

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013



WAYNE COUNTY AIRPORT AUTHORITY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE CHARTER COUNTY OF WAYNE, MICHIGAN



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

WAYNE COUNTY AIRPORT AUTHORITY
(A Discretely Presented Component Unit of
the Charter County of Wayne, Michigan)

Comprehensive Annual Financial Report

Year Ended September 30, 2013

WAYNE COUNTY AIRPORT AUTHORITY

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January 22, 2014

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2013 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 and 2.

The CAFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss, and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

State laws require an annual audit of the financial records and transactions of the Authority by a firm of independent licensed certified public accountants. The Board appoints an audit committee of three Board members to comply with this requirement. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer), and the Authority's independent public auditors to review the financial condition, operations, performance, and management of the Authority. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

The Authority's financial statements have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

An independent audit was also performed in accordance with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). The auditor's reports related specifically to the single audit are immediately following the CAFR in the Compliance Section.

A third audit was performed as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor's reports related to the schedule of Passenger Facility Charges are immediately following the CAFR in the Compliance Section.

This CAFR was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the CAFR and the Wayne County Airport Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning, and certain other pertinent information. It is complementary to financial and analytical data offered in management's discussion and analysis and the statistical section of the CAFR discussed below.

Financial Section – The independent auditor's report, management's discussion and analysis (see pages 3-11), financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements

and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management & Budget Circular A-133 as well as Federal Aviation Administration requirements applicable to The Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (the Airport) and Willow Run Airport (together, the Airports). Until August 9, 2002, the County operated the Airports. Pursuant to an amendment to the Aeronautics Code of the State of Michigan, known as the Public Airport Authority Act (the Authority Act), Public Act 90, Michigan Public Acts of 2002, effective March 26, 2002, the Authority has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control, and use the Airports and the Airport Hotel.

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airports, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations associated with the Airport Hotel Revenue Bonds issued by the County.

The Authority 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, and four members of the Board are appointed by the Chief Executive Officer of the County. The Board appoints the Chief Executive Officer of the Authority.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement Program (CIP) is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs), and other discretionary funds.

Airport Use and Lease Agreement (the Agreement)

Leases. Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, AirTran, American Airlines (“American”), Delta, Federal Express, KLM Royal Dutch Airlines (“KLM”), Lufthansa German Airlines, Southwest, Spirit Airlines (“Spirit”), United, United Parcel Service and US Airways (collectively, the “Signatory Airlines”). KLM is not currently operating at the Airport.

Activity Fees. Under the Airline Agreements, the Signatory Airlines also are obligated to pay activity fees which are calculated on an Airport residual basis (the “Activity Fees”). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service paid by PFCs and federal grant funds) and all O&M Expenses for such Operating Year, minus all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

Amendment to End of Year True-Up of Fees and Charges. In order to enable the Authority to issue airport revenue bonds for airfield-related capital projects without the bonds being subject to the federal alternative minimum tax, all of the Signatory Airlines agreed in 2012 to an amendment of the Airline Agreements that revised the end of year true-up provision so that the amount to be refunded to the Signatory Airlines would be calculated by taking into account the total amount of overpayment of Activity Fees by all Signatory Airlines and the total amount of Activity Fee overpayments by all non-Signatory Airlines. All airlines, Signatory and non-Signatory, participate in end of year refunds, not just the Signatory Airlines.

The total amount to be refunded to the Signatory Airlines and the total amount to be refunded to the non-Signatory Airlines, in respect of Activity Fee overpayments, are based on a pro-rata allocation between the Signatory Airlines and the non-Signatory Airlines, which reflect the same ratio as the ratio of total Activity Fees paid by the Signatory Airlines and total Activity Fees paid by the non-Signatory Airlines, respectively. The refund to the non-Signatory Airlines may be accomplished directly, or through a reduction in the non-Signatory Airlines’ Activity Fees for the following Operating Year. The same provision applies in the event of underpayments, and the Authority would charge the shortfall to non-Signatory Airlines as well as Signatory Airlines.

Weighted Majority Approval. The Airline Agreements provide that a Weighted Majority of the Signatory Airlines can approve additional capital projects for which airport revenue bonds may be issued to pay the costs. A Weighted Majority is defined as either Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available or all but one of the Signatory Airlines regardless of landed weight.

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of

certain PFC-eligible projects at the Airport. These projects include the construction of both the South Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

The Airline Industry

In the aftermath of the events of September 2001, the industry saw a downturn in demand for air travel. The result was five years of reported industry operating losses, totaling more than \$28 billion (excluding extraordinary events). The airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. However, in 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. airlines since the September 11 terrorist attacks.

In response, most airlines announced significant capacity reductions, increased fuel surcharges, increased fares and fees, and adopted other measures to address the financial challenges. Whereas the capacity reductions following the events of September 11 were the direct result of terrorist threats targeting the travelling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were primarily driven by significant increases in fuel costs over a span of two and a half years, a weak dollar exacerbating the impact of stressed fuel costs, global economic slowdown, and the contraction of the U.S. economy.

In addition to capacity reductions, competitive pressures have resulted in the bankruptcy restructuring filings and consolidation of the United States airline industry. Northwest and Delta both filed for bankruptcy on September 14, 2005. One month later, Mesaba followed suit. AMR Corporation (AMR), the parent company of American Airlines, filed for bankruptcy protection on November 29, 2011.

Following the string of bankruptcies, several airlines merged and acquired competitors in an attempt to combine operations in order to increase cost synergies and become more competitive. In 2009, Delta fully completed its merger with Northwest Airlines which initiated a wave of airline mergers and acquisitions. That same year, Republic Airways Holdings, a regional airline, bought Frontier Airlines of Denver and Midwest Airlines of Milwaukee. In October 2010, United Airlines and Continental Airlines merged, at that time creating the world's largest airline in terms of operating revenue and revenue passenger miles. On May 2, 2011, Southwest announced the closing of its acquisition of AirTran Holdings, Inc., the former parent company of AirTran maintaining the Southwest plans to integrate AirTran into the Southwest brand. On December 10, 2013, AMR emerged from bankruptcy and completed a merger with the US Airways Group to become the world's largest airline.

In 2010 and 2011, national air travel demand rebounded and scheduled passenger totals increased 2.6 and 1.8 percent, respectively, from the previous year's level. The 2011 passenger total still remained 4.0 percent below the level of 835.4 million in 2007, the peak level for passenger totals nationwide between 2000 and 2011. Globally, passenger traffic increased 5.9 percent in 2011 over 2010. International Air Trade Association (IATA) forecasts strong passenger growth of 5.3 percent for 2013.

As a result of greater demand and airline restructuring, the airline industry is returning to profitability. After two years of losses in calendar years 2008 and 2009, the global airline industry reported profits of \$19.2 billion in 2010, \$8.4 billion in 2011, and \$7.4 billion in 2012. IATA is predicting a \$12.9 billion profit for the global industry in 2013 and \$19.7 billion in 2014. Even though recovery is uneven across different regions, North American airlines profits were \$2.3 billion in 2012, compared to the \$1.7 billion profit in 2011. Profits of North American airlines are expected to sum \$5.8 billion in 2013.

While airlines have significantly reorganized, reduced capacity and reduced costs to increase profitability, the impact of the price of fuel remains a significant cost factor and top concern for the airline industry. According to Airlines for America (AFA), fuel has overtaken labor as the industry's top cost and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. Annually, a one-cent increase in a gallon costs U.S. airlines \$175 million; a \$1 increase in a barrel costs airlines \$415 million. Although fuel prices have declined from their most elevated levels, fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by the rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, and weather.

Generally, the financial outlook for the airline industry is strong. Passenger demand is improving and the airline industry is benefiting from consolidations. However, fuel price volatility continues to be a concern. The airlines' ability to pass along the increased costs of fuel to its passengers is limited by the competitive nature of the industry. Although the cost of jet fuel has been stable, even a small change in fuel price can significantly influence profitability.

Airport Activity

The Airport ended fiscal year 2013 relatively flat with a 0.6 percent decrease in enplaned passengers, a 1.6 percent decrease in aircraft operations, a 1.0 percent decrease in cargo handled, and a 0.1 percent increase in landed weights when compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2013 and 2012 were as follows:

	2013	2012	% Change
Enplanements	16,077,652	16,169,584	(0.6)%
Aircraft Operations	425,623	432,683	(1.6)%
Cargo (in metric tons)	215,363	217,374	(1.0)%
Landed Weights (in thousands, lbs.)	20,628,861	20,608,351	0.1%

The recovering demand for air travel is expected to continue and result in a moderate increase in Airport activity throughout the next fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year (currently October 1 to September 30), the Authority is required by the Master Bond Ordinance and Public Act 90 to prepare and adopt a budget. The budget contains an itemized statement of the estimated current operational expenses and the expenses for capital, including funds for the operation and development of the Airports under the jurisdiction of the Authority, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of the revenues of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. The Detroit Metropolitan Airport and Willow Run O&M budgets, and the Westin's budget are the Authority's annual financial plan for operating and maintaining the airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the airports with a five-year horizon.

The Authority's basis of budgeting is in accordance to the terms of the Signatory Lease & Use Agreements with the Airlines which differs from generally accepted accounting principles – the Authority's accounting basis. The Authority has additional funds that are audited but only the Operations and Maintenance funds are budgeted.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms contained in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Financial Planning & Analysis (FP&A) reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly management report.

AUTHORITY'S ECONOMIC CONDITION

Population & Air Trade Area

The Airport resides in a region which the United States Office of Management and Budget (OMB) defines as the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA) and is comprised of the six Michigan counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne. Also part of the geographic area served by the Airport are the Flint MSA which includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian

Micropolitan Statistical Area which includes Lenawee County. These counties represent the primary geographical area served by the Airport and is commonly called the “Air Trade Area.”. The estimated population of the Air Trade Area was 5.2 million in 2010, according to the *United States Census Bureau*. Wayne and Oakland counties are the Air Trade Area’s two most populous counties and were ranked as the 15th and 32nd largest counties, respectively, in the nation for population in 2010.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport (TOL) to the south, Fort Wayne International Airport (FWA) to the southwest, Lansing Capital City Airport (LAN) to the west, and Bishop International Airport (FNT) to the north. The closest large hub airport to the Air Trade Area is Cleveland-Hopkins International Airport (CLE), which primarily serves its own air trade area approximately 150 miles southeast of the Airport across Lake Erie.

Other nearby airport facilities in close proximity to the Airport include the Coleman A. Young International Airport (formerly Detroit City Airport), Willow Run Airport, and Windsor International Airport across the U.S. border in Ontario, Canada. Coleman A. Young International Airport is approximately eight miles northeast of downtown Detroit; however, it has not had commercial passenger airline service since 2000. Willow Run Airport, also operated by the Authority, is located seven miles west of the Airport and serves cargo, corporate, and general aviation clients. Windsor International Airport (YQG) is located approximately nine miles southeast of downtown Detroit.

The Airport is the primary air carrier airport serving the Detroit Metropolitan area (the 18th most populous city in the United States in 2010). In calendar year 2012, the Airport ranked 11th nationwide in total aircraft operations, with 427,814 takeoffs and landings and 17th nationwide in total passengers, enplaning and deplaning approximately 32.2 million passengers.

Economy

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area). Home to a number of Fortune 500 companies, the Air Trade Area has seen recent improvement in employment rates, and a high percentage of households in the uppermost income categories when compared to Michigan and the nation. The Air Trade area is home to 14 Fortune 500 Company Headquarters. Eight of the Air Trade Area’s Fortune 500 companies are part of the automotive industry. The largest employer in the Air Trade Area as of July 2013 is the automobile manufacturer, Ford Motor, with 43,977 employees; followed by the University of Michigan (29,551 employees); automobile manufacturers Chrysler Group (29,006 employees) and General Motors (26,843 employees); and the US Government (18,600 employees). Consistently appearing near the top of the rankings, Ford Motor is ranked tenth in the Fortune 500 and General Motors, which was ranked fifteenth in 2009, is currently ranked seventh in the Fortune 500 with approximately \$134.3 billion and \$152.3 billion in revenues, respectively, in 2013.

A significant rebound from high unemployment rates experienced in the Air Trade Area between 2009 and 2011 is underway. Based on data presented in the U.S. Department of Labor's Bureau of Labor Statistics (BLS), all of the MSAs included in the Air Trade Area have made gains in employment since 2009:

- The Detroit-Livonia-Dearborn MSA has experienced a 7.7 percentage point drop in non-seasonally adjusted unemployment rates from 18.2 in August 2009 to 10.5 in September 2013.
- The Flint MSA has experienced a 5.2 percentage point drop from 14.4 in August 2009 to 9.2 in September 2013.
- The Monroe MSA has experienced an 8.8 percentage point drop from 16.1 in July 2009 to 7.3 in September 2013.
- The Warren-Troy-Farmington Hills MSA has experienced a 7.4 percentage point drop from 16.0 in July 2009 to 8.6 in September 2013.

The Ann Arbor MSA continues to experience a very strong labor market as the unemployment rate is 5.6 percent for September 2013. Michigan's unemployment rate (not seasonally adjusted) for September 2013 is 8.3 percent, which is a slight improvement from the annual unemployment rate of 8.4 percent from the prior year.

Personal income is a composite measurement of market potential and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure). Per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 2.3 percent from 2002 to 2011, rising from \$33,732 to \$41,433. In the same time period the CAGR for Michigan was 2.9 percent and the CAGR for the United States was 3.8 percent. An additional measurement of the market's potential to generate demand for air transportation is the percentage of households in higher income categories. In 2010, 41.3 percent of households in the Air Trade Area had household incomes of \$60,000 or more, which was significantly higher than the 37.1 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

Despite the severe economic stress experienced by Michigan and the Air Trade Area for most of the past decade, it appears that the Michigan economy, and by implication the Air Trade Area economy, is in the process of recovering. After significant job growth in 2011 and at the beginning of 2012, the University of Michigan economists are projecting more moderate and sustainable job growth in 2013 of 49,800 jobs. As noted in the forecasts, the average job gain of 57,000 jobs per year over the four-year recovery period from the 4th quarter of 2009 to the 4th quarter of 2013 is comparable to the average change per year from 1971 to 2000, prior to the downturn of the 2000s.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to

finance these projects, as well as to operate and maintain the Airports. Under the terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airport to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2013 was in excess of the requirements at 147% of senior lien debt service and 136% of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) for the Airport system to expand, modernize, and maintain the Airports. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Airports.

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2014-2018 includes planned funding of approximately \$460.9 million and \$112.5 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined. A detailed review of the CIP is published in the Authority's budget book.

Airport Improvement Program

Since 1986, the Authority has participated in the Airport Improvement Program (AIP), the federal government's airport grant program. The AIP provides funding for airport development, airport planning, and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Authority also receives grants from the State of Michigan.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

Since 1992, the FAA has approved six PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of \$4.50 per enplaned

passenger up to \$3.2 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2013, the Airport had received approximately \$1.2 billion of PFC revenue, which includes interest earnings of approximately \$73.3 million. The Airport had expended approximately \$1.16 billion on approved projects. The current PFC expiration date is estimated at February 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2012. This was the tenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting this 2013 CAFR to the GFOA for consideration.

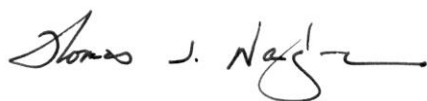
The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2013. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The fiscal year 2014 Approved Budget document was issued to the GFOA for consideration and to Board Members in December 2013.

Acknowledgments

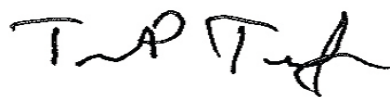
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Controllers' Department. We would like to express our appreciation to all members of this department.

This report also could not have been possible without the leadership and support of the governing body of the Authority's Board.

Respectfully submitted,



Thomas J. Naughton
Chief Executive Officer



Terrence P. Teifer
Chief Financial Officer



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**Wayne County
Airport Authority, Michigan**

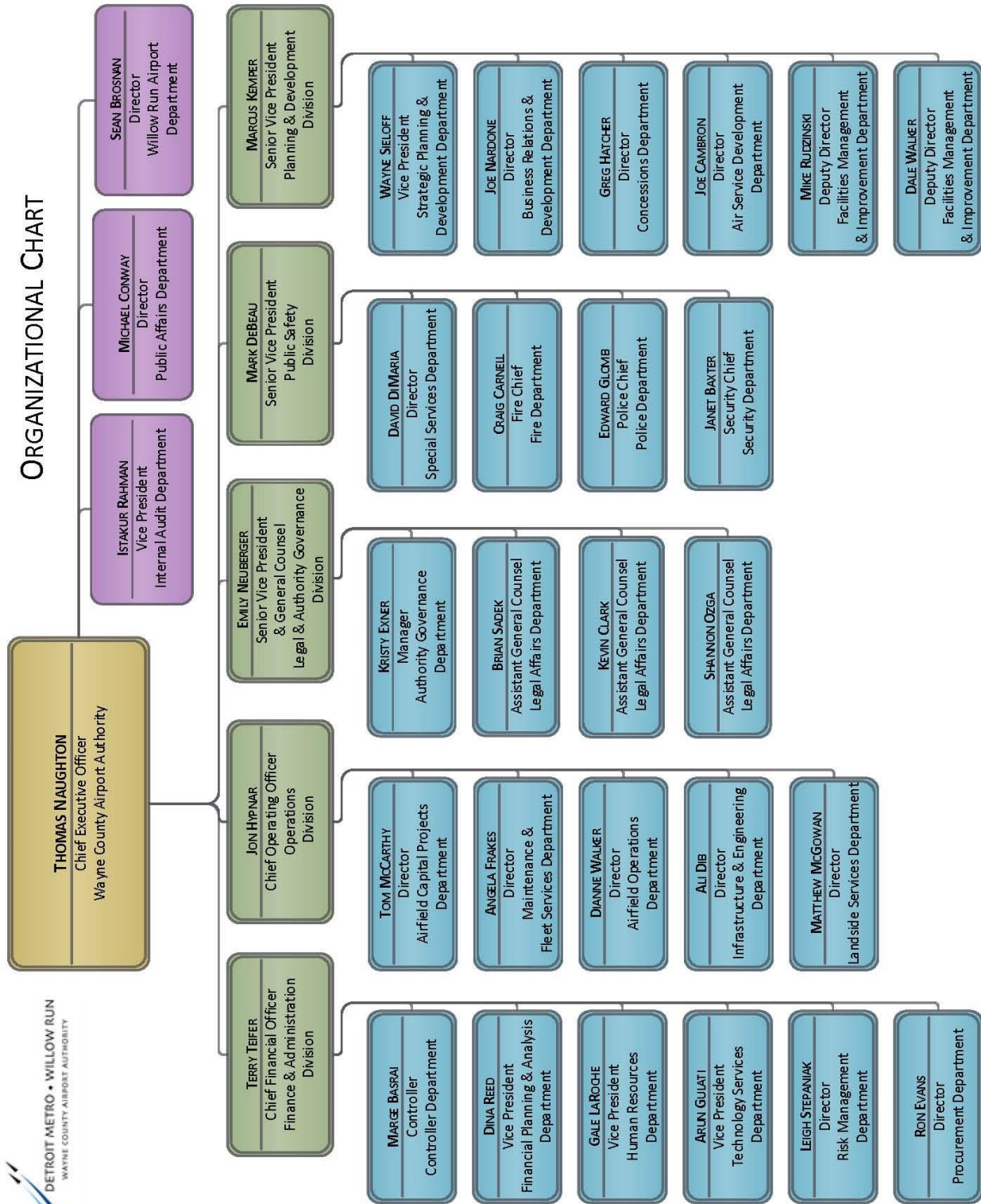
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO



ORGANIZATIONAL CHART



LIST OF PRINCIPAL OFFICIALS

<u>Authority Board</u>	<u>Position</u>	<u>Term Expires</u>
Suzanne K. Hall	Chairperson	October 2016
Alfred R. Glancy, III	Vice Chairperson	October 2014
Michael J. Jackson, Sr.	Secretary	October 2017
Kevin M. McNamara	Board Member	October 2018
Samuel A. Nouhan	Board Member	October 2014
Reginald M. Turner	Board Member	October 2019
Mary L. Zuckerman	Board Member	October 2014

<u>Airport Management</u>	<u>Position</u>
Thomas J. Naughton	Chief Executive Officer
Terrence P. Teifer	Chief Financial Officer
Jon Hynar	Chief Operating Officer
Mark L. DeBeau	Sr. Vice President – Public Safety
Marcus S. Kemper	Sr. Vice President – Planning and Development
Emily K. Neuberger	Sr. Vice President and General Counsel
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Istakur Rahman	Vice President – Internal Audit
Dina A. Reed	Vice President – Financial Planning & Analysis
Wayne G. Sieloff	Vice President – Strategic Planning and Development
Margaret M. Basrai	Controller

Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority (the "Authority"), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Wayne County Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority as of September 30, 2013, and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Wayne County Airport Authority

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wayne County Airport Authority's basic financial statements. The schedule of expenditures of federal awards and passenger facility charge revenues and expenditures and introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedules of expenditures of federal awards and passenger facility charge revenues and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and passenger facility charge revenues and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014 on our consideration of the Wayne County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wayne County Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

January 22, 2014

WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the "Authority") for the year ended September 30, 2013, with selected comparative information for the year ended September 30, 2012. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Position, which presents the assets, liabilities, and net position of the Authority as of the end of the fiscal year; (b) Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expenses recognized during the fiscal year; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year. The Authority includes a Postemployment Health Benefits Trust Fund (Fiduciary Fund) to account for the postemployment healthcare payments to qualified employees.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) as promulgated by Governmental Accounting Standards Board (GASB) principles.

The financial statements include the operations of Detroit Metropolitan Wayne County Airport (the Airport), Willow Run Airport, and the Airport Hotel. The Authority is considered a discretely presented component unit of the Charter County of Wayne, Michigan as defined by the GASB.

THE AIRPORT FUNDING METHODOLOGY

Funding for the Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements between the Authority and the Airlines. The Airport Use and Lease Agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the Use and Lease Agreements include rental rates, activity fee methodology, utilities, etc. Once an airline signs a Use and Lease Agreement, they are designated a "Signatory Airline." The Use and Lease Agreements also determine the budget and financing (activity fee) methodology that the Authority and Airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology that combines both features.

WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

The Airport operates under a residual methodology. The methodology places additional risk on the Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to all Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to all the Airlines. The total amount to be charged or refunded is based on a pro-rata allocation between the Signatory Airlines and the Non-Signatory Airlines, which reflects the same ratio as the ratio of total activity fees paid by each group.

The residual methodology agreed upon by the Signatory Airlines and the Authority creates a funding mechanism that is not congruent with financial statement reporting standards. Although the Airlines are required to fund any deficit of the Airport, this deficit is not equivalent to "Operating Loss" or any other designation on the financial statements. Since the Airport utilizes the residual methodology, all annual operating costs and debt service requirements of the Airport have been funded.

FINANCIAL HIGHLIGHTS

Operating revenues showed a modest \$100 thousand increase in 2013 as compared to 2012. Authority airline revenues decreased by \$3.9 million (2.4%) compared to 2012, due to decreases in both terminal rental and landing fee revenue. Authority non-airline revenues increased by \$4 million (2.5%) compared to 2012 and outperformed budgeted non-airline revenues by \$8 million (5.5%).

Operating expenses are \$5.1 million (or 1.4%) more than fiscal year 2012. The primary categories that increased were salaries, wages, and fringe benefits (\$2.8 million), professional and contractual services (\$5 million), and materials and supplies (\$1.1 million). These increases were offset by a reduction in shuttle bus service expenses (\$1.6 million).

Non-operating revenues in 2013 remained consistent over 2012, with just a minor decrease of 0.4%. Non-operating expenses are \$179 thousand (or 0.2%) greater than fiscal year 2012. The increase is due to a reduction in interest expense of \$2.7 million offset by an increase in the loss on disposal of assets of \$2.9 million.

STATEMENT OF NET POSITION

The statement of net position includes all assets and liabilities and net position resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's net position as of September 30, 2013 and 2012 is:

**WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2013

	2013	2012
	<u>(000's)</u>	<u>(000's)</u>
ASSETS:		
Current unrestricted assets	\$ 120,661	\$ 115,876
Restricted assets	502,657	595,038
Capital assets (net)	2,088,549	2,104,535
Other assets	<u>23,726</u>	<u>25,622</u>
Total assets	2,735,593	2,841,071
LIABILITIES:		
Current liabilities	72,312	72,502
Liabilities payable from restricted assets	122,880	115,479
Long-term liabilities	<u>2,127,832</u>	<u>2,218,630</u>
Total liabilities	2,323,024	2,406,611
NET POSITION:		
Net investment in capital assets	27,234	36,778
Restricted	323,699	338,786
Unrestricted	<u>61,636</u>	<u>58,896</u>
TOTAL NET POSITION	<u><u>\$ 412,569</u></u>	<u><u>\$ 434,460</u></u>

Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Restricted assets consist of cash and investments and accounts receivable. Restricted assets decreased approximately \$92 million over the prior year due to the spending of 2012A and 2012B bond proceeds on construction projects. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of bond issuance cost, net of related amortization.

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. The components of Net Position have been reserved related to certain restricted assets. Assets have been restricted for operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, and drug enforcement.

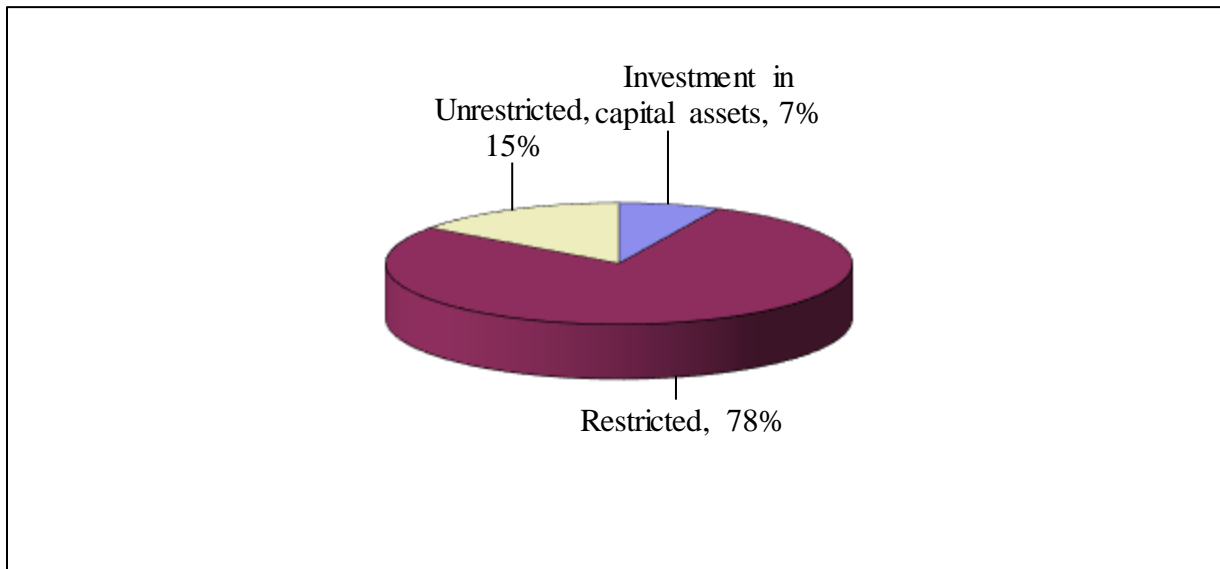
WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, security, and performance deposits.

Net position decreased by \$21.9 million in the fiscal year ended September 30, 2013, which was an improvement over the decrease in net position in 2012 of \$31 million, and in 2011 of \$59.6 million. The improvement over the decrease in net position in the prior year was due to the increase in operating expenses of \$5.1 million being offset by the increase in capital contributions of \$14.5 million.

The chart below illustrates a breakdown of total net position as of September 30, 2013:



Approximately 78 percent of the components of the Airport's 2013 net position is restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Net investments in capital assets account for approximately 7 percent of total net position and represent land, intangible assets, buildings, improvements, and equipment, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remainder of net position includes an unrestricted amount of \$61.6 million, which may be used to meet any of the Authority's ongoing operations. Unrestricted net position increased 1 percent as of fiscal year end 2013.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only

**WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2013

after receiving approval of a Weighted Majority for such capital projects. As of September 30, 2013, the Authority had approximately \$2.2 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately \$177 million in 2013 and long-term debt amounting to \$85 million was paid off during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental, and hotel revenues. Non-operating revenues consist primarily of passenger facility charges, federal and state grants, and interest income. Interest expense is the most significant nonoperating expense.

A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended September 30, 2013 and 2012 follows:

**WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2013

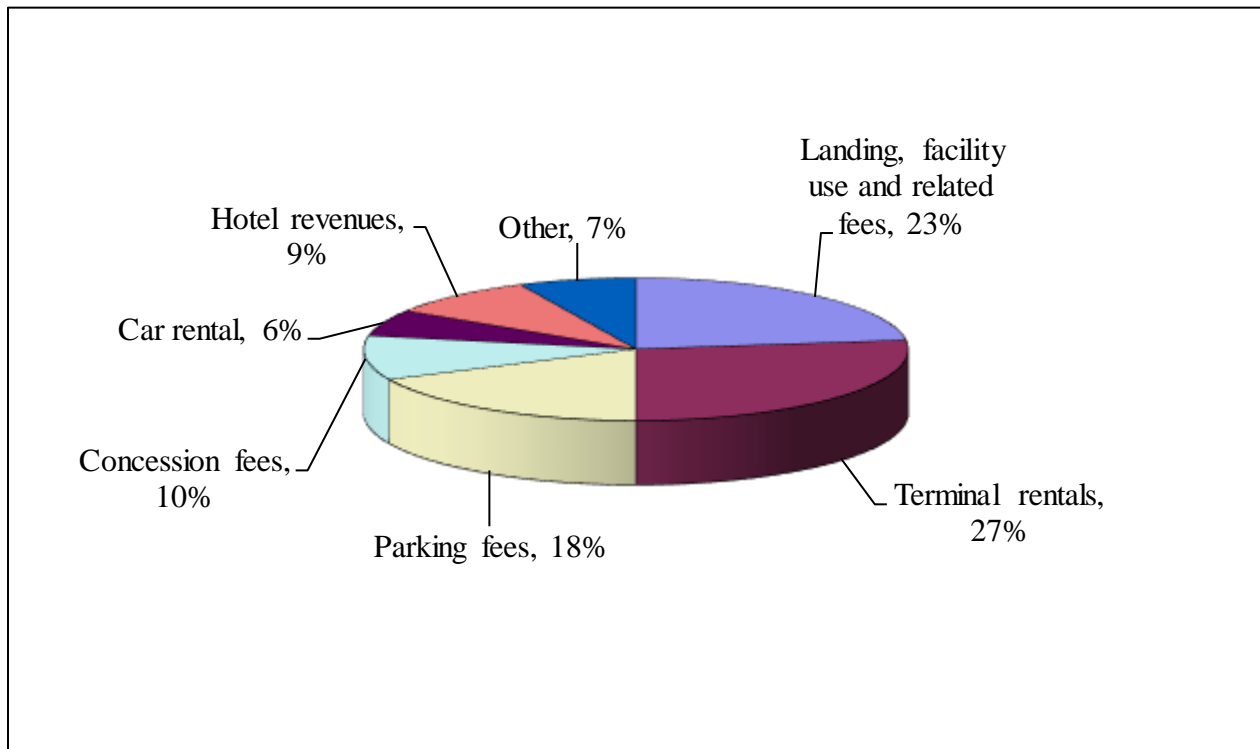
	2013	2012
	<u>(000's)</u>	<u>(000's)</u>
Operating revenues:		
Airline revenues:		
Airport landing and related fees	\$ 65,493	\$ 67,300
Terminal building rentals and fees	84,355	86,463
Facility use fees	7,552	7,490
Non-airline revenues:		
Parking fees	57,829	56,091
Concession fees	31,536	32,063
Car rental	20,160	19,626
Hotel	29,302	27,612
Other	<u>22,539</u>	<u>21,994</u>
Total operating revenues	<u>318,766</u>	<u>318,639</u>
 Operating expenses:		
Salaries, wages, and fringe benefits	72,891	70,106
Parking management	6,280	6,048
Hotel management	21,064	20,889
Depreciation	140,527	142,828
Professional and contractual services	22,285	17,335
Utilities	27,036	26,677
Building, ground, equipment maintenance	31,977	33,246
Other	<u>35,058</u>	<u>34,895</u>
Total operating expenses	<u>357,118</u>	<u>352,024</u>
Operating loss	(38,352)	(33,385)
 Nonoperating revenues (expense):		
Passenger facility charges	61,705	62,134
Other nonoperating revenues	3,401	3,213
Interest expense	(82,825)	(85,514)
Other nonoperating expenses	<u>(7,458)</u>	<u>(4,590)</u>
Net nonoperating expenses	<u>(25,177)</u>	<u>(24,757)</u>
Net loss before capital contribution	(63,529)	(58,142)
 Capital Contribution	<u>41,638</u>	<u>27,121</u>
Changes in net position	(21,891)	(31,021)
 Net position, beginning of the year	<u>434,460</u>	<u>465,481</u>
 Net position, end of the year	<u>\$ 412,569</u>	<u>\$ 434,460</u>

WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2013:



Operating revenues for the Authority remained consistent in 2013 as compared to 2012 at \$319 million.

Airline Revenues, a major category of Operating Revenues, includes revenues collected from the airlines. The chart above references terminal rentals, landing, facility use and related fees, which are all part of Airline Revenues. Total Airline Revenues decreased 2.4 percent to \$157 million in 2013 from \$161 million in 2012. Terminal rental fees decreased 2.4 percent to \$84 million in 2013 from \$86 million in 2012 primarily due to the decrease in the South Terminal signatory rental rate in 2013. Landing fee revenues decreased 2.7 percent in 2013 to \$65 million from \$67 million in 2012. The change in landing rate (which drives landing fee revenues) was a 3 percent decrease from the prior year, with a final Signatory rate of \$3.14 per 1,000 pounds landed weight. Another aspect of Airline Revenues is facility use fee revenues, which are driven by international deplaned passengers. International deplanements increased 2.4 percent in 2013, driving international facility use fee revenue up by 0.8 percent.

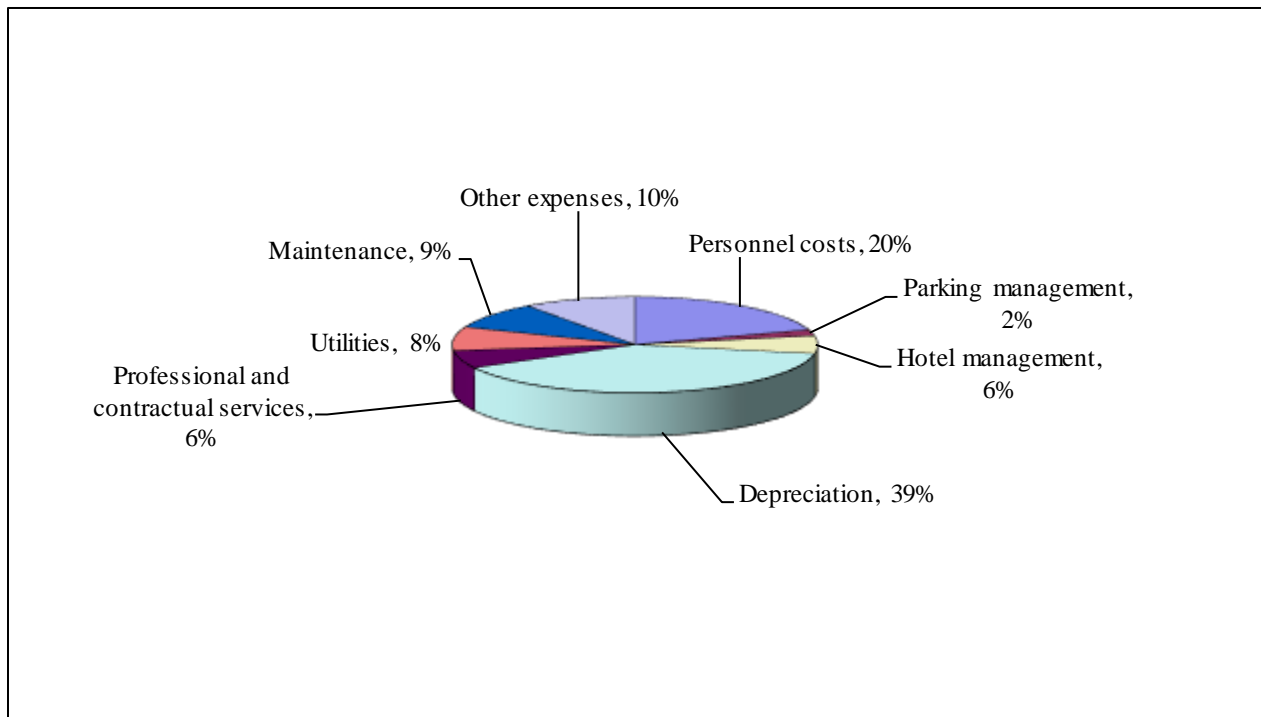
WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

Non-Airline Revenues, the other major category of Operating Revenues, includes revenue received that is not collected from airlines. In fiscal year 2013, total non-airline operating revenues increased by 2.5 percent to \$161 million compared to \$157 million in 2012. The increase was largely due to an increase in parking fees, hotel revenue, and other revenues offset by a decrease in the employee shuttle bus. Parking fees had an increase of \$1.7 million over 2012, which was primarily attributed to an increase in the length of stay per ticket of 3.4 percent in the current year. Hotel revenue increased 6.1 percent in 2013 (\$1.7 million) over the prior year. Occupancy at the hotel was at 74.7 percent in 2013 as compared to 73.5 percent in 2012. The average daily rate for 2013 was \$148.76 as compared to \$139.56 in 2012. Other revenues, which increased \$2.3 million in 2013, are comprised of miscellaneous service fees and certain non-recurring items, including \$1.7 million in incentive payments received by the Authority for powerhouse upgrades in 2013. Employee shuttle bus revenue decreased in 2013 by \$2.7 million over 2012. In November 2012, Delta Airlines began operating the AOA employee shuttle service and started receiving a credit of the employee fees collected by the Authority.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2013:



WAYNE COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

Operating expenses for the Authority increased by 1.4 percent to \$357 million in 2013 from \$352 million in 2012. Primary areas of operating expense increases were in the categories of salaries and fringe benefits, professional and contractual services, and materials and supplies. This was offset by a decrease in shuttle bus service expenses. Salaries and fringe benefits increased \$2.8 million in 2013 primarily due to a one-time 2012 reduction of \$1.4 million made in health insurance expense to adjust self-insurance liabilities at year end. Salaries and fringe benefits also increased in 2013 due to an additional funding of \$720 thousand over the prior year for an unfunded retirement shortfall of early retirement programs offered in past years, and an increase of \$500 thousand in the O&M transfer to the postemployment health benefits trust fund over the prior year. Professional and contractual services increased \$5 million over 2012 due to a heavier snow season in 2013 resulting in an additional \$2.5 million in snow removal expense, \$600 thousand in expense associated with various development studies, and \$520 thousand for information technology services to support a Windows and Office upgrade. Materials and supplies increased \$1.1 million due to the acquisition of hardware and software to support the Authority's Windows and Office upgrade (\$530 thousand) and an increase of \$400 thousand in bulk chemicals due to the heavier snow season in 2013 over 2012. Shuttle bus service expenses decreased approximately \$1.6 million in 2013 due to Delta Airlines starting to operate the AOA employee shuttle service in November 2012 instead of the Authority.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities led to a net Non-operating Expense of \$25.2 million in 2013, a modest increase of \$400 thousand from the \$24.8 million Non-operating Expense in 2012. The primary component of Non-operating Expense is interest expense, which decreased 3.1 percent to \$82.8 million in 2013 from \$85.5 in 2012. The decrease in interest expense was a result of the savings generated by the variable rate debt refundings in 2012. The decreases in interest expense were offset by an increase in losses on the disposal of assets of \$5.5 million in 2013 from \$2.6 million in 2012.

Revenue generated from state and federal operating grants remained consistent in 2013. Capital contributions increased 53.5 percent over the prior year to \$41.6 million as the Authority continues to utilize federal grants to rebuild one runway at the Airport and one runway at Willow Run Airport.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2013

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Cash and investments (note 4)	\$ 74,116,829	\$ 1,223,541	\$ 1,617,305	\$ 76,957,675
Accounts receivable, less allowance (note 2)	9,354,055	253,427	864,536	10,472,018
Due from other governmental units	14,139,528	11,686,166	—	25,825,694
Due from other funds	5,755,890	257,680	—	6,013,570
Prepays and deposits	1,169,436	16,770	205,617	1,391,823
Total current assets	<u>104,535,738</u>	<u>13,437,584</u>	<u>2,687,458</u>	<u>120,660,780</u>
Restricted assets (notes 4 and 5):				
Cash and investments	480,216,068	—	12,628,943	492,845,011
Accounts receivable	9,811,680	—	587	9,812,267
Total restricted assets	<u>490,027,748</u>	<u>—</u>	<u>12,629,530</u>	<u>502,657,278</u>
Capital assets (note 6):				
Capital assets not being depreciated:				
Land and nondepreciable assets	227,696,431	15,926,984	—	243,623,415
Construction in progress	25,028,323	16,946,748	—	41,975,071
Capital assets being depreciated:				
Buildings and improvements	1,986,598,019	13,257,050	92,977,188	2,092,832,257
Equipment	72,376,998	6,745,591	758,224	79,880,813
Infrastructure	1,225,922,123	112,130,363	—	1,338,052,486
Total capital assets	3,537,621,894	165,006,736	93,735,412	3,796,364,042
Less accumulated depreciation	1,555,173,657	98,703,456	53,938,011	1,707,815,124
Net capital assets	<u>1,982,448,237</u>	<u>66,303,280</u>	<u>39,797,401</u>	<u>2,088,548,918</u>
Other assets:				
Bond issuance cost, less amortization (note 2)	17,032,124	—	3,375,664	20,407,788
Net OPEB asset (note 10)	3,317,974	—	—	3,317,974
Total other assets	<u>20,350,098</u>	<u>—</u>	<u>3,375,664</u>	<u>23,725,762</u>
Total assets	<u>\$ 2,597,361,821</u>	<u>\$ 79,740,864</u>	<u>\$ 58,490,053</u>	<u>\$ 2,735,592,738</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2013

	<u>Detroit Metropolitan Airport Fund</u>	<u>Willow Run Airport Fund</u>	<u>Airport Hotel Fund</u>	<u>Total</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 26,871,149	\$ 4,936,985	\$ 1,737,969	\$ 33,546,103
Accrued wages and benefits	2,331,052	53,942	—	2,384,994
Due to Wayne County	2,912,164	—	—	2,912,164
Due to other governmental units	1,214,796	—	—	1,214,796
Due to other funds	257,680	5,755,890	—	6,013,570
Deferred revenue	1,363,261	21,929	—	1,385,190
Accrued interest payable	—	—	105,000	105,000
Bonds payable and other debt (note 7)	—	19,476	—	19,476
Other accrued liabilities	23,383,655	1,346,881	—	24,730,536
Total current liabilities	<u>58,333,757</u>	<u>12,135,103</u>	<u>1,842,969</u>	<u>72,311,829</u>
Payable from restricted assets:				
Accrued interest and other payables	35,751,220	—	1,824,718	37,575,938
Bonds payable and other debt (note 7)	83,658,958	—	1,645,000	85,303,958
Total liabilities payable from restricted assets	<u>119,410,178</u>	<u>—</u>	<u>3,469,718</u>	<u>122,879,896</u>
Long-term liabilities:				
Other accrued liabilities (note 7)	5,646,912	—	3,311,306	8,958,218
Bonds payable and other debt, net (note 7)	2,014,915,893	102,246	103,855,857	2,118,873,996
Total long-term liabilities	<u>2,020,562,805</u>	<u>102,246</u>	<u>107,167,163</u>	<u>2,127,832,214</u>
Total liabilities	<u>2,198,306,740</u>	<u>12,237,349</u>	<u>112,479,850</u>	<u>2,323,023,939</u>
Net position (deficit):				
Net investment in capital assets	25,256,165	66,181,558	(64,203,456)	27,234,267
Restricted for:				
Capital assets	6,986,924	—	8,883,502	15,870,426
Debt service	275,153,224	—	1,921,310	277,074,534
Operations	29,324,746	—	—	29,324,746
Drug enforcement	1,428,855	—	—	1,428,855
Unrestricted (deficit)	60,905,167	1,321,957	(591,153)	61,635,971
Total net position (deficit)	<u>\$ 399,055,081</u>	<u>\$ 67,503,515</u>	<u>\$ (53,989,797)</u>	<u>\$ 412,568,799</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended September 30, 2013

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	\$ 64,922,044	\$ 571,224	\$ —	\$ 65,493,268
Terminal building rentals and related fees	84,003,574	351,262	—	84,354,836
Facility use fees	7,261,764	290,287	—	7,552,051
Nonairline revenues:				
Parking fees	57,828,811	—	—	57,828,811
Concession fees	31,536,249	—	—	31,536,249
Car rental	20,160,427	—	—	20,160,427
Hotel	—	—	29,301,463	29,301,463
Employee shuttle bus	2,502,311	—	—	2,502,311
Ground transportation	5,094,540	—	—	5,094,540
Utility service fees	5,151,975	130,927	—	5,282,902
Rental facilities	2,611,782	1,039,617	—	3,651,399
Other	5,430,991	576,517	—	6,007,508
Total operating revenues	286,504,468	2,959,834	29,301,463	318,765,765
Operating expenses:				
Salaries, wages, and fringe benefits	71,655,786	1,235,487	—	72,891,273
Parking management	6,280,332	—	—	6,280,332
Hotel management	—	—	21,064,105	21,064,105
Shuttle bus services	6,501,358	—	—	6,501,358
Janitorial services	11,383,188	17,439	—	11,400,627
Security	2,260,167	—	—	2,260,167
Professional and other contractual services	21,424,984	859,779	—	22,284,763
Utilities	26,274,068	761,529	—	27,035,597
Buildings and grounds maintenance	16,119,179	541,028	—	16,660,207
Equipment repair and maintenance	15,214,458	102,522	—	15,316,980
Materials and supplies	7,395,775	103,992	—	7,499,767
Insurance	2,298,116	38,108	—	2,336,224
Other	4,609,041	450,412	—	5,059,453
Depreciation	133,334,409	2,652,611	4,539,953	140,526,973
Total operating expenses	324,750,861	6,762,907	25,604,058	357,117,826
Operating income (loss)	(38,246,393)	(3,803,073)	3,697,405	(38,352,061)
Nonoperating revenues (expenses):				
Passenger facility charges	61,705,013	—	—	61,705,013
Federal and state grants	1,353,122	—	—	1,353,122
Net insurance recovery	30,677	401,414	—	432,091
Interest income	1,591,238	3,416	21,538	1,616,192
Interest expense	(76,972,438)	(24,251)	(5,828,509)	(82,825,198)
Gain (loss) on disposal of assets	(5,488,973)	—	—	(5,488,973)
Amortization of bond issuance costs	(1,662,595)	—	(306,329)	(1,968,924)
Net nonoperating revenues (expenses)	(19,443,956)	380,579	(6,113,300)	(25,176,677)
Net loss before capital contributions and transfers	(57,690,349)	(3,422,494)	(2,415,895)	(63,528,738)
Capital contributions	27,395,060	14,242,476	—	41,637,536
Transfers in (out)	(5,846,218)	5,846,218	—	—
Changes in net position	(36,141,507)	16,666,200	(2,415,895)	(21,891,202)
Net position (deficit) – Beginning of year	435,196,588	50,837,315	(51,573,902)	434,460,001
Net position (deficit) – End of year	\$ 399,055,081	\$ 67,503,515	\$ (53,989,797)	\$ 412,568,799

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2013

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 290,169,428	\$ 2,952,723	\$ 29,514,749	\$ 322,636,900
Payments to suppliers	(121,479,003)	(2,473,635)	(20,599,086)	(144,551,724)
Payments to employees	(75,307,292)	(1,248,936)	—	(76,556,228)
Payments to Wayne County for services provided	(2,031,741)	—	—	(2,031,741)
Payments from Wayne County for services provided	1,961	—	—	1,961
Payments (to) from other funds for services provided	569,713	(569,713)	—	—
Advances (to) from other funds for services provided	(795,446)	795,446	—	—
Return of customer deposits	(7,026,707)	(72,835)	—	(7,099,542)
Collection of customer deposits	8,778,566	15,019	—	8,793,585
Net cash provided by (used in) operating activities	<u>92,879,479</u>	<u>(601,931)</u>	<u>8,915,663</u>	<u>101,193,211</u>
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	(441,360)	441,360	—	—
Grants from federal/state government	1,307,161	—	—	1,307,161
Net cash provided by noncapital financing activities	<u>865,801</u>	<u>441,360</u>	<u>—</u>	<u>1,307,161</u>
Cash flows from capital and related financing activities:				
Capital contributions received	30,602,667	3,955,530	—	34,558,197
Passenger facility charges received	61,802,359	—	—	61,802,359
Transfers (to) from other funds	(10,665,474)	10,665,474	—	—
Principal paid on capital debt	(80,046,437)	(420,624)	(4,402,147)	(84,869,208)
Issuance costs paid on prior year bond issue	(646,066)	—	—	(646,066)
Insurance proceeds received from damage to capital assets	30,677	401,414	—	432,091
Acquisition and construction of capital assets	(105,272,242)	(15,193,844)	(104,486)	(120,570,572)
Interest paid on capital debt	(87,233,184)	(24,251)	(5,736,517)	(92,993,952)
Net cash used in capital and related financing activities	<u>(191,427,700)</u>	<u>(616,301)</u>	<u>(10,243,150)</u>	<u>(202,287,151)</u>
Cash flows from investing activities:				
Interest and dividends received	1,626,265	3,416	27,980	1,657,661
Purchases of investments	(312,171,342)	—	(4,349,000)	(316,520,342)
Maturities of investments	196,989,101	—	4,241,000	201,230,101
Net cash provided by (used in) investing activities	<u>(113,555,976)</u>	<u>3,416</u>	<u>(80,020)</u>	<u>(113,632,580)</u>
Net decrease in cash and cash equivalents	<u>(211,238,396)</u>	<u>(773,456)</u>	<u>(1,407,507)</u>	<u>(213,419,359)</u>
Cash and cash equivalents – Beginning of year	<u>549,606,147</u>	<u>1,996,997</u>	<u>13,055,755</u>	<u>564,658,899</u>
Cash and cash equivalents – End of year	<u>\$ 338,367,751</u>	<u>\$ 1,223,541</u>	<u>\$ 11,648,248</u>	<u>\$ 351,239,540</u>

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2013

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (38,246,393)	\$ (3,803,073)	\$ 3,697,405	\$ (38,352,061)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	133,334,409	2,652,611	4,539,953	140,526,973
Decrease in accounts receivable	1,782,640	13,014	213,376	2,009,030
Increase (decrease) in due from/to other funds	(2,469,455)	225,733	—	(2,243,722)
Decrease (increase) in prepaids/deposits	20,219	(3,970)	(48,679)	(32,430)
Increase in net OPEB asset	(72,814)	—	—	(72,814)
Increase (decrease) in accounts payable	(573,041)	391,847	60,098	(121,096)
Increase in accrued wages and benefits	388,552	10,009	—	398,561
Increase in due to primary government	170,715	—	—	170,715
Increase (decrease) in deferred revenue	(169,206)	1,763	—	(167,443)
Increase in due to other governmental units	1,628	—	—	1,628
Increase (decrease) in other accrued liabilities	(1,287,775)	(89,865)	453,510	(924,130)
Total adjustments	131,125,872	3,201,142	5,218,258	139,545,272
Net cash provided by (used in) operating activities	\$ 92,879,479	\$ (601,931)	\$ 8,915,663	\$ 101,193,211
Cash and investments at September 30, 2013 consist of:				
Cash and cash equivalents	\$ 338,367,751	\$ 1,223,541	\$ 11,648,248	\$ 351,239,540
Investments	215,965,146	—	2,598,000	218,563,146
Total cash and investments	\$ 554,332,897	\$ 1,223,541	\$ 14,246,248	\$ 569,802,686

Noncash operating activities:

- Loans due from Willow Run Airport Fund to Detroit Metropolitan Airport Fund of \$364,609 were forgiven during fiscal year 2013.

Noncash capital and related financing activities:

- Interest expense of approximately \$9.7 million was capitalized into Detroit Metropolitan Airport capital assets during 2013.
- Other accrued liabilities of \$158,185 were written off during fiscal year 2013 due to a customer terminating a lease. The termination relieved Willow Run Airport of its liability.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Position

September 30, 2013

	<u>Postemployment Health Benefits Trust Fund</u>
Assets:	
Cash and investments (note 4):	
Investment pool	\$ <u>24,987,702</u>
Net Position:	
Held in trust for postemployment health benefits	\$ <u>24,987,702</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2013

	Postemployment Health Benefits Trust Fund
Additions:	
Investment income:	
Interest	\$ 41,146
Net appreciation in fair value	2,286,827
Net investment income	2,327,973
Health benefit contributions:	
Employer	7,368,928
Total additions	9,696,901
Deductions:	
Health insurance payments	3,568,928
Changes in net position	6,127,973
Net position - Beginning of year	18,859,729
Net position - End of year	\$ 24,987,702

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

(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. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, the Willow Run Airport, and the Airport Hotel, and the Authority 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. 61, *The Financial Reporting Entity: Omnibus*.

The Authority 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.

Metro Airport has airport use contracts with 12 airlines. These airlines, along with their affiliates, constitute approximately 99 percent of total landed weight in 2013. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports 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, furnishing, and operations of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

The Authority reports the following fiduciary fund type:

Postemployment Health Benefits Trust Fund – This fund is used to account for the postemployment healthcare payments to qualified employees.

(b) 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 as applicable to governmental units; revenues are recorded when earned, and expenses are recorded as incurred.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

(c) 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 value, which is based on quoted market prices.

(d) 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.

(e) 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 from airlines on an accrual basis.

(f) 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.

(g) Net Position

Equity is displayed in three components, as follows:

Net Investment in Capital Assets – 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 position that is 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 position that does not meet the definition of "restricted" or "net investment in capital assets."

The Airport Hotel Fund incurred an unrestricted deficit for the year ended September 30, 2013 of \$591,153. This deficit is expected to be funded by the improvement in future operations of the Hotel.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

(h) Classification of Revenues and Expenses

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

Operating – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees and concession fees, and expenses paid to employees and vendors.

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

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

(j) 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	10 – 50 years
Equipment/Vehicles	3 – 12 years
Infrastructure	10 – 40 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 capital 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.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

(k) Compensated Absences

The Authority’s 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 as a current “other accrued liability”. Activity for the year ended September 30, 2013 was as follows:

<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
\$ 4,883,055	\$ 2,888,233	\$ (3,418,139)	\$ 4,353,149

(l) Retirement Contributions and Other Postemployment Benefit Costs

Employer and employee contributions are recognized by the Wayne County Employees’ Retirement System (WCERS), which includes the Authority personnel, in the period in which the contributions are due. Prior service costs resulting from benefit improvements, plan amendments, actuarial gains or losses, and other reasons are generally reflected in contributions based upon a 20-year amortization period.

In addition to the annual required contribution computed by the actuary, the Authority increased the contribution based on a separate calculation performed by the actuary to take into account the impact of accelerated retirement dates on the actuarial accrued liability as a result of early retirement incentives. The amount of this additional contribution was \$2,693,447. This contribution has been recorded as an expense in the current year and was remitted to WCERS subsequent to September 30, 2013.

The Authority offers retiree healthcare benefits to retirees. The Authority receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. The Authority reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year underpaid amount, if any.

(m) Accounts Receivable

Net receivables at September 30, 2013 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2013 was \$325,090, of which \$300,000 was for the Detroit Metropolitan Airport Fund, \$25,000 was for the Willow Run Airport Fund, and \$90 was for the Airport Hotel Fund.

(n) Accounts Payable

Total payables at September 30, 2013 consist of payables due to vendors used during the normal course of business.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

(o) *Restricted Assets and Liabilities*

Restricted assets consist of cash, investments, and accounts receivable that are legally restricted by third parties to certain uses. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. Operation and maintenance funds are restricted to pay for operations at Metro Airport as required by the bond ordinance. Public safety funds obtained from seizures are restricted to specified security or public safety uses.

Liabilities payable from restricted assets are the accrued interest and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(p) *Interfund Balances, Advances, and Transfers*

The interfund balances resulted from (1) the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one fund to another fund within the same reporting entity. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one fund to another fund within the same reporting entity.

Interfund transfers are used to transfer unrestricted resources from one reporting fund to another to fund operations and capital projects.

(q) *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, 2013 is \$14,256,724.

(r) *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 GASB 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 standard.

(s) *Environmental Matters*

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. These accruals are evaluated periodically for changes due to additional assessment and remediation efforts, as well as more detailed legal or technical information. Environmental liabilities are included in the balance sheet as current and long-term "other accrued liabilities."

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

In certain instances, environmental remediation costs cannot be reasonably estimated; however, the nature of the matters is disclosed in the notes to the basic financial statements as commitments and contingencies. As components of the remediation efforts are able to be projected, they are calculated using an expected cash flow technique and recorded accordingly.

(t) Self Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, self-insured retentions, and legal bills are paid out of these funds. Until November 30, 2010, the Authority purchased commercial insurance for general liability claims in excess of \$50,000. Since September 30, 2004, there have been four losses that have exceeded this \$50,000 retention wherein the insurer has been responsible for settlement and legal fees. Beginning December 1, 2010, the maximum amount paid for legal bills and claims paid out of these funds was reduced to \$10,000 per claim. The Authority now purchases general liability insurance for liability claims in excess of \$10,000. Since December 1, 2010, there have been no losses that have exceeded the \$10,000 retention. In December 2010, the Authority purchased Law Enforcement liability insurance with a \$50,000 SIR. Since December 2010, there have been two losses that have exceeded this \$50,000 retention.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases workers' compensation excess insurance for claims that exceed \$1 million. Since September 30, 2005, there have been two claims that have exceeded the \$1 million retention wherein the insurer has been responsible for settlement of all future wages, medical, and legal costs. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met since the Authority became self-insured.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability". A reconciliation of the Authority's self-insured claims liability at September 30, 2013 follows:

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Other Claims</u>	<u>Total</u>
Claims liability, September 30, 2011	\$ 7,467,389	\$ 2,824,989	\$ 1,017,963	\$ 11,310,341
Claims incurred during fiscal year 2012	17,515,243	408,958	1,363,654	19,287,855
Payments on claims	(14,986,755)	(659,047)	(716,384)	(16,362,186)
Increase (decrease) in the reserve	<u>(6,023,667)</u>	<u>389,416</u>	<u>259,681</u>	<u>(5,374,570)</u>
Claims liability, September 30, 2012	3,972,210	2,964,316	1,924,914	8,861,440
Claims incurred during fiscal year 2013	13,749,692	243,365	179,419	14,172,476
Payments on claims	(13,341,402)	(702,981)	(1,335,447)	(15,379,830)
Increase (decrease) in the reserve	<u>(586,452)</u>	<u>(364,296)</u>	<u>217,729</u>	<u>(733,019)</u>
Claims liability, September 30, 2013	<u>\$ 3,794,048</u>	<u>\$ 2,140,404</u>	<u>\$ 986,615</u>	<u>\$ 6,921,067</u>

(3) Major Customer

Delta Air Lines (Delta) accounts for approximately 29 percent of total Authority operating revenues for the year ended September 30, 2013, including 48 percent of landing and related fees, 67 percent of airline rental and related fees, and 89 percent of facility use fees. Approximately 48 percent of total 2013 enplanements are attributable to Delta's operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately \$690 thousand in net receivables from Delta at September 30, 2013.

The airlines serving the Airport have been impacted by global events to varying degrees. Delta Air Lines filed for bankruptcy reorganization in 2005 (it has since emerged), and American Airlines filed for bankruptcy reorganization in November 2011. During 2008, Delta Air Lines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport operations.

(4) Deposits and Investments

Michigan Compiled Laws Section 129.9 1 (Public Act 20 of 1943, as amended) authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

The investment policy adopted by the Authority in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities (date-specific maturities only), non-negotiable certificates of deposits, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118, or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed-income mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of \$1.00 per share.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below.

Credit risk - In compliance with state law, the Authority's investment policy limits investments of commercial paper to the two top ratings issued by nationally recognized statistical rating organizations. As of year end, the credit quality ratings of investments (other than the U.S. government and municipal bonds) are as follows:

<u>Investment</u>	<u>Fair value</u>	<u>Rating</u>	<u>Organization</u>
Primary Government:			
Money market funds	\$ 1,542,480	AAA	S&P
Commercial paper	139,249,849	A1, P1	S&P, Moody
Commercial paper	80,361,952	A1+, P1	S&P, Moody

The above amounts do not include approximately \$25 million of investments in the Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis with other governmental units by MERS.

Custodial credit risk of bank deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25% of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had \$49,257,344 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk of investments - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery vs. payment procedure, and be held in third-party safekeeping. At year end, none of the Authority's investments were subject to custodial credit risk due to one of the following:

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- Investments were held by a third-party safe-keeper in the Authority’s name.
- Investments were held by the Authority’s trustee in the Authority’s name.
- Investments were part of a mutual fund.

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority’s investment policy addresses this risk by setting limits by investment fund type as follows:

<u>Investment fund</u>	<u>Maturity maximum</u>
General Pool	1 year
Bond Reserve	5 years
Bond Payment and Capital Interest Funds	1 business day prior to bond payment date
Construction Funds	Must match draw schedule or less

Note: All Commercial Paper is limited by state statute to 270 days maximum.

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At year end, the average maturities of investments subject to interest rate risk are as follows:

	Fair value	Average maturity
Primary Government:		
Investments subject to risk:		
Bond reserves:		
U.S. Treasuries	\$ 52,872,238	1.3 years
U.S. Agencies	84,457,513	3.6 years
Municipal Bonds	1,518,651	1.9 years
Long-term repo	3,629,278	8.2 years
Commercial paper	8,013,157	42 days
Bond payment funds:		
U.S. Treasuries	96,816,062	2 months
Capital interest funds:		
2003 Construction:		
Commercial paper	1,100,000	1 day
2005 Construction:		
Commercial paper	4,414,980	2 days
2012A Construction:		
Commercial paper	9,100,000	1 day
2012B Construction:		
Commercial paper	1,700,000	1 day
Construction funds:		
2007 Construction:		
Commercial paper	11,500,000	1 day
2012A Construction:		
U.S. Treasuries	2,067,960	1.5 years
U.S. Agencies	1,001,280	1.4 years
Municipal Bonds	347,504	1.6 years
Commercial paper	88,850,862	20 days
2012B Construction:		
Commercial paper	19,946,954	27 days
U.S. Agencies	2,000,370	1.4 years
Other construction and operating:		
Commercial paper	66,285,814	36 days
U.S. Treasuries	5,450,960	2.7 years
Hotel:		
Commercial paper	8,700,034	21 days
U.S. Treasuries	3,182,936	2 months
Investments subject to risk	472,956,553	

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	<u>Fair value</u>	<u>Average maturity</u>
Deposits/investments not subject to risk:		
Deposits	\$ 95,303,653	
Money market funds	<u>1,542,480</u>	
Total Primary Government	569,802,686	
Fiduciary Fund:		
Deposits/investments not subject to risk:		
Investment pool	<u>24,987,702</u>	
Total Fiduciary Fund	<u>24,987,702</u>	
 Total deposits and investments	 <u>\$ 594,790,388</u>	

Concentration of credit risk – Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test – Maximum investment is 25% of combined capital and surplus position of that financial institution.

Limits based upon use of specific instruments:

<u>Investment type</u>	<u>Limit</u>	<u>Actual at year end</u>
Bankers' acceptances	50%	-
Repurchase agreements	25	0.6
Certificates of deposit (bank)	50	7.8
Money market funds	50	4.5
Commercial paper	60	36.9
U.S. Government	100	41.7

Authority limits based upon use of a single issuer:

<u>Investment type</u>	<u>Limit</u>
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of Deposit (bank)	33% of total portfolio
Certificates of Deposit (S&L)	5% of total portfolio

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Actual year-end investments in a single issuer exceeding 5% of total portfolio are as follows:

<u>Issuer</u>	<u>Investment type</u>	<u>Fair value</u>	<u>Percentage of portfolio</u>	<u>Rating</u>
Abbey National NA LLC	Commercial paper	\$ 95,272,429	16.02%	A1, P1
Toyota Credit Puerto Rico	Commercial paper	42,599,070	7.16	A1+, P1
GE Capital Corp	Commercial paper	29,799,700	5.01	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net position has been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2013 is as follows:

Operations and maintenance:		
Cash and investments		\$ 29,274,555
Accounts receivable		<u>50,191</u>
Total		<u>29,324,746</u>
Replacement and improvements:		
Cash and investments		<u>535,358</u>
Construction:		
Cash and investments		164,382,191
Accounts receivable		<u>28,169</u>
Total		<u>164,410,360</u>
Bond and interest redemption:		
Cash and investments		268,022,966
Accounts receivable		<u>354,141</u>
Total		<u>268,377,107</u>
Passenger facility charges:		
Cash and investments		29,201,086
Accounts receivable		<u>9,379,766</u>
Total		<u>38,580,852</u>
Drug enforcement:		
Cash and investments		<u>1,428,855</u>
Total restricted assets		<u><u>\$ 502,657,278</u></u>

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September 30, 2013

(6) Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	\$ 227,696,431	\$ —	\$ —	\$ 227,696,431
Construction in progress	63,124,668	105,115,504	(143,211,849)	25,028,323
Total capital assets not being depreciated	<u>290,821,099</u>	<u>105,115,504</u>	<u>(143,211,849)</u>	<u>252,724,754</u>
Capital assets being depreciated:				
Buildings and improvements	1,979,710,267	7,506,033	(618,281)	1,986,598,019
Equipment	66,333,907	7,138,789	(1,095,698)	72,376,998
Infrastructure	1,228,917,111	135,430,923	(138,425,911)	1,225,922,123
Total capital assets being depreciated	<u>3,274,961,285</u>	<u>150,075,745</u>	<u>(140,139,890)</u>	<u>3,284,897,140</u>
Less accumulated depreciation for:				
Buildings and improvements	812,327,579	77,028,034	(618,281)	888,737,332
Equipment	44,160,432	4,290,010	(1,095,698)	47,354,744
Infrastructure	699,852,154	52,016,365	(132,786,938)	619,081,581
Total accumulated depreciation	<u>1,556,340,165</u>	<u>133,334,409</u>	<u>(134,500,917)</u>	<u>1,555,173,657</u>
Total capital assets being depreciated, net	<u>1,718,621,120</u>	<u>16,741,336</u>	<u>(5,638,973)</u>	<u>1,729,723,483</u>
Total Detroit Metropolitan Airport Fund capital assets, net	<u>2,009,442,219</u>	<u>121,856,840</u>	<u>(148,850,822)</u>	<u>1,982,448,237</u>

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September 30, 2013

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	\$ 15,926,984	\$ —	\$ —	\$ 15,926,984
Construction in progress	2,405,539	17,998,725	(3,457,516)	16,946,748
Total capital assets not being depreciated	<u>18,332,523</u>	<u>17,998,725</u>	<u>(3,457,516)</u>	<u>32,873,732</u>
Capital assets being depreciated:				
Buildings and improvements	10,447,367	2,809,683	—	13,257,050
Equipment	6,710,447	84,163	(49,019)	6,745,591
Infrastructure	111,469,616	660,747	—	112,130,363
Total capital assets being depreciated	<u>128,627,430</u>	<u>3,554,593</u>	<u>(49,019)</u>	<u>132,133,004</u>
Less accumulated depreciation for:				
Buildings and improvements	4,279,994	419,916	—	4,699,910
Equipment	4,757,829	374,165	(49,019)	5,082,975
Infrastructure	87,062,041	1,858,530	—	88,920,571
Total accumulated depreciation	<u>96,099,864</u>	<u>2,652,611</u>	<u>(49,019)</u>	<u>98,703,456</u>
Total capital assets being depreciated, net	<u>32,527,566</u>	<u>901,982</u>	<u>—</u>	<u>33,429,548</u>
Total Willow Run Airport Fund capital assets, net	<u>50,860,089</u>	<u>18,900,707</u>	<u>(3,457,516)</u>	<u>66,303,280</u>
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	92,883,588	93,600	—	92,977,188
Equipment	747,338	10,886	—	758,224
Total capital assets being depreciated	<u>93,630,926</u>	<u>104,486</u>	<u>—</u>	<u>93,735,412</u>
Less accumulated depreciation for:				
Buildings and improvements	48,813,176	4,493,177	—	53,306,353
Equipment	584,882	46,776	—	631,658
Total accumulated depreciation	<u>49,398,058</u>	<u>4,539,953</u>	<u>—</u>	<u>53,938,011</u>
Total capital assets being depreciated, net	<u>44,232,868</u>	<u>(4,435,467)</u>	<u>—</u>	<u>39,797,401</u>
Total Airport Hotel Fund capital assets, net	<u>44,232,868</u>	<u>(4,435,467)</u>	<u>—</u>	<u>39,797,401</u>
Total Authority capital assets, net	<u>\$ 2,104,535,176</u>	<u>\$ 136,322,080</u>	<u>\$ (152,308,338)</u>	<u>\$ 2,088,548,918</u>

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Notes to Basic Financial Statements

September 30, 2013

(7) Long-term Debt

The detail of long-term debt at September 30, 2013 is as follows:

Detroit Metropolitan Airport Fund:

Airport Revenue Bonds:

Series 2005, 3.50% to 5.25%, due 12/1/2034	\$	465,745,000
Series 2007A Jr. Lien, 4.85% to 5.00%, due 12/1/2037		173,595,000
Series 2007B, 4.00% to 5.382%, due 12/1/2028		114,585,000
Series 2008A, 4.00% to 5.75%, due 12/1/2032		119,735,000
Series 2010A, 2.00% to 5.00%, due 12/1/2018		173,450,000
Series 2010B, 4.00% to 5.00%, due 12/1/2013		4,800,000
Series 2010C, 1.50% to 5.50%, due 12/1/2022		156,155,000
Series 2010D, 1.50% to 5.50%, due 12/1/2021		24,050,000
Series 2010E1, Variable, Current Yield at 9/30/13, 0.13%, due 12/1/2028		75,275,000
Series 2010E2, Variable, Current Yield at 9/30/13, 0.13%, due 12/1/2028		74,895,000
Series 2010F, Variable, Current Yield at 9/30/13, 0.12%, due 12/1/2033		124,640,000
Series 2010G, Variable, Current Yield at 9/30/13, 1.08%, due 12/1/2028		115,760,000
Series 2011A, 4.00% to 5.00%, due 12/1/2022		152,465,000
Series 2011B, 3.00% to 5.00%, due 12/1/2020		16,965,000
Series 2012A, 3.00% to 5.00%, due 12/1/2042		177,565,000
Series 2012B, 5.00%, due 12/1/2037		25,090,000
Series 2012C, 3.00% to 4.00%, due 12/1/2020		3,885,000
Series 2012D, 3.00% to 5.00%, due 12/1/2028		71,525,000
Installment purchase contract, 4.33%, due 5/21/2023		3,135,757
Installment purchase contract, 3.70%, due 9/25/2015		92,562
Installment purchase contract, 3.54%, due 11/14/2014		77,963
Installment purchase contract, 4.05%, due 4/8/2018		199,189
Installment purchase contract, 5.31%, due 12/16/2013		20,579
Installment purchase contract, 1.77%, due 3/16/2017		229,772
Installment purchase contract, 1.77%, due 5/18/2017		670,145
Installment purchase contract, 1.77%, due 5/18/2017		175,924
Installment purchase contract, 1.64%, due 9/27/2017		671,691

Total Detroit Metropolitan Airport Fund

2,075,453,582

Willow Run Airport Fund:

Notes payable – Washtenaw County, 0%, due 12/31/2019

121,722

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

Airport Hotel Fund:	
Airport Hotel Bonds:	
Series 2001A, 5.0% to 5.5%, due 12/1/2030	\$ 99,630,000
Series 2001B, 6.0% to 6.6%, due 12/1/2015	5,830,000
Other Hotel debt:	
Working Capital Loan, 8%, due 11/15/2017	<u>1,500,000</u>
Total Airport Hotel Fund	<u>106,960,000</u>
Total Authority bonds payable and other debt	2,182,535,304
Add (less):	
Deferred amount on refunding	(37,202,189)
Certain bond discounts	(1,459,143)
Certain bond premiums	<u>60,323,458</u>
Total Authority bonds payable and other debt, net	2,204,197,430
Less current portion	<u>85,323,434</u>
Total Authority bonds payable and other debt, noncurrent	<u><u>\$ 2,118,873,996</u></u>

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2013 are summarized as follows:

	Principal					<u>Total</u>
	<u>Airport Revenue Bonds</u>	<u>Installment Purchase Contracts</u>	<u>Willow Run Debt</u>	<u>Airport Hotel Bonds</u>	<u>Other Hotel Debt</u>	
2014	\$ 82,840,000	\$ 818,958	\$ 19,476	\$ 1,645,000	\$ -	\$ 85,323,434
2015	85,515,000	774,761	19,476	1,935,000	-	88,244,237
2016	89,170,000	747,395	19,476	2,250,000	-	92,186,871
2017	91,675,000	779,704	19,476	1,990,000	-	94,464,180
2018	87,670,000	337,782	19,476	2,290,000	1,500,000	91,817,258
2019 to 2023	479,775,000	1,814,982	24,342	23,895,000	-	505,509,324
2024 to 2028	540,095,000	-	-	38,835,000	-	578,930,000
2029 to 2033	376,300,000	-	-	32,620,000	-	408,920,000
2034 to 2038	183,685,000	-	-	-	-	183,685,000
2039 to 2043	<u>53,455,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,455,000</u>
Total	<u>\$ 2,070,180,000</u>	<u>\$ 5,273,582</u>	<u>\$ 121,722</u>	<u>\$ 105,460,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,182,535,304</u>

WAYNE COUNTY AIRPORT AUTHORITY

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September 30, 2013

Interest						
	Airport <u>Revenue Bonds</u>	Installment Purchase <u>Contracts</u>	Willow Run <u>Debt</u>	Airport <u>Hotel Bonds</u>	Other <u>Hotel Debt</u>	<u>Total</u>
2014	\$ 85,076,839	\$ 173,405	\$ -	\$ 5,419,870	\$ 120,000	\$ 90,790,114
2015	81,115,358	150,941	-	5,301,730	120,000	86,688,029
2016	76,753,133	129,884	-	5,163,625	120,000	82,166,642
2017	72,201,495	108,658	-	5,034,650	120,000	77,464,803
2018	67,681,970	86,345	-	4,916,950	15,000	72,700,265
2019 to 2023	268,533,569	197,404	-	21,441,106	-	290,172,079
2024 to 2028	171,938,269	-	-	13,439,894	-	185,378,163
2029 to 2033	91,177,135	-	-	2,532,250	-	93,709,385
2034 to 2038	30,206,588	-	-	-	-	30,206,588
2039 to 2043	6,942,873	-	-	-	-	6,942,873
Total	<u>\$ 951,627,229</u>	<u>\$ 846,637</u>	<u>\$ -</u>	<u>\$ 63,250,075</u>	<u>\$ 495,000</u>	<u>\$ 1,016,218,941</u>

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County’s pledge of its limited tax full faith and credit, subject to constitutional, statutory and charter tax rate limitations, associated with the \$110.9 million (original issue amount) Airport Hotel Revenue Bonds, Series 2001A and 2001B issued by the County. This includes all of the County’s obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County’s Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each Outstanding Series of airport revenue bonds issued thereunder by the County (collectively, “Ordinance 319”). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the Outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

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 June 1999, the County entered into agreements with Northwest 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 and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An “Event of Default” occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in

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default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

In March 2001, the County issued \$110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of paying the cost of acquiring, construction, equipping, and furnishing an airport hotel (the Airport Hotel) and related improvements at the new McNamara Terminal of 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, and paying capitalized interest and certain costs of issuance related to this series.

The Authority 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 December 2001, the County entered into a \$292,133 note payable with Washtenaw County to allow Washtenaw County to use their Michigan Community Development Block Grant to assist Willow Run Airport in renovating Hangar I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for \$5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital Loan was for \$1.5 million and was used to provide initial working capital to operate the Airport Hotel. During 2007, the Capital/FF&E loan was renegotiated with the Hotel Operator and the outstanding interest payable at December 31, 2006 was rolled into the principal amount of the loan. The Capital/FF&E loan was paid in full in February 2013.

The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued \$507.1 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued \$180.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as

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required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A 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 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to \$8 million in major equipment purchases over a three-year period. The Authority used \$5,397,299 of this agreement and entered into five Installment Purchase Contracts to pay for equipment and additional energy conservation improvements at Metro Airport.

In November 2007, the Authority issued \$119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$7 million.

During fiscal year 2008, disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, which significantly affected the Authority’s variable rate hedged and unhedged debt program representing 25.74% of overall Authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued \$142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

In December 2010, the Authority issued \$722.7 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2, and 2010F. The Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2, and 2010F Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2010A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010B Refunding Bonds were issued to refund a portion of the Series 1998B Bonds. The Series 2010C Refunding Bonds were issued to refund a portion of the Series 2008B Bonds, a portion

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of the Series 2008C Bonds, the Series 2008E Bonds, and the Series 2008F Bonds. The Series 2010D Refunding Bonds were issued to refund the Series 2008D Bonds. The Series 2010E-1 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010E-2 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010F Refunding Bonds were issued to refund a portion of the Series 2008B Bonds and a portion of the Series 2008C Bonds. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds, and Series 2008F Bonds by placing the proceeds of the Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds, and Series 2008F Bonds were subsequently called and paid in full in January 2011 and February 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$52.2 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$25.5 million.

The Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with 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 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In December 2010, the Authority issued a \$116 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2010G Bonds. The Series 2010G Bonds were issued to refund a portion of the Series 1998A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2010G Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds by placing the proceeds of the Series 2010G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds were subsequently called and paid in full in January 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$37.7 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$26.2 million.

The Series 2010G Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2010G Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2011, the Authority issued \$169.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2011A and 2011B. The Series 2011A and 2011B Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital

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projects at Metro Airport. The Series 2011A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2011B Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2011A Bonds and Series 2011B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds and the refunded portions of the Series 2002C Bonds by placing the proceeds of the Series 2011A Bonds and Series 2011B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds and Series 2002C Bonds were subsequently called and paid in full in December 2011 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$10.6 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$8.1 million.

In March 2012, the Authority executed a Master Lease Purchase Agreement to finance up to \$2.2 million in major equipment purchases over a nine-month period. The Authority used \$2,166,104 of this agreement and entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In September 2012, the Authority issued \$202.7 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement and parking decks/lots, the replacement and construction of support facilities, acquisition of fleet and heavy equipment, design of a powerhouse control room, watermain replacements, security network upgrades, and roof replacements. The Series 2012A Bonds and Series 2012B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In September 2012, the Authority issued \$75.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2012C and 2012D. The Series 2012C and 2012D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2012C Refunding Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2012D Bonds were issued to refund a portion of the Series 1998A Bonds and the Series 2002D Refunding Bonds. The Series 2012C Bonds and Series 2012D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, the refunded portions of the Series 2002C Bonds, and the refunded Series 2002D Bonds by placing the proceeds of the Series 2012C Bonds and Series 2012D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 2002C Bonds, and Series 2002D Bonds were subsequently called and paid in full in October 2012 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$10.0 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$7.8 million.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2013, interest expense incurred on these debt issues totaled \$91,981,236. For 2013, net financing costs capitalized were \$9,682,986.

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In July 2013, the Authority entered into a line of credit agreement with a maximum borrowing amount of \$15 million. The borrowing charges interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2014. There were no borrowings on this line during the year ended September 30, 2013.

Long-term debt activity for the year ended September 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	\$ 2,149,380,000	\$ -	\$ (79,200,000)	\$ 2,070,180,000	\$ 82,840,000
Installment Purchase Contracts	6,120,019	-	(846,437)	5,273,582	818,958
Less:					
Deferred amount on refunding	(40,957,364)	3,755,175	-	(37,202,189)	-
Add:	-			-	
Certain bond premiums	67,169,038	-	(6,845,580)	60,323,458	-
Total Detroit Metropolitan Airport Fund	<u>2,181,711,693</u>	<u>3,755,175</u>	<u>(86,892,017)</u>	<u>2,098,574,851</u>	<u>83,658,958</u>
Willow Run Airport Fund:					
Notes payable	<u>542,346</u>	-	(420,624)	<u>121,722</u>	<u>19,476</u>
Total Willow Run Airport Fund	<u>542,346</u>	-	(420,624)	<u>121,722</u>	<u>19,476</u>
Airport Hotel Fund:					
Airport Hotel Bonds	106,940,000	-	(1,480,000)	105,460,000	1,645,000
Other Hotel debt	4,422,147	-	(2,922,147)	1,500,000	-
Less:					
Certain bond discounts	<u>(1,583,695)</u>	<u>124,552</u>	-	<u>(1,459,143)</u>	-
Total Airport Hotel Fund	<u>109,778,452</u>	<u>124,552</u>	<u>(4,402,147)</u>	<u>105,500,857</u>	<u>1,645,000</u>
Total Long-Term Debt	<u>\$ 2,292,032,491</u>	<u>\$ 3,879,727</u>	<u>\$ (91,714,788)</u>	<u>\$ 2,204,197,430</u>	<u>\$ 85,323,434</u>

Other long-term liability activity for the year ended September 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Detroit Metropolitan Airport Fund -					
Other accrued liabilities	\$ 10,290,502	\$ 1,536,000	\$ (4,502,306)	\$ 7,324,196	\$ 1,677,284
Willow Run Airport Fund -					
Other accrued liabilities	1,102,076	110,300	(277,076)	935,300	935,300
Airport Hotel Fund -					
Other accrued liabilities	<u>2,857,796</u>	<u>453,510</u>	<u>—</u>	<u>3,311,306</u>	<u>—</u>
Total other long-term liabilities	<u>\$ 14,250,374</u>	<u>\$ 2,099,810</u>	<u>\$ (4,779,382)</u>	<u>\$ 11,570,802</u>	<u>\$ 2,612,584</u>

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(8) Commitments and Contingencies

(a) *Litigation*

The Authority is a defendant in a number of lawsuits and claims that 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 Authority's counsel, not expected to be material.

(b) *Construction*

The estimated costs to complete Metro Airport's current capital improvement program totaled \$460.9 million at September 30, 2013, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled \$70.3 million at September 30, 2013.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled \$112.5 million at September 30, 2013, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled \$7.8 million at September 30, 2013.

(c) *Environmental Matters*

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2013, the Authority had accrued obligations of \$6.2 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. Thirty-four percent of the recorded environmental liabilities is related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The bulk of the remainder is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

In 1994, the Environmental Protection Agency (EPA) and Michigan Department of Natural Resources (MDNR) through a federal court ruling, issued a mandate for environmental remediation of the System noting in their Financing Plan and Final Judgment RE: 1994 Court-Ordered Improvements, "Whereas, it is immediately necessary and imperative for the public health and welfare of the present and future residents of Wayne and the Downriver Communities that the improvements for the System required by the Consent Decree be planned, designed, acquired, constructed and financed to service the Downriver Communities."

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at \$230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is

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required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid \$6.7 million to the City of Romulus for prior year debt service as of September 30, 2013 and an additional \$400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

It is known that certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that will need to be disposed of upon demolition of affected structures. While the pollutant is currently contained due to prior remediation efforts during the late 1980s and early 1990s, the environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment of the pollutants and proper disposal.

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental and have provided information to help develop an estimate remediation costs expected over time. As of September 30, 2013, the Authority recorded asbestos-related liabilities of \$3 million and \$881 thousand at Detroit Metro and Willow Run Airports, respectively.

Additional Remediation Matters

General Motors Corporation (GM) and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the Lease). Under the Lease, GM leases certain land at Willow Run Airport (the Airport) upon which GM constructed and operates a water treatment plant, which it uses as an integral part of its operations of the GM transmission facility next to the Airport (the GM Plant).

On June 1, 2009, GM filed for protection under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court), and pursuant to the Bankruptcy Code, GM has the right to assume or reject the Lease. On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of GM's assets to NGMCO, Inc., a U.S. Treasury-sponsored purchaser (the Purchaser), and on July 10, 2009, the transfer of assets to the Purchaser occurred. GM's name now has been changed to Motors Liquidation Company and the Purchaser's name is now General Motors Company.

In July 2009, GM assigned the Lease to the Purchaser. Pursuant to the Assignment and Assumption document between GM and the Purchaser, GM assigned all of its rights, title, and interest in the Lease to the Purchaser, and the Purchaser accepted the assignment and assumed GM's obligations under the Lease, subject to the retention by GM of certain liabilities associated with the Lease. The liabilities to be retained by GM and not assumed by the Purchaser include, among other things, all liabilities for environmental contamination, at, under, or emanating from the leased premises, all liabilities for cleanup of environmental contamination, and all liabilities for noncompliance with environmental laws. As such, once the property is returned to the Authority, and assuming GM is fully dissolved, to the extent there exists environmental remediation costs, these costs will be the responsibility of the Authority.

The Purchaser operated the facility through the expiration of the Lease agreement on February 28, 2011. On March 5, 2011, Motors Liquidation Company took over operation of the facility from the

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Purchaser. Motors Liquidation Company then operated the facility until March 31, 2011, at which time it transferred all of its assets to Racer Trust, which continues to occupy and operate the water treatment facility. The Authority and Racer Trust are in negotiations to establish a new agreement governing the occupancy of the facility.

Additional small environmental matters were identified for Willow Run during 2010, including site closure of several fuel farms. The Authority recorded liabilities totaling \$54 thousand for these items as of September 30, 2013.

(9) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides five defined benefit retirement options, two of which are contributory and two of which are hybrids between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and two Defined Contribution Plans. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board 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 statements are also available on their website at www.wcers.org.

The Defined Benefit Plan consists of Plan Option 1, Plan Option 2, Plan Option 3, Plan Option 5, and Plan Option 5A (collectively, the Plan) and the Defined Contribution Plan, which consists of Plan Option 4, Plan Option 4A, Plan Option 5, and Plan Option 5A.

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.

On 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 Option 4 through September 30, 2001.

Effective October 1, 2012, WCERS established the Wayne County Defined Contribution Plan #4A and Wayne County Hybrid Retirement Plan #5A, which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 4 and Plan Option 5) could elect to transfer their account balances to Plan Option 5A. Plan Options 1, 2, 3, and 4 were closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 with 1.25/1.5

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percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement. Participants in Plan 5A contribute 2.00 percent of annual compensation, unless the Annual Actuarial Valuation Report of the Wayne County Employees' Retirement System show the Authority's funding level less than 100 percent, then the participant's contribution level will increase to 3 percent until the funding level is at 100 percent.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's and subsequently the Authority's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2013 were \$7,235,055 and \$9,908,406, respectively.

The following represents the Authority's annual pension costs as of September 30, 2013:

<u>Three-year trend information</u>		
	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>
Year ended September 30:		
2011	\$ 3,357,849	100%
2012	5,515,944	100
2013	7,235,055	100

(b) 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 Option 1 – 2.65 percent for each year of service. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments). Minimum monthly pension is \$5 times years of service.

Plan Option 2 – 1 percent for each year up to 20 years and 1.25 percent for each year over 20 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 3 – 1.5 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5 – 1.25 percent for each year up to 20 years and 1.5 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5A – 1.50 percent for each year up to 20 years and 1.75 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

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Death and disability benefits – The Plan also provides nonduty death and disability benefits to members after 10 years of credited service for Plan Options 1, 5 and 5A, along with nonduty disability for Plan Option 2 and nonduty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits for Plan Options 1, 5, and 5A and duty disability for Plan Option 2.

(c) *Wayne County Employees' Retirement System Defined Contribution Plan*

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan (Plan Option 4, Plan Option 4A, Plan Option 5, and Plan Option 5A) 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 and Authority 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 Authority 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 (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective September 30, 2012, the Authority has closed Plan Option 4 to new hires.

Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

In Plan Option 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 4A must contribute 4 percent and can elect to contribute an additional 7.5 percent of their compensation. The Authority makes matching contribution of 8 percent of an employee's compensation and will be vested after three years.

Participants in Plan Option 5 and Plan Option 5A contribute 3 percent of gross pay. The Authority makes matching contributions at a rate equal to the amount contributed by each employee. 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.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2013 were \$2,776,454 and \$1,250,026, respectively.

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(10) Other Postemployment Benefits

Wayne County Airport Authority Act 149 Health Care Fund

(a) Plan Description

As provided for in the Authority Act, the Authority, through 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 Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to \$5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 714 members (including 523 Authority employees in active service and 191 retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

This is a single employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) Funding Policy

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. In September 2012, the Authority transferred these funds into a Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of September 30, 2013 in this restricted plan is \$24,987,702. Non-Medicare retirees are required to contribute either 10 percent of the Blue Cross-Blue Shield illustrative rate or 10 percent of the lesser of HAP active and HAP retiree premium. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) Funding Progress

For the year ended September 30, 2013, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

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Annual required contribution (recommended)	\$	7,348,116
Interest on the prior year's net OPEB obligation		(259,613)
Add adjustment to the annual required contribution		207,611
Annual OPEB cost		7,296,114
Amounts contributed:		
Payments of current premiums		(3,568,928)
Advance funding		(3,800,000)
Increase in net OPEB asset		(72,814)
OPEB asset - beginning of year		(3,245,160)
OPEB asset - end of year	\$	(3,317,974)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB asset for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2011	2012	2013
Annual OPEB Costs	\$ 5,481,951	\$ 5,514,643	\$ 7,296,114
Percentage contributed	97.2%	126.8%	101.0%
Net OPEB asset	\$ (1,768,486)	\$ (3,245,160)	\$ (3,317,974)

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of October 1, 2012

Actuarial value of assets	\$	18,859,729
Actuarial accrued liability (AAL)	\$	97,657,838
Unfunded AAL (UAAL)	\$	78,798,109
Funded ratio		19.3%
Annual covered payroll		34,171,169
Ratio of UAAL to covered payroll		230.6%

(d) Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required as supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time

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of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the expected long-term investment return on plan assets, a projected 3.5 percent salary increase, and an annual healthcare cost trend rate of 7.8 percent initially, reduced to an ultimate rate of 5 percent after 10 years. The UAAL is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over 30 years.

Wayne County Health and Welfare Plan (Pre-2002)

(a) Plan Description

As provided for in the Authority Act, the Authority, through 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 Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to \$5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 3,475 members, which includes retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

This is a cost-sharing, multiple-employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) Funding Policy

The benefits of the plan are established by the various collective bargaining agreements. Employees are not required to contribute to the plan. The Authority is required to contribute 11.25 percent of incurred costs to the plan. The required and actual contributions for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2011	2012	2013
Required contribution	\$ 3,180,914	\$ 3,149,251	\$ 2,879,326
Actual contribution	\$ 3,180,914	\$ 3,149,251	\$ 2,879,326
% of required contribution made	100.0%	100.0%	100.0%

(11) Subsequent Events

On November 1, 2013, the Authority issued \$390.5 million in Wayne County Airport Authority Revenue Refunding Bonds at the following amounts: Series 2013A - \$200 million, Series 2013B - \$74.9 million, and Series 2013C - \$115.6 million.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

September 30, 2013

The Series 2013A Variable Rate Refunding Bonds were issued to refund the Series 2010E-1 and Series 2010F Bonds. The Series 2013B Variable Rate Refunding Bonds were issued to refund the Series 2010E-2 Bonds. The Series 2013C Variable Rate Refunding Bonds were issued to refund the Series 2010G Bonds.

(12) Upcoming Reporting Changes

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. The statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Authority during the 2014 fiscal year.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending September 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

WAYNE COUNTY AIRPORT AUTHORITY

Required Supplementary Information

September 30, 2013

Wayne County Airport Authority Act 149 Health Care Fund

The schedule of funding progress is as follows (in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2006	\$ -	\$ 46.9	\$ 46.9	0.0%	*	*
10/1/2007	\$ -	\$ 54.6	\$ 54.6	0.0%	*	*
10/1/2008	\$ 3.1	\$ 52.9	\$ 49.8	5.9%	*	*
10/1/2009	\$ 6.6	\$ 65.7	\$ 59.1	10.1%	*	*
10/1/2010	\$ 10.1	\$ 68.2	\$ 58.1	14.8%	*	*
10/1/2012	\$ 18.9	\$ 97.7	\$ 78.8	19.3%	\$ 34.2	230.6%

* Information not available

The schedule of employer contributions is as follows:

Year Ended September 30	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2008	10/1/2006	\$ 4,454,663	89.2%
2009	10/1/2007	\$ 5,318,912	128.7%
2010	10/1/2008	\$ 4,914,922	116.4%
2011	10/1/2009	\$ 5,571,393	95.6%
2012	10/1/2010	\$ 5,533,171	126.4%
2013	10/1/2012	\$ 7,348,116	100.3%

The information presented about was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2012, the latest actuarial valuation, follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (open)	30 years
Asset valuation method	Market value

Actuarial assumptions:

Investment rate of return	8.00%
Projected salary increases	3.00%

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

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

CONTENTS

Financial Trends – Exhibits S-1, S-2

These exhibits contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity – Exhibits S-3, S-5

These exhibits contain information to help the reader assess the factors affecting the Authority's ability to generate revenue.

Debt Capacity – Exhibits S-6 to S-8

These exhibits present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic & Economic Information – Exhibits S-10 series

These exhibits offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time with other entities. In certain instances, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

Operating Information – Exhibits S-4, S-5, S-9, S-11, S-12

These exhibits contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs. In the case of S-11 and S-12, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

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

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Position

(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating revenues:										
Airport landing and related fees	\$ 65,493,268	67,299,967	69,099,578	70,172,024	60,059,740	84,607,837	59,512,753	60,738,124	73,872,334	89,178,691
Concession fees	51,696,676	51,689,387	50,575,848	47,974,977	48,424,882	51,851,089	50,242,144	47,350,937	44,496,491	42,569,958
Parking fees	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280
Hotel	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017
Rental facilities	103,155,137	107,353,758	96,449,901	91,822,952	90,110,146	53,748,737	53,145,882	48,582,712	46,009,056	39,266,093
Expense recoveries	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448
Other	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	5,615,349
Total operating revenues	<u>318,765,765</u>	<u>318,638,824</u>	<u>311,059,834</u>	<u>297,096,887</u>	<u>280,759,062</u>	<u>290,711,955</u>	<u>266,513,315</u>	<u>253,003,991</u>	<u>251,387,821</u>	<u>243,790,836</u>
Nonoperating revenues:										
Passenger facility charges	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716
Federal and state grants	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228
Interest income and other	2,048,283	1,834,241	3,390,214	5,021,589	7,310,241	28,603,234	46,903,106	43,339,574	19,695,210	7,174,260
Total nonoperating revenues	<u>65,106,418</u>	<u>65,347,407</u>	<u>66,913,743</u>	<u>66,592,234</u>	<u>68,111,193</u>	<u>98,998,441</u>	<u>123,619,727</u>	<u>123,281,807</u>	<u>106,063,307</u>	<u>85,141,204</u>
Total revenues	<u>383,872,183</u>	<u>383,986,231</u>	<u>377,973,577</u>	<u>363,689,121</u>	<u>348,870,255</u>	<u>389,710,396</u>	<u>390,133,042</u>	<u>376,285,798</u>	<u>357,451,128</u>	<u>328,932,040</u>
Operating expenses:										
Salaries, wages, and fringe benefits	72,891,273	70,105,901	71,489,016	70,060,439	75,098,962	77,942,240	72,396,333	68,648,870	66,623,493	62,191,329
Parking management	6,280,332	6,048,290	6,794,062	6,504,949	7,082,235	8,905,534	10,325,232	9,754,453	10,647,259	9,726,476
Hotel management	21,064,105	20,888,610	22,644,120	20,032,541	18,693,537	23,032,852	24,054,417	22,271,550	21,870,313	19,671,787
Janitorial services	11,400,627	11,498,166	11,164,616	10,988,244	10,599,304	2,422,889	2,433,551	2,047,401	2,010,248	3,436,194
Security	2,260,167	2,288,013	2,401,473	2,293,067	2,657,120	2,757,886	3,433,065	3,501,437	3,462,682	3,324,401
Utilities	27,035,597	26,676,454	24,886,104	26,691,836	27,700,377	30,429,231	26,570,574	23,021,456	21,827,924	20,303,099
Repairs, professional services, and other	75,658,752	71,689,848	79,689,990	74,617,012	69,556,874	84,887,031	75,042,299	78,310,637	83,477,087	89,905,438
Depreciation	140,526,973	142,828,398	142,754,436	146,151,075	146,151,805	129,574,853	121,087,982	115,853,648	103,631,906	100,235,010
Total operating expenses	<u>357,117,826</u>	<u>352,023,680</u>	<u>361,823,817</u>	<u>357,339,163</u>	<u>357,540,214</u>	<u>359,952,516</u>	<u>335,343,453</u>	<u>323,409,452</u>	<u>313,550,912</u>	<u>308,793,734</u>
Nonoperating expenses:										
Interest expense	82,825,198	85,514,177	91,549,044	105,913,828	116,392,802	94,925,971	105,855,656	106,822,360	92,389,419	83,572,858
Loss on disposal of assets	5,488,973	2,555,076	—	—	1,104,513	6,214,429	317,452	42,544	—	—
Amortization of bond issuance costs	1,968,924	2,035,607	1,902,952	2,161,678	1,942,959	2,315,453	2,267,001	2,294,476	2,105,484	1,857,822
Total nonoperating expenses	<u>90,283,095</u>	<u>90,104,860</u>	<u>93,451,996</u>	<u>108,075,506</u>	<u>119,440,274</u>	<u>103,455,853</u>	<u>108,440,109</u>	<u>109,159,380</u>	<u>94,494,903</u>	<u>85,430,680</u>
Total expenses	<u>447,400,921</u>	<u>442,128,540</u>	<u>455,275,813</u>	<u>465,414,669</u>	<u>476,980,488</u>	<u>463,408,369</u>	<u>443,783,562</u>	<u>432,568,832</u>	<u>408,045,815</u>	<u>394,224,414</u>
Capital contributions	<u>41,637,536</u>	<u>27,121,478</u>	<u>17,750,671</u>	<u>29,137,352</u>	<u>36,318,566</u>	<u>54,816,676</u>	<u>66,212,355</u>	<u>39,806,394</u>	<u>39,938,986</u>	<u>60,334,091</u>
Change in net position	<u>\$ (21,891,202)</u>	<u>(31,020,831)</u>	<u>(59,551,565)</u>	<u>(72,588,196)</u>	<u>(91,791,667)</u>	<u>(18,881,297)</u>	<u>12,561,835</u>	<u>(16,476,640)</u>	<u>(10,655,701)</u>	<u>(4,958,283)</u>
Net position at year end composed of:										
Net investment in capital assets	27,234,267	36,778,052	86,906,586	120,302,294	151,759,863	170,385,938	131,815,887	180,192,710	235,042,203	369,007,593
Restricted	323,698,561	338,786,218	322,488,477	358,386,114	405,007,255	430,322,283	471,545,803	384,747,891	386,024,617	273,179,286
Unrestricted	61,635,971	58,895,731	56,085,769	46,343,989	40,853,475	37,745,179	53,973,007	79,832,261	99,185,995	88,721,637
Total net position	<u>\$ 412,568,799</u>	<u>434,460,001</u>	<u>465,480,832</u>	<u>525,032,397</u> ²	<u>597,620,593</u>	<u>638,453,400</u>	<u>657,334,697</u>	<u>644,772,862</u> ¹	<u>720,252,815</u>	<u>730,908,516</u>

¹ In 2006, the Authority restated beginning net position to \$661,249,502. This amount less the 2006 decrease in net position is used to arrive at ending net position.

² In 2010, the Authority restated beginning net position by \$50,958,860. This amount less the increase/decrease in net position is used to arrive at ending net position.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Airline revenues:										
Airport landing and related fees	\$ 65,493,268	\$ 67,299,967	\$ 69,099,578	\$ 70,172,024	\$ 60,059,740	\$ 84,607,837	\$ 59,512,753	\$ 60,738,124	\$ 73,872,334	\$ 89,178,691
Terminal building rentals and fees	84,354,836	86,463,382	74,347,911	71,852,635	67,703,125	28,972,704	28,621,629	26,992,072	25,831,713	24,992,399
Facility use fees	7,552,051	7,489,497	7,143,733	6,302,145	6,468,964	8,159,193	7,962,948	7,073,579	7,568,033	6,460,040
Total airline revenues	157,400,155	161,252,846	150,591,222	148,326,804	134,231,829	121,739,734	96,097,330	94,803,775	107,272,080	120,631,130
Percentage of total revenues	41.0%	42.0%	39.8%	40.8%	38.5%	31.2%	24.6%	25.2%	30.0%	36.7%
Non-Airline revenues:										
Parking fees	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280
Concession fees	31,536,249	32,063,017	31,592,316	30,702,401	30,885,107	30,358,313	29,382,953	28,175,773	26,415,027	25,846,018
Car rental	20,160,427	19,626,370	18,983,532	17,272,576	17,539,775	21,492,776	20,859,191	19,175,164	18,081,464	16,723,940
Hotel	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017
Employee shuttle bus	2,502,311	5,210,640	5,869,315	5,467,240	5,655,355	5,773,430	5,253,731	4,959,535	5,331,254	4,544,805
Ground transportation	5,094,540	4,882,553	4,944,291	4,738,700	6,510,045	7,055,550	7,394,349	5,911,719	4,134,289	1,110,046
Utility service fees	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448
Rental facilities	3,651,399	3,307,686	4,144,651	3,462,232	3,772,657	3,787,860	3,913,225	3,645,807	3,143,767	2,819,528
Other	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	4,954,624
Total non-airline revenues	161,365,610	157,385,978	160,468,612	148,770,083	146,527,233	168,972,221	170,415,985	158,200,216	144,115,741	123,159,706
Percentage of total revenues	42.0%	41.0%	42.5%	40.9%	42.0%	43.4%	43.7%	42.0%	40.3%	37.4%
Nonoperating revenues:										
Passenger facility charges	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716
Federal and state grants	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228
Interest	1,616,192	1,810,277	3,241,109	4,941,344	7,310,241	28,082,306	45,948,105	43,328,283	19,194,846	7,174,260
Other	432,091	23,964	149,105	80,245	—	520,928	955,001	11,291	500,364	—
Total nonoperating revenues	65,106,418	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204
Percentage of total revenues	17.0%	17.0%	17.7%	18.3%	19.5%	25.4%	31.7%	32.8%	29.7%	25.9%
Total revenues	\$ 383,872,183	\$ 383,986,231	\$ 377,973,577	\$ 363,689,121	\$ 348,870,255	\$ 389,710,396	\$ 390,133,042	\$ 376,285,798	\$ 357,451,128	\$ 328,932,040
Enplaned passengers	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780
Total revenue per enplaned passenger	\$ 23.88	23.75	23.29	22.91	21.88	21.86	21.54	21.14	19.55	18.99
Airline revenue per enplaned passenger	\$ 9.79	9.97	9.28	9.34	8.42	6.83	5.31	5.33	5.87	6.97

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Landing Fees:											
Signatory Airlines ¹	\$	3.14	3.23	3.26	3.44	2.83	3.58	2.37	2.49	2.74	3.74
Non-Signatory Airlines ²		3.93	4.04	4.08	4.30	3.39	3.79	3.01	4.21	3.97	4.64
General Aviation ³		1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.38	1.00
Facility Use Fees:											
South Terminal	\$	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.50
North Terminal		5.00	5.00	5.00	5.00	5.00	—	—	—	—	—
Smith/Berry Terminals		—	—	—	—	—	3.50	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):											
Office Space – Airline	\$	—	—	—	—	—	19.71	19.71	19.71	19.71	19.71
South Terminal - Signatory Airlines ¹		57.71	60.00	57.70	54.51	52.00	—	—	—	—	—
South Terminal - Non-Signatory Airlines		66.36	69.00	69.00	68.00	60.00	—	—	—	—	—
North Terminal - Signatory Airlines ¹		118.95	118.00	51.20	65.17	61.00	—	—	—	—	—
North Terminal - Non-Signatory Airlines		136.79	136.00	78.00	88.00	71.00	—	—	—	—	—
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Electric		4.67	4.67	4.67	4.67	1.24	1.24	1.24	1.24	1.24	1.24

** The revenue bases to which these rates are applied and their principal payers can be found in Schedules S-2 and S-4.

¹ Calculated pursuant to the formulas set forth in the Airport Use and Lease Agreement. The agreement provides the calculation of the annual landing fee and terminal rental rates, with rate adjustments at mid-year, if required.

² Average billed rate per 1,000 lbs. MGLW.

³ General aviation rates are charged at Willow Run Airport only and represent an average of the tiered rates applied per 1,000 lbs. MGLW.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

Airline ¹	2013		2012		2011		2010		2009	
	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
Delta/Northwest Air Lines ²	10,051,320	48.7%	9,655,644	46.9%	10,153,498	48.5%	10,369,432	51.4%	11,333,666	54.0%
Delta/Northwest (Endeavor) ^{2,6}	3,661,163	17.7	3,237,417	15.7	2,743,336	13.1	2,817,713	14.0	2,616,584	12.5
Delta/Northwest (ExpressJet) ^{2,3}	1,260,107	6.1	1,110,252	5.4	795,381	3.8	104,058	0.5	1,474	—
Southwest/AirTran Airways ⁴	969,194	4.7	942,596	4.6	973,682	4.6	894,080	4.4	946,536	4.5
Spirit Airlines	765,188	3.7	749,026	3.6	752,623	3.6	637,083	3.2	690,048	3.3
US Airways	474,744	2.3	454,827	2.2	422,444	2.0	380,154	1.9	377,506	1.8
Delta/Northwest (Chatauqua) ²	467,713	2.3	217,005	1.1	—	—	—	—	—	—
Federal Express	446,450	2.2	461,450	2.2	409,567	2.0	361,807	1.8	374,202	1.8
American Airlines	310,887	1.5	300,395	1.5	318,885	1.5	312,306	1.5	399,070	1.9
Delta/Northwest (Compass) ²	225,942	1.1	288,096	1.4	371,436	1.8	438,616	2.2	596,054	2.8
American (American Eagle)	207,170	1.0	195,133	0.9	180,815	0.9	193,235	1.0	155,625	0.7
United Parcel Service	167,762	0.8	168,483	0.8	171,832	0.8	171,234	0.8	171,687	0.8
Lufthansa	153,106	0.7	146,790	0.7	147,477	0.7	142,243	0.7	174,062	0.8
Air France	142,397	0.7	146,639	0.7	146,476	0.7	138,582	0.7	122,641	0.6
Delta/Northwest (Shuttle America) ²	139,035	0.7	221,668	1.1	—	—	—	—	—	—
United/Continental ⁵	95,890	0.5	166,107	0.8	242,335	1.2	238,808	1.2	394,117	1.9
Frontier	84,124	0.4	124,080	0.6	143,844	0.7	126,776	0.6	140,742	0.7
Lufthansa Cargo	52,480	0.3	31,390	0.2	—	—	—	—	—	—
Delta/Northwest (Comair) ²	—	—	942,080	4.6	1,115,580	5.3	669,929	3.3	187,696	0.9
Mesaba	—	—	144,408	0.7	872,731	4.2	1,202,839	6.0	1,484,510	7.1
KLM	—	—	—	—	—	—	—	—	74,970	0.4
British Airways	—	—	—	—	—	—	—	—	—	—
United (Air Canada)	—	—	—	—	—	—	—	—	—	—
Aeromexico	—	—	—	—	—	—	—	—	—	—
Independence Air	—	—	—	—	—	—	—	—	—	—
American Trans Air	—	—	—	—	—	—	—	—	—	—
Atlantic Coast Air	—	—	—	—	—	—	—	—	—	—
Other ⁷	954,189	4.6	904,865	4.3	961,771	4.6	968,370	4.8	763,456	3.5
Total	20,628,861	100.0%	20,608,351	100.0%	20,923,713	100.0%	20,167,265	100.0%	21,004,646	100.0%

¹ Signatory Affiliate Airlines are associated based on 2013 affiliations and shown in parentheses to major carrier name. All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

² Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one on this report.

³ Atlantic Southwest Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one on this report.

⁴ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one on this report.

⁵ Continental Airlines merged with and into United Airlines on October 1, 2010, and for comparative purposes, are shown as one on this report.

⁶ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

⁷ Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2008		2007		2006		2005		2004	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
13,604,011	58.2%	14,856,034	61.0%	14,723,198	61.1%	16,766,206	64.8%	16,892,256	66.7%
2,516,756	10.8	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4	1,757,142	6.9
64,185	0.3	44,137	0.2	40,937	0.2	12,220	—	21,929	0.1
1,073,878	4.6	1,185,694	4.8	893,980	3.7	648,992	2.5	658,960	2.6
925,981	4.0	1,116,697	4.6	952,127	3.9	877,491	3.4	937,300	3.7
397,966	1.7	435,733	1.8	393,666	1.6	454,692	1.8	548,455	2.2
—	—	—	—	—	—	—	—	—	—
477,212	2.0	525,479	2.2	482,405	2.0	479,467	1.9	493,409	1.9
506,633	2.2	538,336	2.2	548,634	2.3	621,399	2.4	701,026	2.8
173,768	0.7	—	—	—	—	—	—	—	—
107,737	0.5	116,715	0.5	93,732	0.4	43,656	0.2	—	—
195,473	0.8	204,976	0.8	211,295	0.9	195,519	0.8	193,016	0.8
243,753	1.0	229,272	0.9	150,863	0.6	151,089	0.6	155,152	0.6
114,617	0.5	116,552	0.5	119,720	0.5	44,044	0.2	—	—
—	—	—	—	—	—	—	—	—	—
572,105	2.5	599,440	2.5	611,210	2.5	621,278	2.4	790,119	3.1
147,774	0.6	152,353	0.6	116,166	0.5	36,220	0.1	—	—
—	—	—	—	—	—	—	—	—	—
125,020	0.5	137,273	0.6	137,285	0.6	191,421	0.7	189,889	0.8
1,118,993	4.8	679,531	2.8	1,371,475	5.7	1,818,552	7.0	1,583,408	6.3
80,214	0.3	—	—	—	—	—	—	—	—
107,202	0.5	209,479	0.9	118,431	0.5	153,285	0.6	150,523	0.6
28,994	0.1	28,960	0.1	29,070	0.1	27,443	0.1	33,957	0.1
9,432	0.0	—	—	—	—	—	—	—	—
—	—	—	—	16,262	0.1	105,750	0.4	14,570	0.1
—	—	—	—	—	—	—	—	10,396	—
—	—	—	—	—	—	—	—	60,511	0.2
767,206	3.4	777,872	3.1	871,290	3.6	451,950	1.7	115,692	0.5
<u>23,358,910</u>	<u>100.0%</u>	<u>24,356,703</u>	<u>100.0%</u>	<u>24,109,640</u>	<u>100.0%</u>	<u>25,887,255</u>	<u>100.0%</u>	<u>25,307,710</u>	<u>100.0%</u>

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline ¹	2013		2012		2011		2010		2009	
	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
Domestic:										
America West	—	—	—	—	—	—	—	—	—	—
American (AA Eagle)	169,407	1.05	162,633	1.01	154,136	0.95	161,692	1.02	125,766	0.79
American Airlines	269,364	1.68	269,593	1.68	275,990	1.70	284,813	1.79	346,775	2.18
American Trans Air (ATA)	—	—	—	—	—	—	—	—	—	—
Champion Air	—	—	—	—	—	—	—	—	—	—
Delta/Northwest (ExpressJet) ^{2,4}	978,390	6.09	885,230	5.47	650,836	4.01	83,690	0.53	1,289	0.01
Delta/Northwest (Chautauqua) ²	448,754	2.79	217,573	1.35	168,194	1.04	95,086	0.60	4,798	0.03
Delta/Northwest (Comair) ²	—	—	811,218	5.02	945,095	5.82	540,781	3.41	145,990	0.92
Delta/Northwest (Compass) ²	175,829	1.09	241,508	1.49	312,578	1.93	340,262	2.14	439,785	2.76
Delta/Northwest (Mesaba Aviation) ²	—	—	123,066	0.76	721,808	4.45	949,610	5.98	1,042,785	6.54
Delta/Northwest (Endeavor) ^{2,5}	3,080,866	19.16	2,698,992	16.69	2,254,208	13.89	2,186,627	13.77	2,066,229	12.96
Delta/Northwest (Shuttle America) ²	121,712	0.76	190,663	1.18	85,863	0.53	4,462	0.03	10,599	0.07
Delta/Northwest Airlines ²	6,568,924	40.86	6,349,263	39.27	6,651,576	40.99	7,328,799	46.16	7,894,790	49.52
Frontier	80,496	0.50	125,186	0.77	140,291	0.86	117,044	0.74	117,396	0.74
Independence Air	—	—	—	—	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—	—	—	—	—
Southwest/Airtan Airlines ⁶	832,772	5.18	842,732	5.21	813,744	5.02	755,276	4.76	742,389	4.65
Spirit Airlines	755,169	4.70	711,134	4.40	703,335	4.33	558,596	3.52	591,150	3.71
Trans Meridian	—	—	—	—	—	—	—	—	—	—
United/Continental (Atlantic Coast) ³	—	—	—	—	—	—	—	—	—	—
United/Continental (ExpressJet) ^{3,4}	130,342	0.81	123,199	0.76	112,402	0.69	118,001	0.74	63,765	0.40
United/Continental (GoJet) ³	44,311	0.28	34,532	0.21	57,089	0.35	66,206	0.42	56,837	0.36
United/Continental (Mesa) ³	42,346	0.26	43,702	0.27	19,733	0.12	29,999	0.19	47,908	0.30
United/Continental (Skywest) ³	58,464	0.36	43,592	0.27	29,789	0.18	68,400	0.43	31,407	0.20
United/Continental Airlines ³	70,789	0.44	128,634	0.80	195,711	1.21	186,520	1.17	287,568	1.80
US Airways	392,991	2.44	366,277	2.27	340,664	2.10	303,451	1.91	313,774	1.97
US Airways (Air Wisconsin)	63,752	0.40	71,394	0.44	81,860	0.50	76,414	0.48	95,658	0.60
US Airways (Mesa)	26,173	0.16	37,154	0.23	19,074	0.12	22,387	0.14	22,640	0.14
US Airways (PSA)	6,519	0.04	10,716	0.07	5,990	0.04	5,860	0.04	15,747	0.10
US Airways (Republic)	96,509	0.60	80,347	0.50	111,361	0.69	112,838	0.71	74,785	0.47
USA 3000	—	—	—	—	153	—	2,226	0.01	19,823	0.12
Other ⁷	251,438	1.56	233,942	1.45	61,052	0.37	215,005	1.36	62,738	0.40
Total Domestic	14,665,317	91.21	14,802,280	91.57	14,912,532	91.89	14,614,045	92.05	14,622,391	91.74
International:										
Aeromexico	—	—	—	—	—	—	—	—	2,053	0.01
Air Canada	17,156	0.11	14,887	0.09	12,340	0.08	6,875	0.04	5,956	0.04
Air France	77,751	0.48	82,675	0.51	76,568	0.47	70,685	0.45	55,233	0.35
British Airways	—	—	—	—	—	—	—	—	—	—
Compass	—	—	—	—	—	—	13,301	0.08	26,608	0.17
KLM-Royal Dutch Airlines	—	—	—	—	—	—	—	—	40,196	0.25
Lufthansa	66,977	0.42	64,854	0.40	67,952	0.42	65,568	0.41	72,884	0.46
Delta/Northwest (Mesaba Aviation)	—	—	—	—	67	—	19,583	0.12	45,248	0.28
Delta/Northwest Air Lines	1,180,193	7.34	1,119,589	6.92	1,065,984	6.57	921,973	5.81	1,009,773	6.33
Delta/Northwest (Comair)	—	—	—	—	—	—	20,851	0.13	—	—
Delta/Northwest (Endeavor) ⁵	2,175	0.01	18,094	0.11	44,711	0.28	97,518	0.61	—	—
Royal Jordanian Airlines	14,334	0.09	15,143	0.09	14,051	0.09	15,258	0.10	14,822	0.09
Southwest/Airtan Airlines ⁶	11,120	0.07	10,295	0.06	11,436	0.07	5,849	0.04	271	—
Spirit Airlines	22,669	0.14	23,339	0.14	15,579	0.10	12,274	0.08	16,928	0.11
US Airways	1,302	0.01	1,459	0.01	1,493	0.01	1,997	0.01	1,853	0.01
Other ⁷	18,658	0.12	16,969	0.10	3,488	0.02	10,604	0.07	26,916	0.16
Total International	1,412,335	8.79	1,367,304	8.43	1,313,669	8.11	1,262,336	7.95	1,318,741	8.26
Grand Total	16,077,652	100.00%	16,169,584	100.00%	16,226,201	100.00%	15,876,381	100.00%	15,941,132	100.00%

¹ Signatory Affiliate Airlines are associated based on 2013 affiliations and shown in parentheses to major carrier name.

All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

² Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one in this report.

³ Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

⁴ Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

⁵ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

⁶ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

⁷ Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2008		2007		2006		2005		2004	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
—	—	241,961	1.34	259,600	1.46	267,776	1.46	215,539	1.24
85,637	0.48	91,529	0.51	73,918	0.42	32,203	0.18	—	—
442,012	2.48	443,530	2.45	440,680	2.48	471,863	2.58	446,589	2.58
—	—	—	—	—	—	—	—	8,027	0.05
—	—	34,462	0.19	34,055	0.19	31,283	0.17	31,195	0.18
58,351	0.33	37,242	0.21	32,646	0.18	8,316	0.05	4,867	0.03
9,211	0.05	—	—	—	—	—	—	—	—
90,839	0.51	94,044	0.52	91,216	0.51	108,322	0.59	103,012	0.59
144,644	0.81	—	—	—	—	—	—	—	—
811,681	4.55	457,948	2.53	900,785	5.06	1,108,615	6.06	973,875	5.62
2,043,385	11.46	1,915,685	10.58	1,663,236	9.34	1,477,582	8.08	1,201,651	6.94
36,813	0.21	—	—	33,902	0.19	4,385	0.02	—	—
9,555,525	53.59	10,324,808	57.02	10,207,929	57.35	10,915,338	59.69	10,654,864	61.53
126,580	0.71	121,456	0.67	91,097	0.51	28,184	0.15	—	—
—	—	—	—	13,445	0.08	74,496	0.41	6,378	0.04
—	—	—	—	372	—	—	—	11,400	0.07
812,093	4.55	845,523	4.67	679,665	3.82	461,535	2.52	449,778	2.60
802,424	4.50	933,029	5.15	781,652	4.39	793,510	4.34	854,526	4.93
—	—	—	—	—	—	25,488	0.14	14,958	0.09
—	—	—	—	—	—	—	—	44,199	0.26
63,856	0.36	70,559	0.39	73,606	0.41	62,265	0.34	63,440	0.37
—	—	—	—	—	—	—	—	—	—
43,380	0.24	57,546	0.32	55,148	0.31	70,388	0.38	—	—
24,640	0.14	36,475	0.20	39,041	0.22	11,609	0.06	—	—
450,079	2.52	482,805	2.66	502,087	2.83	493,085	2.70	588,538	3.40
331,934	1.86	100,860	0.56	56,900	0.32	91,892	0.50	193,798	1.12
104,993	0.59	83,203	0.46	89,264	0.50	748	—	—	—
47,464	0.27	—	—	—	—	—	—	—	—
38,059	0.21	17,035	0.09	66,631	0.37	53,283	0.29	—	—
23,992	0.13	—	—	—	—	—	—	—	—
79,304	0.44	67,516	0.37	66,277	0.37	52,788	0.29	34,099	0.20
44,232	0.26	124,106	0.68	68,660	0.39	113,467	0.64	14,149	0.06
<u>16,271,128</u>	<u>91.25</u>	<u>16,581,322</u>	<u>91.57</u>	<u>16,321,812</u>	<u>91.70</u>	<u>16,758,421</u>	<u>91.64</u>	<u>15,914,882</u>	<u>91.90</u>
5,942	0.03	—	—	—	—	—	—	—	—
13,678	0.08	13,085	0.07	14,899	0.08	13,921	0.08	13,746	0.08
45,947	0.26	48,355	0.27	50,466	0.28	19,174	0.10	—	—
20,491	0.11	47,472	0.26	55,403	0.31	59,658	0.33	59,507	0.34
—	—	—	—	—	—	—	—	—	—
41,753	0.23	—	—	—	—	—	—	—	—
102,121	0.57	98,008	0.54	67,305	0.38	70,372	0.38	74,608	0.43
37,906	0.21	37,538	0.21	32,103	0.18	36,362	0.20	22,787	0.13
1,204,927	6.76	1,174,843	6.49	1,138,025	6.39	1,199,496	6.56	1,100,843	6.36
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
16,434	0.09	14,150	0.08	16,028	0.09	14,581	0.08	10,369	0.06
—	—	—	—	—	—	—	—	1,684	0.01
19,464	0.11	20,146	0.11	16,671	0.09	—	—	—	—
—	—	—	—	—	—	—	—	—	—
51,440	0.30	73,171	0.40	87,220	0.50	114,297	0.63	118,354	0.69
<u>1,560,103</u>	<u>8.75</u>	<u>1,526,768</u>	<u>8.43</u>	<u>1,478,120</u>	<u>8.30</u>	<u>1,527,861</u>	<u>8.36</u>	<u>1,401,898</u>	<u>8.10</u>
<u>17,831,231</u>	<u>100.00%</u>	<u>18,108,090</u>	<u>100.00%</u>	<u>17,799,932</u>	<u>100.00%</u>	<u>18,286,282</u>	<u>100.00%</u>	<u>17,316,780</u>	<u>100.00%</u>

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6
Debt Service Detail
(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2013		2012		2011		2010		2009	
	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹
Airport Revenue Bonds:										
Series 1993A	\$ —	—	—	—	—	—	—	—	—	—
Series 1993B	—	—	—	—	—	—	—	—	—	—
Series 1993C	—	—	—	—	—	—	—	—	—	—
Series 1994A	—	—	—	—	—	—	—	—	2,975,000	29,131
Series 1994B	—	—	—	—	—	—	—	—	—	—
Series 1996A	—	—	—	—	—	—	—	—	39,710,000	—
Series 1996B	—	—	—	—	—	—	—	—	39,710,000	—
Series 1998A	—	—	188,455,000	2,369,208	523,050,000	13,903,092	21,400,000	36,492,050	20,280,000	37,614,200
Series 1998B	—	—	—	—	13,885,000	119,395	4,085,000	752,119	3,890,000	960,013
Series 2001 Jr. Lien	—	—	—	—	—	—	—	—	—	8,956,732
Series 2002A	—	—	—	—	—	—	—	—	—	—
Series 2002C	2,105,000	17,542	23,425,000	422,686	130,000	1,357,673	125,000	1,362,839	120,000	1,367,806
Series 2002D	6,920,000	59,508	49,935,000	2,046,127	4,005,000	3,089,613	3,800,000	3,289,738	3,630,000	3,487,750
Series 2003A-1	—	—	—	—	—	—	—	—	—	—
Series 2003A-2	—	—	—	—	—	—	—	—	—	—
Series 2003A-3	—	—	—	—	—	—	—	—	—	—
Series 2003B	—	—	—	—	—	—	—	—	—	—
Series 2003C	—	—	—	—	—	—	—	—	—	—
Series 2004	—	—	—	—	—	—	—	—	—	—
Series 2005	11,130,000	23,759,217	10,590,000	24,310,175	10,080,000	24,835,425	9,590,000	25,332,592	—	25,718,425
Series 2007A Jr. Lien	3,480,000	8,645,983	3,315,000	8,818,607	—	8,956,733	—	8,956,733	—	8,956,733
Series 2007B	4,805,000	5,542,642	—	5,742,850	—	5,742,850	—	5,742,850	—	5,742,850
Series 2008A	5,100,000	6,603,500	5,020,000	6,857,833	4,955,000	7,108,292	4,895,000	7,355,542	2,580,000	7,796,648
Series 2008B	—	—	—	—	196,450,000	105,706	4,800,000	658,931	—	2,884,226
Series 2008C	—	—	—	—	81,250,000	453,996	4,715,000	2,336,011	3,470,000	3,629,604
Series 2008D	—	—	—	—	33,375,000	222,333	3,800,000	1,154,563	2,500,000	1,708,255
Series 2008E	—	—	—	—	33,340,000	267,251	3,725,000	1,736,496	300,000	2,317,172
Series 2008F	—	—	—	—	33,375,000	266,992	3,730,000	1,705,727	300,000	2,280,328
Series 2009A	—	—	—	—	—	—	9,000,000	36,125	—	1,559
Series 2010A	26,185,000	8,527,825	22,855,000	9,258,634	—	7,631,310	—	—	—	—
Series 2010B	—	240,000	—	266,633	—	316,509	—	—	—	—
Series 2010C	16,990,000	8,016,358	15,270,000	8,762,450	—	7,088,049	—	—	—	—
Series 2010D	2,055,000	1,196,225	1,940,000	1,235,325	—	997,163	—	—	—	—
Series 2010E-1	85,000	104,432	—	123,572	—	128,462	—	—	—	—
Series 2010E-2	105,000	97,698	—	115,477	—	121,786	—	—	—	—
Series 2010F	—	171,296	—	190,434	—	192,729	—	—	—	—
Series 2010G	240,000	1,279,419	—	1,326,022	—	1,031,784	—	—	—	—
Series 2011A	—	7,296,000	—	6,100,267	—	—	—	—	—	—
Series 2011B	—	754,750	—	631,055	—	—	—	—	—	—
Series 2012A	—	8,900,906	—	591,750	—	—	—	—	—	—
Series 2012B	—	1,257,985	—	83,633	—	—	—	—	—	—
Series 2012C	—	126,852	—	8,433	—	—	—	—	—	—
Series 2012D	—	3,456,425	—	229,790	—	—	—	—	—	—
Installment Purchase Contracts	846,437	198,465	400,464	179,411	2,253,902	257,251	2,245,693	378,987	2,018,534	490,406
Willow Run Notes Payable:										
Washtenaw County	19,476	—	19,476	—	19,476	—	19,475	—	19,475	—
University of Michigan	401,148	24,251	7,543	32,682	3,038	37,186	8,144	32,081	5,492	34,733
Less: Bond Refundings ²	—	—	(255,600,000)	—	(866,085,000)	—	—	—	(74,770,000)	—
Totals	\$ 80,467,061	86,277,279	69,627,483	79,703,054	70,086,416	84,231,580	75,938,312	97,323,384	46,738,501	113,976,571

Airport Hotel

	2013		2012		2011		2010		2009	
	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹
Airport Hotel Bonds:										
Series 2001A	\$ —	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	1,480,000	401,060	1,200,000	494,860	980,000	566,905	765,000	624,908	590,000	669,745
Other Hotel Debt:										
Capital/FF&E Reserve Loan	2,922,147	93,522	439,308	253,040	405,640	286,708	374,553	317,796	345,848	346,501
Working Capital Loan	—	120,000	—	120,000	—	120,000	—	120,000	—	120,000
Totals	\$ 4,402,147	5,703,957	1,639,308	5,957,275	1,385,640	6,062,988	1,139,553	6,152,079	935,848	6,225,621

¹ Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

² Amount of debt service paid through issuance of refunding bonds.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7
Revenue Coverage
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Detroit Metro and Willow Run Airports										
Net revenues:										
Operating revenues	\$ 289,464,302	\$ 291,026,902	\$ 281,687,336	\$ 270,267,951	\$ 257,512,270	\$ 259,215,375	\$ 233,130,883	\$ 222,468,787	\$ 222,174,589	\$ 218,956,819
Interest income and other	2,026,745	1,798,471	3,354,863	4,992,574	7,143,858	28,101,968	46,264,411	42,905,863	19,469,004	7,075,748
Federal and state grants	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228
Passenger facility charges	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716
Total revenues	354,549,182	356,338,539	348,565,728	336,831,170	325,457,080	357,712,550	356,111,915	345,316,883	328,011,690	303,999,511
Less operating expenses, not including depreciation	(195,526,748)	(188,306,672)	(196,428,761)	(191,159,047)	(192,698,372)	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)	(188,883,437)
Net revenues	159,022,434	168,031,867	152,136,967	145,672,123	132,758,708	150,393,642	165,910,494	160,033,629	140,211,744	115,116,074
Net debt service:										
Principal ³	80,467,061	69,627,483	70,086,416	75,938,312	46,738,501	98,301,428	61,824,828	56,748,407	55,263,066	51,630,531
Interest ¹	86,277,279	79,703,054	84,231,580	97,323,384	105,019,840	111,590,379	105,853,192	105,336,061	86,631,797	72,973,276
Net debt service	166,744,340	149,330,537	154,317,996	173,261,696	151,758,341	209,891,807	167,678,020	162,084,468	141,894,863	124,603,807
Debt Service Coverage ²	0.95	1.13	0.99	0.84	0.87	0.72	0.99	0.99	0.99	0.92
Pledged Revenue Coverage – Airport Hotel										
Net revenues:										
Operating revenues	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017
Interest income and other	21,538	43,320	35,351	29,015	166,383	501,266	638,695	433,711	226,206	98,512
Total revenues	29,323,001	27,655,242	29,407,849	26,857,951	23,413,175	31,997,846	34,021,127	30,968,915	29,439,438	24,932,529
Less operating expenses, not including depreciation	(21,064,105)	(20,888,610)	(22,640,620)	(20,029,041)	(18,690,037)	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)	(19,675,287)
Net revenues	8,258,896	6,766,632	6,767,229	6,828,910	4,723,138	8,939,091	9,967,077	8,696,365	7,320,378	5,257,242
Net debt service:										
Principal	4,402,147	1,639,308	1,385,640	1,139,553	935,848	529,342	358,341	100,000	—	—
Interest ¹	5,703,957	5,957,275	6,062,988	6,152,079	6,225,621	6,283,971	6,285,020	6,418,763	6,299,947	6,373,243
Net debt service	10,106,104	7,596,583	7,448,628	7,291,632	7,161,469	6,813,313	6,643,361	6,518,763	6,299,947	6,373,243
Debt Service Coverage ²	0.82	0.89	0.91	0.94	0.66	1.31	1.50	1.33	1.16	0.82
Combined net debt service:										
Principal	84,869,208	71,266,791	71,472,056	77,077,865	47,674,349	98,830,770	62,183,169	56,848,407	55,263,066	51,630,531
Interest ¹	91,981,236	85,660,329	90,294,568	103,475,463	111,245,461	117,874,350	112,138,212	111,754,824	92,931,744	79,346,519
Total combined net debt service	\$ 176,850,444	\$ 156,927,120	\$ 161,766,624	\$ 180,553,328	\$ 158,919,810	\$ 216,705,120	\$ 174,321,381	\$ 168,603,231	\$ 148,194,810	\$ 130,977,050

Notes: The Authority 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.

¹ Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

² Coverage calculations presented in this schedule differ from those required by the Master Bond Ordinance and all series ordinances as shown in the Continuing Disclosures.

³ Principal payments do not include bond refunding payoffs.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Outstanding debt by type: ¹										
Airport revenue bonds	\$ 2,070,180,000	\$ 2,149,380,000	\$ 2,026,685,000	\$ 2,121,835,000	\$ 2,188,500,000	\$ 2,231,195,000	\$ 2,326,065,000	\$ 2,205,935,000	\$ 2,261,165,000	\$ 1,807,285,000
Installment purchase contracts	5,273,582	6,120,019	4,354,379	6,608,280	8,853,973	10,508,525	7,532,539	8,740,000	10,235,000	11,630,000
Willow Run notes payable	102,246	542,346	569,365	591,879	619,498	644,465	671,102	695,930	719,337	737,403
Airport hotel bonds	105,460,000	106,940,000	108,140,000	109,120,000	109,885,000	110,475,000	110,685,000	110,820,000	110,920,000	110,920,000
Other hotel debt	1,500,000	4,422,147	4,861,455	5,267,095	5,641,648	5,987,496	6,306,838	6,500,000	6,500,000	6,500,000
Total outstanding debt	\$ 2,182,515,828	\$ 2,267,404,512	\$ 2,144,610,199	\$ 2,243,422,254	\$ 2,313,500,119	\$ 2,358,810,486	\$ 2,451,260,479	\$ 2,332,690,930	\$ 2,389,539,337	\$ 1,937,072,403
Enplaned passengers	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780
Outstanding debt per enplaned passenger	\$ 135.75	140.23	\$ 132.17	\$ 141.31	\$ 145.13	\$ 132.29	\$ 135.37	\$ 131.05	\$ 130.67	\$ 111.86
Combined net debt service per enplaned passenger										
Combined net debt service ²	\$ 176,850,444	156,927,120	\$ 161,766,624	\$ 180,553,328	\$ 158,919,810	\$ 216,705,120	\$ 174,321,381	\$ 168,603,231	\$ 148,194,810	\$ 130,977,050
Enplaned passengers	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780
Net debt service per enplaned passenger	\$ 11.00	9.71	\$ 9.97	\$ 11.37	\$ 9.97	\$ 12.15	\$ 9.63	\$ 9.47	\$ 8.10	\$ 7.56

¹ Outstanding Debt amounts do not include refundings, discounts, or premiums.

² Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

	Authority Full-Time Positions *									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Administration	8	8	16	11	15	18	20	20	20	20
Internal Audit	3	3	3	2	2	3	3	3	2	2
Legal	5	5	5	5	5	7	7	7	7	7
North Terminal Development Team	—	—	—	—	—	4	6	6	5	9
Finance	32	31	34	35	31	36	37	37	36	32
Information Technology/Telecommunications	14	12	13	14	14	14	16	13	7	7
Procurement & Compliance	14	14	18	24	20	25	25	24	21	19
Human Resources	11	11	14	12	14	15	15	15	18	22
Maintenance/Facilities	194	192	206	204	203	223	228	228	238	239
Airfield Operations	39	40	44	44	44	47	47	46	49	48
Public Safety	203	204	209	207	207	247	248	241	270	270
Planning & Development	28	24	19	17	16	14	15	15	22	22
Business Development	32	33	34	35	37	52	56	54	44	49
Willow	11	11	11	11	11	27	27	27	23	23
Central Communications ¹	—	—	—	—	—	—	—	8	27	28
Totals	594	588	626	621	619	732	750	744	789	797

* Represents both filled and budget-approved full-time positions as of each fiscal year end. Headcount actuals are lower due to employee turnover and amount of available positions at different times during the year.

¹ As of 9/30/2007, staff were reallocated to other divisions at the Authority or returned to Wayne County.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

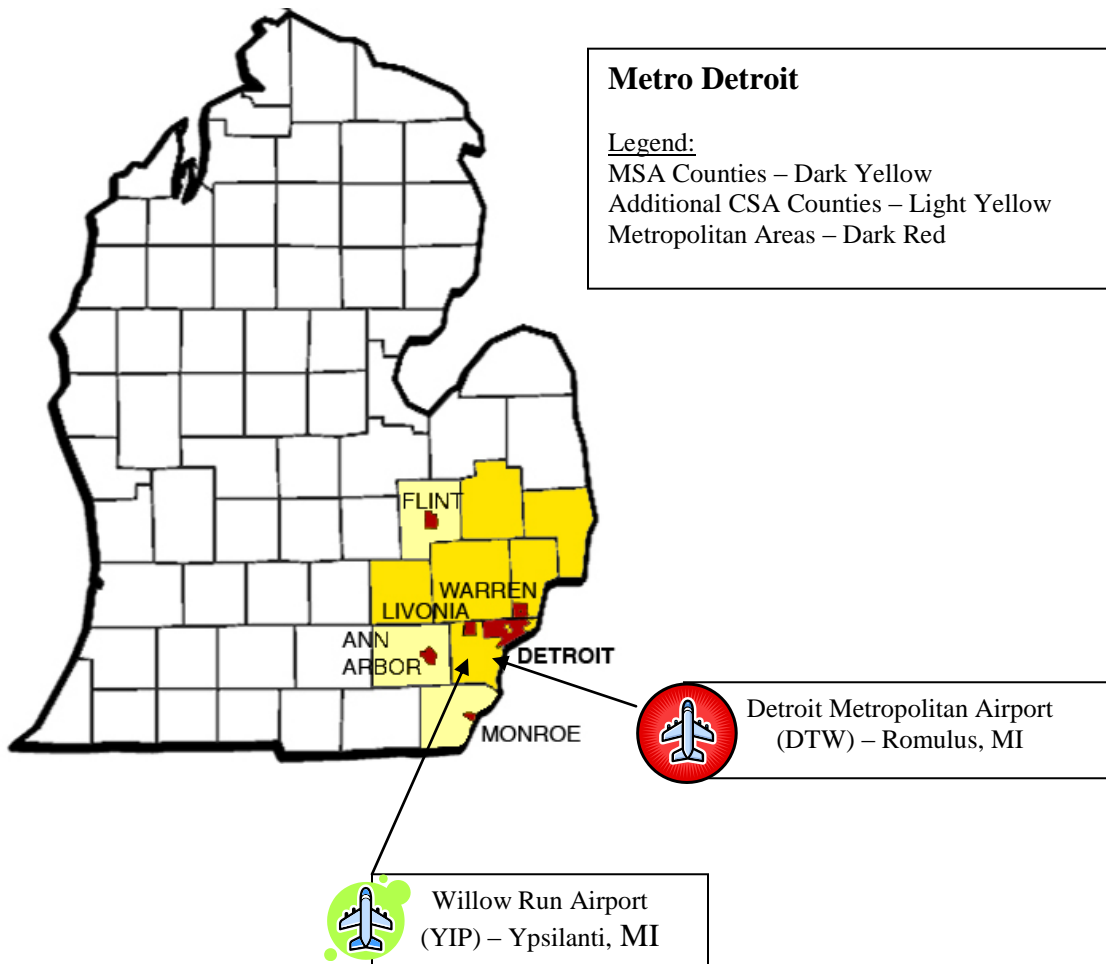
Exhibit S-10: Demographic and Economic Information

Wayne County Airport Authority (the Authority) is a regional entity that spans multiple jurisdictions. The Authority has operational jurisdiction of Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), as well as an Airport Hotel.

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2012, Detroit Metro Airport is the eleventh busiest airport in the United States and the seventeenth busiest airport in the world. Nearby to DTW is the smaller non-commercial airport Willow Run that serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.2 million as of the 2010 census.

Detroit Metro Airport also serves the Toledo, Ohio, area, which is located approximately 47 miles south of the airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit.



WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

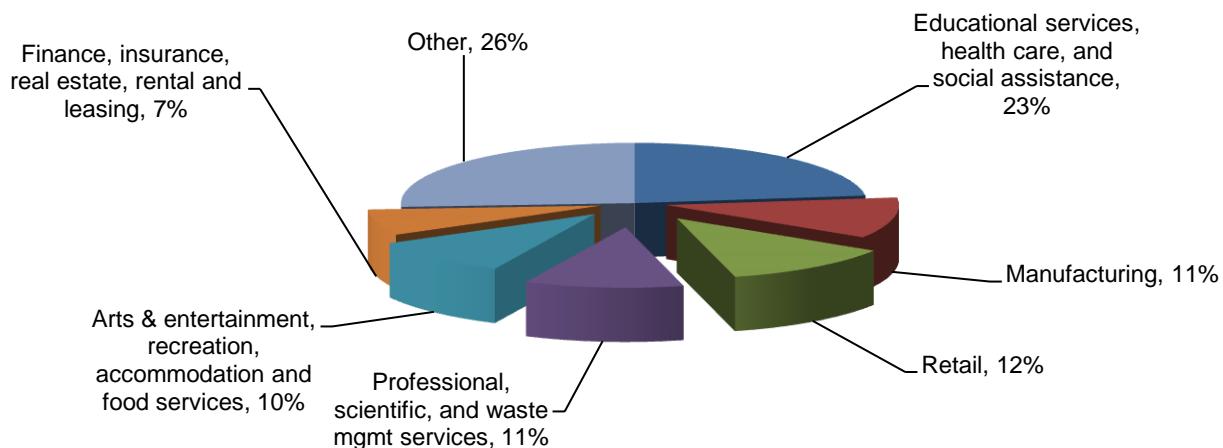
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2012) Est.	5,212,462
Population (2010)	5,218,852
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Decrease in Population - 2010 to 2012	-0.1%
Percentage Female	51.5%
Percentage Male	48.5%
Personal Income (millions) (2012)	\$215,916
Percent of U.S. Total	1.8%
Per Capita Personal Income (2010)	\$38,372
Per Capita Personal Income (2010) - U.S.	\$41,603
Unemployment Rate (2013 September)	9.4%
Unemployment Rate (2012 Annual)	10.5%
Unemployment Rate (2011 Annual)	11.6%
Total Households (millions)	2.0
Average Household Size (people)	2.5

Leading Industries

(% of employed population 16 years and older)



Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis, and Bureau of Labor Statistics

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2013 *	Metro Employees 2012 **	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	43,977	39,134	12.4%	Automobile Manufacturer
University of Michigan	Ann Arbor	29,551	28,525	3.6%	Public University & Health Care System
Chrysler L.L.C.	Auburn Hills	29,006	25,733	12.7%	Automobile Manufacturer
General Motors Corp.	Detroit	26,843	25,813	4.0%	Automobile Manufacturer
U.S. Government	Detroit	18,600	19,033	(2.3)%	Federal Government
Henry Ford Health System	Detroit	17,831	18,402	(3.1)%	Health Care System
CHE Trinity Health	Livonia	14,062	13,828	1.7%	Health Care System
Detroit Medical Center	Detroit	13,458	13,499	(0.3)%	Health Care System
Beaumont Hospitals	Royal Oak	13,134	12,767	2.9%	Health Care System
St. John Health	Warren	12,002	12,649	(5.1)%	Health Care System

* Data as of July 2013

** Data as of July 2012

Source: Crain's Detroit Business, September 25, 2013

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,384 acres			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	913,904	sq ft	
	North Terminal Airlines	241,077	sq ft	
	Tenants/Concessionaires	207,337	sq ft	
	TSA/FIS	185,434	sq ft	
	Public/Common	1,603,768	sq ft	
	Number of In-Service Passenger Gates	147		
	Number of Concessionaires	34		
	Number of Rental Car Agencies On-Airport	8		
Airfield:	Runways	13,251,764	sq ft	(a)
	Taxiways	22,889,896	sq ft	(a)
	Aprons	20,908,462	sq ft	(a)
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	5,842		
	Green Lot 1	1,670		
	Green Lot 2	900		
		<hr/>		
		18,529	spaces	
Cargo:	Cargo/Hangar Buildings	881,070	sq ft	(a)
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Wayne County Operations Control Towers			
FBOs:	ASIG (Aircraft Service International Group) Metro Flight Services			

(a) These totals have changed from the prior year due to physical inventory reconciliation and construction activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,367 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9/27 14/32		
Airfield:	Runways	5,286,425 sq ft	
	Taxiways	4,425,210 sq ft	
	Ramps/Aprons	5,093,764 sq ft	
Corporate/Private Space:	Hangar	354,500 sq ft	(a)
	Tenants Other	97,100 sq ft	(b)
	T-Hangars (qty. 110)	44,800 sq ft	(c)
	Number of Rental Car Agencies On-Airport	1	
Additional Space:	WCAA Admin, Maintenance, Ops, Public Safety	56,200 sq ft	
	Yankee Air Museum	53,400 sq ft	
	FAA	35,000 sq ft	
International:	U.S. Customs (user fee airport)		
Tower:	FAA 24/7		
FBOs:	Active Aero Service Avflight		

(a) These totals have increased from the prior year due to customers building additional facilities on-site.

(b) These totals have decreased from the prior year due to loss of tenants.

(c) These totals have decreased from the prior year due to physical inventory reconciliation (land and taxiways were included in the total square footage in prior years).

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

**CONTINUING DISCLOSURE SECTION
(UNAUDITED)**

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference
Operating Years Ended September 30, 2013

Portions of the following documents are incorporated herein by reference into sections of the Comprehensive Annual Financial Report (CAFR) as indicated:

<u>Document</u>	<u>Part of CAFR into which incorporated</u>
Official Statement, \$169,430,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2011A-B	Continuing Disclosures
Official Statement, \$278,065,000 Wayne County Airport Authority Airport Revenue and Refunding Bonds, Series 2012 A-D	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2013

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	\$ 234,924	\$ 160,307	1.47	\$ 9.71
Total Senior Lien and Junior Lien	\$ 234,924	\$ 172,546	1.36	\$ 9.71

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical				
	2013	2012	2011	2010	2009
Salaries and wages	\$ 41,975	43,159	44,225	43,166	46,274
Employee benefits	25,513	25,268	25,840	27,555	26,422
	<u>67,488</u>	<u>68,427</u>	<u>70,065</u>	<u>70,721</u>	<u>72,696</u>
Contractual services:					
Parking management	6,280	6,048	6,794	6,505	7,082
Security expenses	2,260	2,288	2,401	2,293	2,657
Janitorial services	11,383	11,480	11,143	10,972	10,577
Shuttle bus	6,501	8,098	8,750	8,495	8,483
Other services	18,394	16,456	19,228	14,025	14,481
Total contractual services	<u>44,818</u>	<u>44,370</u>	<u>48,316</u>	<u>42,290</u>	<u>43,280</u>
Wayne County administrative services	130	157	126	141	163
Repairs and maintenance	29,296	31,661	35,334	36,383	28,445
Supplies and other operating expenses	10,499	8,930	9,312	7,896	9,272
Insurance	2,298	2,370	2,294	2,532	2,710
Utilities	26,628	26,280	24,524	26,198	26,933
Rentals	705	699	665	679	66
Interest expense and paying agent fees	163	173	197	360	556
Capital expenses	3,647	3,898	7,444	2,774	1,500
	<u>73,366</u>	<u>74,168</u>	<u>79,896</u>	<u>76,963</u>	<u>69,645</u>
Total O&M expenses	<u>\$ 185,672</u>	<u>186,965</u>	<u>198,277</u>	<u>189,974</u>	<u>185,621</u>

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical				
	2013	2012	2011	2010	2009
Airline revenues:					
Rental and use fees:					
Terminal building rentals and fees	\$ 64,322	62,763	58,393	56,611	49,318
Common-use/shared-use area rentals	23,098	23,419	17,553	18,778	16,381
Debt service recapture	1,718	1,773	1,828	1,828	1,828
Facilities use fees	7,262	7,092	6,638	5,950	6,320
Less rental fee adjustment	(5,134)	(2,144)	(4,122)	(7,156)	(1,550)
Total rental and use fees	91,266	92,903	80,290	76,011	72,297
Activity fees:					
Signatory airlines	64,394	66,993	76,562	68,489	58,584
Nonsignatory airlines	953	1,236	1,688	1,505	1,610
Less rental fee adjustment	(425)	(1,510)	(9,776)	(343)	(471)
Total activity fees	64,922	66,719	68,474	69,651	59,723
Total airline revenues	156,188	159,622	148,764	145,662	132,020
Nonairline revenues:					
Concessions:					
Automobile parking	57,829	56,091	54,145	48,309	49,911
Rental car	20,160	19,626	18,984	17,273	17,540
Food and beverage	12,877	12,878	13,057	13,107	12,872
Retail	11,663	12,489	12,210	11,103	12,565
Marketing and communications	2,603	2,357	2,106	1,977	1,490
Other concessions	4,044	3,990	3,887	4,240	3,636
Total concessions	109,176	107,431	104,389	96,009	98,014
Rentals	2,612	2,255	2,761	3,454	3,767
Utility fees	5,152	4,790	4,879	4,332	4,320
Interest income	138	205	255	234	730
Ground transportation	5,095	4,883	4,944	4,739	6,510
Other (a)	8,971	9,437	13,197	10,080	9,540
Total nonairline revenues	131,144	129,001	130,425	118,848	122,881
Total operating revenues	\$ 287,332	288,623	279,189	264,510	254,901

(a) Includes shuttle bus revenue, badging fees, miscellaneous fees, chargebacks, and state and federal grants

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:					
Airline revenues	\$ 156,188	159,622	148,764	145,662	132,020
Nonairline revenues	131,144	129,001	130,425	118,848	122,881
Interest income generated in bond funds and reserves	5,404	2,502	3,496	2,192	8,069
Other available monies:					
PFC contributions	62,838	65,538	87,576	99,207	97,862
Letter of intent	—	—	—	—	605
Capitalized interest contribution	12,621	2,657	438	1,846	3,852
Other	4,201	1,894	1,943	1,064	2,308
Total revenues	\$ <u>372,396</u>	<u>361,214</u>	<u>372,642</u>	<u>368,819</u>	<u>367,597</u>
Priority					
Application of revenues:					
1 Operation and Maintenance Fund	\$ 191,715	192,475	202,456	194,014	190,098
2 Bond Fund	160,307	148,478	150,798	158,179	160,873
3 Junior Lien Bond Fund	12,239	12,271	11,719	8,957	8,957
4 Operation and Maintenance Reserve Fund	—	—	—	—	—
5 Renewal and Replacement Fund	500	500	500	500	500
6 County Discretionary Fund	350	350	350	350	350
7 Airport Development Fund	7,285	7,140	6,819	6,819	6,819
Total application of revenues	\$ <u>372,396</u>	<u>361,214</u>	<u>372,642</u>	<u>368,819</u>	<u>367,597</u>

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2013

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:		
Revenues		\$ 287,332
Revenue fund balance at beginning of year		66,864
Other available monies:		
PFC contributions		62,838
Other		4,201
Interest income generated in bond funds and reserves		5,404
Total revenues	[A]	<u>426,639</u>
Operation and maintenance expenses	[B]	<u>191,715</u>
Net revenues available for Sr. Lien debt service	[A - B] = [C]	234,924
Bond debt service - Senior Lien	[D]	<u>160,307</u>
Net revenues available for Jr. Lien debt service	[C - D] = [E]	74,617
Bond debt service - Junior Lien	[F]	<u>12,239</u>
Net revenues remaining in revenue fund		62,378
Debt service coverage:		
Senior Lien bonds	[C]/[D]	1.47
Senior Lien and Junior Lien bonds	[C]/[D + F]	1.36
Rate covenant elements:		
Operation and maintenance expenses		\$ 191,715
125% debt service – Bonds	[(1.25 x D) + F]	212,623
Other fund requirements		8,135
Total rate covenant elements		<u>\$ 412,473</u>

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2013	14,665,317	1,412,335	16,077,652	(0.6)%
2012	14,802,280	1,367,304	16,169,584	(0.3)
2011	14,912,532	1,313,669	16,226,201	2.2
2010	14,614,045	1,262,336	15,876,381	(0.4)
2009	14,622,391	1,318,741	15,941,132	(10.6)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

Calendar year	Detroit Metro		United States		Detroit as a percentage of U.S. total
	Number of passengers	Percent increase (decrease)	Number of passengers	Percent increase (decrease)	
2013	15,094,836	(2.1)%	686,121,528	(0.9)%	2.2%
2012	15,424,226	(0.8)	692,369,957	0.7	2.2
2011	15,544,032	0.4	687,843,250	1.5	2.3
2010	15,483,222	(0.7)	677,624,234	(2.9)	2.3
2009	15,593,075	(6.9)	697,998,338	(0.2)	2.2

Note: 2013 estimate based on six 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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals	Regionals	Total (a)	Percent increase (decrease)
2013	104,226	96,764	78	201,068	(2.3)%
2012	76,944	126,245	2,586	205,775	(3.9)
2011	78,479	131,225	4,327	214,031	(1.8)
2010	107,976	101,613	8,455	218,044	4.7
2009	103,617	95,697	8,920	208,234	(5.5)

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

Note: 2013 estimate based on six 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

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations		Domestic connections	
	Number	Percent of total	Number	Percent of total
2013	6,669,649	46.6%	7,650,287	53.4%
2012	6,743,905	45.9	7,964,675	54.1
2011	6,762,033	45.4	8,138,265	54.6
2010	6,566,987	44.1	8,310,099	55.9
2009	6,671,730	46.4	7,718,609	53.6

Note: 2013 estimate based on six months of data

Source: U.S. Department of Transportation Origin and Destination Passenger Ticket Survey, 298c
Commuter Data, Airport Activity Statistics of Certificated Route Air Carriers, and Wayne County
Airport Authority records.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2013		OY 2012		OY 2011	
	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market
Domestic:						
American (AA Eagle)	169,407	1.2%	162,633	1.1%	154,136	1.1%
American Airlines	269,364	1.8	269,593	1.8	275,990	1.9
Delta/Northwest (ExpressJet) ⁽¹⁾⁽⁴⁾	978,390	6.7	885,230	6.0	650,836	4.4
Delta/Northwest (Chautauqua) ⁽¹⁾	448,754	3.1	217,573	1.5	168,194	1.1
Delta/Northwest (Comair) ⁽¹⁾	—	—	811,218	5.5	945,095	6.3
Delta/Northwest (Compass) ⁽¹⁾	175,829	1.2	241,508	1.6	312,578	2.1
Delta/Northwest (Freedom) ⁽¹⁾	—	—	—	—	—	—
Delta/Northwest (Mesaba Aviation) ⁽¹⁾	—	—	123,066	0.8	721,808	4.9
Delta/Northwest (Endeavor) ^{(1), (6)}	3,080,866	21.0	2,698,992	18.2	2,254,208	15.1
Delta/Northwest (Shuttle America) ⁽¹⁾	121,712	0.8	190,663	1.3	85,863	0.6
Delta/Northwest (SkyWest) ⁽¹⁾	91,610	0.6	85,570	0.6	4,058	—
Delta/Northwest (GoJet) ⁽¹⁾	87,296	0.6	73,634	0.5	—	—
Delta/Northwest Air Lines ⁽¹⁾	6,568,924	44.8	6,349,263	42.9	6,651,576	44.6
Frontier	80,496	0.5	125,186	0.8	140,291	0.9
Southwest/AirTran Airlines ⁽³⁾	832,772	5.7	842,732	5.7	813,744	5.5
Spirit Airlines	755,169	5.1	711,134	4.8	703,335	4.7
United/Continental (ExpressJet) ⁽²⁾⁽⁴⁾	130,342	0.9	123,199	0.9	112,402	0.8
United/Continental (GoJet) ⁽²⁾	44,311	0.3	34,532	0.2	57,089	0.4
United/Continental (Mesa) ⁽²⁾	42,346	0.3	43,702	0.3	19,733	0.1
United/Continental (Shuttle America) ⁽²⁾	60,856	0.4	63,163	0.4	30,401	0.2
United/Continental (SkyWest) ⁽²⁾	58,464	0.4	43,592	0.3	29,789	0.2
United/Continental (TransStates) ⁽²⁾	—	—	728	—	16,380	0.1
United/Continental ⁽²⁾	70,789	0.5	128,634	0.9	195,711	1.3
US Airways	392,991	2.7	366,277	2.5	340,664	2.3
US Airways (Air Wisconsin)	63,752	0.4	71,394	0.5	81,860	0.5
US Airways (Chautauqua)	9,220	0.1	8,431	0.1	7,948	0.1
US Airways (Mesa)	26,173	0.2	37,154	0.2	19,074	0.1
US Airways (PSA)	6,519	—	10,716	0.1	5,990	—
US Airways (Republic)	96,509	0.7	80,347	0.5	111,361	0.7
USA 3000	—	—	—	—	153	—
Other ⁽⁵⁾	2,456	—	2,416	—	2,265	—
Subtotal – Domestic	14,665,317	100.0%	14,802,280	100.0%	14,912,532	100.0%
International:						
Aeromexico	—	—	—	—	—	—
Air Canada (Jazz)	9,706	0.7	6,423	0.5	7,132	0.5
Air Canada (Air Georgian)	7,450	0.5	8,464	0.6	5,208	0.4
Air France	77,751	5.5	82,675	6.0	76,568	5.8
Compass	—	—	—	—	—	—
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	66,977	4.7	64,854	4.7	67,952	5.2
Northwest/Delta (Mesaba Aviation) ⁽¹⁾	—	—	—	—	67	—
Northwest/Delta Air Lines ⁽¹⁾	1,180,193	83.6	1,119,589	81.9	1,065,984	81.1
Northwest/Delta (ExpressJet) ⁽¹⁾⁽⁴⁾	14,706	1.0	15,244	1.1	2,534	0.2
Northwest/Delta (Comair) ⁽¹⁾	—	—	—	—	—	—
Northwest/Delta (Endeavor) ⁽¹⁾	2,175	0.2	18,094	1.3	44,711	3.4
Northwest/Delta (Chautauqua) ⁽¹⁾	3,608	0.3	141	—	—	—
Royal Jordanian Airlines	14,334	1.0	15,143	1.1	14,051	1.1
Southwest/AirTran Airlines ⁽³⁾	11,120	0.8	10,295	0.8	11,436	0.9
Spirit	22,669	1.6	23,339	1.8	15,579	1.2
US Airways	1,302	0.1	1,459	0.1	1,493	0.1
Other ⁽⁵⁾	344	—	1,584	0.1	954	0.1
Subtotal – International	1,412,335	100.0%	1,367,304	100.0%	1,313,669	100.0%
Total – All Markets	16,077,652		16,169,584		16,226,201	

⁽¹⁾ Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

⁽²⁾ Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

⁽³⁾ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

⁽⁴⁾ Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

⁽⁵⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2013.

⁽⁶⁾ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2010		OY 2009	
	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market
Domestic:				
American (AA Eagle)	161,692	1.1%	125,766	0.9%
American Airlines	284,813	1.9	346,775	2.4
Delta/Northwest (ExpressJet) ⁽¹⁾⁽⁴⁾	83,690	0.6	1,289	—
Delta/Northwest (Chautauqua) ⁽¹⁾	95,086	0.7	4,798	—
Delta/Northwest (Comair) ⁽¹⁾	540,781	3.7	145,990	1.0
Delta/Northwest (Compass) ⁽¹⁾	340,262	2.3	439,785	3.0
Delta/Northwest (Freedom) ⁽¹⁾	191,445	1.3	19,912	0.1
Delta/Northwest (Mesaba Aviation) ⁽¹⁾	949,610	6.5	1,042,785	7.1
Delta/Northwest (Endeavor) ^{(1),(6)}	2,186,627	15.0	2,066,229	14.1
Delta/Northwest (Shuttle America) ⁽¹⁾	4,462	—	10,599	0.1
Delta/Northwest (SkyWest) ⁽¹⁾	—	—	4,681	—
Delta/Northwest (GoJet) ⁽¹⁾	—	—	—	—
Delta/Northwest Air Lines ⁽¹⁾	7,328,799	50.2	7,894,790	54.0
Frontier	117,044	0.8	117,396	0.8
Southwest/AirTran Airlines ⁽³⁾	755,276	5.2	742,389	5.1
Spirit Airlines	558,596	3.8	591,150	4.0
United/Continental (ExpressJet) ⁽²⁾⁽⁴⁾	118,001	0.8	63,765	0.5
United/Continental (GoJet) ⁽²⁾	66,206	0.5	56,837	0.4
United/Continental (Mesa) ⁽²⁾	29,999	0.2	47,908	0.3
United/Continental (Shuttle America) ⁽²⁾	—	—	—	—
United/Continental (SkyWest) ⁽²⁾	68,400	0.5	31,407	0.2
United/Continental (TransStates) ⁽²⁾	16,133	0.1	32,140	0.2
United/Continental ⁽²⁾	186,520	1.2	287,568	2.0
US Airways	303,451	2.1	313,774	2.2
US Airways (Air Wisconsin)	76,414	0.5	95,658	0.7
US Airways (Chautauqua)	3,881	—	—	—
US Airways (Mesa)	22,387	0.2	22,640	0.2
US Airways (PSA)	5,860	—	15,747	0.1
US Airways (Republic)	112,838	0.8	74,785	0.5
USA 3000	2,226	—	19,823	0.1
Other ⁽⁵⁾	3,546	—	6,005	—
Subtotal – Domestic	14,614,045	100.0%	14,622,391	100.0%
International:				
Aeromexico	—	—	2,053	0.2
Air Canada (Jazz)	6,875	0.5	5,956	0.5
Air Canada (Air Georgian)	—	—	—	—
Air France	70,685	5.6	55,233	4.2
Compass	13,301	1.1	26,608	2.0
KLM-Royal Dutch Airlines	—	—	40,196	3.0
Lufthansa	65,568	5.2	72,884	5.6
Northwest/Delta (Mesaba Aviation) ⁽¹⁾	19,583	1.6	45,248	3.4
Northwest/Delta Airlines ⁽¹⁾	921,973	73.0	1,009,773	76.6
Northwest/Delta (ExpressJet) ⁽¹⁾⁽⁴⁾	—	—	—	—
Northwest/Delta (Comair) ⁽¹⁾	20,851	1.7	—	—
Northwest/Delta (Endeavor) ⁽¹⁾	97,518	7.7	—	—
Northwest/Delta (Chautauqua) ⁽¹⁾	—	—	—	—
Royal Jordanian Airlines	15,258	1.2	14,822	1.1
Southwest/AirTran Airlines ⁽³⁾	5,849	0.5	271	—
Spirit	12,274	1.0	16,928	1.3
US Airways	1,997	0.1	1,853	0.1
Other ⁽⁵⁾	10,604	0.8	26,916	2.0
Subtotal – International	1,262,336	100.0%	1,318,741	100.0%
Total – All Markets	15,876,381		15,941,132	

⁽¹⁾ Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

⁽²⁾ Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

⁽³⁾ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

⁽⁴⁾ Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

⁽⁵⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2013.

⁽⁶⁾ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

Operating year	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail		Total Cargo	Percent increase (decrease)
	Enplaned	Deplaned	Enplaned	Deplaned		
2013	85,072	114,892	8,965	6,434	215,363	(1.0)%
2012	84,018	120,091	8,267	4,998	217,374	5.3
2011	77,756	117,993	6,973	3,623	206,345	11.6
2010	71,409	105,269	4,950	3,306	184,934	14.6
2009	68,021	85,235	4,264	3,849	161,369	(28.6)

(a) Includes small packages

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

Airline	OY 2013		OY 2012		OY 2011	
	Landed Weight (per 1,000 lbs.)	Percent of Market	Landed Weight (per 1,000 lbs.)	Percent of Market	Landed Weight (per 1,000 lbs.)	Percent of Market
Aeromexico	—	—%	—	—%	—	—%
Air Canada (Jazz)	19,403	0.1	12,919	0.1	13,594	0.1
Air Canada (Air Georgian)	10,790	0.1	12,218	0.1	6,740	—
Air France	142,397	0.7	146,639	0.7	146,476	0.7
American (AA Eagle)	207,170	1.0	195,133	0.9	180,815	0.9
American Airlines	310,887	1.5	300,395	1.5	318,885	1.5
Delta/Northwest (ExpressJet) ⁽¹⁾⁽⁴⁾	1,260,108	6.1	1,110,252	5.4	795,381	3.8
Delta/Northwest (Chautauqua) ⁽¹⁾	467,713	2.3	217,005	1.0	169,065	0.8
Delta/Northwest (Comair) ⁽¹⁾	—	—	942,080	4.6	1,115,580	5.3
Delta/Northwest (Compass) ⁽¹⁾	225,942	1.1	288,096	1.4	371,436	1.8
Delta/Northwest (Freedom) ⁽¹⁾	—	—	—	—	—	—
Delta/Northwest (GoJet) ⁽¹⁾	105,190	0.5	89,311	0.4	—	—
Delta/Northwest (Mesaba Aviation) ⁽¹⁾	—	—	144,408	0.7	872,731	4.2
Delta/Northwest (Endeavor) ^{(1), (6)}	3,661,163	17.7	3,237,417	15.7	2,743,336	13.1
Delta/Northwest (Shuttle America) ⁽¹⁾	139,035	0.7	221,668	1.1	97,147	0.5
Delta/Northwest (SkyWest) ⁽¹⁾	115,235	0.6	94,263	0.5	4,136	—
Delta/Northwest Air Lines ⁽¹⁾	10,051,320	48.7	9,655,644	46.9	10,153,495	48.6
DHL/ABX	—	—	—	—	—	—
Federal Express	446,450	2.2	461,450	2.2	409,567	2.0
Frontier	84,124	0.4	124,080	0.6	143,844	0.7
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	153,106	0.7	146,790	0.7	147,477	0.7
Lufthansa Cargo	52,480	0.3	31,390	0.2	—	—
Royal Jordanian Airlines	—	—	—	—	40,698	0.2
Ryan International	—	—	—	—	—	—
Southwest/AirTran Airlines ⁽³⁾	969,194	4.7	942,596	4.6	973,682	4.7
Spirit Airlines	765,188	3.7	749,026	3.6	752,623	3.6
United/Continental (CommuniAir) ⁽²⁾	—	—	—	—	—	—
United/Continental (ExpressJet) ⁽²⁾⁽⁴⁾	139,629	0.7	133,100	0.6	126,613	0.5
United/Continental (GoJet) ⁽²⁾	51,389	0.2	39,329	0.2	66,531	0.3
United/Continental (Mesa) ⁽²⁾	51,657	0.2	50,987	0.2	22,981	0.1
United/Continental (Shuttle America) ⁽²⁾	80,628	0.4	93,208	0.4	59,511	0.3
United/Continental (SkyWest) ⁽²⁾	65,129	0.3	50,850	0.3	35,451	0.1
United/Continental (TransStates) ⁽²⁾	—	—	681	—	18,424	0.1
United/Continental ⁽²⁾	95,890	0.5	166,107	0.8	242,335	1.2
United Parcel Service	167,762	0.8	168,483	0.8	171,832	0.8
US Airways	474,744	2.3	454,827	2.2	422,444	2.0
US Airways (Air Wisconsin)	77,597	0.4	85,634	0.4	97,431	0.5
US Airways (Chautauqua)	10,935	0.1	9,233	—	9,276	—
US Airways (Colgan)	—	—	—	—	86	—
US Airways (Mesa)	27,342	0.1	38,514	0.2	19,845	0.1
US Airways (Mesaba)	—	—	—	—	285	—
US Airways (PSA)	7,744	—	12,186	0.1	7,110	—
US Airways (Republic)	107,113	0.5	93,946	0.5	112,275	0.5
USA 3000	—	—	—	—	437	—
Other ⁽⁵⁾	84,407	0.4	88,486	0.4	54,138	0.3
Total	20,628,861	100.0%	20,608,351	100.0%	20,923,713	100.0%

⁽¹⁾ Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

⁽²⁾ Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

⁽³⁾ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

⁽⁴⁾ Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

⁽⁵⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2013.

⁽⁶⁾ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12
 Historical Aircraft Landed Weight
 Operating years ending September 30
 (Unaudited)

Airline	OY 2010		OY 2009	
	Landed Weight (per 1,000 lbs.)	Percent of Market	Landed Weight (per 1,000 lbs.)	Percent of Market
Aeromexico	—	—%	4,352	—%
Air Canada (Jazz)	14,506	0.1	21,049	0.1
Air Canada (Air Georgian)	—	—	—	—
Air France	138,582	0.7	122,641	0.6
American (AA Eagle)	193,235	1.0	155,625	0.7
American Airlines	312,306	1.5	399,070	1.9
Delta/Northwest (ExpressJet) ⁽¹⁾⁽⁴⁾	104,058	0.5	1,474	—
Delta/Northwest (Chautauqua) ⁽¹⁾	94,308	0.4	6,200	—
Delta/Northwest (Comair) ⁽¹⁾	669,929	3.3	187,696	0.9
Delta/Northwest (Compass) ⁽¹⁾	438,616	2.2	596,054	2.8
Delta/Northwest (Freedom) ⁽¹⁾	196,138	1.0	23,702	—
Delta/Northwest (GoJet) ⁽¹⁾	—	—	—	—
Delta/Northwest (Mesaba Aviation) ⁽¹⁾	1,202,839	6.0	1,484,510	7.1
Delta/Northwest (Endeavor) ^{(1), (6)}	2,817,713	14.0	2,616,584	12.5
Delta/Northwest (Shuttle America) ⁽¹⁾	5,238	—	13,437	0.1
Delta/Northwest (SkyWest) ⁽¹⁾	—	—	5,100	—
Delta/Northwest Air Lines ⁽¹⁾	10,369,432	51.4	11,333,666	53.7
DHL/ABX	—	—	67,939	0.3
Federal Express	361,807	1.8	374,202	1.8
Frontier	126,776	0.6	140,742	0.7
KLM-Royal Dutch Airlines	—	—	74,970	0.4
Lufthansa	142,243	0.7	174,062	0.8
Lufthansa Cargo	—	—	—	—
Royal Jordanian Airlines	41,097	0.2	42,294	0.2
Ryan International	—	—	480	—
Southwest/AirTran Airlines ⁽³⁾	894,080	4.4	946,536	4.5
Spirit Airlines	637,083	3.2	690,048	3.3
United/Continental (CommunAir) ⁽²⁾	—	—	35	—
United/Continental (ExpressJet) ^{(2) (4)}	128,840	0.7	76,524	0.4
United/Continental (GoJet) ⁽²⁾	79,931	0.4	69,077	0.3
United/Continental (Mesa) ⁽²⁾	34,400	0.2	54,058	0.3
United/Continental (Shuttle America) ⁽²⁾	—	—	—	—
United/Continental (SkyWest) ⁽²⁾	75,208	0.4	34,341	0.2
United/Continental (TransStates) ⁽²⁾	19,147	0.1	36,379	0.2
United/Continental ⁽²⁾	238,808	1.2	394,117	1.9
United Parcel Service	171,234	0.8	171,687	0.8
US Airways	380,154	1.9	377,507	1.8
US Airways (Air Wisconsin)	87,467	0.4	133,082	0.5
US Airways (Chautauqua)	4,255	—	—	—
US Airways (Colgan)	—	—	—	—
US Airways (Mesa)	21,536	0.1	21,261	0.1
US Airways (Mesaba)	—	—	—	—
US Airways (PSA)	6,655	—	15,835	0.1
US Airways (Republic)	116,510	0.6	78,548	0.4
USA 3000	13,357	0.1	53,149	0.3
Other ⁽⁵⁾	29,777	0.1	26,613	0.3
Total	20,167,265	100.0%	21,024,646	100.0%

⁽¹⁾ Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

⁽²⁾ Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

⁽³⁾ Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

⁽⁴⁾ Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

⁽⁵⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2013.

⁽⁶⁾ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

Operating year	Operations by class of carrier				Total operations	
	Air carrier	Air taxi and commuter	General aviation	Military	Total	Percent increase (decrease)
2013	228,398	191,274	5,855	96	425,623	(1.6)%
2012	208,358	217,951	6,127	247	432,683	(3.2)
2011	191,893	248,390	6,662	100	447,045	0.3
2010	195,916	242,697	6,777	110	445,500	1.9
2009	211,998	218,172	7,006	140	437,316	(6.4)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>Historical</u> <u>2011</u>	<u>2010</u>	<u>2009</u>
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,829,370	6,785,759	6,766,488	6,448,329	6,767,341
Connecting (a)	7,833,491	8,014,105	8,143,626	8,159,944	7,829,222
Subtotal – scheduled	<u>14,662,861</u>	<u>14,799,864</u>	<u>14,910,114</u>	<u>14,608,273</u>	<u>14,596,563</u>
Percentage connecting	53.4%	54.1%	54.6%	55.9%	53.6%
Charter	<u>2,456</u>	<u>2,416</u>	<u>2,418</u>	<u>5,772</u>	<u>25,828</u>
Subtotal – domestic	<u>14,665,317</u>	<u>14,802,280</u>	<u>14,912,532</u>	<u>14,614,045</u>	<u>14,622,391</u>
International:					
Scheduled:					
U.S. airlines	1,235,773	1,188,161	1,141,804	1,093,595	1,100,681
Foreign flag	<u>176,218</u>	<u>177,559</u>	<u>170,911</u>	<u>158,386</u>	<u>191,144</u>
Subtotal – scheduled	<u>1,411,991</u>	<u>1,365,720</u>	<u>1,312,715</u>	<u>1,251,981</u>	<u>1,291,825</u>
Charter	<u>344</u>	<u>1,584</u>	<u>954</u>	<u>10,355</u>	<u>26,916</u>
Subtotal – international	<u>1,412,335</u>	<u>1,367,304</u>	<u>1,313,669</u>	<u>1,262,336</u>	<u>1,318,741</u>
Total enplaned passengers	<u>16,077,652</u>	<u>16,169,584</u>	<u>16,226,201</u>	<u>15,876,381</u>	<u>15,941,132</u>
Enplaned cargo (tons):					
Freight	85,072	84,018	77,756	71,409	68,021
Mail	<u>8,965</u>	<u>8,267</u>	<u>6,973</u>	<u>4,950</u>	<u>4,264</u>
Total cargo	<u>94,037</u>	<u>92,285</u>	<u>84,729</u>	<u>76,359</u>	<u>72,285</u>
Aircraft departures (b):					
Domestic	193,360	196,728	203,769	202,934	199,105
International	<u>13,258</u>	<u>13,664</u>	<u>13,481</u>	<u>13,215</u>	<u>13,275</u>
Total aircraft departures	<u>206,618</u>	<u>210,392</u>	<u>217,250</u>	<u>216,149</u>	<u>212,380</u>
Aircraft operations:					
Air carrier	228,398	208,358	191,893	195,916	211,998
Air taxi and commuter	191,274	217,951	248,390	242,697	218,172
General aviation	5,855	6,127	6,662	6,777	7,006
Military	<u>96</u>	<u>247</u>	<u>100</u>	<u>110</u>	<u>140</u>
Total aircraft operations	<u>425,623</u>	<u>432,683</u>	<u>447,045</u>	<u>445,500</u>	<u>437,316</u>
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	12,752,997	12,397,260	13,010,737	12,977,875	14,339,238
Commuter/regional	<u>6,803,630</u>	<u>7,147,300</u>	<u>6,925,445</u>	<u>6,296,021</u>	<u>5,589,520</u>
Subtotal – U.S. carriers	<u>19,556,627</u>	<u>19,544,560</u>	<u>19,936,182</u>	<u>19,273,896</u>	<u>19,928,758</u>
Foreign flag	<u>368,149</u>	<u>358,810</u>	<u>354,984</u>	<u>336,429</u>	<u>439,368</u>
Subtotal – passenger	<u>19,924,776</u>	<u>19,903,370</u>	<u>20,291,166</u>	<u>19,610,325</u>	<u>20,368,126</u>
All cargo	<u>704,085</u>	<u>704,981</u>	<u>632,547</u>	<u>556,940</u>	<u>636,520</u>
Total landed weight	<u>20,628,861</u>	<u>20,608,351</u>	<u>20,923,713</u>	<u>20,167,265</u>	<u>21,004,646</u>

(a) 2013 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2013 departures are estimated based on both actual and scheduled data.

Sources: Wayne County Airport Authority records, U.S. Department of Transportation data, and the OAG Aviation Database.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

<u>Year</u>	<u>Cities added</u>	<u>Cities dropped</u>	<u>Net change</u>
2013		Hong Kong, China Tokyo (Haneda), Japan	(2)
2012		London, Canada	(1)
2011	Beijing, China Tokyo (Haneda), Japan		2
2010	Sao Paulo, Brazil Hong Kong, China Seoul, Rep of Korea	Osaka, Japan London (Gatwick), England Kitchener/Waterloo, Canada Winnipeg (Manitoba), Canada Charlottetown, Canada	(2)
2009	Rome, Italy Shanghai (Pu Dong), China	Dusseldorf, Germany Ixtapa/Zihuatanejo, Mexico	—

Notes: Data reflects new and discontinued nonstop international destinations served from DTW during the entire calendar year.

Source: OAG Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

	<u>OY 2013</u>	<u>OY 2012</u>	<u>OY 2011</u>	<u>OY 2010</u>	<u>OY 2009</u>
Operating revenues:					
Airport landing and related fees	\$ 64,922	66,719	68,473	69,652	59,723
Concession fees	51,697	51,689	50,576	47,975	48,425
Parking fees	57,829	56,092	54,145	48,309	49,911
Rental facilities	101,474	105,251	93,866	89,671	88,230
Utility service fees	5,152	4,790	4,879	4,332	4,320
Other	5,431	3,027	5,716	6,935	4,100
Total operating revenues	286,505	287,568	277,655	266,874	254,709
Operating expenses:					
Salaries, wages, and fringe benefits	71,656	68,848	70,218	68,799	72,696
Parking management	6,280	6,048	6,794	6,505	7,082
Janitorial services	11,383	11,480	11,143	10,972	10,584
Security	2,260	2,288	2,402	2,293	2,657
Utilities	26,274	25,882	24,145	25,789	26,499
Repairs, professional services, and other	73,563	69,340	76,770	72,172	67,310
Depreciation	133,335	134,891	134,660	136,688	135,777
Total operating expenses	324,751	318,777	326,132	323,218	322,605
Operating loss	(38,246)	(31,209)	(48,477)	(56,344)	(67,896)
Nonoperating revenues (expenses):					
Passenger facility charges	61,705	62,134	62,197	60,306	59,712
Federal and state grants	1,353	1,379	1,185	1,231	999
Interest income and other	1,622	1,783	3,340	4,948	7,070
Interest expense and other	(82,461)	(81,961)	(85,322)	(99,602)	(111,113)
Amortization of bond issuance costs	(1,663)	(1,722)	(1,583)	(1,837)	(1,615)
Total nonoperating expenses	(19,444)	(18,387)	(20,183)	(34,954)	(44,947)
Net loss before capital contributions and transfers	(57,690)	(49,596)	(68,660)	(91,298)	(112,843)
Capital contributions	27,395	25,208	15,875	25,869	27,431
Transfers out	(5,846)	(357)	(1,252)	(1,490)	(8,178)
Changes in net position	(36,141)	(24,745)	(54,037)	(66,919)	(93,590)
Net position – beginning of year	435,196	459,941	513,978	580,897 ¹	623,528
Net position – end of year	\$ 399,055	435,196	459,941	513,978	529,938

¹ In 2010, Detroit Metro Airport restated beginning net position to \$580,897 (see Note 2 of 2010 financial statements for additional discussion). This amount less the 2010 decrease in net position is used to arrive at ending net position.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ended December 31, 2012

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York	996	7.4%	Delta	55.8%	Spirit	20.2%	●
2	Orlando	823	6.1%	Delta	61.5%	Spirit	18.8%	●
3	Florida South	735	5.4%	Delta	62.2%	Spirit	25.6%	●
4	Las Vegas	704	5.2%	Delta	50.4%	Spirit	36.1%	●
5	Washington D.C.	693	5.1%	Delta	67.2%	Southwest	23.4%	●
6	Los Angeles	650	4.8%	Delta	55.8%	Southwest	11.5%	●
7	Chicago	588	4.4%	Delta	45.2%	Southwest	20.9%	●
8	Tampa	485	3.6%	Delta	64.9%	Spirit	20.6%	●
9	Atlanta	466	3.5%	Delta	69.7%	Southwest	27.3%	●
10	Fort Meyers	428	3.2%	Delta	61.7%	Spirit	34.1%	●
11	Phoenix	409	3.0%	Delta	50.6%	US Airways	24.0%	●
12	San Francisco	402	3.0%	Delta	67.4%	Southwest	11.2%	●
13	Dallas	358	2.7%	American	39.1%	Delta	34.6%	●
14	Denver	354	2.6%	Delta	46.0%	Frontier	22.0%	●
15	Boston	259	1.9%	Delta	75.3%	US Airways	13.9%	●
16	Nashville	229	1.7%	Delta	62.9%	Southwest	32.8%	●
17	Houston	228	1.7%	Delta	40.8%	United	34.6%	●
18	Minneapolis/St. Paul	213	1.6%	Delta	86.4%	Southwest	4.2%	●
19	Seattle	207	1.5%	Delta	73.4%	Southwest	7.7%	●
20	Philadelphia	203	1.5%	Delta	51.2%	US Airways	43.8%	●
Other O&D Markets		4,059	30.1%					
Domestic O&D Passengers		<u>13,488</u>						
O&D % of Domestic Passengers			47%					

Note: Figures may not add due to rounding

Source: Wayne County Airport Authority records; U.S. Department of Transportation, Origin & Destination Survey of Airline Passenger Traffic, Domestic

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International O&D Markets

Calendar year ended December 31, 2012

(Unaudited)

Rank	Market	Total O&D Passengers	Non- Stop Service
1	Cancun	77,755	●
2	London (Heathrow)	36,604	●
3	Shanghai	30,177	●
4	Frankfurt	29,785	●
5	Punta Cana	27,209	●
6	Mexico City	27,087	●
7	Montego Bay	23,809	●
8	Nagoya	23,558	●
9	Seoul	21,831	●
10	Tokyo	20,057	●
11	Paris	18,046	●
12	Sao Paulo	17,936	●
13	Rome	15,963	●
14	Amsterdam	15,407	●
15	Nassau	13,931	●
16	Monterrey	13,430	●
17	Vancouver	13,076	●
18	Beijing	12,987	●
19	Los Cabos	12,477	●
20	Puerto Vallarta	12,127	●

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic,
and the Diio Mi Database

See accompanying independent auditor's report.

COMPLIANCE SECTION

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

Independent Auditor's Report

To Management and the Wayne County Airport Authority Board
Wayne County Airport Authority

We have audited, in accordance with the 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, the financial statements of the business-type activities, each major fund, and the fiduciary fund of the Wayne County Airport Authority as of and for the year ended September 30, 2013, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wayne County Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

To Management and the Wayne County Airport Authority Board
Wayne County Airport Authority

Compliance and Other Matters

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

Purpose of this Report

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

Plante & Morse, PLLC

January 22, 2014

Report on Compliance for the Major Federal
Program and Passenger Facility Charge Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

**Report on Compliance for the Major Federal Program and Passenger Facility Charge
Program**

We have audited the Wayne County Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended September 30, 2013. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide") for the year ended September 30, 2013. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge revenue and expenditure schedule.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program and the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program and the passenger facility charge program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Opinion on the Major Federal Program and Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and its passenger facility charge program for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above for federal programs and the passenger facility charge program. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program or the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and the passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

January 22, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2013

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Contract/Grant Number	Award Amount	Federal Expenditures
METRO AIRPORT				
U.S. Department of Transportation:				
Federal Aviation Administration - Direct Program -				
Airport Improvement Program (major program):				
DEICING FACILITY PHASE 2B1	20.106	3-26-0026-9109	\$ 739,237	\$ 51,812
RUNWAY 3L/21R (southern 4,700')	20.106	3-26-0026-9309	13,746,583	(640) *
GROUND RUN-UP ENCLOSURE	20.106	3-26-0026-9910	8,899,435	78,046
RUNWAY 9L/27R (east of R/W 3L/21R)	20.106	3-26-0026-10110	932,480	196,879
RUNWAY 9L/27R (east of R/W 3L/21R), Extend Taxiway G	20.106	3-26-0026-10211	3,037,434	(211,060) *
RUNWAY 4R/22L-Phase I-Taxiway Z	20.106	3-26-0026-10311	13,198,322	84,802
VOLUNTARY AIRPORT LOW EMISSION (VALE)	20.106	3-26-0026-10411	1,849,866	899,899
RUNWAY 4R/22L PHASE 2	20.106	3-26-0026-10512	20,498,079	15,852,466
RUNWAY 4R/22L-Phase 3-Southern Portion	20.106	3-26-0026-10713	8,082,901	8,082,901
Subtotal Airport Improvement Program			70,984,337	25,035,105
U.S. Department of Homeland Security:				
Passed through County of Macomb, Michigan -				
2010 Homeland Security Grant Program	97.067		-	2,263
Passed through County of Oakland, Michigan -				
2009 Homeland Security Grant Program	97.067		-	564
2010 Homeland Security Grant Program	97.067		-	3,433
2010 Homeland Security Grant Program	97.067	2010-SS-T0-0009	-	335,858
Passed through County of Wayne, Michigan -				
2010 Homeland Security Grant Program	97.067		-	1,336
Passed through City of Southgate, Michigan -				
Assistance to Firefighters Grant [FEMA]	97.044	EMW-2011-FR-00223	-	8,999
Total U.S. Department of Homeland Security			-	352,453
U.S. Department of Justice:				
Asset Forfeiture Equitable Sharing Program				
Total U.S. Department of Justice	16.922	MI-8293900	-	323,973
Total U.S. Department of Justice			-	323,973
Total Metro Airport			70,984,337	25,711,531
WILLOW RUN AIRPORT				
U.S. Department of Transportation -				
Federal Aviation Administration - Direct Program -				
Airport Improvement Program (major program):				
NOISE STUDY 3	20.106	3-26-0024-3409	85,990	28,308
TAXIWAY D LIGHTING PHASE 2	20.106	3-26-0024-3509	243,754	(1,434) *
RUNWAY 5R/23L-Phase 1, R/W wind cones	20.106	3-26-0024-3712	9,385,219	8,288,426
RUNWAY 5R/23L-Phase 2-Northern Portion	20.106	3-26-0024-3812	5,878,947	3,493,827
RUNWAY 5R/23L-Phase 3-Southern Portion	20.106	3-26-0024-3913	9,355,145	1,439,973
Total Willow Run Airport			24,949,055	13,249,100
Total expenditures of federal awards			\$ 95,933,392	\$ 38,960,631

* Reflects adjustments for final billings as a result of project closeout

WAYNE COUNTY AIRPORT AUTHORITY

Note to Schedule of Expenditures of Federal Awards

September 30, 2013

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the expenditures of the Wayne County Airport Authority (the Authority) under programs of the federal government and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Authority's reporting entity is defined in the notes to the Authority's basic financial statements.

For the purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into between the Authority and agencies and departments of the federal government and all sub-awards to the Authority by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

Federal CFDA numbers are obtained from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration. Programs without a CFDA number are presented with only the federal agency's two-digit prefix in place of a CFDA number.

Federal awards are reported in the Authority's Statement of Revenues, Expenses, and Changes in Net Position included with federal and state grants as well as capital contributions.

B. Basis of Accounting

The accompanying Schedule is presented on the accrual basis of accounting. Expenditures are recorded, accordingly, when incurred rather than when paid.

Wayne County Airport Authority

Schedule of Findings and Questioned Costs Year Ended September 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$1,168,819

Auditee qualified as low-risk auditee? X Yes _____ No

Wayne County Airport Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2013

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

WAYNE COUNTY AIRPORT AUTHORITY
Schedule of Passenger Facility Charge Revenues and Expenditures
Year ended September 30, 2013

	Amended Amount Approved	Cumulative Total October 1, 2012	Quarter Ended				Total FY 2013	Cumulative Total September 30, 2013
			December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013		
Passenger Facility Charges Collected	\$ 3,164,332,836	1,050,810,946	15,126,468	13,581,484	16,256,521	16,837,888	61,802,361	1,112,613,307
Interest Earned	N/A	73,296,378	13,500	11,409	10,362	7,920	43,191	73,339,569
Total Revenues	\$ 3,164,332,836	1,124,107,324	15,139,968	13,592,893	16,266,883	16,845,808	61,845,552	1,185,952,876
Passenger Facility Charges Expended for Approved Projects:								
APPLICATION NO. 1								
South Airport Access Road Construction	\$ 38,620,000	28,664,340	-	-	-	-	-	28,664,340
Storm Water Retention & Drainage Facilities Construction	4,980,000	4,169,572	-	-	-	-	-	4,169,572
Noise Berm Construction	225,000	224,927	-	-	-	-	-	224,927
Noise Mitigation Program	104,084,000	17,692,630	(2,884,867)	88,815	113,380	3,075,668	392,996	18,085,626
Willow Run Airport Layout Plan Update	5,000	5,000	-	-	-	-	-	5,000
APPLICATION NO. 2								
Land Acquisition and Preliminary Design for Fourth Parallel Runway	6,391,000	2,439,199	-	-	-	-	-	2,439,199
Perimeter Property Fencing and Removal of Airport Hazard - Willow Run	52,000	16,665	-	-	-	-	-	16,665
APPLICATION NO. 3								
Midfield Domestic and International Terminal Facilities Construction	1,370,450,360	670,053,338	8,437,859	8,749,681	8,309,463	7,426,765	32,923,768	702,977,106
Reconstruction of Existing Terminals and Concourses	673,408,000	132,821,820	6,133,147	5,157,690	5,340,544	3,772,403	20,403,784	153,225,604
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim Improvement)	22,967,000	21,693,389	-	-	-	-	-	21,693,389
International Passenger Processing Facilities Expansion (Interim Improvement)	32,000,000	31,800,730	-	-	-	-	-	31,800,730
APPLICATION NO. 4								
Runway 21C/3C Keel Section Replacement	16,991,000	6,632,461	111,067	85,678	109,379	72,996	379,120	7,011,581
Runway 4R/22L Design and Construction	169,274,000	54,170,735	537,514	414,525	529,333	353,265	1,834,637	56,005,372
Rebuild Outfall Structures at Ponds 3 and 4	2,413,000	943,679	15,777	12,171	15,536	10,369	53,853	997,532
21C Remote Primary Deicing	23,958,000	10,456,696	144,739	111,651	142,536	95,126	494,052	10,950,748
Grade/Pave Taxiway "K" Islands	704,000	275,284	4,606	3,554	4,535	3,026	15,721	291,005
APPLICATION NO. 5								
North Terminal Apron	59,574,000	9,941,028	-	-	-	-	-	9,941,028
McNamara Terminal Phase II Program	277,941,000	64,119,403	2,063,318	1,296,732	1,779,895	1,200,421	6,340,366	70,459,769
Third Aircraft Rescue and Firefighting Facility	1,315,000	129,764	-	-	-	-	-	129,764
West Airfield Improvements	31,906,000	9,112,409	-	-	-	-	-	9,112,409
Interconnect Re-route	1,441,000	369,055	-	-	-	-	-	369,055
Taxiway Q Construction	4,153,000	1,552,756	-	-	-	-	-	1,552,756
Runway 4R/22L Shoulders/Overburden (fka 3L/21R)	2,090,000	735,822	-	-	-	-	-	735,822
Deicing Pad at Runway 22L	18,123,000	6,601,048	-	-	-	-	-	6,601,048
Deicing Pads at Runway 4R and 3L	39,941,000	9,628,871	-	-	-	-	-	9,628,871
Perimeter Fencing and Other Security Enhancements	710,000	-	-	-	-	-	-	-
Surface Movement Guidance Control System	1,310,000	-	-	-	-	-	-	-
Runway 3L/21R Planning	700,000	-	-	-	-	-	-	-
Runway 3R/21L Design and Pavement Evaluation	1,200,000	-	-	-	-	-	-	-
Part 150 Study Update	386,156	326,095	-	-	-	-	-	326,095
APPLICATION NO. 7								
Airfield Snow Removal Vehicles & Equipment	16,873,119	1,833,188	-	-	-	-	-	1,833,188
McNamara Terminal In-Line Explosive Detection	110,328,130	4,277,033	-	-	-	-	-	4,277,033
Infill Island at Taxiway Y-10	811,236	85,294	-	-	-	-	-	85,294
Master Plan Update	946,500	87,823	-	-	-	-	-	87,823
Runway Surface Monitor System for RW 4L/22R	1,000,000	-	-	-	-	-	-	-
Runway and Taxiway Improvements	97,694,583	3,053,440	-	-	-	-	-	3,053,440
Reconstruct Runway 4R/22L (Impose Only)	29,366,752	-	-	-	-	-	-	-
Total Amount Approved	\$ 3,164,332,836							
Total Expenditures		\$ 1,093,913,494	\$ 14,563,160	\$ 15,920,497	\$ 16,344,601	\$ 16,010,039	\$ 62,838,297	\$ 1,156,751,791
Unexpended Passenger Facility Charges		\$ 30,193,830						\$ 29,201,085

See accompanying independent auditors' report and the notes to schedule of passenger facility charge revenues and expenditures.

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

September 30, 2013

(1) General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. PFCs may be used for airport projects which meet at least one of the following criteria: (1) preserve or enhance safety, security, or capacity of the national air transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among carriers.

Since 1992, the Federal Aviation Administration (FAA) has approved six PFC applications and amendments submitted by Wayne County Airport Authority (the Authority). The most recent application was approved during fiscal year 2008 and resulted in an additional \$.3 billion of collection authority from the FAA. The Authority is currently authorized to collect PFCs in the amount of \$4.50 per enplaned passenger up to a total for approved collections of \$3.2 billion. Project expenditures may include amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2013, the Authority had received approximately \$1.11 billion of PFC revenue and interest earnings of approximately \$73.3 million. The Authority had expended approximately \$1.16 billion on approved projects.

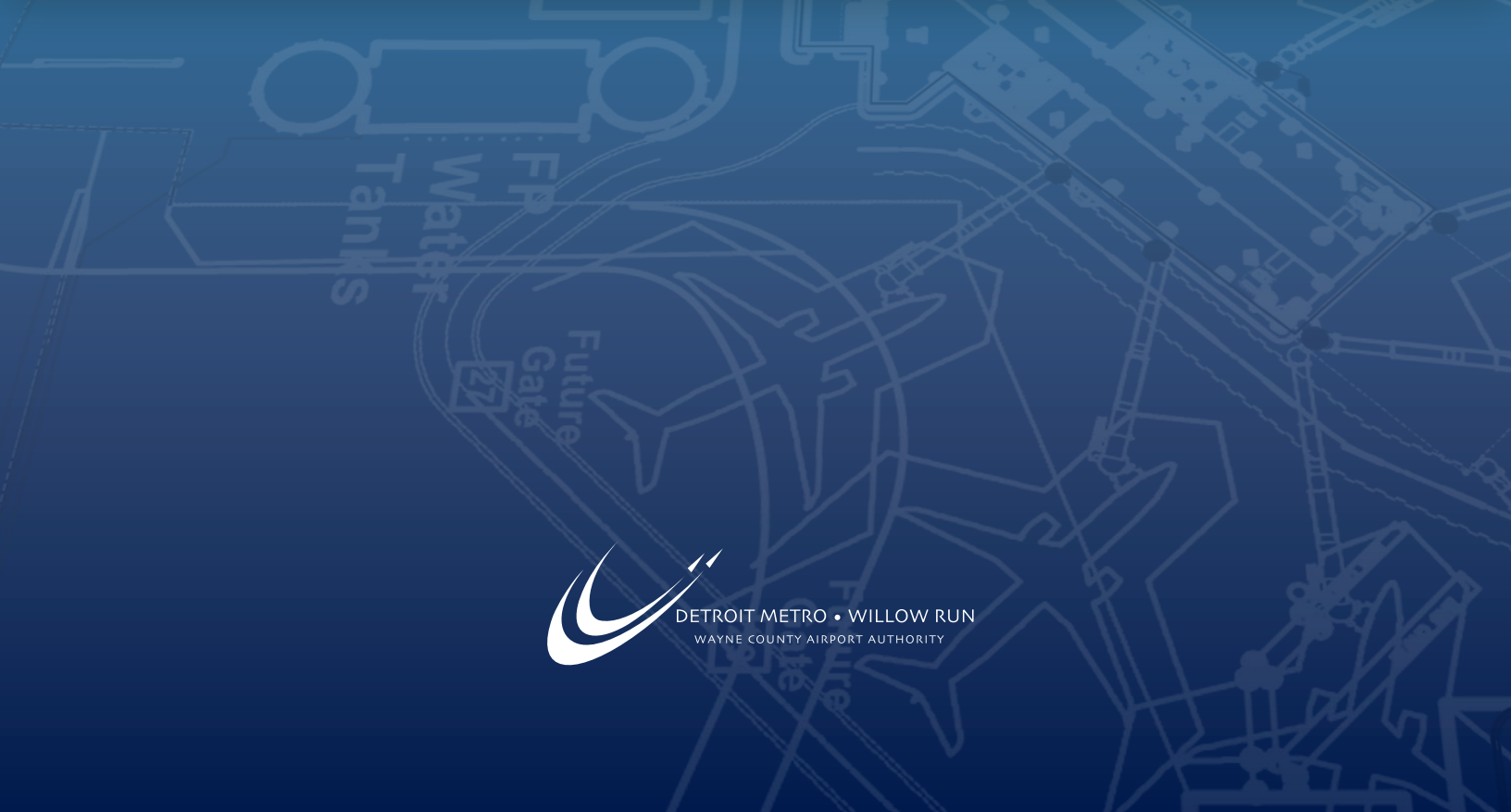
(2) Basis of Accounting

The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures (the Schedule) has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP).

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total \$61.8 million, \$62.8 million, and \$43 thousand, respectively, for the year ended September 30, 2013. The Authority also maintained a receivable of approximately \$9.4 million for PFCs collected by the airlines but not remitted to the Authority as of September 30, 2013.

(3) Interest Earned

Interest income is allocated to the PFC program (the Program) based on a ratio of the Program's cash and investments to the total Authority cash and investments included in the pooled cash funds, with the exception of funds for the Revenue Account, which are held in a separate interest-bearing account and credited directly to the Program.



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY