

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013



FILED
07/11/2014

ST. JOSEPH COUNTY AIRPORT AUTHORITY
A COMPONENT UNIT OF ST. JOSEPH COUNTY, INDIANA

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A COMPONENT UNIT OF ST. JOSEPH COUNTY, INDIANA'
SOUTH BEND, INDIANA

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

Prepared by the
Department of Administration and Finance

**INTRODUCTORY
SECTION**

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>PAGE</u>
Table of Contents	i-ii
Letter of Transmittal	iii-xii
Organization Chart	xiii
Airport Authority Officials	xiv
Certificate of Achievement.....	xv
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	2-4
Management's Discussion and Analysis.....	5-18
Basic Financial Statements:	
Fund Financial Statements:	
Statement of Net Position	19-20
Statement of Revenues, Expenses and Changes in Net Position.....	21
Statement of Cash Flows - Enterprise Funds.....	22-23
Notes to Financial Statements	24-39
Required Supplementary Information:	
Schedules of Funding Progress.....	40
Supplemental Financial Information	41
Budgetary Comparison Schedule	42
Budget/GAAP Reconciliation.....	43
Schedule of Expenditures of Passenger Facility Charges.....	44
<u>STATISTICAL SECTION (NOT COVERED BY AUDITOR'S OPINION)</u>	
Statistical Section Overview	45
Schedule of Revenues	46
Schedule of Expenses and Changes in Net Position.....	47
Changes in Cash and Cash Equivalents	48
Principal Revenue Sources	49

TABLE OF CONTENTS

<u>STATISTICAL SECTION (NOT COVERED BY AUDITOR'S OPINION)</u>	<u>PAGE</u>
<i>(Continued)</i>	
Assessed Value of Taxable Property (St. Joseph County)	50
Property Tax Rates – Direct and Overlapping Governments	51
Property Tax Levies and Collections	52
Computation of Legal Debt Margin	53
Ratio of Annual Debt Service for Bonded Debt to Total General Expenditures	54
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	55
Computation of Direct and Overlapping Debt	56-57
Demographic and Economic Statistics (St. Joseph County)	58
Principal Employers (St. Joseph County)	59
Principal Property Taxpayers (St. Joseph County)	60
Operational Statistics Including Passenger Enplanements	61
Insurance in Force	62
Full Time Equivalent Employees by Function	63
Operating Indicators by Function	64
Capital Asset Statistics by Function	65

June 1, 2014

To the Members of the Board:

The Comprehensive Annual Financial Report of the St. Joseph County Airport Authority for the fiscal year ended December 31, 2013, is submitted herewith. This report was prepared by the Department of Administration and Finance of the St. Joseph County Airport Authority in conjunction with H. J. Umbaugh and Associates, the Auditor's Office of St. Joseph County, Indiana, and the Indiana State Board of Accounts.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Airport Authority. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Airport Authority; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Airport Authority's financial affairs have been included.

The guidelines recommended by the Government Finance Officers Association of the United States and Canada have been followed in the preparation of this report. The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying 2013 Comprehensive Annual Financial Report meets program standards, and it will be submitted to the Government Finance Officers Association for their review. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). One should read this letter of transmittal in conjunction with the MD&A that is located immediately following the report of the independent auditor in the Financial Section of this report.

THE REPORTING ENTITY

The St. Joseph County Airport Authority (the "Airport Authority") is a municipal corporation established January 1, 1974, by the St. Joseph County, Indiana, Council, under authority granted by Indiana Statute (I.C. 1971 19-6-2 as amended by Chapter 3.5, commonly known as Public Law 304 and superseded by I.C. 8-22-3). The Authority, a component unit of St. Joseph County, has jurisdiction over a special district and was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in St. Joseph 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 Airport Authority administers South Bend Airport in South Bend, Indiana. The Airport Authority has no stockholders or equity holders and all revenues and other receipts must be disbursed in accordance with such statute. The Authority has no component units.

The Airport Authority's bi-partisan Board consists of four members who are appointed by the St. Joseph County Commissioners.

PROFILE OF SOUTH BEND AIRPORT

The South Bend Airport is located in North Central Indiana, approximately four (4) miles west of downtown South Bend and two (2) miles south of the Michigan border.

The Airport was owned and operated by St. Joseph County from 1938 until January 1, 1974, when the St. Joseph County Council created the St. Joseph County Airport Authority District. The name of the Airport was also changed on January 1, 1974, from the St. Joseph County Airport to the Michiana Regional Airport to reflect its new regional character (Michigan and Indiana).

In 1993, Michiana Regional Airport was renamed Michiana Regional Transportation Center by the Airport Authority Board. The impetus for the change was the relocation of South Shore rail service to the airport. In 1999, the facility became South Bend Regional Airport to more clearly identify its location for national and international travelers. Finally in 2011, the name was changed to the South Bend Airport. The South Bend Airport is the only small airport in the United States featuring air, interstate rail, and interstate bus services at one multi-modal terminal location.

The twenty-first year of South Shore Railroad service to South Bend Airport was cause for optimism in that the Airport is attempting to draw "train to plane" passengers from the Northwestern Indiana population. The South Shore is an inter-urban electric rail service with a western terminus of downtown Chicago, Illinois.

The South Bend Airport has the typical airport tenant mixture, such as: rental cars, restaurateur, parking operator (Republic Parking System), etc. Hertz, Avis, Budget, National, Alamo, and Enterprise rental car agencies all occupy terminal building space along with Air Host, Inc., a subsidiary of Hospitality Flight Services, Inc., which operates the restaurant, the gift shop, and the lounge, as well as all coin-operated concessions in the terminal building. A full complement of ground transportation is available (including six (6) taxi cab companies and Transpo the city bus line). The Airport also serves as the only intercity bus terminal for the South Bend area housing the Greyhound Bus Line, Indiana Highways, and Hoosier Ride.

In addition to the intercity buses, Coach USA Lines, a commuter service operating between South Bend and Chicago's O'Hare and Midway Airports, also occupies space in the terminal.

Other airport businesses include: AAA Federal Credit Union ATM, Performance Plus (custodial service), Transportation Security Administration (screen point security), and Clear Channel/Interspace Airport Advertising.

Atlantic Aviation, Inc. serves the Airport as a full service Fixed Base Operator. Atlantic Aviation, Inc. also sells 100 low lead and Jet A fuel.

Federal Express and United Parcel Service base aircraft at the South Bend Airport. They are located in separate cargo areas. Federal Express operates their facility on the west cargo ramp. The northeast cargo ramp is used by United Parcel Service.

The South Bend Airport is a full service commercial airport categorized as a Non-Hub by the Federal Aviation Administration. It consists of two active commercial service runways: Runway 9R/27L, which is 8,400 feet long and 150 feet wide, consisting of concrete construction with an asphalt overlay. Runway 18/36 is 7,100 feet long and 150 feet wide and is a flexible pavement (asphalt) runway. The design aircraft for both 9R/27L and 18/36 is the Boeing 727-200. A third runway, 9L/27R, which is 4,300 feet long and 75 feet wide, is designated for use by General Aviation aircraft up to 60,000 pounds in weight.

The Airport is served on site by an Automated Weather Observation System (AWOS). The General Aviation District Office #18 is also located at the Airport. The Air Traffic Control Tower is operational from 6:00 a.m. to 1:00 a.m. seven days a week.

Two Thousand and Thirteen (2013), which marked the fortieth operational year of the St. Joseph County Airport Authority, was a productive and challenging year, and one which has seen the continued utilization of the multi-modal terminal complex, continued physical growth of the Airport, and continued efforts to improve air service for the South Bend area.

It is estimated that the Airport provides an economic impact to the community in excess of \$1.7 Billion per year. Based upon expected future increases in passenger traffic and capital development, this impact should continue to grow for the foreseeable future.

ECONOMIC CONDITION – SOUTH BEND AIRPORT ST. JOSEPH COUNTY

The financial outlook of the Airport is dependent upon several factors including the number of passengers using the terminal facility, the landed weight of commercial aircraft, the amount of general aviation aircraft activity, and the rental of land and buildings including rentals from cargo operations.

A strong national and local economy, competitive fares, and convenient passenger services are all important factors in the success of the Airport.

St. Joseph County was established in 1830. Its economy was once highly dependent upon a few large manufacturing operations such as the Studebaker and the Bendix Corporations.

In recent years, while there is still significant manufacturing activity by national companies such as AM General's Hummer facility and the Honeywell Corporation, the County has seen a shift to a much more diversified economy which now also features a large number of service-related businesses including a regional health care industry, a thriving educational services sector, and significant employment in the accounting and financial services industry. The composition of the County's 6,300 businesses and workforce of over 124,000 people closely matches that of the U.S. economy overall, thus providing a stable local economic environment.

The County is home to the University of Notre Dame, the largest employer in the county and one of the nation's leading private universities, and several other private colleges including: Bethel College, Holy Cross College, and Saint Mary's College. Indiana University has a campus in South Bend and also supports a Purdue University extension in this area.

The location in the county of many colleges, along with the College Football Hall of Fame and the Studebaker National Museum in South Bend, creates a significant tourist industry, ranking fourth in the State of Indiana for tourism revenue.

St. Joseph County has an environment conducive to new business development.

The County workforce has a level of education higher than the national average and the cost of living in the County is significantly lower than the national average.

The County features an excellent transportation infrastructure. Interstate 80-90 crosses the County and provides connecting traffic from Chicago to Detroit, Cleveland, and beyond.

St. Joseph County is also on the cutting edge of technology. An important development in this area was the establishment of the St. Joseph Valley Metronet. This lightning-fast loop of fiber-optic cable is more than 50 miles long. A high-speed data network with virtually limitless bandwidth, the Metronet unites local businesses, education and government and provides affordable access to a large number of national carriers and internet service providers. Also,

the City of South Bend, in conjunction with the University of Notre Dame, is actively involved in becoming one of the major nanotechnology research and development centers in the United States. The Midwest Institute for Nanoelectronics Discovery (MIND) is one of four (4) centers funded by the Semiconductor Research Corporation's Nanoelectronics Research initiative (NRI). MIND aims to develop a new class of semiconductor materials that are more advanced than today's computer chip technologies.

MAJOR AIRPORT INITIATIVES

Planned Projects

In 2013, the Airport Authority continued its land acquisition program which began in 1974. It is primarily aimed at the relocation of Lincoln Way West, which has allowed for the southerly extension of Runway 36 and the acquisition of up to 140 acres of land to accommodate future aviation-related development. The total cost of the projects, when fully complete, will be approximately \$30 million with the majority of the funding coming from Passenger Facility Charge (PFC) revenues and the remainder coming from Airport Improvement Program (AIP) Funds.

In 2013, planning began for a complete renovation of the HVAC system in the main Terminal using Geothermal Technology. The Airport Authority also planned the construction of a Federal Inspection Station (FIS) which will lead to international air service in the future.

These projects will be funded through a combination of AIP funds, Grants, and local funds.

The AIP program features 95 percent contribution administered by the FAA, 2.5 percent contributed by the State of Indiana, and 2.5 percent contributed by the Airport Authority.

The Airport Authority currently has approval from the Federal Aviation Administration (FAA) to impose a PFC charge of \$4.50 per enplaning passenger. This charge was increased in 2011 from \$3.00 to accommodate the debt service requirements of the Airport Authority's Bond issues.

Airport Facility and Service Improvements

Two Thousand and Thirteen (2013) saw continued improvements to the airport infrastructure, thereby increasing both the safety and functionality of the facility. All of the pavement surfaces, except for one taxiway, have now been rehabilitated, increasing their serviceability for the next ten to fifteen years. The airport proper is now in a position to operate for the foreseeable future without major capital expenditures, allowing it to concentrate on the terminal facility and improving the experiences of the traveling public at the Airport.

Other 2013 activities included continued improvement to the Airport's marketing outreach to the community. A major focus was placed on the improvement of customer service to the

public, which included the relocation of the Information Center in the Terminal to a more accessible and visible location.

Special Accomplishments

The Safety Department celebrated its sixteenth year of service as a Public Safety Department. The South Bend Airport is fortunate to have a triple-trained department which continues to provide aircraft and building rescue, firefighting support, emergency medical services, and law enforcement activities.

In 2013, the Safety Department continued to use its state-of-the-art fire training facility. The Indiana Department of Environmental Management approved the facility, which is being used by the Safety Department not only for its own training, but also for local and national airport-sponsored fire training exercises.

The Airport's Maintenance Department has long been known for its proficiency in snow and ice removal and continued that tradition in 2013.

The Operations Department, which was formed in 2002, continued to provide support and coordination for the Airport. This function, which includes the monitoring of access control systems and airfield and terminal operations, has become even more critical because of post September 11 security concerns.

The Safety, Maintenance, and Operations Departments work closely to insure optimal regulatory compliance including excellent ratings on yearly FAA and State inspections.

The South Bend Airport will continue to be involved in the Blackthorn Business Park initiative sponsored by the City of South Bend, which will be a major force in the economic development of the area.

Also, the Authority is proud to have completed the twenty-seventh year as grantee for the Foreign Trade Zone No. 125. It has the distinction of being one of the only Foreign Trade Zones (FTZ) in the United States not contiguous to a Port of Entry. The FTZ is an important economic tool for both importers and exporters in the region. While the Airport Authority has delegated the day-to-day operation of the FTZ to another entity, it continues to be involved with the Michiana Foreign Trade Zone's progress.

Employees

The following employees worked together in 2013 to further improve the image and efficiency of the South Bend Airport:

Alexander Ashby
Katherine Berndt
K. Todd Burget
Richard Buzalski
Brian L. Cassady
Chris D. Celichowski
Joshua M. Chapo
Michael A. Clymer
Julie Curtis
Michael A. Daigle
Francis M. Flanagan
Mitzi A. Garner
Ty H. Garton
Leonard J. Genchoff
Donald E. Gilbert
Karen A. Gorbitz.
Charles W. Gray
Michael A. Guljas
Scott E. Hancz
Robert E. Herron, Jr.
Richard C. High
Michael Hogberg
Chad Hooten
Scott A. Ingole
Hal K. James
Clifford A. Jenkins
David A. Joachim
Steven Johnson
Lisa Jump
Daniel J. Kopczynski
Kerianne Linn
Bruce MacLachlan
Michael J. Markiewicz
Karla Martin
Kevin A. Matuszak
Corey M. McAlvey
Brian A. McMillen

Christopher Monjeau
Michael A. Muzzey
Ronald A. Nye
Tim O'Donnell
Michael J. Ornat
Rosemarie Owsianowski
Kevin M. Plonka
Dawn Pompey
Jeremy Ryan
Reginald M. Sanders
Sandra A. Schick
James J. Stankiewicz
Carl S. Stopczynski
Kevin J. Szucsits
James M. Temple
Talaya Thompson
Anthony Van Overberghe
Maureen Wall
Jay Wardlaw
Carol A. Whiteberry
Matthew L. Willis
Lauren M. Winger

Temporary Employees:

Matt D'Amico
Sadie Halpin
Stephen High
Jack Mueleman
Bradley Sikorski
Matthew Turney
Chad Van Overberghe

FINANCIAL INFORMATION

Internal Control Structure and Budgetary Controls

In developing and implementing the Airport Authority's accounting system, consideration has been given to the adequacy of internal accounting controls, designing them to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

We believe that operating within this framework; the Airport Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The accounts of the Airport Authority are maintained in four (4) main funds (Aviation, Construction, Cumulative Building, and Bond and Interest) as required by state statute for budgetary purposes. Annual budgets are adopted and monthly budget reports are prepared on a cash basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations for purchase orders or contracts are carried over and added to the subsequent year's budget. For external financial reporting purposes, the Airport Authority consolidates its financial activity into an enterprise fund which recognizes expenses when incurred. Thus, this component unit financial report has been prepared using the accrual method of accounting.

The annual operating budget of the Airport Authority is prepared by the staff and reviewed and approved by the Airport Authority Board via Resolution. It is then adopted by Ordinance by the St. Joseph County Council. The budget is then reviewed by the State Department of Local Government Finance. Prior to adoption by the County Council, the budget is advertised and public hearings are conducted to obtain taxpayer comments.

In 2010 a change was made to the Authority's policy on the capitalization of assets, increasing the threshold for the definition of a Capital Asset from \$5,000 to \$20,000 in value.

Audit Function

The records of the St. Joseph County Airport Authority are audited annually at the close of each calendar year by the Indiana State Board of Accounts which also audits federal projects annually. The State Board of Accounts reports its findings regarding federal projects to the Federal Aviation Administration. All financial data is available to the public.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Joseph County Airport Authority for its comprehensive annual financial report (C.A.F.R.) for the fiscal year ended December 31, 2012. This was the twenty-fourth consecutive year that the Airport Authority has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

Appreciation is expressed to the Board of the St. Joseph County Airport Authority for its support of the Airport Authority Staff during the preparation of this report.

We would also like to thank and acknowledge, Susan Lardino and the Indianapolis office of the Indiana State Board of Accounts (SBA), and Douglas Wiese, Area Supervisor, and auditors John Pajakowski and Kellie Manzuk of the area SBA office for their very significant input and encouragement and also Dan Hedden and Kevin Watson of H. J. Umbaugh & Associates who assisted in the compilation of financial statements and the accumulation of statistical information for this CAFR.

Also, the preparation of this report would not have been possible without the help of the St. Joseph County Auditor, Peter Mullin, Deputy Auditor, Teresa Shuter, and the staff at the Auditor's office.

The Airport Authority Department of Administration and Finance deserves our sincere appreciation for its assistance, especially Lauren Winger, Accounting Manager, for her significant contribution to and coordination of the financial statements and the Management, Discussion and Analysis and Statistical Section; Administrative Assistant, Sandy Schick, who spent many hours processing this report; to Karen Gorbitz, Staff Accountant, for her research work and preparing data for the statistical section; and to Mitzi Garner, Purchasing-Accounting Assistant, for her input. Other administrative staff team members contributing to this report are: Michael Daigle, Executive Director, Lisa Jump, H.R. Manager; and Kerianne Linn, Properties Manager. Finally, we would like to acknowledge the assistance of staff members from other Authority Departments: Tim O'Donnell, Julie Curtis, Michael Ornat, and Cliff Jenkins.

Respectfully submitted,

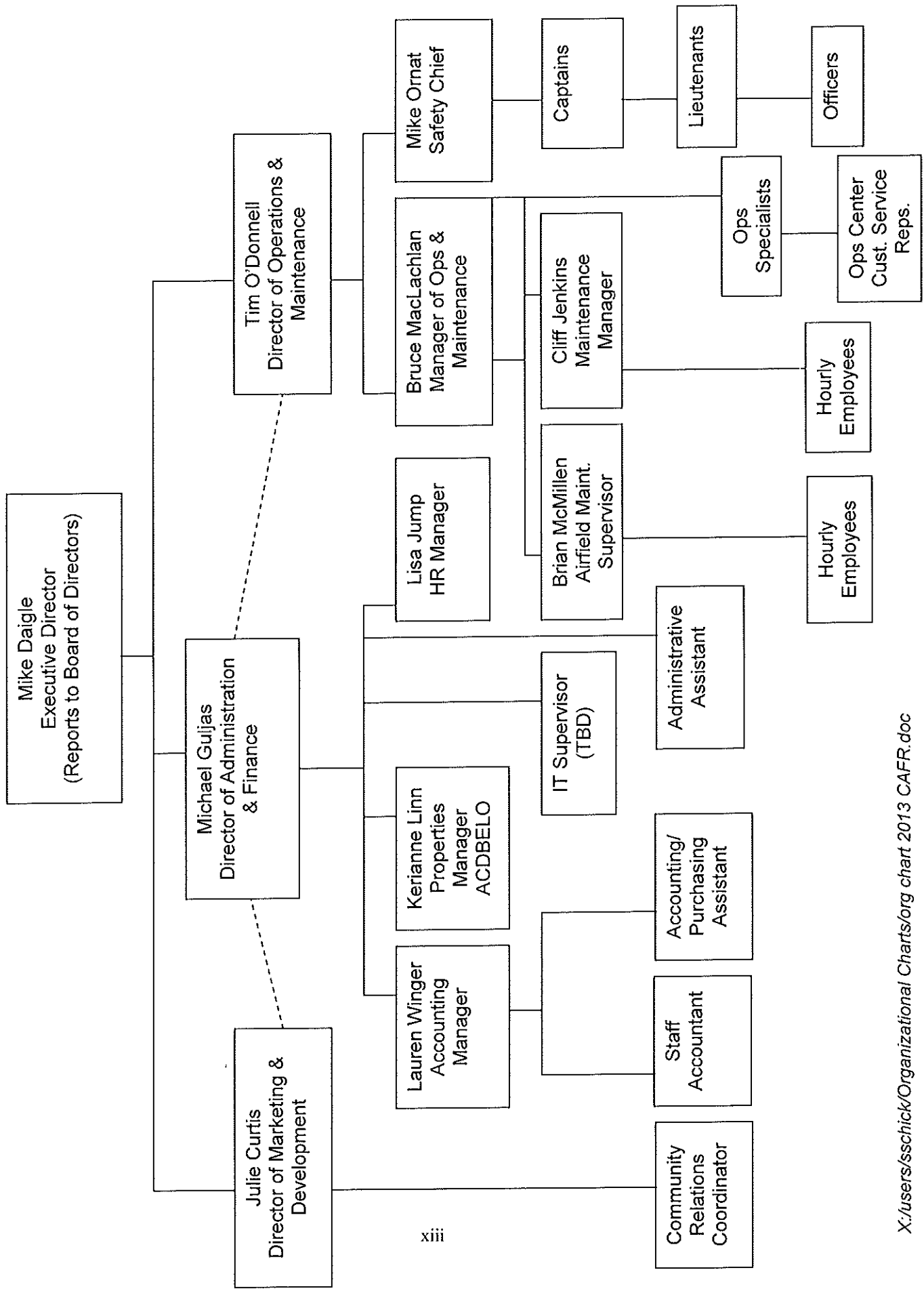


Michael A. Daigle, A.A.E.
Executive Director



Michael A. Guljas, A.A.E.
Director of Administration and Finance

ST. JOSEPH COUNTY AIRPORT AUTHORITY ORGANIZATION CHART



**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SOUTH BEND REGIONAL AIRPORT**

2013 OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Year Appointed</u>	<u>Current Term Expires</u>
President of The Airport Authority District	Mr. Thomas S. Botkin	2006	12-31-14
Vice President	Mr. Abraham Marcus	2010	12-31-13
Treasurer	Mr. David R. Sage	1991	12-31-16
Secretary	Mr. James V. Wyllie	1995	12-31-15 <i>Retired 2013</i>
Secretary	Dr. Jay Asdell	2013	12-31-15
Executive Director	Mr. Michael A. Daigle, A.A.E.		



Government Finance Officers Association

Certificate of
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Presented to

**St. Joseph County
Airport Authority, Indiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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FINANCIAL SECTION

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ST. JOSEPH COUNTY AIRPORT
AUTHORITY, ST. JOSEPH COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the St. Joseph County Airport Authority (Airport Authority), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the Table of Contents.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Airport Authority, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport Authority basic financial statements. The accompanying Budgetary Comparison Schedule, Budget/GAAP Reconciliation, Schedule of Expenditures of Passenger Facility Charges, and the other information, such as introductory and statistical sections are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Budgetary Comparison Schedule, Budget/GAAP Reconciliation, and Schedule of Expenditures of Passenger Facility Charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule, Budget/GAAP Reconciliation, and Schedule of Expenditures of Passenger Facility Charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2014, on our consideration of the Airport 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Airport Authority's internal control over financial reporting and compliance.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

May 29, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (MD&A) provides an introduction to the major activities affecting the operations of the South Bend Airport (Airport) and an introduction and overview of the financial performance and statements of the St. Joseph County Airport Authority (Airport Authority) for the fiscal year ended December 31, 2013. The information contained in this MD&A should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introduction Section and various historical summaries of activities and financial performance included in the Statistical and Compliance Sections of this report.

Following this MD&A are the basic financial statements of the Airport Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this section also presents certain **Required Supplementary Information (R.S.I.)** including the Airport Authority's funding progress to support its obligation to provide pension benefits to our employees through the Indiana Public Retirement System (INPRS). The R.S.I. is followed by **Supplemental Financial Information**, which includes a budgetary comparison schedule, a reconciliation of our budget to Generally Accepted Accounting Principles (G.A.A.P.), and a schedule of expenditures of Passenger Facilities Charges.

AIRPORT ACTIVITIES & HIGHLIGHTS

As of December 31, 2013, the Airport provided non-stop flights to 9 cities: Atlanta, Chicago, Detroit, Las Vegas, Minneapolis, Orlando/Sanford, Phoenix-Mesa, Punta Gorda, and Tampa Bay/St. Petersburg with connections world-wide. The Airport's multi-modal terminal serves almost one million air, rail, and bus passengers each year. Three (3) major passenger carriers (Allegiant, Delta, and United) were all represented either by the carrier itself or through a regional partner. In some cases, more than one company contracted with the national carrier for this purpose.

In addition, thanks to the multi-modal nature of the Airport, the facility continues to house the South Shore inter-urban electric rail service, which provides travel between South Bend and downtown Chicago. Also, several interstate bus lines operate with the Airport as a terminus, including Coach USA (service to Chicago airports) and Greyhound Bus Lines (nationwide).

In 2013, due to the addition of service to two new cities, South Bend's 2013 total enplanements and deplanements reflected an increase of 6.83% versus 2012.

As part of its effort to improve air service, the Airport continued its proactive policy of working with existing and potential carriers to explore additional hub opportunities in both the east and west. The Executive Director and the Director of Marketing and Development, working closely with an air service consultant, made numerous contacts, and submitted proposals throughout the year to both established and start-up airlines.

In 2005, Allegiant Air inaugurated non-stop service to Las Vegas and Sanford/Orlando, Florida. This was followed by the successful initiation of non-stop service in 2006 to the Tampa Bay, Florida area by the carrier. Allegiant's passenger growth continued in 2010 when it expanded its air service to include non-stop flights to Phoenix/Mesa. In 2012, both Allegiant Air and Frontier Airlines initiated non-stop service to Punta Gorda, Florida, and to Denver, Colorado, respectively. In the fall of 2013, Frontier discontinued service to Denver, however load factors were very high and the Airport is hopeful that another carrier will assume this route in the near future.

Total commercial aircraft flight operations were up in 2013 and the airlines operated higher passenger loads per flight. Also, due to interest in the University of Notre Dame's football program, most carriers operated at full capacity on home game weekends.

The Airport offers a lower than average rate structure to the airlines, thus making the Airport an attractive choice from a cost standpoint. We believe that from a passenger standpoint, the added convenience of using the less congested facilities of a smaller airport during this period of enhanced security, plus competitive fares and the savings on time, gas, parking, and tolls compared to some larger neighboring airports, will place the Airport in an increasingly favorable position in the national airport system in the future.

The South Shore rail passenger traffic decreased by 5.27% in 2013. Although the passenger count declined, the combination of low rail fares, high gasoline prices for auto travel and the convenience of service to downtown Chicago were seen as the major reasons for continued interest in this service.

Also, Coach USA's passenger count decreased by 7.75% compared to the 2012 levels.

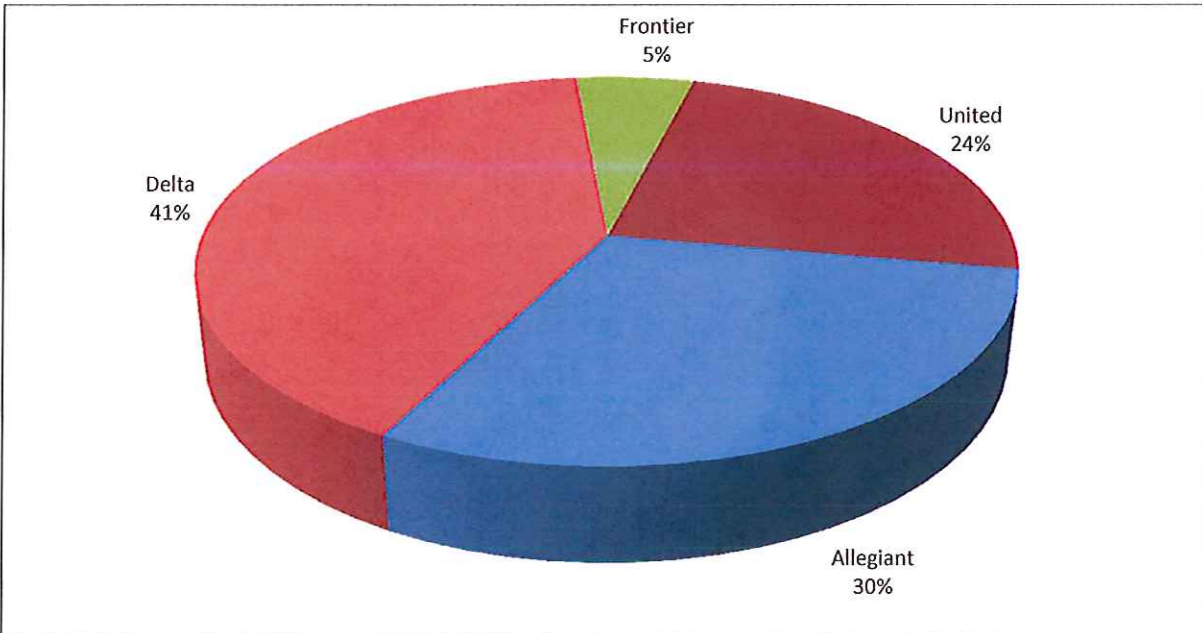
Another important component of business at the Airport is airfreight. United Parcel Service and Federal Express based aircraft at the facility and also maintained regional sorting facilities on site. Total cargo tonnage decreased .95% in 2013 compared to 2012.

Finally, a review of our facilities would not be complete without a mention of our General Aviation facilities. Fifty-four privately or corporate-owned aircraft were based in South Bend in 2013 along with a full service Fixed Base Operator (F.B.O.) (Atlantic Aviation). General Aviation activities represented the majority of operations at the Airport. The availability of a first-class General Aviation facility is a key factor in drawing new business to a community.

**COMPARATIVE INFORMATION ON TRANSPORTATION SERVICES
AT THE SOUTH BEND AIRPORT 2013 vs. 2012**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
<u>Total Airline Passengers</u> (Enplaned and Deplaned)	629,287	589,030	6.83%
<u>Commuter Bus Passengers</u>	31,058	33,668	-7.75%
<u>Train Passengers</u>	257,997	272,364	-5.27%
<u>Total Air, Bus, Rail Passengers</u>	918,342	895,062	2.60%
<u>Aircraft Operations (Take Off and Landing)</u>			
Air Carriers	13,176	12,778	3.11%
Freight	1,406	1,324	6.19%
General Aviation	<u>18,540</u>	<u>19,731</u>	<u>-6.04%</u>
Total Operations	<u>33,122</u>	<u>33,833</u>	<u>-2.10%</u>
<u>Total Landed Weight</u>	485,587,970	444,683,676	9.20%
<u>Total Cargo (Lbs.)</u>	25,463,415	25,707,338	-0.95%

**AIRLINE MARKET SHARE
Enplanements
2013**



Airline Market Share Comparison

	<u>2013</u>	<u>2012</u>	<u>Difference</u>	<u>Change %</u>
Allegiant	92,021	77,542	14,479	18.67%
Delta	126,204	133,630	-7,426	-5.56%
Frontier	17,035	5,328	11,707	219.73%
United	<u>73,363</u>	<u>78,100</u>	<u>-4,737</u>	<u>-6.07%</u>
Totals	<u><u>308,623</u></u>	<u><u>294,600</u></u>	<u><u>14,023</u></u>	<u><u>4.76%</u></u>

FINANCIAL HIGHLIGHTS

NET POSITION

Total Assets decreased in 2013 by \$7.426 million or 7.4% over 2012. The decrease resulted primarily from an intergovernmental transfer of \$5.004 million of capital assets to the County government.

Total Liabilities decreased by \$904 thousand compared to 2012. The primary reason for the decrease is a reduction in long term debt.

Net position decreased by \$6.52 million or 7.65%.

NET POSITION

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 11,769,921	\$ 11,534,547
Capital Assets	80,870,760	88,516,488
Deferred Outflows	<u>215,011</u>	<u>230,856</u>
 Total Assets	 <u>92,855,692</u>	 <u>100,281,891</u>
 <u>LIABILITIES</u>		
Long-Term Liabilities Outstanding	12,587,727	13,309,479
Other Liabilities	<u>1,554,647</u>	<u>1,736,941</u>
 Total Liabilities	 <u>14,142,374</u>	 <u>15,046,420</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	68,517,836	77,501,806
Restricted	2,559,077	2,116,533
Unrestricted	<u>7,636,405</u>	<u>5,617,132</u>
 Total Net Position	 <u>\$ 78,713,318</u>	 <u>\$ 85,235,471</u>

REVENUE

Total operating and non-operating revenues increased by 11.82% over 2012 revenues. These increases do not include changes in Capital Contributions and Passenger Facility Charge (P.F.C.) Revenue.

Total Operating Revenue increased by 8.63% compared to 2012 levels.

Airport Service Revenue increased by 8.81% and consisted of Airfield, Terminal, Concessions, Parking, Fixed Base Operations, and Building and Land Rental Revenues.

The Airfield category, which was composed primarily of landing fees (\$1.08 per thousand pounds of aircraft landed weight) and fuel flowage fees, increased by 9.96%.

Terminal - Aviation Rental Revenue received from the airlines decreased by .10% in 2013.

Terminal - Nonaviation Rental Revenue decreased by 2.73% from 2013.

Concessions Revenue increased by 10.38% and Parking Revenue increased by 12.05%.

Fixed Base Operations Revenue, a component of General Aviation activity, increased 6.44%. Other Building and Land Rental on the airfield increased by 24.62%.

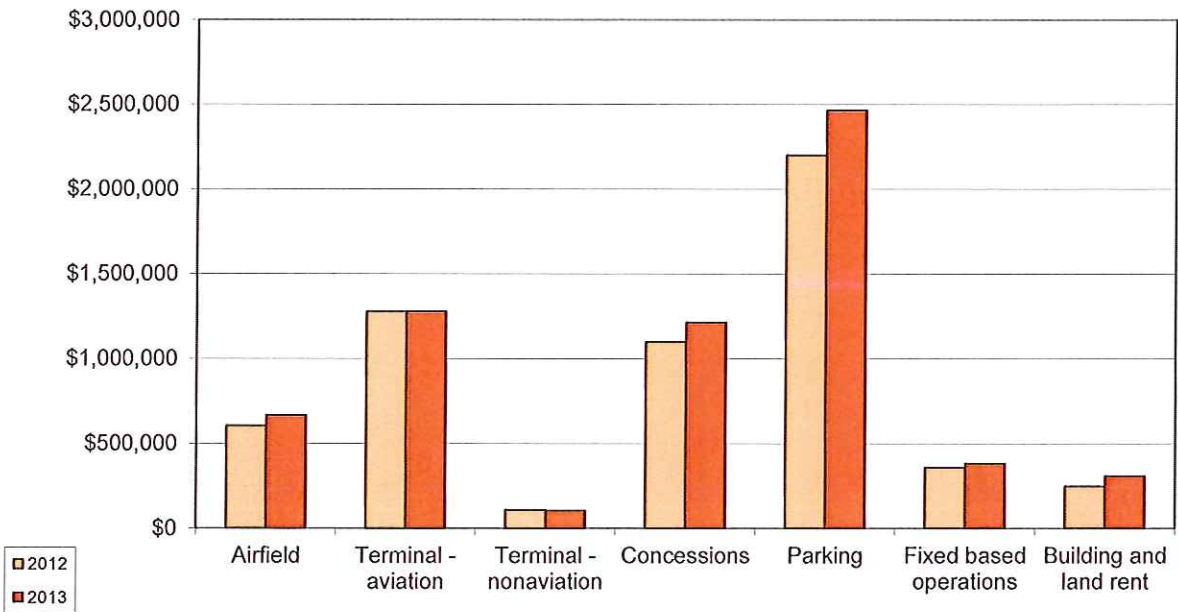
Nonoperating Revenues increased by 17.80% due primarily to an increase in Federal Operating Grants.

Property Management Revenue increased by 7.82% due to higher occupancy in an Authority owned building.

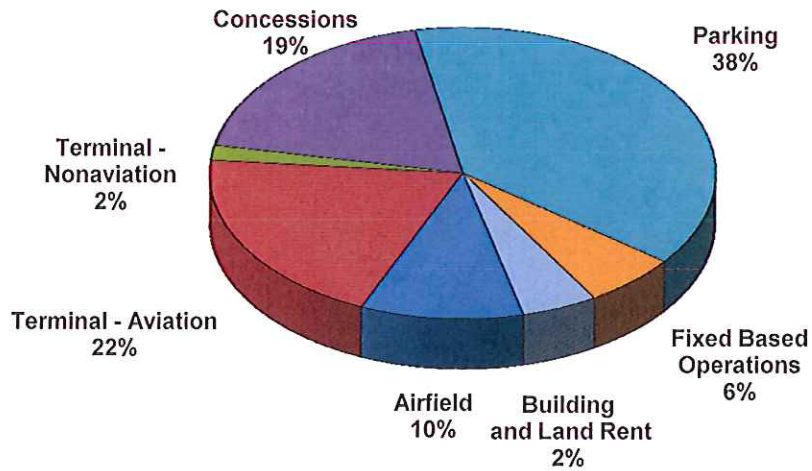
Capital Contributions decreased due to the Airport Improvement Program (A.I.P.) Grants for the construction of the Terminal Expansion Project and relocation of a roadway are nearing a close.

Passenger Facility Charge (P.F.C.) Revenues increased in 2013 by 9.29%, as a result of an increase in passenger traffic.

AIRPORT SERVICE REVENUES 2012 VS 2013



AIRPORT SERVICE REVENUES 2013



EXPENSES

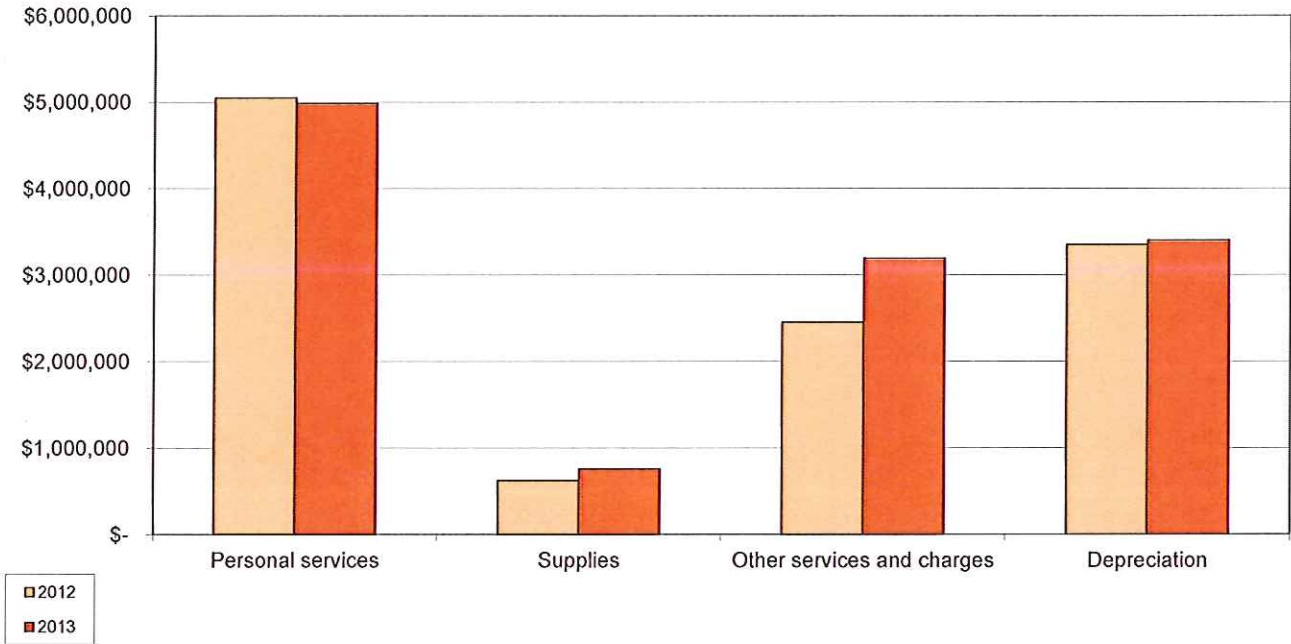
Total Operating and Nonoperating Expenses increased in 2013 by 3.20% compared to 2012. A large component of this increase is attributable to an increase in Other Services and Charges.

Other Services and Charges increased by 29.91%. This increase can be attributed to the costs incurred during 2013 for Air Service Development to support airline flights to Denver.

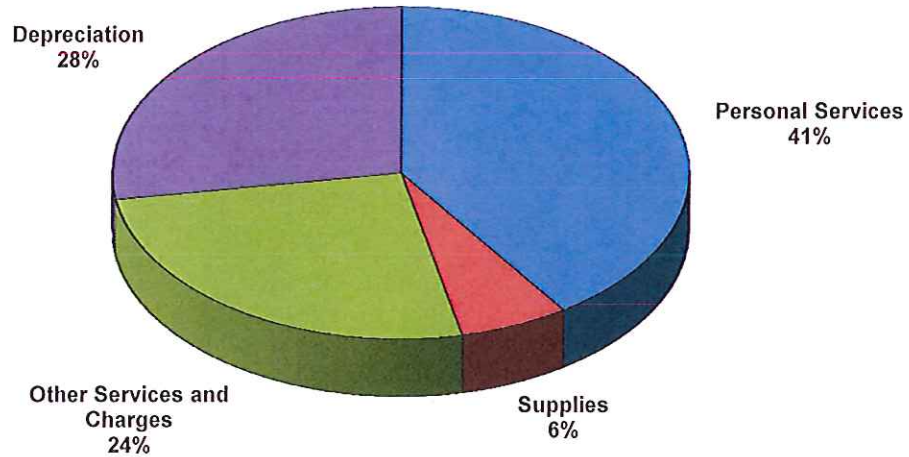
Nonoperating Expenses, decreased in 2013 by 39.37%. 2012, included bond issuance costs of \$158,849 and the disposal of capital assets resulting in a \$152,751 loss.

Property Management Expenses decreased by 3.61% in 2013 due to fewer repairs to an office building owned by the Airport Authority. This is the third consecutive year of decreased costs in this area.

OPERATING EXPENSES 2012 vs. 2013



OPERATING EXPENSES 2013



SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

	2013	2012	Increase/(Decrease)	
			Amount	Percent
Operating Revenues:				
Airport Service Revenues				
Airfield	\$ 665,933	\$ 605,636	\$ 60,297	9.96
Terminal - Aviation	1,276,000	1,277,222	(1,222)	(0.10)
Terminal - Nonaviation	105,434	108,390	(2,956)	(2.73)
Concessions	1,211,590	1,097,687	113,903	10.38
Parking	2,463,750	2,198,722	265,028	12.05
Fixed Based Operations	381,546	358,468	23,078	6.44
Building and Land Rent	308,721	247,731	60,990	24.62
Airport Service Revenues - Total	6,412,974	5,893,856	519,118	8.81
Other	3,000	12,367	(9,367)	(75.74)
Total Operating Revenues	6,415,974	5,906,223	509,751	8.63
Operating Expenses:				
Personal Services	4,983,555	5,050,210	(66,655)	(1.32)
Supplies	756,976	623,858	133,118	21.34
Other Services and Charges	3,189,233	2,454,909	734,324	29.91
Depreciation	3,398,840	3,347,686	51,154	1.53
Total Operating Expenses	12,328,604	11,476,663	851,941	7.42
Net Income (Loss) - Operations	(5,912,630)	(5,570,440)	(342,190)	6.14
Nonoperating Revenues:				
Property Taxes	2,242,282	2,320,303	(78,021)	(3.36)
Other Tax Distributions	461,683	446,283	15,400	3.45
Interest and Investment Revenue	15,634	18,986	(3,352)	(17.66)
Property Management Revenue	244,898	227,126	17,772	7.82
Federal Operating Grant	692,138	101,303	590,835	583.24
Other Revenue	50,545	32,921	17,624	53.53
Total Nonoperating Revenues	3,707,180	3,146,922	560,258	17.80
Nonoperating Expenses:				
Interest Expense	503,345	631,215	(127,870)	(20.26)
Property Management Expense	186,036	192,996	(6,960)	(3.61)
Loss on Disposal of Capital Assets	-	152,751	(152,751)	(100.00)
Bond Issuance Costs	-	158,849	(158,849)	(100.00)
Amortization Expense	-	1,277	(1,277)	(100.00)
Total Nonoperating Expenses	689,381	1,137,088	(447,707)	(39.37)
Net Income (Loss) Before Contributions	(2,894,831)	(3,560,606)	665,775	(18.70)
Capital Contributions	35,157	3,274,595	(3,239,438)	(98.93)
Passenger Facility Charge Revenue	1,341,898	1,227,862	114,036	9.29
Capital Assets Donated to County Government	(5,004,377)	-	(5,004,377)	-
Sub-Totals	(3,627,322)	4,502,457	(8,129,779)	(180.56)
Change in Net Position	(6,522,153)	941,851	(7,464,004)	(792.48)
Total Net Position - Beginning	85,235,471	84,872,581	362,890	0.43
Total Net Position - Adjustments	-	(578,961)	578,961	(100.00)
Total Net Position - Ending	\$ 78,713,318	\$ 85,235,471	\$ (6,522,153)	(7.65)

SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of Cash and Cash Equivalents for the past two years.

	<u>2013</u>	<u>2012</u>
Cash Flows		
Operating Activities	\$ (1,634,057)	\$ (1,984,518)
Noncapital Financing Activities	3,384,125	2,809,598
Capital and Related Financing Activities	(878,225)	(6,535,581)
Investing Activities	9,488	11,977
Net Increase (Decrease) in		
Cash and Cash Equivalents	\$ 881,331	\$ (5,698,524)
Cash and Cash Equivalents		
Beginning of Year	9,294,769	14,993,293
End of Year	\$ 10,176,100	\$ 9,294,769

The Airport Authority's available Cash and Cash Equivalents increased from \$9.29 million at the end of 2012 to \$10.18 million at the end of 2013.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

CAPITAL ASSETS

The Airport Authority's investment in Capital Assets as of December 31, 2013, was \$80.87 million (net of Accumulated Depreciation). This investment in Capital Assets includes land, buildings, roadways, airfield, and equipment. In total, this represents a \$7.65 million decrease from 2012. This is due primarily to the donation a \$5.004 million relocated roadway (Lincolnway West) to St. Joseph County.

Major Capital Asset events during the current fiscal year included the following:

During 2013, the Airport Authority disbursed \$1.120 million for major capital activities. This includes costs for the roadway relocation, land acquisitions, customer service center, equipment and other capital assets.

Capital Asset acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing mechanisms, including federal grants with matching state grants and Airport Authority funds, property taxes, debt issuances, and Airport Authority revenues. Additional information on the

Airport Authority's Capital Assets and commitments can be found in the Notes to the Financial Statements in Section III C and D.

PASSENGER FACILITY CHARGE (P.F.C.)

Effective July 1, 2011, \$1.50 was added to the existing Passenger Facility Charge (P.F.C.) of \$3.00 per enplaned passenger with the approval of the Federal Aviation Administration (FAA) and the St. Joseph County Airport Authority Board (Airport Authority Board). The P.F.C. receipts are intended to be used to repay the debt service on the 2011 and 2012 Bond issues and for any other purposes allowed by the FAA and the Airport Authority Board. The Airport Authority is authorized to receive a maximum of \$40,172,802. As of December 31, 2013, the Airport Authority had received a total of \$21,580,170. For further details, please refer to the Schedule of Expenditures of Passenger Facility Charges, which is included later in this financial section.

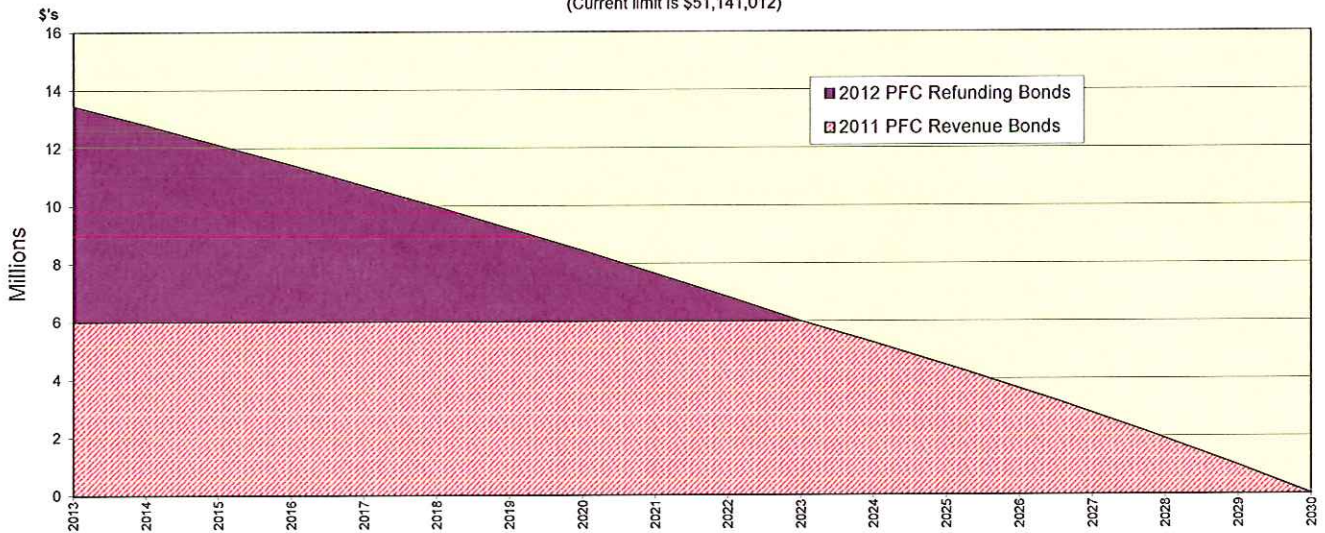
LONG TERM DEBT AND CREDIT RATINGS

The Airport Authority had \$12.115 million in Outstanding Long-Term Debt plus \$675 thousand in Outstanding Short-Term Debt as of December 31, 2013. Long-Term and Short-Term Debt consisted of 2011 General Obligation Bonds and 2012 General Obligation Refunding Revenue Bonds. The 2011 Bonds (\$6 million) mature in 2030 and interest rates range from 4.3% to 5.0%. The 2012 Bonds (\$7.445 million) mature on January 1, 2023, at interest rates ranging from 2.0% to 3.5%. Both principal and interest are payable from the revenues derived from the proceeds of an approved Passenger Facility Charge (P.F.C.) on each enplanement at the Airport.

The General Obligation Debt limit for the Airport Authority is 2% of the adjusted value of taxable property in St. Joseph County. Per Indiana Statute, the adjusted value is defined as being equal to one third (1/3) of the actual valuation of property in the County. The current adjusted value is \$2,557,050,596. The debt limit is \$51,141,012 and the total outstanding General Obligation Debt is \$12,790,000.

The Authority's General Obligation Debt is rated A+ by Standard and Poors (for both the 2011 and 2012 Bonds). The rating reflects the General Obligation Security for these Bonds. Also noted is the fact that the Airport Authority benefits from a relatively diverse revenue stream including: parking, terminal revenues, concessions, and general property taxes. Details regarding Long-Term Debt are included in the Notes to the Financial Statements in Section III E.1.

TOTAL DEBT OUTSTANDING AT END OF YEAR
(Current limit is \$51,141,012)



REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report is designed to provide detailed information on the Airport Authority's operations and to all of those with an interest in the Airport Authority's financial affairs. Questions concerning any of the information provided in this report or any request for additional information should be addressed to the Chief Financial Officer by e-mail (Mguljas@sbnair.com)

This report may be downloaded from: <http://www.flysbn.com>



Michael A. Guljas, A.A.E.
Chief Financial Officer

ST. JOSEPH COUNTY AIRPORT AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2013

Assets

Current Assets:

Unrestricted:

Cash and cash equivalents	\$	6,813,669
Accounts receivable (net of allowance)		653,306
Taxes receivable		300,321
Intergovernmental receivable		182,913
Prepaid items		160,871
Loan receivable		113,212
Other current assets		32,509

Total unrestricted current assets 8,256,801

Restricted:

Cash and cash equivalents:

Construction fund		235,730
Passenger facility charge fund		1,545,408
Bond and interest fund		171,489
Cumulative building fund		691,491
Rainy day fund		278,861
Cash with fiscal agent		395,553
Other funds		43,899
Accounts receivable - passenger facility charge		117,322
Taxes receivable		33,367

Total restricted current assets 3,513,120

Total current assets 11,769,921

Noncurrent Assets:

Capital assets:

Land, improvements to land and construction in progress		36,516,321
Other capital assets (net of accumulated depreciation)		44,354,439

Total capital assets 80,870,760

Total assets 92,640,681

Deferred outflows of resources

Deferred amount on refunding		215,011
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Total Assets and Deferred Outflows \$ 92,855,692

(The Notes to the Financial Statements
are an Integral Part of this Statement)

ST. JOSEPH COUNTY AIRPORT AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2013

Liabilities	
Current liabilities:	
Unrestricted:	
Accounts payable	\$ 216,660
Accrued payroll payable	162,493
Unearned revenue	136,550
Compensated absences	209,684
Retainage payable	54,803
Other current liabilities	<u>22,792</u>
Total unrestricted current liabilities	<u>802,982</u>
Restricted:	
General obligation bonds payable	675,000
Contracts payable	<u>76,665</u>
Total restricted current liabilities	<u>751,665</u>
Total current liabilities	<u>1,554,647</u>
Noncurrent liabilities:	
Unrestricted:	
Compensated absences	143,153
Net pension obligation	167,329
Other postemployment benefits payable	<u>148,580</u>
Total noncurrent unrestricted liabilities	<u>459,062</u>
Restricted:	
General obligation bonds payable (net of unamortized premiums)	<u>12,128,665</u>
Total noncurrent liabilities	<u>12,587,727</u>
Total liabilities	<u>\$ 14,142,374</u>
Net Position:	
Invested in capital assets, net of related debt	\$ 68,517,836
Restricted for debt service	1,834,219
Restricted for capital assets	724,858
Unrestricted	<u>7,636,405</u>
Total net position	<u>\$ 78,713,318</u>

(The Notes to the Financial Statements
are an Integral Part of this Statement)

ST. JOSEPH COUNTY AIRPORT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the 12 Months Ended December 31, 2013

Operating revenues:	
Airfield	\$ 665,933
Terminal - aviation	1,276,000
Terminal - nonaviation	105,434
Concessions	1,211,590
Parking	2,463,750
Fixed based operations	381,546
Building and land rent	308,721
Other	3,000
Total operating revenues	<u>6,415,974</u>
Operating expenses:	
Personal services	4,983,555
Supplies	756,976
Other services and charges	3,189,233
Depreciation	3,398,840
Total operating expenses	<u>12,328,604</u>
Operating loss	<u>(5,912,630)</u>
Nonoperating revenues:	
Property taxes	2,242,282
Other tax distributions	461,683
Interest and investment revenue	15,634
Property management revenue	244,898
Federal operating grant	692,138
Other revenue	50,545
Total nonoperating revenues	<u>3,707,180</u>
Nonoperating expenses:	
Interest expense	503,345
Property management expense	186,036
Total nonoperating expenses	<u>689,381</u>
Loss before contributions	<u>(2,894,831)</u>
Capital contributions	35,157
Passenger facility charge revenue	1,341,898
Capital assets donated to county government - See Note IV.E.	(5,004,377)
Sub-totals	<u>(3,627,322)</u>
Change in net position	(6,522,153)
Total net position - beginning	<u>85,235,471</u>
Total net position - ending	<u>\$ 78,713,318</u>

(The Notes to the Financial Statements
are an Integral Part of this Statement)

ST. JOSEPH COUNTY AIRPORT AUTHORITY

STATEMENT OF CASH FLOWS

For the 12 Months Ended December 31, 2013

Cash flows from operating activities:	
Receipts from customers and users	\$ 6,242,577
Payments to suppliers and contractors	(3,003,828)
Payments to employees	(4,923,351)
Other nonoperating revenue	50,545
	<hr/>
Net cash provided (used) by operating activities	(1,634,057)
	<hr/>
Cash flows from noncapital financing activities:	
Property management activity	55,108
Interest received on loan to renter	6,146
Principal received on loan to renter	17,756
Operating grant received	692,138
Property and county income taxes	2,612,977
	<hr/>
Net cash provided (used) by noncapital financing activities	3,384,125
	<hr/>
Cash flows from capital and related financing activities:	
Passenger facility charges	1,350,256
Capital contributions	35,157
Acquisition and construction of capital assets	(1,119,650)
Interest paid on capital debt	(488,988)
Principal paid on refunded bonds	(655,000)
	<hr/>
Net cash provided (used) by capital and related financing activities	(878,225)
	<hr/>
Cash flows from investing activities:	
Interest received	9,488
	<hr/>
Net cash provided (used) by investing activities	9,488
	<hr/>
Net increase in cash and cash equivalents	881,331
Cash and cash equivalents, January 1	9,294,769
	<hr/>
Cash and cash equivalents, December 31	\$ 10,176,100
	<hr/>

(The Notes to the Financial Statements
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ST. JOSEPH COUNTY AIRPORT AUTHORITY

STATEMENT OF CASH FLOWS

For the 12 Months Ended December 31, 2013

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ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The St. Joseph County Airport Authority (Airport Authority) was established August 1, 1973, by the St. Joseph County Council under the provisions of Indiana Code 19-6-3.5, which has been recodified as Indiana Code 8-22-3. The Airport Authority operates under the direction of a four member board which is appointed by the Board of County Commissioners of St. Joseph County, an elected board.

Accounting principles generally accepted in the United States of America require that these basic financial statements present the Airport Authority and its significant component units. There are no significant component units which require inclusion. The Airport Authority is a component unit of St. Joseph County (County). A financial benefit/burden relationship exists between the County and the Airport Authority.

B. Fund Financial Statements

Enterprise fund financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position) report information on all of the Airport Authority's activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Airport Authority only has business-type activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Airport Authority is reported as an enterprise fund. The fund is accounted for using the capital maintenance (economic resources) measurement focus and the accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with its activity are included on the Airport Authority's Statement of Net Position. The operating statement represents increases (revenue) and decreases (expenses) in total net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise funds distinguish operating revenues and expenses from nonoperating items and other items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

sales and services, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or other items and separately stated on the Statement of Revenues, Expenses, and Changes in Net Position.

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

The Airport Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Airport Authority in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15th. These rates were based upon the preceding year's March 1st (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10th and November 10th, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Airport Authority on or prior to December 31st of the year collected. Delinquent property taxes outstanding at year end, net of allowance for uncollectible accounts, are recorded as a receivable with an offset to unearned revenue since the amounts are not considered available.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

4. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position, because their use is limited by applicable bond indentures, state or federal law, or governing body action.

The financial statements report \$2,559,077 of restricted net position, all of which is restricted by enabling legislation.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., runways, taxiways, tarmac, and similar items), are reported in the applicable financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 20,000	Straight-line	10 to 40 years
Airfield	20,000	Straight-line	15 to 20 years
Equipment	20,000	Straight-line	3 to 10 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

6. Compensated Absences

- a. Sick Leave – Airport Authority employees working 8-hour shifts earn sick leave at the rate of 48 hours per year. Employees working 24-hour shifts have the same benefits as employees working 8-hour shifts but earn 72 hours per year. Employees working 8-hour shifts may accumulate a maximum of 720 hours of sick leave. Employees working 24-hour shifts may accumulate a maximum of 1,080 hours of sick leave. Employees have the opportunity at the beginning of each calendar year to roll that year's earned sick leave (accrued during the previous year) into their accumulated balance, to get paid for those earned hours in advance at their current rate of pay, or to split their earned sick leave time between the two options. At the termination of employment, employees are paid at their current rate of pay for a percentage of their accumulated sick leave. This percentage is based on the number of years of service and whether or not the termination of employment is a retirement.
- b. Vacation Leave – Airport Authority employees working 8-hour shifts earn vacation leave at rates from 80 to 160 hours per year based upon their number of years of service. Employees working 24-hour shifts have the same benefits as employees working 8-hour shifts but earn from 112 to 288 hours vacation leave per year. Vacation leave does not accumulate from year to year.

Vacation and sick leave is accrued when incurred.

7. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

8. Equity Classification

Equity is classified as net position and displayed in three components:

- a. Restricted net position – Consists of net position with constraints placed on it either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position – All other net position amounts that do not meet the definition of "restricted."

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

- c. Net Investment in Capital Assets – Consists of investments in capital assets net of related debt.

It is the Airport Authority's policy to first use restricted net position prior to the use of unrestricted net position when a disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

E. Revenues and Expenditures

Operating revenues and expenditures for the Airport Authority result from providing services and producing and delivering goods and/or services. They also include all revenues and expenditures not related to capital and related financing, noncapital financing, or investing activities.

II. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

The Executive Director of the Airport Authority submits to the County Council a proposed operating budget for the year commencing the following January 1st. Prior to adoption, the budget is advertised and public hearings are conducted by the Airport Authority to obtain taxpayer comments. In October of each year, the Airport Authority, through the passage of an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Executive Director of the Airport Authority receives approval from the Indiana Department of Local Government Finance.

The Airport Authority's management cannot transfer budget appropriations between object classifications of a budget without approval of the Airport Authority Board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the Airport Authority. The legal level of budgetary control is by object and department within the fund for the Airport Authority.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Airport Authority does not have a deposit policy for custodial credit risk. At December 31, 2013, the Airport Authority had deposit balances in the amount of \$10,176,100. This entire balance was not exposed to custodial credit risk.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Receivables

The Airport Authority recognizes \$34,095 in an allowance account for the expected uncollectibility of payments due from airlines due to bankruptcy proceedings.

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 36,193,856	\$ 216,880	\$ -	\$ 36,410,736
Construction in progress	<u>4,664,609</u>	<u>487,120</u>	<u>5,046,144</u>	<u>105,585</u>
Total capital assets, not being depreciated	<u>40,858,465</u>	<u>704,000</u>	<u>5,046,144</u>	<u>36,516,321</u>
Capital assets, being depreciated:				
Buildings	57,380,495	41,768	-	57,422,263
Airfield	35,904,326	-	-	35,904,326
Equipment	<u>8,374,844</u>	<u>53,488</u>	<u>-</u>	<u>8,428,332</u>
Totals	<u>101,659,665</u>	<u>95,256</u>	<u>-</u>	<u>101,754,921</u>
Less accumulated depreciation for:				
Buildings	23,454,189	1,530,067	-	24,984,256
Airfield	24,641,518	1,493,381	-	26,134,899
Equipment	<u>5,905,935</u>	<u>375,392</u>	<u>-</u>	<u>6,281,327</u>
Totals	<u>54,001,642</u>	<u>3,398,840</u>	<u>-</u>	<u>57,400,482</u>
Total capital assets, being depreciated, net	<u>47,658,023</u>	<u>(3,303,584)</u>	<u>-</u>	<u>44,354,439</u>
Total capital assets, net	<u>\$ 88,516,488</u>	<u>\$ (2,599,584)</u>	<u>\$ 5,046,144</u>	<u>\$ 80,870,760</u>

D. Construction Commitments to Contractors

Construction work in progress is composed of the following:

Project	Total Expended to December 31	Remaining Committed
Various improvements	<u>\$ 105,585</u>	<u>\$ 72,924</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

E. Long-Term Liabilities

1. General Obligation Bonds

The Airport Authority issues general obligation bonds to be paid by income derived from a passenger facility charge (Note IV.D.) and a tax levy to pay debt service.

These general obligation bonds are to provide funds for the acquisition and construction of major capital facilities or assets.

General obligation bonds are direct obligations and pledge the full faith and credit of the Airport Authority. General obligation bonds currently outstanding at year end are as follows:

Purpose/Original Issue	Interest Rates	Balance at December 31	Add: Unamortized Bond Premium	Amount
2011 General Obligation Bonds				
\$6,000,000	4.3% to 5.0%	\$ 6,000,000	\$ -	\$ 6,000,000
2012 Refunding Bonds				
\$8,030,000	2.0% to 3.5%	<u>6,790,000</u>	<u>13,665</u>	<u>6,803,665</u>
Totals		<u>\$ 12,790,000</u>	<u>\$ 13,665</u>	<u>\$ 12,803,665</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

	2011 General Obligation Bonds		2012 Refunding Bonds	
	Principal	Interest	Principal	Interest
2014	\$ -	\$ 281,875	\$ 675,000	\$ 184,013
2015	-	281,875	700,000	160,212
2016	-	281,875	715,000	143,525
2017	-	281,875	735,000	128,447
2018	-	281,875	750,000	111,328
2019-2023	745,000	1,401,420	3,215,000	224,650
2024-2028	4,270,000	824,308	-	-
2029-2032	985,000	37,125	-	-
Totals	<u>\$ 6,000,000</u>	<u>\$ 3,672,228</u>	<u>\$ 6,790,000</u>	<u>\$ 952,175</u>

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds	\$ 13,445,000	\$ -	\$ 655,000	\$ 12,790,000	\$ 675,000
Compensated absences	366,745	-	13,908	352,837	209,684
Net pension obligation	120,163	47,166	-	167,329	-
Other postemployment benefits	127,124	21,456	-	148,580	-
Total non-current liabilities	<u>\$ 14,059,032</u>	<u>\$ 68,622</u>	<u>\$ 668,908</u>	<u>\$ 13,458,746</u>	<u>\$ 884,684</u>

Compensated absences for the Airport Authority typically have been liquidated from the Aviation Fund.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

IV. Other Information

A. Risk Management

The Airport Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

St. Joseph County Airport Authority Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County. The plan provides medical insurance benefits to eligible retirees and their spouses/dependents. Indiana Code 5-10-8 assigns the authority to establish and amend benefit provisions to the Airport Authority.

The St. Joseph County Airport Authority Healthcare Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members for the St. Joseph County Airport Authority Healthcare Plan are established by the Airport Authority Board. Currently retirees are required to pay 100 percent of the monthly premium for medical insurance. Retiree health coverage is implicitly more expensive than active health coverage. This higher cost of coverage creates a liability that the Airport Authority pays in higher premiums for current employees' coverage. Calculated required contributions are based on projected pay-as-you-go financing requirements. For the year ended December 31, 2013, the Airport Authority contributed \$0 to the plan.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Annual OPEB Cost and Net OPEB Obligation

The Airport Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Airport Authority's annual OPEB cost for the year 2011, the most recent actuarial study the Airport Authority has determined, the amount actually contributed to the plan for 2013, and changes in the Airport Authority's net OPEB obligation to the plan:

Annual required contribution	\$ 21,256
Interest on net OPEB obligation	3,790
Adjustment to annual required contribution	<u>(3,590)</u>
Annual OPEB cost	21,456
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	21,456
Net OPEB obligation, beginning of year	<u>127,124</u>
Net OPEB obligation, end of year	<u><u>\$ 148,580</u></u>

The Airport Authority's 2013 OPEB cost, the percentage of the 2013 OPEB cost contributed to the plan, and the net OPEB obligation for 2013, are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-11	\$ 21,456	0%	\$ 105,668
12-31-12	21,456	0%	127,124
12-31-13	21,456	0%	148,580

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was 0 percent funded. The Actuarial Accrued Liability for benefits was \$205,742, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$205,742. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the UAAL to covered payroll were not available for the years ended December 31, 2012 and 2013.

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 healthcare 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 Schedules 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 Assumption

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, 2011 actuarial valuation, the projected unit credit with linear proration to decrement cost method was used. The UAAL is being amortized as a level percent of pay over 30 years based on an open group. Other actuarial assumptions used in the actuarial valuation are as follows:

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Inflation rate	4.5%
Investment return	4.5%
Projected Salary Increases	3%
Post-Retirement Benefit Increases	4.5% to 9.0%
Healthcare Cost Trend Rate	5.0% to 10.0%

C. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Airport Authority contributes to the Public Employee's Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system and give the Airport Authority the authority to contribute to the plan. The INPRS retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

or the report can be viewed at www.in.gov/inprs/files/2013CAFRBook.pdf.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Funding Policy

PERF members are required to contribute 3 percent of their annual covered salary. The Airport Authority has elected to make this contribution on behalf of employees. The Airport Authority is required to contribute at an actuarially determined rate for 2013 it is 9.75 percent of annual covered payroll. This rate has been increased for 2014 to 11.20 percent. The contribution requirements of plan members and the Airport Authority are established and may be amended by the INPRS Board of Trustees.

Actuarial Information for the Above Plan

Annual required contribution	\$	362,912
Interest on net pension obligation		8,111
Adjustment to annual required contribution		<u>(9,441)</u>
Annual pension cost		361,582
Contributions made		<u>(314,416)</u>
Increase in net pension obligation		47,166
Net pension obligation, beginning of year		<u>120,163</u>
Net pension obligation, end of year	\$	<u><u>167,329</u></u>
Contribution rates:		
Government		9.75%
Plan members		3%
Actuarial valuation date		06-30-13
Actuarial cost method		Entry age normal (level percent of payroll)
Amortization method		Level dollar, closed amortization period
Amortization period		30 years
Amortization period (from date)		07-01-07
Asset valuation method		Four-year smoothing of gains/losses on market value with a 20% corridor

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Actuarial Assumptions

Investment rate of return	6.75%
Projected future salary increases:	
Total	3.25% to 4.5%
Attributed to inflation	3.00%
Cost-of-living adjustments	1.00%

Three Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Employer Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06-30-11	\$ 371,148	\$ 247,896	67%	\$ 6,462
06-30-12	394,606	280,905	71%	120,163
06-30-13	361,582	314,416	87%	167,329

Funded Status and Funding Progress for the Above Plan

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date is as follows:

<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<u>\$2,513,995</u>	<u>\$ 5,133,134</u>	<u>\$ (2,619,139)</u>	49%	<u>\$3,235,495</u>	(81%)

The Schedule of Funding Progress, presented as RSI for the above plan 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

D. Passenger Facility Charge

Effective November 1, 1994, a Passenger Facility Charge (PFC) of \$3.00 per ticket was implemented by the approval of the Federal Aviation Administration (FAA) and the Airport Authority. Effective July 1, 2011, the Passenger Facility Charge was increased to \$4.50 per ticket. The revenues are to be used to repay the debt service on the 2011 and 2012 bond issues, and for any other purposes allowed by the FAA and the Airport Authority Board. During 2013, the Airport Authority earned \$1,341,898 from 36 separate airlines. The Airport Authority is authorized to receive a maximum of \$40,172,802. As of December 31, 2013, the Airport Authority has earned a total of \$21,580,170.

E. Transfer of Capital Assets

Over the past several years, the Airport Authority has implemented multiple projects. The expansion of the North/South runway necessitated the movement of U.S. Highway 20 (Lincolnway West). The Airport Authority received federal aid and issued bonds to undertake this project. In 2013, the roadway portion of this project was contributed to the County as a \$5,004,377 contribution that is reflected as a separate line item on the Statement of Revenues, Expenses, and Changes in Net Position. The County is maintaining the roadway but has not legally accepted the roadway or the associated land. This will be accomplished in 2014.

ST. JOSEPH COUNTY AIRPORT AUTHORITY

SCHEDULES OF FUNDING PROGRESS

Public Employee's Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-11	\$ 2,451,965	\$ 4,934,734	\$ (2,482,769)	50%	\$ 3,086,545	(80%)
07-01-12	2,317,376	5,284,729	(2,967,353)	44%	3,126,609	(95%)
07-01-13	2,513,995	5,133,134	(2,619,139)	49%	3,235,495	(81%)

Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
12-31-11	\$ -	\$ 205,742	\$ (205,742)	0%	*	*
12-31-12	***	***	***	***	***	***
12-31-13	***	***	***	***	***	***

* Information not available from applicable actuarial report.

*** Actuarial valuations were not prepared for the fiscal years ending December 31, 2012 and 2013.

SUPPLEMENTAL FINANCIAL INFORMATION

ST. JOSEPH COUNTY AIRPORT AUTHORITY

BUDGETARY COMPARISON SCHEDULE

For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis Amounts	With Final Budget
Revenues:				
Airfield	\$ 618,730	\$ 618,730	\$ 665,933	\$ 47,203
Terminal - aviation	1,223,672	1,223,672	1,102,603	(121,069)
Terminal - non-aviation	111,194	111,194	105,434	(5,760)
Concessionaire	1,021,610	1,021,610	1,211,590	189,980
Parking	2,197,500	2,197,500	2,463,750	266,250
Fixed based operations	418,907	418,907	381,546	(37,361)
Building and land rent	235,266	235,266	308,721	73,455
Other	-	-	3,000	3,000
Total revenues	<u>5,826,879</u>	<u>5,826,879</u>	<u>6,242,577</u>	<u>415,698</u>
Expenses:				
Personal services	6,762,856	6,762,856	4,923,351	(1,839,505)
Supplies	1,120,495	1,120,495	756,976	(363,519)
Other services and charges	4,842,419	4,842,419	2,246,852	(2,595,567)
Total operating expenses	<u>12,725,770</u>	<u>12,725,770</u>	<u>7,927,179</u>	<u>(4,798,591)</u>
Debt service:				
Other services and charges	1,145,388	1,145,388	1,143,988	(1,400)
Total expenses	<u>13,871,158</u>	<u>13,871,158</u>	<u>9,071,167</u>	<u>(4,799,991)</u>
Other financing sources (uses):				
Property taxes	1,890,610	1,890,610	2,151,294	260,684
Other tax distributions	373,284	373,284	461,683	88,399
Interest income	5,000	5,000	9,488	4,488
Federal and state grants	6,717,500	6,717,500	692,138	(6,025,362)
Capital outlay	(7,276,046)	(7,276,046)	(1,119,650)	6,156,396
Total other financing sources (uses)	<u>1,710,348</u>	<u>1,710,348</u>	<u>2,194,953</u>	<u>484,605</u>
Deficiency of revenues and other financing sources under expenses and other financing uses	<u>\$ (6,333,931)</u>	<u>\$ (6,333,931)</u>	<u>\$ (633,637)</u>	<u>\$ 5,700,294</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY

BUDGET/GAAP RECONCILIATION

For the year ended December 31, 2013

The major differences between budgetary (non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when earned (GAAP).
- b. Expenses are recorded when paid in cash (budgetary) as opposed to when incurred (GAAP).
- c. Encumbrances outstanding at year-end are recorded as expenses for budgetary purposes.
- d. Capital outlays are recorded as expenses when paid (budgetary) as opposed to additions to fixed assets when costs are incurred (GAAP).
- e. Depreciation and amortization expense is not recognized in budgetary basis.
- f. Principal paid on bonds is recorded as expenses when paid (budgetary) as opposed to a reduction of liabilities (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

Deficiency of revenues and other financing sources under expenses and other financing uses (budgetary basis)	\$ (633,637)
Adjustments:	
Capital expenses	1,119,650
Depreciation	(3,398,840)
Amortization of Deferred Amount on Refunding and Bond Premium	(14,357)
Debt payments	655,000
Capital Contributions	35,157
Passenger Facility Charge Revenue	1,341,898
Other Non-Operating Revenue	50,545
Capital assets donated to county government	(5,004,377)
Other taxes	90,988
Interest received on loan transactions	6,146
Property management activity (net revenue)	58,862
Change in operating revenues receivable	173,397
Change in intergovernmental receivable	(906,309)
Change in wages and benefits payable	(60,204)
Changes in payables and prepaid items	<u>(36,072)</u>
Change in net position (GAAP basis)	<u>\$ (6,522,153)</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES

For the year ended December 31, 2013

Cash balance, January 1	<u>\$ 1,337,387</u>
Receipts:	
Passenger facility charge collections	1,350,256
Interest	<u>948</u>
Total receipts	<u>1,351,204</u>
Disbursements:	
Transfer to bond and interest fund	<u>1,143,183</u>
Total Disbursements	<u>1,143,183</u>
Cash balance, December 31	<u><u>\$ 1,545,408</u></u>

STATISTICAL SECTION

STATISTICAL SECTION OVERVIEW

This part of the St. Joseph County Airport Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the Authority's overall financial health.

Contents	Page
Financial Trends	46
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
Revenue Capacity	49
These schedules contain information to help the reader assess the Authority's most significant local revenue sources.	
Debt Capacity	53
These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	
Demographic and Economic Information	58
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	
Operating Information	64
These schedules contain information and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

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

ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES
LAST TEN YEARS
(G.A.A.P. BASIS)

REVENUE CATEGORY:	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenue:										
Airport Service Revenue:										
Airfield	\$ 665,933	\$ 605,636	\$ 606,890	\$ 605,210	\$ 601,768	\$ 688,895	\$ 644,949	\$ 656,071	\$ 575,730	\$ 616,142
Terminal Aviation	1,276,000	1,277,222	1,250,254	1,225,171	1,219,103	1,272,818	1,168,619	1,325,257	1,107,419	1,323,485
Terminal - Non Aviation	105,434	108,390	128,043	111,226	129,513	146,078	142,275	130,016	158,929	168,616
Concessions	1,211,590	1,097,687	1,093,471	1,069,131	1,056,991	1,087,047	1,234,600	1,152,570	1,176,014	1,056,676
Parking	2,463,750	2,198,722	2,191,557	2,207,040	2,037,467	2,547,340	2,474,598	2,390,249	2,140,480	1,978,445
Fixed Base Operations	381,546	358,468	347,090	408,748	407,000	383,730	494,342	227,714	336,559	275,482
Building and Land Rent	308,721	247,731	134,509	243,613	321,511	226,897	241,895	157,287	245,010	250,498
Total Airport Service Revenue	6,412,974	5,893,856	5,751,814	5,870,139	5,773,353	6,352,805	6,401,278	6,039,164	5,740,141	5,669,344
Other	3,000	12,367	12,625	12,039	10,619	116,289	14,620	99,788	18,507	19,930
Total Operating Revenue	6,415,974	5,906,223	5,764,439	5,882,178	5,783,972	6,469,094	6,415,898	6,138,952	5,758,648	5,689,274
Nonoperating Revenue:										
Property Taxes	2,242,282	2,320,303	1,765,272	2,997,689	2,702,107	2,909,741	2,681,849	2,782,173	3,504,509	3,211,004
Other Tax Distributions	461,683	446,293	535,170	620,426	836,637	618,671	495,964	524,731	-	-
Interest Income	15,634	18,966	16,139	15,517	61,882	277,387	733,312	420,128	334,694	147,272
Other Grants	-	-	-	-	-	-	-	149,117	-	-
Property Management Revenue	244,898	227,126	257,154	273,942	328,987	295,774	242,955	257,168	483,473	807,271
Federal operating grant	692,138	101,303	-	-	-	-	-	-	-	-
Operating Grant	-	-	144,568	148,565	-	-	-	-	-	-
Gain on Disposal of Fixed Assets	-	-	-	-	-	65,717	-	-	34,135	75,609
Other	50,545	32,921	41,072	101,332	122,378	405,017	190,112	200,561	30,108	8,279
Total Nonoperating Revenue	3,707,180	3,146,922	2,759,375	4,157,471	4,051,991	4,572,307	4,344,192	4,333,878	4,386,919	4,249,435
Total Revenue	\$ 10,123,154	\$ 9,053,145	\$ 8,523,814	\$ 10,039,649	\$ 9,835,963	\$ 11,041,401	\$ 10,760,090	\$ 10,472,830	\$ 10,145,567	\$ 9,938,709

ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENSES AND CHANGES IN NET POSITION
LAST TEN YEARS
(G.A.A.P. BASIS)

EXPENSE CATEGORY:	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating Expenses:										
Personal Services	\$ 4,983,555	\$ 5,050,210	\$ 4,871,475	\$ 4,884,509	\$ 4,810,162	\$ 4,884,616	\$ 4,698,058	\$ 4,282,845	\$ 4,189,818	\$ 3,915,002
Supplies	756,976	623,858	642,682	586,715	808,565	732,590	706,584	597,088	624,271	616,920
Other Services and Charges	3,189,233	2,454,909	2,880,312	2,116,199	3,134,908	3,074,743	2,602,485	2,021,793	2,618,130	2,105,825
Depreciation	3,398,840	3,347,686	3,611,684	3,667,220	3,630,659	3,090,620	2,957,397	2,945,583	2,969,658	3,005,978
Total Operating Expenses	12,328,604	11,476,663	12,006,153	11,254,643	12,384,294	11,782,569	10,984,524	9,847,309	10,401,877	9,643,725
Nonoperating Expenses:										
Interest Expense	503,345	631,215	607,514	614,347	675,362	727,662	774,487	170,824	199,594	252,627
Amortization Expenses	-	1,277	9,083	14,628	14,628	14,628	14,628	14,628	6,970	30,427
Property Management Expense	186,036	192,996	200,666	222,493	257,044	209,198	285,856	227,526	432,674	391,706
Loss on Change in Capital Asset Policy	-	-	-	590,321	-	-	-	61,363	-	-
Loss on Disposal/Capital Assets	-	152,751	-	392,349	-	-	-	-	-	-
Bond Issuance Costs	-	158,849	-	-	-	-	-	-	-	-
Total Nonoperating Expenses	689,381	1,137,088	817,263	1,834,138	947,034	951,488	1,074,971	474,341	639,238	674,760
Total Expenses	\$13,017,985	\$ 12,613,751	\$ 12,823,416	\$ 13,088,781	\$ 13,331,328	\$ 12,734,057	\$ 12,039,495	\$ 10,321,650	\$ 11,041,115	\$ 10,318,485
Income Before Contributions	\$(2,894,831)	\$(3,560,606)	\$(4,299,602)	\$(3,049,132)	\$(3,495,365)	\$(1,692,656)	\$(1,279,405)	\$ 151,180	\$(895,548)	\$(379,776)
Capital Contributions	35,157	3,274,595	3,909,443	7,313,647	834,428	4,036,643	3,125,639	2,828,377	2,890,293	5,012,824
Transfer of Capital Assets	(5,004,377)	-	-	(8,999,393)	-	-	-	(225,754)	-	-
Passenger Facility Charge	1,341,898	1,227,862	1,007,280	835,884	820,664	960,513	1,083,989	1,060,891	913,894	1,107,419
Change in Net Position	\$(6,522,153)	\$ 941,851	\$ 617,121	\$(3,898,994)	\$(1,840,273)	\$ 3,304,500	\$ 2,930,223	\$ 3,814,694	\$ 2,908,639	\$ 5,740,467
Net Position at Year End										
Invested in Capital Assets										
Net of Related Debt	\$68,517,836	\$ 77,501,806	\$ 76,480,093	\$ 76,503,028	\$ 78,662,042	\$ 79,687,866	\$ 76,431,514	\$ 74,590,274	\$ 67,030,110	\$ 61,497,134
Restricted for Debt Service	1,834,219	1,634,185	3,097,096	2,653,237	2,933,036	2,803,293	3,459,495	3,421,415	3,279,547	2,806,645
Restricted for Capital Assets	724,858	482,348	224,653	929,722	742,198	96,259	528,757	580,113	888,626	650,671
Unrestricted	7,636,405	5,617,132	5,070,740	4,169,474	5,817,179	7,407,310	6,270,462	5,168,203	8,747,028	12,082,222
Total Net Position	\$78,713,318	\$ 85,235,471	\$ 84,872,582	\$ 84,255,461	\$ 88,154,455	\$ 89,994,728	\$ 86,690,228	\$ 83,760,005	\$ 79,945,311	\$ 77,036,672

ST. JOSEPH COUNTY AIRPORT AUTHORITY
CHANGES IN CASH AND CASH EQUIVALENTS
FOR YEARS ENDED DECEMBER 31
(G.A.A.P. BASIS)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Cash Flows From Operating Activities										
Cash Received From Customers and Users	\$ 6,242,577	\$ 6,026,572	\$ 5,873,333	\$ 5,966,212	\$ 5,885,644	\$ 6,779,251	\$ 6,304,894	\$ 5,959,038	\$ 5,701,701	\$ 5,537,717
Cash Paid to Suppliers and Contractors	(3,003,828)	(3,061,178)	(3,484,695)	(2,565,804)	(3,192,577)	(3,850,097)	(3,215,578)	(2,957,093)	(3,012,713)	(2,647,808)
Cash Paid to Employees	(4,923,351)	(4,982,833)	(4,659,189)	(5,015,994)	(4,701,127)	(4,900,605)	(4,601,055)	(4,212,974)	(4,190,903)	(4,038,683)
Other Cash Received	50,545	32,921	41,072	101,332	122,378	256,898	238,355	395,621	-	-
	(1,634,057)	(1,984,516)	(2,229,479)	(1,514,254)	(1,885,682)	(1,714,553)	(1,273,384)	(815,408)	(1,501,915)	(1,148,774)
Net Cash Provided By Operating Activities										
Cash Flows From Noncapital Financing Activities										
Loan Principal Repayments	-	-	9,472	-	-	-	-	-	229,640	31,028
Loan Interest Repayments	-	-	(174,814)	-	-	-	-	-	3,377	21,892
Loan to Renter	-	-	-	-	-	-	-	-	-	-
Principal From Loan	17,756	16,893	-	-	-	-	-	-	-	-
Interest From Loan	6,146	7,009	4,471	-	-	-	-	-	-	-
Federal and State Grants	-	-	-	-	250,000	-	-	-	-	-
Operating Grant Received	692,138	101,303	144,568	-	-	-	-	-	-	-
Property and County Income Taxes	2,612,977	2,683,777	2,631,008	3,345,266	5,427,794	1,421,755	3,177,813	3,306,904	4,496,507	2,667,381
Property Management Activity	55,108	616	76,840	106,023	35,220	-	-	-	10,246	330,996
Other Nonoperating Receipts	-	-	-	-	-	-	-	-	30,108	-
	3,384,125	2,809,598	2,691,545	3,451,289	5,713,014	1,421,755	3,177,813	3,306,904	4,769,878	3,051,297
Net Cash Provided By Noncapital Financing Activities										
Cash Flows From Capital and Related Financing Activities										
Proceeds From Bond	-	8,030,000	5,940,000	-	-	-	-	-	-	-
Passenger Facility Charges	1,350,256	1,238,594	974,465	830,988	820,664	960,513	1,111,775	1,044,598	941,002	1,068,818
Capital Contributions	35,157	2,713,795	5,183,670	5,590,147	834,428	4,036,643	3,768,140	5,069,832	5,042,177	512,525
Acquisition and Construction of Capital Assets	(1,119,650)	(6,266,479)	(5,075,015)	(9,935,902)	(3,081,985)	(5,944,930)	(7,651,783)	(9,150,964)	(6,684,959)	(6,787,203)
Principal Paid on Capital Debt	(655,000)	(585,000)	(675,000)	(1,245,000)	(1,375,000)	(1,275,000)	(1,200,000)	(1,125,000)	(1,040,000)	(1,925,000)
Interest Paid on Capital Debt	(488,988)	(527,684)	(545,850)	(599,663)	(658,588)	(710,888)	(757,713)	(801,006)	(840,720)	(303,155)
Interest paid on refunded bonds	-	(113,601)	-	-	-	-	-	-	-	-
Call premium on refunded bonds	-	(107,750)	-	-	-	-	-	-	-	-
Principal paid on refunded bonds	-	(10,775,000)	-	-	-	-	-	-	-	-
Premium received on bond issue	-	16,393	-	-	-	-	-	-	-	-
Proceeds From Sale of Land	-	-	-	-	-	-	-	-	-	-
Proceeds from Sales of Capital Assets	-	-	-	-	-	170,457	-	-	82,656	145,050
Refund of Capital Asset Disbursements	-	-	-	-	-	363,400	-	-	-	-
Bond Issue Costs	-	(158,849)	(84,287)	-	-	-	-	-	230,643	-
	(678,225)	(6,535,581)	5,717,963	(5,359,430)	(3,450,481)	(2,399,805)	(4,729,581)	(4,731,897)	(2,499,844)	(7,288,965)
Net Cash Used by Capital and Related Financing Activities										
Cash Flows From Investing Activities										
Interest Received	9,488	11,977	11,913	15,517	61,882	277,387	733,312	898,955	606,005	195,266
	9,488	11,977	11,913	15,517	61,882	277,387	733,312	898,955	606,005	195,266
Net Cash Provided by Investing Activities										
Net Increase In Cash and Cash Equivalents	881,931	(5,698,524)	6,191,962	(3,406,878)	428,793	(2,415,216)	(2,091,840)	(1,341,446)	1,374,124	(5,191,176)
Cash and Cash Equivalents, January 1	9,294,769	14,993,293	8,801,331	12,208,209	11,779,476	14,194,692	16,286,532	17,627,978	16,253,854	21,445,030
Cash and Cash Equivalents, December 31	\$ 10,176,100	\$ 9,294,769	\$ 14,993,293	\$ 8,801,331	\$ 12,208,209	\$ 11,779,476	\$ 14,194,692	\$ 16,286,532	\$ 17,627,978	\$ 16,253,854

ST. JOSEPH COUNTY AIRPORT AUTHORITY
PRINCIPAL REVENUE SOURCES, COST PER ENPLANED PASSENGER AND
SCHEDULED AIRLINE RATES AND CHARGES
LAST 10 YEARS ENDED DECEMBER 31
(G.A.A.P. BASIS)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
PRINCIPAL REVENUE SOURCES										
AVIATION-RELATED REVENUES										
Airfield	\$ 665,933	\$ 605,636	\$ 606,890	\$ 605,210	\$ 601,768	\$ 688,895	\$ 644,949	\$ 656,071	\$ 575,730	\$ 616,142
Terminal Aviation	1,276,000	1,277,222	1,250,254	1,225,171	1,219,103	1,272,818	1,168,619	1,325,257	1,107,419	1,323,485
Fixed Base Operations	381,546	358,468	347,090	408,748	407,000	383,730	494,342	227,714	336,559	275,482
TOTAL AVIATION-RELATED REVENUES	2,323,479	2,241,326	2,204,234	2,239,129	2,227,871	2,345,443	2,307,910	2,209,042	2,019,708	2,215,109
Percent of Total Revenues	23.0%	24.8%	25.9%	22.3%	22.4%	21.3%	21.4%	21.1%	19.9%	22.3%
NON-AVIATION REVENUES										
Terminal - Non-Aviation	105,434	108,390	128,043	111,228	129,513	146,078	142,275	130,016	158,929	168,616
Concessions	1,211,590	1,097,687	1,093,471	1,069,131	1,056,991	1,087,047	1,234,600	1,152,570	1,176,014	1,056,676
Parking	2,463,750	2,198,722	2,191,557	2,207,040	2,037,467	2,547,340	2,474,598	2,390,249	2,140,480	1,978,445
Other	3,000	12,367	12,625	12,039	10,619	3,358	14,620	99,788	18,507	19,930
Building and Land Rent	308,121	247,731	134,509	243,613	321,511	226,897	241,895	157,287	245,010	250,498
TOTAL NON-AVIATION REVENUES	4,092,495	3,664,897	3,560,205	3,643,049	3,556,101	4,010,720	4,107,988	3,929,910	3,738,940	3,474,165
Percent of Total Revenues	40.4%	40.5%	41.8%	36.3%	35.7%	36.4%	38.2%	37.5%	36.9%	35.0%
NON-OPERATING REVENUES										
Property Taxes	2,242,282	2,320,303	1,765,272	2,997,689	2,702,107	2,909,741	2,681,849	2,782,173	3,504,509	3,211,004
Other Tax Distributions	461,683	446,283	555,170	620,426	836,637	618,671	495,964	524,731	-	-
Operating Grant	692,138	101,303	144,568	148,565	113,728	97,961	-	-	-	-
Interest Income	15,634	18,986	16,139	15,517	61,882	277,387	733,312	420,128	334,694	147,272
Other	50,545	32,921	41,072	101,332	122,378	405,017	190,112	200,561	30,108	8,279
Fuel Farm Cleanup	-	-	-	-	-	-	-	-	-	-
Other Grants	-	-	-	-	-	-	-	149,117	-	-
Property Management Revenue	244,898	227,126	257,154	273,942	328,987	295,774	242,955	257,168	463,473	807,271
Gain on Disposal of Fixed Assets	-	-	-	-	-	65,717	-	-	-	75,609
TOTAL NON-OPERATING REVENUES	3,707,180	3,146,922	2,759,375	4,157,471	4,165,719	4,670,268	4,344,192	4,333,878	4,386,919	4,249,435
Percent of Total Revenues	36.6%	34.8%	32.4%	41.4%	41.9%	42.4%	40.4%	41.4%	43.2%	42.8%
TOTAL REVENUES	\$ 10,123,154	\$ 9,053,145	\$ 8,523,814	\$ 10,039,649	\$ 9,949,691	\$ 11,026,431	\$ 10,760,090	\$ 10,472,830	\$ 10,145,567	\$ 9,938,709
Enplaned Passengers	308,623	294,600	301,881	315,081	314,745	354,015	389,562	367,750	348,364	390,106
TOTAL REVENUE PER ENPLANED PASSENGER	\$ 32.80	\$ 30.73	\$ 28.24	\$ 31.86	\$ 31.61	\$ 31.15	\$ 27.62	\$ 28.48	\$ 29.12	\$ 25.48
CONTRACT AIRLINE RATES										
Landing Fee (Per 1,000 lbs.)	\$1.08	\$1.05	\$1.02	\$0.99	\$0.96	\$0.93	\$0.90	\$0.87	\$0.84	\$0.82
Terminal Counter Rental Rates (Per sq. foot)	36.66	35.59	34.55	33.54	32.56	31.60	30.68	29.79	28.92	28.08
Airline Cost Per Enplanement	\$6.29	\$6.39	\$6.15	\$5.81	\$5.79	\$5.54	\$4.66	\$5.39	\$4.83	\$4.97

ST. JOSEPH COUNTY, INDIANA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (1)

<u>Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Assessed Value</u>
2013	\$ 6,533,399,996	\$ 1,137,751,791	5.6983	\$ 7,671,151,787
2012	6,882,357,309	1,117,519,859	5.3095	7,999,877,168
2011	7,291,197,519	846,299,712	5.1872	8,137,497,231
2010	7,255,034,884	1,161,736,880	4.8099	8,416,771,764
2009	7,407,382,632	998,084,354	4.4039	8,405,466,986
2008	8,914,568,570	1,050,299,685	4.9224	9,964,868,255
2007	8,866,005,036	1,099,718,445	4.8540	9,965,723,481
2006	7,711,827,652	1,500,017,115	5.1204	9,211,844,767
2005	7,630,792,983	1,605,819,866	4.8230	9,236,612,849
2004	7,581,872,043	1,482,955,629	4.8918	9,064,827,672

Notes:
(1) Source: Indiana State Department of Local Government Finance and the St. Joseph County Auditor.

ST. JOSEPH COUNTY, INDIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE) (1)
LAST TEN FISCAL YEARS

<u>Year</u>	<u>State</u>	<u>County</u>	<u>Township(s)</u>	<u>School District(s)</u>	<u>Library(s)</u>	<u>Cities and Towns</u>	<u>South Bend Transportation</u>	<u>Airport Authority</u>	<u>Total</u>
2013	\$ -	\$ 0.6731	\$ 0.0453	\$ 1.3493	\$ 0.3227	\$ 3.1707	\$ 0.1042	\$ 0.0330	\$ 5.6983
2012	-	0.6212	0.0464	1.1931	0.2941	3.0239	0.0999	0.0277	5.3063
2011	-	0.5424	0.0438	1.2211	0.3027	2.9541	0.0934	0.0297	5.1872
2010	-	0.5866	0.0406	1.0728	0.2657	2.7279	0.0821	0.0342	4.8099
2009	-	0.5693	0.0537	1.0297	0.2257	2.4081	0.0821	0.0353	4.4039
2008	0.0024	0.7576	0.0482	1.5417	0.2216	2.2396	0.0821	0.0292	4.9224
2007	0.0024	0.8711	0.0285	1.5419	0.1957	2.1046	0.0821	0.0277	4.8540
2006	0.0024	0.9899	0.0269	1.6033	0.2027	2.1795	0.0856	0.0301	5.1204
2005	0.0024	0.7831	0.0276	1.5969	0.1854	2.1148	0.0831	0.0297	4.8230
2004	0.0024	0.7652	0.0923	1.6201	0.1830	2.1115	0.0827	0.0346	4.8918

Notes:
(1) Source: St. Joseph County Auditor

**ST. JOSEPH COUNTY, INDIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Year	Certified Levy (1)	Collections During Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 2,531,480	\$ 2,151,294	85.0%	(2)	\$ 2,151,292	85.0%
2012	2,471,962	2,198,324	88.9%	(2)	2,198,322	88.9%
2011	2,416,836	2,126,937	88.0%	(2)	2,126,935	88.0%
2010	2,878,535	(2)	(2)	(2)	(2)	(2)
2009	2,967,130	(2)	(2)	(2)	(2)	(2)
2008	2,909,741	(2)	(2)	(2)	(2)	(2)
2007	2,812,446	(2)	(2)	(2)	(2)	(2)
2006	(2)	(2)	(2)	(2)	(2)	(2)
2005	(2)	(2)	(2)	(2)	(2)	(2)
2004	(2)	(2)	(2)	(2)	(2)	(2)

Sources:

(1) Budget order approved by Indiana Department of Local Government Finance.

(2) Information not available at the time of the report.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST 10 FISCAL YEARS (1)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Adjusted Value (2)	\$ 2,557,050,596	\$ 2,666,625,723	\$ 2,712,499,077	\$ 2,805,590,568	\$ 2,801,822,329	\$ 3,321,622,752	\$ 3,321,907,827	\$ 3,070,614,922	\$ 3,078,870,950	\$ 3,021,609,284
Debt Limit Percentage	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Debt Limit	\$ 51,141,012	\$ 53,332,514	\$ 54,249,982	\$ 56,111,812	\$ 56,036,447	\$ 66,432,455	\$ 66,438,157	\$ 61,412,298	\$ 61,577,419	\$ 60,432,184
Bonds Outstanding	12,790,000	13,445,000	16,775,000	11,450,000	12,695,000	14,070,000	15,345,000	16,545,000	17,670,000	18,710,000
Subtotal	\$ 38,351,012	\$ 39,887,514	\$ 37,474,982	\$ 44,661,812	\$ 43,341,447	\$ 52,362,455	\$ 51,093,157	\$ 44,867,298	\$ 43,907,419	\$ 41,722,184
Amount Available in Debt Service Fund	171,489	171,118	1,284,052	534,027	497,709	64,279	589,636	655,517	622,147	96,419
Legal Debt Margin	\$ 38,179,523	\$ 39,716,396	\$ 36,190,930	\$ 44,127,785	\$ 42,843,738	\$ 52,298,176	\$ 50,503,521	\$ 44,211,781	\$ 43,285,272	\$ 41,625,765

CC

Notes:

(1) The General Obligation Debt Limit for the Airport Authority is two percent (2%) of the Adjusted Value of Taxable property in St. Joseph County.

(2) Per Indiana Statute, the adjusted value is now defined as being equal to one-third (1/3) of the actual assessed value.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
RATIO OF ANNUAL DEBT SERVICE FOR BONDED DEBT
TO TOTAL GENERAL EXPENDITURES (1) (2)**

Year	Principal	Interest	Total Debt Service	Total Expenses	Less Depreciation	Add Principal	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2013	\$ 655,000	488,988	\$ 1,143,988	\$ 13,017,985	\$ 3,398,840	\$ 655,000	\$ 10,274,145	11.1%
2012	585,000	527,684	1,112,684	12,613,751	3,347,686	585,000	9,851,065	11.3%
2011	675,000	545,850	1,220,850	12,823,416	3,611,684	675,000	9,886,732	12.3%
2010	1,245,000	598,792	1,843,792	13,088,781	3,667,220	1,245,000	10,666,561	17.3%
2009	1,375,000	658,588	2,033,588	13,331,328	3,630,659	1,375,000	11,075,669	18.4%
2008	1,275,000	710,888	1,985,888	12,734,057	3,090,620	1,275,000	10,918,437	18.2%
2007	1,200,000	757,713	1,957,713	12,039,495	2,957,397	1,200,000	10,282,098	19.0%
2006	1,125,000	801,006	1,926,006	10,321,650	2,945,583	1,125,000	8,501,067	22.7%
2005	1,040,000	840,720	1,880,720	11,041,115	2,969,658	1,040,000	9,111,457	20.6%
2004	1,925,000	303,155	2,228,155	10,318,485	3,005,978	1,925,000	9,237,507	24.1%

Notes: (1) General Expenditures do not include capital outlays.

(2) Interest is net of interest capitalized.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percentage of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2013	266,931	\$ 7,671,151,787	\$ 12,790,000	\$ 171,489	\$ 12,618,511	0.1645%	47.27
2012	266,931	7,999,877,168	13,445,000	171,118	13,273,882	0.1659%	49.73
2011	266,931	8,137,497,231	16,775,000	1,284,052	15,490,948	0.1904%	58.04
2010	266,931	8,416,771,764	11,450,000	534,027	10,915,973	0.1297%	40.89
2009	265,559	8,405,466,986	12,695,000	497,709	12,197,291	0.1451%	45.93
2008	265,559	9,964,868,255	14,070,000	64,279	14,005,721	0.1406%	52.74
2007	265,559	9,965,723,481	15,345,000	589,636	14,755,364	0.1481%	55.56
2006	265,559	9,211,844,767	16,545,000	655,517	15,889,483	0.1725%	59.83
2005	265,559	9,236,612,849	17,670,000	622,147	17,047,853	0.1846%	64.20
2004	265,559	9,064,827,672	18,710,000	96,419	18,613,581	0.2053%	70.09

Notes:

- (1) Source: U. S. Department of Census and the Indiana Department of Workforce Development Services 2000 Population estimate applicable to years 2004 through 2009, 2010 Population Estimate applicable to 2010 to 2013.
- (2) Source: Indiana State Department of Local Government Finance.
- (3) Includes funds held by fiscal agent on December 31 payable January 1 of the following year.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF APRIL 17, 2014**

The following schedule shows the outstanding bonded indebtedness of St. Joseph County and the taxing units within and overlapping its jurisdiction as of April 17, 2014 as reported by the respective taxing units.

Issuer	<u>Total Debt</u>	<u>Percent Allocable to County*</u>	<u>Amount Allocable to County</u>
Property Tax Supported Debt:			
St. Joseph County	\$26,650,642	100.00%	\$26,650,642
John Glenn Community School Corporation	16,790,200	61.98%	10,406,566
School City of Mishawaka	45,492,008	100.00%	45,492,008
New Prairie United School Corporation	42,585,000	35.86%	15,270,981
Penn-Harris-Madison School Corporation	57,193,308	100.00%	57,193,308
South Bend Community School Corporation	161,309,516	100.00%	161,309,516
Union-North United School Corporation	7,150,000	44.95%	3,213,925
St. Joseph County Public Library	8,285,000	100.00%	8,285,000
Mishawaka-Penn-Harris Public Library	3,360,000	100.00%	3,360,000
New Carlisle-Olive Township Public Library	2,695,000	100.00%	2,695,000
City of Mishawaka	5,916,539	100.00%	5,916,539
Town of New Carlisle	905,000	100.00%	905,000
Town of North Liberty	170,000	100.00%	170,000
City of South Bend	4,161,883	100.00%	4,161,883
South Bend Redevelopment Authority	43,040,000	100.00%	43,040,000
Town of Walkerton	2,100,650	100.00%	2,100,650
German Township	440,000	100.00%	440,000
Penn Township	2,002,518	100.00%	<u>2,002,518</u>
Total Property Tax Supported Debt			<u><u>\$392,613,536</u></u>
Property Tax Backed Debt:			
St. Joseph County	\$12,790,000	100.00%	<u><u>\$12,790,000</u></u>
Tax Increment Financing Debt - Property Tax Backed:			
St. Joseph County Redevelopment District	\$11,805,000	100.00%	\$11,805,000
South Bend Redevelopment Authority	27,640,000	100.00%	27,640,000
South Bend Redevelopment District	3,405,000	100.00%	<u><u>3,405,000</u></u>
Total Tax Increment Financing Debt - Property Tax Backed			<u><u>\$42,850,000</u></u>

*Based upon the 2013 payable 2014 net assessed valuation of the respective taxing units.

(Continued on next page)

(Cont'd)

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF APRIL 17, 2014**

<u>Issuer</u>	<u>Total Debt</u>	<u>Percent Allocable to County*</u>	<u>Amount Allocable to County</u>
Tax Increment Financing Revenue Debt:			
Mishawaka Redevelopment District	\$325,000	100.00%	\$325,000
South Bend Redevelopment Authority	5,823,477	100.00%	<u>5,823,477</u>
Total Tax Increment Financing Revenue Debt			<u>\$6,148,477</u>
County Option Income Tax Revenue Debt:			
City of South Bend	\$18,620,076	100.00%	<u>\$18,620,076</u>
County Economic Development Income Tax Revenue Debt:			
City of South Bend	\$2,440,000	100.00%	<u>\$2,440,000</u>
Hotel-Motel Tax Supported Debt:			
South Bend Redevelopment Authority	\$3,990,000	100.00%	<u>\$3,990,000</u>
Revenue Supported Debt:			
Town of Lakeville	\$670,700	100.00%	\$670,700
City of Mishawaka	91,774,213	100.00%	91,774,213
Town of New Carlisle	2,000,000	100.00%	2,000,000
Town of North Liberty	774,350	100.00%	774,350
City of South Bend	128,884,344	100.00%	128,884,344
Town of Walkerton	4,259,000	100.00%	<u>4,259,000</u>
Total Revenue Supported Debt			<u>\$228,362,607</u>

*Based upon the 2013 payable 2014 net assessed valuation of the respective taxing units.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	St. Joseph County Personal Income (in Thousands) (1)	St. Joseph County Per Capita Income (1)	St. Joseph County Unemployment (2)	St. Joseph County Labor Force (2)	Area in Square Miles (3)
2013	\$	(4)	8.8%	124,349	461
2012	\$	38,152	9.7%	124,968	461
2011	10,161,658	36,289	10.1%	128,868	461
2010	9,678,196	33,322	11.4%	127,611	461
2009	8,891,812	34,712	11.6%	128,714	461
2008	9,289,258	35,363	6.6%	132,758	461
2007	9,466,916	34,636	5.1%	134,771	461
2006	9,396,281	33,739	5.1%	136,217	461
2005	9,008,220	32,354	5.2%	135,084	461
2004	8,519,179	31,174	5.1%	133,412	461
	8,294,939				

Notes:

- (1) Source: U.S. Department of Commerce, Bureau of Economic Analysis
- (2) Source: Indiana Department of Workforce Development Services
- (3) Source: Michiana Area Council of Governments
- (4) Information not available for 2013

**ST. JOSEPH COUNTY, INDIANA
PRINCIPAL EMPLOYERS (8)
CURRENT YEAR AND NINE YEARS AGO (10)**

		2013		
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of Notre Dame	Higher education	5,300 (1)	1	4.26%
South Bend Community School Corp	Public education	3,525 (2)	2	2.83%
Beacon Health System	Acute care health services	3,300 (3)	3	2.65%
St. Joseph's Regional Medical Center	Acute care health services	2,250	4	1.81%
Indiana University at South Bend	Higher education	1,415 (4)	5	1.14%
City of South Bend	City Government	1,316 (5)	6	1.06%
St. Joseph County	County government	1,250 (6)	7	1.01%
Penn-Harris-Madison School Corp	Public education	1,113 (7)	8	0.90%
Wal-Mart / Sam's Club	Retail Store	1,050	9	0.84%
AM General Corporation	Mfr. military vehicles, other automotive products	1,000	10	0.80%
Totals		21,519		17.31%

Notes:

- (1) Includes permanent, adjunct, part-time and full-time faculty, but not student workers or graduate assistants.
- (2) Includes 1,432 certified and 2,093 non-certified personnel.
- (3) Represents total employment in St. Joseph County.
- (4) Includes 606 full-time faculty and staff and 809 part-time faculty and staff.
- (5) Includes 1,098 full-time and 218 part-time employees.
- (6) Includes full-time and part-time employees.
- (7) Includes 539 certified and 574 non-certified personnel.
- (8) The number of employees shown are as reported by company personnel unless otherwise noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect recent employment levels.
- (9) St. Joseph County total workforce in 2013 was 124,349.
- (10) Information prior to 2006 is not available including information for 2004.

ST. JOSEPH COUNTY, INDIANA
PRINCIPAL PROPERTY TAXPAYERS (3)
DECEMBER 31, 2013

	2013			2004		
Taxpayer:	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Percentage of Total Taxable Assessed Value (4)	
Edward Rose of Indiana	\$136,531,590	1	1.76%	\$ 73,889,860	0.82%	
American Electric Power Company	122,146,170	2	1.58%	113,118,070	1.25%	
AM General Corporation, LLC	108,330,371	3	1.40%	32,542,620	0.36%	
I/N Tek - I/N Kote	83,956,900	4	1.08%	103,252,330	1.14%	
AT&T	82,662,980	5	1.07%	27,640,600	0.30%	
University of Notre Dame (2)	57,280,861	6	0.74%	43,913,180	0.48%	
Northern Indiana Public Service Company	54,831,660	7	0.71%	49,350,390	0.54%	
Honeywell International, Inc.	51,266,270	8	0.66%	37,176,160	0.41%	
Schottenstein Stores Corporation	47,501,670	9	0.61%	15,369,500	0.17%	
Wal-Mart Stores East, Inc.	37,881,470	10	0.49%	25,672,450	0.28%	
Totals	\$ 645,858,352		8.33%	\$ 521,925,160	5.76%	

Notes:

- (1) The total net assessed valuation of the St. Joseph County is \$7,753,967,187 for taxes payable in 2013, according to the St. Joseph County Auditor's Office.
- (2) Assessed values shown are net of all tax-exempt property.
- (3) Source: St. Joseph County Auditor and H.J. Umbaugh and Associates.
- (4) 2003 Payable 2004 Valuation \$9,064,827,671.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
OPERATIONAL STATISTICS INCLUDING PASSENGER ENPLANEMENTS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Airline Passengers</u>			<u>Cargo in Pounds</u>			<u>Flight Operations (1)</u>		
	<u>Enplaned</u>	<u>Deplaned</u>	<u>On</u>	<u>Off</u>	<u>Passenger Carriers</u>	<u>Cargo</u>	<u>General Aviation</u>	<u>Number of Airlines (2)</u>	
2013	308,623	309,773	11,331,403	14,132,012	13,176	1,406	18,540	4	
2012	294,600	294,430	11,428,777	14,278,561	12,778	1,324	19,731	5	
2011	301,881	297,246	11,100,994	12,863,645	13,682	1,374	18,364	13	
2010	315,081	311,516	10,482,119	13,226,108	14,636	1,354	17,505	8	
2009	314,745	310,332	9,502,502	11,707,558	15,720	1,526	19,782	9	
2008	354,015	350,403	16,357,020	19,138,828	19,919	2,638	21,093	13	
2007	389,562	389,722	20,049,901	21,034,841	20,050	2,868	25,405	13	
2006	367,750	361,869	18,837,867	22,377,252	20,704	2,940	33,218	13	
2005	348,364	345,311	15,728,245	19,755,496	22,038	3,334	38,883	13	
2004	390,106	389,927	13,779,325	17,674,620	26,874	3,804	34,670	11	

Notes:

- (1) An operation is defined as a take off or landing.
- (2) This represents the number of companies with regularly scheduled service. In some cases, more than one company contracted with a national carrier to provide service to a particular hub.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
INSURANCE IN FORCE ON JULY 01, 2014**

<u>Name of Carrier</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Description of Coverage</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Ace Property & Casualty	AAPNO 219921A	7-01-14 to 7-01-15	General Liability	\$10,000,000	\$30,713.00
Auto Owners	42-365-347-00	7-01-14 to 7-01-15	Business Auto Liability PD-Licensed Vehicles	\$1,000,000 Liability/\$1,000/Ded/Comprehensive \$1,000/Ded/Collision \$5,000 Medical \$1,000,000 Uninsured Motorist	13,265.00
Companion	WC7-Z21-968486-03	7-01-14 to 7-01-15	Workers Compensation	\$1 million Policy Limit	47,108.00
ACE	G27110101001	7-01-14 to 7-01-15	Executive Risk Directors' & Officers' Liability Employment Practices Liability Fiduciary Liability and Crime	\$5,000,000 Limit Liability \$5,000,000 \$5,000,000 \$1,000,000 & \$500,000	24,256.00
Liberty Mutual Ins. Co.	YU2L9L457292013	7-01-14 to 7-01-15	Property Fire, DIC, & In-Transit and All Licensed Vehicles Equipment Breakdown	Value \$93,395,200 \$10,000 Deductible per Incident Extra Expense - \$250,000 Earthquake \$5,000,000	103,955.00
CNA Security Co/Western Surety	7035344IN00 70399235N00 70297587N00	8-22-08 to 10-08-15	Notary Public	Notary Bonds	150.00
CAN	713374549	7-01-14 to 7-01-15	Surety Policy - Treasurer	\$60,000	425.00
					\$219,872.00

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31, 2013									
<u>FUNCTION</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administration	11	11	10	10	10	10	10	9	9	11
Operations	6	6	5	7	8	8	8	8	8	8
Maintenance	8	8	9	9	10	10	10	10	10	10
Terminal	12	12	13	13	13	13	13	14	14	14
Airfield										
Public Safety	14	16	17	17	17	17	17	17	17	16
<u>TOTAL</u>	<u>51</u>	<u>53</u>	<u>54</u>	<u>56</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>58</u>	<u>59</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS (1)**

<u>FUNCTION</u>	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operations										
Field Condition Reports	525	510	506	491	516	684	668	N/A	N/A	N/A
Notice to Airmen (NOTAMs)	162	157	159	154	165	271	246	N/A	N/A	N/A
Field Checks	1,124	1,126	1,125	1,122	1,405	1,685	1,568	N/A	N/A	N/A
Terminal Checks	960	950	952	924	1,068	1,156	1,129	N/A	N/A	N/A
Perimeter Checks	1,823	1,819	1,816	1,738	2,104	2,198	2,132	N/A	N/A	N/A
Maintenance										
Terminal										
Square Footage Maintained	275,524	275,524	275,571	196,484	150,584	150,584	150,584	N/A	N/A	N/A
Work Orders Processed	1,027	1,020	1,080	685	623	571	525	N/A	N/A	N/A
Airfield										
Vehicles - Hours of Operation										
Blowers	704	652	699	708	332	665	537	N/A	N/A	N/A
Brooms	3,198	3,170	2,917	2,960	1,538	2,507	1,570	N/A	N/A	N/A
Loaders	1,412	1,314	1,185	1,216	709	1,227	298	N/A	N/A	N/A
Plows	651	672	670	662	444	544	600	N/A	N/A	N/A
Total Snow Equipment - Hours	5,965	5,808	5,471	5,546	3,023	4,943	3,005	N/A	N/A	N/A
Public Safety										
Aircraft and Other Fire Calls	43	44	27	23	22	41	37	N/A	N/A	N/A
Medical Responses	36	32	29	43	30	26	34	N/A	N/A	N/A
Arrests	15	8	11	10	18	10	14	N/A	N/A	N/A
Various Additional Reports	366	283	244	23	16	43	19	N/A	N/A	N/A
Airport Ordinance Violations	412	439	583	482	482	429	344	N/A	N/A	N/A
State Citations/Tickets	11	8	13	12	16	17	15	N/A	N/A	N/A
Approximate Calls for Service	1,350	1,280	1,200	1,228	1,250	1,200	1,180	N/A	N/A	N/A

Note: (1) Information is not available for years 2004 through 2006.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS (1)**

Function	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operations										
Pick-Up Trucks	2	2	2	2	2	2	2	N/A	N/A	N/A
Maintenance										
Terminal										
Pick-Up Trucks	4	4	4	4	4	4	4	N/A	N/A	N/A
Cargo Van	1	1	1	1	1	1	1	N/A	N/A	N/A
Loaders	1	1	1	1	1	1	1	N/A	N/A	N/A
Sweepers	1	1	1	1	1	1	1	N/A	N/A	N/A
Airfield										
Blowers/Jet Air Blowers	4	4	4	4	4	4	4	N/A	N/A	N/A
Brooms	5	5	5	5	5	5	3	N/A	N/A	N/A
Loaders	2	2	2	2	2	2	2	N/A	N/A	N/A
Back Hoe Loader	1	1	1	1	1	1	1	N/A	N/A	N/A
Plows	3	3	3	3	3	3	3	N/A	N/A	N/A
Pick-Up Trucks	5	5	5	5	5	5	5	N/A	N/A	N/A
Mowers	4	4	4	4	4	4	4	N/A	N/A	N/A
Lighting Trucks	1	1	1	1	1	1	1	N/A	N/A	N/A
Sweepers	1	1	1	1	1	1	1	N/A	N/A	N/A
Public Safety										
Stations	1	1	1	1	1	1	1	N/A	N/A	N/A
Patrol Units	4	4	4	4	4	4	4	N/A	N/A	N/A
ARFF Vehicles	4	4	4	4	4	4	3	N/A	N/A	N/A
Buses	1	1	1	1	1	1	1	N/A	N/A	N/A

Note: (1) Information is not available for years 2004 through 2006.