

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**  
Financial Statements

Years Ended September 30, 2001 and 2000  
(And Independent Auditors' Report)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	1
Balance Sheets	2-3
Statements of Revenues, Expenses, and Changes in Retained Earnings	4
Statements of Cash Flows	5
Notes to Financial Statements	6-30
Statistical Information (Unaudited)	31-46



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## Independent Auditors' Report

County Executive and County Commissioners  
Charter County of Wayne, Michigan:

We have audited the accompanying balance sheets of the Detroit Metropolitan Wayne County Airport, an Enterprise fund of the Charter County of Wayne, Michigan (the County), as of September 30, 2001 and 2000, and the related statements of revenues, expenses, and changes in retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in note 1, the financial statements referred to above present only the Detroit Metropolitan Wayne County Airport and are not intended to present the financial position of the County and the results of its operations and the cash flows of its proprietary funds in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Detroit Metropolitan Wayne County Airport as of September 30, 2001 and 2000 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 22, 2002 on our consideration of the Detroit Metropolitan Wayne County Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The statistical information listed in the accompanying table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements of the Detroit Metropolitan Wayne County Airport. Such information was not subjected to the auditing procedures applied in our audit of the financial statements, and accordingly, we express no opinion thereon.

As discussed in note 11 to the financial statements, during the year ended September 30, 2001, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

KPMG LLP

March 22, 2002



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Balance Sheets  
September 30, 2001 and 2000

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Current assets:		
Equity in pooled cash and investments (note 4)	\$ 28,204,334	\$ 30,709,249
Accounts receivable, less allowance for possible uncollectibles of \$251,000 in 2001 and 2000	29,252,696	14,020,328
Due from other County funds (note 6)	929,851	4,841,928
Due from other governmental units	2,328,337	22,810,639
Due from component units	115	-
Total current assets	60,715,333	72,382,144
Restricted assets (note 5):		
Equity in pooled cash and investments	332,983,899	546,279,916
Other cash and investments	165,234,679	189,218,008
Accounts receivable	16,538,024	23,575,126
Total restricted assets	514,756,602	759,073,050
Property, plant and equipment:		
Land	151,860,434	143,204,737
Buildings and improvements	372,143,647	360,984,508
Paving	275,795,421	273,391,141
Systems	313,592,731	312,819,800
Equipment	41,380,028	34,240,383
Construction in progress	1,171,160,940	708,392,268
Total property, plant and equipment	2,325,933,201	1,833,032,837
Less accumulated depreciation	520,699,051	487,423,931
Net property, plant and equipment	1,805,234,150	1,345,608,906
Other assets:		
Bond issuance cost, less amortization (note 2)	16,443,772	16,342,834
Deposits	3,964,540	425,400
Total other assets	20,408,312	16,768,234
Total assets	\$2,401,114,397	\$2,193,832,334

See accompanying notes to financial statements.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Balance Sheets, continued  
September 30, 2001 and 2000

<u>Liabilities and Equity</u>	<u>2001</u>	<u>2000</u>
Current liabilities:		
Payable from current assets:		
Accounts payable	\$ 16,368,197	\$ 15,612,498
Accrued wages and benefits	3,226,729	1,415,643
Due to other County funds (note 6)	4,655,089	6,804,164
Due to other governmental units	31,129	1,030
Other accrued liabilities	<u>9,396,983</u>	<u>9,651,991</u>
Total current liabilities payable from current assets	33,678,127	33,485,326
Payable from restricted assets:		
Accrued interest payable	25,957,754	25,233,636
Current portion of long-term debt (note 7)	16,110,000	16,060,000
Deferred revenue	<u>2,171,297</u>	<u>2,067,778</u>
Total current liabilities payable from restricted assets	<u>44,239,051</u>	<u>43,361,414</u>
Total current liabilities	77,917,178	76,846,740
Long-term debt, less current portion (note 7)	<u>1,529,973,011</u>	<u>1,388,027,970</u>
Total liabilities	1,607,890,189	1,464,874,710
Equity:		
Contributed capital (note 9)	284,715,554	302,831,620
Retained Earnings:		
Reserved for bond programs	283,269,276	113,884,208
Unreserved	<u>225,239,378</u>	<u>312,241,796</u>
Total retained earnings	<u>508,508,654</u>	<u>426,126,004</u>
Total equity	<u>793,224,208</u>	<u>728,957,624</u>
Total liabilities and equity	<u><u>\$2,401,114,397</u></u>	<u><u>\$2,193,832,334</u></u>

See accompanying notes to financial statements.

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**  
**Statements of Revenues, Expenses, and Changes in Retained Earnings**  
**Years ended September 30, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
Operating revenues:		
Landing and related fees	\$ 68,904,716	\$ 51,759,001
Concession fees	35,184,416	38,755,343
Parking fees	33,720,766	35,515,982
Rental facilities	24,439,901	28,355,276
Expense recoveries	<u>8,581,468</u>	<u>7,941,503</u>
 Total operating revenues	 170,831,267	 162,327,105
Operating Expenses:		
Salaries, wages, and fringe benefits	53,763,369	49,214,547
Parking management expense	14,203,477	13,247,554
Janitorial services	4,878,549	5,239,350
Security	1,856,203	1,857,396
Utilities	10,251,017	11,570,370
Supplies, repairs, and other	40,116,797	45,975,998
Depreciation and amortization	<u>36,266,545</u>	<u>35,405,150</u>
 Total operating expenses	 <u>161,335,957</u>	 <u>162,510,365</u>
 Operating income (loss)	 9,495,310	 (183,260)
Nonoperating revenues (expenses):		
Passenger facility charges	43,773,615	45,996,580
Federal grants	666,736	816,771
State grants	53,117	390,154
Interest income	43,786,139	60,959,401
Collections from participating local units	-	2,575
Interest expense	<u>(57,037,062)</u>	<u>(63,891,385)</u>
 Total nonoperating revenue	 <u>31,242,545</u>	 <u>44,274,096</u>
 Net income before capital contributions	 40,737,855	 44,090,836
Capital contributions (note 11)	<u>23,528,729</u>	<u>-</u>
 Net income	 64,266,584	 44,090,836
Amortization of contributed capital	<u>18,116,066</u>	<u>18,116,066</u>
 Increase in retained earnings	 82,382,650	 62,206,902
Retained earnings beginning of year	<u>426,126,004</u>	<u>363,919,102</u>
Retained earnings end of year	<u><u>\$508,508,654</u></u>	<u><u>\$426,126,004</u></u>

See accompanying notes to financial statements.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Statements of Cash Flows  
Years ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 9,495,310	\$ (183,260)
Adjustments to reconcile operating income to net cash from operating:		
Depreciation and amortization	36,266,545	35,405,150
(Increase) decrease in assets:		
Accounts receivable	(8,195,266)	(10,747,649)
Due from other County funds	3,912,077	5,425,534
Due from other governmental units	20,482,302	(17,843,848)
Due from component units	(115)	-
Deposits	(3,539,140)	(425,400)
Increase (decrease) in liabilities:		
Accounts payable	755,699	10,596,325
Accrued wages and benefits	1,811,086	216,781
Due to other County funds	(2,149,075)	(496,243)
Due to other governmental units	30,099	1,030
Other accrued liabilities	(255,008)	3,126,322
Deferred revenue	103,519	46,986
	<u>58,718,033</u>	<u>25,121,728</u>
Net cash flows from operating activities		
Cash flows from noncapital financing activities		
Passenger facility charges - receipts	5,900	40,341
Collections from participating local units	-	2,575
	<u>5,900</u>	<u>42,916</u>
Net cash flows from noncapital financing activities		
Cash flows from capital and related financing activities:		
Passenger facility charges	43,767,715	45,956,239
Proceeds from issuance of long-term debt	155,030,321	-
Repayment of long-term debt	(16,060,000)	(19,290,000)
Federal grants	666,736	816,771
State grants	53,117	390,154
Acquisition of fixed assets	(471,850,537)	(393,965,107)
Interest paid	(77,430,414)	(76,414,229)
Contributions of capital	23,528,729	33,837,049
	<u>(342,294,333)</u>	<u>(408,669,123)</u>
Net cash flows from capital and related financing activities		
Cash flows from investing activities		
Interest income received	43,786,139	60,959,401
Purchases of investments	(1,645,259,355)	(840,241,917)
Maturities of investments	1,693,196,000	793,746,346
	<u>91,722,784</u>	<u>14,463,830</u>
Net cash flows from investing activities		
Net (decrease) in cash and cash equivalents	(191,847,617)	(369,040,649)
Cash and cash equivalents at October 1, 2000	<u>383,361,536</u>	<u>752,402,185</u>
Cash and cash equivalents at September 30, 2001	<u>\$ 191,513,920</u>	<u>\$ 383,361,536</u>
Cash and investments at September 30, 2001, consist of the following:		
Cash and cash equivalents	\$ 191,513,920	383,361,536
Investments	<u>334,908,992</u>	<u>382,845,637</u>
Total cash and investments	<u>\$ 526,422,912</u>	<u>\$ 766,207,173</u>

See accompanying notes to financial statements.

# DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

## Notes to Financial Statements

Years ended September 30, 2001 and 2000

### (1) Reporting Entity

Detroit Metropolitan Wayne County Airport ("Metropolitan Airport") is an Enterprise fund of the Charter County of Wayne, Michigan (the "County"). The financial statements of Metropolitan Airport have been included within the County's comprehensive annual financial report. In addition to the Metropolitan Airport operations, the County operates the Willow Run Airport.

Certain operating and administrative expenses reflect allocations between the two airports and other County operations in instances where facilities and personnel are shared. During the year ended September 30, 2001 and 2000, other County funds were reimbursed \$4.5 million and \$4.2 million, respectively, for these operating and administrative costs.

Metropolitan Airport had airport use contracts with 18 airlines, which constitute approximately 98 percent of total landed weight in 2001. Metropolitan Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metropolitan Airport pays a management fee or receives a commission.

### (2) Summary of Significant Accounting Policies

#### Basis of Accounting and Measurement Focus

The financial statements of Metropolitan Airport are presented on the accrual basis of accounting and are accounted for on the flow of economic resources measurement focus; revenues are recorded when earned and expenses are recorded as incurred.

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 20, the Airport follows all GASB pronouncements and Financial Accounting Standards Board Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements.



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(2) Summary of Significant Accounting Policies, Continued**

Cash and Investments

Cash resources of the individual funds of the County, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned, but not received, at year-end is accrued.

Cash Flows

For purposes of the statement of cash flows, the County considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All pooled investments qualify as cash equivalents.

Passenger Facility Charges

Metropolitan Airport assesses passenger facility charges of \$3.00 per passenger enplanement. The passenger facility charges are recorded as nonoperating revenues and may only be expended on capital and noncapital projects approved by the federal government.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

(2) **Summary of Significant Accounting Policies, Continued**

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	25 years
Paving	15 to 25 years
Utility Systems	25 to 50 years
Equipment	5 to 10 years

Depreciation is computed using the straight-line method for vehicles with estimated useful lives of five to eight years. Expenditures for property and equipment and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by Metropolitan Airport are capitalized, including salaries, employee benefits, and interest costs during construction. At the time fixed assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the results of operations.

Depreciation charges to operations associated with property and equipment acquired from grants and similar sources is closed to contributed capital.

Compensated Absences

Metropolitan Airport employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay, based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited. A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

(2) **Summary of Significant Accounting Policies, Continued**

Retirement Contributions

The Wayne County Employees' Retirement System, which includes Metropolitan Airport personnel, is funded as pension costs are accrued. Prior service costs resulting from benefit improvements, plan amendments, actuarial gains or losses, and other reasons are generally reflected in contributions based upon a 15-year amortization period.

Retained Earnings

Retained earnings has been reserved to reflect resources segregated for bond reserves.

Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2001 and 2000 is \$7,256,966 and \$6,018,225, respectively.

Deferral of Gains and Losses on Refundings

Metropolitan Airport defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings subsequent to December 1, 1992. The deferred amount is amortized and recorded as a component of interest expense.

Self-Insurance

Metropolitan Airport, through Wayne County, is self insured for worker's compensation, certain health benefits and other claims, litigation and assessments. Details of liability are not separately available for Metropolitan Airport. Claims that are probable of loss and estimable in amount have been recorded.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Notes to Financial Statements, Continued  
Years ended September 30, 2001 and 2000

**(2) Summary of Significant Accounting Policies, Continued**

A reconciliation of the County's self insured claims liability at September 30, 2001 follows:

	<u>Worker's Compensation</u>	<u>Hospitalization Insurance</u>	<u>Other Claims</u>	<u>Total</u>
Claims liability, September 30, 1999	\$ 17,506,000	\$ 5,773,000	\$ 75,000	\$ 23,354,000
Claims incurred during fiscal year 2000	2,298,450	53,764,448	572,188	56,635,086
Change in estimate for prior period claims	(2,001,000)	(4,307,855)	-	(6,308,855)
Payments on claims	<u>(2,339,450)</u>	<u>(49,946,038)</u>	<u>(572,188)</u>	<u>(52,857,676)</u>
Claims liability, September 30, 2000	15,464,000	5,283,555	75,000	20,822,555
Claims incurred during fiscal year 2001	983,793	58,128,218	4,039,329	63,151,340
Change in estimate for prior period claims	(1,991,000)	(4,940,227)	-	(6,931,227)
Payments on claims	<u>(1,760,793)</u>	<u>(54,362,003)</u>	<u>(4,039,329)</u>	<u>(60,162,089)</u>
Claims liability, September 30, 2001	<u>\$ 12,696,000</u>	<u>\$ 4,109,543</u>	<u>\$ 75,000</u>	<u>\$ 16,880,579</u>

**(3) Major Customer**

Northwest Airlines, Inc. ("Northwest"), accounts for approximately 36 percent and 33 percent of total Metropolitan Airport operating revenues in the years ended September 30, 2001 and 2000, respectively, including approximately 66 percent and 64 percent of landing and related fees in 2001 and 2000 respectively, and approximately 53 and 55 percent of rental and expense recoveries from tenants in 2001 and 2000, respectively. Approximately 68 percent of total 2001 Metropolitan Airport enplanements are attributable to Northwest's operations. In the event that Northwest discontinued its Metropolitan Airport operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all signatory airlines servicing Metropolitan Airport provide reasonable assurance that all remaining airlines would continue to pay the net operating costs and debt service requirements of Metropolitan Airport. The Airport had approximately \$21.0 million and \$10.1 million in net receivables from Northwest at September 30, 2001 and 2000, respectively.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(4) Cash and Investments**

At September 30, 2001 and 2000, Metropolitan Airport had an undivided equity share in the County's General Pool, which is available for use by all County funds. In addition, certain restricted cash and investments of Metropolitan Airport were separately held in trust accounts. The carrying amount of deposits for the General Pool for the entire County (which includes certain restricted funds) and the Metropolitan Airport Separate Trusts was \$51,669,840 at September 30, 2001 and \$102,748,910 at September 30, 2000.

The bank balances related to these carrying amounts are classified as to risk as follows:

	<u>2001</u>	<u>2000</u>
Insured (FDIC)	\$ 1,000,000	\$ 1,802,465
Uninsured - uncollateralized	<u>70,434,048</u>	<u>127,402,514</u>
Total bank balance of deposits	<u>\$ 71,434,048</u>	<u>\$ 129,204,979</u>

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 3, investments are categorized to give an indication of the level of custodial risk assumed by the entity as follows:

- Category 1: Investments that are insured or registered or for which the securities are held by the County or its agent in the County's name;
- Category 2: Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name; and
- Category 3: Repurchase agreements with no underlying securities and uninsured and unregistered investments for which the securities are held by the counterparty or its agent, but not in the County's name.

Certain types of investments, such as money market pooled funds, are not categorized because they are not evidenced by securities that exist in physical or book-entry form.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(4) Cash and Investments, Continued**

The County's General Pool, and the Metropolitan Airport Separate Pool and Trusts, cash and investments by risk category and type at September 30, 2001 follow:

	Category			<u>Total</u>
	1	2	3	
County General Pool:				
Commercial paper	\$ 165,402,000	\$ -	\$ -	\$ 165,402,000
Repurchase agreements	5,817,730	-	-	5,817,730
U. S. Government obligations	<u>29,157,675</u>	<u>-</u>	<u>-</u>	<u>29,157,675</u>
Total	<u>\$ 200,377,405</u>	<u>\$ -</u>	<u>\$ -</u>	200,377,405
Money market pooled funds				55,873,929
Deposits				<u>51,669,840</u>
Total County General Pool cash and investments				<u>\$ 307,921,174</u>
Metropolitan Airport Separate Trusts:				
Commercial paper	\$ 138,510,482	\$ -	\$ -	\$ 138,510,482
Repurchase agreements	24,357,197	-	-	24,357,197
U.S. government obligations	<u>180,878,293</u>	<u>-</u>	<u>-</u>	<u>180,878,293</u>
Total	<u>\$ 343,745,972</u>	<u>\$ -</u>	<u>\$ -</u>	343,745,972
Money market pooled funds				<u>134,756,672</u>
Total Metropolitan Airport Separate Pool and Trusts cash and investments				<u>\$ 478,502,644</u>

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(4) Cash and Investments, Continued**

The County's General Pool, and the Metropolitan Airport Separate Pool and Trusts, cash and investments by risk category and type at September 30, 2000 follow:

	Category			Total
	1	2	3	
County General Pool:				
Commercial paper	\$ 159,180,117	\$ -	\$ -	\$ 159,180,117
Repurchase agreements	4,133,236	-	-	4,133,236
U. S. Government obligations	59,986,328	-	-	59,986,328
Total	\$ 223,299,681	\$ -	\$ -	223,299,681
Money market pooled funds				17,068,906
Deposits				102,748,909
Total County General Pool cash and investments				\$ 343,117,496
Metropolitan Airport Separate Trusts:				
Commercial paper	\$ 203,335,656	\$ -	\$ -	\$ 203,335,656
Repurchase agreements	312,368,886	-	-	312,368,886
U.S. government obligations	207,383,270	-	-	207,383,270
Total	\$ 723,087,812	\$ -	\$ -	723,087,812
Money market pooled funds				19,410,240
Total Metropolitan Airport Separate Pool and Trusts cash and investments				\$ 742,498,052

Cash and investments in the pooled accounts are allocated to the respective County funds and accounts based on an internal ledger system maintained by the County Treasurer. The fair value of cash and investments in pooled accounts totaled \$361,188,233 and \$576,989,165 at September 30, 2001 and 2000, respectively, of which \$47,920,268 and \$23,709,120 were held in the County's General Pool and \$313,267,965 and \$553,280,045 were held in the Metropolitan Airport's Separate Trusts Pool at September 30, 2001 and 2000, respectively.

The County Treasurer is responsible for all investment activities associated with Metropolitan Airport. The County's investment policies are governed by State statutes. General County funds must be deposited in government-insured accounts in banks or thrifts and may not be deposited in financial institutions located in states other than Michigan. Permissible investments include obligations of the U.S. Treasury and agencies (either individually or in pooled funds), domestic certificates of deposit, commercial paper with prescribed ratings, and repurchase agreements. The term of investment and the financial

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(4) Cash and Investments, Continued**

institutions used for investment purposes are determined based upon operating and other needs of the County and of Metropolitan Airport. The County Treasurer periodically assesses the financial strength of and services provided by financial institutions to help ensure that integrity of principal is maintained and County investment needs are met.

In accordance with the County's investment policy, the County invests in mortgage-backed securities. These securities are reported at fair value in the balance sheet and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities decline. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. The County invests in mortgage-backed securities to diversify the portfolio and to increase the return while minimizing the extent of risk.

**(5) Restricted Assets**

In accordance with the terms of applicable County ordinances, Metropolitan Airport is required to restrict assets for various purposes. Fund equity has been reserved related to certain of the restricted assets. A summary of the restricted assets at September 30, 2001 and 2000 is as follows:

	<u>2001</u>	<u>2000</u>
Operations and maintenance:		
Equity in pooled cash and investments	\$ 18,612,526	\$ 355,577
Other cash and investments	12,322,637	11,682,455
Accounts receivable	<u>249,470</u>	<u>105,091</u>
Total	31,184,633	12,143,123
Replacement and improvements:		
Equity in pooled cash and investments	2,399,205	1,865,630
Construction:		
Equity in pooled cash and investments	167,783,210	348,742,608
Accounts receivable	<u>1,244,146</u>	<u>18,432,258</u>
Total	169,027,356	367,174,866



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(5) Restricted Assets, Continued**

	<u>2001</u>	<u>2000</u>
Bond and interest redemption:		
Equity in pooled cash and investments	\$ 23,812,247	\$ 25,794,037
Other cash and investments	152,912,042	177,535,553
Accounts receivable	<u>6,882,257</u>	<u>78,643</u>
Total	183,606,546	203,408,233
Passenger facility charges:		
Equity in pooled cash and investments	120,376,711	169,522,064
Accounts receivable	<u>8,162,151</u>	<u>4,959,134</u>
Total	<u>128,538,862</u>	<u>174,481,198</u>
Total restricted assets	<u>\$ 514,756,602</u>	<u>\$ 759,073,050</u>

**(6) Interfund Receivables and Payables**

The following represents the detail of interfund receivables and payables at September 30, 2001 and 2000:

	2001		2000	
	Receivable From	Payable To	Receivable From	Payable To
County Funds:				
General Fund	\$ 518,119	\$ 27,775	\$ 4,839,157	\$ 1,216,370
Special Revenue funds	7,993	2,415,346	—	4,458,420
Internal Service funds	14,333	1,857,078	1,316	1,128,801
Fiduciary funds	12,878	12,878	—	—
Other Enterprise funds	<u>376,528</u>	<u>342,012</u>	<u>1,455</u>	<u>573</u>
Total	<u>\$ 929,851</u>	<u>\$ 4,655,089</u>	<u>\$ 4,841,928</u>	<u>\$ 6,804,164</u>

At September 30, 2001, Metropolitan Airport had a receivable from the Chapter 8 Drainage District of \$115.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Notes to Financial Statements, Continued  
Years ended September 30, 2001 and 2000

**(7) Long-term Debt**

The detail of long-term debt at September 30, 2001 and 2000 is as follows:

	<u>2001</u>	<u>2000</u>
Airport Revenue Bonds (due serially December 1):		
Series 1990A, 6.3% to 7.3%, due 2021	\$ 41,815,000	\$ 42,750,000
Series 1990B, 5.9% to 7.0%, due 2021	24,830,000	25,735,000
Series 1991A, 5.5% to 7.0%, due 2002	945,000	1,830,000
Series 1991B, 5.5% to 6.75%, due 2022	36,605,000	37,405,000
Series 1993A, 3.0% to 5.4%, due 2017	12,405,000	12,905,000
Series 1993B, 2.9% to 5.5%, due 2022	66,885,000	68,650,000
Series 1993C, 2.8% to 5.25%, due 2022	58,690,000	59,170,000
Series 1994A, 3.5% to 5.875%, due 2009	26,985,000	31,950,000
Series 1994B, 4.85% to 6.125%, due 2025	12,020,000	12,245,000
Series 1996A, 3.65% to 5.72%, due 2017	59,510,000	61,810,000
Series 1996B, 3.65% to 5.72%, due 2017	59,510,000	61,810,000
Series 1998A, 4.2% to 5.5%, due 2028	854,955,000	854,955,000
Series 1998B, 4.1% to 5.25%, due 2028	162,935,000	162,935,000
Series 2001 Jr. Lien, Variable, Current Yield at 9/30/01, 2.23%, due 2009	<u>141,900,000</u>	<u>-</u>
Total	1,559,990,000	1,434,150,000
Installment purchase contract, 5.625%, due 2011	14,470,000	-
Less:		
Deferred amount on refunding	12,241,441	12,978,421
Certain bond discounts	<u>16,135,548</u>	<u>17,083,609</u>
Total - net	1,546,083,011	1,404,087,970
Less current portion	<u>16,110,000</u>	<u>16,060,000</u>
Total noncurrent	<u>\$ 1,529,973,011</u>	<u>\$ 1,388,027,970</u>

Net revenues (as defined in the various Bond Ordinances) of Metropolitan Airport have been pledged toward the repayment of the Airport Revenue Bonds.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(7) Long-term Debt, Continued**

The Airport Revenue Bond Ordinances require that Metropolitan Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

The annual requirements to pay principal and interest on the Airport Revenue Bonds outstanding at September 30, 2001 are summarized as follows:

	Airport Revenue Bonds	Installment Purchase Contract	Total
2002	\$93,261,968	\$803,581	\$94,065,549
2003	110,768,077	2,068,750	112,836,827
2004	109,634,374	2,027,312	111,661,686
2005	109,287,068	2,049,187	111,336,255
2006	109,116,814	2,070,719	111,187,533
Thereafter	2,204,162,979	10,268,032	2,214,431,011
Total	2,736,231,280	19,287,581	2,755,518,861
Less: interest	1,176,241,280	4,817,581	1,181,058,861
Total	\$1,559,990,000	\$14,470,000	\$1,574,460,000

In December 1985, Metropolitan Airport issued \$90.5 million Charter County of Wayne (Michigan) Airport Special Facility Revenue Bonds (Republic Airlines, Inc. Facilities), Series 1985, to finance certain special facilities for Republic Airlines, Inc. ("Republic"). In October 1986, Republic merged with Northwest, at which time Northwest assumed responsibility of the payment of the special facilities lease rentals. The County is not obligated in any manner to provide debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable by Northwest, the debt service activities have not been reflected in the records of the Metropolitan Airport. However, the County has agreed in the related ordinance to use its "Best Efforts," as defined, to lease the facilities to another party in the event of default by Northwest.

In May 1990, the County entered into agreements with Mesaba Aviation to issue

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(7) Long-term Debt, Continued**

approximately \$3.6 million in Airport Special Facility Revenue Bonds to finance the construction of an airline maintenance facility. All debt service costs will be paid by the airline through a trustee. The County is not obligated in any manner to provide debt service in the event of default by Mesaba. The agreement also provides for the airline to construct a ramp and taxiway connection.

As these bonds are payable from special facility lease rentals payable in full by the respective airlines, the related debt has not been reflected in the financial statements of Metropolitan Airport. In November 1995, the Metropolitan Airport issued approximately \$84.3 million Charter County of Wayne (Michigan) Special Airport Facilities Revenue Refunding Bonds (Northwest Airlines, Inc., Facilities) Series 1995 to provide funds together with \$14.4 million of unexpended proceeds, to repay the 1985 bonds in December 1995. The unexpended proceeds of these debt issues (approximately \$1.7 million at September 30, 2001) are invested at the direction of the airlines and have been recorded in the County's Trust and Agency Fund to reflect certain limited fiduciary responsibilities associated with this bond issue. The County is not obligated in any manner to provide debt service in the event of default by Northwest. However, the County has agreed in the related ordinance to use its "Best Efforts," as defined, to lease the facilities to another party in the event of default by Northwest.

In October 1996, the County issued \$135.8 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 1996A and 1996B to retire Series 1986 Bonds, at their earliest optional redemption date of December 1, 1996. The refunding bonds are subject to interest rate adjustments determined from time to time by a remarketing agent to reflect prevailing market. The interest rate borne by the bonds, however, is capped at 12 percent or the maximum rate under Michigan law, so long as a letter of credit is in place. In anticipation of this refunding, in October 1993, the County entered into an interest-rate swap agreement with a notional principal amount of \$126 million, which permitted the County to change the terms of the anticipated bond offering from a variable rate to a fixed-rate coupon of 5.72 percent. Additionally, interest payments that are made to or received from the counterparty commencing December 1, 1996, through the swap termination in 2008, will be reflected as an adjustment of interest expense on the refunding bonds.

The County defeased the series 1986 Bonds by placing the proceeds of the series 1996A and 1996B Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The 1986 Bonds were subsequently called and paid in full in December 1996. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding was \$21.4 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) will approximate \$15.3 million. These

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(7) Long-term Debt, Continued**

cash flow savings and economic gain calculations are based on an interest rate of 5.72 percent through 2008, when the swap agreement terminates, and the maximum rate of 12 percent through 2016.

The Series 1996A and 1996B Bonds are revenue obligations of the County and do not constitute indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor the taxing power of the County is pledged for the payment of principal, premium, if any, or interest on the Series 1996A and 1996B Bonds.

In June 1999, the County entered into agreements with Northwest Airlines to issue approximately \$15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County is not obligated in any manner to provide debt service in the event of default by Northwest Airlines. As these bonds are payable from special facility lease rentals payable in full by Northwest Airlines, the related debt has not been reflected in the financial statements of Metropolitan Airport.

In January 2001, the County issued \$141.9 million Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at the Airport. The Series 2001 Bonds and the interest thereon are payable from the Net Revenues derived by the County from the operation of the Airport and available after Net Revenues have first been set aside as required to pay the principal and interest and Redemption Price, if any, on Senior Lien Bonds as provided in the Ordinance. The Series 2001 Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the Net Revenues to secure the payment of the Series 2001 Bonds.

The Series 2001 Bonds are revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal of, or interest or premium, if any, on the Series 2001 Bonds, and no owner of any Series 2001 Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

In August 2001, the County entered into an Installment Purchase Contract for \$ 14.4 million to pay for energy conservation improvements at the Airport. The purchase contract is not a revenue or general obligation of the County and does not constitute an indebtedness

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(7) Long-term Debt, Continued**

of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal of, or interest or premium, if any, on these Improvements.

In prior years, the County defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. On September 30, 2001, \$55.7 million of bonds outstanding are considered defeased.

Metropolitan Airport capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2001 and 2000, interest expense incurred on these debt issues totaled \$77,783,475 and \$75,842,123 respectively. For 2001 and 2000, net financing costs capitalized were \$24,041,252 and \$15,015,752, respectively.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(8) Employee Benefits**

Pension Plans

Wayne County Employees Retirement System

Plan Description

The County provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system which is governed by the Wayne County Retirement Ordinance, as amended. The Retirement System provides three contributory, defined-benefit retirement options (together, the Defined Benefit Plan) and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County employees. The Retirement Board of Commissioners issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at the International Center Building, 400 Monroe, Room 320, Detroit, Michigan 48226.

The Defined Benefit Plan (Plan 1, Plan 2 and Plan 3) and the Defined Contribution Plan (together, the Plan) have been combined for presentation in the County's general purpose financial statements.

In 1983, the County closed the Plan 1 option of the WCERS to new hires, and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant. At September 30, 2000, the date of the most recent actuarial valuation, membership consisted of 5,984 retirees and beneficiaries receiving benefits, 152 inactive (separated) employees entitled to benefits but not yet receiving them, and 1,167 current active employees combined in the Plan.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

Methods Used to Value Investments

The Retirement Board of Commissioners has authority to invest the Plan's assets in common and preferred stock, obligations of the United States, its agencies, or U.S. government sponsored enterprises, obligations of any state or political subdivision of a state having the power to levy taxes, banker's acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, real and personal property, mortgages, and certain other investments.

Market values for common stocks and money market funds are based on September 30, 2001 closing market quotations. Fixed debt quotations are provided by a national brokerage pricing service. Mortgage market values are determined on the basis of comparable yields available in the marketplace.

The Plan did not hold any individual non-governmental investments that exceeded five percent of total assets as of September 30, 2001 and 2000, respectively.

Contributions

Participants in Plan 1 contribute 2.58 percent of annual compensation for 17 or more years of credited service. The Sheriff's Command Officers contribute 5.0 percent of annual compensation and Sheriff Deputies contribute 4.25 percent of the first \$13,500 of annual compensation, plus 6.25 percent of annual compensation in excess of \$13,500. Participants in Plan 2 do not make plan contributions but receive a lower final benefit. Plan 3 participants make decreased contributions of 3.0 percent of wages, and receive a lower final benefit. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are made and recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Refer to Notes 2 and 3 of the County's Comprehensive Annual Financial Report for further significant accounting policies.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units.



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

Annual Pension Cost

For the period ended September 30, 2001, the County's annual pension cost of \$38,562 was equal to the County's required and actual contributions. The annual required contribution was determined using an actuarial valuation of the Plan as of September 30, 1999, (the projected unit credit actuarial cost method) determined as a level percentage of payroll. The County has agreed to voluntarily contribute such additional amounts as necessary to provide assets sufficient to meet the benefits to be paid to Plan members. Significant actuarial assumptions were used to compute the contribution requirements and include (1) a rate of return on the investment of present and future assets of 8.0 percent compounded annually, (2) projected salary increases of 4.0 to 7.0 percent compounded annually, (3) additional projected salary increases ranging from 0.2 percent to 4.0 percent per year (0.1 percent to 3.0 percent for Sheriff personnel), depending on age, attributable to seniority/merit, and (4) no post-retirement increase in benefits.

Three-Year Trend Information (Unaudited)

(Dollar amount in thousands)

<u>Fiscal Year Ended September 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
1999	\$ 7,642	100	-
2000	3,805	100	-
2001	39	100	-

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

Reserves (Employees)

As of September 30, 2001, the Plan's legally required reserves have been fully funded as follows:

Reserve for employee contributions	\$	50,793,220
Reserve for employer contributions		453,220,425
Reserve for pension payments		431,064,554
Reserve for inflation equity		<u>128,487,239</u>
Total reserve balances	\$	<u><u>1,063,565,438</u></u>

Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime, after meeting normal retirement or duty disability retirement requirements which vary by option, based on the following percentages of average final compensation, for each year of credited service:

Option 1 - Depending on the applicable collective bargaining agreement, either (1) 2.0 percent for each year, or (2) 2.5 percent for each year. Maximum County-financed portion is 75 percent of average final compensation. Minimum pension is \$5 per month times years of service.

Option 2 - 1 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation.

Option 3 - 1.5 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years.

The Plan also provides non-duty death and disability benefits to members after 10 years of credited service for Plans 1 and 2. The 10-year service provision is waived for duty disability and death benefits.

Notes to Financial Statements, Continued  
Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

(Dollar Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets * (a)	Actuarial Accrued Liability (AAL) (b)	(Overfunded)	Funded Ratio (a)/(b)	Covered+ Payroll (c)	UAAL as a
			Unfunded AAL (UAAL) (b)-(a)			Percent of Covered Payroll [(b)-(a)]/(c)
11/30/95#	781.4	829.2	47.8	94.2	192.9	24.8
11/30/96#@	866.9	866.9	0.0	100.0	208.6	N/A
11/30/97#	877.9	870.1	(7.8)	100.9	224.1	N/A
09/30/98#	933.0	906.6	(26.4)	102.9	231.0	N/A
09/30/99	965.8	915.3	(50.5)	105.5	256.4	N/A
09/30/00&	1,028.6	947.6	(81.0)	108.5	275.6	N/A

# After changes in benefit provisions or revised actuarial assumptions.

\* Excludes reserve for inflation equity.

+ Includes defined contribution plan payroll.

@ After one-time adjustment equal to UAAL.

& Change in Inflation Equity calculation.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

(Dollar Amounts in Thousands)

	Fiscal Year Ended September 30	Annual Required Contributions	Actual Contributions	Percent Contributed
(1)	1996	12,250	12,103	98.8
(1)	1997	12,746	12,746	100
(2)	1998	7,095	7,095	100
	1999	7,632	7,642	100
	2000	3,805	3,805	100
	2001	39	39	100

(1) Valuations before 1998 were based on a fiscal year ending November 30.

(2) Fiscal year 1998 covered a ten-month period ending September 30, 1998.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Notes to Financial Statements, Continued  
Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of the dates indicated. Additional information of the latest actuarial valuation is as follows:

Valuation date	September 30, 2000
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	N/A, closed
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
* Investment rate of return	8.0%
* Projected salary increases	4.0% - 7.0%
Cost-of-living adjustments	N/A

\* Indicates inflation at 4.0%

Factors that significantly affect the identification of trends in the amounts reported include, for example, changes in benefit provisions, the size or composition of the population covered by the plans, or the actuarial methods and assumptions used.

Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan, a single employer plan (the "Plan") under the County's enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor and disability benefits to County employees. The administration, management and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(8) Employee Benefits, Continued**

Under the Plan, the County contributes \$4.00 for every \$1.00 contributed by each member, or for eligible executives; \$5.00 for every \$1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent of base compensation. For eligible executives, the County contributes 12.5 percent of the member's compensation, with the member contribution limited to 2.5 percent of compensation. All full-time, permanent County employees are eligible to join the Plan. Employees hired prior to July 1, 1984, are eligible to transfer from the Wayne County Employees' Retirement System Defined Benefit Plan to the Plan. At September 30, 2000, the date of the most recent actuarial valuation, there were 4,828 employees in the Plan. Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service. Total employer and employee contributions during 2001, representing 10.0 percent of payroll, were \$24.0 million and \$5.8 million, respectively.

Members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of \$2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent), rounded to the nearest quarter of a percent.

The Plan uses the accrual basis of accounting, which recognizes revenues as earned and expenses as incurred. Market values for common stock, money market funds and mutual funds are based on September 30, 2001 closing market quotations.

The Plan had the following individual nongovernmental investments that exceeded five percent of total assets as of September 30, 2001:

Aeltus Large Cap Blend Fund	\$ 44,538,064
Berger Small Cap Value I Fund	15,870,202
CIGNA Guaranteed Income Fund	65,807,982
Franklin Small Cap Growth I Fund	7,386,185
INVESCO Dynamics Fund	10,805,544
Janus Worldwide Fund	13,365,796
Multi Manager Balanced Fund	22,267,159

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

**(8) Employee Benefits, Continued**

Other Post Retirement Benefit Obligations

The County provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or the Wayne County Retirement Commission Trustees. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County paid approximately \$30.0 million for the fiscal year ended September 30, 2001 for these benefits. Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 12, *Disclosure of Information on Post Employment Benefits Other Than Pension Benefits*, no determination of the County's continuing obligation for these benefits has been made as of September 30, 2001. In addition, the County pays the cost of the basic retiree life insurance, up to \$5,000 per employee, on a pay as you go basis. Total costs for the year ended September 30, 2001 amounted to \$1.0 million. There were 5,984 retirees as of September 30, 2001 eligible for benefits.

Deferred Compensation Plan

The County has made available to all permanent employees a deferred compensation plan (the Plan) established in accordance with Internal Revenue Code section 457. The plan permits participating employees to defer a portion of their salary until future years. Accumulated deferred compensation amounts are not available to employees or their estates until retirement, death, or unforeseeable emergency.

All assets of the Plan are (until paid or made available to the participant or beneficiary) held in trust by a third party administrator for the exclusive benefit of the participants and their beneficiaries. The assets are invested in annuity contracts and mutual funds.

It is the opinion of the County's Corporation Counsel that the County has no liability for losses under the plan but does have the fiduciary duty of due care that would be required of and ordinary prudent investor.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Deferred Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan have been removed from the County's financial statements.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Notes to Financial Statements, Continued

Years ended September 30, 2001 and 2000

**(9) Contributed Capital**

Following are the changes in contributed capital for the years ended September 30, 2001 and 2000:

	<u>2001</u>	<u>2000</u>
Contributed capital, beginning of the year	\$ 302,831,620	\$ 287,110,637
Contributions for construction from:		
Federal government (note 11)	—	<u>33,837,049</u>
Total	302,831,620	320,947,686
Amortization of contributed capital	<u>(18,116,066)</u>	<u>(18,116,066)</u>
Contributed capital, end of the year	<u>\$ 284,715,554</u>	<u>\$ 302,831,620</u>

**(10) Commitments and Contingencies**

Metropolitan Airport is a defendant in a number of lawsuits and claims which have resulted from the ordinary course of providing services. The ultimate effect on Metropolitan Airport's financial statements of the resolution of these matters is, in the opinion of the County's counsel, not expected to be material.

In 1996, the County and Northwest Airlines jointly announced an agreement to build a new midfield terminal. The expansion will include the new 97-gate midfield terminal, a 12,000-space parking deck, a fourth parallel runway, and extensive improvements to the Airport's three existing terminals. The midfield terminal is scheduled to open in 2002.

The estimated costs to complete Metropolitan Airport's current capital improvement program totaled \$508 million and \$950 million at September 30, 2001 and 2000, respectively, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional design services contracts in connection with this program totaled \$288 million and \$520 million at September 30, 2001 and 2000, respectively.

**(11) Accounting Change**

During the year ended September 30, 2001, Metropolitan Airport adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. This statement requires that capital contributions be recognized as revenues and not as contributed capital. Accordingly, during the year ended September 30, 2001, \$23,528,729 was recognized as revenues in the statement of revenues, expenses, and changes in retained earnings, and no amount has been recognized as contributed capital.

**(12) Subsequent Events**

The Michigan Legislature approved an Airport Authority Bill on March 14, 2002, and have given the new legislation immediate effect upon the approval of Governor Engler. The new law would transfer management and control of Detroit Wayne County Metropolitan Airport, Willow Run Airport, Crosswinds Marsh (a 900 acre man-made wetlands area adjacent to Metropolitan Airport), and all other Airport property to the new Authority. The name of the new organization is “Wayne County Airport Authority (WCAA)”. The new Authority, the result of an agreement between the Governor and County Executive Ed McNamara, will have seven members. The County Executive will appoint four members, the Governor will appoint two members, and the last member will be appointed by the County Commission. Under the act, the appointments of the County Executive and the Governor are not subject to confirmation by the Legislature or the County Commission.

**(13) New Accounting Pronouncement**

Metropolitan Airport will be required to implement the provisions of GASB Statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, effective for fiscal year ended September 30, 2002. Management has not yet determined the impact of this statement on financial statements.



**STATISTICAL INFORMATION  
(UNAUDITED)**

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Debt Service Requirements and Coverage  
Operating Years 2001-2006  
(Unaudited)

Operating Year	Net Revenues, Revenue Fund Balances and Other Available Monies	Total Debt Service Requirements	Debt Service Coverage	Airline Costs Per Enplaned Passenger
Historical				
2001 (a)	\$ 68,738,439	\$ 44,084,654	1.56	\$ 5.29
Forecast				
2002	91,803,000	67,440,000	1.36	4.24
2003	143,629,000	109,674,000	1.31	6.05
2004	143,676,000	109,422,000	1.31	5.79
2005	143,757,000	109,337,000	1.31	5.54
2006	143,582,000	108,990,000	1.32	5.28

(a) Based on Final Year-End Calculation, dated March 14, 2002.

Sources:

Historical--Charter County of Wayne, Michigan, Department of Airports

Forecast--Booz-Allen & Hamilton forecast dated June 18, 1998.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Operation & Maintenance Expenses  
 For Operating Years ending November 30, except OY 1998 - OY 2001, ending September 30  
 (in thousands of dollars, except as noted)  
 (Unaudited)

Description	Historical				
	OY 1997	OY 1998 (a)	OY 1999	OY 2000	OY 2001
Salaries and wages	\$ 23,990	\$ 22,725	\$ 30,241	\$ 33,620	\$ 36,946
Employee benefits	11,685	11,776	13,793	13,780	14,819
	<u>\$ 35,675</u>	<u>\$ 34,501</u>	<u>\$ 44,034</u>	<u>\$ 47,399</u>	<u>\$ 51,765</u>
Contractual Services					
Parking management	\$ 12,228	\$ 10,326	\$ 14,274	\$ 13,248	\$ 14,203
Security expenses	1,493	1,233	1,943	1,857	1,856
Janitorial services	4,410	4,242	5,492	5,239	4,879
Shuttle bus	1,616	1,676	2,492	2,935	3,755
Other services	6,299	5,752	10,540	8,362	8,495
Total Contractual Services	<u>\$ 26,046</u>	<u>\$ 23,229</u>	<u>\$ 34,741</u>	<u>\$ 31,641</u>	<u>\$ 33,188</u>
County administrative services	\$ 3,275	\$ 1,939	\$ 3,366	\$ 4,209	\$ 4,465
Repairs and maintenance	2,108	2,577	3,366	3,524	3,229
Interdepartmental maintenance service (b)	1,582	1,404	1,094	1,538	725
Supplies and other operating expenses	5,939	5,861	6,853	8,402	9,023
Insurance	1,506	1,142	1,120	823	1,252
Utilities	8,909	9,366	7,621	11,570	10,251
Rentals	696	641	679	528	812
Interest expense & paying agent fees	186	145	255	258	371
Capital expenses	2,446	1,859	2,650	4,522	6,019
	<u>\$ 26,647</u>	<u>\$ 24,934</u>	<u>\$ 27,004</u>	<u>\$ 35,374</u>	<u>\$ 36,147</u>
<b>TOTAL O&amp;M EXPENSES (c)</b>	<u><u>\$ 88,368</u></u>	<u><u>\$ 82,664</u></u>	<u><u>\$ 105,779</u></u>	<u><u>\$ 114,415</u></u>	<u><u>\$ 121,100</u></u>

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1996-1997. Starting in OY 1998, Operating Year begins October 1.

(b) OY 1997 budget includes amount for glycol discharge payment to the City of Romulus.

(c) O & M Expenses do not include Central Communications.

Source: Charter County of Wayne, Michigan, Department of Airports

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Operating Revenues

For Operating Years ending November 30, except OY 1998 - OY 2001, ending September 30

(in thousands of dollars, except as noted)

(Unaudited)

Description	Historical				
	OY 1997	OY 1998 (a)	OY 1999	OY 2000	OY 2001
<b>Airline Revenues</b>					
<b>Rental and Use Fees</b>					
Terminal building rentals and fees	\$ 11,097	\$ 8,855	\$ 10,894	\$ 15,527	\$ 12,114
Common-use area rentals	277	208	305	305	138
Debt service recapture (b)	5,620	2,017	2,420	1,452	1,936
Facilities use fees	6,837	5,898	7,436	8,304	7,630
Total Rental and Use Fees	\$ 23,831	\$ 16,977	\$ 21,055	\$ 25,588	\$ 21,818
<b>Activity Fees</b>					
Signatory airlines	\$ 59,548	\$ 46,309	\$ 59,113	\$ 60,519	\$ 56,187
Non-signatory airlines	3,767	3,578	3,664	3,172	2,749
Add (Less): Activity Fee Adjustment	(8,730)	7,377	(5,551)	(9,932)	9,968
Total Activity Fees	\$ 54,585	\$ 57,264	\$ 57,226	\$ 53,759	\$ 68,905
Total Airline Revenues	\$ 78,416	\$ 74,241	\$ 78,281	\$ 79,347	\$ 90,723
<b>Non-Airline Revenues</b>					
<b>Concessions</b>					
Automobile parking	\$ 28,456	\$ 24,898	\$ 31,541	\$ 35,516	\$ 33,721
Rental car	13,378	11,837	16,566	19,345	17,662
Food and beverage	4,331	3,560	4,666	5,051	4,927
Inflight catering	1,181	1,224	1,610	1,583	1,628
News and gift	4,342	3,177	4,065	3,999	3,955
Pay phone commission	1,554	977	1,137	2,314	2,217
Hotel	1,886	1,774	2,296	2,473	2,353
Other concessions	3,751	2,206	2,723	3,990	2,443
Total Concessions	\$ 58,879	\$ 49,654	\$ 64,604	\$ 74,271	\$ 68,905
Utility fees	\$ 3,991	\$ 3,352	\$ 3,895	\$ 3,932	\$ 4,144
Interest income	815	1,031	746	950	778
Other (c)	2,224	3,277	4,763	4,523	4,522
Total Non-Airline Revenues	\$ 65,909	\$ 57,314	\$ 74,008	\$ 83,677	\$ 78,350
<b>TOTAL OPERATING REVENUES (d)</b>	<b>\$ 144,325</b>	<b>\$ 131,555</b>	<b>\$ 152,289</b>	<b>\$ 163,024</b>	<b>\$ 169,073</b>

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1996-1997. Starting in OY 1998, Operating Year begins October 1.

(b) OY 1997 'Terminal building rentals and fees' includes one-time payment of approximately \$5.0 million for back rent.

(c) Includes shuttle bus revenue and state & federal grants.

(d) Operating Revenues do not include Central Communications.

Source: Charter County of Wayne, Michigan, Department of Airports

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Application of Revenues  
 For Operating Years ending September 30  
 (in thousands of dollars, except as noted)  
 (Unaudited)

Description	OY 1999	OY 2000	OY 2001
<u>Revenues</u>			
Airline revenues	\$ 78,281	\$ 79,347	\$ 90,723
Non-airline revenues	74,008	83,677	78,350
Interest income generated in Bond Funds & reserves	2,652	2,863	1,961
Total Revenues	<u>\$ 154,941</u>	<u>\$ 165,887</u>	<u>\$ 171,034</u>
<u>Priority Application of Revenues</u>			
1 Operation and Maintenance Fund	\$ 105,779	\$ 114,415	\$ 121,100
2 Bond Fund	43,312	45,622	44,084
3 Junior Lien Bond Fund	-	-	-
4 Operation and Maintenance Reserve Fund	-	-	-
5 Renewal and Replacement Fund	500	500	500
6 County Discretionary Fund	350	350	350
7 Airport Development Fund	5,000	5,000	5,000
Total Application of Revenues	<u>\$ 154,941</u>	<u>\$ 165,887</u>	<u>\$ 171,034</u>

Source: Charter County of Wayne, Michigan, Department of Airports

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Net Revenues and Debt Service Coverage  
For Operating Years ending September 30  
(in thousands of dollars, except as noted)

		OY 1999	OY 2000	OY 2001
Revenues				
Revenues		\$ 152,289	\$ 163,024	\$ 169,073
Revenue Fund Balance		11,995	11,569	18,804
Interest income generated in Bond Funds & reserves		2,652	2,863	1,961
Total Revenues	[A]	\$ 166,936	\$ 177,456	\$ 189,838
Operation and Maintenance Expenses	[B]	105,779	114,415	121,100
Net Revenues	[C]=[A]-[B]	\$ 61,157	\$ 63,042	\$ 68,738
Bond Debt Service	[D]	\$ 43,312	\$ 45,622	\$ 44,084
Net Revenues available for deposit to other funds	[C]-[D]	\$ 17,845	\$ 17,420	\$ 24,654
Debt Service Coverage—Bonds	[C]/[D]	1.41	1.38	1.56
<u>Additional Bonds Test</u>				
Revenues		\$ 152,289	\$ 163,024	\$ 169,073
Revenue Fund Balance		11,995	11,569	18,804
Interest Income on Bond Fund		2,652	2,863	1,961
Total Revenues	[E]	\$ 166,936	\$ 177,456	\$ 189,838
Rate Covenant elements				
Operation and Maintenance Expenses		\$ 105,779	\$ 114,415	\$ 121,100
125% Debt Service—Bonds	[1.25 x D]	54,141	57,028	55,106
Other Fund requirements		5,850	5,850	5,850
Total Rate Covenant Elements	[F]	\$ 165,770	\$ 177,292	\$ 182,056

[E] equals or exceeds [F] in each year.

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Source: Charter County of Wayne, Michigan, Department of Airports

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Passenger Enplanements  
Operating Years 1988-2001  
(Unaudited)

Domestic							
Operating Year (a)	Major/ national	Commuter/ regional	Charter	Total	International	Total	Percent increase (decrease)
1988	8,829,933	367,232	96,185	9,293,350	499,641	9,792,991	-
1989	9,458,339	250,416	79,222	9,787,977	593,178	10,381,155	6.0%
1990	9,502,602	325,698	74,335	9,902,635	709,340	10,611,975	2.2%
1991	8,990,221	412,159	40,914	9,443,294	699,306	10,142,600	(4.4%)
1992	9,494,050	516,733	131,718	10,142,501	872,127	11,014,628	8.6%
1993	10,009,860	674,631	36,901	10,721,392	943,224	11,664,616	5.9%
1994	11,026,802	774,715	11,994	11,813,511	1,078,792	12,892,303	10.5%
1995	11,856,961	773,311	152,374	12,782,646	1,308,600	14,091,246	9.3%
1996	12,304,289	827,183	156,853	13,288,325	1,546,492	14,834,817	5.3%
1997	12,592,679	985,170	139,842	13,717,691	1,559,958	15,277,649	3.0%
10 mos. ended							
Sep-97	10,430,103	810,099	107,088	11,347,290	1,336,303	12,683,593	-
Sep-98	10,231,350	1,116,783	123,547	11,471,680	1,207,503	12,679,183	(0.03%)
12 mos. ended							
Sep-98	12,393,926	1,291,854	156,301	13,842,081	1,431,158	15,273,239	-
Sep-99	13,322,148	1,632,715	126,902	15,081,765	1,648,986	16,730,751	9.54%
Sep-00	13,888,116	1,757,471	79,875	15,725,462	1,886,900	17,612,362	5.27%
Sep-01	13,020,239	2,283,135	39,161	15,342,535	1,808,851	17,151,386	(2.62%)

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1988-1997. Starting in OY 1998, Operating Year begins October 1.

Source: Detroit Metropolitan Wayne County Airport records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Comparative Total Enplanements  
 Calendar Years 1988-2001  
 (Unaudited)

Calendar Year	Detroit Metro		United States		Detroit as a percent of U.S. Total
	Number of Passengers	Percent increase (decrease)	Number of Passengers	Percent increase (decrease)	
1988	9,432,178	-	463,098,305	-	2.04%
1989	9,947,997	5.5%	463,230,767	0.0%	2.15%
1990	10,382,972	4.4%	467,056,948	0.8%	2.22%
1991	9,798,180	(5.6%)	432,255,978	(7.5%)	2.27%
1992	10,425,480	6.4%	454,187,535	5.1%	2.30%
1993	11,041,283	5.9%	468,008,257	3.0%	2.36%
1994	12,251,889	11.0%	508,444,640	8.6%	2.41%
1995	13,294,110	8.5%	526,054,288	3.5%	2.53%
1996	14,115,075	6.2%	558,220,703	6.1%	2.53%
1997	14,775,431	4.7%	574,210,906	2.9%	2.57%
1998	15,054,736	1.9%	583,050,682	1.5%	2.58%
1999	16,569,470	10.1%	611,020,037	4.8%	2.71%
2000	16,928,656	2.2%	640,340,022	4.8%	2.64%
2001 (a)	16,182,091	(4.4%)	617,017,454	(3.6%)	2.62%

(a) CY 2001 estimated based on 9 months of data.

Note: Does not include the activity of commuter or charter carriers.

Source: Department of Transportation: Airport Activity of U.S.

Certificated Route Air Carriers, Form 41, Schedule T3.



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Airline Passenger Departures  
 Calendar Years 1988-2001  
 (Unaudited)

Departures by Carrier Type				Total Departures	
Calendar Year	Majors	Nationals (a)	Regionals	Total (b)	Percent increase (decrease)
1988	120,495	7,347	1,306	129,148	-
1989	128,025	6,492	1,424	135,941	5.3%
1990	131,963	5,446	267	137,676	1.3%
1991	128,537	4,863	59	133,459	(3.1%)
1992	136,414	2,740	684	139,838	4.8%
1993	141,489	2,405	1,114	145,008	3.7%
1994	151,485	3,198	1,487	156,170	7.7%
1995	154,913	7,923	2,065	164,901	5.6%
1996	161,467	6,466	3,019	170,952	3.7%
1997	162,356	26,112	456	188,924	10.5%
1998	153,153	55,773	927	209,853	11.1%
1999	160,787	64,745	1,006	226,538	8.0%
2000	160,216	66,893	860	227,969	0.6%
2001 (c)	158,607	67,393	667	226,667	(0.6%)

(a) Mesaba began flying as a "National" carrier during CY 1997.

(b) Total does not include departures by commuters or charters.

(c) CY 2001 estimated based on 9 months of data.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics,  
 Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Domestic Originations & Connections  
 Calendar Years 1988-2001  
 (Unaudited)

Calendar Year	Domestic Originations		Domestic Connections	
	Number	% of Total	Number	% of Total
1988	5,372,380	62.9%	3,162,858	37.1%
1989	5,389,960	61.0%	3,444,304	39.0%
1990	5,294,050	55.5%	4,245,110	44.5%
1991	4,823,950	52.1%	4,429,999	47.9%
1992	4,822,610	49.1%	5,005,004	50.9%
1993	4,983,030	48.1%	5,383,639	51.9%
1994	5,635,670	49.0%	5,869,305	51.0%
1995	6,024,190	48.8%	6,328,523	51.2%
1996	6,299,300	48.1%	6,805,634	51.9%
1997	6,567,280	48.3%	7,029,361	51.7%
1998	6,764,520	49.7%	6,845,646	50.3%
1999	7,229,210	45.6%	8,636,968	54.4%
2000	7,630,530	49.2%	7,892,243	50.8%
2001 (a)	7,013,462	47.4%	7,796,655	52.6%

(a) CY 2001 estimated based on 9 months of data.

Source: U.S. Department of Transportation Origin & Destination Passenger Ticket Survey, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T100.

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**  
 Historical Airline Market Shares  
 Operating Years 1998 - 2001  
 (Unaudited)

Airline	OY 1998 (a)		OY 1999 (a)		OY 2000 (a)		OY 2001 (a)	
	Enplaned Passengers	Percent of total market	Enplaned Passengers	Percent of total market	Enplaned Passengers	Percent of total market	Enplaned Passengers	Percent of total market
<b>DOMESTIC</b>								
Major/national								
American Airlines	417,569	3.3%	461,304	2.8%	469,183	2.7%	452,264	2.6%
American Trans Air	123,825	1.0%	101,110	0.6%	36,654	0.2%	36,320	0.2%
America West Airlines	102,149	0.8%	130,056	0.8%	183,607	1.0%	205,287	1.2%
Continental Airlines	253,629	2.0%	328,054	2.0%	344,297	2.0%	341,968	2.0%
Continental Express	29,708	0.2%	37,046	0.2%	70,898	0.4%	44,652	0.3%
Delta Air Lines	358,852	2.8%	411,105	2.5%	451,246	2.6%	385,178	2.2%
Northwest Airlines	7,691,414	60.7%	10,438,455	62.4%	10,816,451	61.4%	10,112,754	59.0%
Southwest Airlines	444,249	3.5%	514,658	3.1%	517,295	2.9%	538,736	3.1%
Trans World Airlines	206,201	1.6%	232,598	1.4%	221,479	1.3%	193,651	1.1%
United Airlines	337,838	2.7%	395,388	2.4%	389,150	2.2%	355,920	2.1%
US Airways	265,916	2.1%	272,374	1.6%	260,516	1.5%	271,804	1.6%
Other	-	-%	-	-%	-	-%	-	-%
	10,231,350	80.7%	13,322,148	79.6%	13,760,776	78.1%	12,938,534	75.4%
<b>Commuter/regional</b>								
Atlantic Coast Airlines	13,235	0.1%	17,587	0.1%	15,718	0.1%	32,681	0.2%
Atlantic S.E. Airlines	18,288	0.1%	17,654	0.1%	-	-%	11,998	0.1%
Comair	65,182	0.5%	95,101	0.6%	108,617	0.6%	57,834	0.3%
Mesaba Aviation	763,253	6.0%	1,150,606	6.9%	1,187,332	6.7%	1,572,140	9.2%
Reno Air	22,208	0.2%	-	-%	-	-%	-	-%
Skyway Airlines	-	-%	-	-%	-	-%	-	-%
Spirit Airlines	230,887	1.8%	347,801	2.1%	410,196	2.3%	580,843	3.4%
Other	3,730	(b)	3,966	(b)	39,150	0.2%	27,639	0.2%
	1,116,783	8.8%	1,632,715	9.8%	1,761,013	10.5%	2,283,135	13.3%
<b>Charter</b>								
Champion Air	7,833	0.1%	316	(b)	-	(b)	-	-
Reno Air	5,788	(b)	-	-%	-	-%	-	-%
Sun Country	97,876	0.8%	119,990	0.7%	125,694	0.7%	81,705	0.5%
Other	12,050	0.1%	6,596	(b)	77,979	0.4%	39,161	0.2%
	123,547	1.0%	126,902	0.8%	203,673	1.2%	120,866	0.7%
<b>Subtotal--Domestic</b>	11,471,680	90.5%	15,081,765	90.1%	15,725,462	89.3%	15,342,535	89.5%
		100.0%		100.0%		100.0%		100.0%

(continued)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Market Shares (continued, page 2)  
Operating Years 1998 - 2001  
(Unaudited)

Airline	OY 1998 (a)			OY 1999			OY 2000			OY 2001		
	Enplaned Passengers	Percent of total	Percent of market	Enplaned Passengers	Percent of total	Percent of market	Enplaned Passengers	Percent of total	Percent of market	Enplaned Passengers	Percent of total	Percent of market
<b>INTERNATIONAL</b>												
U.S. Flag												
American Trans Air	59,154	0.5%	4.9%	65,325	0.4%	4.0%	66,558	0.4%	3.5%	74,077	0.4%	4.1%
Mesaba Aviation	12,505	0.1%	1.0%	14,163	0.1%	0.9%	15,597	0.1%	0.8%	19,398	0.1%	1.1%
Northwest Airlines	865,030	6.8%	71.6%	1,247,716	7.5%	75.7%	1,434,511	8.1%	76.0%	1,471,310	8.6%	81.3%
	936,689	7.4%	77.6%	1,327,204	7.9%	80.5%	1,516,666	8.6%	80.4%	1,564,785	9.1%	86.5%
Foreign Flag												
British Airways	68,968	0.5%	5.7%	86,402	0.5%	5.2%	84,073	0.5%	4.5%	70,183	0.4%	3.9%
KLM-Royal Dutch Airlines	123,566	1.0%	10.2%	131,276	0.8%	8.0%	143,614	0.8%	7.6%	26,968	0.2%	1.5%
Other (b)	-	-%	-%	-	-%	-%	-	-%	-%	78,875	0.5%	4.4%
	192,534	1.5%	15.9%	217,678	1.3%	13.2%	227,687	1.3%	12.1%	176,026	1.0%	9.7%
Charter	78,280	0.6%	6.5%	104,104	0.6%	6.3%	142,547	0.8%	7.6%	68,040	0.4%	3.8%
Subtotal--International	1,207,503	9.5%	100.0%	1,648,986	9.9%	100.0%	1,886,900	10.7%	100.0%	1,808,851	10.5%	100.0%
Total--All Markets	12,679,183	100.0%	100.0%	16,730,751	100.0%	100.0%	17,612,362	100.0%	100.0%	17,151,386	100.0%	100.0%

(a) OY 1998 is a shortened (ten-month) year. OY 1999 and OY 2001 is October 1-September 30.

(b) Represents less than 0.1%

Source: Detroit Metropolitan Wayne County Airport records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Cargo  
Operating Years 1988-2001  
(Unaudited)

Cargo by Type (in tons)			Total Cargo	
Operating Year (a)	Freight and Express (b)	Mail	Tons	Percent increase (decrease)
1988	53,274	37,320	90,594	-
1989	58,436	36,979	95,415	5.3%
1990	66,058	36,341	102,399	7.3%
1991	77,021	36,057	113,078	10.4%
1992	83,391	40,973	124,364	10.0%
1993	94,316	46,515	140,831	13.2%
1994	122,641	52,873	175,514	24.6%
1995	118,512	55,855	174,368	(0.7%)
1996	121,768	55,356	177,124	1.6%
1997	114,024	56,264	170,287	(3.9%)
10 mos. ended				
Sep-97	94,277	47,148	141,425	-
Sep-98	86,954	37,908	124,862	(11.7%)
12 mos. ended				
Sep-98	106,701	47,024	153,725	-
Sep-99	111,755	40,923	152,678	(0.7%)
Sep-00	112,258	44,443	156,701	2.6%
Sep-01	92,835	40,783	133,618	(14.7%)

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1988-1997. Starting in OY 1998, Operating Year begins October 1.

(b) Includes small packages.

Source: Detroit Metropolitan Wayne County Airport records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Aircraft Landed Weight  
Operating Years 1988-2001  
(Unaudited)

Operating Year (a)	Landed Weight by Carrier Type (in 1,000-pound units)			Total Landed Weight	
	U.S. Flag	Foreign-flag	All-cargo	Units	Percent increase (decrease)
1988	17,983,946	204,883	180,637	18,369,466	-
1989	18,652,166	220,312	227,480	19,099,958	4.0%
1990	19,373,300	286,004	229,367	19,888,671	4.1%
1991	19,075,722	249,228	319,423	19,644,373	(1.2%)
1992	19,640,297	418,514	330,787	20,389,598	3.8%
1993	20,811,677	505,058	373,768	21,690,503	6.4%
1994	22,080,269	465,492	515,545	23,061,306	6.3%
1995	22,865,205	474,942	556,009	23,896,156	3.6%
1996	23,849,614	503,819	565,772	24,919,205	4.3%
1997	25,118,756	436,193	584,064	26,139,013	4.9%
10 mos. ended					
Sep-97	20,706,815	369,777	493,654	21,570,246	-
Sep-98	19,270,103	360,417	501,014	20,131,534	(6.7%)
12 mos. ended					
Sep-98	23,682,043	426,833	591,423	24,700,299	-
Sep-99	25,455,926	467,771	895,912	26,819,609	8.6%
Sep-00	26,178,699	484,190	663,298	27,326,187	1.9%
Sep-01	25,676,579	271,200	558,468	26,506,247	(3.0%)

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1988-1997. Starting in OY 1998, Operating Year begins October 1.

Source: Detroit Metropolitan Wayne County Airport records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Aircraft Operations  
 Operating Years 1988-2001  
 (Unaudited)

Operations by class of carrier					Total Operations	
Operating Year (a)	Air Carrier	Air taxi and commuter	General aviation	Military (b)	Number	Percent increase (decrease)
1988	252,675	65,789	58,538	257	377,259	-
1989	272,761	47,478	52,265	198	372,702	(1.2%)
1990	278,011	56,971	54,172	209	389,363	4.5%
1991	270,703	72,214	50,228	835	393,980	1.2%
1992	282,785	86,036	48,623	2,091	419,535	6.5%
1993	299,019	96,941	63,762	3,776	463,498	10.5%
1994	320,649	94,108	67,350	1,863	483,970	4.4%
1995	335,000	96,293	73,164	1,482	505,939	4.5%
1996	350,757	101,721	83,254	1,612	537,344	6.2%
1997	350,636	106,481	81,298	1,388	539,803	0.5%
10 mos. ended						
Sep-97	263,911	79,301	60,259	1,018	404,489	-
Sep-98	278,727	91,480	70,202	1,444	441,853	9.2%
12 mos. ended						
Sep-98	336,457	109,889	84,199	1,689	532,234	-
Sep-99	331,153	154,789	73,487	1,685	561,114	5.4%
Sep-00	330,350	159,604	69,306	1,611	560,871	(0.0%)
Sep-01	321,222	167,661	52,211	1,405	542,499	(3.3%)

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1988-1997. Starting in OY 1998, Operating Year begins October 1.

(b) Beginning in 1992, government flights were reclassified as "Military."

Source: Detroit Metropolitan Wayne County records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Aviation Demand Statistics  
OY 1995 through OY 2001  
For Operating Years ending November 30, except OY 1998 - 2001, ending September 30  
(Unaudited)

	HISTORICAL						
	1995	1996	1997	1998 (a)	1999	2000	2001
<b>ENPLANED PASSENGERS</b>							
Domestic							
Scheduled							
Originating (b)	6,159,550	6,312,087	6,558,203	5,640,245	7,083,133	7,805,497	7,666,990
Connecting (b)	6,470,722	6,819,449	7,019,646	5,707,888	7,871,730	7,841,986	7,636,384
Subtotal--Scheduled	12,630,272	13,131,536	13,577,849	11,348,133	14,954,863	15,647,483	15,303,374
Percentage connecting	51.2%	51.9%	51.7%	50.3%	52.6%	50.1%	49.9%
Charter	152,374	156,853	139,842	123,547	126,902	77,979	39,161
Subtotal-- Domestic	12,782,646	13,288,389	13,717,691	11,471,680	15,081,765	15,725,462	15,342,535
International							
Scheduled							
U.S. airlines	1,091,295	1,334,348	1,290,139	936,689	1,327,204	1,516,666	1,582,673
Foreign-flag	165,812	182,221	206,976	192,534	217,678	227,687	97,151
Subtotal--Scheduled	1,257,107	1,516,569	1,497,115	1,129,223	1,544,882	1,744,353	1,679,824
Charter	51,493	29,923	62,843	78,280	104,104	142,547	129,027
Subtotal--International	1,308,600	1,546,492	1,559,958	1,207,503	1,648,986	1,886,900	1,808,851
Total Enplaned Passengers	14,091,246	14,834,881	15,277,649	12,679,183	16,730,751	17,612,362	17,151,386
<b>ENPLANED CARGO (Tons)</b>							
Freight	118,512	121,768	114,024	86,954	111,755	112,258	92,835
Mail	55,855	55,356	56,264	37,908	40,923	44,443	40,783
Total Cargo	174,368	177,124	170,287	124,862	152,678	156,701	133,618
<b>AIRCRAFT DEPARTURES (c)</b>							
Domestic	150,288	155,063	173,554	158,100	222,573	208,582	211,923
International	9,249	10,559	10,087	8,938	12,439	12,276	12,785
Total Aircraft Departures	159,537	165,622	183,641	167,038	235,012	220,858	224,708
<b>AIRCRAFT OPERATIONS</b>							
Air carrier	335,000	350,757	350,636	278,727	331,153	330,350	321,222
Air taxi and commuter	96,293	101,721	106,481	91,480	154,789	159,604	167,661
General aviation	73,164	83,254	81,298	70,202	73,487	69,306	52,211
Military	1,482	1,612	1,388	1,444	1,685	1,611	1,405
Total Aircraft Operations	505,939	537,344	539,803	441,853	561,114	560,871	542,499
<b>LANDED WEIGHT (1,000-pound units)</b>							
Passenger							
U.S. Carriers							
Major/national	21,589,707	22,431,810	23,331,621	17,389,316	22,795,598	23,311,757	22,808,673
Commuter/regional	1,275,498	1,417,804	1,787,135	1,880,787	2,660,328	2,866,942	2,867,906
Subtotal--U.S. Carriers	22,865,205	23,849,614	25,118,756	19,270,103	25,455,926	26,178,699	25,676,579
Foreign-flag	474,942	503,819	436,193	360,417	467,771	484,190	271,200
Subtotal--Passenger	23,340,147	24,353,433	25,554,949	19,630,520	25,923,697	26,662,889	25,947,779
All-cargo	556,009	565,772	584,064	501,014	895,912	663,298	558,468
Total Landed Weight	23,896,156	24,919,205	26,139,013	20,131,534	26,819,609	27,326,187	26,506,247

(a) OY 1998 is a shortened (ten-month) year. Operating Year is December 1-November 30 for OY 1995-1997. Starting in OY 1998, Operating Year begins October 1.

(b) Originating & Connecting activity statistics are estimates based on calendar-year percentages.

(c) OY 2001 departures are estimated based on 11 months of data.

Sources: Detroit Metropolitan Wayne County Airport records, U.S. Department of Transportation T100 and Commuter (298c) data, and the Origin & Destination Passenger Ticket Survey.