</u>	<u>11,907</u>	<u>8,349</u>
<u>8,733</u>	<u>8,431</u>	<u>4,133</u>	<u>7,771</u>	<u>12,067</u>	<u>8,573</u>
<u>88,847</u>	<u>100,414</u>	<u>107,841</u>	<u>131,450</u>	<u>132,169</u>	<u>116,007</u>
<u>-11.52%</u>	<u>-6.89%</u>	<u>-17.96%</u>	<u>-0.54%</u>	<u>13.93%</u>	<u>8.94%</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	Fort Lauderdale (FLL)	Jet	
	Las Vegas (LAS)	Jet	
	Orlando/Sanford (SFB)	Jet	
	Phoenix/Mesa (AZA)	Jet	
	Tampa/St. Petersburg/Clearwater (PIE)	Jet	
American Eagle	Chicago (ORD)	Jet	
	Dallas/Fort Worth (DTW)	Jet	
Continental Connection	Cleveland (CLE)	Turbo Prop	
Delta Connection	ASA	Atlanta (ATL)	Jet
	Chautauqua	Cincinnati (CVG)	Jet
	Comair	Cincinnati (CVG)	Jet
Northwest Airlines	Mesaba	Detroit (DTW)	Jet/Turbo Prop
	Pinnacle	Detroit (DTW)	
United Express	Mesa	Chicago (ORD)	Jet
	Sky West	Chicago (ORD)	Jet

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, 2007

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, 2007

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Crowe Chizek and Company LLC
Member Horwath International

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

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

We have audited the combined financial statements of the Fort Wayne - Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Fort Wayne, Indiana
June 2, 2008



Crowe Chizek and Company LLC
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Fort Wayne - Allen County Airport Authority (the Authority) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007, as well as Passenger Facility Charges. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Supplementary Schedule of Expenditures of Federal Awards

We have audited the combined financial statements of the Authority as of and for the year ended December 31, 2007, and have issued our report thereon dated June 2, 2008. Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

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

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Fort Wayne, Indiana
June 2, 2008

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2007

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
US Department of Transportation Federal Aviation Administration:		
Airport Improvement Program (AIP)		
	3-18-0024-05	\$ 4,164
	3-18-0024-06	105,808
	3-18-0022-46	70,108
	3-18-0022-48	379,202
Total expenditures of AIP federal awards		<u>\$ 559,282</u>
Transportation Security Administration Law Enforcement Officer Reimbursement Program	97.090	<u>32,976</u>
Total expenditures of federal awards		<u><u>\$ 592,258</u></u>
Federal Aviation Regulation, Part 158 Passenger Facility Charges	N/A	<u><u>\$ 900,000</u></u>
	Total Expenditures	<u><u>\$ 1,492,258</u></u>

See accompanying notes to schedule of expenditures of federal awards.

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2007

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 combined 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 combined financial statements.

3. Special Tests and Provisions:

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

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

FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2007

A. Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the combined financial statements of Fort Wayne - Allen County Airport Authority (the Authority) and related entities for the year ended December 31, 2007.
2. No instances of noncompliance material to the combined financial statements of the Authority were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for the Authority expresses an unqualified opinion.
4. There were no audit findings required to be disclosed under OMB Circular A-133 Section 510(a).
5. Major program identified:
U.S. Department of Transportation Federal Aviation Administration:
Airport Improvement Program, CFDA #20.106
6. The dollar threshold for distinguishing Type A and B program was \$300,000.
7. The Authority qualified as a low-risk auditee under OMB Circular A-133, Section 530.

B. Findings relating to the financial statements reported in accordance with *Government Auditing Standards*:

None

C. Findings and questioned costs relating to Federal awards:

None

**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, 2008**

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**

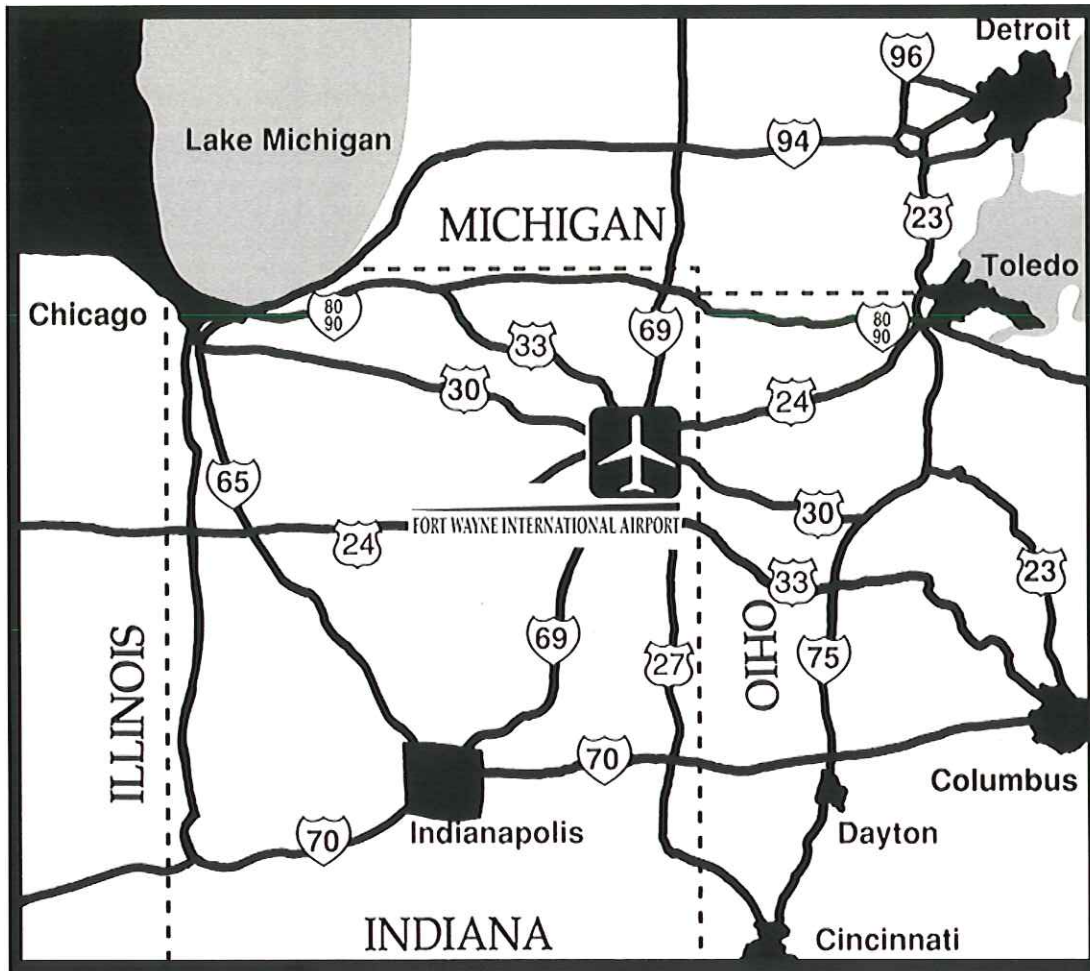
FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT


FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
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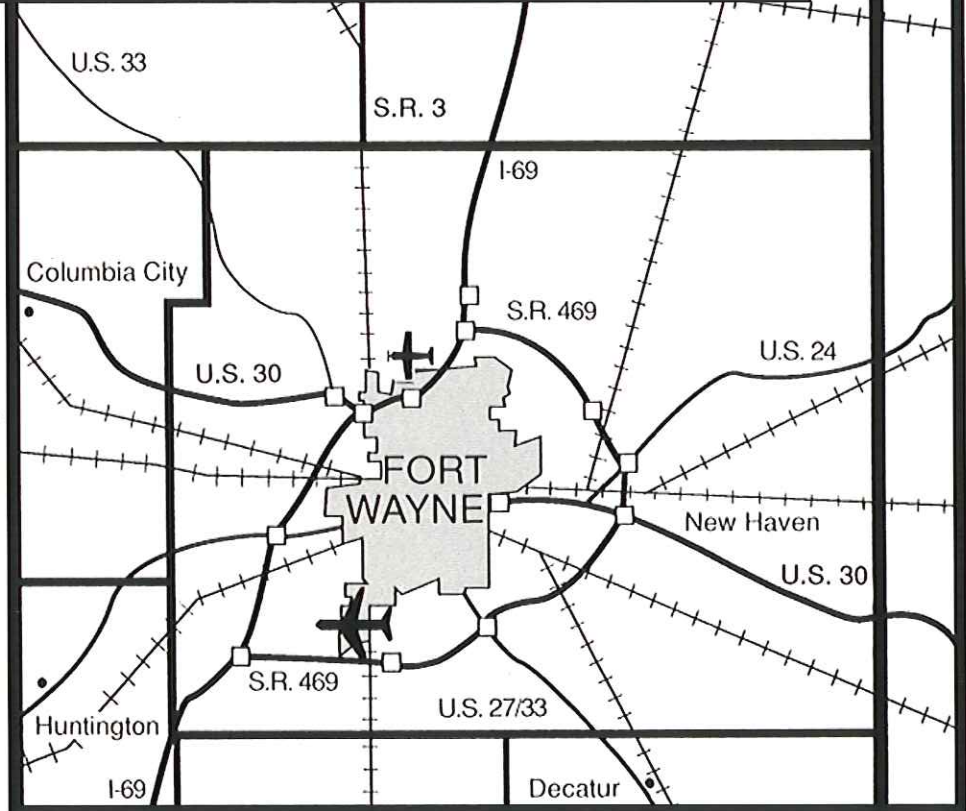


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FORT WAYNE INTERNATIONAL AIRPORT


SMITH FIELD



Fort Wayne-Allen County Airport Authority
Board and Executive Director



Michael S. Gouloff, President



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



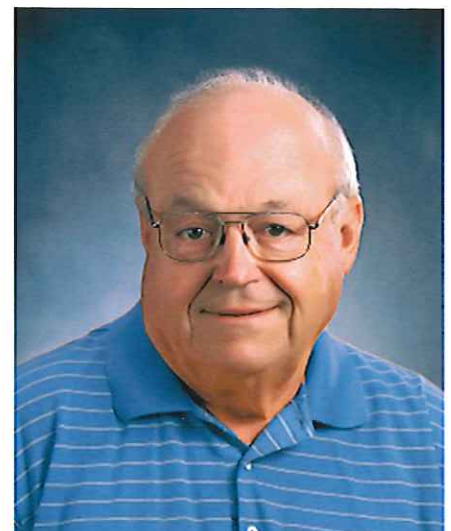
Timothy J. Haffner, Secretary



Cornelius "Neil" B. Hayes, Member



Jerome "Jerry" Henry, Jr., Member



Benjamin "Ben" T. Johnston, Member



Torrance A. Richardson,
Executive Director of Airports



**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

June 5, 2009

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

The Comprehensive Annual Financial Report (CAFR) of the Fort Wayne-Alen County Airport Authority, a component unit of Allen County, Indiana (the Authority), for the fiscal year ended December 31, 2008 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, 2008. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

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

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

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

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

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

Local Economy - During 2008, unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 6.0 (non-seasonally adjusted) percent, after beginning the year at 5.8 percent in January and ending at 8.1 percent in December. The lowest rate of 5.0 percent occurred twice: in April and May.

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

Despite this industry diversification, the Fort Wayne regional economy continues to be dominated by the manufacturing sector, much like the entire state, so says John Stafford, Director of the Community Research Institute, Indiana-Purdue University of Fort Wayne in an article written for the Indiana Business Review. Mr. Stafford states that average annual employment data from the Quarterly Census of Employment and Wages for 2007 still indicates that 23.7 percent of all jobs reported are directly tied to manufacturing in the Fort Wayne region compared to only 10.2 percent nationally. September 2008 represented the nineteenth consecutive month in which area employment has declined from the same month of the prior year. He also states that we should expect a turnaround in this trend by late 2009. The strength of this turnaround depends on the strength of the national economy recovery and on the ability of the Fort Wayne region to diversify the core of its regional economy beyond manufacturing jobs.

The presence of low-cost passenger airline service at Fort Wayne International continues to offset some of the upward pressure on ticket prices for leisure travelers. Although the carrier reduced the number of destinations at the Airport, enplanements only declined 3.8 percent from 2007 to 2008 compared to a total reduction of 7.1 percent at the 70 other airports within the Great Lakes Region (includes IL, IN, MI, MN, ND, OH, SD and WI) of the FAA. The airlines' cost per enplaned passenger increased slightly from \$8.76 in 2007 to \$8.85 in 2008 primarily due to this enplanement reduction. The Authority continues to strengthen its marketing efforts to retain existing and attract new airline service to the Airport.

The schedule on page 81 of this report details some diversity in the local economy, as the area is not dependent on the fortunes of a single employer. The ten largest employers in Allen County make up only 14.6 percent of total employment. On page 68, it can be discerned that local government is not dependent on a single taxpayer or group of taxpayers for its revenue base. The top ten taxpayers in Allen County provide only 7.2 percent of property tax revenues. In 2008, the Allen County Building department issued 632 building permits for single-family and duplex residential building construction, a decline of 38.9 percent compared to the 1,034 issued in 2007. This compares to a decline of 41.2 percent, nationally. The economic data on page 74 of this report indicates that property values increased by 3.8 percent during 2008 when compared to 2007. Most of the increase can be attributed to "trending," the result of annually adjusted property values as part of Indiana's move to a market-based assessment system that began in 2002.

Long-term Financial Planning - The Authority has included in its capital improvement plan provisions to upgrade facilities at Smith Field, the Authority's General Aviation Airport, and Fort Wayne International. The Authority anticipates financing these capital improvements with a variety of funding mechanisms including passenger facility charges, federal and state grants, cumulative building tax revenues, and local airport revenues.

Included in the capital improvement plan are provisions to make substantial improvements to the infrastructure and facilities at Smith Field: construction of a new taxiway, storm water improvements, and other improvements, land acquisitions for runway extensions, additional infrastructure and building improvements. These substantial improvements are needed for safety reasons and also to increase the attractiveness and utilization of Smith Field Airport. At Fort Wayne International, the Authority plans to modernize the passenger terminal, upgrade the Northwest Perimeter Road, rehabilitate and replace jet bridges, rehabilitate Runway 14-32 and Runway 5-23, and construct an additional category II Instrument Landing System (ILS). Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. Upgrading the Northwest Perimeter Road will permit heavy snow removal equipment and other heavy maintenance equipment to use this roadway. Rehabilitating and replacing jet bridges will improve passenger safety and convenience. Rehabilitating the runways and constructing a category II ILS will enhance safety on the airfield.

Major Initiatives - During a strong marketing initiative, the Authority was successful in adding a new destination at Fort Wayne International Airport. New service to Minneapolis-St. Paul was added during May 2008. The Authority continues to market the Airport for improved passenger service.

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, 2007. This was the nineteenth (1989 - 2007) consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

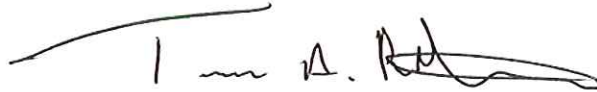
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

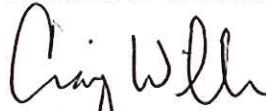
Tera Klutz, Allen County Auditor's office; and Rebecca D. Ross, Property Manager.

Respectfully submitted,

FOR WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



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



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



Ronnie C. Portis, CPA
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fort Wayne-Allen County
Airport Authority, Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

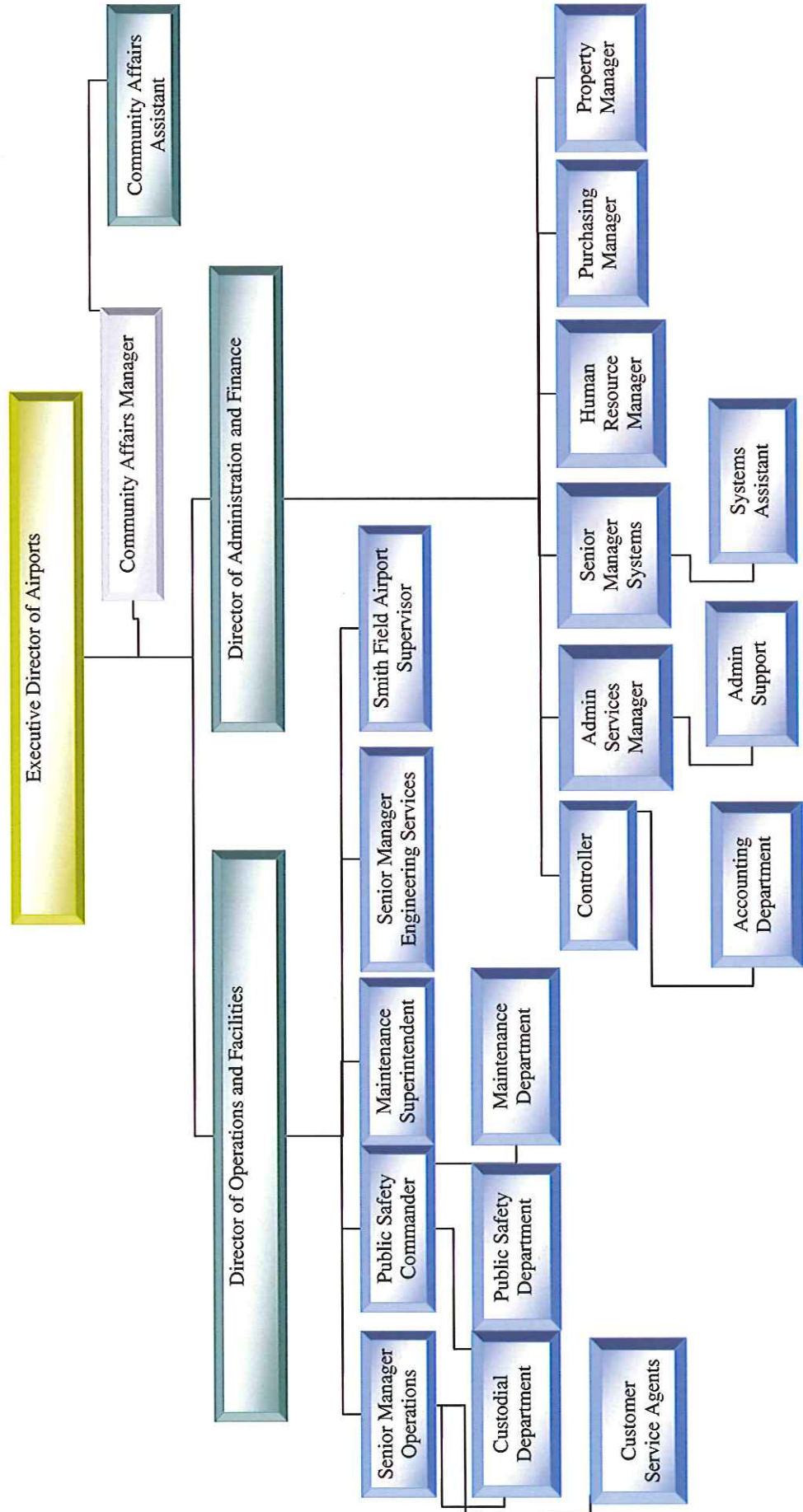
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President

Executive Director

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	12
Richard B. "Barry" Sturges, Jr.	Vice President	2
Timothy J. Haffner	Secretary	15
Cornelius "Neil" B. Hayes	Member	6
Jerome "Jerry" F. Henry, Jr.	Member	2
Benjamin "Ben" T. Johnston	Member	1

STAFF

Torrance A. Richardson, AAE	Executive Director of Airports	6
Scott D. Hinderman, AAE	Director of Operations and Facilities	2
Craig A. Williams, AAE	Director of Administration and Finance	2
Ronnie C. Portis, CPA	Controller/Treasurer	17

ATTORNEYS

Rothberg, Logan and Warsco		18
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CERTIFIED PUBLIC ACCOUNTANTS

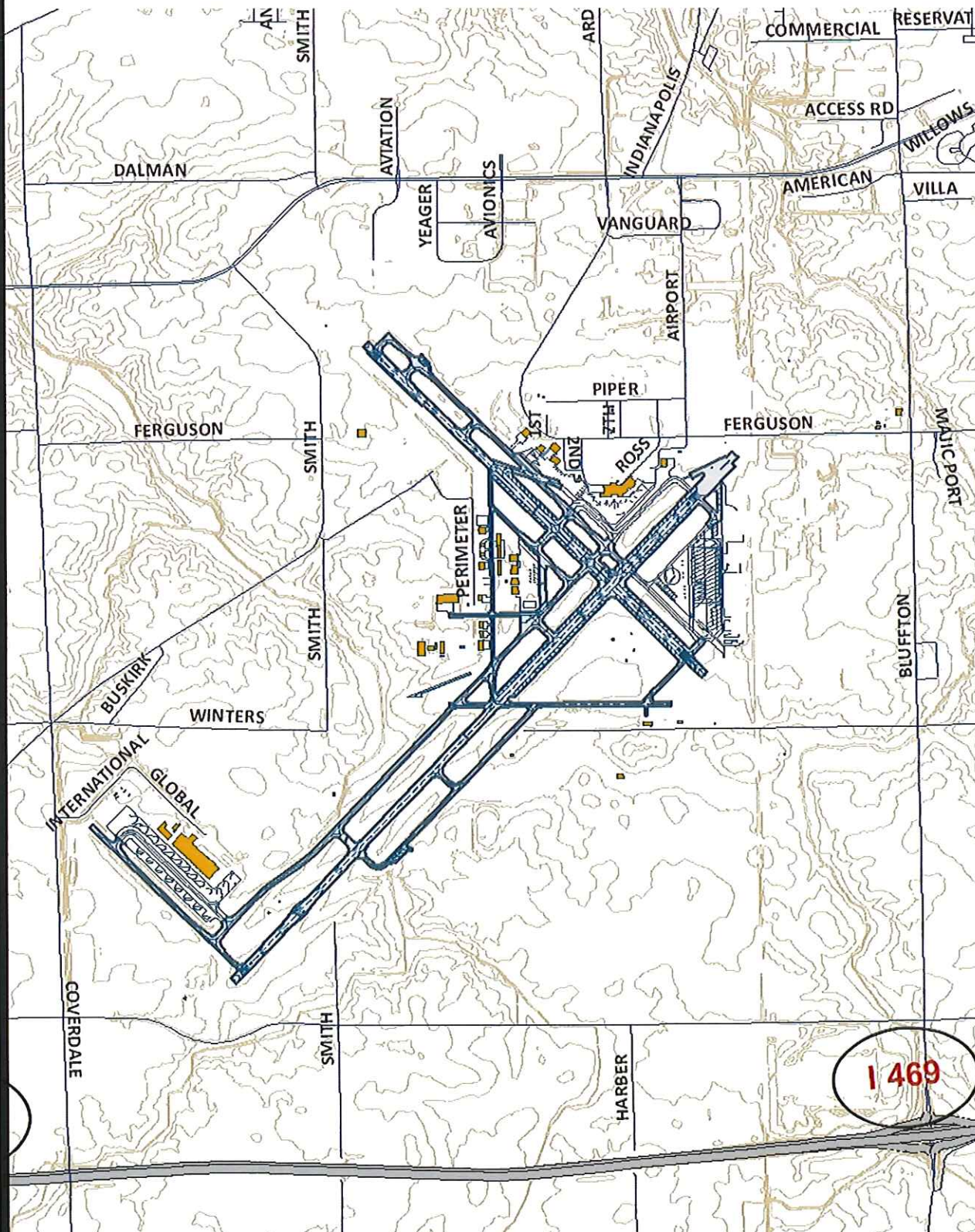
Crowe Horwath LLP		9
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FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT



Crowe Horwath LLP
Member Horwath International

9910 Dupont Circle Drive East, Suite 230
Fort Wayne, Indiana 46825-1616
Tel 260.489.1949
Fax 260.487.2300
www.crowehorwath.com

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of net assets of the Fort Wayne-Allen County Airport Authority, (the Authority), as of December 31, 2008 and the related statement of revenues, expenses and changes in fund net assets and of cash flows for the year then ended. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2009, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 14 through 21 and the Required Supplementary Information on pages 47 through 49 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Combining Schedules from pages 51 through 56 and Other Supplementary Information from pages 57 through 61 are presented for purposes of additional analysis and are not a part of the basic financial statements. The Combining Schedules and Other Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical information listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crowe Horwath LLP

Crowe Horwath LLP

Fort Wayne, Indiana
June 1, 2009

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, 2008. Please read it in conjunction with the letter of transmittal to the Authority Board, located on pages 3 through 7.

Financial Highlights

The Authority's net assets decreased \$2,041,888 as a result of this year's operations.

Restricted net assets increased 7.1 percent due primarily to an accumulation of Cumulative Building Fund account cash and investments from tax revenues for future terminal renovation.

Unrestricted net assets decreased \$1,313,265 (or 11.9 percent) due to cash used to make up for a shortfall in operating revenues pledged to the debt service on the 1998 First Mortgage Bonds.

Investment in capital assets (net of related debt) decreased \$1,292,231 (or 1.6 percent) because the increase in accumulated depreciation exceeded the cost of capital asset additions.

The Authority's long-term liabilities decreased by \$2,894,861, or 10.4 percent. This was due primarily to normal retirement of long-term debt as bond maturities came due.

Operating revenues decreased \$1,753,065 from 2007 to 2008, due to decreases in airfield and buildings and grounds revenue.

Capital contributions increased by \$2,173,730 due to a substantial increase in capital projects funded by federal and state grants. This amount will continue to fluctuate greatly from year to year because the amount is dependent upon the combination of Airport capital improvement needs and grant approval by federal and state governments.

Reliever Airport revenues increased \$468,724 due to the Authority receiving the revenues from most fixed based operations.

Total operating expenses increased \$367,396 from 2007 to 2008 due to increases in Reliever Airport expenses. Reliever Airport expenses increased because the Authority assumed expenses associated with fixed based operations at the Airport.

Overview of the Financial Statements

The Authority financial report consists of three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Fund Net Assets, and the Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The reporting entity consists of the Authority and its component units, the Fort Wayne International Airport Building Corporation (FWIABC) and the Fort Wayne International Airport Air Trade Center Building Corporation (FWIAATCBC). The Authority and its relationship with its component units are more fully described in the notes to the financial statements. The Authority, the FWIABC and the FWIAATCBC are structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and (except for land, land improvements and construction in progress) are depreciated over their estimated useful lives.

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

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

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary

information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 48 and 49 of this report.

Condensed Financial Information

Net assets - The Authority's net assets decreased by 2.1 percent, decreasing from \$97,493,013 in 2007 to \$95,451,125 in 2008. The decrease is attributed primarily to a decline in the Authority's investment in capital assets. The Authority's capital assets, net of accumulated depreciation, decreased approximately \$4.1 million which offset a corresponding decline in debt related to capital assets. This occurred because depreciation expense for 2008 exceeded the acquisition cost of capital assets. The decrease in net assets indicates that the Authority's financial position declined from 2007. As noted previously, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Other non-current assets increased by 14.2 percent due to an increase in restricted assets from the accumulation of cumulative Building Fund account cash and investments. Cumulative Building Fund account cash and investments will be used to renovate the Terminal building at Fort Wayne International.

Capital assets (net of accumulated depreciation) decreased by 3.7 percent due primarily to an increase in depreciation expense, and thus accumulated depreciation. The depreciation of recently completed large construction projects exceeded the acquisition costs of new projects.

Other noncurrent liabilities increased \$219,097 or 23.4 percent due to the implementation of Governmental Accounting Standards Board Statement 45 which requires recognition of net other post employment benefits obligation. This recognition increased other noncurrent liabilities by \$101,946. In addition, compensated absence liabilities had a net increase of \$127,771 due to an increase in accrued severance pay benefits.

Bonds and other long-term debt decreased 10.4 percent during the year. This was due to the retirement of bonds as they matured during the year.

Unrestricted net assets decreased 11.9 percent due to a decrease in cash and investments. Cash was used to make up for a shortfall in operating revenues pledged to the debt service on the 1998 First Mortgage Bonds. During 2009, operating revenues will be supplemented by a debt service tax levy approved by the Authority Board and the Allen County Council.

Investment in capital assets (net of related debt) decreased 1.6 percent due to increased accumulated depreciation that offset capital asset acquisitions in the current year. Depreciation expense exceeded capital asset acquisitions significantly during 2008.

The Authority's investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment), net of related debt, is the largest portion (80.9 percent) of net assets. These capital assets are used to provide services to customers. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from other sources such as operating and nonoperating revenues, since the capital assets themselves cannot be liquidated to pay these liabilities.

In addition, 8.9 percent of the Authority's net assets represent resources that are subject to external restrictions on how they may be used. The restricted balances represent bond reserves that are subject to external restrictions on how they can be used under bond covenants; passenger facility charges that are restricted by Federal regulations; cumulative building fund cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (10.2 percent) of \$9,721,111 is unrestricted net assets which may be used to meet the Authority's ongoing obligation to its citizens, customers, and creditors within FAA operating guidelines.

A summary of the Authority's 2008 net assets compared to 2007 follows:

Authority's Net Assets				
	2008	2007	Increase (Decrease)	Percent Change
Current assets.	<u>\$16,453,618</u>	<u>\$17,465,239</u>	<u>\$(1,011,621)</u>	(5.8)%
Noncurrent assets				
Other noncurrent assets.	5,344,318	4,680,643	663,675	14.2
Capital assets (net)	<u>105,012,055</u>	<u>109,089,146</u>	<u>(4,077,091)</u>	(3.7)
Total assets.	<u>126,809,991</u>	<u>131,235,028</u>	<u>(4,425,037)</u>	(3.4)
Current liabilities	5,245,340	4,952,725	292,615	5.9
Noncurrent liabilities				
Other noncurrent liabilities	1,156,466	937,369	219,097	23.4
Bonds and other long-term debt	<u>24,957,060</u>	<u>27,851,921</u>	<u>(2,894,861)</u>	(10.4)
Total liabilities	<u>31,358,866</u>	<u>33,742,015</u>	<u>(2,383,149)</u>	(7.1)
Net assets:				
Invested in capital assets, net of related debt.	77,203,394	78,495,625	(1,292,231)	(1.6)
Restricted	8,526,620	7,963,012	563,608	7.1
Unrestricted	<u>9,721,111</u>	<u>11,034,376</u>	<u>(1,313,265)</u>	(11.9)
Total net assets.	<u>\$95,451,125</u>	<u>\$97,493,013</u>	<u>\$(2,041,888)</u>	(2.1)

Changes in Net Assets - Operating revenues decreased by \$1,753,065 (or 17.9 percent) from 2007 to 2008. Airfield revenues decreased 34.6 percent due primarily to a decrease in maximum gross landed weight from 457,254 tons in 2007 to 296,805 tons in 2008, a 35.1 percent reduction. Even though the rate

for landing fees increased from \$1.86 to \$2.06 per 1,000 pounds of landed weight, the decline in landed weight more than offset the fee increase, leading to a reduction in revenue. The decline in landed weight was due, in large part, to the departure in October 2007 of the Airport's largest cargo carrier. Buildings and grounds revenue decreased 61.0 percent due to the departure of this same carrier.

Nonoperating revenues increased only slightly from 2007 to 2008. However, federal operating grant revenues, a component of Nonoperating revenues, increased \$100,555 due to receiving grant revenues for a full year in 2008 compared to only three months in 2007. Conversely, interest income decreased 17.3 percent due to lower interest rates and a lower investment balance for more than half the year.

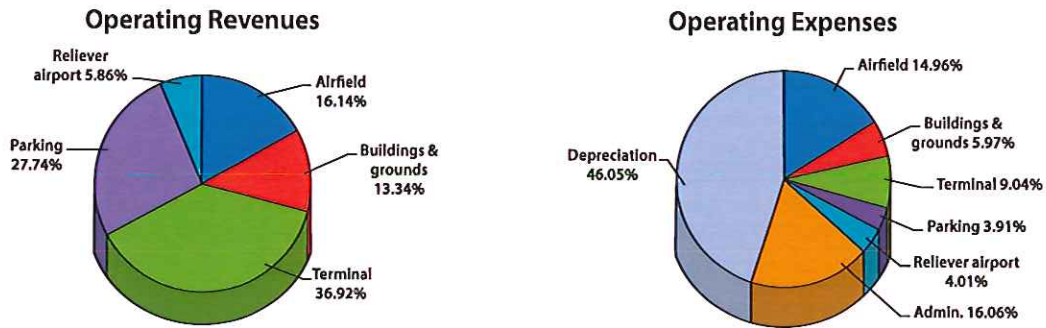
Capital contributions increased \$2,173,730 in 2008 due to an increase in funding for Airport Improvement Program eligible grant projects. There was a lack of funding for grant eligible projects in 2007. The Authority deferred those projects until 2008 and beyond when funds become available.

Operating expenses, as a whole, increased by \$367,396 from 2007 to 2008. Several components of operating expenses changed significantly. Terminal expenses increased by \$130,394. This is a result of an increase in utilities expenses, and replacement and remapping flight information displays. Depreciation expense decreased in 2008 by \$298,568 (or 3.5 percent) as first year depreciation on assets placed into full service in 2008 was less than the depreciation on assets that became fully depreciated in 2007. Reliever Airport expenses increased by \$424,295 due to the cost associated with the Authority assuming fixed based operations at the Airport. The assumption of fixed based operations required the Authority to hire additional personnel to operate the facilities, and to purchase additional supplies and materials to support the operations.

A summary of the Authority's 2008 changes in net assets compared to 2007 follows below.

	Authority's Changes in Net Assets			
	2008	2007	Increase (Decrease)	Percent Change
Operating revenues:				
Airfield.	\$ 1,300,430	\$ 1,987,586	\$ (687,156)	(34.6)%
Buildings and grounds . .	1,074,401	2,751,377	(1,676,976)	(61.0)
Terminal.	2,974,312	3,003,368	(29,056)	(1.0)
Parking	2,234,673	2,063,274	171,399	8.3
Reliever airport.	<u>472,174</u>	<u>3,450</u>	<u>468,724</u>	13,586.2
Total operating revenues. .	8,055,990	9,809,055	(1,753,065)	(17.9)
Nonoperating revenues:				
Property and other taxes.	4,472,751	4,438,807	33,944	0.8
Federal operating grant .	133,531	32,976	100,555	304.9
Passenger facility charges	1,114,786	1,136,120	(21,334)	(1.9)
Interest income	586,039	708,481	(122,442)	(17.3)
Gain on capital asset disposal.	<u>41,302</u>	<u>21,617</u>	<u>19,685</u>	91.1
Total nonoperating revenues	6,348,409	6,338,001	10,408	0.2
Total revenues.	<u>14,404,399</u>	<u>16,147,056</u>	<u>(1,742,657)</u>	(10.8)
Operating expenses:				
Airfield.	2,668,026	2,748,205	(80,179)	(2.9)
Buildings and grounds . .	1,065,512	980,020	85,492	8.7
Terminal.	1,612,670	1,482,276	130,394	8.8
Parking	696,550	609,776	86,774	14.2
Reliever airport.	715,626	291,331	424,295	145.6
Administration.	2,864,375	2,845,187	19,188	0.7
Depreciation.	<u>8,212,367</u>	<u>8,510,935</u>	<u>(298,568)</u>	(3.5)
Total Operating expenses. .	17,835,126	17,467,730	367,396	2.1
Nonoperating expenses . . .	<u>1,358,583</u>	<u>1,447,799</u>	<u>(89,216)</u>	(6.2)
Total expenses.	<u>19,193,709</u>	<u>18,915,529</u>	<u>278,180</u>	1.5
Deficiency before capital contributions . .				
	(4,789,310)	(2,768,473)	(2,020,837)	73.0
Capital contributions . . .	<u>2,747,422</u>	<u>573,692</u>	<u>2,173,730</u>	378.9
Increase (Decrease) in net assets.	(2,041,888)	(2,194,781)	152,893	(7.0)
Total net assets, beginning	<u>97,493,013</u>	<u>99,687,794</u>	<u>(2,194,781)</u>	(2.2)
Total net assets, ending. .	<u>\$95,451,125</u>	<u>\$97,493,013</u>	<u>\$ (2,041,888)</u>	(2.1)

The following chart shows the major sources and percentages of operating



Capital Asset Activity

During 2008, the Authority expended \$3,898,809 for capital improvements. The Authority completed the following projects at Fort Wayne International: Runway 5-23 Shoulder Reconstruction at a cost of \$1,402,567; Security System Upgrades for \$719,332; Terminal improvements for \$300,837; building improvements at a cost of \$128,729; Runway Safety Improvement project for \$267,546; and various other airfield improvements for \$170,097.

In addition, at Smith Field Airport, the Authority completed the following projects at Smith Field Airport: airfield improvements at a cost of \$120,600, and equipment purchases and installation for \$51,083.

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

Long-Term Debt Activity

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

The Authority's 1998 First Mortgage Bonds were issued by the Fort Wayne International Airport Air Trade Center Building Corporation, an Authority component unit. These Bonds have an uninsured portion and an insured portion. The uninsured portion, with a balance of \$3,620,000 at December 31, 2008, has current ratings of Aa3 and AA by Moody's and Fitch, respectively. These Bonds mature beginning January 15, 2008 through July 15, 2011. Bonds maturing on January 15, 2015 (\$4,975,000), January 15, 2017 (\$3,270,000) and January 15, 2020 (\$5,565,000) are insured, and have a rating of Aaa and AAA by Moody's and Fitch, respectively.

The bond ratings were not changed during 2008.

The Authority has a legal debt limit of \$105,669,778 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 \$105,669,788 as of December 31, 2008. 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 obtained approval from the Allen County Council during 2008 to levy a debt service tax on all taxable property within Allen County beginning in 2009. The tax levy is expected to pay the entire debt service for the 1998 First Mortgage Bonds.

Requests for Information

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Net Assets
December 31, 2008

ASSETS	Totals
CURRENT ASSETS:	
Unrestricted assets:	
Cash and cash equivalents--note 2.....	\$ 3,864,162
Investments--note 2.....	7,550,000
Accounts receivable, net of allowance.....	47,310
Unbilled revenue.....	29,293
Property tax receivables, net of allowance--note 1.....	46,526
Other receivables.....	40,975
Inventory--note 4.....	313,903
Net pension assets.....	163,658
Prepaid items.....	<u>176,444</u>
Total unrestricted assets.....	<u>12,232,271</u>
Restricted assets:	
Cash and cash equivalents-including \$2,584,808 held by trustee--notes 2 and 3.....	3,262,174
Passenger facility charge receivable.....	112,163
Federal and state grants receivable.....	809,956
Other receivables.....	<u>37,054</u>
Total restricted assets.....	<u>4,221,347</u>
Total current assets.....	<u>16,453,618</u>
NONCURRENT ASSETS:	
Restricted assets:	
Cash and cash equivalents-including \$7,876 held by trustee--notes 2 and 3.....	578,543
Investments--notes 2 and 3.....	4,500,000
Property tax receivable, net of allowance--note 1.....	<u>7,677</u>
Total restricted assets.....	<u>5,086,220</u>
Capital assets, net--note 5.....	<u>105,012,055</u>
Other assets:	
Bond issue costs, less accumulated amortization of \$538,211.....	<u>258,098</u>
Total noncurrent assets.....	<u>110,356,373</u>
Total assets.....	<u><u>\$ 126,809,991</u></u>

LIABILITIES AND NET ASSETS	<u>Totals</u>
CURRENT LIABILITIES:	
Payable from unrestricted:	
Accounts payable.....	\$ 1,106,329
Accrued liabilities.....	393,790
Deferred credit.....	112,674
Current portion of long-term debt--note 9.....	<u>16,600</u>
Total unrestricted.....	<u>1,629,393</u>
Payable from restricted:	
Accounts payable.....	94,233
Current portion of long-term debt--note 9.....	2,835,000
Accrued interest on long-term debt.....	<u>686,714</u>
Total restricted.....	<u>3,615,947</u>
Total current liabilities.....	<u>5,245,340</u>
NONCURRENT LIABILITIES:	
Net other postemployment benefits obligation.....	101,946
Accrued compensated absences.....	1,054,520
Bonds and other long-term debt, net--note 9.....	<u>24,957,060</u>
Total noncurrent liabilities.....	<u>26,113,526</u>
Total liabilities.....	<u>31,358,866</u>
NET ASSETS:	
Invested in capital assets, net of related debt.....	77,203,394
Restricted.....	8,526,620
Unrestricted.....	<u>9,721,111</u>
Total net assets.....	<u>95,451,125</u>
Total liabilities and net assets.....	<u>\$ 126,809,991</u>

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	Totals
OPERATING REVENUES:	
Airfield.....	\$ 1,300,430
Buildings and grounds.....	1,074,401
Terminal.....	2,974,312
Parking.....	2,234,673
Reliever airport.....	472,174
Total operating revenues.....	8,055,990
OPERATING EXPENSES:	
Airfield.....	2,668,026
Buildings and grounds.....	1,065,512
Terminal.....	1,612,670
Parking.....	696,550
Reliever airport.....	715,626
Administration.....	2,864,375
Depreciation.....	8,212,367
Total operating expenses.....	17,835,126
LOSS FROM OPERATIONS.....	(9,779,136)
NONOPERATING REVENUES (EXPENSES):	
Property and other taxes.....	4,472,751
Federal operating grant.....	133,531
Passenger facility charge.....	1,114,786
Interest income.....	586,039
Interest expense.....	(1,358,583)
Gain on disposal of capital assets.....	41,302
Net nonoperating revenues (expenses).....	4,989,826
LOSS BEFORE CAPITAL CONTRIBUTIONS.....	(4,789,310)
CAPITAL CONTRIBUTIONS:	
Federal and state grants.....	2,747,422
DECREASE IN NET ASSETS.....	(2,041,888)
NET ASSETS:	
Total net assets, beginning of year.....	97,493,013
Total net assets, end of year.....	\$ 95,451,125

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, 2008

	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers.....	\$ 8,755,980
Payments to suppliers.....	(4,032,151)
Payments to employees.....	(3,872,031)
Payments of benefits on behalf of employees.....	(1,544,905)
Return of customer deposits.....	(3,230)
	(696,337)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:	
Receipts of property and other taxes.....	3,943,047
Operating grant receipts.....	134,257
	4,077,304
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Receipts of property and other taxes	569,978
Acquisition and construction of capital assets.....	(3,958,751)
Sale of capital assets.....	43,950
Principal paid on bonds and other long-term debt.....	(2,741,600)
Interest paid on bonds and other long-term debt.....	(1,457,755)
Capital grant receipts.....	2,951,807
Passenger facility charge receipts.....	1,159,505
	(3,432,866)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(16,150,000)
Proceeds from sale and maturities of investment securities.....	14,550,000
Interest received on investments.....	570,961
	(1,029,039)
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(1,080,938)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	8,785,817
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 7,704,879

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Statement of Cash Flows-Continued
For the Year Ended December 31, 2008

	Totals
Reconciliation of operating loss to net cash provided by operating activities:	
Loss from operations.....	\$ (9,779,136)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation.....	8,212,367
Amortization of bond issuance cost.....	66,511
Changes in assets and liabilities:	
Accounts receivable and unbilled revenue.....	831,310
Inventory.....	(313,903)
Net pension assets.....	15,691
Prepaid items.....	(7,627)
Accounts payable.....	(114,212)
Accrued liabilities.....	392,662
	\$ (696,337)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:

CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital assets included in accounts payable..... \$ 695,588

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Notes to Financial Statements

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

A. Financial Benefit or Burden Relationship

1. Responsibility for financing deficits lies exclusively with the Authority.
2. No other governmental entity is entitled to any portion of a surplus the Authority generates.
3. All guarantees of, or "moral responsibility" for, debt are borne by the Authority. Subject to approval, the Authority is empowered to and has issued Revenue Bonds payable solely from revenues derived from the operation of the airport system. The Authority also has outstanding General Obligation Bonds and, subject to approval, is empowered to issue such bonds in the future. These bonds are not

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

general obligations of any other governmental entity, and neither the faith and credit nor the taxing power of any other governmental entity is pledged to their payment.

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

B. Fiscal Dependency

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

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

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

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

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

Fort Wayne International Airport
Building Corporation
c/o J.J.B. Hilliard, W.L. Lyons, Inc
1000 Commerce Building
Fort Wayne, IN 46802

Fort Wayne international Airport Air
Trade Center Building Corporation
C/O City Securities, Inc
116 E. Berry Street, Suite 1000
Fort Wayne, IN 46802

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

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

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

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

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

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement establishes standards of accounting and financial reporting for other postemployment benefits (OPEB) expense and related OPEB liabilities or OPEB assets, note disclosures, and required

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

supplementary information in this financial report. The objective of this statement is to improve the faithfulness of representation and usefulness of information included in this financial report regarding OPEB. For the Authority, OPEB includes postemployment healthcare (medical and dental) benefits.

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

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents, which are stated at cost, consist of daily repurchase agreements and 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 which are stated at cost. The Authority's component units (FWIABC and FWIAATCBC) may invest in short-term highly liquid money-market investments and U.S. government securities that have maturities less than one year. These investments are valued at amortized cost. There is no material difference between the amortized cost and the fair value of these investments.

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

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

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

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

Capital assets, which include property, equipment, and infrastructure assets (e.g., taxiways, runways, roads, terminal apron) are defined by the Authority as assets with an initial cost of \$2,000 or more and estimated useful life of two or more years. These assets are recorded at historical cost.

Capital assets assumed by the Authority from the City on July 1, 1985, are carried at historical cost, net of accumulated depreciation, in the accompanying financial statements and aggregate \$4,616,618 at December 31, 2008.

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 and land improvements, and construction in progress, all capital assets, including infrastructure assets are depreciated 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
Equipment	3-20

In accordance with Financial Accounting Standards Board Statement No. 34, interest during construction periods, when significant, is capitalized and included in the cost of capital assets. The Authority incurred total interest cost of \$1,358,583 for the year ended December 31, 2008. The Authority did not capitalize any interest in 2008.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lien date	March 1, 2007
Levy date	January 1, 2008
Tax bills mailed	April 1 and October 1, 2008
First installment payment due	May 10, 2008
Second installment payment due	November 10, 2008
Authority collection dates	June and December, 2008
Tax sale - 2008 delinquent property taxes	August, 2010

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 \$148,081 with an allowance of \$93,878 for delinquent taxes, at December 31, 2008.

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 2008.

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

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments included in the statement of net assets at December 31, 2008, consist of the following:

Cash and Cash Equivalents:	<u>Amount</u>
Current	\$ 3,864,162
Current, restricted	3,262,174
Noncurrent, restricted	<u>578,543</u>
	<u>7,704,879</u>
 Investments:	
Current	7,550,000
Noncurrent, restricted	<u>4,500,000</u>
	<u>12,050,000</u>
	 <u>\$19,754,879</u>

The carrying amounts of deposits and investments by type of investment at December 31, 2008 are as follows:

Cash deposits	\$ 2,965,644
Certificates of deposit	<u>12,050,000</u>
 Total deposits	 <u>\$15,015,644</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and certificates of deposit are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of \$100,000 at each bank are insured by the Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under IC 5-13-12-1. Authority deposits totaling \$514,236 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

At December 31, 2008, the Authority had the following cash equivalents (maturity of three months or less):

Short-term government money market funds	\$ 2,592,684
Repurchase agreements	<u>2,145,271</u>
 Total cash equivalents	 <u>\$ 4,737,955</u>

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Notes to Financial Statements-Continued

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, 2008, the Authority's investments met these criteria.

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

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

NOTE 3 RESTRICTED ASSETS

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

	<u>Amount</u>
Pursuant to the FWIABC Improvement Refunding	
Bonds of 2004 Trust Indenture:	
Bond Sinking Fund Account	\$ 1,078,094
Bond Operation and Reserve Account	7,876
Pursuant to the FWIAATCBC First Mortgage	
Bonds of 1998 Trust Indenture:	
Bond Sinking Fund Account	2,258
Bond Operation and Reserve Account	1,504,456
Pursuant to the Aviation Safety and Capacity Expansion	
Act of 1990, Federal Aviation Regulation Part 158:	
Passenger Facility Charge Account	1,277,366

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

Pursuant to the Cumulative Building Fund	
Account Established in 2001.	4,377,943
Security Deposits.	<u>92,724</u>
Total.	<u>\$ 8,340,717</u>

Airport Improvement Refunding Bonds of 2004

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

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

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

First Mortgage Bonds of 1998

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

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

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

The Authority is in compliance with all significant financial bond covenants as of December 31, 2008.

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

NOTE 4 INVENTORIES

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

	<u>Amount</u>
Supply inventories held for consumption.	\$ 276,270
Fixed based operator inventories held for resale	<u>37,633</u>
Total inventories.	<u>\$ 313,903</u>

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.	\$ 14,962,163	\$ 243,638	\$ ---	\$ 15,205,801
Construction in progress.	<u>317,136</u>	<u>3,127,223</u>	<u>2,615,387</u>	<u>828,972</u>
Total capital assets, not being depreciated	<u>15,279,299</u>	<u>3,370,861</u>	<u>2,615,387</u>	<u>16,034,773</u>
Capital assets, being depreciated:				
Buildings and improvements.	70,719,037	871,791	3,702	71,587,126
Infrastructure items.	121,793,742	2,129,950	16,445	123,907,247
Equipment	<u>7,735,602</u>	<u>455,248</u>	<u>370,152</u>	<u>7,820,698</u>
Total capital assets, being depreciated	<u>200,248,381</u>	<u>3,456,989</u>	<u>390,299</u>	<u>203,315,071</u>
Less accumulated depreciation for:				
Buildings and improvements.	31,460,362	2,456,608	3,702	33,913,268
Infrastructure items.	70,657,644	5,250,958	16,445	75,892,157
Equipment	<u>4,320,528</u>	<u>504,801</u>	<u>292,965</u>	<u>4,532,364</u>
Total accumulated depreciation	<u>106,438,534</u>	<u>8,212,367</u>	<u>313,112</u>	<u>114,337,789</u>
Net capital assets	<u>\$109,089,146</u>	<u>\$(1,384,517)</u>	<u>\$ 2,692,574</u>	<u>\$105,012,055</u>

All depreciation expense, \$8,212,367, for the current year was charged to the Authority fund. There was no depreciation expense charged to component units.

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

NOTE 6 PROPERTY TAX

The applicable property tax rates and related levies in 2008 were as follows:

	<u>Rate</u> <u>Per \$100</u>	<u>Property Tax</u> <u>Levies</u>
Operating.	\$.0200	\$ 3,170,094
Cumulative Building.	<u>.0033</u>	<u>523,065</u>
 Total.	 <u>\$.0233</u>	 <u>\$ 3,693,159</u>

Property tax rates and levies for 2009 are not available due to a delay in property reassessment.

NOTE 7 PENSION PLAN

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

Defined Benefit

Plan Description - The Authority's defined benefit pension plan, Indiana Public Employee's Retirement Fund (PERF), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERF is a statewide agent multiple-employer pension plan that acts as a common investment and administrative agent for state and local governmental units in Indiana. PERF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained by writing to the Indiana Public Employee's Retirement Fund, 143 W. Market Street, Suite 800, Indianapolis, Indiana 46205, or by calling 1-317-233-4162.

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 4.50 percent of annual covered payroll.

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

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

Annual required contribution	\$ 159,550
Interest on net pension obligation	(13,003)
Adjustment to annual required contribution	<u>14,818</u>
Annual pension cost	161,365
Contributions made	<u>(145,674)</u>
Increase (Decrease) in net pension obligation	15,691
Net pension obligation, beginning of year	<u>(179,349)</u>
Net pension obligation, end of year	<u><u>\$(163,658)</u></u>

The annual required contribution was determined as part of the July 1, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.25 percent investment rate of return (net of administrative expenses), (b) projected salary increases per year are based upon PERF experience from 2000 to 2005, and (c) 1.5 percent post-retirement benefit increases. The actuarial value of PERF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Authority's excess of assets over actuarial accrued liability is being amortized by level percentage of projected payroll on a closed basis over a thirty-year period (15 years in the case of cost of living adjustments). The remaining amortization period at December 31, 2008, was 20 years.

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

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2006	\$ 123,372	91%	\$(193,189)
2007	137,789	90	(179,349)
2008	161,365	90	(163,658)

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date, the plan was 109.5 percent funded. The actuarial accrued liability for benefits was \$2.9 million and the actuarial value of assets was \$3.2 million, resulting in a funding excess of \$283,000. The covered payroll (annual payroll of active employees covered by the plan) was \$3.5 million, and the ratio of the funding excess to covered payroll was 8.0 percent.

The schedule of funding progress presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Defined Contribution

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

Employees are required to contribute 3 percent of their annual salary to an annuity savings account. Since 1987, the Authority has been funding the employee contribution requirement. The contribution rate is established by the Indiana State Legislature, and may be amended only by this body. During 2008, the Authority contributed \$105,442 on behalf of the employees. This amount represents the employers' required contribution to the plan.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

Funding Policy - The contribution requirements of plan members are established by the Authority Board and may be amended annually. Retiree contributions vary based upon the option they choose: Option 1 is a traditional paid provider plan and Option 2 is a high deductible paid provider plan. Under Option 1, each retiree contributes \$134 per month for the retiree and the same amount for the spouse. Under Option 2, each retiree contributes \$54 per month for the retiree and \$107 for the spouse. For the year ended December 31, 2008, retirees contributed \$5,136, and the Authority contributed \$12,758 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. During 2008, the Authority implemented GASB 45 prospectively. Therefore, pursuant to GASB 45, net OPEB is zero at the beginning of the year. 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	\$ 114,704
Interest on net OPEB obligation	0
Adjustment to annual required contribution	<u>0</u>
Annual OPEB cost (expense)	114,704
Contributions made	<u>12,758</u>
Increase (Decrease) in net OPEB obligation	101,946
Net OPEB obligation, beginning of year	<u>0</u>
Net OPEB obligation, end of year	<u>\$ 101,946</u>

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

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 was as follows:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 114,704	11.1%	\$ 101,946

Funding Status and Funding Progress - As of December 31, 2008, the actuarial accrued liability for benefits was \$880,772, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,375,564, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26.1 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, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 10 percent for medical care initially, reduced by decrements to an ultimate rate of 5 percent after 11 years. The trend rate for dental care remains at 5 percent. The unfunded actuarial accrued liability is being amortized using the level dollar amortization method on a closed basis. The remaining amortization period at December 31, 2008 was 29 years.

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

NOTE 9 BONDS AND OTHER LONG-TERM DEBT

Bonds and Other Long-Term Debt consist of:

	<u>Amount</u>
<u>Revenue Bonds</u>	
Airport Improvement Refunding Bonds of 2004:	
Fort Wayne International Airport	
Building Corporation--	
Principal payable semi-annually on January 1, 2009 to January 1, 2014 in payments ranging from \$1,055,000 in 2014 to \$2,045,000 in 2013.	
Interest at 3.0 to 5.0% due semi-annually on January 1 and July 1	\$10,295,000
Plus: Unamortized premium and deferred amount.	<u>183,149</u>
	<u>10,478,179</u>
First Mortgage Bonds of 1998:	
Fort Wayne International Airport Air	
Trade Center Building Corporation	
Principal payable semi-annually on January 15, 2009 to January 15, 2020 in payments ranging from \$985,000 in 2020 to \$1,900,000 in 2019.	
Interest at 4.7 to 5.3% due semi- annually on January 15 and July 15	17,430,000
Less: Unamortized discount.	<u>(116,089)</u>
	<u>17,313,911</u>
Total revenue bonds	27,792,060
Other debt.	<u>16,600</u>
Total bonds and other debt.	27,808,660
Less: Current portion.	<u>(2,851,600)</u>
	<u>\$24,957,060</u>

The Authority has a legal debt limit of \$105,669,788 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 \$105,669,788 as of December 31, 2008.

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

Airport Improvement Refunding Bonds of 2004

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

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

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

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

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

First Mortgage of 1998

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

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

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

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

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

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

The First Mortgage Bonds are subject to redemption prior to maturity at the Authority's option at amounts ranging from 100.5 percent of principal beginning on January 15, 2009, to par beginning January 15, 2010 and thereafter.

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, 2008:

Debt Service Requirements

Years ending December 31:	Principal	Interest	Total
2009	\$ 2,835,000	\$ 1,340,659	\$ 4,175,659
2010	2,965,000	1,209,816	4,174,816
2011	3,100,000	1,063,848	4,163,848
2012	3,250,000	907,429	4,157,429
2013	3,445,000	744,928	4,189,928
2014-2018	9,245,000	1,945,870	11,190,870
2019-2020	2,885,000	145,375	3,030,375
	<u>27,725,000</u>	<u>7,357,925</u>	<u>35,082,925</u>
Plus: Unamortized discount, premium and deferred amount.	<u>67,060</u>	<u>---</u>	<u>67,060</u>
	<u>\$27,792,060</u>	<u>\$ 7,357,925</u>	<u>\$35,149,985</u>

Other debt consists of a non-interest bearing loan of \$166,000 received from the City of Fort Wayne in 1999 for Air Trade Center utility improvements. This loan will be repaid to the City at \$16,600 per year over a 10-year period. At December 31, 2008, the remaining balance is \$16,600.

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

Changes in Bonds and Long-Term Liabilities

Bonds and long-term liability activity for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term liabilities:					
Compensated absences.	\$ 1,168,435	\$ 357,728	\$ (229,957)	\$1,296,206	\$ 241,686
Bonds and other long-term debt:					
Revenue bonds	30,450,000	---	(2,725,000)	27,725,000	2,835,000
plus or minus deferred amounts:					
Premiums.	329,179	---	(88,964)	240,215	75,958
Discounts	(130,712)	---	14,623	(116,089)	(13,092)
On refunding.	(88,145)	---	31,080	(57,065)	(21,029)
Other debt.	<u>33,200</u>	<u>---</u>	<u>(16,600)</u>	<u>16,600</u>	<u>16,600</u>
Total bonds and other long-term debt	<u>30,593,522</u>	<u>---</u>	<u>(2,784,861)</u>	<u>27,808,661</u>	<u>2,893,437</u>
Total bonds and long-term liabilities	<u>\$31,761,957</u>	<u>\$ 357,728</u>	<u>\$(3,014,818)</u>	<u>\$29,104,867</u>	<u>\$ 3,135,123</u>

NOTE 10 COMMITMENTS AND CONTINGENCIES

Capital Improvements - At December 31, 2008, the Authority was obligated for completion of airfield infrastructure, an electronic security system, and various smaller projects under commitments aggregating \$1,529,763 with an estimated \$1,484,036 eligible for reimbursement at 97.5 percent from the FAA and State of Indiana.

Rebatable Arbitrage - Based upon calculations through December 31, 2008, 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 69 percent of the accounts receivable balances as of December 31, 2008.

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

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

NOTE 11 RENTAL INCOME UNDER OPERATING LEASES

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

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

Years ending December 31:	
2009	\$2,413,318
2010	1,345,897
2011	858,304
2012	684,906
2013	593,230
Later Years	631,968

The schedule above includes changes in rental rates that became effective on January 1, 2009. These rates are adjusted annually.

Contingent rentals and fees aggregated \$2,520,401 for the year ended December 31, 2008.

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

NOTE 12 MAJOR CUSTOMERS

During the year ended December 31, 2008, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this cargo carrier aggregated approximately 15 percent of operating revenues.

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

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

Employees Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) -Entry Age (2)	Excess Assets (Unfunded AAL) (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Excess Assets (Unfunded AAL) as a Percentage of Covered Payroll ((1 - 2)/3)
7/1/99	\$ 329,496	\$ 351,178	\$ (21,682)	93.8%	\$2,257,300	(0.96)%
7/1/00	598,500	547,700	50,800	109.3	2,517,352	2.02
7/1/01	798,529	864,731	(66,202)	92.3	2,736,700	(2.42)
7/1/02 (A)	1,978,599	1,563,222	415,377	126.6	2,856,043	14.54
7/1/03	1,996,738	1,448,753	547,985	137.8	2,851,475	19.22
7/1/04	2,101,867	1,508,381	593,486	139.3	2,910,443	20.39
7/1/05	2,193,053	1,943,705	249,348	112.8	2,981,697	8.36
7/1/06	2,603,064	2,028,014	575,050	128.4	3,049,154	18.86
7/1/07	2,932,891	2,430,873	502,018	120.7	3,294,131	15.24
7/1/08	3,248,909	2,966,134	282,775	109.5	3,535,802	8.00

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

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

Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) Projected Unit Credit (2)	Unfunded AAL) (1 - 2)	Funded Ratio (1 / 2)	Covered Payroll (3)	Excess Assets (Unfunded AAL) as a Percentage of Covered Payroll ((1 - 2)/3)
12/31/07	\$0	\$798,194	\$798,194	0.0%	\$3,326,274	24.0%
12/31/08	0	880,772	880,772	0.0	3,375,564	26.1

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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 Assets
December 31, 2008

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT ASSETS:				
Unrestricted assets:				
Cash and cash equivalents.....	\$ 3,864,162	\$ -	\$ -	\$ 3,864,162
Investments.....	7,550,000	-	-	7,550,000
Accounts receivable, net of allowance.....	47,310	-	-	47,310
Unbilled revenue.....	29,293	-	-	29,293
Property tax receivable, net of allowance.....	46,526	-	-	46,526
Other receivables, net of allowance.....	40,975	-	-	40,975
Other receivables.....	313,903	-	-	313,903
Net pension assets.....	163,658	-	-	163,658
Deposits and prepaid items.....	176,444	-	-	176,444
	<u>12,232,271</u>	<u>-</u>	<u>-</u>	<u>12,232,271</u>
Restricted assets:				
Cash and cash equivalents.....	2,213,746	-	1,048,428	3,262,174
Passenger facility charge receivable.....	112,163	-	-	112,163
Federal and state grants receivable.....	809,956	-	-	809,956
Other receivables.....	36,163	-	891	37,054
	<u>3,172,028</u>	<u>-</u>	<u>1,049,319</u>	<u>4,221,347</u>
Total current assets.....	<u>15,404,299</u>	<u>-</u>	<u>1,049,319</u>	<u>16,453,618</u>
NONCURRENT ASSETS:				
Restricted assets:				
Cash and cash equivalents.....	570,328	8,215	-	578,543
Investments.....	4,500,000	-	-	4,500,000
Property tax receivable, net of allowance.....	7,677	-	-	7,677
	<u>5,078,005</u>	<u>8,215</u>	<u>-</u>	<u>5,086,220</u>
Capital assets, net.....	<u>105,012,055</u>	<u>-</u>	<u>-</u>	<u>105,012,055</u>
Other assets:				
Bond issue costs, less accumulated amortization of \$538,211.....	258,098	-	-	258,098
Total noncurrent assets.....	<u>110,348,158</u>	<u>8,215</u>	<u>-</u>	<u>110,356,373</u>
Total assets.....	<u>\$ 125,752,457</u>	<u>\$ 8,215</u>	<u>\$ 1,049,319</u>	<u>\$ 126,809,991</u>

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CURRENT LIABILITIES:				
Payable from unrestricted:				
Accounts payable.....	\$ 1,106,329	\$ -	\$ -	\$ 1,106,329
Accrued liabilities.....	393,790	-	-	393,790
Deferred credit.....	112,674	-	-	112,674
Current portion of long-term debt.....	16,600	-	-	16,600
Total unrestricted.....	1,629,393	-	-	1,629,393
Payable from restricted:				
Accounts payable.....	94,233	-	-	94,233
Current portion of long-term debt.....	2,835,000	-	-	2,835,000
Accrued interest on long-term debt.....	686,714	-	-	686,714
Total restricted.....	3,615,947	-	-	3,615,947
Total current liabilities.....	5,245,340	-	-	5,245,340
NONCURRENT LIABILITIES:				
Net other postemployment benefits obligation.....	101,946	-	-	101,946
Accrued compensated absences.....	1,054,520	-	-	1,054,520
Bonds and other long-term debt, net.....	24,957,060	-	-	24,957,060
Total noncurrent liabilities.....	26,113,526	-	-	26,113,526
Total liabilities.....	31,358,866	-	-	31,358,866
NET ASSETS:				
Invested in capital assets, net of related debt.....	77,203,394	-	-	77,203,394
Restricted.....	7,469,086	8,215	1,049,319	8,526,620
Unrestricted.....	9,721,111	-	-	9,721,111
Total net assets.....	94,393,591	8,215	1,049,319	95,451,125
Total liabilities and net assets.....	\$ 125,752,457	\$ 8,215	\$ 1,049,319	\$ 126,809,991

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
OPERATING REVENUES:				
Airfield.....	\$ 1,300,430	\$ -	\$ -	\$ 1,300,430
Buildings and grounds.....	1,074,401	-	-	1,074,401
Terminal.....	2,974,312	-	-	2,974,312
Parking.....	2,234,673	-	-	2,234,673
Reliever airport.....	472,174	-	-	472,174
Total operating revenues.....	8,055,990	-	-	8,055,990
OPERATING EXPENSES:				
Airfield.....	2,668,026	-	-	2,668,026
Buildings and grounds.....	1,065,512	-	-	1,065,512
Terminal.....	1,612,670	-	-	1,612,670
Parking.....	696,550	-	-	696,550
Reliever airport.....	715,626	-	-	715,626
Administration.....	2,827,979	-	36,396	2,864,375
Depreciation.....	8,212,367	-	-	8,212,367
Total operating expenses.....	17,798,730	-	36,396	17,835,126
LOSS FROM OPERATIONS.....	(9,742,740)	-	(36,396)	(9,779,136)
NONOPERATING REVENUES (EXPENSES):				
Property and other taxes.....	4,472,751	-	-	4,472,751
Federal operating grant.....	133,531	-	-	133,531
Passenger facility charge.....	1,114,786	-	-	1,114,786
Interest income.....	554,325	2,092	29,622	586,039
Interest expense.....	(1,358,583)	-	-	(1,358,583)
Gain on disposal of capital assets.....	41,302	-	-	41,302
Net nonoperating revenues (expenses).....	4,958,112	2,092	29,622	4,989,826
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4,784,628)	2,092	(6,774)	(4,789,310)
CAPITAL CONTRIBUTIONS:				
Federal and state grants.....	2,747,422	-	-	2,747,422
INCREASE (DECREASE) IN NET ASSETS.....	(2,037,206)	2,092	(6,774)	(2,041,888)
NET ASSETS:				
Total net assets, beginning of year.....	96,430,797	6,123	1,056,093	97,493,013
Total net assets, end of year.....	\$ 94,393,591	\$ 8,215	\$ 1,049,319	\$ 95,451,125

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows
For the Year Ended December 31, 2008

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers.....	\$ 8,755,980	\$ -	\$ -	\$ 8,755,980
Payments to suppliers.....	(3,995,755)	-	(36,396)	(4,032,151)
Payments to employees.....	(3,872,031)	-	-	(3,872,031)
Payments of benefits on behalf of employees.....	(1,544,905)	-	-	(1,544,905)
Return of customer deposits.....	(3,230)	-	-	(3,230)
Net cash used in operating activities.....	<u>(659,941)</u>	<u>-</u>	<u>(36,396)</u>	<u>(696,337)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY:				
Receipts of property and other taxes.....	3,943,047	-	-	3,943,047
Operating grant receipts.....	134,257	-	-	134,257
Net cash provided by noncapital financing activities.....	<u>4,077,304</u>	<u>-</u>	<u>-</u>	<u>4,077,304</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts of property and other taxes	569,978	-	-	569,978
Acquisition and construction of capital assets.....	(3,958,751)	-	-	(3,958,751)
Sale of capital assets.....	43,950	-	-	43,950
Principal paid on bonds and other long-term debt.....	(2,741,600)	-	-	(2,741,600)
Interest paid on bonds and other long-term debt.....	(1,457,755)	-	-	(1,457,755)
Capital grant receipts.....	2,951,807	-	-	2,951,807
Passenger facility charge receipts.....	1,159,505	-	-	1,159,505
Net cash used in capital and related financing activities.....	<u>(3,432,866)</u>	<u>-</u>	<u>-</u>	<u>(3,432,866)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities.....	(16,150,000)	-	-	(16,150,000)
Proceeds from sale and maturities of investment securities.....	14,550,000	-	-	14,550,000
Interest received on investments.....	534,205	2,092	34,664	570,961
Net cash provided by (used in) investing activities.....	<u>(1,065,795)</u>	<u>2,092</u>	<u>34,664</u>	<u>(1,029,039)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,081,298)	2,092	(1,732)	(1,080,938)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	<u>7,729,534</u>	<u>6,123</u>	<u>1,050,160</u>	<u>8,785,817</u>
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>\$ 6,648,236</u>	<u>\$ 8,215</u>	<u>\$ 1,048,428</u>	<u>\$ 7,704,879</u>

continued

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
ENTERPRISE FUND
Combining Schedule of Cash Flows-Continued
For the Year Ended December 31, 2008

	<u>Authority</u>	<u>FWIABC</u>	<u>FWIAATCBC</u>	<u>Totals</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Loss from operations.....	\$ (9,742,740)	\$ -	\$ (36,396)	\$ (9,779,136)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation.....	8,212,367	-	-	8,212,367
Amortization of bond issuance cost.....	66,511	-	-	66,511
Change in assets and liabilities:				
Accounts receivable and unbilled revenue.....	831,310	-	-	831,310
Inventory.....	(313,903)	-	-	(313,903)
Net pension assets.....	15,691	-	-	15,691
Prepaid items.....	(7,627)	-	-	(7,627)
Accounts payable.....	(114,212)	-	-	(114,212)
Accrued liabilities.....	392,662	-	-	392,662
Net cash used in operating activities.....	<u>\$ (659,941)</u>	<u>\$ -</u>	<u>\$ (36,396)</u>	<u>\$ (696,337)</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets included in accounts payable.....	\$ 695,588	\$ -	\$ -	\$ 695,588

**OTHER SUPPLEMENTARY
INFORMATION**

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Debt Service Requirements to Maturity
December 31, 2008**

	Principal	Interest	Total
2009.....	\$ 2,851,600	\$ 1,340,659	\$ 4,192,259
2010.....	2,965,000	1,209,816	4,174,816
2011.....	3,100,000	1,063,848	4,163,848
2012.....	3,250,000	907,429	4,157,429
2013.....	3,445,000	744,928	4,189,928
2014.....	2,530,000	572,935	3,102,935
2015.....	1,550,000	471,163	2,021,163
2016.....	1,635,000	388,622	2,023,622
2017.....	1,720,000	300,775	2,020,775
2018.....	1,810,000	212,375	2,022,375
2019.....	1,900,000	120,750	2,020,750
2020.....	985,000	24,625	1,009,625
Totals.....	<u>\$ 27,741,600 (1)</u>	<u>\$ 7,357,925</u>	<u>\$ 35,099,525</u>

(1) Excludes unamortized discount, premium and deferred amount of \$67,060.

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2008**

Capital Assets (1)

<u>Category</u>	<u>Balance at 01/01/08</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/08</u>
Land and easements.....	\$ 14,962,163	\$ 243,638	\$ -	\$ 15,205,801
Runways and taxiways.....	100,685,105	2,045,759	16,445	102,714,419
Buildings.....	70,719,037	871,791	3,702	71,587,126
Roads and parking.....	19,576,463	-		19,576,463
Snow equipment.....	2,977,462	260,257	93,340	3,144,379
Vehicles.....	2,602,785	32,273	105,132	2,529,926
Other equipment.....	2,155,355	162,718	171,680	2,146,393
Master plans.....	1,532,174	84,191		1,616,365
Construction work in progress.....	317,136	3,127,223	2,615,387	828,972
Total capital assets.....	\$ 215,527,680	\$ 6,827,850	\$ 3,005,686	\$ 219,349,844

Accumulated Depreciation

<u>Category</u>	<u>Balance at 01/01/08</u>	<u>Additions</u>	<u>Deletions (2)</u>	<u>Balance at 12/31/08</u>
Runways and taxiways.....	\$ 63,362,898	\$ 4,275,358	\$ 16,445,000	\$ 67,621,811
Buildings.....	31,460,363	2,456,608	3,702	33,913,269
Roads and parking.....	6,456,880	811,967		7,268,847
Snow equipment.....	1,529,943	219,430	93,340	1,656,033
Vehicles.....	1,109,550	171,136	105,132	1,175,554
Other equipment.....	1,681,036	114,235	94,493	1,700,778
Master plans.....	837,864	163,633		1,001,497
Total depreciation.....	\$ 106,438,534	\$ 8,212,367	\$ 313,112	\$ 114,337,789

(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 using the straight-line method over their useful lives.

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

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

**Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2008**

Major Revenue Categories	2008 Actual			2008 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield use fees.....	\$ 1,469,596	\$ (55,640)	\$ 1,413,956	\$ 1,919,599	\$ (505,643)
Building rent and services.....	3,068,383	(134,145)	2,934,238	2,864,718	69,520
Land rent.....	245,143	1,063	246,206	477,906	(231,700)
Utilities.....	4,012	(7,918)	(3,906)	4,386	(8,292)
Parking.....	2,234,673	319,060	2,553,733	1,943,786	609,947
Auto rental.....	896,925	(4,501)	892,424	843,412	49,012
Restaurant.....	106,262	1,772	108,034	99,887	8,147
Other income.....	194,682	(63,750)	130,932	6,360	124,572
Contractual reimbursements.....	9,738.00	(21,286.00)	(11,548.00)	17,310	(28,858)
Other commissions.....	1,409	-	1,409	1,833	(424)
Interest income.....	586,039	(51,369)	534,670	542,225	(7,555)
Property and other taxes.....	4,472,751	40,274	4,513,025	4,559,057	(46,032)
Passenger facility charges.....	1,114,786	44,719	1,159,505	1,093,110	66,395
Total revenues.....	14,404,399	68,279	14,472,678	14,373,589	99,089
Capital contributions:					
Federal grants.....	2,676,975	825,282	3,502,257	7,347,298	(3,845,041)
State grants.....	70,447	(47,204)	23,243	192,575	(169,332)
Total capital contributions.....	2,747,422	778,078	3,525,500	7,539,873	(4,014,373)
Total.....	\$ 17,151,821	\$ 846,357	\$ 17,998,178	\$ 21,913,462	\$ (3,915,284)

(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, 2008

Major Expense Categories	2008 Actual					2008 Budget	Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders	2008 Actual		
PERSONAL SERVICES:							
Salaries and wages.....	\$ 4,032,946	\$ (160,915)	\$ 3,872,031	\$ -	\$ 3,883,306	\$ 4,023,466	\$ (140,160)
Employee benefits.....	1,683,232	(138,327)	1,544,905	11,275	1,544,905	1,765,736	(220,831)
Total personal services.....	<u>5,716,178</u>	<u>(299,242)</u>	<u>5,416,936</u>	<u>11,275</u>	<u>5,416,936</u>	<u>5,789,202</u>	<u>(360,991)</u>
SUPPLIES.....	<u>910,322</u>	<u>283,235</u>	<u>1,193,557</u>	<u>205,141</u>	<u>1,257,917</u>	<u>1,637,401</u>	<u>(379,484)</u>
CONTRACTUAL SERVICES:							
Professional services.....	593,469	(65,791)	527,678	64,360	592,038	684,599	(92,561)
Utilities.....	713,684	(43,850)	669,834	1,133	670,967	749,802	(78,835)
Contracted repairs.....	127,271	(10,566)	116,705	32,205	148,910	377,667	(228,757)
Debt service payments.....	1,358,583	2,240,050	3,598,633	-	3,598,633	3,610,857	(12,224)
Other contracted services.....	1,561,835	47,220	1,609,055	148,918	1,609,055	2,013,566	(404,511)
Total contractual services....	<u>4,354,842</u>	<u>2,167,063</u>	<u>6,521,905</u>	<u>246,616</u>	<u>6,521,905</u>	<u>7,436,491</u>	<u>(816,888)</u>
CAPITAL EXPENDITURES	<u>-</u>	<u>3,691,987</u>	<u>3,691,987</u>	<u>2,849,398</u>	<u>3,691,987</u>	<u>11,352,060</u>	<u>(7,660,073)</u>
DEPRECIATION EXPENSE	<u>8,212,367</u>	<u>(8,212,367)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals.....	<u>\$ 19,193,709</u>	<u>\$ (2,369,324)</u>	<u>\$ 16,824,385</u>	<u>\$ 3,312,430</u>	<u>\$ 16,888,745</u>	<u>\$ 26,215,154</u>	<u>\$ (9,217,436)</u>

(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

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Revenues:	2008	2007	2006	2005
Airfield.....	\$ 1,300,430	\$ 1,987,586	\$ 2,516,471	\$ 2,355,553
Buildings and grounds.....	1,074,401	2,751,377	3,158,585	3,194,286
Terminal.....	2,974,312	3,003,368	3,009,862	3,067,835
Parking.....	2,234,673	2,063,274	1,912,344	1,947,262
Reliever airport.....	472,174	3,450	10,188	10,166
	<u>8,055,990</u>	<u>9,809,055</u>	<u>10,607,450</u>	<u>10,575,102</u>
Interest	586,039	708,481	875,498	653,412
Property and other taxes.....	4,472,751	4,438,807	4,307,566	4,069,893
Federal operating grant.....	133,531	32,976	-	-
Passenger facility charge.....	1,114,786	1,136,120	1,059,924	812,956
Gain on disposal of capital assets.....	41,302	21,617	64,985	184,937
	<u>14,404,399</u>	<u>16,147,056</u>	<u>16,915,423</u>	<u>16,296,300</u>
Expenses:				
Salaries.....	4,032,946	3,689,607	3,263,059	3,103,932
Benefits.....	1,683,232	1,457,312	1,366,665	1,261,433
Utilities.....	713,684	548,287	499,924	474,522
Supplies and other services.....	3,192,897	3,261,589	2,780,524	3,486,298
Depreciation.....	8,212,367	8,510,935	8,064,551	7,764,453
	<u>17,835,126</u>	<u>17,467,730</u>	<u>15,974,723</u>	<u>16,090,638</u>
Interest.....	1,358,583	1,447,799	1,655,703	1,740,318
	<u>19,193,709</u>	<u>18,915,529</u>	<u>17,630,426</u>	<u>17,830,956</u>
Capital contributions.....	2,747,422	573,692	7,999,576	5,098,268
Increase (Decrease) in net assets.....	<u>\$ (2,041,888)</u>	<u>\$ (2,194,781)</u>	<u>\$ 7,284,573</u>	<u>\$ 3,563,612</u>
Net assets at year end composed of:				
Invested in capital assets, net of related debt..	77,203,394	\$ 78,495,625	\$ 80,087,834	\$ 71,421,904
Restricted.....	8,526,620	6,950,303	12,174,175	6,858,838
Unrestricted.....	9,721,111	12,047,085	7,425,785	14,122,479
	<u>\$ 95,451,125</u>	<u>\$ 97,493,013</u>	<u>\$ 99,687,794</u>	<u>\$ 92,403,221</u>

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

Source: Authority's audited financial statements.

2004	2003	2002	2001	2000	1999
\$ 2,372,285	\$ 2,322,102	\$ 2,358,826	\$ 2,503,278	\$ 2,841,935	\$ 2,321,163
3,217,660	3,115,449	3,081,669	3,070,028	2,880,797	1,747,276
3,096,247	3,161,047	3,116,932	2,912,244	2,908,882	2,427,074
1,992,504	1,682,480	1,592,208	1,661,857	1,912,208	1,814,295
10,355	22,043	42,130	49,157	51,648	58,952
10,689,051	10,303,121	10,191,765	10,196,564	10,595,470	8,368,760
347,459	401,133	651,582	1,067,565	1,012,408	967,818
4,221,616	3,768,107	3,698,807	3,747,541	3,392,472	3,361,218
332,513	65,487	203,903	-	-	-
887,160	794,951	768,351	803,711	967,928	941,382
-	1,257	12,934	12,899	16,626	-
16,477,799	15,334,056	15,527,342	15,828,280	15,984,904	13,639,178
3,053,622	3,029,513	3,153,805	3,205,169	2,887,498	2,645,705
1,025,317	947,868	994,007	707,264	625,208	611,704
438,094	430,869	378,929	390,118	356,354	366,519
3,827,577	2,921,292	2,526,089	2,143,133	2,450,524	1,800,026
7,787,031	7,531,646	7,821,960	7,690,603	7,749,815	6,369,161
16,131,641	14,861,188	14,874,790	14,136,287	14,069,399	11,793,115
2,256,248	2,404,165	2,572,497	2,714,736	2,853,983	2,774,531
18,387,889	17,265,353	17,447,287	16,851,023	16,923,382	14,567,646
3,350,896	2,839,984	1,967,232	3,121,820	3,493,337	1,190,405
\$ 1,440,806	\$ 908,687	\$ 47,287	\$ 2,099,077	\$ 2,554,859	\$ 261,937
\$ 66,434,837	\$ 64,761,424	\$ 63,484,036	NA	NA	NA
5,955,696	6,653,265	4,318,564	NA	NA	NA
16,449,076	15,984,114	18,687,516	NA	NA	NA
\$ 88,839,609	\$ 87,398,803	\$ 86,490,116	\$ 86,442,829	\$ 84,343,750	\$ 81,788,891

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Operating Revenues:</u>				
Airfield.....	\$ 105,077	\$ 150,318	\$ 114,741	\$ 125,048
Passenger airline service charge revenues:				
Landing fees.....	742,078	708,285	708,779	810,523
Jetway rental.....	68,410	74,700	86,770	67,900
Apron fees.....	79,058	99,430	98,459	127,494
Terminal rent.....	1,496,500	1,575,750	1,542,946	1,710,820
Boarding security.....	156,490	155,153	169,006	164,476
PA system.....	1,504	1,536	1,536	1,504
Air Trade Center cargo airline service charge revenues (1):				
Landing fees.....	-	546,868	1,041,899	905,647
Apron fees.....	-	43,970	52,765	56,856
Building rent.....	85,000	1,527,754	2,025,300	2,025,300
Ground rent.....	-	201,957	214,734	208,424
Landing fees-other cargo.....	374,216	438,715	499,828	329,985
Building and grounds.....	829,016	862,507	763,330	807,303
Terminal.....	244,209	251,575	292,350	230,078
Car rental.....	896,925	833,162	814,862	782,533
Restaurant.....	110,274	111,493	102,392	110,524
Parking.....	2,234,673	2,063,274	1,912,344	1,947,262
Farming.....	160,386	159,158	155,221	153,259
Reliever airport.....	472,174	3,450	10,188	10,166
Total operating revenues.....	8,055,990	9,809,055	10,607,450	10,575,102
<u>Non-operating revenues:</u>				
Interest income.....	586,039	708,481	875,498	653,412
Property and other taxes.....	4,472,751	4,438,807	4,307,566	4,069,893
FAA operating grant.....	133,531	32,976	-	-
Passenger facility charge.....	1,114,786	1,136,120	1,059,924	812,956
Gain on disposal of fixed assets.....	41,302	21,617	64,985	184,937
Total non-operating revenues.....	6,348,409	6,338,001	6,307,973	5,721,198
Total revenues.....	\$ 14,404,399	\$ 16,147,056	\$ 16,915,423	\$ 16,296,300
Enplaned passengers.....	<u>287,343</u>	<u>298,639</u>	<u>274,889</u>	<u>316,339</u>
Passenger airline cost per enplaned passenger.....	<u>\$ 8.85</u>	<u>\$ 8.76</u>	<u>\$ 9.49</u>	<u>\$ 9.11</u>
<u>Signatory airlines rates and charges (2):</u>				
Landing fee (per 1,000 lbs. of max. gross landed weight).....	\$ 2.06	\$ 1.86	\$ 1.83	\$ 1.77
Apron fee (per 1,000 lbs of max. gross landed weight).....	0.22	0.26	0.25	0.28
Annual terminal rental rate (per square foot).....	35.77	36.27	32.24	32.70
<u>Revenue Funding Ratios:</u>				
Parking commissions per enplaned passenger.....	\$ 7.78	\$ 6.91	\$ 6.96	\$ 6.16
Car rental commissions per enplaned passenger.....	3.12	2.79	2.96	2.47
Restaurant commissions per enplaned passenger.....	0.38	0.37	0.37	0.35

Notes: (1) The Airport's Air Trade Center opened in July 1999.

(2) Rates and charges are calculated based upon the Airport Use and Lease Agreement.

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

2004	2003	2002	2001	2000	1999
\$ 127,092	\$ 136,379	\$ 139,192	\$ 160,873	\$ 148,512	\$ 217,316
772,745	771,740	843,067	842,741	936,444	948,974
61,050	52,930	58,200	57,460	51,070	26,270
119,553	115,597	116,161	119,948	146,527	105,682
1,608,441	1,720,773	1,703,037	1,565,023	1,493,886	1,153,587
155,193	108,032	71,542	138,008	137,061	128,218
2,080	1,920	1,824	2,016	1,673	2,144
1,003,269	949,837	978,700	710,244	1,274,404	736,183
54,411	57,565	39,757	36,893	46,623	3,391
2,025,300	2,025,300	2,025,300	2,025,300	2,025,300	1,012,650
203,338	199,205	195,425	190,873	185,465	94,906
295,215	290,984	241,949	632,579	289,425	309,617
858,527	769,302	737,916	735,877	566,350	554,341
150,258	226,762	270,800	211,993	253,518	208,517
1,002,472	957,022	925,403	851,119	874,005	818,653
116,753	93,608	86,126	86,625	97,669	89,685
1,992,504	1,682,480	1,592,208	1,661,857	1,912,208	1,814,295
130,495	121,642	123,028	117,978	103,682	85,379
10,355	22,043	42,130	49,157	51,648	58,952
10,689,051	10,303,121	10,191,765	10,196,564	10,595,470	8,368,760
347,459	401,133	651,582	1,067,565	1,012,408	967,818
4,221,616	3,768,107	3,698,807	3,747,541	3,392,472	3,361,218
332,513	65,487	203,903	-	-	-
887,160	794,951	768,351	803,711	967,928	941,382
-	1,257	12,934	12,899	16,626	-
5,788,748	5,030,935	5,335,577	5,631,716	5,389,434	5,270,418
<u>\$ 16,477,799</u>	<u>\$ 15,334,056</u>	<u>\$ 15,527,342</u>	<u>\$ 15,828,280</u>	<u>\$ 15,984,904</u>	<u>\$ 13,639,178</u>
<u>338,681</u>	<u>306,077</u>	<u>301,044</u>	<u>307,255</u>	<u>360,010</u>	<u>350,848</u>
<u>\$ 8.03</u>	<u>\$ 9.05</u>	<u>\$ 9.28</u>	<u>\$ 8.87</u>	<u>\$ 7.68</u>	<u>\$ 6.74</u>
\$ 1.63	\$ 1.68	\$ 1.68	\$ 1.60	\$ 1.60	\$ 1.81
0.25	0.25	0.23	0.23	0.25	0.20
32.26	31.82	32.32	31.31	28.94	22.68
\$ 5.88	\$ 5.50	\$ 5.29	\$ 5.57	\$ 5.46	\$ 5.34
2.96	3.13	3.07	2.77	2.43	2.33
0.34	0.31	0.29	0.28	0.27	0.26

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Principal Taxpayers - Name	2008			1999		
	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.....	\$ 204,747,250	1	1.3 %	\$ 252,264,210	1	2.8 %
GGP-Glenbrook-LLC.....	198,852,230	2	1.3			
Verizon North Inc (3).....	179,367,140	3	1.1	126,412,980	2	1.4
IOM Health Systems.....	124,689,770	4	0.8	57,144,630	8	0.6
Indiana Michigan Power.....	120,183,870	5	0.8	92,703,330	4	1.0
IMI Jefferson Pointe LLC.....	81,086,050	6	0.5			
Walmart Stores East LP/RE Bus.....	67,451,880	7	0.4			
Parkview Health System Inc.....	58,689,340	8	0.4			
Rose Edward Development.....	54,942,410	9	0.3			
St Joseph Health System LLC.....	54,412,170	10	0.3			
Dana Corporation.....				107,205,630	3	1.2
Uniroyal BF Goodrich.....				72,447,330	5	0.8
General Electric Company.....				63,995,100	6	0.7
Lake County Trust/Landau & Hayden...				58,072,110	7	0.6
Slater Steel				51,511,680	9	0.6
Northern Indiana Public Service Co.....				47,909,100	10	0.5
Total of Ten Largest Taxpayers.....	\$ 1,144,422,110		7.2 %	\$ 929,666,100		10.3 %

(1) Represents assessed valuations for taxes due and payable in 2008.

(2) Represents assessed valuations for taxes due and payable in 1999.

(3) Formerly named General Telephone Operations during 1999

Source: Allen County Auditor's Office.

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating excise tax.....	\$ 252,375	\$ 251,464	\$ 250,611	\$ 260,396
Aircraft excise tax.....	19,726	15,777	20,780	21,196
Operating intangibles tax.....	26,446	26,217	26,570	26,464
Operating property tax.....	3,113,273	3,052,156	2,953,015	2,806,723
Operating commercial vehicle tax.....	27,753	26,431	25,343	24,041
Cumulative building property tax.....	513,690	503,606	460,045	454,029
Cumulative building excise tax.....	41,642	41,492	39,382	42,123
Cumulative building commercial vehicle tax..	4,579	4,361	3,983	3,889
Cumulative building intangibles tax.....	4,363	4,325	4,175	4,281
County option income tax.....	468,904	485,097	525,511	430,294
Debt service property tax.....	---	---	---	---
Debt service excise tax.....	---	---	---	---
Debt service intangibles tax.....	---	---	---	---
Total Authority tax receipts.....	\$ 4,472,751	\$ 4,410,926	\$ 4,309,415	\$ 4,073,436
Rate per \$100 of assessed valuation.....	0.0233	0.0233	0.0243	0.0237

- (1) All tax receipts are shown on a cash basis.
- (2) County Auditor did not distribute all tax receipts due to a delay in reassessment. The balance of tax receipts was paid in June 2004. Total tax receipts for 2003 (including the amounts received in 2004) were \$3,961,978.
- (3) Due to a delay in reassessment, tax receipts for 2004 included \$1,608,192 from the 2003 tax levy.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total tax levy.....	\$ 468,378,102	\$ 450,324,056	\$ 423,667,496	\$ 404,939,852
Current tax collections (2).....	454,185,187	433,282,315	411,472,985	392,526,880
Percent of levy collected.....	97.0%	96.2%	97.1%	96.9%
Delinquent tax collections.....	10,843,230	16,618,199	9,072,693	6,754,184
Total tax collections.....	465,028,417	449,900,514	420,545,678	399,281,064
Percent of total tax collections to levy.....	99.3%	99.9%	99.3%	98.6%
Outstanding delinquent taxes.....	18,780,143	23,314,369	15,360,588	16,878,058
Percent of delinquent taxes to levy.....	4.0%	5.2%	3.6%	4.2%

- (1) The Authority does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.
 - (2) Taxes collected in subsequent years was not available.
- Source: Allen County Auditor's office

2004 (3)	2003 (2)	2002	2001	2000	1999
\$ 351,912	\$ 189,667	\$ 262,536	\$ 264,319	\$ 291,160	\$ 284,385
20,175	23,451	27,963	27,604	20,574	18,160
52,879	---	26,078	25,680	28,865	29,494
3,859,042	1,422,378	2,335,574	2,274,912	2,395,864	2,310,951
44,178	---	21,144	20,116	---	---
726,709	200,592	328,260	323,434	---	---
65,129	30,055	37,024	37,599	---	---
7,754	---	2,982	2,862	---	---
9,287	---	3,678	3,653	---	---
563,196	487,643	653,568	767,362	501,902	507,650
---	---	---	---	135,555	176,422
---	---	---	---	16,474	21,703
---	---	---	---	1,633	2,251
<u>\$ 5,700,261</u>	<u>\$ 2,353,786</u>	<u>\$ 3,698,807</u>	<u>\$ 3,747,541</u>	<u>\$ 3,392,027</u>	<u>\$ 3,351,016</u>
0.0225	0.0217	0.0267	0.0267	0.0267	0.0273

2004	2003	2002	2001	2000	1999
\$ 392,189,991	\$ 352,474,267	\$ 343,127,157	\$ 308,115,752	\$ 300,888,833	\$ 298,675,890
377,612,575	341,253,361	324,143,475	306,771,546	297,308,400	291,497,902
96.3%	96.8%	94.5%	99.6%	98.8%	97.6%
4,320,258	10,779,907	10,442,943	11,186,590	11,253,948	9,043,097
381,932,833	352,033,268	334,586,418	317,958,136	308,562,348	300,540,999
97.4%	99.9%	97.5%	103.2%	102.6%	100.6%
22,056,911	14,866,299	16,300,389	13,378,002	13,119,784	13,339,890
5.6%	4.2%	4.8%	4.3%	4.4%	4.5%

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Allen County	2008	2007	2006	2005
Total assessed value (1) (2)(3).....	\$ 15,850,468,135	\$ 15,270,870,109	\$ 14,061,977,670	\$ 13,932,934,665

(1) Assessed values for real property for 1999 - 2002 represent 1995 values.

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

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

(3) Beginning in 2003, Indiana changed to a market based approach for property assessments. For comparison purposes, assessed values and rates previously presented from 1999 to 2002 have been adjusted: assessed values have been multiplied by 3 and rates below have been divided by 3.

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

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

Allen County	2008	2007	2006	2005
Rates per \$100 of assessed valuation (1):				
Airport Authority Direct Rates				
Operating.....	\$ 0.0200	\$ 0.0200	\$ 0.0210	\$ 0.0204
Cumulative Building.....	0.0033	0.0033	0.0033	0.0033
Debt Service.....	-	-	-	-
Total direct rates.....	<u>0.0233</u>	<u>0.0233</u>	<u>0.0243</u>	<u>0.0237</u>
Other municipal corporations.....	0.1736	0.1744	0.1841	0.1806
School Districts.....	1.4403	1.3876	1.5274	1.4790
Allen County.....	0.5795	0.5343	0.5675	0.5452
City of Fort Wayne.....	0.9003	0.9441	0.8745	0.8133
State of Indiana.....	0.0205	0.0206	0.0239	0.0235
Other.....	<u>0.0922</u>	<u>0.0915</u>	<u>0.0991</u>	<u>0.1011</u>
Totals.....	<u>\$ 3.2296</u>	<u>\$ 3.1758</u>	<u>\$ 3.3007</u>	<u>\$ 3.1665</u>
Levies:				
Airport Authority.....	\$ 3,693,159	\$ 3,558,113	\$ 3,417,060	\$ 3,302,106
Other municipal corporations.....	27,512,551	26,639,938	25,888,641	25,169,342
School districts.....	228,289,216	211,904,942	214,781,057	206,066,666
Allen County.....	91,851,010	81,596,517	79,801,724	75,962,361
City of Fort Wayne.....	142,709,133	144,166,763	122,972,778	113,321,220
State of Indiana.....	3,249,346	3,145,800	3,360,193	3,273,613
Other.....	<u>14,608,308</u>	<u>13,972,693</u>	<u>13,938,331</u>	<u>14,092,706</u>
Totals.....	<u>\$ 511,912,723</u>	<u>\$ 484,984,766</u>	<u>\$ 464,159,784</u>	<u>\$ 441,188,014</u>

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

(2) Source: Allen County Auditor's Office

2004	2003	2002	2001	2000	1999
\$ 14,211,493,429	\$ 14,231,573,124	\$ 9,984,972,264	\$ 9,516,063,021	\$ 9,202,872,822	\$ 9,022,170,408

2004	2003	2002	2001	2000	1999
\$ 0.0192	\$ 0.0184	\$ 0.0234	\$ 0.0234	\$ 0.0253	\$ 0.0253
0.0033	0.0033	0.0033	0.0033	-	-
-	-	-	-	0.0014	0.0019
0.0225	0.0217	0.0267	0.0267	0.0267	0.0273
0.1629	0.1654	0.2222	0.1726	0.1869	0.1890
1.4768	1.3042	1.7585	1.7071	1.7434	1.7390
0.4945	0.4215	0.4656	0.5983	0.4167	0.4226
0.5188	0.4500	0.5886	0.5948	0.6224	0.6293
0.0024	0.0223	0.1455	0.0294	0.1836	0.2163
0.0817	0.0830	0.1017	0.1090	0.0894	0.0867
\$ 2.7597	\$ 2.4681	\$ 3.3088	\$ 3.2378	\$ 3.2691	\$ 3.3101

\$ 3,197,586	\$ 3,088,251	\$ 2,665,988	\$ 2,547,133	\$ 2,497,858	\$ 2,460,046
23,150,614	23,536,130	22,183,865	16,422,060	17,199,432	17,050,660
209,871,643	185,602,124	175,582,419	162,444,019	160,443,258	156,893,272
70,275,834	59,980,764	46,494,034	56,931,432	38,345,072	38,126,494
73,735,533	64,047,843	58,773,603	56,602,688	57,276,624	56,774,815
341,076	3,177,037	14,528,110	2,794,551	16,900,202	19,522,048
11,617,705	11,816,101	10,152,003	10,373,869	8,226,387	7,789,828
\$ 392,189,991	\$ 351,248,250	\$ 330,380,022	\$ 308,115,752	\$ 300,888,833	\$ 298,617,163

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	Building Permits (1)			Property Value (2)
	Number Issued	Value of Buildings	Average Building Cost	
2008.....	632	\$ 117,262,580	185,542	\$ 15,850,468,135
2007.....	1,034	176,636,110	170,828	15,270,870,109
2006.....	1,167	205,597,856	176,176	14,061,977,670
2005.....	1,742	310,649,789	178,329	13,932,934,665
2004.....	1,799	306,494,445	170,369	14,211,493,429
2003.....	1,972	324,607,452	164,608	14,231,573,124
2002.....	2,070	315,471,492	152,402	9,984,972,264
2001.....	1,810	288,854,514	159,588	9,516,063,021
2000.....	1,651	267,201,528	161,842	9,202,872,822
1999.....	2,022	303,302,745	150,001	9,022,170,408

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

(2) Property value is the assessed value for taxes due and payable in 2008.

Source: U.S. Census Bureau, 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**

	2008	2007	2006	2005
<u>Outstanding debt per enplaned passenger</u>				
Tax backed revenue bonds (1):				
Airport Improvement Bonds.....	\$ 10,478,179	\$ 12,166,033	\$ 13,694,365	\$ 15,150,665
First Mortgage Bonds.....	17,313,911	18,394,288	19,428,207	20,411,069
Revenue Bonds.....	-	-	1,443,497	2,116,301
Non-interest bearing loan.....	16,600	33,200	49,800	66,400
Financing agreement.....	-	-	-	-
Non-interest bearing note.....	-	-	-	-
Total outstanding debt.....	\$ 27,808,690	\$ 30,593,521	\$ 34,615,869	\$ 37,744,435
Enplaned passengers.....	287,343	298,639	274,889	316,339
Debt per enplaned passenger.....	\$ 96.78	\$ 102.44	\$ 125.93	\$ 119.32
<u>Debt service per enplaned passenger</u>				
Net debt service.....	\$ 4,100,183	\$ 5,487,179	\$ 4,752,303	\$ 4,470,762
Enplaned passengers.....	287,343	298,639	274,889	316,339
Debt service per enplaned passenger.....	\$ 14.27	\$ 18.37	\$ 17.29	\$ 14.13
<u>Outstanding general obligation debt per capita</u>				
First Mortgage Bonds.....	\$ -	\$ -	\$ -	\$ -
Airport Improvement Bonds.....	-	-	-	-
Total general obligation debt.....	\$ -	\$ -	\$ -	\$ -
Population.....	350,523	349,488	346,144	343,112
Net debt per capita.....	\$ -	\$ -	\$ -	\$ -
Debt Limit (2).....	105,669,788	101,805,801	93,746,517	92,886,231

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) The debt limit is calculated by multiplying 2 percent times the property's adjusted value which is 1/3 of assessed value.

Source: Authority's audited financial statements

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	15,871,805	\$ 17,612,789	\$ 18,792,025	\$ 19,906,262	\$ 20,960,499	\$ 22,064,737
	21,353,931	22,256,793	23,119,656	23,942,518	24,735,380	25,108,242
	3,132,230	4,088,788	5,006,773	5,876,216	6,694,642	7,374,037
	83,000	99,600	116,200	132,800	149,400	166,000
	-	-	16,920	33,004	50,991	66,666
	-	-	-	-	31,492	67,505
\$	40,440,966	\$ 44,057,970	\$ 47,051,574	\$ 49,890,800	\$ 52,622,404	\$ 54,847,187
	338,681	306,077	301,044	307,255	360,010	350,848
\$	119.41	\$ 143.94	\$ 156.29	\$ 162.38	\$ 146.17	\$ 156.33
\$	5,482,530	\$ 5,470,958	\$ 5,470,181	\$ 5,625,815	\$ 5,364,026	\$ 4,807,535
	338,681	306,077	301,044	307,255	360,010	350,848
\$	16.19	\$ 17.87	\$ 18.17	\$ 18.31	\$ 14.90	\$ 13.70
\$	-	\$ -	\$ -	\$ -	\$ 120,000	\$ 345,000
	-	-	-	-	-	-
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>120,000</u>	\$ <u>345,000</u>
	340,922	339,292	337,076	334,909	331,849	328,699
\$	-	\$ -	\$ -	\$ -	\$ 0.36	\$ 1.05
	94,743,290	94,877,154	66,566,482	63,440,420	61,352,485	60,147,803

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

	2008	2007	2006	2005
1995 and 1998 Revenue Bonds:				
Gross revenues.....	\$ 14,404,399	\$ 16,147,056	\$ 16,915,423	\$ 16,296,300
Less:				
Building rental revenue (1).....	85,000	1,527,754	2,025,300	2,025,300
Passenger facility charges.....	1,114,786	1,136,120	1,059,924	812,956
Gain on disposal of capital assets.....	41,302	21,617	-	184,937
Operating expenses (2).....	9,622,759	8,956,795	7,910,172	8,326,185
	<u>10,863,847</u>	<u>11,642,286</u>	<u>10,995,396</u>	<u>11,349,378</u>
Net revenues available.....	<u>\$ 3,540,552</u>	<u>\$ 4,504,770</u>	<u>\$ 5,920,027</u>	<u>\$ 4,946,922</u>
Debt Service				
Principal.....	\$ -	\$ 705,000	\$ 675,000	\$ 1,020,000
Interest.....	-	26,140	74,701	111,470
Total debt service.....	<u>\$ -</u>	<u>\$ 731,140</u>	<u>\$ 749,701</u>	<u>\$ 1,131,470</u>
Debt service coverage.....	<u>-</u>	<u>6.16</u>	<u>7.90</u>	<u>4.37</u>
1998 First Mortgage Bonds:				
Gross revenues.....	<u>\$ 85,000</u>	<u>\$ 1,527,754</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>
Debt Service				
Principal.....	\$ 1,095,000	\$ 1,050,000	\$ 1,000,000	\$ 960,000
Interest.....	925,191	973,951	1,014,664	1,058,545
Total debt service.....	<u>\$ 2,020,191</u>	<u>\$ 2,023,951</u>	<u>\$ 2,014,664</u>	<u>\$ 2,018,545</u>
Debt service coverage.....	<u>0.04</u>	<u>0.75</u>	<u>1.01</u>	<u>1.00</u>

Notes: (1) Building rental revenue from a cargo carrier is pledged to the 1998 First Mortgage Bonds. If building rental revenue is insufficient, then the levy of an ad valorem tax is mandatory.
 (2) Operating revenues exclude depreciation expense

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

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 16,477,799	\$ 15,334,056	\$ 15,527,342	\$ 15,828,280	\$ 15,984,904	\$ 13,639,178
2,025,300	2,025,300	2,025,300	2,025,300	2,025,300	1,012,650
887,160	794,951	768,351	803,711	967,928	941,382
-	1,257	12,934	12,899	16,626	-
<u>8,344,610</u>	<u>7,329,542</u>	<u>7,052,830</u>	<u>6,445,682</u>	<u>6,319,584</u>	<u>5,418,526</u>
<u>11,257,070</u>	<u>10,151,050</u>	<u>9,859,415</u>	<u>9,287,592</u>	<u>9,329,438</u>	<u>7,372,558</u>
<u>\$ 5,220,729</u>	<u>\$ 5,183,006</u>	<u>\$ 5,667,927</u>	<u>\$ 6,540,688</u>	<u>\$ 6,655,466</u>	<u>\$ 6,266,620</u>
\$ 965,000	\$ 930,000	\$ 885,000	\$ 835,000	\$ 835,000	\$ 265,000
<u>165,432</u>	<u>215,894</u>	<u>263,684</u>	<u>308,299</u>	<u>302,329</u>	<u>380,161</u>
<u>\$ 1,130,432</u>	<u>\$ 1,145,894</u>	<u>\$ 1,148,684</u>	<u>\$ 1,143,299</u>	<u>\$ 1,137,329</u>	<u>\$ 645,161</u>
<u>4.62</u>	<u>4.52</u>	<u>4.93</u>	<u>5.72</u>	<u>5.85</u>	<u>9.71</u>
<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 2,025,300</u>	<u>\$ 1,012,650</u>
\$ 920,000	\$ 880,000	\$ 840,000	\$ 810,000	\$ 390,000	\$ -
<u>1,100,107</u>	<u>1,139,920</u>	<u>1,177,982</u>	<u>1,214,404</u>	<u>1,238,235</u>	<u>1,255,373</u>
<u>\$ 2,020,107</u>	<u>\$ 2,019,920</u>	<u>\$ 2,017,982</u>	<u>\$ 2,024,404</u>	<u>\$ 1,628,235</u>	<u>\$ 1,255,373</u>
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.24</u>	<u>0.81</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Allen County Demographic and Economic Statistics

<u>Year</u>	<u>Population (1)(4)</u>	<u>Personal Income (Thousands) (2)(4)</u>	<u>Per Capita Personal Income (2)(4)</u>	<u>Unemployment Rate (3)</u>
2008	350,523	N/A	N/A	6.0 %
2007	349,488	\$ 11,752,526	\$ 33,698	4.7
2006	346,144	11,304,246	32,658	4.9
2005	343,112	10,744,620	31,315	5.2
2004	340,922	10,448,559	30,648	5.2
2003	339,292	10,077,612	29,702	5.3
2002	337,076	10,065,472	28,861	5.0
2001	334,909	9,762,808	29,151	4.1
2000	331,849	9,677,492	29,082	2.6
1999	328,699	9,171,663	27,903	2.8
1998	325,489	8,854,201	27,203	2.6

N/A - Not Available

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

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

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

(4) Previously reported estimates from 2001 to 2006 have been revised

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Principal Employers - Name	2008			1999		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Fort Wayne Community Schools.....	4,201	1	2.5 %	3,492	1	2.0 %
Lutheran Health Network.....	3,756	2	2.2			
Parkview Memorial Hospital.....	3,191	3	1.9	2,499	5	1.4
General Motors - Truck & Bus Group..	2,964	4	1.7	3,050	2	1.8
Allen County Government.....	2,073	5	1.2	1,504	10	0.9
The City of Fort Wayne.....	2,003	6	1.2	1,960	8	1.1
ITT Aerospace-Communications Div...	1,942	7	1.1	2,004	7	1.2
Lincoln Financial Group.....	1,800	8	1.1	2,811	3	1.6
Verizon North, Inc (1).....	1,459	9	0.9	2,417	6	1.4
BF Goodrich.....	1,406	10	0.8			
Dana Corporation, Spicer Axle Division				2,516	4	1.5
Raytheon Systems Company.....				1,550	9	0.9
Total of Ten Largest Employers.....	24,795		14.6 %	23,803		13.8 %

(1) Formerly named General Telephone Operations during 1999

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: 3,534 Acres Owned Fee Simple

<u>Runway System (and Equipment)</u>	2008	2007	2006	2005
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	12,000
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).....	14,373	14,373	14,373	14,373
Common Space (Sq Feet).....	38,123	38,468	38,468	38,468
Restaurant Space (Sq Feet).....	7,858	7,858	7,858	7,858
Car Rental Space (Sq Feet).....	1,920	1,920	1,920	1,920
Taxi/Limousine Space (Sq Feet).....	384	384	384	384
Passenger Gates.....	8	8	8	8
Jetway Boarding Bridges.....	4	4	4	4
Regional Boarding Ramps.....	1	1	1	1
Passenger Airlines.....	6	6	5	5
Daily Departures.....	25	33	33	35
Car Rental Firms.....	5	5	5	5
Parking Spaces.....	2,167	2,167	2,068	2,068
Air Trade Center				
Land Area - Acres (Includes 50 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	3	3	3
General Aviation				
Fixed Base Operators.....	1	1	1	1
Based Aircraft.....	68	66	68	69
Military Based Aircraft.....	15	15	15	15
Airpark Buildings Owned.....	22	22	22	22
Employees				
Administration Full-time.....	18	19	18	18
Administration Part-time.....	1	1	1	1
Maintenance Full-time.....	19	19	19	19
Maintenance Seasonal.....	10	10	9	10
Custodial Full-time.....	7	8	8	8
Custodial Part-time.....	-	-	-	-
Public Safety Full-time.....	13	13	13	13
Public Safety Part-time.....	14	13	16	-
CSA Part-time.....	9	9	-	-

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
12,000	12,000	12,000	12,000	12,000	12,000
8,001	8,001	8,001	8,001	8,001	8,001
4,001	4,001	4,001	4,001	4,001	4,001
114,813	114,813	114,813	114,813	114,813	114,813
104,505	104,505	104,505	104,505	104,505	104,505
14,373	14,373	14,373	14,373	14,373	14,373
38,468	38,468	38,687	38,687	38,687	38,687
7,858	7,858	7,639	7,639	7,639	7,639
1,920	1,920	1,920	1,920	1,920	1,920
384	-	-	-	-	-
8	8	8	8	8	8
4	4	4	4	4	4
1	-	-	-	-	-
6	9	10	8	10	8
37	34	34	36	47	43
5	4	4	4	4	4
1,485	1,505	1,505	1,490	1,490	1,490
450	450	450	450	450	450
250,299	250,299	250,299	250,299	250,299	250,299
33,429	33,429	33,429	33,429	33,429	33,429
10,280	10,280	10,280	10,280	10,280	10,280
3	3	4	3	3	3
2	2	2	2	3	3
78	84	89	87	79	75
15	15	15	15	15	15
22	28	32	32	32	31
17	17	18	18	18	18
2	2	2	2	-	-
19	19	19	19	19	19
10	10	8	8	11	7
8	8	8	8	6	6
-	-	-	-	4	4
13	13	13	16	16	16
-	35	35	-	-	-
-	-	-	-	-	-

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

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

Airline	2008	Percent of Total 2008	2007	2006	2005
American Eagle.....	73,304	25.51 %	83,863	74,913	77,308
ASA-Delta Express.....	39,007	13.58	36,115	20,564	44,601
Pinnacle Airlines-Northwest Airlin....	38,689	13.46	41,845	43,170	43,774
Allegiant Air.....	37,332	12.99	35,288	---	---
Chautaugua- Delta Express.....	35,076	12.21	39,253	43,188	---
Mesa Airlines-United Express.....	18,637	6.49	25,322	23,846	8,009
Continental Connection-Commutair.....	16,112	5.61	13,115	12,352	12,099
Mesaba-Nortwest Airlin.....	13,936	4.85	7,677	12,604	22,198
Skywest-United Express.....	13,663	4.75	15,063	28,991	21,842
Charter.....	1,587	0.55	1,084	801	1,788
Comair (1).....	---	---	14	15,545	55,600
Air Wisconsin (1).....	---	---	---	---	25,190
Chicago Express- ATA Connection (1).	---	---	---	---	3,930
Atlantic Coast (1).....	---	---	---	---	---
Shuttle America (1).....	---	---	---	---	---
Trans States (1).....	---	---	---	---	---
Chautaugua Airlines-USAir Express (1)	---	---	---	---	---
PSA Airlines (1).....	---	---	---	---	---
Allegheny (1).....	---	---	---	---	---
Piedmont Airlines (1).....	---	---	---	---	---
Trans World Express (1).....	---	---	---	---	---
Air Georgian (1).....	---	---	---	---	---
Continental Express (1).....	---	---	---	---	---
United Express (1).....	---	---	---	---	---
Skyways-Midwest Express (1).....	---	---	---	---	---
Total.....	<u>287,343</u>	<u>100.00 %</u>	<u>298,639</u>	<u>275,974</u>	<u>316,339</u>
Percentage change.....	<u>-3.78%</u>		<u>8.21%</u>	<u>-12.76%</u>	<u>-6.60%</u>

(1) No longer serves Fort Wayne International Airport.

Source: Compiled from airline station managers' monthly reports.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
70,897	60,690	60,726	63,601	67,584	59,679
23,540	39,929	39,480	36,203	39,792	13,075
51,826	47,244	36,162	38,381	37,734	39,526
---	---	---	---	---	---
9,914	---	---	---	---	---
---	---	---	---	---	---
10,539	3,677	---	---	---	---
18,754	15,050	21,017	25,999	31,064	34,463
27,301	---	---	---	---	---
1,858	2,089	2,122	1,643	4,855	5,834
43,168	11,880	47,045	34,327	61,092	69,560
6,344	11,384	12,219	42,404	30,903	---
17,001	---	---	---	---	---
41,913	69,055	37,054	---	---	---
15,626	27,115	13,024	---	---	---
---	17,964	12,113	---	---	---
---	---	14,458	39,544	41,715	46,627
---	---	2,504	---	---	---
---	---	1,670	---	---	---
---	---	1,450	---	---	---
---	---	---	20,773	21,282	17,106
---	---	---	2,418	2,483	---
---	---	---	1,962	14,373	15,323
---	---	---	---	5,229	49,655
---	---	---	---	1,904	---
<u>338,681</u>	<u>306,077</u>	<u>301,044</u>	<u>307,255</u>	<u>360,010</u>	<u>350,848</u>
<u>10.65%</u>	<u>1.67%</u>	<u>-2.02%</u>	<u>-14.65%</u>	<u>2.61%</u>	<u>-1.04%</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		2007	2006	2005
	2008	2008 %			
American Eagle.....	98,087,976	16.52	105,730,596	91,725,601	93,301,303
Pinnacle Airlines-Northwest Airlin..	67,116,000	11.31	65,914,100	61,899,000	69,513,000
ASA-Delta Express.....	46,362,000	7.81	44,462,000	29,234,000	63,403,000
Chautauqua-Delta Express.....	43,667,502	7.36	53,547,450	60,871,656	---
Allegiant Air.....	41,924,500	7.06	39,483,000	---	---
Continental Connection - Commutair	37,845,000	6.38	20,681,300	20,102,600	19,222,800
Mesa Airlines-United Express.....	29,601,000	4.99	42,654,000	35,800,000	11,722,000
Skywest-United Express.....	28,146,000	4.74	28,294,000	42,856,000	33,437,000
Mesaba-Northwest Airlin.....	17,043,000	2.87	10,488,000	15,304,500	24,567,000
Charter.....	3,764,336	0.63	2,310,580	2,142,180	3,045,000
Northwest.....	481,000	0.08	---	---	---
Comair (1).....	---	---	161,000	26,098,000	88,151,000
Air Wisconsin(1).....	---	---	---	---	34,904,500
Shuttle America(1).....	---	---	---	---	9,819,200
Chicago Express- ATA(1).....	---	---	---	---	8,265,000
Atlantic Coast Airlines(1).....	---	---	---	---	---
Trans States Airlines(1).....	---	---	---	---	---
Chautauqua-USAir Express(1).....	---	---	---	---	---
PSA(1).....	---	---	---	---	---
Allegheny(1).....	---	---	---	---	---
Piedmont Airlines(1).....	---	---	---	---	---
American Connection(1).....	---	---	---	---	---
Trans World Express(1).....	---	---	---	---	---
Air Georgian/Canada(1).....	---	---	---	---	---
Continental Express(1).....	---	---	---	---	---
United Express (1).....	---	---	---	---	---
Skyways-Midwest Express (1).....	---	---	---	---	---
Subtotal.....	414,038,314	69.75	413,726,026	386,033,537	459,350,803
Cargo Carriers:					
United Parcel Service.....	96,600,000	16.27	95,955,500	101,508,120	95,965,500
Federal Express.....	82,963,000	13.98	82,486,000	81,547,000	82,982,500
Mountain Air Cargo.....	8,500	0.00	25,500	---	8,500
Kitty Hawk Inc.(1).....	---	---	294,015,200	494,552,574	519,577,143
ABX Air(1).....	---	---	28,300,000	61,818,000	---
Arrow Cargo(1).....	---	---	---	29,020,000	---
Centurion Air Cargo(1).....	---	---	---	28,613,000	---
Evergreen International Airlines(1)..	---	---	---	13,680,000	---
Gemini Air Cargo(1).....	---	---	---	11,013,000	---
World Airways(1).....	---	---	---	10,104,000	---
Custom Air Transport(1).....	---	---	---	6,907,000	---
Air Transport Intl(1).....	---	---	---	3,646,000	---
Kalitta Air(1).....	---	---	---	3,085,000	---
Air Cargo Carriers(1).....	---	---	---	48,700	---
UPS-Supply Chain Solutions(1).....	---	---	---	---	1,857,820
Capital Cargo International(1).....	---	---	---	---	975,000
Royal Air Freight(1).....	---	---	---	---	28,660
Air Cargo Express(1).....	---	---	---	---	---
Subtotal.....	179,571,500	30.25	500,782,200	845,542,394	701,395,123
Grand Total.....	593,609,814	100.00 %	914,508,226	1,231,575,931	1,160,745,926
Percentage change.....	-35.09%		-25.74%	6.10%	-8.50%

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

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

2004	2003	2002	2001	2000	1999
89,112,842	84,372,923	85,090,368	95,196,213	97,949,223	66,589,329
80,887,000	64,296,000	22,842,000	---	---	---
27,689,000	55,174,000	53,979,000	47,139,000	49,585,000	17,601,000
11,972,309	---	---	---	---	---
---	---	---	---	---	---
17,911,400	7,951,400	---	---	---	---
---	---	---	---	---	---
39,151,000	---	---	---	---	---
19,821,900	17,027,200	29,170,700	38,247,000	42,922,500	55,561,400
3,681,956	4,017,848	2,778,000	3,679,300	8,012,600	10,039,800
---	15,110,000	60,473,900	105,998,000	102,336,000	85,864,100
65,961,000	20,089,000	81,800,000	67,727,000	94,836,800	102,845,000
10,058,000	15,587,500	17,987,813	58,241,288	32,754,541	---
30,083,200	44,200,000	25,704,000	---	---	---
23,427,000	---	---	---	---	---
57,959,176	104,587,384	56,006,020	---	---	---
---	22,800,260	20,602,040	---	---	---
---	---	23,065,600	60,626,297	64,035,400	74,501,000
---	---	4,754,221	---	---	---
---	---	4,450,500	---	---	---
---	---	2,691,000	---	---	---
---	---	2,673,860	---	---	---
---	---	---	37,250,279	8,702,960	23,015,336
---	---	---	7,370,400	8,947,400	---
---	---	---	3,303,400	20,384,800	19,671,000
---	---	---	---	6,817,950	66,904,200
---	---	---	---	6,258,200	---
<u>477,715,783</u>	<u>455,213,515</u>	<u>494,069,022</u>	<u>524,778,177</u>	<u>543,543,374</u>	<u>522,592,165</u>
95,031,500	88,726,500	89,410,500	86,848,500	93,161,500	94,495,500
82,755,500	82,131,000	80,745,000	70,964,000	70,169,000	70,923,000
17,000	---	---	42,000	---	---
613,005,670	523,443,013	533,616,560	667,758,729	737,200,608	400,822,566
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	54,484,000	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	483,000	322,000	---	---
---	---	---	---	---	---
---	2,086,240	7,737,760	6,898,315	---	---
<u>790,809,670</u>	<u>750,870,753</u>	<u>711,992,820</u>	<u>832,833,544</u>	<u>900,531,108</u>	<u>566,241,066</u>
<u>1,268,525,453</u>	<u>1,206,084,268</u>	<u>1,206,061,842</u>	<u>1,357,611,721</u>	<u>1,444,074,482</u>	<u>1,088,833,231</u>
<u>5.18%</u>	<u>0.00%</u>	<u>-11.16%</u>	<u>-5.99%</u>	<u>32.63%</u>	<u>50.99%</u>

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

Aircraft Operations (5) (6)

Fort Wayne International Airport:

Type of Operation	2008	Percent of Total 2008	2007	2006	2005
Large Air Carrier (1).....	23,079	29.5 %	27,360	31,078	34,865
Small Air Carrier (2).....	2,334	3.0	2,367	2,422	2,316
Air Carrier (3).....	---	---	---	---	---
Air Taxi (4).....	---	---	---	---	---
General Aviation.....	39,502	50.5	31,963	34,953	37,111
Military.....	4,239	5.5	3,861	4,692	4,196
Subtotal-International.....	<u>69,154</u>	<u>88.3</u>	<u>65,551</u>	<u>73,145</u>	<u>78,488</u>
<u>Smith Field Airport:</u>					
Air Taxi (4).....	---	---	---	---	---
General Aviation.....	<u>9,125</u>	<u>11.7</u>	<u>7,141</u>	<u>7,440</u>	<u>11,876</u>
Subtotal-Smith Field.....	<u>9,125</u>	<u>11.7</u>	<u>7,141</u>	<u>7,440</u>	<u>11,876</u>
Total Airport Authority.....	<u>78,279</u>	<u>100.0 %</u>	<u>72,692</u>	<u>80,585</u>	<u>90,364</u>
Percentage change.....	<u>7.69%</u>		<u>-9.79%</u>	<u>-10.82%</u>	<u>-6.45%</u>

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

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

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

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

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

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

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
38,649	---	---	---	---	---
2,158	---	---	---	---	---
---	12,388	11,982	12,557	15,190	14,547
---	27,108	28,012	32,356	40,000	29,857
38,881	36,135	46,785	52,884	62,696	68,723
<u>3,657</u>	<u>4,483</u>	<u>5,204</u>	<u>5,911</u>	<u>5,793</u>	<u>6,975</u>
<u>83,345</u>	<u>80,114</u>	<u>91,983</u>	<u>103,708</u>	<u>123,679</u>	<u>120,102</u>
---	---	---	---	29	160
<u>13,249</u>	<u>8,733</u>	<u>8,431</u>	<u>4,133</u>	<u>7,742</u>	<u>11,907</u>
<u>13,249</u>	<u>8,733</u>	<u>8,431</u>	<u>4,133</u>	<u>7,771</u>	<u>12,067</u>
<u>96,594</u>	<u>88,847</u>	<u>100,414</u>	<u>107,841</u>	<u>131,450</u>	<u>132,169</u>
<u>8.72%</u>	<u>-11.52%</u>	<u>-6.89%</u>	<u>-17.96%</u>	<u>-0.54%</u>	<u>13.93%</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
	Tampa/St. Petersburg/Clearwater (PIE)	Jet
American Eagle	Chicago (ORD)	Jet
	Dallas/Fort Worth (DFW)	Jet
Continental Connection	Cleveland (CLE)	Turbo Prop
Delta Connection		
ASA	Atlanta (ATL)	Jet
Chautauqua	Cincinnati (CVG)	Jet
Northwest Airlines		
Mesaba	Detroit (DTW)	Jet/Turbo Prop
Pinnacle	Detroit (DTW)	Jet
Pinnacle	Minneapolis (MSP)	Jet
United Express		
Mesa	Chicago (ORD)	Jet
Sky West	Chicago (ORD)	Jet

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, 2008

**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, 2008**

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Crowe Horwath LLP
Member Horwath International

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

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

We have audited the financial statements of the Fort Wayne - Allen County Airport Authority (the Authority) as of and for the year ended December 31, 2008, and have issued our report thereon dated June 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control over financial reporting was for the

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

Compliance and Other Matters

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

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 1, 2009



Crowe Horwath LLP
Member Horwath International

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Fort Wayne - Allen County Airport Authority (the Authority) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008, as well as Passenger Facility Charges. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Supplementary Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Authority as of and for the year ended December 31, 2008, and have issued our report thereon dated June 1, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 1, 2009

**FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2008**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
US Department of Transportation Federal Aviation Administration:		
Airport Improvement Program (AIP)		
	3-18-0024-07	\$ 147,915
	3-18-0024-08	14,628
	3-18-0024-09	3,209
	3-18-0022-46	348,503
	3-18-0022-49	1,670,595
	3-18-0022-50	492,126
Total expenditures of AIP federal awards		<u>\$ 2,676,976</u>
Transportation Security Administration Law Enforcement Officer Reimbursement Program	97.090	<u>133,531</u>
Total expenditures of federal awards		<u><u>\$ 2,810,507</u></u>
Federal Aviation Regulation, Part 158 Passenger Facility Charges	N/A	<u><u>\$ 900,000</u></u>
	Total Expenditures	<u><u>\$ 3,710,507</u></u>

See accompanying notes to schedule of expenditures of federal awards.

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2008

1. Basis of Presentation:

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

2. Basis of Accounting:

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

3. Special Tests and Provisions:

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

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

FORT WAYNE – ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

SECTION 4 – SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs reported for the year ended December 31, 2007.