

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS AUDIT REPORT
ST. JOSEPH COUNTY AIRPORT AUTHORITY
ST. JOSEPH COUNTY, INDIANA
January 1, 2018 to December 31, 2018



FILED
09/26/2019

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION (NOT COVERED BY AUDITORS' OPINION)</u>	PAGE
Letter of Transmittal.....	2-3
Airport Authority Officials.....	4
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report.....	5-7
Management's Discussion and Analysis	8-20
Basic Financial Statements:	
Fund Financial Statements:	
Statement of Net Position.....	22-23
Statement of Revenues, Expenses, and Changes in Net Position	24
Statement of Cash Flows	25-26
Notes to the Financial Statements	27-43
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability.....	44
Schedule of Contributions	45
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	46
Notes to Required Supplementary Information.....	47
Supplemental Financial Information:	
Budgetary Comparison Schedule	48
Budget/GAAP Reconciliation	49
Schedule of Expenditures of Passenger Facility Charges.....	50
 <u>TREND SECTION (NOT COVERED BY AUDITORS' OPINION)</u>	
Schedule of Revenues.....	51
Schedule of Expenses and Changes in Net Position	52
Assessed Value of Taxable Property (St. Joseph County).....	53
Property Tax Rates - Direct -Per \$100 of Assessed Value.....	54
Property Tax Levies and Collections	55
 <u>COMPLIANCE SECTION</u>	
Other Reports	56



September 18, 2019

To the Members of the Board:

The Annual Financial Report of the St. Joseph County Airport Authority for the fiscal year ended December 31, 2018, is submitted herewith. This report was prepared by the Department of Administration and Finance of the St. Joseph County Airport Authority in conjunction with Crowe LLP, 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. One should read this letter of transmittal in conjunction with the Management Discussion and Analysis (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 The South Bend International 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.

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 six (6) main funds (Aviation, Cumulative Building, Restricted, PFC, Debt Service and Section 125) 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.

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. Findings regarding federal projects are reported to the Federal Aviation Administration. All financial data is available to the public.

Respectfully submitted,



Mr. Aaron M. Kobb
Vice President of Finance

SCHEDULE OF OFFICIALS

Office	Official	Year Appointed	Term Expires
President	Mr. David R. Sage	1991	12/31/2020
Vice President	Dr. Bernard J. Asdell	2013	12/31/2019
Treasurer/Asst. Secretary	Mr. Thomas S. Botkin	2007	12/31/2022
Secretary	Mr. Abraham Marcus	2010	12/31/2021
CEO & Executive Director/Assistant Treasurer	Mr. Michael A. Daigle, A.A.E.		



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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 St. Joseph County Airport Authority (Airport Authority), as of and for the year ended December 31, 2018, 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's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Airport Authority'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 also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport Authority, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and 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, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios, and Notes to Required Supplementary Information, 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's basic financial statements. The accompanying Budgetary Comparison Schedule, Budget/GAAP Reconciliation, and Schedule of Expenditures of Passenger Facility Charges, Introductory Section, and Trend Section are presented for purposes of additional analysis and are not a required part 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 Section and Trend Section 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 September 19, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority's 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 the Airport Authority's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

September 19, 2019

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

This Management Discussion and Analysis (MD&A) provides an introduction to the major activities affecting the operations of the South Bend International 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, 2018. 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.)**. The R.S.I. is followed by **Supplemental Financial Information**, which includes budgetary comparison schedules, 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, 2018, the Airport provided non-stop flights to 12 non-stop destinations: Atlanta, Charlotte, Chicago, Dallas/Fort Worth, Detroit, Las Vegas, Minneapolis, New York City/Newark, Orlando/Sanford, Phoenix/Mesa, Fort Myers/Punta Gorda, and Tampa/St. Petersburg with connections world-wide. The Airport's multimodal terminal serves approximately one million air, rail, and bus passengers each year. Four (4) major passenger airlines (Allegiant, Delta, United, and American) were all represented either by the airline itself or through a regional partner. In some cases, more than one company contracted with the national carrier for this purpose.

The Airport offers a lower than average rate structure to the airlines, thus making the Airport an attractive choice from a cost standpoint. From a passenger standpoint, the convenience of using the less congested security check point, plus competitive fares, while saving on time, gas, parking, and tolls compared to larger neighboring airports, places South Bend International Airport in an increasingly favorable position in the national airport system.

In addition, thanks to the multi-modal nature of the Airport, the facility continues to house the South Shore inter-urban electric rail service (NICTD), which provides travel between South Bend and Downtown Chicago (Millennium Station). The airport also provides several interstate and intrastate commercial bus line options, including Greyhound, with the Airport serving as an originating or terminating station. Additionally, Coach USA provides alternative transportation connections to other communities in Indiana and Illinois, as well as Chicago's Midway and O'Hare International Airports.

In 2018, the Airport continued to receive international aircraft arrivals through the General Aviation Facility (GAF). The GAF is staffed with one full-time U.S. Customs and Border Protection (CBP) officer who processes each flight. In 2018, 132 GAF flights were processed. Aircraft registered in the United States, Canada and Mexico have utilized this service with flights originating from many countries including Japan, Italy and Ireland. These aircraft are corporate or privately owned with less than 16 passenger seats per aircraft.

2018 also saw the continued roll-out of the Project Propel initiative. This campaign was designed to encourage local business CEOs/owners to change travel policies to start and end air travel at South Bend International Airport as opposed to other airports in the region. The goal of the campaign is recapture some of the 800,000 plus air travelers from our region that travel to other airports to fly on an annual basis. In turn, this will lead to larger aircraft, more frequency and more nonstop routes. To date, nearly 50 local businesses have offered their support and SBN served the most air traveling passengers since 2008.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Below outlines the Airport Authority 2018 annual statistical report. The report is a comparative analysis of 3 years of numbers, which calculates increase and decrease percentages by comparing the current year versus the previous year.

2018 COMPOSITE STATISTIC CHART



	Airline Enplanements					Aircraft Landed Weight					Air Cargo					Aircraft Operations				
	For Ref.					For Ref.					For Ref.					For Ref.				
	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%
Jan	21,784	23,057	24,334	1,277	5.54%	36,687,174	36,170,333	37,338,558	1,168,225	3.23%	2,139,612	1,784,156	1,843,758	59,602	3.34%	2,299	1,976	2,090	114	5.77%
Feb	24,248	24,174	23,589	-585	-2.42%	36,711,899	35,332,224	34,116,427	-1,215,797	-3.44%	2,235,693	1,704,796	1,774,488	69,692	4.09%	2,507	2,635	2,564	-71	-2.69%
Mar	31,107	30,085	31,761	1,676	5.57%	45,555,432	44,036,966	44,471,024	434,058	0.99%	2,174,484	2,147,721	1,851,234	-296,487	-13.80%	3,235	2,601	3,405	804	30.91%
Apr	27,055	23,877	26,440	2,563	10.73%	39,182,485	38,725,078	38,592,178	-132,900	-0.34%	1,989,256	1,874,776	1,717,205	-157,571	-8.40%	3,466	3,116	3,124	8	0.26%
May	27,050	24,522	27,042	2,520	10.28%	39,298,291	38,246,493	40,158,989	1,912,496	5.00%	1,797,724	2,074,980	2,069,079	-5,901	-0.28%	3,175	3,400	3,241	-159	-4.68%
Jun	28,744	25,310	31,349	6,039	23.86%	41,271,198	38,511,352	47,137,609	8,626,257	22.40%	1,949,166	2,269,959	2,054,333	-215,626	-9.50%	3,644	3,458	3,377	-81	-2.34%
Jul	28,722	24,798	32,358	7,560	30.49%	39,543,471	37,304,662	48,676,256	11,371,594	30.48%	1,840,510	1,766,312	1,850,470	84,158	4.76%	3,751	3,477	4,174	697	20.05%
Aug	27,247	23,548	33,370	9,822	41.71%	38,801,916	39,768,928	50,721,887	10,952,959	27.54%	1,991,475	2,207,242	2,110,500	-96,742	-4.38%	3,190	3,456	3,555	99	2.86%
Sep	28,658	24,188	32,843	8,655	35.78%	41,009,502	38,900,636	50,567,236	11,666,600	29.99%	2,125,743	2,036,532	2,207,003	170,471	8.37%	3,834	4,132	4,654	522	12.63%
Oct	31,299	29,311	37,330	8,019	27.36%	44,396,260	42,587,991	54,636,739	12,048,748	28.29%	2,093,620	2,042,061	1,942,067	-99,994	-4.90%	4,073	4,156	3,923	-233	-5.61%
Nov	26,492	26,675	35,608	8,933	33.49%	39,867,829	40,074,807	52,171,472	12,096,665	30.19%	2,027,636	1,989,084	1,825,215	-163,869	-8.24%	2,999	3,623	3,103	-520	-14.35%
Dec	26,491	25,946	32,853	6,907	26.62%	39,635,692	39,406,140	49,320,627	9,914,487	25.16%	2,291,585	1,866,760	1,706,870	-159,890	-8.57%	2,082	2,278	2,890	612	26.87%
Ann. Totals	328,897	305,491				481,961,149	469,065,610				24,656,504	23,764,379				38,255	38,308			
YTD	328,897	305,491	368,877	63,386	20.75%	481,961,149	469,065,610	547,909,002	78,843,392	16.81%	24,656,504	23,764,379	22,952,222	-812,157	-3.42%	38,255	38,308	40,100	1,792	4.68%

Comments:

International - General Aviation first flight 6/30/2017
American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

2018 COMPOSITE STATISTIC CHART



	Aviation Fuel Flowage - Gallons					Car Rental - Gross Sales					Restaurant/Gift Shop - Gross Sales					Republic Parking - Gross Sales				
	For Ref.					For Ref.					For Ref.					For Ref.				
	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%
Jan	396,160	409,200	405,970	-3,230	-0.79%	\$548,027	\$551,344	\$567,289	\$15,945	2.89%	\$116,368	\$136,403	\$148,963	\$12,560	9.21%	\$262,707	\$281,405	\$285,292	\$3,887	1.38%
Feb	379,402	422,850	436,183	13,333	3.15%	\$595,703	\$556,406	\$595,332	\$38,926	7.00%	\$136,196	\$132,327	\$146,779	\$14,452	10.92%	\$274,779	\$272,330	\$271,854	-\$476	-0.17%
Mar	519,204	460,833	536,600	75,767	16.44%	\$675,809	\$688,330	\$795,129	\$106,799	15.52%	\$163,064	\$173,640	\$194,745	\$21,105	12.15%	\$342,057	\$344,829	\$350,756	\$5,927	1.72%
Apr	434,773	479,786	505,154	25,368	5.29%	\$902,408	\$772,959	\$778,450	\$5,491	0.71%	\$151,133	\$153,747	\$156,803	\$3,056	1.99%	\$308,515	\$298,071	\$317,946	\$19,875	6.67%
May	451,570	475,368	496,824	21,456	4.51%	\$938,885	\$888,201	\$909,603	\$21,402	2.41%	\$141,593	\$137,831	\$162,292	\$24,461	17.75%	\$272,120	\$251,104	\$274,283	\$23,179	9.23%
Jun	481,037	460,411	483,691	23,280	5.06%	\$1,074,405	\$852,879	\$1,001,124	\$148,245	17.38%	\$144,623	\$162,251	\$206,732	\$44,481	27.41%	\$261,442	\$252,216	\$296,506	\$44,290	17.56%
Jul	486,341	487,983	552,415	64,432	13.20%	\$1,142,352	\$1,020,548	\$1,371,950	\$351,402	34.43%	\$153,130	\$170,922	\$206,437	\$35,515	20.78%	\$250,821	\$231,311	\$297,498	\$66,187	28.61%
Aug	461,631	499,209	696,916	197,707	39.60%	\$1,146,767	\$1,002,616	\$1,317,134	\$314,518	31.37%	\$154,113	\$158,419	\$209,213	\$50,794	32.06%	\$259,745	\$227,856	\$296,295	\$68,439	30.04%
Sep	614,632	576,969	901,028	324,059	56.17%	\$1,099,364	\$948,835	\$1,234,325	\$285,490	30.09%	\$158,866	\$165,255	\$206,175	\$40,920	24.76%	\$257,237	\$223,596	\$287,693	\$64,097	28.67%
Oct	598,280	641,684	700,934	59,250	9.23%	\$1,037,609	\$1,013,253	\$1,149,256	\$136,003	13.42%	\$172,221	\$188,698	\$218,985	\$30,287	16.05%	\$303,379	\$290,328	\$359,033	\$68,705	23.66%
Nov	441,634	505,764	668,753	162,989	32.23%	\$724,608	\$784,073	\$1,008,292	\$224,219	28.60%	\$144,617	\$162,142	\$211,669	\$49,527	30.55%	\$266,759	\$261,462	\$334,068	\$72,606	27.77%
Dec	450,296	438,498	588,774	150,276	34.27%	\$722,569	\$597,304	\$749,294	\$151,990	25.45%	\$150,272	\$159,552	\$184,283	\$24,731	15.50%	\$252,605	\$234,547	\$287,249	\$52,702	22.47%
Ann. Totals	5,714,960	5,858,555				\$10,608,506	\$9,676,748				\$1,786,196	\$1,901,187				\$3,312,165	\$3,169,055			
YTD	5,714,960	5,858,555	6,973,242	1,114,687	19.03%	\$10,608,506	\$9,676,748	\$11,477,178	\$1,800,430	18.61%	\$1,786,196	\$1,901,187	\$2,253,076	\$351,888	18.51%	\$3,312,165	\$3,169,055	\$3,658,473	\$489,417	15.44%

Comments:

International - General Aviation first flight 6/30/2017
American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

2018 COMPOSITE STATISTIC CHART



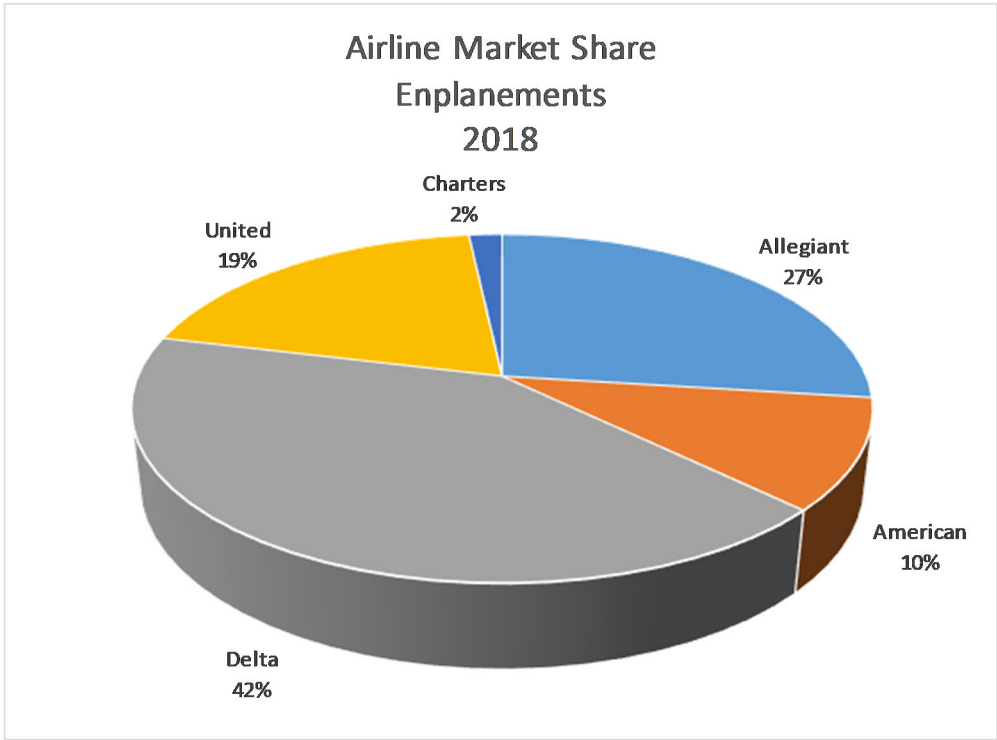
	South Shore Passengers					South Shore Ops.					Bus Passengers					International Flights - GAF				
	For Ref.					For Ref.					For Ref.					For Ref.				
	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%	2016	2017	2018	Diff.	%
Jan	14,935	14,626	15,027	401	2.74%	206	207	195	-12	-5.80%	2,724	2,788	2,912	124	4.45%	0	0	10	10	-
Feb	15,708	16,499	16,778	279	1.69%	188	188	180	-8	-4.26%	2,295	2,060	1,889	-171	-8.30%	0	0	9	9	-
Mar	19,040	18,235	21,211	2,976	16.32%	203	209	199	-10	-4.78%	2,683	1,192	1,995	803	67.37%	0	0	10	10	-
Apr	20,090	23,040	20,509	-2,531	-10.99%	201	200	182	-18	-9.00%	2,639	2,803	2,257	-546	-19.48%	0	0	7	7	-
May	19,598	20,085	19,452	-633	-3.15%	206	208	185	-23	-11.06%	2,841	2,997	2,651	-346	-11.54%	0	0	13	13	-
Jun	20,209	22,143	20,965	-1,178	-5.32%	202	202	181	-21	-10.40%	3,057	3,533	2,720	-813	-23.01%	0	1	13	12	1200.00%
Jul	26,787	27,623	25,692	-1,931	-6.99%	206	206	209	3	1.46%	3,386	3,718	2,818	-900	-24.21%	0	7	7	0	0.00%
Aug	21,219	22,887	22,069	-818	-3.57%	209	209	192	-17	-8.13%	3,145	3,248	2,408	-840	-25.86%	0	15	8	-7	-46.67%
Sep	20,001	23,618	20,944	-2,674	-11.32%	201	200	190	-10	-5.00%	2,692	2,892	1,483	-1,409	-48.72%	0	10	12	2	20.00%
Oct	21,618	25,870	18,422	-7,448	-28.79%	207	208	201	-7	-3.37%	2,585	2,917	1,907	-1,010	-34.62%	0	7	20	13	185.71%
Nov	21,861	21,387	22,997	1,610	7.53%	201	201	193	-8	-3.98%	2,714	2,528	1,921	-607	-24.01%	0	7	16	9	128.57%
Dec	22,854	24,781	22,575	-2,206	-8.90%	207	217	194	-23	-10.60%	3,384	3,020	2,083	-937	-31.03%	0	11	7	-4	-36.36%
Ann. Totals	243,920	260,794				2,437	2,455				32,777	33,696				0	58			
YTD	243,920	260,794	246,641	-14,153	-5.43%	2,437	2,455	2,301	-154	-6.27%	34,145	33,696	27,044	-6,652	-19.74%	0	58	132	74	127.59%

Comments:

International - General Aviation first flight 6/30/2017
American Airlines - Service started 6/7/2018 to DFW & CLT, Twice Daily

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018



Airline Market Share Comparison

	<u>2018</u>	<u>2017</u>	<u>Difference</u>	<u>Change %</u>
Allegiant	99,516	95,134	4,382	4.61%
American	37,761	-	37,761	N/A
Delta	153,290	142,836	10,454	7.32%
United	71,930	61,853	10,077	16.29%
Charters	<u>6,380</u>	<u>-</u>	<u>6,380</u>	<u>N/A</u>
Totals	<u><u>368,877</u></u>	<u><u>299,823</u></u>	<u><u>69,054</u></u>	<u><u>23.03%</u></u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

FINANCIAL HIGHLIGHTS

Net Position				
	<u>2018</u>	<u>2017</u>	Increase/Decrease	
			<u>Amount</u>	<u>Percent</u>
Assets and Deferred Outflows of Resources				
Current Assets	\$19,713,926	\$16,085,948	\$ 3,627,978	22.55%
Capital Assets	89,036,663	88,007,724	1,028,939	1.17%
Deferred Outflows of Resources	<u>419,895</u>	<u>925,856</u>	<u>(505,961)</u>	<u>-54.65%</u>
Total Assets and Deferred Outflows of Resources	<u>109,170,484</u>	<u>105,019,528</u>	<u>4,150,956</u>	<u>3.95%</u>
Liabilities and Deferred Inflows of Resources				
Current Liabilities	4,985,609	2,493,777	2,491,832	99.92%
Noncurrent Liabilities	10,729,204	12,440,471	(1,711,267)	-13.76%
Deferred Inflows of Resources	<u>527,721</u>	<u>415,923</u>	<u>111,798</u>	<u>26.88%</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,242,534</u>	<u>15,350,171</u>	<u>892,363</u>	<u>5.81%</u>
Net Position				
Net Investment in Capital Assets	81,662,358	79,346,146	2,316,212	2.92%
Restricted	5,691,256	3,745,328	1,945,928	51.96%
Unrestricted	<u>5,574,336</u>	<u>6,577,883</u>	<u>(1,003,547)</u>	<u>-15.26%</u>
Total Net Position	<u>\$92,927,950</u>	<u>\$89,669,357</u>	<u>\$ 3,258,593</u>	<u>3.63%</u>

Total assets and deferred outflows of resources increased by \$4.2 million primarily due to an increase in unrestricted current assets. Total liabilities and deferred inflows of resources increased by \$0.9 million due to the Authority paying down its bonds as scheduled. The resulting increase in net position of \$3.3 million is the net result of these two major items.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Changes in Net Position

	2018	2017	Increase/Decrease	
			Amount	Percent
Operating Revenues				
Airport Service Revenues				
Airfield	\$ 849,954	\$ 758,121	\$ 91,833	12.11%
Terminal - Aviation	1,828,902	1,679,980	148,922	8.86%
Terminal - Nonaviation	245,934	189,186	56,748	30.00%
Concessions	1,596,856	1,398,926	197,930	14.15%
Parking	2,974,465	2,552,315	422,150	16.54%
Fixed Based Operations	578,701	532,958	45,743	8.58%
Building and Land Rent	577,613	624,331	(46,718)	-7.48%
Total Airport Service Revenues	8,652,425	7,735,817	916,608	11.85%
Other	13,000	13,000	-	0.00%
Total Operating Revenues	8,665,425	7,748,817	916,608	11.83%
Operating Expenses				
Personal Services	5,115,392	4,614,911	500,481	10.84%
Supplies	809,018	722,503	86,515	11.97%
Other Services and Charges	4,798,204	3,555,030	1,243,174	34.97%
Depreciation	3,618,554	3,284,883	333,671	10.16%
Total Operating Expenses	14,341,168	12,177,327	2,163,841	17.77%
Operating Loss	(5,675,743)	(4,428,510)	(1,247,233)	28.16%
Nonoperating Revenues				
Property Taxes	4,034,389	1,998,868	2,035,521	101.83%
Other Tax Distributions	731,724	548,973	182,751	33.29%
Interest and Investment Revenue	309,992	144,914	165,078	113.91%
Property Management Revenue	535,868	449,526	86,342	19.21%
Federal Operating Grant	108,596	105,396	3,200	3.04%
Other Revenue	68,410	115,035	(46,625)	-40.53%
Total Nonoperating Revenues	5,788,979	3,362,712	2,426,267	72.15%
Nonoperating Expenses				
Interest Expense	408,203	435,222	(27,019)	-6.21%
Amortization Expense	17,728	18,578	(850)	-4.58%
Total Nonoperating Expenses	425,931	453,800	(27,869)	-6.14%
Loss Before Contributions	(312,695)	(1,519,598)	1,206,903	-79.42%
Capital Contributions	1,962,241	1,202,597	759,644	63.17%
Passenger Facility Charge Revenue	1,609,047	1,248,795	360,252	28.85%
Change in Net Position	3,258,593	931,794	2,326,799	249.71%
Total Net Position - Beginning	89,669,357	87,646,012	2,023,345	2.31%
Prior Period Restatement	-	1,091,551	(1,091,551)	-100.00%
Total Net Position - Ending	\$ 92,927,950	\$ 89,669,357	\$ 3,258,593	3.63%

Revenue

Total operating and non-operating revenues increased by 30.1% over 2017 revenues. These increases do not include changes in Capital Contributions and Passenger Facility Charge (P.F.C.) Revenue. Total Operating Revenue increased by 11.8% compared to 2017 levels. Airport Service Revenue increased by 11.9% 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 (\$1.25 per thousand pounds over 12,500 of maximum gross landed weight) and fuel flowage fees, increased by

(Continued)

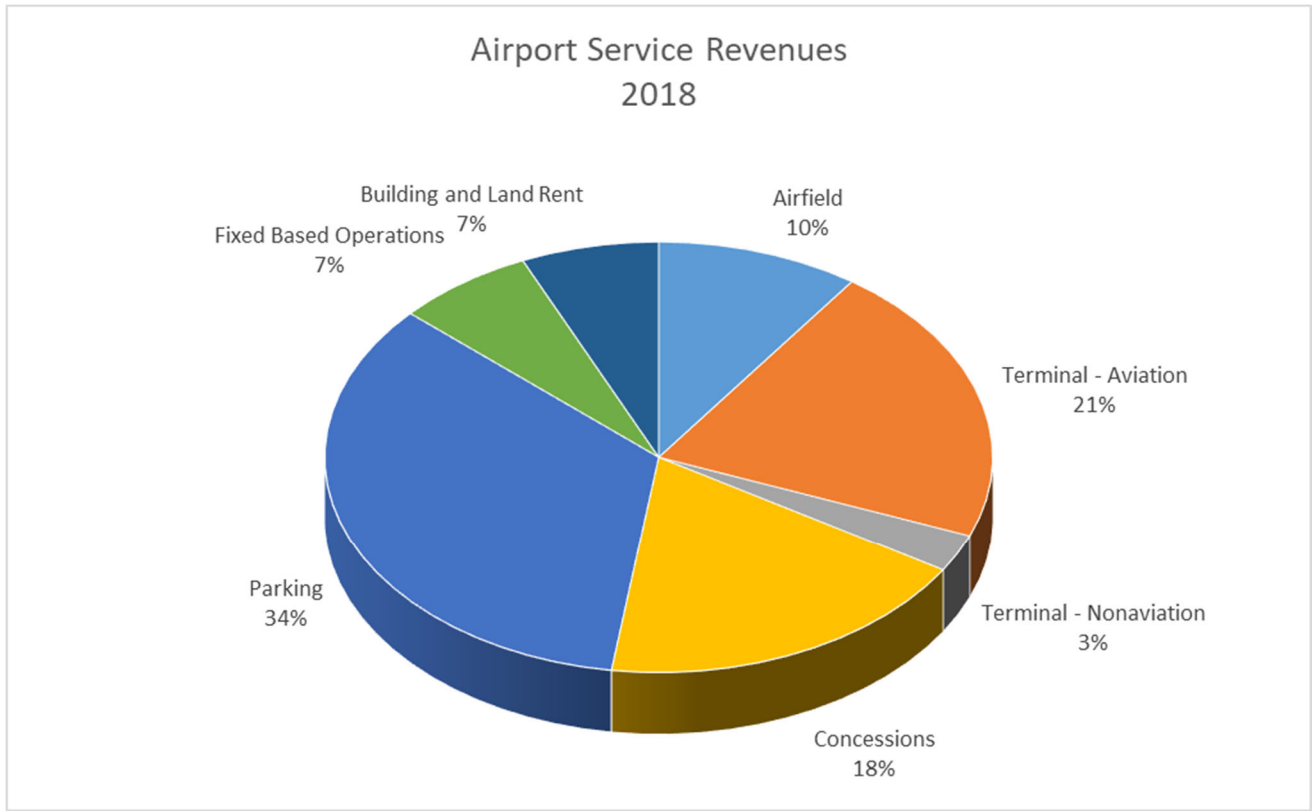
ST. JOSEPH COUNTY AIRPORT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2018

12.11%. Terminal Rental Revenue increased by 8.9% in 2018. Terminal Non-Aviation Rental Revenue increased by 30.0% in 2018. Concession Revenue increased by 14.2% and Parking Revenue increased by 16.6%. Fixed Base Operations Revenue, a component of General Aviation activity, increased 8.6%. Other Building and Land Rental on the airfield decreased by 7.5%. Non-Operating Revenues increased by 72.2% due primarily to an increase in Property Tax Revenues. Passenger Facility Charge (P.F.C.) Revenues increased in 2018 by 29.9%, as a result of an increase in passenger traffic.



(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

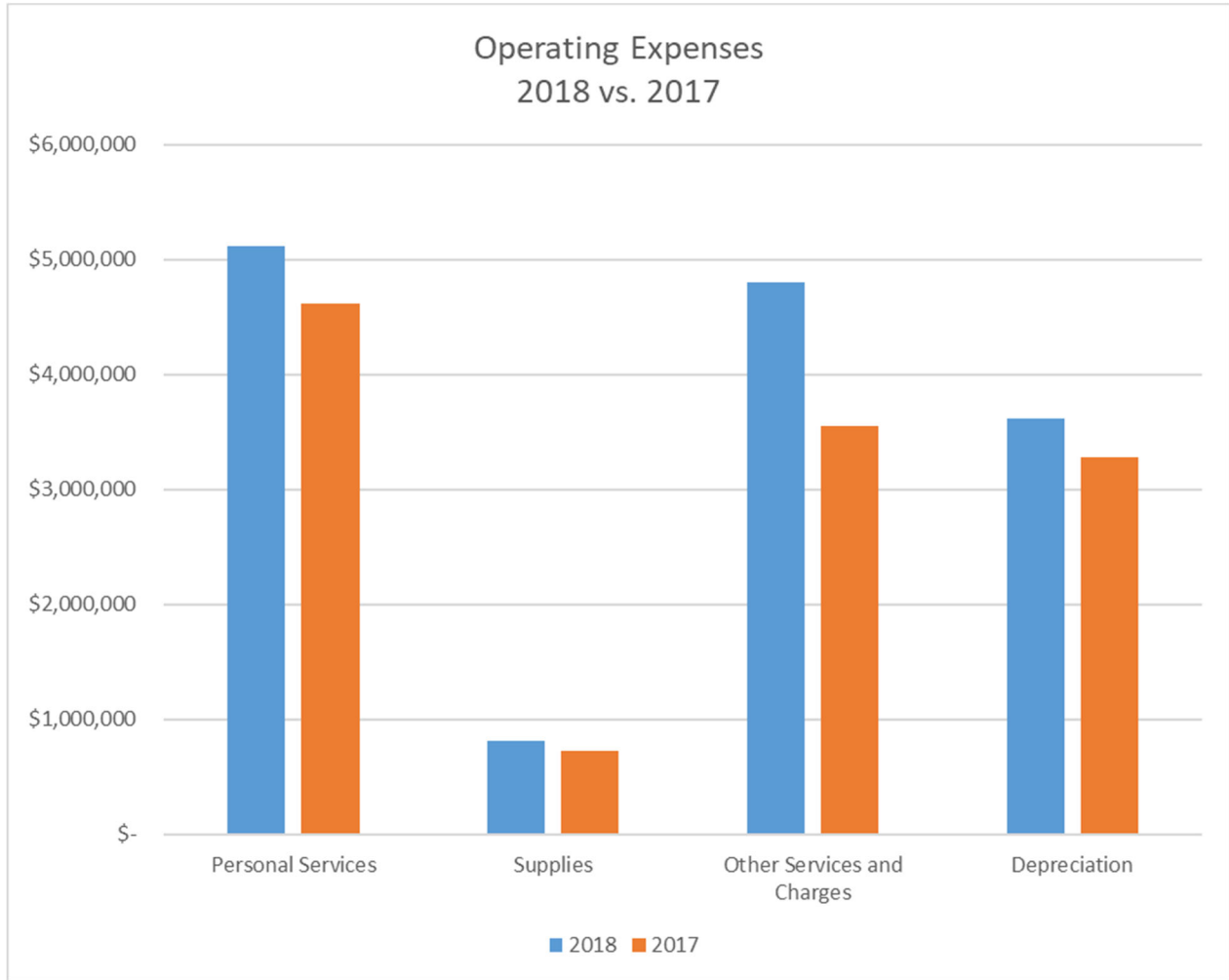


(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

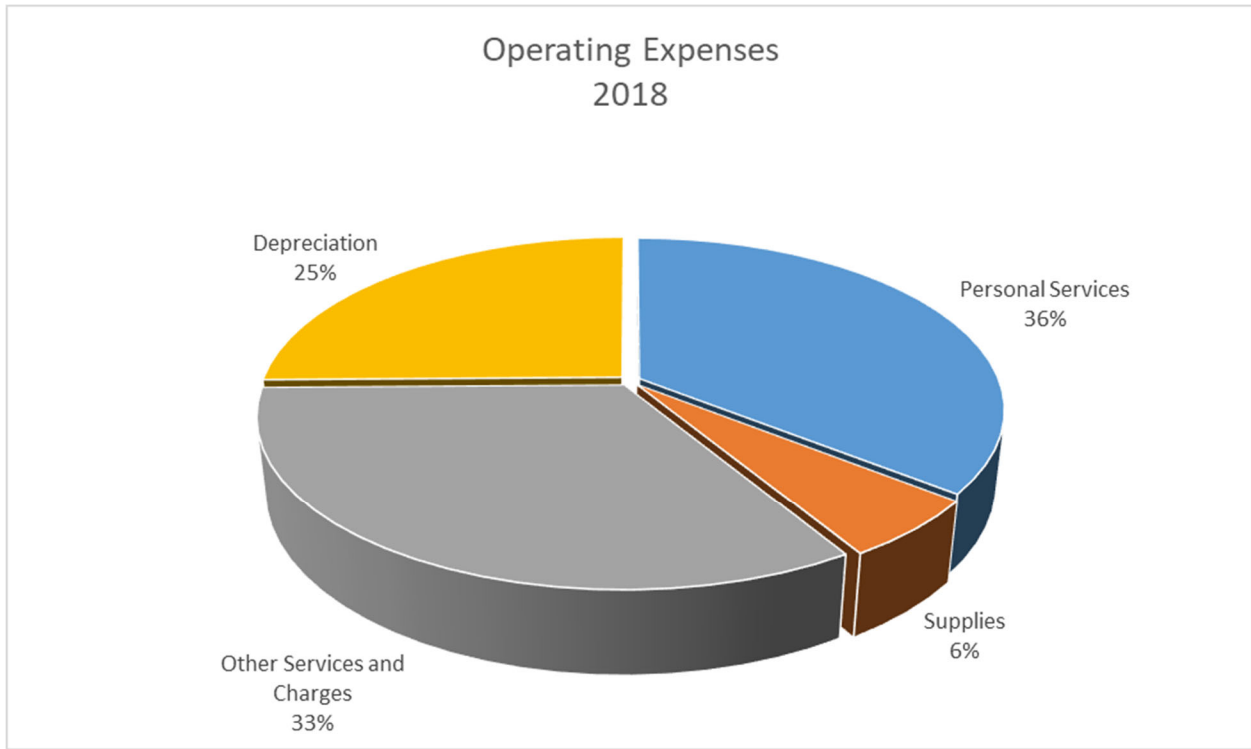
Expenses

Total Operating and Non-Operating Expenses increased in 2018 by 16.9% compared to 2017. A large component of this increase is attributable to an increase in Other Services and Charges. Other Services and Charges increased by 35.0%. This increase can be primarily attributed to increases in grant funded capital projects and air service development. Non-Operating Expenses decreased in 2018 by 6.1%.



(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018



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>2018</u>	<u>2017</u>
Cash Flows		
Operating Activities	\$ (1,731,765)	\$ (622,838)
Noncapital Financing Activities	5,472,524	4,509,373
Capital and Related Financing Activities	(1,633,760)	(833,265)
Investing Activities	<u>309,992</u>	<u>144,914</u>
Net Increase (Decrease)	<u>2,416,991</u>	<u>3,198,184</u>
Cash and Cash Equivalents - Beginning	<u>14,615,196</u>	<u>11,417,012</u>
Cash and Cash Equivalents - Ending	<u>\$17,032,187</u>	<u>\$14,615,196</u>

The Authority's available Cash and Cash Equivalents increased from \$14.62 million at the end of 2017 to \$17.03 million at the end of 2018.

(Continued)

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

CAPITAL ASSETS

The St. Joseph County Airport Authority's investment in Capital Assets as of December 31, 2018, was \$89 million (net of Accumulated Depreciation). This investment in Capital Assets includes land, buildings, roadways, airfield and equipment. In total, this represents a \$1.0 million increase from 2017. Major Capital Asset events during the current fiscal year included the following:

During 2018, the Airport Authority District disbursed \$1.4 million for major capital activities. The majority of the expenditure went into updating of the airfield signage along with design work on the reconstruction of the terminal ramp and taxiway. 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 funds, property taxes, debt issuances, and Airport revenues. Additional information on the Authority's Capital Assets and commitments can be found in the Notes to the Financial Statements in Section III.

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. 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 St. Joseph County Airport Authority is authorized to receive a maximum of \$40,172,802. As of December 31, 2018, the Airport Authority had received a total of \$28,472,489.

LONG TERM DEBT AND CREDIT RATINGS

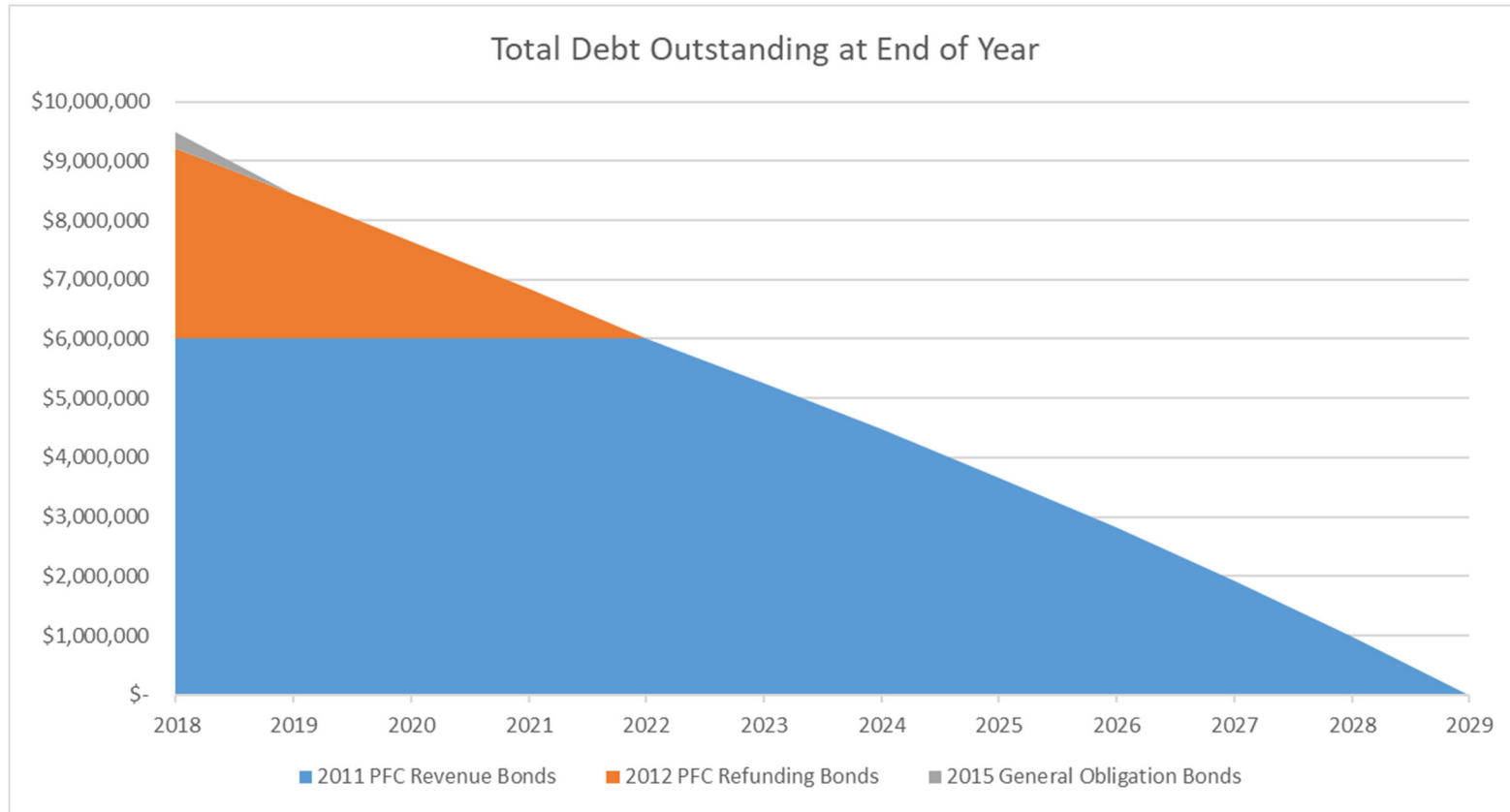
The Airport Authority has \$8.5 million in Outstanding Long-Term Debt plus \$1.0 million in Outstanding Short-Term Debt as of December 31, 2018. Long-Term and Short-Term Debt consisted of 2011 General Obligation Bonds, 2012 General Obligation Refunding Revenue Bonds and 2015 General Obligation Bonds. The 2011 Bonds (\$6 million) mature in 2030 and interest rates range from 4.3% to 5.0%. The 2012 Bonds (\$3.2 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 South Bend Airport. The 2015 Bond (\$0.3 million) matures in 2019 and interest rate is 2%. Both principal and interest are payable from the revenues derived from property taxes levies.

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 \$3,371,683,381. The debt limit is \$67,433,558 and the total outstanding General Obligation Debt is \$9,503,345.

The Authority's General Obligation Debt is rated A+ by Standard and Poors (for both the 2011 and 2012 Bonds). The rating for South Bend reflects the General Obligation Security for these Bonds. The 2015 Bond is privately placed and is not rated. Also noted is the fact that the 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.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018



BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of the Airport Authority. The financial statements and notes are presented as intended by the Airport Authority.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF NET POSITION
December 31, 2018

Assets	
Current assets:	
Unrestricted:	
Cash and cash equivalents	\$ 6,688,413
Accounts receivable (net of allowance)	845,204
Taxes receivable	1,341
Intergovernmental receivable	1,215,705
Prepaid items	<u>205,139</u>
Total unrestricted current assets	<u>8,955,802</u>
Restricted:	
Cash and cash equivalents:	
Construction fund	2,031,309
Passenger facility charge fund	1,639,652
Customer facility charge fund	1,497,723
Bond and interest fund	1,123,212
Debt Service Reserve fund	1,421,014
Cumulative building fund	1,093,028
Rainy day fund	460,344
Excess levy fund	215
Other funds	1,077,277
Accounts receivable - passenger facility charge	377,844
Taxes receivable	<u>36,506</u>
Total restricted current assets	<u>10,758,124</u>
Total current assets	<u>19,713,926</u>
Noncurrent assets:	
Capital assets:	
Capital assets not being depreciated	39,609,711
Capital assets, net of accumulated depreciation	<u>49,426,952</u>
Total capital assets	<u>89,036,663</u>
Total assets	<u>108,750,589</u>
Deferred outflows of resources	
Deferred amount on refunding	97,731
Deferred pension outflows	<u>322,164</u>
Total deferred outflows of resources	<u>419,895</u>
Total assets and deferred outflows of resources	<u>\$ 109,170,484</u>

See accompanying notes to financial statements.

Liabilities	
Current liabilities:	
Unrestricted:	
Accounts payable	\$ 757,857
Accrued payroll payable	85,275
Unearned revenue	127,060
Compensated absences	239,667
Retainage payable	113,683
Other current liabilities	<u>8,050</u>
Total unrestricted current liabilities	<u>1,331,592</u>
Restricted:	
General obligation bonds payable	1,045,000
Customer deposits payable	18,419
Contracts payable	<u>2,590,598</u>
Total restricted current liabilities	<u>3,654,017</u>
Total current liabilities	<u>4,985,609</u>
Noncurrent liabilities:	
Unrestricted:	
Compensated absences	137,752
Net pension liability	2,034,151
Other postemployment benefits payable	<u>98,956</u>
Total noncurrent unrestricted liabilities	<u>2,270,859</u>
Restricted:	
General obligation bonds payable (net of unamortized premiums)	<u>8,458,345</u>
Total noncurrent restricted liabilities	<u>8,458,345</u>
Total noncurrent liabilities	<u>10,729,204</u>
Total liabilities	<u>15,714,813</u>
Deferred inflow of resources	
Deferred pension inflow	392,961
Deferred OPEB inflow	<u>134,760</u>
Total deferred inflows of resources	<u>527,721</u>
Total liabilities and deferred inflow of resources	<u>16,242,534</u>
Net Position:	
Net investment in capital assets	81,662,358
Restricted for debt service	4,561,722
Restricted for capital assets	1,129,534
Unrestricted	<u>5,574,336</u>
Total net position	<u>\$ 92,927,950</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year End December 31, 2018

Operating revenues:	
Airfield	\$ 849,954
Terminal - aviation	1,828,902
Terminal - nonaviation	245,934
Concessions	1,596,856
Parking	2,974,465
Fixed based operations	578,701
Building and land rent	577,613
Other	<u>13,000</u>
Total operating revenues	<u>8,665,425</u>
Operating expenses:	
Personal services	5,115,392
Supplies	809,018
Other services and charges	4,798,204
Depreciation	<u>3,618,554</u>
Total operating expenses	<u>14,341,168</u>
Operating loss	<u>(5,675,743)</u>
Nonoperating revenues:	
Property taxes	4,034,389
Other tax distributions	731,724
Interest and investment revenue	309,992
Property management revenue	535,868
Federal operating grant	108,596
Other revenue	<u>68,410</u>
Total nonoperating revenues	<u>5,788,979</u>
Nonoperating expenses:	
Interest expense	408,203
Amortization expense	<u>17,728</u>
Total nonoperating expenses	<u>425,931</u>
Loss before contributions	<u>(312,695)</u>
Capital contributions	1,962,241
Passenger facility charge revenue	<u>1,609,047</u>
Total contributions	<u>3,571,288</u>
Change in net position	<u>3,258,593</u>
Total net position - beginning	<u>89,669,357</u>
Total net position - ending	<u>\$ 92,927,950</u>

See accompanying notes to financial statements.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
Year End December 31, 2018

Cash flows from operating activities:	
Receipts from customers and users	\$ 8,467,877
Payments to suppliers and contractors	(6,980,449)
Payments to employees	<u>(3,219,193)</u>
Net cash provided (used) by operating activities	<u>(1,731,765)</u>
Cash flows from noncapital financing activities:	
Property management activity	535,868
Other nonoperating revenue	68,410
Operating grant received	108,596
Property and county income taxes	<u>4,759,650</u>
Net cash provided (used) by noncapital financing activities	<u>5,472,524</u>
Cash flows from capital and related financing activities:	
Passenger facility charges	1,442,183
Capital contributions	1,084,185
Acquisition and construction of capital assets	(2,447,974)
Interest paid on capital debt	(407,154)
Principal paid on capital bonds	<u>(1,305,000)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,633,760)</u>
Cash flows from investing activities:	
Interest received	<u>309,992</u>
Net cash provided (used) by investing financing activities	<u>309,992</u>
Net increase in cash and cash equivalents	<u>2,416,991</u>
Cash and cash equivalents, January 1	<u>14,615,196</u>
Cash and cash equivalents, December 31	<u>\$ 17,032,187</u>

See accompanying notes to financial statements.

Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (5,675,743)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,618,554
Pension expense	(6,318)
OPEB expense	(64,116)
(Increase) decrease in assets:	
Accounts receivable	(164,889)
Prepaid items	5,285
Other current assets	-
Increase (decrease) in liabilities:	
Accounts payable	584,544
Accrued payroll payable	(5,824)
Unearned revenue	(31,509)
Compensated absence payable	11,207
Other current liabilities	(1,806)
Customer deposits payable	(1,150)
Total adjustments	<u>3,943,978</u>
Net cash provided by operating activities	<u>\$ (1,731,765)</u>
Noncash investing, capital and financing activities:	
Capital assets purchased on account	\$ 2,704,281

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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 modified 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. 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 sales and services, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

D. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

E. 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 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 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Airport Authority on or prior to December 31 of the year collected. Delinquent property taxes outstanding at year end, net of allowance for uncollectible accounts, are recorded as a receivable.

3. Prepaid Items

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

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 \$5,691,256 of restricted net position, all of which is restricted by enabling legislation.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

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	5 – 40 years
Airfield	20,000	Straight-line	10 – 20 years
Equipment	20,000	Straight-line	3 – 15 years
Intangible assets	20,000	Straight-line	5 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.

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 1080 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.
- 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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. Deferred Outflows of Resources

The Airport Authority reports net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. Deferred outflows of resources reported at December 31, 2018, related to the defined benefit pension plan, including contributions made to the plan between the measurement date of the net pension liability and the end of the Airport Authority's fiscal year, changes in the Airport Authority's allocated proportion from the previous year, and differences between the Airport Authority's contributions to the plan and its proportionate share. The amounts related to changes in the Airport Authority's allocated proportion from the previous year and differences between the Airport Authority's contributions to the plan and its proportionate share are being amortized into pension expense over the average expected remaining service lives, except for the difference between expected and actual investment earnings, which is being amortized over five years.

9. Deferred Inflows of Resources

The Airport Authority's statements of net position reports a separate section for deferred inflows of resources, which reflects an increase in net position that applies to future periods. Deferred inflows of resources reported at December 31, 2018, related to the defined benefit pension plan, including actual pension plan investment earnings in excess of the expected amounts and the difference between expected and actual experience on the pension plan included in determining pension expense. These amounts are being amortized into pension expense over the average expected remaining service lives, except for the difference between expected and actual investment earnings, which is being amortized over five years.

10. 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".
- 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

F. Revenues and Expenses

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

G. Subsequent Events

The Airport Authority has evaluated the financial statements for subsequent events occurring through September 19, 2019, the date the financial statements were available to be issued.

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 1. 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.

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, 2018, the Airport Authority had deposit balances in the amount of \$17,654,592. 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

B. Receivables

The Airport Authority recognizes \$50,185 in an allowance account for the expected uncollectibility of payments due from tenants.

C. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 35,290,330	\$ 88,906	\$ -	\$ 35,379,236
Construction in progress	<u>725,771</u>	<u>3,504,704</u>	<u>-</u>	<u>4,230,475</u>
Total capital assets, not being depreciated	36,016,101	3,593,610	-	39,609,711
Capital assets, being depreciated:				
Buildings	74,657,476	231,720	-	74,889,196
Airfield	37,320,229	-	-	37,320,229
Equipment	<u>8,226,524</u>	<u>822,163</u>	<u>61,988</u>	<u>8,986,699</u>
Totals	120,204,229	1,053,883	61,988	121,196,124
Less accumulated depreciation for:				
Buildings	30,512,114	2,039,418	-	32,551,532
Airfield	31,039,827	1,126,596	-	32,166,423
Equipment	<u>6,660,665</u>	<u>452,540</u>	<u>61,988</u>	<u>7,051,217</u>
Totals	<u>68,212,606</u>	<u>3,618,554</u>	<u>61,988</u>	<u>71,769,172</u>
Total capital assets, being depreciated	<u>51,991,623</u>	<u>(2,564,671)</u>	<u>-</u>	<u>49,426,952</u>
Total capital assets, net	<u>\$ 88,007,724</u>	<u>\$ 1,028,939</u>	<u>\$ -</u>	<u>\$ 89,036,663</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

D. Construction Commitments to Contractors

Construction work in progress is composed of the following:

Project	Total Expended to December 31	Remaining Committed
Airfield Signage Replacement	\$ 1,997,072	\$ -
Taxiway Bravo and Terminal Ramp	2,170,706	-
Other	<u>62,697</u>	<u>-</u>
Totals	<u>\$ 4,230,475</u>	<u>\$ -</u>

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:

<u>Purpose/Original Issue</u>	<u>Interest Rates</u>	<u>Balance at December 31</u>	<u>Unamortized Bond Premium</u>	<u>Amount</u>
2011 General Obligation Bonds				
\$6,000,000	4.3% to 5.0%	\$ 6,000,000	\$ -	\$ 6,000,000
2012 Refunding Bonds				
\$8,030,000	2.125% to 3.25%	3,215,000	6,225	3,221,225
2015 General Obligation Bonds				
\$1,915,000	2.0%	<u>280,000</u>	<u>2,120</u>	<u>282,120</u>
Totals		<u>\$ 9,495,000</u>	<u>\$ 8,345</u>	<u>\$ 9,503,345</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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

	2011 GO Bond		2012 Refunding		2015 GO Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ -	\$ 281,875	\$ 765,000	\$ 91,338	\$ 280,000	\$ 2,800
2020	-	281,875	795,000	68,638	-	-
2021	-	281,875	815,000	44,638	-	-
2022	-	281,875	840,000	20,038	-	-
2023	745,000	273,920	-	-	-	-
2024-2028	4,270,000	824,308	-	-	-	-
2029	985,000	37,125	-	-	-	-
Totals	<u>\$ 6,000,000</u>	<u>\$ 2,262,853</u>	<u>\$ 3,215,000</u>	<u>\$ 224,650</u>	<u>\$ 280,000</u>	<u>\$ 2,800</u>

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds	\$10,800,000	\$ -	\$1,305,000	\$ 9,495,000	\$1,045,000
Compensated absences	366,312	11,107	-	377,419	239,667
Net pension liability	2,698,788	-	664,637	2,034,151	-
Total OPEB liability	<u>99,056</u>	<u>-</u>	<u>100</u>	<u>98,956</u>	<u>-</u>
Total non-current liabilities	<u>\$13,964,156</u>	<u>\$ 11,107</u>	<u>\$1,969,737</u>	<u>\$12,005,526</u>	<u>\$1,284,667</u>

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

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 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.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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 St. Joseph County. The plan provides medical insurance benefits through a third-party insurer to eligible retirees and their spouses/dependents, and the full cost of the benefits is covered by the plan. IC 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.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Active employees	54
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees entitled to and receiving benefits	-
	<u>54</u>

Funding Policy and Contributions

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% 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 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, 2018, the Airport contributed \$0 to the plan.

Total OPEB Liability

The Airport Authority's total OPEB liability was measured as of December 31, 2018, and the total OPEB liability determined by an actuarial valuation of that date. The plan balance was \$98,956 as of December 31, 2018, as such, the presentation of a net OPEB liability is not required, as the total OPEB liability is the same as the net OPEB liability.

Actuarial Methods and Assumption

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

Inflation rate	2.25%
Projected salary increases	2.25%
Healthcare cost trend rate	5.0 to 8.5%

Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. An actuarial experience study has not been recently conducted.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.11%, which is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The prior full valuation used a discount rate of 3.56%. The use of this rate is due to the fact that the plan is unfunded.

Changes in the Total OPEB Liability

The following presents the changes in the total OPEB liability for the fiscal year ended December 31, 2018:

<u>Total OPEB liability</u>	<u>2018</u>
Service cost	\$ 6,760
Interest	3,767
Changes of benefit terms	-
Differences between expected and actual experience	(6,794)
Changes of assumptions	(3,833)
Benefit payments	<u>-</u>
Net change in total OPEB liability	<u>(100)</u>
Total OPEB liability - beginning	<u>99,056</u>
Total OPEB liability - ending	<u>\$ 98,956</u>

The following assumption changes were included in the actuarial valuation for the year ended December 31, 2018:

- Updated the discount rate assumption based on the yield for 20-year-tax-exempt general obligation municipal bonds as of December 31, 2018 (measurement date). The discount rate is 4.11% as of December 31, 2018 and 3.56% as of January 1, 2018. This change resulted in a reduction in liabilities.
- Health care trend rates have been reset to an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%. This change caused an increase in liabilities for the Airport Authority.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health-care Cost Trend Rates

The following presents the total OPEB liability of the Airport Authority, as well as what the Airport Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.11 percent) or 1-percentage-point higher (5.11 percent) than the current discount rate:

	3.11% <u>1% Decrease</u>	4.11% <u>Current Rate</u>	5.11% <u>1% Increase</u>
Total OPEB Liability	\$ <u>105,987</u>	\$ <u>98,956</u>	\$ <u>92,233</u>

The following presents the total OPEB liability of the Airport Authority, as well as what the Airport Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (9.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	7.50% <u>1% Decrease</u>	8.50% <u>Current Rate</u>	9.50% <u>1% Increase</u>
Total OPEB Liability	\$ <u>88,500</u>	\$ <u>98,956</u>	\$ <u>110,968</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Airport Authority recognized OPEB expense of \$(6,318). At December 31, 2018, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 124,165
Change of assumptions	<u>-</u>	<u>10,595</u>
Totals	<u>\$ -</u>	<u>\$ 134,760</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Balance
2019	\$ 16,845
2020	16,845
2021	16,845
2022	16,845
2023	16,845
Thereafter	50,535
	\$ 134,760

C. Pension Plan

Cost-Sharing Multiple-Employer Deferred Plans

Public Employees Retirement Fund

Plan Description

The Public Employees' Retirement Fund (PERF) provides pensions for all full-time employees. The plan is a cost-sharing, multiple-employer defined benefit plan administered by the Indiana Public Retirement System (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

Retirement Benefits - Defined Benefit Pension

The plan provides retirement, disability and survivor benefits. The Indiana Code, Title 5, Articles 10.2 and 10.3, amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the plan.

Retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 11% plus the employee's Annuity Savings Account. Normal retirement age is 60 with early retirement at 50-59 with 15 years of service. Vesting period is 10 years. An employee who leaves service may withdraw his or her Annuity Savings Account contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are granted by the Indiana General Assembly on an ad hoc basis.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

Contributions

Per Indiana Code, Title 5, Articles 10.2 and 10.3, contributions requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2018 is 11.2% percent of annual covered payroll. The annuity savings account consists of member's contributions, set by state statute at three 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. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the Airport were \$450,250 for the calendar year ended December 31, 2018.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2018, the Airport Authority reported a liability of \$2,034,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport Authority's proportion of the net pension liability was based on a projection of the Airport Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating units, actuarially determined. At June 30, 2018, the Airport Authority's proportion was .0005988%, which was a decrease of .0000061% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Airport Authority recognized pension expense of (\$64,116). At December 31, 2018, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 26,603	\$ 139
Net difference between projected and actual investment earnings on pension plan investments	60,244	-
Change of assumptions	4,846	326,611
Changes in proportion and difference between employer contributions and proportionate share contributions	10,790	66,211
Authority contributions subsequent to the measurement date	219,681	-
 Totals	 \$ 322,164	 \$ 392,961

\$219,681 reported as deferred outflows of resources related to pensions resulting from the Airport

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

Authority's contributions subsequent to the measurement date will be recognized as pension expense in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended</u> <u>December 31,</u>
2019	\$ (3,716)
2020	(94,256)
2021	(156,480)
2022	<u>(36,026)</u>
Total	<u>\$ 290,478</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation date:	June 30, 2018
Liability valuation date and method:	June 30, 2018 - Member census data as of June 30, 2017 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the liability computed as of June 30, 2017 to the June 30, 2018 measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Computed April 2015 and reflects the experience period from July 1, 2010 to June 30, 2014
Investment rate of return:	6.75%
COLA:	The COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1% COLA occurring beginning on January 1, 2020, the Plan now assumes that the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.
Future salary increases, including inflation:	2.50% - 4.25%
Inflation:	2.25%
Mortality - Healthy	RP-2014 Total Data Set Mortality Table projected on

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

Mortality – Disabled

RP-2014 Total Data Set Mortality Table projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2014. The Study was performed in April 2015. There were no significant assumption changes for the measurement period ending June 30, 2018.

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated geometric asset classes.

<u>Global Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	22.0%	4.4%
Private Equity	14.0%	5.4%
Fixed income - Ex inflation	20.0%	2.2%
Fixed income - inflation linked	7.0%	0.8%
Commodities	8.0%	2.3%
Real estate	7.0%	6.5%
Absolute return	10.0%	2.7%
Risk parity	12.0%	5.2%

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2018

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Airport Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Airport Authority's proportional share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Airport Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	5.75% <u>1% Decrease</u>	6.75% <u>Current Rate</u>	7.75% <u>1% Increase</u>
Net Pension Liability	\$ <u>3,202,080</u>	\$ <u>2,034,151</u>	\$ <u>1,060,225</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report (CAFR) and Actuarial Valuations. These reports can be found at:

https://www.in.gov/inprs/files/2018_INPRSCAFRBook.pdf

www.in.gov/inprs/actuarialvaluation.htm

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 2018 the Airport Authority earned \$1,532,189 from 37 separate airlines. The Airport Authority is authorized to receive a maximum of \$40,172,802. As of December 31, 2018, the Airport Authority has earned a total of \$28,472,489.

E. Leases

The Airport Authority leases space in the St. Joseph County Airport terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and adjustment of the rental amounts. Substantially all capital assets are held by the Airport Authority for the purpose of rental or related use.

Minimum future rentals on noncancelable operating leases to be received in each of the next five

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

years and thereafter as of December 31, 2018 are as follows:

2019	\$ 1,551,259
2020	594,675
2021	532,732
2022	462,086
2023	381,094
Thereafter	<u>1,216,466</u>
	<u>\$ 4,738,312</u>

The Airport Authority has entered into an Agreement and Lease of Premises (Airline Agreement) with certain passenger, charter and cargo airlines serving the airport (collectively, the Signatory Airlines). Other airlines operate under an airport use permit that generally has a term of no more than two years. The Airline Agreement's residual rate-making features are designed to ensure that the Airport Authority's debt service and related coverage obligations will be met. The Airline Agreement authorizes the Airport Authority to implement new fees and charges as necessary. In the event of an airline bankruptcy, the Airport Authority may adjust the rates and charges for all Signatory Airlines in the current rate period to recover the rates and charges due from the bankrupt carrier. However, there can be no assurance that such other airlines will be financially able to absorb the additional costs. Rental rates under these agreements are determined annually.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees' Retirement Fund
Last 10 Measurement Periods**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Proportion of the net pension liability	0.05988%	0.06049%	0.06415%	0.05773%	0.06523%	0.06471%	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability	\$ 2,034,151	\$ 2,698,788	\$ 2,911,412	\$ 2,351,286	\$ 1,714,202	\$ 2,216,369	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 3,055,430	3,001,187	3,074,236	2,765,233	3,184,649	3,106,966	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.6%	89.9%	94.7%	85.0%	53.8%	71.3%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability	78.9%	78.9%	75.3%	77.3%	84.3%	78.8%	N/A	N/A	N/A	N/A

N/A - information not available

Note: Each year's information is reported as of the plan year end of June 30, which is used to report for the Authority's fiscal year end of December 31.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Public Employees' Retirement Fund
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 342,208	\$ 336,133	\$ 344,314	\$ 309,706	\$ 322,365	\$ 337,399	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>(450,250)</u>	<u>(403,895)</u>	<u>(441,714)</u>	<u>(422,505)</u>	<u>(322,365)</u>	<u>(337,399)</u>	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ (108,042)</u>	<u>\$ (67,762)</u>	<u>\$ (97,400)</u>	<u>\$ (112,799)</u>	<u>\$ -</u>	<u>\$ -</u>	N/A	N/A	N/A	N/A
Covered payroll	\$ 3,055,430	\$ 3,001,187	\$ 3,074,236	\$ 2,765,233	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	14.74%	13.46%	14.37%	15.28%	N/A	N/A	N/A	N/A	N/A	N/A
N/A - information not available										

ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Single Employer Defined Benefit OPEB Plan
Last 10 Measurement Periods

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 6,760	\$ 13,576
Interest	3,767	8,887
Changes of benefit terms	-	-
Differences between expected and actual experience	(6,794)	(147,658)
Changes of assumptions	(3,833)	(8,984)
Benefit payments	-	-
Net change in total OPEB liability	<u>(100)</u>	<u>(134,179)</u>
Total OPEB liability - beginning	<u>99,056</u>	<u>233,235</u>
Total OPEB liability - ending	<u>\$ 98,956</u>	<u>\$ 99,056</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered payroll	\$ 2,957,193	\$ 2,892,120
Total OPEB liability as a percentage of covered payroll	3.3%	3.4%

Note: Fiscal year 2017 was the 1st year of implementation, therefore only two years are shown.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year End December 31, 2018

Public Employees' Retirement Fund

A. Plan Amendments

There were no plan amendments during the fiscal year.

B. Assumption Changes

There were no assumption changes in the fiscal year.

Single Employer Defined Benefit OPEB Plan

A. Plan Amendments

There were no plan amendments during the fiscal year.

B. Assumption Changes

The following assumptions were changed during the fiscal year:

Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The current full valuation uses a discount rate of 3.56% as of January 1, 2018 and 4.11% as of December 31, 2018. This change has caused a decrease in liabilities.

Health care trend rates have been reset to an initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%. This change caused an increase in liabilities for the Airport Authority.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year End December 31, 2018

	Budgeted Amounts - Original & Final	Actual Budgetary Basis Amounts	Variance With Final Budget
Revenues:			
Airfield	\$ 752,916	\$ 1,046,352	\$ 293,436
Terminal - aviation	1,670,722	1,828,902	158,180
Terminal - non-aviation	188,109	245,934	57,825
Concessionaire	1,319,167	1,596,856	277,689
Parking	2,602,314	2,974,465	372,151
Fixed based operations	471,684	578,701	107,017
Building and land rent	594,362	577,613	(16,749)
Other	26,000	13,000	(13,000)
Total revenues	<u>7,625,274</u>	<u>8,861,823</u>	<u>1,236,549</u>
Expenses:			
Personal services	5,591,126	5,050,341	540,785
Supplies	1,031,650	1,395,891	(364,241)
Other services and charges	17,704,171	4,798,204	12,905,967
Total operating expenses	<u>24,326,947</u>	<u>11,244,436</u>	<u>13,082,511</u>
Debt service:			
Other services and charges	<u>1,715,322</u>	<u>1,713,203</u>	<u>2,119</u>
Total expenses	<u>26,042,269</u>	<u>12,957,639</u>	<u>13,084,630</u>
Other financing sources (uses):			
Property taxes	4,116,427	4,027,926	(88,501)
Other tax distributions	806,621	731,724	(74,897)
Interest income	66,228	309,992	243,764
Federal and state grants	14,190,719	(769,460)	(14,960,179)
Capital outlay	(763,000)	(2,447,974)	(1,684,974)
Total other financing sources (uses)	<u>18,416,995</u>	<u>1,852,208</u>	<u>(16,564,787)</u>
Deficiency of revenues and other financing sources under expenses and other financing uses			
	<u>\$ -</u>	<u>\$ (2,243,608)</u>	<u>\$ (2,243,608)</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
BUDGET/GAAP RECONCILIATION
Year End December 31, 2018**

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 capital 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)	\$ (2,243,608)
Adjustments:	
Capital expenses	2,447,974
Depreciation	(3,618,554)
Amortization of Deferred Amount on Refunding and Bond Premium	(17,728)
Debt payments	1,305,000
Capital Contributions	1,962,241
Passenger Facility Charge Revenue	1,609,047
Other Non-Operating Revenue	68,410
Property management activity (net revenue)	535,868
Change in operating revenues receivable and unearned revenues	(196,398)
Change in intergovernmental receivable	878,056
Change in taxes receivable	6,463
Change in wages and benefits payable	5,383
Changes in payables and prepaid items	586,873
Net pension adjustment	(6,318)
Net OPEB adjustment	<u>(64,116)</u>
Change in net position (GAAP basis)	<u>\$ 3,258,593</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
Year End December 31, 2018

Cash balance, January 1	\$ 2,354,550
Receipts:	
Passenger facility charge collections	1,532,189
Interest	<u>34,329</u>
Total receipts	<u>1,566,518</u>
Disbursements:	
Transfer to bond and interest fund	<u>2,281,416</u>
Cash balance, December 31	<u><u>\$ 1,639,652</u></u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues:										
Airport service revenues:										
Airfield	\$ 849,954	\$ 758,121	\$ 765,204	\$ 716,108	\$ 669,881	\$ 665,933	\$ 605,636	\$ 606,890	\$ 605,210	\$ 601,768
Terminal - aviation	1,828,902	1,679,980	1,597,758	1,525,343	1,466,228	1,276,000	1,277,222	1,250,254	1,225,171	1,219,103
Terminal - nonaviation	245,934	189,186	142,353	115,954	128,179	105,434	108,390	128,043	111,226	129,513
Concessions	1,596,856	1,398,926	1,436,479	1,390,394	1,288,817	1,211,590	1,097,687	1,093,471	1,069,131	1,056,991
Parking	2,974,465	2,552,315	2,680,569	2,551,298	2,435,889	2,463,750	2,198,722	2,191,557	2,207,040	2,037,467
Fixed based operations	578,701	532,958	502,448	425,101	386,809	381,546	358,468	347,090	408,748	407,000
Building and land rent	577,613	624,331	477,983	311,083	409,037	308,721	247,731	134,509	243,613	321,511
Airport service revenues - total	8,652,425	7,735,817	7,602,794	7,035,281	6,784,840	6,412,974	5,893,856	5,751,814	5,870,139	5,773,353
Other	13,000	13,000	13,000	3,000	4,000	3,000	12,367	12,625	12,039	10,619
Total operating revenues	<u>8,665,425</u>	<u>7,748,817</u>	<u>7,615,794</u>	<u>7,038,281</u>	<u>6,788,840</u>	<u>6,415,974</u>	<u>5,906,223</u>	<u>5,764,439</u>	<u>5,882,178</u>	<u>5,783,972</u>
Nonoperating revenues:										
Property taxes	4,034,389	1,998,868	2,527,146	2,256,861	2,208,451	2,242,282	2,320,303	1,765,272	2,997,689	2,702,107
Other tax distributions	731,724	548,973	710,580	509,765	493,925	461,683	446,283	535,170	620,426	836,637
Interest and investment revenue	309,992	144,914	19,554	9,963	12,203	15,634	18,986	16,139	15,517	61,882
Property management revenue	535,868	449,526	526,419	281,952	242,757	244,898	227,126	257,154	273,942	328,987
Federal operating grant	108,596	105,396	112,226	12,098	238,490	692,138	101,303	144,568	148,565	-
Gain on disposal of assets	-	-	-	-	56,402	-	-	-	-	-
Other revenue	68,410	115,035	49,614	310,005	84,670	50,545	32,921	41,072	101,332	122,378
Total nonoperating revenues	<u>5,788,979</u>	<u>3,362,712</u>	<u>3,945,539</u>	<u>3,380,644</u>	<u>3,336,898</u>	<u>3,707,180</u>	<u>3,146,922</u>	<u>2,759,375</u>	<u>4,157,471</u>	<u>4,051,991</u>
Total revenue	<u>\$ 14,454,404</u>	<u>\$ 11,111,529</u>	<u>\$ 11,561,333</u>	<u>\$ 10,418,925</u>	<u>\$ 10,125,738</u>	<u>\$ 10,123,154</u>	<u>\$ 9,053,145</u>	<u>\$ 8,523,814</u>	<u>\$ 10,039,649</u>	<u>\$ 9,835,963</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENSES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating expenses:										
Personal services	\$ 5,115,392	\$ 4,614,911	\$ 4,777,184	\$ 4,929,934	\$ 4,554,567	\$ 4,983,555	\$ 5,050,210	\$ 4,871,475	\$ 4,884,509	\$ 4,810,162
Supplies	809,018	722,503	665,317	736,469	702,877	756,976	623,858	642,682	586,715	808,565
Other services and charges	4,798,204	3,555,030	2,660,041	3,290,097	2,243,370	3,189,233	2,454,909	2,880,312	2,116,199	3,134,908
Depreciation	<u>3,618,554</u>	<u>3,284,883</u>	<u>3,405,519</u>	<u>3,208,875</u>	<u>3,198,452</u>	<u>3,398,840</u>	<u>3,347,686</u>	<u>3,611,684</u>	<u>3,667,220</u>	<u>3,630,659</u>
Total operating expenses	<u>14,341,168</u>	<u>12,177,327</u>	<u>11,508,061</u>	<u>12,165,375</u>	<u>10,699,266</u>	<u>12,328,604</u>	<u>11,476,663</u>	<u>12,006,153</u>	<u>11,254,643</u>	<u>12,384,294</u>
Nonoperating expenses:										
Interest expense	408,203	435,222	465,836	467,639	487,856	503,345	631,215	607,514	614,347	675,362
Property management expense	-	-	-	150,541	199,801	186,036	192,996	200,666	222,493	257,044
Loss on change in capital asset policy	-	-	-	-	-	-	-	-	590,321	-
Loss on disposal of capital assets	-	-	-	1,055,552	69,948	-	152,751	-	392,349	-
Bond issuance costs	-	-	-	-	-	-	158,849	-	-	-
Amortization expense	<u>17,728</u>	<u>18,578</u>	<u>17,728</u>	<u>79,399</u>	<u>575</u>	<u>-</u>	<u>1,277</u>	<u>9,083</u>	<u>14,628</u>	<u>14,628</u>
Total nonoperating expenses	<u>425,931</u>	<u>453,800</u>	<u>483,564</u>	<u>1,753,131</u>	<u>758,180</u>	<u>689,381</u>	<u>1,137,088</u>	<u>817,263</u>	<u>1,834,138</u>	<u>947,034</u>
Total expenses	<u>14,767,099</u>	<u>12,631,127</u>	<u>11,991,625</u>	<u>13,918,506</u>	<u>11,457,446</u>	<u>13,017,985</u>	<u>12,613,751</u>	<u>12,823,416</u>	<u>13,088,781</u>	<u>13,331,328</u>
Income before contributions	<u>(312,695)</u>	<u>(1,519,598)</u>	<u>(430,292)</u>	<u>(3,499,581)</u>	<u>(1,331,708)</u>	<u>(2,894,831)</u>	<u>(3,560,606)</u>	<u>(4,299,602)</u>	<u>(3,049,132)</u>	<u>(349,365)</u>
Capital contributions	1,962,241	2,360,291	6,939,705	4,499,206	1,752,133	35,157	3,274,595	3,909,443	7,313,647	834,428
Passenger facility charge revenue	1,609,047	1,248,795	1,395,957	1,291,355	1,287,426	1,341,898	1,227,862	1,007,280	835,884	820,664
Capital assets donated to County government	-	-	-	-	(1,552,241)	(5,004,377)	-	-	(8,999,393)	-
Total contributions	<u>3,571,288</u>	<u>3,609,086</u>	<u>8,335,662</u>	<u>5,790,561</u>	<u>1,487,318</u>	<u>(3,627,322)</u>	<u>4,502,457</u>	<u>4,916,723</u>	<u>(849,862)</u>	<u>1,655,092</u>
Change in net position	<u>3,258,593</u>	<u>2,089,488</u>	<u>7,905,370</u>	<u>2,290,980</u>	<u>155,610</u>	<u>(6,522,153)</u>	<u>941,851</u>	<u>617,121</u>	<u>(3,898,994)</u>	<u>1,305,727</u>
Total net position - beginning	89,669,357	87,646,012	79,740,642	79,036,256	78,713,318	85,235,471	84,872,581	84,255,461	88,154,455	89,994,728
Total net position - adjustments	<u>-</u>	<u>(66,143)</u>	<u>-</u>	<u>(1,586,595)</u>	<u>167,329</u>	<u>-</u>	<u>(578,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position - ending	<u>\$ 92,927,950</u>	<u>\$ 89,669,357</u>	<u>\$ 87,646,012</u>	<u>\$ 79,740,641</u>	<u>\$ 79,036,257</u>	<u>\$ 78,713,318</u>	<u>\$ 85,235,471</u>	<u>\$ 84,872,582</u>	<u>\$ 84,255,461</u>	<u>#####</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Direct Tax Rate	Total Assessed Value
2018	\$ 8,689,277,219	\$ 1,425,772,924	0.0555	\$ 10,115,050,143
2017	6,892,445,603	1,308,757,421	0.0436	8,201,203,024
2016	6,964,917,748	1,297,718,622	0.0423	8,262,636,370
2015	8,024,367,267	1,252,802,776	0.0338	9,277,170,043
2014	6,344,717,735	1,169,480,507	0.0345	7,514,198,242
2013	6,533,399,996	1,137,751,791	0.0330	7,671,151,787
2012	6,882,357,309	1,117,519,859	0.0309	7,999,877,168
2011	7,291,197,519	846,299,712	0.0297	8,137,497,231
2010	7,255,034,884	1,161,736,880	0.0342	8,416,771,764
2009	7,407,382,632	998,084,354	0.0353	8,405,466,986

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

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
PROPERTY TAX RATES - DIRECT - PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS**

Year	Airport		Airport		Total	
	General	Cumulative Building	Debt Service	Assessed Value		
2018	\$ 0.0356	\$ 0.0031	\$ 0.0168	\$	0.0555	
2017	0.0254	0.0031	0.0151		0.0436	
2016	0.0312	0.0032	0.0079		0.0423	
2015	0.0306	0.0032	-		0.0338	
2014	0.0312	0.0033	-		0.0345	
2013	0.0297	0.0033	-		0.0330	
2012	0.0277	0.0032	-		0.0309	
2011	0.0264	0.0033	-		0.0297	
2010	0.0249	0.0020	0.0073		0.0342	
2009	0.0241	0.0092	0.0020		0.0353	

Source: St. Joseph County Auditor

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST SEVEN FISCAL YEARS**

Year	Collections During the Year		
	Certified Levy (1)	Amount	Percentage of Levy
2018	\$ 4,705,713	\$ 4,034,389	85.73%
2017	2,337,343	1,998,868	85.52%
2016	2,719,925	2,527,156	92.91%
2015	2,658,035	2,256,861	84.91%
2014	2,592,399	2,208,451	85.19%
2013	2,531,480	2,151,294	84.98%
2012	2,471,962	2,198,324	88.93%

(1) Source: Budget Order Approved by Indiana Department of Local Government Finance

ST. JOSEPH COUNTY AIRPORT AUTHORITY
OTHER REPORTS
December 31, 2018

In addition to this report, other reports may have been issued for the Airport Authority. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.