



DETROIT METRO • WILLOW RUN  
WAYNE COUNTY AIRPORT AUTHORITY

Financial Statements

September 30, 2003

(With Independent Auditors' Report Thereon)

# WAYNE COUNTY AIRPORT AUTHORITY

## Table of Contents

	<b>Page</b>
Transmittal Letter	I-IV
Independent Auditors' Report	1
Management Discussion and Analysis	2-11
Basic Financial Statements:	
Statement of Net Assets	12-13
Statement of Revenues, Expenses, and Changes in Net Assets	14
Statement of Cash Flows	15-16
Notes to Basic Financial Statements	17-37
Required Supplementary Information	38-39
Statistical Information (Unaudited)	40-56



DETROIT METRO • WILLOW RUN  
WAYNE COUNTY AIRPORT AUTHORITY

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March 26, 2004

The Board of Directors  
Wayne County Airport Authority:

We are pleased to submit the annual financial report of the Wayne County Airport Authority (the Authority) for the fiscal year ended September 30, 2003. The purpose of the financial statements is to present and disclose fairly and fully the Authority's financial position and financial results of its operations. Responsibility for the accuracy of the data and the fairness and completeness of the presentation, including disclosures, rests with the management of the Authority.

The annual financial report consists of this transmittal letter, the independent auditors' report, management discussion and analysis, basic financial statements, including footnotes and required supplementary information, and the statistical section, which is not audited. The statistical section includes selected financial and operational data presented on a multi-year basis. Generally Accepted Accounting Principles (GAAP) require management to provide a narrative overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A, which can be found immediately following the independent auditors' report.

### **The Authority**

The Authority is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. The Authority is charged with the responsibility to operate and run the activities of the Detroit Metropolitan Wayne County Airport (the Airport), the Willow Run Airport, and the Airport Hotel. The Authority, created by State of Michigan statute, 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 the Airport, 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.

Fiscal year 2003 was the first full year of operation under the Authority structure.

### **Airport Service Area**

The Airport is the primary air carrier airport serving southeastern Michigan and also serves portions of Ontario, Canada and northwestern Ohio. According to statistics compiled by Airports Council International for calendar year 2003 (preliminary), the Airport was the tenth busiest airport in North America in terms of both total passengers and aircraft movements. The Airport had 16.3 million enplaned passengers in fiscal year 2003, compared to 15.5 million enplaned passengers in fiscal year 2002. The Airport serves a large origin and destination market and is a major connecting hub in the route system of Northwest Airlines, Inc. (Northwest). Northwest is the dominant air carrier operating at the airport and, together with its regional

affiliates, Mesaba and Pinnacle, accounted for approximately 70.7% of the total enplaned passengers at the Airport in fiscal year 2003 and approximately 70.4% in fiscal year 2002. The Airport also saw an increase in the percent of market share attributed to the low cost airlines such as Spirit and Southwest Airlines. This group's market share increased from 15.8% in fiscal year 2002 to 18.2% in fiscal year 2003, reflecting an increase in competition and less costly flying alternatives for the Airport's local passengers. The Airport is a major international gateway, with air service to points in Asia, Europe, Canada, and the Caribbean.

The Airport Service Region's large origin-destination passenger base provides a solid foundation for air travel demand at the Airport. The Detroit-Ann Arbor-Flint Consolidated Metropolitan Statistical Area (CMSA) represents the eighth most populous region in the U.S. and ranks second in the Midwest (2000 Census). The Airport Service Region's historically strong air travel demand has been based on a sound manufacturing economic base, with continuing diversification into numerous supporting service industries. The sound business and economic climate supports growth in air traffic at the Airport.

The Airport provides the fifth highest operational capacity in the U.S. and is one of only a handful of airfields in the world that provides such capacity and efficiency. The new 10,000-foot runway 4L/22R, opened in December 2001, added a fourth north-south approach, bringing the total number of runways to six.

### **Airport Activity**

The Airport, like all major airports in the United States, has been adversely affected by a number of world events and economic and political factors. These factors include the terrorist attacks in the United States on September 11, 2001, the invasion of Iraq earlier last year, and the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003. These events and factors have had an adverse effect on travel demand and the financial stability of the airline industry, including the level of operations and the financial condition of the Airport. The Airport responded to these challenges and the resulting new business environment in a proactive and professional manner. The Airport has positioned itself to be financially stable and provide low cost air services during this difficult and challenging period.

Some of the major initiatives and accomplishments were:

- Reorganized the airport management structure and implemented a new comprehensive strategic plan, which includes our mission, vision, goals, and objectives.
- Developed a comprehensive contingency plan to prepare the organization for varying degrees of adverse impact that could result from declining activity levels.
- Reduced Signatory landing fees by \$1.3 million compared to the budget and by \$1.4 million compared to fiscal year 2002. This was achieved despite significant shortfalls in nonairline revenues and increased terminal costs that resulted from the full-year operation of the McNamara Terminal. Average cost per enplaned passenger was reduced from \$7.36 per enplaned passenger in fiscal year 2002 to \$7.12 in fiscal year 2003, a reduction of 3.3%. The Airport's positive change in enplaned passengers outpaced the nation's percent change in enplaned passengers based on a rolling 12-month average from September 2001 to September 2003 (4.4% for the Airport vs. 0.5% for the U.S.).
- Realized an increase of 4.9% in enplanements and an 0.8% increase in aircraft operations at the Airport in fiscal year 2003.

- Implemented steps to better identify and pursue new nonairline revenue opportunities, organizational efficiencies, and best practices to increase financial independence and maintain a competitive cost structure. Parking operations were consolidated to cut expenses. Aggressive marketing and reduction in parking rates were initiated to increase utilization of parking facilities. Concession revenue per enplaned passenger increased to \$4.56 in fiscal year 2003 from \$4.25 in fiscal year 2002. The Airport's concession program was rated the "Best Overall Concessions Program – Single Terminal" in the U.S. by *Airport Revenue News* (January 2004).
- Opened the new Westin Hotel connected to the McNamara Terminal during December 2002.
- Operated our airports in a safe and secure manner. The Authority continues to be a leader in implementing all airport security mandates and fully supports the TSA and the airlines in implementing legislative mandates.
- Delivered consistent high customer service during a year of many external challenges. In fact, the Airport was tied for second place among large U.S. airports in J.D. Power and Associates' 2002 Global Passenger Satisfaction Survey. The Airport was the only U.S. airport to finish in the top five best airports as ranked by Netherlands-based TravelQuality.com.

### **Financial Information**

The management of the Authority is responsible for establishing and maintaining internal controls. These controls are designed to ensure that assets of the Authority are safeguarded against theft and loss and that adequate accounting data is compiled to allow for the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived from the control, and the valuation of costs and benefits requires estimates and judgment by management.

As a recipient of federal and state and local financial assistance, management is also responsible for ensuring that adequate internal controls are in place to document compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and internal audit staff of the Authority.

### **Independent Audit**

Independent public accountants audit the financial records of the Authority annually. KPMG LLP performed the audit for the fiscal year ended September 30, 2003. Their unqualified report on the financial statements follows the MD&A. In conjunction with the annual audit, KPMG LLP performs an audit of federal financial assistance received and expended by the Authority in accordance with the Office of Management and Budget (OMB) Circular A-133 and an audit of Passenger Facility Charges received and expended in accordance with FAA guidelines. These reports have not been included in this annual report.

**Acknowledgments**

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

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

Respectfully submitted,



Lester W. Robinson

*Chief Executive Officer*



Thomas J. Naughton

*Senior Vice President of Finance and  
Chief Financial Officer*



**KPMG LLP**

Suite 1200  
150 West Jefferson  
Detroit, MI 48226-4429

**Independent Auditors' Report**

The Board of Directors  
Wayne County Airport Authority:

We have audited the accompanying financial statements of each major fund of the Wayne County Airport Authority (the Authority), a component unit of the Charter County of Wayne, Michigan (the County), as of and for the year ended September 30, 2003, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Wayne County Airport Authority as of September 30, 2003, and the respective changes in position and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

**KPMG LLP**

March 26, 2004

# WAYNE COUNTY AIRPORT AUTHORITY

## Management Discussion and Analysis

September 30, 2003

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2003, with selected comparative information for the year ended September 30, 2002. 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 Assets, which presents the assets, liabilities, and net assets of the Authority as of the end of the fiscal year; (b) Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses recognized during the fiscal year; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by Governmental Accounting Standards Board (GASB) principles. Effective with the year ended September 30, 2002, the Authority adopted Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*.

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

### Airport Activities and Highlights

Fiscal year 2003 was one of the most challenging operating years the aviation industry has ever faced. The aftermath of the September 11, 2001 terrorist attacks, the war in Iraq, heightened security, the SARS outbreak, and an overall weak economy contributed to the challenge. Fiscal year 2003 also provided some hope for the future as the aviation industry experienced a better summer season, a slow but gradually improving economy, and an overall growth in air travel compared to fiscal year 2002. For fiscal year 2003, the Airport registered increased activities over fiscal year 2002, reversing the trend following the terrorists' attacks of September 11, 2001. This resulted in increased enplanements and aircraft operations and a decline in cost per enplaned passenger. Although passenger enplanements and aircraft operations increased, they remain below historical highs, which were attained in fiscal year 2000 when the Airport handled 17.7 million enplaned passengers. The Airport's activities for years ended September 30, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Enplanements	16,277,533	15,516,051
Cost per enplaned passenger	\$ 7.12	7.36
Aircraft operation	487,969	483,683
Cargo (in tons)	109,192	108,164
Landed weights (in thousand lbs.) *	23,076,340	23,575,164

\* Signatory airlines only



## WAYNE COUNTY AIRPORT AUTHORITY

### Management Discussion and Analysis

September 30, 2003

As indicated by the operating statistics above, despite the continuing effects and overall negative impact of the above mentioned factors on travel demand and the financial stability of the air transportation industry, the Airport saw an increase of 4.9% in enplanements and an 0.8% increase in aircraft operations in fiscal year 2003. The Airport's cost per enplaned passenger decreased by 3.3% in 2003 compared to the year 2002. The Airport's positive change in enplaned passengers outpaced the nation's percent change in enplaned passengers based on a rolling 12-month average (4.4% for the Airport vs. 0.5% for the U.S.).

Northwest is the dominant air carrier operating at the Airport, which serves as a primary connecting passenger hub in Northwest's route system. In fiscal years 2003 and 2002, the Airport was the largest connecting hub for Northwest in terms of number of aircraft departures. Northwest, together with its regional affiliates Mesaba and Pinnacle, accounted for more than 75% of passenger enplanements at the Airport in fiscal years 2002 and 2003, respectively.

The decrease in landed weights is primarily attributed to changes being made by Northwest Airlines Inc. (Northwest) in the configuration of their fleet and the increase in the use of smaller Regional Jets (RJ's) that are significantly smaller than the aircraft they are replacing. This is an industry trend, which is also expanding jet airplane service to many new destinations.

#### **Financial Highlights**

The financial results of fiscal year 2003 were shaped largely by the full year of operation of the McNamara Terminal and the Airport Hotel. Despite a slow and unpredictable United States economy and the negative impact of the various factors mentioned above, total operating revenues increased by \$31.4 million in 2003. This represents a 16.5% increase over fiscal year 2002. Increased revenues came mainly from sources such as terminal building rental, parking, food and beverage and retail concession fees, and the hotel. Operating expenses increased by \$63.7 million, primarily due to depreciation expense and the opening of the hotel. While operating expenses increased, there was an effort to contain costs through budget reductions, reorganization, and a reduction in staff. Although operating revenues increased in 2003, the year ended with a negative impact on net assets by \$50.1 million. Increases of \$34.6 million in depreciation expense and \$23.6 million in interest expense were the primary reasons for reduction in net assets. As mentioned earlier, the McNamara terminal and the Westin Hotel became fully operational in fiscal year 2003, requiring a full year's charge of depreciation.

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

The Detroit Wayne County Metropolitan Airport operates under a residual methodology. The methodology places additional risk to the Signatory Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes 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 the Signatory Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to the Signatory Airlines.

# WAYNE COUNTY AIRPORT AUTHORITY

## Management Discussion and Analysis

September 30, 2003

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 Signatory 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, annual operating costs and debt service requirements of the Airport have been funded.

### Statement of Net Assets

The statement of net assets includes all assets and liabilities and net assets resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The condensed summary of the Authority's net assets as of September 30, 2003 and 2002 is:

	<u>2003</u>	<u>2002</u>
	(000's)	
Assets:		
Current unrestricted assets	\$ 87,284	75,199
Current restricted assets	295,034	378,280
Noncurrent restricted assets	46,026	53,676
Capital assets	2,104,934	2,098,243
Other assets	24,710	24,100
Total assets	<u>2,557,988</u>	<u>2,629,498</u>
Liabilities:		
Current liabilities	49,734	35,314
Current liabilities payable from restricted assets	66,821	58,891
Long-term liabilities	1,705,566	1,749,293
	<u>1,822,121</u>	<u>1,843,498</u>
Net assets:		
Invested in capital assets, net of related debt	439,425	485,902
Restricted	217,328	212,938
Unrestricted	79,114	87,160
Total net assets	<u>\$ 735,867</u>	<u>786,000</u>

Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Noncurrent assets consist of cash and investments. 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 United States government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist mainly of bond issuance cost, net of related amortization.

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been reserved related to certain of the restricted assets. Assets have been restricted for

# WAYNE COUNTY AIRPORT AUTHORITY

## Management Discussion and Analysis

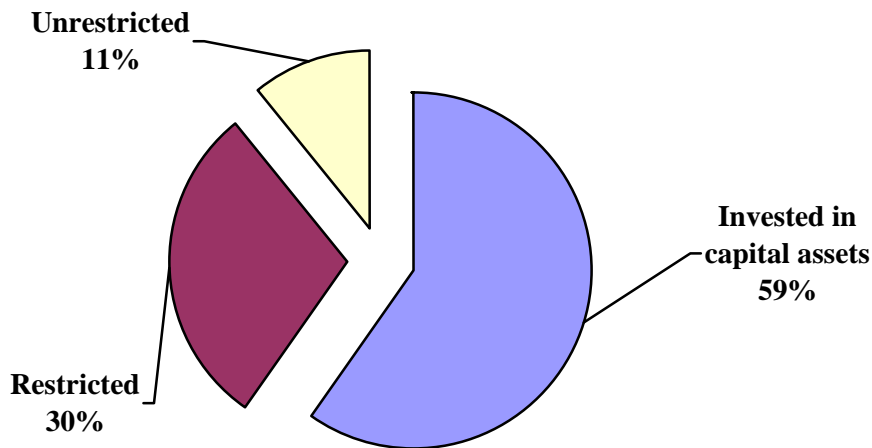
September 30, 2003

operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, and drug enforcement.

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

The change in net assets for the year ended September 30, 2003 is a decrease of \$50.1 million, compared to an increase of \$18.9 million in 2002. As indicated earlier, increases in both depreciation expense and interest expense in fiscal year 2003 represent the principal causes for the decrease in net assets.

The following is a graphical presentation of total net assets as of September 30, 2003:



Approximately 30% of the Airport's 2003 net assets are restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Amounts invested in capital assets, net of related debt, account for approximately 59% of total net assets and represent land, buildings, improvements, and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remaining net assets include unrestricted net assets of \$79.1 million, which may be used to meet any of the Authority's ongoing operations. Net assets invested in capital assets decreased by \$46.5 million from \$485.9 million at September 30, 2002 to \$439.4 million at September 30, 2003. The decrease is primarily due to an increase of \$96.9 million in accumulated depreciation and a net reduction in outstanding debt of \$40.2 million in 2003.

## WAYNE COUNTY AIRPORT AUTHORITY

### Management Discussion and Analysis

September 30, 2003

#### Capital Assets and Long-term Debt Activity

Major capital activity during the year included the completion and opening of the \$86.7 million Airport Westin Hotel. The hotel became fully operational in fiscal year 2003. In addition, \$33 million construction in progress from fiscal year 2002 was completed and transferred to completed assets inventory.

The Authority's plans for capital development at the Airports are contained in an ongoing Capital Improvement Program (CIP). 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 September 30, 2003, the Authority had approximately \$1.77 billion in outstanding bonded debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately \$133.3 million in 2003. Two Westin Hotel notes amounting to \$6.5 million were the only addition to long-term debt during fiscal year 2003. However, long-term debt amounting to \$47.1 million was paid off during the year.

The Airport's senior lien debt is currently rated by Moody's, Standard & Poor's, and Fitch at A3 (stable), A- (stable), and A (stable), respectively, based upon the underlying credit without regard to bond insurance.

The Authority covenants in the Master Bond Ordinance that the Airport's net revenues plus other available funds, as defined in the Bond Ordinance, are sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds. The debt service coverage ratio for the year ended September 30, 2003 was 134% of total debt service.

The Airport has developed a capital program that represents current expectations of future capital needs. Following the September 11 events, and in an effort to conserve cash and debt capacity, capital spending plans for 2003 and beyond were reviewed and reprioritized, resulting in over \$600 million of capital projects scheduled for 2002 and 2003 having been deferred. These projects are scheduled to be initiated in FY 2004 and 2005. The Airport's current 2004-2008 Capital Program includes approximately \$794 million and \$30 million of planned projects over the next five years for Detroit Metro and Willow Run Airports, respectively.

The funds required for the 2004-2008 Capital Programs are expected to be financed with a combination of Airport Revenue bonds, federal grants, state grants, and passenger facility charges.

Following its first receipt of FAA approval in September 1992, the County imposed a Passenger Facility Charge (PFC) of \$3.00 at the Airport beginning on January 1, 1993. Since 1992, the FAA has approved certain additional PFC applications and amendments submitted by the County and the Authority. The Authority now is authorized to impose and use a PFC of \$4.50 per enplaned passenger, and began to collect PFCs at the \$4.50 level on October 1, 2001.

Under its current PFC approvals, the Authority has authority to impose and use \$2.46 billion in PFCs, which includes amounts for the payment of principal, interest, and other financing costs on bonds, the proceeds of which are used to pay the PFC-eligible costs of the approved projects. As of September 30, 2003, the Airport had received approximately \$511.1 million of PFC revenue, which includes interest earnings of approximately \$51.5 million, and had expended approximately \$470.0 million on approved projects. The current estimated PFC expiration date is July 1, 2029.

# **WAYNE COUNTY AIRPORT AUTHORITY**

## **Management Discussion and Analysis**

September 30, 2003

### **Statement of Revenues, Expenses, and Changes in Net Assets**

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

**WAYNE COUNTY AIRPORT AUTHORITY**

Management Discussion and Analysis

September 30, 2003

A summarized comparison of the Authority's revenues, expenses, and changes in net assets for the years ended September 30, 2003 and 2002 follows:

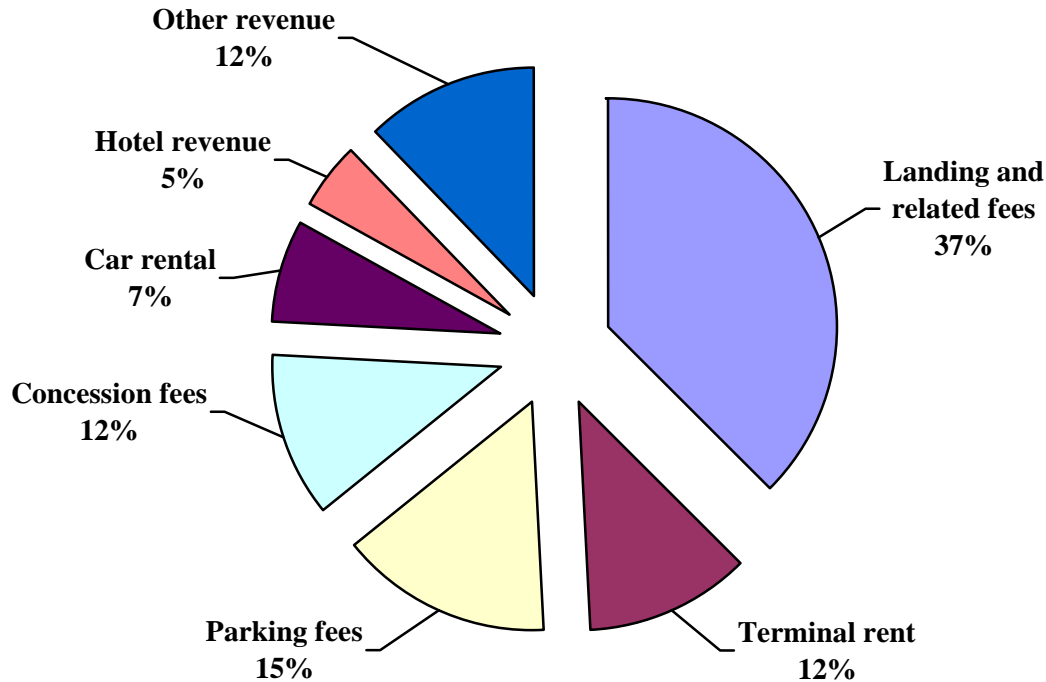
	<b>2003</b>	<b>2002</b>
	(000's)	
Operating revenues:		
Airline revenues:		
Airport landing and related fees	\$ 82,583	81,249
Terminal building rentals and fees	26,156	20,197
Facility use fees	6,269	6,287
Nonairline revenues:		
Parking fees	32,806	29,858
Concession fees	25,894	19,947
Car rental	15,760	16,211
Hotel	10,834	—
Other	20,646	15,797
Total operating revenues	220,948	189,546
Operating expenses:		
Salaries, wages, and fringe benefits	61,419	60,724
Parking management	15,757	15,594
Hotel management	12,688	—
Depreciation	96,882	62,289
Professional and contractual services	19,719	26,968
Utilities	19,948	14,098
Building, ground, equipment maintenance	33,696	18,137
Other expenses	26,852	25,444
Total operating expenses	286,961	223,254
Operating loss	(66,013)	(33,708)
Nonoperating revenues (expenses):		
Passenger facility charges	63,370	61,056
Interest expense	(87,294)	(63,677)
Other (net)	13,417	14,988
Net nonoperating revenues (expenses)	(10,507)	12,367
Net loss before capital contribution	(76,520)	(21,341)
Capital contribution	26,387	40,240
Change in net assets	(50,133)	18,899
Net assets, beginning of the year	786,000	767,101
Net assets, end of the year	\$ 735,867	786,000

# WAYNE COUNTY AIRPORT AUTHORITY

## Management Discussion and Analysis

September 30, 2003

The following is a graphical illustration of total operating revenue by source for the year ended September 30, 2003:



Operating revenues increased by 16.5% from \$189.5 million in 2002 to \$220.9 million in 2003, primarily due to changes in terminal building rentals and fees, parking fees, concession fees, and hotel operating revenues. These increases were primarily driven by the operation of the new McNamara Terminal, with its 11,500 new parking spaces, for 12 months in fiscal year 2003 (the new terminal opened on February 24, 2002) and the new Westin Hotel that opened December 15, 2002.

Terminal building rentals and fees in 2003 increased approximately \$6.0 million (29.5%) over 2002. Airline rents at the McNamara Terminal for the full 12 months of fiscal year 2003 accounted for approximately \$5.3 million more than in the previous year. In addition, rental rates for all airlines increased based on individual contract agreements.

Parking revenues increased by approximately \$3.0 million, or 10%, in fiscal year 2003 over fiscal year 2002. The parking at the McNamara Terminal increased by approximately \$10.0 million; however, the North Terminal parking revenues decreased by approximately \$7.0 million as Northwest passengers shifted over to the new parking facility.

Concession revenues between 2003 and 2002 increased \$5.9 million. The number of new concessionaires added at the McNamara Terminal has steadily increased since the new terminal opened. Currently there are 21 concessionaires operating 77 venues in the new terminal. The increase in concession revenues at the McNamara Terminal was \$9.7 million. Concurrent with the opening of the new terminal and the closure of the

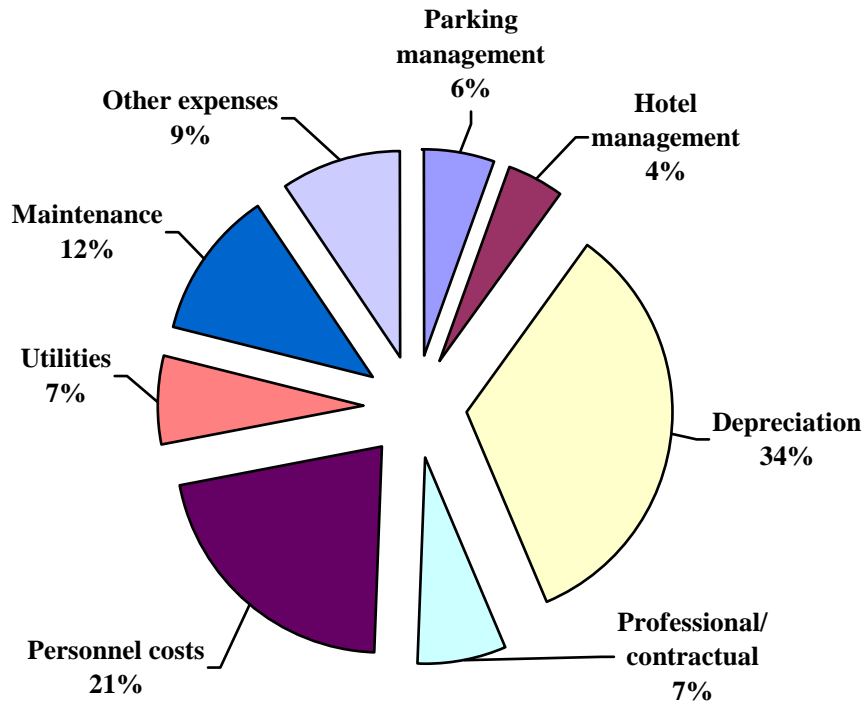
# WAYNE COUNTY AIRPORT AUTHORITY

## Management Discussion and Analysis

September 30, 2003

Davey Terminal, concession revenues at the latter terminal terminated in February 2002. Concession revenues from the North Terminal complex decreased \$3.8 million in 2003 compared to 2002.

The new Westin Hotel, which opened on December 15, 2002, contributed \$10.8 million in operating revenues during its first 9.5 months of operation in fiscal year 2003.



Above is a graphical illustration of total operating expenses by source for the year ended September 30, 2003.

As noted above, the opening of the new McNamara Terminal, the new parking garage, a new 10,000-foot runway, the new airport access road, various other apron and taxiway improvements, and a new hotel increased the Airport's overall facilities and related operating costs. As a result of a full year of operation of these facilities in 2003, operating expenses increased by \$63.7 million in 2003 compared to 2002.

The hotel opened on December 15, 2002, and 2003 was the first year of operation. The hotel added approximately \$12.7 million in new cost.

The increased depreciation expense of approximately \$34.6 million in 2003 results from the Authority's "straight line half year convention policy" on depreciation that resulted in a full year's depreciation in 2003 compared to only a half year in 2002 for all the new assets related to the McNamara Terminal added in 2002.



## **WAYNE COUNTY AIRPORT AUTHORITY**

### Management Discussion and Analysis

September 30, 2003

Professional and contractual services decreased by \$7.3 million due to reduction of services obtained from Wayne County. In the past, several services such as payroll, information technology, and legal fees were obtained from the County, and the County would charge the Airport its share of allocated costs. In 2002, the County charged the Authority \$8.7 million in such allocated costs. With the creation of the independent Authority, such allocated charges have been significantly reduced.

Increase in utilities of \$5.9 million and in maintenance of \$15.6 million is due to the full-year operation of the McNamara terminal, as mentioned earlier.

Total nonoperating expenses increased by \$22.9 million to \$88.9 million, primarily due to an increase in interest expense of \$23.6 million, or 37.1%. Interest expense increased in 2003 primarily due to the amount of interest capitalized decreasing in 2003 over 2002. In 2003, all significant construction projects were completed; therefore, only \$1.9 million of interest expense was capitalized, as opposed to \$23.4 million in 2002.

In 2003 and 2002, capital contributions totaled \$26.4 million and \$40.2 million, respectively. The decrease in capital contributions is primarily due to the Authority receiving three large grants for projects in fiscal year 2002. This also had a direct impact on the reduction of net assets.

**WAYNE COUNTY AIRPORT AUTHORITY**

Statement of Net Assets

September 30, 2003

	<u>Detroit Metropolitan Airport Fund</u>	<u>Willow Run Airport Fund</u>	<u>Airport Hotel Fund</u>	<u>Total</u>
Assets:				
Current assets:				
Unrestricted current assets:				
Cash and investments (note 4)	\$ 37,252,073	519	126,024	37,378,616
Accounts receivable, less allowance (note 2)	19,288,092	1,947,895	—	21,235,987
Due from other funds	4,612,269	—	—	4,612,269
Due from other governmental units	24,056,907	—	—	24,056,907
Total unrestricted current assets	<u>85,209,341</u>	<u>1,948,414</u>	<u>126,024</u>	<u>87,283,779</u>
Restricted current assets (note 5):				
Cash and investments	261,624,643	6,525,907	14,096,357	282,246,907
Accounts receivable	12,778,913	2,412	5,574	12,786,899
Total restricted current assets	<u>274,403,556</u>	<u>6,528,319</u>	<u>14,101,931</u>	<u>295,033,806</u>
Total current assets	<u>359,612,897</u>	<u>8,476,733</u>	<u>14,227,955</u>	<u>382,317,585</u>
Noncurrent assets:				
Restricted cash and investments	46,026,291	—	—	46,026,291
Capital assets (note 6):				
Land	156,380,324	13,726,984	—	170,107,308
Buildings and improvements	1,354,742,884	5,027,054	87,606,711	1,447,376,649
Paving	597,882,329	44,064,072	—	641,946,401
Systems	288,165,541	8,146,588	—	296,312,129
Equipment	40,919,285	3,925,718	—	44,845,003
Infrastructure	181,234,917	8,283,909	—	189,518,826
Construction in progress	29,012,235	4,515,958	—	33,528,193
Total capital assets	<u>2,648,337,515</u>	<u>87,690,283</u>	<u>87,606,711</u>	<u>2,823,634,509</u>
Less accumulated depreciation	<u>663,160,223</u>	<u>53,788,290</u>	<u>1,752,134</u>	<u>718,700,647</u>
Net capital assets	<u>1,985,177,292</u>	<u>33,901,993</u>	<u>85,854,577</u>	<u>2,104,933,862</u>
Other assets:				
Bond issuance cost, less amortization (note 2)	15,750,095	—	6,625,539	22,375,634
Prepaid expenses	925,166	—	1,409,377	2,334,543
Total other assets	<u>16,675,261</u>	<u>—</u>	<u>8,034,916</u>	<u>24,710,177</u>
Total assets	<u>2,407,491,741</u>	<u>42,378,726</u>	<u>108,117,448</u>	<u>2,557,987,915</u>

**WAYNE COUNTY AIRPORT AUTHORITY**

Statement of Net Assets

September 30, 2003

	<b>Detroit Metropolitan Airport Fund</b>	<b>Willow Run Airport Fund</b>	<b>Airport Hotel Fund</b>	<b>Total</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Payable from current assets:				
Accounts payable	\$ 20,444,755	332,963	639,338	21,417,056
Accrued wages and benefits	2,569,844	68,050	—	2,637,894
Due to other funds	—	4,612,269	—	4,612,269
Due to other governmental units	—	1,640	—	1,640
Due to primary government	5,666,840	61,144	—	5,727,984
Deferred revenue	2,216,537	—	—	2,216,537
Other accrued liabilities	12,283,752	836,479	—	13,120,231
Total current liabilities payable from current assets	43,181,728	5,912,545	639,338	49,733,611
Payable from restricted current assets:				
Accrued interest payable	24,692,965	—	2,407,884	27,100,849
Bonds payable and other debt (note 7)	34,430,000	—	341,157	34,771,157
Deferred revenue and other liabilities	—	4,948,857	—	4,948,857
Total current liabilities payable from restricted current assets	59,122,965	4,948,857	2,749,041	66,820,863
Total current liabilities	102,304,693	10,861,402	3,388,379	116,554,474
<b>Long-term liabilities:</b>				
Bonds payable and other debt, net (note 7)	1,590,782,645	—	114,338,196	1,705,120,841
Other liabilities	—	445,801	—	445,801
Total long-term liabilities	1,590,782,645	445,801	114,338,196	1,705,566,642
Total liabilities	1,693,087,338	11,307,203	117,726,575	1,822,121,116
<b>Net assets:</b>				
Investment in capital assets, net of related debt	405,522,605	33,901,993	—	439,424,598
Restricted for:				
Capital projects	59,108,663	1,579,462	—	60,688,125
Debt service	131,672,191	—	—	131,672,191
Operations	23,013,041	—	—	23,013,041
Drug enforcement	1,955,029	—	—	1,955,029
Unrestricted	93,132,874	(4,409,932)	(9,609,127)	79,113,815
Total net assets	\$ 714,404,403	31,071,523	(9,609,127)	735,866,799

See accompanying notes to basic financial statements.

**WAYNE COUNTY AIRPORT AUTHORITY**

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2003

	<b>Detroit Metropolitan Airport Fund</b>	<b>Willow Run Airport Fund</b>	<b>Airport Hotel Fund</b>	<b>Total</b>
Operating revenues:				
Airline revenues:				
Airport landing and related fees	\$ 82,293,613	289,447	—	82,583,060
Terminal building rentals and fees	24,132,369	2,023,461	—	26,155,830
Facility use fees	6,025,833	243,515	—	6,269,348
Nonairline revenues:				
Parking fees	32,806,472	—	—	32,806,472
Concession fees	25,893,985	—	—	25,893,985
Car rental	15,760,146	—	—	15,760,146
Hotel	—	—	10,834,274	10,834,274
Employee shuttle bus	5,860,035	—	—	5,860,035
Utility service fees	2,872,115	65,725	—	2,937,840
Rental facilities	1,940,716	—	—	1,940,716
Other	9,383,164	523,422	—	9,906,586
Total operating revenues	<u>206,968,448</u>	<u>3,145,570</u>	<u>10,834,274</u>	<u>220,948,292</u>
Operating expenses:				
Salaries, wages, and fringe benefits	60,729,449	689,269	—	61,418,718
Parking management	15,757,657	—	—	15,757,657
Hotel management	—	—	12,687,714	12,687,714
Shuttle bus services	8,363,753	—	—	8,363,753
Janitorial services	5,466,664	17,225	—	5,483,889
Security	3,770,824	—	—	3,770,824
Professional and other contractual services	19,406,040	312,621	—	19,718,661
Utilities	18,828,693	1,119,295	—	19,947,988
Buildings and grounds maintenance	19,521,958	1,972,464	—	21,494,422
Equipment repair and maintenance	11,939,088	262,961	—	12,202,049
Materials and supplies	3,360,797	45,247	—	3,406,044
Insurance	3,536,731	9,214	—	3,545,945
Other	2,028,421	253,349	—	2,281,770
Depreciation	93,586,111	1,543,862	1,752,134	96,882,107
Total operating expenses	<u>266,296,186</u>	<u>6,225,507</u>	<u>14,439,848</u>	<u>286,961,541</u>
Operating loss	(59,327,738)	(3,079,937)	(3,605,574)	(66,013,249)
Nonoperating revenues (expenses):				
Passenger facility charges	63,370,379	—	—	63,370,379
Federal and state grants	8,478,434	374	—	8,478,808
Interest income	6,197,208	33,839	289,420	6,520,467
Interest expense	(82,004,324)	(40,225)	(5,249,161)	(87,293,710)
Amortization of bond issuance costs	(1,250,503)	—	(332,116)	(1,582,619)
Total nonoperating expense	<u>(5,208,806)</u>	<u>(6,012)</u>	<u>(5,291,857)</u>	<u>(10,506,675)</u>
Net loss before capital contributions and transfers	(64,536,544)	(3,085,949)	(8,897,431)	(76,519,924)
Capital contributions	<u>23,248,993</u>	<u>3,137,619</u>	<u>—</u>	<u>26,386,612</u>
Changes in net assets	(41,287,551)	51,670	(8,897,431)	(50,133,312)
Net assets – beginning of year	<u>755,691,954</u>	<u>31,019,853</u>	<u>(711,696)</u>	<u>786,000,111</u>
Net assets – end of year	\$ <u><u>714,404,403</u></u>	<u><u>31,071,523</u></u>	<u><u>(9,609,127)</u></u>	<u><u>735,866,799</u></u>

See accompanying notes to basic financial statements.

**WAYNE COUNTY AIRPORT AUTHORITY**

Statement of Cash Flows

Year ended September 30, 2003

	<b>Detroit Metropolitan Airport Fund</b>	<b>Willow Run Airport Fund</b>	<b>Airport Hotel Fund</b>	<b>Total</b>
Cash flows from operating activities:				
Receipts from customers and users	\$ 203,430,390	2,153,024	10,834,274	216,417,688
Payments to suppliers	(107,984,428)	(3,937,204)	(13,457,753)	(125,379,385)
Payments to employees	(60,076,334)	(461,227)	—	(60,537,561)
Receipts from primary government for services provided	3,323,306	55,135	—	3,378,441
Payments (to)/from other funds for services provided	(1,438,171)	1,438,171	—	—
Return of customer deposits	(1,103,492)	(145,220)	—	(1,248,712)
Collection of customer deposits	5,447,674	—	—	5,447,674
Net cash provided by (used in) operating activities	<u>41,598,945</u>	<u>(897,321)</u>	<u>(2,623,479)</u>	<u>38,078,145</u>
Cash flows from noncapital financing activities:				
Passenger facility charges received	1,310,791	—	—	1,310,791
Grant from federal/state government	4,686,148	374	—	4,686,522
Net cash provided by noncapital financing activities	<u>5,996,939</u>	<u>374</u>	<u>—</u>	<u>5,997,313</u>
Cash flows from capital and related financing activities:				
Capital contributions received	22,107,054	8,147,243	—	30,254,297
Passenger facility charges received	57,753,467	—	—	57,753,467
Proceeds from capital debt	—	—	6,500,000	6,500,000
Principal paid on capital debt	(48,410,000)	—	—	(48,410,000)
Acquisition and construction of capital assets	(82,176,459)	(1,820,094)	(17,245,600)	(101,242,153)
Bond issuance costs paid	(677,565)	—	—	(677,565)
Interest paid on capital debt	(82,336,483)	(40,225)	(5,815,565)	(88,192,273)
Net cash provided by (used in) capital and related financing activities	<u>(133,739,986)</u>	<u>6,286,924</u>	<u>(16,561,165)</u>	<u>(144,014,227)</u>
Cash flows from investing activities:				
Interest and dividends received	7,661,484	31,427	288,736	7,981,647
Purchases of investments	(200,654,266)	—	—	(200,654,266)
Maturities of investments	201,769,000	—	—	201,769,000
Net cash provided by investing activities	<u>8,776,218</u>	<u>31,427</u>	<u>288,736</u>	<u>9,096,381</u>
Net increase (decrease) in cash and cash equivalents	(77,367,884)	5,421,404	(18,895,908)	(90,842,388)
Cash and cash equivalents – beginning of year	<u>293,377,413</u>	<u>1,105,022</u>	<u>33,118,289</u>	<u>327,600,724</u>
Cash and cash equivalents – end of year	<u>\$ 216,009,529</u>	<u>6,526,426</u>	<u>14,222,381</u>	<u>236,758,336</u>

**WAYNE COUNTY AIRPORT AUTHORITY**

Statement of Cash Flows

Year ended September 30, 2003

	<b>Detroit Metropolitan Airport Fund</b>	<b>Willow Run Airport Fund</b>	<b>Airport Hotel Fund</b>	<b>Total</b>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (59,327,738)	(3,079,937)	(3,605,574)	(66,013,249)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation expense	93,586,111	1,543,862	1,752,134	96,882,107
Increase in accounts receivable	(4,655,863)	(1,058,499)	—	(5,714,362)
Decrease in due from primary government	1,583,487	—	—	1,583,487
Decrease in due from other governmental units	—	65,953	—	65,953
Increase (decrease) in due from/to other funds	(1,438,171)	1,438,171	—	—
Increase in prepaid expenses	(298,292)	—	(1,409,377)	(1,707,669)
Increase (decrease) in accounts payable	5,388,681	(317,385)	639,338	5,710,634
Increase in accrued wages and benefits	524,612	57,528	—	582,140
Increase in due to primary government	1,739,819	55,135	—	1,794,954
Increase (decrease) in due to other governmental units	(71,074)	517	—	(70,557)
Increase in deferred revenue and other liabilities	2,216,537	—	—	2,216,537
Increase in other accrued liabilities	2,350,836	397,334	—	2,748,170
Total adjustments	<u>100,926,683</u>	<u>2,182,616</u>	<u>982,095</u>	<u>104,091,394</u>
Net cash provided by (used in) operating activities	<u>\$ 41,598,945</u>	<u>(897,321)</u>	<u>(2,623,479)</u>	<u>38,078,145</u>
Cash and investments at September 30, 2003 consist of:				
Cash and cash equivalents	\$ 216,009,529	6,526,426	14,222,381	236,758,336
Investments	128,893,478	—	—	128,893,478
Total cash and investments	<u>\$ 344,903,007</u>	<u>6,526,426</u>	<u>14,222,381</u>	<u>365,651,814</u>

See accompanying notes to basic financial statements.

# WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

Year ended September 30, 2003

## (1) The Reporting Entity

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

The Authority is directed and governed by a board consisting of seven members. The governor of the State appoints two members of the board, one member is appointed by the legislative body of the County that owns Metro Airport, and four members of the board are appointed by the chief executive officer of the County.

Metro Airport has airport use contracts with 15 airlines, which constitute approximately 92% of total landed weight in 2003. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

## (2) Summary of Significant Accounting Policies

### (a) Basis of Presentation

The Authority uses the following major funds:

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

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

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

### (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; revenues are recorded when earned and expenses are recorded as incurred.

As allowed by GASB Statements No. 20 and No. 34, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989, but has chosen not to do so.

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

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

(d) ***Cash Flows***

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

(e) ***Passenger Facility Charges***

The Authority assesses passenger facility charges of \$4.50 per passenger enplanement. The passenger facility charges are recorded as nonoperating revenues and may only be expended on capital and noncapital projects approved by the federal government. Passenger facility charges are recorded upon receipt from airlines.

(f) ***Revenue Recognition***

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

(g) ***Net Assets***

Equity is displayed in three components as follows:

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

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

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

The Airport Hotel and Willow Run Airport incurred unrestricted deficits for the year ended September 30, 2003 of \$9,609,127 and \$4,409,932, respectively. These deficits are expected to be funded by the improvement in future operations of both the Hotel and Willow Run Airport.



**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

**(h) Classification of Revenues**

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

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

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

**(i) Use of Estimates**

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

**(j) Capital Assets**

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

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

Expenditures with a cost of \$5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits, and interest costs during construction. At the time fixed assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the results of operations.

**(k) Compensated Absences**

The Authority employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been

# WAYNE COUNTY AIRPORT AUTHORITY

## Notes to Basic Financial Statements

Year ended September 30, 2003

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.

**(l) Retirement Contributions**

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

**(m) Accounts Receivable**

Net receivables at September 30, 2003 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2003 was \$950,000, of which \$465,000 was for the Detroit Metropolitan Airport Fund and \$485,000 was for the Willow Run Airport Fund.

**(n) Accounts Payable**

Total payables at September 30, 2003 consist of payables due to vendors used during the normal course of business.

**(o) Bond Issuance Costs**

Bond issuance costs are amortized over the period the bond is outstanding based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2003 is \$8,124,896.

**(p) Deferral of Gains and Losses on Refundings**

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

**(q) Self-insurance**

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

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

A reconciliation of the County's self-insured claims liability as a whole at September 30, 2003 follows. Details of liability are not separately available for the Authority.

	<u>Workers'</u> <u>compensation</u>	<u>Hospitalization</u> <u>insurance</u>	<u>Other</u> <u>claims</u>	<u>Total</u>
Claims liability, September 30, 2001	\$ 12,696,000	4,109,543	75,000	16,880,543
Claims incurred during fiscal year 2002	1,620,773	62,462,603	157,535	64,240,911
Change in estimate for prior- period claims	(4,562,021)	(234,559)	—	(4,796,580)
Payments on claims	<u>(329,149)</u>	<u>(62,188,494)</u>	<u>(157,535)</u>	<u>(62,675,178)</u>
Claims liability, September 30, 2002	9,425,603	4,149,093	75,000	13,649,696
Claims incurred during fiscal year 2003	(439,802)	69,607,309	97,456	69,264,963
Change in estimate for prior- period claims	(662,046)	(3,972,247)	—	(4,634,293)
Payments on claims	<u>(1,042,822)</u>	<u>(65,457,395)</u>	<u>(97,456)</u>	<u>(66,597,672)</u>
Claims liability, September 30, 2003	<u>\$ 7,280,933</u>	<u>4,326,761</u>	<u>75,000</u>	<u>11,682,694</u>

**(3) Major Customer**

Northwest Airlines, Inc. (Northwest) accounts for approximately 32% of total Authority operating revenues for the year ended September 30, 2003, including approximately 63% of landing and related fees, approximately 52% of airline rental and related fees, and approximately 74% of facility use fees. Approximately 60% of total 2003 enplanements are attributable to Northwest's operations. In the event that Northwest discontinued its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all signatory airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately \$12.6 million in net receivables from Northwest at September 30, 2003.

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

**(4) Cash and Investments**

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

Category 1: Investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name;

Category 2: Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name; and

Category 3: Repurchase agreements with no underlying securities and uninsured and unregistered investments for which the securities are held by the counterparty or its agent, but not in the Authority's name.

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

The Authority's cash and investments by risk category and type at September 30, 2003 follow:

	<b>Category</b>		<b>Total</b>
	<b>1</b>	<b>N/A</b>	
Commercial paper	\$ 134,793,485	—	134,793,485
U.S. Government obligations	185,245,380	—	185,245,380
Money market funds	—	13,082,746	13,082,746
Deposits	—	32,530,203	32,530,203
Total cash and investments			\$ <u>365,651,814</u>

The bank balances related to the total carrying value of deposits of \$32.5 million amounted to \$33.2 million. Of the bank balances, \$0.6 million were insured and \$32.6 million were uninsured and uncollateralized.

The Authority's treasurer is responsible for all investment activities associated with the Authority. The Authority's investment policies are governed by State statutes. Permissible investments include obligations of the U.S. Treasury and agencies (either individually or in pooled funds), domestic certificates of deposit, commercial paper with prescribed ratings, and repurchase agreements. The term of investment and the financial institutions used for investment purposes are determined based upon operating and other needs of the Authority. The Authority's treasurer periodically assesses the financial strength of and services provided by financial institutions to help ensure that integrity of principal is maintained and the Authority's investment needs are met.

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

**(5) Restricted Assets**

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been reserved related to certain of the restricted assets. A summary of the restricted assets at September 30, 2003 is as follows:

Operations and maintenance:	
Cash and investments	\$ 22,996,948
Accounts receivable	16,093
Total	<u>23,013,041</u>
Replacement and improvements:	
Cash and investments	<u>1,725,861</u>
Construction:	
Cash and investments	67,780,797
Accounts receivable	211,199
Total	<u>67,991,996</u>
Bond and interest redemption:	
Cash and investments	192,673,250
Accounts receivable	1,615,318
Total	<u>194,288,568</u>
Passenger facility charges:	
Cash and investments	41,141,984
Accounts receivable	10,943,618
Total	<u>52,085,602</u>
Drug enforcement:	
Cash and investments	1,954,358
Accounts receivable	671
Total	<u>1,955,029</u>
Total restricted assets	\$ <u><u>341,060,097</u></u>

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

**(6) Capital Assets**

Capital asset activity for the year ended September 30, 2003 was as follows:

	<b>Detroit Metropolitan Airport Fund</b>			
	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending balance</b>
Capital assets not being depreciated:				
Land	\$ 156,309,151	71,173	—	156,380,324
Construction in progress	46,309,217	80,985,006	(98,281,988)	29,012,235
Total capital assets not being depreciated	<u>202,618,368</u>	<u>81,056,179</u>	<u>(98,281,988)</u>	<u>185,392,559</u>
Capital assets being depreciated:				
Buildings and improvements	1,281,826,421	72,916,463	—	1,354,742,884
Paving	578,615,560	19,266,769	—	597,882,329
Systems	287,747,307	418,234	—	288,165,541
Equipment	39,910,986	1,008,299	—	40,919,285
Infrastructure	174,277,122	6,957,795	—	181,234,917
Total capital assets being depreciated	<u>2,362,377,396</u>	<u>100,567,560</u>	<u>—</u>	<u>2,462,944,956</u>
Less accumulated depreciation for:				
Buildings and improvements	169,738,410	52,879,693	—	222,618,103
Paving	217,744,264	19,366,952	—	237,111,216
Systems	143,944,532	10,767,703	—	154,712,235
Equipment	26,902,512	3,540,157	—	30,442,669
Infrastructure	11,244,394	7,031,606	—	18,276,000
Total accumulated depreciation	<u>569,574,112</u>	<u>93,586,111</u>	<u>—</u>	<u>663,160,223</u>
Total capital assets being depreciated, net	<u>1,792,803,284</u>	<u>6,981,449</u>	<u>—</u>	<u>1,799,784,733</u>
Total Detroit Metropolitan Airport Fund capital assets, net	<u>1,995,421,652</u>	<u>88,037,628</u>	<u>(98,281,988)</u>	<u>1,985,177,292</u>

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

	<b>Willow Run Airport Fund</b>			
	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Capital assets not being depreciated:				
Land	\$ 13,726,984	—	—	13,726,984
Construction in progress	<u>3,183,279</u>	<u>1,820,094</u>	<u>(487,415)</u>	<u>4,515,958</u>
Total capital assets not being depreciated	<u>16,910,263</u>	<u>1,820,094</u>	<u>(487,415)</u>	<u>18,242,942</u>
Capital assets being depreciated:				
Buildings and improvements	4,899,611	127,443	—	5,027,054
Paving	44,060,916	3,156	—	44,064,072
Systems	7,789,772	356,816	—	8,146,588
Equipment	3,925,718	—	—	3,925,718
Infrastructure	<u>8,283,909</u>	<u>—</u>	<u>—</u>	<u>8,283,909</u>
Total capital assets being depreciated	<u>68,959,926</u>	<u>487,415</u>	<u>—</u>	<u>69,447,341</u>
Less accumulated depreciation for:				
Buildings and improvements	2,805,597	111,758	—	2,917,355
Paving	37,061,462	736,064	—	37,797,526
Systems	1,760,503	323,564	—	2,084,067
Equipment	2,775,119	328,087	—	3,103,206
Infrastructure	<u>7,841,747</u>	<u>44,389</u>	<u>—</u>	<u>7,886,136</u>
Total accumulated depreciation	<u>52,244,428</u>	<u>1,543,862</u>	<u>—</u>	<u>53,788,290</u>
Total capital assets being depreciated, net	<u>16,715,498</u>	<u>(1,056,447)</u>	<u>—</u>	<u>15,659,051</u>
Total Willow Run Airport Fund capital assets, net	<u>33,625,761</u>	<u>763,647</u>	<u>(487,415)</u>	<u>33,901,993</u>

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

<b>Airport Hotel Fund</b>				
	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 69,195,819	18,410,892	(87,606,711)	—
Total capital assets not being depreciated	69,195,819	18,410,892	(87,606,711)	—
Capital assets being depreciated:				
Buildings and improvements	—	87,606,711	—	87,606,711
Total capital assets being depreciated	—	87,606,711	—	87,606,711
Less accumulated depreciation for:				
Buildings and improvements	—	1,752,134	—	1,752,134
Total accumulated depreciation	—	1,752,134	—	1,752,134
Total capital assets being depreciated, net	—	85,854,577	—	85,854,577
Total Airport Hotel Fund capital assets, net	69,195,819	104,265,469	(87,606,711)	85,854,577
Total Authority capital assets, net	\$ 2,098,243,232	193,066,744	(186,376,114)	2,104,933,862



**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

**(7) Long-term Debt**

The detail of long-term debt at September 30, 2003 is as follows:

Detroit Metropolitan Airport Fund:

Airport Revenue Bonds (due serially December 1):

Series 1993A, 3.0% to 5.4%, due 2017	\$ 11,340,000
Series 1993B, 2.9% to 5.5%, due 2022	63,110,000
Series 1993C, 2.8% to 5.25%, due 2022	54,690,000
Series 1994A, 3.5% to 5.875%, due 2009	18,565,000
Series 1994B, 4.85% to 6.125%, due 2025	11,525,000
Series 1996A, 3.65% to 5.72%, due 2017	54,610,000
Series 1996B, 3.65% to 5.72%, due 2017	54,610,000
Series 1998A, 4.2% to 5.5%, due 2028	839,935,000
Series 1998B, 4.1% to 5.25%, due 2028	159,930,000
Series 2001 Jr. Lien, variable, current yield at 9/30/03, 1.110%, due 2009	124,680,000
Series 2002A, variable, current yield at 9/30/03, 1.10%, due 2033	141,720,000
Series 2002C, 3.0% to 5.375%, due 2021	26,435,000
Series 2002D, 5.0% to 5.5%, due 2022	76,030,000
Installment purchase contract, 5.625%, due 2011	12,930,000

Total Detroit Metropolitan Airport Fund	<u>1,650,110,000</u>
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Airport Hotel Fund:

Airport Hotel Bonds (due serially December 1):

Series 2001A, 5.0% to 5.5%, due 2030	99,630,000
Series 2001B, 6.0% to 6.6%, due 2015	11,290,000
Other hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 2017	5,000,000
Working Capital Loan, 8%, due 2017	1,500,000

Total Airport Hotel Fund	<u>117,420,000</u>
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Total Authority bonds payable and other debt	1,767,530,000
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Less:

Deferred amount on refunding	(16,342,188)
Certain bond discounts	(16,999,865)

Add:

Certain bond premiums	<u>5,704,051</u>
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Total Authority bonds payable and other debt, net	1,739,891,998
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Less current portion	<u>34,771,157</u>
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Total Authority bonds payable and other debt, noncurrent	<u><u>\$ 1,705,120,841</u></u>
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**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

The annual requirements to pay principal and interest on the Authority’s debt outstanding at September 30, 2003 are summarized as follows:

<b>Principal</b>					
	<b>Airport Revenue Bonds</b>	<b>Installment purchase contract</b>	<b>Airport Hotel Bonds</b>	<b>Other hotel debt</b>	<b>Total</b>
2004	\$ 33,130,000	1,300,000	—	341,157	34,771,157
2005	34,425,000	1,395,000	—	208,208	36,028,208
2006	37,100,000	1,495,000	100,000	225,489	38,920,489
2007	40,880,000	1,540,000	135,000	244,205	42,799,205
2008	42,880,000	1,630,000	210,000	264,474	44,984,474
2009 to 2013	383,895,000	5,570,000	5,015,000	1,690,420	396,170,420
2014 to 2018	317,050,000	—	10,110,000	3,526,047	330,686,047
2019 to 2023	321,765,000	—	23,895,000	—	345,660,000
2024 to 2028	324,280,000	—	38,835,000	—	363,115,000
2029 to 2033	101,775,000	—	32,620,000	—	134,395,000
Total	<u>\$ 1,637,180,000</u>	<u>12,930,000</u>	<u>110,920,000</u>	<u>6,500,000</u>	<u>1,767,530,000</u>

<b>Interest</b>					
	<b>Airport Revenue Bonds</b>	<b>Installment purchase contract</b>	<b>Airport Hotel Bonds</b>	<b>Other hotel debt</b>	<b>Total</b>
2004	\$ 74,439,401	727,312	5,815,565	501,140	81,483,418
2005	72,795,617	654,188	5,815,565	485,183	79,750,553
2006	70,968,899	575,719	5,812,565	467,902	77,825,085
2007	68,947,210	491,625	5,805,515	449,186	75,693,536
2008	66,730,966	405,000	5,795,165	428,917	73,360,048
2009 to 2013	286,845,278	631,406	28,309,255	1,776,536	317,562,475
2014 to 2018	212,963,769	—	25,836,825	858,084	239,658,678
2019 to 2023	132,618,082	—	21,441,106	—	154,059,188
2024 to 2028	58,640,742	—	13,439,894	—	72,080,636
2029 to 2033	2,991,902	—	2,532,250	—	5,524,152
Total	<u>\$ 1,047,941,866</u>	<u>3,485,250</u>	<u>120,603,705</u>	<u>4,966,948</u>	<u>1,176,997,769</u>

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

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

In May 1990, the County entered into agreements with Mesaba Aviation to issue approximately \$3.6 million in Airport Special Facility Revenue Bonds to finance the construction of an airline maintenance facility. All debt service costs will be paid by the airline through a trustee. The County is not obligated in any manner to provide debt service in the event of default by Mesaba. The agreement also provides for the airline to construct a ramp and taxiway connection. As these bonds are payable from

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

special facility lease rentals payable in full by the respective airlines, the related debt has not been reflected in the financial statements of the Authority.

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

As of September 30, 2003, rates were as follows:

<u>Interest rate</u>	<u>Term</u>	<u>Rate</u>
Fixed payment to counterparties	Fixed	5.72%
Variable rate from counterparties	BMA	1.08%
Net interest rate swap payments		4.64%
Variable-rate bond payment	Market	1.10%
Synthetic interest rate on bonds		5.74%

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of \$12,204,145 as of September 30, 2003. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The counterparties, Merrill Lynch and Goldman Sachs, both have S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA- mitigating this risk.

The Swap exposes the Authority to basis risk should the relationship between BMA and the variable-rate bond payments cause the expected cost savings to not be realized. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and an Authority debt program that limits exposure to synthetic issues to a maximum of 10% of the overall airport debt.

The Authority is also exposed to the risk of termination should either the counterparty or the Authority fail to perform under the terms of the contract. A termination during a negative value period could cause the Authority to be liable to the counterparty equal to the Swap fair value. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and the overall debt program.

There is a rollover risk beginning in 2009 after termination of the existing swap agreement. At that time, the remaining bonds will be subject to variable-rate exposure. In 2004, the Authority is planning to restructure and extend the Swap to mitigate this exposure.

The Series 1996A and 1996B Bonds are revenue obligations of the County and do not constitute indebtedness of the County within the meaning of any constitutional, statutory, or charter provision or

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

limitation. Neither the credit nor the taxing power of the County is pledged for the payment of principal, premium, if any, or interest on the Series 1996A and 1996B Bonds.

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

In January 2001, the County issued \$141.9 million in Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. The Series 2001 Bonds and the interest thereon are payable from the net revenues derived by the County from the operation 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, on Senior Lien Bonds as provided in the Ordinance. The Series 2001 Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2001 Bonds.

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

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

In March 2001, the County issued \$110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing an airport hotel (the Airport Hotel) and related improvements at the new McNamara Terminal of Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, \$11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

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

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

In August 2001, the County entered into an Installment Purchase Contract for \$14.4 million to pay for energy conservation improvements at Metro Airport. The purchase contract is not a revenue or general obligation of the County and does not constitute an indebtedness of the County within the meaning of any constitutional, statutory, or charter provision limitations. Neither the credit nor taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on these improvements.

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

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

The Series 2002A Bonds are revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory, or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on the Series 2002A Bonds, and no owner of any Series 2002A Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

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

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

The Series 2002 C&D Refunding Bonds are revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory, or charter provision or limitation. Neither the credit nor the taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on the Series 2002 C&D Refunding Bonds, and no owner of any Series 2002 C&D Refunding Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for \$5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital Loan was for \$1.5 million and was used to provide initial working capital to operate the Airport Hotel.

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

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2003, interest expense incurred on these debt issues totaled \$84,691,118. For 2003, net financing costs capitalized were \$1,893,269.

Long-term debt activity for the year ended September 30, 2003 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	\$ 1,684,320,000	—	(47,140,000)	1,637,180,000	33,130,000
Installment purchase contract	14,200,000	—	(1,270,000)	12,930,000	1,300,000
Less:					
Deferred amount on refunding	(17,369,206)	1,027,018	—	(16,342,188)	—
Certain bond discounts	(15,193,896)	934,678	—	(14,259,218)	—
Add:					
Certain bond premiums	6,130,389	—	(426,338)	5,704,051	—
Total Detroit Metropolitan Airport Fund	<u>1,672,087,287</u>	<u>1,961,696</u>	<u>(48,836,338)</u>	<u>1,625,212,645</u>	<u>34,430,000</u>
Airport Hotel Fund:					
Airport Hotel Bonds	110,920,000	—	—	110,920,000	—
Other hotel debt	—	6,500,000	—	6,500,000	341,157
Less:					
Certain bond discounts	(2,870,172)	129,525	—	(2,740,647)	—
Total Airport Hotel Fund	<u>108,049,828</u>	<u>6,629,525</u>	<u>—</u>	<u>114,679,353</u>	<u>341,157</u>
Total long-term debt	<u>\$ 1,780,137,115</u>	<u>8,591,221</u>	<u>(48,836,338)</u>	<u>1,739,891,998</u>	<u>34,771,157</u>

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

**(8) Commitments and Contingencies**

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

## WAYNE COUNTY AIRPORT AUTHORITY

Notes to Basic Financial Statements

Year ended September 30, 2003

### (9) Employee Benefits

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

#### (a) Plan Description

The County provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system which is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides three defined-benefit retirement options, two of which are contributory (together, the Defined Benefit Plan), and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226.

The Defined Benefit Plan (Plan Option 1, Plan Option 2, Plan Option 3, and Plan Option 5, or, collectively, the Plan) and the Defined Contribution Plan (Plan Option 4 and Plan Option 5) have been combined for presentation in the County's financial statements.

In 1983, the County closed the Plan 1 option of the WCERS to new hires and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant. At September 30, 2002, the date of the most recent actuarial valuation, membership consisted of 5,833 retirees and beneficiaries receiving benefits, 145 inactive (separated) employees entitled to benefits but not yet receiving them, and 1,520 current active employees combined in the Plan.

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

#### (b) Contributions

Participants in Plan Option 1 contribute 2% to 2.58% of annual compensation for 17 or more years of credited service. The Sheriff's Command Officers and Deputies contribute 5.0% of annual compensation. Participants in Plan Option 2 do not make plan contributions but receive a lower final benefit. Plan Option 3 participants make decreased contributions of 3.0% of covered compensation and receive a lower final benefit. Participants in Plan Option 5 make no member contributions.

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total Authority employee contributions during the year ended September 30, 2003 were \$113,232.

(c) ***Annual Pension Cost***

For the period ended September 30, 2003, the County's annual pension cost of \$3,002,263 was equal to the County's required and actual contributions. The annual required contribution was determined using an actuarial valuation of the Plan as of September 30, 2001 (the projected unit credit actuarial cost method), determined as a level percentage of payroll. The County has agreed to voluntarily contribute such additional amounts as necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The significant actuarial assumptions used to compute the contribution requirements include a rate of return on the investment of present and future assets of 8.0% compounded annually and projected salary increases of 4.0% to 7.0% compounded annually.

(d) ***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% to 2.65% for each year. Maximum County-financed portion is 75% of average final compensation. Minimum monthly pension is \$5 times years of service.

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

**Plan Option 3** – 1.5% for each year up to 20 years, 2% for each year between 20 and 25 years, and 2.5% for each year over 25 years.

**Plan Option 5** – 1.25% for each year up to 20 years and 1.5% for each year over 20 years.

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



**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

The following represents the County's annual pension costs as of September 30, 2003:

**Three-year Trend Information (Unaudited)**

(Dollar amounts in thousands)

<b>Fiscal year ended September 30</b>	<b>Annual pension cost (APC)</b>	<b>Percentage of APC contributed</b>	<b>Net pension obligation</b>
2001	\$ 39	100%	\$ —
2002	45	100	—
2003	3,002	100	—

**Summary of Actuarial Methods and Assumptions**

Valuation date	September 30, 2002
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	N/A, closed
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
*Investment rate of return	8.0%
*Projected salary increases	4.0% – 7.0%
Cost-of-living adjustments	N/A

\*Indicates inflation at 4.0%

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

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

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan, a single-employer plan (Plan Option 4 and Plan Option 5) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986) as amended. The Plan was established to provide retirement, survivor, and disability benefits to County employees. The administration, management, and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

Under Plan Option 4, the County contributes \$4.00 for every \$1.00 contributed by each member or, for eligible executives, \$5.00 for every \$1.00 contributed by each member, with the member contributions ranging from 1.0% to 2.5% of base compensation. For eligible executives, the County contributes 12.5% of the member's compensation, with the member contribution limited to 2.5% of compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS

## WAYNE COUNTY AIRPORT AUTHORITY

### Notes to Basic Financial Statements

Year ended September 30, 2003

Defined Benefit Plan to the Plan through September 30, 2002. At September 30, 2002, the date of the most recent actuarial valuation, there were 4,499 employees in the Plan.

Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service. Total Authority employer and employee contributions during 2003 were \$1,428,170 and \$352,710, respectively.

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%), rounded to the nearest quarter of a percent.

Participants in Plan Option 5 contribute 3% of gross pay. The County makes matching contributions at a rate equal to the amount contributed by each employee. At September 30, 2003, there were 579 employees in the Plan. Classified employees are vested at 50% after one year of service, 75% after two years of service, and 100% after three years of service. All full-time, permanent County employees are eligible to join the Plan. Those employees hired prior to July 1, 1984 were eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective October 1, 2001, the County closed Plan Option 4 to new hires. Plan Option 5 is available to all persons hired after September 30, 2001. Total Authority employer and employee contributions during 2003 were \$137,867 and \$137,847, respectively.

**(f) Other Postretirement Benefit Obligations**

The County provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or the Wayne County Retirement Commission Trustees. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County paid approximately \$37 million for the fiscal year ended September 30, 2003 for these benefits. In addition, the County pays the cost of the basic retiree life insurance, up to \$5,000 per employee, on a pay-as-you-go basis. Total costs for the year ended September 30, 2003 amounted to \$2.7 million. There were 5,833 retirees as of September 30, 2003 eligible for benefits.

Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. In accordance with GASB Statement No. 12, *Disclosure of Information on Post-Employment Benefits Other Than Pension Benefits*, no determination of the County's continuing obligation for these benefits has been made as of September 30, 2003.

**(10) Subsequent Events**

In December 2003, the Authority issued \$214.9 million of Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at the Metro Airport.

**WAYNE COUNTY AIRPORT AUTHORITY**

Notes to Basic Financial Statements

Year ended September 30, 2003

In December 2003, the Authority issued \$129.4 million of Airport Revenue Refunding Bonds, Series 2003B and 2003C. The Series 2003B Refunding Bonds were issued to refund, on a current basis at the earliest practicable date, the Series 1993A Bonds and the Series 1993B Bonds. The Series 2003C Refunding Bonds were issued to refund, on a current basis at the earliest practicable date, the Series 1993C Bonds.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WAYNE COUNTY AIRPORT AUTHORITY**

Required Supplementary Information

Year ended September 30, 2003

**Pension Schedule (Unaudited)**

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

**Schedule of Funding Progress (Unaudited)**

(Dollar amounts in thousands)

<u>Actuarial valuation date</u>	<u>Actuarial value of assets *</u> (a)	<u>Actuarial liability (AAL)</u> (b)	<u>(Overfunded unfunded AAL (UAAL))</u> (b)-(a)	<u>Funded ratio (a)/(b)</u>	<u>Covered+ payroll (c)</u>	<u>UAAL as a percent of covered payroll [(b)-(a)]/(c)</u>
09/30/99	\$ 965.8	915.3	(50.5)	105.5	\$ 256.4	N/A
09/30/00&	1,028.6	947.6	(81.0)	108.5	275.6	N/A
09/30/01#	1,041.6	979.2	(62.4)	106.4	294.1	N/A
09/30/02**	1,043.3	1,010.7	(32.6)	103.2	309.0	N/A

# After changes in benefit provisions or revised actuarial assumptions.

\* Excludes reserve for inflation equity.

+ Includes defined contribution plan payroll.

& Change in inflation equity calculation.

\*\* Includes Hybrid Plan 5

**STATISTICAL INFORMATION (UNAUDITED)**

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating years 2003-2007

(Unaudited)

<u>Operating year</u>	<u>Net revenues, revenue fund balance, and other available monies</u>	<u>Total debt service requirements</u>	<u>Debt service coverage</u>	<u>Airline costs per enplaned passenger</u>
Historical:				
2003 (a)	\$ 137,152,520	102,040,440	1.34	\$ 7.12
Forecast:				
2004	160,700,000	104,972,000	1.53	7.91
2005	166,299,000	109,336,000	1.52	7.70
2006	171,845,000	113,046,000	1.52	7.73
2007	182,416,000	120,836,000	1.51	7.69

(a) Based on final year-end calculation, dated March 2004.

Sources:

Historical (2003) – Wayne County Airport Authority

Forecast (2004-2007) – Reed and Associates forecast dated November 20, 2003

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical				
	1999	2000	2001	2002	2003
Salaries and wages	\$ 30,241	33,620	36,946	40,844	40,890
Employee benefits	13,793	13,780	14,819	17,158	17,689
	<u>44,034</u>	<u>47,400</u>	<u>51,765</u>	<u>58,002</u>	<u>58,579</u>
Contractual services:					
Parking management	14,274	13,248	14,203	15,594	15,758
Security expenses	1,943	1,857	1,856	3,525	3,771
Janitorial services	5,492	5,239	4,879	5,336	5,467
Shuttle bus	2,492	2,935	3,755	7,851	8,364
Other services	10,540	8,362	8,495	11,767	9,312
Total contractual services	<u>34,741</u>	<u>31,641</u>	<u>33,188</u>	<u>44,073</u>	<u>42,672</u>
Wayne County administrative services	3,366	4,209	4,465	4,410	1,109
Repairs and maintenance	4,460	5,062	3,954	13,565	31,361
Supplies and other operating expenses	6,853	8,402	9,023	6,063	4,860
Insurance	1,120	823	1,252	3,187	3,507
Utilities	7,621	11,570	10,251	12,950	18,819
Rentals	679	528	812	433	147
Interest expense and paying agent fees	255	258	371	1,487	3,560
Capital expenses	2,650	4,522	6,019	1,880	942
	<u>27,004</u>	<u>35,374</u>	<u>36,147</u>	<u>43,975</u>	<u>64,305</u>
Total O&M expenses (a)	\$ <u>105,779</u>	<u>114,415</u>	<u>121,100</u>	<u>146,050</u>	<u>165,556</u>

(a) O&M expenses do not include central communications.

Source: Wayne County Airport Authority



**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical				
	1999	2000	2001	2002	2003
Airline revenues:					
Rental and use fees:					
Terminal building rentals and fees (c)	\$ 10,894	15,527	12,114	14,988	20,533
Common-use/shared-use area rentals	305	305	138	1,227	1,663
Debt service recapture	2,420	1,452	1,936	1,936	1,936
Facilities use fees	7,436	8,304	7,630	6,142	6,026
Total rental and use fees	21,055	25,588	21,818	24,293	30,158
Activity fees:					
Signatory airlines	59,113	60,519	56,187	78,436	80,466
Nonsignatory airlines	3,664	3,172	2,749	6,993	1,614
Add (less) activity fee adjustment	(5,551)	(9,932)	9,968	(343)	3,735
Total activity fees	57,226	53,759	68,905	85,086	85,815
Total airline revenues	78,281	79,347	90,723	109,379	115,973
Nonairline revenues:					
Concessions:					
Automobile parking	31,541	35,516	33,721	29,858	32,806
Rental car	16,566	19,345	17,662	16,211	15,760
Food and beverage	4,666	5,051	4,927	5,639	6,523
Inflight catering	1,610	1,583	1,628	1,091	1,061
News and gift	4,065	3,999	3,955	5,528	7,117
Pay phone commission	1,137	2,314	2,217	2,294	2,764
Hotel	2,296	2,473	2,353	1,761	832
Other concessions	2,723	3,990	2,443	3,631	7,406
Total concessions	64,604	74,271	68,906	66,013	74,269
Rentals (c)	—	—	—	3,128	1,941
Utility fees	3,895	3,932	4,144	2,436	2,872
Interest income	746	950	778	340	153
Other (a)	4,763	4,523	4,522	9,743	12,675
Total nonairline revenues	74,008	83,677	78,350	81,660	91,910
Total operating revenues (b)	\$ 152,289	163,024	169,073	191,039	207,883

(a) Includes shuttle bus revenue and state and federal grants

(b) Operating revenues do not include Central Communications.

(c) Starting in fiscal year 2002, rental revenue was separated between airline and nonairline.

Source: Wayne County Airport Authority

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues:					
Airline revenues	\$ 78,281	79,347	90,723	109,379	115,973
Nonairline revenues	74,008	83,677	78,350	81,660	91,910
Interest income generated in bond funds and reserves	2,652	2,863	1,961	5,210	5,593
Other available moneys	—	—	—	53,928	58,305
Transfer credit from Airport funds (a)	—	—	—	9,306	—
Rebate of arbitrage	—	—	—	—	4,236
Total revenues	\$ <u>154,941</u>	<u>165,887</u>	<u>171,034</u>	<u>259,483</u>	<u>276,017</u>

**Priority**

Application of revenues:					
1 Operation and Maintenance Fund	\$ 105,779	114,415	121,100	146,050	165,556
2 Bond Fund	43,312	45,622	44,085	104,705	102,041
3 Junior Lien Bond Fund	—	—	—	2,184	1,654
4 Operation and Maintenance Reserve Fund	—	—	—	661	898
5 Renewal and Replacement Fund	500	500	500	500	485
6 County Discretionary Fund	350	350	350	350	350
7 Airport Development Fund	5,000	5,000	5,000	5,033	5,033
Total application of revenues	\$ <u>154,941</u>	<u>165,887</u>	<u>171,035</u>	<u>259,483</u>	<u>276,017</u>

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

Source: Wayne County Airport Authority

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues:</b>						
Revenues	\$	152,289	163,024	169,073	191,039	207,883
Revenue fund balance		11,995	11,569	18,804	29,504	26,691
Other available moneys		—	—	—	53,928	58,305
Transfer credit from Airport funds (a)		—	—	—	9,306	—
Rebate of arbitrage		—	—	—	—	4,236
Interest income generated in bond funds and reserves		2,652	2,863	1,961	5,210	5,593
<b>Total revenues</b>	[A]	<u>166,936</u>	<u>177,456</u>	<u>189,839</u>	<u>288,987</u>	<u>302,708</u>
<b>Operation and maintenance expenses</b>	[B]	<u>105,779</u>	<u>114,415</u>	<u>121,100</u>	<u>146,050</u>	<u>165,556</u>
<b>Net revenues</b>	[A]-[B] = [C]	61,157	63,042	68,739	142,937	137,152
<b>Bond debt service</b>	[D]	<u>43,312</u>	<u>45,622</u>	<u>44,085</u>	<u>104,705</u>	<u>102,041</u>
<b>Net revenues available for deposit to other funds</b>	[C]-[D]	\$ <u>17,845</u>	\$ <u>17,420</u>	\$ <u>24,654</u>	\$ <u>38,232</u>	\$ <u>35,111</u>
<b>Debt service coverage – bonds</b>	[C]/[D]	1.41	1.38	1.56	1.37	1.34
<b>Additional bonds test:</b>						
Revenues	\$	152,289	163,024	169,073	191,039	207,883
Revenue fund balance		11,995	11,569	18,804	29,504	26,691
Other available moneys		—	—	—	53,928	58,305
Transfer credit from Airport funds (b)		—	—	—	9,306	—
Rebate of arbitrage		—	—	—	—	4,236
Interest income generated in bond funds and reserves		2,652	2,863	1,961	5,210	5,593
<b>Total revenues</b>	[E]	\$ <u>166,936</u>	\$ <u>177,456</u>	\$ <u>189,838</u>	\$ <u>288,987</u>	\$ <u>302,708</u>
<b>Rate covenant elements:</b>						
Operation and maintenance expenses	\$	105,779	114,415	121,100	146,050	165,556
125% debt service – bonds	[1.25 x D]	54,141	57,028	55,106	130,881	127,551
Other fund requirements		5,850	5,850	5,850	6,544	6,766
<b>Total rate covenant elements</b>	[F]	\$ <u>165,770</u>	\$ <u>177,293</u>	\$ <u>182,056</u>	\$ <u>283,475</u>	\$ <u>299,873</u>

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

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

Source: Wayne County Airport Authority

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years 1993-2003

(Unaudited)

Operating year (a)	Domestic				International	Total	Percent increase (decrease)
	Major/ National	Commuter/ Regional	Charter	Total			
1993	10,009,860	674,631	36,901	10,721,392	943,224	11,664,616	
1994	11,026,802	774,715	11,994	11,813,511	1,078,792	12,892,303	10.5%
1995	11,856,961	773,311	152,374	12,782,646	1,308,600	14,091,246	9.3%
1996	12,304,289	827,183	156,853	13,288,325	1,546,492	14,834,817	5.3%
1997	12,592,679	985,170	139,842	13,717,691	1,559,958	15,277,649	3.0%
1998	12,393,926	1,291,854	156,301	13,842,081	1,431,158	15,273,239	(0.0%)
1999	13,588,410	2,149,998	51,663	15,790,071	1,860,731	17,650,802	15.6%
2000	13,710,544	2,081,098	54,196	15,845,838	1,886,529	17,732,367	0.5%
2001	12,915,222	2,311,519	57,088	15,283,829	1,797,767	17,081,596	(3.7%)
2002	11,782,841	2,458,843	9,666	14,251,350	1,264,701	15,516,051	(9.2%)
2003	11,945,405	2,969,932	1,804	14,917,141	1,360,392	16,277,533	4.9%

(a) All data are for 12-month periods. For operating years (OY) 1993-1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

Source: Wayne County Airport Authority records

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #7

Historical Comparative Total Enplanements (a)

Calendar years 1993-2003

(Unaudited)

Calendar year	Detroit Metro		United States		Detroit as a percent of U.S. total
	Number of passengers	Percent increase (decrease)	Number of passengers	Percent increase (decrease)	
1993	11,309,316		506,002,418		2.2%
1994	12,558,094	11.0%	548,503,390	8.4%	2.3%
1995	13,673,923	8.9%	563,934,125	2.8%	2.4%
1996	14,636,512	7.0%	597,893,656	6.0%	2.4%
1997	15,119,976	3.3%	618,946,502	3.5%	2.4%
1998	15,080,929	(0.3)%	638,426,392	3.1%	2.4%
1999	16,758,483	11.1%	657,737,148	3.0%	2.5%
2000	17,184,886	2.5%	685,892,073	4.3%	2.5%
2001	15,725,484	(8.5)%	639,661,140	(6.7)%	2.5%
2002	15,522,951	(1.3)%	625,822,714	(2.2)%	2.5%
2003	16,277,533	4.9%	646,523,000	3.3%	2.5%

(a) Does not include the activity of commuter or charter carriers

Source: U.S. Department of Transportation Airport Activity Statistics of Certificated Route Air Carriers, T100

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years 1993-2003

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals (a)	Regionals (b)	Total (c)	Percent increase (decrease)
1993	141,489	2,405	1,114	145,008	
1994	151,485	3,198	1,487	156,170	7.7%
1995	154,913	7,923	2,065	164,901	5.6%
1996	161,467	6,466	3,019	170,952	3.7%
1997	162,356	26,112	456	188,924	10.5%
1998	153,153	55,773	927	209,853	11.1%
1999	160,787	64,745	1,006	226,538	8.0%
2000	160,299	66,898	864	228,061	0.7%
2001	154,991	65,838	561	221,390	(2.9%)
2002	147,912	61,362	6,112	215,386	(2.7%)
2003 (d)	143,317	55,664	30,345	229,327	6.5%

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

(b) As of the 4th quarter 2002, commuter carriers who formerly filed Commuter A1 and T1 traffic data with the DOT began filing Form 41.

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

(d) CY 2003 estimated based on 9 months of data

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

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #9

Historical Domestic Originations & Connections

Calendar years 1993-2003

(Unaudited)

<b>Calendar year</b>	<b>Domestic originations</b>		<b>Domestic connections</b>	
	<b>Number</b>	<b>Percent of total</b>	<b>Number</b>	<b>Percent of total</b>
1993	4,983,030	48.1%	5,383,639	51.9%
1994	5,635,670	49.0%	5,869,305	51.0%
1995	6,024,190	48.8%	6,328,523	51.2%
1996	6,299,300	48.1%	6,805,634	51.9%
1997	6,567,280	48.3%	7,029,361	51.7%
1998	6,764,520	49.7%	6,845,646	50.3%
1999	7,229,210	45.6%	8,636,968	54.4%
2000	7,630,530	49.2%	7,892,243	50.8%
2001	6,736,820	47.2%	7,549,075	52.8%
2002	6,327,890	45.5%	7,581,806	54.5%
2003 (a)	6,266,763	44.6%	7,785,981	55.4%

(a) Estimate based on 9 months of actual data

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

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years 1999-2003

(Unaudited)

Airline	OY 1999			OY 2000		
	Enplaned passengers	Percent of total	Percent of market	Enplaned passengers	Percent of total	Percent of market
<b>Domestic:</b>						
Major/national:						
America West Airlines	175,134	1.0%	1.1%	183,607	1.0%	1.2%
American Airlines	473,090	2.7%	3.0%	469,183	2.6%	3.0%
American Trans Air	42,926	0.2%	0.3%	36,654	0.2%	0.2%
Continental Airlines	338,291	1.9%	2.1%	344,297	1.9%	2.2%
Delta Air Lines	443,869	2.5%	2.8%	451,246	2.5%	2.8%
Northwest Airlines	10,702,935	60.6%	67.8%	10,816,451	61.0%	68.3%
Pan American World Airways	1,646	0.0%	0.0%	1,646	0.0%	0.0%
Southwest Airlines	520,529	2.9%	3.3%	517,295	2.9%	3.3%
Trans World Airlines	214,586	1.2%	1.4%	221,479	1.2%	1.4%
United Airlines	388,665	2.2%	2.5%	389,150	2.2%	2.5%
US Airways	286,739	1.6%	1.8%	279,536	1.6%	1.8%
	<u>13,588,410</u>	<u>77.0%</u>	<u>86.1%</u>	<u>13,710,544</u>	<u>77.3%</u>	<u>86.5%</u>
Commuter/regional:						
Atlantic Coast Airlines	16,293	0.1%	0.1%	15,718	0.1%	0.1%
Atlantic S.E. Airlines	3,910	0.0%	0.0%	—	0.0%	0.0%
Champion Air	316	0.0%	0.0%	—	0.0%	0.0%
Comair	105,679	0.6%	0.7%	108,617	0.6%	0.7%
Continental Express	34,938	0.2%	0.2%	35,785	0.2%	0.2%
Mesaba Aviation	1,421,370	8.1%	9.0%	1,342,821	7.6%	8.5%
Pinnacle	—	0.0%	0.0%	—	0.0%	0.0%
Spirit Airlines	405,753	2.3%	2.6%	411,130	2.3%	2.6%
Sun Country	159,950	0.9%	1.0%	166,124	0.9%	1.0%
Other	1,789	0.0%	0.0%	903	0.0%	0.0%
	<u>2,149,998</u>	<u>12.2%</u>	<u>13.6%</u>	<u>2,081,098</u>	<u>11.7%</u>	<u>13.1%</u>
Charter:						
Air Canada	—	0.0%	0.0%	—	0.0%	0.0%
Miami Air	1,307	0.0%	0.0%	1,308	0.0%	0.0%
Omni Airlines	32,074	0.2%	0.2%	32,074	0.2%	0.2%
Ryan International	931	0.0%	0.0%	931	0.0%	0.0%
Trans States Airlines	14,027	0.1%	0.1%	16,260	0.1%	0.1%
USA 3000	—	0.0%	0.0%	—	0.0%	0.0%
Other	3,324	0.0%	0.0%	3,623	0.0%	0.0%
	<u>51,663</u>	<u>0.3%</u>	<u>0.3%</u>	<u>54,196</u>	<u>0.3%</u>	<u>0.3%</u>
Subtotal – domestic	<u>15,790,071</u>	<u>89.5%</u>	<u>100.0%</u>	<u>15,845,838</u>	<u>89.4%</u>	<u>100.0%</u>
<b>International:</b>						
U.S. flag:						
American Trans Air	66,972	0.4%	3.6%	66,558	0.4%	3.5%
Mesaba Aviation	15,140	0.1%	0.8%	15,226	0.1%	0.8%
Northwest Airlines	1,420,197	8.0%	76.3%	1,434,511	8.1%	76.0%
Spirit	—	0.0%	0.0%	—	0.0%	0.0%
	<u>1,502,309</u>	<u>8.5%</u>	<u>80.7%</u>	<u>1,516,295</u>	<u>8.6%</u>	<u>80.4%</u>
Foreign flag:						
Air Canada	—	0.0%	0.0%	—	0.0%	0.0%
British Airways	85,372	0.5%	4.6%	84,073	0.5%	4.5%
KLM-Royal Dutch Airlines	141,536	0.8%	7.6%	143,614	0.8%	7.6%
Royal Jordanian Airlines	2,828	0.0%	0.2%	2,828	0.0%	0.1%
Lufthansa	54,781	0.3%	2.9%	63,835	0.4%	3.4%
	<u>284,517</u>	<u>1.6%</u>	<u>15.3%</u>	<u>294,350</u>	<u>1.7%</u>	<u>15.6%</u>
Charter	73,905	0.4%	4.0%	75,884	0.4%	4.0%
Subtotal – international	<u>1,860,731</u>	<u>10.5%</u>	<u>100.0%</u>	<u>1,886,529</u>	<u>10.6%</u>	<u>100.0%</u>
Total – all markets	<u>17,650,802</u>	<u>100.0%</u>		<u>17,732,367</u>	<u>100.0%</u>	

Source: Wayne County Airport Authority records



OY 2001			OY 2002			OY 2003		
Enplaned passengers	Percent of total	Percent of market	Enplaned passengers	Percent of total	Percent of market	Enplaned passengers	Percent of total	Percent of market
205,287	1.2%	1.3%	199,768	1.3%	1.4%	217,906	1.3%	1.5%
452,264	2.6%	3.0%	475,390	3.1%	3.3%	497,564	3.1%	3.3%
36,320	0.2%	0.2%	48,937	0.3%	0.3%	39,887	0.2%	0.3%
341,968	2.0%	2.2%	290,999	1.9%	2.0%	259,989	1.6%	1.7%
385,178	2.3%	2.5%	270,906	1.7%	1.9%	260,560	1.6%	1.7%
10,112,754	59.2%	66.2%	9,440,793	60.8%	66.2%	9,691,220	59.5%	65.0%
—	0.0%	0.0%	—	0.0%	0.0%	—	0.0%	0.0%
538,736	3.2%	3.5%	442,169	2.8%	3.1%	414,123	2.5%	2.8%
193,651	1.1%	1.3%	27,932	0.2%	0.2%	—	0.0%	0.0%
355,920	2.1%	2.3%	322,979	2.1%	2.3%	340,115	2.1%	2.3%
293,144	1.7%	1.9%	262,968	1.7%	1.8%	224,041	1.4%	1.5%
<b>12,915,222</b>	<b>75.6%</b>	<b>84.5%</b>	<b>11,782,841</b>	<b>75.9%</b>	<b>82.7%</b>	<b>11,945,405</b>	<b>73.4%</b>	<b>80.1%</b>
32,681	0.2%	0.2%	50,636	0.3%	0.4%	56,463	0.3%	0.4%
11,998	0.1%	0.1%	16,689	0.1%	0.1%	5,324	0.0%	0.0%
—	0.0%	0.0%	80,880	0.5%	0.6%	35,235	0.2%	0.2%
57,834	0.3%	0.4%	97,492	0.6%	0.7%	115,244	0.7%	0.8%
44,652	0.3%	0.3%	49,349	0.3%	0.3%	52,790	0.3%	0.4%
1,416,651	8.3%	9.3%	1,149,931	7.4%	8.1%	1,032,906	6.3%	6.9%
84,640	0.5%	0.6%	339,381	2.2%	2.4%	798,915	4.9%	5.4%
581,358	3.4%	3.8%	664,250	4.3%	4.7%	873,055	5.4%	5.9%
81,705	0.5%	0.5%	10,235	0.1%	0.1%	—	0.0%	0.0%
—	0.0%	0.0%	—	0.0%	0.0%	—	0.0%	0.0%
<b>2,311,519</b>	<b>13.5%</b>	<b>15.1%</b>	<b>2,458,843</b>	<b>15.8%</b>	<b>17.3%</b>	<b>2,969,932</b>	<b>18.2%</b>	<b>19.9%</b>
12,143	0.1%	0.1%	—	0.0%	0.0%	—	0.0%	0.0%
1,088	0.0%	0.0%	409	0.0%	0.0%	—	0.0%	0.0%
36,007	0.2%	0.2%	7,968	0.1%	0.1%	—	0.0%	0.0%
786	0.0%	0.0%	528	0.0%	0.0%	1,037	0.0%	0.0%
6,299	0.0%	0.0%	—	0.0%	0.0%	—	0.0%	0.0%
—	0.0%	0.0%	—	0.0%	0.0%	432	0.0%	0.0%
765	0.0%	0.0%	761	0.0%	0.0%	335	0.0%	0.0%
<b>57,088</b>	<b>0.3%</b>	<b>0.4%</b>	<b>9,666</b>	<b>0.1%</b>	<b>0.1%</b>	<b>1,804</b>	<b>0.0%</b>	<b>0.0%</b>
<b>15,283,829</b>	<b>89.5%</b>	<b>100.0%</b>	<b>14,251,350</b>	<b>91.8%</b>	<b>100.0%</b>	<b>14,917,141</b>	<b>91.6%</b>	<b>100.0%</b>
74,077	0.4%	4.1%	47,633	0.3%	3.8%	20,928	0.1%	1.5%
19,769	0.1%	1.1%	19,369	0.1%	1.5%	16,987	0.1%	1.2%
1,471,310	8.6%	81.8%	973,201	6.3%	77.0%	1,037,952	6.4%	76.3%
—	0.0%	0.0%	—	0.0%	0.0%	1,276	0.0%	0.1%
<b>1,565,156</b>	<b>9.2%</b>	<b>87.1%</b>	<b>1,040,203</b>	<b>6.7%</b>	<b>82.2%</b>	<b>1,077,143</b>	<b>6.6%</b>	<b>79.2%</b>
3,091	0.0%	0.2%	17,285	0.1%	1.4%	13,996	0.1%	1.0%
70,183	0.4%	3.9%	51,164	0.3%	4.0%	51,600	0.3%	3.8%
26,968	0.2%	1.5%	42,444	0.3%	3.4%	60,897	0.4%	4.5%
3,202	0.0%	0.2%	3,398	0.0%	0.3%	5,520	0.0%	0.4%
78,875	0.5%	4.4%	63,576	0.4%	5.0%	70,087	0.4%	5.2%
<b>182,319</b>	<b>1.1%</b>	<b>10.1%</b>	<b>177,867</b>	<b>1.1%</b>	<b>14.1%</b>	<b>202,100</b>	<b>1.2%</b>	<b>14.9%</b>
50,292	0.3%	2.8%	46,631	0.3%	3.7%	81,149	0.5%	6.0%
1,797,767	10.5%	100.0%	1,264,701	8.2%	100.0%	1,360,392	8.4%	100.0%
<b>17,081,596</b>	<b>100.0%</b>		<b>15,516,051</b>	<b>100.0%</b>		<b>16,277,533</b>	<b>100.0%</b>	

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years 1993-2003

(Unaudited)

Operating year (a)	Cargo by type (in tons)		Total cargo	
	Freight and express (b)	Mail	Tons	Percent increase (decrease)
1993	94,316	46,515	140,831	
1994	122,641	52,873	175,514	24.6%
1995	118,512	55,855	174,367	(0.7%)
1996	121,768	55,356	177,124	1.6%
1997	114,024	56,264	170,288	(3.9%)
1998	106,701	47,024	153,725	(9.7%)
1999	111,755	40,923	152,678	(0.7%)
2000	112,258	44,443	156,701	2.6%
2001	92,835	40,783	133,618	(14.7%)
2002	87,288	20,876	108,164	(19.0%)
2003	92,755	16,437	109,192	1.0%

(a) All data are for 12-month periods. For operating years (OY) 1993-1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

(b) Includes small packages

Source: Wayne County Airport Authority records

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years 1993-2003

(Unaudited)

Operating year (a)	Landed weight by carrier type (in 1,000-pound units)			Total landed weight	
	U.S. flag	Foreign-flag	All-cargo	Units	Percent increase (decrease)
1993	20,811,677	505,058	373,768	21,690,503	
1994	22,080,269	465,492	515,545	23,061,306	6.3%
1995	22,865,205	474,942	556,009	23,896,156	3.6%
1996	23,849,614	503,819	565,772	24,919,205	4.3%
1997	25,118,756	436,193	584,064	26,139,013	4.9%
1998	23,682,043	426,833	591,423	24,700,299	(5.5%)
1999	25,455,926	467,771	895,912	26,819,609	8.6%
2000	26,178,699	484,190	663,298	27,326,187	1.9%
2001	25,676,579	271,200	558,468	26,506,247	(3.0%)
2002	23,840,345	220,704	655,048	24,716,097	(6.8%)
2003	24,128,300	371,198	664,200	25,163,698	1.8%

(a) All data are for 12-month periods. For operating years (OY) 1993-1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

Source: Wayne County Airport Authority records

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years 1993-2003

(Unaudited)

Operating year (a)	Operations by class of carrier				Total operations	
	Air carrier	Air taxi and commuter	General aviation	Military (b)	Number	Percent increase (decrease)
1993	299,019	96,941	63,762	3,776	463,498	
1994	320,649	94,108	67,350	1,863	483,970	4.4%
1995	335,000	96,293	73,164	1,482	505,939	4.5%
1996	350,757	101,721	83,254	1,612	537,344	6.2%
1997	350,636	106,481	81,298	1,388	539,803	0.5%
1998	336,457	109,889	84,199	1,689	532,234	(1.4%)
1999	331,153	154,789	73,487	1,685	561,114	5.4%
2000	330,350	159,604	69,306	1,611	560,871	(0.0%)
2001	321,222	167,661	52,211	1,405	542,499	(3.3%)
2002	337,817	126,821	18,915	290	483,843	(10.8%)
2003	330,757	140,783	16,222	207	487,969	0.9%

(a) All data are for 12-month periods. For operating years (OY) 1993-1997, OY is December 1 to November 30. Starting in OY 1998 and forward, OY is October 1 to September 30. For comparative purposes only, OY 1998 has been adjusted to show 12 months ending September 30, 1998.

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

Source: Wayne County Airport Authority records

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #14  
 Historical Aviation Demand Statistics  
 OY 1999 through OY 2003  
 (Unaudited)

	<b>Historical</b>				
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,874,277	7,769,488	7,187,022	6,479,966	6,652,240
Connecting (a)	8,200,892	8,022,154	8,039,719	7,761,718	8,263,097
Subtotal – scheduled	15,075,169	15,791,642	15,226,741	14,241,684	14,915,337
Percentage connecting	54.4%	50.8%	52.8%	54.5%	55.4%
Charter	6,596	54,196	57,088	9,666	1,804
Subtotal – domestic	15,081,765	15,845,838	15,283,829	14,251,350	14,917,141
International:					
Scheduled:					
U.S. airlines	1,327,204	1,516,295	1,565,156	1,040,203	1,077,143
Foreign-flag	217,678	294,350	182,319	177,867	202,100
Subtotal – scheduled	1,544,882	1,810,645	1,747,475	1,218,070	1,279,243
Charter	104,104	75,884	50,292	46,631	81,149
Subtotal – international	1,648,986	1,886,529	1,797,767	1,264,701	1,360,392
Total enplaned passengers	16,730,751	17,732,367	17,081,596	15,516,051	16,277,533
Enplaned cargo (tons):					
Freight	111,755	112,258	92,835	87,288	92,755
Mail	40,923	44,443	40,783	20,876	16,437
Total cargo	152,678	156,701	133,618	108,164	109,192
Aircraft departures:					
Domestic	222,573	208,582	206,397	198,763	229,729
International	12,439	12,276	12,229	11,212	12,010
Total aircraft departures	235,012	220,858	218,626	209,975	241,739
Aircraft operations:					
Air carrier	331,153	330,350	321,222	337,817	330,757
Air taxi and commuter	154,789	159,604	167,661	126,821	140,783
General aviation	73,487	69,306	52,211	18,915	16,222
Military	1,685	1,611	1,405	290	207
Total aircraft operations	561,114	560,871	542,499	483,843	487,969
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	22,795,598	23,311,757	22,808,673	21,937,795	19,291,830
Commuter/regional	2,660,328	2,866,942	2,867,906	1,902,550	4,836,470
Subtotal – U.S. carriers	25,455,926	26,178,699	25,676,579	23,840,345	24,128,300
Foreign-flag	467,771	484,190	271,200	220,704	371,198
Subtotal – passenger	25,923,697	26,662,889	25,947,779	24,061,049	24,499,498
All-cargo	895,912	663,298	558,468	655,048	664,200
Total landed weight	26,819,609	27,326,187	26,506,247	24,716,097	25,163,698

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

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

**DETROIT METROPOLITAN WAYNE COUNTY AIRPORT**

Continuing Disclosure Table #15

International Destinations Added and Dropped

Calendar years 1993-2003

(Unaudited)

<u>Year</u>	<u>Cities added</u>	<u>Cities dropped</u>	<u>Net change</u>
1992	Amsterdam, Netherlands Rome, Italy Nassau, Bahamas Puerto Vallarta, Mexico Hamilton Ontario, Canada	London (Heathrow), England	
1993	Cozumel, Mexico Grand Cayman Island, West Indies Osaka, Japan	Rome, Italy Nassau, Bahamas	1
1994	Guadalajara, Mexico Osaka (Itami), Japan Osaka (Int'l), Japan Mexico City, Mexico Ixtapa/Zihuatanejo, Mexico	Hamilton Ontario, Canada	4
1995	Halifax, Canada Ottawa Ontario, Canada Sudbury Ontario, Canada	Guadalajara, Mexico Osaka (Itami), Japan Osaka (Int'l), Japan	—
1996	Antigua, West Indies Beijing, China Provincenciales Turks/Caicos Islands St. Maarten, Antilles Vancouver BC, Canada	Sudbury Ontario, Canada	4
1997	London (Heathrow), England		1
1998	Cancun, Mexico Munich, Germany Nagoya, Japan	Antigua, West Indies Cozumel, Mexico Provincenciales Turks/Caicos Islands Halifax, Canada Montreal (Mirabel), Canada	(2)
1999	Milan, Italy	Munich, Germany Seoul, South Korea	(1)
2000	Aruba, Aruba Rome, Italy Montego Bay, Jamaica Punta Cana, Dominican Republic Shanghai (Pu Dong), China		5
2001	Liberia, Costa Rica	Aruba, Aruba Ixtapa/Zihuatanejo, Mexico Milan (Malpensa), Italy St. Maarten, Antilles	(3)
2002	Calgary Alberta, Canada Cozumel, Mexico Nassau (Int'l), Bahamas Shannon, Republic of Ireland	Shanghai (Pu Dong), China	3
2003	Osaka, Japan Halifax, Canada Shanghai (Pu Dong), China		3
	Total		<u>15</u>

Source: Official Airline Guide – OAG Schedules Database