



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2022
DETROIT, MICHIGAN

2022



WAYNE COUNTY AIRPORT AUTHORITY

Detroit, Michigan

Annual Comprehensive Financial Report

Year Ended December 31, 2022



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DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

Michael Berry Administration Building
11050 Rogell Drive, Bldg. #602
Detroit, MI 48242
Ph 734 247-7678
www.metroairport.com

April 25, 2023

To the Wayne County Airport Authority Board:

The Annual Comprehensive Financial Report (ACFR) of the Wayne County Airport Authority (the Authority) as of and for the year ended December 31, 2022 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 accounting principles generally accepted in the United States of America (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the ACFR. The report of the independent auditors on the financial statements is included on pages 1 – 3 of the ACFR.

The ACFR 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 ensure compliance 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 for the year ended December 31, 2022 have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's independent 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 by Plante & Moran, PLLC, in accordance with the requirements of the Uniform Grant Guidance (2 CFR Part 200), i.e., Single Audit. The auditor's reports related specifically to the Single Audit are immediately following the ACFR in the Compliance Section.

A third audit was performed by Plante & Moran, PLLC, 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 ACFR in the Compliance Section.

This ACFR 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 ACFR and the 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 the Management Discussion and Analysis (MD&A) and the Statistical Section of the ACFR discussed below.

Financial Section – The independent auditor's report, MD&A, 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. The MD&A immediately follows the independent auditor's report and 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 and Budget 2 CFR Part 200 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 an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), (collectively, 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 and the Airport Hotel.

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 is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs) and other discretionary funds.

Airline Use and Lease 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 Airline Use and Lease Agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, American Airlines, Delta Air Lines, FedEx, JetBlue Airways, Lufthansa German Airlines, Southwest Airlines, Spirit Airlines, United Airlines and United Parcel Service (collectively, the “Signatory Airlines”).

Activity Fees. Under the Airline Use and Lease Agreements, the Signatory Airlines also are obligated to pay activity fees, which are calculated on an Airport residual basis (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 Operation and Maintenance (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, in 2012 all of the Signatory Airlines agreed to an amendment of the Airline Use and Lease Agreements that revised the end of year true-up provision so that the amount to be refunded/charged would include the Signatory and Non-Signatory Airlines. Prior to 2012, Non-Signatory Airlines did not participate in year-end refunds/charges.

Weighted Majority Approval. The Airline Use and Lease 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 Airline 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 McNamara Terminal and the Evans Terminal. The Airline Use and Lease 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

While the airline industry was acutely impacted in recent years by the impacts of COVID-19, the industry has recovered significantly. In the U.S., passenger traffic for January and February 2023 was higher than during the same period in 2019. International recovery is lagging that of the U.S., but passenger traffic versus 2019 hit a new high in December 2022. Overall, The International Air Transport Association (IATA) expects industry-wide passenger traffic to recover to 2019 levels in 2024.

With expectations for a continued recovery the IATA predicted that airlines would turn a profit of \$4.7 billion in 2023; the first profit since the COVID-19 pandemic. The IATA estimates that globally, airlines will lose \$6.9 billion in 2022, down from a loss of \$137.7 billion in 2020.

As demand for travel grows, the industry is faced with a number of challenges. Labor shortages are among the main concerns and the shortage of pilots in particular has impacted the industry. In 2022, service to certain destinations was impacted by a lack of pilots. The industry is combatting this shortfall by offering greater financial incentives and updating pilot training programs. There is not just a shortage of pilots. The effects of the “Great Resignation”, the economic trend in which employees voluntarily resigned from their jobs in the wake of COVID-19, has acutely hit all areas of the aviation industry including mechanics, flight crew and service workers.

This overall lack of workers is also resulting in multiple supply chain issues. Boeing and Airbus, the two largest aircraft manufacturers, have experienced repeated delays in production leading to them being

months behind schedule. Their inability to produce planes at their forecasted levels has contributed to the reduction in air service as demand cannot keep pace with supply. One of the ways that airlines are combatting this issue is by equipment “up-gauging”. This is where air carriers increase capacity by either adding seats to existing planes or by replacing smaller planes with larger planes.

While staffing and equipment shortages impact the airline industry’s ability to grow, inflation continues to challenge the airlines’ ability to grow profitably. OPEC reports significant uncertainties in the outlook for the liquid fuels markets, relating to the impact of monetary tightening in advanced economies, ongoing geopolitical developments and the growth of US oil output. In January 2023, jet fuel prices rose 12.7% over the prior month reaching \$146 per barrel. This increase in operational costs is being passed on to passengers via higher air fares. Data released by the U.S. Bureau of Labor Statistics’ Consumer Price Index shows a 25.6% increase in airfares from January 2022 to January 2023.

Despite these headwinds, the outlook for the aviation industry remains positive. At the start of 2023, passenger levels, at least domestically, are back up to 2019 levels. Internationally, travel restrictions continue to ease and most countries, including China, are open again to visitors. IATA is forecasting over 4 billion travelers in 2023, the first-time global travelers will surpass the 4 billion milestone since 2019.

Airport Activity

DTW ended calendar year 2022 with a 19.3 percent increase in enplaned passengers and a 6.9 percent increase in landed weight as compared to calendar year 2021. During the same period, operations decreased by 0.8 percent while cargo activity increased by 4.7 percent. DTW’s activities for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>	% Change
Enplanements	14,052,931	11,782,602	19.3%
Landed Weights (in thousand, lbs)	17,645,129	16,509,814	6.9%
Operations	284,606	286,909	-0.8%
Cargo (in metric tons)	185,629	177,312	4.7%

Aviation activity continues to lag 2019 levels with enplanements and landed weight down 23.4 percent and 20.9 percent respectively. A 10.2 percent decrease in enplanements from 2019 levels is forecasted for fiscal year 2023 and enplanements through February 2023 are consistent with this forecast. The outlook for 2023 remains positive with Icelandair, WestJet and Sun Country all commencing operations at DTW in May 2023.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority’s Budget

Prior to the commencement of each fiscal year, 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. DTW (including the Westin Hotel) and YIP Operation & Maintenance funds budgets 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 Airline Use & Lease Agreements with the Airlines, which differs from Accounting Principles Generally Accepted in the United States of America – the Authority's accounting basis.

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 and Air Trade Area

DTW resides in a region which the United States Office of Management and Budget (OMB) defines as the Detroit-Warren-Ann Arbor Combined Statistical Area (CSA) and includes the ten Michigan counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne. These counties represent the primary geographical area served by DTW and is referred to as its "Air Trade Area". The Air Trade Area was the 12th most populous CSA in the nation in 2020 with approximately 5.4 million people and accounted for approximately 54% of the entire population of Michigan.

DTW serves as the primary commercial service airport for the CSA and is by far the largest airport in the region. Within a 100-mile driving radius from DTW there are four commercial service airports that offer limited scheduled airline service. These airports are Windsor International Airport (YQG), Toledo Express Airport (TOL), Bishop International Airport (FNT) in Flint, Michigan and Capital Regional Airport (LAN) in Lansing, Michigan.

Chicago Midway International Airport (MDW) and Chicago O'Hare International Airport (ORD) are the nearest large U.S. hub airports at approximately 270 and 290 driving miles from DTW. Toronto Pearson International Airport (YYZ) in Ontario, Canada is the nearest large airport somewhat comparable in size to DTW, however, it is across the U.S. boarder and is approximately 240 driving miles from DTW. The nearest

medium hub airport is Cleveland-Hopkins International Airport, which is approximately 145 driving miles from DTW.

Economy

Historically, air travel demand for origin-destination (O&D) traffic, passengers beginning or ending their trip at the Airport, is largely correlated with a region's demographic and economic characteristics. The economic strength of the Air Trade Area has a major impact on the aviation activity at the Airport since approximately 64% of the Airport's domestic passenger traffic is O&D.

The Air Trade Area is home to 11 Fortune 500 Company Headquarters, six of which are part of the automotive industry. Three of the five largest employers in the Air Trade Area, as of June 2022, are automobile manufacturers; Ford Motor (approx. 48,000 employees), Stellantis NV (approx. 42,000 employees) and General Motors (approx. 39,000 employees). The University of Michigan (approx. 35,000 employees) and Beaumont Health (approx. 22,000 employees) complete the top five employers.

Per capita personal income is a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel. Prior to the pandemic, the Air Trade Area had seen steady improvement in employment rates and a high percentage of households in the uppermost income categories when compared to Michigan and the nation. For the ten-year period of 2012-2022, per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 1.8 percent. In the same time period, the CAGR for Michigan was 1.7 percent and the CAGR for the United States was 1.9 percent.

As a result of the impacts associated with the COVID-19 pandemic and the shutdown of most sectors of the U.S. economy, the unemployment rate in the Air Trade Area peaked at 23.5 percent in April of 2020. With the reopening of the economy, unemployment declined to pre-pandemic levels. The unemployment rate in the Air Trade Area was 4.4 percent in January of 2023.

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 Airline Use and Lease Agreement, fees and charges paid by the Airlines are used along with other income from DTW to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance state that DTW's net revenues plus other available monies as defined by the Master Bond Ordinance are sufficient to provide debt service coverage of 125 percent of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended December 31, 2022 was in excess of the requirements at 141 percent of senior lien debt service and 132 percent of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) 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 2023-2027 includes planned funding of approximately \$1.3 billion and \$120.8 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, 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.

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 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 Authority. 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 December 31, 2022, the Authority received approximately \$1.67 billion of PFC revenue and approximately \$73.8 million of interest earnings. The Authority expended approximately \$1.74 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 ACFR for the year ended December 31, 2021. This was the nineteenth 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 ACFR. The ACFR must satisfy both

accounting principles generally accepted in the United States of America 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 2022 ACFR to the GFOA for consideration.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Division. We would like to express our appreciation to all members of this Division.

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

Respectfully submitted,



Chad Newton
Chief Executive Officer



Amber Hunt
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Wayne County Airport Authority
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

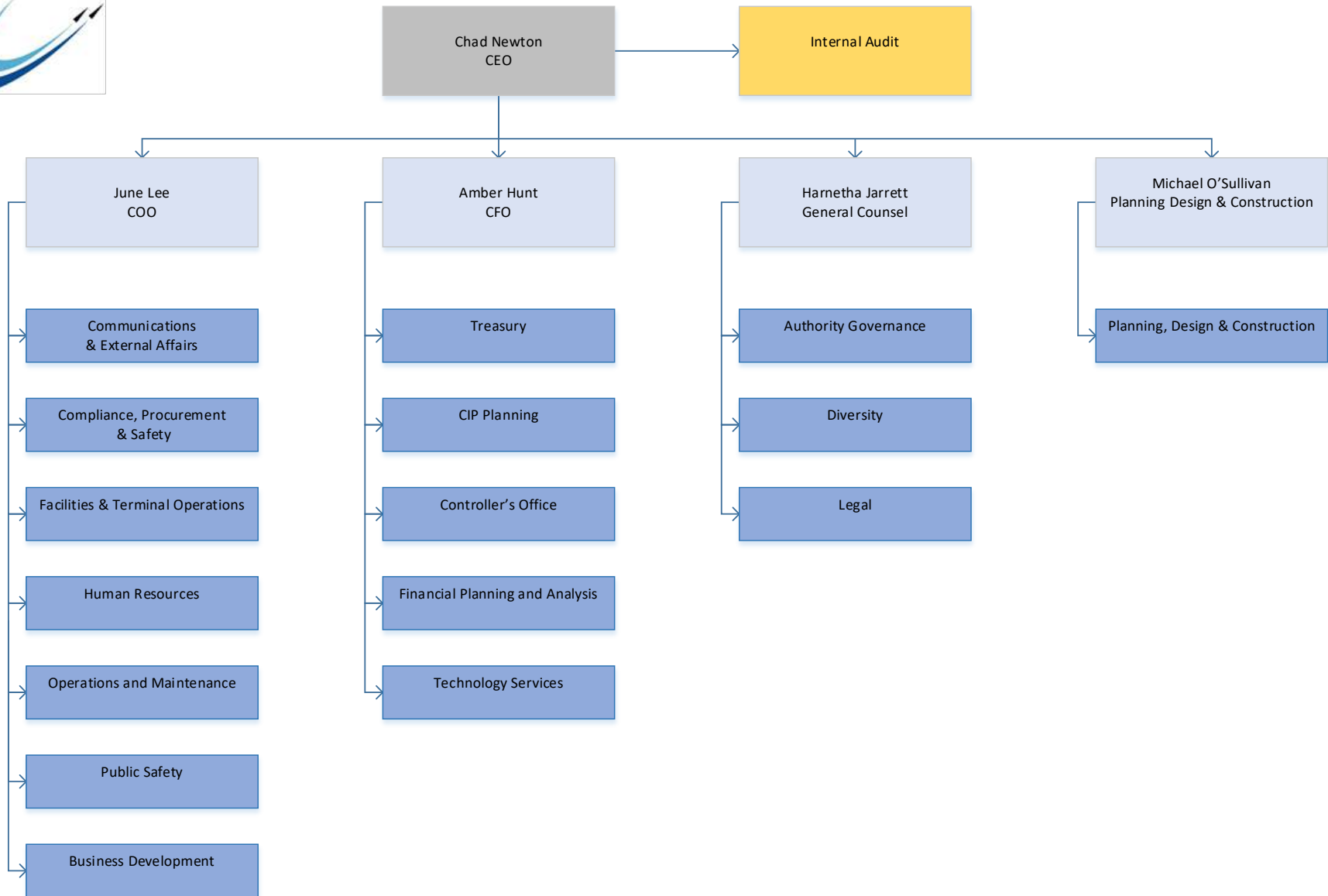
December 31, 2021

Christopher P. Morill

Executive Director/CEO

Wayne County Airport Authority – Functional Org Chart

& External Affairs



LIST OF PRINCIPAL OFFICIALS

<u>Authority Board</u>	<u>Position</u>	<u>Term Expires</u>
Athina Papas	Chairperson	October 2026
Dr. Curtis L. Ivery	Vice-Chairperson	October 2024
Dennis W. Archer Jr., Esq.	Secretary	October 2026
Michael Ajami	Board Member	October 2026
Marvin W. Beatty	Board Member	October 2023
Lisa Canada	Board Member	October 2028
Al Hadious	Board Member	October 2024

<u>Airport Management</u>	<u>Position</u>
Chad Newton	Chief Executive Officer
Amber Hunt	Chief Financial Officer
June Lee	Chief Operating Officer
Harnetha Jarrett	General Counsel
Angela Frakes	Vice President – Facilities and Terminal Operations
Erica Donerson	Vice President – Communications and External Affairs
James Montgomery	Vice President – Operations and Maintenance
Lynda Racey	Vice President – Human Resources
Michael Jackson	Vice President – Business Development
Mike O’Sullivan	Vice President – Planning, Design and Construction
Shannon Ozga	Vice President – Procurement, Compliance and Safety
Tadarial Sturdivant	Vice President – Public Safety

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major fund and the aggregate remaining funds of Wayne County Airport Authority (the "Authority") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining funds of the Authority as of December 31, 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the Authority implemented the provisions of GASB Statement No. 87, *Leases*, for the year ended December 31, 2022. This statement requires recognition of lease assets and liabilities for leases that meet certain criteria based on the provisions of the contract. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental 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.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of passenger facility charge revenue and expenditures, as required by the *Passenger Facility Audit Guide for Public Agencies*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and passenger facility charges collected and expended are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section, statistical section, and continuing disclosure section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



April 25, 2023



The following discussion and analysis provide an overview of the financial performance and activities of the Wayne County Airport Authority (the Authority) as of and for the year ended December 31, 2022, with selected comparative information for the year ended December 31, 2021. 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, deferred inflows and outflows of resources 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 of 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 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, including the Airport Hotel (the Airport), and Willow Run Airport.

The Airport Funding Methodology

Funding for the Airport's operations is predicated upon the stipulations in the Airport Use and Lease Agreements (the agreements) between the Authority and the Airlines. The agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the agreements include rental rates, activity fee methodology, cost center definitions, etc. Once an airline signs an agreement, they are designated a "Signatory Airline." The 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.

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 of 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

For the year ended December 31, 2022, operating revenues, which are comprised of airline and non-airline revenues, were \$351.9 million. This is a \$15.5 million (4.6 percent) increase from operating revenues of \$336.4 million for the year ended December 31, 2021. Operating revenues continue to recover from a low of \$258.2 million in 2020, when the Airport was first impacted by the outbreak of COVID-19. The outbreak caused disruptions in both domestic and international air travel, which significantly impacted operating revenues. Air travel activity continued to recover in 2022, with total passenger volumes at the Airport increasing by 19.3% from 2021 and total landed weight increasing by 6.8% from 2021, driving increases in operating revenues. While air travel activity levels continue to recover, total passenger volume and landed weights at the airport remain 22.2% and 23.4% below 2019 levels.

Operating expenses are \$13.5 million (3.7 percent) higher than in the prior year. This increase is primarily attributed to increases in salaries, wages and fringe benefits (\$2.2 million), hotel management (\$6.5 million) and building, ground and equipment maintenance (\$2.3 million). These increases were realized as the Airport experienced increased passenger activity and landed weights.

Nonoperating revenues, net of nonoperating expenses, increased by \$1.6 million (9.3 percent) over the prior year. The increase was primarily a result of increases in passenger facility charge revenue (\$7.1 million) and customer facility charge revenue (\$4.6 million), offset by a \$7.8 million loss on the disposal of assets and a \$2.4 million loss on investments. Passenger facility charges increased due to increased passenger activity, and customer facility charges increased due to the reinstatement of these charges as of August 1, 2022.

Statement of Net Position

The Statement of Net Position includes all assets, liabilities, deferred inflows and outflows of resources and the resulting net position. 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 December 31, 2022 and December 31, 2021 is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2022

	<u>Dec. 31, 2022</u> <u>(000's)</u>	<u>Dec. 31, 2021</u> <u>(000's)</u>
Assets:		
Current unrestricted assets	\$ 313,686	\$ 276,418
Restricted assets	250,428	328,595
Capital assets (net)	1,909,784	1,946,865
Other assets	<u>11,218</u>	<u>1,077</u>
Total assets	<u>2,485,116</u>	<u>2,552,955</u>
Deferred Outflows:	<u>43,290</u>	<u>24,048</u>
Liabilities:		
Current liabilities	79,519	83,412
Liabilities payable from restricted assets	114,962	109,575
Long-term liabilities	<u>2,048,291</u>	<u>2,121,249</u>
Total liabilities	<u>2,242,772</u>	<u>2,314,236</u>
Deferred Inflows:	<u>36,907</u>	<u>41,991</u>
Net Position:		
Net investment in capital assets	(45,989)	(53,950)
Restricted	270,521	275,667
Unrestricted	<u>24,195</u>	<u>(941)</u>
Total Net Position	<u>\$ 248,727</u>	<u>\$ 220,776</u>

Restricted assets, which primarily consists of cash and investments and accounts receivable, decreased \$78.2 million year-over-year. The decrease can be attributed primarily to reductions in cash and investment holdings resulting from capital expenditures made from airport revenue bond proceeds. Airport revenue bonds were issued in 2021 to fund various capital projects at the Airport. Current unrestricted assets, which consist primarily of cash and investments, account receivable and amounts due from other governmental units increased by \$37.2 year-over-year. The most significant components of the increase are lease receivables of \$12.7 million recorded in the current year upon the implementation of GASB Statement No. 87, *Leases* (GASB 87), an increase in amounts due from other governmental units of \$14.5 million resulting primarily from grant revenue due to the Authority for the reconstruction of Taxiway Y, and increases in unrestricted cash and investments of \$13 million.

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 prepaid bond insurance premiums, net of related amortization. Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. They are reported separately from assets and consist of the deferred amount on debt refunding and deferred outflows related to pensions and other post-employment benefits (OPEB).



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 restricted related to certain restrictions on the use of those assets. Net position has been restricted for operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, customer facility charges and drug enforcement.

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, amounts due to other governmental units, activity fees payable to airlines and security/performance deposits. Long-term liabilities consist primarily of long-term debt, net pension liability, net OPEB liability, other accrued liabilities and amounts due to other governmental units. Current liabilities decreased by \$3.9 million in the year ended December 31, 2022.

Long-term liabilities decreased approximately \$73 million from December 31, 2021 to December 31, 2022. The decrease was primarily a result of a \$117 million decrease in bonds payable and other debt, offset by increases in net pension liability of \$25.1 million and net other post-employment benefit liability of \$67.6 million. The net pension liability and the net other post-employment benefit liability primarily increased due to decreases in the value of pension investments, while bonds payable and other debt decreased as a result of normal debt service and the amortization of bond premiums.

Deferred inflows of resources represent an acquisition of net position that is applicable to future periods and decreased \$5.1 million. The change was a result of a \$22.7 million increase in deferred inflows from leases being recognized upon the implementation of GASB 87, offset by a \$14.0 million decrease in deferred inflows from pension and a \$13.8 million decrease in deferred inflows from other post-employment benefits. That decrease in deferred inflows from pension resulted from differences between projected and actual earnings on pension plan investments changing from a deferred inflow of \$14.9 million to a deferred outflow of \$13.3 million. The decrease in deferred inflow from other post-employment benefits resulted from differences between projected and actual earnings changing from a deferred inflow of \$6.3 million to a deferred outflow of \$9.4, and the difference between expected and actual experience being reduced from a \$16.5 million inflow to a \$9 million dollar inflow.

Total net position at December 31, 2022 was \$248.7 million, which is an increase in net position of \$28 million from December 31, 2021. The increase is the result of net non-operating revenues of \$18.5 million and capital contributions of \$41.6 million offsetting the total operating loss of \$32.2 million. A total of \$270.5 million of the Airport's December 31, 2022 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 investment in capital assets was a negative \$46 million and represents land, intangible assets, buildings, improvements and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition of, construction or improvement of those assets. The Authority reported an unrestricted net deficit of \$24.2 million.



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 after receiving approval of a Weighted Majority for such capital projects. As of December 31, 2022, the Authority had approximately \$2.1 billion in outstanding bonds and other debt, both senior and subordinate, paying fixed and variable rates. The total debt service (principal and interest) for the year ending December 31, 2022 was approximately \$177.6 million and long-term debt amounting to \$89.8 million was paid off. Debt totaling \$21 million was issued to refund outstanding balances on existing debt during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 7 and 8 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. Nonoperating revenues consist primarily of passenger facility charges, federal and state sources 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 December 31, 2022 and December 31, 2021 follows:



MANAGEMENT DISCUSSION AND ANALYSIS

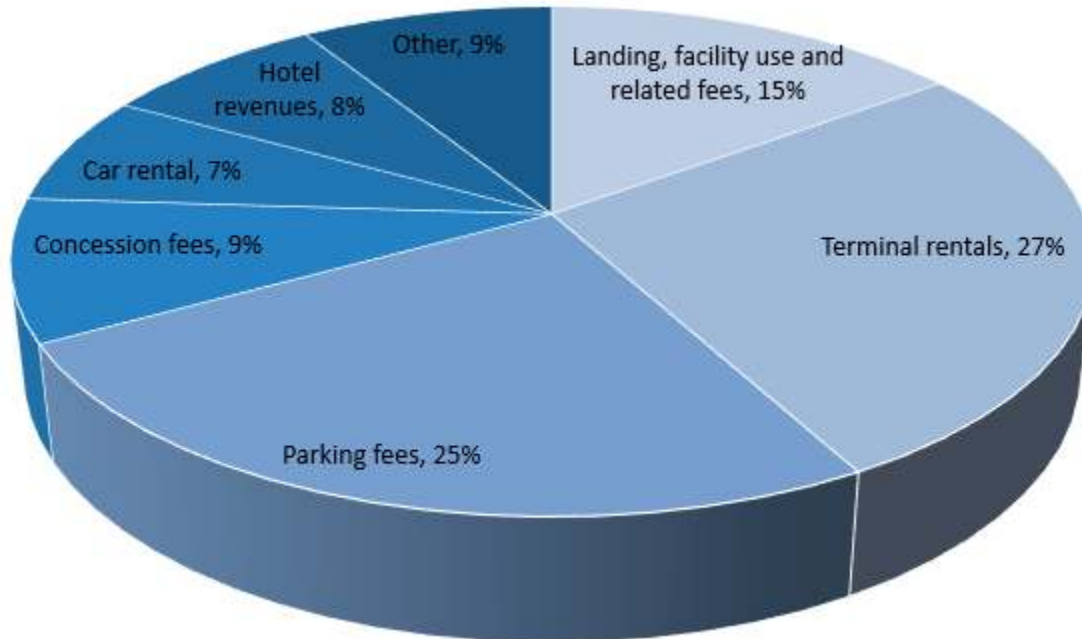
December 31, 2022

	Year Ended Dec. 31, 2022 (000's)	Year Ended Dec. 31, 2021 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	\$ 46,697	\$ 73,458
Terminal building rentals and fees	94,216	102,093
Facility use fees	6,415	2,731
Non-airline revenues:		
Parking fees	87,624	61,971
Concession fees	32,721	28,140
Car rental	25,401	21,205
Hotel	29,728	18,111
Other	29,131	28,704
Total operating revenues	<u>351,933</u>	<u>336,412</u>
Operating expenses:		
Salaries, wages, and fringe benefits	84,749	82,590
Parking management	6,994	5,495
Hotel management	18,358	11,883
Depreciation	130,309	139,302
Professional and contractual services	28,880	27,285
Utilities	23,200	20,857
Building, ground, equipment maintenance	37,326	42,020
Other	54,331	41,177
Total operating expenses	<u>384,147</u>	<u>370,609</u>
Operating loss	(32,214)	(34,197)
Nonoperating revenues (expenses):		
Passenger facility charges	55,380	48,233
Customer facility charges	4,639	-
Other nonoperating revenues	45,483	46,574
Interest expense	(76,779)	(77,815)
Other nonoperating expenses	(10,195)	(42)
Net nonoperating revenues	<u>18,528</u>	<u>16,949</u>
Net loss before capital contribution	(13,686)	(17,247)
Capital Contribution	<u>41,637</u>	<u>13,147</u>
Changes in net position	27,951	(4,100)
Net position, beginning of the year	<u>220,776</u>	<u>224,877</u>
Net position, end of the year	<u>\$ 248,727</u>	<u>\$ 220,776</u>



Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended December 31, 2022:



Operating revenues, which can be further sub-categorized as airline and non-airline revenues, increased by 4.6 percent or \$15.5 million, from \$336.4 million to \$351.9 million.

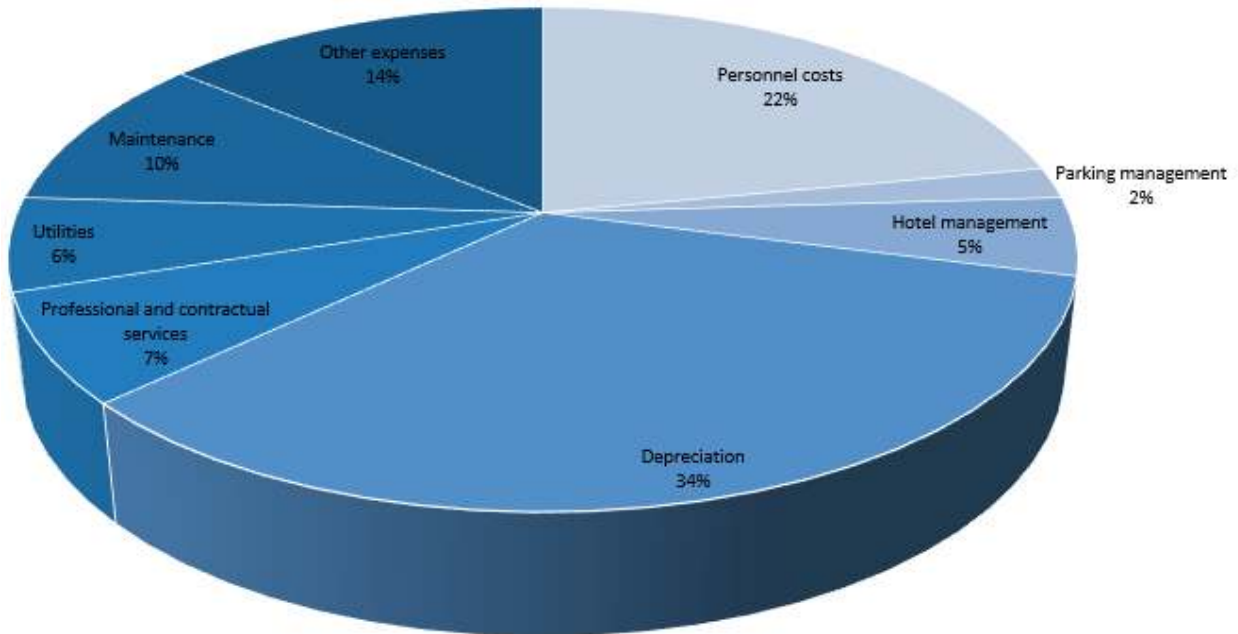
As previously noted, 2020 revenues were significantly impacted by COVID-19. Actions taken at the state and national levels to halt its spread had an adverse effect on both airline and non-airline revenue. Air travel activity has steadily recovered from the impacts of COVID-19. Passenger volumes and flight activity at the Airport and across the United States improved in 2021 and continued to improve in 2022. In 2022, overall landed weights at the Airport increased by 6.8% and total passenger volume increased by 19.3%. As a result of increasing activity levels, the Authority reduced landing fees from \$4.37 for Signatory Airlines in 2021 to \$2.56 for Signatory Airlines in 2022 (rates are per 1,000 pounds of landed weight). The rate change led to a reduction in landing and related fee revenue of \$26.8 million, but higher activity levels drove an increase in non-airline revenue of \$46.5 million.

Non-airline revenues include revenue collected for activities that are not specifically aviation related. For the year ended December 31, 2022, the \$46.5 million increase in non-airline operating revenues (from \$158.1 million in 2021 to \$204.6 million in 2022) was driven by increases in passenger volume. Increases in revenue were experienced for all major categories of non-airline revenue, with parking revenue increasing by \$25.7 million, hotel revenue increasing by \$11.6 million, concession revenue increasing by \$4.6 million and car rental revenue increasing by \$4.2 million.



Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended December 31, 2022:



Operating expenses increased by \$13.5 million or 3.7 percent to \$384.1 million. The expense categories which had the largest increases were salaries, wages and fringe benefits (\$2.2 million), hotel management (\$6.5 million) and other (\$13.1 million).

Salaries, wages and fringe benefits totaled \$84.7 million for the year December 31, 2022, as compared to \$82.6 million for the year ended December 31, 2021. The increase is primarily attributable to an increase in expenses associated with the change in other post-employment benefits. Hotel management expenses increased from \$11.8 million to \$18.3 year-over-year, as increasing occupancy rates resulted in higher overall operating costs. Increases in other operating expense of \$13.1 million are the result of increases in a number of operational areas, including a \$2.3 million increase in shuttle bus service costs, a \$3.6 million increase in janitorial costs and a \$3.2 million increase in materials and supplies costs.

Nonoperating Revenues, Expenses and Contributed Capital

Nonoperating revenues increased from \$94.8 million in 2021 to \$105.5 million in 2022. The increase is primarily attributable to customer facility charges, which resumed on August 1, 2022, and resulted in \$4.6 million in revenue in 2022. Nonoperating expenses also increased, from \$77.9 million in 2021 to \$87.0 million in 2022. The increase was the result of a \$7.8 million loss on the disposal of assets, and a \$2.4 million unrealized loss on the value of investments.

Capital contributions increased by \$28.5 million, from \$13.1 million in 2021 to \$41.6 million 2022. Capital contributions in 2022 were primarily for grant revenue obtained through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) for the reconstruction of Taxiway Y at DTW and the reconstruction of runway 9-27 and associated taxiway connectors at Willow Run Airport.



Economic Conditions

The Authority utilizes a mix of airline and non-airline revenue to off-set the cost of operating the Airport. Airline and non-airline revenue are either derived from or are significantly impacted by demand for air transportation and the operations of the Airlines meeting this demand at the Airport. Changes in economic conditions which impact passenger traffic and aviation activity may be reflected in the airline and non-airline revenue realized by the Authority. As a residual Airport, should economic conditions create a reduction in revenue resulting in a deficit between revenues and expenses, the Authority has the ability to increase rates charged to all Airlines up to the amount of the deficit. Conversely, should revenues exceed expenses, the excess is returned to the Airlines.

As previously noted, in calendar year 2020 economic conditions in the State of Michigan, the United States, and countries throughout the world were impacted by the spread of COVID-19. As the impact of the pandemic has subsided, airline activity has steadily improved, and the overall economy has largely recovered. In addition, the Airport continues to have access to certain financial support initiated through legislative measures which were put into place to help mitigate the financial impact on industries effected by COVID-19. In 2022, the Authority recognized \$17.4 million in grant revenues received through the Airport Coronavirus Response Grant (CRRSA), \$3.9 million through the concessions portion of CRRSA, and \$12.3 million through the American Rescue Plan Act (ARPA). The Authority has approximately \$99.4 in ARPA funds available as of year-end, with an additional \$15.5 million in ARPA funds designated for concessions relief.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

December 31, 2022

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Total
Assets:			
Current assets:			
Cash and investments (note 4)	\$ 231,823,571	\$ 2,607,886	\$ 234,431,457
Accounts receivable, less allowance (note 2)	21,639,515	318,463	21,957,978
Lease receivable (note 13)	12,617,243	52,728	12,669,971
Due from other governmental units	32,878,424	6,989,629	39,868,053
Due from other funds	548,041	—	548,041
Prepays and deposits	4,180,962	29,930	4,210,892
Total current assets	303,687,756	9,998,636	313,686,392
Restricted assets (notes 4 and 6):			
Cash and investments	250,175,204	—	250,175,204
Accounts receivable	253,288	—	253,288
Capital assets (note 7):			
Capital assets not being depreciated	293,402,151	20,559,676	313,961,827
Capital assets being depreciated	4,063,181,740	216,317,147	4,279,498,887
Total capital assets	4,356,583,891	236,876,823	4,593,460,714
Less accumulated depreciation	2,559,399,831	124,277,184	2,683,677,015
Net capital assets	1,797,184,060	112,599,639	1,909,783,699
Other assets:			
Lease receivable (note 13)	9,386,863	800,739	10,187,602
Prepays and deposits	492,498	—	492,498
Prepaid bond insurance premiums (note 2)	537,433	—	537,433
Total noncurrent assets	2,058,029,346	113,400,378	2,171,429,724
Total assets	\$ 2,361,717,102	\$ 123,399,014	\$ 2,485,116,116
Deferred outflows of resources:			
Deferred amount on refunding (note 2)	\$ 9,438,239	\$ —	\$ 9,438,239
Deferred outflows from pensions (note 10)	19,171,742	245,553	19,417,295
Deferred outflows from other postemploy. benefits (note 11)	14,253,002	181,880	14,434,882
Total deferred outflows of resources	\$ 42,862,983	\$ 427,433	\$ 43,290,416

See accompanying notes to basic financial statements.

(continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

December 31, 2022

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Total
Liabilities:			
Current liabilities:			
Accounts payable	\$ 40,581,782	\$ 2,097,238	\$ 42,679,020
Accrued wages and benefits	4,154,069	30,823	4,184,892
Due to other governmental units	1,978,591	—	1,978,591
Due to other funds	—	548,041	548,041
Payments received in advance	2,738,893	17,375	2,756,268
Bonds payable and other debt (note 8)	815,567	60,000	875,567
Other accrued liabilities	26,224,668	271,530	26,496,198
Total current liabilities	<u>76,493,570</u>	<u>3,025,007</u>	<u>79,518,577</u>
Payable from restricted assets:			
Accrued interest and other payables	13,736,587	—	13,736,587
Bonds payable and other debt (note 8)	101,225,000	—	101,225,000
Other accrued liabilities	130,575	940,200	1,070,775
Payments received in advance	64,321	—	64,321
Due to other governmental units (note 12)	3,793,000	—	3,793,000
Net pension liability (note 10)	56,748,810	639,287	57,388,097
Net other postemployment benefit liability (note 11)	36,903,340	470,916	37,374,256
Bonds payable and other debt, net (note 8)	1,948,396,251	205,000	1,948,601,251
Total noncurrent liabilities	<u>2,160,997,884</u>	<u>2,255,403</u>	<u>2,163,253,287</u>
Total liabilities	<u>\$ 2,237,491,454</u>	<u>\$ 5,280,410</u>	<u>\$ 2,242,771,864</u>
Deferred inflows of resources:			
Deferred inflow from pension (note 10)	\$ 4,993,305	\$ 63,955	\$ 5,057,260
Deferred outflows from other postemploy. benefits (note 11)	8,998,084	114,823	9,112,907
Deferred inflows from leases (note 13)	21,886,972	849,863	22,736,835
Total deferred inflows of resources	<u>\$ 35,878,361</u>	<u>\$ 1,028,641</u>	<u>\$ 36,907,002</u>
Net position:			
Net investment in capital assets	\$ (158,588,213)	\$ 112,599,639	\$ (45,988,574)
Restricted for:			
Capital assets	47,632,639	—	47,632,639
Debt service	168,249,194	—	168,249,194
Operations	47,063,700	—	47,063,700
Drug enforcement	7,575,235	—	7,575,235
Unrestricted	19,277,715	4,917,757	24,195,472
Total net position	<u>\$ 131,210,270</u>	<u>\$ 117,517,396</u>	<u>\$ 248,727,666</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2022

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Total
Operating revenues:			
Airline revenues:			
Airport landing and related fees	\$ 45,559,513	\$ 1,137,206	\$ 46,696,719
Terminal building rentals and related fees	94,040,125	176,007	94,216,132
Facility use fees	5,762,669	651,777	6,414,446
Nonairline revenues:			
Parking fees	87,624,321	—	87,624,321
Concession fees	32,720,958	—	32,720,958
Car rental	25,401,242	—	25,401,242
Hotel	29,728,369	—	29,728,369
Employee shuttle bus	2,938,256	—	2,938,256
Ground transportation	7,433,827	—	7,433,827
Utility service fees	4,443,780	106,364	4,550,144
Rental facilities	4,202,343	584,473	4,786,816
Other	8,285,961	1,135,635	9,421,596
Total operating revenues	<u>348,141,364</u>	<u>3,791,462</u>	<u>351,932,826</u>
Operating expenses:			
Salaries, wages, and fringe benefits	83,594,353	1,154,678	84,749,031
Parking management	6,993,617	—	6,993,617
Hotel management	18,358,005	—	18,358,005
Shuttle bus services	9,534,090	—	9,534,090
Janitorial services	20,052,344	31,414	20,083,758
Security	7,364,335	—	7,364,335
Professional and other contractual services	27,078,544	1,801,229	28,879,773
Utilities	22,507,569	692,623	23,200,192
Buildings and grounds maintenance	15,681,411	771,975	16,453,386
Equipment repair and maintenance	20,736,144	136,613	20,872,757
Materials and supplies	10,131,954	206,887	10,338,841
Insurance	2,122,372	34,969	2,157,341
Other	4,749,985	103,021	4,853,006
Depreciation	123,806,401	6,502,279	130,308,680
Total operating expenses	<u>372,711,124</u>	<u>11,435,688</u>	<u>384,146,812</u>
Operating loss	<u>(24,569,760)</u>	<u>(7,644,226)</u>	<u>(32,213,986)</u>
Nonoperating revenues (expenses):			
Passenger facility charges	55,380,403	—	55,380,403
Customer facility charges	4,639,302	—	4,639,302
Federal and state sources	44,715,979	576,874	45,292,853
Net insurance recovery	189,460	—	189,460
Investment loss	(2,372,439)	31,945	(2,340,494)
Interest expense	(76,778,843)	—	(76,778,843)
Loss on disposal of assets	(7,803,649)	(9,767)	(7,813,416)
Amortization of bond insurance premiums	(40,967)	—	(40,967)
Net nonoperating revenues	<u>17,929,246</u>	<u>599,052</u>	<u>18,528,298</u>
Net loss before capital contributions	<u>(6,640,514)</u>	<u>(7,045,174)</u>	<u>(13,685,688)</u>
Capital contributions	27,312,479	14,324,428	41,636,907
Transfers (out) in	(12,002,537)	12,002,537	—
Changes in net position	<u>8,669,428</u>	<u>19,281,791</u>	<u>27,951,219</u>
Net position – Beginning of year	<u>122,540,842</u>	<u>98,235,605</u>	<u>220,776,447</u>
Net position – End of year	\$ <u>131,210,270</u>	\$ <u>117,517,396</u>	\$ <u>248,727,666</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year Ended December 31, 2022

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 357,933,214	\$ 3,779,590	\$ 361,712,804
Payments to suppliers	(162,337,795)	(2,855,858)	(165,193,653)
Payments to employees	(88,734,369)	(669,089)	(89,403,458)
Payments (to) from other funds for services provided	(35,961)	35,961	—
Return of customer deposits	(1,794,848)	(10,685)	(1,805,533)
Collection of customer deposits	2,172,089	9,454	2,181,543
Net cash provided by operating activities	<u>107,202,330</u>	<u>289,373</u>	<u>107,491,703</u>
Cash flows from noncapital financing activities:			
Passenger facility charges received	481,388	—	481,388
Customer facility charges received	5,781	—	5,781
Insurance proceeds	189,460	—	189,460
Grants from federal/state government	36,959,702	576,874	37,536,576
Net cash provided by noncapital financing activities	<u>37,636,331</u>	<u>576,874</u>	<u>38,213,205</u>
Cash flows from capital and related financing activities:			
Capital contributions received	15,500,679	12,731,749	28,232,428
Grants from federal/state government	6,697,517	—	6,697,517
Passenger facility charges received	54,539,140	—	54,539,140
Customer facility charges received	3,659,727	—	3,659,727
Proceeds for the sale of capital assets	226,982	—	226,982
Payments (to) from other funds for capital activities	(14,477,623)	14,477,623	—
Principal paid on capital debt	(98,346,825)	(55,000)	(98,401,825)
Acquisition and construction of capital assets	(89,553,550)	(25,798,980)	(115,352,530)
Interest paid on capital debt	(87,713,770)	—	(87,713,770)
Net cash (used in)/provided by capital and related financing activities	<u>(209,467,723)</u>	<u>1,355,392</u>	<u>(208,112,331)</u>
Cash flows from investing activities:			
Interest and dividends received	7,381,364	31,945	7,413,309
Purchases of investments	(456,883,381)	—	(456,883,381)
Maturities of investments	530,759,368	—	530,759,368
Net cash provided by investing activities	<u>81,257,351</u>	<u>31,945</u>	<u>81,289,296</u>
Net increase in cash and cash equivalents	16,628,289	2,253,584	18,881,873
Cash and cash equivalents – Beginning of year	<u>301,846,448</u>	<u>354,302</u>	<u>302,200,750</u>
Cash and cash equivalents – End of year	\$ <u>318,474,737</u>	\$ <u>2,607,886</u>	\$ <u>321,082,623</u>

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year Ended December 31, 2022

	<u>Detroit Metropolitan Airport Fund</u>	<u>Willow Run Airport Fund</u>	<u>Total</u>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (24,569,760)	\$ (7,644,226)	\$ (32,213,986)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	123,806,401	6,502,279	130,308,680
Decrease (increase) in accounts receivable	509,181	(16,781)	492,400
(Decrease) increase in due from/to other funds	(583,982)	583,982	—
(Increase) decrease in prepaids/deposits	(1,605,896)	156,538	(1,449,358)
Increase (decrease) in accounts payable	4,275,322	(59,263)	4,216,059
Increase in accrued wages and benefits	688,768	1,382	690,150
Increase in unearned revenue	960,715	4,909	965,624
Increase in due to other governmental units	259,336	—	259,336
Increase in other accrued liabilities	8,747,561	825,773	9,573,334
(Decrease)/Increase in net OPEB liability	(5,335,865)	120,627	(5,215,238)
Increase (decrease) in net pension liability	50,548	(185,847)	(135,299)
Total adjustments	<u>131,772,089</u>	<u>7,933,599</u>	<u>139,705,688</u>
Net cash provided by operating activities	\$ <u>107,202,329</u>	\$ <u>289,373</u>	\$ <u>107,491,702</u>
Cash and investments at December 31, 2022 consist of:			
Cash and cash equivalents	\$ 318,474,737	\$ 2,607,886	\$ 321,082,623
Investments	<u>163,524,038</u>	<u>—</u>	<u>163,524,038</u>
Total cash and investments	\$ <u>481,998,775</u>	\$ <u>2,607,886</u>	\$ <u>484,606,661</u>

Noncash investing activities:

- Detroit Metropolitan Airport Fund had a noncash change in the fair value of investments of approximately \$10.3 million in the year ended December 31, 2022.
- The issuance of refunding bonds resulted in several non-cash activities. The major components are as follows: \$22.3 million of principal additions offset by \$21 million of principal reductions.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Position

December 31, 2022

	Postemployment Health Benefits Trust Fund
Assets:	
Interest in pooled investments (note 4):	
Bonds	\$ 16,462,773
Stocks	48,218,831
Private markets	<u>25,278,901</u>
Total interest in pooled investments	<u>\$ 89,960,505</u>
 Net position:	
Net position restricted for OPEB	<u>\$ 89,960,505</u>

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2022

	Postemployment Health Benefits Trust Fund
Additions	
Investment income (loss):	
Net decrease in fair value	\$ (10,476,101)
Investment expenses	(165,336)
Net investment income (loss)	(10,641,437)
Health benefit contributions:	
Employer	5,280,830
Employee	659,485
Total health benefit contributions	5,940,315
Total additions	(4,701,122)
Deductions	
Health insurance payments	5,940,315
Changes in net position	(10,641,437)
Net position – restricted for other post-employment benefits - Beginning of year	100,601,942
Net position – restricted for other post-employment benefits - End of year	\$ 89,960,505

See accompanying notes to basic financial statements.



(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 (which includes the Airport Hotel) and Willow Run Airport. The Authority is not deemed a component unit of 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 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 agreements with 10 airlines. These airlines, along with their affiliates, constitute approximately 97 percent of total landed weight in the year ended December 31, 2022. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives revenue.

(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, which includes the Airport Hotel.

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

The Authority also reports the following fiduciary fund:

Postemployment Health Benefits Trust Fund – This fund accounts for the activities of the employee benefit plan that accumulates resources for other postemployment benefit (OPEB) 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.



(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 or estimated fair value, and investments with a maturity of three-months or less are considered cash and cash equivalents.

(d) Cash Flows

For the purpose 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 from airlines are recorded on an accrual basis. Unspent PFC cash and accounts receivable are classified as restricted net position for eligible debt service.

(f) Customer Facility Charges

The Authority may impose a customer facility charge (CFC) which must be collected by rental car concessionaires operating at Detroit Metropolitan Airport. Beginning August 1, 2022, \$3.00 was charged to each airport rental car concessionaire customer on a per transaction day basis. CFC revenues are classified as nonoperating on the statement of revenue, expenses, and changes in net position. Such amounts are classified as restricted net position for capital improvements related to the rental car operations at Detroit Metropolitan Airport.

(g) 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.

(h) Net Position

Equity is displayed in three components, as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, plus unspent bond process, 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.”

(i) 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.

(j) 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.

(k) 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	3 - 12 years
Infrastructure	10 - 40 years

Purchases 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. 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.

(l) 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” and will be paid with resources from both the Detroit Metropolitan Airport Fund and the Willow Run Airport Fund. Activity for the year ended December 31, 2022 was as follows:

Beginning Balance	\$	3,850,946
Increases		5,056,510
Decreases		<u>(5,148,551)</u>
Ending Balance	\$	<u>3,758,905</u>

(m) Retirement Contributions and Other Postemployment Benefit Costs

The Authority offers defined benefit and defined contribution retirement benefits through the Wayne County Employees’ Retirement System (WCERS), an agent multiemployer retirement system. Related to the defined benefit plans, the Authority records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan’s fiduciary net position. For purposes of measuring the net pension liability, measuring deferred outflows of resources and measuring deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan’s fiduciary net position have been determined on the same basis as they are reported by WCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Related to the defined contribution plans, employer and employee contributions are recognized in the period in which the contributions are due.

In addition, the Authority has entered into an arrangement with WCERS and Wayne County which the Authority has concluded represents a special funding situation under GASB 68. Under the arrangement, which was entered into in 2016, the Authority has provided \$22 million in funding for Pre-2002 Retiree Liabilities. The Authority has recorded an estimated liability of \$6.8 million for this obligation at December 31, 2022.

The Authority offers healthcare benefits to retirees. For purposes of measuring the net retiree healthcare benefit liability, deferred outflows of resources, deferred inflows of resources, and retiree healthcare benefit plan expense, information about the fiduciary net position of the retiree



healthcare benefit plan and additions to/deductions from the retiree healthcare benefit plans fiduciary net position have been determined on the same basis as they are reported by the Authority. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition, the Authority has agreed to contribute 11.25 percent for its estimated share of stipend payments made to participants in the Wayne County Health and Welfare Plan that retired before September 1, 2002. Members of the Wayne County Health and Welfare Plan are required to file annual certifications related to the use of this stipend for healthcare benefits. The Authority's obligation for its share of stipend payments is estimated to be \$3,793,000 at December 31, 2022.

(n) Accounts Receivable

Net receivables at December 31, 2022 consist of trade receivables incurred by customers during the normal course of business. The total allowance for uncollectible accounts at December 31, 2022 was \$389,580, of which \$350,000 was for the Detroit Metropolitan Airport Fund, \$25,000 was for the Willow Run Airport Fund and \$14,580 was for the Airport Hotel.

(o) Accounts Payable

Total payables at December 31, 2022 consist of payables due to vendors incurred during the normal course of business.

(p) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and accounts receivable that are legally required to be trustee or maintained in separate depository accounts. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. 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.

(q) 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 expenses 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 reporting fund to another reporting fund. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one reporting fund to another reporting fund. On December 31, 2022, the following interfund balances existed between the Detroit Metropolitan Airport Fund and the Willow Run Airport Fund:



Fund Name	Due From	Due To
Detroit Metropolitan Airport Fund	\$ 548,041	\$ -
Willow Run Airport Fund	\$ -	\$ (548,041)

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

(r) Prepaid Bond Insurance Premiums

Total remaining unamortized bond insurance premiums were \$537,433 as of December 31, 2022, net of accumulated amortization of \$351,765.

(s) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualify for reporting in this category. One is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second and third items are the deferred outflows for pension and OPEB. See the detailed categories of the deferred outflows for pension in Note 10 and OPEB in Note 11.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category, deferred inflows for pension, OPEB and leases. See the detailed categories of the deferred inflows for pension in Note 10, OPEB in Note 11 and leases in Note 13.

(t) 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 statement of net position as current and long-term "other accrued liabilities."

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.



(u) 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. Additionally, the Authority maintains insurance coverage in several areas, including property, auto and cyber.

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 insurance for claims that exceed \$1 million. There has been one claim (two claimants) that has exceeded the \$1 million deductible 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 Blue Shield, the primary healthcare provider, fully-insured healthcare premiums for Health Alliance Plan, dental, vision and life insurance. The Authority purchases stop/loss coverage from Blue Cross Blue Shield for healthcare claims that exceed \$1 million. There have been no claims in the past three years that have exceeded this threshold.

The liability for self-insurance claims has been recorded in the financial statements as a current “other accrued liability”. The Detroit Metropolitan Airport Fund resources are used to liquidate this liability. A reconciliation of the Authority’s self-insured claims liability at December 31, 2022 follows:

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Other Claims</u>	<u>Total</u>
Claims liability, December 31, 2020	\$ 692,000	\$ 243,000	\$ 356,000	\$ 1,291,000
Claims incurred during fiscal year 2021	14,141,064	605,125	557,365	15,303,554
Payments on claims	(14,124,064)	(572,340)	(559,301)	(15,255,705)
Change in the reserve	-	215	34,936	35,151
Claims liability, December 31, 2021	\$ 709,000	\$ 276,000	\$ 389,000	\$ 1,374,000
Claims incurred during fiscal year 2022	15,915,223	409,328	527,943	16,852,494
Payments on claims	(15,859,223)	(365,222)	(383,205)	(16,607,650)
Change in the reserve	-	(106)	262	156
Claims liability, December 31, 2022	<u>\$ 765,000</u>	<u>\$ 320,000</u>	<u>\$ 534,000</u>	<u>\$ 1,619,000</u>



(v) Long-term leases

Regulated leases – The Authority leases certain assets to various third parties as regulated leases. These leases are for assets related directly and substantially to the movement of passengers, baggage, mail and cargo at the airport. Regulated lease revenue is recorded as operating revenue as it is earned over the life of the regulated leases.

Non-regulated leases – The Authority leases certain assets to various third parties as non-regulated leases. As a lessor, the Authority is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is equal to the lease receivable, less prepayments received from lessees, or lease incentives paid to lessees. As lease payments are received, the Authority recognizes interest revenue and a reduction to the lease receivable. The Authority also recognizes operating lease revenue calculated as the amortization of the deferred inflow of resources over the lease term.

Additional information regarding lease accounting is provided in Note 13.

(3) Major Customer

Delta Air Lines (Delta) and its affiliates account for approximately 29 percent of total Authority operating revenues for the year ended December 31, 2022, including 69 percent of landing and related fees, 68 percent of airline rental and related fees, and 71 percent of facility use fees. Approximately 74 percent of total enplanements during the period are attributable to Delta's (and affiliates) 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 \$4.8 million in receivables from Delta at December 31, 2022.

It is reasonable to assume that any financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, or another 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.

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 at the time of purchase 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>Investments of the Primary Gov.</u>	<u>Fair value</u>	<u>Rating</u>	<u>Rating Organization</u>
Money market funds	\$ 57,080,028	AAA	S&P
Commercial paper	164,603,399	A1, P1	S&P, Moody

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 percent 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 \$102,770,085 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



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

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:

- 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:

Investment fund	Maturity maximum
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

At year end, the deposits and investments of the primary government and the fiduciary fund totaled \$574,567,166. The average maturities of investments subject to interest rate risk at year end are as follows:



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

<u>Primary Government</u>	<u>Fair Value</u>	<u>Average Maturity</u>
Investments subject to risk:		
Bond reserves:		
U.S. Treasuries	\$ 5,339,781	9.6 months
U.S. Agencies	120,208,243	2.4 years
Commercial paper	7,545,128	2.0 months
Bond payment funds:		
U.S. Treasuries	14,831,371	4.9 months
2021A Capitalized Interest:		
Commercial paper	1,484,853	2.7 months
Construction funds:		
2021A Construction:		
Commercial paper	66,178,061	1.0 months
2021B Construction:		
Commercial paper	14,352,802	1.0 months
FF&E Construction:		
Commercial paper	6,871,464	1.2 months
Operating funds:		
Commercial paper	68,171,091	2.0 months
U.S. Agencies	19,993,447	8.7 months
Total of investments subject to risk	<u>\$ 324,976,241</u>	
Deposits/investments not subject to risk:		
Deposits	\$ 102,550,392	
Money market funds	57,080,028	
Total Primary Government	<u>\$ 484,606,661</u>	
	Fair	
Fiduciary Fund	Value	
Deposits/investments not subject to risk:		
Investment Pool	<u>\$ 89,960,505</u>	
Total Fiduciary Fund	<u>\$ 89,960,505</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 the 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 percent of combined capital and surplus position of that financial institution.



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Limits based upon use of specific instruments:

Investment type	Limit	Actual at Year-End
Bankers' acceptances	50%	-
Repurchase agreements	25	-
Certificates of deposit (bank)	50	-
Money market funds	50	25.6
Commercial paper	60	28.7
U.S. Government	100	27.9

Limits based upon use of a single issuer:

Investment type	Limit
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

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

Issuer	Investment type	Fair value	Percentage of Portfolio	Rating
Anglesea Funding, LLC	Commercial paper	\$ 31,623,172	5.50%	A1, P1
Mountcliff Funding, LLC	Commercial paper	\$ 67,468,634	11.74%	A1, P1

(5) Fair Market Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of December 31, 2022:

- U.S. Treasury securities of \$20,171,152 - are valued using quoted market prices (Level 1 inputs).



NOTES TO BASIC FINANCIAL STATEMENTS

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- Commercial paper of \$164,603,399 - are valued using a matrix pricing model and par value (Level 2 inputs).
- U.S. Government Agency securities of \$140,201,690 - are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

A total of \$57,080,028 of bank pools are recorded at amortized cost in accordance with GASB Statement No. 79 and are not included in the fair value disclosures above.

Investments in Entities that Calculate Net Asset Value Per Share - The Authority holds an interest in the MERS Total Market Portfolio whereby the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment as a practical expedient. As of December 31, 2022, the fair value was \$89,960,505. There were no unfunded commitments or redemption rules.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

(6) Restricted Assets

In accordance with the terms of applicable ordinances and federal and state laws, the Authority is required to restrict assets for various purposes. Net position has been restricted related to certain restricted assets. A summary of the restricted assets at December 31, 2022 is as follows:

Construction:	
Cash and investments	88,243,914
Accounts receivable	<u>7,428</u>
Total	<u>88,251,342</u>
Bond and interest redemption:	
Cash and investments	161,931,290
Accounts receivable	<u>245,860</u>
Total	<u>162,177,150</u>
Total restricted assets	<u><u>\$ 250,428,492</u></u>



(7) Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	\$ 224,367,511	\$ -	\$ -	\$ 224,367,511
Construction in progress	64,510,222	77,707,216	(73,182,798)	69,034,640
Total capital assets not being depreciated	288,877,733	77,707,216	(73,182,798)	293,402,151
Capital assets being depreciated:				
Buildings and improvements	2,166,757,454	1,178,061	-	2,167,935,515
Equipment	126,923,870	2,895,140	(1,731,533)	128,087,477
Infrastructure	1,714,672,068	72,014,660	(19,527,980.00)	1,767,158,748
Total capital assets being depreciated	4,008,353,392	76,087,861	(21,259,513)	4,063,181,740
Less accumulated depreciation for:				
Buildings and improvements	1,407,494,994	53,637,044	-	1,461,132,038
Equipment	85,900,884	8,477,624	(1,589,181)	92,789,327
Infrastructure	955,439,968	61,698,584	(11,660,086)	1,005,478,466
Total accumulated depreciation	2,448,835,846	123,813,252	(13,249,267)	2,559,399,831
Total capital assets being depreciated, net	1,559,517,546	(47,725,391)	(8,010,246)	1,503,781,909
Total Detroit Metropolitan Airport Fund capital assets, net	\$ 1,848,395,279	\$ 29,981,825	\$ (81,193,044)	\$ 1,797,184,060
	Beginning balance	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	\$ 17,476,885	\$ -	\$ -	\$ 17,476,885
Construction in progress	2,958,396	20,638,537	(20,514,142)	3,082,791
Total capital assets not being depreciated	20,435,281	20,638,537	(20,514,142)	20,559,676
Capital assets being depreciated:				
Buildings and improvements	15,345,407	1,952,686	-	17,298,093
Equipment	7,408,739	-	-	7,408,739
Infrastructure	175,188,661	18,635,457	(2,213,803)	191,610,315
Total capital assets being depreciated	197,942,807	20,588,143	(2,213,803)	216,317,147
Less accumulated depreciation for:				
Buildings and improvements	8,146,078	665,318	-	8,811,396
Equipment	6,027,240	228,085	-	6,255,325
Infrastructure	105,734,813	5,679,686	(2,204,036)	109,210,463
Total accumulated depreciation	119,908,131	6,573,089	(2,204,036)	124,277,184
Total capital assets being depreciated, net	78,034,676	14,015,054	(9,767)	92,039,963
Total Willow Run Airport Fund capital assets, net	98,469,957	34,653,591	(20,523,909)	112,599,639
Total Authority capital assets, net	\$ 1,946,865,236	\$ 64,635,416	\$ (101,716,953)	\$ 1,909,783,699



(8) Long-term Debt

The detail of long-term debt at December 31, 2022 is as follows:

Detroit Metropolitan Airport Fund:

Airport Revenue Bonds - Direct Placement:

Series 2015B, 2.716%, due 12/1/2024	\$ 38,500,000
Series 2015C, 3.75%, due 12/1/2034	25,640,000
Series 2017C, Jr. Lien, 5.00%, due 12/1/2037	24,615,000
Series 2017E, 4.00%, due 12/1/2028	66,760,000
Series 2017F, 2.6835%, due 12/1/2028	112,330,000
Series 2019, 2.92%, due 12/1/2034	29,440,000
Series 2020B, Variable, Crnt. Yield at 12/31/21, 3.56733% due 12/1/2033	85,320,000
Series 2020C, Variable, Crnt. Yield at 12/31/21, 4.14% due 12/1/2033	112,090,000
Series 2022, Variable, Crnt. Yield at 12/31/21, 3.940752% due 12/1/2039	21,035,000
Total Direct Placement Airport Revenue Bonds	<u>515,730,000</u>

Airport Revenue Bonds - Other:

Series 2012A, 3.00% to 5.00%, due 12/1/2042	153,840,000
Series 2012B, 5.00%, due 12/1/2037	20,225,000
Series 2012D, 3.00% to 5.00%, due 12/1/2028	29,740,000
Series 2014B, 3.00% to 5.00%, due 12/1/2044	65,995,000
Series 2014C, 3.00% to 5.00%, due 12/1/2044	31,245,000
Series 2015D, 3.00% to 5.00%, due 12/1/2045	212,830,000
Series 2015E, 5.00%, due 12/1/2038	7,755,000
Series 2015F, 5.00%, due 12/1/2034	224,155,000
Series 2015G, 2.00% to 5.00%, due 12/1/2036	59,880,000
Series 2017A, 4.00% to 5.00%, due 12/1/2047	50,370,000
Series 2017B, 4.00% to 5.00%, due 12/1/2047	40,470,000
Series 2017C, 5.00%, due 12/1/2028	48,340,000
Series 2017A, Jr. Lien, 4.00% to 5.00%, due 12/1/2037	52,760,000
Series 2017B, Jr. Lien, 5.00%, due 12/1/2032	34,460,000
Series 2018A, 5.00%, due 12/1/2043	147,190,000
Series 2018B, 5.00%, due 12/1/2048	6,005,000
Series 2018C, 4.00% to 5.00%, due 12/1/2025	14,130,000
Series 2018D, 5.00%, due 12/1/2032	43,020,000
Series 2021A, 5.00%, due 12/1/2046	121,260,000
Series 2021B, 5.00%, due 12/1/2046	29,520,000
Total Other Airport Revenue Bonds	<u>1,393,190,000</u>

Shuttle lease - Direct Placement 1,713,443

Total Detroit Metropolitan Airport Fund 1,910,633,443



WAYNE COUNTY AIRPORT AUTHORITY

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Willow Run Airport Fund:	
Direct Placement – Downriver Community Conference, 0%, due 5/1/2027	265,000
Total Authority bonds payable and other debt	<u>1,910,898,443</u>
Add (less):	
Certain bond discounts	(320,874)
Certain bond premiums	<u>140,124,249</u>
Total Authority bonds payable and other debt, net	2,050,701,818
Less current portion	<u>102,100,567</u>
Total Authority bonds payable and other debt, noncurrent	<u><u>\$ 1,948,601,251</u></u>

The annual requirements to pay principal and interest on the Authority’s debt outstanding at December 31, 2022 are summarized as follows:

	Principal				Total
	Direct Placement	Other	Direct Placement	Direct Placement	
	Airport Revenue Bonds	Airport Revenue Bonds	Shuttle Lease	Willow Run Debt	
2023	\$ 74,085,000	\$ 27,140,000	\$ 815,567	\$ 60,000	\$ 102,100,567
2024	74,915,000	28,235,000	638,138	60,000	103,848,138
2025	56,445,000	49,150,000	220,675	60,000	105,875,675
2026	58,335,000	51,590,000	39,064	60,000	110,024,064
2027	60,410,000	53,890,000	-	25,000	114,325,000
2028 to 2032	112,270,000	403,745,000	-	-	516,015,000
2033 to 2037	65,505,000	362,420,000	-	-	427,925,000
2038 to 2042	13,765,000	261,525,000	-	-	275,290,000
2043 to 2047	-	149,890,000	-	-	149,890,000
2048 to 2052	-	5,605,000	-	-	5,605,000
Total	<u>\$ 515,730,000</u>	<u>\$ 1,393,190,000</u>	<u>\$ 1,713,444</u>	<u>\$ 265,000</u>	<u>\$ 1,910,898,444</u>

	Interest			
	Direct Placement	Other	Direct Placement	Total
	Airport Revenue Bonds	Airport Revenue Bonds	Shuttle Lease	
2023	\$ 13,105,150	\$ 69,463,675	\$ 91,177	\$ 82,660,002
2024	11,259,210	68,113,300	45,506	79,418,016
2025	9,399,493	66,706,800	16,769	76,123,062
2026	8,038,650	64,253,175	511	72,292,336
2027	6,626,847	61,677,050	-	68,303,897
2028 to 2032	21,855,695	253,992,125	-	275,847,820
2033 to 2037	9,131,114	156,045,400	-	165,176,514
2038 to 2042	771,744	77,574,250	-	78,345,994
2043 to 2047	-	18,985,250	-	18,985,250
2048 to 2052	-	280,250	-	280,250
Total	<u>\$ 80,187,903</u>	<u>\$ 837,091,275</u>	<u>\$ 153,963</u>	<u>\$ 917,433,141</u>



Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority and 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 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. Net revenues consist of operating revenues, beginning revenue fund cash balance, interest income and other, federal and state sources, passenger facility charges, and customer facility charges reduced by operating expenses not including depreciation. For the year ended December 31, 2022, the net revenue was approximately \$238,635,000 compared to the net debt service (senior lien and junior lien principal and interest) of approximately \$180,391,000.

The Airport Revenue Bond Ordinances require that Metro Airport reserve 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.

During the year, the Authority reestablished a \$25 million line of credit facility with a bank to provide liquidity for funding of operation and maintenance expenses. The line of credit represents a direct borrowing and carries a variable interest rate based on BSBY (Bloomberg Short-Term Bank Yield Index) plus a spread ranging from 40 – 80 basis points. At December 31, 2022, the outstanding balance on the line of credit was \$0.

Direct Placement Debt – Detroit Metropolitan Airport Fund

In September 2015, the Authority issued a \$75 million Direct Placement Bond with Bank of America, N.A., Series 2015B Bonds. The Series 2015B Refunding Bonds were issued to refund a portion of the Series 2005A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2015B 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 Series 2005A Bonds by placing the proceeds of the Series 2015B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds were subsequently called and paid in full in December 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$16 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 \$12.7 million.

In September 2015, the Authority issued a \$25.6 million Direct Placement Bond with Citibank, N.A., Series 2015C Bonds. The Series 2015C Refunding Bonds were issued to refund a portion of the Series 2005A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2015C 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 Series 2005A Bonds by placing the proceeds of the Series 2015C Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds were subsequently called and paid in full in September 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$4.4 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 \$3.5 million.

In October 2017, the Authority issued a \$24.6 million Direct Placement Bond with Citibank, N.A., Series 2017C Jr. Lien Bonds. The Series 2017C Jr. Lien 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 2017C Jr. Lien Refunding Bonds were issued to refund a portion of the Series 2007A Jr. Lien Bonds. The Series 2017C Jr. Lien Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2017C Jr. Lien 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 2017C Jr. Lien Bonds.

The Authority defeased the Series 2007A Jr. Lien Bonds by placing the proceeds of the Series 2017C Jr. Lien Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007A Jr. Lien Bonds were subsequently called and paid in full in December 2018. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$6.8 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 \$4.3 million.

In December 2017, the Authority issued a \$67.8 million Direct Placement Bond with Citibank, N.A., Series 2017E Bonds. The Series 2017E Refunding Bonds were issued to refund the Series 2013B Direct Placement Bonds which were initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2017E 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 Series 2013B Direct Placement Bond by placing the proceeds of the Series 2017E Bonds in the 2013B Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2013B Direct Placement Bond was paid in full on December 21, 2017.

In December 2017, the Authority issued a \$114.3 million Direct Placement Bond with Bank of America, N.A., Series 2017F Bonds. The Series 2017F Refunding Bonds were issued to refund the Series 2013C Direct Placement Bonds which were initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro



Airport. The Series 2017F 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 Series 2013C Direct Placement Bond by placing the proceeds of the Series 2017F Bonds in the 2013C Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2013C Direct Placement Bond was paid in full on December 21, 2017.

In April 2019, the Authority issued a \$29.8 million Direct Placement Bond with DNT Asset Trust, Series 2019 Bonds. The Series 2019 Refunding Bonds were issued to refund the Series 2014A Direct Placement Bond which was initially issued to finance the cost of various capital projects at Metro Airport. The Series 2019 Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.

The Authority defeased the Series 2014A Direct Placement Bond by placing the proceeds of the Series 2019 Bonds in the 2014A Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2014A Direct Placement Bond was paid in full on April 18, 2019. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of future debt service payments for the 2014A Direct Placement Bond, which was a variable interest obligation.

In December 2020, the Authority issued \$198.1 million in direct placement bonds. An \$85.6 million Direct Placement Bond with Bank of America, N.A., Series 2020B Bonds, and a \$112.5 million Direct Placement Bond with JPMorgan Chase Bank, N.A., Series 2020C Bonds. The Series 2020B and 2020C Refunding Bonds were issued to refund the Series 2017D Direct Placement Bond which was initially issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2020B and 2020C Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.

The Authority defeased the Series 2017D Direct Placement Bond by placing the proceeds of the Series 2020B and 2020C Bonds in the 2017D Bond Fund to be immediately paid to each respective Direct Placement Bondholder. The Series 2017D Direct Placement Bond was paid in full on December 1, 2020. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of future debt service payments for the 2017D Direct Placement Bond and the 2020B and 2020C Direct Placement Bonds, all of which are variable interest obligations.

The Series 2020B and 2020C Bonds are variable-rate bonds. The Series 2020B Bonds bear interest at a rate of 80% of BSBY (Bloomberg Short-Term Bank Yield Index) plus a margin ranging from 40-100 basis points, depending on the Authority's credit rating. The Series 2020C Bonds bear interest at a rate of 80% of LIBOR plus a margin ranging from 84-104 basis points, depending on the Authority's credit rating. Each bondholder is responsible under their respective agreements with the Authority to calculate the interest rate monthly.



In December 2022, the Authority issued a \$21 million Direct Placement Bond with The Huntington National Bank, Series 2022 Bonds. The Series 2022 Refunding Bonds were issued to refund the Series 2020A Direct Placement Bond which was initially issued to refund certain outstanding indebtedness previously issued to refinance the cost of the Westin Hotel located in the McNamara Terminal. The Series 2022 Bonds are revenue obligations of the Authority payable solely from the operations of Metro Airport.

The Authority defeased the Series 2020A Direct Placement Bond by placing the proceeds of the Series 2022 Bonds in the 2020A Bond Fund to be immediately paid to the Direct Placement Bondholder. The Series 2020A Direct Placement Bond was paid in full on December 1, 2022. An estimate of the minimum economic gain (the difference between the present value of the debt service payments on the old and new debt) has not been calculated due to the uncertainty of the future debt service payments for the 2020A Direct Placement Bond and the 2022 Direct Placement Bond, both of which are variable interest obligations.

The Series 2022 Bonds are variable-rate bonds which bear interest at 80% of adjusted SOFR (Secured Overnight Financing Rate) plus a margin ranging from 55-80 basis points, depending on the Authority's credit rating. The Huntington National Bank is responsible under an agreement with the Authority to calculate the interest rate monthly.

Direct Placement Debt – Detroit Metropolitan Airport Fund- Additional Information

The Authority's Series 2020B Bonds, 2020C Bonds, and 2022 Bonds are subject to continuing covenant agreements. Significant events of default under each continuing covenant agreement include: (1) the failure to pay when due the principal, premium, or interest on the applicable series of bonds, or to pay any other obligation (other than the obligation to pay the principal of or interest on the applicable series of bonds) and the failure to pay the obligation shall continue for three business days; (2) any representation, warranty, or statement made by the Authority in the applicable continuing covenant agreement proves to have been untrue in any material respect and is not corrected within the applicable cure period; (3) any document furnished to the applicable purchaser by the Authority in connection with the transactions contemplated by the applicable continuing covenant agreement, taken as a whole, proves to be materially inaccurate; (4) the failure of the Authority to perform or observe any of the affirmative or negative covenants specified in the applicable continuing covenant agreement (certain of which contain limited or no notice or cure rights, and others of which constitute events of default only after the passage of thirty days during which default is not remedied); (5) the occurrence of certain bankruptcy or insolvency events; (6) the long-term unenhanced ratings assigned to any of the Authority's outstanding debt secured by Net Revenues are reduced below "BBB" by Fitch, "Baa2" by Moody's, or "BBB" by S&P, or such ratings are withdrawn or suspended; (7) the entry of a final and non-appealable judgment against the Authority for the payment of money equaling or exceeding \$5,000,000, to be paid out of Net Revenues, that remains unsatisfied for a period of sixty days; (8) the Authority shall default in any payment of any outstanding parity debt or debt secured by Net Revenues, beyond the applicable grace period, or shall default in the observance or performance of any agreement or condition



relating to any outstanding parity debt or debt secured by Net Revenues, beyond the applicable grace period.

Upon occurrence of an event of default under the applicable continuing covenant agreement, the bondholder may exercise certain rights and remedies, including the right to require the Authority to cause a mandatory tender of the Bonds governed by the continuing covenant agreement and/or declare the unpaid principal amount and interest accrued on all such Bonds due and payable.

The Authority's Series 2015B, 2015C, 2017E, 2017F and 2019 Bonds, and its Series 2017C Junior Lien Bonds, are all subject to bond purchase agreements which provide no significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

Other Debt – Detroit Metropolitan Airport Fund

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 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 operations 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 Bonds. The Series 2012D Refunding Bonds were issued to refund a portion of the Series 1998A Bonds and the Series 2002D 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 2012C Bonds were paid in full on December 1, 2020.

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.



In August 2014, the Authority issued \$98.4 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 taxiway rehabilitation and reconstruction, road reconstruction, bridges and roadway rehabilitation, fleet and heavy equipment acquisitions, various electrical projects, power plant equipment replacements and demolition of various buildings. The Series 2014B Bonds and Series 2014C Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In October 2015, the Authority issued \$221.1 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 reconstruction and rehabilitation of airfield pavement, acquisition of fleet and heavy equipment, roadway rehabilitation and lighting, GTC heating system reconfiguration, retaining wall reconstruction, construction of an administration building, power plant building rehabilitation and security system upgrades. The series 2015D Bonds and Series 2015E Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In October 2015, the Authority issued \$299 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2015F and 2015G. The Series 2015F and 2015G 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 2015F Refunding Bonds were issued to refund a portion of the Series 2005A Bonds. The Series 2015G Refunding Bonds were issued to refund a portion of the Series 2001A Airport Hotel Revenue Bonds. The Series 2015F Bonds and the Series 2015G 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 portion of the Series 2005A Bonds and the refunded portion of the Series 2001A Bonds by placing the proceeds of the Series 2015F Bonds and Series 2015G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2005A Bonds and the Series 2001A Bonds were subsequently called and paid in full in December 2015. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$27.1 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 \$29.6 million.

In October 2017, the Authority issued \$91.4 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 reconstruction and rehabilitation of airfield pavement, acquisition of fleet and heavy equipment, roadway rehabilitation, improvements to the baggage handling system at the McNamara Terminal and improvements to the passenger tram control system at the McNamara Terminal. The series 2017A Bonds and Series 2017B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.



In October 2017, the Authority issued \$78.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2017C. The Series 2017C 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 2017C Refunding Bonds were issued to refund the Series 2007B Bonds. The Series 2017C 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 portion of the Series 2007B Bonds by placing the proceeds of the Series 2017C Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007B Bonds were subsequently called and paid in full in December 2017. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$15.2 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 \$12.8 million.

In October 2017, the Authority issued \$109.1 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2017A Jr. Lien and 2017B Jr. Lien. The Series 2017A Jr. Lien and 2017B Jr. Lien 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 2017A Jr. Lien and Series 2017B Jr. Lien Refunding Bonds were issued to refund a portion of the Series 2007A Jr. Lien Bonds. The Series 2017A Jr. Lien Bonds and the Series 2017B Jr. Lien Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2017A Jr. Lien Bonds and Series 2017B Jr. Lien 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 2017A Jr. Lien Bonds and Series 2017B Jr. Lien Bonds.

The Authority defeased the refunded portion of the Series 2007A Jr. Lien Bonds by placing the proceeds of the Series 2017A Jr. Lien Bonds and Series 2017B Jr. Lien Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2007A Jr. Lien Bonds were subsequently called and paid in full in December 2017. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$26 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 \$18.8 million.

In November 2018, the Authority issued \$153.4 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 reconstruction and rehabilitation of airfield pavement, site demolitions and North Terminal Gate Expansion. The Series 2018A Bonds and Series 2018B Bonds



are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

In November 2018, the Authority issued \$78.5 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2018C and 2018D. The Series 2018C and 2018D 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 2018C and 2018D Refunding Bonds were issued to refund the Series 2008A Bonds. The Series 2018C and 2018D 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 portion of the Series 2008A Bonds by placing the proceeds of the Series 2018C Bonds and the Series 2018D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2008A Bonds were subsequently called and paid in full in December 2018. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$16.4 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 \$11.7 million.

In June 2021, the Authority issued \$150.8 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 reconstruction and rehabilitation of airfield pavement, power plant lines, parking deck/parking lot rehabilitations and repairs and other airport facility projects. The Series 2021A Bonds and Series 2021B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from operations of Metro Airport.

Other Debt – Detroit Metropolitan Airport Fund – Additional Information

The Authority's Series 2012A, 2012B, 2012D, 2014B, 2014C, 2015D, 2015E, 2015F, 2015G, 2017A, 2017B, 2017C, 2017A Jr. Lien, 2017B Jr. Lien, 2018A, 2018B, 2018C, 2018D, 2021A and 2021B Bonds are each subject to the provisions of specific Series Ordinances as well as the Authority's Master Bond Ordinance. Neither the Series Ordinances nor the Master Bond Ordinance provides significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

Other Debt – Willow Run Airport

In May 2014, the Authority entered into a loan agreement with Downriver Community Conference (DCC) to assist Willow Run Airport with remediation activities at Hangar 2. The loan agreement with the DCC defines certain events of default with finance-related consequences. The events of default as defined in the agreement are summarized as follows: (a) default in any payment (b) any representation or warranty made by the Authority that proves at the time made were false or misleading in any material respect; (c) use of the proceeds of the loan for purposes other than those stated in section 3 of the loan agreement or approved in writing by the DCC; (d) default in the performance of any other term, covenant or agreement contained herein, or in the loan documents,



which by default is not cured within 30 days of receipt of a notice of default or such longer period as shall be reasonably necessary to cure such default provided the Authority promptly commences such cure and thereafter diligently pursues such cure to completion; (e) the Authority defaults under the terms of article 4 of the agreement. Article 4 provides that: (1) the Authority will not pledge its Airport Development Fund (“ADF”) to secure any debt of the Borrower without the written consent of the DCC; (2) the Authority will maintain available funds in the ADF in an amount not less than the then outstanding balance due under the loan.

Upon the occurrence of an event of default, any indebtedness under the loan agreement shall, at the DCC’s option and without notice, become immediately due and payable without presentment, notice or demand.

Long-term debt activity for the year ended December 31, 2022 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Direct Placement - airport revenue bonds	\$ 536,575,000	\$ 21,035,000	\$ (41,880,000)	\$ 515,730,000	\$ 74,085,000
Other - airport revenue bonds	1,469,895,000	—	(76,705,000)	1,393,190,000	27,140,000
Direct Placement - shuttle lease	2,485,223	—	(771,780)	1,713,443	815,567
Add (less):					
Other - bond discounts	(352,687)	31,813	—	(320,874)	—
Direct Placement- bond premiums	6,021,558	—	(978,387)	5,043,171	—
Other - bond premiums	147,811,512	—	(12,730,434)	135,081,078	—
Total Detroit Metropolitan Airport Fund	<u>2,162,435,606</u>	<u>21,066,813</u>	<u>(133,065,601)</u>	<u>2,050,436,818</u>	<u>102,040,567</u>
Willow Run Airport Fund:					
Direct Placement - DCC Note	320,000	—	(55,000)	265,000	60,000
Total Willow Run Airport Fund	<u>320,000</u>	<u>—</u>	<u>(55,000)</u>	<u>265,000</u>	<u>60,000</u>
Total Long-Term Debt	<u>\$ 2,162,755,606</u>	<u>\$ 21,066,813</u>	<u>\$ (133,120,601)</u>	<u>\$ 2,050,701,818</u>	<u>\$ 102,100,567</u>

(9) 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 upon 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 \$986.3 million at December 31, 2022, 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 \$37.4 million at December 31, 2022.



The estimated costs to complete Willow Run Airport's current capital improvement program totaled \$94.9 million at December 31, 2022, 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 \$76 million at December 31, 2022.

(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 December 31, 2022, the Authority had accrued obligations of \$1.2 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. Nineteen percent of the recorded environmental liabilities are related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the fourteen responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The remainder is for asbestos remediation estimates. See additional discussion on asbestos and other remediation matters below.

Asbestos Remediation

It is known that certain 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 1980's and early 1990's, 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.

WCAA personnel, with the assistance of WCAA contractors, have performed preliminary assessments of the nature and extent of the material. Based upon the information gathered and provided the Authority has recorded asbestos-related liabilities of \$940,000 at Willow Run Airport as of December 31, 2022.

Additional Remediation Matters

In the mid-1990's, it was discovered that soils near the Willow Run airport were adversely impacted. Various public and private entities (including the County of Wayne, the predecessor entity to WCAA) were tasked by the Environmental Protection Agency (EPA) to remediate the areas. The soils were dredged from Tyler Pond, Edison Pond, and the Willow Run Sludge Lagoon. Subsequently, the materials were encapsulated and placed in an approved landfill. Pursuant to the various documents and orders governing the remediation, title to the real property where the controlled facility is located was to be transferred to General Motors because General Motors was documented as the main Partial Responsible Party (PRP). In June of 2009, before taking title to the real property, where the controlled facility is located, General Motors filed for bankruptcy protection. As such, Ford



Motor Company became the foremost PRP by default. While Ford Motor Company has continued to operate the controlled facility, to date, and despite the WCAA’s attempts, Ford Motor Company has not taken title to the real property where the controlled facility is located. WCAA is in negotiation to facilitate the transfer of real property to the Ford Motor Company.

(10) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees’ Retirement System (WCERS), an agent multi-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides both defined benefit plan and defined contribution plan retirement options. 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). Three of the Plan options require employee contributions (Plan Option 1, Plan Option 3 and Plan Option 5A) and two do not require employee contributions (Plan Option 2 and Plan Option 5). Two of the Plan options are hybrid plans (Plan Option 5 and Plan Option 5A) which consist of both a defined benefit component and a defined contribution component. The Defined Contribution Plan consists of Plan Option 4, Plan Option 4A, Plan Option 5 and Plan Option 5A.

The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements for the Defined Benefit Plan and the Defined Contribution Plan annually. Copies of these financial statements can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on WCERS website at www.wcers.org.

Effective October 1, 2012, WCERS established 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.

At the September 30, 2022 measurement date, the following employees were covered by the Plan:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	298
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	11
Active Plan Members	240
Total Plan Members	549



(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 – 1.00 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 worker's compensation payments).

Plan Option 3 – 1.50 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). For members of International Association of Fire Fighters Local 741, 2.0 percent for each year of service credited after July 24, 2019.

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). For members of International Association of Fire Fighters Local 741, 2.0 percent for each year of service credited after July 24, 2019.

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) 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 a 1.25/1.5 percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement. Participants in Plan 5 who are members of International Association of Fire Fighters Local 741 contribute 6.0 percent.

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 3.00 percent until the funding level is at 100 percent. Participants in Plan 5A who are members of International Association of Fire Fighters Local 741 contribute 6.00 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. For the year ended December 31, 2022, the Authority's contribution was \$6,254,064.

(d) Pension Plan Investments – Policy and Rate of Return

The Retirement Commission is vested with a fiduciary responsibility for administration, management, and proper operation of WCERS. The Plan's assets are held and invested in accordance with the Michigan Public Pension Investment Act 314 of 1965, as amended (Act 55, P.A. 1982). Act 314 incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the Plan's participants and beneficiaries.

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

Investment Allocation Policy. The Retirement Commission has established an investment policy statement ("IPS") for the Plan. The IPS outlines the goals and investment objectives of WCERS and is intended to provide guidelines for the investment and management of the Plan's assets. The IPS pursues an investment strategy that protects the financial health of the Plan and reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets in the below table. Recognizing that returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

The adopted asset allocation policy as of September 30, 2022, was as follows:



Asset Class	Target Allocation	Allocation Range	
		Minimum	Maximum
Equity	50%	40%	70%
Domestic fixed income	20%	5%	50%
International fixed income	0%	0%	20%
Real estate	15%	5%	20%
Alternative investments	15%	10%	20%
Michigan-based private equity	0%	0%	2%
Short-term or cash	0%	0%	5%
	<u>100%</u>		

Rate of Return. For the year ended September 30, 2022, the annual money-weighted rate of return on plan investments, net of investment expenses, was negative 12.85 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(e) Net Pension Liability

The Authority has chosen to use September 30, 2022 as its measurement date for the net pension liability. The December 31, 2022 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of September 30, 2022. The September 30, 2022 total pension liability was determined by an actuarial valuation performed as of September 30, 2021.

Changes in the net pension liability during the measurement year were as follows:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at September 30, 2020	\$ 190,594,400	\$ 165,113,711	\$ 25,480,689
Changes for the year:			
Service cost	1,632,034	—	1,632,034
Interest	12,531,150	—	12,531,150
Changes to benefit terms	—	—	—
Experience differences	(3,351,015)	—	(3,351,015)
Changes in actuarial assumptions	—	—	—
Contributions - employer	—	6,494,867	(6,494,867)
Contributions - employee	—	434,529	(434,529)
Net investment income	—	(20,743,013)	20,743,013
Benefit payments, including refunds	(11,531,238)	(11,531,238)	—
Administrative expenses	—	(441,867)	441,867
Other	3,740	—	3,740
Balance at September 30, 2021	\$ <u>189,879,071</u>	\$ <u>139,326,989</u>	\$ <u>50,552,082</u>



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

For the year ended December 31, 2022, the Authority recognized pension expense of \$6,518,765. At fiscal year end, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 13,316,795	\$ —
Changes in actuarial assumptions	4,311,381	—
Difference between projected and actual experience	—	(5,057,260)
Employer contributions to the plan subsequent to the measurement date	1,789,119	—
Total	<u>\$ 19,417,295</u>	<u>\$ (5,057,260)</u>

Deferred outflows of pension resources related to contributions after the measurement date will be a reduction of the net pension liability at September 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Outflow
2022	\$ 2,858,616
2023	2,530,153
2024	838,555
2025	6,343,592
2026	—
Thereafter	—
Total	<u>\$ 12,570,916</u>

Actuarial Assumptions. The total pension liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0% to 13.15% including inflation
Investment rate of return	6.75%

The mortality tables used to measure post-retirement mortality was 105% of the PubG-2010 Retiree Mortality tables for males and females. Mortality rates for a particular calendar year are determined by applying the MP-2020 Mortality Improvement scale to the above described tables. The corresponding disabled and employee tables were used for disability and pre-retirement mortality, respectively.

The actuarial assumptions used to calculate contribution rates in the September 30, 2021 valuation were determined using an experience-based table of rates specific to the type of eligibility



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

condition. The experience-based table of rates was last updated for the 2021 valuation pursuant to an experience study of the period beginning October 1, 2015 and ending September 30, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine this rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed rate of investment return was adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary. Additional information about the assumed rate of investment return is included in the September 30, 2021 actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class, and in conjunction with a formal study of experience during the period October 1, 2015 through September 30, 2020. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan’s target asset allocation as of September 30, 2022, these best estimates of the arithmetic real rates of return are as follows:

<u>Asset Class</u>	<u>Long Term Real Return</u>
Domestic Equity	4.82%
International Equity	4.91%
Domestic Bonds	1.05%
Domestic High Yield	2.51%
Real Estate	6.37%
Alternatives	5.08%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Authority, calculated using the discounted rate of 6.75 percent, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate.



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 71,592,770	\$ 50,552,082	\$ 32,775,209

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued financial report. For purposes of measuring the net pension liability, deferred outflows of resources or deferred inflow of resources related to pension and pension expense, information about the Plan’s fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting, and investments are stated at fair value. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with benefit terms.

(f) Pre-2002 Retirees

The Authority participates in the Wayne County Employees’ Retirement System with the County, an agent multiple employer defined benefit plan. Pursuant to Public Act 90 and Michigan Public Act of 2002, the Authority was granted operational jurisdiction of the Detroit Metropolitan Wayne County Airport, the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. Prior to the Act, the Authority and its employees were employees of the County. In connection with the Authority’s assumption of control and operation of the Airports pursuant to Act 90, the Authority was responsible for funding any retirement obligations for those employees that were previously County employees. During fiscal year 2016, the Authority committed to a five-year payment schedule of \$1.1 million per quarter for its estimated share (10.25 percent) of the Combined Pre-2002 Retiree Liability of \$20,948,822 as of September 30, 2015. The terms of this commitment were memorialized in a memorandum of understanding between the Authority, Wayne County and WCERS in fiscal year 2017. The Authority has concluded that this arrangement represents a special funding situation under GASB 68. The Authority has made all payments as required by the memorandum of understanding. The Authority has recorded an estimated liability for further obligations related to pre-2002 retirees of approximately \$6.8 million at December 31, 2022.

	Net Pension Liability
Pre-2002 Retirees	\$ 50,552,082
Post-2002 Retirees	6,836,015
Total	<u>\$ 57,388,097</u>



(g) Retirement System Wayne County Employees' 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 were eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective September 30, 2012, the Authority closed the 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. Employees are 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 the year ended December 31, 2022 were \$3,955,439 and \$2,634,316, respectively.

(h) Assumption Changes

There were no new assumption changes in effect during the measurement period.



(11) Other Post-Employment Benefits

Wayne County Airport Authority Retiree Health Care Plan

(a) Plan Description

As provided for in the Authority Act, the Authority provides hospitalization and other health insurance benefits for retirees, pursuant to agreements with various collective bargaining units or other actions of the Authority Board. Benefits are provided through the Wayne County Airport Authority Retiree Health Care Plan, a single employer defined benefit plan administered by the Municipal Employees’ Retirement System (MERS). The plan does not issue a separate stand-alone financial statement.

At the September 30, 2021 valuation date, the following members were covered by the plan:

Retirees and Beneficiaries Currently Receiving Benefits	338
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	290
Total Plan Members	628

(b) Benefits Provided

Benefits are provided after normal retirement or non-duty disability subject to age and service requirements established in respective collective bargaining agreements. Benefits are provided after duty disability with no age or service requirement. Medical and prescription drug coverage is 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.

(c) Contributions

In September 2008, the Authority created and began funding an Act 149 Health Care Trust (Trust). The Trust provides a funding mechanism for the Wayne County Airport Authority Retiree Healthcare Plan. In September 2012, the Authority transferred the assets of the Trust into a 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 December 31, 2022 in this restricted plan is \$89,960,505.

Retiree healthcare costs are generally paid by the Authority on a “pay-as-you-go” basis, and funds are accumulated in the Trust for the payment of future benefits. The Authority is under no obligation to make contributions to the Trust in advance of when costs are incurred; however, the Authority’s financial plan is to fund these obligations annually based upon the actuarial recommended contribution. 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. For the fiscal year ended December 31, 2021 the Authority paid postemployment healthcare benefits of \$5,280,830 while retiree contributions totaled \$659,485. No contributions to the Trust were made in 2022.

(d) Net OPEB Liability

The Authority has chosen to use December 31, 2022 as its measurement date for the net OPEB liability. The December 31, 2022 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2022 measurement date. The December 31, 2022 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2021. Update procedures were performed to roll forward the estimated liability to December 31, 2022.

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2021	\$ 118,996,082	\$ 100,601,942	\$ 18,394,140
Changes for the year:			
Service cost	1,011,983	-	1,011,983
Interest	8,180,316	-	8,180,316
Differences between expected and actual experience	3,592,762	-	3,592,762
Changes in actuarial assumptions	834,448	-	834,448
Contributions - Employer	-	5,280,830	(5,280,830)
Contributions - Employee	-	659,485	(659,485)
Net investment income	-	(10,641,437)	10,641,437
Benefit payments, including refunds	(5,280,830)	(5,940,315)	659,485
Net changes	8,338,679	(10,641,437)	18,980,116
Balance at December 31, 2022	\$ 127,334,761	\$ 89,960,505	\$ 37,374,256

The Plan's fiduciary net position represents 70.65 percent of the total OPEB liability.

For the year ended December 31, 2022, the Authority recognized OPEB expense of \$65,591. At year end, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,497,141	\$ (9,042,424)
Changes in actuarial assumptions	2,577,389	(70,483)
Net difference between projected and actual earnings on OPEB plan investments	<u>9,360,352</u>	<u>-</u>
Total	<u>\$ 14,434,882</u>	<u>\$ (9,112,907)</u>

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

Fiscal Year	Amount
2022	\$ (1,522,964)
2023	326,232
2024	2,981,998
2025	3,536,709
2026	-
Thereafter	<u>-</u>
Total	<u>\$ 5,321,975</u>

Actuarial Assumptions. The total OPEB liability in the September 30, 2021 actuarial valuation was determined using a wage inflation assumption of 3.0 percent; assumed salary increases (including inflation) ranging from 3.0 percent to 13.15 percent; an investment rate of return (net of investment expenses) of 7.0 percent; an initial healthcare cost trend rate of 7.50/6.25 percent (non-Medicare, Medicare) for 2022, gradually decreasing to an ultimate rate of 3.5 percent for 2033 and later years; and using the PubG-2010 Retiree Mortality table with the MP-2020 mortality improvement scale. These assumptions were applied to all periods included in the measurement.

The actuarial assumptions used to calculate contribution rates in the September 30, 2021 valuation were determined using an experience-based table of rates specific to the type of eligibility condition. The experience-based table of rates was last updated pursuant to an experience study of the period beginning October 1, 2015 and ending September 30, 2020.

Discount Rate. The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. The discount rate reflects 1) the long-term expected rate of return on OPEB plan investments of 7.0 percent and 2) a municipal bond rate of 4.05 percent (based on fixed-income municipal bonds with 20 years to



NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year GO AA Index” as of December 31, 2022).

Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a forward-looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment percentages. The target allocation and best estimate of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Real Return
Global Equity	60%	4.50%
Global Fixed Income	20%	2.00%
Private Investments	20%	7.00%

Sensitivity of Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Authority, calculated using the discount rate of 7.0 percent, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.0%	Current Rate Assumption 7.0%	1% Increase 8.0%
Net OPEB Liability \$	\$ 53,633,750	\$ 37,374,256	\$ 23,889,176

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate of 8.25 percent, as well as what the Authority’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 7.25%	Current Healthcare Cost Trend Rate Assumption 8.25%	1% Increase 9.25%
Net OPEB Liability \$	\$ 22,145,327	\$ 37,374,256	\$ 55,824,522



Assumption Changes. Based upon an experience study performed by the pension actuary, assumptions were updated beginning with the September 30, 2021 valuation, which develops the contribution rate for the fiscal year ending December 31, 2023. The assumption updates include the use of a version of the Pub-2010 Mortality Tables with generational mortality improvement using scale MP 2020. The new assumptions were also reflected in development of the Total OPEB Liability as of December 31, 2022.

(12) Due to Other Governmental Units - Wayne County Health and Welfare Plan (Pre-2002)

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. Currently, the plan's members include retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

During the year ended September 30, 2016, the County Commission adopted an ordinance amending the 1990 Wayne County Health and Welfare Plan. The ordinance provided for stipend payments in lieu of healthcare benefits for Plan members that meet certain eligibility requirements. Plan members that receive the stipend benefit are required to file annual certifications related to the use of this stipend for health care benefits. Plan members may become ineligible for this stipend benefit upon eligibility for another health care plan.

The Authority's liability under this arrangement as of December 31, 2022 is \$3,793,000. To date, the Authority has made \$1,727,205 in payments related to these stipend benefits.

(13) Leases

Lessor

For the year ended December 31, 2022, the Authority's financial statements include the adoption of GASB Statement No. 87, Leases ("GASB No. 87"). The primary objective of GASB No. 87 is to enhance the relevance and consistency of information about the leasing activities of governmental entities. GASB No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Authority leases certain assets to various third parties. The assets leased include space and land leases on the Airport premises and within the terminal buildings. Payments are generally fixed monthly. Certain variable payments, such as excess amounts due over fixed payments, are not included in the measurement of the lease receivable.



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During the year ended December 31, 2022 the Authority recognized the following related to its lessor agreements:

	<u>DTW</u>	<u>YIP</u>	<u>Total</u>
Lease Revenue	\$ 12,176,978	\$ 36,790	\$ 12,213,768
Interest income related to leases	309,104	6,650	315,754
Revenue from variable payments not previously included in the measurement of the lease receivables	<u>15,247,883</u>	<u>5,436</u>	<u>15,253,319</u>
	<u>\$ 27,733,965</u>	<u>\$ 48,876</u>	<u>\$ 27,782,841</u>

Summary of lease activities as of December 31, 2022:

<u>Space</u>	<u>DTW</u>	<u>YIP</u>
Term	60 to 263 months	NA
Lease receivable	\$ 3,497,083	NA
Lease revenue	\$ 419,812	NA
Termination options	None	NA
Number of leases	6	0

<u>Premises</u>	<u>DTW</u>	<u>YIP</u>
Term	120 months	240 to 360 months
Lease receivable	\$ 18,507,023	\$ 853,467
Lease revenue	\$ 11,757,166	\$ 36,790
Termination options	None	None
Number of leases	7	3

The balance of the lease receivables for DTW at December 31, 2022 is pledged to secure certain debt obligations. Pursuant to the Master Bond Ordinance, the Authority has irrevocably pledged net revenues on a senior lien basis for the payment of outstanding senior lien bonds, and on a junior lien basis for the payment of outstanding junior lien bonds.

	<u>Airport</u>		<u>Willow Run Airport</u>		<u>Total</u>
	<u>Principle</u>	<u>Interest</u>	<u>Principle</u>	<u>Interest</u>	
2023	12,617,243	174,404	52,728	8,910	12,853,285
2024	6,667,368	51,775	53,298	8,341	6,780,782
2025	596,158	26,215	53,873	7,766	684,012
2026	437,148	20,665	54,455	7,184	519,452
2027	297,546	16,585	43,637	6,627	364,395
2028 to 2032	1,388,643	36,358	183,508	27,187	1,635,696
2033 to 2037	-	-	193,631	17,064	210,695
2038 to 2042	-	-	117,911	7,767	125,678
2043 to 2047	-	-	69,247	3,583	72,830
2048 to 2052	-	-	31,179	377	31,556
Total	<u>\$ 22,004,106</u>	<u>\$ 326,002</u>	<u>\$ 853,467</u>	<u>\$ 94,806</u>	<u>\$ 23,278,381</u>



Regulated Leases

The Authority leases certain assets to various third parties as regulated leases, as defined by GASB Statement No. 87. The leased assets include passenger gates, ticket counters, airline ticket offices, gate hold rooms, and operational space and are regulated under the FAA Rates and Charges Policy and Grant Assurance 22. Certain assets are subject to preferential or exclusive use by the counterparties to these agreements, as follows:

For the Evans Terminal:

- Passenger Gates – 23 of the 29 passenger gates are designated preferential use
- Ticket Counters – 63% of available space is designated preferential use
- Airline Ticket Offices – 68% of available space is designated preferential use
- Gate Hold Rooms – 72% of available space is designated preferential use
- Operational Space - 47% of available space is designated preferential use

For the McNamara Terminal:

- Passenger Gates – 93 of the 104 passenger gates are designated preferential use
- Ticket Counters – 100% of available space is designated preferential use
- Gate Hold Rooms – 67% of available space is designated preferential use
- Operational Space - 97% of available space is designated preferential use

During the year ended June 30, 2022, the Authority recognized the following from regulated leases:

	Airport	Willow Run Airport	Total
Regulated Lease Revenue	\$ 5,916,132	\$ 509,603	\$ 6,425,735
Revenue from variable payments excluded from the schedule of expected future minimum payments	\$ 79,517,674	\$ -	\$ 79,517,674

Future expected minimum payments related to the Authority’s regulated leases at December 31, 2022 are as follows:

Fiscal Year	Future Minimum Expected Receipts		Total
	Airport	Willow Run	
2023	\$ 5,720,951	\$ 514,334	\$ 6,235,285
2024	5,338,496	513,513	5,852,009
2025	5,270,210	500,295	5,770,505
2026	4,723,085	500,295	5,223,380
2027	3,833,366	500,295	4,333,661
2028 - 2032	8,442,440	2,373,711	10,816,151
2033 - 2037	6,004,476	2,231,395	8,235,871
2038 - 2042	6,004,476	1,888,229	7,892,705
2043 - 2047	1,687,697	678,303	2,366,000
2048 - 2052	\$ -	\$ 243,387	\$ 243,387
Total	<u>\$ 47,025,197</u>	<u>\$ 9,943,757</u>	<u>\$ 56,968,954</u>



(14) Upcoming Reporting Changes

In March, 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. It establishes the definitions of public-private and public-public partnerships (PPP's) and availability payment arrangements (APA's) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. It requires governments to report assets and liabilities related to PPP's consistently and disclose important information about PPP transactions. 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 the Authority's financial statements for the year ending December 31, 2023.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. 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 the Authority's financial statements for the year ending December 31, 2023.

In April 2022, the Governmental Accounting Standards Board issued GASB Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2024.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for



measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2024.

REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

Schedule of Changes in the Authority's Net Pension Liability and Related Ratios

Reporting Period End:	12/31/2022	12/31/2021	12/31/2020	12/31/2019	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement Period End:	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2016	9/30/2015
Total Pension Liability									
Service cost	\$ 1,632,034	\$ 1,831,741	\$ 1,915,559	\$ 1,980,987	\$ 1,980,134	\$ 2,078,813	\$ 2,035,141	\$ 1,910,254	\$ 1,784,942
Interest	12,531,150	12,734,203	12,688,440	12,340,373	11,886,244	11,459,580	10,943,315	10,408,880	10,007,566
Changes in benefits	-	1,067,339	930,598	-	-	-	-	-	1,083,361
Difference between expected and actual experience	(3,351,015)	(2,401,859)	(4,324,462)	-	1,299,631	913,793	3,004,584	2,360,317	-
Changes in actuarial assumptions	-	8,245,841	-	-	-	-	8,982,156	-	-
Benefit payments, including refunds	(11,531,238)	(11,093,891)	(9,855,674)	(9,166,646)	(8,682,126)	(8,359,546)	(7,901,621)	(7,790,299)	(7,621,347)
Other	3,740	(128,462)	4,000	42,898	697	5,315	-	-	-
Net Change in Total Pension Liability	(715,329)	10,254,912	1,358,461	5,197,612	6,484,580	6,097,955	17,063,575	6,889,152	5,254,522
Total Pension Liability - Beginning of Period	190,594,400	180,339,488	178,981,027	173,783,415	167,298,835	161,200,880	144,137,305	137,248,153	131,993,631
Total Pension Liability - End of Period	\$ 189,879,071	\$ 190,594,400	\$ 180,339,488	\$ 178,981,027	\$ 173,783,415	\$ 167,298,835	\$ 161,200,880	\$ 144,137,305	\$ 137,248,153
Plan Fiduciary Net Position									
Contributions - Employer	\$ 6,494,867	\$ 6,694,156	\$ 7,554,761	\$ 9,342,133	\$ 7,265,285	\$ 6,345,861	\$ 11,021,191	\$ 13,105,600	\$ 8,475,718
Contributions - Member	434,529	315,567	517,092	401,266	345,445	367,168	334,437	2,168,732	1,359,927
Net investment income	(20,743,013)	35,168,148	3,729,737	4,482,538	8,118,259	13,119,125	10,247,311	786,957	8,502,195
Administrative expenses	(11,531,238)	(11,093,891)	(365,369)	(327,917)	(326,599)	(344,164)	(318,694)	(919,758)	(319,237)
Benefit payments, including refunds	(441,867)	(408,872)	(9,855,674)	(9,166,646)	(8,682,126)	(8,359,546)	(7,901,621)	(7,790,299)	(7,621,347)
Net Change in Plan Fiduciary Net Position	(25,786,722)	30,675,108	1,580,547	4,731,374	6,720,264	11,128,444	13,382,624	7,351,232	10,397,256
Plan Fiduciary Net Position - Beginning of Period	165,113,711	134,438,603	132,858,056	128,126,682	121,406,418	110,277,974	96,895,350	89,544,118	79,146,862
Plan Fiduciary Net Position - End of Period	\$ 139,326,989	\$ 165,113,711	\$ 134,438,603	\$ 132,858,056	\$ 128,126,682	\$ 121,406,418	\$ 110,277,974	\$ 96,895,350	\$ 89,544,118
Authority's Net Pension Liability - Ending	\$ 50,552,082	\$ 25,480,689	\$ 45,900,885	\$ 46,122,971	\$ 45,656,733	\$ 45,892,417	\$ 50,922,906	\$ 47,241,955	\$ 47,704,035
Plan Fiduciary Net Position as a % of Total Pension Liability	73.38%	86.63%	74.55%	74.23%	73.73%	72.57%	68.41%	67.22%	65.24%
Covered Payroll	\$ 21,904,539	\$ 25,618,945	\$ 28,178,030	\$ 29,101,990	\$ 29,101,990	\$ 29,022,520	\$ 30,105,635	\$ 28,300,056	\$ 27,197,880
Authority's Net Pension Liability as a % of Covered Payroll	230.78%	99.46%	162.90%	158.49%	156.89%	158.13%	169.15%	166.93%	175.40%

Schedule of Contributions

Period End:	12/31/2022	12/31/2021	12/31/2020	12/31/2019	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially determined contribution	\$ 6,185,898	\$ 5,300,280	\$ 6,575,468	\$ 1,829,472	\$ 7,059,410	\$ 7,167,820	\$ 5,958,323	\$ 6,924,296	\$ 7,001,434
Contributions in relation to the actuarially determined contr.	6,254,064	6,760,054	6,642,195	2,476,590	7,342,133	7,265,285	6,345,861	11,021,191	13,105,600
Contribution Deficiency (Excess)	\$ (68,166)	\$ (1,459,774)	\$ (66,727)	\$ (647,118)	\$ (282,723)	\$ (97,465)	\$ (387,538)	\$ (4,096,895)	\$ (6,104,166)
Covered Payroll	\$ 22,141,918	\$ 21,241,480	\$ 25,101,995	\$ 6,960,405	\$ 28,829,452	\$ 29,101,990	\$ 29,022,520	\$ 30,105,635	\$ 28,300,056
Contributions as a Percentage of Covered Payroll	28.25%	31.82%	26.46%	35.58%	25.47%	24.96%	21.87%	36.61%	46.31%

[1] –A three-month stub period (October 1, 2019 through December 31, 2020) was completed to facilitate a change in the fiscal year end from September 30 to December 31. All other periods are one-year periods.

GASB Statement No. 68 was implemented on September 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.



Notes to Schedule of Authority Contributions

Valuation date Actuarially determined contribution rates are calculated as of September 30 each year, which is one period prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry Age Normal
Amortization method	Layered Level Dollar, Closed
Remaining amortization period	15 years
Asset valuation method	4-year smoothed market; 20% corridor
Wage inflation	3.00%
Salary increases	3.00% to 13.15% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2016 valuation pursuant to an experience study of the period October 1, 2010 - September 30, 2015.
Mortality	As of September 30, 2020: RP-2014 Healthy Annuitant Mortality table for males and females, adjusted for mortality improvement back to the base year of 2006. Mortality rates for particular calendar year are determined by applying the MP-2016 Mortality Improvement scale to the above described tables. The corresponding Disabled and Employee tables were used for disability and pre-retirement, respectively.
Cost of living adjustment	None

Other Information

Changes in assumptions Although the report for measurement period ending September 30, 2021 was a roll forward of the September 30, 2020 funding valuation, the report included demographic and economic assumption changes in the liabilities (including an interest rate of 6.75%) as adopted by the WCERS Board pursuant to the 5-year Experience Study dated August 24, 2021, since the effective date of the assumption changes were as of the measurement date of September 30, 2021.

Changes in assumptions For the valuation dated September 30, 2016, the report included demographic and economic assumption changes in the liabilities as adopted by the WCERS Board pursuant to the 5-year Experience Study dated October 26, 2016



REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

Schedule of Changes in the Authority's Net OPEB Liability and Related Ratio

Period End:	[1]					
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	9/30/2019	9/30/2018
Total OPEB Liability						
Service cost	\$ 1,011,983	\$ 1,145,823	\$ 1,282,887	\$ 334,581	\$ 1,403,556	\$ 1,644,712
Interest	8,180,316	8,511,132	8,941,588	2,206,606	8,504,400	8,092,952
Changes in benefits	-	-	(7,789,535)	-	-	-
Difference between expected and actual experience	3,592,762	(9,374,370)	(11,045,310)	(1,005,326)	(8,533,132)	(2,346,793)
Changes in actuarial assumptions	834,448	(151,059)	4,926,317	-	4,332,630	-
Benefit payments, including refunds	(5,280,830)	(4,300,273)	(493,287)	(236,315)	(908,974)	(1,875,930)
Other	-	-	-	-	-	-
Net Change in Total OPEB Liability	8,338,679	(4,168,747)	(4,177,340)	1,299,546	4,798,480	5,514,941
Total OPEB Liability - Beginning of Period	118,996,082	123,164,829	127,342,169	126,042,623	121,244,143	115,729,202
Total OPEB Liability - End of Period	\$ 127,334,761	\$ 118,996,082	\$ 123,164,829	\$ 127,342,169	\$ 126,042,623	\$ 121,244,143
Plan Fiduciary Net Position						
Contributions - Employer	\$ 5,280,830	\$ 5,006,670	\$ 2,476,067	\$ 1,736,315	\$ 6,908,974	\$ 9,573,821
Contributions - Employee	659,485	609,991	313,107	16,813	-	-
Net investment income	(10,641,437)	10,911,889	9,453,109	3,682,051	1,846,127	3,264,931
Administrative expenses	-	-	-	-	-	-
Benefit payments, including refunds	(5,940,315)	(4,910,264)	(789,172)	(253,128)	(908,974)	(1,875,930)
Net Change in Plan Fiduciary Net Position	(10,641,437)	11,618,286	11,453,111	5,182,051	7,846,127	10,962,822
Plan Fiduciary Net Position - Beginning of Period	100,601,943	88,983,657	77,530,546	72,348,495	64,502,368	53,539,546
Plan Fiduciary Net Position - End of Period	\$ 89,960,506	\$ 100,601,943	\$ 88,983,657	\$ 77,530,546	\$ 72,348,495	\$ 64,502,368
Authority's Net OPEB Liability - Ending	\$ 37,374,255	\$ 18,394,139	\$ 34,181,172	\$ 49,811,623	\$ 53,694,128	\$ 56,741,775
Plan Fiduciary Net Position as a % of Total OPEB Liability	70.65%	84.54%	72.25%	60.88%	57.40%	53.20%
Covered Employee Payroll	\$ 27,096,755	\$ 30,691,514	\$ 35,818,558	\$ 6,963,888	\$ 39,597,109	\$ 41,144,209
Net OPEB Liability as a % of Covered Payroll	137.93%	59.93%	95.43%	[2]	135.60%	137.91%

Schedule of OPEB Contributions

Period End:	[1]					
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	9/30/2019	9/30/2018
Actuarially determined contribution	\$ 4,579,488	\$ 5,799,903	\$ 6,911,646	\$ 1,727,912	\$ 6,738,758	\$ 6,885,604
Contributions in relation to the actuarially determined contribution	5,280,380	5,006,669	2,493,288	1,736,315	6,908,974	9,573,821
Contribution Deficiency (Excess)	\$ (700,892)	\$ 793,234	\$ 4,418,358	\$ (8,403)	\$ (170,216)	\$ (2,688,217)
Covered Employee Payroll	\$ 27,096,755	\$ 30,691,514	\$ 35,818,558	\$ 6,963,888	\$ 39,597,109	\$ 41,144,209
Contributions as a Percentage of Covered Employee Payroll	19.49%	16.31%	6.96%	24.93%	17.45%	23.27%

Schedule of Returns

Period End:	[1]					
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	9/30/2019	9/30/2018
Return on OPEB plan investments	-11.35%	11.68%	12.51%	5.05%	2.95%	5.78%

[1] –A three-month stub period (October 1, 2019 through December 31, 2020) was completed to facilitate a change in the fiscal year end from September 30 to December 31. All other periods are one-year periods.

[2] - Calculation not reported for the stub period as covered payroll presented includes only three months of activity.

GASB Statement No. 75 was implemented September 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.



Notes to Schedule of Authority Contributions

Valuation date Actuarially determined contribution amounts for the year ended December 31, 2022 were based on the September 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-Age Normal
Amortization method	Level Dollar
Remaining amortization period	20 years, Closed
Asset valuation method	Market Value of Assets
Price inflation	2.50%
Wage inflation	3.00%
Salary increases	3.00% to 13.15%
Investment rate of return	7.00%, net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Healthy Annuitant Mortality table, adjusted back to the base year of 2006. Mortality rates are determined by applying the MP-2016 Mortality Improvement scale.
Healthcare trend rates	Non-Medicare: Initial rate of 7.50% decreasing to 3.50% long-term in year 12 Medicare: Initial rate of 6.25% decreasing to a 3.50% long-term rate in year 12
Excise Tax	No load was applied in connection with the "Cadillac" tax
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

Other Information

Notes

Changes in assumptions Based on an experience study performed by the pension actuary, assumptions were updated beginning with the December 31, 2021 valuation, which develops the contribution rate for the fiscal year ending December 31, 2023. These assumption updates include the use of a version of the Pub-2010 Mortality Tables with generational mortality improvement using scale MP 2020. The new assumptions were also reflected in the development of the Total OPEB Liability as of December 31, 2022.

Changes in assumptions - 2020 The total OPEB liability reflects a benefit change which instituted a 10% cost share for all current and future retirees post-65. Additionally, the total OPEB liability reflects reported benefit corrections applicable to the benefit eligibility conditions.

Changes in assumptions - 2019 The initial health care trend assumption was reduced from 8.5% to 8.25%

STATISTICAL SECTION

This section of the Wayne County Airport Authority's Annual Comprehensive 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 Annual Comprehensive Financial Reports of the relevant year.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Position

(Unaudited)

	2022	2021	2020	2019 Stub ⁴	2019	2018	2017	2016	2015	2014	2013
Operating revenues:											
Airport landing and related fees	\$ 46,696,719	\$ 73,458,196	\$ 58,106,427	\$ 20,430,971	\$ 80,563,419	\$ 77,550,626	\$ 80,160,100	\$ 78,661,781	\$ 73,888,139	\$ 76,406,397	\$ 65,493,268
Concession fees	58,122,200	49,344,870	32,747,512	16,790,198	69,304,639	68,950,984	64,702,113	61,820,000	57,615,102	54,161,908	51,696,676
Parking fees	87,624,321	61,970,968	34,905,184	21,833,720	83,657,331	80,248,186	76,706,962	74,497,683	68,017,761	61,187,198	57,828,811
Hotel	29,728,369	18,110,502	12,224,405	8,816,337	32,734,957	31,368,028	29,928,448	33,889,957	33,345,294	32,922,844	29,301,463
Rental facilities	115,789,477	118,272,330	100,804,284	28,776,649	118,441,203	112,099,910	106,121,745	104,913,627	107,356,129	105,234,040	103,155,137
Expense recoveries	4,550,144	3,999,144	3,842,231	1,191,196	4,854,869	5,096,397	5,026,053	4,812,705	4,722,477	5,027,074	5,282,902
Other	9,421,596	11,256,064	15,577,115	1,845,824	7,167,681	7,332,061	5,486,987	4,473,948	4,790,511	4,784,310	6,007,508
Total operating revenues	351,932,826	336,412,074	258,207,158	99,684,895	396,724,099	382,646,192	368,132,408	363,069,701	349,735,413	339,723,771	318,765,765
Nonoperating revenues:											
Passenger facility charges	55,380,403	48,232,677	28,407,906	16,415,341	72,760,924	69,774,131	68,128,397	66,764,363	63,840,589	62,016,364	61,705,013
Customer facility charges	4,639,302	—	4,950,594	5,726,133	22,130,671	4,548,815	4,442,148	4,260,370	304,510	—	—
Federal and state sources	45,292,853	44,481,954	118,326,432	1,783,827	8,507,741	6,650,317	6,655,554	5,568,130	1,339,342	1,029,619	1,353,122
Interest income and other	189,460	2,091,687	5,010,656	2,529,138	16,589,419	7,617,673	3,681,738	3,956,859	2,209,999	2,808,958	2,048,283
Total nonoperating revenues	105,502,018	94,806,318	156,695,588	26,454,439	119,988,755	88,590,936	82,907,837	80,549,722	67,694,440	65,854,941	65,106,418
Total revenues	457,434,844	431,218,392	414,902,746	126,139,334	516,712,854	471,237,128	451,040,245	443,619,423	417,429,853	405,578,712	383,872,183
Operating expenses:											
Salaries, wages, and fringe benefits	84,749,031	82,589,939	79,425,508	31,450,044	93,147,440	96,282,328	110,655,997	85,906,812	77,278,115	80,339,925	72,891,273
Parking management	6,993,617	5,495,284	5,487,982	1,822,857	7,607,497	8,404,763	7,986,688	7,908,549	7,882,292	6,630,160	6,280,332
Hotel management	18,358,005	11,882,581	11,128,419	5,534,138	20,702,876	19,775,235	18,049,328	22,357,224	18,793,497	23,063,942	21,064,105
Janitorial services	20,083,758	16,482,795	14,065,708	4,128,379	16,949,290	14,427,918	13,537,224	12,014,456	11,967,572	11,809,916	11,400,627
Security	7,364,335	5,497,999	4,881,470	1,553,162	5,999,972	6,031,481	5,149,362	3,745,339	2,557,818	2,511,402	2,260,167
Utilities	23,200,192	20,857,379	19,727,108	5,362,169	23,043,039	23,876,461	23,258,507	22,220,804	24,499,913	28,939,467	27,035,597
Repairs, professional services, and other	93,089,194	88,501,158	81,886,187	24,699,872	103,815,331	96,041,405	88,001,189	98,458,024	94,162,429	82,616,234	75,658,752
Depreciation	130,308,680	139,301,864	135,414,157	31,625,118	125,028,606	124,774,415	134,753,534	173,101,695	167,105,516	141,539,710	140,526,973
Total operating expenses	384,146,812	370,608,999	352,016,539	106,175,739	396,294,051	389,614,006	401,391,829	425,712,903	404,247,152	377,450,756	357,117,826
Nonoperating expenses:											
Interest expense	76,778,843	77,814,663	78,129,584	20,710,928	85,182,866	82,468,769	72,739,426	71,351,499	80,334,978	82,352,146	82,825,198
Loss on disposal of assets	7,813,416	—	—	5,849	2,805,881	2,399,305	8,209,718	9,513,323	1,564,607	1,016,927	5,488,973
Amortization of bond insurance premiums	40,967	42,223	42,223	10,556	42,223	101,414	175,438	175,438	371,068	371,068	—
Amortization of bond issuance costs	2,340,494	—	—	—	—	—	—	—	—	—	1,968,924
Total nonoperating expenses	86,973,720	77,856,886	78,171,807	20,727,333	88,030,970	84,969,488	81,124,582	81,040,260	82,270,653	83,740,141	90,283,095
Total expenses	471,120,532	448,465,885	430,188,346	126,903,072	484,325,021	474,583,494	482,516,411	506,753,163	486,517,805	461,190,897	447,400,921
Capital contributions	41,636,907	13,147,279	27,384,172	1,124,530	33,636,386	389,653	7,278,160	32,953,269	8,560,699	32,679,821	41,637,536
Change in net position	\$ 27,951,219	\$ (4,100,214)	\$ 12,098,572	\$ 360,792	\$ 66,024,219	\$ (2,956,713)	\$ (24,198,006)	\$ (30,180,471)	\$ (60,527,253)	\$ (22,932,364)	\$ (21,891,202)
Net position at year end composed of:											
Net investment in capital assets	(46,058,574)	(53,949,729)	(41,822,294)	(58,876,996)	(83,043,017)	(118,242,129)	(90,041,234)	(97,448,351)	(6,890,342)	39,760,424	27,234,267
Restricted	270,520,768	275,666,867	257,068,757	276,648,919	347,444,439	296,207,385	295,809,085	319,728,265	287,087,714	314,707,433	323,698,561
Unrestricted	19,050,234	(940,691)	9,630,198	(4,993,834)	(51,984,125)	(31,572,178)	(56,418,060)	19,224,185	(8,512,802)	(22,256,034)	48,582,410
Total net position	\$ 248,727,666	\$ 220,776,447	\$ 224,876,661	\$ 212,778,089	\$ 212,417,297	\$ 146,393,078	\$ 149,349,791	\$ 241,504,099	\$ 271,684,570	\$ 332,211,823	\$ 399,515,238

¹ In 2014, the Authority restated beginning net position by \$13,053,561. This amount less the increase/decrease in net position is used to arrive at ending net position.

² In 2015, the Authority restated beginning net position by \$44,371,051. This amount less the increase/decrease in net position is used to arrive at ending net position.

³ In 2018, the Authority restated beginning net position by \$67,956,302. This amount less the increase/decrease in net position is used to arrive at ending net position.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2022	2021	2020	2019 Stub ¹	2019	2018	2017	2016	2015	2014	2013
Airline revenues:											
Airport landing and related fees	\$ 46,696,719	\$ 73,458,196	58,106,427	\$ 20,430,971	\$ 80,563,419	\$ 77,550,626	\$ 80,160,100	\$ 78,661,781	\$ 73,888,139	\$ 76,406,397	\$ 65,493,268
Terminal building rentals and fees	94,216,132	102,092,942	85,861,167	21,394,396	89,089,734	84,929,354	82,231,045	84,580,455	86,816,124	85,169,050	84,354,836
Facility use fees	6,414,446	2,730,932	2,466,042	2,207,153	10,156,940	9,378,232	8,829,376	8,288,005	8,367,454	8,608,737	7,552,051
Total airline revenues	147,327,297	178,282,070	146,433,636	44,032,520	179,810,093	171,858,212	171,220,521	171,530,241	169,071,717	170,184,184	157,400,155
Percentage of total revenues	32.2%	41.3%	35.3%	34.9%	34.8%	36.5%	38.0%	38.7%	40.5%	42.0%	41.0%
Non-Airline revenues:											
Parking fees	87,624,321	61,970,968	34,905,184	21,833,720	83,657,331	80,248,186	76,706,962	74,497,683	68,017,761	61,187,198	57,828,811
Concession fees	32,720,958	28,139,897	21,271,464	10,686,331	43,437,381	42,786,536	39,752,574	37,947,768	35,185,895	32,253,029	31,536,249
Car rental	25,401,242	21,204,973	11,476,048	6,103,867	25,867,258	26,164,448	24,949,539	23,872,232	22,429,207	21,908,879	20,160,427
Hotel	29,728,369	18,110,502	12,224,405	8,816,337	32,734,957	31,368,028	29,928,448	33,889,957	33,345,294	32,922,844	29,301,463
Employee shuttle bus	2,938,256	3,918,240	3,741,727	773,732	3,048,721	2,891,239	2,833,329	2,316,970	2,100,820	2,032,346	2,502,311
Ground transportation	7,433,827	4,480,410	3,781,150	3,132,819	11,375,371	10,199,443	7,813,795	5,125,120	5,428,501	5,452,612	5,094,540
Utility service fees	4,550,144	3,999,144	3,842,231	1,191,196	4,854,869	5,096,397	5,026,053	4,812,705	4,722,477	5,027,074	5,282,902
Rental facilities	4,786,816	5,049,806	4,954,198	1,268,549	4,770,437	4,701,642	4,414,200	4,603,077	4,643,230	3,971,295	3,651,399
Other	9,421,596	11,256,064	15,577,115	1,845,824	7,167,681	7,332,061	5,486,987	4,473,948	4,790,511	4,784,310	6,007,508
Total non-airline revenues	204,605,529	158,130,004	111,773,522	55,652,375	216,914,006	210,787,980	196,911,887	191,539,460	180,663,696	169,539,587	161,365,610
Percentage of total revenues	44.7%	36.7%	26.9%	44.1%	42.0%	44.7%	43.7%	43.2%	43.3%	41.8%	42.0%
Nonoperating revenues:											
Passenger facility charges	55,380,403	48,232,677	28,407,906	16,415,341	72,760,924	69,774,131	68,128,397	66,764,363	63,840,589	62,016,364	61,705,013
Customer facility charges	4,639,302	—	4,950,594	5,726,133	22,130,671	4,548,815	4,442,148	4,260,370	304,510	—	—
Federal and state grants	45,292,853	44,481,954	118,326,432	1,783,827	8,507,741	6,650,317	6,655,554	5,568,130	1,339,342	1,029,619	1,353,122
Interest	189,460	1,871,512	4,551,928	2,312,274	16,519,284	7,617,673	3,567,954	3,856,859	1,454,197	1,388,246	1,616,192
Other	—	220,175	458,728	216,864	70,135	—	113,784	100,000	755,802	1,420,712	432,091
Total nonoperating revenues	105,502,018	94,806,318	156,695,588	26,454,439	119,988,755	88,590,936	82,907,837	80,549,722	67,694,440	65,854,941	65,106,418
Percentage of total revenues	23.1%	22.0%	37.8%	21.0%	23.2%	18.7%	18.3%	18.1%	16.2%	16.2%	17.0%
Total revenues	\$ 457,434,844	\$ 431,218,392	414,902,746	\$ 126,139,334	\$ 516,712,854	\$ 471,237,128	\$ 451,040,245	\$ 443,619,423	\$ 417,429,853	\$ 405,578,712	\$ 383,872,183
Enplaned passengers	14,052,931	11,782,602	7,026,591	4,608,208	18,121,193	17,558,618	17,281,219	17,130,687	16,443,778	16,216,673	16,077,652
Total revenue per enplaned passenger	\$ 32.55	\$ 36.60	59.05	\$ 27.37	\$ 28.51	\$ 26.84	26.10	25.90	25.39	25.01	23.88
Airline revenue per enplaned passenger	\$ 10.48	\$ 15.13	20.84	\$ 9.56	\$ 9.92	\$ 9.79	9.91	10.01	10.28	10.49	9.79

¹ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

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

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

	2022	2021	2020	2019 Stub ⁴	2019	2018	2017	2016	2015	2014	2013
Landing Fees:											
Signatory Airlines ^{1,2}	\$ 2.56	\$ 4.37	\$ 4.26	\$ 3.55	\$ 3.52	\$ 3.48	\$ 3.65	\$ 3.62	\$ 3.54	\$ 3.71	\$ 3.14
Non-Signatory Airlines ²	3.20	5.47	5.33	4.44	4.40	4.35	4.56	4.52	4.43	4.64	3.93
General Aviation ³	3.00	2.75	2.50	See Note ⁵	2.32	2.32	2.32	2.25	2.00	2.00	1.75
Facility Use Fees:											
South Terminal	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.00
North Terminal	6.00	6.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50	5.50	5.00
Terminal Rental Rates (per SF per year):											
South Terminal - Signatory Airlines ¹	\$ 64.55	\$ 65.14	\$ 57.78	\$ 60.44	\$ 62.08	\$ 60.32	\$ 56.81	\$ 56.90	\$ 58.74	\$ 60.00	\$ 57.71
South Terminal - Non-Signatory Airlines	74.24	74.92	66.45	69.51	71.39	69.37	65.33	65.44	67.55	69.00	66.36
North Terminal - Signatory Airlines ¹	129.89	166.60	129.03	109.88	117.35	98.89	109.26	119.35	124.12	117.00	118.95
North Terminal - Non-Signatory Airlines	149.37	191.59	148.38	126.36	134.95	113.73	125.65	137.25	142.74	134.00	136.79

** 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 Billing rate at Willow Run Airport for aircraft weighing 150,000 lbs. and over, charged per 1,000 lbs. MGLW. A tiered rate structure exists for smaller aircraft.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

⁵ During the stub period, the rate was \$2.32 until October 31, 2019. Thereafter the rate was \$2.50

Source: WCAA Finance Department Records

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

Detroit Metropolitan Airport

Airline ¹	2022		2021		2020		2019 Stub ³		2019		2018	
	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
Delta	9,763,325	55.3%	8,032,255	48.7%	6,096,548	45.3%	2,851,469	50.4%	11,051,357	49.2%	10,584,280	48.2%
Delta (Endeavor)	1,172,653	6.6	2,218,634	13.4	1,846,538	13.7	300,065	5.3	1,269,995	5.7	1,315,655	6.0
Delta (Sky West)	1,526,608	8.7	1,034,732	6.3	1,295,227	9.6	702,962	12.4	2,386,789	10.6	2,069,010	9.4
Spirit Airlines	1,398,387	7.9	1,407,217	8.5	1,107,975	8.3	417,647	7.4	1,730,349	7.7	1,601,875	7.3
Federal Express	539,280	3.1	545,105	3.3	513,341	3.8	131,799	2.3	488,855	2.2	496,174	2.3
Southwest	496,182	2.8	451,846	2.7	455,280	3.4	180,464	3.2	797,062	3.6	903,968	4.1
American/US Airways ⁶	533,823	3.0	461,763	2.8	421,003	3.1	170,845	3.0	722,725	3.2	785,679	3.6
Delta (Republic)	95,779	0.5	714,920	4.3	322,682	2.4	49,807	0.9	242,409	1.1	226,916	1.0
United Parcel Service	286,268	1.6	300,511	1.8	285,213	2.1	76,748	1.4	244,804	1.1	221,034	1.0
Frontier	168,969	1.0	143,411	0.9	99,951	0.7	46,770	0.8	136,903	0.6	150,280	0.7
Delta (GoJet)	—	—	—	—	98,198	0.7	209,028	3.7	1,194,965	5.3	1,253,053	5.7
United (Republic)	98,026	0.6	63,362	0.4	87,953	0.7	52,911	0.9	230,252	1.0	217,724	1.0
United (SkyWest)	162,613	0.9	166,630	1.0	78,366	0.6	22,265	0.4	66,929	0.3	77,164	0.4
American/US Airways (Republic) ⁴	153,164	0.9	115,796	0.7	72,776	0.5	59,136	1.0	148,217	0.7	131,669	0.6
United (Mesa)	35,625	0.2	66,706	0.4	71,255	0.5	40,231	0.7	173,846	0.8	165,922	0.8
American/US Airways (PSA) ⁶	106,291	0.6	100,701	0.7	63,580	0.5	17,491	0.3	96,018	0.4	128,353	0.6
United	169,503	1.0	57,306	0.3	58,525	0.4	20,515	0.9	234,668	1.0	244,621	1.1
American/US Airways (SkyWest) ⁴	42,527	0.2	45,438	0.3	52,327	0.4	23,785	0.4	136,722	0.6	123,201	0.5
JetBlue Airways	157,713	0.9	59,934	0.4	48,566	0.4	29,754	0.5	120,070	0.5	167,276	0.8
Air France	146,683	0.8	102,729	0.6	47,486	0.4	38,779	0.7	144,745	0.7	137,656	0.6
Alaska Airlines	69,360	0.4	50,514	0.3	45,965	0.3	14,369	0.3	69,143	0.3	117,327	0.5
DHL (Kallitta)	18,247	0.1	6,578	—	41,454	0.5	34,240	0.8	135,952	0.6	71,360	0.3
Lufthansa	100,697	0.6	52,985	0.3	30,516	0.2	39,894	0.7	193,610	0.9	194,131	0.9
United (GoJet)	31,232	0.2	57,950	0.4	29,334	0.2	2,412	—	25,996	0.1	24,522	0.1
Aeromexico Connect	—	—	—	—	21,244	0.2	23,281	0.4	84,050	0.4	27,353	0.1
American/US Airways (Envoy) ^{5,6}	45,128	0.3	58,248	0.4	17,320	0.1	13,771	0.2	48,758	0.2	47,843	0.2
DHL (Atlas)	—	—	1,088	—	16,864	0.1	1,952	—	5,440	—	61,808	0.3
American/US Airways (Piedmont) ⁵	4,059	—	5,893	—	15,670	0.1	5,718	0.1	21,083	0.1	26,015	0.1
United (ExpressJet) ²	—	—	—	—	9,133	0.1	11,648	0.2	6,313	—	—	—
Royal Jordanian	50,540	0.3	36,860	0.1	9,120	0.1	9,880	0.2	45,220	0.2	39,520	0.2
Air Canada (Air Georgian)	—	—	—	—	—	—	15,134	0.3	68,244	0.3	61,180	0.3
Aeromexico	—	—	—	—	—	—	—	—	38,416	0.2	41,408	0.2
Delta (ExpressJet) ²	—	—	—	—	—	—	—	—	—	—	168,179	0.8
Delta (Compass)	—	—	—	—	—	—	—	—	—	—	—	—
Virgin Atlantic Airways	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Shuttle America)	—	—	—	—	—	—	—	—	—	—	—	—
American/US Airways (Air Wisconsin) ⁷	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Chataqua)	—	—	—	—	—	—	—	—	—	—	—	—
Lufthansa Cargo	—	—	—	—	—	—	—	—	—	—	—	—
Other ⁴	268,774	1.5	150,703	1.0	64,098	0.5	13,301	0.2	85,712	0.4	77,313	0.3
Total	17,641,457	100.0%	16,509,814	100.0%	13,423,510	100.0%	5,628,069	100.0%	22,445,617	100.0%	21,959,469	100.0%

¹ Signatory Affiliate Airlines are associated based on 2022 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 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.

³ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

⁴ Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

⁵ Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

⁶ US Airways merged with American Airlines on April 8, 2015 and, for comparative purposes, are shown as one on this report.

Source: WCAA Finance Department Records

Detroit Metropolitan Airport

2017		2016		2015		2014		2013	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
10,505,297	48.6%	10,616,006	49.5%	10,615,528	51.5%	10,273,955	50.4%	10,051,320	48.7%
1,439,231	6.7	1,960,734	9.1	1,824,960	8.8	2,523,978	12.4	3,661,163	17.7
1,643,645	7.6	864,151	4.0	465,842	2.3	294,404	1.4	—	—
1,405,062	6.5	1,293,177	6.0	1,129,323	5.5	886,234	4.3	765,188	3.7
470,760	2.2	483,114	2.3	479,295	2.3	493,528	2.4	446,450	2.2
931,658	4.3	898,636	4.2	854,196	4.1	904,127	4.4	969,194	4.7
855,276	4.0	861,963	4.0	843,916	4.1	842,150	4.1	785,631	3.8
130,371	0.6	—	—	—	—	—	—	—	—
189,156	0.9	179,533	0.8	175,421	0.9	170,445	0.8	167,762	0.8
189,950	0.9	140,122	0.7	100,624	0.5	105,448	0.5	84,124	0.4
888,262	4.1	271,737	1.3	128,707	0.6	190,615	0.9	—	—
169,454	0.8	114,619	0.5	—	—	—	—	—	—
53,126	0.2	73,679	0.4	69,752	0.3	33,738	0.2	65,129	0.3
149,076	0.7	194,949	0.9	225,467	1.1	107,669	0.5	—	—
183,080	0.8	157,475	0.7	91,642	0.4	—	—	—	—
102,934	0.5	68,183	0.3	40,838	0.2	—	—	—	—
275,721	1.3	209,604	1.0	136,885	0.7	100,958	0.5	95,890	0.5
76,389	0.4	—	—	—	—	—	—	—	—
162,534	0.8	168,108	0.8	129,654	0.6	—	—	—	—
134,507	0.6	134,644	0.6	138,530	0.7	136,291	0.7	142,397	0.7
76,993	0.4	65,210	0.3	55,208	0.3	—	—	—	—
—	—	—	—	—	—	—	—	—	—
170,089	0.8	165,418	0.8	162,237	0.8	180,296	0.9	153,106	0.7
7,705	—	36,917	0.2	46,297	0.2	45,091	0.2	51,389	0.2
—	—	—	—	—	—	—	—	—	—
52,670	0.2	77,245	0.4	176,287	0.9	209,816	1.0	207,170	1.0
118,096	0.5	119,608	0.6	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	78,571	0.4	147,800	0.7	—	—
38,380	0.2	39,520	0.2	38,257	0.2	40,645	0.2	42,452	0.2
61,194	0.3	43,749	0.2	18,548	0.1	16,600	0.1	—	—
30,883	0.1	—	—	—	—	—	—	—	—
680,318	3.2	1,423,967	6.6	1,544,732	7.5	1,351,443	6.6	1,260,107	6.1
149,528	0.7	154,667	0.7	165,734	0.8	252,328	1.2	225,942	1.1
61,014	0.3	135,699	0.6	49,683	0.2	—	—	—	—
58,320	0.3	276,165	1.3	480,607	2.3	97,562	0.5	139,035	0.7
53,580	0.2	72,615	0.4	48,927	0.2	69,466	0.3	77,597	0.4
—	—	—	—	141,015	0.7	564,145	2.8	467,713	2.3
—	—	—	—	—	—	17,657	0.1	52,480	0.3
87,553	0.3	165,380	0.6	168,969	0.8	326,312	1.9	717,622	3.5
21,601,812	100.0%	21,466,594	100.0%	20,625,652	100.0%	20,382,701	100.0%	20,628,861	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit 5-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline ¹	2022		2021		2020		2019 Stub ³		2019		2018	
	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
Domestic:												
Alaska Airlines	68,851	0.49	45,491	0.39	26,173	0.37	12,560	0.27	66,494	0.37	103,328	0.59
American/US Airways (Air Wisconsin) ⁷	—	—	—	—	—	—	—	—	—	—	2,541	0.01
American/US Airways (Envoy) ^{6,7}	40,485	0.29	49,672	0.42	13,834	0.20	11,923	0.26	42,858	0.24	44,557	0.25
American/US Airways (Mesa) ⁷	—	—	—	—	—	—	—	—	—	—	—	—
American/US Airways (Piedmont) ⁷	4,042	—	5,731	0.05	12,325	0.18	5,794	0.13	22,024	0.12	25,553	0.14
American/US Airways (PSA) ⁷	88,138	0.63	81,343	0.69	45,923	0.65	14,599	0.32	77,446	0.43	101,289	0.58
American/US Airways (Republic) ⁷	110,277	0.78	91,155	0.77	41,195	0.59	42,222	0.92	110,491	0.61	99,408	0.57
American/US Airways (SkyWest) ⁷	35,741	0.25	34,228	0.29	34,092	0.49	19,324	0.42	107,275	0.59	101,370	0.58
American/US Airways ⁷	533,479	3.80	446,845	3.79	305,637	4.35	149,269	3.24	616,536	3.40	672,190	3.83
Delta (Chautauqua)	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Compass)	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Endeavor) ⁴	956,695	6.81	1,605,262	13.62	857,422	12.20	258,062	5.60	1,078,599	5.95	1,117,394	6.36
Delta (ExpressJet) ⁵	—	—	—	—	—	—	—	—	—	—	137,411	0.78
Delta (GoJet)	—	—	—	—	72,599	1.03	180,630	3.92	1,020,755	5.63	1,056,632	6.02
Delta (Republic)	73,454	0.52	474,821	4.03	144,056	2.05	41,827	0.91	202,409	1.12	193,050	1.10
Delta (Shuttle America)	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Sky West)	1,128,326	8.03	621,912	5.28	555,566	7.91	484,418	10.51	1,607,625	8.87	1,351,867	7.70
Delta Air Lines	7,447,361	53.00	5,644,899	47.90	3,030,599	43.30	2,153,405	46.73	8,100,030	44.70	7,534,271	42.91
Frontier	183,473	1.31	146,868	1.25	89,045	1.27	53,179	1.15	156,073	0.86	162,764	0.93
JetBlue Airways	126,775	0.90	47,936	0.41	24,106	0.34	24,963	0.54	97,800	0.54	141,241	0.80
Southwest/Airtran Airlines ⁵	457,489	3.26	416,792	3.54	271,066	3.86	168,250	3.65	739,895	4.08	836,627	4.76
Spirit Airlines	1,342,322	9.55	1,304,646	11.07	912,833	12.99	441,980	9.59	1,755,071	9.69	1,607,113	9.15
United (ExpressJet)	—	—	—	—	6,030	0.09	10,111	0.22	5,374	0.03	1,637	0.01
United (GoJet)	22,036	0.16	40,373	0.34	18,381	0.26	2,101	0.05	23,516	0.13	22,350	0.13
United (Mesa)	29,558	0.21	54,020	0.46	48,704	0.69	35,272	0.77	151,636	0.84	148,448	0.85
United (Republic)	78,420	0.56	51,610	0.44	50,526	0.72	41,509	0.90	182,677	1.01	183,134	1.04
United (Skywest)	147,381	1.05	141,546	1.20	53,867	0.77	20,437	0.44	60,884	0.34	67,976	0.39
United	147,582	1.05	40,646	0.34	37,750	0.54	45,219	0.98	202,935	1.12	203,974	1.16
Other ²	30,887	0.22	16,086	0.14	4,828	0.07	2,118	0.05	10,805	0.06	1,412	0.01
Total Domestic	13,052,772	92.87	11,361,882	96.42	6,656,557	94.92	4,219,172	91.57	16,439,208	90.73	15,917,537	90.65
International:												
Aeromexico	—	—	—	—	—	—	—	—	30,230	0.17	29,317	0.17
Aeromexico Connect	—	—	—	—	10,784	0.15	16,815	0.36	48,690	0.27	16,771	0.10
Air Canada	41,010	0.29	8,845	0.08	6,960	0.10	11,875	0.26	51,414	0.28	45,462	0.26
Air France	79,806	0.57	38,792	0.33	16,121	0.23	21,368	0.46	76,999	0.42	75,679	0.43
American/US Airways ⁷	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Comair)	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Compass)	—	—	—	—	—	—	—	—	—	—	—	—
Delta (Endeavor) ⁴	—	—	—	—	—	—	—	—	—	—	—	—
Delta Air Lines	755,561	5.38	306,290	2.60	300,425	4.28	305,622	6.63	1,324,833	7.31	1,315,807	7.49
Frontier	4,111	0.03	1,004	0.01	—	—	—	—	—	—	—	—
Lufthansa	51,647	0.37	19,824	0.17	10,969	0.16	19,410	0.42	80,019	0.44	89,688	0.51
Royal Jordanian Airlines	26,142	0.19	16,225	0.14	3,217	0.05	3,633	0.08	20,725	0.11	16,163	0.09
Southwest/Airtran Airlines ⁵	—	—	—	—	—	—	—	—	—	—	—	—
Spirit Airlines	37,755	0.27	29,740	0.25	21,432	0.31	10,313	0.22	34,953	0.19	36,024	0.21
Virgin Atlantic Airways	—	—	—	—	—	—	—	—	—	—	—	—
WOW air	—	—	—	—	—	—	—	—	14,122	0.08	16,170	0.09
Other ²	4,127	0.03	—	—	126	—	—	—	—	—	—	—
Total International	1,000,159	7.13	420,720	3.58	370,034	5.28	389,036	8.43	1,681,985	9.27	1,641,081	9.35
Grand Total	14,052,931	100.00%	11,782,602	100.00%	7,026,591	100.20%	4,608,208	100.00%	18,121,193	100.00%	17,558,618	100.00%

¹ Signatory Affiliate Airlines are associated based on 2020 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 Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

³ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

⁴ Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

⁵ 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.

⁶ Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

⁷ US Airways merged with American Airlines on April 8, 2015 and for comparative purposes, are shown as one in this report.

Source: V

Detroit Metropolitan Airport

2017		2016		2015		2014		2013	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
72,380	0.42	66,040	0.39	57,636	0.35	—	—	—	—
45,400	0.26	63,898	0.37	34,465	0.21	57,178	0.35	63,752	0.40
44,914	0.26	67,414	0.39	136,328	0.83	169,854	1.05	169,407	1.05
—	—	—	—	13,713	0.08	29,246	0.18	26,173	0.16
8,985	0.05	3,621	0.02	—	—	—	—	—	—
81,867	0.47	58,585	0.34	39,344	0.24	5,492	0.03	6,519	0.04
118,354	0.68	156,144	0.91	178,734	1.09	92,224	0.57	96,509	0.60
63,056	0.36	—	—	—	—	—	—	—	—
725,334	4.20	761,214	4.44	732,616	4.46	725,183	4.47	662,355	4.12
—	—	—	—	140,318	0.85	960,376	3.46	448,754	2.79
117,490	0.68	111,614	0.65	120,847	0.73	207,036	1.28	175,829	1.09
1,223,918	7.08	1,677,874	9.79	1,556,601	9.46	2,159,842	13.32	3,080,866	19.16
547,541	3.17	1,150,700	6.72	1,276,020	7.76	1,098,157	6.77	978,390	6.09
745,286	4.31	230,733	1.35	107,108	0.65	160,650	0.99	—	—
111,888	0.65	—	—	—	—	—	—	—	—
48,860	0.28	264,188	1.54	475,505	2.89	86,319	0.53	121,712	0.76
1,114,479	6.45	570,927	3.33	353,817	2.15	251,177	1.55	—	—
7,456,453	43.15	7,486,766	43.70	7,249,879	44.09	6,856,076	42.28	6,568,924	40.86
208,426	1.21	149,124	0.87	92,038	0.56	98,958	0.61	80,496	0.50
142,117	0.82	146,799	0.86	105,591	0.64	—	—	—	—
848,036	4.91	845,604	4.94	784,365	4.77	828,595	5.11	832,772	5.18
1,424,905	8.25	1,289,024	7.52	1,096,225	6.67	875,463	5.40	755,169	4.70
5,268	0.03	9,002	0.05	76,704	0.47	143,587	0.89	130,342	0.81
7,011	0.04	31,741	0.19	42,751	0.26	40,249	0.25	44,311	0.28
153,771	0.89	140,502	0.82	80,084	0.49	18,478	0.11	42,346	0.26
124,655	0.72	92,302	0.54	—	—	—	—	—	—
46,470	0.27	69,388	0.41	65,860	0.40	31,384	0.19	58,464	0.36
218,781	1.27	171,058	1.00	105,188	0.64	78,956	0.49	70,789	0.44
19,868	0.11	65,294	0.38	86,562	0.53	177,393	1.09	251,438	1.56
15,725,513	90.99	15,679,556	91.52	15,008,299	91.27	14,751,873	90.97	14,665,317	91.21
19,954	0.12	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
40,781	0.24	32,392	0.19	23,980	0.15	21,253	0.13	17,156	0.11
71,462	0.41	71,642	0.42	75,576	0.46	73,512	0.45	77,751	0.48
—	—	566	—	520	—	1,256	0.01	1,302	0.01
—	—	—	—	—	—	—	—	—	—
5,841	0.03	18,703	0.11	17,102	0.10	8,691	0.05	—	—
—	—	—	—	—	—	—	—	2,175	0.01
1,275,473	7.38	1,161,607	6.78	1,178,621	7.17	1,226,121	7.56	1,180,193	7.34
77,521	0.45	71,472	0.42	76,694	0.47	77,650	0.48	66,977	0.42
14,937	0.09	13,403	0.08	12,225	0.07	14,755	0.09	14,334	0.09
—	—	—	—	—	—	12,255	0.08	11,120	0.07
28,806	0.17	22,575	0.13	22,457	0.14	22,986	0.14	22,669	0.14
19,417	0.11	47,380	0.28	20,442	0.12	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,514	0.01	11,391	0.07	7,862	0.05	6,321	0.04	18,658	0.12
1,555,706	9.01	1,451,131	8.48	1,435,479	8.73	1,464,800	9.03	1,412,335	8.79
17,281,219	100.00%	17,130,687	100.00%	16,443,778	100.00%	16,216,673	100.00%	16,077,652	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports (a)

	2022		2021		2020		2019 Stub ³		2019		2018	
	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹
Airport Revenue Bonds:												
Series 1998A	—	—	—	—	—	—	—	—	—	—	—	—
Series 2002C	—	—	—	—	—	—	—	—	—	—	—	—
Series 2002D	—	—	—	—	—	—	—	—	—	—	—	—
Series 2005	—	—	—	—	—	—	—	—	—	—	—	—
Series 2007A Jr. Lien	—	—	—	—	—	—	—	—	—	—	157,970,000	—
Series 2007B	—	—	—	—	—	—	—	—	—	—	97,830,000	—
Series 2008A	—	—	—	—	—	—	—	—	93,190,000	861,231	5,470,000	5,215,250
Series 2010A	—	—	—	—	—	—	—	—	32,170,000	268,083	30,615,000	1,863,625
Series 2010B	—	—	—	—	—	—	—	—	—	—	—	—
Series 2010C	9,885,000	453,063	14,190,000	1,144,625	13,405,000	1,879,586	12,645,000	590,631	11,785,000	2,671,483	11,290,000	3,256,608
Series 2010D	—	—	3,295,000	151,021	3,115,000	321,798	2,920,000	110,785	2,745,000	519,550	2,630,000	655,841
Series 2010E-1	—	—	—	—	—	—	—	—	—	—	—	—
Series 2010E-2	—	—	—	—	—	—	—	—	—	—	—	—
Series 2010F	—	—	—	—	—	—	—	—	—	—	—	—
Series 2010G	—	—	—	—	—	—	—	—	—	—	—	—
Series 2011A	40,915,000	1,779,021	38,915,000	3,724,354	37,225,000	5,388,917	35,410,000	1,676,458	—	7,296,000	—	7,296,000
Series 2011B	—	—	—	—	2,745,000	125,813	2,615,000	56,105	2,540,000	280,700	2,420,000	364,366
Series 2012A	4,425,000	7,894,813	4,235,000	8,107,355	4,020,000	8,309,250	3,820,000	2,113,333	3,645,000	8,547,375	3,480,000	8,728,250
Series 2012B	890,000	1,052,042	850,000	1,094,708	810,000	1,135,375	780,000	291,188	735,000	1,183,875	700,000	1,220,333
Series 2012C	—	—	—	—	260,000	9,533	255,000	4,300	245,000	22,234	235,000	31,966
Series 2012D	—	1,487,000	—	1,487,000	—	1,487,000	5,560,000	418,084	5,490,000	1,810,750	5,240,000	2,083,166
Series 2013A	—	—	—	—	—	—	—	—	—	—	199,070,000	693,963
Series 2013B	—	—	—	—	—	—	—	—	—	—	74,375,000	260,566
Series 2013C	—	—	—	—	—	—	—	—	—	—	114,610,000	411,754
Series 2014A	—	—	—	—	—	—	—	—	29,800,000	367,605	100,000	538,723
Series 2014B	100,000	3,295,208	100,000	3,299,292	100,000	3,302,376	100,000	826,490	100,000	3,308,292	100,000	3,312,125
Series 2014C	100,000	1,559,833	100,000	1,563,667	100,000	1,567,250	100,000	392,646	100,000	1,572,916	100,000	1,576,750
Series 2015A	—	—	—	—	17,625,000	269,810	17,335,000	121,833	17,050,000	631,288	16,770,000	915,244
Series 2015B	18,495,000	1,506,124	18,005,000	1,996,249	—	2,037,000	—	509,250	—	2,037,000	—	2,037,000
Series 2015C	—	961,500	—	961,500	—	961,500	—	240,375	—	961,500	—	961,500
Series 2015D	100,000	10,639,167	100,000	10,643,167	100,000	10,647,166	100,000	2,662,375	100,000	10,651,000	—	10,653,500
Series 2015E	—	387,750	—	387,751	—	387,751	—	96,938	—	387,750	—	387,750
Series 2015F	—	11,207,750	—	11,207,750	—	11,207,750	—	2,801,937	—	11,207,750	—	11,207,750
Series 2015G	2,910,000	3,127,375	2,770,000	3,266,458	2,640,000	3,399,000	2,515,000	873,459	2,000,000	3,552,416	1,600,000	3,649,084
Series 2015H	—	—	—	—	23,125,000	218,194	—	122,539	—	587,225	—	483,042
Series 2017A Sr	100,000	2,521,167	100,000	2,525,167	100,000	2,529,166	—	632,375	—	2,529,500	—	2,452,210
Series 2017B Sr	100,000	2,023,166	100,000	2,029,167	100,000	2,033,167	—	508,375	—	2,033,500	—	1,971,365
Series 2017C Sr	6,735,000	2,725,688	6,400,000	3,047,083	6,090,000	3,352,875	5,785,000	892,771	5,010,000	3,709,250	—	3,798,283
Series 2017A Jr	2,350,000	2,575,008	2,240,000	2,687,467	2,130,000	2,794,425	2,030,000	717,741	1,545,000	2,917,675	—	2,890,932
Series 2017B Jr	2,615,000	1,842,854	2,485,000	1,967,646	2,370,000	2,086,625	2,260,000	542,958	1,850,000	2,224,917	—	2,231,661
Series 2017C Jr	—	1,230,750	—	1,230,751	—	1,230,751	—	307,688	—	1,230,750	—	1,193,144
Series 2017D	—	—	—	—	198,285,000	2,206,833	350,000	1,004,201	320,000	4,747,118	—	3,213,046
Series 2017E	215,000	2,678,283	210,000	2,686,700	200,000	2,694,733	200,000	675,184	180,000	2,704,600	—	2,108,244
Series 2017F	420,000	3,024,707	415,000	3,035,854	405,000	3,046,745	400,000	763,702	375,000	3,060,062	—	2,386,571
Series 2018A	100,000	7,364,084	100,000	7,369,083	—	7,369,500	—	1,842,375	—	6,489,254	—	—
Series 2018B	—	300,250	—	300,250	—	300,250	—	75,063	—	264,386	—	—
Series 2018C	5,380,000	953,083	5,350,000	1,220,709	5,365,000	1,439,716	5,290,000	399,667	—	1,469,823	—	—
Series 2018D	—	2,151,000	—	2,151,000	—	2,151,000	—	537,750	—	1,894,075	—	—
Series 2019	100,000	865,568	100,000	865,488	100,000	796,041	100,000	217,588	—	394,518	—	—
Series 2020A	22,285,000	346,830	1,000,000	193,978	—	71,407	—	—	—	—	—	—
Series 2020B	160,000	1,457,093	160,000	866,475	—	87,315	—	—	—	—	—	—
Series 2020C	205,000	2,536,356	205,000	1,076,631	—	93,484	—	—	—	—	—	—
Series 2021A	—	6,063,000	—	3,166,233	—	—	—	—	—	—	—	—
Series 2021B	—	1,476,000	—	770,800	—	—	—	—	—	—	—	—
Series 2022	—	71,381	—	—	—	—	—	—	—	—	—	—
Airport Hotel Bonds:												
Series 2001A	—	—	—	—	—	—	—	—	—	—	—	—
Series 2001B	—	—	—	—	—	—	—	—	1,814,983	37,414	337,782	86,345
Installment Purchase Contracts												
Shuttle Payable	771,780	134,964	1,833,585	192,227	513,596	99,929	45,721	10,054	—	—	—	—
Willow Run Notes Payable:												
Washtenaw County	—	—	—	—	—	—	—	—	19,473	—	19,476	—
Downriver Comm. Conf.	55,000	—	60,000	—	60,000	—	19,869	—	25,000	—	—	—
University of Michigan	—	—	—	—	—	—	—	—	—	—	—	—
Less: Bond Refundings ²	(22,285,000)	—	—	—	(220,950,000)	—	—	—	(117,355,000)	—	(632,310,000)	—
Totals	\$ 97,126,780	87,690,877	103,318,585	86,417,606	100,038,596	87,038,630	100,635,590	23,036,218	95,479,456	94,432,865	92,652,258	90,035,957

Airport Hotel (a)

	2022		2021		2020		2019 Stub ³		2019		2018	
	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹	Principal	Interest ¹
Airport Hotel Bonds:												
Series 2001A	\$ —	—	—	—	—	—	—	—	—	—	—	—
Series 2001B	—	—	—	—	—	—	—	—	—	—	—	—
Less: Bond Refundings ²	—	—	—	—	—	—	—	—	—	—	—	—
Other Hotel Debt:												
Capital/FF&E Reserve Loan	—	—	—	—	—	—	—	—	—	—	—	—
Working Capital Loan	—	—	—	—	—	—	—	—	—	—	—	—
Totals	\$ —	—	—	—	—	—	—	—	—	—	—	—

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.

³ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

(a) In October 2015, the Authority entered into a new hotel management agreement and the 2001A Hotel Bonds, which were special facility revenue bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, the operations of the Airport Hotel have been included with the operations of Detroit Metro Airport (see Note 2 of 2016 financial statements for additional discussion).

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2022	2021	2020	2019 Stub ⁴	2019	2018	2017	2016	2015	2014	2013
Detroit Metro and Willow Run Airports (a)											
Net revenues:											
Operating revenues	\$ 351,932,826	\$ 336,412,074	\$ 258,207,158	\$ 99,684,895	\$ 396,724,099	\$ 382,646,192	\$ 368,132,408	\$ 363,069,701	\$ 316,390,119	\$ 306,800,927	\$ 289,464,302
Interest income and other	189,460	2,091,687	5,010,656	2,529,138	16,589,419	7,617,673	3,681,738	3,956,859	2,157,671	2,789,211	2,026,745
Federal and state sources	45,292,853	44,481,954	118,326,432	1,783,827	8,507,741	6,650,317	6,655,554	5,568,130	1,339,342	1,029,619	1,353,122
Passenger facility charges	55,380,403	48,232,677	28,407,906	16,415,341	72,760,924	69,774,131	68,128,397	66,764,363	63,840,589	62,016,364	61,705,013
Customer facility charges	4,639,302	—	4,950,594	5,726,133	22,130,671	4,548,815	4,442,148	4,260,370	304,510	—	—
Total revenues	457,434,844	431,218,392	414,902,746	126,139,334	516,712,854	471,237,128	451,040,245	443,619,423	384,032,231	372,636,121	354,549,182
Less operating expenses, not including depreciation	(253,838,132)	(231,307,135)	(216,602,382)	(74,550,621)	(271,265,445)	(264,839,591)	(266,638,295)	(252,611,208)	(218,348,139)	(212,847,104)	(195,526,748)
Net revenues	203,596,712	199,911,257	198,300,364	51,588,713	245,447,409	206,397,537	184,401,950	191,008,215	165,684,092	159,789,017	159,022,434
Net debt service:											
Principal ³	119,411,780	103,318,585	100,038,596	100,635,590	95,479,456	92,652,258	95,994,178	90,336,871	86,409,236	83,228,434	80,467,061
Interest ¹	87,690,877	86,417,606	87,038,630	23,036,218	94,432,865	90,035,957	89,874,600	87,544,123	84,525,509	85,031,425	86,277,279
Net debt service	207,102,657	189,736,191	187,077,225	124,036,164	189,912,321	182,688,215	185,868,778	177,880,994	170,934,745	168,259,859	166,744,340
Debt Service Coverage ²	0.98	1.05	1.06	0.42	1.29	1.13	0.99	1.07	0.97	0.95	0.95
Pledged Revenue Coverage – Airport Hotel (a)											
Net revenues:											
Operating revenues	—	—	—	—	—	—	—	—	33,345,294	32,922,844	29,301,463
Interest income and other	—	—	—	—	—	—	—	—	52,328	19,747	21,538
Total revenues	—	—	—	—	—	—	—	—	33,397,622	32,942,591	29,323,001
Less operating expenses, not including depreciation	—	—	—	—	—	—	—	—	(18,793,497)	(23,063,942)	(21,064,105)
Net revenues	—	—	—	—	—	—	—	—	14,604,125	9,878,649	8,258,896
Net debt service:											
Principal	—	—	—	—	—	—	—	—	4,185,000	3,145,000	4,402,147
Interest ¹	—	—	—	—	—	—	—	—	5,283,910	5,463,680	5,703,957
Net debt service	—	—	—	—	—	—	—	—	9,468,910	8,608,680	10,106,104
Debt Service Coverage ²	—	—	—	—	—	—	—	—	1.54	1.15	0.82
Combined net debt service:											
Principal	119,411,780	103,318,585	100,038,596	101,010,000	95,479,456	92,652,258	95,994,178	90,336,871	90,594,236	86,373,434	84,869,208
Interest ¹	87,690,877	86,417,606	87,038,630	23,026,164	94,432,865	90,035,957	89,874,600	87,544,123	89,809,419	90,495,105	91,981,236
Total combined net debt service	\$ 207,102,657	\$ 189,736,191	\$ 187,077,225	\$ 124,036,164	\$ 189,912,321	\$ 182,688,215	\$ 185,868,778	\$ 177,880,994	\$ 180,403,655	\$ 176,868,539	\$ 176,850,444

Notes: The Authority has pledged all net Airport revenues solely for the payment of the Airport Revenue Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net revenues for such purpose.

¹ Interest does not include adjustments for capitalized interest, amortization of issuance costs/ bond insurance premiums, discount, premium, refunding costs, or 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.

⁴ The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

(a) In October 2015, the Authority entered into a new hotel agreement and the 2001A Hotel Bonds, which were special facility bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, the operations of the Airport Hotel have been included with the operations of Detroit Metro Airport (see Note 2 of 2016 financial statements for additional discussion).

Source: WCAA Finance Department Records

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

<u>Outstanding Debt per Enplaned Passenger</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 Stub²</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Outstanding debt by type:											
Airport revenue bonds	\$ 1,908,920,000	\$ 2,006,470,000	\$ 1,957,115,000	\$ 2,056,105,000	\$ 2,156,675,000	\$ 2,105,880,000	\$ 2,145,910,000	\$ 2,241,105,000	\$ 2,031,565,000	\$ 2,116,145,000	\$ 2,070,180,000
Installment purchase contracts	—	—	—	—	—	1,814,983	2,152,765	2,932,469	3,679,864	4,454,624	5,273,582
Shuttle Lease Agreement - Other	1,713,443	2,485,223	2,318,808	2,832,404	—	—	—	—	—	—	—
Willow Run notes payable	265,000	330,000	380,000	440,000	459,869	504,342	523,820	543,294	562,770	102,246	102,246
Airport hotel bonds	—	—	—	—	—	—	—	—	99,630,000	103,815,000	105,460,000
Other hotel debt	—	—	—	—	—	—	—	—	—	—	1,500,000
Bond discounts	(320,874)	(352,687)	(384,498)	(421,914)	(429,538)	(460,034)	(490,528)	(521,022)	(1,766,475)	(1,336,251)	(1,459,143)
Bond premiums	140,124,249	153,833,070	116,639,031	129,055,864	132,163,640	119,320,631	74,855,937	89,758,579	51,018,768	59,941,546	60,323,458
Total outstanding debt	\$ 2,050,701,818	\$ 2,162,765,606	\$ 2,076,068,341	\$ 2,187,626,354	\$ 2,288,868,971	\$ 2,227,059,922	\$ 2,222,951,994	\$ 2,333,818,320	\$ 2,184,689,927	\$ 2,283,122,165	\$ 2,241,380,143
Enplaned passengers	14,052,931	11,782,602	7,026,591	4,608,208	18,121,193	17,558,618	17,281,219	17,130,687	16,443,778	16,216,673	16,077,652
Outstanding debt per enplaned passenger	\$ 145.93	\$ 183.56	\$ 295.46	\$ 474.72	\$ 126.31	\$ 126.84	\$ 128.63	\$ 136.24	\$ 132.86	\$ 140.79	\$ 139.41
<u>Combined net debt service per enplaned passenger</u>											
Combined net debt service ¹	\$ 184,817,657	\$ 189,736,191	\$ 187,077,225	\$ 123,671,808	\$ 189,912,321	\$ 182,688,215	\$ 185,868,778	\$ 177,880,994	\$ 180,403,655	\$ 176,868,539	\$ 176,850,444
Enplaned passengers	14,052,931	11,782,602	7,026,591	4,608,208	18,121,193	17,558,618	17,281,219	17,130,687	16,443,778	16,216,673	16,077,652
Net debt service per enplaned passenger	\$ 13.15	\$ 16.10	\$ 26.62	\$ 26.92	\$ 10.48	\$ 10.40	\$ 10.76	\$ 10.38	\$ 10.97	\$ 10.91	\$ 11.00

¹ Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs/bond insurance premiums, discount, premium, refunding costs, or arbitrage.

² The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

Source: WCAA Finance Department Records

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

	Authority Full-Time Positions *										
	2022	2021	2020	2019 Stub ¹	2019	2018	2017	2016	2015	2014	2013
Administration	11	12	12	16	16	15	12	10	11	9	8
Internal Audit	2	1	1	2	2	3	3	3	3	3	3
Legal	4	4	4	3	2	5	5	5	5	5	5
Finance	23	21	21	23	23	28	33	33	32	33	32
Information Technology	11	13	14	18	18	20	20	17	18	15	14
Procurement/Business Diversity	11	16	16	18	18	16	16	19	16	15	14
Human Resources	11	11	11	14	14	12	12	13	13	11	11
Maintenance/Facilities	216	229	230	249	249	245	235	216	196	199	194
Airfield Operations	36	39	36	44	45	47	47	47	42	40	39
Public Safety	209	211	208	237	240	231	224	223	205	204	203
Planning & Development	30	33	33	33	32	30	29	32	31	25	28
Business Development	32	37	36	46	45	45	46	41	37	37	32
Willow Run	4	4	3	13	13	14	13	13	11	11	11
Pooled Positions	—	—	—	3	3	—	—	—	—	—	—
Totals	<u>600</u>	<u>631</u>	<u>625</u>	<u>719</u>	<u>720</u>	<u>711</u>	<u>695</u>	<u>672</u>	<u>620</u>	<u>607</u>	<u>594</u>

* 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 The Authority converted from a September 30 fiscal year end to a December 31 fiscal year end. To facilitate the fiscal year end conversion a "stub" reporting period encompassing the three month period from October 1, 2019 through December 31, 2019 was completed.

Source: WCAA Finance Department Records

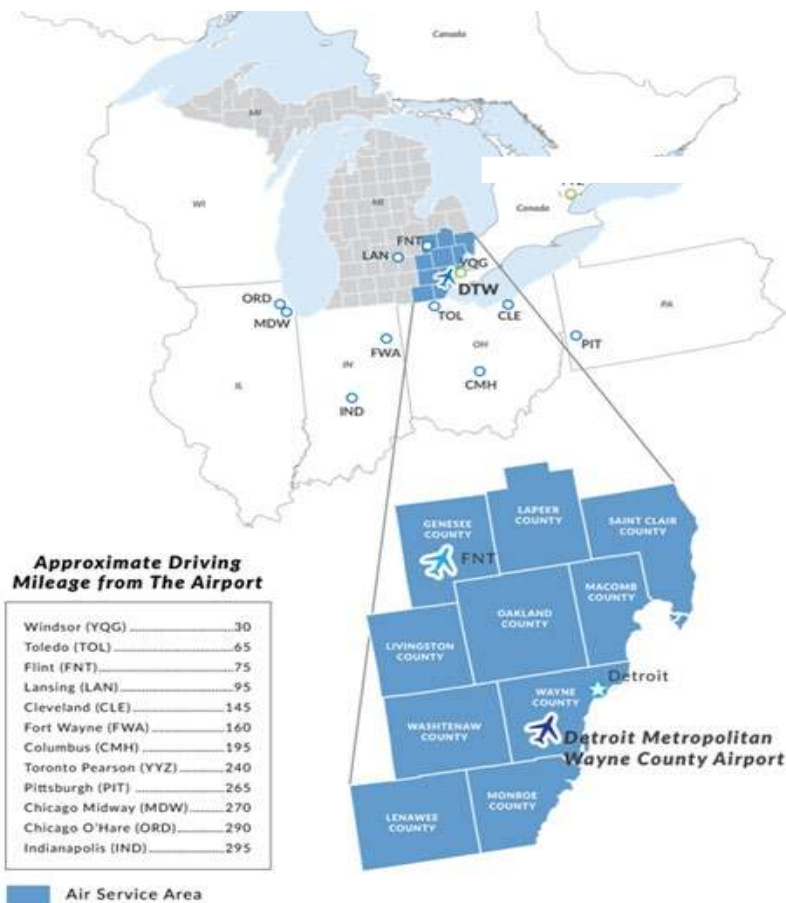
Exhibit S-10: Demographic and Economic Information

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 the 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 percent or more of total U.S. passengers enplaned. As of 2021, Detroit Metro Airport is the eighteenth busiest airport in the United States and the twenty-eighth busiest airport in the world (by operations). 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 ten-county region in which DTW is located the *Detroit-Warren-Ann Arbor Combined Statistical Area (CSA)*. The region is comprised of the ten Michigan counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne. This area is defined based on commuting patterns and constitutes the labor market region of Metro Detroit with a population of approximately 5.3 million.

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.



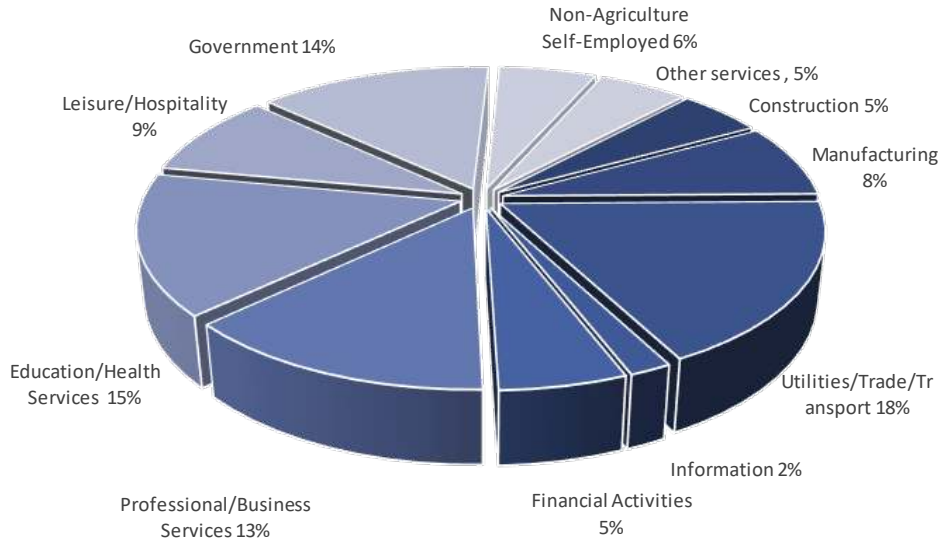
WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2021)	5,393,033
Population (2020)	5,340,849
Population (2010)	5,218,852
Population (2000)	5,357,538
Percentage Increase in Population - 2020 to 2021	1.0%
Percentage Female	50.9%
Percentage Male	49.1%
Personal Income (millions) (2021)	\$324,416,320
Percent of U.S. Total	1.5%
Per Capita Personal Income (2021)	\$60,155
Per Capita Personal Income (2021) - U.S.	\$64,143
Unemployment Rate (2021 December)	7.9%
Unemployment Rate (2020 December)	6.5%
Unemployment Rate (2019 December)	5.3%
Total Households (millions)	2.2
Average Household Size (people)	2.4



Note: Civilian, non-agricultural employment only. Construction includes mining and forestry
 SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, data are not seasonally-adjusted.

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 2022*	Metro Employees 2021 **	Percentage (%) Change	Type of Business
Ford Motor Co.	Dearborn	47,750	47,750	0.0%	Automobile Manufacturer
Stellantis NV	Auburn Hills	42,444	37,761	12.4%	Automobile Manufacturer
General Motors Corp.	Detroit	38,600	33,935	13.7%	Automobile Manufacturer
University of Michigan	Ann Arbor	35,620	35,185	1.2%	Public University/Health System
BHSH System	Not Listed	21,674	N/A	N/A	Hospital System
U.S. Government	Detroit	19,953	19,953	0.0%	Federal Government
Henry Ford Health System	Detroit	17,469	17,875	-2.3%	Health Care System
Rocket Companies Inc.	Detroit	14,109	18,000	-21.6%	Holding company (tech, finance, etc)
Trinity Health Michigan	Detroit	13,186	12,991	1.5%	Health Care System
Ascension Michigan	Warren	12,085	12,452	-2.9%	Health Care System

* Data as of July 2022, except for "U.S. Government" - data is still as of July 2021

** Data as of July 2021

Source: Crain's Detroit Business, July 2022

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: 7,342 acres

Airport Code: DTW

		<u>Length (ft)</u>
Runways:	3R/21L	10,001
	3L/21R	8,501
	9R/27L	8,500
	9L/27R	8,708
	4R/22L	12,003
	4L/22R	10,000

Terminals:	McNamara Terminal	
	In-Service Passenger Gates	104
	Operating Concessions	69
	North Terminal	
	In-Service Passenger Gates	29
	Operating Concessions	24

Parking:	Spaces Available:	
	McNamara Parking Structure	10,117
	Big Blue Deck and Short-Term	6,530
	Green Lot 1	1,517
	Green Lot 2	900
	Total Spaces	<u>19,064</u>

International: Customs/Immigration F.I.S. Facility

Tower(s): Air Traffic Control Tower 24/7/365
Delta Air Lines Ramp Control Tower 24/7/365
North Terminal Ramp Control Tower 24/7/365

FBO(s): Signature Flight Support

Source: WCAA Finance Department Records

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: 2,360 acres

Airport Code: YIP

		<u>Length (ft)</u>
Runways:	5R/23L	7,543
	9/27	5,001

Corporate/Private Space: Three General Aviation Terminals
T-Hangars (qty. 110)
Yankee Air Museum

International: U.S. Customs (user fee airport)

Tower: FAA 24/7

FBOs: Avflight
Odyssey Aviation

Source: WCAA Finance Department Records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Year Ended December 31, 2022

Portions of the following documents are incorporated herein by reference into sections of the Financial Report as indicated:

<u>Document</u>	<u>Part of Financial Report into which incorporated</u>
None ^(a)	Not applicable

(a) There was no public debt issued during the operating year ended December 31, 2022

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2022

(Unaudited)

	Net revenues available - [1] (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	\$ 238,635	\$ 169,757	1.41	\$ 10.34
Total Senior Lien and Junior Lien	\$ 238,635	\$ 180,391	1.32	\$ 10.34

[1] - Includes net revenues, revenue fund balance, and other available monies

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(In thousands of dollars, except as noted)

(Unaudited)

Description	OY 2022	OY 2021	OY 2020	Three-month Period Ended Dec. 31, 2019	OY 2019	OY 2018
Salaries and wages	\$ 58,375	\$ 56,787	57,696	\$ 15,635	\$ 60,996	\$ 58,693
Employee benefits	29,626	29,019	30,897	10,514	35,825	35,840
	<u>88,001</u>	<u>85,806</u>	<u>88,593</u>	<u>26,149</u>	<u>96,821</u>	<u>94,533</u>
Contractual services:						
Parking management	6,994	5,495	5,488	1,823	7,607	8,405
Hotel management (a)	18,065	11,780	10,550	5,399	19,746	19,702
Security expenses	7,365	5,499	4,882	1,553	6,000	6,031
Janitorial services	20,052	16,450	14,038	4,120	16,917	14,406
Shuttle bus	10,871	9,978	7,316	2,002	7,779	6,849
Other services	26,668	22,654	22,064	7,226	26,135	27,920
Total contractual services	<u>90,015</u>	<u>71,856</u>	<u>64,338</u>	<u>22,123</u>	<u>84,184</u>	<u>83,313</u>
Wayne County administrative services	79	67	67	18	123	123
Repairs and maintenance	33,761	33,063	27,372	8,740	36,445	33,039
Supplies and other operating expenses	14,756	9,512	9,863	3,550	15,677	14,740
Insurance	2,122	1,901	1,942	460	1,878	1,902
Utilities	22,551	20,346	19,217	5,195	22,870	23,388
Rentals	97	98	70	36	284	182
Interest expense and paying agent fees	426	426	373	—	95	109
Capital expenses	5,583	12,075	8,264	2,470	10,177	8,816
	<u>79,375</u>	<u>77,488</u>	<u>67,168</u>	<u>20,469</u>	<u>87,549</u>	<u>82,299</u>
Total O&M expenses	\$ <u>257,391</u>	\$ <u>235,150</u>	<u>220,099</u>	\$ <u>68,741</u>	\$ <u>268,554</u>	\$ <u>260,145</u>

- (a) On October 15, 2015, the Authority entered into a new hotel management agreement and the 2001A Hotel Bonds, which were special facility revenue bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, as of October 15, 2015, the net revenues of the Hotel are included in the Net Revenues pledged toward the repayment of all the Authority's general airport revenue bonds and hotel management expenses are included in the Authority's operation and management expenses. At this time, all outstanding bonds, including the 2015G-H Airport Revenue Refunding Bonds, are all general airport revenue bonds.

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(In thousands of dollars, except as noted)

(Unaudited)

Description	OY 2022	OY 2021	OY 2020	Three-month Period Ended Dec. 31, 2019	OY 2019	OY 2018
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	\$ 67,259	\$ 65,876	\$ 65,867	\$ 16,374	\$ 66,670	\$ 63,641
Common-use/shared-use area rentals	26,171	30,890	15,227	6,306	24,556	23,770
Debt service recapture	905	988	988	247	988	988
Facilities use fees	5,763	2,446	2,276	2,116	9,714	8,877
Add/(Subtract) rental fee adjustment	(296)	4,169	3,606	(1,580)	(3,317)	(3,666)
Total rental and use fees	<u>99,802</u>	<u>104,369</u>	<u>87,964</u>	<u>23,463</u>	<u>98,611</u>	<u>93,610</u>
Activity fees:						
Signatory airlines	55,454	78,481	47,573	19,931	78,071	77,092
Nonsignatory airlines	2,248	2,463	1,508	771	5,941	3,151
Add/(Subtract) landing fee adjustment	(12,142)	(8,285)	8,464	(489)	(4,281)	(3,505)
Total activity fees	<u>45,560</u>	<u>72,659</u>	<u>57,545</u>	<u>20,213</u>	<u>79,731</u>	<u>76,738</u>
Total airline revenues	<u>145,362</u>	<u>177,028</u>	<u>145,509</u>	<u>43,676</u>	<u>178,342</u>	<u>170,348</u>
Nonairline revenues:						
Concessions:						
Automobile parking	87,624	61,971	34,905	21,834	83,657	80,248
Hotel (b)	29,728	18,111	12,224	8,816	32,735	31,368
Rental car	25,401	21,205	11,476	6,104	25,867	26,164
Food and beverage	17,231	14,784	2,116	5,396	21,178	20,703
Retail	10,544	9,200	13,850	3,665	14,815	14,734
Marketing and communications	1,605	1,148	1,123	463	1,671	1,721
Other concessions	3,510	2,707	3,983	1,038	5,273	5,141
Total concessions	<u>175,643</u>	<u>129,126</u>	<u>79,677</u>	<u>47,316</u>	<u>185,196</u>	<u>180,079</u>
Rentals	4,226	4,229	4,009	1,014	3,756	3,673
Utility fees	4,444	3,923	3,759	1,165	4,739	4,970
Interest income	1,004	5	631	328	1,502	792
Ground transportation	7,434	4,480	3,781	3,133	11,375	10,199
Airport Rescue Grant (ARPA)	12,279	28,760	113,126	-	-	-
Airport Cor. Response Grant Conc.	3,886	-	-	-	-	-
Airport Cor. Response Grant (CRRSA)	17,404	10,261	-	-	-	-
Other (a)	15,884	13,158	14,131	2,907	10,939	9,437
Total nonairline revenues	<u>242,204</u>	<u>193,942</u>	<u>219,114</u>	<u>55,863</u>	<u>217,507</u>	<u>209,150</u>
Total operating revenues	<u>\$ 387,566</u>	<u>\$ 370,970</u>	<u>\$ 364,623</u>	<u>\$ 99,539</u>	<u>\$ 395,849</u>	<u>\$ 379,498</u>

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

(b) On October 15, 2015, the Authority entered into a new hotel management agreement and the 2001A Hotel Bonds, which were special facility revenue bonds, were refunded by the 2015G-H Airport Revenue Refunding Bonds. As a result, as of October 15, 2015, the net revenues of the Hotel are included in the Net Revenues pledged toward the repayment of all the Authority's general airport revenue bonds and hotel management expenses are included in the Authority's operation and management expenses. At this time, all outstanding bonds, including the 2015G-H Airport Revenue Refunding Bonds, are all general airport revenue bonds.

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(In thousands of dollars, except as noted)

(Unaudited)

	<u>OY 2022</u>	<u>OY 2021</u>	<u>OY 2020</u>	Three-month Period Ended <u>Dec. 31, 2019</u>	<u>OY 2019</u>	<u>OY 2018</u>
Revenues:						
Airline revenues	\$ 145,362	\$ 177,028	145,509	43,676	\$ 178,342	\$ 170,348
Nonairline revenues	242,204	193,942	219,114	55,863	217,507	209,150
Interest income generated in bond funds and reserves	3,958	8,222	6,032	628	2,817	5,415
Other available monies:						
PFC contributions	55,084	42,224	38,795	18,850	70,941	73,174
Capitalized interest contribution	4,528	8,324	5,140	1,499	6,517	3,078
Other	7,960	5,872	6,401	2,039	8,696	4,550
Total revenues	\$ 459,096	\$ 435,612	420,991	122,555	\$ 484,820	\$ 465,715
Priority						
Application of revenues:						
1 Operation and Maintenance Fund (a)	\$ 261,644	\$ 237,650	223,183	71,822	\$ 279,746	\$ 271,452
2 Bond Fund	174,285	176,775	176,039	45,454	183,299	174,462
3 Junior Lien Bond Fund	10,634	10,631	10,631	2,658	10,514	11,190
4 Operation and Maintenance Reserve Fund	—	—	654	—	777	100
5 Renewal and Replacement Fund	500	500	500	125	500	500
6 County Discretionary Fund	350	350	350	88	350	350
7 Airport Development Fund	11,683	9,706	9,634	2,408	9,634	7,661
Total application of revenues	\$ 459,096	\$ 435,612	420,991	122,555	\$ 484,820	\$ 465,715

(a) Includes amounts applied to the Hotel Furniture, Fixtures and Equipment Account established under the Authority's hotel management agreement effective October 15, 2015.

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Year Ended December 31, 2022

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:		
Revenues		\$ 387,566
Revenue fund balance at beginning of year		45,711
Other available monies:		
PFC contributions		55,084
Other		7,960
Interest income generated in bond funds and reserves		<u>3,958</u>
Total revenues	[A]	500,279
Operation and maintenance expenses	[B]	<u>261,644</u>
Net revenues available for Sr. Lien debt service	[A - B] = [C]	238,635
Bond debt service - Senior Lien	[D]	<u>169,757</u>
Net revenues available for Jr. Lien debt service	[C - D] = [E]	68,878
Bond debt service - Junior Lien	[F]	10,634
Net revenues remaining in revenue fund	[E - F] = [G]	58,244
Debt service coverage:		
Senior Lien bonds	[C]/[D]	1.41
Senior Lien and Junior Lien bonds	[C]/[D + F]	1.32
Rate covenant elements:		
Operation and maintenance expenses	[B]	\$ 261,644
125% debt service – Bonds	[(1.25 x D) + F]	222,830
Other fund requirements		<u>10,556</u>
Total rate covenant elements		\$ <u>495,030</u>

Source: Wayne County Airport Authority

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Operating Period	Domestic	International	Total	Percent Increase, (decrease) ^{[1], [2]}
Operating Year 2022	13,052,772	1,000,159	14,052,931	19.3%
Operating Year 2021	11,361,882	420,720	11,782,602	67.7
Operating Year 2020	6,656,557	370,034	7,026,591	(61.7)
Three-month period ended Dec. 31, 2019	4,219,172	389,036	4,608,208	1.7
Operating Year 2019	16,439,208	1,681,985	18,121,193	3.2
Operating Year 2018	15,917,537	1,641,081	17,558,618	1.6

[1] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[2] - Percent increase for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported enplanements and comparing the annualized totals to the prior operating year.

Source: Wayne County Airport Authority records

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	Number of passengers	Percent increase	
2022	13,649,237	19.4%	807,580,239	26.4%	1.7%
2021	11,433,273	68.8	638,881,754	80.4	1.8
2020	6,774,244	(62.0)	354,190,515	(59.4)	1.9
2019	17,832,792	4.1	872,149,301	4.3	2.0
2018	17,126,910	2.0	836,503,477	4.8	2.0

Note: 2022 estimate based on nine months of actual data; 2021 updated with final data

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

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

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 ^[1]	Percent increase (decrease)
2022	100,573	34,173	327	135,074	(1.8)%
2021	98,447	38,980	66	137,493	19.9
2020	83,404	30,861	433	114,698	(39.2)
2019	149,111	38,934	569	188,614	0.7
2018	135,132	51,323	940	187,395	(0.7)

[1] - Total does not include departures by commuters or charters

Note: 2022 estimate based on nine months of data; 2021 updated with final data

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

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

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
2022	8,089,800	63.4%	4,676,015	36.6%
2021	6,919,984	63.1	4,041,694	36.9
2020	3,811,119	59.0	2,647,469	41.0
2019	9,182,134	54.8	7,581,287	45.2
2018	8,859,449	55.4	7,119,271	44.6

Note: 2022 estimate based on nine months of data; 2021 updated with final 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.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ended September 30 (2018 through 2019)

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Airline	OY 2022		OY 2021		OY 2020	
	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market
Domestic:						
Alaska Airlines	68,851	0.5%	45,491	0.4%	26,173	0.4%
American (Air Wisconsin)	—	—	—	—	—	—
American (Envoy)	40,485	0.3	49,672	0.4	13,834	0.2
American (Piedmont)	4,042	—	5,731	0.1	12,325	0.2
American (PSA)	88,138	0.7	81,343	0.7	45,923	0.7
American (Republic)	110,277	0.8	91,155	0.8	41,195	0.6
American (Skywest)	35,741	0.3	34,228	0.3	34,092	0.5
American Airlines	533,479	4.1	446,845	3.9	305,637	4.6
Delta (Endeavor)	956,695	7.3	1,605,262	14.1	857,422	12.9
Delta (ExpressJet)	—	—	—	—	—	—
Delta (GoJet)	—	—	—	—	72,599	1.1
Delta (Republic)	73,454	0.6	474,821	4.2	144,056	2.2
Delta (SkyWest)	1,128,326	8.6	621,912	5.5	555,566	8.3
Delta Airlines	7,447,361	57.1	5,644,899	49.6	3,030,599	45.4
Frontier Airlines	183,473	1.4	146,868	1.3	89,045	1.3
JetBlue Airways	126,775	1.0	47,936	0.4	24,106	0.4
Southwest Airlines	457,489	3.5	416,792	3.7	271,066	4.1
Spirit Airlines	1,342,322	10.3	1,304,646	11.5	912,833	13.6
United Airlines (Air Wisconsin)	5,486	—	7,274	0.1	—	—
United Airlines (CommutAir)	14,990	0.1	—	—	—	—
United Airlines (ExpressJet)	—	—	—	—	6,030	0.1
United Airlines (GoJet)	22,036	0.2	40,373	0.4	18,381	0.3
United Airlines (Mesa)	29,558	0.2	54,020	0.5	48,704	0.7
United Airlines (Republic)	78,420	0.6	51,610	0.4	50,526	0.8
United Airlines (SkyWest)	147,381	1.1	141,546	1.2	53,867	0.8
United Airlines (Trans States)	—	—	—	—	406	—
United Airlines	147,582	1.1	40,646	0.4	37,750	0.6
Other ⁽¹⁾	10,411	0.1	8,812	0.1	4,422	0.1
Subtotal – Domestic	<u>13,052,772</u>	<u>100.0%</u>	<u>11,361,882</u>	<u>100.0%</u>	<u>6,656,557</u>	<u>100.0%</u>
International:						
Aeromexico	—	—	—	—	—	—
Aeromexico Connect	3,945	0.4	—	—	10,784	2.9
Air Canada (Jazz)	41,010	4.1	8,845	2.1	6,960	1.9
Air Canada (Air Georgian)	—	—	—	—	—	—
Air France	79,806	8.0	38,792	9.2	16,121	4.4
Delta Airlines	755,561	75.5	306,290	72.8	300,425	81.2
Frontier	4,111	0.4	1,004	0.2	—	—
Lufthansa	51,647	5.2	19,824	4.7	10,969	3.0
Royal Jordanian	26,142	2.6	16,225	3.9	3,217	0.9
Spirit	37,755	3.8	29,740	7.1	21,432	5.8
WOW air	—	—	—	—	—	—
Other ⁽¹⁾	182	—	—	—	126	—
Subtotal – International	<u>1,000,159</u>	<u>100.0%</u>	<u>420,720</u>	<u>100.0%</u>	<u>370,034</u>	<u>100.0%</u>
Total – All Markets	<u>14,052,931</u>		<u>11,782,602</u>		<u>7,026,591</u>	

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2022.

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Airline	Three-month period ended Dec. 31, 2019		OY 2019		OY 2018	
	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market	Enplaned passengers	Percent of market
Domestic:						
Alaska Airlines	12,560	0.4%	66,494	0.5%	103,328	0.7%
American (Air Wisconsin)	—	—	—	—	2,541	—
American (Envoy)	11,923	0.3	42,858	0.3	44,557	0.3
American (Piedmont)	5,794	0.1	22,024	0.1	25,553	0.2
American (PSA)	14,599	0.3	77,446	0.5	101,289	0.6
American (Republic)	42,222	1.0	110,491	0.7	99,408	0.6
American (Skywest)	19,324	0.5	107,275	0.7	101,370	0.6
American Airlines	149,269	3.5	616,536	3.8	672,190	4.2
Delta (Endeavor)	258,062	6.1	1,078,599	6.5	1,117,394	7.0
Delta (ExpressJet)	—	—	—	—	137,411	0.9
Delta (GoJet)	180,630	4.3	1,020,755	6.2	1,056,632	6.7
Delta (Republic)	41,827	1.0	202,409	1.2	193,050	1.2
Delta (SkyWest)	484,418	11.5	1,607,625	9.7	1,351,867	8.5
Delta Airlines	2,153,405	51.0	8,100,030	49.3	7,534,271	47.3
Frontier Airlines	53,179	1.3	156,073	0.9	162,764	1.0
JetBlue Airways	24,963	0.6	97,800	0.6	141,241	0.9
Southwest Airlines	168,250	4.0	739,895	4.5	836,627	5.3
Spirit Airlines	441,980	10.5	1,755,071	10.7	1,607,113	10.1
United Airlines (Air Wisconsin)	75	—	—	—	—	—
United Airlines (CommutAir)	—	—	—	—	—	—
United Airlines (ExpressJet)	10,111	0.2	5,374	—	1,637	—
United Airlines (GoJet)	2,101	—	23,516	0.1	22,350	0.1
United Airlines (Mesa)	35,272	0.8	151,636	0.9	148,448	0.9
United Airlines (Republic)	41,509	1.0	182,677	1.1	183,134	1.2
United Airlines (SkyWest)	20,437	0.5	60,884	0.4	67,976	0.4
United Airlines (Trans States)	662	—	553	—	579	—
United Airlines	45,219	1.1	202,935	1.2	203,974	1.3
Other ⁽¹⁾	1,381	—	10,252	0.1	833	—
Subtotal – Domestic	4,219,172	100.0%	16,439,208	100.0%	15,917,537	100.0%
International:						
Aeromexico	—	—	30,230	1.8	29,317	1.8
Aeromexico Connect	16,815	4.3	48,690	2.9	16,771	1.0
Air Canada (Jazz)	—	—	—	—	—	—
Air Canada (Air Georgian)	11,875	3.0	51,414	3.0	45,462	2.8
Air France	21,368	5.5	76,999	4.6	75,679	4.6
Delta Airlines	305,622	78.6	1,324,833	78.8	1,315,807	80.2
Frontier	—	—	—	—	—	—
Lufthansa	19,410	5.0	80,019	4.8	89,688	5.4
Royal Jordanian	3,633	0.9	20,725	1.2	16,163	1.0
Spirit	10,313	2.7	34,953	2.1	36,024	2.2
WOW air	—	—	14,122	0.8	16,170	1.0
Other ⁽¹⁾	—	—	—	—	—	—
Subtotal – International	389,036	100.0%	1,681,985	100.0%	1,641,081	100.0%
Total – All Markets	4,608,208		18,121,193		17,558,618	

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2022.

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Operating Period	Cargo by type (metric tons)				Total Cargo	
	Freight and Express ^[1]		Mail		Total Cargo	Percent increase (decrease) ^{[2], [3]}
	Enplaned	Deplaned	Enplaned	Deplaned		
Operating Year 2022	73,064	90,058	11,628	10,111	185,211	4.3%
Operating Year 2021	66,004	89,339	11,328	10,642	177,312	3.6
Operating Year 2020	61,884	91,575	7,819	9,893	171,171	(19.3)
Three-month period ended Dec. 31, 2019	19,868	27,689	2,600	2,881	53,038	(2.9)
Operating Year 2019	80,607	116,849	11,439	9,624	218,520	(4.1)
Operating Year 2018	84,459	121,248	11,815	10,441	227,963	6.5

[1] - Includes small packages

[2] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[3] - Percent decrease for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported cargo and comparing the annualized totals to the prior operating year

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT
Continuing Disclosure Table #12
Historical Aircraft Landed Weight
Operating years ended September 30 (2018 through 2019),
Three-month period ended December 31, 2019 and
Operating years ended December 31 (2020 through 2022)
(Unaudited)

Airline	OY 2022		OY 2021		OY 2020	
	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	—	—%	—	—%	—	—%
Aeromexico Connect	4,850	—	—	—	21,244	0.2
Air Canada (Jazz)	59,764	0.3	13,977	0.1	12,161	0.1
Air Canada (Air Georgian)	—	—	—	—	—	—
Air France	146,683	0.8	102,729	0.6	47,486	0.4
Alaska Airlines	69,360	0.4	50,514	0.3	45,965	0.3
American (Air Wisconsin)	—	—	—	—	—	—
American (Envoy)	45,128	0.3	58,248	0.4	17,320	0.1
American (Piedmont)	4,059	—	5,893	—	15,670	0.1
American (PSA)	106,291	0.6	100,701	0.7	63,580	0.5
American (Republic)	153,164	0.9	115,796	0.7	72,777	0.5
American (Skywest)	42,527	0.2	45,438	0.3	52,327	0.4
American Airlines	533,823	3.0	461,763	2.8	421,003	3.1
Delta (Endeavor)	1,172,653	6.6	2,218,634	13.4	1,846,538	13.8
Delta (ExpressJet)	—	—	—	—	—	—
Delta (GoJet)	—	—	—	—	98,198	0.7
Delta (Republic)	95,779	0.5	714,920	4.3	322,682	2.4
Delta (SkyWest)	1,526,608	8.7	1,034,732	6.3	1,295,227	9.6
Delta Airlines	9,763,325	55.3	8,032,255	48.6	6,096,548	45.4
DHL (ABX)	5,528	—	816	—	1,441	—
DHL (Atlas)	—	—	1,088	—	16,864	0.1
DHL (ATI)	—	—	8,910	0.1	18,414	0.1
DHL (Kalitta)	18,247	0.1	6,578	—	41,454	0.3
DHL (Swift)	20,002	0.1	9,651	0.1	—	—
Kalitta	652	—	—	—	320	—
Federal Express	539,280	3.1	545,105	3.3	513,341	3.8
Frontier Airlines	168,969	1.0	143,411	0.9	99,951	0.7
JetBlue Airways	157,713	0.9	59,934	0.4	48,566	0.4
Lufthansa German Airlines	100,697	0.6	52,985	0.3	30,516	0.2
Royal Jordanian Airlines	50,540	0.3	36,860	0.2	9,120	0.1
Southwest Airlines	496,182	2.8	451,846	2.7	455,280	3.4
Spirit Airlines	1,398,387	7.9	1,407,217	8.5	1,107,975	8.3
United Airlines (Air Wisconsin)	5,781	—	7,943	—	—	—
United Airlines (CommutAir)	14,771	0.1	—	—	—	—
United Airlines (ExpressJet)	—	—	—	—	9,133	0.1
United Airlines (GoJet)	31,232	0.2	57,950	0.4	29,334	0.2
United Airlines (Mesa)	35,625	0.2	66,706	0.4	71,255	0.5
United Airlines (Republic)	98,026	0.6	63,362	0.4	87,953	0.7
United Airlines (Skywest)	162,613	0.9	166,630	1.0	78,366	0.6
United Airlines (Trans States)	—	—	—	—	438	—
United Airlines	169,503	1.0	57,306	0.3	58,525	0.4
United Parcel Service	286,268	1.6	300,511	1.8	285,213	2.1
WOW air	—	—	—	—	—	—
Other ⁽¹⁾	157,425	0.9	119,056	0.7	31,325	0.2
Total	17,641,457	100.0%	16,519,465	100.0%	13,423,510	100.0%

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2022

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Airline	Three- month period ended December 31, 2019		OY 2019		OY 2018	
	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	—	—%	38,416	0.2%	41,408	0.2%
Aeromexico Connect	23,281	0.4	84,050	0.4	27,353	0.1
Air Canada (Jazz)	—	—	—	—	—	—
Air Canada (Air Georgian)	15,134	0.3	68,244	0.3	61,180	0.3
Air France	38,779	0.7	144,745	0.6	137,656	0.6
Alaska Airlines	14,369	0.3	69,143	0.3	117,327	0.5
American (Air Wisconsin)	—	—	—	—	2,679	—
American (Envoy)	13,771	0.2	48,758	0.2	47,843	0.2
American (Piedmont)	5,718	0.1	21,083	0.1	26,015	0.1
American (PSA)	17,491	0.3	96,018	0.4	128,353	0.6
American (Republic)	59,136	1.0	148,217	0.7	131,669	0.6
American (Skywest)	23,785	0.4	136,722	0.6	123,201	0.5
American Airlines	170,845	3.0	722,725	3.2	785,679	3.6
Delta (Endeavor)	300,065	5.3	1,269,995	5.7	1,315,655	6.0
Delta (ExpressJet)	—	—	—	—	168,179	0.8
Delta (GoJet)	209,028	3.7	1,194,965	5.3	1,253,053	5.7
Delta (Republic)	49,807	0.9	242,409	1.1	226,916	1.0
Delta (SkyWest)	702,962	12.4	2,386,789	10.6	2,069,010	9.4
Delta Airlines	2,851,469	50.4	11,051,357	49.2	10,584,280	48.2
DHL (ABX)	603	—	2,910	—	—	—
DHL (Atlas)	1,952	—	5,440	—	61,808	0.3
DHL (ATI)	—	—	—	—	—	—
DHL (Kalitta)	34,240	0.8	136,272	0.6	71,360	0.3
DHL (Swift)	—	—	—	—	—	—
Kalitta	—	—	—	—	—	—
Federal Express	131,799	2.3	488,855	2.2	496,174	2.3
Frontier Airlines	46,770	0.8	136,903	0.6	150,280	0.7
JetBlue Airways	29,754	0.5	120,070	0.5	167,276	0.8
Lufthansa German Airlines	39,894	0.7	193,610	0.9	194,131	0.9
Royal Jordanian Airlines	9,880	0.2	45,220	0.2	39,520	0.2
Southwest Airlines	180,464	3.2	797,062	3.6	903,968	4.1
Spirit Airlines	417,647	7.4	1,730,349	7.7	1,601,875	7.3
United Airlines (Air Wisconsin)	94	—	94	—	—	—
United Airlines (CommutAir)	—	—	—	—	—	—
United Airlines (ExpressJet)	11,648	0.2	6,313	—	1,794	—
United Airlines (GoJet)	2,412	—	25,996	0.1	24,522	0.1
United Airlines (Mesa)	40,231	0.7	173,846	0.8	165,922	0.8
United Airlines (Republic)	52,911	0.9	230,253	1.0	217,724	1.0
United Airlines (SkyWest)	22,265	0.4	66,929	0.3	77,164	0.4
United Airlines (Trans States)	701	—	611	—	614	—
United Airlines	50,215	0.9	234,574	1.0	244,621	1.1
United Parcel Service	76,748	1.4	244,804	1.1	221,034	1.0
WOW air	—	—	17,345	0.1	15,618	0.1
Other ⁽¹⁾	11,903	0.2	64,846	0.4	56,608	0.2
Total	5,657,768	100.0%	22,445,938	100.0%	21,959,469	100.0%

⁽¹⁾ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2022

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ended September 30 (2018 through 2020),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

Operating Period	Operations by class of carrier				Total operations	
	Air carrier	Air taxi and commuter	General aviation	Military	Total	Percent increase (decrease) ^{[1], [2]}
Operating Year 2022	248,170	31,613	4,693	130	284,606	(0.8)%
Operating Year 2021	239,953	42,240	4,616	100	286,909	20.3
Operating Year 2020	197,719	36,918	3,815	122	238,574	(39.5)
Three-month period ended Dec. 31, 2019	81,565	15,630	1,362	28	98,585	—
Operating Year 2019	325,989	62,974	5,865	79	394,907	—
Operating Year 2018	312,540	75,991	6,194	82	394,807	0.3
2004	327,682	171,268	15,526	184	514,660	5.5

[1] - Percent decrease for operating year 2020 has been calculated by annualizing the total reported enplanements for the three-month period ended December 31, 2019 and comparing the annualized totals to the 2020 operating year.

[2] - Percent increase for the three-month period ended Dec. 31, 2019 has been calculated by annualizing the total reported operations and comparing the annualized totals to the prior operating year.

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ended September 30 (2018 through 2019),

Three-month period ended December 31, 2019 and

Operating years ended December 31 (2020 through 2022)

(Unaudited)

	<u>OY 2022</u>	<u>OY 2021</u>	<u>OY 2020</u>	<u>Three-month Period Ended Dec. 31, 2019 ^[1]</u>	<u>OY 2019</u>	<u>OY 2018</u>
Enplaned passengers:						
Domestic:						
Scheduled:						
Originating ^[2]	8,268,857	7,167,065	4,044,498	2,378,834	9,068,784	8,855,356
Connecting ^[2]	4,773,504	4,186,005	2,607,637	1,838,957	7,360,172	7,061,348
Subtotal – scheduled	<u>13,042,361</u>	<u>11,353,070</u>	<u>6,652,135</u>	<u>4,217,791</u>	<u>16,428,956</u>	<u>15,916,704</u>
Percentage connecting	36.6%	36.9%	41.0%	43.6%	44.8%	44.4%
Charter	<u>10,411</u>	<u>8,812</u>	<u>4,422</u>	<u>1,381</u>	<u>4,470</u>	<u>833</u>
Subtotal – domestic	<u>13,052,772</u>	<u>11,361,882</u>	<u>6,656,557</u>	<u>4,219,172</u>	<u>16,433,426</u>	<u>15,917,537</u>
International:						
Scheduled:						
U.S. airlines	797,427	337,034	321,857	315,935	1,359,786	1,351,831
Foreign flag	202,550	83,686	48,051	73,101	322,199	289,250
Subtotal – scheduled	<u>999,977</u>	<u>420,720</u>	<u>369,908</u>	<u>389,036</u>	<u>1,681,985</u>	<u>1,641,081</u>
Charter	<u>182</u>	<u>—</u>	<u>126</u>	<u>—</u>	<u>5,782</u>	<u>—</u>
Subtotal – international	<u>1,000,159</u>	<u>420,720</u>	<u>370,034</u>	<u>389,036</u>	<u>1,687,767</u>	<u>1,641,081</u>
Total enplaned passengers	<u>14,052,931</u>	<u>11,782,602</u>	<u>7,026,591</u>	<u>4,608,208</u>	<u>18,121,193</u>	<u>17,558,618</u>
Enplaned cargo (tons):						
Freight	73,064	66,004	61,884	19,868	80,607	84,459
Mail	11,628	11,328	7,819	2,600	11,439	11,815
Total cargo	<u>84,693</u>	<u>77,332</u>	<u>69,703</u>	<u>22,467</u>	<u>92,046</u>	<u>96,274</u>
Aircraft departures ^[3] :						
Domestic	127,471	132,876	110,358	44,590	177,232	177,541
International	8,405	5,518	5,122	3,177	13,900	13,184
Total aircraft departures	<u>135,876</u>	<u>138,394</u>	<u>115,480</u>	<u>47,767</u>	<u>191,132</u>	<u>190,725</u>
Aircraft operations:						
Air carrier	248,170	239,953	197,719	81,565	325,989	312,540
Air taxi and commuter	31,613	42,240	36,918	15,630	62,974	75,991
General aviation	4,693	4,616	3,815	1,362	5,865	6,194
Military	130	100	122	28	79	82
Total aircraft operations	<u>284,606</u>	<u>286,909</u>	<u>238,574</u>	<u>98,585</u>	<u>394,907</u>	<u>394,807</u>
Landed weight (1,000-pound units):						
Passenger:						
U.S. carriers:						
Major/national	12,757,263	10,664,246	8,333,813	3,761,532	14,862,183	14,555,307
Commuter/regional	3,651,682	4,776,009	4,092,123	1,523,927	6,113,517	5,980,312
Subtotal – U.S. carriers	<u>16,408,945</u>	<u>15,440,255</u>	<u>12,425,936</u>	<u>5,285,459</u>	<u>20,975,701</u>	<u>20,535,619</u>
Foreign flag	362,535	206,552	120,527	126,968	591,630	515,824
Subtotal – passenger	<u>16,771,479</u>	<u>15,646,807</u>	<u>12,546,463</u>	<u>5,412,426</u>	<u>21,567,331</u>	<u>21,051,443</u>
All cargo	869,978	872,658	877,047	245,342	878,607	903,343
Total landed weight	<u>17,641,457</u>	<u>16,519,465</u>	<u>13,423,510</u>	<u>5,657,768</u>	<u>22,445,938</u>	<u>21,954,787</u>

[1] - Three-month period ended Dec. 31, 2019 represents the three-month Stub Period of October 1, 2019 to December 31, 2019

[2] - 2022 originating and connecting activity statistics are estimated based on calendar-year percentages

[3] - Departures for operating year 2022 are estimated based on both actual and scheduled data

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

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15
 Nonstop International Destinations Added and Dropped
 Calendar years ending December 31
 (Unaudited)

Year	Cities added	Cities dropped	Net change
2022	Monterrey, Mexico Munich, Germany		2
2021	Puerto Vallarta, Mexico		1
2020		Beijing, China Cozumel, Mexico Grand Cayman, Cayman Islands Leon/Guanajuato, Mexico Nassau, Bahamas Ottawa, Canada Puerto Vallarta, Mexico Queretaro, Mexico Rome, Italy Tokyo-Narita, Japan Vancouver, Canada	(11)
2019	Tokyo-Haneda, Japan	Reykjavik, Iceland Sao Paulo-Guarulhos, Brazil	(1)
2018	León, Mexico Querétaro, Mexico Reykjavik, Iceland	Shanghai (Pu Dong), China Shannon, Ireland Taipei, Taiwan	3

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

Source: Diio MI Database

Three-month period ended December 31, 2019 and
Operating years ended December 31 (2020 through 2022)
(Unaudited)

	Three-month					
	OY 2022	OY 2021	OY 2020	Period Ended Dec. 31, 2019	OY 2019	OY 2018
Operating revenues:						
Airport landing and related fees	\$ 45,560	\$ 72,659	\$ 57,545	\$ 20,213	\$ 79,731	\$ 76,739
Concession fees	58,122	49,345	32,748	16,790	69,305	68,951
Parking fees	87,624	61,971	34,905	21,834	83,657	80,248
Hotel - [1]	29,728	18,111	12,224	8,816	32,735	31,368
Rental facilities/ground transportation	114,377	116,998	99,496	28,385	116,792	110,372
Utility service fees	4,444	3,923	3,759	1,165	4,739	4,970
Other	8,286	8,551	14,799	1,614	6,312	6,430
Total operating revenues	<u>348,141</u>	<u>331,558</u>	<u>255,476</u>	<u>98,817</u>	<u>393,271</u>	<u>379,078</u>
Operating expenses:						
Salaries, wages, and fringe benefits	83,594	82,447	78,159	30,992	91,435	94,558
Parking management	6,994	5,495	5,488	1,823	7,607	8,405
Hotel management - [1]	18,358	11,883	11,128	5,534	20,703	19,775
Janitorial services	20,052	16,450	14,038	4,120	16,917	14,406
Security	7,364	5,498	4,882	1,553	6,000	6,031
Utilities	22,508	20,302	19,153	5,196	22,403	23,253
Repairs, professional services, and other	90,035	85,016	77,929	23,790	100,266	93,537
Depreciation	123,806	134,187	131,066	30,530	120,674	120,446
Total operating expenses	<u>372,711</u>	<u>361,278</u>	<u>341,843</u>	<u>103,538</u>	<u>386,005</u>	<u>380,411</u>
Operating gain (loss)	(24,570)	(29,720)	(86,367)	(4,721)	7,266	(1,333)
Nonoperating revenues (expenses):						
Passenger facility charges	55,380	48,233	28,408	16,415	72,761	69,774
Customer facility charges	4,639	0	4,951	5,726	22,131	4,549
Federal and state sources	44,716	44,333	118,169	1,784	8,497	6,650
Interest income and other	(2,183)	1,865	5,007	2,528	16,576	7,612
Interest expense and other	(84,582)	(77,586)	(78,131)	(20,716)	(88,023)	(84,868)
Amortization of bond insurance premiums	(41)	(42)	(42)	(11)	(42)	(101)
Amortization of bond issuance costs	(41)	(42)	(42)	(11)	(42)	(101)
Total nonoperating revenues	<u>17,929</u>	<u>16,803</u>	<u>78,362</u>	<u>5,726</u>	<u>31,900</u>	<u>3,616</u>
Net gain (loss) before capital contributions and transfers	(6,641)	(12,917)	(8,005)	1,005	39,166	2,283
Capital contributions	27,312	106	26,909	1,125	33,136	389
Transfers out	(12,003)	(15,905)	(11,503)	(1,384)	(3,524)	(2,467)
Changes in net position	<u>8,669</u>	<u>(28,716)</u>	<u>7,401</u>	<u>746</u>	<u>68,778</u>	<u>205</u>
Net position – beginning of year	122,541	151,257	143,856	143,110	74,332	74,127
Net position – end of year	<u>\$ 131,210</u>	<u>\$ 122,541</u>	<u>\$ 151,257</u>	<u>\$ 143,856</u>	<u>\$ 143,110</u>	<u>\$ 74,332</u>

[1] - Effective October 2015, the operations of the Airport Hotel have been included with the operations of Detroit Metro Airport (see Note 2 of 2016 financial statements for additional discussion).

[2] - In 2018, Detroit Metro Airport restated beginning net position to \$74,127 (see Note 2 of 2018 financial statements for additional discussion). This amount less the 2018 decrease in net position is used to arrive at ending net position.

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

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic Origin and Destination Markets

Calendar year ending December 31, 2021

(Unaudited)

Rank	Market	Total O&D Passengers (thousands)	Percentage of		Market Share	Secondary Carrier	Market Share	Non-Stop Service
			O&D Passengers	Primary Carrier				
1	Orlando	1,088	7.9%	Delta	50.5%	Spirit	35.4%	●
2	South Florida	1,078	7.8%	Delta	53.8%	Spirit	33.3%	●
3	Las Vegas	846	6.1%	Delta	49.8%	Spirit	34.3%	●
4	New York	696	5.0%	Delta	64.3%	Spirit	13.9%	●
5	Atlanta	670	4.8%	Delta	62.2%	Spirit	32.5%	●
6	Fort Myers	622	4.5%	Delta	60.5%	Spirit	35.7%	●
7	Tampa	616	4.4%	Delta	61.2%	Spirit	32.1%	●
8	Los Angeles	596	4.3%	Delta	63.4%	Spirit	25.4%	●
9	Denver	484	3.5%	Delta	53.5%	Southwest	14.5%	●
10	Dallas	484	3.5%	Delta	42.8%	American	37.4%	●
11	Phoenix	466	3.4%	Delta	65.2%	American	16.8%	●
12	Washington DC	426	3.1%	Delta	66.2%	Southwest	17.1%	●
13	Houston	372	2.7%	Delta	33.9%	Spirit	25.5%	●
14	San Francisco	308	2.2%	Delta	74.1%	Spirit	8.9%	●
15	Boston	280	2.0%	Delta	78.8%	JetBlue	16.2%	●
16	Nashville	228	1.7%	Delta	68.0%	Southwest	30.1%	●
17	Seattle	212	1.5%	Delta	64.2%	Alaska	26.1%	●
18	Chicago	202	1.5%	Delta	55.4%	United	15.9%	●
19	San Diego	198	1.4%	Delta	71.6%	Spirit	12.9%	●
20	Charlotte	182	1.3%	Delta	59.0%	American	38.7%	●
Other O&D Markets		3,782	27.3%					
Domestic O&D Passengers		13,840						
O&D % of Domestic Passengers		63.1%						

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 via Diio MI Database

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International Origin and Destination Markets

Calendar year ended December 31, 2021

(Unaudited)

Rank	Market	Total O&D Passengers	Non-Stop Service
1	Cancun	117,879	●
2	Montego Bay	20,331	●
3	Mexico City	19,039	●
4	Punta Cana	16,567	●
5	San Jose del Cabo	13,839	●
6	Shanghai	12,571	●
7	Aruba	9,011	●
8	Beirut	8,932	●
9	Monterrey	8,409	●
10	Seoul	7,606	●
11	Puerto Vallarta	7,240	●
12	London (Heathrow)	7,034	●
13	Guadalajara	6,793	●
14	Nassau	6,168	●
15	Paris	5,797	●
16	San Jose	5,492	
17	Frankfurt	4,527	
18	Dhaka	4,499	●
19	Providenciales	4,247	●
20	Istanbul	4,235	●

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic

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 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 each major fund and the aggregate remaining funds of the Wayne County Airport Authority (the "Authority") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 25, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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

Purpose of This Report

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

Plante & Moran, PLLC

April 25, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance; Report on Compliance for the Passenger Facility Charge Program as Required by the Guide

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

Opinion on Each Major Federal Program and Passenger Facility Charge Program

We have audited Wayne County Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In 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, and the requirements in 14 CFR 158.63 (collectively, the "Guide") for the year ended December 31, 2022. The passenger facility charge program is identified in the schedule of passenger facility charges collected and expended.

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

Basis for Opinion on Each Major Federal Program and Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* and the requirements in 14 CFR 158.63, issued by the Federal Aviation Administration. Our responsibilities under those standards, the Uniform Guidance, and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

To the Wayne County Airport Authority Board
Wayne County Airport Authority

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

Plante & Moran, PLLC

April 25, 2023

Schedule of Expenditure of Federal Awards
Year Ended December 31, 2022

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Contract/Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Federal Expenditures
DETROIT METROPOLITAN AIRPORT						
U.S. Department of Transportation:						
Federal Aviation Administration - Direct Program -						
Airport Improvement Program (major program):						
Reconstruct Taxiway M	20.106	3-26-0026-11519		\$ -	\$ 12,381,551	\$ -
Reconstruct Taxiway P	20.106	3-26-0026-11620		-	27,539,701	831,063
COVID-19 Airport Coronavirus Response Grant	20.106	3-26-0026-11921		-	27,665,499	17,404,178
COVID-19 Airport Coronavirus Response Grant Conc. Relief Addendum	20.106	3-26-0026-12021		-	3,885,767	3,885,767
Reconstruct Taxiway Y	20.106	3-26-0026-12121		-	35,601,002	25,078,836
COVID-19 Airport Rescue Grant	20.106	3-26-0026-12221		-	111,717,342	12,279,211
COVID-19 Concessions Rent Relief Airport Rescue	20.106	3-26-0026-12355		-	15,543,066	-
Reconstruct Taxiway H1	20.106	3-26-0026-12422		-	1,172,736	1,172,736
Subtotal Airport Improvement Program				-	235,506,664	60,651,791
U.S. Department of Transportation:						
Disposal of Federal Surplus Real Property	39.002	NA		-	-	70,000
Total U.S. Department of Transportation				-	-	70,000
U.S. Department of Justice:						
Asset Forfeiture Equitable Sharing Program	16.922	MI-8293900		-	-	82,340
Bulletproof Vest Partnership	16.607	NA		-	10,365	6,453
Total U.S. Department of Justice				-	10,365	88,793
Total Detroit Metropolitan Airport				-	235,517,029	60,810,584
WILLOW RUN AIRPORT						
U.S. Department of Transportation:						
Federal Aviation Administration - Direct Program -						
Airport Improvement Program (major program):						
Acquire Snow Removal Equipment Truck with Plow and Hopper Spreader	20.106	3-26-0024-04219		-	403,157	-
Shift/Reconstruct Runway 9-27	20.106	3-26-0024-04420		-	808,554	138,552
Shift/Reconstruct Runway 9-27	20.106	3-26-0024-04521		-	10,000,000	342,580
Taxiway G2	20.106	3-26-0024-04621		-	16,694,778	13,750,263
COVID-19 Airport Coronavirus Response Grant	20.106	3-26-0024-04721		-	116,859	116,859
COVID-19 Airport Rescue Grant	20.106	3-26-0024-04821		-	370,059	370,059
Construct Taxiway Alpha - Phase 1	20.106	3-26-0024-04922		-	25,203,435	-
Subtotal Airport Improvement Program				-	53,596,842	14,718,313
Total Willow Run Airport				-	53,596,842	14,718,313
Total Expenditures of Federal Awards				\$ -	\$ 289,113,871	\$ 75,528,897

See Note to Schedule of Expenditures of Federal Awards.



(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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 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. The Schedule presents only a selected portion of the operations of the Authority. It is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

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. Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Authority has not elected to use the 10-percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

C. Subrecipients

The Authority did not pass through any federal awards to subrecipients.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

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 None reported

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
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.106	Airport Improvement Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$2,265,867

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

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 December 31, 2022

	Amended Amount Approved	Cumulative Total December 31, 2021	Quarter Ended				Total FY 2022	Cumulative Total December 31, 2022
			March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022		
Passenger Facility Charges Collected	\$ 3,164,332,836	1,611,598,672	11,921,429	16,033,697	13,218,608	13,846,794	55,020,528	1,666,619,200
Interest Earned	N/A	73,746,465	304	1,866	11,514	29,105	42,789	73,789,254
Total Revenues	\$ 3,164,332,836	1,685,345,137	11,921,733	16,035,563	13,230,122	13,875,899	55,063,317	1,740,408,454
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	21,310,751	83,960	103,757	126,421	167,250	481,388	21,792,139
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	977,452,705	9,147,548	7,603,856	9,264,831	9,262,603	35,278,838	1,012,731,543
Reconstruction of Existing Terminals and Concourses	673,408,000	322,692,736	1,927,120	5,156,204	3,097,591	2,587,792	12,768,707	335,461,443
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim)	22,967,000	21,693,389	-	-	-	-	-	21,693,389
International Passenger Processing Facilities Expansion (Interim)	32,000,000	31,800,730	-	-	-	-	-	31,800,730
APPLICATION NO. 4								
Runway 21C/30C Keel Section Replacement	16,991,000	10,122,810	80,995	100,092	121,957	161,348	464,392	10,587,202
Runway 4R/22L Design and Construction	169,274,000	71,053,387	391,950	464,373	590,176	780,791	2,247,292	73,300,679
Rebuild Outfall Structures at Ponds 3 and 4	2,413,000	1,439,469	11,505	14,218	17,324	22,818	85,965	1,505,434
21C Remote Primary Deicing	23,958,000	15,005,198	105,550	130,437	158,930	210,261	605,178	15,610,376
Grade/Pave Taxiway "K" Islands	704,000	420,006	3,359	4,150	5,056	6,690	19,255	439,261
APPLICATION NO. 5								
North Terminal Apron	59,574,000	9,941,028	-	-	-	-	-	9,941,028
McNamara Terminal Phase II Program	277,941,000	123,968,656	374,922	1,366,323	744,028	666,099	3,153,372	127,142,028
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		\$ 1,680,233,166	\$ 12,126,909	\$ 14,963,410	\$ 14,126,316	\$ 13,867,752	\$ 55,084,387	\$ 1,735,317,553
Unexpended Passenger Facility Charges		\$ 5,111,971						\$ 5,090,901



(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 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 December 31, 2022, the Authority had received approximately \$1.67 billion of PFC revenue and interest earnings of approximately \$73.8 million. The Authority had expended approximately \$1.74 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 \$55 million, \$55.1 million, and \$42,789, respectively, for the year ending December 31, 2022. The Authority also maintained a receivable of approximately \$7.1 million for PFCs collected by the airlines but not remitted to the Authority as of December 31, 2022.

(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.



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