



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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July 17, 2023

Board of Directors
Fort Wayne-Allen County Airport Authority
3801 West Ferguson Road, Suite 209
Fort Wayne, IN 46809-3194

We have reviewed the audit report of Fort Wayne-Allen County Airport Authority which was opined upon by Cherry Bekaert, LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Fort Wayne-Allen County Airport Authority as of December 31, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cherry Bekaert, LLP, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY

FORT WAYNE, INDIANA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2022

Prepared by:

Douglas W. Robertson
Controller

Janice R. Lewis
Accounting

Nikki E. Davis
Accounting

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**FORT WAYNE-ALLEN COUNTY
AIRPORT AUTHORITY**

FORT WAYNE INTERNATIONAL AIRPORT
SMITH FIELD AIRPORT

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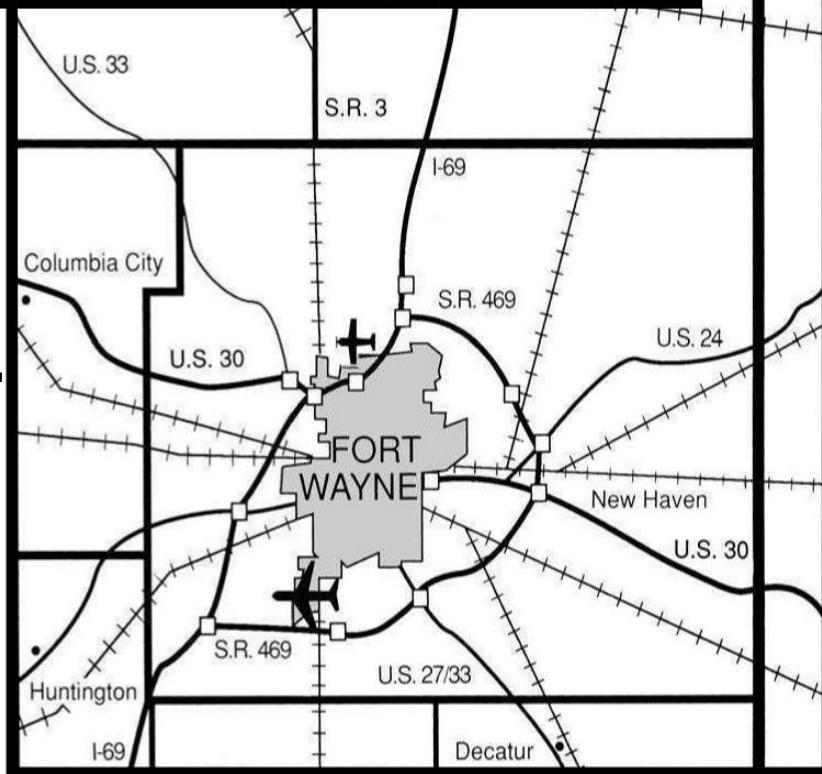
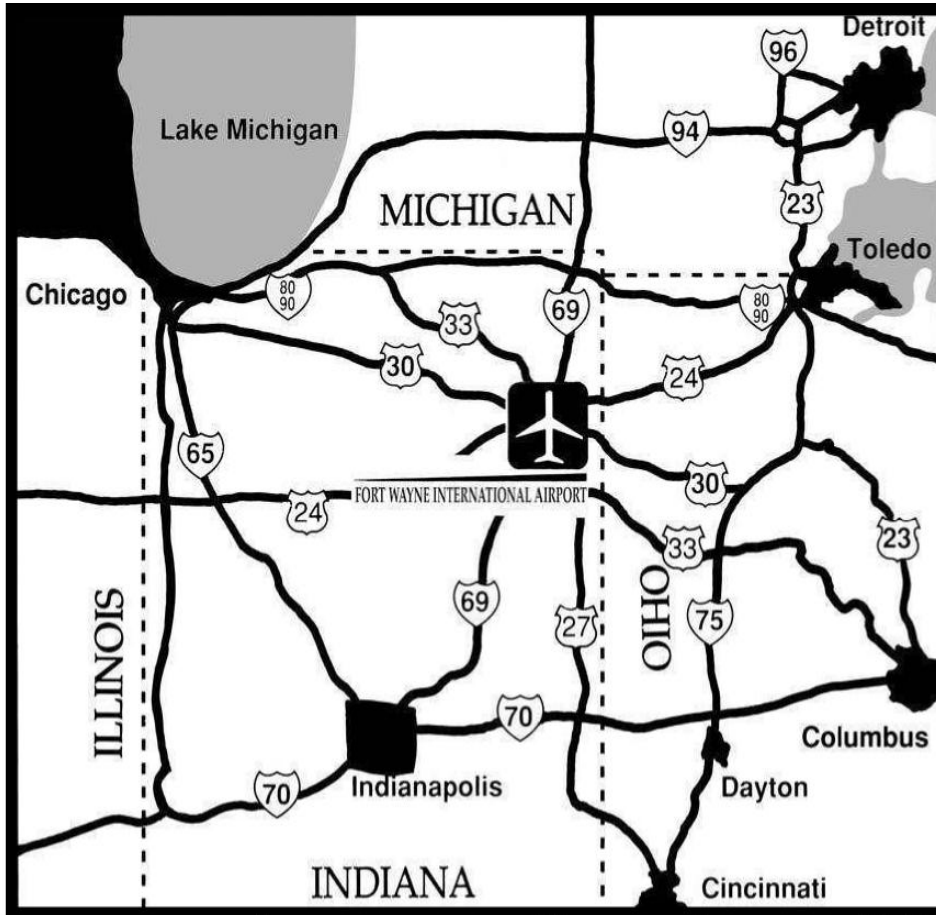
Fort Wayne International Airport (FWA)



Smith Field Airport (SMD)

INTRODUCTORY SECTION

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FORT
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AIRPORT


SMITH FIELD

Fort Wayne-Allen County Airport Authority Board and Executive Director



Richard B. Sturges, Jr.
President



Gregg C. Sengstack
Vice President



Timothy J. Haffner
Secretary



Réna Bradley
Board Member



Jerome F. Henry, Jr.
Board Member



Kimberly Grannan
Board Member



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



June 20, 2023

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

The Annual Comprehensive Financial Report of the Fort Wayne-Alten County Airport Authority (the Authority) for the fiscal year ended December 31, 2022, is submitted with this letter. This report was prepared by the Authority's financial staff.

The financial statements, note disclosures, and other supplementary information are the representations of management. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that has been established for this purpose. Internal control is designed to provide reasonable, but not absolute, assurance that the financial statements are free of material misstatements. Reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits of such control.

Cherry Bekaert LLP, Certified Public Accountants, have issued an unmodified opinion on the Authority's financial statements for the year ended December 31, 2022. The report of the independent auditor is located at the front of the financial section on pages 11 through 13 of this report.

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

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

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

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

Also, issuance of general obligation bonds must be approved by the County Council and revenue bonds must be approved by the County Commissioners. Although the Authority is fiscally dependent on the County, it is not considered a component unit of Allen County because there is no benefit or burden relationship as defined by the Government Accounting Standards Board.

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

Local Economy – During 2022, as the nation continues to recover from the COVID-19 pandemic, the unemployment in the Fort Wayne Metropolitan Statistical Area (MSA) (Allen, Wells, and Whitley counties) averaged 2.8 (not-seasonally adjusted) percent, with a high of 3.1 percent in multiple months and with the lowest rate of 2.2 percent coming in September. Annual unemployment in 2022 was 2.8 percent, which is a slight decrease compared to 2021 as the average was 3.9 percent. According to the Bureau of Labor Statistics, the Fort Wayne MSA's labor force averaged 221,712 in 2022, which is a slight increase from 217,446 in 2021. During the first quarter of 2023, the unemployment rate averaged 3.1 percent.

In May 2022, the average annual wage for Fort Wayne MSA was \$52,330, according to the Bureau of Labor Statistics. While this is an increase of 4.0 percent compared to May 2021, it is well below the U.S. amount of approximately \$61,900. The average number of nonfarm jobs was 231,100 in 2022, an increase of 4.5 percent over the average in 2021.

After ten years of consecutive growth in enplanements, due to the COVID-19 pandemic, activity at Fort Wayne International Airport (FWA) decreased 45.1 percent from 2019 to 2020. FWA is experiencing a quicker recovery than predicted as enplanements increased 62.3 percent since then, from 218,343 in 2020 to 363,039 in 2022.

The Authority has established financial policies that it abides by some of which have had a significant impact on the current period's financial statements. First, during 2021 the Authority received operating grants related to COVID-19 and capital improvement grants. Grant funding is considered to be earned as the related approved capital improvement expenditures or expenses are incurred. Secondly, as a cash flow policy, when an expense is incurred for a purpose in which either restricted or unrestricted net position is available for use, restricted resources will be applied first, then unrestricted resources will be used as they are needed.

FWA received the grant from the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020. FWA received a total grant award of \$14,538,406. These funds were drawn on a reimbursement basis and may be used for any purpose for which airport revenues may be lawfully used per the Federal Aviation Administration's (FAA) Revenue Use Policy. FWA began receiving these grant funds in 2020, and was reimbursed \$14,173,261 as of December 31, 2021, and the remaining funds of \$365,145 were drawn down in the first quarter of 2022.

FWA received the grant from the Airports Coronavirus Response Grant Program (ACRGP) which is provided in accordance with the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). FWA received \$3,075,580 and Smith Field Airport (SMD) was granted \$13,000. In 2021, all of SMD's grant was collected and \$2,543,289 was received for FWA. In May 2021, FWA also received a Concessions Relief Addendum to the ACRGP in the amount of \$86,184. These funds are for the Authority to provide relief from rent and minimum annual guarantees obligations to each eligible airport concession at the airport.

In addition to the CRRSA funding, FWA and SMD received grants in July 2021 from the American Rescue Plan Act (ARPA). The purpose of the grant is to prevent, prepare for, and respond to coronavirus. These funds were used for costs related to operations, personnel, cleaning, sanitation, janitorial services, and combating the spread of pathogens at the airport. FWA was granted \$5,102,095 and received this entire amount on a reimbursement basis during 2022. SMD was granted and received \$32,000 during 2021. In July 2021, FWA also was granted a Concessions Rent Relief Airport Rescue Grant in the amount of \$344,735 which was received in 2022. These funds enabled the Authority to provide relief from rent to each eligible airport concession at the airport.

In addition to the coronavirus related grants, FWA received several construction related grants. In September 2021, FWA was granted an Airport Improvement Grant for the West Terminal Expansion/Renovation Project in

the amount of \$6,129,364. Also, a VALE Grant was granted in the amount of \$376,213 to be used for the costs related to terminal building ground power units and pre-conditioned air units for the West Terminal Project. During 2022, FWA received a grant in the amount of \$2,979,644 to be used for the electrical systems related to the West Terminal Project and a \$3 million grant from the Regional Development Authority / Indiana Economic Development Corporation to be used for the mechanical improvements related the West Terminal Project. The Authority is also continuing to draw down funds from a TSA grant that covers \$6.9 million of a \$9.3 million electronic baggage screening system that is part of the West Terminal Project.

The airlines' cost per enplaned passenger decreased from \$9.87 in 2021 to \$8.66 in 2022. This decrease was caused mostly by the increase in enplaned passengers during 2022, as well as a slight decrease in total landed weight.

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

The schedule on page 79 of this report details additional information regarding diversity in the local economy, as the area is not dependent on the fortunes of a single employer. The ten largest employers in Allen County make up only 17.6 percent of total employment. On page 72, it can be discerned that local government is not dependent on a single taxpayer or group of taxpayers for its revenue base. The top ten taxpayers in Allen County provide only 7.7 percent of taxable assessed valuation. The number of building permits issued by the Allen County Building department for single-family and duplex residential building construction decreased from 1,697 in 2021 to 1,439 in 2022, a decrease of 15.2 percent. The 2021 amount was Allen County's largest number of building permits issued since 2005.

Tax abatements are a valuable incentive to attract new businesses into the Fort Wayne-Allen County area. Its major impact, however, is to stimulate reinvestment by existing businesses by phasing in the amount of taxes they must pay on new investments in real and personal property. The types of businesses targeted are those in manufacturing, warehousing, distribution, commercial and/or service industries. Indiana Code 6-1.1-12 allows communities within the state to offer real and/or personal property tax abatements to be phased in over a period of up to ten years. Abatement percentages are on a declining percentage per year. Long term benefits of tax abatements include job retention, job growth, increased infrastructure, and future increased tax revenues. The schedule on pages 55-56 of this report details the amount of taxes that have been abated that are applicable to the Authority for the year ended December 31, 2022.

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

Included in the capital improvement plan are provisions to make substantial improvements to the infrastructure and facilities at Smith Field: construct a taxiway connector, construct a new hangar taxi lane, construct a new 12-unit hangar, update to the airport master plan, and acquisition of land for runway approaches. These substantial improvements are needed for safety reasons and to increase the attractiveness and utilization of Smith Field Airport. The Authority will finance most of the projects above with federal and state grants.

At FWA, the Authority has substantially completed the west expansion and renovation of the terminal building, which should be completed in June 2023, as well as the design phase of the east expansion and renovation of the terminal building. The notice to proceed was given for the construction of the east project in May 2023. Design costs totaled \$5.2 million. The projected construction cost of the east expansion and renovation project is approximately \$74 million. The Authority is planning on \$57.3 million to be received from federal and state grants, \$8.0 million from airlines rates and charges for terminal rent, and \$7.4 million from passenger facility charges. The remaining amount of the east terminal expansion and renovation costs will be paid from the

Authority's cash reserves. The Authority also has planned a relocation of a taxiway, rehabilitation of multiple taxiways, terminal building ground power units, rehabilitation of the west apron and installation of taxiway lighting. Reconstructing the taxiways will enhance safety on the airfield. The terminal apron improvements will improve ramp utilization and safety. Renovating the terminal will give the Authority better utilization of its current space, solve retail space needs and improve the terminal's traffic flow. The Authority typically maximizes the use of federal and state grants from the Airport Improvement Program for airfield projects; and uses passenger facility charges to finance eligible terminal projects.

The FWA Airport ended the year at 91.2% of 2019's traffic – which had been the airport's 10th year of consecutive growth. FWA boasts 12 non-stop destinations on four airlines, with connections to over 350 destinations with just one-stop. The airport ended the year with a 13.8% decrease in flights, but only a 5.9% decrease in available seats for the year compared to 2021. This is mostly due to the fact that air travel demand is increasing, but the aviation industry as a whole, continues to navigate the effects of the pandemic on air travel that has resulted in staff shortages.

Awards and Acknowledgements – Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fort Wayne-Allen County Airport Authority for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the thirty-third (1989 – 2021) consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report for the year ending December 31, 2022 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

We acknowledge:

Cherry Bekaert LLP, Independent Auditor, and Nick Jordan, Allen County Auditor.

Respectfully submitted,
FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY



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



Douglas W. Robertson
Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

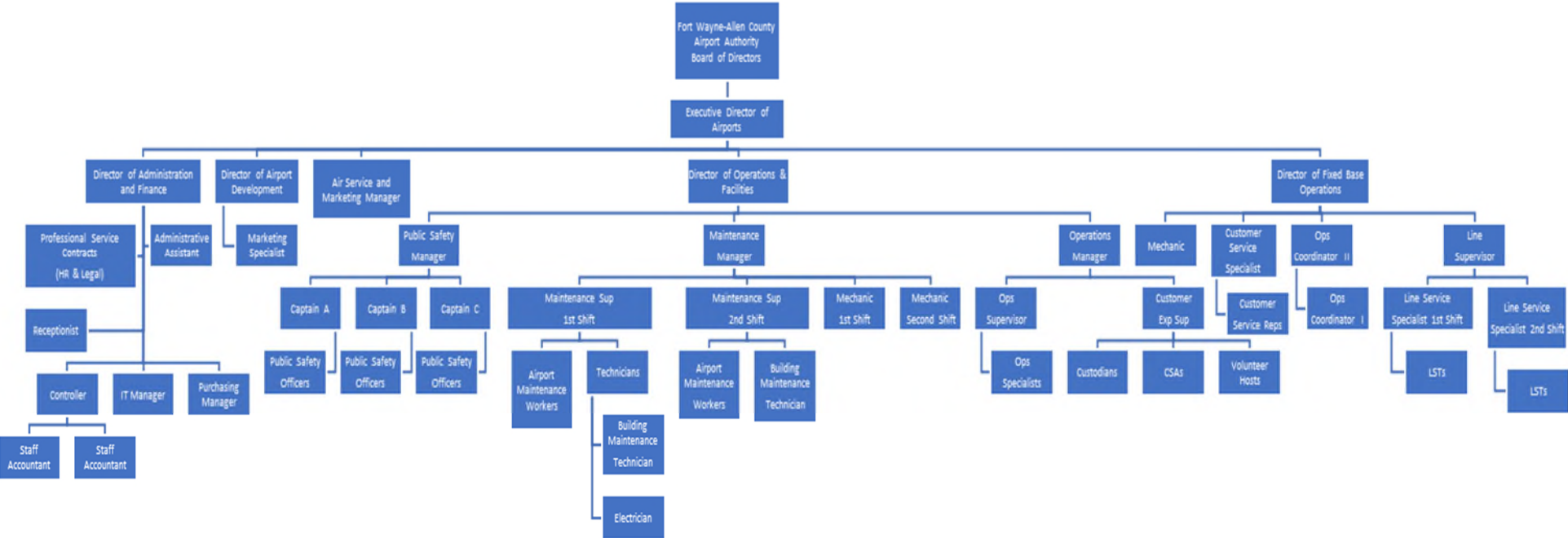
For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Fort Wayne-Allen County Airport Authority Organization Chart



FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
Principal Officials and Management

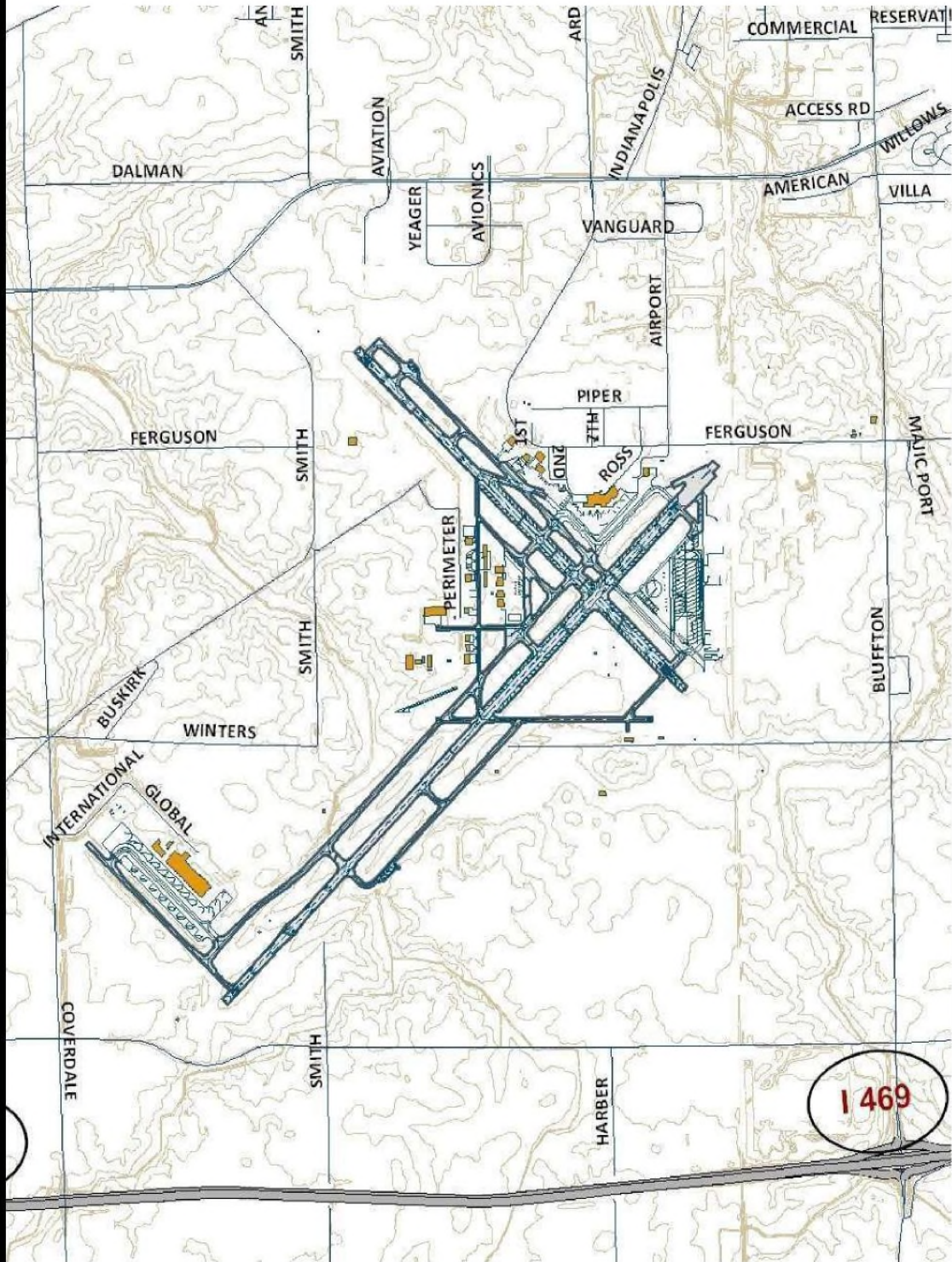
NAME	TITLE	YEARS OF SERVICE
Richard B. Sturges, Jr.	President	16
Gregg C. Sengstack	Vice President	4
Timothy J. Haffner	Secretary	29
Jerome F. Henry, Jr.	Member	16
Kimberly Grannan	Member	3
Réna Bradley	Member	2
 STAFF		
Scott D. Hinderman, AAE	Executive Director of Airports	16
OPEN	Director of Administration and Finance/Treasurer	
Joe G. Marana, AAE	Director of Operations and Facilities	8
 ATTORNEYS		
Rothberg Law Firm		32
 CERTIFIED PUBLIC ACCOUNTANTS		
Cherry Bekaert LLP		1

FORT WAYNE INTERNATIONAL AIRPORT LAYOUT MAP

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**FINANCIAL
SECTION**

Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Fort Wayne-Allen County Airport Authority (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, which includes the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Authority’s internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tampa, Florida
June 20, 2023

Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

The management of the Fort Wayne-Allen County Airport Authority (the Authority) provides the following narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022. Please read it in conjunction with the letter of transmittal to the Authority Board, located on pages 3 through 6.

Financial Highlights

The Authority's net position increased approximately \$23.4 million as a result of this year's operations. The unrestricted net position component of net position increased 53.3 percent due to an increase in current assets generated from operations and nonoperating resources. The restricted net position component decreased by \$7.6 million, mostly due to the cost of construction of the west terminal renovation and expansion project. This decrease was offset by an increase in net investment in capital assets of \$4.0 million as the construction project has increased the Authority's assets.

Current assets increased approximately \$8.8 million primarily due to increases in cash and investments due to the receipt of Federal American Rescue Plan Act (ARPA) related grant funds in the amount of \$5.5 million.

Noncurrent assets increased by \$31.0 million due to the work in process for the west terminal expansion and renovation project. This increase to capital assets was offset by the decrease in restricted cash as the 2021 bonds proceeds were being spent down related to construction of the west terminal expansion and renovation project.

Total liabilities remained relatively flat at approximately \$42.0 million even though the net pension liability experienced a significant increase resulting from the Indiana Public Retirement System (INPRS) valuation and increase to the Authority's proportionate share of the overall pension liability.

Economic Factors

Although the COVID-19 pandemic's dynamic nature led to many uncertainties, including the degree of spread, severity, and duration of the pandemic, the Fort Wayne International Airport (FWA) continued to experience a resurgence in demand for air travel during 2022. Along with this, however, has come a steady increase in flight cancellations due to labor shortages. Seat capacity overall was down 5.9% compared to 2021. Even though there were less seats in our market during 2022, FWA experienced a 6.4% increase in the number of passenger enplanements over the last year, resulting in total 2022 enplanements of 363,039. After ten consecutive years of passenger enplanement growth from 2010 to 2019, FWA ended 2022 with just 8.8% less passengers than the pre-pandemic record set in 2019. A significant increase in business and leisure travel as COVID-19 disruption continues to improve caused this increase in traffic. FWA staff anticipates returning to 2019 enplanement levels by the end of 2024 or early 2025.

The West Terminal Expansion and Renovation Project, which was funded in part by Series 2021 Bonds, is nearing its June 30, 2023 expected completion. With the recovery in airport activity well underway, the Authority is now pursuing an additional major initiative, the East Terminal Expansion and Renovation Project, which doubles the size of the Authority's capital improvement plan (CIP), though the updated CIP does not assume any additional bond issuance in the next five years. This phase will include relocating gates 2-4 to the second level with new passenger boarding bridges, new food and beverage and retail concessions located on the second level, expanded security checkpoint for the TSA, and renovation of baggage claim and rental car counters. The estimated cost for design and construction of this project is approximately \$79.0 million. The

Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

Authority anticipates receiving approximately \$57.3 million in funding from federal and state grants, and will utilize cash reserves for the remaining amount.

The Authority's tax base, which is coterminous with Allen County, is broad and diverse. The County has a population of 391,449 (2022), and the City of Fort Wayne is Indiana's second most populous city. The County is characterized by population growth exceeding the State and U.S. averages over the last decade, average income levels, and a broad-based economy with some concentration in manufacturing tied to production facilities for General Motors, BF Goodrich, and BAE Systems. The tax base continues to grow at a strong pace: assessed value rose at a 5.5% 10-yr CAGR through 2022, more than double the equivalent pace of Consumer Price Index (CPI) inflation. Continued growth in population and property tax base are expected, supporting both demand for air service and rising tax revenues going forward.

Overview of the Financial Statements

The Authority's financial report consists of three financial statements: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and are depreciated over their estimated useful lives. Land, land improvements, certain intangible assets, and construction in progress are capitalized but not depreciated.

Statement of Net Position - This Statement presents information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference among all other elements in the Statement. Net position is displayed in three components: net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position - This is the operating statement for the Authority. Revenues and expenses are categorized as either operating or nonoperating. On this statement, property and other taxes, and passenger and customer facility charges are reported as non-operating revenues; and capital grants are reported as capital contributions.

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

Notes to Financial Statements - The Notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 28 through 56 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's pension plan and retiree healthcare

Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

plan. Required supplementary information can be found on pages 57 through 60 of this report.

Condensed Financial Information

Net Position - The Authority's net position increased \$23.4 million or 11.1 percent from 2021 to 2022. The growth in net position is attributed primarily to a \$31.0 million increase in total assets compared to the \$.8 million increase in total liabilities. Unrestricted net position increased \$27.0 million due to an increase in current assets generated from operations and nonoperating resources. Restricted net position decreased \$7.6 million as the proceeds from the sale of the 2021 bonds are being spent for the west terminal renovation and expansion project. As noted previously, increases, or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Current assets increased approximately \$8.8 million or 10.7 percent due to increases in cash and cash equivalents. This increase was the result of increases in cash and investments generated from operations and nonoperating resources, increases in accounts receivables, as well as the addition of approximately \$6.0 million of COVID-19 ARPA funds. Restricted cash decreased by \$19.8 million as the Authority continues to spend the bond proceeds and cumulative building funds towards the West Terminal Expansion/Renovation Project.

Total liabilities remained relatively flat with a slight increase of \$.8 million.

Deferred outflows of resources increased \$.3 million or 30.1 percent due to increases in deferred amounts related to pensions and OPEB, while deferred inflows of resources increased by \$7.0 million or 380.3 percent. This increase to deferred inflows is a result of the implementation of a new lease accounting standard related to leases GASB Statement No. 87, *Leases*.

The Authority's net investment in capital assets (e.g., land, buildings and improvements, infrastructure items, and equipment) is the largest component (62.2 percent) of net position. These capital assets are used to provide services to customers. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from other sources such as operating and nonoperating revenues, since the capital assets themselves cannot be liquidated to pay these liabilities.

In addition, 4.7 percent of the Authority's net position represents resources that are subject to external restrictions on how they may be used. The restricted balances represent bond reserves that are subject to external restrictions on how they can be used under bond covenants; debt service cash, restricted by state law, that can only be used to pay debt service on the 2021 bonds; passenger facility charges that are restricted by Federal regulations; cumulative building cash and investments that are restricted by State law; and security deposits held for tenants and other users of Airport facilities. The remaining balance (33.1 percent) or \$77.5 million is the unrestricted component of net position, which may be used to meet the Authority's ongoing obligation to its citizens, customers, and creditors within FAA operating guidelines.

Fort Wayne-Allen County Airport Authority
Management's Discussion and Analysis
December 31, 2022

A summary of the Authority's 2022 net position compared to 2021 follows:

Authority's Net Position				
	2022	2021	Increase (Decrease)	Percent Change
Assets				
Current Assets	\$ 90,783,073	\$ 81,992,462	\$ 8,790,611	10.7
Noncurrent Assets				
Other noncurrent assets	15,972,392	26,215,718	(10,243,326)	-39.1
Capital assets, net	176,962,901	144,591,799	32,371,102	22.4
Total assets	283,718,366	252,799,979	30,918,387	12.2
Deferred Outflows of Resources	1,152,577	886,136	266,441	30.1
Total assets and deferred outflows of resources	\$ 284,870,943	\$ 253,686,115	\$ 31,184,828	12.3
Liabilities				
Current Liabilities	\$ 9,903,063	\$ 9,209,576	\$ 693,487	7.5
Noncurrent Liabilities				
Other noncurrent liabilities	4,460,023	3,066,276	1,393,747	45.5
Bonds and other long-term debt	27,666,473	28,903,576	(1,237,103)	-4.3
Total liabilities	42,029,559	41,179,428	850,131	2.1
Deferred Inflows of Resources	8,788,276	1,829,703	6,958,573	380.3
Net Position				
Net investment in capital assets*	145,536,188	141,545,038	3,991,150	2.8
Restricted	10,994,196	18,575,310	(7,581,114)	-40.8
Unrestricted*	77,522,724	50,556,636	26,966,088	53.3
Total net position	\$ 234,053,108	\$ 210,676,984	\$ 23,376,124	11.1

*Amounts for 2021 have been updated to conform to classification used in 2022 amounts.

Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

Changes in Net Position

Total revenues increased \$2.9 million (or 7.9 percent) from 2021 to 2022. Operating revenues increased by 41.8 percent and nonoperating revenues decreased by 19.8 percent. The largest increases in operating revenues were from building and ground lease revenues and fixed base operations fuel sales. These combined for a total increase of \$6.2 million as the airport continues to rebound from the effects that the COVID-19 pandemic had on aeronautical activity. Fort Wayne Airport (FWA) experienced a 6.4 percent increase in enplaned passengers during 2022 compared to 2021. Total enplaned passengers during 2022 was 363,039, only down 8.8 percent compared to 2019 which was a record year of enplanements for FWA at 397,938.

During 2022, FWA received revenue from federal operating grants in the form of relief to airports during the COVID-19 pandemic. FWA received a total of \$6.0 million in COVID-19 Grant funds to help support airport operations and were made eligible to use for regular airport operating expenses. FWA also experienced slight increases in passenger facility charges and customer facility charges at a combined total of 22.1 percent due to the increase in passenger enplanements and car rentals. The Authority was able to invest more dollars at a higher interest rate in 2022 compared to 2021. The Authority's Board passed a resolution to invest \$20 million into a new investment portfolio account to be used for the construction of the east terminal renovation and expansion project. Total interest income increased 262.2 percent or \$.5 million in 2022. These increases were offset by decreases in property tax revenues and federal operating grants, which resulted in a total nonoperating revenue decrease of \$4.1 million.

Total operating expenses increased \$4.8 million (or 21.1 percent). Fixed base operation expenses accounted for more than half of the total increase as airline and general aviation activity continued to resume as the area recovered from the COVID-19 pandemic which caused a record year for FWA in fuel sales. Expenses for the remaining cost centers all had slight increases or decreases when comparing 2022 to 2021. However, the Authority had approximately \$.7 million in expenses (net of insurance reimbursements received) due to a derecho that occurred on June 13, 2022. Twenty-five buildings were damaged by the wind storm, most had minor damages, but the majority of the damages affected 3 buildings in particular. Depreciation expense decreased by \$.1 million.

Capital contributions increased significantly by \$5.7 million due to increases in the amount of federal and state airport improvement grants received. Most of the capital contributions in 2022 came from federal and state grants for the renovation/expansion of the west terminal, and for the design and construction of a new consolidated in-line baggage system from the Transportation Security Administration, all at FWA. Some federal and state grants also financed reconstruction of a taxiway at Smith Field.

Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

A summary of the Authority's 2022 changes in net position compared to 2021 follows below:

Authority's Changes in Net Position				
	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Revenues				
Airfield	\$ 2,012,022	\$ 2,173,388	\$ (161,366)	-7.4
Buildings and grounds	4,736,395	2,307,920	2,428,475	105.2
Terminal	3,470,713	3,435,003	35,710	1.0
Parking	4,183,168	3,509,431	673,737	19.2
Fixed base operations	8,570,295	4,727,076	3,843,219	81.3
Reliever airport	646,958	503,873	143,085	28.4
Total operating revenues	<u>23,619,551</u>	<u>16,656,691</u>	<u>6,962,860</u>	41.8
Nonoperating Revenues				
Property and other taxes	7,470,100	8,508,224	(1,038,124)	-12.2
Federal Operating Grant	5,980,902	9,712,645	(3,731,743)	-38.4
Passenger facility charges	1,519,105	1,475,540	43,565	3.0
Customer facility charges	438,370	368,063	70,307	19.1
Interest income	666,133	183,891	482,242	262.2
Miscellaneous	100,324	55,000	45,324	82.4
Gain on capital asset disposal	164,035	65,404	98,631	150.8
Total nonoperating revenues	<u>16,338,969</u>	<u>20,368,767</u>	<u>(4,029,798)</u>	-19.8
Total revenues	<u>39,958,520</u>	<u>37,025,458</u>	<u>2,933,062</u>	7.9
Operating Expenses				
Airfield	2,490,097	1,853,217	636,880	34.4
Buildings and grounds	1,001,065	897,931	103,134	11.5
Terminal	1,526,384	1,969,549	(443,165)	-22.5
Parking	617,449	526,993	90,456	17.2
Fixed base operations	6,814,278	3,903,047	2,911,231	74.6
Reliever airport	671,606	527,654	143,952	27.3
Administration	3,744,943	2,617,333	1,127,610	43.1
Maintenance	1,805,636	1,447,164	358,472	24.8
Depreciation and amortization	9,172,444	9,252,505	(80,061)	-0.9
Total operating expenses	<u>27,843,902</u>	<u>22,995,393</u>	<u>4,848,509</u>	21.1
Nonoperating Expenses				
Total expenses	<u>873,696</u>	<u>467,403</u>	<u>406,293</u>	86.9
Total expenses	<u>28,717,598</u>	<u>23,462,796</u>	<u>5,254,802</u>	22.4
Income Before Capital Contributions:	11,240,922	13,562,662	(2,321,740)	-17.1
Capital Contributions				
Federal and state grants	<u>12,135,202</u>	<u>6,396,509</u>	<u>5,738,693</u>	89.7
Increase in Net Position	23,376,124	19,959,171	3,416,953	17.1
Net Position, Beginning of Year	<u>210,676,984</u>	<u>190,717,813</u>	<u>19,959,171</u>	10.5
Net Position, End of Year	<u>\$ 234,053,108</u>	<u>\$ 210,676,984</u>	<u>\$ 23,376,124</u>	11.1

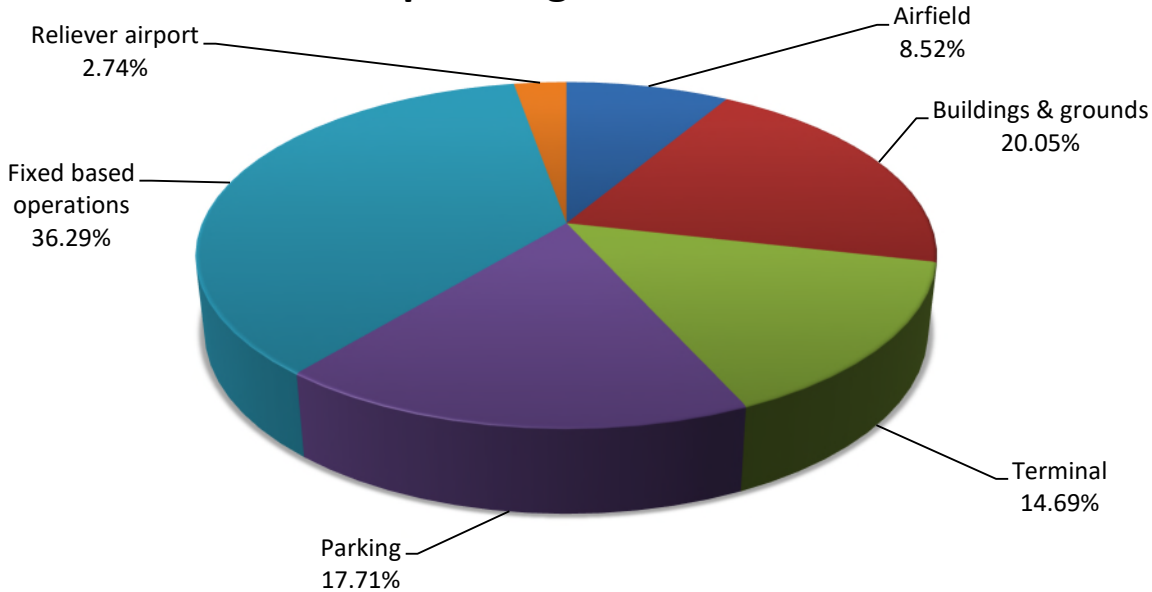
Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

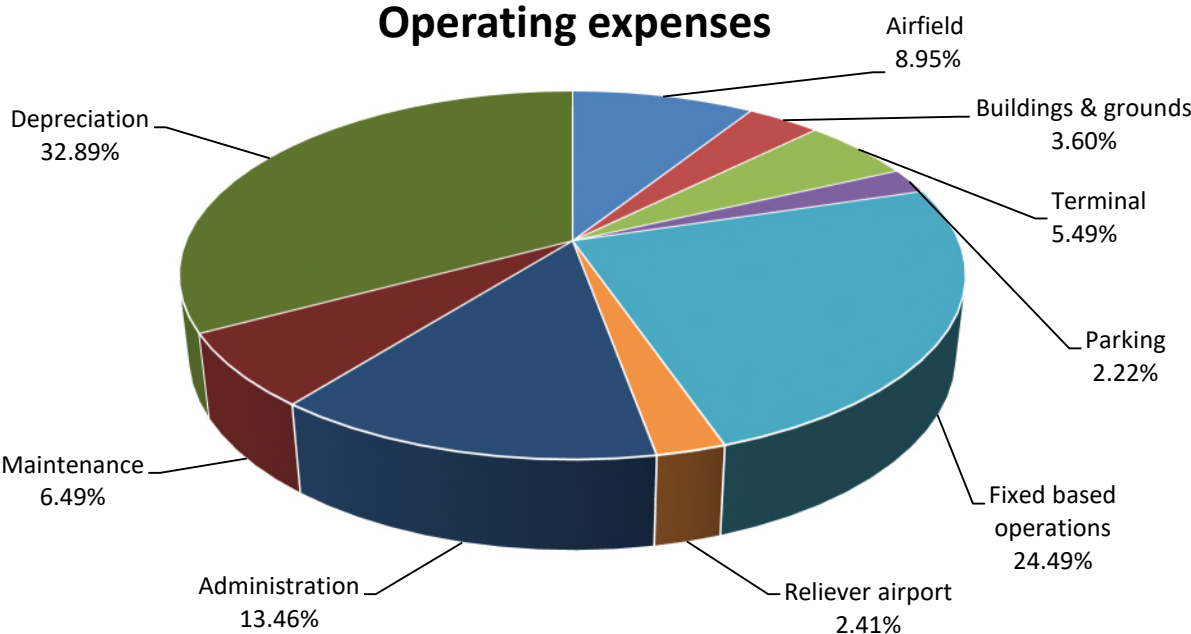
December 31, 2022

The following charts show the major sources and percentages of operating revenues and expenses for the year ended December 31, 2022:

Operating revenues



Operating expenses



Fort Wayne-Allen County Airport Authority

Management's Discussion and Analysis

December 31, 2022

Capital Asset Activity

During 2022, the Authority expended approximately \$41.4 million for capital improvements. The Authority completed the following projects at FWA: \$4.9 million for the design of the east terminal expansion/renovation project, \$.2 million for the rehabilitation of Taxiway C, \$.02 million for Hangar 2041 roof replacement, \$.02 million for building improvements at the Air Trade Center, \$.03 million for ramp pavement at Hangar 2003, \$33.4 million to complete design and begin construction of the west terminal expansion/renovation project, \$.02 million to design the relocation and rehabilitation of Taxiway C, \$.01 million to design a new corporate hangar, \$1.4 million for land acquisitions, \$.01 million for fencing at the Air Trade Center, \$.05 million to replace a Public Safety Department vehicle, and various other smaller capital improvements. At Smith Field, the Authority spent \$.08 million for easement acquisitions for obstruction mitigation, \$.01 million to design improvements on Taxiway A, and \$.01 million for a new server. A substantial amount of these projects were financed with federal and state grants, and passenger facility charges.

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

Long-Term Debt Activity

In September 2019, the Authority issued \$4.1 million in general obligation bonds for the purpose of funding certain airport improvements. Upon issuance of the bonds, \$.01 million in issuance costs were expensed. The bonds were not rated. On July 15, 2022, the final payment was made on these bonds paying them in full. These bonds were payable from an ad valorem property tax levied on taxable property in the Fort Wayne-Allen County Airport District which are coterminous with Allen County, Indiana.

In April 2021, the Authority issued \$12.4 million in general obligation bonds and \$15.4 million in tax-exempt private activity general obligation bonds for the purpose of construction of the west terminal renovation/expansion project. Both bonds received a rating of Aa2 by Moody's and AA from Kroll Bond Rating Agency. In March 2023, Kroll Bond Rating Agency affirmed the bond rating of AA. Debt service payments for both bonds began in 2021 and will be paid in full in June 2039. Both bonds are payable from an ad valorem property tax levied on taxable property in the Fort Wayne-Allen County Airport District which are coterminous with Allen County, Indiana.

The Authority has a legal debt limit of \$145.7 million which represents 2 percent of the adjusted value of Allen County property. The adjusted value is one-third of the assessed value as certified by the State Department of Local Government Finance. Since the Authority has general obligation debts outstanding in the amount of \$27.4 million, the legal debt margin is \$118.3 million as of December 31, 2022. Bonds issued by a building corporation do not count against the legal debt limit.

For additional information on bonds and other long-term debt, see note 10.

Fort Wayne-Allen County Airport Authority
Management's Discussion and Analysis
December 31, 2022

Currently Known Facts

The Authority's property tax rates include a debt service levy in addition to the operating and cumulative building fund. In 2023, the operating, debt service and cumulative building tax rates are .0242, .0075, and .0030, respectively. The rates are per \$100 of assessed value and will be applied on an assessed value of \$21,854,444,834. These rates compare to the 2022 rates for operating, debt service and cumulative building of .0263, .0041 and .0030, respectively.

Requests for Information

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

Fort Wayne-Allen County Airport Authority

Statement of Net Position

For the Year Ended December 31, 2022

Assets

Current Assets

Unrestricted assets	
Cash and cash equivalents (note 2)	\$ 37,811,567
Investments (note 2)	42,792,358
Accounts receivable, net of allowance	415,645
Unbilled revenue	455,859
Property tax receivables, net of allowance (note 1)	139,653
Other receivables	355,530
Inventory (note 4)	448,373
Prepaid items	258,123
Total unrestricted assets	<u>82,677,108</u>
Restricted assets	
Cash and cash equivalents (notes 2 and 3)	1,849,275
Passenger facility charge receivable	217,587
Federal and state grants receivable	3,774,304
Property tax receivable, net of allowance (note 1)	23,571
Lease receivable (note 6)	2,241,228
Total restricted assets	<u>8,105,965</u>
Total current assets	<u>90,783,073</u>

Noncurrent Assets

Restricted assets	
Cash and cash equivalents (notes 2 and 3)	9,980,543
Property tax receivables, net of allowance (note 1)	15,933
Lease receivable, net of current (note 6)	5,969,067
Other receivables	6,849
Total restricted assets	<u>15,972,392</u>
Capital assets, net (note 5)	<u>176,962,901</u>
Total noncurrent assets	<u>192,935,293</u>
Total Assets	<u>283,718,366</u>

Deferred Outflows of Resources

Deferred outflow of resources related to pensions (note 8)	1,055,802
Deferred outflow of resources related to OPEB (note 9)	96,775
Total deferred outflows of resources	<u>1,152,577</u>

Fort Wayne-Allen County Airport Authority

Statement of Net Position (Continued)

For the Year Ended December 31, 2022

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities

Payable from unrestricted	
Accounts payable	\$ 7,359,208
Accrued liabilities	287,243
Accrued compensated absences	258,972
Advance rent	130,461
Total unrestricted	<u>8,035,884</u>
Payable from restricted	
Accounts payable	300,814
Current portion of bonds payable (note 10)	1,195,000
Accrued interest on bonds payable	350,953
Lease liability (note 6)	20,412
Total restricted	<u>1,867,179</u>
Total current liabilities	<u>9,903,063</u>

Noncurrent Liabilities

Net pension liability (note 8)	2,475,127
Net OPEB liability (note 9)	942,384
Accrued compensated absences	1,001,349
Bonds payable, net (note 10)	27,666,473
Lease liability, net of current (note 6)	41,163
Total noncurrent liabilities	<u>32,126,496</u>
Total liabilities	<u>42,029,559</u>

Deferred Inflows of Resources

Deferred inflows of resources related to pensions (note 8)	178,320
Deferred inflows of resources related to OPEB (note 9)	532,355
Deferred inflows of resources related to leases (note 6)	8,077,601
Total deferred inflows of resources	<u>8,788,276</u>

Net Position

Net investment in capital assets	145,536,188
Restricted for	
Debt service	70,795
Capital projects	10,923,401
Unrestricted	77,522,724
Total net position	<u>\$ 234,053,108</u>

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

Fort Wayne-Allen County Airport Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2022

Operating Revenues	
Airfield	\$ 2,012,022
Buildings and grounds	4,736,395
Terminal	3,470,713
Parking	4,183,168
Fixed based operations	8,570,295
Reliever airport	646,958
Total operating revenues	<u>23,619,551</u>
Operating Expenses	
Airfield	2,490,097
Buildings and grounds	1,001,065
Terminal	1,526,384
Parking	617,449
Fixed based operations	6,814,278
Reliever airport	671,606
Administration	3,744,943
Maintenance	1,805,636
Depreciation and amortization	9,172,444
Total operating expenses	<u>27,843,902</u>
Operating Loss	<u>(4,224,351)</u>
Nonoperating Revenues (Expenses)	
Property and other taxes	7,470,100
Federal operating grant	5,980,902
Passenger facility charge	1,519,105
Customer facility charge	438,370
Interest income	666,133
Interest expense	(666,054)
Miscellaneous	100,324
Unrealized loss on investments	(207,642)
Gain on disposal of capital assets	164,035
Net nonoperating revenues (expenses)	<u>15,465,273</u>
Income Before Capital Contributions	11,240,922
Capital Contributions	
Federal and state grants	<u>12,135,202</u>
Net Position	
Increase in net position	23,376,124
Total Net Position, Beginning of Year	<u>210,676,984</u>
Total Net Position, End of Year	<u>\$ 234,053,108</u>

Fort Wayne-Allen County Airport Authority

Statement of Cash Flows

For the Year Ended December 31, 2022

Cash Flows From Operating Activities	
Receipts from customers	\$ 23,651,837
Payments to suppliers	(11,350,605)
Payments to employees	(5,476,951)
Payments of benefits on behalf of employees	(2,189,883)
Refunds and return of customer deposits	57,967
Net cash provided by operating activities	<u>4,692,365</u>
Cash Flows From Noncapital Financing Activities	
Receipts of property and other taxes	6,081,274
Receipts of nonoperating federal grant	5,980,902
Net cash provided by noncapital financing activities	<u>12,062,176</u>
Cash Flows From Capital and Related Financing Activities	
Receipts of property and other taxes	1,398,697
Acquisition and construction of capital assets	(41,415,900)
Sale of capital assets	749,096
Principal paid on bonds and other long-term debt	(1,008,271)
Interest paid on bonds and other long-term debt	(710,305)
Capital grant receipts	15,862,036
Passenger facility charge receipts	1,524,669
Customer facility charge receipts	438,370
Net cash used in capital and related financing activities	<u>(23,161,608)</u>
Cash Flows From Investing Activities	
Purchase of investment securities	(43,500,000)
Proceeds from sale and maturities of investment securities	8,500,000
Interest received on investments	329,305
Net cash used in investing activities	<u>(34,670,695)</u>
Net Decrease in Cash and Cash Equivalents	(41,077,762)
Cash and Cash Equivalents, Beginning of Year	<u>90,719,147</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 49,641,385</u></u>

Fort Wayne-Allen County Airport Authority
Statement of Cash Flows (continued)
For the Year Ended December 31, 2022

Provided by Operating Activities

Operating loss	\$ (4,224,351)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	9,172,444
Changes in assets and liabilities	
Accounts receivable and unbilled revenue	(22,016)
Other assets	(4,474)
Accounts payable	(318,275)
Accrued liabilities	218,200
Net pension liability	1,491,662
Deferred inflows of resources	(1,385,469)
Net OPEB	(235,356)
	\$ 4,692,365
Net cash provided by operating activities	\$ 4,692,365

Noncash Capital and Related Financing Activities

Capital and related financing activities	
Capital assets included in accounts payable	\$ (7,106,417)
Capital contributions from federal and state grants	3,726,833

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

Fort Wayne-Allen County Airport Authority
Notes to the Financial Statements
December 31, 2022

Note 1: Organization and Summary of Significant Accounting Policies

Organization

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

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Reporting Entity

As required by U.S. GAAP, these financial statements present the Authority.

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

Basis of Accounting and Reporting

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

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

Fort Wayne-Allen County Airport Authority

Notes to the Financial Statements

December 31, 2022

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

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority follows GASB pronouncements for proprietary funds.

GASB Statement No. 87, Leases

During 2022, the Authority implemented GASB Statement No. 87, *Leases* (GASB Statement No. 87). This statement requires governments to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB Statement No. 87 did not result in any change to the Authority's beginning net position. As of January 1, 2022, the implementation of GASB Statement No. 87 resulted in the increase of lease receivable and deferred inflows for leases of approximately \$9.0 million related to leases where the Authority is the lessor. Leases where the Authority is the lessee resulted in a lease liability and a right-to-use asset of approximately \$82 thousand at January 1, 2022. Leases have been recognized and measured using the facts and circumstances that existed at the beginning of the year. Refer to Note 6 for additional disclosures on these balances, as well as for disclosures relating to regulated leases that are exempt from inclusion in the measurement of the above balances.

Future Adoption of Accounting Standards

GASB has issued several other pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Airport:

- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

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Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents, which are stated at cost, consist of short-term government money market funds.

Investments

Indiana statutes authorize the Authority to invest in United States obligations and issues of federal agencies, secured repurchase agreements, certificates of deposit, money market deposit accounts, passbook savings accounts, and negotiable order of withdrawal (NOW) accounts.

The Authority invests exclusively in short-term non-negotiable certificates of deposit that are stated at cost, money market deposit accounts, or treasury securities.

Unbilled Revenue

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

Inventories

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

Capital Assets

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

Capital assets, which include property, equipment, infrastructure (e.g., taxiways, runways, roads, terminal apron), and intangible assets are defined by the Authority as assets with an initial cost of \$5,000 or more and estimated useful life of two or more years. These assets are recorded at historical cost.

Capital assets are reported at historical cost, net of accumulated depreciation and amortization. Maintenance and repairs that do not add value to the assets or materially extend assets lives are not capitalized. When capital assets are disposed of, the related cost and accumulated depreciation and amortization are removed from the respective accounts and any gain or loss on disposition is credited or charged to expense. Runways, taxiways, parking areas, sewers and other similar items are written off when fully depreciated or amortized unless clearly identified as still being in use. Except for inexhaustible capital assets such as land, land improvements, aviation easements, and construction in progress, all capital assets, including infrastructure assets and right-to-use lease assets, are depreciated or amortized using the straight-line method over the estimated useful lives of the assets as follows:

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	Years
Buildings and improvements	5-30
Infrastructure items	10-50
Intangibles	3-10
Equipment	3-20
Right to use	Period dependent on lease term

Compensated Absences

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

The Authority accrues accumulated unused sick leave benefits for employees with at least 10 years of service regardless of age and employees age 50 or older regardless of length of service. Based upon historical information, it was determined that these employees would most likely meet the conditions necessary to receive their sick leave benefits.

Deferred Outflows and Inflows of Resources

In addition to assets, liabilities and net position, the Statement of Net Position contains a separate section for deferred outflows of resources and a separate section for deferred inflows of resources. A deferred outflow of resources represent a consumption of net assets that is applies to future periods. A deferred inflow of resources represent an acquisition of net assets that applies to future periods.

Net Position

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

Fort Wayne-Allen County Airport Authority

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Capital Project Funds

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

Passenger Facility Charge (PFC) Revenue

The Authority received approval from the FAA to impose and use a PFC of \$3 per enplaned passenger beginning July 1, 1993.

Subsequently, the Authority received approval from the FAA to increase the PFC from \$3 to \$4.50 per enplaned passenger beginning December 1, 2005. All projects for these PFC applications have been completed. In addition, on August 26, 2021, the following projects were approved:

- (1) Terminal Apron Reconstruction/Expansion - Design and Construction
- (2) West Terminal Building Renovation/Expansion - Design

PFC's are collected by the airlines and are recognized as earned and included in nonoperating revenues by the Authority. The approval received in 2021 allows the Authority to impose and use \$3,605,585 in PFC's for the projects listed above. As of December 31, 2022, the Airport Authority had received a total of \$1,678,384 of the approved amount.

Customer Facility Charge (Rental Cars)

The Authority received approval by the Board in 2011 to collect a customer facility charge (CFC) from all car rental companies that operate on the Airport. Effective July 1, 2014, the Board approved an increase in the CFC from \$1.50 per day to \$2.25 per car rental transaction per day. The Board also increased the period of collection from a rental for up to four days to a rental for up to ten days. Effective January 1, 2019, the Board approved an increase in the CFC from \$2.25 per day to \$2.50 per car rental transaction per day. CFC revenues will be used to construct a new car rental parking area and car rental parking area maintenance on the Airport. CFCs are recognized as non-operating revenue by the Authority.

Rental Income

Under GASB Statement No. 87, all leases with maximum possible terms exceeding one year are recognized as both a right-to-use asset and a lease liability on the Statement of Net Position, with certain exceptions. Rental income is generally recognized over the respective lease terms.

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Property Taxes

The following summarizes the property tax calendar for the current year:

Lien date	March 1, 2021
Levy date	January 1, 2022
Tax bills mailed	April 1 and October 1, 2022
First installment payment due	May 10, 2022
Second installment payment due	November 10, 2022
Authority collection dates	June and December 2022
Tax sale - 2021 delinquent property taxes	August 2024

Property taxes levied are collected by the Allen County Treasurer and periodically remitted to the Authority.

Property taxes are accrued when levied, and receivables (current and noncurrent) aggregated \$206,962 with an allowance of \$27,805 for delinquent taxes, at December 31, 2022.

Property taxes in the Cumulative Building Fund are classified as restricted as there are restrictions on how they can be used and must receive separate appropriation approvals.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance to protect against all these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past four years. There was no reduction in insurance coverage during 2022.

Budgetary Compliance

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

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

Fort Wayne-Allen County Airport Authority
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Pensions

The Authority participates in a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement Fund (PERF) of the Indiana Public Retirement System. 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 PERF and additions to and deductions from PERF's fiduciary net position have been determined on the same basis as they are reported by PERF. 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.

Non-Trusted Single Employer Other Postemployment Benefit Plan

The Authority has a single-employer other postemployment benefit (OPEB) plan, Fort Wayne-Allen County Airport Authority Postretirement Benefit Plan, (the OPEB Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Note 2: Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments included in the statement of net position on December 31, 2022 consist of the following:

	Amount
Cash and cash equivalents	
Current	\$ 37,811,567
Current, restricted	1,849,275
Noncurrent, restricted	9,980,543
	49,641,385
Investments	
Current	42,792,358
	42,792,358
Total	\$ 92,433,743

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Deposits and investments with financial institutions on December 31, 2022 are as follows:

Cash deposits	\$ 49,808,099
Certificates of Deposit	23,000,000
Investment portfolio (1)	<u>19,792,358</u>
 Total deposits	 <u><u>\$ 92,600,457</u></u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires compliance with provisions of Indiana Code (IC) 5-13-9. The Authority's cash deposits and investments are insured by the Federal Deposit Insurance Corporation (FDIC) at each bank for a combined total of up to \$250,000. Deposits in excess of \$250,000 for cash deposits and investments at each bank are insured by the Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under IC 5-13-12-1. Authority deposits totaling \$1,750,000 are insured by the FDIC. Remaining deposits are insured by the IPDIF.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. A portion of the Authority's bank deposits that are invested overnight in repurchase agreements are uninsured and held in the financial institution's name. The Authority's policy is to follow IC 5-13-9-2.5, which requires that repurchase agreements be collateralized with U.S. Government securities.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risks associated with investments, the Authority's policy is to follow IC 5-13-9-2.5, which limits investments to money market funds rated AAA by Standard and Poor's Corporation or Aaa by Moody's Investors Service, Inc., repurchase agreements fully collateralized by U.S. Government securities, and U.S. Treasury obligations (or other U.S. Agency obligations). As of December 31, 2022, the Authority's investments met these criteria.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy to minimize interest rate risk is to abide by the Indiana Code, which limits investments to securities with a stated maturity of not more than two years. This maturity limitation reduces the Authority's exposure to declines in fair values related to increases in interest rates

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

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Note 3: Restricted Assets

Cash, Cash Equivalents, and Investments

Cash, cash equivalents and investments are restricted as follows:

	Amount
Pursuant to the FWACAA General Obligation Bonds of 2021	\$ 1,342,429
Pursuant to the FWACAA Tax Exempt Private Activity General Obligation Bonds of 2021	3,280,856
Property Tax Revenues Reserved For Debt Service Pursuant to the Aviation Safety and Capacity Expansion Act of 1990, Federal Aviation Regulation Part 158 Passenger Facility Charge Account	15,567
Pursuant to Cumulative Building Fund Account established in 2001	1,678,384
Donations	5,081,868
Security deposits	155,324
	275,390
Total	\$ 11,829,818

General Obligation Bonds of 2021

Pursuant to the Bond Ordinance, the GO Bond proceeds were deposited into the Bond Proceeds Fund which are to be used to pay expenses associated with the Project and the issuance costs. Any proceeds remaining in the Bond Proceeds Fund after project completion not required for unpaid obligations shall be used to pay debt service on the GO Bonds or otherwise used as permitted by law.

A GO Bond Fund was also established which is used to pay the debt service on the GO Bonds. The net GO Bond premium was deposited into the GO Bond Fund at closing and is available to pay debt service on the GO Bonds in budget years 2021, 2022, and a portion of 2023.

The Authority levies a property tax for the payment of principal and interest on these bonds. The levy became effective for taxes collected during 2021.

The Authority is in compliance with all significant financial bond covenants as of December 31, 2022.

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Tax-Exempt Private Activity General Obligation Bonds of 2021

Pursuant to the Bond Ordinance, the Private Activity GO Bond proceeds were deposited into the Bond Proceeds Fund which are to be used to pay expenses associated with the Project and the issuance costs. Any proceeds remaining in the Bond Proceeds Fund after project completion not required for unpaid obligations shall be used to pay debt service on the Private Activity GO Bonds or otherwise used as permitted by law.

A Private Activity GO Bond Fund was also established which is used to pay the debt service on the Private Activity GO Bonds. The net Private Activity GO Bond premium was deposited into the Private Activity GO Bond Fund at closing and is available to pay debt service on the Private Activity GO Bonds in budget years 2021 and a portion of 2022.

The Authority levies a property tax for the payment of principal and interest on these bonds. The levy became effective for taxes collected during 2021.

Note 4: Inventories

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

	Amount
Supply inventories held for consumption	\$ 189,538
Fixed based operator inventories held for sale	258,834
Total inventories	\$ 448,373

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Note 5: Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 22,042,015	\$ 1,367,687	\$ 327,593	\$ 23,082,109
Intangibles	494,172	112,451	-	606,623
Work in progress	<u>20,200,600</u>	<u>40,235,006</u>	<u>445,207</u>	<u>59,990,399</u>
Total capital assets, not being depreciated	42,736,787	41,715,144	772,800	83,679,131
Capital assets, being depreciated				
Buildings and improvements	89,522,485	157,389	2,340,642	87,339,232
Infrastructure items	201,293,179	403,571	145,042	201,551,708
Intangibles	3,325,328	-	25,570	3,299,758
Equipment	13,970,316	222,964	591,539	13,601,741
Right to use asset - equipment	<u>81,912</u>	<u>-</u>	<u>-</u>	<u>81,912</u>
Total capital assets, being depreciated	<u>308,193,220</u>	<u>783,924</u>	<u>3,102,793</u>	<u>305,874,351</u>
Less accumulated depreciation for				
Buildings and improvements	64,033,640	2,688,048	2,095,903	64,625,785
Infrastructure items	131,341,491	5,508,520	145,042	136,704,969
Intangibles	2,794,839	142,148	25,570	2,911,417
Equipment	8,086,326	813,250	571,644	8,327,932
Right to use asset - equipment	<u>-</u>	<u>20,478</u>	<u>-</u>	<u>20,478</u>
Total accumulated depreciation	<u>206,256,296</u>	<u>9,172,444</u>	<u>2,838,159</u>	<u>212,590,581</u>
Net capital assets	<u>\$ 144,673,711</u>	<u>\$ 33,326,624</u>	<u>\$ 1,037,434</u>	<u>\$ 176,962,901</u>

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Note 6: Leases

Lessor Airport Tenant Agreements

The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases and short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

The discount rate used to measure the lease receivable was the Authority's incremental borrowing rate, and the lease receivable was measured at the present value of the lease payments expected to be received during the lease term. The variable components, such as usage-based payments, rental income not based on CPI or other market indices, and payments based on a percentage of the lessee's gross revenue, are not included in the lease receivable calculation.

Leases Arrangements as Lessor

The Authority recognizes a lease receivable and a deferred inflow of resources for lease arrangements as lessor where the Authority is a lessor. For these leases, the Authority is reporting Lease Receivables of \$10,595,614 as of January 1, 2022. For the year 2022, the Authority reported lease revenue of \$2,385,319 and interest revenue of \$71,652 related to lease payments received. These leases are summarized as follows:

	Beginning Lease Receivable	Interest	Receivable Reduction	Annual Lease Revenue	Ending Lease Receivable
Buildings	\$ 6,655,132	\$ 40,947	\$ 1,594,004	\$ 1,634,951	\$ 5,061,128
Hangars	1,625,153	11,361	259,269	270,630	1,365,884
Land	2,315,329	19,344	532,046	551,390	1,783,283
	<u>\$ 10,595,614</u>	<u>\$ 71,652</u>	<u>\$ 2,385,319</u>	<u>\$ 2,456,971</u>	<u>\$ 8,210,295</u>

For year ended December 31, 2022, the Authority recorded \$6,655,132 balances for lease receivable and deferred inflows of resources on the Statement of Net Position for Building assets. The lease receivable balance was reduced, and interest income recognized for \$1,594,004 and \$40,947, respectively. In addition, the lease receivables were discounted to the net present value determined at approximately the year-end 2022 using the Lessor's incremental borrowing rate.

Future minimum lease payments are as follows:

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	Principal	Interest	Total
2023	\$ 1,462,097	\$ 38,215	\$ 1,500,312
2034	950,745	29,758	980,503
2025	752,348	22,995	775,343
2026	558,819	17,461	576,280
2027	564,629	12,246	576,875
2028-2032	592,215	24,449	616,664
2033-2037	180,275	6,418	186,693
Total	\$ 5,061,128	\$ 151,542	\$ 5,212,670

For year ended December 31, 2022, the Authority recorded \$1,625,153 balances for lease receivable and deferred inflows of resources on the Statement of Net Position for Hangar assets. The lease receivable balance was reduced, and interest income recognized for \$259,269 and \$11,361, respectively. In addition, the lease receivables were discounted to the net present value determined at approximately the year-end 2022 using the Lessor's incremental borrowing rate.

Future minimum lease payments are as follows:

	Principal	Interest	Total
2023	\$ 245,568	\$ 12,006	\$ 257,574
2034	287,697	9,507	297,204
2025	299,526	7,435	306,961
2026	151,499	5,635	157,134
2027	105,338	4,541	109,879
2028-2032	123,749	14,687	138,436
2033-2037	83,458	8,734	92,192
2038-2042	62,897	2,211	65,108
2043-2047	6,152	152	6,304
Total	\$ 1,365,884	\$ 64,908	\$ 1,430,792

For year ended December 31, 2022, the Authority recorded \$2,315,329 balances for lease receivable and deferred inflows of resources on the Statement of Net Position for Land assets. The lease receivable balance was reduced, and interest income recognized for \$532,046 and \$19,344, respectively. In addition, the lease receivables were discounted to the net present value determined at approximately the year-end 2022 using the Lessor's incremental borrowing rate.

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Future minimum lease payments are as follows:

	Principal	Interest	Total
2023	\$ 533,563	\$ 18,565	\$ 552,128
2034	124,063	16,852	140,915
2025	126,632	15,582	142,214
2026	132,122	14,266	146,388
2027	118,435	12,911	131,346
2028-2032	220,605	53,701	274,306
2033-2037	137,539	39,074	176,613
2038-2042	130,674	28,401	159,075
2043-2047	150,561	16,224	166,785
2048-2052	109,089	3,145	112,234
Total	<u>\$ 1,783,283</u>	<u>\$ 218,721</u>	<u>\$ 2,002,004</u>

Regulated Leases

Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings and, as such, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. For example, the U.S. Department of Transportation and Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users. Regulated Leases include the following:

Airline Use and Lease Agreement Signatory Airlines

The rights, services, and privileges, including the lease of preferentially assigned gates, an airline has in connection with the use of the airport and its facilities is addressed in the Airline Use and Lease Agreement (AULA). By definition, an AULA is considered a regulated lease and does not recognize a receivable and corresponded deferred inflow of resources.

The Authority and certain airlines entered the current AULA effective January 1, 2022. The 2022 AULA has a five-year term with an expiration date of December 31, 2026. The Authority entered an AULA with three (3) passenger airlines and recognized terminal, landing, apron, and boarding security lease revenue of \$853,653, \$640,347, \$58,130, and \$134,685, respectively.

Due to the variable nature of the above revenues from year to year, expected future minimum payments are indeterminable.

The three signatory airlines include Allegiant Air, LLC, Delta Air Lines, Inc., and United Airlines.

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Future minimum lease payments (terminal rent - exclusive space) are as follows:

2023	\$ 158,840
2024	158,840
2025	158,840
2026	<u>158,840</u>
Total	<u><u>\$ 635,360</u></u>

Short-Term Leases

Short-term leases are certain leases that, at the commencement of the lease term, has maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. As such, the Authority does not recognize a lease receivable and a deferred inflow of resources for short-term leases.

Common Use Hangars

On various dates, the Authority entered into month-to-month hangar lease agreements with multiple tenants for the use of common hangar space located at the Fort Wayne International Airport. In 2022, these agreements included \$452,095 in hangar annual revenue.

SMD T-Hangars

On various dates, the Authority entered month-to-month T-hangar lease agreements with multiple tenants for the use of T-hangars located at Smith Field Airport. In 2022, these agreements included \$122,828 in T-hangar annual revenue.

FWA T-Hangars

On various dates, the Authority entered month-to-month T-hangar lease agreements with multiple tenants for the use of T-hangars located at the Fort Wayne International Airport. In 2022, these agreements included \$112,229 in T-hangar annual revenue.

Lessee Airport Agreements

The Authority, as a lessee, recognizes a lease liability and a right to use (RTU) asset at the commencement of the lease term. The lease liability is measured at the present value of the lease payments expected to be paid during the lease term. The RTU asset should be measured at the value of the lease liability in addition to any payments paid at or before the commencement of the lease term that relate to future periods.

For year ended December 31, 2022, the Authority recorded \$81,912 balances for a lease liability and RTU asset. The lease liability balance was reduced, and interest expense recognized for \$20,337 and

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\$363, respectively. In addition, the lease liability was discounted to the net present value determined at approximately the year-end 2022 using the Lessor's incremental borrowing rate.

Future minimum lease payments are as follows:

	Principal	Interest	Total
2023	\$ 20,412	\$ 288	\$ 20,700
2024	20,525	175	20,700
2025	20,638	62	20,700
Total	<u>\$ 61,575</u>	<u>\$ 525</u>	<u>\$ 62,100</u>

Note 7: Property Taxes

The applicable property tax rates and related levies in 2022 are as follows:

	Rate per \$100	Property Tax Levies
Operating	\$ 0.0263	\$ 5,033,674
Debt service	0.0041	784,717
Cumulative building	0.0030	574,183
Total	<u>\$ 0.0334</u>	<u>\$ 6,392,574</u>

Note 8: Pension Plan

Plan Description

Employees of the Authority are provided with pensions through the PERF, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS). Indiana Statutes (IC 5-10.2 and 5-10.3) govern most requirements of the defined benefit plan and give the Authority the authority to contribute to the plan. The contribution requirements of the Authority are established and may be amended by the INPRS Board. The INPRS issues a publicly available annual comprehensive financial report that can be obtained by writing to the Indiana Public Retirement System, One North Capital, Suite 001, Indianapolis, Indiana 46204, or it can be obtained at <http://www.in.gov/inprs/annualreports.htm>.

Benefits Provided

PERF provides retirement, disability, and death benefits. Retirement benefits are determined as 1.1 percent of the employee's highest 5-year average compensation times the employee's years of service.

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Employees with 10 years of service are eligible to retire at age 65. Employees with 15 years of service are eligible to retire at age 60. Employees are eligible for disability benefits with a minimum of five years of length of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee's death entitles the beneficiary to receive the monthly life benefit under the assumption that the member retired on the later of age 50 or the day before the date of death and elected the joint and full survivor option (Eligibility for pre-retirement death benefits requires 15 or more years of vesting service if death occurs in service. If death occurs after separating from service, age 50 with 15 or more years of vesting service).

Contributions

Per Indiana Code 5-10.2, contribution requirements of PERF employers are established and may be amended by the INPRS. Employees are not required to contribute to the plan. The Authority's contractually required contribution rate for the year ended December 31, 2022, was 11.2 percent of annual payroll, actuarially determined as an amount that 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 pension plan from the Authority were \$505,623 for the year ended December 31, 2022.

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

At December 31, 2022, the Authority reported a liability of \$2,475,127 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on wages reported by the Authority relative to the collective wages for all employees. At June 30, 2022, the Authority's proportion was .07848 percent, which was an increase of .00374 from its proportion of .07474 percent measured as of June 30, 2021.

For the year ended December 31, 2022, the Authority recognized pension expense of \$312,214. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 53,373	\$ 9,413
Net difference between projected and actual investment earnings earnings on pension plan investments	305,457	-
Change of assumptions	335,244	105,894
Changes in proportion and differences between Authority contributions and proportionate share of contributions	83,740	63,013
Authority contributions subsequent to the measurement date	<u>277,988</u>	<u>-</u>
Total	<u>\$ 1,055,802</u>	<u>\$ 178,320</u>

The \$277,988 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 97,267
2024	205,950
2025	(26,838)
2026	323,115
2027	-
Thereafter	-

Fort Wayne-Allen County Airport Authority
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Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.65 – 8.65% based on service
Investment rate of return	
Funding	6.25%, net of administrative and investment expense
Accounting and reporting	6.25%, net of investment expense
Cost of living increases:	
Beginning on January 1, 2024	0.4%
Beginning on January 1, 2034	0.5%
Beginning on January 1, 2039	0.6%

The actuarial assumptions and methods used in the June 30, 2022 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in April 2022. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in June 2022. In 2019, the PERF Defined Benefit was modified pursuant to HEA 1059. Previously, statute generally required PERF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

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. To determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real market rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return. This range, along with reasonable alpha assumptions from manager selection, ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Asset Allocation (1)	Long Term Expected Real Rate of Return
Public equity	20.0%	3.6%
Private markets	15.0%	7.7%
Fixed income – ex inflation-linked	20.0%	1.4%
Fixed income – inflation-linked	15.0%	-0.3%
Commodities	10.0%	0.9%
Real estate	10.0%	3.7%
Absolute return	5.0%	2.1%
Risk parity	20.0%	3.8%
Cash and cash overlay	N/A	-1.7%

(1) The defined benefit plans target allocation for total exposure is 115%. For the long-term expected rate of return calculation, an additional -15% is allocated to the cash and cash overlay global asset class.

Discount Rate

The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the nonemployer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25 percent), or one percentage point higher (7.25 percent) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Authority's proportionate share of the net pension liability	\$4,181,396	\$2,475,127	\$1,051,975

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS financial report.

Payable to the Pension Plan

At December 31, 2022, all required contributions had been paid to the pension plan.

Defined Contribution Plan

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

Plan provisions, including contribution requirements, are established by the Indiana State Legislature, and may be amended only by this body. Effective January 1, 2018, funds previously known as an Annuity Savings Account (ASA), were recategorized as a Defined Contribution (DC) fund based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. Employees are required to contribute 3 percent of their annual salary to a defined contribution account. Since 1987, the Authority has been funding the employee contribution requirement. During 2022, the Authority contributed \$146,495 on behalf of the employees. This amount represents pension expense for the Authority during the year. Plan provisions do not require employer contributions. The Authority did not have any outstanding liabilities at year-end for this pension plan.

Note 9: Other Postemployment Benefits (OPEB)

Non-Trusted Plan - Single-Employer Defined Benefit Other Postemployment Benefit Plan

Plan Description

The Authority contributes to the OPEB Plan, a single-employer defined benefit other postemployment benefit (OPEB) plan covering eligible retirees and their spouses. The OPEB Plan is administered by the Fort Wayne-Allen County Airport Authority Board. No assets are accumulated in a trust that meets the criteria of GAAP.

Benefits Provided

The OPEB Plan provides medical and dental benefits to eligible retirees and their spouses. Eligible employees must be at least 60 years of age with 10 years of continuous full-time employment. Coverage ends at Medicare eligibility date. The Retiree Health Plan does not issue a publicly available financial

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report. Benefits are provided through a third-party insurer, and seventy percent of the medical benefits and the full cost of dental benefits are covered by the OPEB Plan. Life insurance benefits are not provided to retirees.

Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per annum
Discount rate	4.31% per annum
Health care cost trend rates	Medical costs were trended at 9.0% in the first year, graded down to 5.0% for years beginning January 1, 2034 and later. Dental costs were trended at 4.0% for all years.

Mortality rates were based on the Pub-2010 Total Data Set Mortality projected forward with generational mortality improvement using Scale MP-2021.

The employees covered by the benefit terms at December 31, 2022 are:

	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefit payments	1
Covered spouses of living retirees	0
Active employees	<u>73</u>
	<u>74</u>

Contributions

The Authority’s governing body has the authority to establish and amend the contribution requirements of the Authority and active employees. The governing body establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended December 31, 2022, the Authority contributed \$5,277 to the OPEB Plan. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability

The Authority’s total OPEB liability of \$942,384 was measured as of December 31, 2022 for the year ended December 31, 2022 and was determined by actuarial valuations as of those dates.

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Changes in the total OPEB liability are:

	2022
Net OPEB Liability	
Service cost	\$ 140,820
Interest	25,076
Differences between expected and actual experience	(357,713)
Changes of assumptions	(38,262)
Benefit payments	(5,277)
Net Change in Net OPEB Liability	(235,356)
Net OPEB Liability - Beginning	1,177,740
Net OPEB Liability - Ending	\$ 942,384
Covered Payroll	\$4,659,178
Net OPEB Liability as a Percentage of Covered Payroll	20.23%

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

The total OPEB liability of the Authority has been calculated using a discount rate of 4.31 percent per annum. The following presents the total OPEB liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.31%	4.31%	5.31%
Authority's total OPEB liability	\$ 1,010,205	\$ 942,384	\$ 878,386

The total OPEB liability of the Authority has been calculated using health care cost trend rates of 9 percent decreasing to 5 percent over 11 years. The following presents the total OPEB liability using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates:

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	1% Decrease (8% Decreasing to 4%)	Current (9% Decreasing to 5%)	1% Increase (10% Decreasing to 6%)
Total OPEB liability	\$ 839,668	\$ 942,384	\$ 1,063,936

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

For the year ended December 31, 2022, the Authority recognized OPEB expense of \$112,331. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability experience gains	\$ -	\$ 475,562
Changes in assumptions	96,775	56,793
Total	\$ 96,775	\$ 532,355

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

Year ended December 31:

2023	\$ (53,565)
2024	(53,565)
2025	(53,565)
2026	(53,565)
2027	(50,729)
Thereafter	(170,591)

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Note 10: Bonds and Other Long-Term Liabilities

Bonds consist of:

Fort Wayne-Allen County Airport Authority	
General Obligation Bonds of 2021	
Principal payable semi annually on January 15, 2023 to July 15, 2039 in payments ranging from \$535,000 in 2023 to \$875,000 in 2039.	
Interest at 1.82% due semi-annually on January 15 and July 15	\$ 13,121,313
Less: current portion	<u>(535,000)</u>
	<u>\$ 12,586,313</u>
Fort Wayne-Allen County Airport Authority	
Tax-Exempt Private Activity General Obligation Bonds of 2021	
Principal payable semi annually on January 15, 2023 to July 15, 2039 in payments ranging from \$660,000 in 2023 to \$1,105,000 in 2039.	
Interest at 1.93% due semi-annually on January 15 and July 15	\$ 15,740,160
Less: current portion	<u>(660,000)</u>
	<u>\$ 15,080,160</u>
Total	<u><u>\$ 27,666,473</u></u>

The Authority has a legal debt limit of \$145,696,299 which represents 2 percent of the adjusted value of Allen County property. Adjusted value is calculated by multiplying one-third times assessed value as certified by the State Department of Local Government Finance. Since the Authority has \$27,430,000 of general obligation debt outstanding, the legal debt margin of the Authority is \$118,266,299 as of December 31, 2022.

General Obligation Bonds of 2021

The Fort Wayne-Allen County Airport Authority issued General Obligation Bonds that closed on April 29, 2021, that sold through a competitive sale. The purpose of the bonds is to pay for improvements to public facilities at FWA, including: the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, or other facilities for use as or in connection with administrative purposes of the Airport, funding capitalized interest, and paying issuance expenses. The underwriter offered a net interest rate of 1.82%. The par amount of the bonds was \$12,365,000 which sold at a premium for total bond proceeds of \$13,030,919. Debt service payments began on July 15, 2021 with the final payment due on July 15, 2039.

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Tax-Exempt Private Activity General Obligation Bonds of 2021

The Fort Wayne-Allen County Airport Authority issued Tax-Exempt Private Activity General Obligation Bonds that closed on April 30, 2021, that sold through a competitive sale. The purpose of the bonds is to pay for improvements to public facilities at FWA, including: the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, or other facilities for use as or in connection with administrative purposes of the Airport, funding capitalized interest, and paying issuance expenses. The underwriter offered a net interest rate of 1.93%. The par amount of the bonds was \$15,385,000 which sold at a premium for total bond proceeds of \$15,731,147. Debt service payments began on July 15, 2021 with the final payment due on July 15, 2039.

Debt Service Requirements

Annual debt service requirements to maturity for long-term debt are as follows:

Years ending December 31:

	General Obligation Bonds		Tax-Exempt Private Activity General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	535,000	338,930	660,000	354,425	\$ 1,195,000	\$ 693,355
2024	560,000	317,330	690,000	339,375	\$ 1,250,000	\$ 656,705
2025	580,000	294,730	715,000	318,450	\$ 1,295,000	\$ 613,180
2026	605,000	271,230	745,000	296,775	\$ 1,350,000	\$ 568,005
2027	630,000	246,830	775,000	274,200	\$ 1,405,000	\$ 521,030
2028-2032	3,540,000	845,375	4,370,000	1,032,550	\$ 7,910,000	\$ 1,877,925
2033-2037	4,050,000	396,960	5,055,000	539,631	\$ 9,105,000	\$ 936,591
2038-2039	1,735,000	43,550	2,185,000	61,819	\$ 3,920,000	\$ 105,369
	<u>\$ 12,235,000</u>	<u>\$ 2,754,935</u>	<u>\$ 15,195,000</u>	<u>\$ 3,217,225</u>	<u>\$ 27,430,000</u>	<u>\$ 5,972,160</u>

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Changes in Bonds and Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term liabilities					
Compensated absences	\$ 1,134,103	\$ 355,250	\$ (229,032)	\$ 1,260,321	\$ 258,972
Pension	983,465	2,714,989	(1,223,327)	2,475,127	-
OPEB	1,177,740	-	(235,356)	942,384	-
Leased Assets	81,912	-	(20,337)	61,575	20,412
Bonds					
2019 General obligation bonds					
from direct placements	690,000	-	(690,000)	-	-
2021 General obligation bonds	12,365,000	-	(130,000)	12,235,000	535,000
Premium on 2021 General obligation bonds	912,382	-	(26,069)	886,313	-
2021 Tax-exempt private activity					
general obligation bonds	15,385,000	-	(190,000)	15,195,000	660,000
Premium on 2021 Tax-exempt private activity					
general obligation bonds	561,194	-	(16,034)	545,160	-
Total bonds and long-term liabilities	<u>\$ 33,290,796</u>	<u>\$ 3,070,239</u>	<u>\$ (2,760,155)</u>	<u>\$ 33,600,880</u>	<u>\$ 1,474,384</u>

Note 11: Commitments and Contingencies

Capital Improvements

At December 31, 2022, the Authority was obligated for completion of Airport taxiway and apron improvements, construction of the Project Gateway Terminal renovation/expansion project, various building repairs related to storm damage, an airfield lighting project, and various smaller projects under commitments aggregating \$20,808,585 with an estimated \$5,040,946 eligible for reimbursement at 90 - 100 percent from the FAA, \$2,363,824 eligible for reimbursement at 95 percent from the Transportation Security Administration, and \$2,685,012 eligible for reimbursement from the Authority's building insurance to cover the storm damages that were incurred during 2022.

Litigation

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

Fort Wayne-Allen County Airport Authority
Notes to the Financial Statements
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Note 12: Major Customers

During the year ended December 31, 2022, the Authority received significant operating revenue from one airline. Rentals, landing fees, apron fees and other revenues from this airline aggregated approximately 5.6 percent of operating revenues.

Note 13: Tax Abatements

The Authority has not entered into any tax abatement agreements. However, other local governmental units entered into tax abatement agreements that reduced the Authority's revenues during 2022. The table below summarizes taxes that have been abated.

	Real Property Tax	Personal Property Tax	Total Abated
Allen County	\$ 80,381	\$ 146,804	\$ 227,185
Fort Wayne	66,280	37,145	103,425
Grabill	303	914	1,217
Huntertown	225	217	442
Monroeville	50	32	82
New Haven	5,726	11,478	17,204
Woodburn	4,313	1,280	5,593
	<hr/>	<hr/>	<hr/>
Total - all units	<u>\$ 157,278</u>	<u>\$ 197,870</u>	<u>\$ 355,148</u>

No amounts have been received and no amounts are receivable from other governments in association with the forgone tax revenue.

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

**Schedule of the Authority's Proportionate Share of the
Net Pension Liability
Public Employees Retirement Fund
Last 9 Fiscal Years (C)**

	2022	2021	2020	2019	2018
Authority's proportion of the net pension liability	0.07848%	0.07474%	0.07750%	0.07927%	0.07825%
Authority's proportionate share of the net pension liability	\$2,475,127	\$983,465	\$2,340,806	\$2,619,924	\$2,658,188
Authority's covered employee payroll***	\$4,500,945	\$4,082,184	\$4,179,697	\$3,938,613	\$3,995,452
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll (D)	55.0%	24.1%	56.0%	66.5%	66.5%
Plan fiduciary net position as a percentage of the total pension liability**	82.5%	92.5%	81.4%	80.1%	78.9%
	2017	2016	2015	2014	
Authority's proportion of the net pension liability	0.08031%	0.07588%	0.07416%	0.07144%	
Authority's proportionate share of the net pension liability	\$3,583,066	\$3,443,772	\$3,020,464	\$1,877,397	
Authority's covered employee payroll***	\$3,924,309	\$3,548,116	\$3,513,599	\$3,452,368	
Authority's proportionate share of the net pension liability as a percentage of covered employee payroll (D)	91.3%	97.1%	86.0%	54.4%	
Plan fiduciary net position as a percentage of the total pension liability**	72.7%	71.2%	73.3%	81.1%	

* The amounts presented for each fiscal year were determined as of June 30 (measurement date).

** The amounts for 2015-2018 were restated to coincide with INPRS adjustments made to total pension liability for those years in the 2019 INPRS Annual Report.

***The amounts for 2014-2020 were restated to represent the Authority's covered payroll during the period that ends on the measurement date of the pension liability.

**Schedule of Contributions
Public Employees Retirement Fund
Last 9 Fiscal Years (C)**

	2022	2021	2020	2019	2018
Contractually required contribution	\$505,623	\$458,695	\$468,016	\$457,449	\$443,346
Contributions in relation to the contractually required contribution	\$505,623	\$458,695	\$468,016	\$457,449	\$443,346
Contribution deficiency (excess)	-	-	-	-	-
Authority's covered employee payroll (D)	\$4,883,155	\$4,188,869	\$4,127,130	\$4,130,242	\$3,992,660
Contributions as a percentage of covered employee payroll	10.35%	10.95%	11.34%	11.08%	11.10%
	2017	2016	2015	2014	
Contractually required contribution	\$457,325	\$430,755	\$372,707	\$373,698	
Contributions in relation to the contractually required contribution	\$457,325	\$430,755	\$372,707	\$373,698	
Contribution deficiency (excess)	-	-	-	-	
Authority's covered employee payroll (D)	\$3,984,364	\$3,926,803	\$3,385,663	\$3,580,305	
Contributions as a percentage of covered employee payroll	11.48%	10.98%	10.76%	10.44%	

* The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Notes to Schedules

Note A - Valuation Date: 06/30/22

Note B - Changes of assumptions: There were no changes of assumption in 2022. In 2021, the interest rate/investment return assumption changed from 6.75 percent to 6.25 percent. The inflation assumption changed from 2.25 percent to 2.00 percent. The future salary scale assumption changed from 2.75 percent – 8.75 percent to 2.65 percent – 8.65 percent. There were no changes to the actuarial methods during the fiscal year. HEA 1001-2021 granted a 1 percent COLA effective January 1, 2022.

As a result of the 2014-2019 Experience Study, there were changes to many assumptions in 2020. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent. The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations. The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility. The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience. The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary. The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

There were no changes in actuarial assumptions during 2019. In 2018, the COLA assumption was changed due to passage of Senate Enrolled Act No.373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS now assumes that the COLA will be replaced by a thirteenth 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. In 2017, a second mortality table was added creating both the healthy and disabled mortality tables. Amounts reported in 2015 reflect an adjustment of retirement, termination, and disability rates to reflect recent experience. Demographic assumptions were updated as needed for the June 30, 2015 actuarial valuation. The assumption for inflation decreased from 3 percent to 2.25 percent. The future salary increase rate decreased from a range of 3.25 percent to 4.5 percent to a range of 2.5 percent to 4.25 percent.

Note C – These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the requirements of GAAP, the Authority will present information for those years for which information is available.

Note D – Covered employee payroll is the payroll on which contributions to a pension plan are based.

Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
Last 5 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 140,820	\$ 120,195	\$ 120,195	\$ 112,110	\$ 104,882
Interest	25,076	22,291	38,414	33,688	28,872
Differences between expected and actual experience	(357,713)	(6,379)	(199,326)	-	(34,312)
Changes of assumptions	(38,262)	-	141,166	-	(46,252)
Benefit payments, including refunds of employee contributions	<u>(5,277)</u>	<u>(12,399)</u>	<u>(16,367)</u>	<u>(24,070)</u>	<u>(24,563)</u>
Net Change in Total OPEB Liability	(235,356)	123,708	84,082	121,728	28,627
Total OPEB Liability - Beginning	<u>1,177,740</u>	<u>1,054,032</u>	<u>969,939</u>	<u>848,211</u>	<u>819,584</u>
Total OPEB Liability - Ending	<u>\$ 942,384</u>	<u>\$ 1,177,740</u>	<u>\$ 1,054,021</u>	<u>\$ 969,939</u>	<u>\$ 848,211</u>
Covered Payroll	\$4,659,178	\$4,027,109	\$3,928,887	\$3,701,698	\$3,611,413
Total OPEB Liability as a Percentage of Covered Employee Payroll	20.23%	29.25%	26.83%	26.20%	23.49%

Schedule of the Authority's OPEB Contributions
Last 5 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 210,980	\$ 203,959	\$ 173,267	\$ 168,755	\$ 150,298
Actual employer contributions	5,277	12,399	16,367	24,070	24,563
Contribution deficiency	205,703	191,560	156,900	144,685	125,735
Covered payroll	4,659,178	4,027,109	3,928,887	3,701,698	3,611,413
Contributions as a percentage of covered employee payroll	0.11%	0.31%	0.42%	0.65%	0.68%

Notes to Schedules

The discount rate increased from 1.93 percent at the beginning of the measurement period to 4.31 percent the end of the measurement period. This was the largest contributor to the decrease in liability at December 31, 2022. The impact of beginning to amortize this gain decreased the 2022 OPEB expense.

No assets are accumulated in a trust that meets the criteria of GAAP.

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the requirements of GAAP, the Authority will present information for those years for which information is available.

**OTHER SUPPLEMENTARY
INFORMATION**

Fort Wayne-Allen County Airport Authority
Schedule of Debt Service Requirements to Maturity
December 31, 2022

	Principal	Interest	Total
2023.....	1,195,000	693,355	1,888,355
2024.....	1,250,000	656,705	1,906,705
2025.....	1,295,000	613,180	1,908,180
2026.....	1,350,000	568,005	1,918,005
2027.....	1,405,000	521,030	1,926,030
2028.....	1,460,000	472,055	1,932,055
2029.....	1,520,000	421,280	1,941,280
2030.....	1,585,000	370,455	1,955,455
2031.....	1,645,000	325,930	1,970,930
2032.....	1,700,000	288,205	1,988,205
2033.....	1,745,000	257,535	2,002,535
2034.....	1,785,000	224,825	2,009,825
2035.....	1,820,000	188,925	2,008,925
2036.....	1,860,000	152,003	2,012,003
2037.....	1,895,000	113,303	2,008,303
2038.....	1,940,000	73,544	2,013,544
2039.....	1,980,000	31,825	2,011,825
Totals.....	<u>\$ 27,430,000</u>	<u>\$ 5,972,160</u>	<u>\$ 33,402,160</u>

Fort Wayne-Allen County Airport Authority
Schedule of Capital Assets and Accumulated Depreciation
For the Year Ended December 31, 2022

Category	<u>Capital Assets (1)</u>			Balance at December 31, 2022
	Balance at January 1, 2022	Additions	Deletions (2)	
Land	\$ 22,042,015	\$ 1,367,686	\$ 327,593	\$ 23,082,108
Avigation easements	494,172	112,451	-	606,623
Runways and taxiways	160,062,676	74,244	-	160,136,920
Buildings	89,522,485	157,389	2,340,642	87,339,232
Roads and parking	41,230,502	329,328	145,042	41,414,788
Snow equipment	4,908,936	-	-	4,908,936
Vehicles	3,598,270	49,069	78,149	3,569,190
Other equipment	5,463,111	173,895	513,390	5,123,616
Leased assets	81,912	-	-	81,912
Software and data base	563,335	-	25,570	537,765
Master plans	2,761,993	-	-	2,761,993
Work in progress	20,200,600	40,235,006	445,207	59,990,399
Total capital assets	\$ 350,930,007	\$ 42,499,068	\$ 3,875,593	\$ 389,553,482

Category	<u>Accumulated Depreciation</u>			Balance at December 31, 2022
	Balance at January 1, 2022	Additions	Deletions (2)	
Runways and taxiways	\$ 108,969,618	\$ 3,894,928	\$ -	\$ 112,864,546
Buildings	64,033,640	2,688,048	2,095,903	64,625,785
Roads and parking	22,371,873	1,613,593	145,042	23,840,424
Snow equipment	3,280,599	223,924	-	3,504,523
Vehicles	1,543,464	200,358	62,329	1,681,493
Other equipment	3,262,263	388,968	509,315	3,141,916
Leased assets	-	20,478	-	20,478
Software and data base	441,156	21,275	25,570	436,861
Master plans	2,353,683	120,872	-	2,474,555
Total depreciation	\$ 206,256,296	\$ 9,172,444	\$ 2,838,159	\$ 212,590,581

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

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

Fort Wayne-Allen County Airport Authority
Schedule of Revenues – Budget and Actual
For the Year Ended December 31, 2022

Major Revenue Categories	2022 Actual			2022 Budget As Adjusted	Variance Over (Under)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)		
Airfield	\$ 2,012,022	\$ 30,947	\$ 2,042,969	\$ 1,759,520	\$ 283,449
Building rent and services	5,792,601	620,001	6,412,602	3,606,632	2,805,970
Land rent	745,580	-	745,580	629,417	116,163
Parking	4,170,897	(20)	4,170,877	2,395,700	1,775,177
Auto rental	1,257,820	74,534	1,332,354	541,000	791,354
Fixed based operations sales	7,371,839	-	7,371,839	3,151,811	4,220,028
Restaurant	62,453	208,054	270,507	155,500	115,007
Other income	2,263,056	788,323	3,051,379	16,171	3,035,208
Operating grant	5,980,902	637,302	6,618,204	-	6,618,204
Interest income	666,133	(426,557)	239,576	113,280	126,296
Property and other taxes	7,470,100	9,869	7,479,969	7,258,142	221,827
Total revenues	<u>37,793,403</u>	<u>1,942,453</u>	<u>39,735,856</u>	<u>19,627,173</u>	<u>20,108,683</u>
Capital contributions					
Federal grants	10,011,040	8,654,017	18,665,057	1,143,148	17,521,909
State grants	2,124,162	(260,635)	1,863,527	63,508	1,800,019
Passenger facility charges	1,519,105	56,124	1,575,229	1,285,754	289,475
Customer facility charges	438,370	(3,100)	435,270	378,923	56,347
Total capital contributions	<u>14,092,677</u>	<u>8,446,406</u>	<u>22,539,083</u>	<u>2,871,333</u>	<u>19,667,750</u>
 Total	 <u>\$ 51,886,080</u>	 <u>\$ 10,388,859</u>	 <u>\$ 62,274,939</u>	 <u>\$ 22,498,506</u>	 <u>\$ 39,776,433</u>

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

Fort Wayne-Allen County Airport Authority
Schedule of Expenses – Budget and Actual
For the Year Ended December 31, 2022

Major Expense Categories	2022 Actual				2022 Actual	2022 Budget	Variance Over (Under)(2)
	GAAP Basis	GAAP Adjustments	Cash Basis (1)	Open Purchase Orders			
Personal services							
Salaries and wages	\$ 5,387,607	\$ (148,952)	\$ 5,238,655	\$ -	\$ 5,238,655	\$ 5,327,558	\$ (88,903)
Employee benefits	2,149,031	106,607	2,255,638	21,217	2,276,855	2,486,748	(209,893)
Total personal services	<u>7,536,638</u>	<u>(42,345)</u>	<u>7,494,293</u>	<u>21,217</u>	<u>7,515,510</u>	<u>7,814,306</u>	<u>(298,796)</u>
Supplies	<u>6,359,098</u>	<u>216,166</u>	<u>6,575,264</u>	<u>301,050</u>	<u>6,876,314</u>	<u>6,903,057</u>	<u>(26,743)</u>
Contractual services							
Professional services	731,947	(39,250)	692,697	151,962	844,659	978,889	(134,230)
Utilities	853,267	78,585	931,852	5,565	937,417	1,060,065	(122,648)
Contracted repairs	433,688	9,719	443,407	1,832	445,239	518,786	(73,547)
Debt service payments	665,663	1,019,498	1,685,161	-	1,685,161	1,685,161	-
Other contracted services	2,757,211	137,865	2,895,076	935,145	3,830,221	3,679,758	150,463
Total contractual services	<u>5,441,776</u>	<u>1,206,417</u>	<u>6,648,193</u>	<u>1,094,504</u>	<u>7,742,697</u>	<u>7,922,659</u>	<u>(179,962)</u>
Capital expenditures	<u>-</u>	<u>41,882,422</u>	<u>41,882,422</u>	<u>25,553,292</u>	<u>67,435,714</u>	<u>68,659,284</u>	<u>(1,223,570)</u>
Depreciation and amortization	<u>9,172,444</u>	<u>(17,777)</u>	<u>9,154,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 28,509,956</u>	<u>\$ 43,244,883</u>	<u>\$ 71,754,839</u>	<u>\$ 26,970,063</u>	<u>\$ 89,570,235</u>	<u>\$ 91,299,306</u>	<u>\$ (1,729,071)</u>

(1) State of Indiana budgetary compliance requires cash expenditures plus purchase commitments not to exceed annual appropriations.

(2) Balance equals funds not committed by the Authority.

Fort Wayne-Allen County Airport Authority
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number (ALN)	Federal Grantor/ Pass-Through Grantor Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation - Federal Aviation Administration (FAA)				
Airport Improvement Program (AIP)	20.106	3-18-0024-023-2021	\$ -	\$ 9,956
Airport Improvement Program (AIP)	20.106	3-18-0024-025-2022	-	2,250
Airport Improvement Program (AIP)	20.106	3-18-0022-071-2019	-	1,605
Airport Improvement Program (AIP)	20.106	3-18-0022-074-2020	-	5,950
Airport Improvement Program (AIP)	20.106	3-18-0022-077-2021	-	3,206,403
Airport Improvement Program (AIP)	20.106	3-18-0022-078-2021	-	291,308
Airport Improvement Program (AIP)	20.106	3-18-0022-081-2022	-	2,268,646
COVID-19 CRRSA Act: (AIP)	20.106	3-18-0022-075-2021	-	532,872
COVID-19 ARPA Act: (AIP)	20.106	3-18-0022-079-2021	-	5,102,095
COVID-19 ARPA Act: (AIP)	20.106	3-18-0022-080-2022	-	344,735
Total U.S. Department of Transportation - Federal Aviation Administration (FAA)			-	11,765,820
U.S. Department of Homeland Security				
Electronic Baggage Screening Program		70T04021T7672N023	-	4,224,922
Total U.S. Department of Homeland Security			-	4,224,922
Grand Total			\$ -	\$ 15,990,742

Notes to Schedule:

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Fort Wayne-Allen County Airport Authority (Authority) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The Fort Wayne-Allen County Airport Authority had no federal loans that they were administering as of December 31, 2022.

Fort Wayne-Allen County Airport Authority
Schedule of Passenger Facility Charge Revenues and Expenditures
Year Ended December 31, 2022

Resources	Date Approved	Amount Approved For Use	Cumulative	Quarter Ended				Year Ended	Cumulative
			Total - December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	Total- December 31, 2022
Passenger facility charge revenues received			\$31,212,643	\$363,317	\$546,796	\$ 366,847	\$ 247,708	\$ 1,524,668	\$32,737,311
Interest earned			589,597	38	78	398	1,942	2,456	592,053
Total passenger facility charge revenue received			<u>\$31,802,240</u>	<u>\$363,355</u>	<u>\$546,874</u>	<u>\$ 367,245</u>	<u>\$ 249,650</u>	<u>\$ 1,527,124</u>	<u>\$33,329,364</u>
Expenditures									
Application 92-01	April 5, 1993	\$18,980,590	\$18,980,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$18,980,590
Application 05-03	October 21, 2005	1,579,009	1,579,009	-	-	-	-	-	1,579,009
Application 15-04	January 6, 2015	2,679,425	2,679,425	-	-	-	-	-	2,679,425
Application 16-05	October 27, 2016	8,411,957	8,411,957	-	-	-	-	-	8,411,957
Application 21-06	August 26, 2021	3,605,585	-	-	-	-	-	-	-
Total passenger facility charge revenue received		<u>\$35,256,566</u>	<u>\$31,650,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,650,981</u>

Notes to Schedule:

1. Revenues and expenditures on approved projects in the schedule above agree to the Passenger Facility Charge Quarterly Status Reports (PFC Reports) submitted by the Authority to the FAA.
2. Effective August 26, 2021, \$44,680,999 has been approved to be imposed and collected on behalf of the Authority and used by the Authority.
3. Applications 92-01, 05-03 and 15-04 have been closed out. The close-out documents for Application 16-05 have been submitted to the Federal Aviation Administration and the Authority is awaiting an official close-out letter.

**STATISTICAL
SECTION**

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
STATISTICAL SECTION
TABLE OF CONTENTS**

This part of the Authority’s Annual Comprehensive Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority’s overall financial health.

Contents	Page
Financial Trends Data	67
These schedules contain trend information to help the reader understand how the Authority’s financial position has changed over time.	
Revenue Capacity	69
These schedules contain information to help the reader assess the Authority’s ability to generate its most significant revenues.	
Debt Capacity	77
These schedules present information to help the reader assess the Authority’s current debt level and its ability to issue additional debt in the future.	
Demographic and Economic Information	78
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority’s financial activities take place.	
Operating Information	80
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority’s financial report relates to the services the Authority provides and the activities it performs.	

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

Fort Wayne-Allen County Airport Authority
Annual Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

	2022	2021	2020	2019
Revenues				
Airfield	\$ 2,012,022	\$ 2,173,388	\$ 1,678,258	\$ 1,985,670
Buildings and grounds	4,736,395	2,307,920	2,192,382	2,426,888
Terminal	3,470,713	3,435,003	2,995,417	3,628,881
Parking	4,183,168	3,509,431	2,196,803	4,532,227
Fixed based operations	8,570,295	4,727,076	3,007,684	5,017,249
Reliever airport	646,958	503,873	460,659	572,636
	<u>23,619,551</u>	<u>16,656,691</u>	<u>12,531,203</u>	<u>18,163,551</u>
Interest	666,133	183,891	513,407	832,637
Property and other taxes	7,470,100	8,508,224	8,258,506	7,548,109
Federal operating grant	5,980,902	9,712,645	7,530,234	-
Net increase in fair value of investments	-	-	-	-
Unrealized loss on investments	(207,642)	-	-	-
Miscellaneous	100,324	55,000	-	-
Gain (loss) on disposal of capital assets	164,035	65,404	3,044,805	792
Total revenues	<u>37,793,403</u>	<u>35,181,855</u>	<u>31,878,155</u>	<u>26,545,089</u>
Expenses				
Salaries	5,387,607	4,630,147	4,286,881	4,511,254
Benefits	2,149,031	1,490,742	1,857,388	2,169,967
Utilities	853,267	874,063	908,628	867,192
Supplies and other services	10,281,553	6,747,936	4,942,152	7,136,207
Loss on sale of investments	-	-	-	-
Depreciation	9,172,444	9,252,505	8,692,087	8,560,184
Total operating expenses	<u>27,843,902</u>	<u>22,995,393</u>	<u>20,687,136</u>	<u>23,244,804</u>
Interest	666,054	467,403	64,186	106,800
Total expenses	<u>28,509,956</u>	<u>23,462,796</u>	<u>20,751,322</u>	<u>23,351,604</u>
Capital Contributions				
Federal and state grants	12,135,202	6,396,509	13,280,005	5,108,967
Passenger facility charges	1,519,105	1,475,540	911,538	1,710,955
Customer facility chrges	438,370	368,063	292,263	587,324
Total capital contributions	<u>14,092,677</u>	<u>8,240,112</u>	<u>14,483,806</u>	<u>7,407,246</u>
Increase (Decrease) in Net Position	<u>\$ 23,376,124</u>	<u>\$ 19,959,171</u>	<u>\$ 25,610,639</u>	<u>\$ 10,600,731</u>
Net Position at Year-End is Composed of				
Net investment in capital assets	\$ 145,536,188	\$ 114,678,223	\$ 129,010,169	\$ 114,559,839
Restricted	10,994,196	38,759,558	15,513,986	11,875,109
Unrestricted	77,522,724	57,239,203	46,193,658	38,672,226
Total net position	<u>\$ 234,053,108</u>	<u>\$ 210,676,984</u>	<u>\$ 190,717,813</u>	<u>\$ 165,107,174</u>

Source: Authority's audited financial statements.

Fort Wayne-Allen County Airport Authority
Annual Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

2018	2017	2016	2015	2014	2013
\$ 1,977,473	\$ 1,858,754	\$ 1,844,989	\$ 1,565,022	\$ 1,626,929	\$ 1,618,892
1,937,263	1,969,020	1,886,026	2,203,676	2,155,564	2,097,557
3,589,067	3,576,821	3,422,333	2,979,260	2,803,836	2,944,923
4,177,885	4,025,083	3,913,995	3,583,154	3,154,213	2,829,131
5,634,972	4,171,448	4,363,804	-	-	-
515,896	463,148	413,174	478,867	480,920	435,806
<u>17,832,556</u>	<u>16,064,274</u>	<u>15,844,321</u>	<u>10,809,979</u>	<u>10,221,462</u>	<u>9,926,309</u>
552,330	190,877	116,878	119,701	85,289	76,289
7,664,720	7,396,810	7,380,016	7,017,489	6,945,662	6,674,720
-	-	114,823	150,599	182,159	-
-	18,783	-	-	67,614	-
-	-	-	-	-	-
-	-	-	-	-	-
223,410	8,168	70,687	113,796	9,966	9,811
<u>26,273,016</u>	<u>23,678,912</u>	<u>23,526,725</u>	<u>18,211,564</u>	<u>17,512,152</u>	<u>16,687,129</u>
4,196,874	4,097,992	4,263,756	3,511,281	3,629,321	3,685,895
1,944,793	2,329,487	2,312,121	1,823,592	1,829,454	1,770,599
872,222	814,105	779,796	775,818	705,862	671,411
7,131,576	5,909,286	6,390,717	3,925,226	3,929,062	3,907,019
-	-	-	10,803	-	-
8,224,543	8,286,226	7,259,509	7,033,108	7,284,527	7,551,117
<u>22,370,008</u>	<u>21,437,096</u>	<u>21,005,899</u>	<u>17,079,828</u>	<u>17,378,226</u>	<u>17,586,041</u>
189,006	279,596	360,136	320,897	495,406	607,545
<u>22,559,014</u>	<u>21,716,692</u>	<u>21,366,035</u>	<u>17,400,725</u>	<u>17,873,632</u>	<u>18,193,586</u>
3,547,994	562,819	20,392,838	670,811	2,379,894	3,188,668
1,603,462	1,490,578	1,505,445	1,471,790	1,333,205	1,215,576
526,835	522,988	530,879	493,499	347,998	244,493
<u>5,678,291</u>	<u>2,576,385</u>	<u>22,429,162</u>	<u>2,636,100</u>	<u>4,061,097</u>	<u>4,648,737</u>
<u>\$ 9,392,293</u>	<u>\$ 4,538,605</u>	<u>\$ 24,589,852</u>	<u>\$ 3,446,939</u>	<u>\$ 3,699,617</u>	<u>\$ 3,142,280</u>
\$ 116,756,916	\$ 112,079,293	\$ 115,312,332	\$ 95,192,723	\$ 91,128,061	\$ 86,439,074
15,539,783	15,423,659	15,388,948	10,556,823	10,349,663	10,272,065
22,209,744	17,611,198	9,874,265	10,236,147	13,199,646	14,266,614
<u>\$ 154,506,443</u>	<u>\$ 145,114,150</u>	<u>\$ 140,575,545</u>	<u>\$ 115,985,693</u>	<u>\$ 114,677,370</u>	<u>\$ 110,977,753</u>

Fort Wayne-Allen County Airport Authority
Principal Revenue Sources, Cost per Enplaned Passenger,
and Airline Rates and Charges
Last Ten Fiscal Years

	2022	2021	2020	2019
Operating Revenues				
Airfield	\$ 151,560	\$ 123,352	\$ 91,807	\$ 103,741
Passenger airline service charge revenues				
Landing fees	1,124,174	1,321,754	975,876	1,254,041
Apron fees	102,545	175,839	106,781	149,232
Terminal rent	1,699,103	1,670,912	1,589,378	1,612,074
Boarding security	217,824	201,400	201,902	197,038
Air Trade Center cargo airline service charge revenues:				
Building rent	1,502,972	1,219,611	1,133,041	1,406,505
Ground rent	20,392	19,605	21,137	17,237
Landing fees-other cargo	633,744	552,443	503,794	478,657
FBO sales	6,931,635	3,575,123	2,071,979	3,618,408
FBO services	1,638,660	1,152,015	935,665	1,398,840
Building and grounds	2,795,613	650,270	602,593	568,005
Terminal	233,513	287,242	356,164	309,505
Car rental	1,257,820	1,058,393	732,460	1,263,731
Restaurant	62,453	217,055	115,514	246,532
Parking	4,183,168	3,509,431	2,196,803	4,532,227
Farming	417,417	418,435	435,610	435,142
Reliever airport	646,958	503,811	460,699	572,636
Total operating revenues	<u>23,619,551</u>	<u>16,656,691</u>	<u>12,531,203</u>	<u>18,163,551</u>
Non-Operating Revenues				
Interest income	666,133	183,891	513,407	832,637
Net increase (decrease) in fair value of investments	(207,642)	-	-	-
Property and other taxes	7,470,100	8,508,224	8,258,506	7,548,109
FAA operating grant	5,980,902	9,712,645	7,530,234	-
Passenger facility charge	1,519,105	1,475,540	911,538	1,710,955
Customer facility charge	438,370	368,063	292,263	587,324
Miscellaneous	100,324	55,000	-	-
Gain on disposal of capital assets	164,035	65,404	3,044,805	792
Total non-operating revenues	<u>16,131,327</u>	<u>20,368,767</u>	<u>20,550,753</u>	<u>10,679,817</u>
 Total revenues	 <u>\$ 39,750,878</u>	 <u>\$ 37,025,458</u>	 <u>\$ 33,081,956</u>	 <u>\$ 28,843,368</u>
 Enplaned passengers	 <u>363,039</u>	 <u>341,329</u>	 <u>218,343</u>	 <u>397,938</u>
 Passenger airline cost per enplaned passenger	 <u>\$ 8.66</u>	 <u>\$ 9.87</u>	 <u>\$ 13.16</u>	 <u>\$ 8.07</u>
Signatory Airlines Rates and Charges (1)				
Landing fee (per 1,000 lbs. of max. gross landed weight)	\$ 2.63	\$ 2.80	\$ 2.54	\$ 2.54
Apron fee (per 1,000 lbs of max. gross landed weight)	0.24	0.37	0.28	0.29
Annual terminal rental rate (per square foot)	33.08	31.91	31.44	32.52
Revenue Funding Ratios				
Parking revenue/commissions per enplaned passenger	\$ 11.52	\$ 10.28	\$ 10.06	\$ 11.39
Car rental commissions per enplaned passenger	3.46	3.10	3.35	3.18
Restaurant commissions per enplaned passenger	0.17	0.64	0.53	0.62

Notes: (1) Rates and charges are calculated based upon the Airport Use and Lease Agreement.

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

Fort Wayne-Allen County Airport Authority
Principal Revenue Sources, Cost per Enplaned Passenger,
and Airline Rates and Charges
Last Ten Fiscal Years

2018	2017	2016	2015	2014	2013
\$ 132,774	\$ 107,546	\$ 138,319	\$ 115,251	\$ 104,058	\$ 143,519
1,210,589	1,161,158	1,096,860	893,817	866,621	790,258
135,485	106,122	110,912	71,327	90,953	133,522
1,587,950	1,612,908	1,605,536	1,226,766	1,143,955	1,388,401
200,747	211,419	214,716	192,457	195,000	192,706
1,123,302	1,055,209	933,412	1,003,856	973,549	987,752
9,337	50,000	78,064	36,274	90,016	46,613
498,625	483,928	498,898	484,628	551,585	550,936
4,248,590	3,003,516	3,033,142	-	-	-
1,387,560	1,167,932	949,171	-	-	-
512,612	481,008	939,171	827,076	789,893	777,341
318,591	320,786	291,618	266,744	268,724	270,393
1,262,483	1,222,049	1,114,220	1,113,880	1,019,521	958,629
219,295	209,659	196,244	179,413	159,678	123,007
4,177,885	4,025,083	3,913,995	3,583,154	3,154,213	2,829,131
292,013	382,803	316,869	336,470	332,776	298,295
514,718	463,148	413,174	478,866	480,920	435,806
<u>17,832,556</u>	<u>16,064,274</u>	<u>15,844,321</u>	<u>10,809,979</u>	<u>10,221,462</u>	<u>9,926,309</u>
552,330	190,877	116,878	119,701	85,289	76,289
-	18,783	-	-	67,614	-
7,664,720	7,396,810	7,380,016	7,017,489	6,945,662	6,674,720
-	-	114,823	150,599	182,159	-
1,603,462	1,490,578	1,505,445	1,471,790	1,333,205	1,215,576
526,835	522,988	530,879	493,499	347,998	244,493
-	-	-	-	-	-
223,410	8,168	70,687	113,796	9,966	9,811
<u>10,570,757</u>	<u>9,628,204</u>	<u>9,718,728</u>	<u>9,366,874</u>	<u>8,971,893</u>	<u>8,220,889</u>
<u>\$ 28,403,313</u>	<u>\$ 25,692,478</u>	<u>\$ 25,563,049</u>	<u>\$ 20,176,853</u>	<u>\$ 19,193,355</u>	<u>\$ 18,147,198</u>
<u>381,139</u>	<u>368,282</u>	<u>365,884</u>	<u>359,051</u>	<u>324,151</u>	<u>298,661</u>
<u>\$ 8.22</u>	<u>\$ 8.39</u>	<u>\$ 8.28</u>	<u>\$ 6.64</u>	<u>\$ 7.08</u>	<u>\$ 8.39</u>
\$ 2.56	\$ 2.50	\$ 2.49	\$ 2.42	\$ 2.56	\$ 2.45
0.30	0.23	0.25	0.19	0.27	0.42
32.53	32.54	32.20	27.56	25.65	30.61
\$ 10.96	\$ 10.93	\$ 10.70	\$ 9.98	\$ 9.73	\$ 9.47
3.31	3.32	3.05	3.10	3.15	3.21
0.58	0.57	0.54	0.50	0.49	0.41

Fort Wayne-Allen County Airport Authority

Allen County

Principal Taxpayers

Principal Employers - Name	2022			2013			
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	
Parkview Health Systems	8,970	1	4.9 %	4,710	1	2.7	%
General Motors - Truck & Bus Group	4,320	2	2.3	3,909	4	2.2	
Fort Wayne Community Schools	4,088	3	2.2	4,230	3	2.4	
Lutheran Health Network	4,075	4	2.2	4,301	2	2.5	
Allen County Government	2,073	5	1.1	1,605	7	0.9	
Sweetwater Sound	2,011	6	1.1				
Lincoln Financial Group	1,954	7	1.1	1,970	6	1.1	
The City of Fort Wayne	1,944	8	1.1	1,814	5	1.0	
Amazon	1,500	9	0.8				
BF Goodrich	1,500	10	0.8	1,580	8	0.9	
Purdue University Fort Wayne			0.0	1,255	9	0.7	
ITT Exelis				1,165	10	0.7	
Total of Ten Largest Employers	32,435		17.6 %	26,539		15.1	%

Source: the Community Research Institute of PFW, the Bureau of Labor Statistics, and Greater Fort Wayne Inc.

Fort Wayne-Allen County Airport Authority
Tax Levies
Last Ten Fiscal Years (1)
(Cash Basis)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating excise tax	\$ 361,566	\$ 369,222	\$ 353,231	\$ 342,627	\$ 315,094	\$ 300,941	\$ 281,969	\$ 266,366	\$ 258,348	\$ 266,372
Aircraft excise tax	25,661	20,204	20,172	20,604	25,053	15,411	433	20,364	23,628	18,088
Operating intangibles tax	36,577	27,270	21,973	21,609	15,287	15,945	17,487	15,871	14,830	15,321
Operating property tax	4,638,132	4,243,319	4,240,991	4,054,823	3,825,297	3,649,111	3,478,025	3,341,285	3,261,085	3,301,247
Operating commercial vehicle tax	24,980	20,358	19,803	22,236	16,872	17,147	17,452	19,168	16,912	18,037
Cumulative building property tax	527,082	468,581	454,722	440,929	413,481	396,275	378,703	367,485	367,038	376,959
Cumulative building excise tax	41,243	41,025	38,118	37,009	33,950	32,534	30,691	29,191	29,097	30,416
Cumulative building commercial vehicle tax	4,172	3,030	2,371	2,334	1,647	1,854	1,903	2,101	1,905	2,060
Cumulative building intangibles tax	2,849	2,262	2,137	2,402	1,818	1,724	1,900	1,739	1,670	1,750
County option income tax	966,785	1,100,991	1,105,984	1,091,158	1,000,081	945,857	1,140,156	846,941	880,681	793,049
Debt service property tax	784,960	1,855,366	1,922,022	1,387,513	1,862,425	1,871,565	1,884,295	1,953,774	1,946,187	1,702,027
Debt service excise tax	56,366	146,321	143,579	106,250	134,737	135,220	132,353	134,095	133,142	137,334
Debt service commercial vehicle tax	3,894	8,068	8,049	6,895	7,215	7,704	8,192	9,650	8,715	9,299
Debt service intangibles tax	5,702	10,807	8,931	6,701	6,537	7,165	8,208	7,990	7,643	7,899
Total Authority tax receipts	\$ 7,479,969	\$ 8,316,824	\$ 8,342,083	\$ 7,543,090	\$ 7,659,493	\$ 7,398,453	\$ 7,381,767	\$ 7,016,020	\$ 6,950,881	\$ 6,679,858
Rate per \$100 of assessed valuation	0.0334	0.0407	0.0421	0.0407	0.0456	0.0461	0.0464	0.0471	0.0477	0.0471

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

Fort Wayne-Allen County Airport Authority
Allen County Property Tax
Levies and Collections
Last Ten Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total tax levy	\$ 473,370,212	\$ 448,917,175	\$ 426,994,211	\$ 409,518,328	\$ 395,862,514	\$ 382,994,915	\$ 364,069,619	\$ 356,574,609	\$ 352,103,000	\$ 331,494,358
Current tax collections (2)	458,241,259	435,927,336	411,213,282	398,613,800	384,873,588	372,781,741	353,869,381	346,338,133	341,576,136	321,700,333
Percent of levy collected	96.8%	97.1%	96.3%	97.3%	97.2%	97.3%	97.2%	97.1%	97.0%	97.0%
Delinquent tax collections	\$ 12,487,970	\$ 15,048,984	\$ 10,289,876	\$ 10,590,783	\$ 9,838,596	\$ 9,583,882	\$ 9,498,141	\$ 9,761,454	\$ 9,227,603	\$ 9,896,607
Total tax collections	470,729,229	450,976,320	421,503,158	409,204,582	394,412,184	382,365,623	363,367,522	356,099,586	350,803,740	331,596,940
Percent of total tax collections to levy	99.4%	100.5%	98.7%	99.9%	99.6%	99.8%	99.8%	99.9%	99.6%	100.0%
Outstanding delinquent taxes	\$ 16,491,527	\$ 14,423,641	\$ 17,217,376	\$ 12,567,420	\$ 12,767,578	\$ 11,975,818	12,047,858	12,001,408	12,442,833	12,265,024
Percent of delinquent taxes to levy	3.5%	3.2%	4.0%	3.1%	3.2%	3.1%	3.3%	3.4%	3.5%	3.7%

(1) The Authority does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.

(2) Taxes collected in subsequent years was not available.

Source: Allen County Auditor's office

Fort Wayne-Allen County Airport Authority
Assessed Values of Property
Last Ten Fiscal Years (2)

Allen County	2022	2021	2020	2019	2018	2017	2016	2015	2015	2014	2013
Total assessed value (1).....	\$ 19,139,444,624	\$ 17,833,473,281	\$ 16,655,645,969	\$ 15,591,737,704	\$ 14,586,996,908	\$ 14,075,020,435	\$ 13,650,544,767	\$ 13,295,341,671	\$ 13,295,341,671	\$ 12,913,262,282	\$ 12,780,412,897

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

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

Fort Wayne-Allen County Airport Authority
Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Last Ten Fiscal Years (2)

Allen County	2022	2021	2020	2019	2018	2017	2016	2015	2015	2014	2013
Rates per \$100 of assessed valuation (1)											
Airport Authority Direct Rates											
Operating	\$ 0.0263	\$ 0.0270	\$ 0.0278	\$ 0.0287	\$ 0.0297	\$ 0.0296	\$ 0.0294	\$ 0.0292	\$ 0.0292	\$ 0.0293	\$ 0.0289
Cumulative building	0.0030	0.0030	0.0030	0.0031	0.0032	0.0032	0.0032	0.0032	0.0032	0.0033	0.0033
Debt service	0.0041	0.0107	0.0113	0.0089	0.0127	0.0133	0.0138	0.0147	0.0147	0.0151	0.0149
Total direct rates	0.0334	0.0407	0.0421	0.0407	0.0456	0.0461	0.0464	0.0471	0.0471	0.0477	0.0471
Other municipal corporations	0.1881	0.2049	0.2288	0.2422	0.2449	0.2565	0.2552	0.2678	0.2678	0.2511	0.2471
School districts	0.9183	0.9354	0.9427	0.9373	0.9877	1.0060	0.9941	1.0214	1.0214	1.0678	1.0379
Allen county	0.5014	0.4807	0.5379	0.5087	0.5370	0.5414	0.5403	0.5447	0.5447	0.5477	0.5404
City of Fort Wayne	0.8260	0.8485	0.8702	0.8980	0.9287	0.9260	0.9208	0.9116	0.9116	0.9042	0.8295
Other	0.1280	0.1223	0.1132	0.1173	0.1216	0.1208	0.1177	0.1106	0.1106	0.1325	0.1337
Total	\$ 2.5952	\$ 2.6325	\$ 2.7349	\$ 2.7443	\$ 2.8654	\$ 2.8968	\$ 2.8744	\$ 2.9033	\$ 2.9033	\$ 2.9511	\$ 2.8358
Levies											
Airport Authority	\$ 6,392,574	\$ 7,278,574	\$ 7,012,027	\$ 6,345,838	\$ 6,651,671	\$ 6,488,585	\$ 6,333,852	\$ 6,262,106	\$ 6,262,106	\$ 6,159,627	\$ 6,019,575
Other municipal corporations	36,001,693	36,548,458	38,113,543	37,770,534	35,721,799	36,099,239	34,834,627	35,599,250	35,599,250	32,430,660	31,585,725
School districts	175,766,378	166,820,576	157,009,422	146,148,234	144,070,605	141,591,565	135,693,583	135,803,864	135,803,864	137,885,483	132,650,109
Allen County	89,572,601	85,733,371	82,578,694	79,315,170	78,332,173	76,202,162	73,753,893	72,419,725	72,419,725	70,725,937	69,065,351
City of Fort Wayne	158,097,263	151,325,340	144,938,093	140,017,116	135,467,628	130,338,417	125,688,689	121,205,513	121,205,513	116,765,804	106,014,996
Other	24,503,308	21,818,639	18,850,409	18,291,369	17,731,101	17,008,358	16,060,738	14,707,410	14,707,410	17,110,811	17,088,049
Total	\$ 490,333,817	\$ 469,524,958	\$ 448,502,188	\$ 427,888,261	\$ 417,974,977	\$ 407,728,326	\$ 392,365,382	\$ 385,997,868	\$ 385,997,868	\$ 381,078,322	\$ 362,423,805

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

(2) Source: Allen County Auditor's Office

Fort Wayne-Allen County Airport Authority
Allen County
Property Values and Construction

	Building Permits (1)			Property Value (2)
	Number Issued	Value of Buildings	Average Building Cost	
2022	1,439	\$ 529,140,162	\$ 367,714	\$ 19,139,444,624
2021	1,697	522,720,729	308,026	17,833,473,281
2020	1,408	367,347,443	260,900	16,655,645,969
2019	1,311	339,093,065	258,652	15,591,737,704
2018	1,174	310,985,903	264,894	14,586,996,909
2017	1,112	250,684,000	225,435	14,075,020,435
2016	873	216,435,515	247,922	13,650,544,767
2015	760	179,581,608	236,292	13,295,341,671
2014	841	185,455,385	220,518	12,913,262,282
2013	845	187,009,335	221,313	12,780,412,897

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

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

Source: Stats Indiana, Allen County Building Department and Allen County Auditor's Office.

Fort Wayne-Allen County Airport Authority
Ratios of Outstanding Debt
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Outstanding debt per enplaned passenger										
Tax backed revenue bonds (1)										
Airport Improvement Bonds (2)	\$ 28,861,473	\$ 29,913,576	\$ 2,945,000	\$ 4,095,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,055,000
First Mortgage Bonds (2)	-	-	-	975,000	2,850,000	4,630,000	6,330,000	7,960,000	9,525,000	11,035,000
Total outstanding debt	\$ 28,861,473	\$ 29,913,576	\$ 2,945,000	\$ 5,070,000	\$ 2,850,000	\$ 4,630,000	\$ 6,330,000	\$ 7,960,000	\$ 9,525,000	\$ 12,090,000
Enplaned passengers	363,039	341,329	218,343	397,938	381,139	368,282	365,884	359,051	324,151	298,661
Debt per enplaned passenger	\$ 79.50	\$ 87.64	\$ 13.49	\$ 12.74	\$ 7.48	\$ 12.57	\$ 17.30	\$ 22.17	\$ 29.38	\$ 40.48
Debt service per enplaned passenger										
Net debt service	\$ 1,008,271	\$ 2,255,000	\$ 2,216,193	\$ 2,007,268	\$ 2,004,488	\$ 2,005,364	\$ 2,006,895	\$ 2,006,100	\$ 3,084,337	\$ 4,169,927
Enplaned passengers	363,039	341,329	218,343	397,938	381,139	368,282	365,884	359,051	324,151	298,661
Debt service per enplaned passenger	\$ 2.78	\$ 6.61	\$ 10.15	\$ 5.04	\$ 5.26	\$ 5.45	\$ 5.49	\$ 5.59	\$ 9.52	\$ 13.96

Notes: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) Tax-backed bonds are revenue bonds backed by ad valorem taxes that would be levied if airport revenues are insufficient.

(2) Bond balances from 2009 to 2011 have been restated to remove unamortized deferred amount on refunding in accordance with GASB Statement 65.

Source: Authority's audited financial statements

Fort Wayne-Allen County Airport Authority

Allen County Demographic and Economic Statistics

Year	Population (1) (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2022	391,426	N/A	N/A	2.2 %
2021	388,608	\$ 21,249,580	\$ 54,681	3.7
2020	382,187	19,234,208	50,327	7.7
2019	379,006	18,127,012	47,828	3.1
2018	375,076	17,507,502	46,677	3.1
2017	371,803	16,517,030	44,424	3.3
2016	369,526	16,017,675	43,347	4.2
2015	367,508	15,667,696	42,632	4.6
2014	365,254	14,851,799	40,662	5.7
2013	363,432	13,976,092	38,456	7.4

N/A - Not Available

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

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA). Per capita personal income was computed by the BEA using midyear population estimates. Statistics for prior years have been updated to reflect current estimates.

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

Fort Wayne-Allen County Airport Authority
Allen County
Principal Employers
Current and Nine Years Ago

Principal Employers - Name	2022			2013		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Parkview Health Systems	8,970	1	4.9 %	4,710	1	2.7 %
General Motors - Truck & Bus Group	4,320	2	2.3	3,909	4	2.2
Fort Wayne Community Schools	4,088	3	2.2	4,230	3	2.4
Lutheran Health Network	4,075	4	2.2	4,301	2	2.5
Allen County Government	2,073	5	1.1	1,605	7	0.9
Sweetwater Sound	2,011	6	1.1			
Lincoln Financial Group	1,954	7	1.1	1,970	6	1.1
The City of Fort Wayne	1,944	8	1.1	1,814	5	1.0
Amazon	1,500	9	0.8			
BF Goodrich	1,500	10	0.8	1,580	8	0.9
Purdue University Fort Wayne			0.0	1,255	9	0.7
ITT Exelis				1,165	10	0.7
Total of Ten Largest Employers	32,435		17.6 %	26,539		15.1 %

Source: the Community Research Institute of PFW, the Bureau of Labor Statistics, and Greater Fort Wayne Inc.

Fort Wayne-Allen County Airport Authority

Fort Wayne International Airport Information

Airport Classification: Primary Commercial Service Airport
 Airfield Size: 3,897 Acres Owned Fee Simple

	2022	2021	2020	2019
Runway System (and Equipment)				
Primary runway				
Runway 5-23 NE to SW (150' Wide) (Cat. II, ILS) Length - Feet	11,981	11,981	11,981	11,981
Secondary runways				
Runway 14-32 SE to NW (150' Wide)(Cat I, ILS) Length - Feet	8,001	8,001	8,001	8,001
Runway 09-27 East to West (75" Wide) Length - Feet	4,001	4,001	4,001	4,001
Terminal Complex				
Total space (square feet)	114,813	114,813	114,813	114,813
Rentable space (square feet)	104,505	104,505	104,505	104,505
Airline exclusive space (square feet)	7,780	7,780	7,780	7,780
Common space (square feet)	39,557	39,557	39,557	39,557
Restaurant space (square feet)	6,200	6,200	6,200	7,858
Car rental space (square feet)	1,536	1,536	1,536	1,536
Taxi/limousine space (square feet)	384	384	384	384
Passenger gates	8	8	8	8
Jetway boarding bridges	5	5	5	5
Regional boarding ramps	1	1	1	1
Passenger airlines	4	4	4	4
Daily departures	17	18	15	22
Car rental firms	5	6	5	8
Parking spaces	2,219	2,219	2,219	1,962
Air Trade Center				
Land area - acres (includes 85 in foreign trade zone)	450	450	450	450
Cargo sorting facility (square feet)	250,299	250,299	250,299	250,299
Operations building (square feet)	33,429	33,429	33,429	33,429
Maintenance building (square feet)	10,280	10,280	10,280	10,280
Ancillary Services				
Cargo airlines	2	2	2	2
General aviation				
Fixed base operators	1	1	1	1
Based aircraft	66	68	47	48
Military based aircraft	21	21	22	21
Airpark buildings owned	27	27	27	28
Employees				
Administration full-time	13	13	13	13
Administration part-time	-	-	-	-
Maintenance full-time	16	16	16	16
Maintenance seasonal	2	2	2	2
Custodial full-time	6	6	6	6
Public safety full-time	13	11	11	11
Public safety part-time	13	16	15	15
CSA part-time	9	12	1	11
Smith Field full-time	2	2	2	2
Smith Field part-time	3	2	2	4
FWA Aero center full-time	19	18	17	23
FWA Aero center part-time	1	1	-	1
Operations full-time	5	6	4	5

Fort Wayne-Allen County Airport Authority

Fort Wayne International Airport Information

2018	2017	2016	2015	2014	2013
11,981	11,981	11,981	11,981	11,981	11,981
8,001	8,001	8,001	8,001	8,001	8,001
4,001	4,001	4,001	4,001	4,001	4,001
114,813	114,813	114,813	114,813	114,813	114,813
104,505	104,505	104,505	104,505	104,505	104,505
7,780	7,780	7,780	7,780	7,780	6,059
39,557	39,557	39,557	39,557	39,557	39,557
7,858	7,858	7,858	7,858	7,858	7,858
1,536	1,536	1,536	1,536	1,536	1,536
384	384	384	384	384	384
8	8	8	8	8	8
5	5	5	5	4	4
1	1	1	1	1	1
4	4	4	4	5	4
23	24	24	24	21	19
8	8	8	8	8	8
1,962	1,962	1,962	1,962	1,962	2,167
450	450	450	450	450	450
250,299	250,299	250,299	250,299	250,299	250,299
33,429	33,429	33,429	33,429	33,429	33,429
10,280	10,280	10,280	10,280	10,280	10,280
2	2	2	2	2	2
1	1	1	1	1	1
48	49	49	49	50	54
22	21	21	18	18	20
28	27	27	27	27	27
13	13	13	14	15	16
-	1	-	-	1	1
14	15	18	16	17	16
3	4	6	7	5	6
5	5	5	5	6	5
11	11	11	11	11	11
19	21	20	23	19	22
11	10	10	10	11	8
3	3	2	2	2	2
3	3	3	3	3	2
21	21	19	1	-	-
1	1	1	17	-	-
5	5	4	5	4	4

Fort Wayne-Allen County Airport Authority
Fort Wayne International Airport
Enplaned Passengers
(Listed by Current Ranks)

Airline	2022	Percent of Total 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
American Airlines/Envoy.....	136,690	37.65 %	127,485	82,679	153,141	135,907	121,289	117,417	113,550	75,445	75,798
Allegiant Air.....	117,106	32.26	98,652	70,209	93,074	83,586	77,409	82,412	83,579	80,467	61,699
SkyWest-Delta (1).....	59,123	16.29	36,053	33,820	108,426	112,235	116,214	119,924	94,903	6,662	---
SkyWest-United Express (1).....	30,760	8.47	27,167	18,467	42,120	43,610	42,795	41,873	38,602	39,719	33,461
Delta/Northwest Airlin/Endeavor Air...	18,007	4.96	50,787	12,305	---	---	222	68	11,286	87,357	106,034
Charter.....	1,353	0.37	1,185	863	1,177	1,157	1,324	---	672	1,492	1,768
United Express-Expressjet.....	---	---	---	---	---	4,644	8,831	3,426	---	---	---
Delta Express-Expressjet.....	---	---	---	---	---	---	198	696	16,420	24,870	19,901
Delta/Gojet.....	---	---	---	---	---	---	---	68	39	---	---
US Airways Express.....	---	---	---	---	---	---	---	---	---	8,139	---
Total.....	363,039	100.00 %	341,329	218,343	397,938	381,139	368,282	365,884	359,051	324,151	298,661
Percentage change.....	6.36%		56.33%	-45.13%	4.41%	3.49%	0.66%	1.90%	10.77%	8.53%	7.46%

(1) SkyWest-Delta and SkyWest-United Express were previously combined on the 2015 and 2014 annual financial reports.

Source: Compiled from airline station managers' monthly reports.

Fort Wayne-Allen County Airport Authority
Fort Wayne International Airport
Airline Landed Weights (2)
(Listed by Current Rank Within Category)

<u>Scheduled Air Carriers</u>	<u>2022</u>	<u>Percent of Total 2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
American Airlines/Envoy	155,260,900	25.52 %	162,023,860	139,441,470	186,316,050
Allegiant Air	108,930,178	17.90	109,867,129	94,638,769	89,701,484
Delta Express/SkyWest	67,111,414	11.03	51,374,400	63,246,400	124,012,957
United Express/SkyWest	35,145,871	5.78	26,631,871	29,692,871	50,478,871
Delta/Northwest Airlink/Endeavor	19,460,400	3.20	64,103,600	29,358,000	---
Charter	2,074,500	0.34	3,110,300	1,776,000	1,869,300
Air Wisconsin (1)	---	---	4,935,000	3,384,000	---
United Express/Expressjet	---	---	---	---	---
Delta Airlines (1)	---	---	---	---	---
Delta Express/Expressjet (1)	---	---	---	---	---
Shuttle America (1)	---	---	---	---	---
United Express/Mesa Airlines (1)	---	---	---	---	---
Compass Airlines (1)	---	---	---	---	---
Comair (1)	---	---	---	---	---
Go Jet (1)	---	---	---	---	---
Subtotal	<u>387,983,263</u>	<u>63.76</u>	<u>422,046,160</u>	<u>361,537,510</u>	<u>452,378,662</u>
<u>Cargo Carriers</u>					
Federal Express	100,188,000	16.47	98,010,000	101,376,000	100,782,000
United Parcel Service	115,023,520	18.90	91,932,960	91,280,880	86,520,000
USA Jet Airlines	3,151,480	0.52	1,107,560	2,044,800	4,060,620
IFL Group	1,952,212	0.32	296,606	396,670	2,458,256
Kalitta Charters	188,320	0.03	70,640	416,240	2,150,840
Air Cargo Carriers (1)	---	---	26,100	---	---
CSA, Inc (1)	---	---	---	---	8,500
Northern Air Cargo	---	---	---	---	---
Lynden Air Cargo (1)	---	---	---	---	---
C & M Airways, Inc (1)	---	---	---	---	---
Aeronaes T.S.M (1)	---	---	---	---	---
Subtotal	<u>220,503,532</u>	<u>36.24</u>	<u>191,443,866</u>	<u>195,514,590</u>	<u>195,980,216</u>
Grand Total	<u>608,486,795</u>	<u>100.00 %</u>	<u>613,490,026</u>	<u>557,052,100</u>	<u>648,358,878</u>
Percentage change	<u>-0.82%</u>		<u>10.13%</u>	<u>-14.08%</u>	<u>1.69%</u>

(1) No longer serves Fort Wayne International Airport.

(2) Expressed in pounds.

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

Fort Wayne-Allen County Airport Authority

Fort Wayne International Airport

Airline Landed Weights (2)

(Listed by Current Rank Within Category)

2018	2017	2016	2015	2014	2013
174,452,200	153,785,750	126,537,113	87,924,409	81,721,068	81,796,913
80,508,865	64,813,679	80,620,884	81,065,899	76,136,349	57,629,149
127,924,157	127,125,300	137,127,100	105,139,000	12,201,100	---
52,209,957	47,321,742	51,084,871	50,363,957	50,370,000	45,878,000
---	329,000	141,000	13,281,100	94,610,000	116,446,600
1,081,200	2,198,480	36,000	2,617,900	4,152,992	3,636,484
---	---	13,818,000	48,833,000	12,502,000	---
7,782,226	15,181,736	5,205,935	---	---	---
---	244,400	67,000	276,600	489,700	---
---	169,100	859,000	18,705,200	27,858,600	21,781,000
---	---	74,957	---	219,579	---
---	---	---	---	134,000	67,000
---	---	---	---	75,177	---
---	---	---	---	---	344,300
---	---	---	---	---	198,000
<u>443,958,605</u>	<u>411,169,187</u>	<u>415,571,860</u>	<u>408,207,065</u>	<u>360,470,565</u>	<u>327,777,446</u>
99,990,000	100,188,000	100,584,000	100,188,000	100,386,000	96,830,000
85,890,000	86,310,000	87,780,000	85,680,000	85,680,000	86,100,000
3,677,180	2,098,660	5,454,740	4,987,980	6,219,800	5,277,960
1,810,988	2,443,254	1,394,374	1,094,082	9,339,478	15,741,276
2,230,100	1,041,620	2,618,240	1,479,920	8,329,220	11,929,880
26,100	52,200	---	---	---	---
---	---	---	---	---	---
---	340,200	797,000	116,600	694,800	694,800
---	---	---	---	155,000	1,705,000
---	---	---	---	---	735,300
---	---	---	---	---	244,250
<u>193,624,368</u>	<u>192,473,934</u>	<u>198,628,354</u>	<u>193,546,582</u>	<u>210,804,298</u>	<u>219,258,466</u>
<u>637,582,973</u>	<u>603,643,121</u>	<u>614,200,214</u>	<u>601,753,647</u>	<u>571,274,863</u>	<u>547,035,912</u>
<u>5.62%</u>	<u>-1.72%</u>	<u>2.07%</u>	<u>5.34%</u>	<u>4.43%</u>	<u>6.65%</u>

Fort Wayne-Allen County Airport Authority

Aircraft Operations (3)(4)

Fort Wayne International Airport (FWA)

Type of Operation	2022	Percent of Total 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	Large Air Carrier (1)	17,068	43.2 %	16,931	14,799	19,279	18,815	18,443	19,108	17,703	17,600
Small Air Carrier (2)	---	---	---	---	---	---	---	---	---	---	---
General Aviation	19,782	50.1	20,987	18,069	17,460	17,771	16,543	14,296	14,903	14,790	15,908
Military	2,630	6.7	2,882	2,694	2,527	1,932	2,460	2,736	2,306	2,404	3,082
Total FWA	39,480	100%	40,800	35,562	39,266	38,518	37,446	36,140	34,912	34,794	36,845
Percentage change	-3.24%		14.73%	-9.43%	1.94%	2.86%	3.61%	3.52%	0.34%	-5.57%	-8.86%

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

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

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

(4) Sources: Beginning in 2018, FAA Air Traffic Activity System (ATADS); Prior years' data was received from other sources. Amounts for 2018 - 2020 have been updated.

Fort Wayne-Allen County Airport Authority
Fort Wayne International Airport
Scheduled Airline Service

Carrier	Non-stop Service Destination	Service Type
Allegiant Air	Orlando/Sanford (SFB)	Jet (A319) Jet (A320)
	Tampa/St. Petersburg/Clearwater (PIE)	Jet (A319) Jet (A320)
	Phoenix/Mesa (AZA)	Jet (A320)
	Myrtle Beach (MYR)- Seasonal	Jet (A320) & (A319)
	Punta Gorda/Fort Myers (PGD)	Jet (A320)
	Sarasota (SRQ) - Seasonal	Jet (A320)
	Las Vegas (LAS) - Seasonal	Jet (A319)
American Eagle		
Envoy/SkyWest	Chicago (ORD)	Jet (ER4) & (CR7)
SkyWest	Dallas/Fort Worth (DFW)	(CR7)
PSA Airlines	Charlotte (CLT)	(ER4)
Piedmont	Philadelphia (PHL)	(ER4)
Delta Connection		
Endeavor	Atlanta (ATL)	Jet (CR9)
SkyWest	Minneapolis (MSP)	Jet (CR9)
United Express		
SkyWest/Air Wisconsin	Chicago (ORD)	Jet (CRJ)

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fort Wayne-Allen County Airport Authority (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Tampa, Florida
June 20, 2023

Report of Independent Auditor on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Fort Wayne-Allen County Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable use of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Cherry Bekaert LLP

Tampa, Florida
June 20, 2023

**FORT WAYNE-ALLEN COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED DECEMBER 31, 2022

A. Summary of Auditor's Results

- | | | |
|-----|--|---|
| 1. | The type of report issued on the basic financial statements: | Unmodified opinion |
| 2. | Significant deficiencies in internal control disclosed by the audit of the financial statements: | None reported |
| 3. | Material weaknesses in internal control disclosed by the audit of financial statements: | None |
| 4. | Noncompliance, which is material to the financial statements: | None |
| 5. | Significant deficiencies in internal control over major programs: | None reported |
| 6. | Material weaknesses in internal control over major programs: | None |
| 7. | The type of report issued on compliance for major programs: | Unmodified opinion |
| 8. | Any audit findings which are required to be reported under the Uniform Guidance: | None reported |
| 9. | The program tested as major programs were: | |
| | <u>Assistance Listing Number</u> | <u>Name of Federal Program and Cluster</u> |
| | 20.106 | Airport Improvement Program |
| | 97.100 | Electronic Baggage Screening Program |
| 10. | Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 11. | Auditee qualified as low-risk auditee? | Yes |

B. Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None reported.

C. Findings Required to be Reported by the Uniform Guidance

None reported.

D. Passenger Facility Charge Program Findings and Questioned Costs

None reported.

E. Status of Prior Year Findings

None reported.

Report of Independent Auditor on Compliance for the Passenger Facility Charge Program and on Internal Control over Compliance Required by the Passenger Facility Charge Audit Guide for Public Agencies

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

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the Fort Wayne-Allen County Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, that could have a direct and material effect on the Authority's Passenger Facility Charge Program for the year ended December 31, 2022.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Passenger Facility Charge Program for the year ended December 31, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the Authority's Passenger Facility Charge Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable use of the report on compliance about the Authority's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Cherry Bekaert LLP

Tampa, Florida
June 20, 2023