Wayne County Airport Authority

A discretely presented component unit of The Charter County of Wayne, Michigan

Comprehensive Annual FINANCIAL REPORT

For year ended September 30, 2007

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

WAYNE COUNTY AIRPORT AUTHORITY

(A Discretely Presented Component Unit of
the Charter County of Wayne, Michigan)

Comprehensive Annual Financial Report

Year Ended September 30, 2007

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

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January 23, 2008

To the Wayne County Airport Authority Board

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2007 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 and 2.

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

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

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

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

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

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

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

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

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

Financial Section – The independent auditor's report, management's discussion and analysis, financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

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

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

REPORTING ENTITY BACKGROUND

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

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

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

AUTHORITY OPERATIONS AND SERVICES

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

Airport Use and Lease Agreement (the Agreement)

Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: AirTran Airways, American Airlines, British Airways, Continental Airlines, Delta AirLines, Federal Express, KLM Royal Dutch Airlines, Lufthansa German Airlines, Mesaba Airlines, Northwest Airlines, Pinnacle Airlines, Southwest Airlines, Spirit Airlines, United Airlines, United Parcel Service, and US Airways (collectively, the Signatory Airlines).

The Agreements with the Signatory Airlines permit the Authority to issue airport revenue bonds to finance the costs of capital projects and include the annual debt service requirements of, and other deposit requirements and coverage requirements for, such bonds in the calculation of rates and charges payable by the Signatory Airlines, only after first receiving approval of a weighted majority of the Signatory Airlines for such capital projects. An affirmative weighted majority vote requires, in the aggregate, Signatory Airlines, which landed 85% or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or all Signatory Airlines in number but one regardless of landed weight.

The Airline Industry

In general, 2007 was a year of modest recovery for the airline industry. Overall passenger traffic in North America for the calendar year-to-date through August 2007 had increased 3.4% over 2006. Airlines have been able to pass along several fare increases during the past 12 months and recover some of the costs of jet fuel. Additionally, airlines have managed slight increases to load factors in the current calendar year to 81.2% for the 12 months ended August 2007 compared to 80.4% during the same period in 2006. This improvement has been partially achieved by optimizing existing fleets and removing marginally performing routes. Many airlines experienced a return to profitability in 2007 after several years of significant losses.

Following the events of September 11, 2001, the industry experienced a significant downturn. This and other global events coupled with the high cost of fuel caused the industry serious problems which led many airlines to file for bankruptcy protection under Chapter 11. Examples include (in chronological order): US Airways (in 2002 and 2004), United, Hawaiian Airlines, Midway Airlines, ATA Airlines, Aloha Airlines, Delta, Northwest, Mesaba, and Independence Air. US Airways, United, Hawaiian Airlines, ATA Airlines, Aloha Airlines, Mesaba, Delta, and Northwest have since emerged from bankruptcy. Midway Airlines and Independence Air ceased operations in 2003 and 2006, respectively.

Detroit Metropolitan Airport's major hub carrier, Northwest Airlines, emerged from bankruptcy at the end of May 2007, following the nation's third largest carrier, Delta Airlines, who emerged on April 30, 2007. As part of its plan of reorganization filed with the U.S. Securities and Exchange Commission and confirmed by the bankruptcy court on May 18, 2007, Northwest Airlines has focused on achieving a competitive cost structure, right-sizing its fleet, optimizing its network, eliminating excess debt, and recapitalizing its balance sheet. With this business plan in action, Northwest believes it will once again achieve profitability.

Progress toward these goals is evidenced by the airline's strong financial performance in the quarter ended September 30, 2007. Doug Steenland, Northwest Airlines president and chief executive officer, recently said in reference to these results, "…pre-tax margin was 12 percent, the highest among U.S. network carriers. Our pre-tax profit of $405 million was the airline's highest quarterly pre-tax profit in 10 years and the third highest in company history. Our year-to-date pre-tax margin of 8.2 percent, excluding reorganization items, is also the highest among the network carriers."

Factors that continue to directly affect the airline industry include:

<u>Cost of Aviation Fuel</u> – The variable price of fuel is the most significant driver of all airline industry fundamentals. The average price of jet fuel increased nearly 180% between 2000 and 2007.

<u>Airport Security</u> – With enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, the Transportation Security Administration (TSA) was created. This resulted in changes to the processes and procedures in place at the time in a goal to increase safety and security for travelers. The ATSA mandates certain individual, cargo, and baggage screening requirements, security awareness programs for airport personnel, and deployment of explosive detection devices.

<u>Threat of Terrorism</u> – Although tighter security measures have restored the public's confidence in the integrity of United States and world aviation security systems, the sustained threat of terrorism and continued incidents around the world remain a risk factor to economic health of the industry.

Passenger Enplanements

Fiscal year 2007 was the second largest year on record for passenger enplanements, eclipsed only by 2005 which recorded 18.3 million. The Airport's activities for the years ended September 30, 2007 and 2006 were as follows:

	2007	2006
Enplanements	18,108,090	17,799,932
Cost per enplaned passenger	$ 5.13	$ 5.17
Aircraft operations	472,522	485,273
Cargo (in tons)	229,962	216,002
Landed weights (in thousand lbs.)	24,356,703	24,109,640

The Airport's dominant air carrier, Northwest, together with its regional affiliates, Mesaba and Pinnacle, accounted for 76% and 77% of passenger enplanements in 2007 and 2006, respectively.

Total enplanement growth is expected to increase annually until fiscal year 2016 to a total of approximately 23.2 million enplanements. Growth rates are expected to be more rapid than the estimated annual 2.7 percent in the shorter term as Northwest Airlines increases its international capacity at the Airport resulting in higher domestic connecting passenger traffic. This boost is anticipated with the arrival of the new Boeing 787 aircraft slated for calendar year 2009. Low-cost carriers are also projected to continue to increase their presence at the Airport. Based on announced aircraft fleet changes by Northwest Airlines, and in concert with national trends, legacy carriers are projected to continue to shift traffic to regional affiliate carriers.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

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

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. The Detroit Metropolitan Airport Operating and Maintenance (O&M) and Willow Run budgets are the Authority's annual financial plan for operating and maintaining the Airports. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the Airports.

The budget is prepared on the accrual basis of accounting as are the financial statements for internal and external reporting. Detroit Metropolitan Airport is the exception, with the budget designed to conform to the applicable provisions of the Airport Use and Lease Agreement. The Agreement provides for cost recovery for the operations of the Airport, direct expensing of O&M capital equipment and facilities projects, and for recovery of bond-financed capital improvements through specified contributions toward debt service.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances to prevent overspending. Budget transfers may be made with the approval of the Financial Planning and Analysis Division. Amendments to the budget are subject to approval by the board in accordance with the terms contained in the board resolution adopted with the budget. In addition, the Financial Planning and Analysis Division monitors department budgets on a monthly basis. Department directors are responsible for meeting budget targets and managing variances.

AUTHORITY'S ECONOMIC CONDITION

Population

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA). Further, the larger OMB designated Detroit-Warren-Flint Combined Statistical Area (CSA) incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.4 million as of the 2000 census.

Detroit Metropolitan Wayne County Airport serves the above area along with the Toledo, Ohio area, which is located approximately 47 miles south of the Airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit. Nearby to the Airport is the smaller non-commercial airport, Willow Run, which serves freight, corporate, and general aviation clients.

The Airport is the primary air carrier airport serving the City of Detroit (the 11th most populous city in the United States in 2006) and the nine-county surrounding area. As of 2006, Detroit Metro Airport is the eleventh busiest airport in the United States and the nineteenth busiest airport in the world, enplaning and deplaning approximately 36 million passengers. In calendar year 2006, the Airport ranked 11th nationwide in total aircraft operations, with 482 thousand takeoffs and landings.

Economy

The Region's economic base is highly concentrated in the motor vehicle manufacturing industry. The largest employers in the region include Ford Motor Company, General Motors, and Chrysler LLC.

Michigan's share of motor vehicle production rose to 19.8% of all U.S. production in fiscal year 2007, an increase of 1.1 percentage points. The Michigan three-month average of vehicle production for the period ending September 30, 2007 was up 13.1% from the year prior, compared to a 0.9% increase nationally.

The U.S. Consumer Price Index (CPI) increased by 2.8% for the period ended September 2007 over 2006, while the Detroit CPI increased by 0.5% during that same time frame.

Employment

As of September 2007, Michigan employment had decreased an additional 1.5% over the prior year. Nationally, employment rose 1.2% during that same period. In the goods-producing sector, Michigan employment decreased 5.1% from 2006, while nationally only a 1.3% decline in this sector occurred.

Employment in the region is forecast to increase 2.0% annually between calendar years 2005 and 2010 with most of this growth taking place in the professional and business services sector similar to state and national employment trends. A shifting of the Air Trade Area's industrial mix occurred between 2001 and 2005, as manufacturing employment decreased from 16.6 percent of total employment in 2001 to 13.9 percent in 2005. In contrast, services employment increased during that same period partially due to the outsourcing of manufacturing jobs.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airport to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2007 was in excess of the requirements at 132% of total debt service.

Capital Improvement Program

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

The Authority is engaged in a major redevelopment of the North Terminal complex at the Airport to support the operations of certain non-hubbing airlines. Upon completion, during the latter part of calendar year 2008, the new North Terminal will replace the Smith Terminal and the Berry International Terminal, both of which the Authority intends to demolish.

During fiscal year 2006, the Authority began a major project to reconstruct Runway 3R/21L, one of the most critical runways at the Airport, and the south end of Taxiway "W". The project also included improvements to the associated airfield signage, lighting, drainage, and electrical systems; reconstruction of the shoulders on both sides of the runway; and extensions of the blast pads on each end of the runway. The first phase of the reconstruction was competed in the fall of 2006, and the final phase of the reconstruction was completed in November 2007. This reconstruction was identified as a high priority in the Pavement Condition Study conducted in 2005.

The Authority's CIP represents current expectations of future capital needs and the current 2008-2012 Capital Program includes approximately $604 million and $68 million of planned projects over the next five years for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority funds the CIP through a combination of airport revenue bonds, Passenger Facility Charges (PFCs), federal grants-in-aid, State of Michigan grants, and other Airport revenues.

Airport Improvement Program

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

Passenger Facility Charges

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

Since 1992, the FAA has approved five PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $2.9 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2007, the Airport had received approximately $808.5 million of PFC revenue, which includes interest earnings of approximately $66.9 million. The Airport had expended approximately $678.5 million on approved projects. The current PFC expiration date is estimated at October 1, 2032.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2006. This was the fourth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting this 2007 CAFR to the GFOA for consideration.

The Authority has also received the GFOA's Award for Distinguished Budget Presentation for fiscal years 2004 to 2006.

The Authority also received a number of non-financial awards during 2007 including:

- 3rd Place: Creative Innovations – Promotional Items, 2007 Excellence in Marketing and Communications Contest, Airports Council International-North America

- Balchen/Post Award, Outstanding Performance in Airport Snow and Ice Control, Large General Aviation (Honorable Mention) (2006-2007)

- Airports Concessions Award - Detroit Metropolitan & Willow Run Airports, Airport Minority Advisory Council

- Best Concessions Winner, Large Airport Division, Airport with the Most Unique Services, *Airport Revenue News*

- Best Concessions Winner, Single Terminal Division, Terminal with Best Concessions Program Design, *Airport Revenue News*

- Best Concessions Winner, Single Terminal Division, Terminal with Best Overall Concessions Management Team, *Airport Revenue News*

- Best Concessions Winner, Single Terminal Division, Terminal with Best Concessions Management Team, *Airport Revenue News*

- Congratulations on the Completion of a Successful Program, Wayne County Airport Authority Noise Mitigation Program

Acknowledgments

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

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

Respectfully submitted,

Lester W. Robinson

Chief Executive Officer

Thomas J. Naughton

Senior Vice President of Finance and Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority Michigan

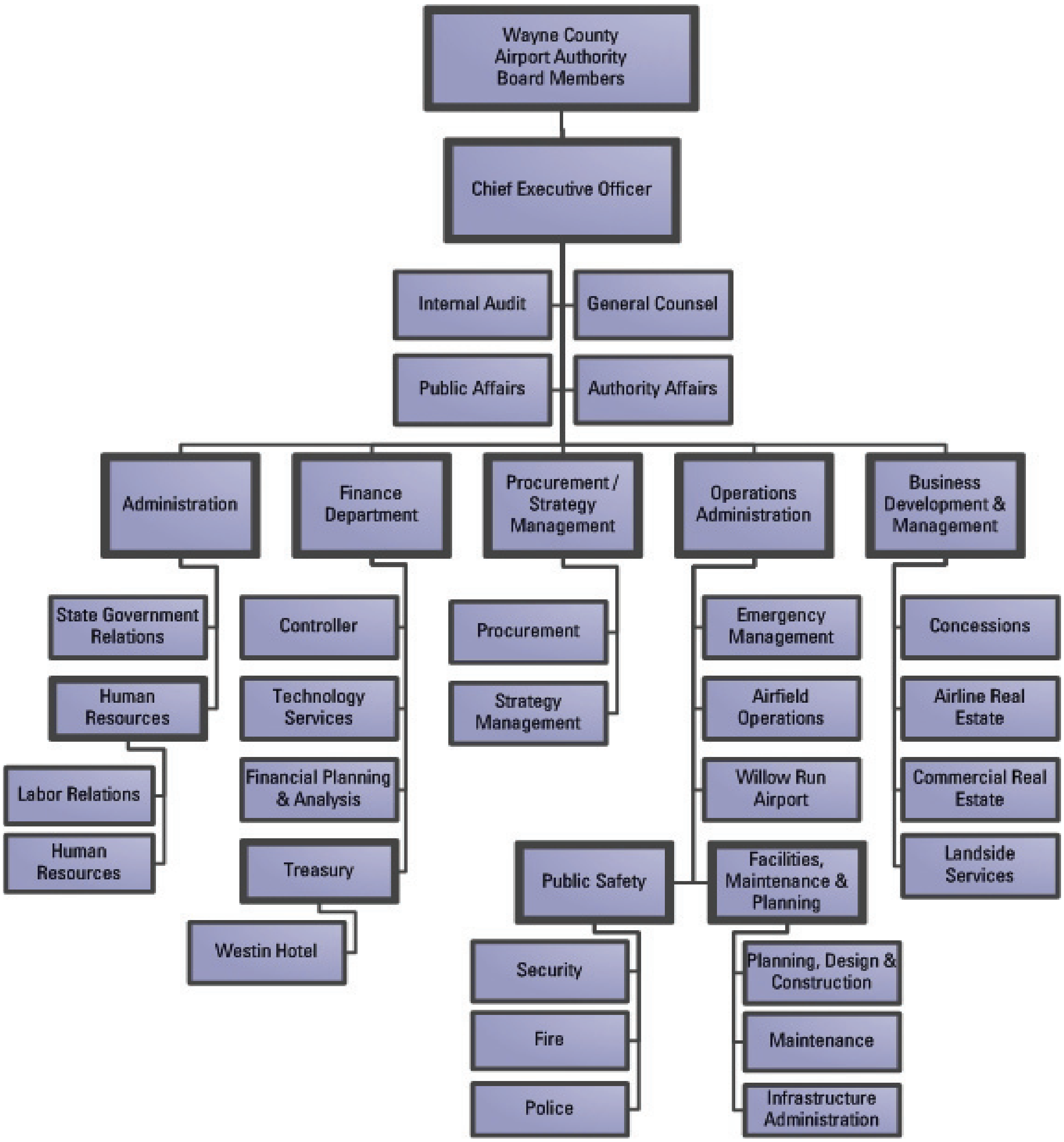
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

WAYNE COUNTY AIRPORT AUTHORITY ORGANIZATIONAL CHART



LIST OF PRINCIPAL OFFICIALS

Authority Board	Position	Term Expires
David L. Treadwell	Chairperson	October 2008
James Settles, Jr.	Vice Chairperson	October 2010
Charlie J. Williams	Secretary	October 2012
Wayne S. Doran	Board Member	October 2008
Michael M. Glusac	Board Member	October 2008
James B. Nicholson	Board Member	October 2010
Bernard F. Parker, Jr.	Board Member	November 2010

Airport Management	Position
Lester W. Robinson	Chief Executive Officer
Daniel O. Kerber	Executive Vice President – Operations
Thomas J. Naughton	Sr. Vice President – Chief Financial Officer
Genelle M. Allen	Sr. Vice President – Procurement/Strategy Management
Stephen T. Economy	Sr. Vice President – Administration
Jon Hypnar	Sr. Vice President – Facilities, Maintenance and Planning
Emily K. Neuberger	Sr. Vice President and General Counsel
John W. Vogel	Sr. Vice President – Business Development and Management
Mark L. DeBeau	Vice President – Public Safety Department
D. Raul Fernandez	Vice President – Financial Planning and Analysis
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Myrna Mendez	Vice President – Concessions and Commercial Real Estate
Mary Lou K. Posa	Vice President and Associate General Counsel
Istakur Rahman	Vice President – Internal Audit
Terrence P. Teifer	Vice President – Treasury Operations
Margaret Basrai	Controller
Steven Albright	Director of Technology Services
Sandra Allen	Director of Procurement
Susan Avery	Director of State Government Relations
Janet Baxter	Director of Security
Sean Brosnan	Director of Willow Run Airport
Craig Carnell	Fire Chief
Michael Conway	Director of Public Affairs
Ali Dib	Director of Infrastructure Administration
Angela Frakes	Director of Maintenance
Bryant Francis	Director of Airline Real Estate
Peter Gargiulo	Director of Strategy Management
Edward Glomb	Police Chief
Vera Marflak	Director of Business Development Administration
Jose Marin	Director of Commercial Real Estate
Joseph Martinico	Director of Labor Relations
Tom McCarthy	Director of North Terminal Redevelopment
Matthew McGowan	Director of Landside Services
Mary Muhammad	Director of Administration
Wayne Sieloff	Director of Planning, Design, and Construction
Dianne Walker	Director of Airfield Operations
Rosalind Wallace	Director of Human Resources

plante moran

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Independent Auditor's Report

To 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, as of and for the year ended September 30, 2007, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Authority as of September 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

To the Board of Directors
Wayne County Airport Authority

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2008 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Plante & Moran, PLLC

January 23, 2008

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2007

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, 2007, with selected comparative information for the year ended September 30, 2006. 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 (U.S.) as promulgated by Governmental Accounting Standards Board (GASB) principles.

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

THE AIRPORT FUNDING METHODOLOGY

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

The 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 operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to 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.

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

FINANCIAL HIGHLIGHTS

Operating revenues increased 5.3% from 2007 compared to 2006, and only materially fluctuated in a few categories. Non-airline revenues increased 7.7% over 2006 with increases greater than 10% in the categories of parking, utility service fees, and ground transportation. Hotel revenues increased 9.3% over 2006 totals. Airline revenues remained constant over the prior year with additional revenue earned from rental of facilities offset by lower landing fees.

Operating expenses increased 3.7% over 2006, which is consistent with the increase between 2005 and 2006; however, the current rise is driven primarily by utility charges along with wage and benefit increases, rather than maintenance costs, which dropped 6.3% during 2007. Savings in professional and contractual services were again realized at nearly 5% less than 2006. Spending in this area continues on its downward trend since heights reached in 2004. While overall net assets were again virtually unchanged, they increased slightly by 1.9% year over year, whereas in the prior year they had decreased 2.5%.

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, 2007 and 2006 is:

	2007 (000s)	2006 (000s)
ASSETS:		
Current unrestricted assets	$ 131,085	$ 127,338
Current restricted assets	775,182	779,823
Noncurrent restricted assets	109,633	70,960
Capital assets (net)	2,189,530	2,077,637
Other assets	42,410	40,207
Total assets	3,247,840	3,095,965
LIABILITIES:		
Current liabilities	100,278	88,288
Current liabilities payable from restricted assets	82,696	79,684
Long-term liabilities	2,407,531	2,283,220
Total liabilities	2,590,505	2,451,192
NET ASSETS:		
Investment in capital assets, net of related debt	131,816	180,193
Restricted	471,546	384,748
Unrestricted	53,973	79,832
TOTAL NET ASSETS	$ 657,335	$ 644,773

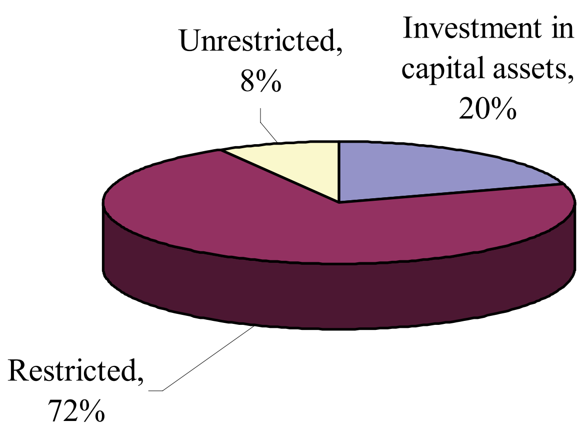
Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Noncurrent restricted assets consist of cash and investments. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with state law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of bond issuance cost, net of related amortization.

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

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

Net assets increased by $12.6 million in the fiscal year ended September 30, 2007. Significant increases in airline facility use fees, parking, utility service fees, and ground transportation were negated by increases in salaries, utilities, and janitorial services. An increase in interest income also contributed to an increase in net assets.

The chart below illustrates a breakdown of total net assets as of September 30, 2007:



Approximately 72% of the Airport's 2007 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 20% 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 $54 million, which may be used to meet any of the Authority's ongoing operations.

Restricted net assets increased 23% as of fiscal year end 2007. These higher balances are primarily due to cash and interest receivable (approximately $152 million) pertaining to the sale of the 2007 junior lien series airport revenue bonds.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital activity for fiscal year 2007 increased significantly for the second year in a row as the construction of the North Terminal Complex continued.

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, 2007, the Authority had approximately $2.44 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately $174.3 million in 2007 and long-term debt amounting to $62.1 million was paid off during the year.

More detailed information on capital asset and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net assets present the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and primarily consist of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental, and hotel revenues. Nonoperating revenues consist primarily of passenger facility charges, federal and state grants, and interest income. Interest expense is the most significant nonoperating expense.

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

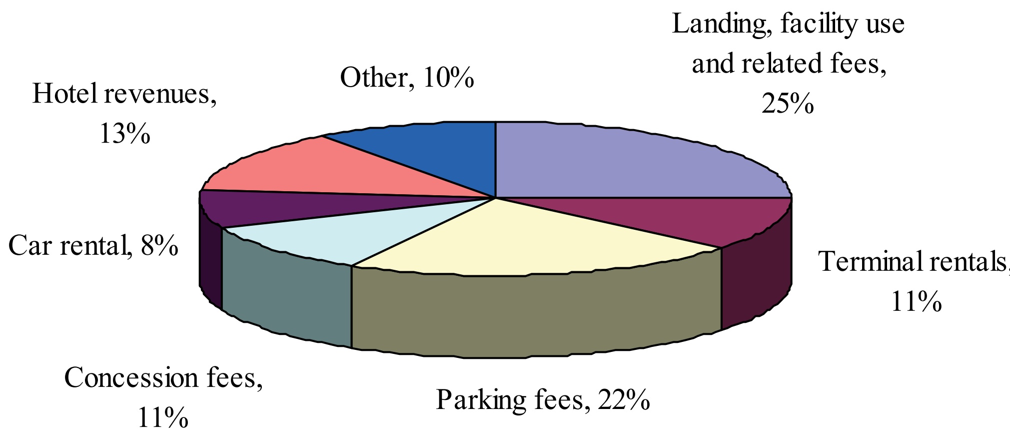
September 30, 2007

A summarized comparison of the Authority's revenues, expenses, and changes in net assets for the years ended September 30, 2007 and 2006 follows:

	2007 (000s)	2006 (000s)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 59,513	$ 60,738
Terminal building rentals and fees	28,622	26,992
Facility use fees	7,963	7,073
Non-airline revenues:		
Parking fees	58,859	53,026
Concession fees	29,383	28,176
Car rental	20,859	19,175
Hotel	33,382	30,535
Other	27,932	27,289
Total operating revenues	266,513	253,004
Operating expenses:		
Salaries, wages, and fringe benefits	72,396	68,649
Parking management	10,325	9,754
Hotel management	24,054	22,272
Depreciation	121,088	115,854
Professional and contractual services	18,023	18,948
Utilities	26,571	23,021
Building, ground, and equipment maintenance	34,571	36,882
Other	28,315	28,029
Total operating expenses	335,343	323,409
Operating loss	(68,830)	(70,405)
Nonoperating revenues (expense):		
Passenger facility charges	70,754	67,831
Other nonoperating revenues	52,866	55,450
Interest expense	(105,856)	(106,822)
Other nonoperating expenses	(2,584)	(2,337)
Net nonoperating revenues (expenses)	15,180	14,122
Net loss before capital contribution	(53,650)	(56,283)
Capital Contribution	66,212	39,806
Change in net assets	12,562	(16,477)
Net assets, beginning of the year	644,773	661,250
Net assets, end of the year	$ 657,335	$ 644,773

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2007:



Operating revenues increased 5.3% to $267 million in 2007 from $253 million in 2006. The bulk of the increase was due to growth of non-airline revenues, with the largest gains in ground transportation, utility service, and parking fees. These increases were complemented by increases in both terminal rentals and facility use fees of airlines and offset by a slight decrease in landing and related fees.

Ground transportation fees improved 25% to $7.4 million in fiscal year 2007 due to contract and fee changes that were implemented during late 2006. Annual revenue increases of 316% were fully realized in 2007 from a new Authority contract for luxury car services along with a 5.3% increase in taxi fees. Commercial vehicle access fees were also modified during 2006 as part of a redefining and restructuring of vehicle category definitions and rates resulting in additional revenue during 2007.

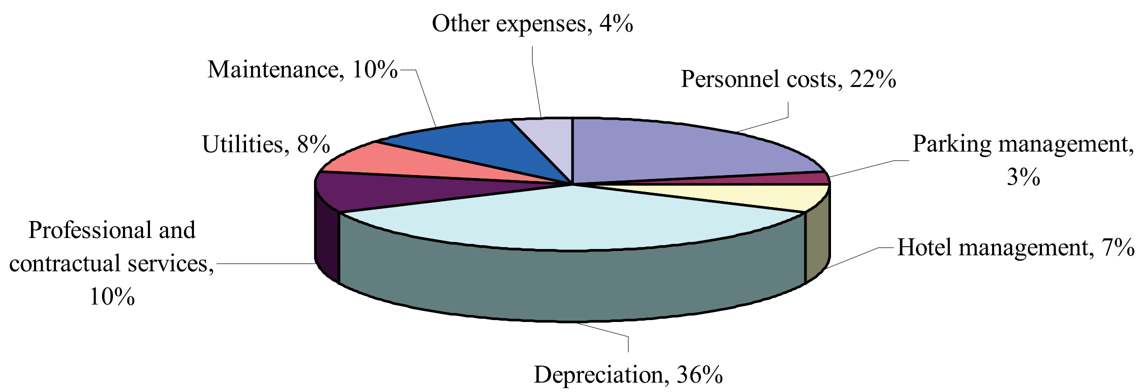
Recent efforts to generate additional non-airline income through the resale of utilities, including electricity, natural gas, and water, have been successful as total revenue from these charges increased 14% in 2007 to $4.3 million. The Authority continues to explore new options in utility resale to help offset rising utility costs to the airports and hotel.

Parking revenue grew again in fiscal year 2007 due to rate increases of $1 per day implemented during the last quarter of 2007 at the Blue Deck and Yellow Lot, as well as the McNamara terminal parking garage.

Landing and related fees decreased by a negligible amount of $1.2 million (2%) this fiscal year as the increases in other non-airline revenue sources allowed the Authority to reduce the landing fee rate to the signatory airlines to $2.41 per thousand pounds landed weight in 2007 from $3.37 in 2006. This 28% decrease is a result of concentrated efforts by the Authority to keep increases in airline costs to a minimum while these companies work to rebound from recent financial difficulties.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2007:



While operating revenues had only a small increase as discussed above, the Authority still achieved a reduction in the operating loss of 2.3% during 2007. This gain to the bottom line was ultimately realized from the Authority's effort to keep operating expenses low during the fiscal year. There was a slight increase of 3.7% to operating expenses primarily driven by higher costs for utilities and employee health insurance, as well as increased overtime wages.

The 15% swell in utility expenses was driven by rate increases specific to powering the McNamara terminal and hotel. The five-year term for discounted per unit rates expired during 2007 and the Authority began paying rates closer to commercial market rates.

Also contributing to the total increase was an additional $3.7 million spent in 2007 on salaries, wages, and employee benefits. The largest portion of this pertained to public safety overtime costs associated with the Department of Homeland Security's requirement that airport security operate at a "level orange" threat level. Additionally, management fees paid for both parking and the airport hotel increased slightly at 6% and 8%, respectively.

Cost categories that remained flat or decreased during the year included building, equipment, and grounds maintenance due to a lighter snow season, professional and other contractual services, and employee shuttle bus fees, which declined $1.7 million due to savings on a new service contract.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities lead to a net nonoperating revenue increase of $1.1 million in 2007. Interest income and expenses both rose to some extent, offsetting each other in the process. Interest income increased due to the deposit of the 2007 bond proceeds and the rise in interest rates during 2007.

Revenue generated from state and federal operating grants decreased during the year as the State of Michigan put a hold on certain grant dollars as it continued to experience financial difficulties. This hold primarily impacted Willow Run Airport as it receives several small grants for activities including pavement marking from the State.

During fiscal year 2007, Willow Run airport recorded insurance recoveries of nearly $1 million in addition to initial recoveries of $1 million received in 2005. Payment was received in fall 2007 and represents the final settlement to Willow Run to compensate for losses incurred during the fire at the Yankee Air Force Museum in 2004.

Capital contributions grew significantly by 66% over the prior year, increasing to $66.2 million. This increase was due to several factors including a $4.4 million gain on the discharge of the Northwest Airlines Special Facility bonds, but primarily due to grant revenues of $27 million earned for repairs and improvements made to runway 3R/21L and connecting taxiways. The bulk of the construction on this project was executed during 2007 and was completed in early fiscal year 2008. Total grants of nearly $34 million were awarded on this venture, with 79% of those dollars being realized during 2007.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2007

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Unrestricted current assets:				
Cash and investments (note 4)	$ 87,281,068	$ 67,147	$ 3,511,266	$ 90,859,481
Accounts receivable, less allowance (note 2)	7,664,366	1,386,066	1,673,504	10,723,936
Due from primary government	2,349,880	—	—	2,349,880
Due from other governmental units	22,516,638	4,635,107	—	27,151,745
Total unrestricted current assets	119,811,952	6,088,320	5,184,770	131,085,042
Restricted current assets (notes 4 and 5):				
Cash and investments	744,531,221	202,338	11,217,469	755,951,028
Accounts receivable	17,185,909	1,999,302	45,567	19,230,778
Total restricted current assets	761,717,130	2,201,640	11,263,036	775,181,806
Total current assets	881,529,082	8,289,960	16,447,806	906,266,848
Noncurrent assets:				
Restricted cash and investments (notes 4 and 5)	109,633,354	—	—	109,633,354
Capital assets (note 6):				
Land	156,296,459	13,726,984	—	170,023,443
Buildings and improvements	1,456,202,011	4,783,476	92,588,033	1,553,573,520
Equipment	47,007,624	6,309,479	489,917	53,807,020
Infrastructure	1,003,526,177	90,606,139	—	1,094,132,316
Construction in progress	326,568,659	10,692,665	—	337,261,324
Total capital assets	2,989,600,930	126,118,743	93,077,950	3,208,797,623
Less accumulated depreciation	920,825,376	75,232,569	23,209,909	1,019,267,854
Net capital assets	2,068,775,554	50,886,174	69,868,041	2,189,529,769
Other assets:				
Bond issuance cost, less amortization (note 2)	28,760,228	—	5,298,225	34,058,453
Accounts receivable, less allowance (note 2)	693,920	—	—	693,920
Advances to other funds	6,401,641	—	—	6,401,641
Prepaid expenses	1,075,949	17,052	162,599	1,255,600
Total other assets	36,931,738	17,052	5,460,824	42,409,614
Total noncurrent assets	2,215,340,646	50,903,226	75,328,865	2,341,572,737
Total assets	$ 3,096,869,728	$ 59,193,186	$ 91,776,671	$ 3,247,839,585

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2007

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Payable from current assets:				
Accounts payable	$ 57,754,946	$ 2,710,644	$ 626,713	$ 61,092,303
Accrued wages and benefits	3,517,489	45,474	—	3,562,963
Due to primary government	458,941	—	—	458,941
Deferred revenue	1,196,285	20,261	—	1,216,546
Accrued interest payable	—	—	105,000	105,000
Bonds payable and other debt (note 7)	—	19,475	319,342	338,817
Other accrued liabilities	32,912,023	591,687	—	33,503,710
Total current liabilities payable from current assets	95,839,684	3,387,541	1,051,055	100,278,280
Payable from restricted current assets:				
Accrued interest payable	32,892,962	—	1,933,821	34,826,783
Bonds payable and other debt (note 7)	45,351,395	—	210,000	45,561,395
Deferred revenue	105,798	2,201,640	—	2,307,438
Total current liabilities payable from restricted current assets	78,350,155	2,201,640	2,143,821	82,695,616
Total current liabilities	174,189,839	5,589,181	3,194,876	182,973,896
Long-term liabilities:				
Advances from other funds	—	5,601,641	800,000	6,401,641
Other accrued liabilities	6,873,707	—	—	6,873,707
Bonds payable and other debt, net (note 7)	2,279,364,290	651,627	114,239,727	2,394,255,644
Total long-term liabilities	2,286,237,997	6,253,268	115,039,727	2,407,530,992
Total liabilities	2,460,427,836	11,842,449	118,234,603	2,590,504,888
Net assets:				
Investment in capital assets, net of related debt	120,195,005	50,215,072	(38,594,190)	131,815,887
Restricted for:				
Capital assets	145,074,380	—	8,098,146	153,172,526
Debt service	285,570,023	—	1,231,069	286,801,092
Operations	28,301,371	—	—	28,301,371
Drug enforcement	3,270,814	—	—	3,270,814
Unrestricted (deficit)	54,030,299	(2,864,335)	2,807,043	53,973,007
Total net assets (deficit)	$ 636,441,892	$ 47,350,737	$ (26,457,932)	$ 657,334,697

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2007

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 58,740,507	$ 772,246	$ —	$ 59,512,753
Terminal building rentals and related fees	26,642,146	1,979,483	—	28,621,629
Facility use fees	7,524,875	438,073	—	7,962,948
Nonairline revenues:				
Parking fees	58,858,882	—	—	58,858,882
Concession fees	29,382,953	—	—	29,382,953
Car rental	20,859,191	—	—	20,859,191
Hotel	—	—	33,382,432	33,382,432
Employee shuttle bus	5,253,731	—	—	5,253,731
Ground transportation	7,394,349	—	—	7,394,349
Utility service fees	4,078,017	171,836	—	4,249,853
Rental facilities	3,906,475	6,750	—	3,913,225
Other	6,371,431	749,938	—	7,121,369
Total operating revenues	229,012,557	4,118,326	33,382,432	266,513,315
Operating expenses:				
Salaries, wages, and fringe benefits	69,876,645	2,519,688	—	72,396,333
Parking management	10,325,232	—	—	10,325,232
Hotel management	4,367	—	24,050,050	24,054,417
Shuttle bus services	8,250,871	—	—	8,250,871
Janitorial services	2,417,446	16,105	—	2,433,551
Security	3,433,065	—	—	3,433,065
Professional and other contractual services	16,736,015	1,286,880	—	18,022,895
Utilities	25,143,010	1,427,564	—	26,570,574
Buildings and grounds maintenance	21,462,983	239,544	—	21,702,527
Equipment repair and maintenance	12,770,910	97,528	—	12,868,438
Materials and supplies	4,062,909	134,376	—	4,197,285
Insurance	2,825,504	25,291	—	2,850,795
Other	6,906,890	238,598	4,000	7,149,488
Depreciation	111,941,740	3,951,279	5,194,963	121,087,982
Total operating expenses	296,157,587	9,936,853	29,249,013	335,343,453
Operating income (loss)	(67,145,030)	(5,818,527)	4,133,419	(68,830,138)
Nonoperating revenues (expenses):				
Passenger facility charges	70,754,074	—	—	70,754,074
Federal and state grants	5,866,897	95,650	—	5,962,547
Net insurance recovery	68,965	886,036	—	955,001
Interest income	45,134,404	175,006	638,695	45,948,105
Interest expense	(99,406,412)	(34,872)	(6,414,372)	(105,855,656)
Gain (loss) on disposal of assets	(305,913)	(11,539)	—	(317,452)
Amortization of bond issuance costs	(1,935,781)	—	(331,220)	(2,267,001)
Total nonoperating revenue (expense)	20,176,234	1,110,281	(6,106,897)	15,179,618
Net loss before capital contributions and transfers	(46,968,796)	(4,708,246)	(1,973,478)	(53,650,520)
Capital contributions	58,787,017	7,425,338	—	66,212,355
Transfers in (out)	(1,419,348)	1,419,348	—	—
Changes in net assets	10,398,873	4,136,440	(1,973,478)	12,561,835
Net assets (deficit) – Beginning of year	626,043,019	43,214,297	(24,484,454)	644,772,862
Net assets (deficit) – End of year	$ 636,441,892	$ 47,350,737	$ (26,457,932)	$ 657,334,697

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2007

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 206,351,548	$ 4,115,973	$ 33,155,817	$ 243,623,338
Payments to suppliers	(87,848,173)	(2,176,475)	(23,335,830)	(113,360,478)
Payments to employees	(67,907,445)	(2,492,242)	—	(70,399,687)
Payments to Wayne County for services provided	(1,758,624)	(2,266)	—	(1,760,890)
Payments from Wayne County for services provided	870,815	—	—	870,815
Payments (to) from other funds for services provided	(2,269,956)	2,269,956	—	—
Return of customer deposits	(2,902,218)	(8,799)	—	(2,911,017)
Collection of customer deposits	11,886,351	102,393	—	11,988,744
Net cash provided by operating activities	56,422,298	1,808,540	9,819,987	68,050,825
Cash flows from noncapital financing activities:				
Passenger facility charges received	2,057,492	—	—	2,057,492
Grants from federal/state government	12,789,267	30,907	—	12,820,174
Net cash provided by noncapital financing activities	14,846,759	30,907	—	14,877,666
Cash flows from capital and related financing activities:				
Capital contributions received	38,676,644	2,628,095	—	41,304,739
Passenger facility charges received	68,944,336	—	—	68,944,336
Proceeds from capital debt	180,766,522	—	—	180,766,522
Principal paid on capital debt	(61,800,000)	(24,828)	(358,341)	(62,183,169)
Acquisition and construction of capital assets	(211,464,144)	(8,051,234)	(347,318)	(219,862,696)
Insurance proceeds received for damage to capital assets	68,965	—	—	68,965
Proceeds from disposal of capital assets	533,899	31,922	—	565,821
Interest paid on capital debt	(106,080,000)	(34,872)	(6,365,601)	(112,480,473)
Net cash used in capital and related financing activities	(90,353,778)	(5,450,917)	(7,071,260)	(102,875,955)
Cash flows from investing activities:				
Interest and dividends received	40,951,789	182,233	646,196	41,780,218
Purchases of investments	(674,185,511)	—	(3,155,000)	(677,340,511)
Maturities of investments	673,952,728	—	3,123,000	677,075,728
Net cash provided by investing activities	40,719,006	182,233	614,196	41,515,435
Net increase (decrease) in cash and cash equivalents	21,634,285	(3,429,237)	3,362,923	21,567,971
Cash and cash equivalents – Beginning of year	400,545,703	3,698,722	9,735,812	413,980,237
Cash and cash equivalents – End of year	$ 422,179,988	$ 269,485	$ 13,098,735	$ 435,548,208

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2007

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (67,145,030)	$ (5,818,527)	$ 4,133,419	$ (68,830,138)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	111,941,740	3,951,279	5,194,963	121,087,982
Decrease (increase) in accounts receivable	2,952,166	(204,102)	(222,615)	2,525,449
Decrease in due from primary government	317,650	—	—	317,650
Increase (decrease) in due from/to other funds	(3,069,956)	2,269,956	800,000	—
(Increase) decrease in prepaid expenses	(34,704)	(6,903)	75,370	33,763
Increase (decrease) in accounts payable	20,902,214	1,532,657	(161,150)	22,273,721
Increase in accrued wages and benefits	1,086,488	6,963	—	1,093,451
Decrease in due to primary government	(489,245)	—	—	(489,245)
Decrease in due to other governmental units	(2,037)	—	—	(2,037)
(Decrease) increase in deferred revenue	(1,349,591)	8,343	—	(1,341,248)
(Decrease) increase in other accrued liabilities	(8,687,397)	68,874	—	(8,618,523)
Total adjustments	123,567,328	7,627,067	5,686,568	136,880,963
Net cash provided by operating activities	$ 56,422,298	$ 1,808,540	$ 9,819,987	$ 68,050,825
Cash and investments at September 30, 2007 consist of:				
Cash and cash equivalents	$ 422,179,988	$ 269,485	$ 13,098,735	$ 435,548,208
Investments	519,265,655	—	1,630,000	520,895,655
Total cash and investments	$ 941,445,643	$ 269,485	$ 14,728,735	$ 956,443,863

Noncash operating activities:
- Loans due to Detroit Metropolitan Airport Fund from Willow Run Airport Fund of $1,419,348 were forgiven during fiscal year 2007
- Other accrued liabilities of $4,454,720 were written off during fiscal year 2007 due to Detroit Metropolitan Airport Fund being relieved from its liability due to the result of bankruptcy proceedings by Northwest

Noncash capital related financial activities:
- Capital assets of $4,395,666 were acquired through contributions from customers
- Capital assets of $332,539 were acquired through financing with an installment purchase contract.

See accompanying notes to basic financial statements.

(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, 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 16 airlines. These airlines, along with their affiliates, constitute approximately 98 percent of total landed weight in 2007. 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, 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 Statement No. 20, 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.

(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 on an accrual basis.

(f) Revenue Recognition

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

(g) Net 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 Willow Run Airport incurred an unrestricted deficit for the year ended September 30, 2007 of $2,864,335. This deficit is expected to be funded by the improvement in future operations.

(h) Classification of Revenues and Expenses

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

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

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

(i) Use of Estimates

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

(j) Capital Assets

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

Buildings and improvements	10 – 50 years
Equipment/Vehicles	3 – 12 years
Infrastructure	10 – 40 years

Expenditures with a cost of $5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits, and interest costs during construction. At the time 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's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited. A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements as a current "other accrued liability". Activity for the year ended September 30, 2007 was as follows:

Beginning balance	Increases	Decreases	Ending balance
$ 5,571,093	$ 4,083,790	$ (3,621,210)	$ 6,033,673

(l) Retirement Contributions

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

(m) Accounts Receivable

Net receivables at September 30, 2007 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2007 was \$118,000, of which \$71,000 was for the Detroit Metropolitan Airport Fund, \$42,000 was for the Willow Run Airport Fund, and \$5,000 was for the Airport Hotel Fund.

(n) Accounts Payable

Total payables at September 30, 2007 consist of payables due to vendors used during the normal course of business.

(o) Restricted Assets and Liabilities

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

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

(p) Interfund Balances, Advances, and Transfers

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

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

(q) Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2007 is \$14,124,241.

(r) Deferral of Gains and Losses on Refundings

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

(s) Environmental Matters

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable. These accruals are evaluated periodically for changes due to additional assessment and remediation efforts, as well as more detailed legal or technical information. Environmental liabilities are included in the balance sheet as current and long-term "other accrued liabilities" at undiscounted amounts.

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

(t) New Accounting Pronouncements

During the year ended September 30, 2007, the Authority adopted the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective October 1, 2006. The effects of this statement have been incorporated into the financial statements of the Authority.

(u) Self-Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. Since no actual history prior to this could be determined for the Authority individually, the Authority started documenting a history in fiscal year 2004 and is conservatively adjusting the reserve until an appropriate liability can be determined based on actual claims incurred. The Authority charges its departments a specified percentage of gross payroll biweekly for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, and legal bills for claims under $50,000 are paid out of these funds. The Authority purchases commercial insurance for liability claims in excess of $50,000. Since September 30, 2004, there have been three losses that have exceeded the $50,000 retention wherein the insurer has been responsible for settlement and legal fees.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. Since no actual history prior to this could be determined for the Authority individually, the Authority started documenting a history in fiscal year 2005 and is conservatively adjusting the reserve until an appropriate liability can be determined based on actual claims incurred. The Authority charges its departments a specified percentage of gross payroll biweekly for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases commercial insurance for claims that exceed $1 million. Settled claims have not exceeded this commercial coverage in the past three years. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue

Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met during the past three years.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability". A reconciliation of the Authority's self-insured claims liability at September 30, 2007 follows:

	Health insurance	Workers' compensation	Other claims	Total
Claims liability, September 30, 2005	$ 985,786	$ 855,000	$ 643,000	$ 2,483,786
Claims incurred during fiscal year 2006	12,522,920	852,865	778,169	14,153,954
Payments on claims	(11,200,534)	(412,357)	(204,274)	(11,817,165)
Establishment (reduction) of a reserve	4,539	(437,884)	(512,304)	(945,649)
Claims liability, September 30, 2006	2,312,711	857,624	704,591	3,874,926
Claims incurred during fiscal year 2007	13,269,843	991,771	485,832	14,747,446
Payments on claims	(12,977,343)	(370,690)	(359,525)	(13,707,558)
Establishment (reduction) of a reserve	506,869	679,321	389,062	1,575,252
Claims liability, September 30, 2007	$ 3,112,080	$ 2,158,026	$ 1,219,960	$ 6,490,066

(3) Major Customer

Northwest Airlines, Inc. (Northwest) accounts for approximately 23 percent of total Authority operating revenues for the year ended September 30, 2007, including 59 percent of landing and related fees, 72 percent of airline rental and related fees, and 68 percent of facility use fees. Approximately 62 percent of total 2007 enplanements are attributable to Northwest's operations. In the event that Northwest discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $5.2 million in net receivables from Northwest at September 30, 2007.

The airlines serving the Airport have been impacted by global events and experienced an increase in costs and a decline in financial condition to varying degrees. Several airlines filed for bankruptcy at the end of fiscal year (FY) 2005 and beginning of FY 2006, including Northwest Airlines, Mesaba Airlines, and Delta Airlines. All three emerged from bankruptcy in FY 2007.

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

(Continued)

(4) Deposits and Investments

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

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

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

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

Investment	Fair value	Rating	Organization
All airport funds:			
Money market funds	$ 180,501,194	AAA	S&P
Commercial paper	34,171,752	A1 – P1	S&P, Moody
Federal Home Loan Mortgage	20,057,142	AAA	S&P
Federal National Mortgage	84,399,028	AAA	S&P, Moody

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $100,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had $366,768,974 of bank deposits (certificates of deposit, checking, and savings accounts) that were largely uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

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

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

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

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

Note: All commercial paper is limited by state statute to 270 days maximum.

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

	Fair value	Average maturity
Investments subject to risk:		
Bond reserves:		
U.S. Treasuries	$ 161,727,446	10.5 months
Long-term repo	3,629,278	14.2 years
Bond payment funds:		
U.S. Treasuries	51,675,415	62 days
Capital interest funds:		
2003 Construction:		
U.S. Treasuries	9,206,919	127 days
2005 Construction:		
U.S. Treasuries	28,267,814	166 days
2007 Construction:		
U.S. Treasuries	14,415,015	316 days
Construction funds:		
2005 Construction:		
Federal Home Loan Mortgage	10,020,158	4.5 months
Federal National Mortgage	60,399,309	6 months
2007 Construction:		
Federal Home Loan Mortgage	10,036,984	9 months
Federal National Mortgage	23,999,719	1.25 years
Other construction and operating:		
Commercial paper	30,151,315	2 days
Hotel:		
Commercial paper	4,020,437	4 days
U.S. Treasuries	1,623,886	60 days
Investments subject to risk	409,173,695	
Deposits/investments not subject to risk:		
Deposits	366,768,974	
Money market funds	180,501,194	
Total deposits and investments	$ 956,443,863	

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

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

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year end
Bankers' acceptances	50%	—%
Repurchase agreements	25	0.4
Certificates of deposit (bank)	50	33.7
Certificates of deposit (S&L)	10	—
Money market funds	50	18.9
Commercial paper	60	3.6
U.S. government	100	38.8

Authority limits based upon use of a single issuer:

Investment type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of deposit (bank)	33% of total portfolio
Certificates of deposit (S&L)	5% of total portfolio

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

Issuer	Investment type	Fair value	Percentage of portfolio	Rating
Comerica Bank	Certificates of deposit	$ 138,437,984	14.47%	A1, P1
Chase Bank	Certificates of deposit	82,500,000	8.63	A1+, P1

(Continued)

(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 restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2007 is as follows:

Operations and maintenance:	
Cash and investments	$ 27,999,312
Accounts receivable	302,059
Total	28,301,371
Replacement and improvements:	
Cash and investments	2,277,209
Construction:	
Cash and investments	397,904,847
Accounts receivable	8,016,959
Total	405,921,806
Bond and interest redemption:	
Cash and investments	317,377,318
Accounts receivable	4,250,557
Total	321,627,875
Passenger facility charges:	
Cash and investments	116,770,447
Accounts receivable	6,645,638
Total	123,416,085
Drug enforcement:	
Cash and investments	3,255,249
Accounts receivable	15,565
Total	3,270,814
Total restricted assets	$ 884,815,160

(6) Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land	$ 156,296,459	$ —	$ —	$ 156,296,459
Construction in progress	110,936,900	223,614,245	(7,982,486)	326,568,659
Total capital assets not being depreciated	267,233,359	223,614,245	(7,982,486)	482,865,118
Capital assets being depreciated:				
Buildings and improvements	1,449,189,008	7,013,003	—	1,456,202,011
Equipment	47,740,864	2,754,215	(3,487,455)	47,007,624
Infrastructure	1,003,134,592	391,585	—	1,003,526,177
Total capital assets being depreciated	2,500,064,464	10,158,803	(3,487,455)	2,506,735,812
Less accumulated depreciation for:				
Buildings and improvements	371,402,632	61,146,124	—	432,548,756
Equipment	33,284,809	3,180,112	(2,322,643)	34,142,278
Infrastructure	406,518,838	47,615,504	—	454,134,342
Total accumulated depreciation	811,206,279	111,941,740	(2,322,643)	920,825,376
Total capital assets being depreciated, net	1,688,858,185	(101,782,937)	(1,164,812)	1,585,910,436
Total Detroit Metropolitan Airport Fund capital assets, net	1,956,091,544	121,831,308	(9,147,298)	2,068,775,554

	Beginning balance	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land	$ 13,726,984	$ —	$ —	$ 13,726,984
Construction in progress	3,621,727	7,218,186	(147,248)	10,692,665
Total capital assets not being depreciated	17,348,711	7,218,186	(147,248)	24,419,649
Capital assets being depreciated:				
Buildings and improvements	4,632,179	151,297	—	4,783,476
Equipment	6,316,898	783,180	(790,599)	6,309,479
Infrastructure	90,560,320	45,819	—	90,606,139
Total capital assets being depreciated	101,509,397	980,296	(790,599)	101,699,094
Less accumulated depreciation for:				
Buildings and improvements	3,022,318	95,889	—	3,118,207
Equipment	4,182,926	377,380	(747,138)	3,813,168
Infrastructure	64,823,184	3,478,010	—	68,301,194
Total accumulated depreciation	72,028,428	3,951,279	(747,138)	75,232,569
Total capital assets being depreciated, net	29,480,969	(2,970,983)	(43,461)	26,466,525
Total Willow Run Airport Fund capital assets, net	46,829,680	4,247,203	(190,709)	50,886,174

(Continued)

	Beginning balance	Increases	Decreases	Ending balance
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	$ 92,471,679	$ 116,354	$ —	$ 92,588,033
Equipment	258,953	230,964	—	489,917
Total capital assets being depreciated	92,730,632	347,318	—	93,077,950
Less accumulated depreciation for:				
Buildings and improvements	17,921,152	5,137,420	—	23,058,572
Equipment	93,794	57,543	—	151,337
Total accumulated depreciation	18,014,946	5,194,963	—	23,209,909
Total capital assets being depreciated, net	74,715,686	(4,847,645)	—	69,868,041
Total Airport Hotel Fund capital assets, net	74,715,686	(4,847,645)	—	69,868,041
Total Authority capital assets, net	$ 2,077,636,910	$ 121,230,866	$ (9,338,007)	$ 2,189,529,769

During the year ended September 30, 2007, the final insurance settlement for Willow Run for the October 2004 fire loss was determined. An insurance recovery receivable has been accrued in the financial statements for $886,036.

(7) Long-term Debt

The detail of long-term debt at September 30, 2007 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds (Due serially December 1):	
Series 1994A, 3.5% to 5.875%, due 2008	$ 5,995,000
Series 1996A, 3.65% to 5.72%, due 2016	43,010,000
Series 1996B, 3.65% to 5.72%, due 2016	43,010,000
Series 1998A, 4.2% to 5.5%, due 2028	772,380,000
Series 1998B, 4.1% to 5.25%, due 2028	146,565,000
Series 2001 Jr. Lien, variable, current yield at 9/30/07, 3.87%, due 2008	52,965,000
Series 2002A, variable, current yield at 9/30/07, 3.94%, due 2032	141,720,000
Series 2002C, 3.0% to 5.375%, due 2020	26,020,000
Series 2002D, 5.0% to 5.5%, due 2019	71,725,000
Series 2003A-1, variable, current yield at 9/30/07, 4.15%, due 2033	75,000,000
Series 2003A-2, variable, current yield at 9/30/07, 4.1%, due 2033	75,000,000
Series 2003A-3, variable, current yield at 9/30/07, 4.4%, due 2033	64,975,000
Series 2003B, variable, current yield at 9/30/07, 4%, due 2021	65,000,000
Series 2003C, variable, current yield at 9/30/07, 3.75%, due 2021	44,375,000
Series 2004, variable, current yield at 9/30/07, 4%, due 2024	10,800,000
Series 2005, 3.5% to 5.25%, due 2034	507,135,000
Series 2007A Jr. Lien, 4.85% to 5%, due 2038	180,390,000
Installment purchase contract, 5.625%, due 5/11/2011	7,200,000
Installment purchase contract, 3.75%, due 9/25/2015	332,539
Total Detroit Metropolitan Airport Fund	2,333,597,539
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	238,575
Notes payable – University of Michigan, 8%, due 9/1/2013	432,527
Total Willow Run Airport Fund	671,102
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	11,055,000
Other Hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 11/15/2017	4,806,838
Working Capital Loan, 8%, due 11/15/2017	1,500,000
Total Airport Hotel Fund	116,991,838
Total Authority bonds payable and other debt	2,451,260,479

Add (less):		
Deferred amount on refunding	$	(18,417,298)
Certain bond discounts		(11,438,217)
Certain bond premiums		18,750,892
Total Authority bonds payable and other debt, net		2,440,155,856
Less current portion		45,900,212
Total Authority bonds payable and other debt, noncurrent	$	2,394,255,644

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2007 are summarized as follows:

	Principal					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2008	$ 43,685,000	$ 1,666,395	$ 19,475	$ 210,000	$ 319,342	$ 45,900,212
2009	103,040,000	1,832,765	19,475	590,000	345,848	105,828,088
2010	63,985,000	1,934,186	19,475	765,000	374,553	67,078,214
2011	67,100,000	1,920,661	19,476	980,000	405,640	70,425,777
2012	73,560,000	42,191	19,476	1,200,000	439,308	75,260,975
2013 to 2017	436,435,000	136,341	529,905	9,300,000	2,807,899	449,209,145
2018 to 2022	456,120,000	—	43,820	20,380,000	1,614,248	478,158,068
2023 to 2027	491,655,000	—	—	35,445,000	—	527,100,000
2028 to 2032	396,605,000	—	—	41,815,000	—	438,420,000
2033 to 2037	182,180,000	—	—	—	—	182,180,000
2038	11,700,000	—	—	—	—	11,700,000
Total	$ 2,326,065,000	$ 7,532,539	$ 671,102	$ 110,685,000	$ 6,306,838	$ 2,451,260,479

	Interest					
	Airport revenue bonds	Installment purchase contracts	Willow Run debt	Airport hotel bonds	Other Hotel debt	Total
2008	$ 111,188,322	$ 416,691	$ 38,044	$ 5,795,165	$ 493,006	$ 117,931,228
2009	108,233,792	323,634	38,044	5,771,018	466,501	114,832,989
2010	104,375,782	221,244	38,044	5,729,837	437,796	110,802,703
2011	101,205,570	113,175	38,044	5,676,370	406,708	107,439,867
2012	97,776,932	5,895	38,044	5,609,035	373,040	103,802,946
2013 to 2017	427,583,365	7,917	38,044	26,442,870	1,253,844	455,326,040
2018 to 2022	316,460,142	—	—	22,579,938	16,144	339,056,224
2023 to 2027	203,200,778	—	—	15,357,137	—	218,557,915
2028 to 2032	84,989,109	—	—	4,393,125	—	89,382,234
2033 to 2037	18,175,590	—	—	—	—	18,175,590
2038	292,500	—	—	—	—	292,500
Total	$ 1,573,481,882	$ 1,088,556	$ 228,264	$ 97,354,495	$ 3,447,039	$ 1,675,600,236

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

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

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

In August 1993, the County entered into a $445,801 note payable agreement to purchase the Packard Hangar, located at the Willow Run Airport, from the University of Michigan. The agreement calls for quarterly interest payments of $9,511 commencing on September 1, 1993. Principal payments on the note are required if revenue in excess of $60,000 is generated at the Packard Hangar site during any calendar year. In this situation, half of the revenue generated would be required to be paid to the University of Michigan. On September 1, 2013, any principal and interest remaining unpaid are due.

In November 1995, the County entered into agreements with Northwest to issue $84.3 million in Airport Special Facility Revenue Bonds, Series 1995 to retire Series 1985 bonds. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. The Series 1995 Bonds are no longer outstanding as a result of and pursuant to a settlement agreement among Northwest Airlines, its parent company NWA Corp., the trustee for the Series 1995 Bonds and the Authority, entered into in the Northwest Airlines bankruptcy, under which the trustee for the Series 1995 Bonds received, among other things, a $70,894,250 general unsecured claim against Northwest Airlines and NWA Corp. on account of the Series 1995 Bonds.

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 Series 1996A and 1996B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport. The refunding bonds are subject to interest rate adjustments determined from time to time by a remarketing agent to reflect prevailing market. The interest rate borne by the bonds, however, is capped at 12 percent, or the maximum rate under Michigan law, so long as a letter of credit is in place. In anticipation of this refunding, in October 1993, the County entered into an interest rate swap agreement (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 percent. Interest payments that are made to and received from the counterparty will be reflected as an adjustment of interest expense on the refunding bonds.

Effective April 2, 2004, the Authority entered into a wrapper supplement to the 1996 interest rate swap agreement, which swaps variable rate to fixed rate on the unhedged portion of 1996 Bonds and which extends final maturity of the Swap from 2008 to 2016 (the final maturity of the 1996 Bonds), resulting in a new fixed-rate coupon of 5.1082 percent and present value savings of $2.9 million.

As of September 30, 2007, rates were as follows:

Interest rate	Term	Rate
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	3.8400
Net interest rate swap payments		1.2682
Variable-rate bond payment	Market	3.9700
Synthetic interest rate on bonds		5.2382

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $4,535,540 as of September 30, 2007. 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 percent 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.

In June 1999, the County entered into agreements with Northwest to issue approximately $15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to 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. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default.

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 are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as 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 that, 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.

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

In August 2001, the County entered into an Installment Purchase Contract for $14.4 million to pay for energy conservation improvements at Metro Airport.

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

(Continued)

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 are revenue obligations of the Authority payable solely 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 that, 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.

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 Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

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.

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

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

In December 2003, the Authority issued $215 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. The Series 2003A-1, 2003A-2, and 2003A-3 Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Series 2003A-1, 2003A-2, and 2003A-3 Bonds were issued as Periodic Auction Reset Securities (PARS). The Auction Agent is responsible under an agreement with the Authority to establish the interest rate weekly. The Winning Bid Rate, as determined by the Auction Agent, becomes the weekly interest rate for the Series 2003A-1, 2003A-2, and 2003A-3 Bonds.

In December 2003, the Authority issued $129.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2003B and 2003C. The Series 2003B and 2003C Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The 2003B Refunding Bonds were issued to refund the Series 1993A Bonds and the Series 1993B Bonds. The Series 2003C Refunding Bonds were issued to refund the Series 1993C Bonds. The Series 2003B and 2003C Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 1993A Bonds, Series 1993B Bonds, and Series 1993C Bonds by placing the proceeds of the Series 2003B and 2003C Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1993A, the Series 1993B, and the Series 1993C Bonds were subsequently called and paid in full in February 2004. The difference between the cash flows required to service the new debt and complete the refunding was approximately $13 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $8.1 million.

The Series 2003B and 2003C Bonds were issued as Periodic Auction Reset Securities (PARS). The auction agent is responsible, under an agreement with the Authority, to establish the interest rate weekly for the 2003C Bonds and monthly for the 2003B Bonds. The winning bid rate, as determined by the auction agent, becomes the weekly interest rate for the Series 2003B and 2003C Bonds.

The Authority entered into a variable to fixed interest rate swap agreement, resulting in a fixed coupon rate of 3.4825 percent for the Series 2003B Bonds and a rate of 3.4265 percent on the Series 2003C Bonds.

As of September 30, 2007, rates were as follows:

Interest rate	Term	2003B rates	2003C rates
Fixed payment to counterparties	Fixed	3.4825%	3.4265%
Variable rate from counterparties	BMA	3.4893	3.4893
Net interest rate swap payments		(0.0068)	(0.0628)
Variable-rate bond payment	Market	4.0000	3.7500
Synthetic interest rate on bonds		3.9932	3.6872

Due to a rising interest rate environment, the Swap had a positive fair value of $1,396,526 as of September 30, 2007, exposing the Authority to a credit risk. The counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

The Series 2003B and 2003C Swap exposes the Authority to risk, which is addressed by the Authority Swap Management Plan. Swap (synthetic variable to fixed) borrowing is limited to 10 percent of the overall bond program. The following table identifies the Authority's plan for mitigating swap risk.

Type of risk	Concern	Resolution
Counterparty risk	Default of counterparty	Counterparty is rated AA by two rating agencies
Tax risk	Federal marginal rates could decline, reducing tax-exempt advantage of underlying auction rate securities	Can terminate after 7 years (Early Call provision)
Basis risk	Spread could widen, making Swap more expensive	(1) Enhanced LIBOR Index was chosen, protecting the Airport in both low- and high-interest environments (2) Can terminate after 7 years
Termination risk	Authority credit quality could deteriorate during a time when it would be very expensive for the Authority to get out of the Swap	(1) Maintain bond insurance (2) Solid financial performance of the Authority

In October 2004, the Authority issued $11.6 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2004. The Series 2004 Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The 2004 Refunding Bonds were issued to refund the Series 1994B Bonds. The Series 2004 Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 1994B Bonds by placing the proceeds of the Series 2004 Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1994B Bonds were subsequently called and paid in full in December 2004. The difference between the cash flows required to service the new debt and complete the refunding was approximately $1.7 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $1.1 million.

The Series 2004 Bonds were issued as Periodic Auction Reset Securities (PARS). The auction agent is responsible under an agreement with the Authority to establish the interest rate weekly. The winning bid rate, as determined by the auction agent, becomes the weekly interest rate for the Series 2004 Bonds.

The Authority entered into a variable to fixed interest rate swap agreement resulting in a fixed coupon rate of 3.9970 percent.

As of September 30, 2007, rates were as follows:

Interest rate	Term	Rate
Fixed payment to counterparties	Fixed	3.9970%
Variable rate from counterparties	BMA	3.4893
Net interest rate swap payments		0.5077
Variable-rate bond payment	Market	4.0000
Synthetic interest rate on bonds		4.5077

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $40,305 as of September 30, 2007. 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 counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

In April 2005, the Authority issued $507 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued $180 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory line subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. In September 2007, the Authority entered into an Installment Purchase Contract for $332,539 to pay for equipment at Metro Airport.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2007, interest expense incurred on these debt issues totaled $112,138,212. For 2007, net financing costs capitalized were $9,598,213.

In July 2007, the Authority entered into a line of credit agreement with a maximum borrowing amount of $15 million. The borrowings charge interest at a rate equal to 35 basis points over LIBOR. The line of credit agreement expires in June 2008. There were no borrowings on this line during the year ended September 30, 2007.

Long-term debt activity for the year ended September 30, 2007 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,205,935,000	$ 180,390,000	$ (60,260,000)	$ 2,326,065,000	$ 43,685,000
Installment Purchase Contracts	8,740,000	332,539	(1,540,000)	7,532,539	1,666,395
Less:					
Deferred amount on refunding	(19,997,515)	1,580,217	—	(18,417,298)	—
Certain bond discounts	(9,887,478)	672,030	—	(9,215,448)	—
Add:					
Certain bond premiums	16,407,666	3,417,533	(1,074,307)	18,750,892	—
Total Detroit Metropolitan Airport Fund	2,201,197,673	186,392,319	(62,874,307)	2,324,715,685	45,351,395
Willow Run Airport Fund:					
Notes payable	695,930	—	(24,828)	671,102	19,475
Total Willow Run Airport Fund	695,930	—	(24,828)	671,102	19,475
Airport Hotel Fund:					
Airport Hotel Bonds	110,820,000	—	(135,000)	110,685,000	210,000
Other Hotel debt	6,500,000	30,179	(223,341)	6,306,838	319,342
Less:					
Certain bond discounts	(2,352,121)	129,352	—	(2,222,769)	—
Total Airport Hotel Fund	114,967,879	159,531	(358,341)	114,769,069	529,342
Total long-term debt	$ 2,316,861,482	$ 186,551,850	$ (63,257,476)	$ 2,440,155,856	$ 45,900,212

Other long-term liability activity for the year ended September 30, 2007 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund - Other accrued liabilities	$ 7,225,011	$ 6,658,464	$ (5,627,196)	$ 8,256,279	$ 1,382,572
Willow Run Airport Fund - Advances from other funds	4,751,033	2,313,049	(1,462,441)	5,601,641	—
Airport Hotel Fund - Advances from other funds	—	800,000	—	800,000	—
Total other long-term liabilities	$ 11,976,044	$ 9,771,513	$ (7,089,637)	$ 14,657,920	$ 1,382,572

(8) Commitments and Contingencies

(a) Litigation

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

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $605.2 million at September 30, 2007, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional design services contracts in connection with Metro Airport's program totaled $266.2 million at September 30, 2007.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $72.4 million at September 30, 2007, which will be funded with federal and state grants. Unexpected commitments on construction and professional design services contracts in connection with Willow Run Airport's program totaled $3.5 million at September 30, 2007.

(c) Environmental Matters

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable, based on current law and existing technologies. At September 30, 2007, the Authority had accrued obligations of $4.5 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. The balance of recorded environmental liabilities is related to a consent decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System).

Downriver Sewage Disposal System

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

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid $4.3 million to the City of Romulus for prior year debt service as of September 30, 2007 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

National Pollutant Discharge Elimination System Permit Violation

During 2006, the Authority entered into a plea agreement with the United States for a misdemeanor violation of a condition and limitation in a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Michigan. This matter pertained to a 2001 failure to report a discharge of turbid and odorous storm water directly to the Frank and Poet Drain, a waterway that flows directly into the Detroit River, near Lake Erie. The sentence prescribed by the Federal Court includes a four-year probationary period ending 2010 and the construction and use of a force main to connect Pond 3W at the Airport to sanitary sewer lines leading to the Detroit Water and Sewerage Department's (DWSD) treatment plant. The estimated cost of the project is $8.5 million and the Authority has incurred $2.1 million to date. The project is deemed complete upon approval by DWSD that the main can and will be operated in a manner consistent with all state and federal regulatory requirements.

Additional Remediation Matters

Certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that are currently contained due to prior remediation efforts during the late 1980s and early 1990s. Environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment and proper disposal. With the demolition of both the Smith and Berry Terminals at Metro Airport scheduled within the next year or two, the Authority anticipates future costs specific to ACM removal. Additionally, Willow Run Airport is currently considering additional development opportunities that are expected to include the demolition of Hangar 2, which is also known to contain ACMs.

(9) Employee Benefits

(a) Plan Description

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

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

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.

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 Option 4 through September 30, 2001. Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's command officers and deputies contribute 5.0 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 make no member contributions.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2007 were $3,381,570 and $68,548, respectively.

The following represents the Authority's annual pension costs as of September 30, 2007:

	Three-year trend information		
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Year ended September 30:			
2005	$ 1,604,896	100%	$ —
2006	2,380,120	100	—
2007	3,381,570	100	—

(c) Pension Benefits

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

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

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

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

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

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

(d) Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution 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 and Authority employees. The administration, management, and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

Under Plan Option 4, the Authority contributes $4.00 for every $1.00 contributed by each member or, for eligible executives, $5.00 for every $1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002.

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

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of $2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent), rounded to the nearest quarter of a percent.

Participants in Plan Option 5 contribute 3 percent of gross pay. The Authority makes matching contributions at a rate equal to the amount contributed by each employee. Classified employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time, permanent Authority 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.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2007 were $3,271,406 and $1,234,910, respectively.

(Continued)

(e) Other Postretirement Benefit Obligations

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. For the fiscal year ended September 30, 2007, the Authority reimbursed the County $5.9 million for costs related to its retirees. There were 5,497 total retirees for the County as a whole as of September 30, 2006, the date of the most recent actuarial valuation.

(f) Upcoming Reporting Change

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The implementation of GASB 45 will require the Authority to recognize the cost of postemployment benefits, including retiree healthcare coverage, over the working life of the employee, rather than on a pay-as-you-go basis. For the Authority, this will result in increased expenses and a related liability which will likely be significant. The Authority is currently evaluating the effect that GASB No. 45 will have on its financial statements. The new pronouncement is effective for the year ending September 30, 2008.

(10) Subsequent Events

In November 2007, the Authority issued $119,390,000 of Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund, on a current basis at the earliest practicable date, a portion ($120,985,000) of the Series 1998B Bonds.

In November 2007, the Authority entered into an Installment Purchase Contract (under the Master Lease Purchase Agreement) for $423,000 to pay for equipment at Metro Airport.

STATISTICAL SECTION
(UNAUDITED)

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Assets

(Unaudited)

	2007	2006	2005	2004	2003	2002
Operating revenues:						
Airport landing and related fees	$ 59,512,753	$ 60,738,124	$ 73,872,334	$ 89,178,691	$ 82,583,060	$ 81,393,972
Concession fees	50,242,144	47,350,937	44,496,491	42,569,958	41,654,131	36,672,705
Parking fees	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Hotel	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Rental facilities	53,145,882	48,582,712	46,009,056	39,266,093	40,225,929	32,819,038
Expense recoveries	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	7,218,512
Other	7,121,369	9,041,090	7,971,371	5,615,349	9,906,586	1,583,487
Total operating revenues	266,513,315	253,003,991	251,387,821	243,790,836	220,948,292	189,545,653
Nonoperating revenues:						
Passenger facility charges	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and state grants	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest income and other	46,903,106	43,339,574	19,695,210	7,174,260	6,520,467	10,490,990
Total nonoperating revenues	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Total revenues	390,133,042	376,285,798	357,451,128	328,932,040	299,317,946	267,411,612
Operating expenses:						
Salaries, wages, and fringe benefits	72,396,333	68,648,870	66,623,493	62,191,329	61,418,718	60,681,158
Parking management	10,325,232	9,754,453	10,647,259	9,726,476	15,757,657	15,594,154
Hotel management	24,054,417	22,271,550	21,870,313	19,671,787	12,687,714	—
Janitorial services	2,433,551	2,047,401	2,010,248	3,436,194	5,483,889	5,353,722
Security	3,433,065	3,501,437	3,462,682	3,324,401	3,770,824	3,524,907
Utilities	26,570,574	23,021,456	21,827,924	20,303,099	19,947,988	14,097,712
Repairs, professional services, and other	75,042,299	78,310,637	83,477,087	89,905,438	71,012,644	61,713,586
Depreciation	121,087,982	115,853,648	103,631,906	100,235,010	96,882,107	62,288,793
Total operating expenses	335,343,453	323,409,452	313,550,912	308,793,734	286,961,541	223,254,032
Nonoperating expenses:						
Interest expense	105,855,656	106,822,360	92,389,419	83,572,858	87,293,710	63,677,112
Loss on disposal of assets	317,452	42,544	—	—	—	—
Amortization of bond issuance costs	2,267,001	2,294,476	2,105,484	1,857,822	1,582,619	1,821,609
Total nonoperating expenses	108,440,109	109,159,380	94,494,903	85,430,680	88,876,329	65,498,721
Total expenses	443,783,562	432,568,832	408,045,815	394,224,414	375,837,870	288,752,753
Capital contributions	66,212,355	39,806,394	39,938,986	60,334,091	26,386,612	40,240,519
Change in net assets	$ 12,561,835	$ (16,476,640)	$ (10,655,701)	$ (4,958,283)	$ (50,133,312)	$ 18,899,378
Net assets at year end composed of:						
Invested in capital assets, net of related debt	131,815,887	180,192,710	235,042,203	369,007,593	439,424,598	485,901,921
Restricted	471,545,803	384,747,891	386,024,617	273,179,286	217,328,386	212,937,645
Unrestricted	53,973,007	79,832,261	99,185,995	88,721,637	79,113,815	87,160,545
Total net assets	$ 657,334,697	$ 644,772,862 [1]	$ 720,252,815	$ 730,908,516	$ 735,866,799	$ 786,000,111

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

Note: GASB Statement 34 was implemented beginning in 2002 at the time the Airport was established as an authority.

Source: Audited Financial Statements of the Wayne County Airport Authority

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2007	2006	2005	2004	2003	2002
Airline revenues:						
Airport landing and related fees	$ 59,512,753	$ 60,738,124	$ 73,872,334	$ 89,178,691	$ 82,583,060	$ 81,249,265
Terminal building rentals and fees	28,621,629	26,992,072	25,831,713	24,992,399	26,155,830	20,197,400
Facility use fees	7,962,948	7,073,579	7,568,033	6,460,040	6,269,348	6,286,812
Total airline revenues	96,097,330	94,803,775	107,272,080	120,631,130	115,008,238	107,733,477
Percentage of total revenues	24.6%	25.2%	30.0%	36.7%	38.4%	40.3%
Non-airline revenues:						
Parking fees	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472	29,857,939
Concession fees	29,382,953	28,175,773	26,415,027	25,846,018	25,893,985	19,946,606
Car rental	20,859,191	19,175,164	18,081,464	16,723,940	15,760,146	16,210,970
Hotel	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Employee shuttle bus	5,253,731	4,959,535	5,331,254	4,544,805	5,860,035	3,300,585
Ground transportation	7,394,349	5,911,719	4,134,289	1,110,046	504,500	409,044
Utility service fees	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840	2,490,199
Rental facilities	3,913,225	3,645,807	3,143,767	2,819,528	1,940,716	3,127,795
Other	7,121,369	9,041,090	7,971,371	4,954,624	9,402,086	6,469,038
Total non-airline revenues	170,415,985	158,200,216	144,115,741	123,159,706	105,940,054	81,812,176
Percentage of total revenues	43.7%	42.0%	40.3%	37.4%	35.4%	30.6%
Nonoperating revenues:						
Passenger facility charges	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Federal and state grants	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Interest	955,001	43,328,283	19,194,846	7,174,260	6,520,467	10,490,990
Other	45,948,105	11,291	500,364	—	—	—
Total nonoperating revenues	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654	77,865,959
Percentage of total revenues	31.7%	32.8%	29.7%	25.9%	26.2%	29.1%
Total revenues	$ 390,133,042	$ 376,285,798	$ 357,451,128	$ 328,932,040	$ 299,317,947	$ 267,411,612
Enplaned passengers	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Total revenue per enplaned passenger	$ 21.54	$ 21.14	$ 19.55	$ 18.99	$ 18.39	$ 17.15
Airline revenue per enplaned passenger	5.31	5.33	5.87	6.97	7.07	6.91

Note: GASB Statement 34 was implemented beginning in 2002 at the time the Airport was established as an authority.

Source: Audited Financial Statements of the Wayne County Airport Authority

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

	2007	2006	2005	2004	2003	2002
Landing Fees:						
Signatory Airlines [1]	$ 2.37	$ 2.49	$ 2.74	$ 3.74	$ 3.44	$ 3.32
Non-Signatory Airlines [2]	3.01	4.21	3.97	4.64	4.08	4.13
General Aviation [3]	1.50	1.50	1.38	1.00	0.75	0.50
Facility Use Fees:						
McNamara Terminal	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
Smith/Berry Terminals	3.50	3.50	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):						
Office Space – Airline	$ 19.71	$ 19.71	$ 19.71	$ 19.71	$ 17.92	$ 17.92
Cargo Building/Warehouse	8.00	8.00	8.00	8.00	8.00	7.00
Aircraft Ramp	0.96	0.96	0.96	0.96	1.00	0.88
Unimproved Land	0.31	0.31	0.31	0.31	0.32	0.29
Electric	1.24	1.24	1.24	1.24	1.20	1.17

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

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2007 Landed weights	2007 Share	2006 Landed weights	2006 Share	2005 Landed weights	2005 Share	2004 Landed weights	2004 Share	2003 Landed weights	2003 Share	2002 Landed weights	2002 Share
Northwest Airlines	14,592,777	59.9%	14,456,719	60.0%	16,325,796	63.1%	16,476,839	65.1%	15,846,925	64.3%	16,133,390	65.1%
Pinnacle	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4	1,757,142	6.9	1,246,064	5.0	661,337	2.7
Mesaba	679,531	2.8	1,371,475	5.7	1,818,552	7.0	1,583,408	6.3	1,805,442	7.3	2,209,367	8.9
Spirit Airlines	1,116,697	4.6	952,127	3.9	877,491	3.4	937,300	3.7	943,670	3.8	761,410	3.1
Southwest Airlines	883,222	3.6	656,164	2.7	648,992	2.5	658,960	2.6	662,963	2.7	720,982	2.9
American Airlines	538,336	2.2	548,634	2.3	621,399	2.4	701,026	2.8	805,564	3.3	804,060	3.2
Federal Express	525,479	2.2	482,405	2.0	479,467	1.9	493,409	1.9	480,983	1.9	488,667	2.0
United Airlines	339,795	1.4	335,201	1.4	334,306	1.3	491,974	1.9	496,162	2.0	480,179	1.9
America West	265,091	1.1	308,035	1.3	306,507	1.2	257,392	1.0	258,533	1.0	235,411	0.9
Continental Airlines	259,645	1.1	276,009	1.1	286,972	1.1	298,145	1.2	373,464	1.5	387,994	1.6
Delta Airlines	263,257	1.1	266,479	1.1	440,410	1.7	415,417	1.6	400,250	1.6	506,780	2.0
AirTran Airways	302,472	1.2	237,816	1.0	—	—	—	—	—	—	—	—
United Parcel Service	204,976	0.8	211,295	0.9	195,519	0.8	193,016	0.8	183,217	0.7	185,364	0.7
Lufthansa	229,272	0.9	150,863	0.6	151,089	0.6	155,152	0.6	147,460	0.6	10,650	0.0
Delta (Comair)	137,273	0.6	137,285	0.6	191,421	0.7	189,889	0.8	185,601	0.8	141,658	0.6
American (American Eagle)	116,715	0.5	93,732	0.4	43,656	0.2	—	—	—	—	—	—
Air France	116,552	0.5	119,720	0.5	44,044	0.2	—	—	—	—	—	—
British Airways	209,479	0.9	118,431	0.5	153,285	0.6	150,523	0.6	107,573	0.4	111,439	0.4
Frontier	152,353	0.6	116,166	0.5	36,220	0.1	—	—	—	—	—	—
Continental (ExpressJet)	93,465	0.4	96,004	0.4	92,214	0.4	96,519	0.4	81,539	0.3	80,754	0.3
US Airways	170,642	0.7	85,631	0.4	148,185	0.6	291,063	1.2	379,241	1.5	449,266	1.8
Delta (Atlantic Southeast)	44,137	0.2	40,937	0.2	12,220	0.0	21,929	0.1	10,951	0.0	30,691	0.1
United (Air Canada)	28,960	0.1	29,070	0.1	27,443	0.1	33,957	0.1	29,908	0.1	—	—
Independence Air	—	—	16,262	0.1	105,750	0.4	14,570	0.1	—	—	—	—
KLM	—	—	—	—	—	—	—	—	115,368	0.5	75,124	0.3
American Trans Air	—	—	—	—	—	—	10,396	0.0	68,727	0.3	126,537	0.5
Trans World Airlines	—	—	—	—	—	—	—	—	—	—	61,860	0.2
Atlantic Coast Air	—	—	—	—	—	—	60,511	0.2	75,159	0.3	73,309	0.3
Other [2]	684,407	2.7	775,286	3.1	359,736	1.3	19,173	0.1	—	—	46,668	0.5
Total	24,356,703	100.0%	24,109,640	100.0%	25,887,255	100.0%	25,307,710	100.0%	24,704,764	100.0%	24,782,897	100.0%

[1] Signatory Affiliate Airlines are associated based on 2007 affiliations and shown in parenthesis to major carrier name. All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

[2] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2007 Passenger enplanements	2007 Share	2006 Passenger enplanements	2006 Share	2005 Passenger enplanements	2005 Share	2004 Passenger enplanements	2004 Share	2003 Passenger enplanements	2003 Share	2002 Passenger enplanements	2002 Share
Domestic:												
AirTran Airways	239,410	1.32%	182,972	1.03%	—	—	—	—	—	—	—	—
America West	241,961	1.34	259,600	1.46	267,776	1.46%	215,539	1.24%	217,906	1.34%	199,768	1.28%
American (AA Eagle)	91,529	0.51	73,918	0.42	32,203	0.18	—	—	—	—	—	—
American Airlines	443,530	2.45	440,680	2.48	471,863	2.58	446,589	2.58	497,564	3.06	475,390	3.05
American Trans Air (ATA)	—	—	—	—	—	—	8,027	0.05	39,887	0.25	48,937	0.31
Champion Air	34,462	0.19	34,055	0.19	31,283	0.17	31,195	0.18	35,235	0.22	80,880	0.52
Continental (ExpressJet)	70,559	0.39	73,606	0.41	62,265	0.34	63,440	0.37	52,790	0.32	49,349	0.32
Continental Airlines	219,751	1.21	226,707	1.27	226,260	1.24	234,109	1.35	259,989	1.60	290,999	1.87
Delta (Atlantic Southeast)	37,242	0.21	32,646	0.18	8,316	0.05	4,867	0.03	5,324	0.03	16,689	0.11
Delta (Comair)	94,044	0.52	91,216	0.51	108,322	0.59	103,012	0.59	115,244	0.71	97,492	0.63
Delta (Shuttle America)	—	—	33,902	0.19	4,385	0.02	—	—	—	—	—	—
Delta Airlines	214,721	1.19	202,891	1.14	312,881	1.71	286,970	1.66	260,560	1.60	270,906	1.74
Frontier	121,456	0.67	91,097	0.51	28,184	0.15	—	—	—	—	—	—
Independence Air	—	—	13,445	0.08	74,496	0.41	6,378	0.04	—	—	—	—
Northwest (Mesaba Aviation)	457,948	2.53	900,785	5.06	1,108,615	6.06	973,875	5.62	1,032,906	6.35	1,149,931	7.37
Northwest (Pinnacle)	1,915,685	10.58	1,663,236	9.34	1,477,582	8.08	1,201,651	6.94	798,915	4.91	415,887	2.67
Northwest Airlines	10,110,087	55.83	10,005,038	56.21	10,602,457	57.98	10,367,894	59.87	9,691,220	59.53	9,440,793	60.55
Ryan International	—	—	372	0.00	—	—	11,400	0.07	1,037	0.01	528	0.00
Southwest Airlines	606,113	3.35	496,693	2.79	461,535	2.52	449,778	2.60	414,123	2.54	442,169	2.84
Spirit Airlines	933,029	5.15	781,652	4.39	793,510	4.34	854,526	4.93	873,055	5.36	664,250	4.26
Trans Meridian	—	—	—	—	25,488	0.14	14,958	0.09	—	—	—	—
Trans World Airlines	—	—	—	—	—	—	—	—	—	—	27,932	0.18
United (Atlantic Coast)	—	—	—	—	—	—	44,199	0.26	56,463	0.35	50,636	0.32
United (Mesa)	57,546	0.32	55,148	0.31	70,388	0.38	—	—	—	—	—	—
United (Skywest)	36,475	0.20	39,041	0.22	11,609	0.06	—	—	—	—	—	—
United Airlines	263,054	1.45	275,380	1.55	266,825	1.46	354,429	2.05	340,115	2.09	322,979	2.07
US Airways	100,860	0.56	56,900	0.32	91,892	0.50	193,798	1.12	224,041	1.37	262,968	1.69
US Airways (Air Wisconsin)	83,203	0.46	89,264	0.50	748	0.00	—	—	—	—	—	—
US Airways (PSA)	17,035	0.09	66,631	0.37	53,283	0.29	—	—	—	—	—	—
USA 3000	67,516	0.37	66,277	0.37	52,788	0.29	34,099	0.20	432	0.00	—	—
Other [2]	124,106	0.68	68,660	0.40	113,467	0.64	14,149	0.06	335	0.00	19,373	0.11
Total Domestic	16,581,322	91.57	16,321,812	91.70	16,758,421	91.64	15,914,882	91.90	14,917,141	91.64	14,327,856	91.89
International:												
Northwest Airlines	1,174,843	6.49	1,138,025	6.39	1,199,496	6.56	1,100,843	6.36	1,037,952	6.38	973,201	6.24
Spirit Airlines	20,146	0.11	16,671	0.09	—	—	—	—	1,276	0.01	—	—
American Trans Air	—	—	—	—	—	—	1,684	0.01	20,928	0.13	47,633	0.31
Mesaba Aviation	37,538	0.21	32,103	0.18	36,362	0.20	22,787	0.13	16,987	0.10	19,369	0.12
Air Canada	13,085	0.07	14,899	0.08	13,921	0.08	13,746	0.08	13,996	0.09	17,285	0.11
Lufthansa	98,008	0.54	67,305	0.38	70,372	0.38	74,608	0.43	70,087	0.43	63,576	0.41
British Airways	47,472	0.26	55,403	0.31	59,658	0.33	59,507	0.34	51,600	0.32	51,164	0.33
Air France	48,355	0.27	50,466	0.28	19,174	0.10	—	—	—	—	—	—
Royal Jordanian Airlines	14,150	0.08	16,028	0.09	14,581	0.08	10,369	0.06	6,220	0.04	3,398	0.02
KLM-Royal Dutch Airlines	—	—	—	—	—	—	—	—	60,897	0.37	42,444	0.27
Other [2]	73,171	0.40	87,220	0.50	114,297	0.63	118,354	0.69	81,149	0.49	46,631	0.30
Total International	1,526,768	8.43	1,478,120	8.30	1,527,861	8.36	1,401,898	8.10	1,361,092	8.36	1,264,701	8.11
Grand Total	18,108,090	100.00%	17,799,932	100.00%	18,286,282	100.00%	17,316,780	100.00%	16,278,233	100.00%	15,592,557	100.00%

[1] Signatory Affiliate Airlines are associated based on 2007 affiliations and shown in parenthesis to major carrier name. All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

[2] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2007		2006		2005		2004		2003		2002	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Revenue Bonds:												
Series 1990A	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,005,000	$ 1,937,341
Series 1990B	—	—	—	—	—	—	—	—	—	—	—	993,200
Series 1991A	—	—	—	—	—	—	—	—	—	—	945,000	10,080
Series 1991B	—	—	—	—	—	—	—	—	—	—	845,000	1,619,193
Series 1993A	—	—	—	—	—	—	575,000	99,362	545,000	600,484	520,000	626,045
Series 1993B	—	—	—	—	—	—	2,020,000	562,305	1,930,000	3,389,104	1,845,000	3,479,645
Series 1993C	—	—	—	—	—	—	2,655,000	469,965	2,535,000	2,839,220	1,465,000	2,947,382
Series 1994A	3,070,000	381,627	3,120,000	558,111	3,165,000	734,288	3,215,000	909,872	4,245,000	1,093,737	4,175,000	1,319,525
Series 1994B	—	—	—	—	280,000	58,337	265,000	686,444	255,000	701,281	240,000	715,254
Series 1996A	3,100,000	2,258,438	3,000,000	2,398,779	2,800,000	2,575,422	2,700,000	2,844,177	2,500,000	3,021,847	2,400,000	3,219,432
Series 1996B	3,100,000	2,265,728	3,000,000	2,398,963	2,800,000	2,572,463	2,700,000	2,834,116	2,500,000	3,004,723	2,400,000	3,199,812
Series 1998A	18,195,000	39,756,688	17,275,000	40,692,075	16,415,000	41,574,274	15,670,000	42,370,697	15,020,000	43,037,345	—	43,563,045
Series 1998B	3,560,000	7,386,740	3,410,000	7,540,969	3,265,000	7,686,289	3,130,000	7,823,442	390,000	7,897,963	—	8,054,241
Series 2001 Jr. Lien	18,580,000	2,080,789	17,635,000	2,441,237	18,200,000	1,978,673	17,300,000	1,166,125	17,220,000	1,577,534	—	2,198,957
Series 2002A	—	5,285,612	—	4,710,152	—	3,090,894	—	1,519,173	—	1,277,561	—	1,255,096
Series 2002C	110,000	1,377,139	105,000	1,381,331	100,000	1,384,456	100,000	1,387,456	—	1,390,138	—	254,644
Series 2002D	3,270,000	3,855,513	1,035,000	4,007,631	—	4,052,913	—	4,052,913	—	4,053,441	—	742,506
Series 2003A-1	—	2,840,173	—	2,510,843	—	1,614,219	—	663,417	—	—	—	—
Series 2003A-2	—	2,838,896	—	2,533,444	—	1,620,687	—	662,635	—	—	—	—
Series 2003A-3	—	2,467,024	—	2,182,817	—	1,437,901	—	619,013	—	—	—	—
Series 2003B	3,450,000	2,354,989	3,125,000	2,472,482	3,475,000	2,600,251	—	2,125,829	—	—	—	—
Series 2003C	3,425,000	1,506,226	3,150,000	1,615,689	3,350,000	1,735,027	—	1,439,799	—	—	—	—
Series 2004	400,000	439,732	375,000	453,099	—	398,552	—	—	—	—	—	—
Series 2005	—	25,718,425	—	26,861,465	—	10,858,891	—	—	—	—	—	—
Series 2007A Jr. Lien		2,549,050										
Installment Purchase Contract	1,540,000	455,531	1,495,000	540,680	1,395,000	621,493	1,300,000	696,843	1,270,000	769,708	270,000	865,670
Willow Run Notes Payable												
Washtenaw County	19,476	—	19,476	—	14,606	—	—	—	—	—	—	—
University of Michigan	5,352	34,872	3,931	36,294	3,460	36,766	531	39,693	—	40,225	—	77,222
Totals	$ 61,824,828	$ 105,853,192	$ 56,748,407	$ 105,336,061	$ 55,263,066	$ 86,631,797	$ 51,630,531	$ 72,973,276	$ 48,410,000	$ 74,694,309	$ 16,110,000	$ 77,078,290

Airport Hotel

	2007		2006		2005		2004		2003		2002	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Hotel Bonds:												
Series 2001A	$ —	$ 5,089,375	$ —	$ 5,089,375	$ —	$ 5,089,375	$ —	$ 5,089,375	$ —	$ 5,089,375	$ —	$ 6,785,833
Series 2001B	135,000	713,440	100,000	721,190	—	726,190	—	726,190	—	726,190	—	968,253
Other Hotel Debt:												
Capital/FF&E Reserve Loan	223,341	361,739	—	482,132	—	358,049	—	431,945	—	364,363	—	—
Working Capital Loan	—	120,467	—	126,067	—	126,333	—	125,733	—	105,000	—	—
Totals	$ 358,341	$ 6,285,020	$ 100,000	$ 6,418,763	$ —	$ 6,299,947	$ —	$ 6,373,243	$ —	$ 6,284,928	$ —	$ 7,754,086

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2007	2006	2005	2004	2003	2002
Detroit Metro and Willow Run Airports						
Net revenues:						
Operating revenues	$ 233,130,883	$ 222,468,787	$ 222,174,589	$ 218,956,819	$ 210,114,018	$ 189,545,653
Interest income and other	46,264,411	42,905,863	19,469,004	7,075,748	6,231,047	8,289,769
Federal and state grants	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808	6,318,972
Passenger facility charges	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379	61,055,997
Total revenues	356,111,915	345,316,883	328,011,690	303,999,511	288,194,252	265,210,391
Less operating expenses, not including depreciation	(190,201,421)	(185,283,254)	(187,799,946)	(188,883,437)	(177,391,720)	(160,965,239)
Net revenues	165,910,494	160,033,629	140,211,744	115,116,074	110,802,532	104,245,152
Net debt service:						
Principal	61,824,828	56,748,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	105,853,192	105,336,061	86,631,797	72,973,276	74,694,309	77,078,290
Net debt service	167,678,020	162,084,468	141,894,863	124,603,807	123,104,309	93,188,290
Debt Service Coverage [2]	0.99	0.99	0.99	0.92	0.90	1.12
Pledged Revenue Coverage – Airport Hotel						
Net revenues:						
Operating revenues	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274	—
Interest income	638,695	433,711	226,206	98,512	289,420	2,201,221
Total revenues	34,021,127	30,968,915	29,439,438	24,932,529	11,123,694	2,201,221
Less operating expenses, not including depreciation	(24,054,050)	(22,272,550)	(22,119,060)	(19,675,287)	(12,687,714)	—
Net revenues	9,967,077	8,696,365	7,320,378	5,257,242	(1,564,020)	2,201,221
Net debt service:						
Principal	358,341	100,000	—	—	—	—
Interest [1]	6,285,020	6,418,763	6,299,947	6,373,243	6,284,928	7,754,086
Net debt service	6,643,361	6,518,763	6,299,947	6,373,243	6,284,928	7,754,086
Debt Service Coverage [2]	1.50	1.33	1.16	0.82	(0.25)	n/a
Combined net debt service:						
Principal	62,183,169	56,848,407	55,263,066	51,630,531	48,410,000	16,110,000
Interest [1]	112,138,212	111,754,824	92,931,744	79,346,519	80,979,237	84,832,376
Total combined net debt service	$ 174,321,381	$ 168,603,231	$ 148,194,810	$ 130,977,050	$ 129,389,237	$ 100,942,376

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

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

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

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
Outstanding debt by type: [1]						
Airport revenue bonds	$ 2,326,065,000	$ 2,205,935,000	$ 2,261,165,000	$ 1,807,285,000	$ 1,637,180,000	$ 1,684,320,000
Installment purchase contracts	7,532,539	8,740,000	10,235,000	11,630,000	12,930,000	14,200,000
Willow Run notes payable	671,102	695,930	719,337	737,403	—	—
Airport hotel bonds	110,685,000	110,820,000	110,920,000	110,920,000	110,920,000	110,920,000
Other hotel debt	6,306,838	6,500,000	6,500,000	6,500,000	6,500,000	—
Total outstanding debt	$ 2,451,260,479	$ 2,332,690,930	$ 2,389,539,337	$ 1,937,072,403	$ 1,767,530,000	$ 1,809,440,000
Enplaned passengers	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Outstanding debt per enplaned passenger	$ 135.37	$ 131.05	$ 130.67	$ 111.86	$ 108.58	$ 116.05

Combined net debt service per enplaned passenger						
Combined net debt service [2]	$ 174,321,381	$ 168,603,231	$ 148,194,810	$ 130,977,050	$ 129,389,237	$ 100,942,376
Enplaned passengers	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233	15,592,557
Net debt service per enplaned passenger	$ 9.63	$ 9.47	$ 8.10	$ 7.56	$ 7.95	$ 6.47

[1] Outstanding debt amounts do not include refundings, discounts, or premiums.

[2] Combined net debt service does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

Last Five Fiscal Years **

(Unaudited)

	Authority Full-Time Positions *				
	2007	**2006**	**2005**	**2004**	**2003**
Administration	20	20	20	20	19
Internal Audit	3	3	2	2	2
Legal	7	7	7	7	7
North Terminal Development Team	6	6	5	9	1
Finance	37	37	36	32	29
Information Technology/Telecommunications	16	13	7	7	6
Procurement & Compliance	25	24	21	19	14
Human Resources	15	15	18	22	17
Maintenance/Facilities	228	228	238	239	240
Airfield Operations	47	46	49	48	45
Public Safety	248	241	270	270	270
Planning & Development	15	15	22	22	17
Business Development	56	54	44	49	38
Willow	27	27	23	23	26
Central Communications [1]	—	8	27	28	29
Totals	750	744	789	797	760

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

** This schedule shows five years of employee data as the Authority was still a part of Wayne County for a large part of fiscal year 2002 and thus employee levels are not comparative

[1] As of 10/1/2007, staff were reallocated to other divisions at the Authority or returned to Wayne County.

Source: WCAA Finance Department Records

See accompanying independent auditors' report.

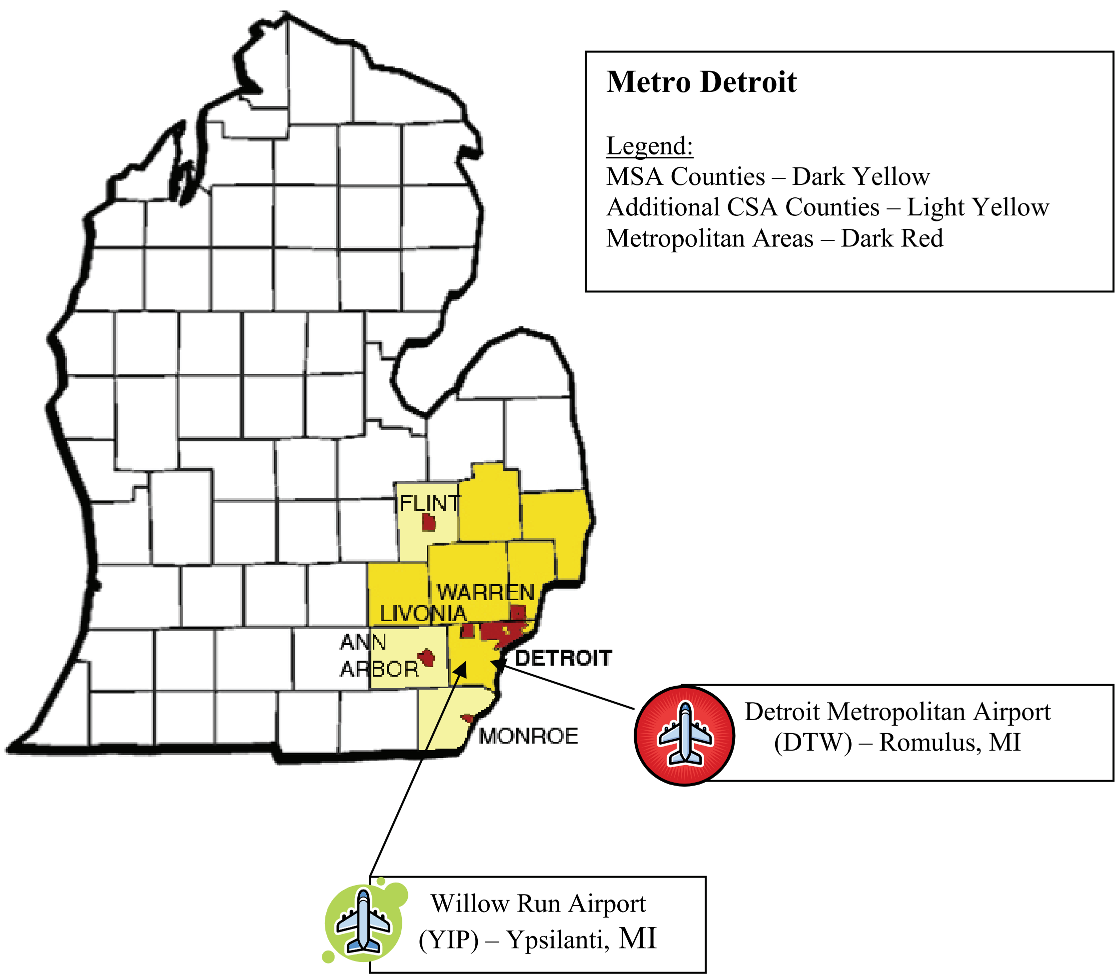
Exhibit S-10: Demographic and Economic Information

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

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1 percent or more of total U.S. passengers enplaned. As of 2006, Detroit Metro Airport is the eleventh busiest airport in the United States and the nineteenth busiest airport in the world. Nearby to DTW is the smaller non-commercial airport, Willow Run, which serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne as the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB-designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.4 million as of the 2000 census.

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



Sources: U.S. Office of Management and Budget; Detroit Regional Economic Partnership; Airports Council International, and www.faa.gov

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

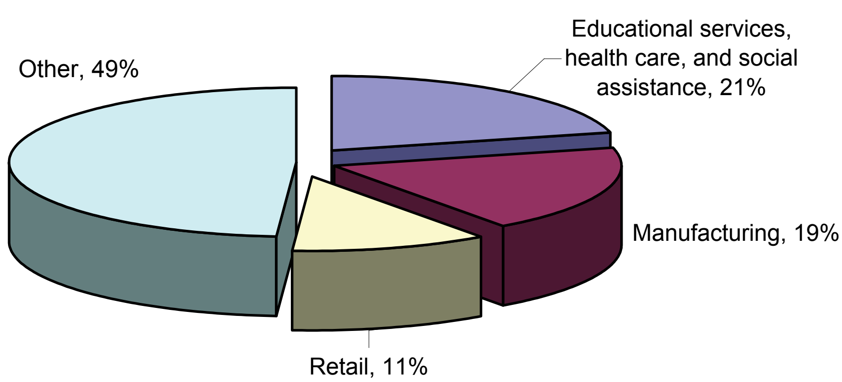
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Increase in Population	5.1%
Percentage Female	51.0%
Percentage Male	49.0%
Personal Income (millions) (2005)	$198,560
Percent of U.S. Total	1.9%
Per Capita Personal Income (2005)	$36,649
Unemployment Rate (2006 Annual)	7.1%
Total Households (millions)	2.1
Average Household Size (people)	2.6

Leading Industries

(% of employed population 16 years and older)



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

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2007 *	Metro Employees 2006 *	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	55,342	59,088	(6.3)%	Automobile Manufacturer
General Motors Corp.	Detroit	41,861	46,399	(9.8)	Automobile Manufacturer
Chrysler L.L.C.	Auburn Hills	32,597	34,403	(5.2)	Automotive Manufacturer
Detroit Public Schools	Detroit	17,329	17,727	(2.2)	Public School System
University of Michigan	Ann Arbor	16,832	16,578	1.5	Public University
University of Michigan Health System	Ann Arbor	16,551	16,378	1.1	Health Care System
U.S. Postal Service	Detroit	15,385	NA	NA	Postal Service
U.S. Government	Detroit	15,328	14,825	3.4	Federal Government
Henry Ford Health System	Detroit	15,139	14,299	5.9	Health Care System
St. John Health	Warren	14,286	13,097	9.1	Health Care System
City of Detroit	Detroit	13,762	13,554	1.5	City Government
Trinity Health	Novi	13,012	12,479	4.3	Health Care System
Beaumont Hospitals	Royal Oak	12,638	12,227	3.4	Hospital
State of Michigan	Detroit	11,177	11,229	(0.5)	State Government
Detroit Medical Center	Detroit	11,003	11,118	(1.0)	Health Care System
Oakwood Healthcare Inc.	Dearborn	7,518	7,952	(5.5)	Health Care System
DTE Energy Co.	Detroit	7,188	7,337	(2.0)	Energy and Energy-Technology Co
Blue Cross Blue Shield of Michigan	Detroit	7,007	6,715	4.3	Health Care Insurer
EDS Corp.	Detroit	6,711	6,650	0.9	Information-Technology Services
Comerica Inc.	Detroit	6,169	6,194	(0.4)	Financial Institution
Wayne State University	Detroit	5,046	5,077	(0.6)	Public University
Wayne County government	Detroit	4,665	4,745	(1.7)	County Government
Visteon Corp.	Van Buren Twnp.	4,497	4,800	(6.3)	Automotive Supplier
Johnson Controls Inc. Automotive Experience	Plymouth	4,205	4,275	(1.6)	Automotive Supplier
Quicken Loans/Rock Financial Inc.	Livonia	3,923	NA	NA	Telecommunications

* Calendar year basis

NA – Information Not Available

Source: Crain's Detroit Business Book of Lists, November 5, 2007

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus		
Area:	6,700 acres		
Airport Code:	DTW		
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R		
Terminal:	McNamara Terminal Airlines	909,814	sq ft
	Smith/Berry Terminal Airlines	213,470	sq ft
	Tenants/Concessionaires	144,258	sq ft
	TSA/FIS	159,516	sq ft
	Public/Common	954,840	sq ft
	Number of In-Service Passenger Gates	153	
	Number of Concessionaires	25	
	Number of Rental Car Agencies On-Airport	6	
Airfield:			
	Runways	10,428,100	sq ft
	Taxiways	16,610,153	sq ft
	Aprons	9,035,184	sq ft
Parking:			
	Spaces Available:		
	McNamara Parking Structure	10,117	
	Big Blue Deck and Short-Term	6,281	
	Yellow Economy Lot	767	
	Green Lot	1,404	
		18,569	spaces
Cargo:	Cargo/Hangar Buildings	1,560,546	sq ft
International:	Customs/Immigration F.I.S. Facility		
Tower(s):	Air Traffic Control Tower 24/ 7/ 365 Operations Control Tower		
FBO's:	ASIG (Aircraft Service International Group) Metro Flight Services		

See accompanying independent auditors' report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,600 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9R/27L 9L/27R 14/32		
Airfield:	Runways	5,503,340	sq ft
	Taxiways	698,750	sq ft
	Ramps/Aprons	5,240,746	sq ft
Corporate/Private Space:	Hangar/Arrivals Buildings	121,000	sq ft
	Tenants	121,000	sq ft
	Public/Common	20,000	sq ft
	T-Hangars (qty. 110)	160,000	sq ft
	Number of Rental Car Agencies On-Airport	2	
Cargo and Additional Space:	Hangar/Office/Shop	470,000	sq ft
	Maintenance	60,000	sq ft
	Yankee Air Museum	60,000	sq ft
	Michigan Institute of Aeronautics	30,000	sq ft
International:	U.S. Customs (user fee airport)		
Tower:	FAA 24/7		
FBOs:	Active Aero Service Avflight East Avflight West		

See accompanying independent auditors' report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Year Ended September 30, 2007

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

Document	Part of CAFR into which incorporated
Official Statement, $180,390,000 Wayne County Airport Authority Airport Revenue Bonds, Junior Lien, Series 2007	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2007

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	$ 213,069	$ 145,189	1.47	$ 5.13
Total Senior Lien and Junior Lien	$ 223,710	$ 169,880	1.32	$ 5.13

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical 2007	2006	2005	2004	2003
Salaries and wages	$ 46,151	$ 43,932	$ 42,761	$ 40,335	$ 40,890
Employee benefits	23,725	20,386	19,433	17,707	17,689
	69,876	64,318	62,194	58,042	58,579
Contractual services:					
Parking management	10,325	9,754	10,647	9,726	15,758
Security expenses	3,433	3,501	3,463	3,324	3,771
Janitorial services	2,417	2,031	1,995	3,419	5,467
Shuttle bus	8,251	9,943	10,354	10,019	8,364
Other services	9,107	9,264	10,153	8,912	9,312
Total contractual services	33,533	34,493	36,612	35,400	42,672
Wayne County administrative services	127	45	5	637	1,109
Repairs and maintenance	33,311	33,930	30,363	31,149	31,361
Supplies and other operating expenses	6,157	5,009	6,894	7,538	4,860
Insurance	2,826	2,972	3,342	4,248	3,507
Utilities	25,586	21,801	20,958	19,320	18,819
Rentals	166	119	179	104	147
Interest expense and paying agent fees	2,328	2,310	3,430	3,707	3,560
Capital expenses	1,942	4,107	2,685	3,427	942
	72,443	70,293	67,856	70,130	64,305
Total O&M expenses	$ 175,852	$ 169,104	$ 166,662	$ 163,572	$ 165,556

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description	Historical 2007	2006	2005	2004	2003
Airline revenues:					
Rental and use fees:					
Terminal building rentals and fees	$ 22,034	$ 20,574	$ 19,794	$ 19,084	$ 20,533
Common-use/shared-use area rentals	2,781	2,516	2,154	2,227	1,663
Debt service recapture	1,828	1,936	1,936	1,936	1,936
Facilities use fees	7,525	6,767	7,075	6,147	6,026
Total rental and use fees	34,168	31,793	30,959	29,394	30,158
Activity fees:					
Signatory airlines	57,265	79,223	81,222	93,325	80,466
Nonsignatory airlines	1,790	2,313	2,660	2,601	1,614
Add (less) activity fee adjustment	(315)	(21,374)	(10,691)	(7,479)	3,735
Total activity fees	58,740	60,162	73,191	88,447	85,815
Total airline revenues	92,908	91,955	104,150	117,841	115,973
Nonairline revenues:					
Concessions:					
Automobile parking	58,859	53,026	46,004	38,842	32,806
Rental car	20,859	19,175	18,081	16,724	15,760
Food and beverage	12,486	12,197	10,803	8,960	6,523
In-flight catering	1,151	1,048	1,221	1,206	1,061
News and gift	8,633	7,821	7,830	7,532	7,117
Pay phone commission	752	788	531	2,777	2,764
Hotel	—	—	—	—	832
Other concessions	6,056	6,038	5,760	4,484	6,901
Total concessions	108,796	100,093	90,230	80,525	73,764
Rentals	3,906	3,640	3,143	2,820	1,941
Utility fees	4,078	3,622	3,721	3,365	2,872
Interest income	2,100	2,235	844	292	153
Ground transportation	5,136	4,039	3,407	1,110	505
Other (a)	11,047	8,126	9,263	6,150	12,675
Total nonairline revenues	135,063	121,755	110,608	94,262	91,910
Total operating revenues	$ 227,971	$ 213,710	$ 214,758	$ 212,103	$ 207,883

(a) Includes shuttle bus revenue, insurance recoveries, and state and federal grants

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

		2007	2006	2005	2004	2003
	Revenues:					
	Airline revenues	$ 92,908	$ 91,955	$ 104,150	$ 117,841	$ 115,973
	Nonairline revenues	135,063	121,755	110,608	94,262	91,910
	Interest income generated in bond funds and reserves	9,385	6,830	11,371	11,985	5,593
	Other available monies:					
	PFC contributions	63,013	54,484	54,626	51,879	58,137
	Letter of intent	19,745	18,582	17,639	18,195	17,300
	Capitalized interest contribution	25,564	32,548	16,059	2,400	168
	Other	5,450	10,238	49	—	—
	Transfer credit from Airport funds (a)	1,300	5,349	—	—	—
	Rebate of arbitrage	—	—	—	—	4,236
	Total revenues	$ 352,428	$ 341,741	$ 314,502	$ 296,562	$ 293,317
Priority						
	Application of revenues:					
1	Operation and Maintenance Fund	$ 175,852	$ 169,104	$ 166,662	$ 163,572	$ 165,556
2	Bond Fund	145,189	144,831	122,070	107,094	102,041
3	Junior Lien Bond Fund	24,691	21,207	19,544	19,917	18,954
4	Operation and Maintenance Reserve Fund	—	—	—	146	898
5	Renewal and Replacement Fund	500	500	500	371	485
6	County Discretionary Fund	350	350	350	350	350
7	Airport Development Fund	5,846	5,749	5,376	5,112	5,033
	Total application of revenues	$ 352,428	$ 341,741	$ 314,502	$ 296,562	$ 293,317

(a) Represents a credit given to the Airlines, which was paid from the Airport Authority's Airport Development Fund.

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2007

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	227,971
Revenue fund balance at beginning of year			47,134
Other available monies:			
PFC contributions			63,013
Letter of intent - Senior lien			11,705
Capitalized interest contribution - Senior lien			22,963
Other			5,450
Transfer credit from Airport funds (a)			1,300
Interest income generated in bond funds and reserves			9,385
Total revenues	[A]		388,921
Operation and maintenance expenses	[B]		175,852
Net revenues available for senior lien debt service	[A - B] = [C]		213,069
Bond debt service - Senior lien	[D]		145,189
	[C - D] = [E]	$	67,880
Add: Other available monies:			
Letter of intent - Junior lien			8,040
Capitalized interest contribution - Junior lien			2,601
Subtotal	[F]		10,641
Net revenues available for junior lien debt service	[E + F] = [G]		78,521
Bond debt service - Junior lien	[H]		24,691
Net revenues available for deposit to other funds			53,830
Debt service coverage:			
Senior lien bonds	[C]/[D]		1.47
Senior lien and junior lien bonds	[C + F]/[D + H]		1.32
Rate covenant elements:			
Operation and maintenance expenses		$	175,852
125% debt service - Bonds	[1.25 x (D + H)]		212,350
Other fund requirements			6,696
Total rate covenant elements		$	394,898

(a) Represents a credit given to the Airlines, which was paid from the Airport Authority's Airport Development Fund.

Source: Wayne County Airport Authority

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating Years 2003 – 2007

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2003	14,917,141	1,361,092	16,278,233	4.4%
2004	15,914,882	1,401,898	17,316,780	6.4
2005	16,758,421	1,527,861	18,286,282	5.6
2006	16,321,812	1,478,120	17,799,932	(2.7)
2007	16,581,322	1,526,768	18,108,090	1.7

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar Years 2003 – 2007

(Unaudited)

	Detroit Metro		United States		
Calendar year	**Number of passengers**	**Percent increase (decrease)**	**Number of passengers**	**Percent increase (decrease)**	**Detroit as a percentage of U.S. total**
2003	15,560,646	3.4%	605,883,845	5.4%	2.6%
2004	16,802,282	8.0	653,910,077	7.9	2.6
2005	17,387,321	3.5	701,551,735	7.3	2.5
2006	17,291,304	(0.6)	703,377,278	0.3	2.5
2007	17,195,280	(0.6)	708,925,888	0.8	2.4

Note: 2007 estimate based on six months of data

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar Years 2003 – 2007

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals	Regionals	Total (a)	Percent increase (decrease)
2003	143,456	55,741	31,869	231,066	7.0%
2004	149,942	94,451	1,540	245,933	6.4
2005	140,566	103,582	3,032	247,180	0.5
2006	133,544	92,208	1,772	227,524	(8.0)
2007	134,332	84,800	1,320	220,452	(3.1)

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

Note: 2007 estimate based on six months of data

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar Years 2003 – 2007

(Unaudited)

Calendar year	Domestic originations Number	Domestic originations Percent of total	Domestic connections Number	Domestic connections Percent of total
2003	6,266,720	44.2%	7,907,501	55.8%
2004	6,884,460	45.3	8,316,272	54.7
2005	7,165,770	43.1	9,464,995	56.9
2006	7,297,730	44.2	9,216,455	55.8
2007	7,690,620	46.8	8,740,070	53.2

Note: 2007 estimate based on six months of data

Source: U.S. Department of Transportation Origin and Destination Passenger Ticket Survey, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, Schedule T10(

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating Years 2003 – 2007

(Unaudited)

	OY 2007		OY 2006		OY 2005	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:						
Air Tran Airways	239,410	1.4%	182,972	1.1%	—	—
America West Airlines	241,961	1.5	259,600	1.6	267,776	1.6%
American (AA Eagle)	91,529	0.6	73,918	0.5	32,203	0.2
American Airlines	443,530	2.7	440,680	2.7	471,863	2.8
Champion Air	34,462	0.2	34,055	0.2	31,283	0.2
Continental (CommutAir)	9,371	0.1	7,812	0.0	4,585	0.0
Continental (ExpressJet)	70,559	0.4	73,606	0.5	62,265	0.4
Continental Airlines	219,751	1.3	226,707	1.4	226,260	1.4
Delta (Atlantic Southeast)	37,242	0.2	32,646	0.2	8,316	0.0
Delta (Comair)	94,044	0.6	91,216	0.6	108,322	0.6
Delta (Shuttle America)	—	—	33,902	0.2	4,385	0.0
Delta (SkyWest)	6,676	0.0	—	—	—	—
Delta AirLines	214,721	1.3	202,891	1.2	312,881	1.9
Frontier	121,456	0.7	91,097	0.6	28,184	0.2
Independence Air	—	—	13,445	0.1	74,496	0.4
Northwest (Mesaba Aviation)	457,948	2.8	900,785	5.5	1,108,615	6.6
Northwest (Pinnacle)	1,915,685	11.6	1,663,236	10.2	1,477,582	8.8
Northwest Airlines	10,110,087	61.0	10,005,038	61.3	10,602,457	63.3
Ryan International	—	—	372	0.0	—	—
Southwest Airlines	606,113	3.7	496,693	3.0	461,535	2.8
Spirit Airlines	933,029	5.6	781,652	4.8	793,510	4.7
Trans Meridian	—	—	—	—	25,488	0.2
United (Air Wisconsin)	—	—	—	—	19,734	0.1
United (Atlantic Coast Airlines)	—	—	—	—	—	—
United (Mesa)	57,546	0.3	55,148	0.3	70,388	0.4
United (SkyWest)	36,475	0.2	39,041	0.2	11,609	0.1
United Airlines	263,054	1.6	275,380	1.7	266,825	1.6
US Airways	100,860	0.6	56,900	0.3	91,892	0.5
US Airways (Air Wisconsin)	83,203	0.5	89,264	0.5	748	0.0
US Airways (Chautauqua)	1,928	0.0	—	—	3,888	0.0
US Airways (Mesa)	71,535	0.4	37,757	0.2	55,631	0.3
US Airways (Piedmont)	—	—	—	—	1,527	0.0
US Airways (PSA)	17,035	0.1	66,631	0.4	53,283	0.3
US Airways (Republic)	29,729	0.2	11,339	0.1	26,586	0.2
USA 3000	67,516	0.4	66,277	0.4	52,788	0.3
Other [1]	4,867	0.0	11,752	0.1	1,516	0.0
Subtotal – Domestic	16,581,322	100.0%	16,321,812	100.0%	16,758,421	100.0%
International:						
Air Canada	13,085	0.9	14,899	1.0	13,921	0.9
Air France	48,355	3.2	50,466	3.4	19,174	1.3
American Trans Air	—	—	—	—	—	—
British Airways	47,472	3.1	55,403	3.7	59,658	3.9
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	98,008	6.4	67,305	4.6	70,372	4.6
Mesaba Aviation	37,538	2.5	32,103	2.2	36,362	2.4
Northwest Airlines	1,174,843	76.9	1,138,025	77.0	1,199,496	78.5
Royal Jordanian Airlines	14,150	0.9	16,028	1.1	14,581	1.0
Spirit	20,146	1.3	16,671	1.1	—	—
Other [1]	73,171	4.8	87,220	5.9	114,297	7.5
Subtotal – International	1,526,768	100.0%	1,478,120	100.0%	1,527,861	100.0%
Total – All Markets	18,108,090		17,799,932		18,286,282	

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2007

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating Years 2003 – 2007

(Unaudited)

	OY 2004		OY 2003	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:				
Air Tran Airways	—	—	—	—
America West Airlines	215,539	1.4%	217,906	1.5%
American (AA Eagle)	—	—	—	—
American Airlines	446,589	2.8	497,564	3.3
Champion Air	31,195	0.2	35,235	0.2
Continental (CommutAir)	—	—		—
Continental (ExpressJet)	63,440	0.4	52,790	0.4
Continental Airlines	234,109	1.5	259,989	1.7
Delta (Atlantic Southeast)	4,867	0.0	5,324	0.0
Delta (Comair)	103,012	0.6	115,244	0.8
Delta (Shuttle America)	—	—	—	—
Delta (SkyWest)	—	—	—	—
Delta AirLines	286,970	1.8	260,560	1.7
Frontier	—	—	—	—
Independence Air	6,378	0.0	—	—
Northwest (Mesaba Aviation)	973,875	6.1	1,032,906	6.9
Northwest (Pinnacle)	1,201,651	7.6	798,915	5.4
Northwest Airlines	10,367,894	65.1	9,691,220	65.0
Ryan International	11,400	0.1	1,037	0.0
Southwest Airlines	449,778	2.8	414,123	2.8
Spirit Airlines	854,526	5.4	873,055	5.9
Trans Meridian	14,958	0.1	—	—
United (Air Wisconsin)	4,792	0.0	—	—
United (Atlantic Coast Airlines)	44,199	0.3	56,463	0.4
United (Mesa)	6,610	0.0	—	—
United (SkyWest)	729	0.0	—	—
United Airlines	354,429	2.2	340,115	2.3
US Airways	193,798	1.2	224,041	1.5
US Airways (Air Wisconsin)	—	—	—	—
US Airways (Chautauqua)	—	—	—	—
US Airways (Mesa)	—	—	—	—
US Airways (Piedmont)	—	—	—	—
US Airways (PSA)	—	—	—	—
US Airways (Republic)	—	—	—	—
USA 3000	34,099	0.2	432	0.0
Other (1)	10,045	0.1	40,222	0.3
Subtotal – Domestic	15,914,882	100.0%	14,917,141	100.0%
International:				
Air Canada	13,746	1.0	13,996	1.0
Air France	—	—	—	—
American Trans Air	1,684	0.1	20,928	1.5
British Airways	59,507	4.2	51,600	3.8
KLM-Royal Dutch Airlines	—	—	60,897	4.5
Lufthansa	74,608	5.3	70,087	5.1
Mesaba Aviation	22,787	1.6	16,987	1.2
Northwest Airlines	1,100,843	78.5	1,037,952	76.3
Royal Jordanian Airlines	10,369	0.7	6,220	0.5
Spirit	—	—	1,276	0.1
Other (1)	118,354	8.4	81,149	6.0
Subtotal – International	1,401,898	100.0%	1,361,092	100.0%
Total – All Markets	17,316,780		16,278,233	

(1) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2007

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating Years 2003 – 2007

(Unaudited)

	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail			Percent
Operating year	Enplaned	Deplaned	Enplaned	Deplaned	Total Cargo	increase (decrease)
2003	84,354	111,937	14,909	13,509	224,709	(1.1)%
2004	88,994	121,099	3,949	6,053	220,095	(2.1)
2005	89,223	121,645	3,866	4,796	219,531	(0.3)
2006	86,515	123,348	3,186	2,953	216,002	(1.6)
2007 (b)	94,226	130,901	2,253	2,582	229,962	6.5

(a) Includes small packages

(b) Lufthansa Airlines' cargo was reported for the first time in October 2007 covering the period from February 2007 to September 2007. Prior year data is unavailable for comparison.

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating Years 2003 – 2007

(Unaudited)

	OY 2007		OY 2006		OY 2005	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Air Canada	28,960	0.1%	29,070	0.1%	27,443	0.1%
Air France	116,552	0.5	119,720	0.5	44,044	0.2
Air Tran Airways	302,472	1.2	237,816	1.0	—	—
America West Airlines	265,091	1.1	308,035	1.3	306,507	1.2
American (AA Eagle)	116,715	0.5	93,732	0.4	43,656	0.2
American Airlines	538,336	2.2	548,634	2.3	621,399	2.4
American Trans Air	—	—	—	—	—	—
British Airways	209,479	0.9	118,431	0.5	153,285	0.6
Champion Air	45,900	0.2	45,750	0.2	24,060	0.1
Continental (CommutAir)	14,392	0.1	13,728	0.1	8,532	0.0
Continental (ExpressJet)	93,465	0.4	96,004	0.4	92,214	0.4
Continental Airlines	259,645	1.1	276,009	1.1	286,972	1.1
Delta (Atlantic Southeast)	44,137	0.2	40,937	0.2	12,220	0.0
Delta (Comair)	137,273	0.6	137,285	0.6	191,421	0.7
Delta (Shuttle America)	—	—	49,895	0.2	8,099	0.0
Delta (SkyWest)	8,617	0.0	—	—	—	—
Delta AirLines	263,257	1.1	266,479	1.1	440,410	1.7
DHL/ABX	68,865	0.3	77,754	0.3	—	—
Federal Express	525,479	2.2	482,405	2.0	479,467	1.9
Frontier	152,353	0.6	116,166	0.5	36,220	0.1
Independence Air	—	—	16,262	0.1	105,750	0.4
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	229,272	0.9	150,863	0.6	151,089	0.6
Northwest (Mesaba Aviation)	679,531	2.8	1,371,475	5.7	1,818,552	7.0
Northwest (Pinnacle)	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4
Northwest Airlines	14,592,777	59.9	14,456,719	60.0	16,325,796	63.1
Royal Jordanian Airlines	40,698	0.2	41,501	0.2	—	—
Ryan International	21,883	0.1	31,404	0.1	—	—
Southwest Airlines	883,222	3.6	656,164	2.7	648,992	2.5
Spirit Airlines	1,116,697	4.6	952,127	3.9	877,491	3.4
United (Air Wisconsin)	—	—	—	—	23,458	0.1
United (Atlantic Coast Airlines)	—	—	—	—	—	—
United (Mesa)	67,597	0.3	67,320	0.3	82,363	0.3
United (SkyWest)	44,048	0.2	50,555	0.2	15,109	0.1
United Airlines	339,795	1.4	335,201	1.4	334,306	1.3
United Parcel Service	204,976	0.8	211,295	0.9	195,519	0.8
US Airways	170,642	0.7	85,631	0.4	148,185	0.6
US Airways (Air Wisconsin)	104,763	0.4	112,471	0.5	940	0.0
US Airways (Chautauqua)	2,085	0.0	—	—	8,687	0.0
US Airways (Mesa)	63,181	0.3	31,143	0.1	75,364	0.3
US Airways (Piedmont)	—	—	33	0.0	2,065	0.0
US Airways (PSA)	17,219	0.1	77,036	0.3	70,534	0.3
US Airways (Republic)	37,006	0.2	15,978	0.1	—	—
US Airways (Trans States)	—	—	12,120	0.1	40,525	0.2
USA 3000	116,664	0.5	119,790	0.5	—	—
Other [(1)]	31,492	0.1	28,808	0.1	—	—
Total	24,356,703	100.0%	24,109,639	100.0%	25,887,255	100.0%

[(1)] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2007

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating Years 2003 – 2007

(Unaudited)

	OY 2004		OY 2003	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Air Canada	33,957	0.1%	29,908	0.1%
Air France	—	—	—	—
Air Tran Airways	—	—	—	—
America West Airlines	257,392	1.0	258,533	1.0
American (AA Eagle)	—	—	—	—
American Airlines	701,026	2.8	805,564	3.3
American Trans Air	10,396	0.0	68,727	0.3
British Airways	150,523	0.6	107,573	0.4
Champion Air	—	—	—	—
Continental (CommutAir)	—	—	—	—
Continental (ExpressJet)	96,519	0.4	81,539	0.3
Continental Airlines	298,145	1.2	373,464	1.5
Delta (Atlantic Southeast)	21,929	0.1	10,951	0.0
Delta (Comair)	189,889	0.8	185,601	0.8
Delta (Shuttle America)	—	—	—	—
Delta (SkyWest)	—	—	—	—
Delta AirLines	415,417	1.6	400,250	1.6
DHL/ABX	—	—	—	—
Federal Express	493,409	1.9	480,983	1.9
Frontier	—	—	—	—
Independence Air	14,570	0.1	—	—
KLM-Royal Dutch Airlines	—	—	115,368	0.5
Lufthansa	155,152	0.6	147,460	0.6
Northwest (Mesaba Aviation)	1,583,408	6.3	1,805,443	7.3
Northwest (Pinnacle)	1,757,142	6.9	1,246,064	5.0
Northwest Airlines	16,476,839	65.1	15,846,925	64.1
Royal Jordanian Airlines	—	—	—	—
Ryan International	—	—	—	—
Southwest Airlines	658,960	2.6	662,963	2.7
Spirit Airlines	937,300	3.7	943,670	3.8
United (Air Wisconsin)	—	—	—	—
United (Atlantic Coast Airlines)	60,511	0.2	75,159	0.3
United (Mesa)	—	—	—	—
United (SkyWest)	—	—	—	—
United Airlines	491,974	1.9	496,162	2.0
United Parcel Service	193,016	0.8	183,217	0.7
US Airways	291,063	1.2	379,241	1.5
US Airways (Air Wisconsin)	—	—	—	—
US Airways (Chautauqua)	—	—	—	—
US Airways (Mesa)	—	—	—	—
US Airways (Piedmont)	—	—	—	—
US Airways (PSA)	—	—	—	—
US Airways (Republic)	—	—	—	—
US Airways (Trans States)	—	—	—	—
USA 3000	—	—	—	—
Other [1]	19,173	0.1	—	—
Total	25,307,710	100.0%	24,704,764	100.0%

[1] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2007

Source: Wayne County Airport Authority records

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating Years 2003 – 2007

(Unaudited)

	Operations by class of carrier				Total operations	
Operating year	**Air carrier**	**Air taxi and commuter**	**General aviation**	**Military**	**Total**	**Percent increase (decrease)**
2003	330,757	140,783	16,222	207	487,969	0.9%
2004	327,682	171,268	15,526	184	514,660	5.5
2005	325,415	191,394	13,599	229	530,637	3.1
2006	287,793	185,109	12,280	91	485,273	(8.5)
2007	280,062	181,025	11,335	100	472,522	(2.6)

Source: Wayne County Airport Authority records

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating Years 2003 – 2007

(Unaudited)

	Historical				
	2007	**2006**	**2005**	**2004**	**2003**
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	7,711,115	6,989,659	7,543,124	7,080,843	6,585,253
Connecting (a)	8,763,362	9,227,647	9,104,222	8,740,369	8,294,849
Subtotal – scheduled	16,474,477	16,217,306	16,647,346	15,821,212	14,880,102
Percentage connecting	53.2%	56.9%	54.7%	55.2%	55.7%
Charter	106,845	104,506	111,075	93,670	37,039
Subtotal – domestic	16,581,322	16,321,812	16,758,421	15,914,882	14,917,141
International:					
Scheduled:					
U.S. airlines	1,232,527	1,186,799	1,235,858	1,125,314	1,077,143
Foreign flag	221,070	204,101	177,706	158,230	202,800
Subtotal – scheduled	1,453,597	1,390,900	1,413,564	1,283,544	1,279,943
Charter	73,171	87,220	114,297	118,354	81,149
Subtotal – international	1,526,768	1,478,120	1,527,861	1,401,898	1,361,092
Total enplaned passengers	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233
Enplaned cargo (tons):					
Freight	94,226	86,515	89,223	88,994	84,354
Mail	2,253	3,186	3,866	3,949	14,909
Total cargo	96,479	89,701	93,089	92,943	99,263
Aircraft departures (b):					
Domestic	208,962	215,856	232,764	232,938	217,589
International	15,495	15,480	14,467	15,055	13,307
Total aircraft departures	224,457	231,336	247,231	247,993	230,896
Aircraft operations:					
Air carrier	280,062	287,793	325,415	327,682	330,757
Air taxi and commuter	181,025	185,109	191,394	171,268	140,783
General aviation	11,335	12,280	13,599	15,526	16,222
Military	100	91	229	184	207
Total aircraft operations	472,522	485,273	530,637	514,660	487,969
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	19,070,127	18,436,064	20,050,338	20,540,672	20,166,122
Commuter/regional	3,832,199	4,413,869	4,786,070	3,740,981	3,473,483
Subtotal – U.S. carriers	22,902,326	22,849,933	24,836,408	24,281,653	23,639,606
Foreign flag	624,960	459,585	375,861	339,632	400,959
Subtotal – passenger	23,527,287	23,309,518	25,212,269	24,621,284	24,040,564
All cargo	829,417	800,122	674,986	686,425	664,200
Total landed weight	24,356,703	24,109,639	25,887,255	25,307,710	24,704,764

(a) 2007 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2007 departures are estimated based on both actual and scheduled data.

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

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar Years 2003 – 2007

(Unaudited)

Year	Cities added	Cities dropped	Net change
2003	Osaka, Japan Halifax, Canada Shanghai (Pu Dong), China		3
2004	Rome, Italy Kitchener/Waterloo, Canada Winnipeg Manitoba, Canada	Punta Cana, Dominican Republic Shannon, Ireland	1
2005	Bermuda, Bermuda Punta Cana, Dominican Republic Charlottetown, Canada	Ixtapa/Zihuatanejo, Mexico	2
2006	Ixtapa/Zihuatanejo, Mexico Los Cabos, Mexico Mazatlan, Mexico	Bermuda, Bermuda Calgary Alberta, Canada Rome, Italy	—
2007	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Dusseldorf, Germany		4

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

2007 estimate based on six months of data

Source: BACK Aviation Database

See accompanying independent auditors' report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

	OY 2007	OY 2006	OY 2005	OY 2004	OY 2003
Operating revenues:					
Airport landing and related fees	$ 58,741	$ 60,162	$ 73,191	$ 88,446	$ 82,294
Concession fees	50,242	47,351	44,496	42,570	41,654
Parking fees	58,859	53,026	46,003	38,842	32,806
Rental facilities	50,722	45,519	43,312	37,208	37,959
Utility service fees	4,078	3,622	3,721	3,365	2,872
Other	6,371	8,220	6,955	4,797	9,383
Total operating revenues	229,013	217,900	217,679	215,228	206,968
Operating expenses:					
Salaries, wages, and fringe benefits	69,877	66,383	64,515	60,239	60,729
Parking management	10,325	9,754	10,647	9,726	15,758
Janitorial services	2,418	2,031	1,995	3,419	5,467
Security	3,433	3,501	3,463	3,324	3,771
Utilities	25,143	21,809	20,965	19,331	18,829
Repairs, professional services, and other	73,020	76,211	80,086	87,233	68,157
Depreciation	111,942	107,110	98,551	95,070	93,586
Total operating expenses	296,158	286,799	280,221	278,343	266,296
Operating loss	(67,145)	(68,899)	(62,543)	(63,115)	(59,328)
Nonoperating revenues (expenses):					
Passenger facility charges	70,754	67,831	70,695	67,902	63,370
Federal and state grants	5,867	12,055	15,643	10,046	8,478
Interest income and other	44,897	42,666	18,856	7,001	6,197
Interest expense	(99,406)	(100,238)	(85,923)	(77,030)	(82,004)
Amortization of bond issuance costs	(1,936)	(1,963)	(1,773)	(1,526)	(1,251)
Total nonoperating revenue (expense)	20,176	20,352	17,498	6,393	(5,209)
Net loss before capital contributions and transfers	(46,969)	(48,547)	(45,045)	(56,723)	(64,537)
Capital contributions	58,787	32,027	33,618	57,961	23,249
Transfers out	(1,419)	(627)	(350)	(1,993)	—
Changes in net assets	10,399	(17,146)	(11,777)	(755)	(41,288)
Net assets – beginning of year	626,043	643,189[1]	713,650	714,404	755,692
Net assets – end of year	$ 636,442	$ 626,043	$ 701,872	$ 713,650	$ 714,404

[1] In 2006, Detroit Metro Airport restated beginning net assets to $643,189 (see Note 2 of 2006 financial statements for additional discussion). This amount less the 2006 decrease in net assets is used to arrive at ending net assets.

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

See accompanying independent auditors' report.

Information regarding Top 20 Domestic Origin & Destination (O&D) Markets and Top 25 International O&D Markets can be found in "Appendix B - Report of the Airport Consultant Table 3.7 and Table 3.8," respectively in the Official Statement, which is incorporated herein by reference.

COMPLIANCE SECTION

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Independent Auditor's Report

To the Wayne County Authority Board
Wayne County Airport Authority

We have audited the financial statements of each major fund of Wayne County Airport Authority (the Authority) as of and for the year ended September 30, 2007, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 23, 2008. Those basic financial statements are the responsibility of the management of the Authority. Our responsibility was to express opinions on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of passenger facility charge revenues and expenditures are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information in these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

January 23, 2008

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

To the Wayne County Authority Board
Wayne County Airport Authority

We have audited the financial statements of each major fund of Wayne County Airport Authority (the Authority) as of and for the year ended September 30, 2007, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 23, 2008. 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Wayne County Authority Board
Wayne County Airport Authority

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of directors, management, and officials of the State of Michigan, the U.S. Department of Transportation, the Federal Aviation Administration, and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 23, 2008

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Report on Compliance and on Internal Control over Compliance Applicable to the Major Federal Awards Program and Passenger Facility Charge Program

To the Wayne County Authority Board
Wayne County Airport Authority

Compliance

We have audited the compliance of the Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for the year ended September 30, 2007. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge revenue and expenditures schedule. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program and its passenger facility charge program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and the Guide. Those standards, OMB Circular A-133, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program and its passenger facility charge program for the year ended September 30, 2007.

To the Wayne County Authority Board
Wayne County Airport Authority

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, grants applicable to federal programs and the passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance with OMB Circular A-133 and the Guide. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, and officials of the State of Michigan, the U.S. Department of Transportation, the Federal Aviation Administration, and other federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 23, 2008

Wayne County Airport Authority

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2007

Federal Agency/Pass-through Agency/Program Title	Federal CFDA Number	Contract/Grant Number		Award Amount	Federal Expenditures
Metro Airport					
U.S. Department of Transportation - Federal Aviation Administration - Direct Program - Airport Improvement Program (major program)					
PART 150 STUDY	20.106	3-26-0026-6704		$ 813,844	$ 209,992
GUIDANCE & CONTROL SYSTEM	20.106	3-26-0026-6904	*	1,003,550	2,769
AIRPORT MASTER PLAN	20.106	3-26-0026-7004		1,312,500	462,560
ISLAND AT TAXIWAY Y-10	20.106	3-26-0026-7305		1,361,798	1,781
DEICING FACILITY	20.106	3-26-0026-7505		2,950,000	1,366,824
NOISE MITIGATION	20.106	3-26-0026-7606		9,750,000	-
RUNWAY 3R/21L, TAXIWAY W	20.106	3-26-0026-7806		11,868,906	8,535,118
SOUND INSULATION	20.106	3-26-0026-7906	*	120,968	-
RUNWAY 3R/21L, TAXIWAYS F & V	20.106	3-26-0026-8107		22,107,995	18,320,602
NORTH TERMINAL VALE INFRASTRUCTURE	20.106	3-26-0026-8207		5,099,971	2,327,295
NOISE MITIGATION	20.106	3-26-0026-8307		5,168,808	4,348,295
SAFETY MANAGEMENT SYSTEM STUDY	20.106	3-26-0026-8407		200,000	-
2007 LETTER OF INTENT	20.106	Letter of intent AGL-90-01 3-26-0026-8007		19,744,902	19,744,901
Subtotal Airport Improvement Program				81,503,242	55,320,137
U.S. Department of Homeland Security:					
Transportation Security Administration:					
National Explosives Canine Detection Program	97.072	DTSA 20-03-H-01014		340,500	340,500
100% Luggage Screening Program	97.xxx	HSTS 04-04-A-DEP091		16,500,000	1,848,929
Federal Emergency Management Agency - Assistance to Firefighters Program	97.004	EMW-2006-FP-02105		12,350	12,350
Passed through Michigan State Police - Homeland Security Urban Area Security Initiative	97.067	N/A		43,200	43,200
Passed through County of Oakland, Michigan - 2006 Homeland Security Grant Program	97.067	S07-267A		450,000	450,000
Total U.S. Department of Homeland Security				17,346,050	2,694,979
Total Metro Airport				98,849,292	58,015,116
Willow Run Airport					
U.S. Department of Transportation - Federal Aviation Administration - Direct Program - Airport Improvement Program (major program)					
DESIGN RUNWAY SAFETY IMPROVEMENTS 1	20.106	3-26-0024-2203		600,930	7,326
RUNWAY SAFETY IMPROVEMENTS 1	20.106	3-26-0024-2304		4,942,722	180,442
RUNWAY SAFETY IMPROVEMENTS 2	20.106	3-26-0024-2405		5,968,370	832,516
NOISE STUDY 1	20.106	3-26-0024-2506		500,000	92,891
RUNWAY SAFETY IMPROVEMENTS 4	20.106	3-26-0024-2606		7,501,639	6,042,236
NOISE STUDY 2	20.106	3-26-0024-2707		163,463	-
FIRE & RESCUE VEHICLE	20.106	3-26-0024-2807		666,286	-
PERIMETER FENCING	20.106	3-26-0024-2907		499,287	45,176
LAND ACQUISITION & RUNWAY SAFETY IMPROVEMENTS 3	20.106	3-26-0024-3007		3,675,541	357,970
Total Willow Run Airport				24,518,238	7,558,557
Total expenditures of federal awards				**$ 123,367,530**	**$ 65,573,673**

* Grant officially closed

Note to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2007

Note - Significant Accounting Policies

A. Basis of Presentation

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

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

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

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

B. Basis of Accounting

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Signficiant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? ____ Yes __X__ No
- Signficiant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

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

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: $1,967,210

Auditee qualified as low-risk auditee? __ Yes __X__ No

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2007

Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

Section III - Federal Program Audit Findings

Reference Number	Findings
	None

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2007

Finding	CFDA Number	Comments
For the fiscal year ended September 30, 2006, the Authority was not consistently following its policies and procedures established to promote and monitor compliance with the Davis-Bacon Act.	20.106	The Authority corrected the situation in the current year and appears to be consistently following its written policies and procedures.

WAYNE COUNTY AIRPORT AUTHORITY
Schedule of Passenger Facility Charge Revenues and Expenditures
Year Ended September 30, 2007

	Amended Amount Approved	Cumulative Total October 1, 2006	Quarter Ended December 31, 2006	Quarter Ended March 31, 2007	Quarter Ended June 30, 2007	Quarter Ended September 30, 2007	Total FY 2007	Cumulative Total September 30, 2007
Passenger Facility Charges Collected	$ 2,907,312,516	$ 670,624,545	$ 13,603,122	$ 20,977,881	$ 18,202,729	$ 18,218,097	$ 71,001,828	$ 741,626,373
Interest Earned	N/A	60,404,236	1,306,085	1,406,752	2,182,263	1,602,623	6,497,723	66,901,959
Total Revenues	2,907,312,516	731,028,781	14,909,207	22,384,633	20,384,992	19,820,720	77,499,551	808,528,332
Passenger Facility Charges Expended for Approved Projects:								
APPLICATION NO. 1								
South Airport Access Road Construction	38,620,000	28,167,196	(29,426)	-	-	-	(29,426)	28,137,770
Storm Water Retention & Drainage Facilities Construction	4,980,000	4,169,572	-	-	-	-	-	4,169,572
Noise Berm Construction	225,000	224,927	-	-	-	-	-	224,927
Noise Mitigation Program	104,084,000	14,668,227	396,170	555,184	552,763	553,375	2,057,492	16,725,719
Willow Run Airport Layout Plan Update	5,000	5,000	-	-	-	-	-	5,000
APPLICATION NO. 2								
Land Acquisition and Preliminary Design for Fourth Parallel Runway	6,391,000	2,098,631	-	-	-	-	-	2,098,631
Perimeter Property Fencing and Removal of Airport Hazard - Willow Run	52,000	16,665	-	-	-	-	-	16,665
APPLICATION NO. 3								
Midfield Domestic and International Terminal Facilities Construction	1,370,450,360	444,055,888	9,544,640	9,640,502	10,187,179	9,792,828	39,165,149	483,221,037
Reconstruction of Existing Terminals and Concourses	673,408,000	17,159,538	514,994	520,161	549,663	528,385	2,113,203	19,272,741
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim Improvement)	22,967,000	21,693,389	-	-	-	-	-	21,693,389
International Passenger Processing Facilities Expansion (Interim Improvement)	32,000,000	31,796,836	-	-	-	-	-	31,796,836
APPLICATION NO. 4								
Runway 21C/3C Keel Section Replacement	16,991,000	3,200,531	163,166	164,803	174,150	167,409	669,528	3,870,059
Runway 4R/22L Design and Construction	169,274,000	27,223,095	1,360,686	1,374,337	1,452,287	1,396,066	5,583,376	32,806,471
Rebuild Outfall Structures at Ponds 3 and 4	2,413,000	455,595	23,226	23,460	24,790	23,830	95,306	550,901
21C Remote Primary Deicing	23,958,000	5,985,661	212,522	214,654	226,829	218,049	872,054	6,857,715
Grade/Pave Taxiway "K" Islands	704,000	132,881	6,774	6,842	7,230	6,951	27,797	160,678
APPLICATION NO. 5								
North Terminal Apron	59,574,000	-	-	-	-	-	-	-
McNamara Terminal Phase II Program	277,941,000	4,462,998	2,003,923	2,323,098	2,379,891	2,354,736	9,061,648	13,524,646
Third Aircraft Rescue and Firefighting Facility	1,315,000	-	3,946	6,679	6,469	6,600	23,694	23,694
West Airfield Improvements	31,906,000	2,412,669	265,523	269,236	291,740	281,970	1,108,469	3,521,138
Interconnect Re-route	1,441,000	114,890	12,644	12,821	13,892	13,427	52,784	167,674
Taxiway Q Construction	4,153,000	318,154	35,014	35,504	38,471	37,183	146,172	464,326
Runway 4R/22L Shoulders/Overburden (fka 3L/21R)	2,090,000	167,913	18,480	18,738	20,304	19,624	77,146	245,059
Deicing Pad at Runway 22L	18,123,000	1,360,993	149,782	151,877	164,571	159,060	625,290	1,986,283
Deicing Pads at Runway 4R and 3L	39,941,000	5,666,347	325,259	328,523	347,156	333,717	1,334,655	7,001,002
Perimeter Fencing and Other Security Enhancements	710,000	-	-	-	-	-	-	-
Surface Movement Guidance Control System	1,310,000	-	-	-	-	-	-	-
Runway 3L/21R Planning	700,000	-	-	-	-	-	-	-
Runway 3R/21L Design and Pavement Evaluation	1,200,000	824,359	-	1,990	-	(826,349)	(824,359)	-
Part 150 Study Update	386,156	-	-	-	-	-	-	-
Total Amount Approved	$ 2,907,312,516							
Total Expenditures		$ 616,381,955	15,007,323	15,648,409	16,437,385	15,066,861	62,159,978	678,541,933
Unexpended Passenger Facility Charges		$ 114,646,826						$ 129,986,399

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

(1) General

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

Since 1992, the Federal Aviation Administration (FAA) has approved five PFC applications and amendments submitted by Wayne County Airport Authority (the Authority). The Authority is currently authorized to collect PFCs in the amount of $4.50 per enplaned passenger up to a total for approved collections of $2.9 billion. Project expenditures may include amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2007, the Authority had received approximately $808.5 million of PFC revenue, which includes interest earnings of approximately $66.9 million. The Authority had expended approximately $678.5 million on approved projects.

(2) Basis of Accounting

The accompanying schedule of passenger facility charge revenues and expenditures has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP).

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total $71 million, $62.2 million, and $6.5 million, respectively, for the year ended September 30, 2007. The Authority also maintained a receivable of approximately $6.1 million for PFCs collected by the airlines but not remitted to the Authority as of September 30, 2007.

(3) Interest Earned

Interest income is allocated to the PFC program (the Program) based on a ratio of the Program’s cash and investments to the total Authority cash and investments included in the pooled cash funds, with the exception of funds for the Midfield Project, Interim Improvement Project, and the Existing Terminal Projects. These project funds are held in separate interest-bearing accounts and are credited directly to the Program.

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WAYNE COUNTY AIRPORT AUTHORITY