



Financial Statements

Year Ended September 30, 2002

(And Independent Auditors' Report)

# WAYNE COUNTY AIRPORT AUTHORITY

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Suite 1200  
150 West Jefferson  
Detroit, MI 48226-4429

## Independent Auditors' Report

The Board of Directors  
Wayne County Airport Authority:

We have audited the accompanying financial statements of each major fund of the Wayne County Airport Authority (the Authority), a component unit of the Charter County of Wayne, Michigan (the County), as of and for the year ended September 30, 2002, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Wayne County Airport Authority as of September 30, 2002, and the respective changes in financial position and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 2, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, during the year ended September 30, 2002.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2003 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 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.





The Authority has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

The pension schedules on page 34 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The statistical section on pages 35 to 49 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

March 1, 2003

WAYNE COUNTY AIRPORT AUTHORITY  
Statement of Net Assets  
September 30, 2002

<u>Assets</u>	Detroit <u>Metropolitan Airport Fund</u>	Willow Run <u>Airport Fund</u>	Airport <u>Hotel Fund</u>	<u>Total</u>
Current assets:				
Unrestricted current assets:				
Equity in pooled cash and investments (note 4)	\$ 35,227,941	\$ 251,556	\$ -	\$ 35,479,497
Accounts receivable, less allowance (note 2)	15,081,232	950,163	-	16,031,395
Due from other funds	3,174,098	-	-	3,174,098
Due from primary government	1,583,487	-	-	1,583,487
Due from other governmental units	<u>18,864,767</u>	<u>65,953</u>	<u>-</u>	<u>18,930,720</u>
Total unrestricted current assets	73,931,525	1,267,672	-	75,199,197
Restricted current assets (note 5):				
Equity in pooled cash and investments	234,462,048	853,466	11,486,372	246,801,886
Other cash and investments	100,020,195	-	21,631,917	121,652,112
Accounts receivable	<u>9,821,224</u>	<u>-</u>	<u>4,890</u>	<u>9,826,114</u>
Total restricted current assets	<u>344,303,467</u>	<u>853,466</u>	<u>33,123,179</u>	<u>378,280,112</u>
Total current assets	418,234,992	2,121,138	33,123,179	453,479,309
Non-current assets:				
Restricted cash and investments	53,675,441	-	-	53,675,441
Capital assets (note 6):				
Land	156,309,151	13,726,984	-	170,036,135
Buildings and improvements	1,281,826,421	4,899,611	-	1,286,726,032
Paving	578,615,560	44,060,916	-	622,676,476
Systems	287,747,307	7,789,772	-	295,537,079
Equipment	39,910,986	3,925,718	-	43,836,704
Infrastructure	174,277,122	8,283,909	-	182,561,031
Construction in progress	<u>46,309,217</u>	<u>3,183,279</u>	<u>69,195,819</u>	<u>118,688,315</u>
Total capital assets	2,564,995,764	85,870,189	69,195,819	2,720,061,772
Less accumulated depreciation	<u>569,574,112</u>	<u>52,244,428</u>	<u>-</u>	<u>621,818,540</u>
Net capital assets	1,995,421,652	33,625,761	69,195,819	2,098,243,232
Other assets:				
Bond issuance cost, less amortization (note 2)	16,515,533	-	6,957,655	23,473,188
Deposits	<u>626,874</u>	<u>-</u>	<u>-</u>	<u>626,874</u>
Total other assets	<u>17,142,407</u>	<u>-</u>	<u>6,957,655</u>	<u>24,100,062</u>
Total assets	<u>\$ 2,484,474,492</u>	<u>\$ 35,746,899</u>	<u>\$ 109,276,653</u>	<u>\$ 2,629,498,044</u>

See accompanying notes to basic financial statements

WAYNE COUNTY AIRPORT AUTHORITY  
Statement of Net Assets, continued  
September 30, 2002

<u>Liabilities</u>	Detroit Metropolitan <u>Airport Fund</u>	Willow Run <u>Airport Fund</u>	Airport <u>Hotel Fund</u>	<u>Total</u>
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 15,056,074	\$ 650,348	\$ -	\$ 15,706,422
Accrued wages and benefits	2,045,232	10,522	-	2,055,754
Due to other funds	-	3,174,098	-	3,174,098
Due to other governmental units	71,074	1,123	-	72,197
Due to primary government	3,927,021	6,009	-	3,933,030
Other accrued liabilities	<u>9,932,916</u>	<u>439,145</u>	<u>-</u>	<u>10,372,061</u>
 Total current liabilities payable from current assets	 31,032,317	 4,281,245	 -	 35,313,562
Payable from restricted current assets:				
Accrued interest payable	25,395,190	-	1,938,521	27,333,711
Bonds payable and other debt (note 7)	31,290,000	-	-	31,290,000
Deferred revenue and other liabilities	<u>267,744</u>	<u>-</u>	<u>-</u>	<u>267,744</u>
 Total current liabilities payable from restricted current assets	 <u>56,952,934</u>	 <u>-</u>	 <u>1,938,521</u>	 <u>58,891,455</u>
 Total current liabilities	 87,985,251	 4,281,245	 1,938,521	 94,205,017
Long-term liabilities:				
Bonds payable and other debt, net (note 7)	1,640,797,287	-	108,049,828	1,748,847,115
Other liabilities	<u>-</u>	<u>445,801</u>	<u>-</u>	<u>445,801</u>
 Total long-term liabilities	 <u>1,640,797,287</u>	 <u>445,801</u>	 <u>108,049,828</u>	 <u>1,749,292,916</u>
 Total liabilities	 <u>1,728,782,538</u>	 <u>4,727,046</u>	 <u>109,988,349</u>	 <u>1,843,497,933</u>
 <u>Net Assets</u>				
Net assets:				
Investment in capital assets, net of related debt	452,276,160	33,625,761	-	485,901,921
Restricted for:				
Capital projects	13,252,383	853,466	-	14,105,849
Debt service	178,264,510	-	-	178,264,510
Operations	20,567,286	-	-	20,567,286
Unrestricted	<u>91,331,615</u>	<u>(3,459,374)</u>	<u>(711,696)</u>	<u>87,160,545</u>
 Total net assets	 <u>\$ 755,691,954</u>	 <u>\$ 31,019,853</u>	 <u>\$ (711,696)</u>	 <u>\$ 786,000,111</u>

See accompanying notes to basic financial statements

WAYNE COUNTY AIRPORT AUTHORITY  
Statement of Revenues, Expenses, and Changes in Net Assets  
For The Year Ended September 30, 2002

	Detroit Metropolitan <u>Airport Fund</u>	Willow Run <u>Airport Fund</u>	Airport <u>Hotel Fund</u>	<u>Total</u>
Operating revenues:				
Airport landing and related fees	\$ 81,044,724	\$ 349,248	\$ -	\$ 81,393,972
Concession fees	36,157,576	515,129	-	36,672,705
Parking fees	29,857,939	-	-	29,857,939
Rental facilities	30,772,441	2,046,597	-	32,819,038
Expense recoveries	7,171,083	47,429	-	7,218,512
Other	<u>1,583,487</u>	<u>-</u>	<u>-</u>	<u>1,583,487</u>
 Total operating revenues	 186,587,250	 2,958,403	 -	 189,545,653
Operating expenses:				
Salaries, wages, and fringe benefits	60,310,312	370,846	-	60,681,158
Parking management	15,594,154	-	-	15,594,154
Janitorial services	5,336,418	17,304	-	5,353,722
Security	3,524,907	-	-	3,524,907
Utilities	12,950,465	1,147,247	-	14,097,712
Supplies, repairs, and other	59,390,095	2,323,491	-	61,713,586
Depreciation	<u>60,703,396</u>	<u>1,585,397</u>	<u>-</u>	<u>62,288,793</u>
 Total operating expenses	 <u>217,809,747</u>	 <u>5,444,285</u>	 <u>-</u>	 <u>223,254,032</u>
 Operating loss	 (31,222,497)	 (2,485,882)	 -	 (33,708,379)
Nonoperating revenues (expenses):				
Passenger facility charges	61,055,997	-	-	61,055,997
Federal grants	5,999,439	-	-	5,999,439
State grants	304,057	15,476	-	319,533
Interest income	8,270,385	19,384	2,201,221	10,490,990
Interest expense	(61,198,985)	(77,222)	(2,400,905)	(63,677,112)
Amortization of bond issuance costs	<u>(1,309,597)</u>	<u>-</u>	<u>(512,012)</u>	<u>(1,821,609)</u>
 Total nonoperating revenue (expense)	 <u>13,121,296</u>	 <u>(42,362)</u>	 <u>(711,696)</u>	 <u>12,367,238</u>
 Net loss before capital contributions	 (18,101,201)	 (2,528,244)	 (711,696)	 (21,341,141)
Capital contributions	<u>38,340,940</u>	<u>1,899,579</u>	<u>-</u>	<u>40,240,519</u>
 Changes in net assets	 20,239,739	 (628,665)	 (711,696)	 18,899,378
Net assets - beg. of year, restated (note 2)	<u>735,452,215</u>	<u>31,648,518</u>	<u>-</u>	<u>767,100,733</u>
Net assets - end of year	<u>\$ 755,691,954</u>	<u>\$ 31,019,853</u>	<u>\$ (711,696)</u>	<u>\$ 786,000,111</u>

See accompanying notes to basic financial statements

WAYNE COUNTY AIRPORT AUTHORITY  
Statement of Cash Flows  
For The Year Ended September 30, 2002

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 198,256,837	\$ 2,933,354	\$ -	\$ 201,190,191
Payments to suppliers	(97,140,779)	(4,315,388)	-	(101,456,167)
Payments to employees	(61,145,264)	(376,484)	-	(61,521,748)
Receipts from primary government for services provided	553,438	405,943	-	959,381
Payments (to)/from other funds for services provided	(2,797,570)	2,797,570	-	-
Payments to primary government for services provided	(728,068)	(69,265)	-	(797,333)
Return of customer deposits	(483,312)	-	-	(483,312)
Collection of customer deposits	779,341	103,205	-	882,546
Net cash provided by operating activities	<u>37,294,623</u>	<u>1,478,935</u>	<u>-</u>	<u>38,773,558</u>
Cash flows from noncapital financing activities:				
Passenger facility charges received	1,504,633	-	-	1,504,633
Grant from federal government	5,856,794	-	-	5,856,794
Grant from state government	304,057	15,476	-	319,533
Net cash provided by noncapital financing activities	<u>7,665,484</u>	<u>15,476</u>	<u>-</u>	<u>7,680,960</u>
Cash flows from capital and related financing activities:				
Capital contributions received	21,804,555	1,899,579	-	23,704,134
Passenger facility charges received	61,071,322	-	-	61,071,322
Proceeds from capital debt	139,265,944	-	-	139,265,944
Principal paid on capital debt	(16,110,000)	-	-	(16,110,000)
Acquisition and construction of capital assets	(287,071,352)	(3,035,223)	(54,245,036)	(344,351,611)
Payment on capital lease	(2,495,145)	(848,632)	-	(3,343,777)
Interest paid on capital debt	(77,993,614)	(77,222)	(5,815,565)	(83,886,401)
Net cash used by capital and related financing activities	<u>(161,528,290)</u>	<u>(2,061,498)</u>	<u>(60,060,601)</u>	<u>(223,650,389)</u>
Cash flows from investing activities:				
Interest and dividends received	13,530,896	19,384	3,349,227	16,899,507
Purchases of investments	(117,301,220)	-	-	(117,301,220)
Maturities of investments	322,202,000	-	-	322,202,000
Net cash provided by investing activities	<u>218,431,676</u>	<u>19,384</u>	<u>3,349,227</u>	<u>221,800,287</u>
Net increase (decrease) in cash and cash equivalents	101,863,493	(547,703)	(56,711,374)	44,604,416
Cash and cash equivalents - beginning of year	191,513,920	1,652,725	89,829,663	282,996,308
Cash and cash equivalents - end of year	<u>\$ 293,377,413</u>	<u>\$ 1,105,022</u>	<u>\$ 33,118,289</u>	<u>\$ 327,600,724</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	\$ (31,222,497)	\$ (2,485,882)	\$ -	\$ (33,708,379)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation expense	60,703,396	1,585,397	-	62,288,793
Decrease (increase) in accounts receivable	14,171,419	(19,128)	-	14,152,291
Decrease (increase) in due from primary government	(1,030,049)	405,943	-	(624,106)
Increase in due from other governmental units	-	(5,921)	-	(5,921)
Increase (decrease) in due from/to other funds	(2,797,570)	2,797,570	-	-
Increase in deposits	(362,334)	-	-	(362,334)
Decrease in accounts payable	(1,312,123)	(828,220)	-	(2,140,343)
Decrease in accrued wages and benefits	(1,181,497)	(875)	-	(1,182,372)
Decrease in due to primary government	(728,068)	(69,265)	-	(797,333)
Increase in due to other governmental units	39,945	874	-	40,819
Decrease in deferred revenue and other liabilities	(2,017,077)	-	-	(2,017,077)
Increase in other accrued liabilities	3,031,078	98,442	-	3,129,520
Total adjustments	<u>68,517,120</u>	<u>3,964,817</u>	<u>-</u>	<u>72,481,937</u>
Net cash provided by operating activities	<u>\$ 37,294,623</u>	<u>\$ 1,478,935</u>	<u>\$ -</u>	<u>\$ 38,773,558</u>
Cash and investments at September 30, 2002, consist of:				
Cash and cash equivalents	\$ 293,377,413	\$ 1,105,022	\$ 33,118,289	\$ 327,600,724
Investments	<u>130,008,212</u>	<u>-</u>	<u>-</u>	<u>130,008,212</u>
Total cash and investments	<u>\$ 423,385,625</u>	<u>\$ 1,105,022</u>	<u>\$ 33,118,289</u>	<u>\$ 457,608,936</u>

See accompanying notes to basic financial statements.



# WAYNE COUNTY AIRPORT AUTHORITY

Notes to Financial Statements

Year ended September 30, 2002

## (1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. The Authority is charged with the responsibility to operate and run the activities of the Detroit Metropolitan Wayne County Airport (the Metro Airport), the Willow Run Airport and the Airport Hotel. The financial statements of the Authority include the operations of the Metro Airport, the Willow Run Airport and the Airport Hotel and is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No.14, *The Reporting Entity*.

On March 26, 2002, the State of Michigan (the State) enacted Public Act 90 of 2002 (PA 90 or the Act) authorizing the transfer of the Metro Airport and Willow Run Airport (the Airports) management from the County to the separately created authority. The Act provides for the transfer of exclusive control of the Airports operations, including the transfer of the Airports liabilities, employees, and operational jurisdiction to this newly created authority. For financial reporting purposes, the provisions of the Act were applied effective October 1, 2001. The assets and liabilities of the Airports are reflected in these basic financial statements. Prior to the legislation, the Authority was operated by the County and reported as enterprise funds within the County's CAFR.

The Authority created by PA 90 is directed and governed by a Board consisting of seven members. The governor of the State appoints two members of the Board, one member is appointed by the legislative body of the County that owns Metro Airport and four members of the Board are appointed by the chief executive officer of the County. Key provisions of the Act that have significant impact on accounting and financial reporting include:

- a. The County retains title to all real property including buildings and improvements.
- b. Exclusive control and operational jurisdiction was transferred from the County to the Authority.
- c. The Authority acquired the right to occupy, operate, control and use of the Airports facilities.
- d. The Authority acquires and succeeds to all rights, title and interest in and to the furniture, fixtures, equipment and materials used for the purposes of the Airport prior to the transfer.

## WAYNE COUNTY AIRPORT AUTHORITY

Notes to Financial Statements

Year ended September 30, 2002

### (1) The Reporting Entity, Continued

- e. The Authority assumes all the liabilities of the Airports and will be responsible for payments on all the bonds outstanding as of the effective date, August 9, 2002. The Authority must also indemnify and hold harmless the County for any civil claim or action relating to the Authority.
- f. The Authority assumes unfunded obligations to provide pensions and/or retiree health insurance attributable to the employees of the Airports who elect to transfer to the Authority.
- g. All cash balances and investments relating to or resulting from the operations of the Authority and all funds held under an ordinance, resolution or indenture related to or securing obligations of the County that have been assumed by the Authority and all accounts receivable arising from the operations of the Authority shall be transferred to the Authority.

The Metro Airport has airport use contracts with 15 airlines, which constitute approximately 94 percent of total landed weight in 2002. The Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which the Metro Airport pays a management fee or receives a commission.

### (2) Summary of Significant Accounting Policies

#### Basis of Presentation

The Authority uses the following major funds:

Detroit Metropolitan Airport Fund – This fund is used to account for the operations and maintenance of the Detroit Metropolitan Wayne County Airport.

Willow Run Airport Fund – This fund is used to account for the operations and maintenance of the Willow Run Airport.

Airport Hotel Fund – This fund is used to account for the activity associated with the funding, construction and furnishing of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

Basis of Accounting and Measurement Focus

The financial statements of the Authority 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.

The Authority applies all GASB statements and interpretations. Additionally, as permitted by accounting principles generally accepted in the United States of America, the Authority has elected to apply those Financial Accounting Standards Board (FASB) statements and interpretations issued before November 30, 1989, except those that conflict with GASB pronouncements.

Cash and Investments

Cash resources of the individual funds of the Authority, 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. Investments are stated at fair market value, which is based on quoted market prices.

Cash Flows

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. All pooled investments qualify as cash equivalents.

Passenger Facility Charges

The Authority assesses passenger facility charges of \$4.50 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. Passenger facility charges are recorded upon receipt from airlines.

Revenue Recognition

Operating revenues are recorded as revenues at the time services are rendered. Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and capital contributions. Federal and State grants and capital contributions are recognized as revenues when the eligibility requirements, if any, are met.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

Net Assets

Equity is displayed in three components as follows:

*Invested in Capital, Net of Related Debt* – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

*Unrestricted* – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Airport Hotel incurred a deficit of \$711,696 for the year ended September 30, 2002. This deficit is expected to be funded by the improvement in future operations of the Hotel.

Classification of Revenues

The Authority has classified its revenues as either operating or nonoperating revenues according to the following criteria:

*Operating revenues* – Operating revenues include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees, concession fees.

*Nonoperating revenues* – Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, such as federal and state grants and contributions and investment income.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

Use of Estimates

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

Capital Assets

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

Buildings and improvements	20 to 25 years
Paving	25 years
Utility Systems	25 years
Equipment	5 to 10 years
Vehicles	5 to 15 years
Infrastructure	8 to 50 years

Expenditures with a cost of \$5,000 or more for capital assets 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 the Authority 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.

Compensated Absences

The Authority 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.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

Retirement Contributions

The Wayne County Employees' Retirement System, which includes the Authority 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.

Accounts Receivable

Net receivables at September 30, 2002 of \$25,857,509 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2002 was \$1,850,000, of which \$1,500,000 was for Detroit Metropolitan Airport Fund and \$350,000 was for Willow Run Airport Fund.

Accounts Payable

Total payables at September 30, 2002 of \$15,706,422 consist of payables due to vendors used during the normal course of business.

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, 2002 is \$6,753,456.

Deferral of Gains and Losses on Refundings

The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of Governmental Accounting Standards Board Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The deferred amount is amortized and recorded as a component of interest expense in accordance with the Standards.

Self-Insurance

The Authority, through Wayne County, is self insured for worker's compensation, certain health benefits and other claims, litigation and assessments. All self insurance claim liability are recorded in the County's self insurance fund.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

A reconciliation of the County's self insured claims liability as a whole at September 30, 2002 follows. Details of liability are not separately available for the Authority.

	<u>Worker's Compensation</u>	<u>Hospitalization Insurance</u>	<u>Other Claims</u>	<u>Total</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>(60,162,125)</u>
Claims liability, September 30, 2001	12,696,000	4,109,543	75,000	16,880,543
Claims incurred during fiscal year 2002	1,620,773	62,462,603	157,535	64,240,911
Change in estimate for prior period claims	(4,562,021)	(234,559)	-	(4,796,580)
Payments on claims	<u>(329,149)</u>	<u>(62,188,494)</u>	<u>(157,535)</u>	<u>(62,675,178)</u>
Claims liability, September 30, 2002	<u>\$ 9,425,603</u>	<u>\$ 4,149,093</u>	<u>\$ 75,000</u>	<u>\$ 13,649,696</u>

New Accounting Pronouncements

During the year ended September 30, 2002, the Authority adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, effective October 1, 2001. These Statements changed the format and content of the Authority's financial statements, including the presentation of net assets, the preparation of the statement of cash flows on the direct method.

During the year ended September 30, 2002, the Authority adopted the provisions of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, effective October 1, 2001. This Statement modifies, establishes, and rescinds certain financial statement note disclosures. These financial statements have been prepared in conformance with this Statement.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

As a result of implementing GASB Statement No. 34, the following Authority funds have restated their beginning-of-the-year net asset balance as follows:

Fund	Increase (Decrease) in Net Assets
Metro Airport	\$ (57,771,993)
Willow Run Airport	1,546,918
	\$ (56,225,075)

**(3) Major Customer**

Northwest Airlines, Inc. ("Northwest"), accounts for approximately 38 percent of total Authority operating revenues for the year ended September 30, 2002, including approximately 63 percent of landing and related fees and approximately 59 percent of rental and expense recoveries from tenants. Approximately 67 percent of total 2002 enplanements are attributable to Northwest's operations. In the event that Northwest discontinued its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all signatory airlines servicing the Authority provide reasonable assurance that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately \$6.5 million in net receivables from Northwest at September 30, 2002.



WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(4) Cash and Investments**

At September 30, 2002, the Authority 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 the Authority were separately held in trust accounts. The carrying amount of deposits for the Authority's portion of the County's General Pool (which includes certain restricted funds) and the Authority Separate Trusts was \$35.8 million at September 30, 2002. The bank balances related to these carrying amounts amounted to \$37.2 million at September 30, 2002. Of the bank balances, \$.5 million were insured and \$36.7 were uninsured and uncollateralized.

In accordance with 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.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

The Authority's portion of the County's General Pool, and the Authority Separate Pool and Trusts, cash and investments by risk category and type at September 30, 2002 follow:

	Category		<u>Total</u>
	<u>1</u>	<u>N/A</u>	
Authority's Portion of the County General Pool:			
Money market pooled funds	\$ -	\$ 8,302,432	\$ 8,302,432
Deposits	-	22,201,890	22,201,890
Total Authority Portion of the County General Pool Cash and Investments			30,504,322
Authority Separate Trusts:			
Commercial paper	166,994,096	-	166,994,096
U.S. government obligations	174,285,087	-	174,285,087
Money market pooled funds	-	72,250,858	72,250,858
Deposits	-	13,574,573	13,574,573
Total Authority Cash and Investments			\$ 457,608,936

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 \$80.6 million at September 30, 2002 of which \$8.3 million were held in the County's General Pool and \$72.3 million were held in the Authority's Separate Trusts Pool at September 30, 2002.

The County Treasurer is responsible for all investment activities associated with the Authority for the fiscal year ended September 30, 2002. The County's investment policies are governed by State statutes. 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 institutions used for investment purposes are determined based upon operating and other needs of the County and of the Authority. 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.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

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 ordinances, the Authority is required to restrict assets for various purposes. Net assets have been reserved related to certain of the restricted assets. A summary of the restricted assets at September 30, 2002 is as follows:

Operations and maintenance:	
Equity in pooled cash and investments	\$ 12,346,823
Other cash and investments	12,741,991
Accounts receivable	<u>131,807</u>
Total	<u>25,220,621</u>
Replacement and improvements:	
Equity in pooled cash and investments	<u>2,521,465</u>
Construction:	
Equity in pooled cash and investments	145,769,464
Other cash and investments	21,631,917
Accounts receivable	<u>24,040</u>
Total	<u>167,425,421</u>

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(5) Restricted Assets, Continued**

Bond and interest redemption:	
Equity in pooled cash and investments	\$ 64,404,385
Other cash and investments	140,953,645
Accounts receivable	<u>3,028,192</u>
Total	<u>208,386,222</u>
Passenger facility charges:	
Equity in pooled cash and investments	21,759,749
Accounts receivable	<u>6,642,075</u>
Total	<u>28,401,824</u>
Total restricted assets	<u>\$ 431,955,553</u>

**(6) Capital Assets**

Capital asset activity for the year ended September 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Detroit Metropolitan Airport Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 151,887,561	\$ 4,421,590	\$ -	\$ 156,309,151
Construction in progress	<u>1,171,160,940</u>	<u>30,184,116</u>	<u>(1,155,035,839)</u>	<u>46,309,217</u>
Total capital assets, not being depreciated	<u>1,323,048,501</u>	<u>34,605,706</u>	<u>(1,155,035,839)</u>	<u>202,618,368</u>
Capital assets, being depreciated:				
Buildings and improvements	296,551,200	985,275,221	-	1,281,826,421
Paving	151,835,002	426,780,558	-	578,615,560
Systems	272,817,316	14,929,991	-	287,747,307
Equipment	37,803,732	2,107,254	-	39,910,986
Infrastructure	<u>174,277,122</u>	<u>-</u>	<u>-</u>	<u>174,277,122</u>
Total capital assets, being depreciated	<u>933,284,372</u>	<u>1,429,093,024</u>	<u>-</u>	<u>2,362,377,396</u>
Less accumulated depreciation for:				
Buildings and improvements	140,631,680	29,106,730	-	169,738,410
Paving	204,259,844	13,484,420	-	217,744,264
Systems	132,941,990	11,002,542	-	143,944,532
Equipment	23,315,261	3,587,251	-	26,902,512
Infrastructure	<u>7,721,941</u>	<u>3,522,453</u>	<u>-</u>	<u>11,244,394</u>
Total accumulated depreciation	<u>508,870,716</u>	<u>60,703,396</u>	<u>-</u>	<u>569,574,112</u>
Total capital assets, being depreciated, net	<u>424,413,656</u>	<u>1,368,389,628</u>	<u>-</u>	<u>1,792,803,284</u>
Total Detroit Metropolitan Airport Fund capital assets, net	<u>1,747,462,157</u>	<u>1,402,995,334</u>	<u>(1,155,035,839)</u>	<u>1,995,421,652</u>

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(6) Capital Assets, Continued**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Willow Run Airport Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 13,726,984	\$ -	\$ -	\$ 13,726,984
Construction in progress	6,174,567	3,047,529	(6,038,817)	3,183,279
Total capital assets, not being depreciated	<u>19,901,551</u>	<u>3,047,529</u>	<u>(6,038,817)</u>	<u>16,910,263</u>
Capital assets, being depreciated:				
Buildings and improvements	2,914,512	1,985,099	-	4,899,611
Paving	43,828,559	232,357	-	44,060,916
Systems	3,980,717	3,809,055	-	7,789,772
Equipment	3,925,718	-	-	3,925,718
Infrastructure	8,283,909	-	-	8,283,909
Total capital assets, being depreciated	<u>62,933,415</u>	<u>6,026,511</u>	<u>-</u>	<u>68,959,926</u>
Less accumulated depreciation for:				
Buildings and improvements	2,741,188	64,409	-	2,805,597
Paving	36,169,735	891,727	-	37,061,462
Systems	1,523,086	237,417	-	1,760,503
Equipment	2,427,664	347,455	-	2,775,119
Infrastructure	7,797,358	44,389	-	7,841,747
Total accumulated depreciation	<u>50,659,031</u>	<u>1,585,397</u>	<u>-</u>	<u>52,244,428</u>
Total capital assets, being depreciated, net	<u>12,274,384</u>	<u>4,441,114</u>	<u>-</u>	<u>16,715,498</u>
Total Willow Run Airport Fund capital assets, net	<u>32,175,935</u>	<u>7,488,643</u>	<u>(6,038,817)</u>	<u>33,625,761</u>
<u>Airport Hotel Fund:</u>				
Capital assets, not being depreciated:				
Construction in progress	9,397,918	59,797,901	-	69,195,819
Total Airport Hotel Fund, capital assets, net	<u>9,397,918</u>	<u>59,797,901</u>	<u>-</u>	<u>69,195,819</u>
Total Authority Capital Assets, net	<u>\$ 1,789,036,010</u>	<u>\$ 1,470,281,878</u>	<u>\$(1,161,074,656)</u>	<u>\$ 2,098,243,232</u>

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(7) Long-term Debt**

The detail of long-term debt at September 30, 2002 is as follows:

Detroit Metropolitan Airport Fund:

Airport Revenue Bonds (due serially December 1):

Series 1993A, 3.0% to 5.4%, due 2017	\$ 11,885,000
Series 1993B, 2.9% to 5.5%, due 2022	65,040,000
Series 1993C, 2.8% to 5.25%, due 2022	57,225,000
Series 1994A, 3.5% to 5.875%, due 2009	22,810,000
Series 1994B, 4.85% to 6.125%, due 2025	11,780,000
Series 1996A, 3.65% to 5.72%, due 2017	57,110,000
Series 1996B, 3.65% to 5.72%, due 2017	57,110,000
Series 1998A, 4.2% to 5.5%, due 2028	854,955,000
Series 1998B, 4.1% to 5.25%, due 2028	160,320,000
Series 2001 Jr. Lien, Variable, Current Yield at 9/30/02, 1.723%, due 2009	141,900,000
Series 2002A, Variable, Current Yield at 9/30/02, 1.75%, due 2033	141,720,000
Series 2002C, 3.0% to 5.375%, due 2021	26,435,000
Series 2002D, 5.0% to 5.5%, due 2022	76,030,000
Installment purchase contract, 5.625%, due 2011	14,200,000
Total Detroit Metropolitan Airport Fund	1,698,520,000

Airport Hotel Fund:

Airport Hotel Bonds (due serially December 1):

Series 2001A, 5.0% to 5.5%, due 2030	99,630,000
Series 2001B, 6.0% to 6.6%, due 2015	11,290,000
Total Airport Hotel Fund	110,920,000

Total Authority bonds payable and other debt	1,809,440,000
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Less:

Deferred amount on refunding	(17,369,206)
Certain bond discounts	(18,064,068)

Add:

Certain bond premiums	6,130,389
Total Authority bonds payable and other debt, net	1,780,137,115

Less current portion	31,290,000
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Total Authority bonds payable and other debt, noncurrent	\$ 1,748,847,115
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WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

(7) Long-term Debt, Continued

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2002 are summarized as follows:

	<b>Principal</b>			<b>Total</b>
	<u>Airport Revenue Bonds</u>	<u>Airport Hotel Bonds</u>	<u>Installment Purchase Contract</u>	
2003	\$ 30,020,000	\$ -	\$ 1,270,000	\$ 31,290,000
2004	33,130,000	-	1,300,000	34,430,000
2005	34,425,000	-	1,395,000	35,820,000
2006	37,100,000	100,000	1,495,000	38,695,000
2007	40,880,000	135,000	1,540,000	42,555,000
2008 to 2012	387,265,000	3,745,000	7,200,000	398,210,000
2013 to 2017	313,535,000	9,300,000	-	322,835,000
2018 to 2022	325,185,000	20,380,000	-	345,565,000
2023 to 2027	310,290,000	35,445,000	-	345,735,000
2028 to 2032	165,385,000	41,815,000	-	207,200,000
2033	<u>7,105,000</u>	<u>-</u>	<u>-</u>	<u>7,105,000</u>
Total	<u>\$1,684,320,000</u>	<u>\$ 110,920,000</u>	<u>\$ 14,200,000</u>	<u>\$ 1,809,440,000</u>

	<b>Interest</b>			<b>Total</b>
	<u>Airport Revenue Bonds</u>	<u>Airport Hotel Bonds</u>	<u>Installment Purchase Contract</u>	
2003	\$ 77,258,402	\$ 5,815,565	\$ 798,750	\$ 83,872,717
2004	76,547,797	5,815,565	727,312	83,090,674
2005	74,903,485	5,815,565	654,188	81,373,238
2006	73,073,989	5,812,565	575,719	79,462,273
2007	71,051,772	5,805,515	491,625	77,348,912
2008 to 2012	308,262,283	28,581,425	1,036,406	337,880,114
2013 to 2017	233,075,009	26,442,870	-	259,517,879
2018 to 2022	151,439,734	22,579,938	-	174,019,672
2023 to 2027	75,542,802	15,357,137	-	90,899,939
2028 to 2032	9,390,807	4,393,125	-	13,783,932
2033	<u>79,931</u>	<u>-</u>	<u>-</u>	<u>79,931</u>
Total	<u>\$1,150,626,011</u>	<u>\$ 126,419,270</u>	<u>\$ 4,284,000</u>	<u>\$ 1,281,329,281</u>

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

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

The Airport Revenue Bond Ordinances require that Metro 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.

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

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 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.



WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

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 the Authority.

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 Metro Airport. The Series 2001 Bonds and the interest thereon are payable from the net revenues derived by the County from the operation of the Metro 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 variable rate bonds. The remarketing agent is responsible under an agreement with the Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2001 Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

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 March 2001, the County issued \$110.9 million Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

paying the cost of acquiring, construction, equipping and furnishing an airport hotel and related improvements (the "Airport Hotel") at the new McNamara Terminal of the Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this Series. The 2001B Bonds, \$11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, paying capitalized interest and certain costs of issuance related to this Series.

The County has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations and a statutory first lien has been granted upon all net Airport Hotel Revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the Bonds, subject to constitutional, statutory and charter tax rate limitations.

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

In May 2002, the County issued \$141.7 million Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at the Metro Airport. The Series 2002A Bonds and the interest thereon are payable from the net revenues derived from the operation of the Metro Airport.

The Series 2002A Bonds are variable rate bonds. The remarketing agent is responsible under an agreement with the Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2002A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

The Series 2002A 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 2002A Bonds, and no owner of any Series 2002A 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.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

In July 2002, the County issued \$102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds.

The County defeased the Series 1990B Bonds, the Series 1990A Bonds, the Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds of the Series 2002C and 2002D Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 1990B, the Series 1990A, and the Series 1991B Bonds were subsequently called and paid in full in August 2002. The portion of the Series 1998B Bonds was subsequently called and paid in December 2002. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$15.3 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$14.1 million.

The Series 2002 C&D Refunding 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 the taxing power of the County is pledged for the payment of principal of, or interest or premium, if any, on, the Series 2002 C&D Refunding Bonds, and no owner of any Series 2002 C&D Refunding 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 current and 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, 2002, \$56 million of bonds outstanding are considered defeased.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2002, interest expense incurred on these debt issues totaled \$84,755,154. For 2002, net financing costs capitalized were \$23,444,404.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

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

Long-term debt activity for the year ended September 30, 2002, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
<u>Detroit Metropolitan Airport Fund:</u>					
Airport Revenue Bonds	\$ 1,559,990,000	\$ 244,185,000	\$ (119,855,000)	\$ 1,684,320,000	\$ 30,020,000
Installment Purchase Contract	14,470,000	-	(270,000)	14,200,000	1,270,000
Less:				-	
Deferred amount on refunding	(12,241,441)	788,879	(5,916,644)	(17,369,206)	-
Certain bond discounts	(16,135,548)	941,652	-	(15,193,896)	-
Add:				-	
Certain bond premiums	-	6,201,446	(71,057)	6,130,389	-
Total Detroit Metropolitan Airport Fund	<u>1,546,083,011</u>	<u>252,116,977</u>	<u>(126,112,701)</u>	<u>1,672,087,287</u>	<u>31,290,000</u>
<u>Airport Hotel Fund:</u>					
Airport Hotel Bonds	110,920,000	-	-	110,920,000	-
Less:				-	
Certain bond discounts	(3,069,855)	199,683	-	(2,870,172)	-
Total Airport Hotel Fund	<u>107,850,145</u>	<u>199,683</u>	<u>-</u>	<u>108,049,828</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 1,653,933,156</u>	<u>\$ 252,316,660</u>	<u>\$ (126,112,701)</u>	<u>\$ 1,780,137,115</u>	<u>\$ 31,290,000</u>

Other long-term liabilities for Willow Run Airport had no activity during the year.

**(8) Commitments and Contingencies**

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

The estimated costs to complete Metro Airport's current capital improvement program totaled \$280.8 million at September 30, 2002, 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 \$114.2 million at September 30, 2002. The estimated costs to complete the Airport Hotel totaled \$21.6 million at September 30, 2002, which will be funded by previously issued debt.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(9) Employee Benefits**

Employee benefit information specific to the Authority is not available, therefore, the information from the CAFR of the County is included below in the Authority's financial statements.

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 28 W. Adams, Suite 1900, Detroit, Michigan 48226.

The Defined Benefit Plan (Plan 1, Plan 2 and Plan 3 or collectively "the Plan") and the Defined Contribution Plan have been combined for presentation in the County's basic 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, 2001, the date of the most recent actuarial valuation, membership consisted of 5,894 retirees and beneficiaries receiving benefits, 150 inactive (separated) employees entitled to benefits but not yet receiving them, and 1,058 current active employees combined in the Plan.

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 ("Plan Option 5"), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence ("Plan Option 1", "Plan Option 2", and "Plan Option 3") could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Options 1, 2, 3, or 5 through September 30, 2002. Effective October 1, 2002, only Plan Option 5 will be available to new employees; Plan Options 1, 2, and 3 will be closed to new hires. Because there is no legal requirement to segregate the assets relating to Plan Options 1, 2, 3, or 5 in paying benefits, the County's general purpose financial statements include the net assets and changes in net assets relating to Plan Options 1, 2, and 3, as well as the defined benefit component of Plan Option 5. The defined contribution portion of Plan Option 5 is included in the financial statements of the WCERS Defined Contribution Plan.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(9) Employee Benefits, Continued**

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 covered compensation, and receive a lower final benefit. Participants in Plan 5 make no member contributions.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total employee contributions during the year ended September 30, 2002 was \$17,468,232.

Annual Pension Cost

For the period ended September 30, 2002, the County's annual pension cost of \$44,964 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, 2001, (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. The significant actuarial assumptions used to compute the contribution requirements include a rate of return on the investment of present and future assets of 8.0 percent compounded annually and projected salary increases of 4.0 to 7.0 percent compounded annually, with an inflation rate of 4.0.

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:

Plan 1 Option – 2.65 percent for each year. Maximum County-financed portion is 75 percent of average final compensation. Minimum monthly pension is \$5 times years of service.

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(9) Employee Benefits, Continued**

Plan 2 Option - 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.

Plan 3 Option - 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.

Plan 5 Option - 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years.

The Plan also provides non-duty death and disability benefits to members after ten years of credited service for Plan 1, non-duty disability benefits for Plans 2 and non-duty death benefits for Plan 3. The ten-year service provision is waived for duty disability and death benefits for Plan 1, and duty disability for Plan 2.

The following represents the County's annual pension costs as of September 30, 2002:

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>
2000	\$3,805	100 %	-
2001	39	100	-
2002	45	100	-

WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(9) Employee Benefits, Continued**

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Valuation date	September 30, 2001
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level percent of projected payroll
Remaining amortization period	N/A
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 Plan, 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 ("Plan Option 4") 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.

Under Plan Option 4, 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, 2001, the date of the most



WAYNE COUNTY AIRPORT AUTHORITY  
Notes to Financial Statements, Continued  
Year ended September 30, 2002

**(9) Employee Benefits, Continued**

recent actuarial valuation, there were 4,681 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 2002, representing 10.0 percent of payroll, were \$24.0 million and \$6.6 million, respectively.

In Plan 4 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.

Participants in Plan Option 5 contribute three percent of gross pay. The County makes matching contributions at a rate equal to the amount contributed by each employee. At September 30, 2002, there were 579 employees in the Plan. Classified employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time, permanent County employees are eligible to join the Plan. Those employees hired prior to July 1, 1984 were eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective October 1, 2002, the County closed Plan Option 4 to new hires. Plan Option 5 is available to all persons hired after September 30, 2001.

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 \$32 million for the fiscal year ended September 30, 2002 for these benefits. 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, 2002 amounted to \$2.7 million. There were 5,894 retirees as of September 30, 2002 eligible for 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, 2002.

**REQUIRED SUPPLEMENTARY INFORMATION**

WAYNE COUNTY AIRPORT AUTHORITY  
 Required Supplementary Information  
 Year ended September 30, 2002

**Pension Schedules (Unaudited)**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of the dates indicated.

SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

(Dollar Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets *	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL (UAAL)	Funded Ratio (a)/(b)	Covered+ Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
Date	(a)	(b)	(b)-(a)	(a)/(b)	(c)	[(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
09/30/01	1,041.6	979.2	(62.4)	106.4	294.1	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
	2002	0	45	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.

**STATISTICAL INFORMATION  
(UNAUDITED)**

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Debt Service Requirements and Coverage  
Operating Years 2002-2006  
(Unaudited)

Operating Year	Net Revenues, Revenue Fund Balance and Other Available Monies	Total Debt Service Requirements	Debt Service Coverage	Airline Costs Per Enplaned Passenger
Historical				
2002 (a)	\$ 142,733,730	\$ 104,500,894	1.37	\$ 7.10
Forecast				
2003	170,759,000	112,152,000	1.52	7.90
2004	168,336,000	111,601,000	1.51	7.56
2005	168,874,000	111,401,000	1.52	7.35
2006	169,619,000	112,010,000	1.51	7.44

(a) Based on Final Year-End Calculation, dated March 2003.

Sources:

Historical--Wayne County Airport Authority

Forecast--Booz-Allen & Hamilton forecast dated April 22, 2002.

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

Description	Historical				
	OY 1998 (a)	OY 1999	OY 2000	OY 2001	OY 2002
Salaries and wages	\$ 22,725	\$ 30,241	\$ 33,620	\$ 36,946	\$ 40,844
Employee benefits	11,776	13,793	13,780	14,819	17,158
	<u>\$ 34,501</u>	<u>\$ 44,034</u>	<u>\$ 47,399</u>	<u>\$ 51,765</u>	<u>\$ 58,002</u>
Contractual Services					
Parking management	\$ 10,326	\$ 14,274	\$ 13,248	\$ 14,203	\$ 15,594
Security expenses	1,233	1,943	1,857	1,856	3,525
Janitorial services	4,242	5,492	5,239	4,879	5,336
Shuttle bus	1,676	2,492	2,935	3,755	7,851
Other services	5,752	10,540	8,362	8,495	11,767
Total Contractual Services	<u>\$ 23,229</u>	<u>\$ 34,741</u>	<u>\$ 31,641</u>	<u>\$ 33,188</u>	<u>\$ 44,073</u>
County administrative services	\$ 1,939	\$ 3,366	\$ 4,209	\$ 4,465	\$ 4,410
Repairs and maintenance	2,577	3,366	3,524	3,229	11,452
Interdepartmental maintenance service (b)	1,404	1,094	1,538	725	2,113
Supplies and other operating expenses	5,861	6,853	8,402	9,023	6,063
Insurance	1,142	1,120	823	1,252	3,187
Utilities	9,366	7,621	11,570	10,251	12,950
Rentals	641	679	528	812	433
Interest Expense & Paying agent fees	145	255	258	371	1,487
Capital expenses	1,859	2,650	4,522	6,019	1,880
	<u>\$ 24,934</u>	<u>\$ 27,004</u>	<u>\$ 35,374</u>	<u>\$ 36,147</u>	<u>\$ 43,975</u>
<b>TOTAL O&amp;M EXPENSES (c)</b>	<u><b>\$ 82,664</b></u>	<u><b>\$ 105,779</b></u>	<u><b>\$ 114,415</b></u>	<u><b>\$ 121,100</b></u>	<u><b>\$ 146,050</b></u>

(a) OY 1998 is a shortened (ten-month) year.

(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: Wayne County Airport Authority

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

Description	Historical				
	OY 1998 (a)	OY 1999	OY 2000	OY 2001	OY 2002
<b>Airline Revenues</b>					
<b>Rental and Use Fees</b>					
Terminal building rentals and fees	\$ 8,855	\$ 10,894	\$ 15,527	\$ 12,114	\$ 18,116
Common-use/shared use area rentals	208	305	305	138	1,227
Debt service recapture (b)	2,017	2,420	1,452	1,936	1,936
Facilities use fees	5,898	7,436	8,304	7,630	6,142
Total Rental and Use Fees	\$ 16,977	\$ 21,055	\$ 25,588	\$ 21,818	\$ 27,421
<b>Activity Fees</b>					
Signatory airlines	\$ 46,309	\$ 59,113	\$ 60,519	\$ 56,187	\$ 78,436
Non-signatory airlines	3,578	3,664	3,172	2,749	6,993
Add (Less): Activity Fee Adjustment	7,377	(5,551)	(9,932)	9,968	1,895
Total Activity Fees	\$ 57,264	\$ 57,226	\$ 53,759	\$ 68,905	\$ 87,324
Total Airline Revenues	\$ 74,241	\$ 78,281	\$ 79,347	\$ 90,723	\$ 114,745
<b>Non-Airline Revenues</b>					
<b>Concessions</b>					
Automobile parking	\$ 24,898	\$ 31,541	\$ 35,516	\$ 33,721	\$ 29,858
Rental car	11,837	16,566	19,345	17,662	16,211
Food and beverage	3,560	4,666	5,051	4,927	5,639
Inflight catering	1,224	1,610	1,583	1,628	1,091
News and gift	3,177	4,065	3,999	3,955	5,528
Pay phone commission	977	1,137	2,314	2,217	2,294
Hotel	1,774	2,296	2,473	2,353	1,761
Other concessions	2,206	2,723	3,990	2,443	3,631
Total Concessions	\$ 49,654	\$ 64,604	\$ 74,271	\$ 68,905	\$ 66,013
Utility fees	\$ 3,352	\$ 3,895	\$ 3,932	\$ 4,144	\$ 2,436
Interest income	1,031	746	950	778	340
Other (c)	3,277	4,763	4,523	4,522	9,743
Total Non-Airline Revenues	\$ 57,314	\$ 74,008	\$ 83,677	\$ 78,350	\$ 78,532
<b>TOTAL OPERATING REVENUES (d)</b>	<b>\$ 131,555</b>	<b>\$ 152,289</b>	<b>\$ 163,024</b>	<b>\$ 169,073</b>	<b>\$ 193,277</b>

(a) OY 1998 is a shortened (ten-month) year.

(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: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Application of Revenues

For Operating Years ending September 30

(in thousands of dollars, except as noted)

(Unaudited)

	OY 1998 (a)	OY 1999	OY 2000	OY 2001	OY 2002
<b>Revenues</b>					
Airline revenues	\$ 74,241	\$ 78,281	\$ 79,347	\$ 90,723	\$ 114,745
Non-airline revenues	57,314	74,008	83,677	78,350	78,532
Interest income generated in Bond Funds & reserves	847	2,652	2,863	1,961	2,972
Other Available Moneys	-	-	-	-	53,724
Transfer credit from Airport funds (b)	-	-	-	-	9,306
<b>Total Revenues</b>	<b>\$ 132,403</b>	<b>\$ 154,941</b>	<b>\$ 165,887</b>	<b>\$ 171,034</b>	<b>\$ 259,279</b>
<b>Priority Application of Revenues</b>					
1 Operation and Maintenance Fund	\$ 82,664	\$ 105,779	\$ 114,415	\$ 121,100	\$ 146,050
2 Bond Fund	49,737	43,312	45,622	44,085	104,501
3 Junior Lien Bond Fund	-	-	-	-	2,184
4 Operation and Maintenance Reserve Fund	(499)	-	-	-	661
5 Renewal and Replacement Fund	500	500	500	500	500
6 County Discretionary Fund	-	350	350	350	350
7 Airport Development Fund	-	5,000	5,000	5,000	5,033
<b>Total Application of Revenues</b>	<b>\$ 132,403</b>	<b>\$ 154,941</b>	<b>\$ 165,887</b>	<b>\$ 171,034</b>	<b>\$ 259,279</b>

(a) OY 1998 is a shortened (ten-month) year.

(b) OY 2002 includes a one-time credit given to the Airlines, which was paid from the Airport Authority's Airport Development Fund.

Source: Wayne County Airport Authority



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

		<u>OY 1998(a)</u>	<u>OY 1999</u>	<u>OY 2000</u>	<u>OY 2001</u>	<u>OY 2002</u>
<b>Revenues</b>						
Revenues		\$ 131,555	\$ 152,289	\$ 163,024	\$ 169,073	\$ 193,277
Revenue Fund Balance		-	11,995	11,569	18,804	29,504
Other Available Moneys		-	-	-	-	53,724
Transfer credit from Airport funds (b)		-	-	-	-	9,306
Interest income generated in Bond Funds & reserves		847	2,652	2,863	1,961	2,972
Total Revenues	[A]	<u>\$ 132,403</u>	<u>\$ 166,936</u>	<u>\$ 177,456</u>	<u>\$ 189,839</u>	<u>\$ 288,783</u>
Operation and Maintenance Expenses	[B]	82,664	105,779	114,415	121,100	146,050
Net Revenues	[A]-[B] = [C]	<u>\$ 49,739</u>	<u>\$ 61,157</u>	<u>\$ 63,042</u>	<u>\$ 68,738</u>	<u>\$ 142,733</u>
Bond Debt Service	[D]	\$ 39,790	\$ 43,312	\$ 45,622	\$ 44,085	\$ 104,501
Net Revenues available for deposit to other funds	[C]-[D]	<u>\$ 9,949</u>	<u>\$ 17,845</u>	<u>\$ 17,420</u>	<u>\$ 24,654</u>	<u>\$ 38,232</u>
Debt Service Coverage—Bonds	[C]/[D]	1.25	1.41	1.38	1.56	1.37
<b>Additional Bonds Test</b>						
Revenues		\$ 131,555	\$ 152,289	\$ 163,024	\$ 169,073	\$ 193,277
Revenue Fund Balance		-	11,995	11,569	18,804	29,504
Other Available Moneys		-	-	-	-	53,724
Transfer credit from Airport funds (b)		-	-	-	-	9,306
Interest income generated in Bond Funds & reserves		847	2,652	2,863	1,961	2,972
Total Revenues	[E]	<u>\$ 132,403</u>	<u>\$ 166,936</u>	<u>\$ 177,456</u>	<u>\$ 189,839</u>	<u>\$ 288,783</u>
<b>Rate Covenant elements</b>						
Operation and Maintenance Expenses		\$ 82,664	\$ 105,779	\$ 114,415	\$ 121,100	\$ 146,050
125% Debt Service—Bonds	[1.25 x D]	49,738	54,141	57,028	55,106	130,626
Other Fund requirements		5,850	5,850	5,850	5,850	6,544
Total Rate Covenant Elements	[F]	<u>\$ 138,252</u>	<u>\$ 165,770</u>	<u>\$ 177,292</u>	<u>\$ 182,056</u>	<u>\$ 283,220</u>

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

(a) OY 1998 is a shortened (ten-month) year.

(b) OY 2002 includes a one-time credit given to the Airlines, which was paid from the Airport Authority's Airport Development Fund.

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Passenger Enplanements  
Operating Years 1988-2002  
(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%)
Sep-02	11,732,089	2,517,656	1,698	14,251,443	1,264,608	15,516,051	(9.53%)

(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: Wayne County Airport Authority records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Comparative Total Enplanements  
Calendar Years 1988-2002  
(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	15,466,259	(8.6%)	594,908,089	(7.1%)	2.60%
2002 (a)	13,223,716	(14.5%)	515,053,940	(13.4%)	2.57%

(a) CY 2002 estimated based on 6 months of data for DTW and 3 months of data for the total U.S.

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 1988-2002  
(Unaudited)

Calendar Year	Departures by Carrier Type			Total Departures	Percent increase (decrease)
	Majors	Nationals (a)	Regionals	Total (b)	
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	154,991	65,838	561	221,390	(2.9%)
2002 (c)	136,836	35,586	244	172,666	(22.0%)

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

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

(c) CY 2002 estimated based on 6 months of data.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics,  
Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Domestic Originations & Connections  
 Calendar Years 1988-2002  
 (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	6,736,820	47.2%	7,549,075	52.8%
2002 (a)	6,133,120	45.7%	7,278,982	54.3%

(a) CY 2002 estimated based on 6 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, Schedule T100.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Market Shares  
Operating Years 1998 - 2002  
(Unaudited)

Airline	OY 1998 (a)			OY 1999			OY 2000			OY 2001			OY 2002		
	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	Enplaned Passengers	Percent of total	Percent of market
<b>DOMESTIC</b>															
Major/national															
American Airlines	417,569	3.3%	3.6%	461,304	2.8%	3.1%	469,183	2.7%	3.0%	452,264	2.6%	2.9%	475,390	3.1%	3.3%
American Trans Air	123,825	1.0%	1.1%	101,110	0.6%	0.7%	36,654	0.2%	0.2%	36,320	0.2%	0.2%	48,937	0.3%	0.3%
America West Airlines	102,149	0.8%	0.9%	130,056	0.8%	0.9%	183,607	1.0%	1.2%	205,287	1.2%	1.3%	199,768	1.3%	1.4%
Continental Airlines	253,629	2.0%	2.2%	328,054	2.0%	2.2%	344,297	2.0%	2.2%	341,968	2.0%	2.2%	290,999	1.9%	2.0%
Delta Air Lines	358,852	2.8%	3.1%	411,105	2.5%	2.7%	451,246	2.6%	2.9%	385,178	2.2%	2.5%	270,906	1.7%	1.9%
Northwest Airlines	7,691,414	60.7%	67.1%	10,438,455	62.4%	69.2%	10,816,451	61.4%	68.8%	10,112,754	59.0%	65.9%	9,440,793	60.8%	66.2%
Southwest Airlines	444,249	3.5%	3.9%	514,658	3.1%	3.4%	517,295	2.9%	3.3%	538,736	3.1%	3.5%	442,262	2.9%	3.1%
Trans World Airlines	206,201	1.6%	1.8%	232,598	1.4%	1.5%	221,479	1.3%	1.4%	193,651	1.1%	1.3%	27,932	0.2%	0.2%
United Airlines	337,838	2.7%	2.9%	395,388	2.4%	2.6%	389,150	2.2%	2.5%	355,920	2.1%	2.3%	322,979	2.1%	2.3%
US Airways	265,916	2.1%	2.3%	272,374	1.6%	1.8%	260,516	1.5%	1.7%	271,804	1.6%	1.8%	212,123	1.4%	1.5%
Other	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	-	-	-
	10,201,642	80.5%	89.0%	13,285,102	79.4%	88.1%	13,689,878	77.7%	87.1%	12,893,882	75.2%	84.0%	11,732,089	75.6%	82.3%
Commuter/regional															
Atlantic Coast Airlines	13,235	0.1%	0.1%	17,587	0.1%	0.1%	15,718	0.1%	0.1%	32,681	0.2%	0.2%	50,636	0.3%	0.4%
Atlantic S.E. Airlines	18,288	0.1%	0.2%	17,654	0.1%	0.1%	-	-%	-%	11,998	0.1%	0.1%	16,689	0.1%	0.1%
Continental Express	29,708	0.2%	0.3%	37,046	0.2%	0.2%	70,898	0.4%	0.5%	44,652	0.3%	0.3%	49,349	0.3%	0.3%
Champion Air	7,833	0.1%	0.1%	316	0.0%	0.0%	-	-%	-%	-	-%	-%	80,880	0.5%	0.6%
Comair	65,182	0.5%	0.6%	95,101	0.6%	0.6%	108,617	0.6%	0.7%	57,834	0.3%	0.4%	97,492	0.6%	0.7%
Mesaba Aviation	763,253	6.0%	6.7%	1,150,606	6.9%	7.6%	1,187,332	6.7%	7.6%	1,572,140	9.2%	10.2%	1,149,931	7.4%	8.1%
Pinnacle	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	339,381	2.2%	2.4%
Reno Air	22,208	0.2%	0.2%	-	-%	-%	-	-%	-%	-	-%	-%	-	-	-
Skyway Airlines	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	-	-	-
Spirit Airlines	230,887	1.8%	2.0%	347,801	2.1%	2.3%	410,196	2.3%	2.6%	580,843	3.4%	3.8%	664,250	4.3%	4.7%
Sun Country	97,876	0.8%	0.9%	119,990	0.7%	0.8%	125,694	0.7%	0.8%	81,705	0.5%	0.5%	10,235	0.1%	0.1%
US Airways Express	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	50,845	0.3%	0.4%
Other	3,730	0.0%	0.0%	3,966	0.0%	0.0%	39,150	0.2%	0.2%	27,639	0.2%	0.2%	7,968	0.1%	0.1%
	1,252,200	9.9%	10.9%	1,790,067	9.8%	11.9%	1,957,605	11.7%	12.4%	2,409,492	14.0%	15.7%	2,517,656	16.2%	17.7%
Charter															
Miami Air	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	409	0.0%	0.0%
Ryan International	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	528	0.0%	0.0%
Other	12,050	0.1%	0.1%	6,596	0.0%	0.0%	77,979	0.4%	0.5%	39,161	0.2%	0.3%	761	0.0%	0.0%
	12,050	0.1%	0.1%	6,596	0.8%	0.0%	77,979	0.4%	0.5%	39,161	0.2%	0.3%	1,698	0.0%	0.0%
Subtotal--Domestic	11,465,892	90.5%	100.0%	15,081,765	90.1%	100.0%	15,725,462	89.3%	100.0%	15,342,535	89.5%	100.0%	14,251,443	91.8%	100.0%

(continued)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Market Shares (continued, page 2)  
Operating Years 1998 - 2002  
(Unaudited)

Airline	OY 1998 (a)			OY 1999			OY 2000			OY 2001			OY 2002		
	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	Enplaned Passengers	Percent of total	Percent of market
<b>INTERNATIONAL</b>															
<b>U.S. Flag</b>															
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%	47,633	0.3%	3.8%
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%	19,369	0.1%	1.5%
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%	973,201	6.3%	77.0%
	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%	1,040,203	6.7%	82.3%
<b>Foreign Flag</b>															
Air Ontario													17,285	0.1%	1.4%
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%	51,164	0.3%	4.0%
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%	42,444	0.3%	3.4%
Lufthansa	-	-%	-%	-	-%	-%	-	-%	-%	-	-%	-%	63,576	0.4%	5.0%
Other (b)	-	-%	-%	-	-%	-%	-	-%	-%	78,875	0.5%	4.4%	4,718	0.0%	0.4%
	192,534	1.5%	15.9%	217,678	1.3%	13.2%	227,687	1.3%	12.1%	176,026	1.0%	9.7%	179,187	1.2%	14.2%
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%	45,218	0.3%	3.6%
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%	1,264,608	8.2%	100.0%
Total--All Markets	12,673,395	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%	15,516,051	100.0%	100.0%

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

(b) Represents less than 0.1%

Source: Wayne County Airport Authority records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Airline Cargo  
Operating Years 1988-2002  
(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%)	
Sep-02	88,920	20,832	109,752	(17.9%)	

(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: Wayne County Airport Authority records.



DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
 Historical Aircraft Landed Weight  
 Operating Years 1988-2002  
 (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%)
Sep-02	23,840,345	220,704	655,048	24,716,097	(6.8%)

(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: Wayne County Airport Authority records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Aircraft Operations  
Operating Years 1988-2002  
(Unaudited)

Operating Year (a)	Operations by class of carrier				Total Operations		Percent increase (decrease)
	Air Carrier	Air taxi and commuter	General aviation	Military (b)	Number		
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%)	
Sep-02	337,817	126,821	18,915	290	483,843	(10.8%)	

(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: Wayne County Airport Authority records.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
Historical Aviation Demand Statistics  
OY 1995 through OY 2002  
For Operating Years ending November 30, except OY 1998 - 2002, ending September 30  
(Unaudited)

	HISTORICAL							
	1995	1996	1997	1998 (a)	1999	2000	2001	2002
<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	7,223,193	6,512,133
Connecting (b)	6,470,722	6,819,449	7,019,646	5,707,888	7,871,730	7,841,986	8,080,181	7,737,612
Subtotal--Scheduled	12,630,272	13,131,536	13,577,849	11,348,133	14,954,863	15,647,483	15,303,374	14,249,745
Percentage connecting	51.2%	51.9%	51.7%	50.3%	52.6%	50.1%	52.8%	54.3%
Charter	152,374	156,853	139,842	123,547	126,902	77,979	39,161	1,698
Subtotal-- Domestic	12,782,646	13,288,389	13,717,691	11,471,680	15,081,765	15,725,462	15,342,535	14,251,443
International								
Scheduled								
U.S. airlines	1,091,295	1,334,348	1,290,139	936,689	1,327,204	-	1,564,785	1,040,203
Foreign-flag	165,812	182,221	206,976	192,534	217,678	-	176,026	179,187
Subtotal--Scheduled	1,257,107	1,516,569	1,497,115	1,129,223	1,544,882	-	1,740,811	1,219,390
Charter	51,493	29,923	62,843	78,280	104,104	227,687	68,040	45,218
Subtotal--International	1,308,600	1,546,492	1,559,958	1,207,503	1,648,986	227,687	1,808,851	1,264,608
Total Enplaned Passengers	14,091,246	14,834,881	15,277,649	12,679,183	16,730,751	15,953,149	17,151,386	15,516,051
<b>ENPLANED CARGO (Tons)</b>								
Freight	118,512	121,768	114,024	86,954	111,755	112,258	92,835	88,920
Mail	55,855	55,356	56,264	37,908	40,923	44,443	40,783	20,832
Total Cargo	174,368	177,124	170,287	124,862	152,678	156,701	133,618	109,752
<b>AIRCRAFT DEPARTURES (c)</b>								
Domestic	150,288	155,063	173,554	158,100	222,573	208,582	206,397	198,763
International	9,249	10,559	10,087	8,938	12,439	12,276	12,229	11,212
Total Aircraft Departures	159,537	165,622	183,641	167,038	235,012	220,858	218,626	209,975
<b>AIRCRAFT OPERATIONS</b>								
Air carrier	335,000	350,757	350,636	278,727	331,153	330,350	321,222	337,817
Air taxi and commuter	96,293	101,721	106,481	91,480	154,789	159,604	167,661	126,821
General aviation	73,164	83,254	81,298	70,202	73,487	69,306	52,211	18,915
Military	1,482	1,612	1,388	1,444	1,685	1,611	1,405	290
Total Aircraft Operations	505,939	537,344	539,803	441,853	561,114	560,871	542,499	483,843
<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	21,937,795
Commuter/regional	1,275,498	1,417,804	1,787,135	1,880,787	2,660,328	2,866,942	2,867,906	1,902,550
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	23,840,345
Foreign-flag	474,942	503,819	436,193	360,417	467,771	484,190	271,200	220,704
Subtotal--Passenger	23,340,147	24,353,433	25,554,949	19,630,520	25,923,697	26,662,889	25,947,779	24,061,049
All-cargo	556,009	565,772	584,064	501,014	895,912	663,298	558,468	655,048
Total Landed Weight	23,896,156	24,919,205	26,139,013	20,131,534	26,819,609	27,326,187	26,506,247	24,716,097

(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 2002 departures are estimated based on 9 months of data for domestic departures and 6 months of data for international departures.

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